



RAPIDAN
ENERGY GROUP

Shale and Conventional Oil – Impacts on Market Volatility and Security of Supply

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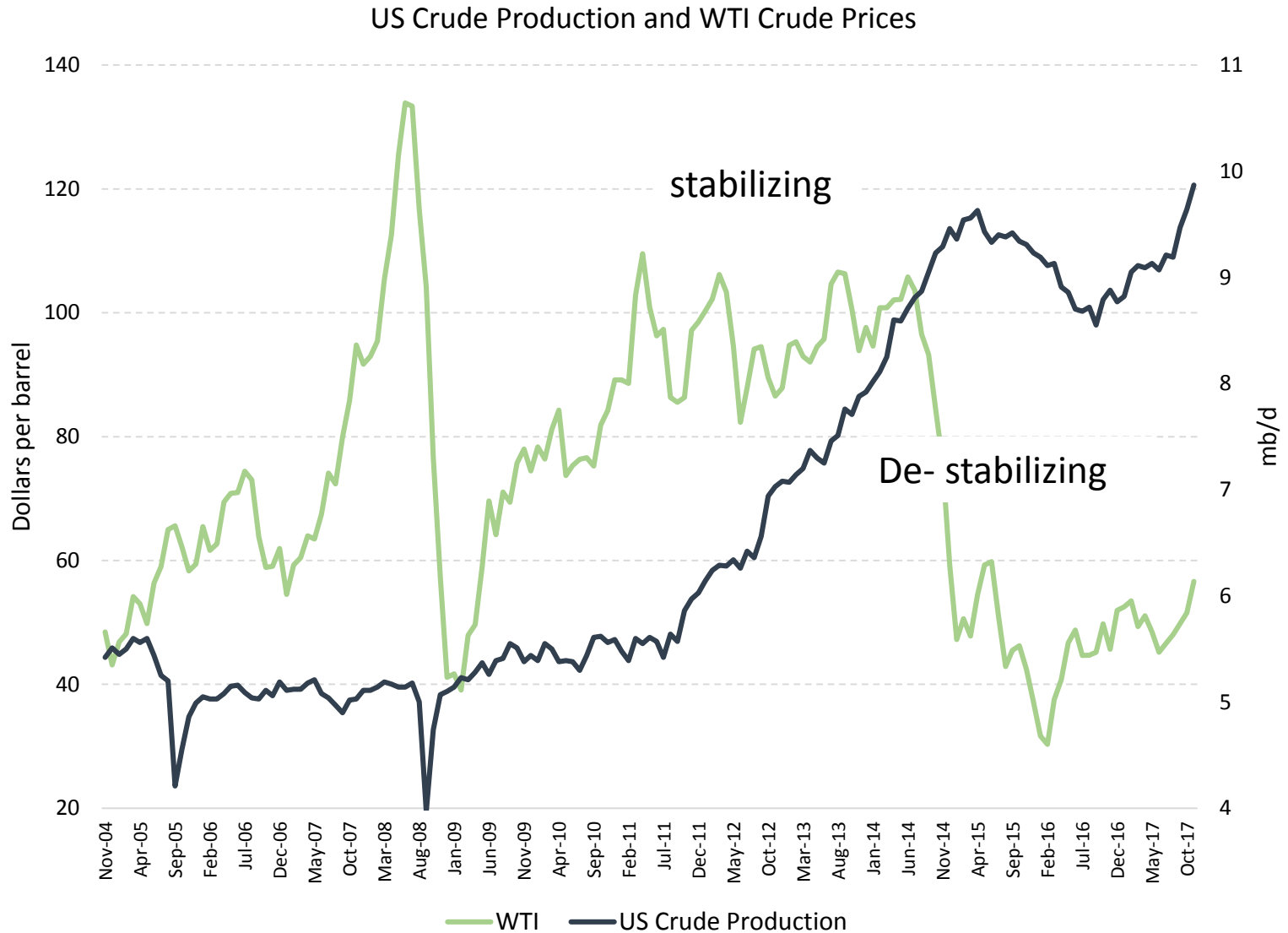
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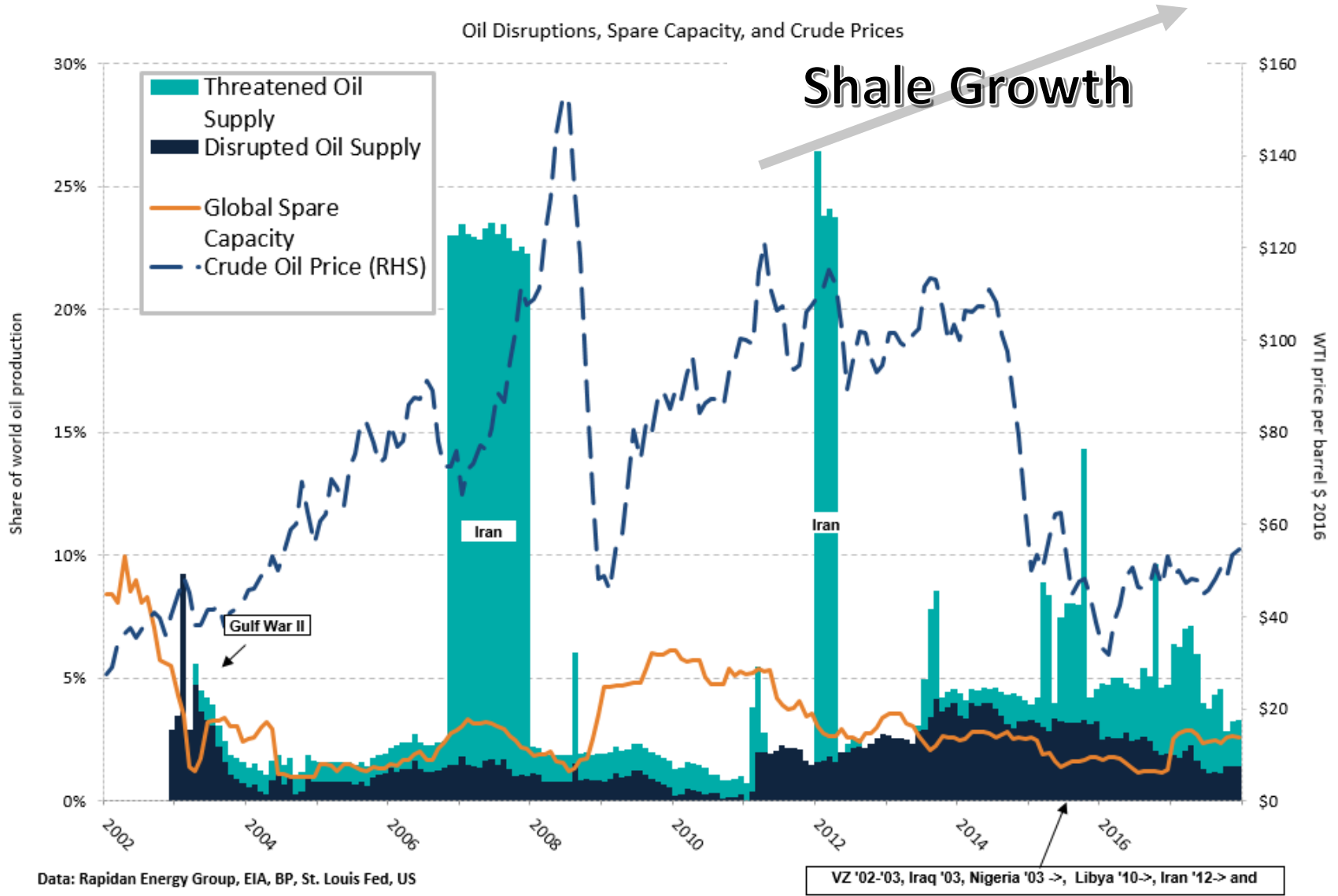


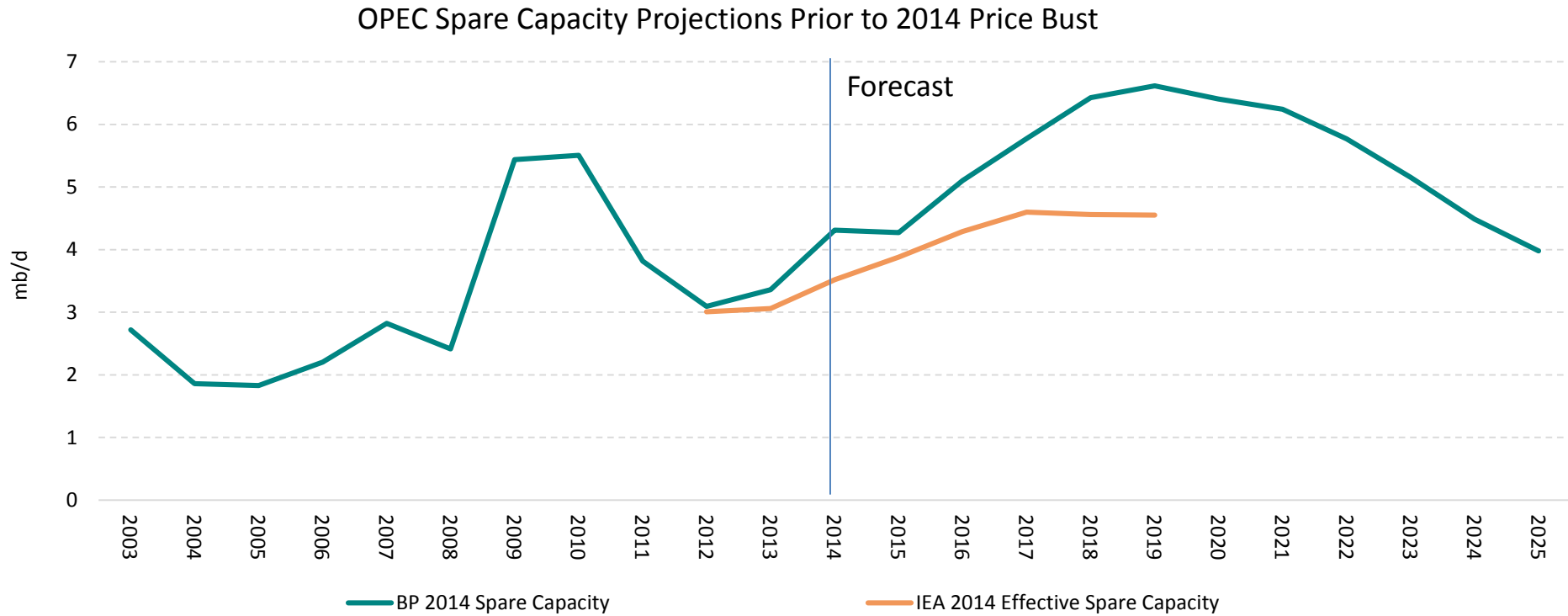
Is shale price stabilizing or destabilizing?

Is shale swing production?

Does shale provide additional spare capacity?

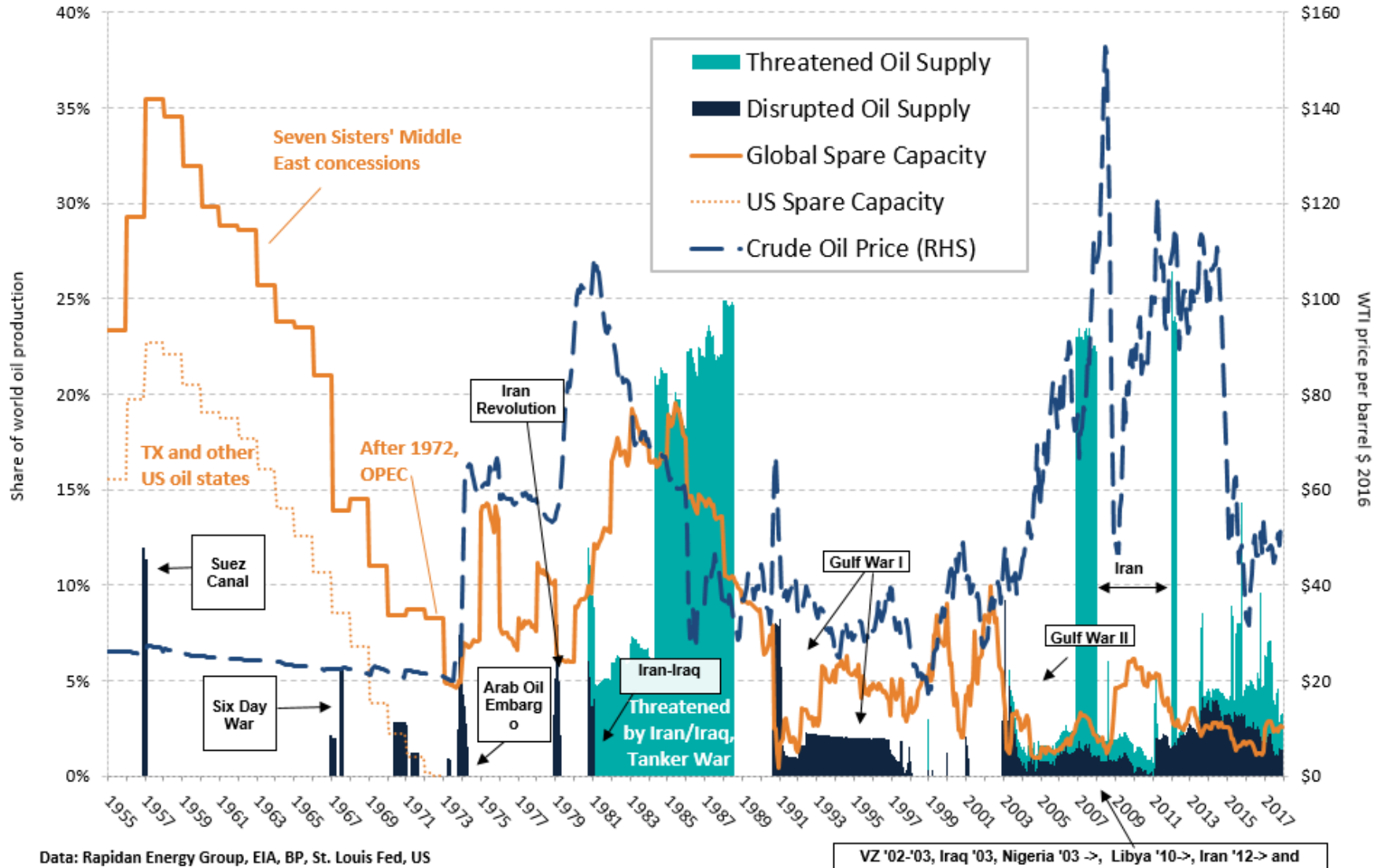






Source: IEA Medium Term Oil Market Report 2014, BP Energy Outlook 2014

Oil Disruptions, Spare Capacity, and Crude Prices



	Texas Railroad Commission & Seven Sisters	OPEC	Shale
Members willing to subordinate maximum production to the goal of stabilizing oil prices	YES	YES	NO
Members able and willing to decide and implement supply adjustments in days to weeks	YES	YES	NO
Legal authority to manage supply for the purpose of price stability	YES	YES	NO
Willing and able to sustain supply changes long term	YES	YES	NO
Coherent institutional structure, decision making process	YES	YES	NO