The Institutions of Energy Dialogue

(IT STARTED WITH OIL)

Agendas Converge Over Time
Crude Prices 1861 - 2009

Historical Crude Oil prices, 1861 to Present

$32.64 in 1873
($ value of 2009)
Events and Oil Prices

MIDDLE EAST, OPEC & OIL PRICES

- Saudi 50-50 deal w/Aramco
- Shah returns to Iran
- Suez Crisis 1956 - 1957
- U.S. Recession
- OPEC adds Qatar
- OPEC formed - Iran, Iraq, Kuwait, Saudi Arabia & Venezuela
- Algeria joins OPEC
- OPEC adds Ecuador
- Mossadegh nationalizes Anglo - Iranian
- OPEC adds Libya & Indonesia
- U.A.E. joins OPEC
- OPEC adds Nigeria

1947 to 1973

WTRG Economics ©2003-2011
www.wtrg.com
(479) 293-4081
Iranian Oil Production  1973-2011
World’s Major Oil Producers

Top Producing Countries, 1960-2006

Source: US DOE, Energy Information Administration
Annual Energy Review 2006

The US Making Room
Total OPEC Production

Crude Oil Production (Mbbl/d)
OPEC Countries

1973 to 2000

Oil Production
Oil Price
Iraqi Forces Dec 1990

Allied Forces Dec 1990
Saudi Oil Production

1980 to 2009
Birth of the IEF

IEF 7 - Riyadh 2000. HRH King Abdullah Ibn Abdulaziz Al-Saud (then Crown Prince) opens the 7th IEF in Riyadh.

Crown Prince Abdullah
IEA – OPEC and IEF

Dialogue makes a difference – IEA Executive Director Nobuo Tanaka, OPEC Secretary General Abdullah El-Badri and IEF Secretary General Noé van Hulst at IEF 11 in Rome 2008.

Sharing Jokes but not Forecasts
IEA’s Executive Director

Maria Van Der Hoeven
OPEC Secretary General

Abdullah Selem al-Badri
IEF Secretary General

ALDO FLORES-QUIROGA
AS THE ENERGY DIALOGUE BROADENS

Energy Charter for Investment

ARENA for Renewables (www.irena.org)
IPEEC for Efficiency (www.ipeec.org)
GECF for gas (www.gecf.org)
UNFCCC for Climate Change (unfccc.int)

OLADE Latin America (www.olade.org)
ASEAN in Asia (www.asean.org)
Shanghai Cooperation Organization (www.sectsco.org)
AFREC in Africa (afrec.mem-algeria.org)
Politics in Energy Markets
President Maduro
President Park Geun-hye  

President Kim Jong-un
PM Recep Tayyip Erdogan
President Bashar al-Assad
President Barak Obama
President Rouhani
King Abdullah bin Abdul Aziz al-Saud
President Netanyahu
President al-Sissi
President Enrique Pena Nieto
South Sudan
Yemen
Security of Supply
GAS INFRASTRUCTURE
The Targeted Site

EAST OF NOWHERE
Algeria 11% of European Gas

32% OF SPANISH; 37% OF ITALIAN
An Easy Target?
Marlboro Man

WE’LL SEE MORE OF HIM
OR HIS SUCCESSOR
Central Asian - Center

47 Years Old
Proposed East Med Pipeline
Russia’s Eastern Gas Strategy (vintage 2007):
Two pipelines to China, LNG as supporting option

Source: Gazprom.
30503-1
5.3 The ÁStanÁ

Transportation routes for Central Asian gas deliveries to China

Source: IHS CERA.
**LNG terminals in Europe**

**EXISTING**
- 22 LNG Terminals (196 bcm/y)

**UNDER CONSTRUCTION / COMMITTED**
- 6 LNG Terminals (32 bcm/y)

**UNDER STUDY / PLANNED**
- 32 LNG Terminals (>160 bcm/y)

OIL SUPPLY
ABQAIQ – Saudi Arabia

7 mb/d
4 Billion Barrels of Stocks

Another 400 million in China
Some Comfort for Markets

But there is always geopolitical fizz in prices
Shifting Oil Demand

Requiring Greater Collaboration
MARKET DESTABILIZERS

UNCERTAIN INVESTMENT CLIMATE
NATURAL DISASTERS
TERRORISM
GEO-POLITICAL TENSIONS
CAPACITY CONSTRAINTS
CROSS FUEL VULNERABILITIES
   FUKUSHIMA
   RUSSIAN POLITICS
   GERMAN POLITICS
THE LIST IS LONGER
   FOR INSTANCE THE SHALE GAS REVOLUTION