



# The Future of Oil: Challenges and Opportunities

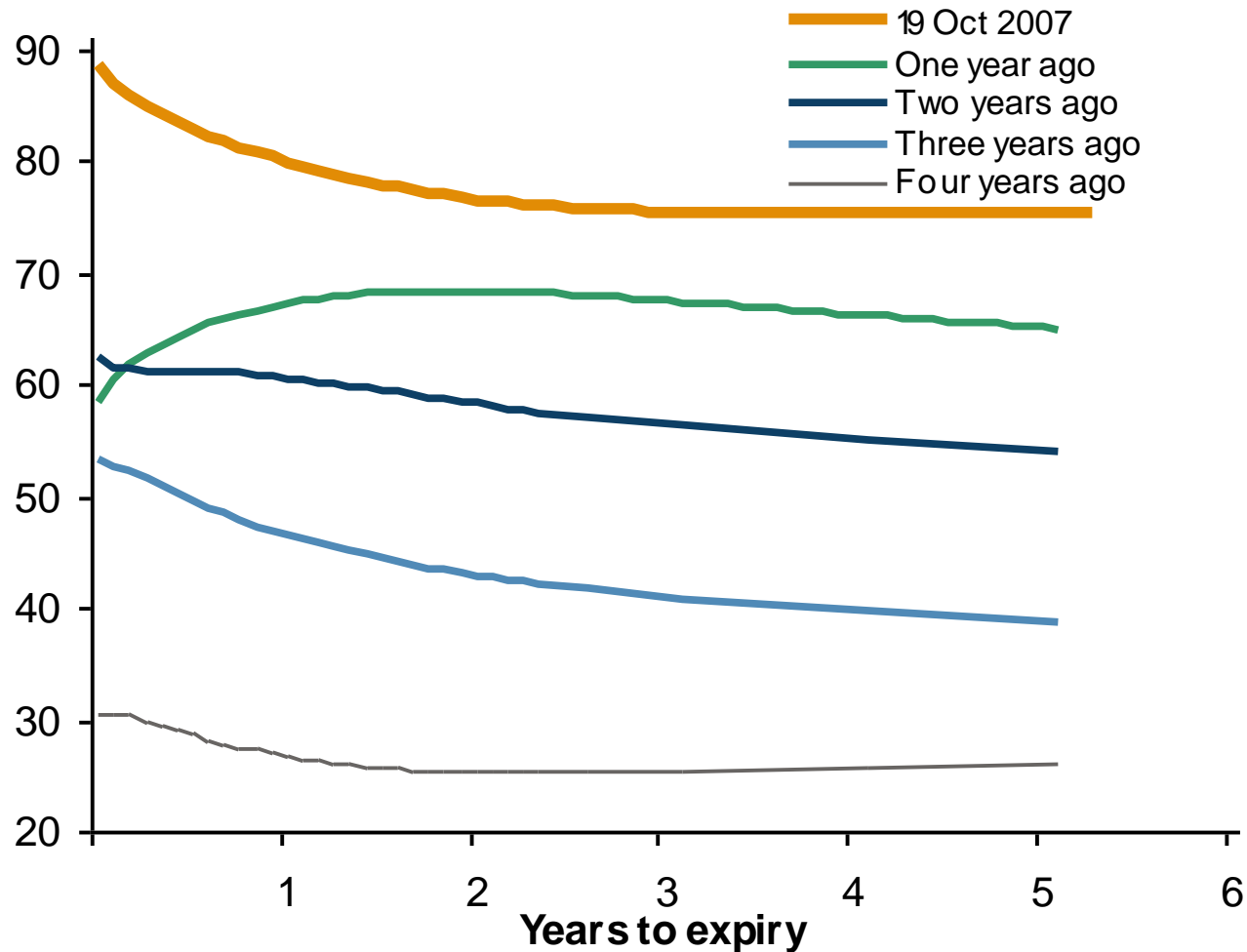
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**Paul Horsnell**

*Head of Commodities Research, Barclays Capital*

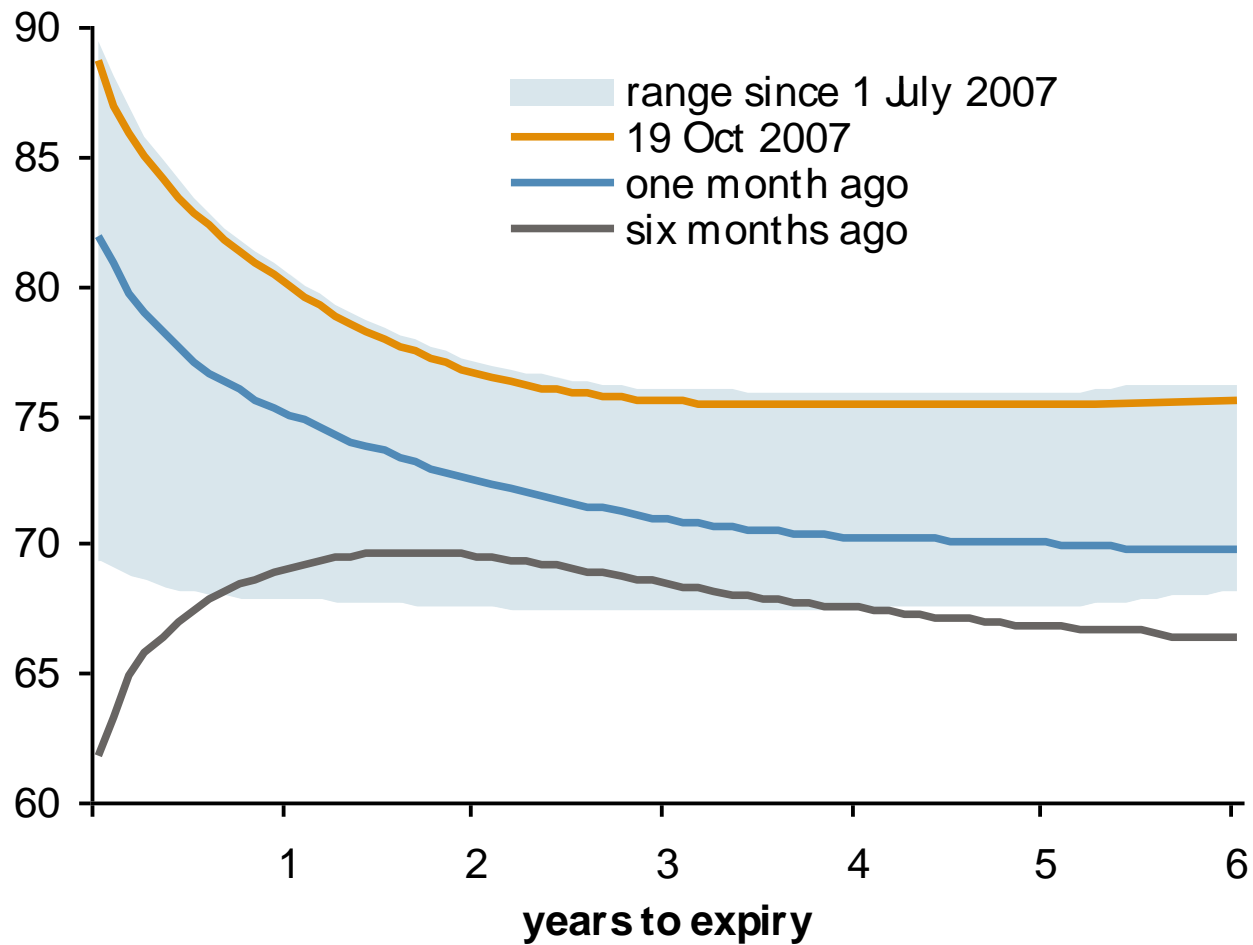
# Long-term prices have risen

## WTI forward curve \$/b



# The return of backwardation

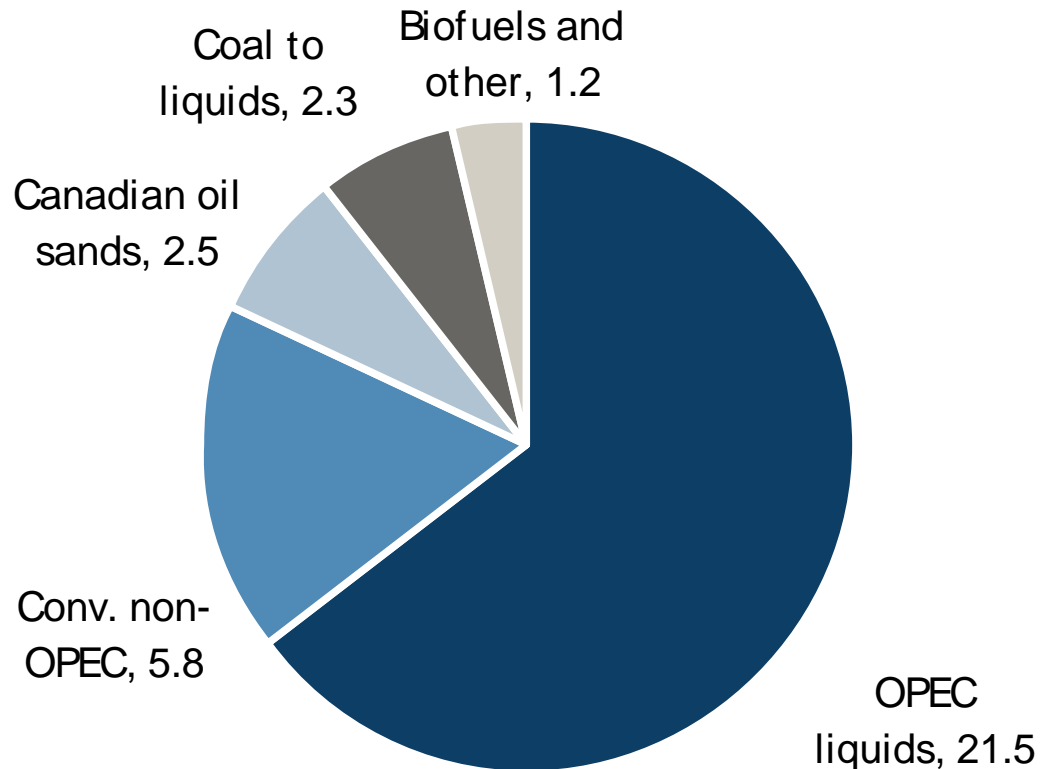
WTI forward curve \$/b



# Oil market balances

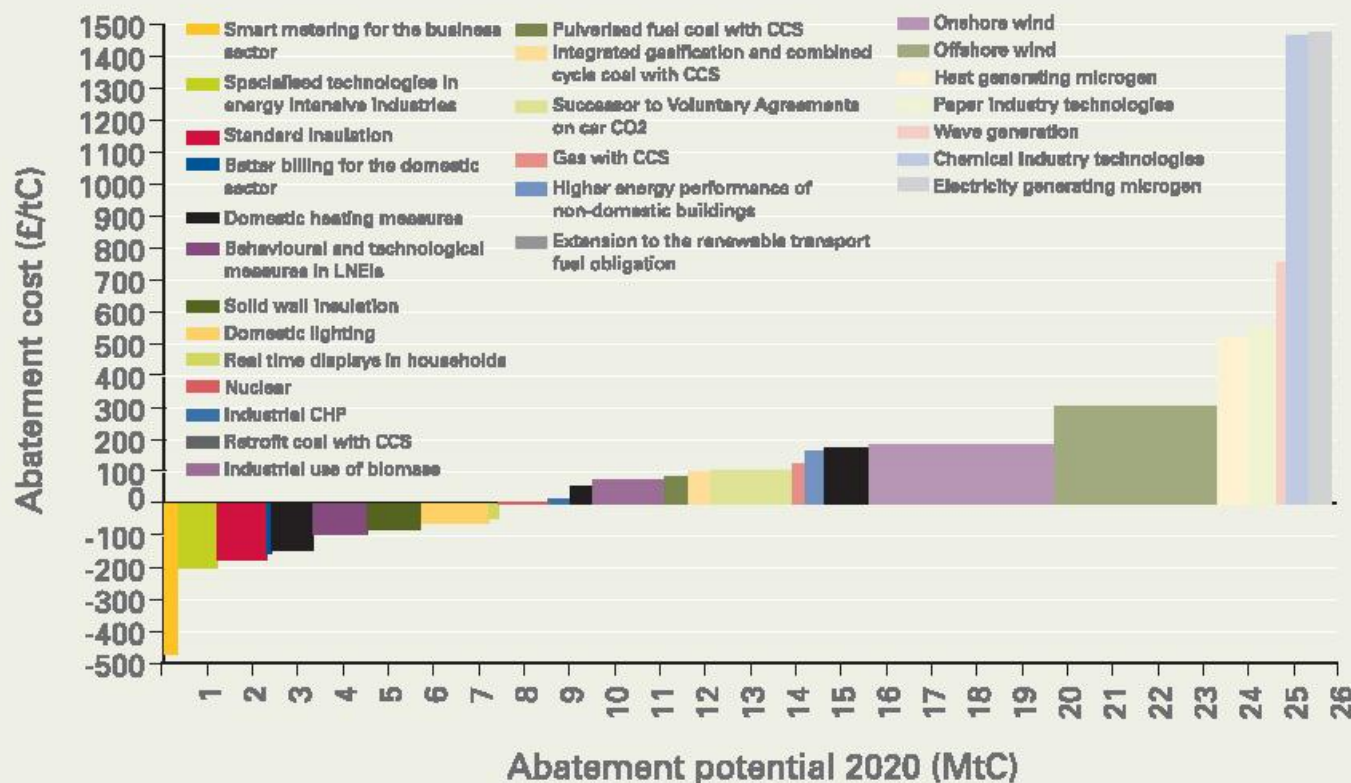
	2006	Annual change	07Q1	07Q2	07Q3	07Q4	2007	Annual change	08Q1	08Q2	08Q3	08Q4	2008	Annual change
<b>Demand</b>	<b>84.8</b>	<b>0.94</b>	85.9	84.8	85.6	87.5	<b>86.0</b>	<b>1.17</b>	87.5	86.1	86.7	88.5	<b>87.5</b>	<b>1.50</b>
OECD demand	<b>49.4</b>	<b>-0.39</b>	49.5	48.1	48.9	50.4	<b>49.2</b>	<b>-0.12</b>	50.1	48.3	48.9	50.3	<b>49.5</b>	<b>0.27</b>
non-OECD demand	<b>35.4</b>	<b>1.33</b>	36.4	36.6	36.7	37.1	<b>36.7</b>	<b>1.29</b>	37.5	37.8	37.8	38.2	<b>37.9</b>	<b>1.22</b>
<b>Non-OPEC supply</b>	<b>49.1</b>	<b>0.28</b>	50.0	49.7	49.3	49.7	<b>49.7</b>	<b>0.57</b>	49.8	49.7	49.4	49.7	<b>49.6</b>	<b>-0.02</b>
non-OPEC excluding FSU	<b>37.0</b>	<b>-0.18</b>	37.4	37.2	36.7	37.0	<b>37.1</b>	<b>0.09</b>	36.9	36.7	36.3	36.5	<b>36.6</b>	<b>-0.46</b>
FSU	<b>12.1</b>	<b>0.46</b>	12.6	12.5	12.6	12.7	<b>12.6</b>	<b>0.49</b>	12.9	13.0	13.1	13.2	<b>13.0</b>	<b>0.44</b>
OPEC NGLs/ condensates	<b>4.2</b>	<b>0.23</b>	4.4	4.4	4.5	4.5	<b>4.4</b>	<b>0.25</b>	4.6	4.8	4.9	4.9	<b>4.8</b>	<b>0.36</b>
Call on OPEC crude and stocks	<b>31.5</b>	<b>0.43</b>	31.6	30.6	31.8	33.3	<b>31.9</b>	<b>0.34</b>	33.1	31.6	32.4	34.0	<b>33.0</b>	<b>1.15</b>
OPEC crude	<b>31.0</b>	<b>-0.06</b>	30.2	30.2	30.4	30.8	<b>30.4</b>	<b>-0.63</b>	31.5	32.6	32.6	32.6	<b>32.3</b>	<b>1.92</b>
OPEC excluding Iraq	<b>28.0</b>	<b>-0.55</b>	27.1	26.8	26.9	27.3	<b>27.0</b>	<b>-1.01</b>	27.9	29.0	29.0	29.0	<b>28.7</b>	<b>1.71</b>
Stockbuild	<b>-0.5</b>	<b>0.00</b>	-1.4	-0.4	-1.4	-2.5	<b>-1.5</b>		-1.6	1.0	0.2	-1.4	<b>-0.7</b>	

## Incremental oil supplies to 2030, mb/d



# Carbon matters

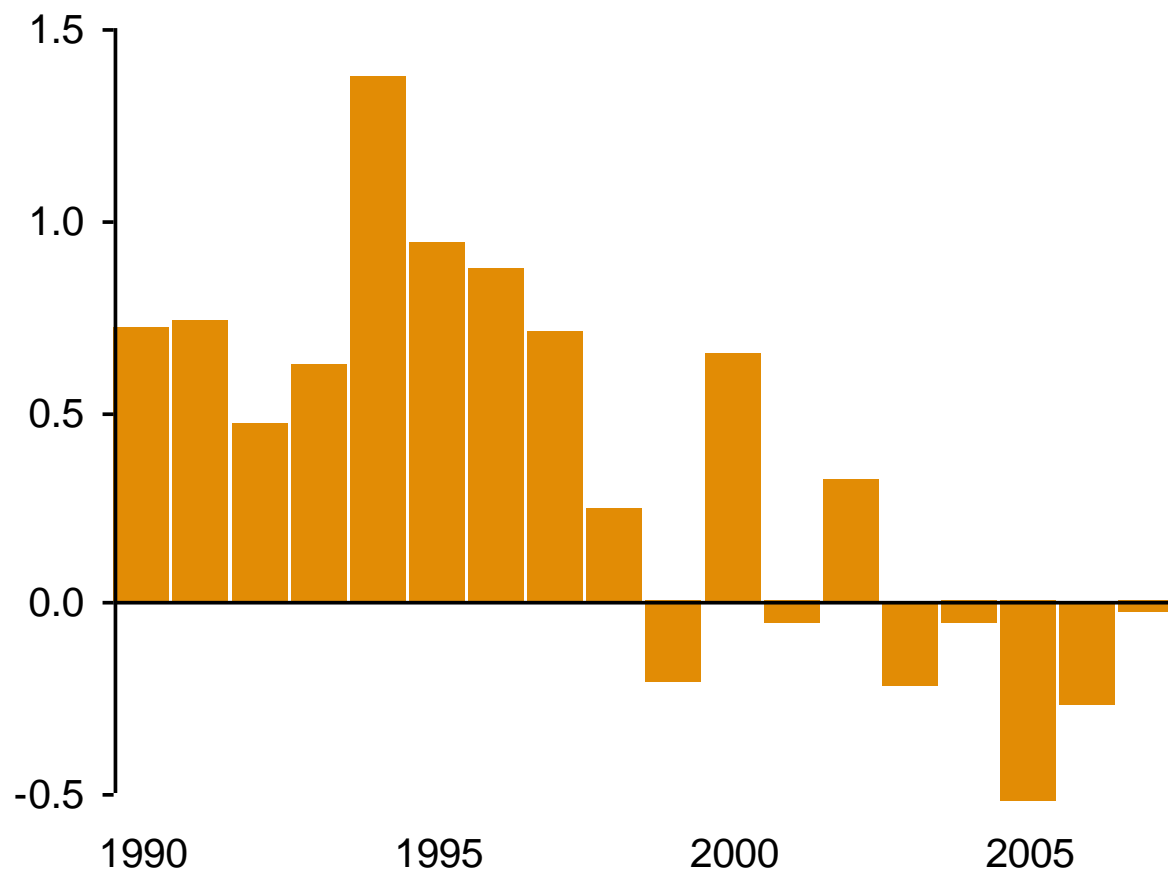
FIGURE 10.2. MARGINAL ABATEMENT COST CURVE 2020



Source: UK Energy White Paper, 23 May 2007

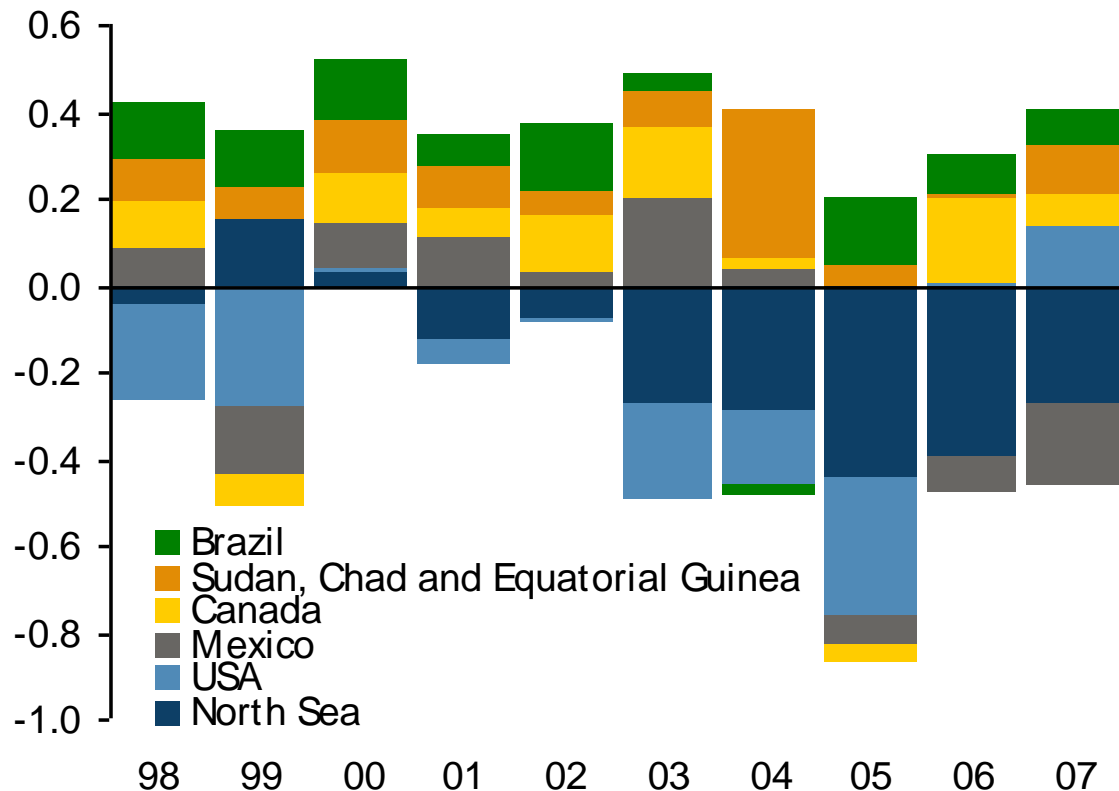
# Slow decade

Non-OPEC (excl FSU and refinery gain) supply growth, 1990-2007 mb/d



# Main sources of change

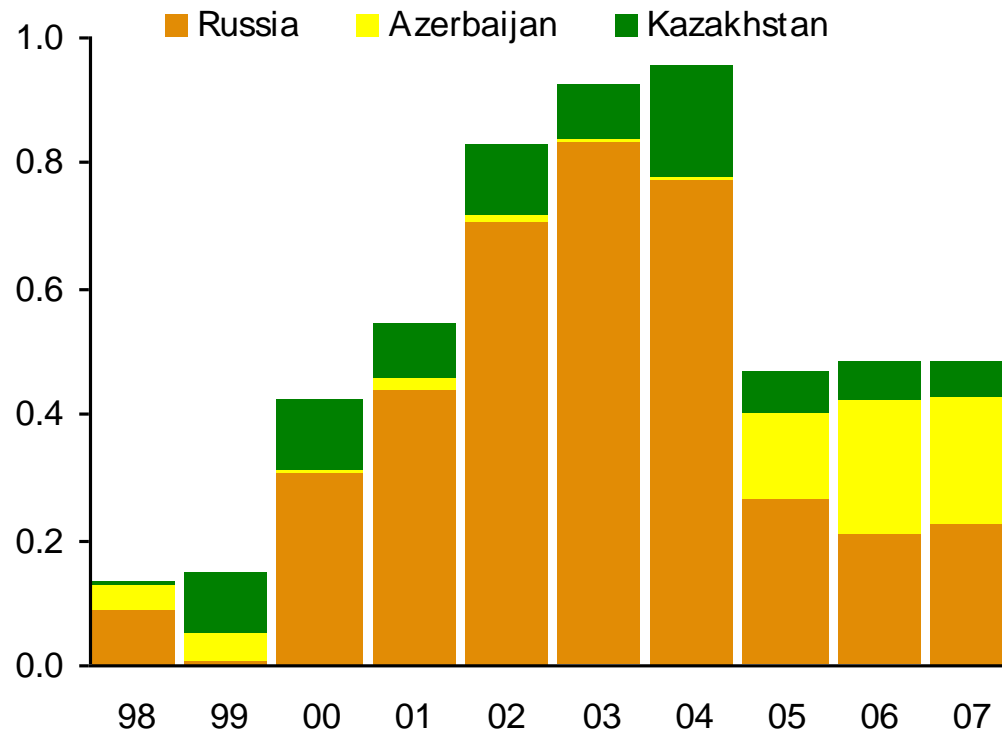
## Supply growth, 1998-2007 mb/d





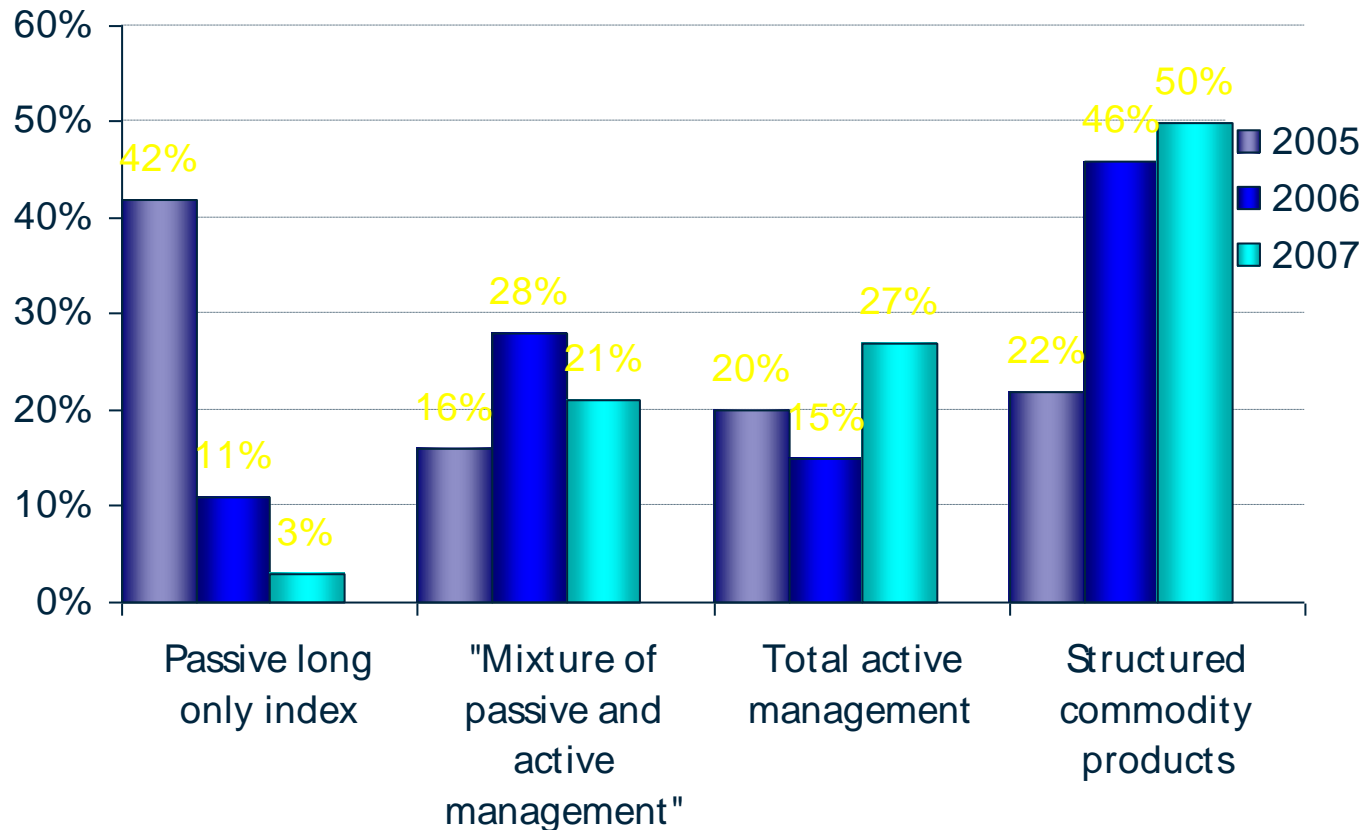
# Growth in the FSU

## Supply growth, 1998-2007 mb/d



# Investors are becoming more active

Over the next three years, how will you invest in commodities?



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