

Atlantic Council Energy and Economic Summit: “New Opportunities in a Dynamic Region”

The Regional Energy Scene in a Global Context

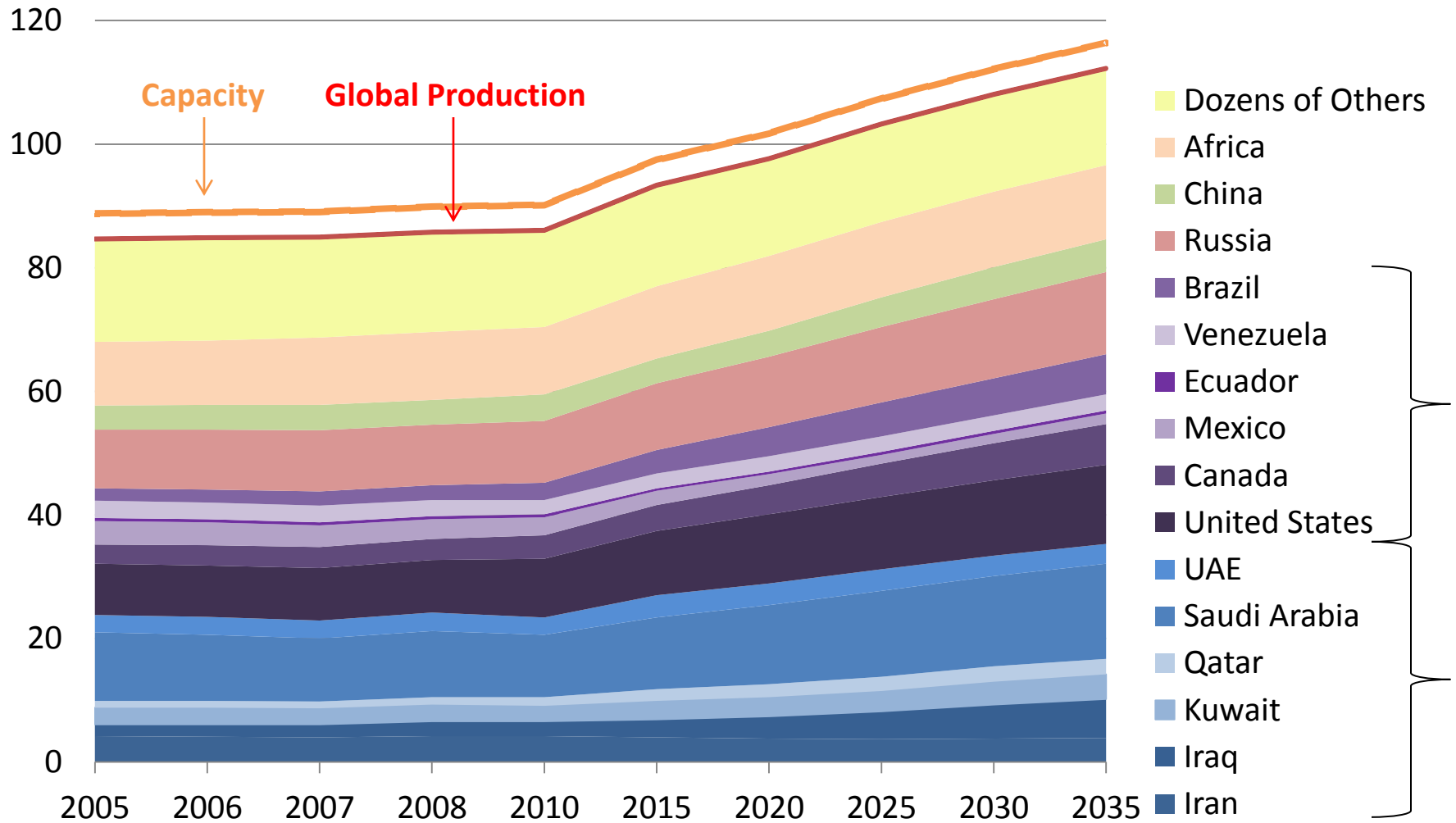
November 16, 2012



Ambassador Carlos Pascual
Special Envoy and Coordinator for
International Energy Affairs
U.S. Department of State

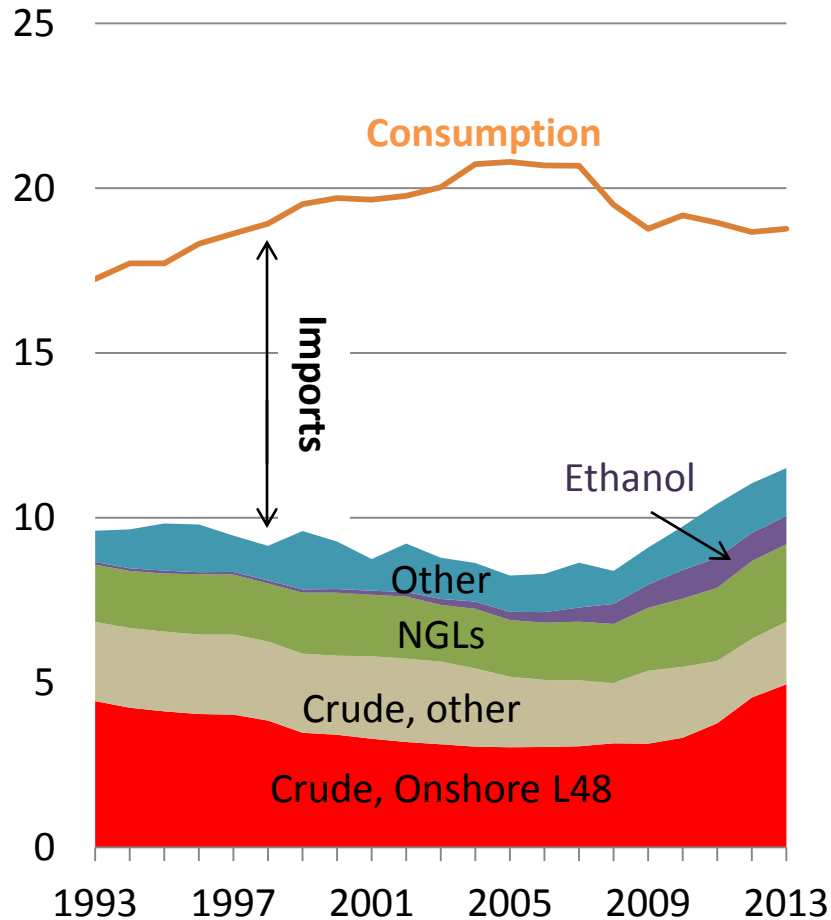
Challenges to Oil Market Stability

Global Oil Production by Country (Mb/d)

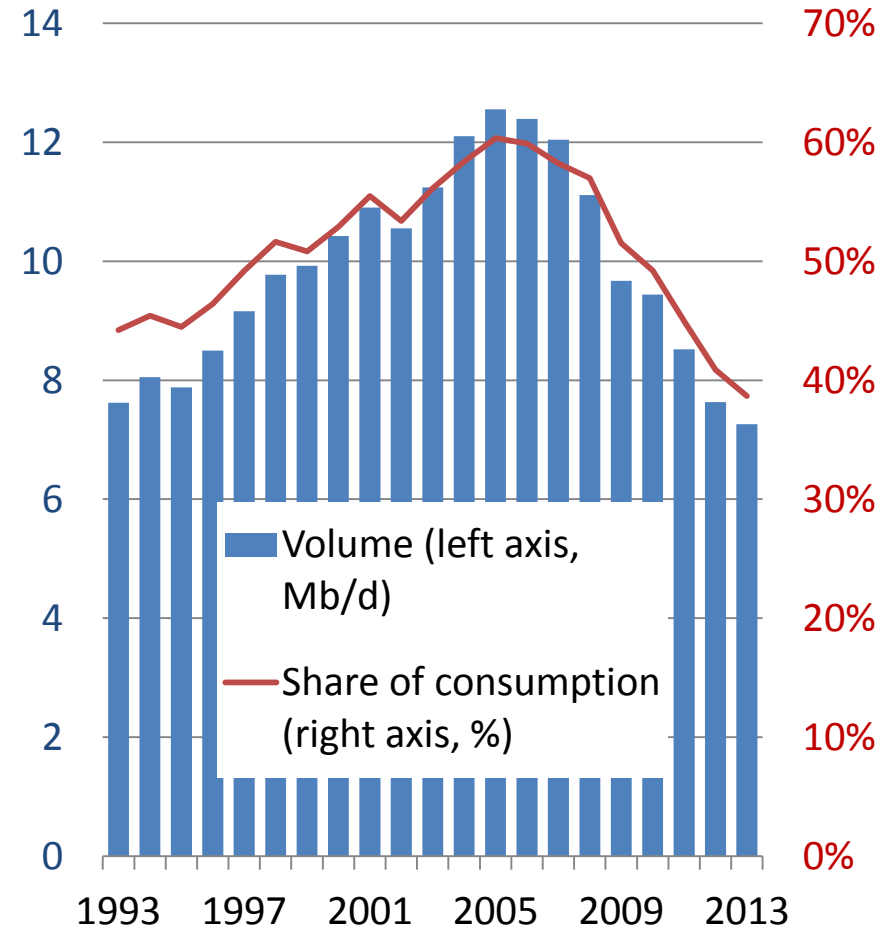


U.S. Oil Import Dependence

Oil Supply and Demand (Mb/d)

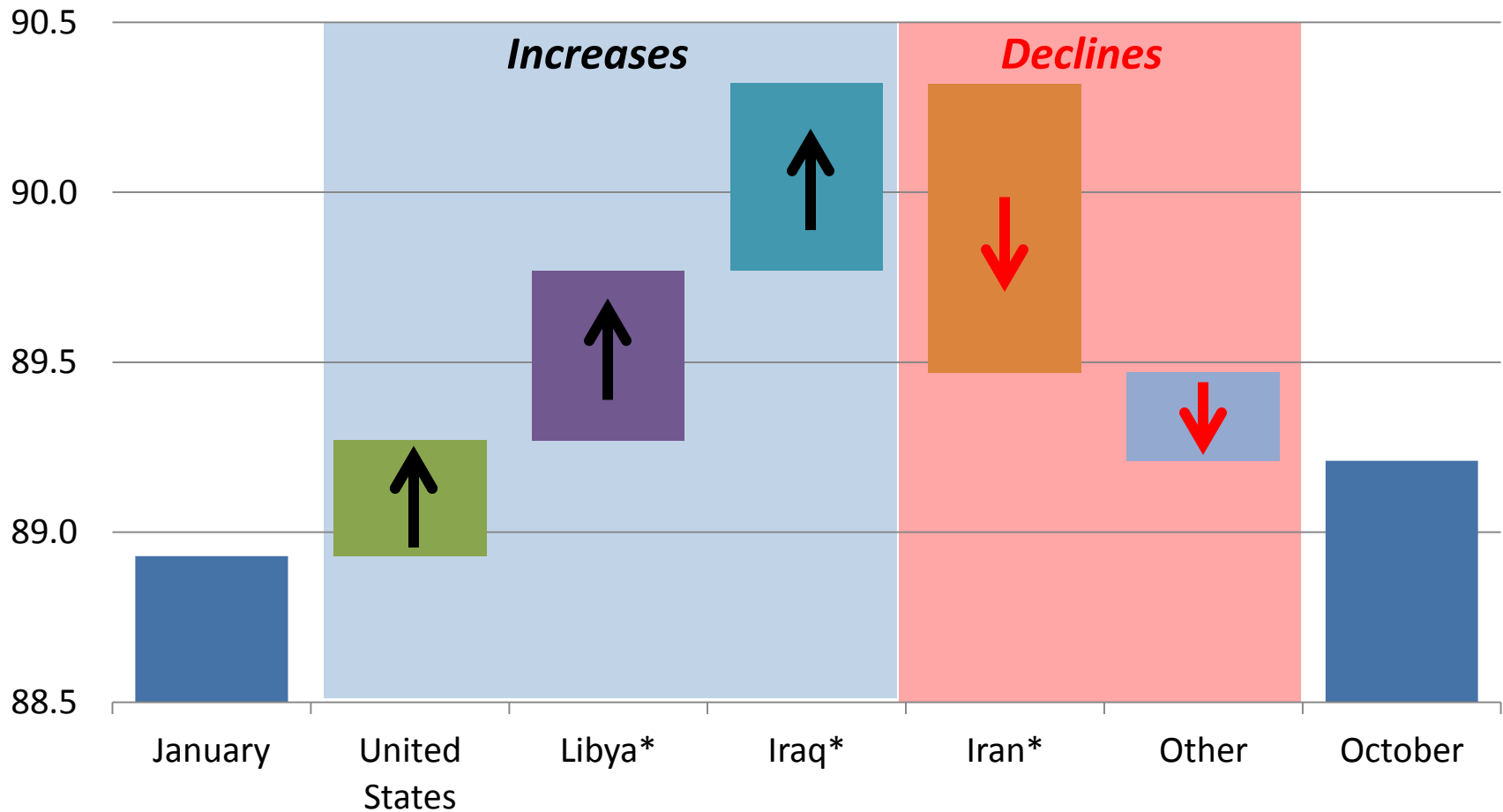


Oil Imports



Oil Supply Since Iran Sanctions: What Has Changed?

Key growth/decline sources, January to October, 2012 (Mb/d)



Notes and data source: *- Crude oil only, OPEC NGLS included in Other. EIA STEO (October 2012).

Iraq Oil: 2011 – 2013

Stretching Yesterday's Infrastructure; Steady IOC Increases (mb/d)

	End 2011	Today	Potential 2012	End 2013
Total Exports	2.1	2.7	2.9	3.6
<u>South</u>	<u>1.7</u>	<u>2.2</u>	<u>2.4</u>	<u>2.9</u>
<u>North</u>	<u>0.4</u>	<u>0.5</u>	<u>0.5</u>	<u>0.7</u>
(Kirkuk)	(0.3)	(0.3)	(0.3)	(0.4)
(KRG)	(0.1)	(0.2)	(0.2)	(0.3)
<u>Domestic</u>	<u>0.6</u>	<u>0.7</u>	<u>0.7</u>	<u>0.7</u>
<u>Total Production</u>	<u>2.7</u>	<u>3.4</u>	<u>3.6</u>	<u>4.3</u>

Variables:

- IOC Investment
- GOI/KRG Relations
- Weather/Sandstorms
- Infrastructure
- Security

Global Gas Markets

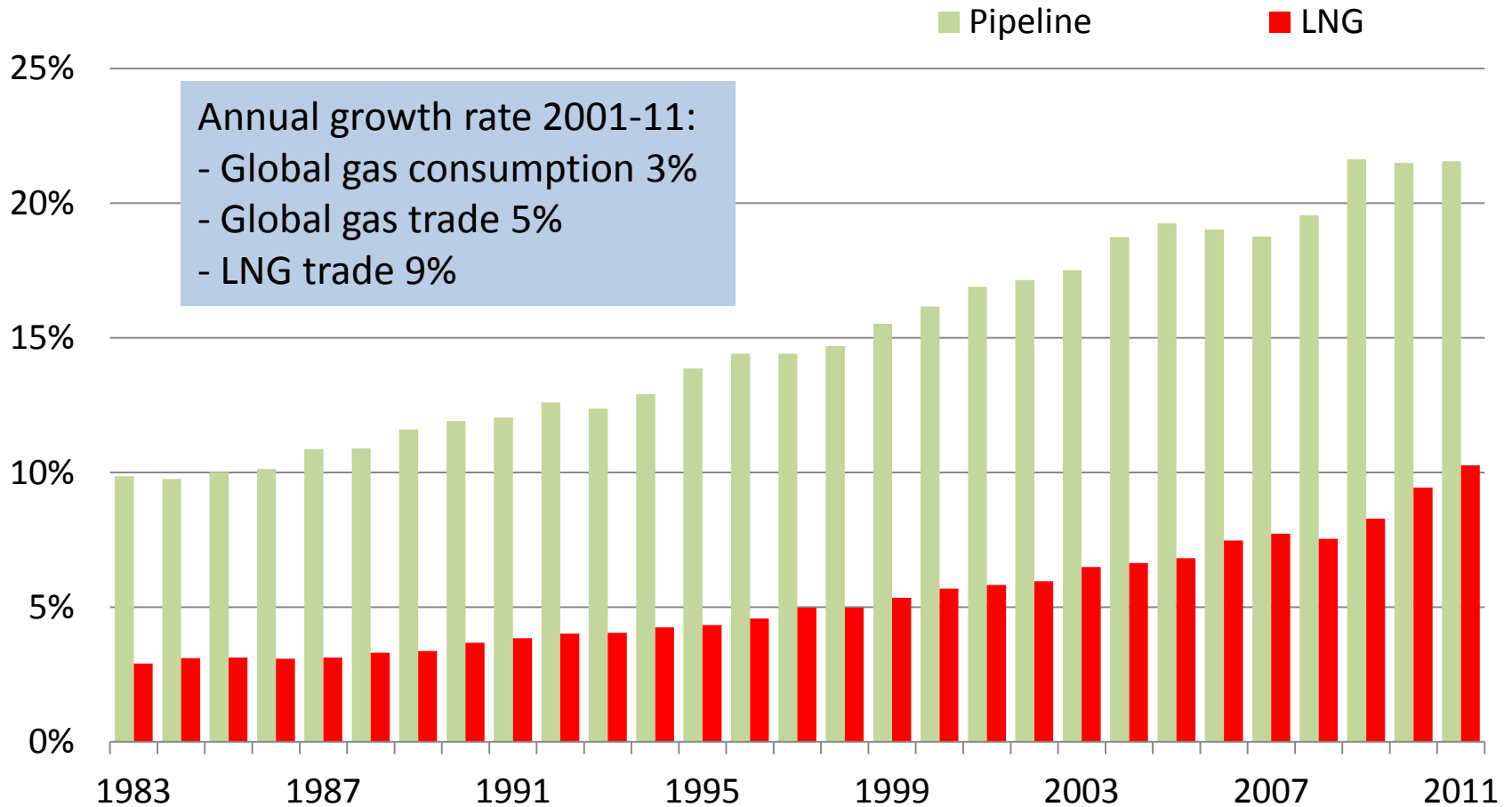
World LNG Estimated November 2012 Landed Prices (\$US/mmbtu)



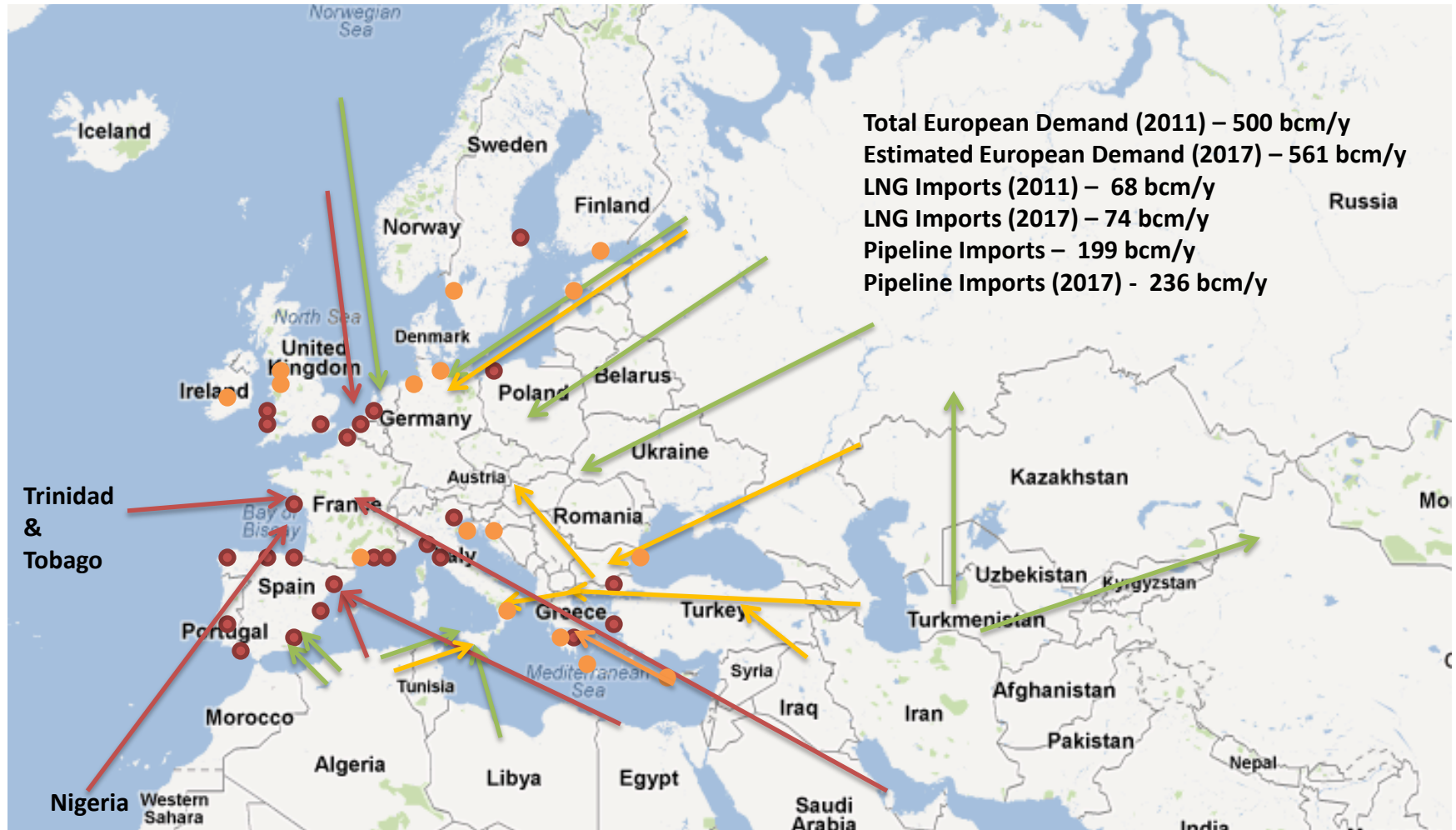
Source: FERC Natural Gas Overview (October 2012), Reuters.

Global Gas Trade Rising

Pipeline and LNG Trade as a Share of Global Gas Consumption



Europe Gas Trade 2011-2017

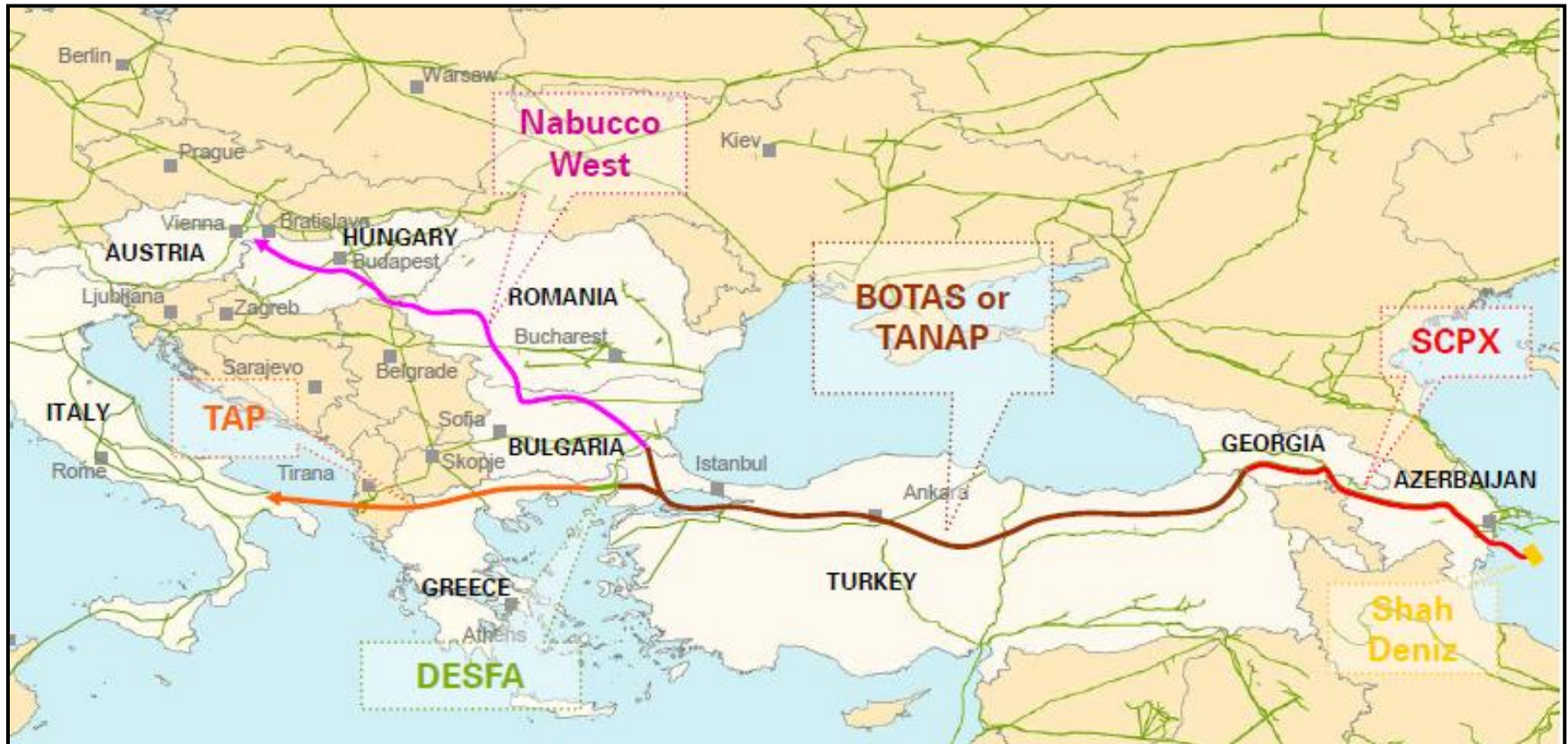


Current Pipelines Future Pipelines

Current LNG Terminals Future LNG Terminals Current LNG Imports Future LNG Imports

Turkey: Connecting Resources & Markets

The Southern Corridor



Variables:

South Stream
Ukraine transit
LNG Market

Eastern Mediterranean
Turkmenistan
Iraq

Demand