



Press Release

IEF – IFP Symposium

Enhancing Global Energy Security, Role of Technology in the Petroleum Sector

Riyadh, Saudi Arabia 15 December 2008

The IEF-IFP symposium was held in Riyadh, 15 December 2008, with the participation of representatives from oil companies, technology and service providers, international organizations and representatives from producing and consuming countries, from developed and developing countries. “Enhancing global energy security, role of technology in the petroleum sector” was the central theme.

The participants exchanged their views on how to promote technological development and deployment and ways and means to enhance cooperation between all stakeholders.

The participants affirmed that fossil fuels are expected to remain the main source of energy supplies, for the coming decades, with oil continuing to be dominant in the global energy-mix, and underlined the need to focus on technological advances that allow for sustained supply of petroleum and the continued use of oil in a carbon-constrained world.

The participants noted that technology helps pushing the boundaries of production, as it improves production rate, extends projected field life and increases ultimate hydrocarbons recovery. “An increase of one percentage point in the average recovery rate of existing oilfields, around 35 % today, would be equivalent to two years world oil consumption, at current rates” said Olivier Appert, Chairman and CEO of IFP.

The symposium discussed how to sustain continuous technological development to find, develop and produce oil in an increasingly harsh environment. The industry will need to drill deeper and extract oil and gas in severe conditions (high temperature and high pressure) while containing operational costs at a level compatible with economic environment.

The symposium affirmed that Carbon Capture and Storage technology used in conjunction with CO₂ enhanced oil recovery is a “double-win” option as it reduces greenhouse gas emissions while at the same time increasing recoverable reserves in mature fields and hence contributing to global energy security. According to recent estimates from IEA, enhance oil recovery technology is projected to contribute 6.4 mb/d to world oil supply in 2030 - with CO₂-EOR accounting for most of the increase. About 9.8 gigatonnes of CO₂ are captured and stored in CO₂-EOR projects over the projection period.

The participants discussed the obstacles that CCS technology still has to solve, such as cost of implementation and the need to reduce energy consumption of transporting and storing CO₂. They underlined the need for more commercial-scale demonstration projects, encouraged international partnerships and welcomed all initiatives aiming at making CCS technology deployment economical at large scale.

“An enhanced cooperation between producing and consuming countries will accelerate upstream technological development and CCS technology deployment and help harvest its potential” said Noe van Hulst, Secretary General of IEF, and “this can be undertaken in the framework of IEF” he added.

The participants affirmed that partnership between NOCs and IOCs in technological development and implementation is a win-win situation and called for a renewed collaboration and a strengthened cooperation to develop R & D for technological advances that will reduce costs, improve efficiency and increase output.

The participants noted that R & D efforts and technology advances require important investment, called for partnership between NOCs, IOCs, services providers and governments and advocated industry and governments to maintain R & D funding despite foreseeable budget constraints.

IEF

The International Energy Forum gathers Ministers of energy producing and consuming countries, of industrialized and developing countries in a global dialogue on energy. In the IEF Ministers address issues of energy security and the links between energy, environment and economic development. Their global dialogue transcends traditional political, economic and energy policy dividing lines of nations at a time of increasing interdependencies. Recognizing the crucial role of industry, IEF Ministers interact with CEOs of leading energy companies in the International Energy Business Forum. IEF is also coordinating the Joint Oil Data Initiative in cooperation with APEC, Eurostat, IEA, OLADE, OPEC and the UN. For more information, please visit www.iefs.org.sa

IFP

IFP is a world-class public-sector research and training center, aimed at developing the technologies and materials of the future in the fields of energy, transport and the environment. It provides public players and industry with innovative solutions for a smooth transition to the energies and materials of tomorrow - more efficient, more economical, cleaner and sustainable. To fulfil its mission, IFP has 5 complementary strategic priorities:

- Capturing and storing CO₂ to combat the greenhouse effect,
- Diversifying fuel sources,
- Developing clean, fuel-efficient vehicles,
- Converting as much raw material as possible into transport energy,
- Pushing back the boundaries in oil and gas exploration and production.

An integral part of IFP, its graduate engineering school prepares future generations to take up these challenges. For more information, please visit www.ifp.com