



Press Release

NOC-IOC Forum

Enhancing Global Energy Security through Cooperation and Partnership

Kuwait City, 30-31 March 2009

The International Energy Forum and the Government of Kuwait held the first NOC-IOC Forum in Kuwait City, 30-31 March 2009, opened by Kuwaiti Minister Nabeel Bin Salama with participation by Qatari Deputy Premier and Minister of Energy and Industry Abdullah bin Hamad Al-Attiyah, as well as government delegations, international organizations and senior decision-makers from National and International Oil Companies, representatives from producing and consuming countries, service companies and the financial sector. "Enhancing Global Energy Security through Cooperation and Partnership" was the central theme.

Participants noted that this first NOC-IOC Forum presented a timely opportunity to address the shared concerns of petroleum industry stakeholders highlighted by Ministers and participants in the 11th IEF and 3rd IEBF (April 2008) as well as during the two ad hoc energy Ministerial meetings in Jeddah (June 2008) and London (December 2008).

Industry leaders discussed key challenges facing the oil and gas industry in a volatile market and uncertain times. They highlighted successful examples of long-term cooperation between NOCs and IOCs and exchanged views on how such cooperation and partnership could be developed to further enhance global energy security.

Participants acknowledged that concerted efforts have been made in recent years to improve the availability of market data, most notably with the Joint Oil Data Initiative (JODI) coordinated by the IEF.

The sector is currently facing significant price volatility exacerbated by the severe economic slowdown and a banking crisis, weakening oil demand and reduced availability of credit. Participants noted that timely and targeted investment along the entire supply chain was vital for the efficiency and sustainability of energy markets. "Recent estimates show that the combined effects of future demand growth and natural depletion will require investment of approximately \$ 12 trillion in the oil and gas sector by 2030 (or nearly \$ 500 million per annum), a staggering but nonetheless essential undertaking which must not be forgotten despite the near-term market outlook and restricted availability of credit" said Noe van Hulst Secretary General of the IEF.

Participants observed that eventually the world economy will recover and oil demand will pick up. They advocated maintaining investment plans as much as possible to face future demand and emphasised the potential impact on future supply if investments are delayed. "Kuwait will maintain its investment plans despite the short-term economic outlook", said Saad Al-Shuwaib, CEO of KPC.

Discussing rising costs in past years, participants acknowledged that if companies respond to current economic pressure by implementing large cuts in jobs, training and capital spending, it may sow the seeds of the next cost escalation. "The upcoming IEF Symposium "Tackling the human resources crunch in the petroleum industry", 13-14 April 2009 in Qatar presents a timely opportunity to address this major challenge" said Noe van Hulst Secretary General of the IEF.

Extended partnerships and cross-investment throughout the value chain were identified as a mutually beneficial approach to NOCs and IOCs as it improves security of supply for importing countries while enhancing security of demand for producing countries.

Participants suggested a new focus on value-driven long-term partnerships covering areas beyond joint projects and investments to involve sharing of skills, innovation and technology, know-how and project management and preferential co-investment, whereby efforts are combined to develop local workforce and infrastructure, domestic service companies and generate employment. The current oil price environment may be a catalyst for new schemes of partnership, said the participants.

“The recent market events and the uncertainty which characterizes the global economic situation reinforce the importance of an open, ongoing and trust-building dialogue between producing and consuming countries and emphasize the need for new avenues of cooperation between NOCs and IOCs” said H.E Al-Attiyah, Deputy Premier and Minister of Energy and Industry of Qatar.

Participants welcomed this first NOC-IOC Forum of the IEF as another important step forward in bringing together stakeholders from producing and consuming countries to assess avenues for improving cooperation and partnership, strengthening the global energy dialogue and enhancing global energy security. “The key messages of this first NOC-IOC Forum will be developed and transmitted to the IEF Ministerial meeting in Mexico, 29-31 March 2010”, said Noe van Hulst Secretary General of the IEF.

Finally, participants warmly welcomed the invitation of TOTAL to host the second NOC-IOC Forum of the IEF in 2011.

For further information on this or other IEF events please contact Simon Stoddart simon.stoddart@iefs.org.sa or visit www.iefs.org.sa