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Challenges in the Oil Industry: New Cooperation avenues

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World will remain largely dependent on fossil fuels for the coming decades

(%)	2005	2030
Oil	35	32
Coal	25	28
Gas	21	22
Biomass	10	9
Nuclear	6	5
Hydro	2	2
Other	1	2
TOTAL (Mtoe*)	11429	17721

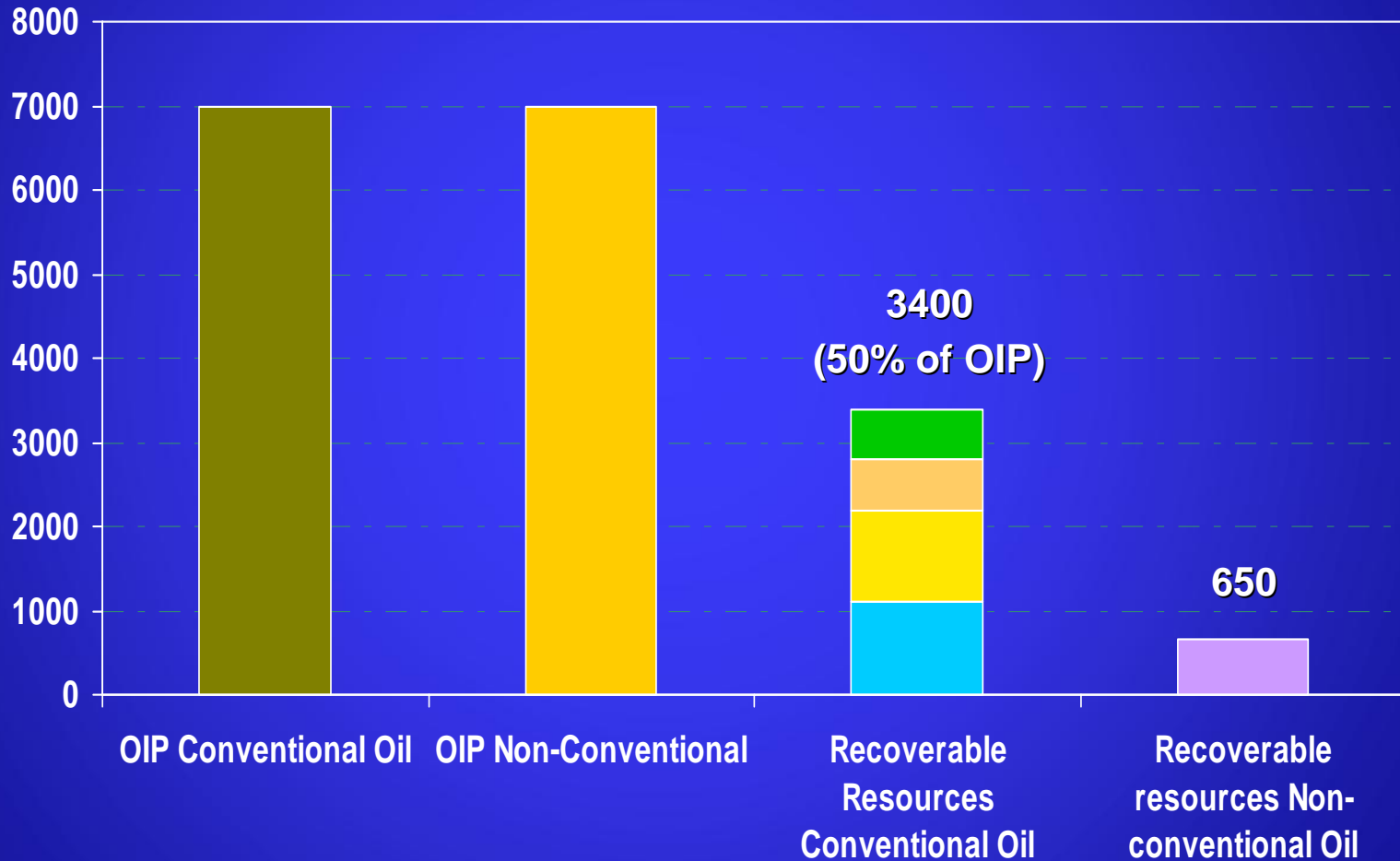
Source IEA WEO 2007

*Mtoe : Million Tons of Oil Equivalent



World has enough oil resources to supply oil demand by 2030

Billion Barrels



■ Cumulative Production ■ Remaining reserves ■ Reserves Growth ■ Undiscovered



Some Oil Industry Challenges

- **Maximizing Recovery of Oil and Gas**
- **Addressing Project Costs Escalation**
- **Attracting Young Graduates and Retaining Skilled Personnel**
- **Mitigating Climate Change**



Maximizing Supply of Oil and Gas

- **Increasing Exploration Success rate, through better basin modelling**
- **Improving field recovery; achieving higher recovery rate than today's global average level (35%). +1% = +80 billions barrels of proven reserves**
- **Developing fields in extreme environment (Arctic, Ultra-deep offshore, etc.)**



Addressing Project Costs Escalation

- **Increasing costs are responsible of postponement and cancellation of significant new developments worldwide at a time when new supply capacities are needed**
- **Soaring project costs have offset part of the incremental investment over the past 2-3 years**

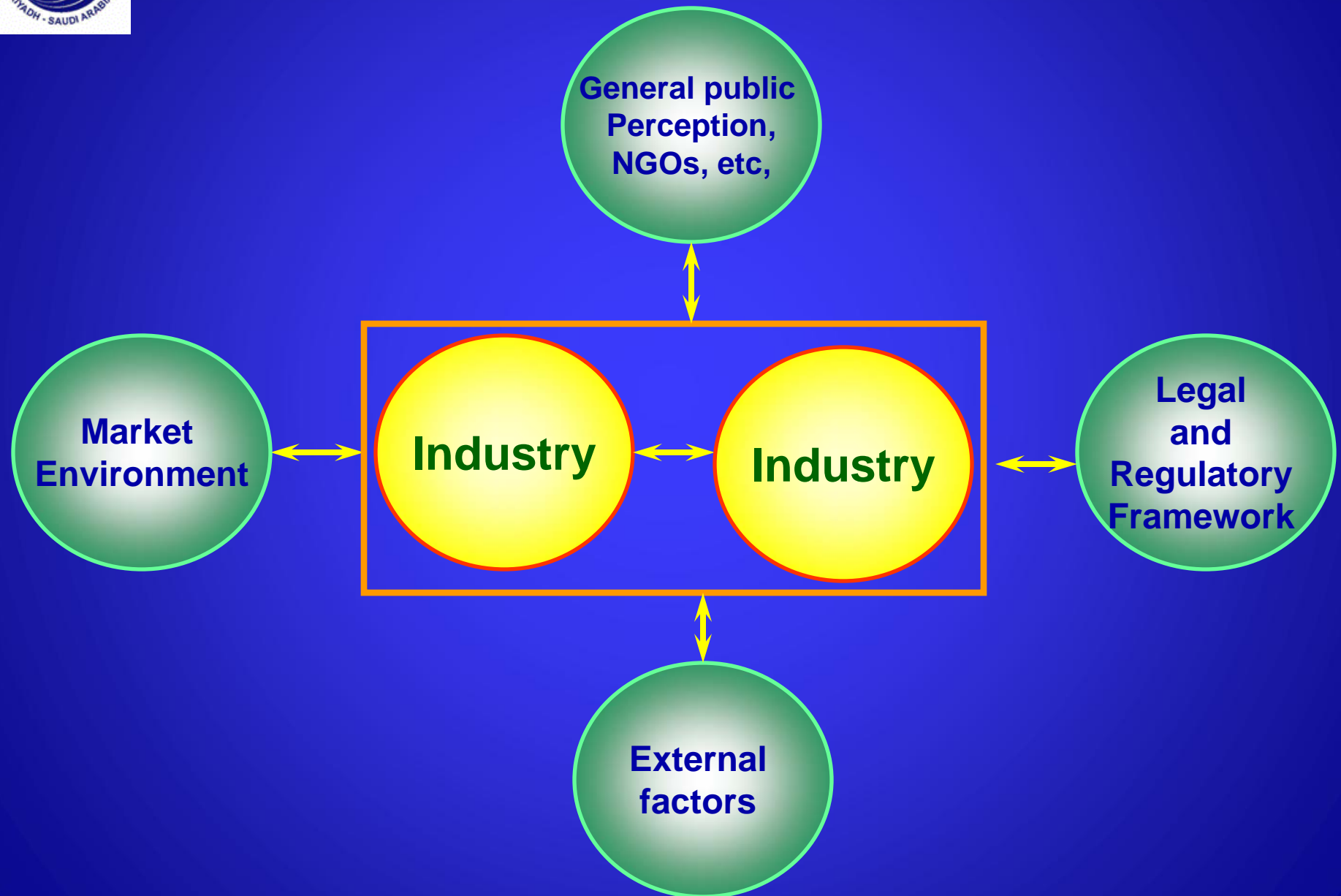


Attracting Young Graduates and Retaining Skilled Personnel

- Lack of skilled personnel is limiting implementation of new projects and is inflating cost of projects being presently developed
- To attract young graduates, enhancing industry image, in cooperation with governments, is a must
- Many of the solutions to the attraction, retention and workforce development issues may require industry to partner with others



Industry and its environment/stakeholders





Cooperation Avenues

- **Joint development in technologies of common interest, such as Carbon Capture and Storage;**
- **Integrated projects along the value chain;**
- **Innovative methods of partnership to develop win-win framework for cooperation within the industry**



**Most of these issues will be discussed at the
11th International Energy Forum
Rome, 20-22 April 2008**

**International Energy Business Forum (IEBF),
20 April 2008**

- 1. Energy Partnerships**
- 2. Energy Investments**
- 3. Reducing Market Uncertainties**
- 4. Technology and Human Resources**

**International Energy Forum (IEF),
21-22 April 2008**

- 1. Enhancing Energy Resource Availability**
- 2. Ensuring Energy Investment**
- 3. Towards a Sustainable Energy Future**
- 4. The IEF for Global Energy Security and Dialogue**