

Oil market and Libyan situation update - 10 March 2011

Brent and WTI crude prices today stood close to recent highs at \$115/bbl and \$103/bbl, respectively. Refining margins have recovered only modestly from last week's low levels, after a strengthening in diesel prices. Crude exports from Libya have slowed sharply in the last week, to well below the 500 kb/d reported last Friday, as conflict has intensified. Oil infrastructure appears to have been damaged following bombings around Es Sider and Ras Lanuf in recent days, heralding a worrying escalation from an oil-sector perspective.

So far the physical-market impact of events in Libya has been cushioned by seasonal refinery maintenance, and European refiners, the main customers for Libya's crude, have said they remain well-supplied for the time being. The IEA continues to monitor the situation on a close and constant basis, ahead of a seasonal uptick in crude oil and transport fuels demand expected from April onwards. It stands ready to act if the disruption of supplies proves acute and ongoing, and if suitable replacement supplies cannot be made readily available by other producers.