



INTERNATIONAL ENERGY AGENCY

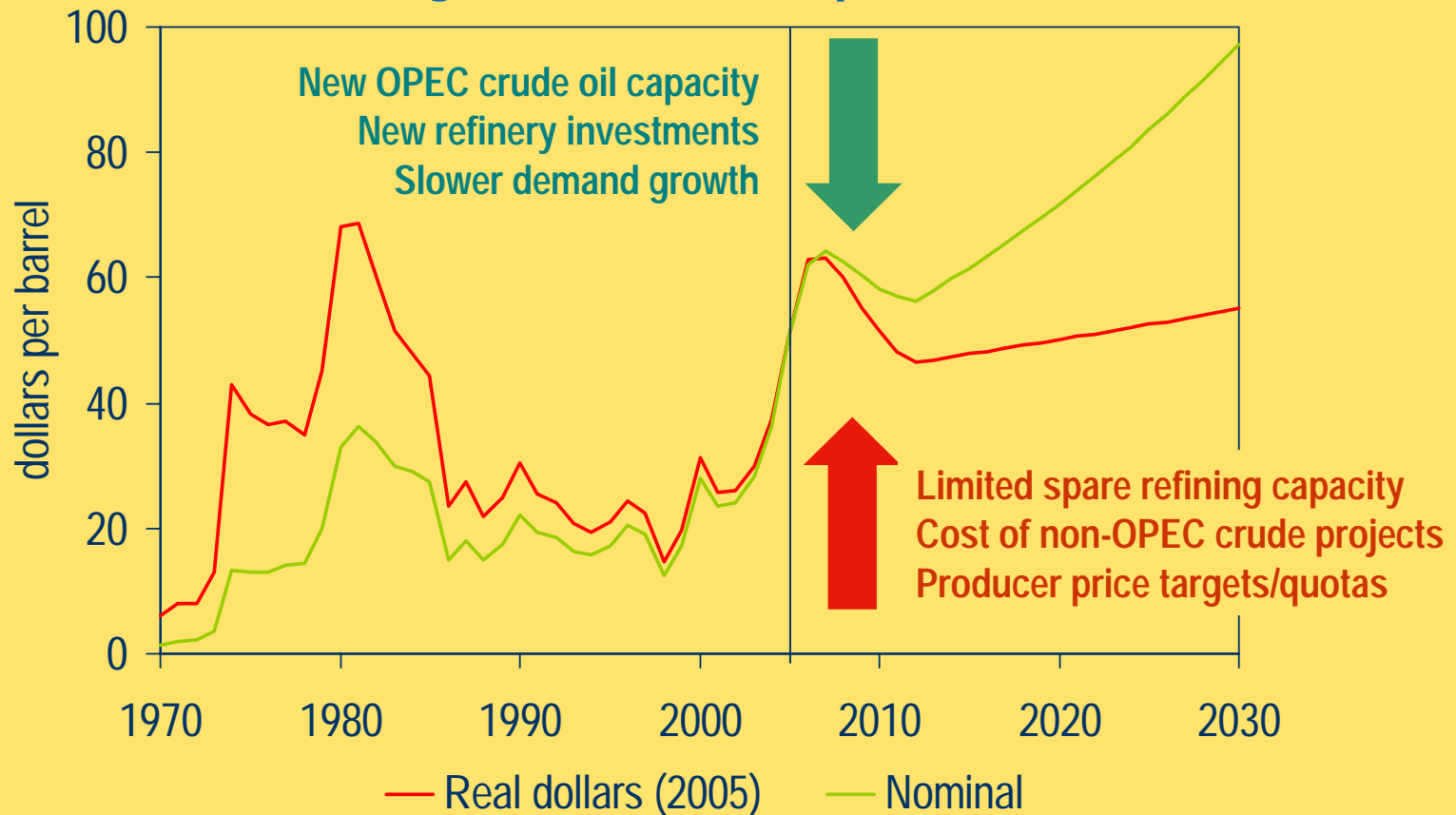


World Energy Outlook 2006

Oil prices: assumptions and drivers

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Average IEA Crude Oil Import Price

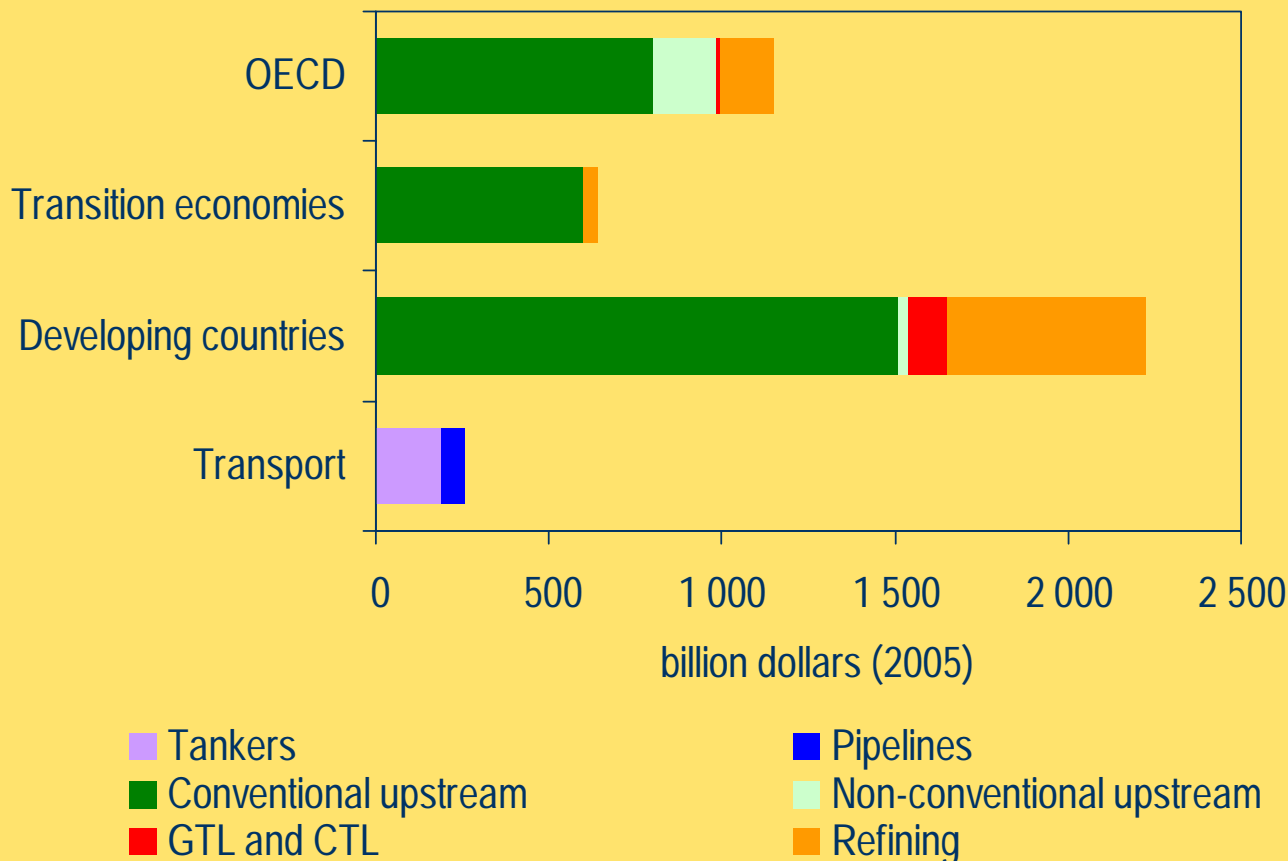


Prices could ease in the near term as spare capacity rises, but geopolitical tensions or supply disruptions could push prices back up

Reference Scenario: Will the Investment Come?



Cumulative Investment in Oil-Supply Infrastructure, 2005-2030 = \$4.3 trillion (in \$2005)

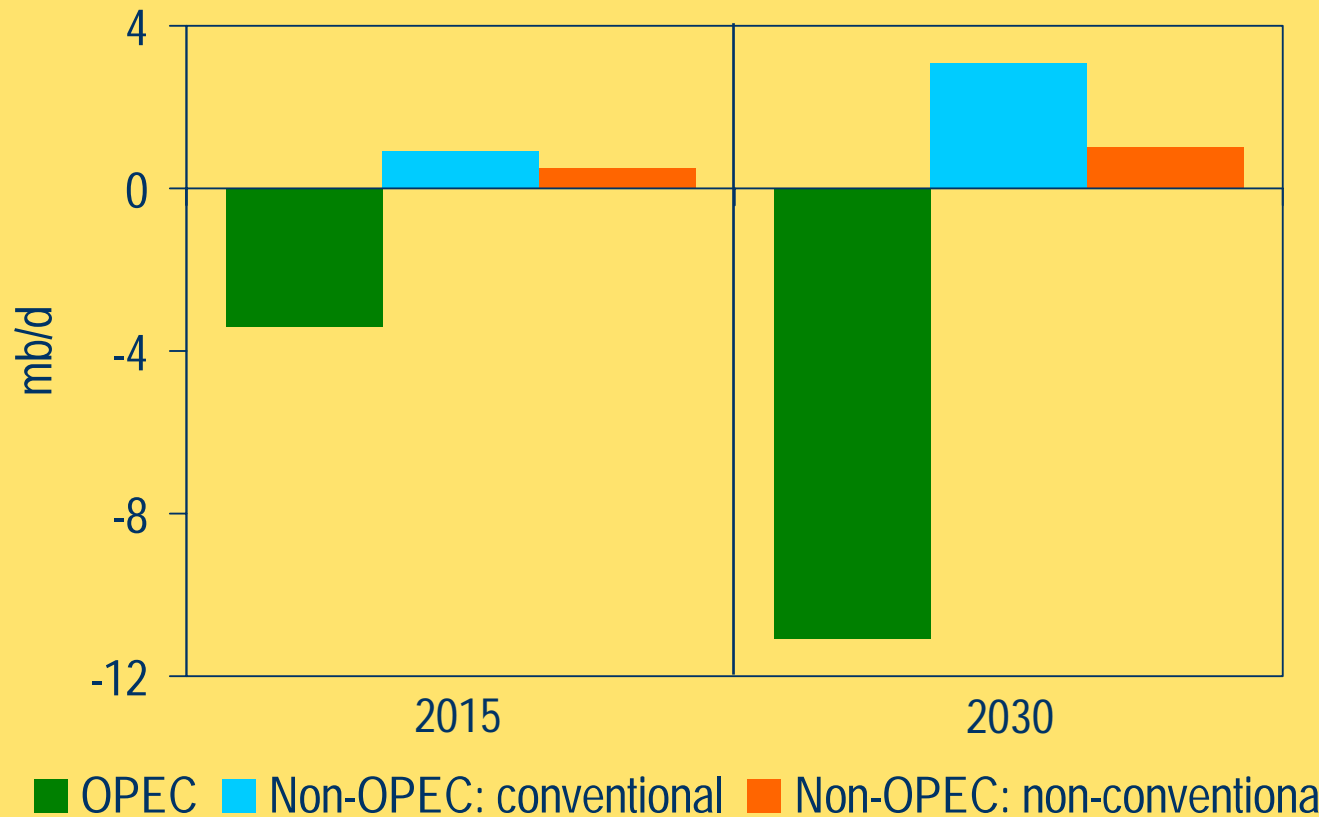


More than half of global investment is in developing countries, with much of their spending on refining & GTL/CTL going to the Middle East

Reference Scenario: Impact of Deferred Investment on Supply

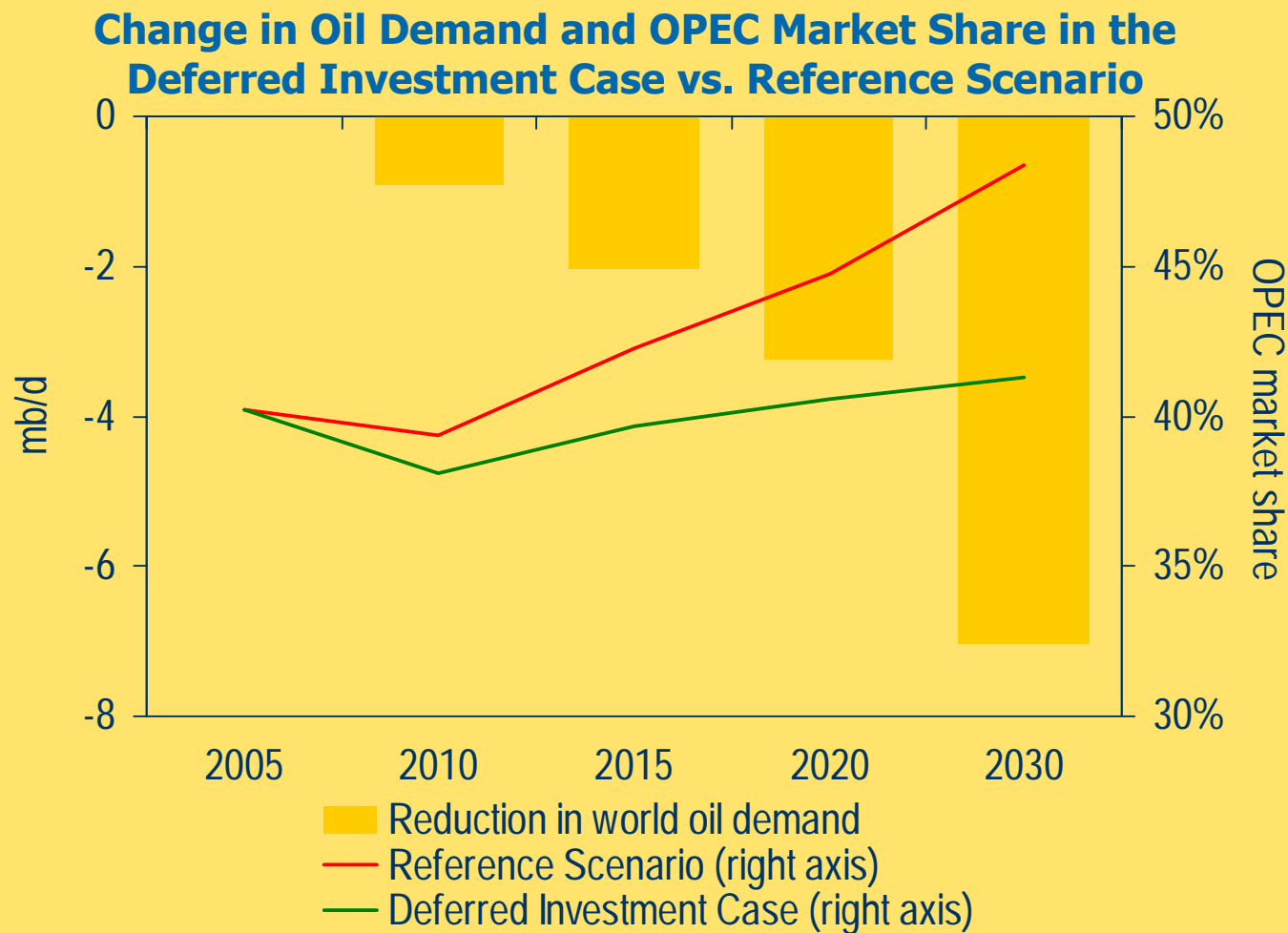


Change in Oil Production in the Deferred Investment Case vs. Reference Scenario



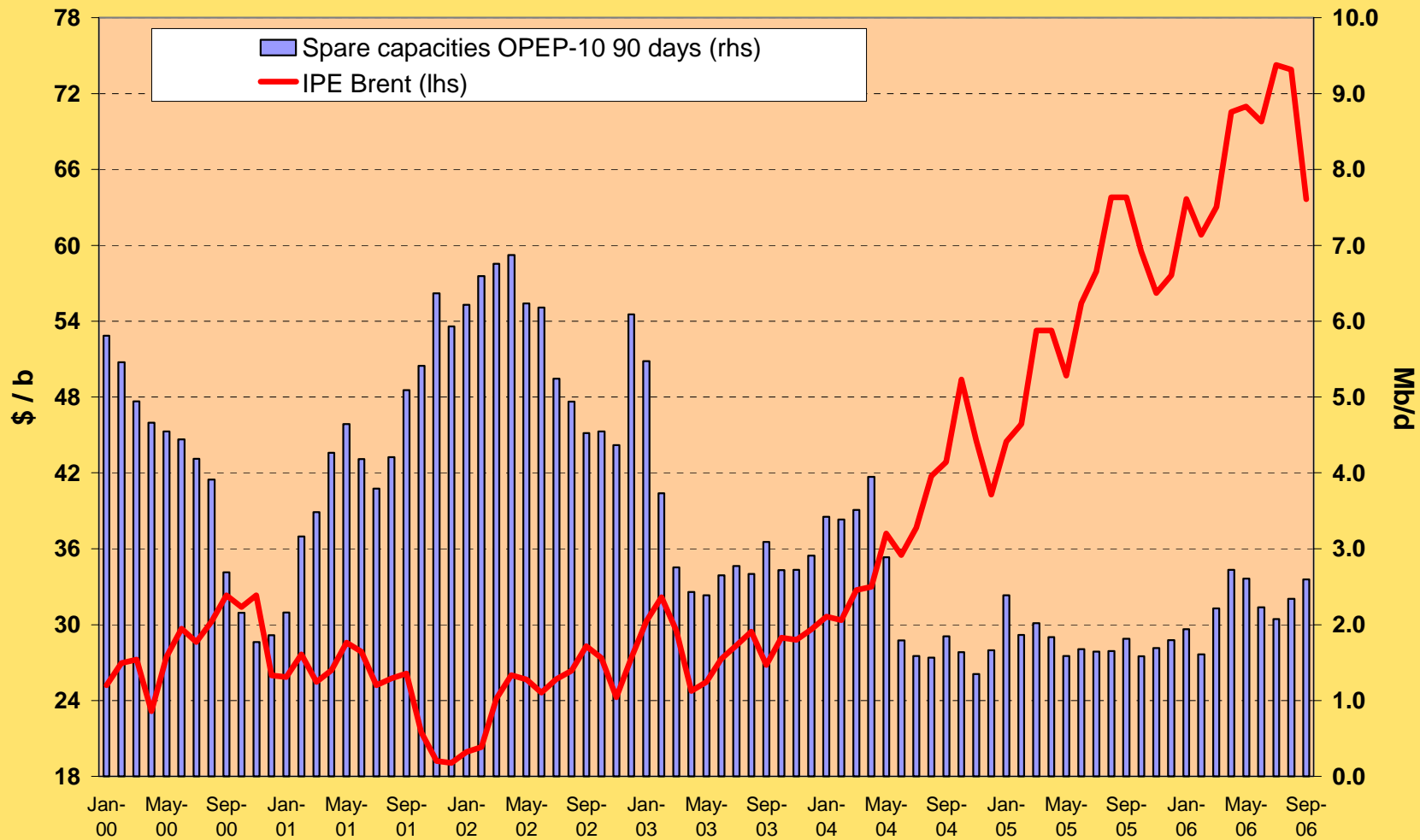
Higher prices stimulate higher investment in non-OPEC countries, driving up their conventional & non-conventional output

Reference Scenario: Impact of Deferred Investment on Demand



Lower OPEC production pushes up prices, curbing demand & cutting OPEC's market share

Impact of OPEC Spare Capacities on Prices



Low OPEC spare capacities lead to higher but still cyclical prices



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Thank you

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