

Introductory remarks for the EU-OPEC Roundtable on Carbon Capture & Storage
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Riyadh, Saudi Arabia
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Ladies and Gentlemen,

Thank you, Mr Al-Moneef, for that welcoming address to this EU-OPEC Roundtable on Carbon Capture & Storage (CCS). It is greatly appreciated by OPEC that the Kingdom of Saudi Arabia has provided the venue and the necessary requirements to host this event, which we hope will focus thoughts, and in turn actions, on the benefits of promoting and developing cleaner fossil fuel technologies. Please accept our deepest thanks and kindest regards.

Over the course of today we will hear from a wide and varied collection of speakers and I very much hope all speakers and delegates will benefit from detailed updates on the latest technology developments, as well as policy initiatives related to CCS. So, with this in mind, allow me to initially provide some background to this CCS roundtable.

Today, phrases such as 'the protection of the environment', 'climate change concerns' and 'sustainable development' are becoming ever more integral to the energy industry, yet at the same time the world is witnessing a continual and projected increase in energy usage to support both economic prosperity and social development; whether it be at the individual, business, country, continent or global level.

This all points to the unfolding of a new scenario: a world that requires its energy to be cleaner, safer and, as far as possible, environmentally benign — and yet, at the same time, a world that wants energy supply security and for this to be as cheap as possible to allow both developed and developing world countries to reap the benefits of economic and social progression. So where does this scenario, with its very much entwined challenges, lead to?

With fossil fuels expected to remain the main source of energy supplies until at least the middle of this century, and oil in particular, continuing to be at the forefront of fueling socio-economic development, there is a need to focus on technological options that allow the continued use of oil in a carbon-constrained world. In fact, it should be remembered that the oil industry has a long history of successfully improving the environmental credentials of oil, addressing concerns of local pollution and improving air quality.

This leads me directly onto the reason why we are all here today: one extremely promising technological option in this regard is CCS. This can be applied to stationary sources of CO₂ emissions, such as power stations and industrial sites, which account for over half the energy-related CO₂ emissions, and it can also be used in conjunction with CO₂ enhanced oil recovery (EOR), which offers a 'win-win' opportunity, by not only storing CO₂, but also increasing oil reserves in mature fields.

The potential benefits of CCS are plain to see, but we also need to recognise that there are challenges ahead. The future wide-scale application of CCS will depend on a wide range of factors including costs, technology development and public acceptance, but

from the perspective of oil, there is little doubt that large volumes of technically recoverable oil resources remain undeveloped and in some cases are yet to be discovered.

This roundtable very much underlines OPEC's commitment to the environment and CCS. We place great importance on the development of CCS and this joint event also underlines the value of enhancing avenues of dialogue and cooperation to constantly reappraise the outlook for the technology, including targets, methodologies, practices and procedures. This also plays out in OPEC's active participation in the IEA's Greenhouse Gas Abatement Programme and its recent hosting in Vienna, of the IEA's Second Workshop on CO₂ Capture and Storage under the Clean Development Mechanism (CDM) in early August.

In fact, with regard to the last point, as many of you will be aware, only this week Saudi Arabia hosted the First International Conference on the CDM and we believe this to be an important issue in the future of CCS. As CCS remains very much an emerging technology, it should be developed countries that take the lead in this area, working closely with developing countries to promote large-scale demonstration projects, including through the CDM if possible, and in accordance with the principle of 'common, but differentiated responsibilities' and respective capabilities.

The international community needs to continually bear in mind that clean and safe energy is a vital requirement for developing countries as they seek access to modern energy services in their often protracted struggle for socio-economic development, sometimes from a state of extreme poverty. It should be remembered that 1.1 billion people are currently living on less than \$1 a day, 1.6 billion people currently lack access to modern energy services and almost two billion have no electricity. To alleviate and eventually eradicate poverty and the associated energy poverty, as well as meet the environmental challenge, these countries require investment, capacity building and technology transfer to dramatically expand the reach of affordable, improved energy services and to adapt to the impacts of climate change.

Let me finish by thanking out partners in this roundtable, the EU, and their greatly appreciated role in the continued expansion of the EU-OPEC Energy Dialogue, the third Ministerial meeting having taken place in Brussels in June. Long may this dialogue and co-operation continue. I hope today proves both informative and fruitful and I would like now to hand you over to Mr Derek Taylor from the European Commission.

Thank you.