



World Oil Market Prospects

Nigeria Oil and Gas International Exhibition

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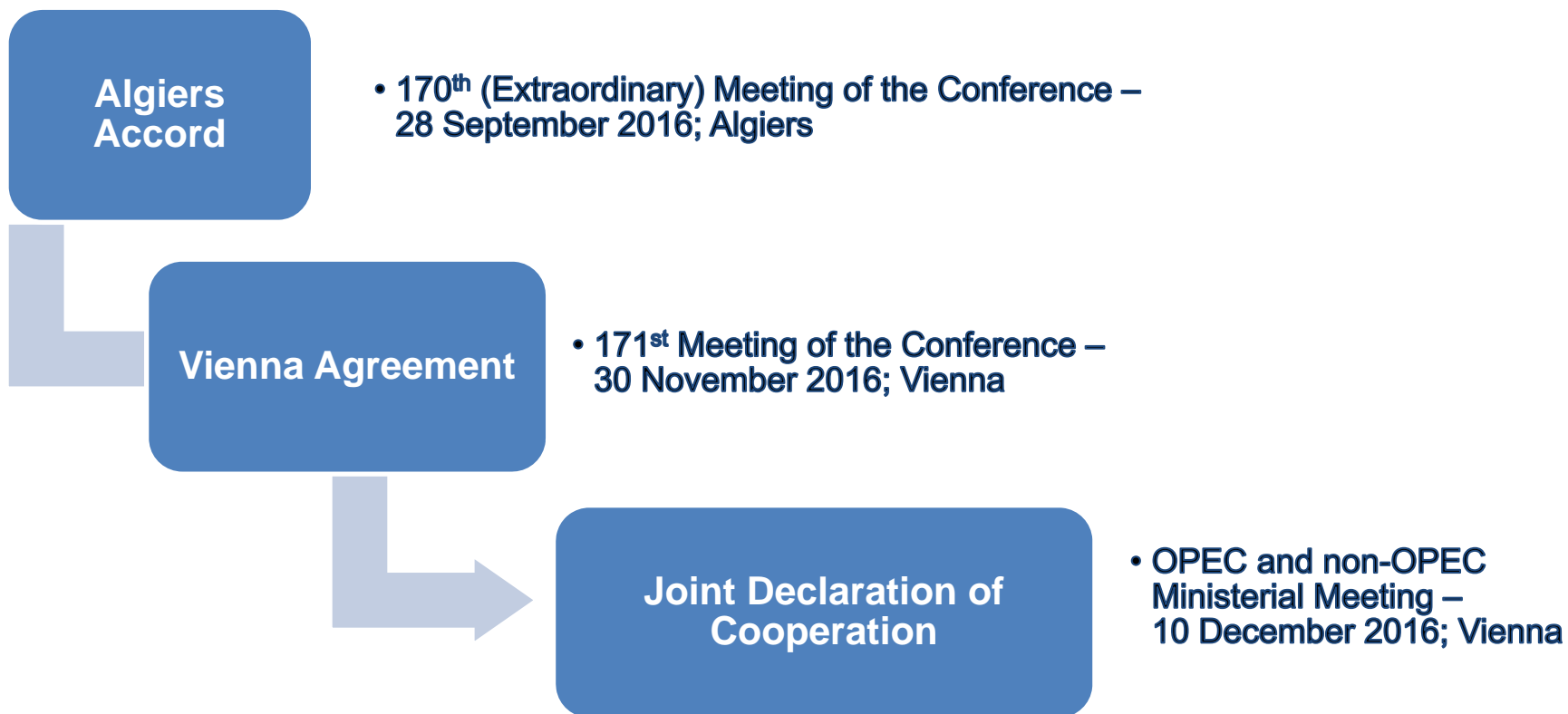
Global exploration and production spending



(by region)	Spending (billion US\$)			Change (%)	
	2014	2015	2016	2015-2014	2016-2015
North America	205	133	84	-35.2	-37.0
Latin America	70	55	36	-22.4	-33.5
Europe	38	28	23	-25.7	-16.3
Middle East	44	41	43	-5.8	3.3
Africa	26	22	18	-16.9	-16.8
India, Asia & Australia	108	79	68	-27.1	-13.5
Russia/FSU	49	38	35	-23.6	-5.8
Worldwide E&P	670	494	383	-26.3	-22.4

Source: Barclays Research

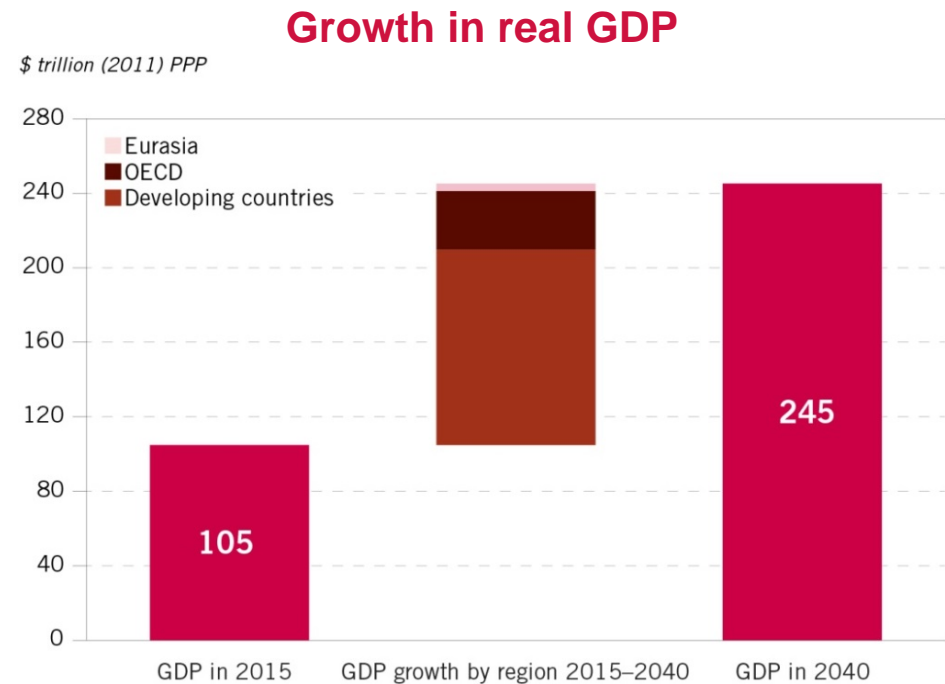
OPEC landmark decisions in 2016



Global economic picture reshuffles



- GDP growth gradually recovers to average **3.4% p.a.** in the medium-term and then **3.5% p.a.** in the long-term
- Developing countries account for **three-quarters** of that growth



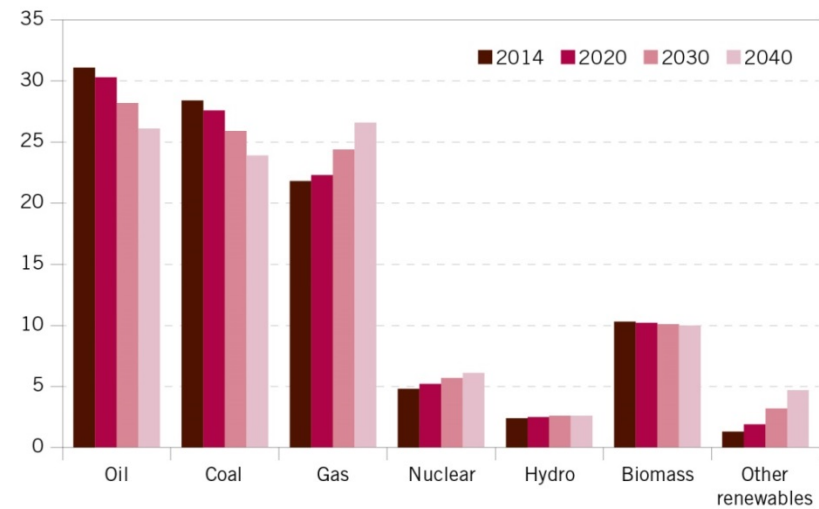
Energy demand will increase by 40%



Total primary energy demand

	Levels <i>mboe/d</i>				Growth <i>% p.a.</i>
	2014	2020	2030	2040	2014–40
OECD	110.6	113.9	114.8	113.9	0.1
DCs	139.8	162.0	202.5	240.5	2.1
Eurasia	23.5	24.0	26.3	27.8	0.6
Total world	273.9	299.9	343.6	382.1	1.3

Fuel shares in the energy mix

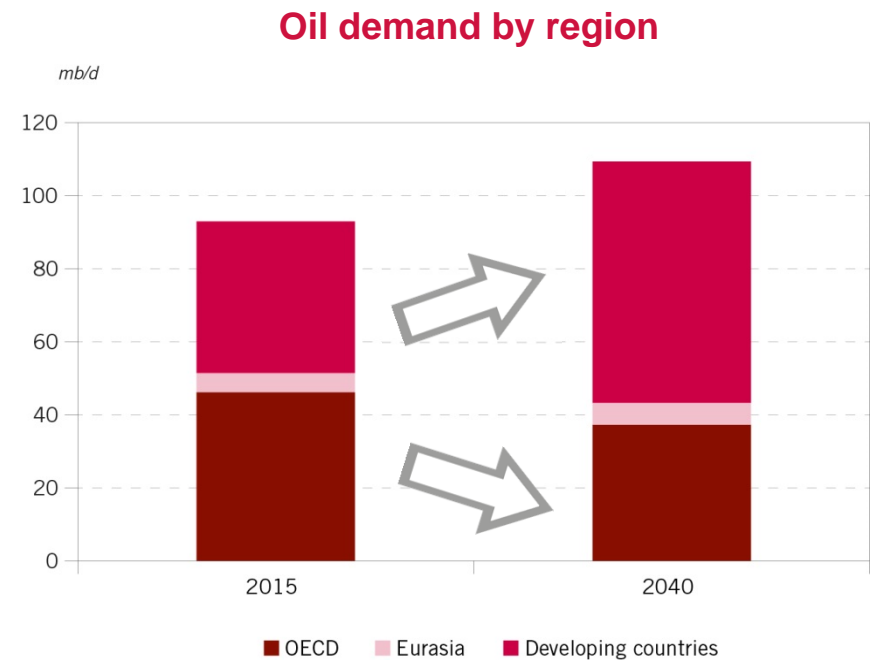


- Energy demand of **382 mboe/d** by 2040; bulk of increase from Developing countries
- **Oil** and **gas** to satisfy **53%** of world's energy needs by 2040

Oil demand at 99 mb/d in 2021, 109 mb/d in 2040



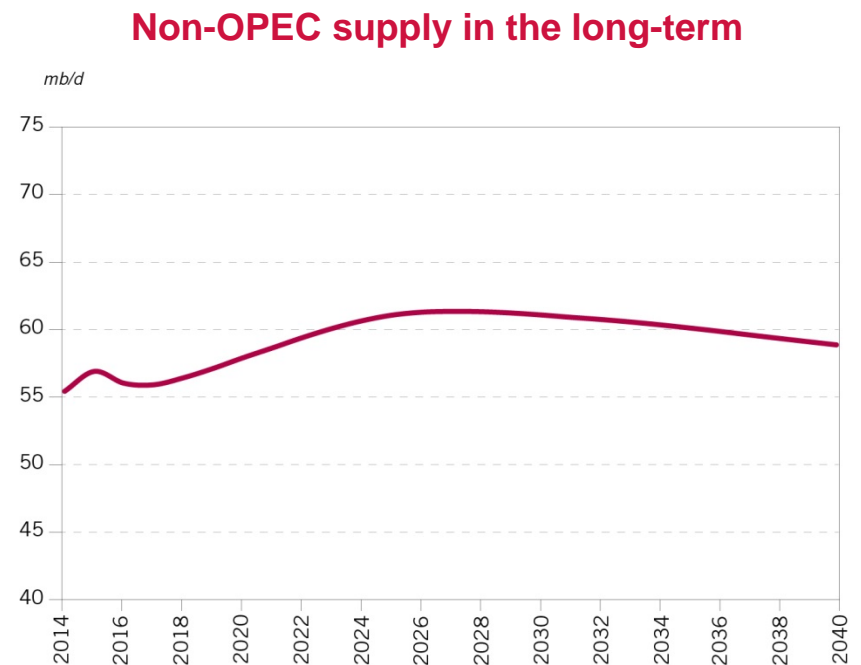
- Oil demand increases by 16.4 mb/d to reach 109.4 mb/d in 2040
 - Growth is driven by DCs
 - One-third of total growth comes from the road transportation sector



Non-OPEC supply: recovers then slowly falls

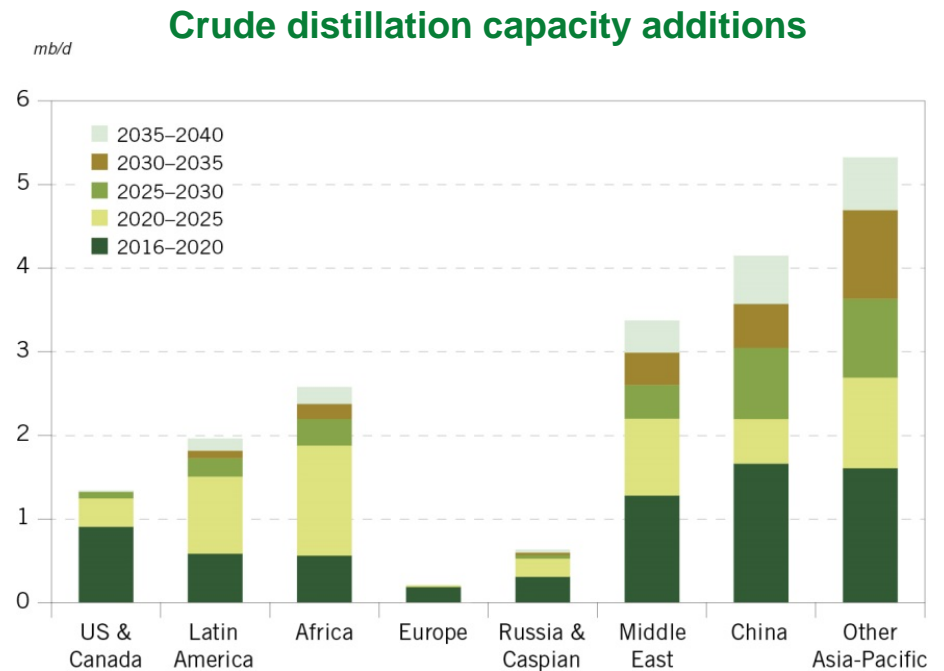


- Slow road to **recovery** for non-OPEC supply in the medium-term
 - Growth coming mainly from Latin America and US & Canada
- Thereafter, non-OPEC supply remains fairly **flat**, but **declines** post-2030
- OPEC crude rises to **41 mb/d** in 2040, accounting for 37% of world liquids



New refining capacity follows demand growth

- New refining capacity moves to developing regions, led by **Asia-Pacific**
- Oil demand growth decelerates and **non-crude supplies** increases: required capacity additions drop
- Capacity **rationalization** is a long-term requirement





Thank you

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