

---

# The Short-Term Oil Market Outlook

---

Saudi Arabia – United States Energy Consultations  
February 2, 2011  
Washington, D.C.

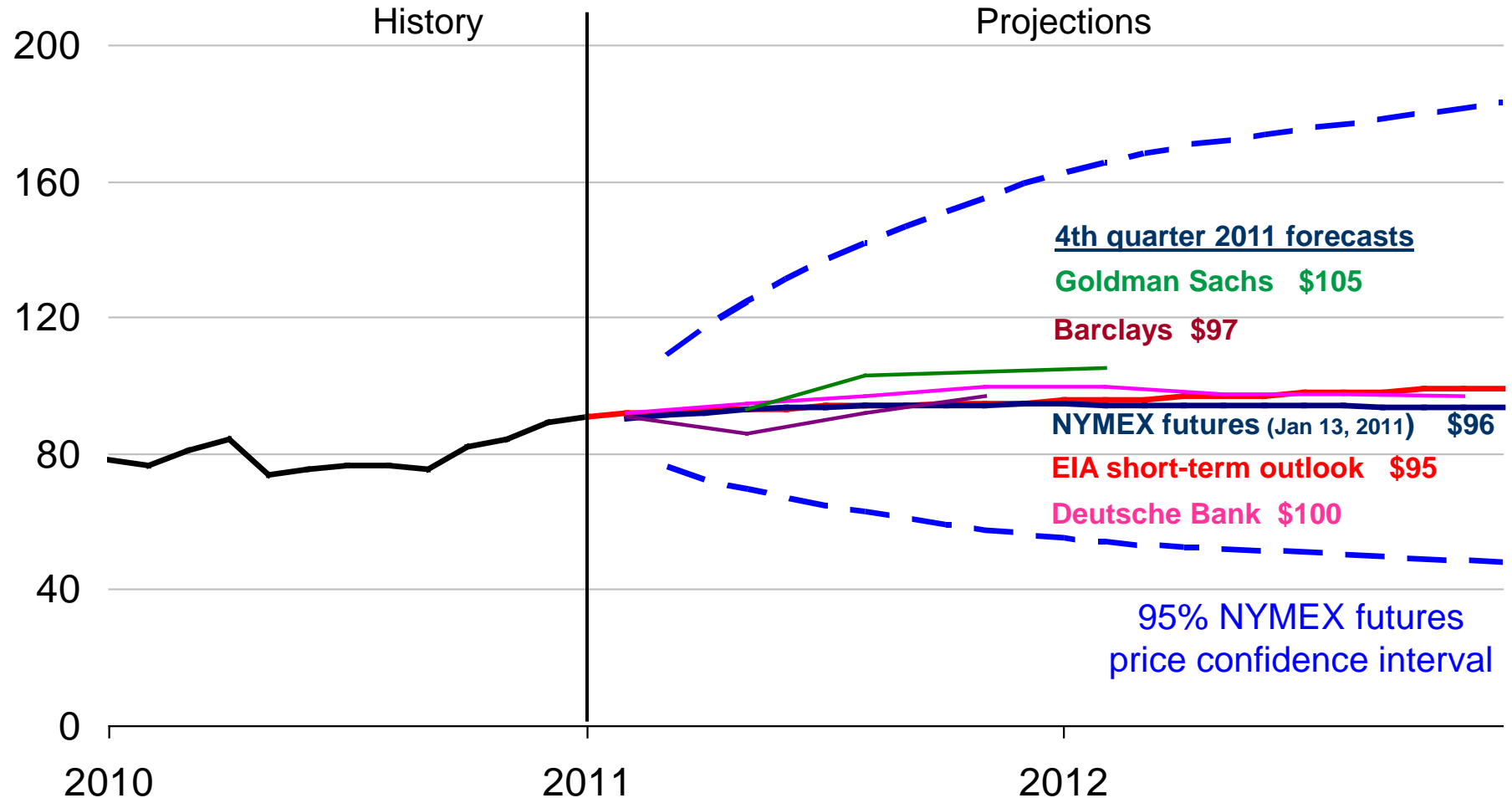
Richard G. Newell, Administrator



U.S. Energy Information Administration  
Independent Statistics and Analysis

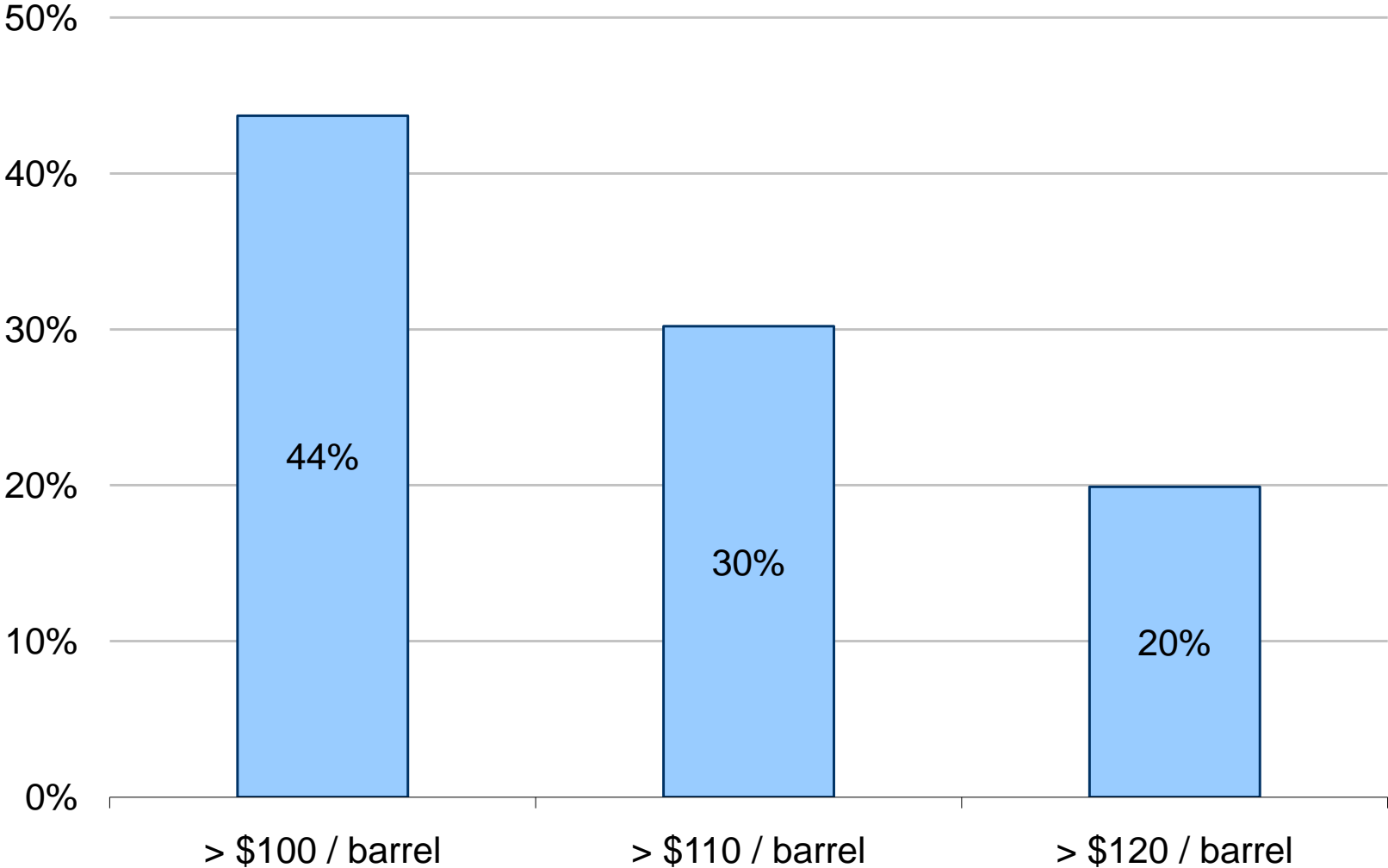
# EIA expects monthly average crude oil prices to rise through 2012, but options market valuations indicate a high degree of uncertainty

price of WTI crude oil  
dollars per barrel

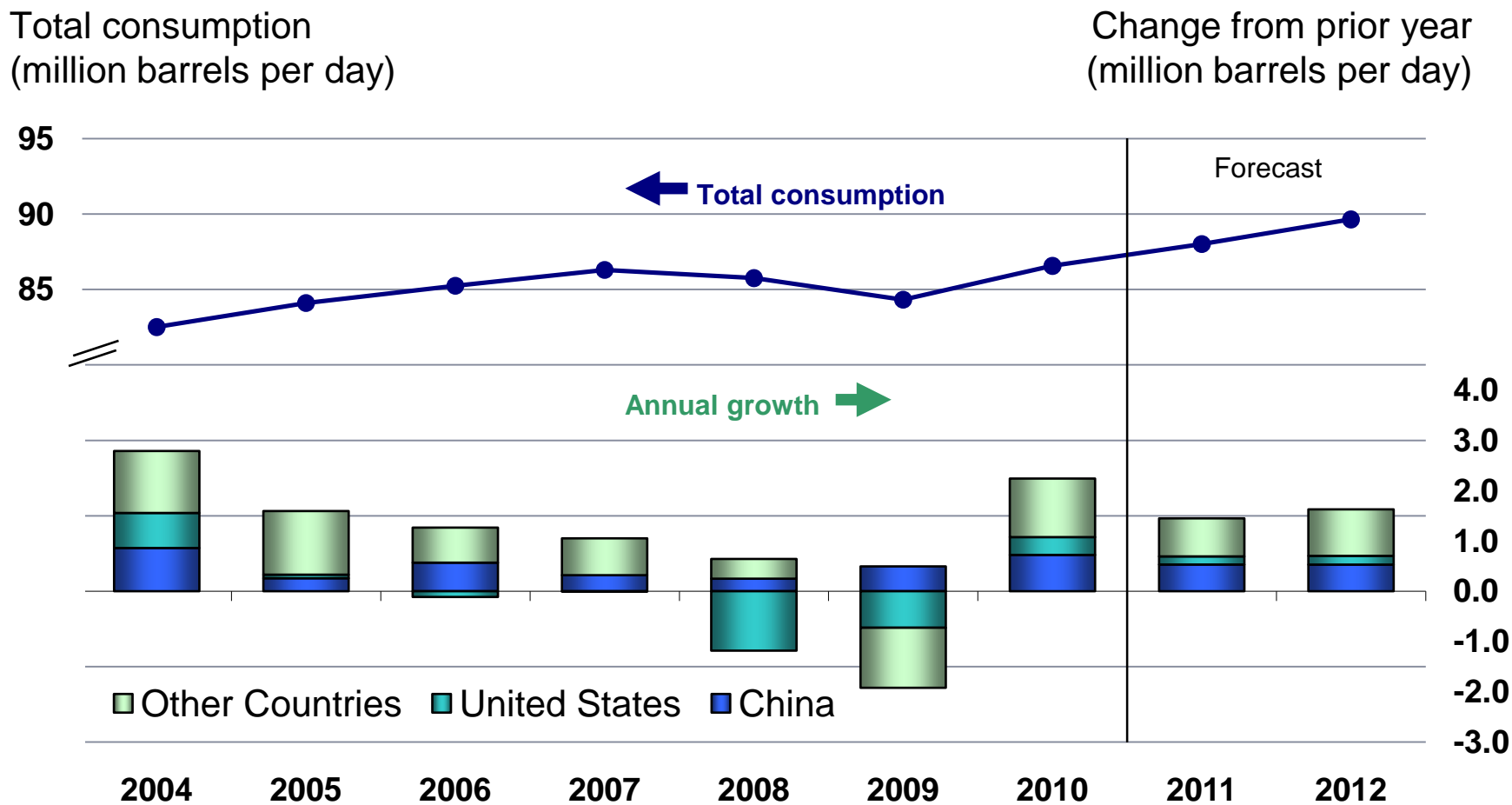


# Markets tell us there is roughly a 20% chance the price of oil could be higher than \$120 per barrel by December 2011

Probability of exceedence

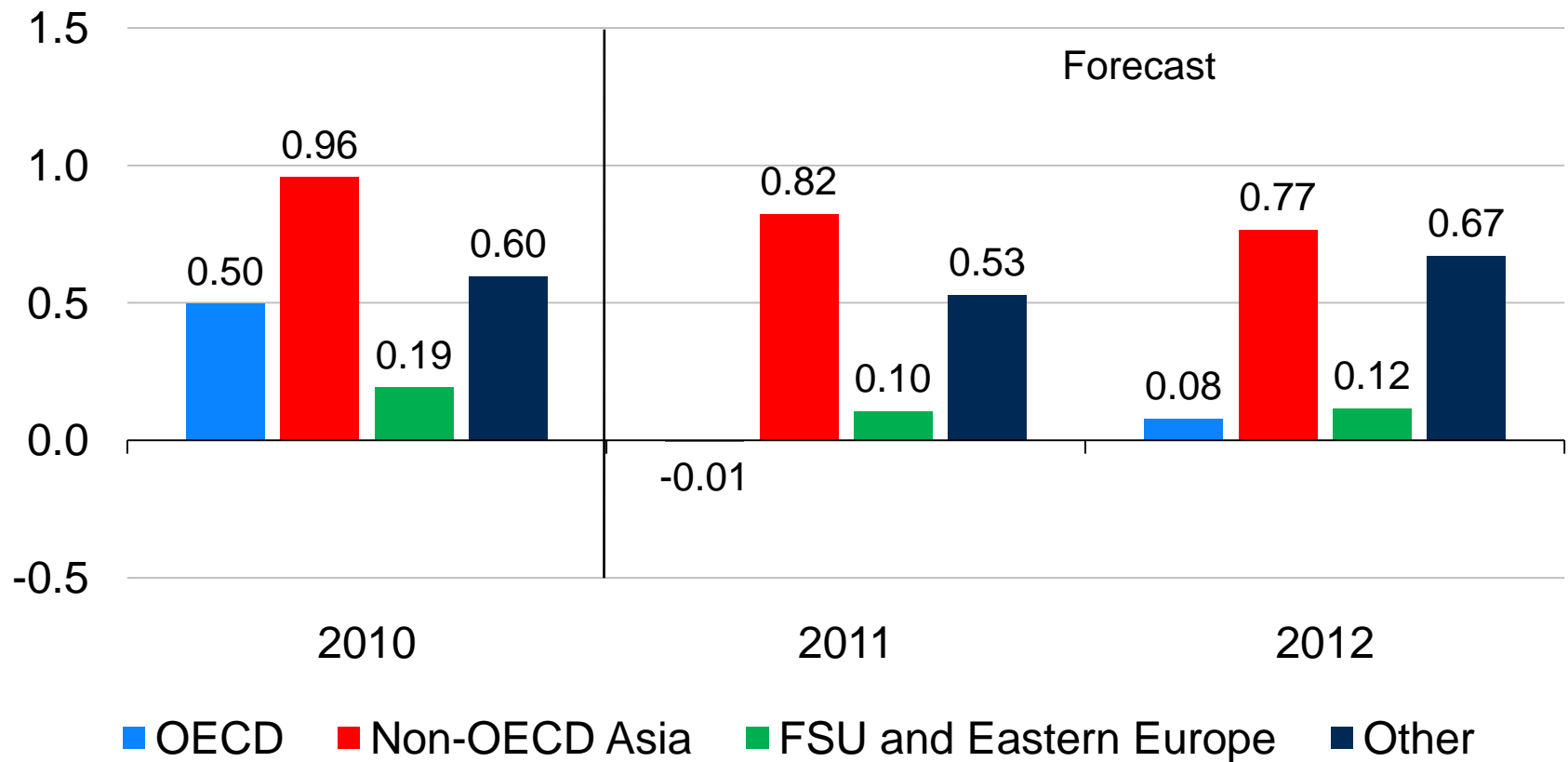


# EIA expects world consumption growth to resume the trend seen from 2000 through 2007

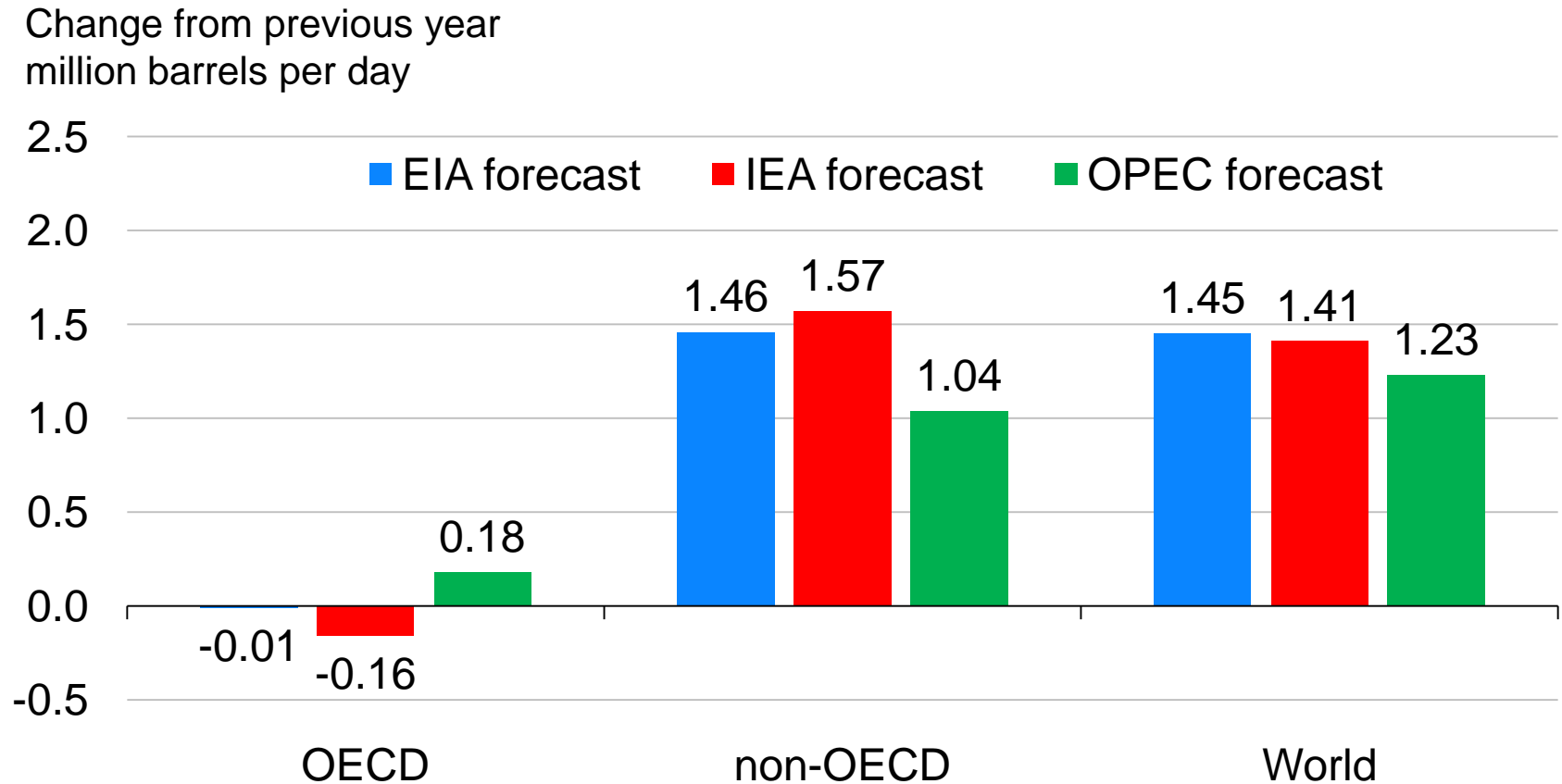


# EIA's forecast of world consumption growth is led by non-OECD Asia

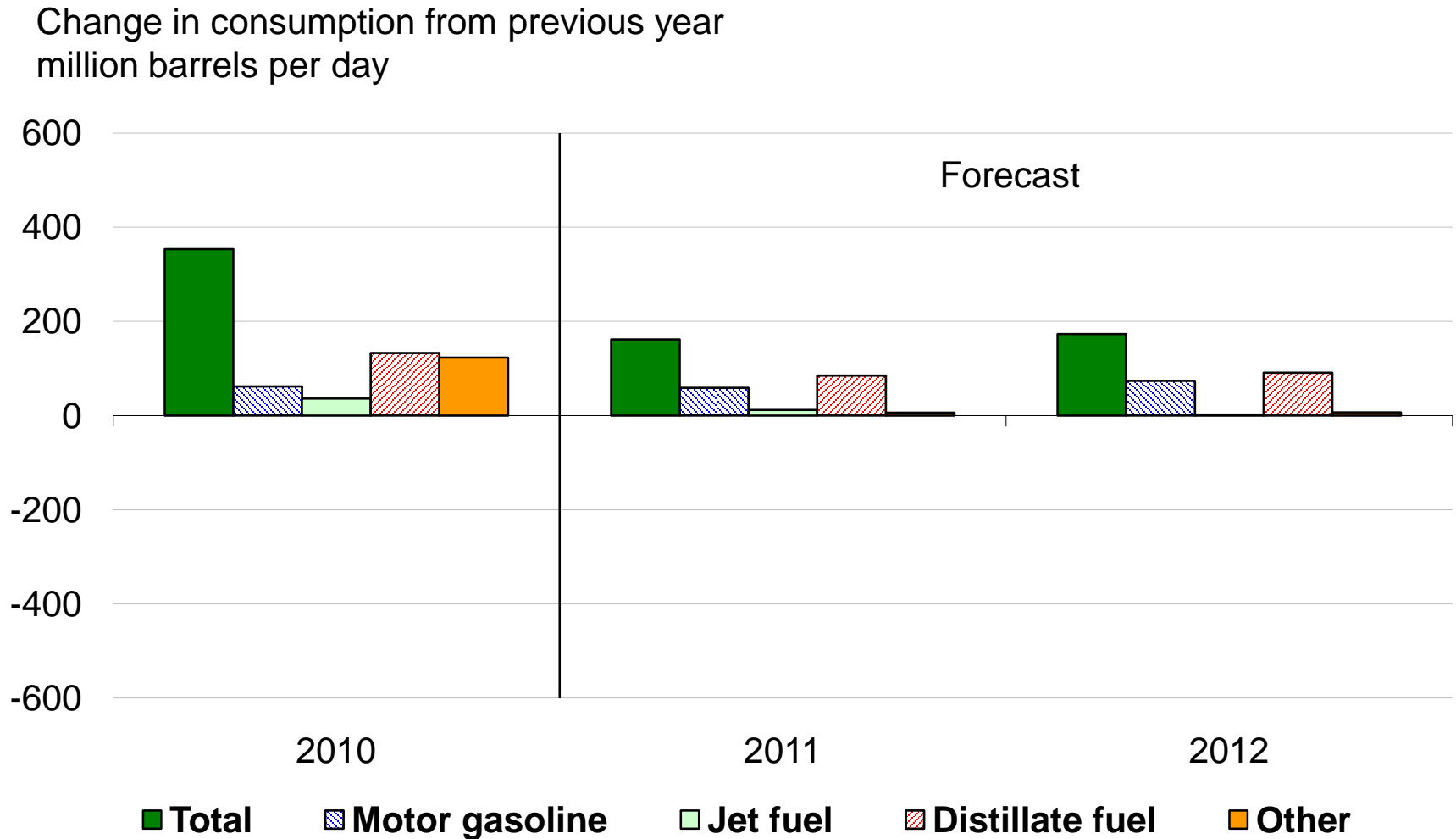
Change from previous year  
million barrels per day



# Forecasts of 2011 growth in world consumption vary, but agree growth will be led by non-OECD countries

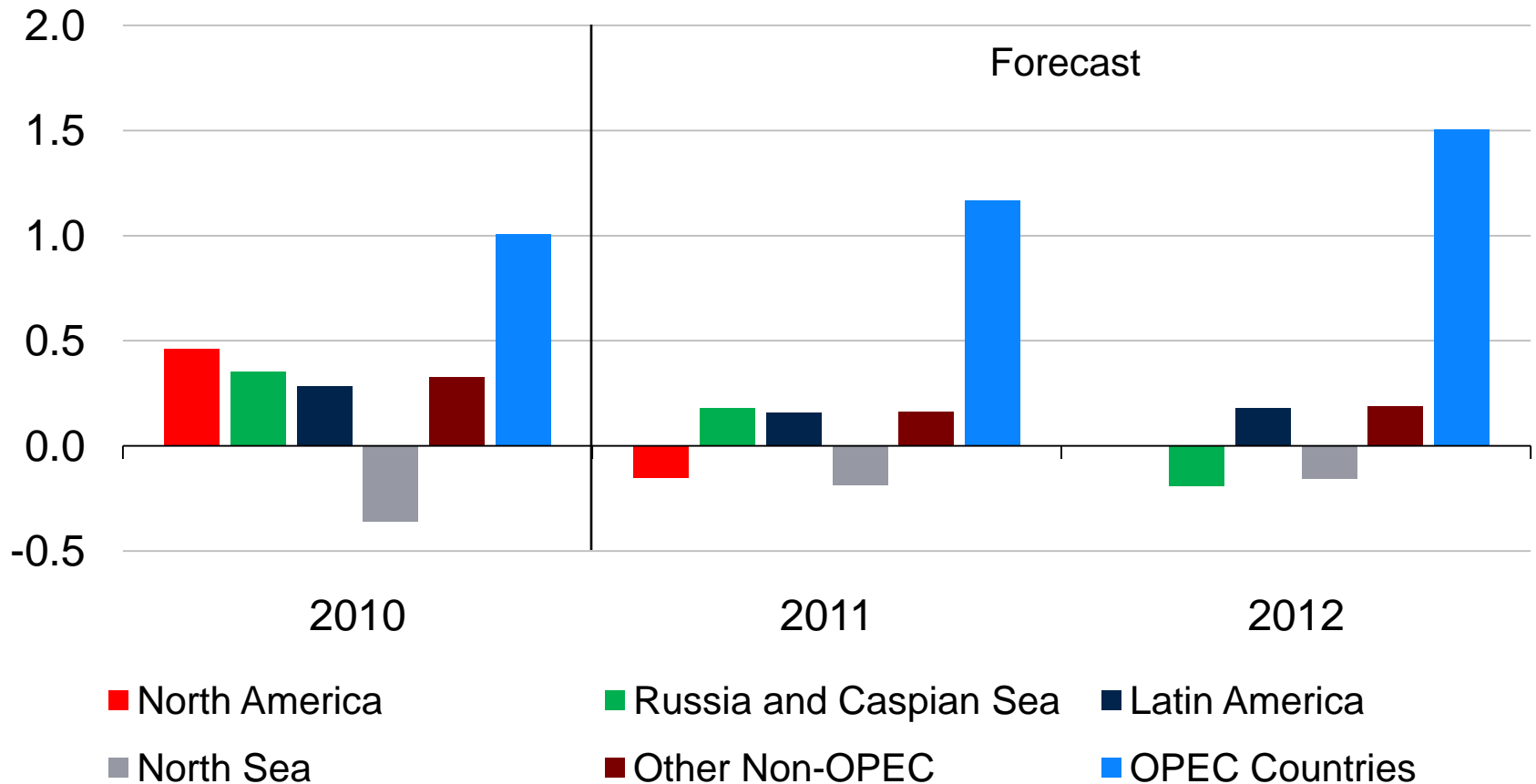


# EIA expects that gasoline and distillate fuel will account for nearly all growth in U.S. demand for liquids over the next two years



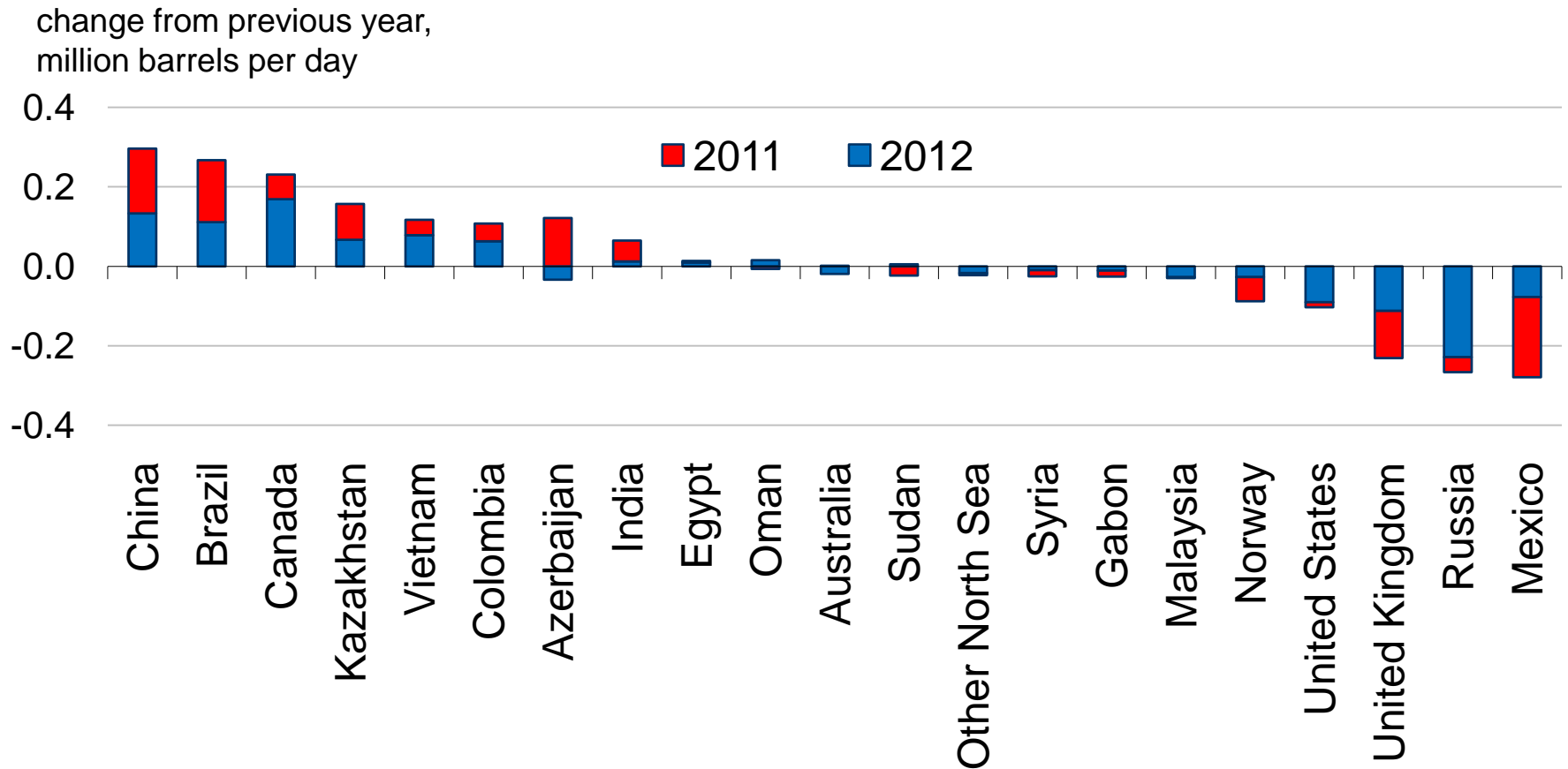
# EIA's forecast of world supply growth is led by OPEC countries

Change from previous year  
million barrels per day



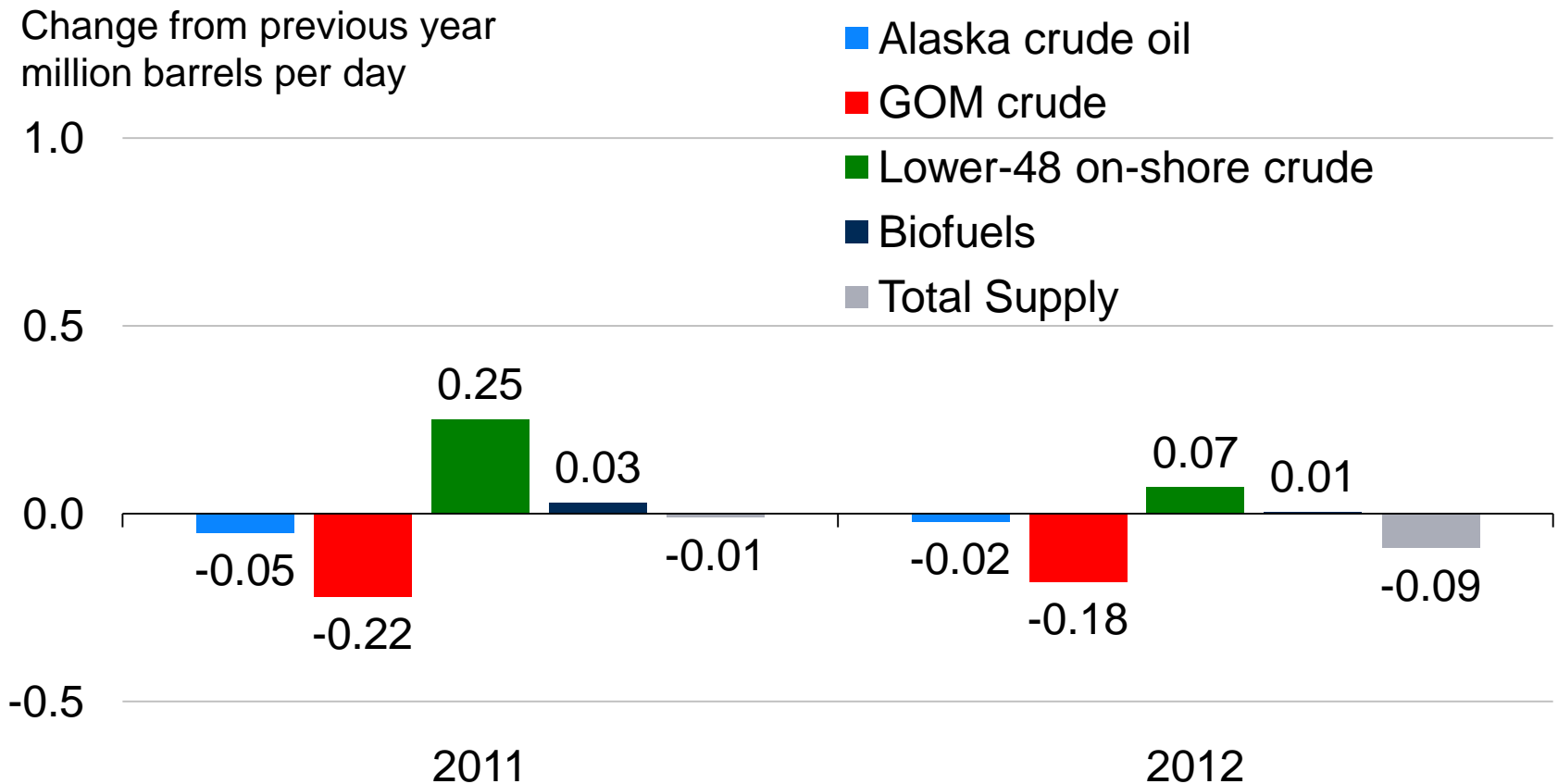


# Projected non-OPEC supply growth over the next two years is limited to a few countries



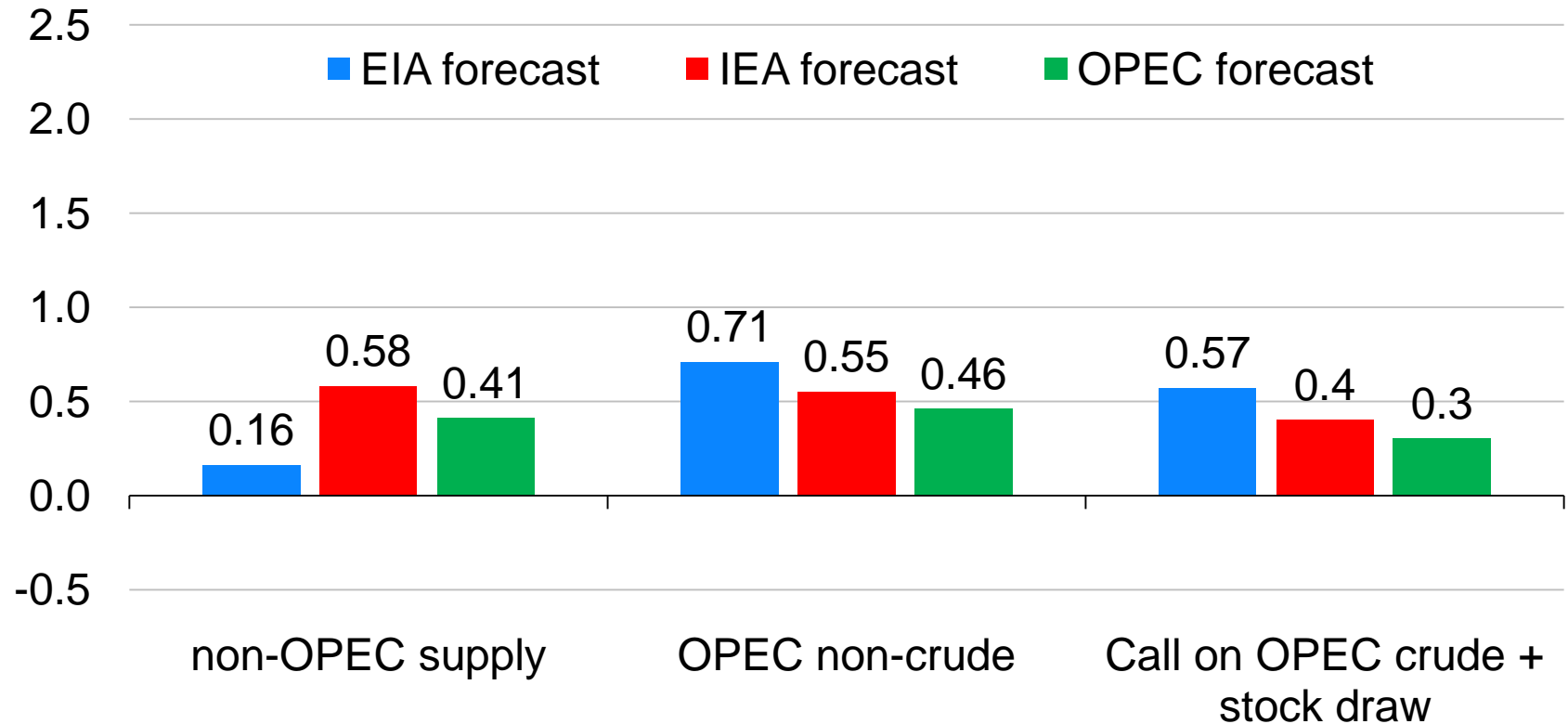
- EIA expects growth in total non-OPEC supply to average less than 100,000 bbl/d each year in 2011 and 2012.

# EIA expects the decline in Gulf of Mexico crude oil production will pull down U.S. supply



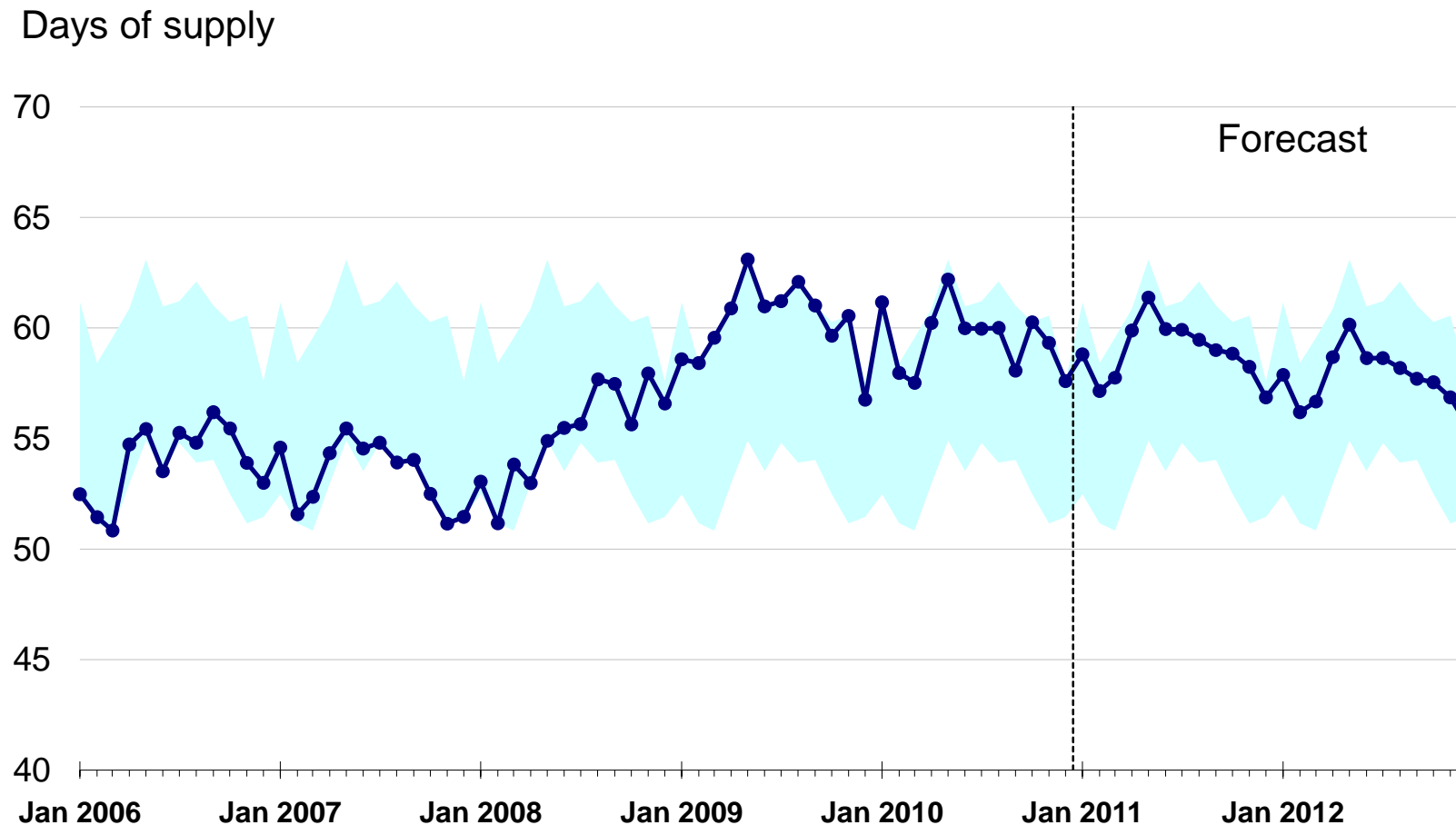
# EIA's world balance forecast indicates a larger increase in the call on OPEC crude and stock draw in 2011

Change from previous year  
million barrels per day

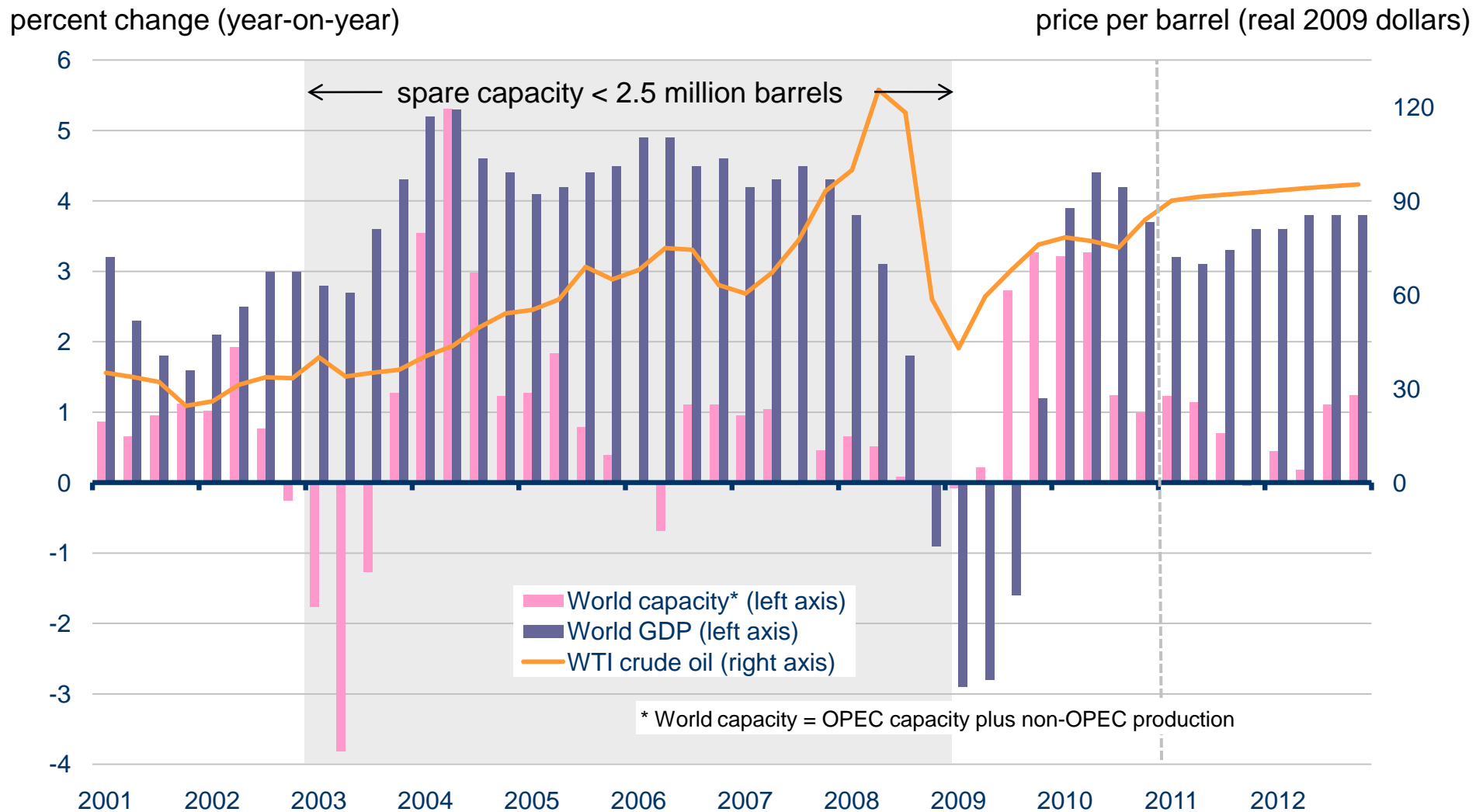


Sources: EIA – Short-Term Energy Outlook, January 11, 2011;  
IEA – Oil Market Report, January 18, 2011; and  
OPEC – Monthly Oil Market Report, January 17, 2011

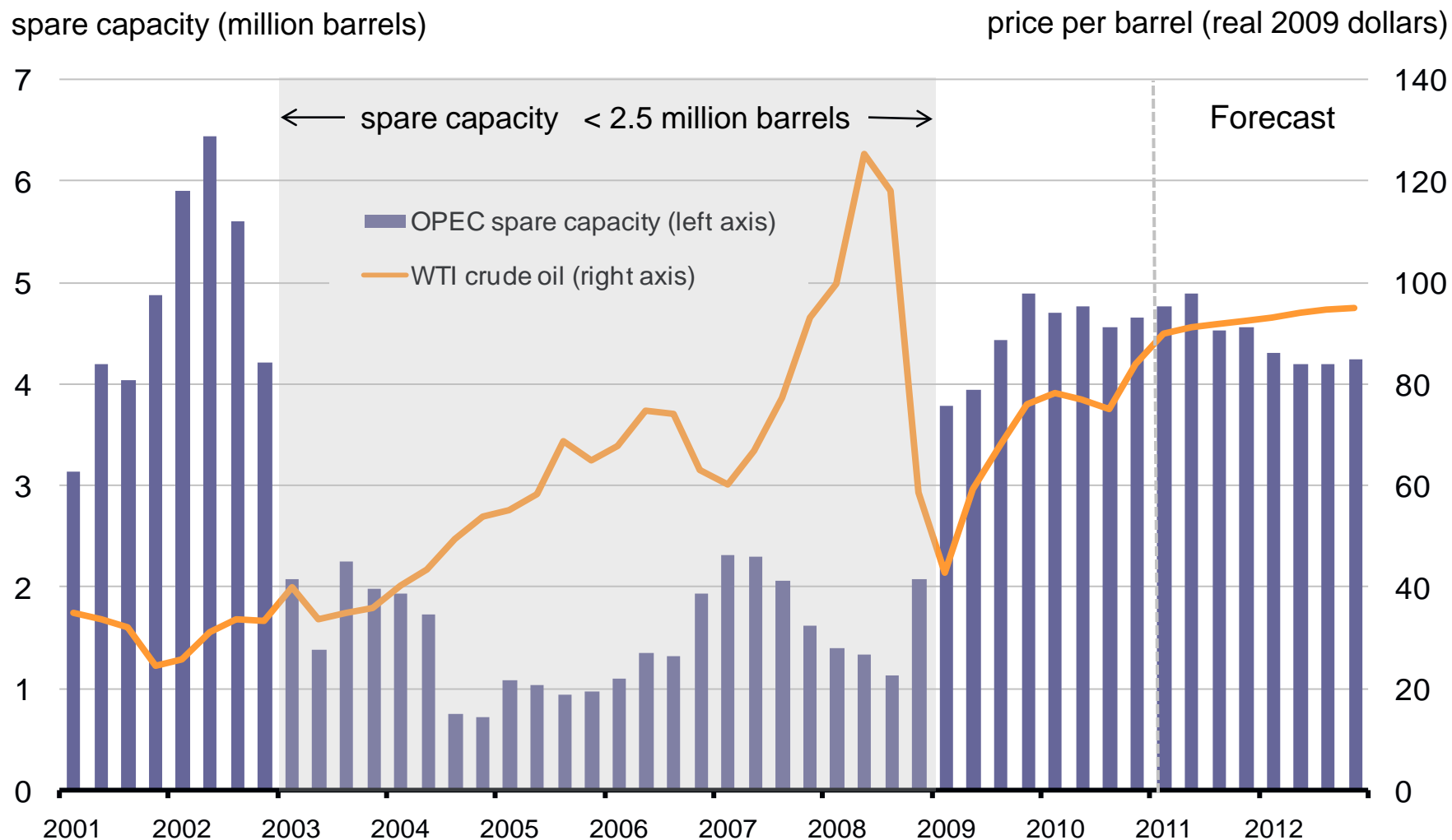
# EIA expects OECD stocks days-of supply to fall to “normal” levels



# The supply-demand growth forecast looks similar to 2005-2008, with a principal difference being the current availability of spare capacity



# During 2003-2008, OPEC's spare production levels were low, limiting its ability to respond to demand and price increases



# For more information

---

U.S. Energy Information Administration home page [www.eia.gov](http://www.eia.gov)

Short-Term Energy Outlook [www.eia.gov/emeu/steo/pub/contents.html](http://www.eia.gov/emeu/steo/pub/contents.html)

Annual Energy Outlook [www.eia.gov/oiaf/aeo/index.html](http://www.eia.gov/oiaf/aeo/index.html)

International Energy Outlook [www.eia.gov/oiaf/ieo/index.html](http://www.eia.gov/oiaf/ieo/index.html)

Monthly Energy Review [www.eia.gov/emeu/mer/contents.html](http://www.eia.gov/emeu/mer/contents.html)

EIA Information Center (202) 586-8800  
Live expert from 9:00 AM – 5:00 p.m. EST  
Monday – Friday (excluding Federal holidays)  
email: [InfoCtr@eia.gov](mailto:InfoCtr@eia.gov)

