



Oil Outlook to 2025

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Acting for the Secretary General

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Global energy security

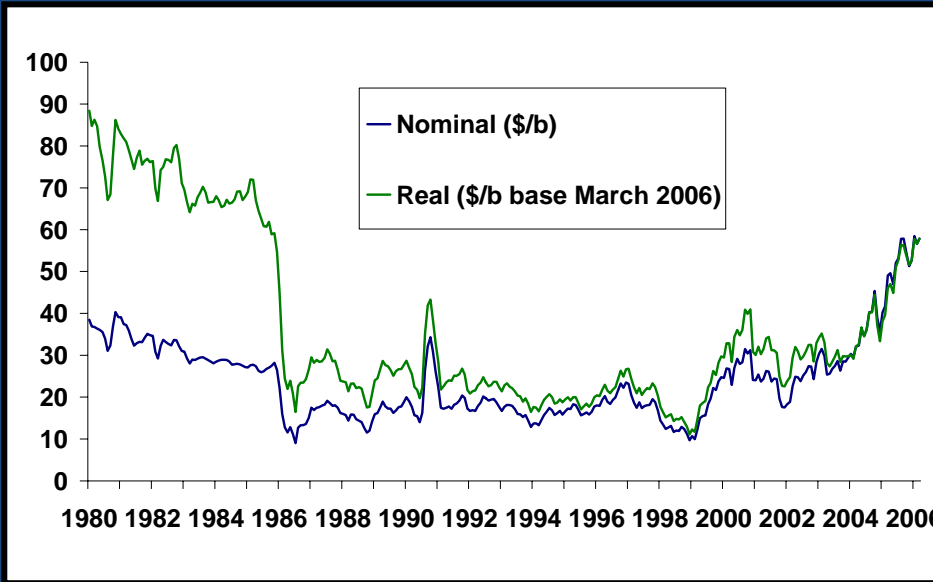
- ❑ **Security of supply and security of demand are two sides of the same coin**

- ❑ **Energy security should:**
 - apply to the entire supply chain
 - cover all time-horizons
 - benefit rich and poor nations alike

- ❑ **Global energy security is a shared responsibility for all players in the market**

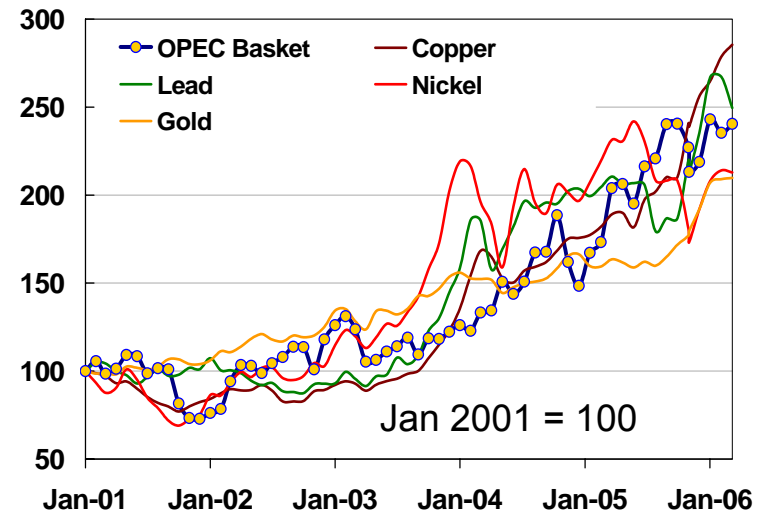


OPEC Reference Basket Price (nominal and real) and non-energy commodity prices



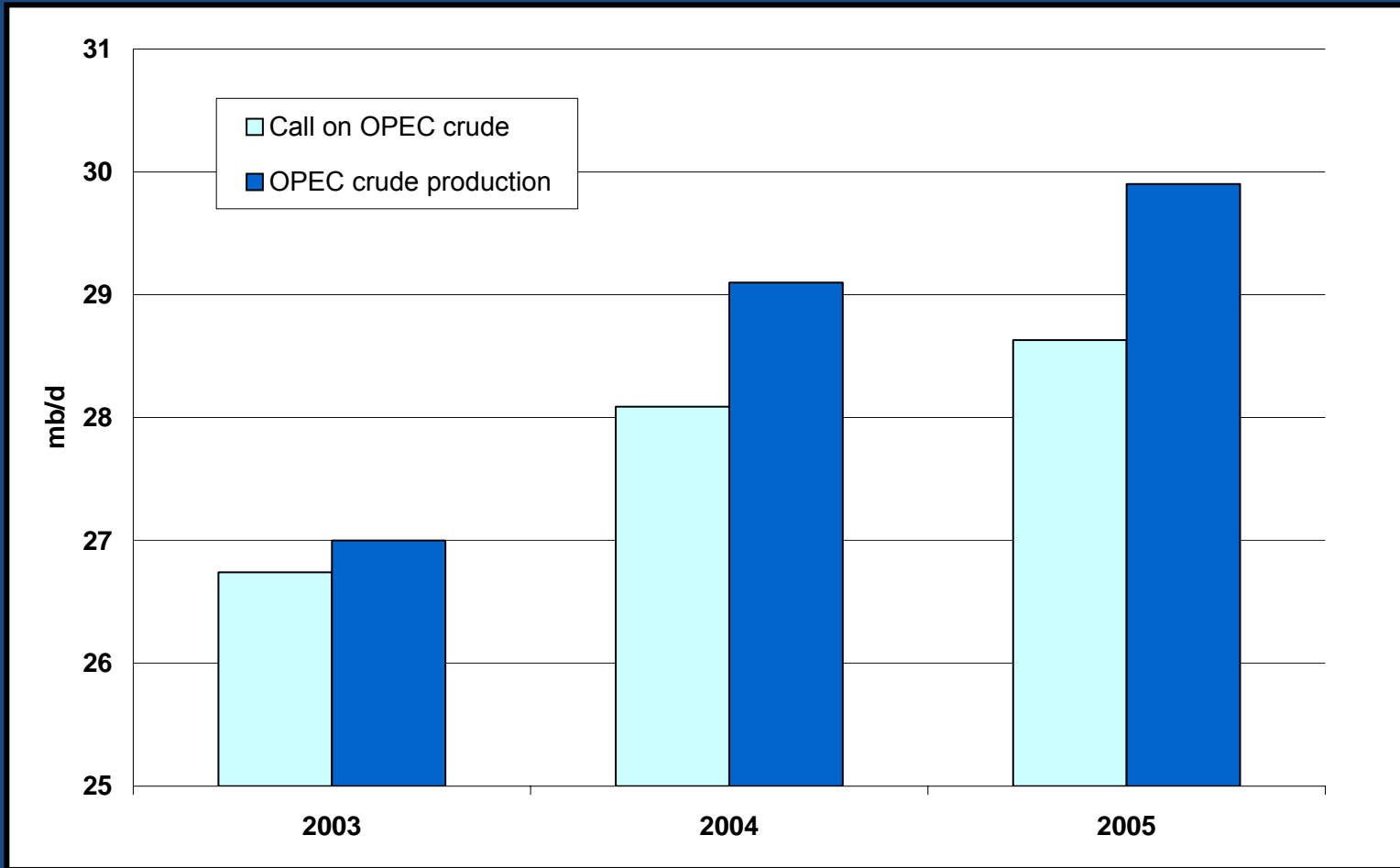
← The real price is still well below historical highs

Non-energy commodity prices have also risen →



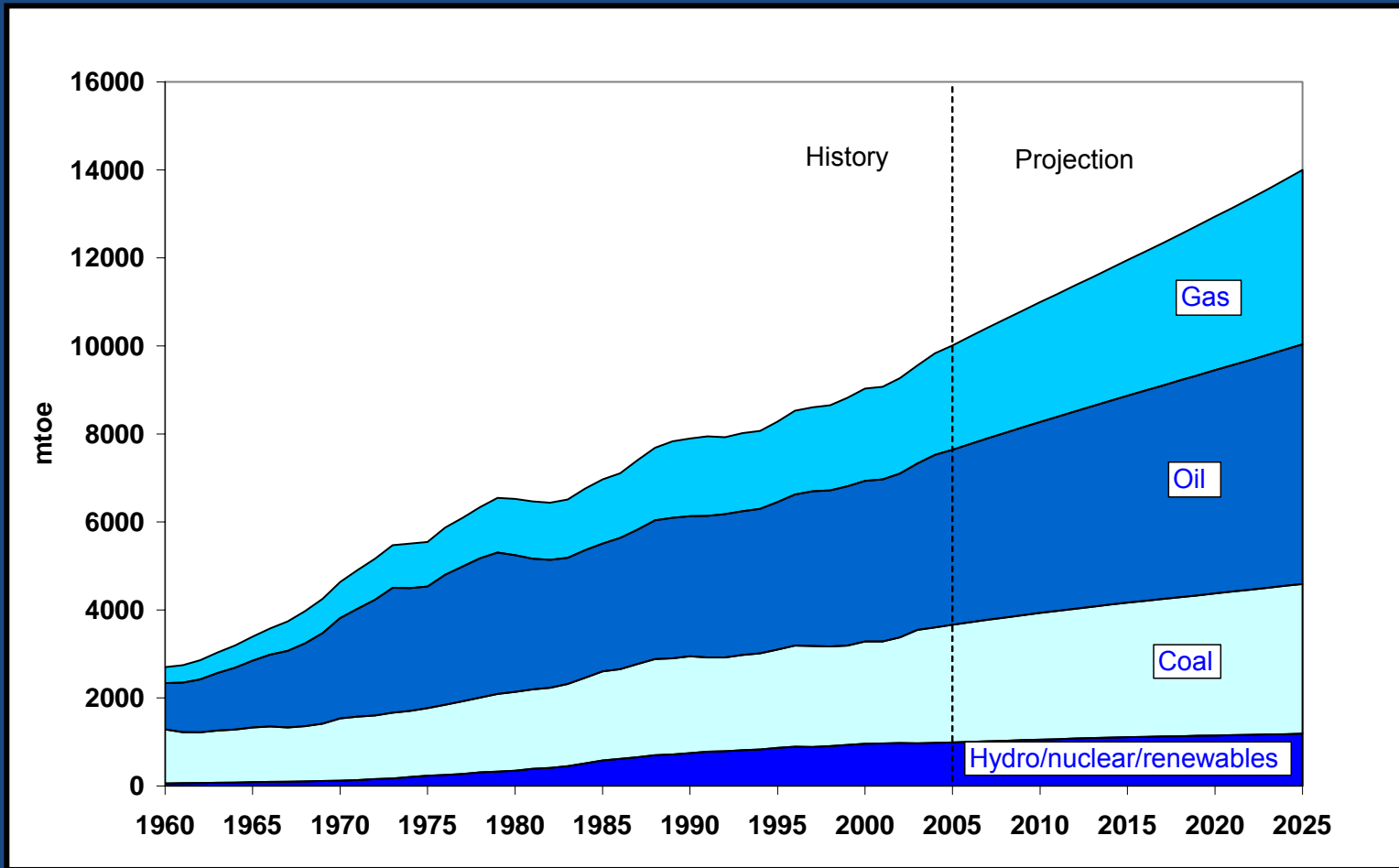


OPEC crude oil supply has risen 4.5 mb/d since 2002





Fossil fuels will continue to provide most of the energy needed





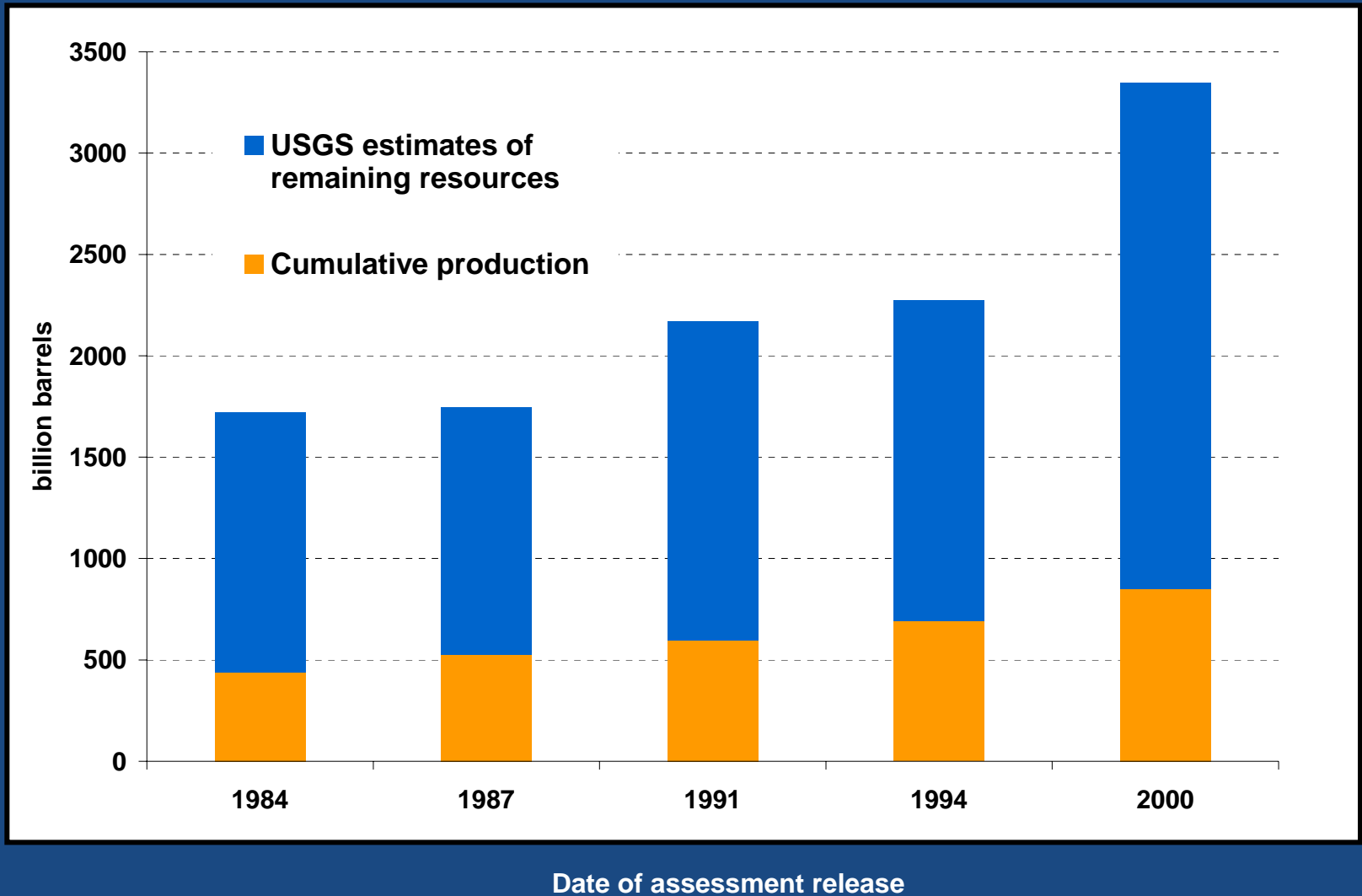
Oil demand outlook in the reference case, mb/d

| | 2005 | 2010 | 2015 | 2020 | 2025 |
|-----------------------------|-------------|-------------|-------------|--------------|--------------|
| OECD | 49.8 | 51.5 | 52.8 | 53.8 | 54.6 |
| DCs | 28.7 | 34.2 | 40.0 | 46.3 | 52.9 |
| Transition economies | 4.7 | 5.0 | 5.3 | 5.5 | 5.7 |
| World | 83.2 | 90.7 | 98.0 | 105.6 | 113.1 |

- “Dynamics-as-usual”: no new strong policy drives
- Four-fifths of increase in demand comes from developing countries
- Transportation continues to be dominant source of growth
- But vehicle ownership levels per capita in DCs remain well below those in the OECD
- Energy poverty remains an important issue



Conventional liquids resource base is sufficient





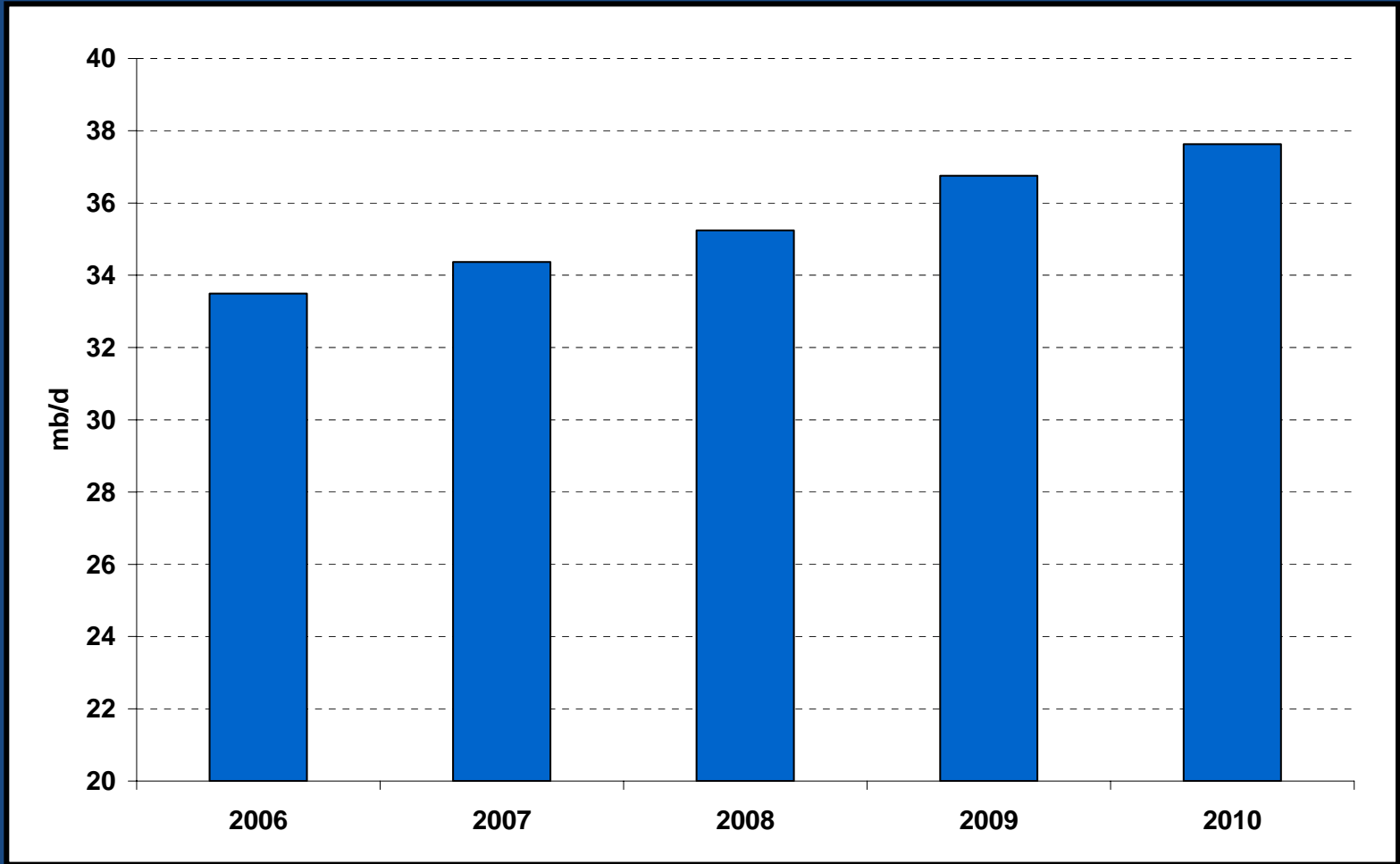
Oil supply outlook, mb/d

| | 2005 | 2010 | 2015 | 2020 | 2025 |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|
| OECD | 20.5 | 20.6 | 20.7 | 20.5 | 19.5 |
| DCs, excl. OPEC | 16.1 | 18.6 | 19.7 | 20.0 | 19.9 |
| Transition economies | 11.7 | 14.4 | 15.5 | 16.1 | 16.5 |
| Total non-OPEC | 50.1 | 55.8 | 58.3 | 59.4 | 58.9 |
| OPEC (incl. NGLs) | 33.1 | 34.9 | 39.7 | 46.2 | 54.3 |
| World | 83.2 | 90.7 | 98.0 | 105.6 | 113.1 |

- Key sources of non-OPEC increase: Latin America, Gulf of Guinea, Russia and Caspian
- Upstream investment of \$1.9 trillion needed

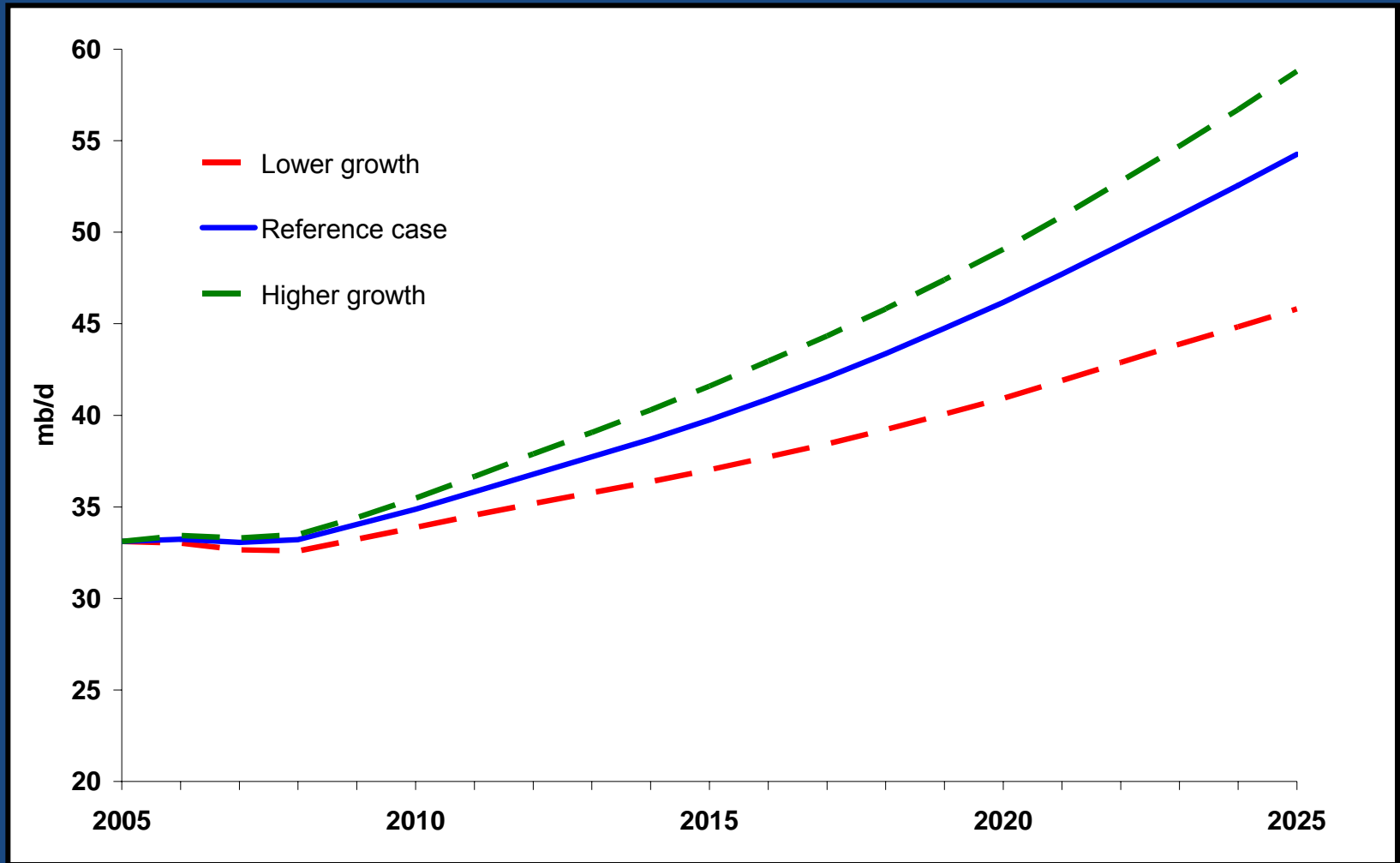


OPEC crude capacity continues to expand



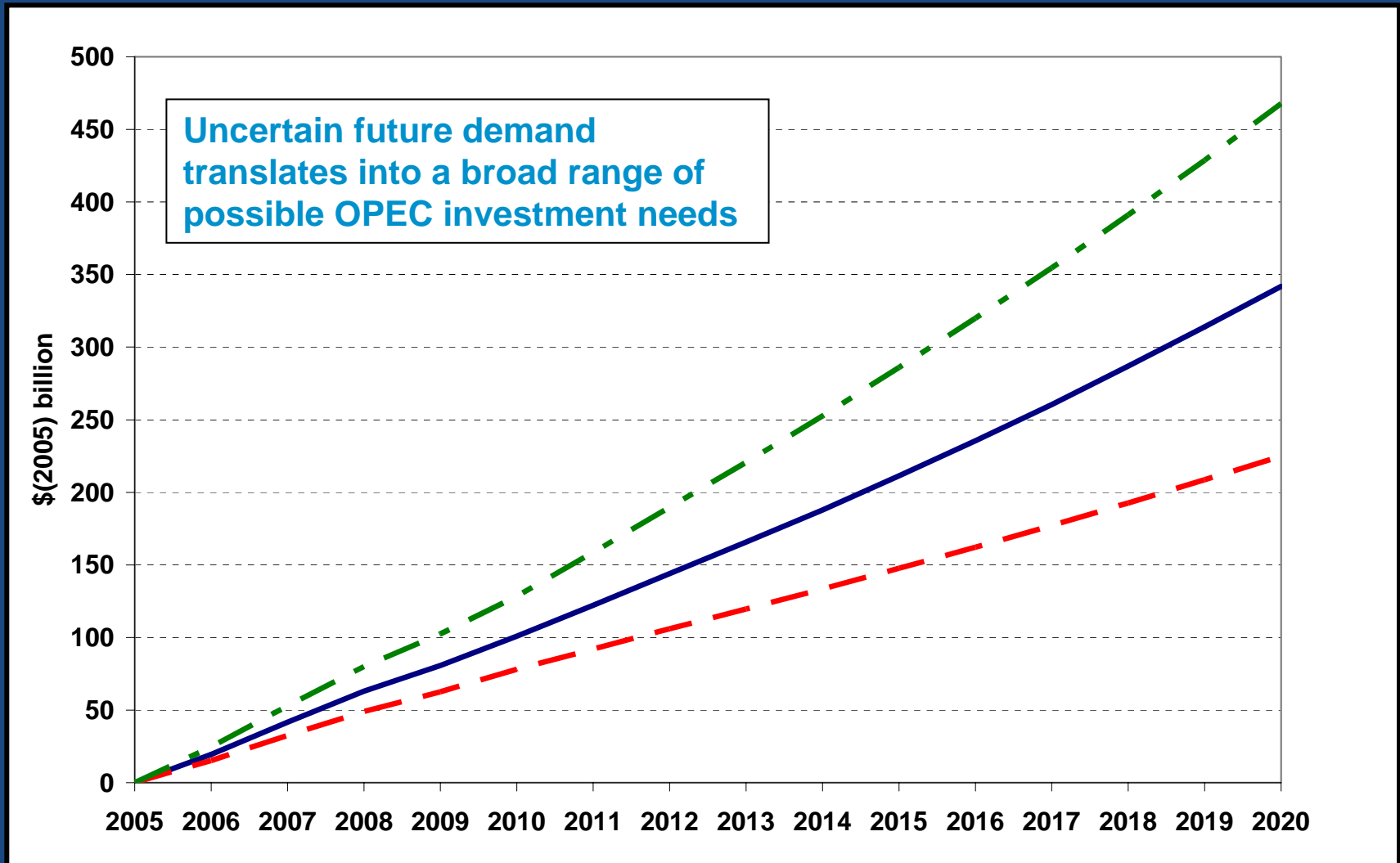


Demand for OPEC oil: considerable uncertainty



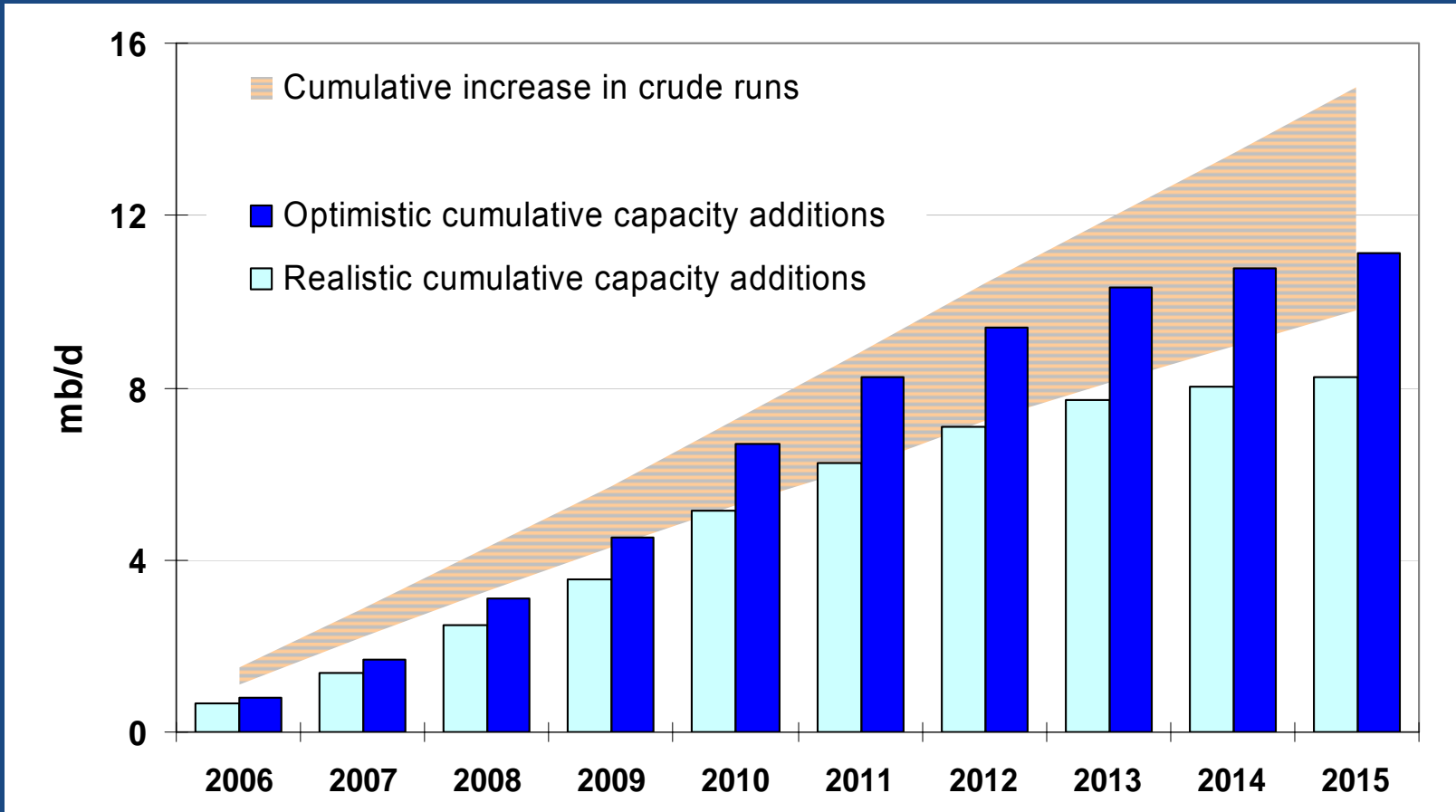


Cumulative investment in OPEC: three scenarios





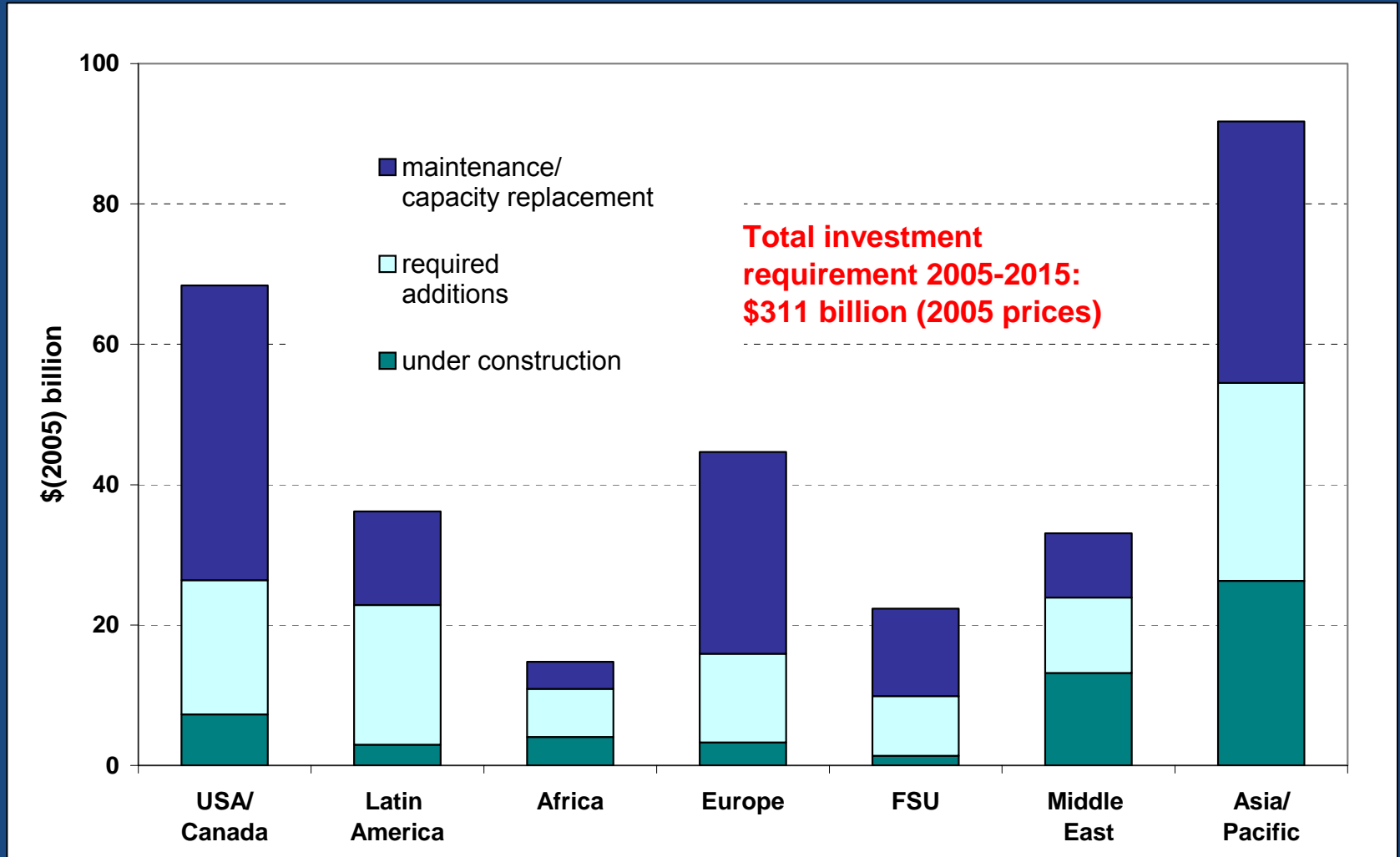
Distillation Capacity Additions vs Incremental Crude Runs



Cumulative increases from 2005



Refining investments in the reference case 2005-2015





Cleaner oil and gas technology

- ❑ Key question: how to make increased fossil fuel use consistent with the third pillar of sustainable development: protection of the environment
- ❑ Huge progress made in improving air quality
- ❑ Carbon capture and storage is a promising technology to address climate change concerns
- ❑ Industrialised countries should take the lead in this area by promoting large-scale demonstration projects
- ❑ Including through the use of the CDM



Concluding remarks

- ❑ Energy security is fundamental
- ❑ Security of supply *and* security of demand
- ❑ Security applies across entire supply chain
- ❑ Poverty eradication: first UN Millennium Development Goal
- ❑ Comprehensive and balanced approach to the three pillars of sustainable development: economic growth, social progress and protection of the environment
- ❑ International Energy Forum is a key platform in the new energy era



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