

PRESS RELEASE

IEA'S BIROL STRESSES IMPORTANCE OF INVESTMENT

On 12 January 2010, Dr. Fatih Birol, Chief Economist of the International Energy Agency, visited the IEF headquarters in Riyadh and presented the recently released IEA "World Energy Outlook 2009" (WEO 2009).

Dr. Birol highlighted the need for an up-tick in upstream investment despite the uncertainties presented by the current economic crisis. He urged producers to overcome their lack of confidence in forward demand levels, stressing that although the financial crisis has halted the rise in global energy use this is only a short-term phenomenon. ***"The WEO's business-as-usual scenario indicates that the long-term upward demand trend will resume soon on current policies"***.

Explaining that fossil fuels will still account for 77% of the increase in world primary energy demand in 2007 – 2030, the IEA's Chief Economist highlighted the importance of natural gas as a bridging fuel of choice. North America is endowed with significant indigenous resources, especially in the form of shale gas which is an increasingly important part of the mix, and Europe, although less well endowed is geographically well placed to secure gas supplies from a variety of sources. Birol also said that ***"weaker demand and plentiful supply would soon lead to a significant natural gas glut – reaching 200 bcm by 2015"***.

Reflecting on recent pledges by many countries in the run-up to Copenhagen, Birol said that ***"although they are a step in the right direction they are still not enough to steer the current economic trends towards a 2 degree C trajectory even if they are all fulfilled"***. Birol also stressed that climate change policies around the world will inevitably affect the entire energy sector, including producing and consuming countries.

In thanking him for his excellent presentation of the WEO findings IEF Secretary General, Noé van Hulst welcomed Dr. Birol's support and acknowledgement of the importance of the ongoing dialogue in the IEF between producers and consumers. Van Hulst highlighted ***"the important role played by the IEA and OPEC in co-operating with the IEF to promote better understanding between producers and consumers and more stability and transparency in the oil and gas markets"***.

Dr. Birol's presentation is online at the IEF website www.iefs.org.sa. Further commentary and the executive summary of the IEA's World Energy Outlook 2009 is available to download at www.iea.org.

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

International Energy Forum (IEF)

The IEF is the world's largest recurring gathering of Energy Ministers. Unique in that participants include not only IEA and OPEC countries, but also key players like Brazil, China, India, Mexico, Russia and South Africa. The IEF countries account for more than 90% of global oil and gas supply and demand. Through the Forum and its associated events, Ministers and Energy Industry Executives participate in a dialogue which is of increasing importance to global energy security. The IEF and the global energy dialogue are promoted by a permanent Secretariat based in the Diplomatic Quarter of Riyadh, Saudi Arabia.

The next IEF Ministerial will be hosted by **Mexico in Cancun 29-31 March 2010**, co-hosted by Germany and Kuwait.

The IEF also co-ordinates the Joint Oil Data Initiative (JODI) in co-operation with APEC, Eurostat, IEA, OLADE, OPEC and the UNSD. For more information visit the JODI web site www.jodidata.org

For further information on this or other IEF events please contact:

Simon Stoddart, IEF Public Affairs, Tel. +966 506 197 806 or simon.stoddart@iefs.org.sa

The IEF website is www.iefs.org.sa