

2nd IEF-KAPSARC THOUGHT LEADERS' ROUNDTABLE

A New Era or Just Another Cycle? The dynamics of global oil supply in 2016 and beyond

at the IEF Headquarters in the Diplomatic Quarter, Riyadh

17 February 2016

The Secretary General of the International Energy Forum and the President of the King Abdullah Petroleum Studies and Research Center invite you to participate in the Second IEF - KAPSARC Thought Leaders' Roundtable discussion on *The dynamics of global oil supply in 2016 and beyond*, and thereby to contribute toward the understanding of developments that are shaping world oil markets and the producer-consumer dialogue.

Questions

1. What are the implications of the approximately \$200 billion worth in investment cuts in conventional and unconventional oil and gas production for energy market security?
2. How can the oil and gas industry reduce cost and maintain investment in a “*low for longer*” oil price scenario?
 - a. What have we learned so far from unconventional and conventional production flexibility?
 - b. How does this affect investment in transport infrastructure, trade and storage?
 - c. Will environmental and safety standards suffer?
 - d. How might attitudes of consumers change?
3. To what degree is unconventional production really more responsive to price movements than conventional production; what hidden risks may surface, while the jury is out?
 - a. Can unconventional substitute for deferred conventional production; will energy markets face a price boom after 2020?
 - b. How do financial markets influence the rise and fall of unconventional supply?
 - c. Does unconventional production function as the swing producer?
4. How far will commercial global stock-levels and strategic reserves rise with demand growth looking weaker than before?
 - a. Do stock levels provide adequate insurance against future supply disruptions?
 - b. How do rising inventories affect strategic reserves?
 - c. Will non-OECD holders of strategic reserves cooperate among themselves and with OECD consumers?
 - d. Could missing barrels be an important element of market weakness?

The Second IEF-KAPSARC Thought Leaders’ Roundtable is an invitation-only event that seeks to shed light on these and related questions.

Discussions will take place under the Chatham House Rule.

Agenda

08:30 **Welcome coffee**

09:00-10:30 **Session I. Global oil supply: *The end of boom and bust?***

Moderator: Aldo Flores-Quiroga, Secretary General, IEF

Is unconventional production really more responsive to price movements than conventional production; what hidden risks may surface, while the jury is out?

- a. Can unconvensionals substitute for deferred conventional production or will declining rates swamp any new investment with a price spike before long?
- b. How do financial markets influence the rise and fall of unconventional supply?
- c. Will unconvensionals function as the new swing producer?

Panelists:

- Mark Finley, General Manager, Global Energy Markets & U.S. Economics, BP
- Marianne Kah, Chief Economist, Corporate Planning & Development, ConocoPhillips
- Matthew Foss, Chief Economist, Department of Energy, Government of Alberta

10:30-11:00 **Coffee break and networking**

11.00-12:30 **Session II. Storage and Strategic Stocks: *Where to Next?***

Moderator: David Hobbs, VP of Research, KAPSARC

How far do commercial global stock-levels have yet to go now demand trends looks more uncertain?

- a) Do stock levels provide adequate insurance against future supply disruptions?
- b) What is the role of non-OECD consumers?
- c) How do rising inventories affect appetite and ability to maintain strategic reserves?
- d) Are '*missing barrels*' significant to market balance?

Panelists:

- Paul Simons, Deputy Executive Director, International Energy Agency
- Robert McNally, President, Rapidan Group
- Antoine Halff, Director Oil Markets, Center on Global Energy Policy, Columbia University

12:30 -14:00 **Light lunch and networking**