



GLOBAL INSIGHT

GLOBAL PETROLEUM OUTLOOK

An independent view of tomorrow's oil markets

In an era of unprecedented uncertainty for global oil markets, opinions on the future of oil prices diverge. No one can predict the future with absolute certainty. There are several possible scenarios discussed in the market today, but none can be confidently called a prediction and used alone for planning. Global Insight provides you with a planning instrument based on three internally consistent scenarios. These can assist your organization to plan for and anticipate a range of oil market outlooks and development paths.

GLOBAL PETROLEUM OUTLOOK

AN INDEPENDENT VIEW OF
TOMORROW'S OIL MARKETS



► SCENARIOS AND SIGNPOSTS IN AN ERA OF EXTREME UNCERTAINTY

The revised and expanded *Global Petroleum Outlook* introduces a scenario-based structure for oil prices over the next 20 years. It is a valuable tool for long-term strategic planning and analysis of oil market risks.

The *Global Petroleum Outlook* presents three long-term oil market scenarios — Market Remanaged, Supply Constrained, and Cornucopia — each focusing on:

- Future demand;
- OPEC and non-OPEC production;
- Non-conventional oil production;
- OPEC spare capacity; and
- The price paths that would ensue.

These annual forecasts are supplemented with regular “signpost” updates that indicate the scenario most likely to occur. This combination of in-depth analysis and ongoing assessment updates offers a comprehensive long-term oil outlook.

OIL MARKET SCENARIOS

MARKET REMANAGED

OPEC re-emerges as the market “governor” and attempts to manage prices in the mid-\$40s per barrel.

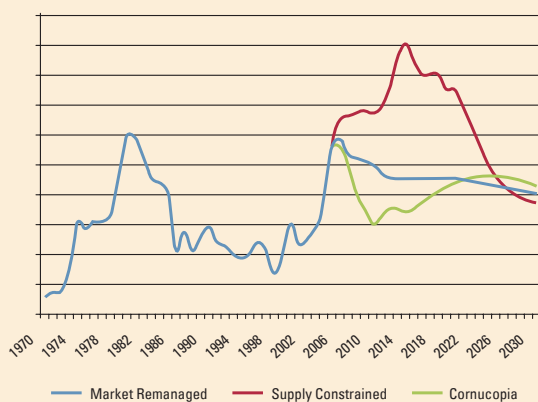
SUPPLY CONSTRAINED

We enter an era where supply and demand must balance on demand, not supply. Prices spike to unprecedented levels beyond \$100 per barrel.

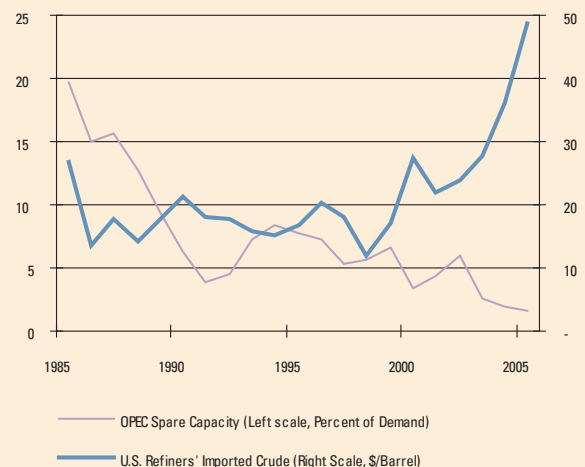
CORNUCOPIA

A significant supply surplus develops (exceeding 5% of world demand), causing the price to drop to the low-to-mid \$30s per barrel — about the level of marginal production costs.

GLOBAL OIL MARKET SCENARIOS PRESENT DRAMATICALLY DIFFERENT IMPLICATIONS, PATHS, AND CONSEQUENCES



OPEC SPARE CAPACITY CORRELATES WITH PRICE





▶ A COMPLETE VIEW OF GLOBAL OIL SUPPLY AND DEMAND

Petroleum supply and demand are not driven by events in any one country or industry, but by a host of industries, consumer trends, and government policies. Global Insight leverages the expertise of multiple practices—international macro, world agriculture, and global automotive—to present a complete understanding of these major oil price driving forces. We understand the factors in play—political risk, macroeconomics, automotive trends, and biofuels—and are uniquely capable of measuring their effects on supply and demand.

▶ SERVICE DELIVERABLES

Throughout the year, Global Insight's most senior experts prepare special in-depth analyses of emergent trends that are likely to impact the energy sector. The results are released as special studies.

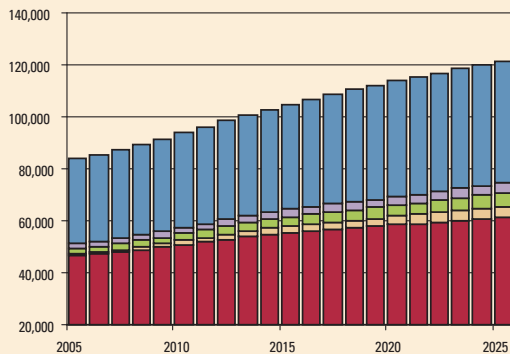
- Annual report and access via our Web site.
- Quarterly conference calls discussing relevant market and signpost updates, as well as a presentation and summary discussion of the main report.
- Interim update report.

Optional Upgrades

- On-site presentation and discussion sessions.
- Scenario specification and modeling. Global Insight can run alternative scenarios to fit your requirements. We can facilitate workshops developing scenario specifications and run the model, or run the models to your specifications without further interaction.

LIQUIDS SUPPLIED: CORNUCOPIA

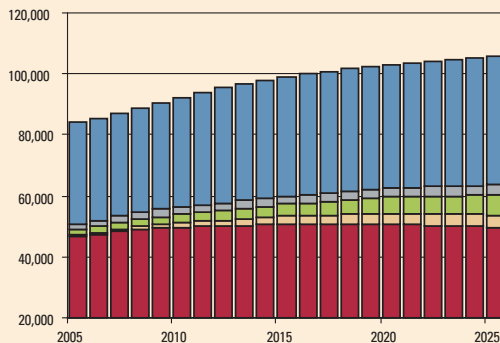
(Thousand barrels per day)



- Opec
- Processing Gain
- GTL & Non-Conventional (Incl in OPEC)
- Biofuels
- Non-OPEC Conventional Crude + NGLs only

LIQUIDS SUPPLIED: MARKET REMANAGED

(Thousand barrels per day)



- Opec
- Processing Gain
- GTL & Non-Conventional (Incl in OPEC)
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▶ ABOUT GLOBAL INSIGHT ENERGY

For over 40 years, Global Insight has worked with companies and governments worldwide, helping to quantify the impact of changing market conditions and energy policies.

Global Insight has expanded its Energy Group in the past year, and now has over 40 professionals in the group. There has been a particular emphasis on putting in place an **enlarged oil team**. Recent high prices and the unprecedented levels of uncertainty call for a more sophisticated approach and greater analytical capability. The senior oil experts in the Energy Group include:

Kevin Lindemer, Managing Director of Global Energy, has over 22 years of experience and is an expert on the global oil industry, specializing in downstream refining and marketing operations. Lindemer's extensive background in the petroleum industry includes serving as Director of Strategy and Business Development at Irving Oil Corporation; Senior Director in the Oil Practice at Cambridge Energy Research Associates (CERA) in Cambridge, Massachusetts; and as a planning and strategy analyst for CENEX Petroleum.

Graham Loveland brings 27 years of experience with Shell. His expertise includes oil/energy supply, demand, and pricing analysis and forecasting, covering the United Kingdom and other regions.

Bill Severns specializes in upstream oil and gas business activities, production trends, and technology directions, as well as strategic analysis of the challenges and opportunities facing energy producers, suppliers, and customers.

Simon Wardell leads the World Markets Energy Group, focusing on daily oil market coverage and analysis. He specializes in political risks in the global energy industry, especially the Middle East and NOC strategies.

Dr. Nariman Behraves, Global Insight's Chief Economist, directs Global Insight's forecasting process for over 200 economists. He is closely involved in oil price outlook scenarios, and establishing the macroeconomic impact and feedback of different price paths.

These experts are backed by a team of 325+ economists and specialists in other markets, providing unmatched insight into industry developments.

▶ MORE INFORMATION

For more information about Global Insight's energy services, please visit www.globalinsight.com/energy.

THE POWER OF PERSPECTIVE

ABOUT GLOBAL INSIGHT: Global Insight, Inc., formerly DRI-WEFA, provides the most comprehensive economic coverage of countries, regions, and industries available from any source. With its acquisition of World Markets Research Centre, Global Insight also provides the world's first same-day analysis and risk assessment service covering over 200 countries and the energy, automotive, telecommunications, and health-care sectors, providing insightful analysis of market conditions and key events around the world. The company has over 3,800 clients in industry, finance, and government around the world, with 23 offices in 12 countries, covering North and South America, Europe, Africa, the Middle East, and Asia.

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