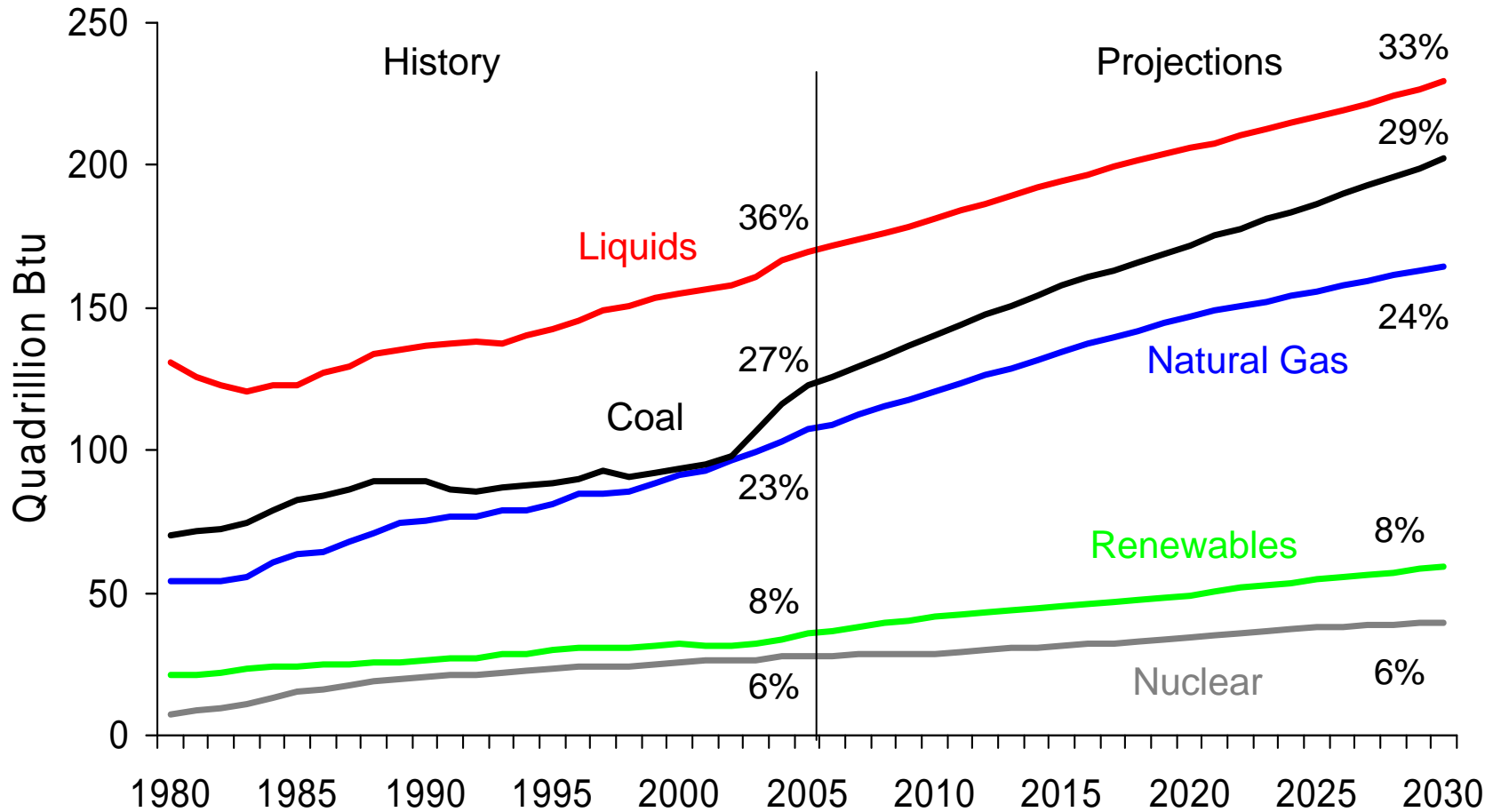


Meeting the World's Demand for Liquid Fuels A Roundtable Discussion

**A New Climate For Energy
EIA 2009 Energy Conference**

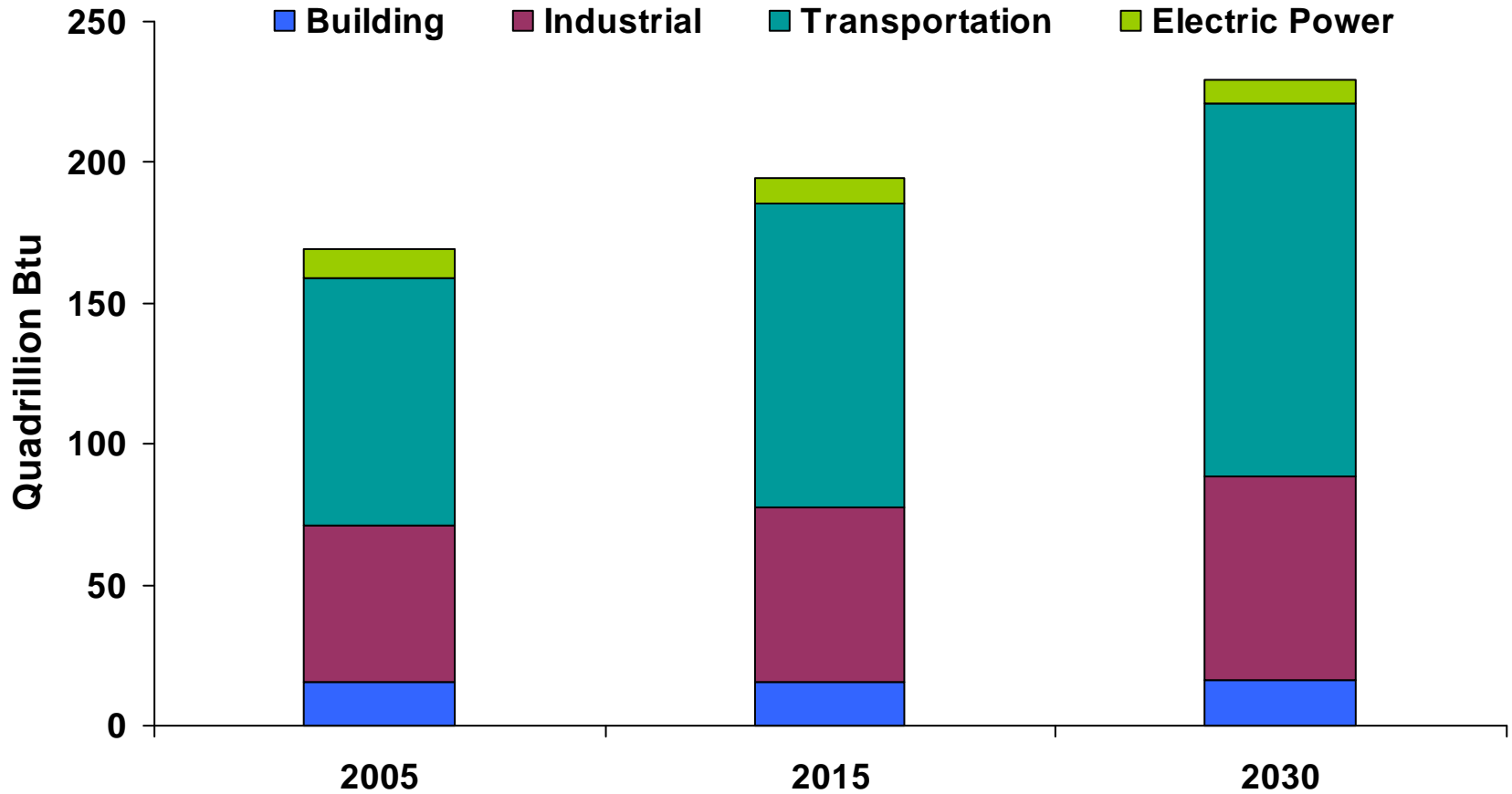
**April 7, 2009
Washington, DC**

World Marketed Energy Use by Fuel Type



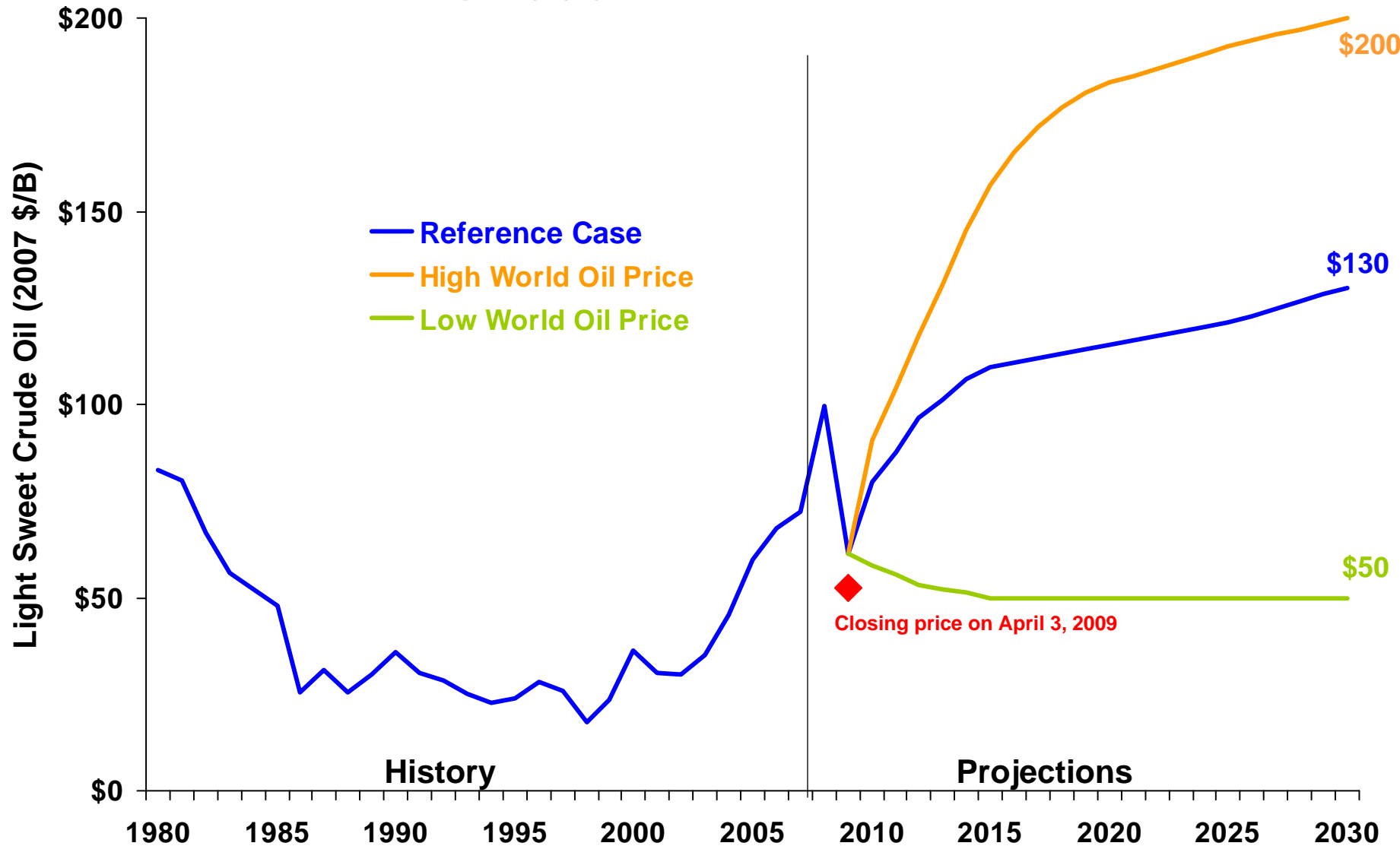
Source: EIA, IEO2008

World Liquids Consumption by End-Use Sector, 2005, 2015, and 2030

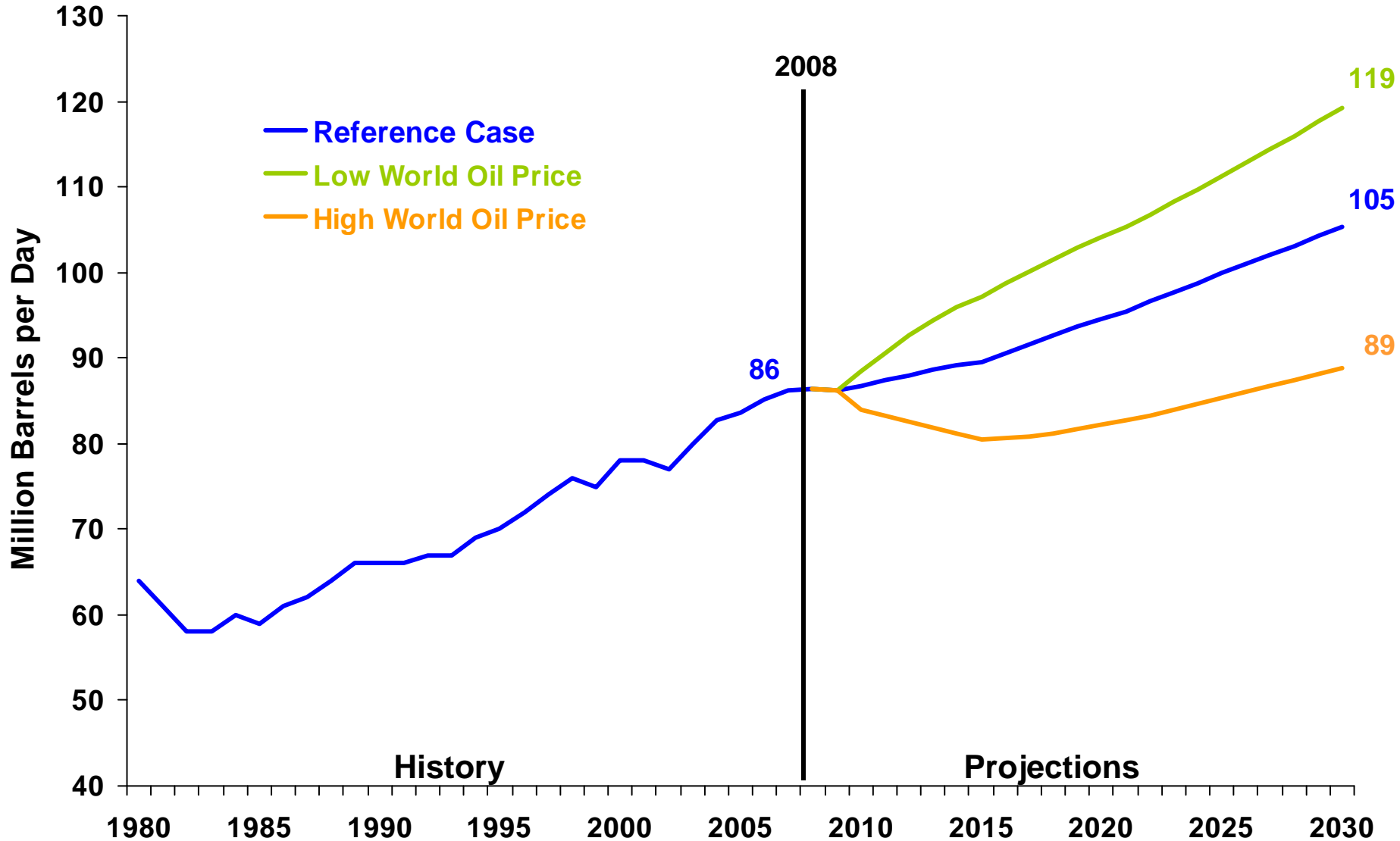


Source: EIA, IEO2008

World Oil Prices in Three Price Cases, AEO2009 – Real Prices

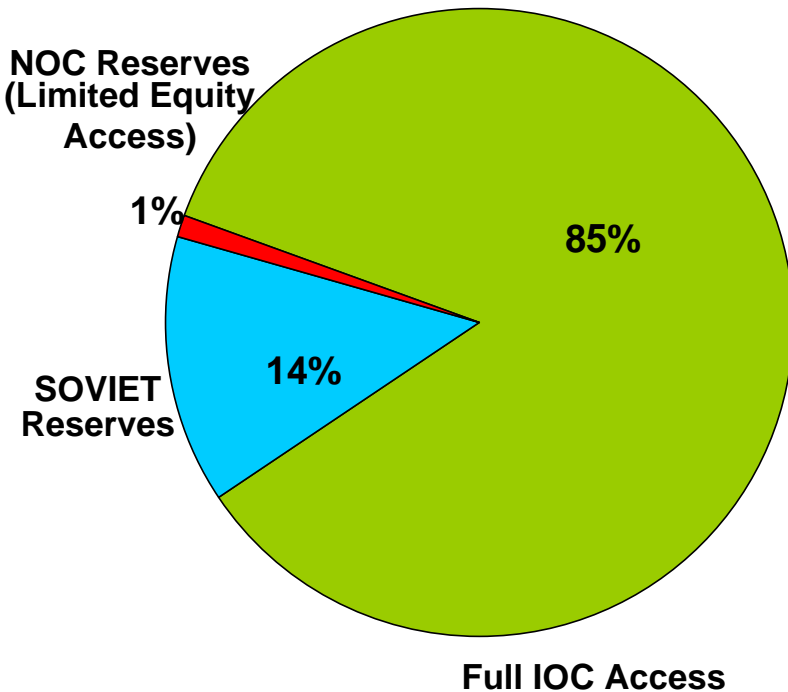


World Liquids Consumption in Three Price Cases, AEO2009

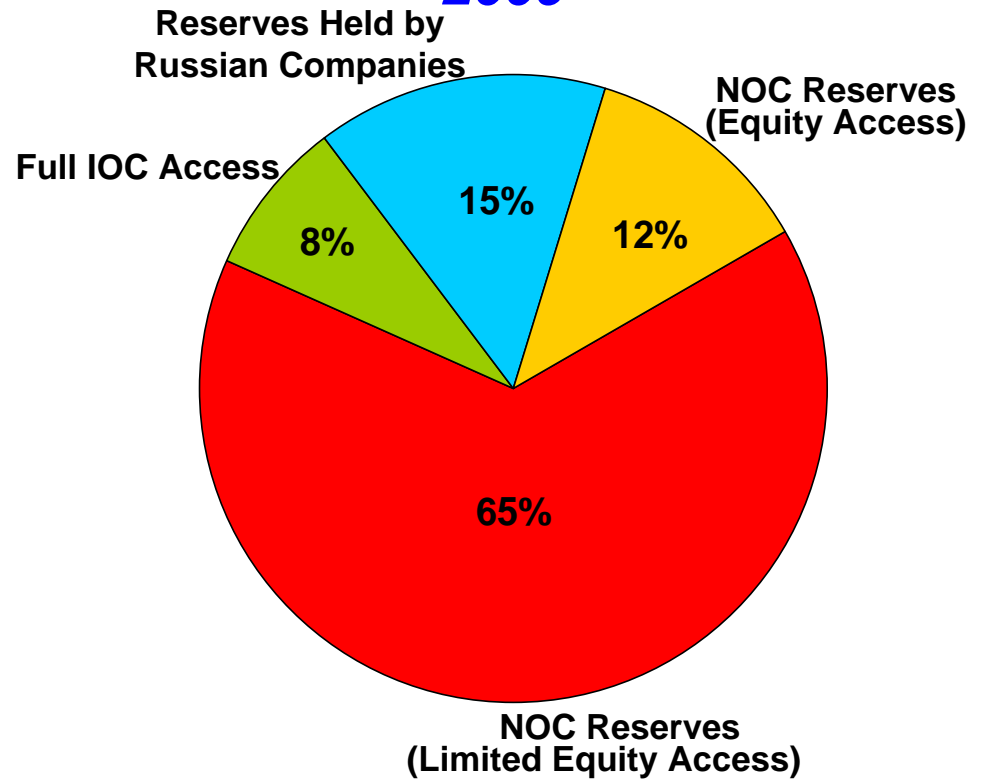


NOCs Increasing Control over the World's Oil and Gas Reserves

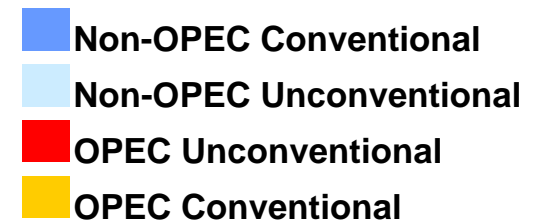
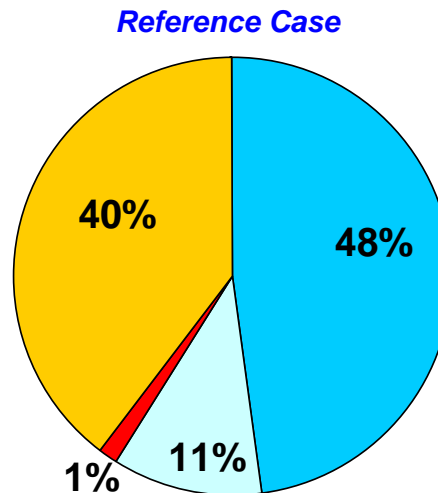
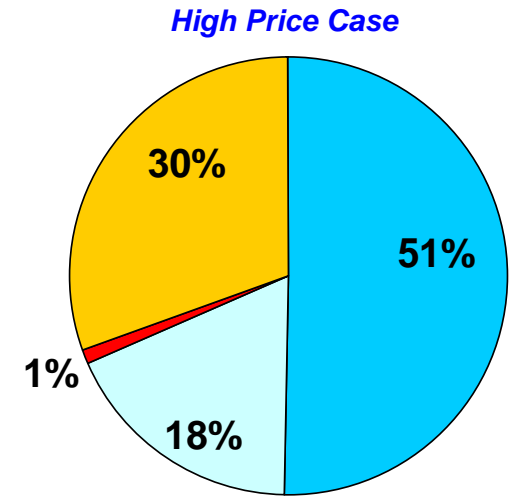
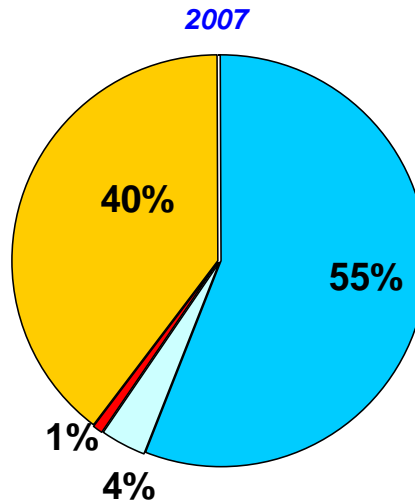
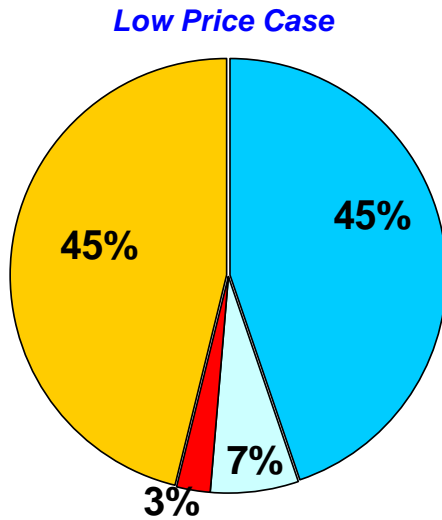
1970



2009

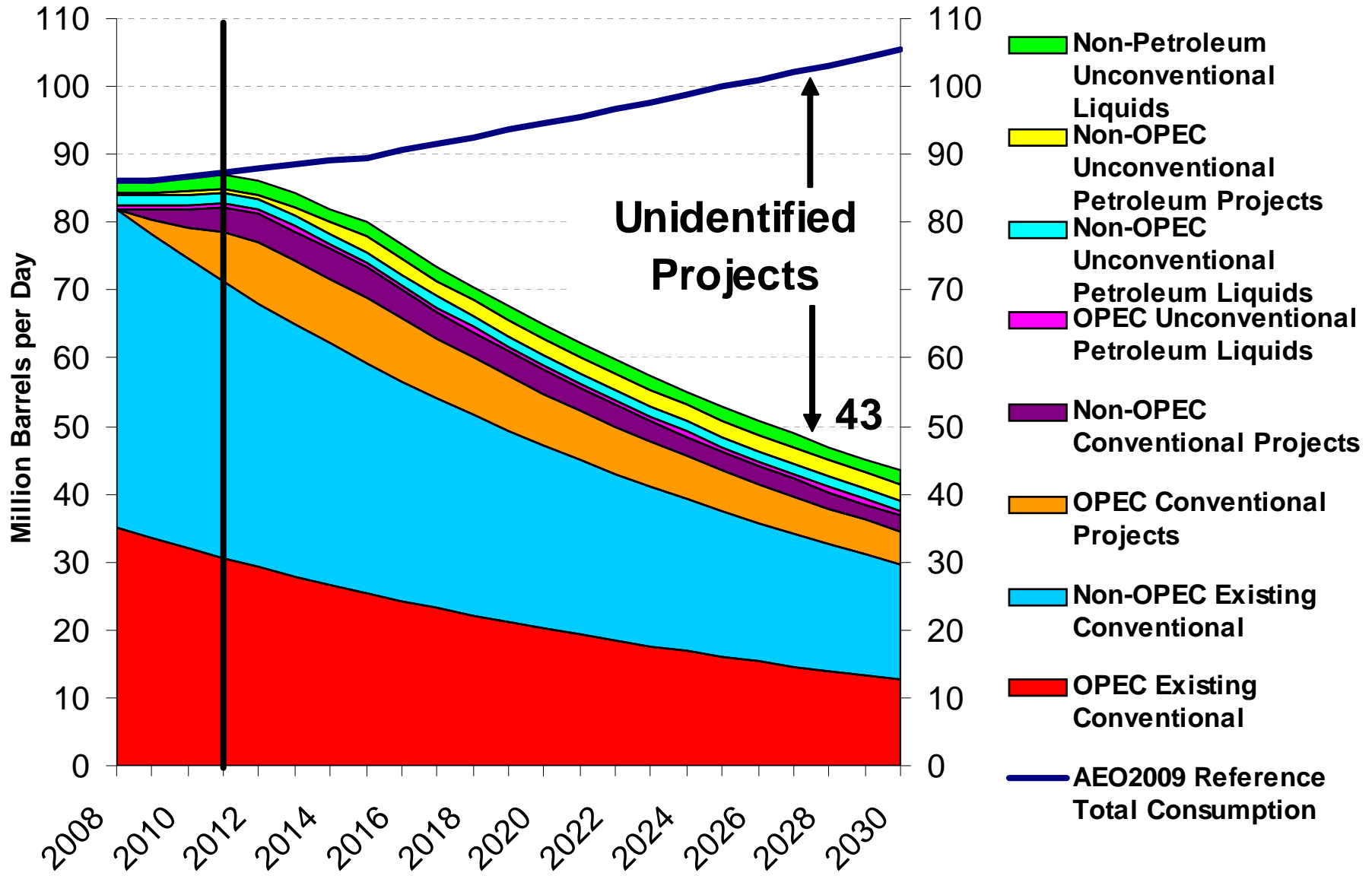


Liquids Supply in 2030



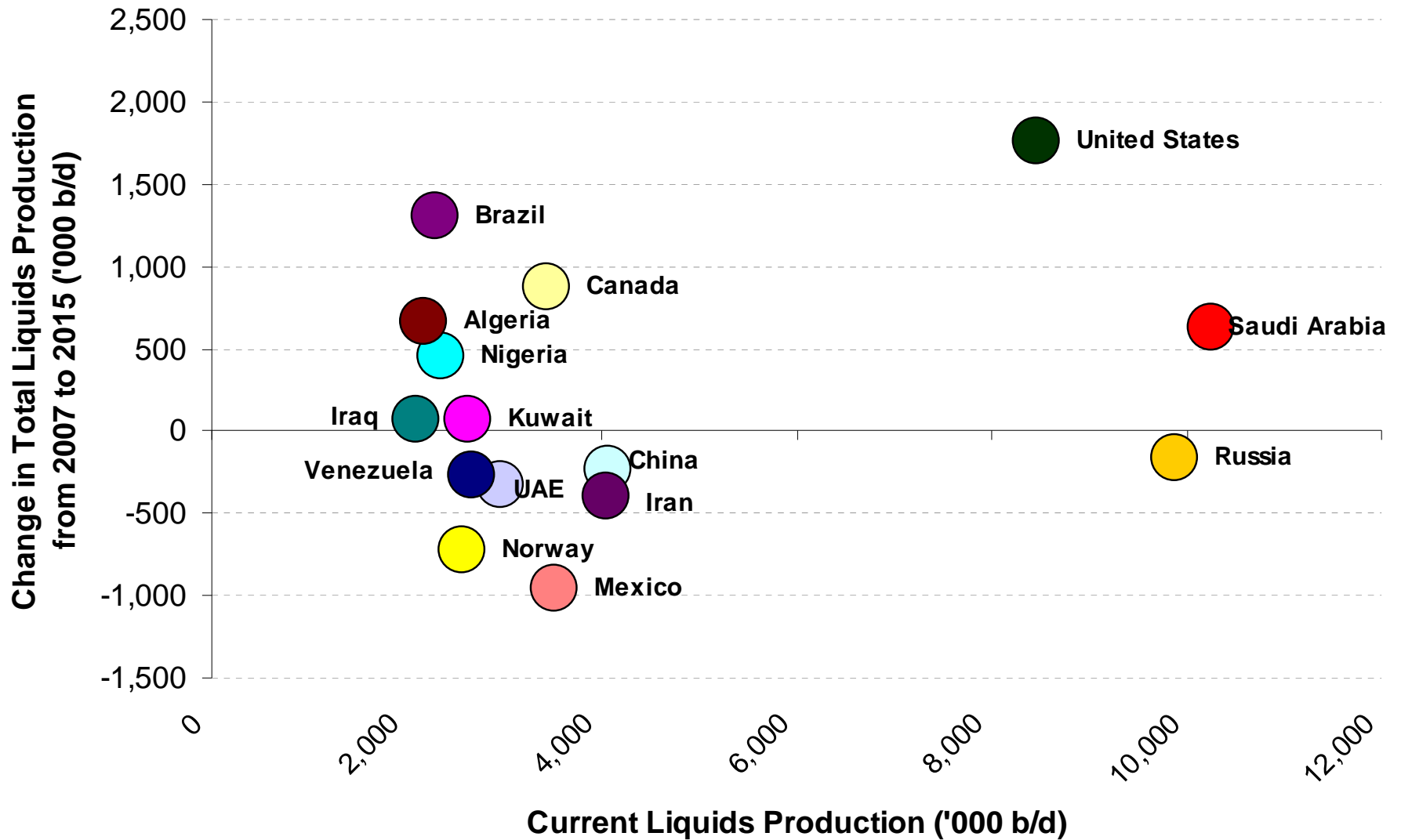
Source: EIA, AEO2009

World's Liquid Fuels Supply



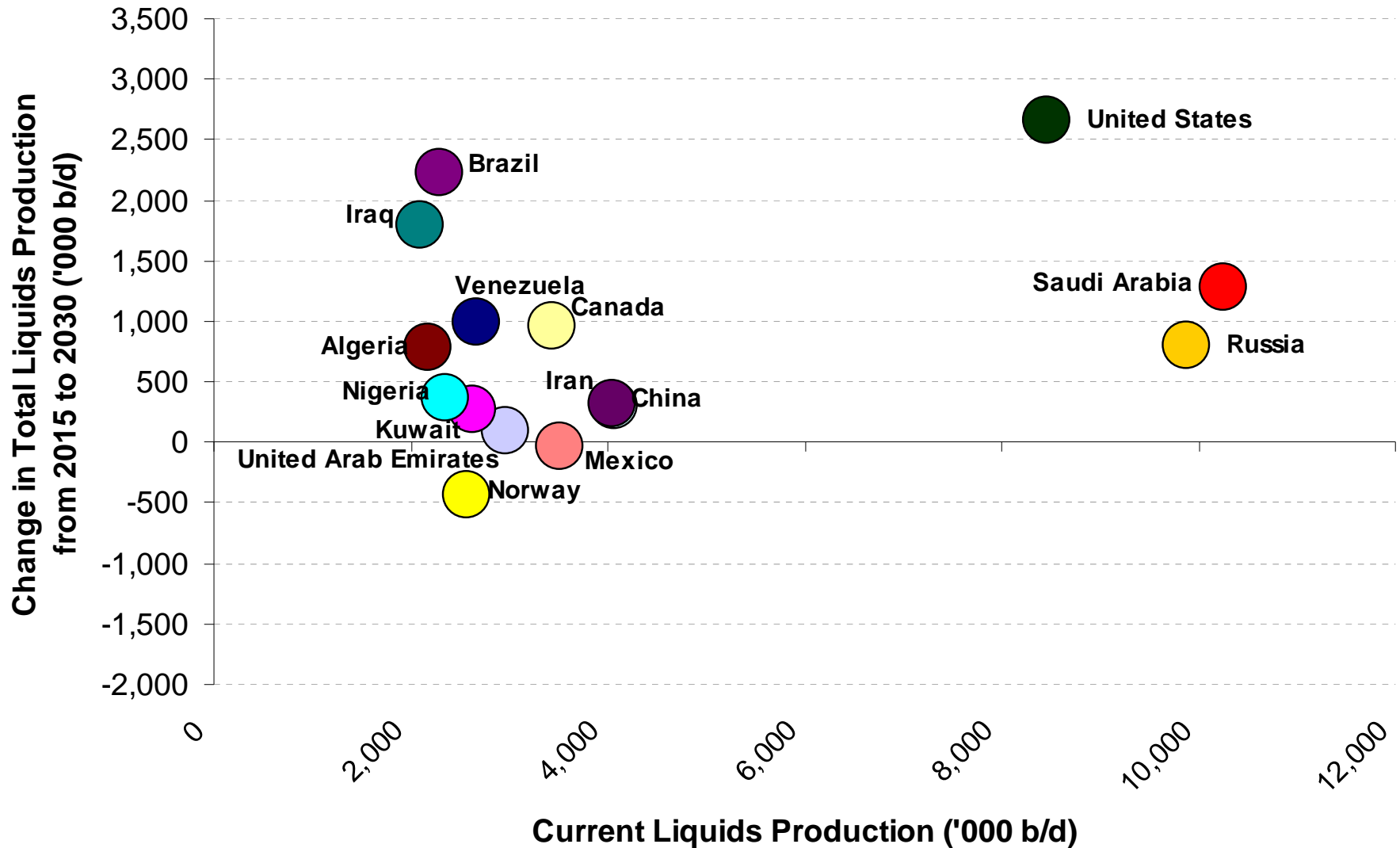
Source: EIA, AEO2009

Top 15 Liquids Producers and Their Prospects



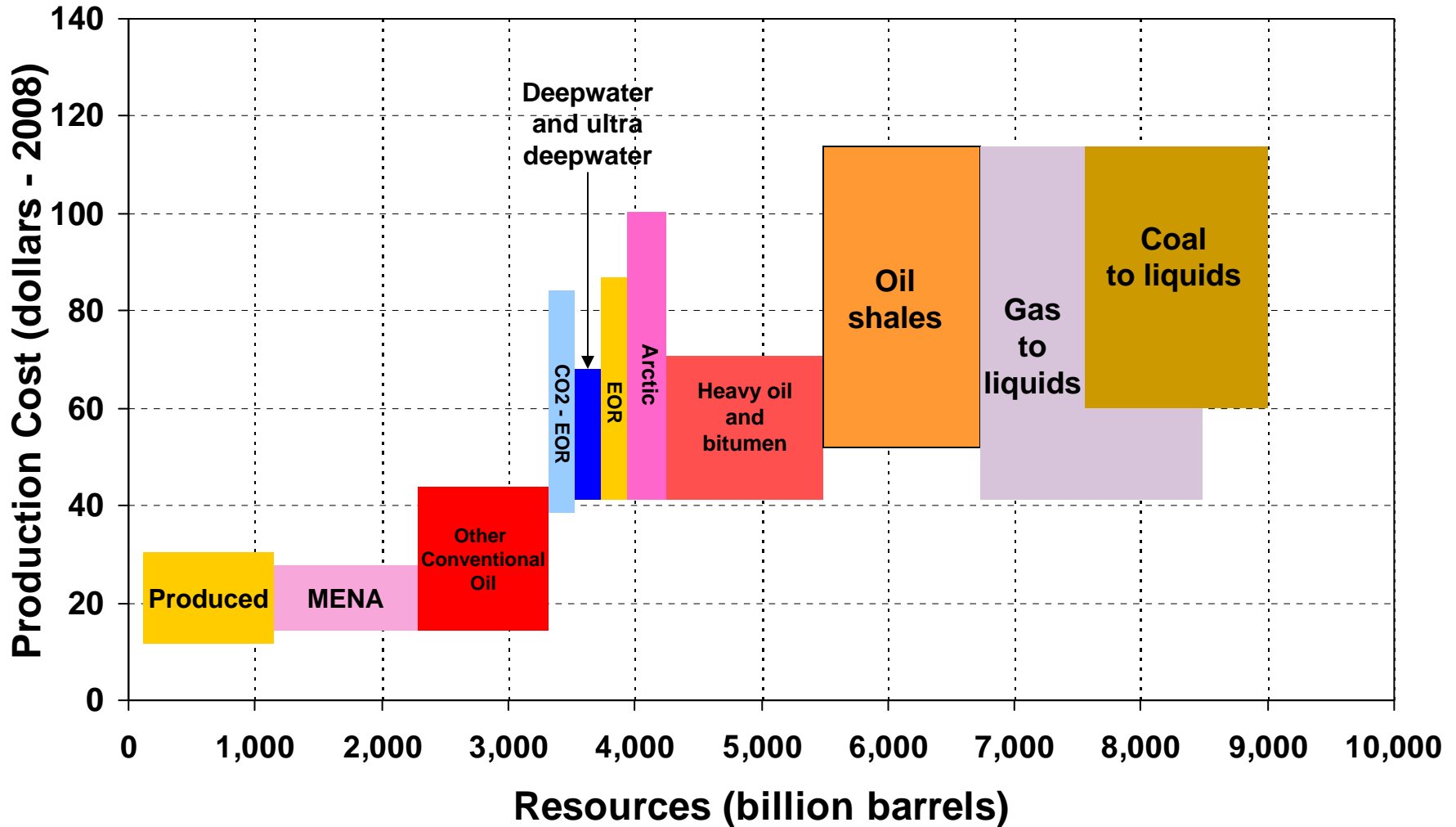
Source: EIA, AEO2009

Top 15 Liquids Producers and Their Prospects



Source: EIA, AEO2009

Costs of Production by Resource

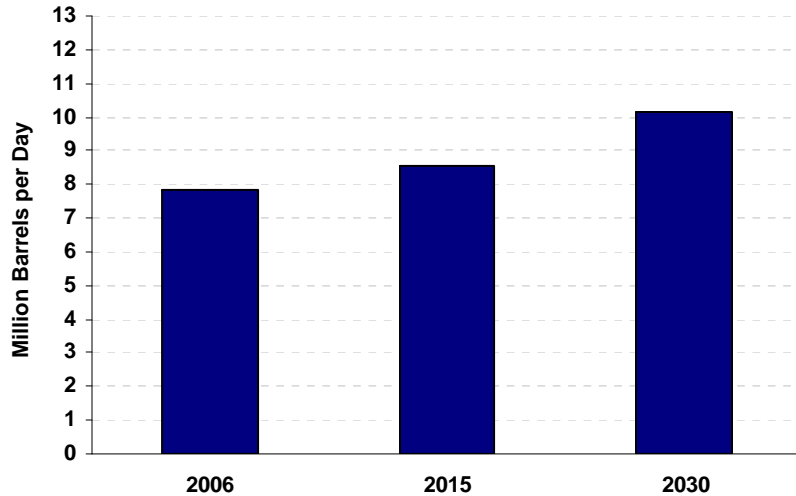


Additional Slides

- Country Sheets

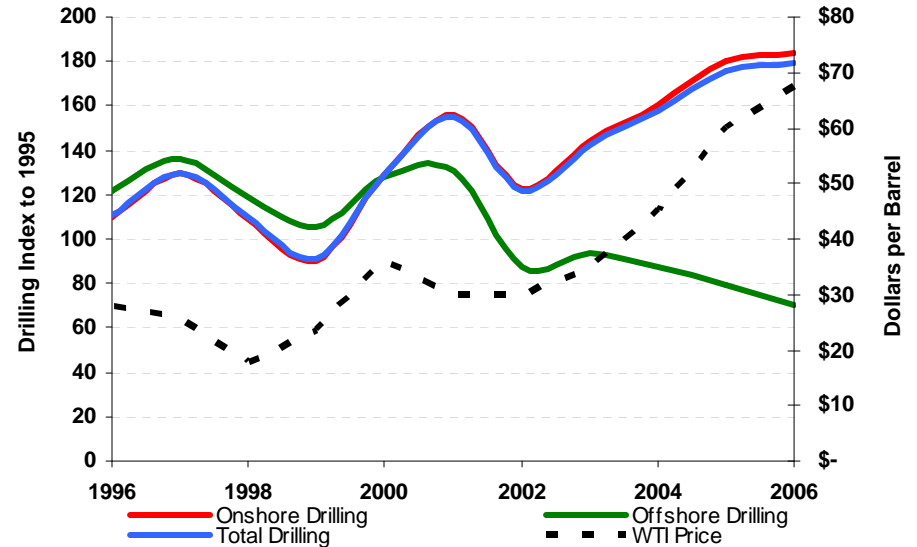
United States

Expected Production



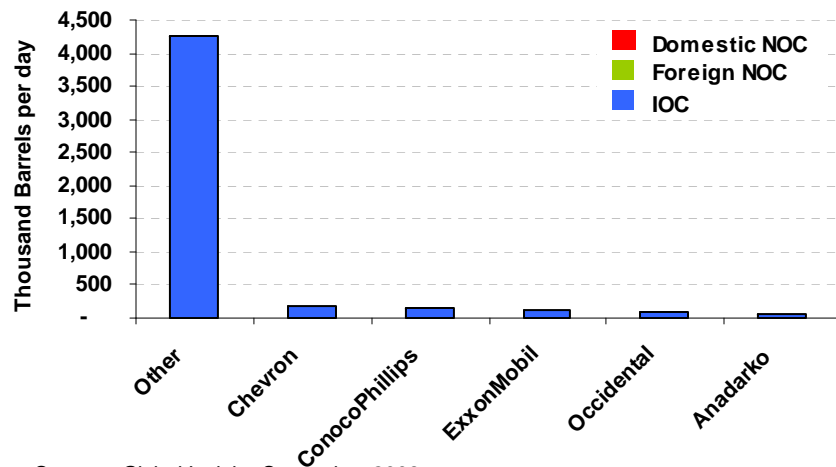
Source: EIA, AEO2009

Index of Total Wells Drilled Annually



Source: I.H.S. Energy, 2007

2007 Oil Production by Company



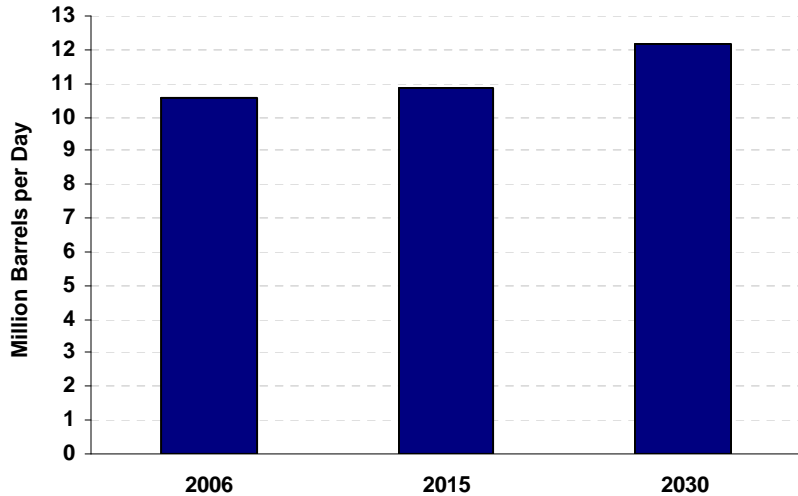
Source: Global Insight, September 2008

Downside Risks & Upside Potential

- Onshore fields might not be as responsive to EOR as currently expected
- Independent E&P companies may not have access to capital in the near-term
- Legislation could open to development more currently restricted areas
- Legislation on climate change could provide additional incentives to use CO₂ for EOR

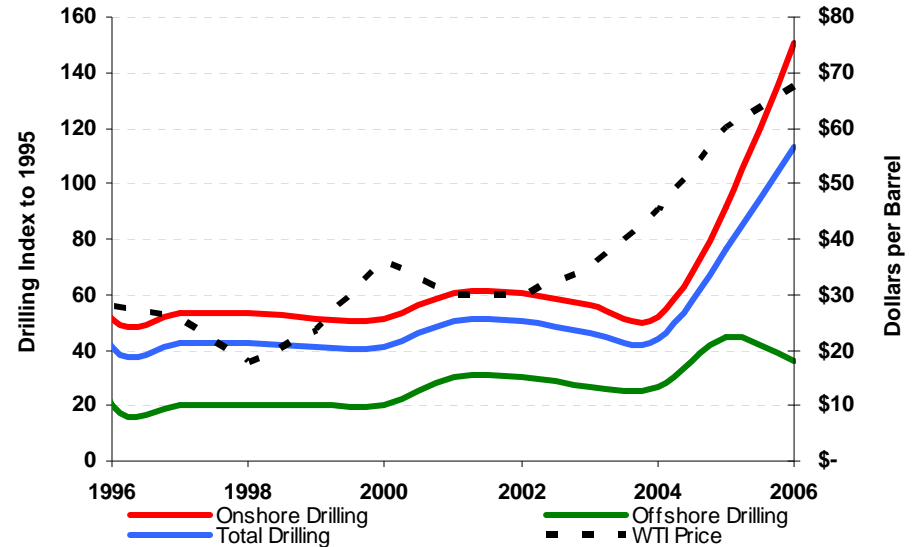
Saudi Arabia

Expected Production



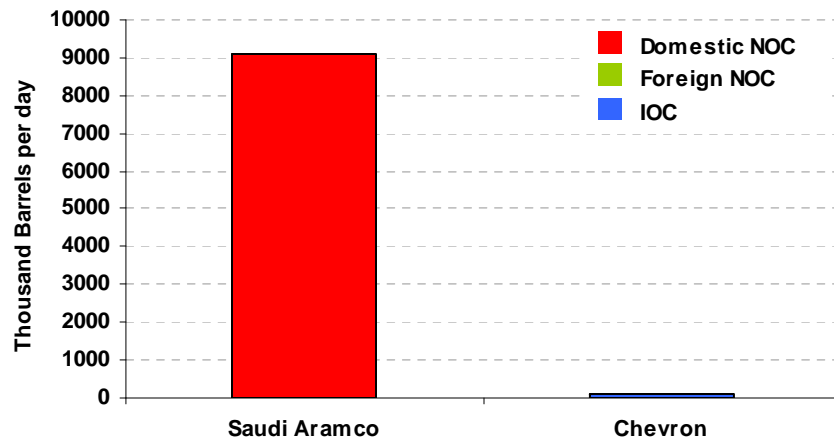
Source: EIA, AEO2009

Index of Total Wells Drilled Annually



Source: I.H.S. Energy, 2007

2008 Oil Production by Company



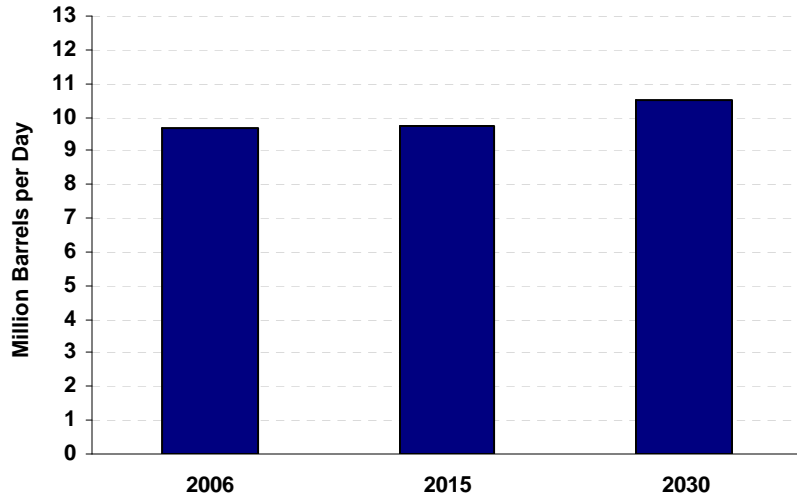
Source: Wood Mackenzie, Pathfinder 2009

Downside Risks & Upside Potential

- Production could be cut to support world oil prices
- Kingdom could abandon commitment to spare capacity and high production levels
- Field decline rates could accelerate
- Production could be expanded to discourage alternatives

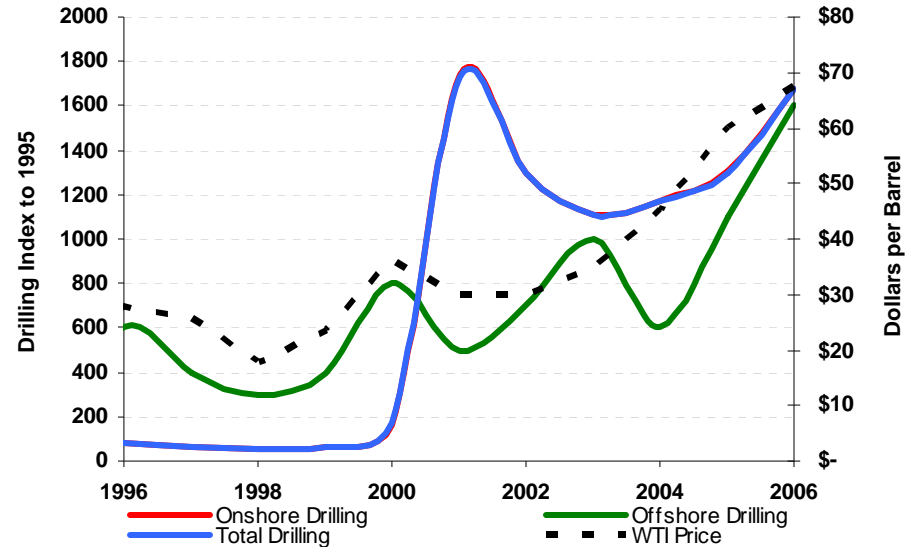
Russia

Expected Production



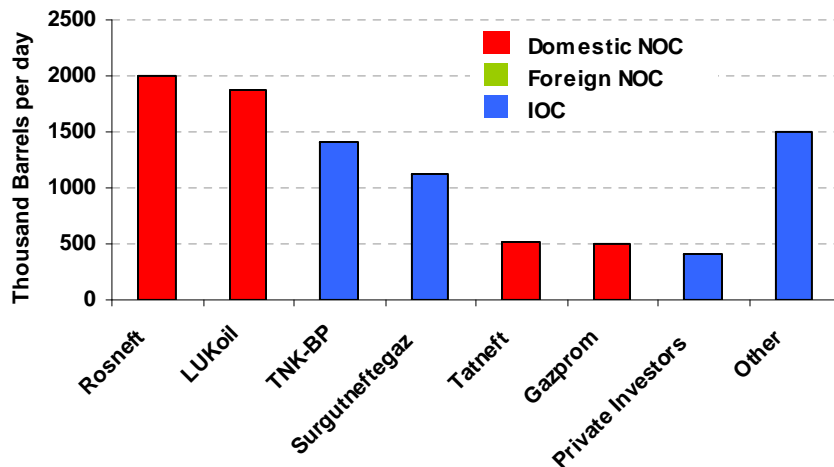
Source: EIA, AEO2009

Index of Total Wells Drilled Annually



Source: I.H.S. Energy, 2007

2008 Oil Production by Company



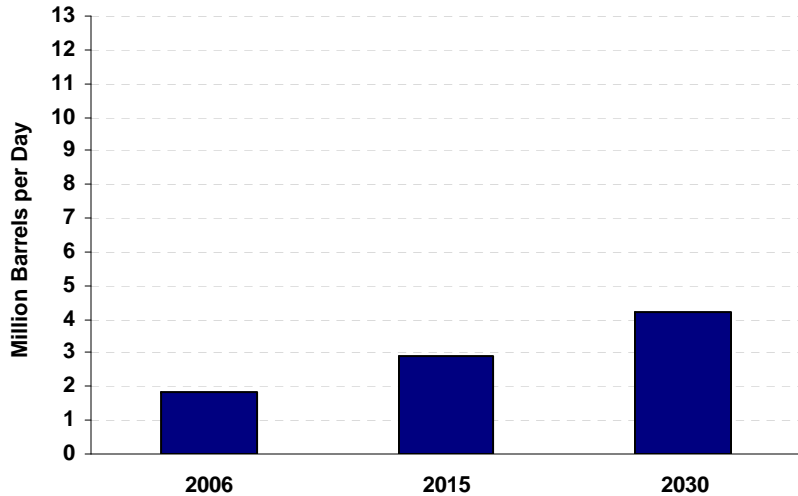
Source: Wood Mackenzie, Pathfinder 2009

Downside Risks & Upside Potential

- High levels of taxation could remain in place
- Exploration in eastern Siberia and offshore could fall due to concerns about nationalization
- Levels of investment could remain low.
- Future changes in taxation policies could have large impact and encourage investment
- Small firms could rebound faster than expected from financial crisis

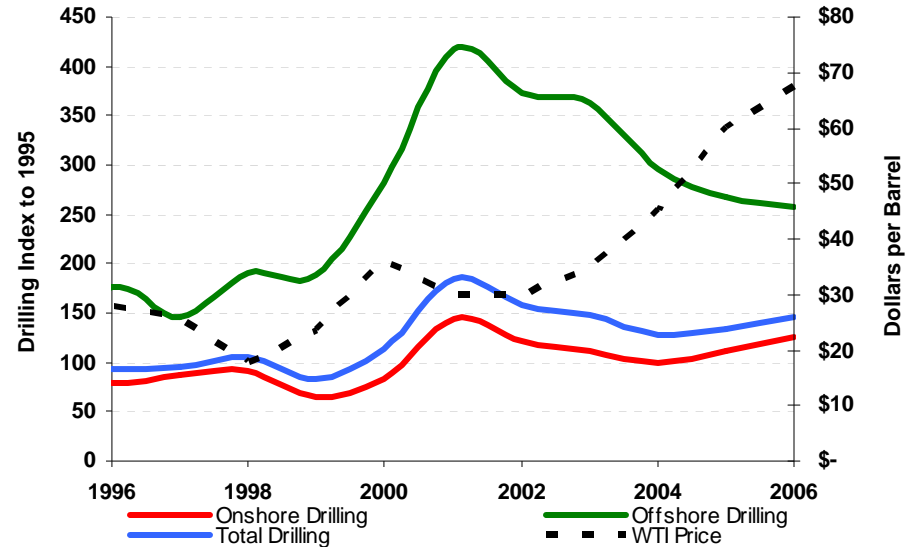
Brazil

Expected Production



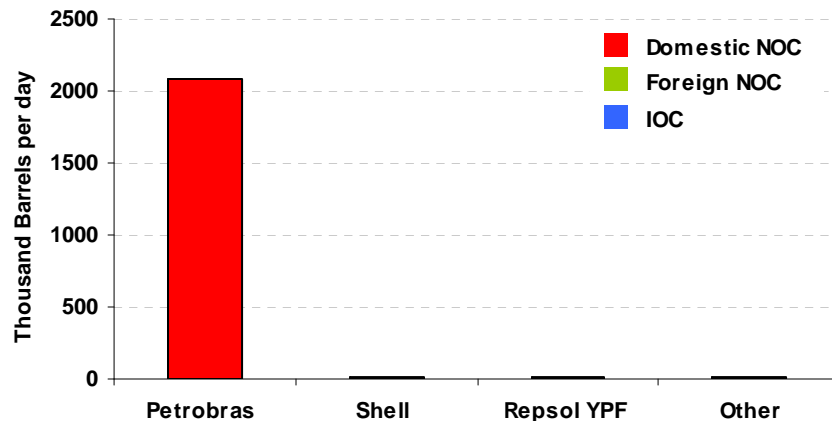
Source: EIA, AEO2009

Index of Total Wells Drilled Annually



Source: I.H.S. Energy, 2007

2008 Oil Production by Company



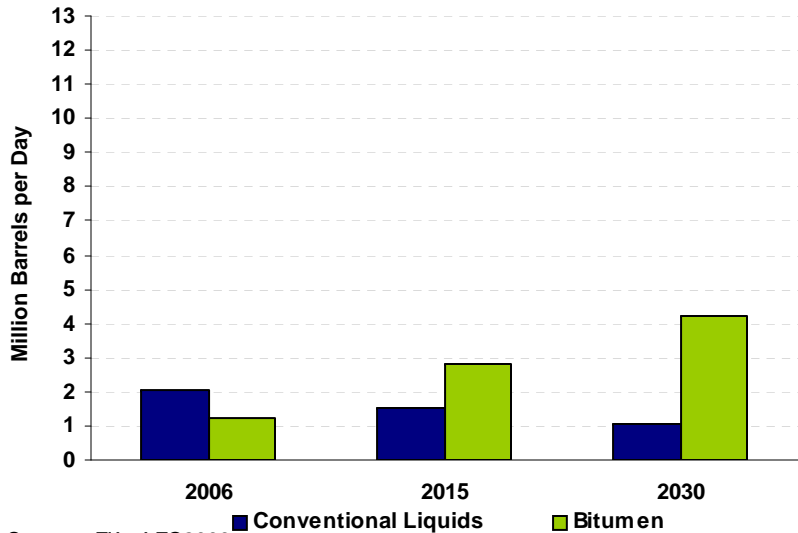
Source: Wood Mackenzie, Pathfinder 2009

Downside Risks & Upside Potential

- Changes to licensing and bid round structure could be severe enough to discourage some foreign investors
- Subsalt potential could be less than expected
- Unexpected technical difficulties could slow production of subsalt resources
- Changes to licensing and bid round structure could work to facilitate investment and joint development
- Subsalt potential could be much larger than expected

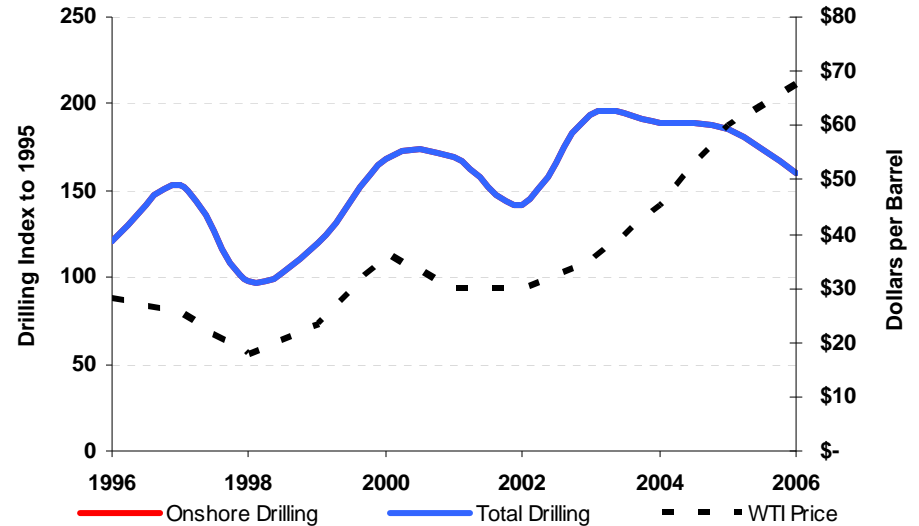
Canada

Expected Production



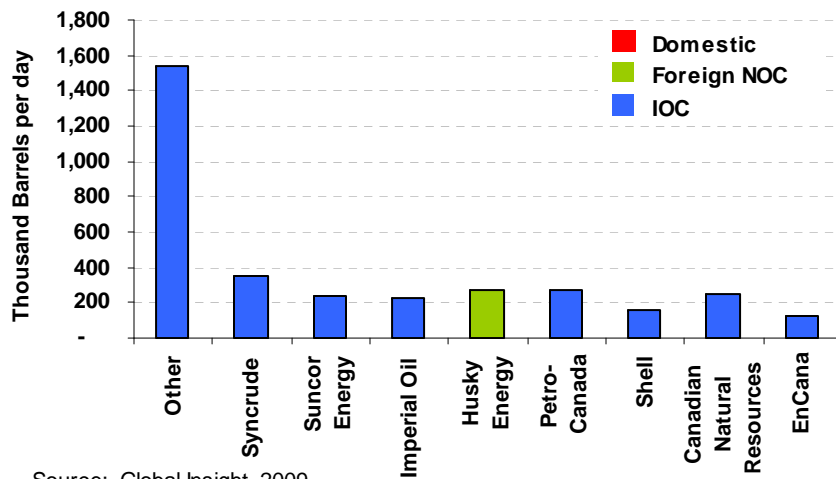
Source: EIA, AEO2009

Index of Total Wells Drilled Annually



Source: I.H.S. Energy, 2007

2007 Oil Production by Company



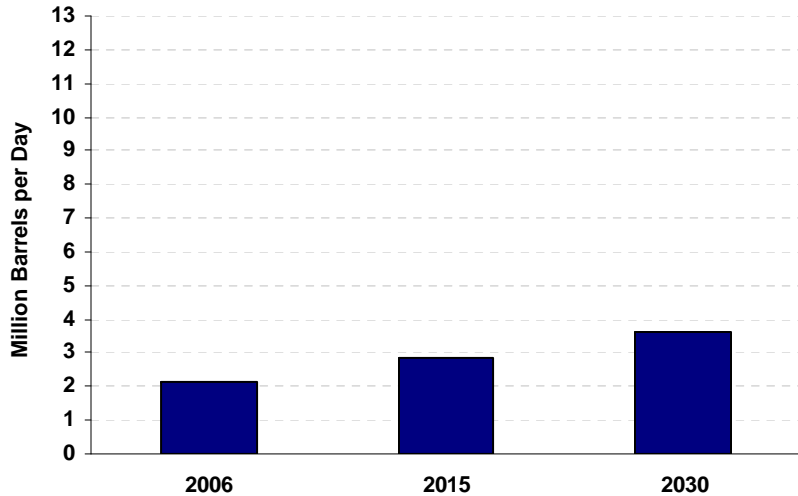
Source: Global Insight, 2009

Downside Risks & Upside Potential

- Current conventional decline rates could accelerate
- Environmental legislation (in Canada or the U.S.) could limit bitumen production
- Decline rates at conventional fields might be slowed
- Bitumen extraction technology could continue to improve

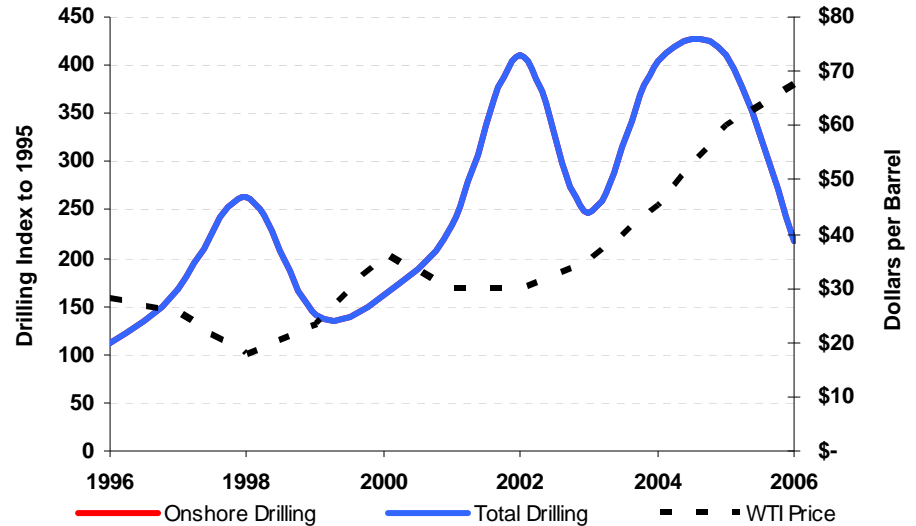
Algeria

Expected Production



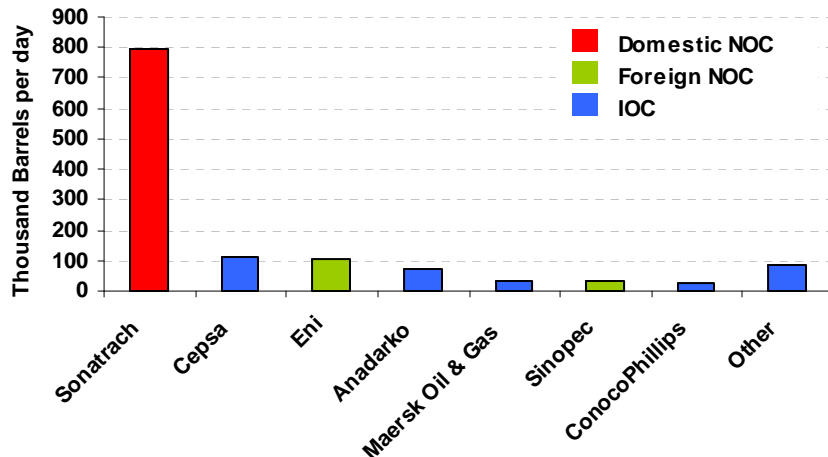
Source: EIA, AEO2009

Index of Total Wells Drilled Annually



Source: I.H.S. Energy, 2007

2008 Oil Production by Company



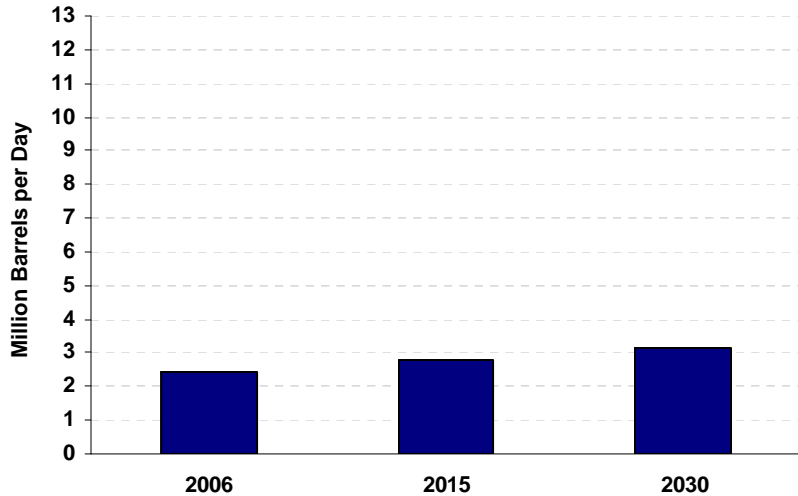
Source: Wood Mackenzie, Pathfinder 2009

Downside Risks & Upside Potential

- Government could further discourage foreign investment, as it did with the 2006 Hydrocarbon Law
- Sonatrach's ability to invest in production maintenance and expansion could be hindered due to competing government expenditure needs
- Government could reverse nationalization tendencies expressed in the 2006 Hydrocarbon Law

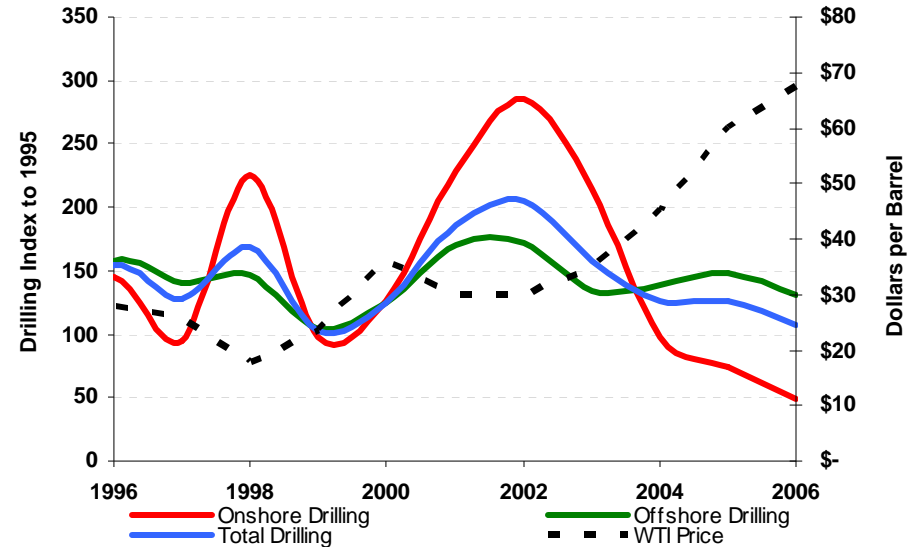
Nigeria

Expected Production



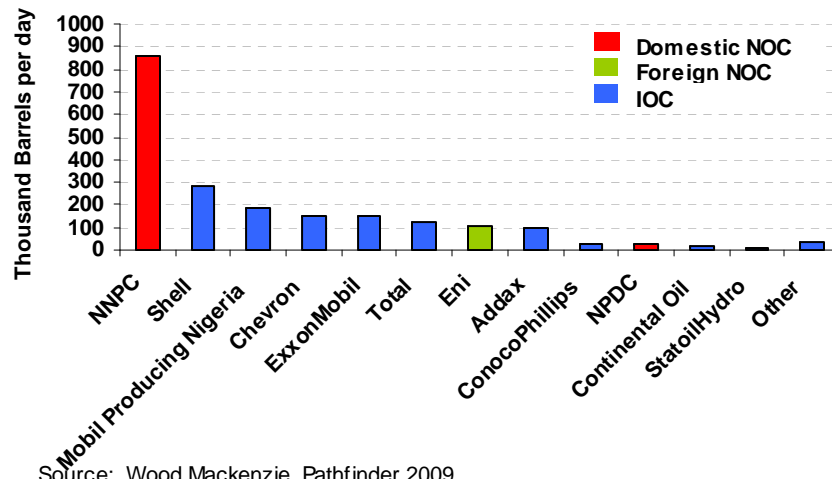
Source: EIA, AEO2009

Index of Total Wells Drilled Annually



Source: I.H.S. Energy, 2007

2008 Oil Production by Company



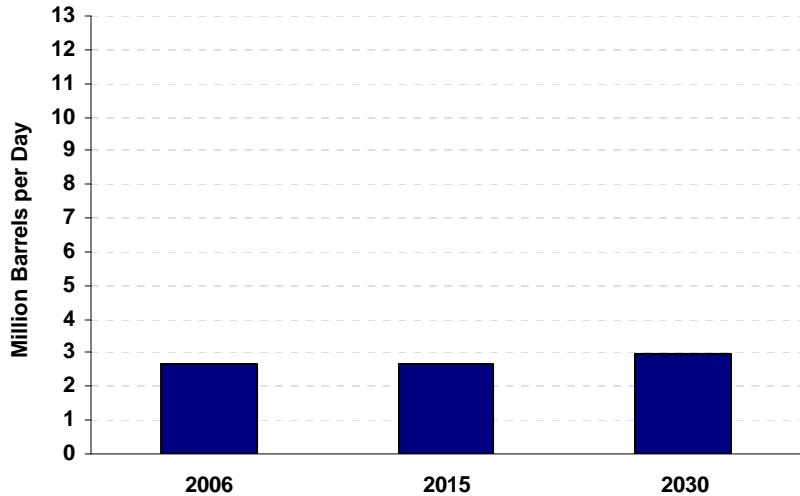
Source: Wood Mackenzie, Pathfinder 2009

Downside Risks & Upside Potential

- Violence in the Delta could continue and expand into deepwater locations
- Financial management at NNPC could deteriorate further
- Nigerian government might implement policies that reduce violence in the Delta

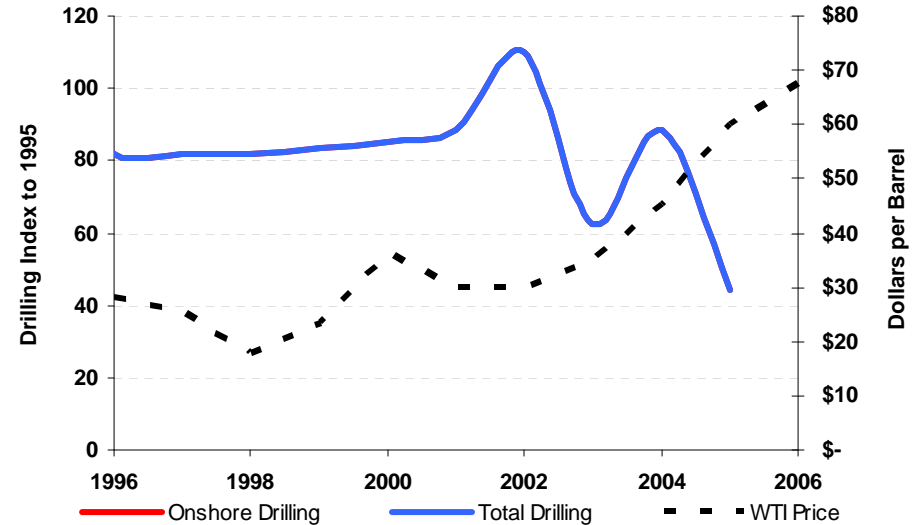
Kuwait

Expected Production



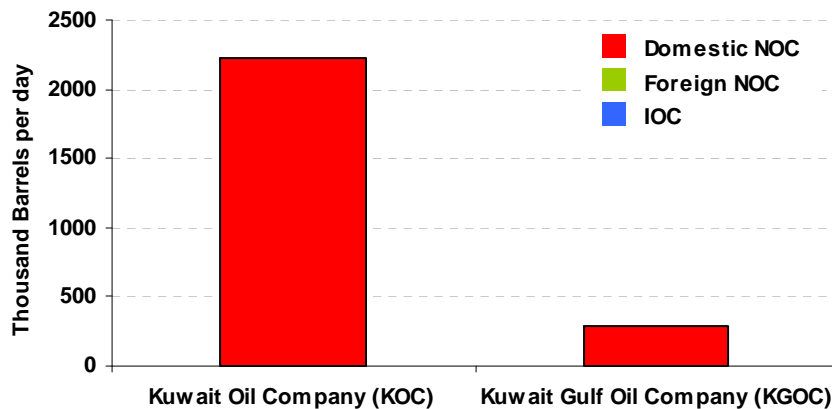
Source: EIA, AEO2009

Index of Total Wells Drilled Annually



Source: I.H.S. Energy, 2007

2008 Oil Production by Company



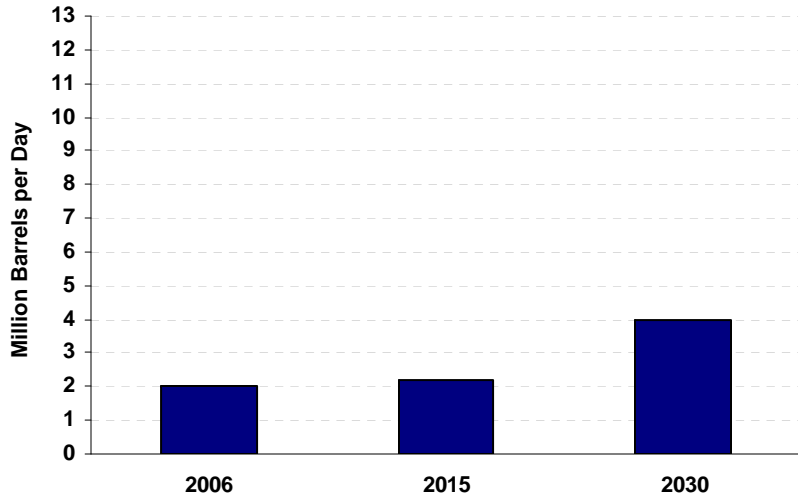
Source: Wood Mackenzie, Pathfinder 2009

Downside Risks & Upside Potential

- KPC's technical ability to maintain and expand production could be hindered by politically motivated management changes
- Political disagreements could prevent Project Kuwait from achieving expected progress
- Political disagreements could settle and allow Project Kuwait to move forward
- KPC technical capabilities could return to previous levels

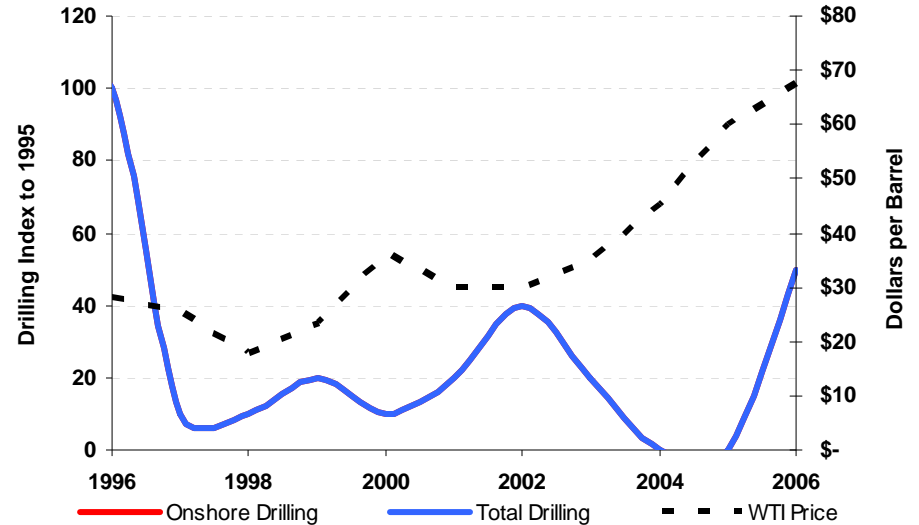
Iraq

Expected Production



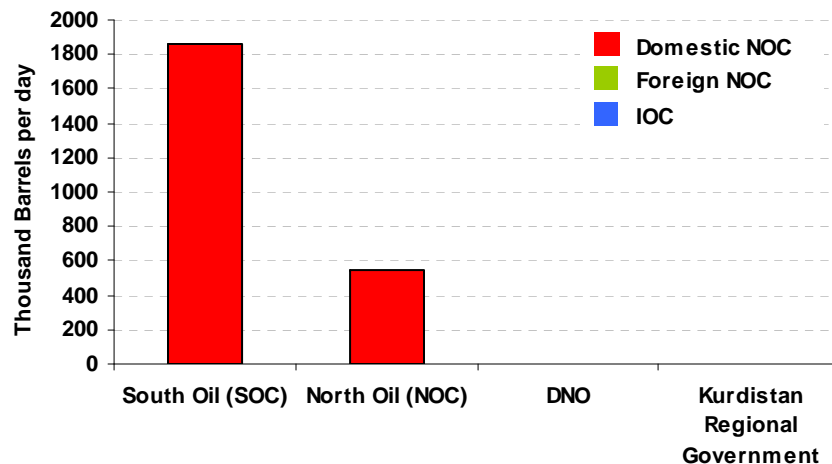
Source: EIA, AEO2009

Index of Total Wells Drilled Annually



Source: I.H.S. Energy, 2007

2008 Oil Production by Company



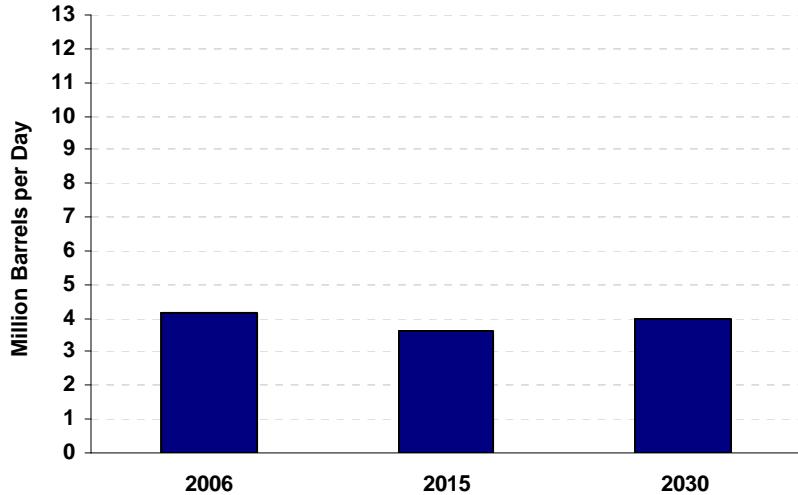
Source: Wood Mackenzie, Pathfinder 2009

Downside Risks & Upside Potential

- Violence could escalate as U.S. troops withdraw
- Legislation and licensing issues between national government and Kurdistan regional government could inhibit large scale foreign investment
- Security could continue to improve
- National and Kurdistan regional governments could reach agreement on licensing and jointly encourage foreign investment

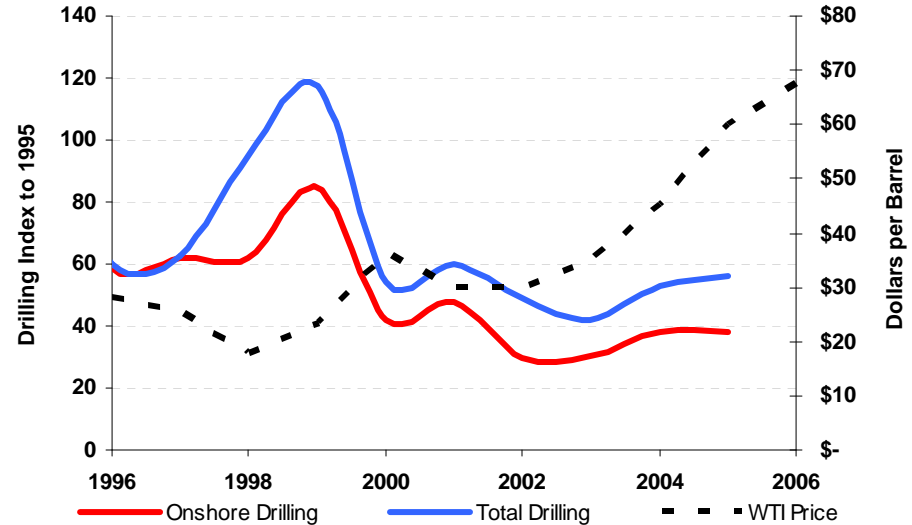
Iran

Expected Production



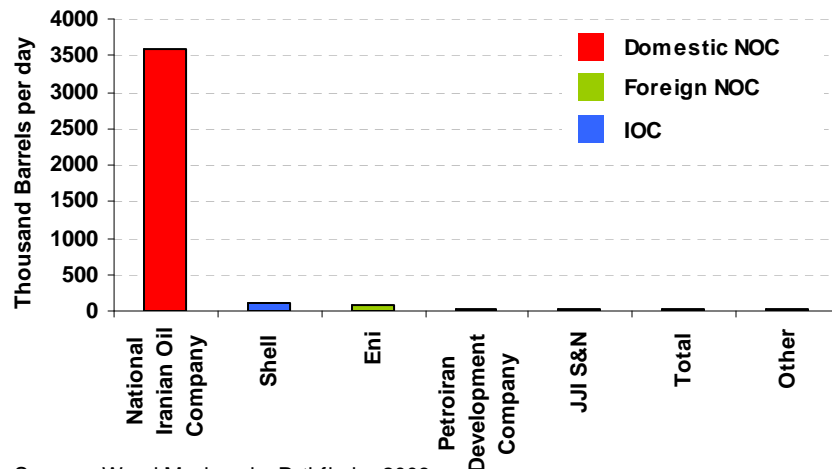
Source: EIA, AEO2009

Index of Total Wells Drilled Annually



Source: I.H.S. Energy, 2007

2008 Oil Production by Company



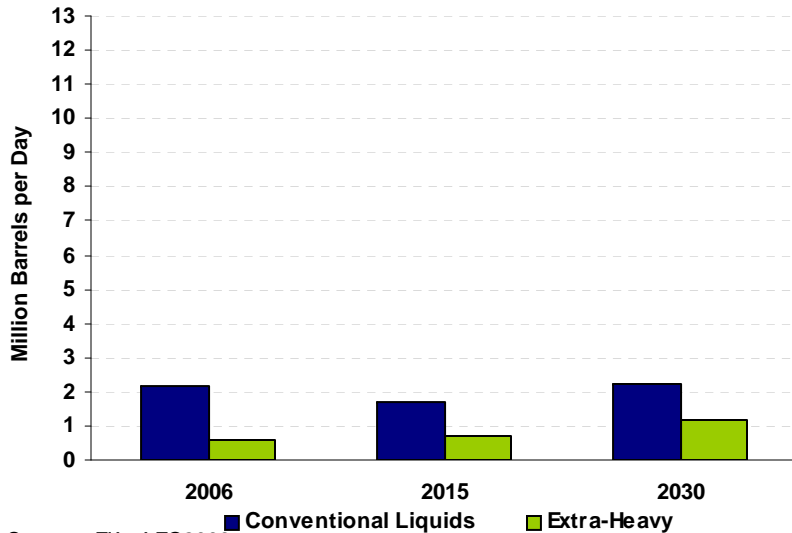
Source: Wood Mackenzie, Pathfinder 2009

Downside Risks & Upside Potential

- Domestic consumer gas needs reduce gas volumes for EOR
- NIOC management and performance issues could escalate and cause production from existing fields to decline faster than expected
- Domestic gas production could increase, allowing more EOR
- NIOC investment and development capabilities could improve and/or financial terms for international companies could improve

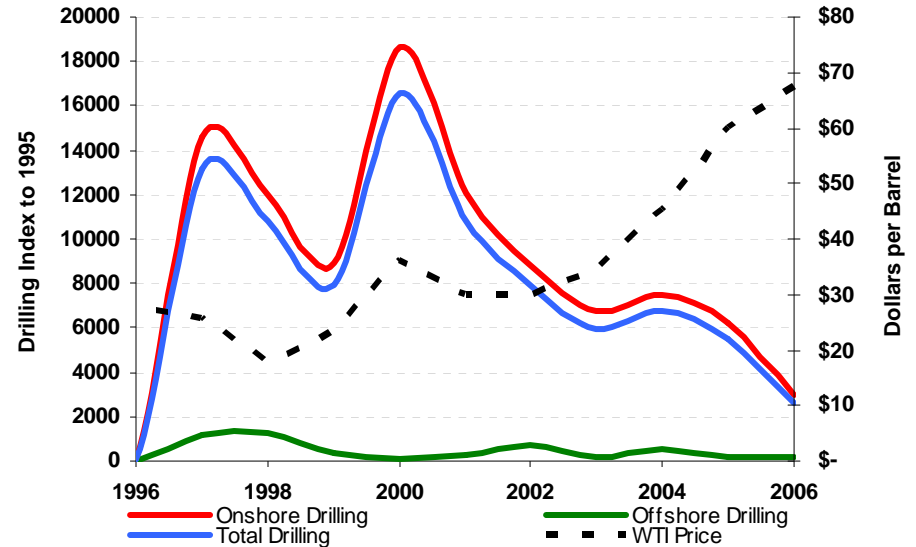
Venezuela

Expected Production



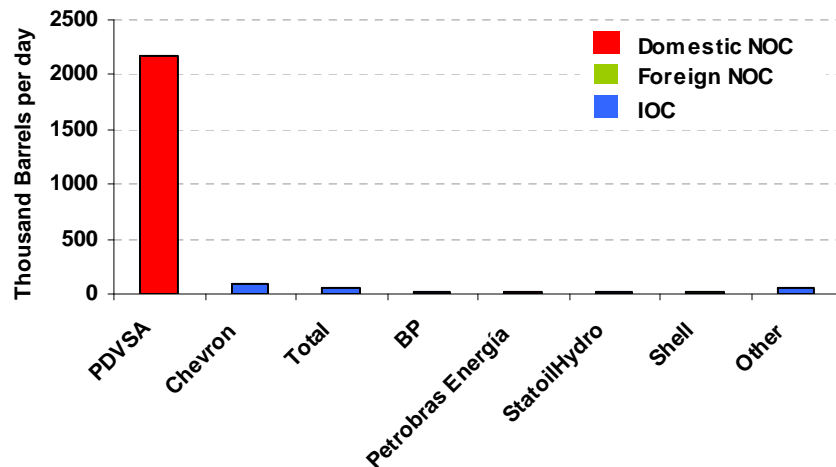
Source: EIA, AEO2009

Index of Total Wells Drilled Annually



Source: I.H.S. Energy, 2007

2008 Oil Production by Company



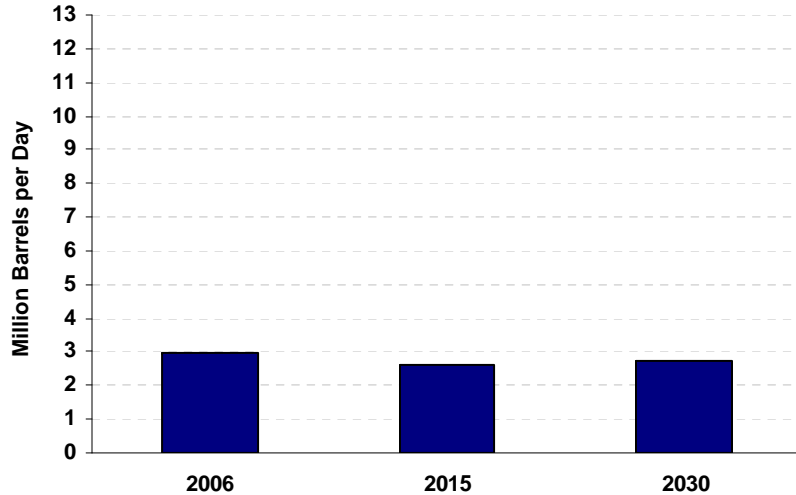
Source: Wood Mackenzie, Pathfinder 2009

Downside Risks & Upside Potential

- Nationalization tendencies could continue
- Foreign investment could continue to be discouraged either directly through government actions or indirectly through threats of nationalization and instability
- E&P investment could become more limited due to non-sector expenditures
- Confidence in contract stability might be repaired, encouraging renewed foreign investment

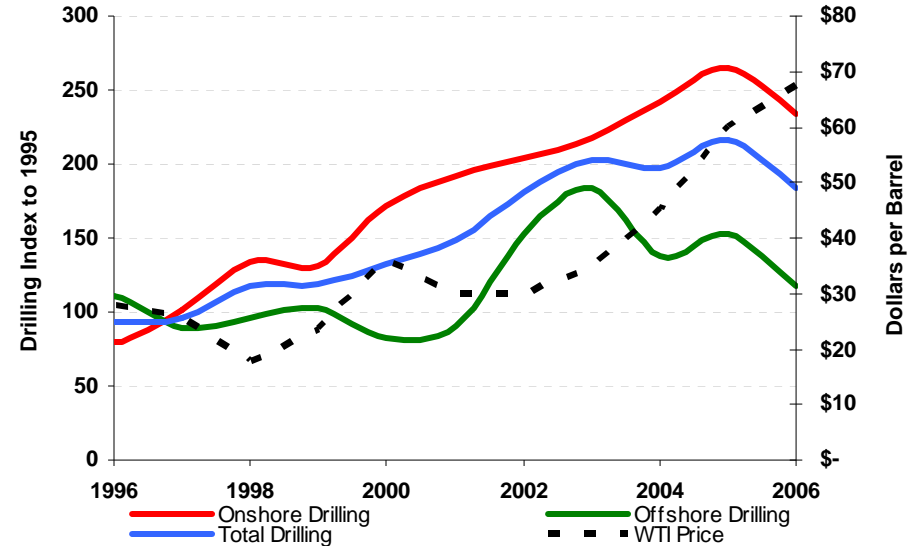
UAE

Expected Production



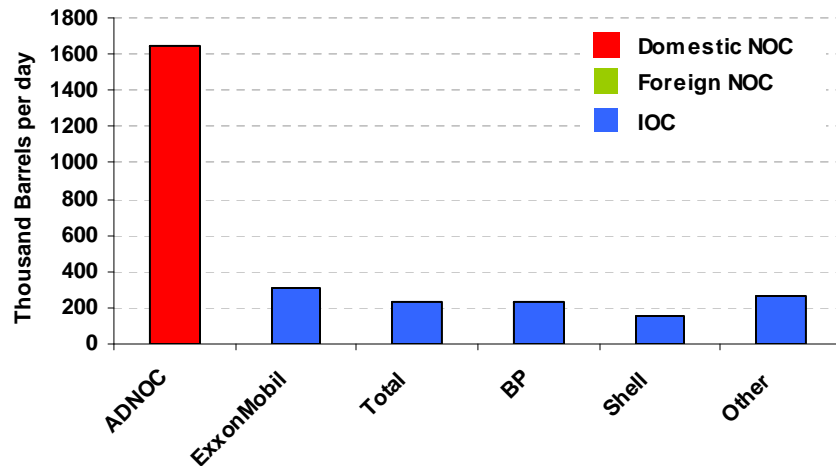
Source: EIA, AEO2009

Index of Total Wells Drilled Annually



Source: I.H.S. Energy, 2007

2008 Oil Production by Company



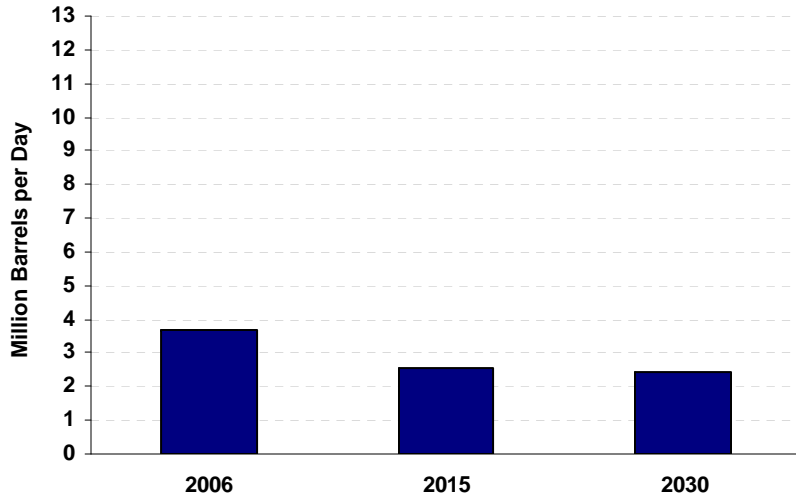
Source: Wood Mackenzie, Pathfinder 2009

Downside Risks & Upside Potential

- Government could refuse to renew concessions and place additional pressure on ADNOC to achieve production goals without IOC participation
- Government could renew concessions upon expiry or enable different structure encouraging IOC participation

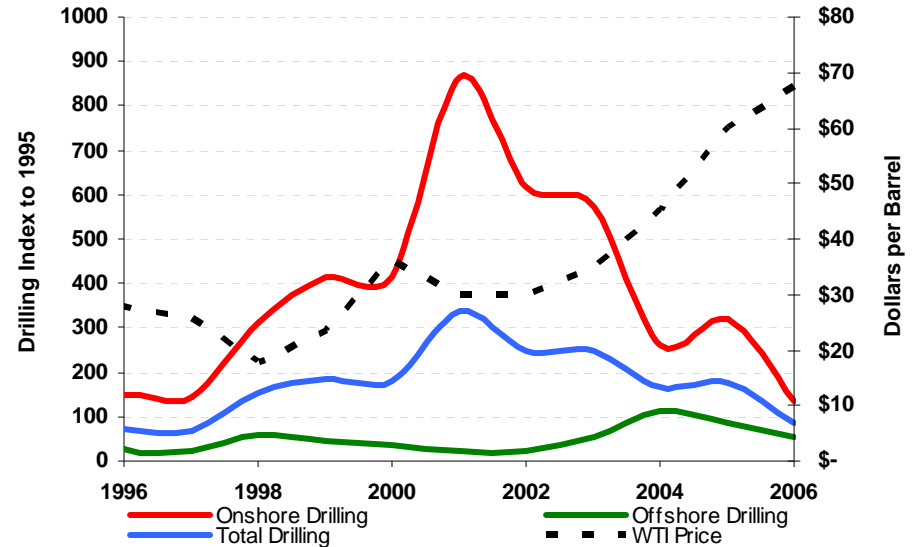
Mexico

Expected Production



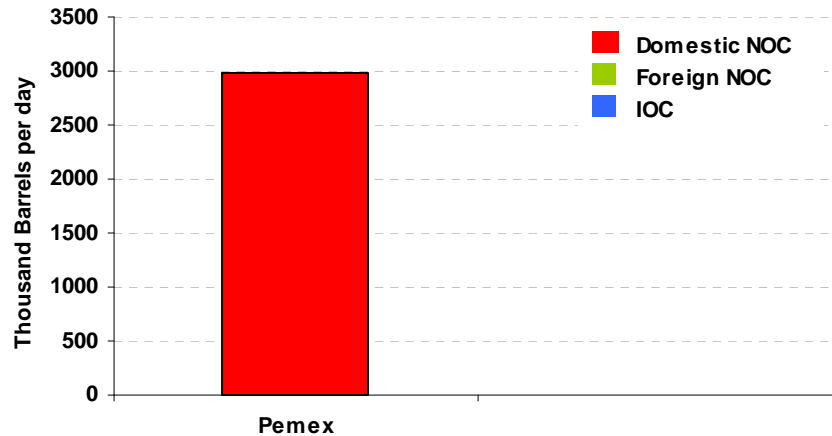
Source: EIA, AEO2009

Index of Total Wells Drilled Annually



Source: I.H.S. Energy, 2007

2008 Oil Production by Company



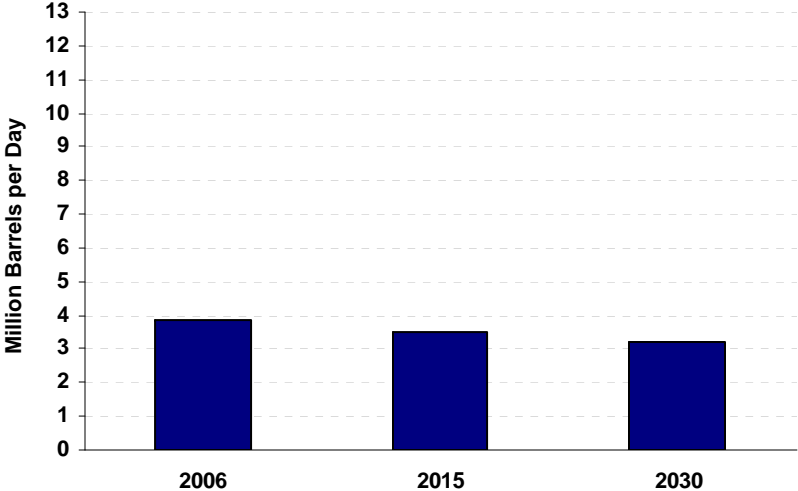
Source: Wood Mackenzie, Pathfinder 2009

Downside Risks & Upside Potential

- Government may be unable to adopt legislation to allow foreign technology to be implemented
- Deepwater GOM resources could be much lower than anticipated
- Government could adopt legislation that allows foreign technology to be implemented
- GOM resources might higher than expected

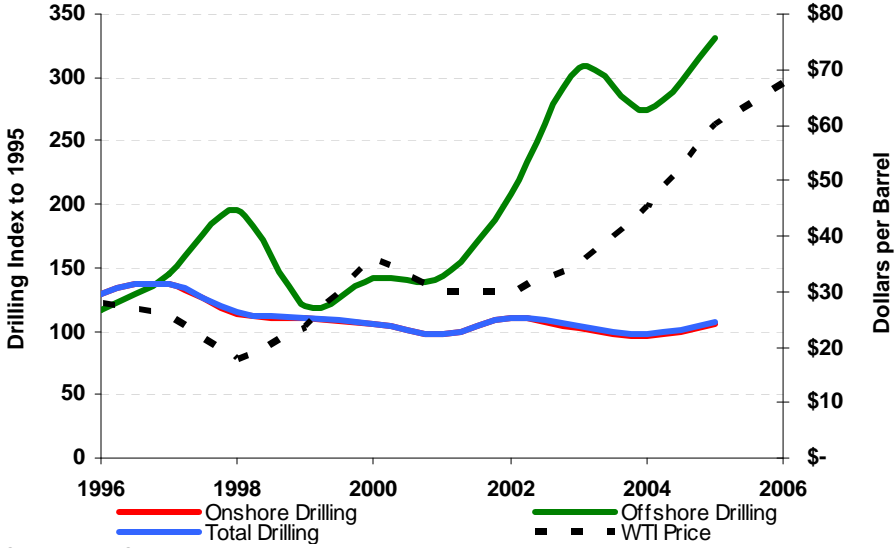
China

Expected Production



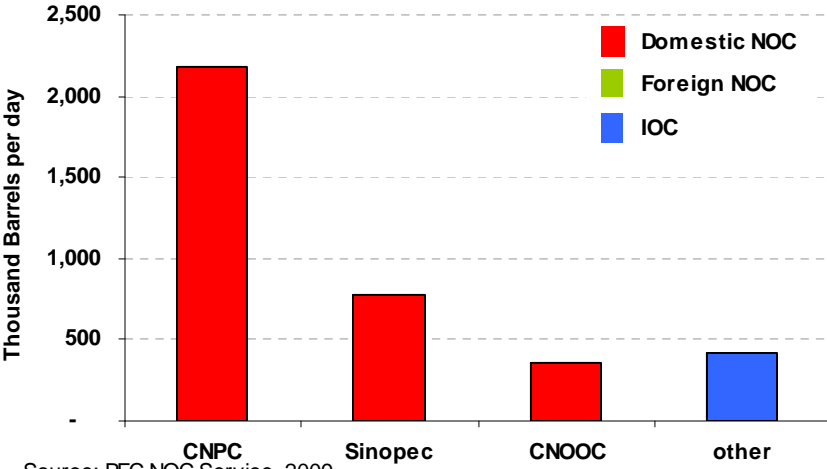
Source: EIA, AEO2009

Index of Total Wells Drilled Annually



Source: I.H.S. Energy, 2007

2006 Oil Production by Company



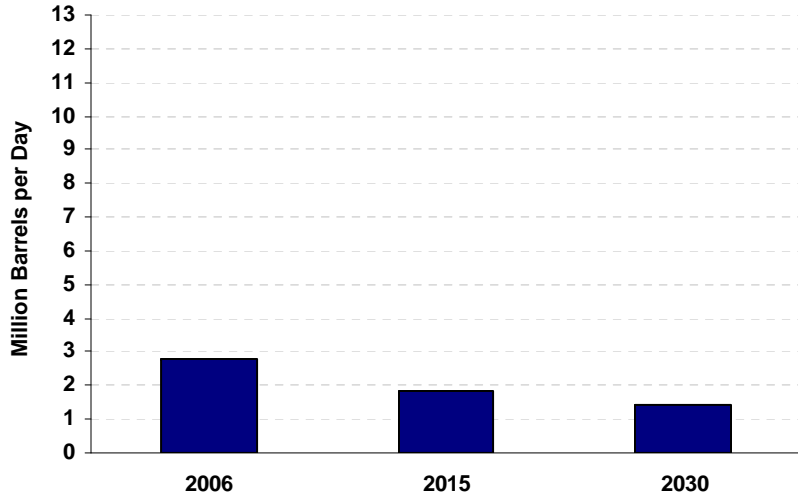
Source: PFC NOC Service, 2009

Downside Risks & Upside Potential

- Declines at major mature fields could accelerate
- Offshore developments could prove insufficient to compensate for onshore declines
- Offshore boundary issues might be resolved
- Offshore resources might prove more significant than currently thought

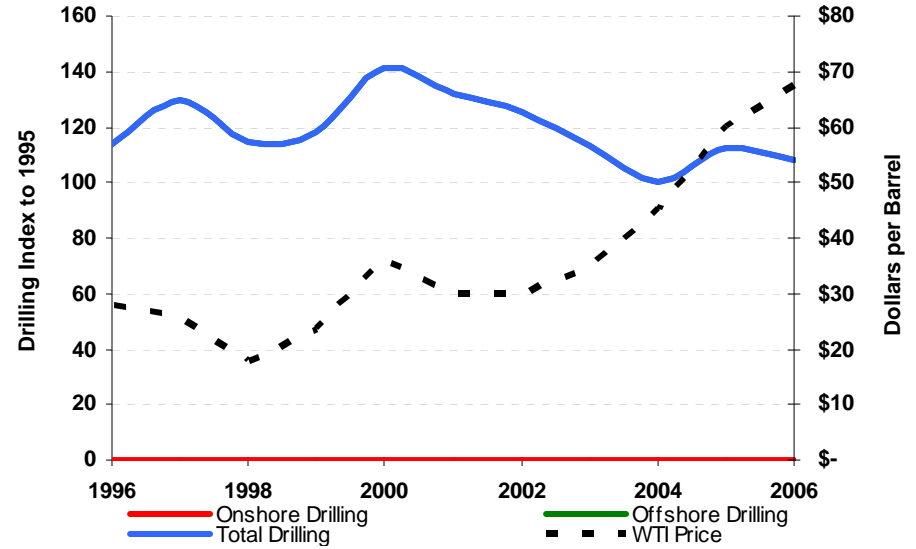
Norway

Expected Production



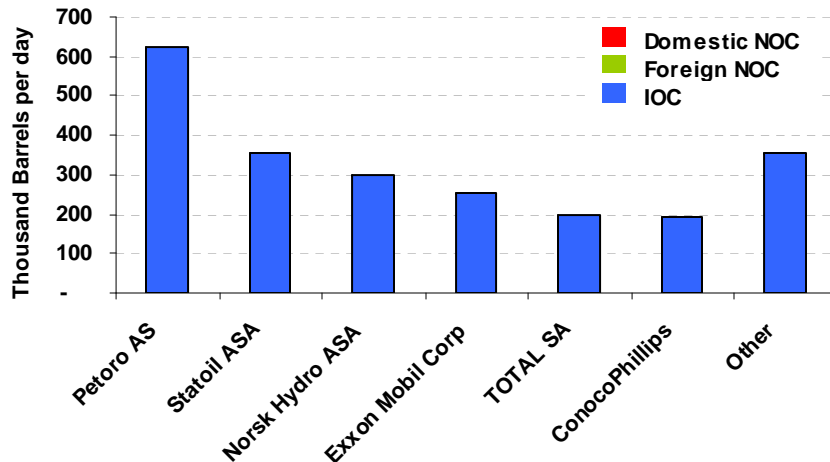
Source: EIA, AEO2009

Index of Total Wells Drilled Annually



Source: I.H.S. Energy, 2007

2006 Oil Production by Company



Source: I.H.S. Energy, 2007

Downside Risks & Upside Potential

- Decline rates at major fields could accelerate
- Smaller finds could be unable to compensate for declines at existing large fields
- Government's licensing terms could continue to encourage investment despite competition from other promising offshore developments
- A significant number of small finds could be capable of offsetting some of decline in existing fields