



OPEC Oil Production Capacity

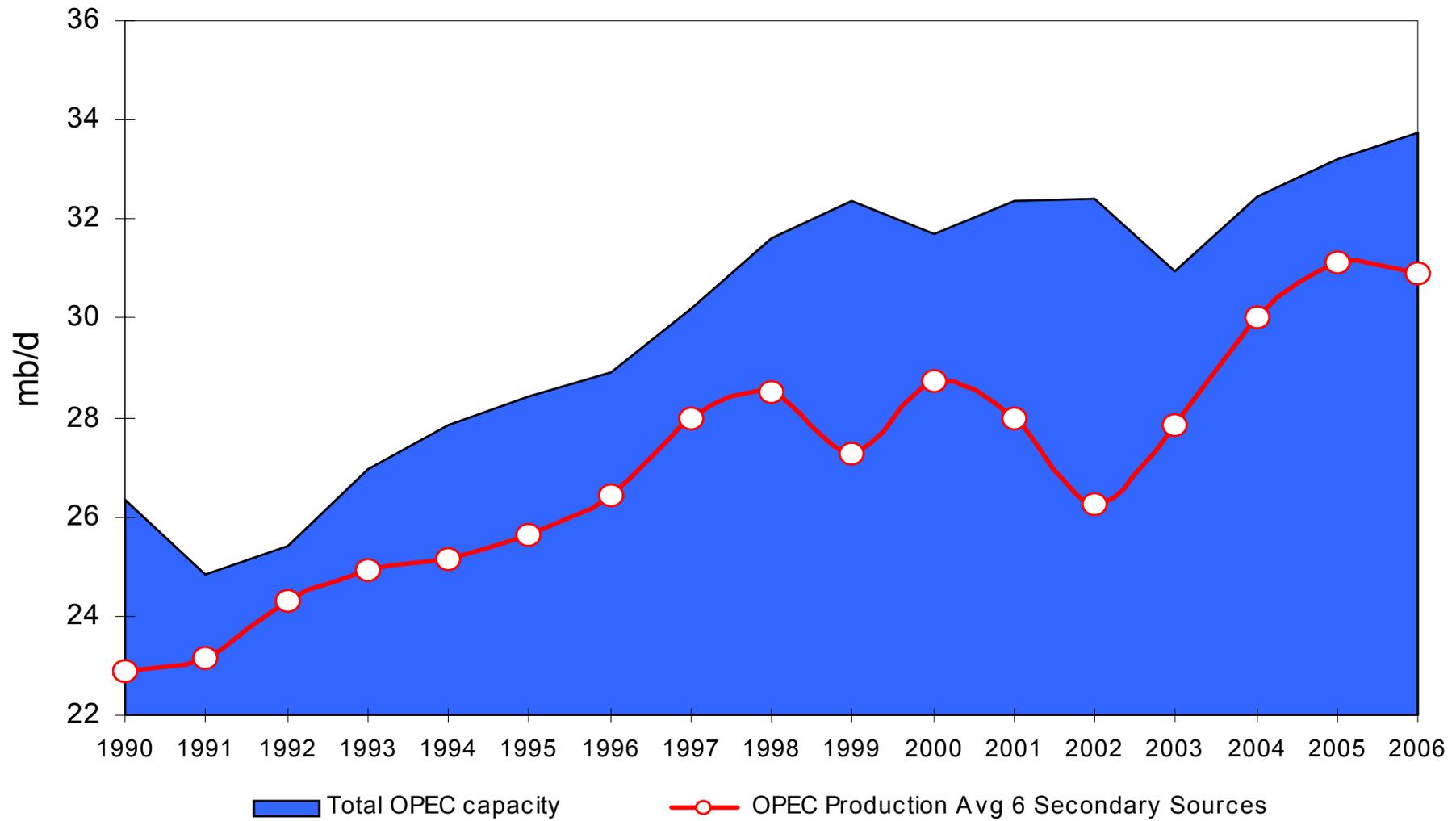
**Dr Nimat B. Abu Al-Soof
Upstream Oil Industry Analyst
OPEC**

**EU-OPEC Roundtable on Energy Policies
30th May 2007**



OPEC capacity and production, mb/d

Recent trends

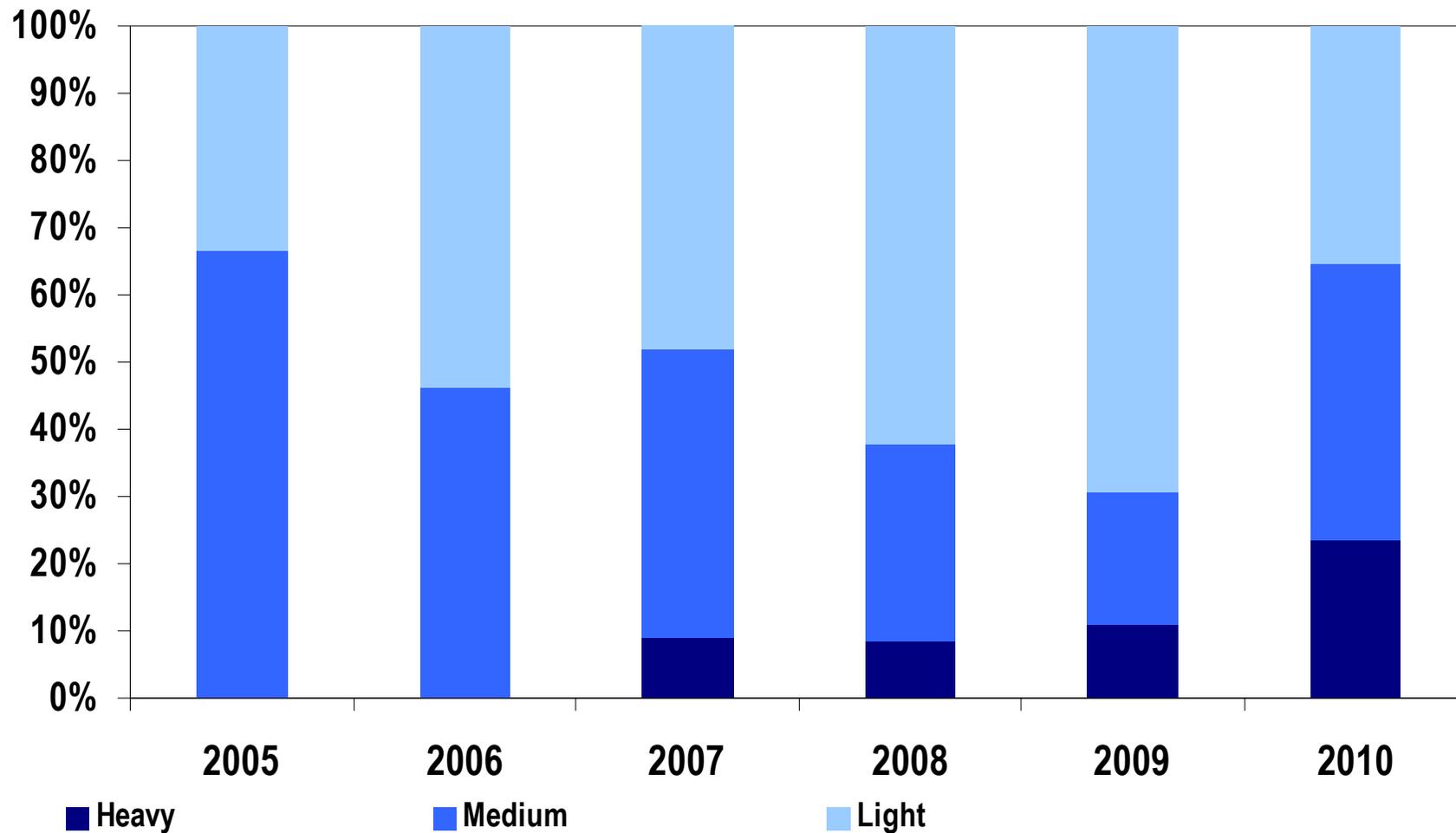


OPEC capacity expansion plans in the medium term

- Capacity end 2006
 - Crude- 34.8 mb/d
 - NGLs- 4.3 mb/d
- Over 130 projects in development or planning stage
- All Member Countries are investing heavily
- Cumulative investment in new projects >\$130 bn
- Total OPEC net capacity expected to increase by around 5 mb/d by end 2010
- Production of other liquids + NGL to increase by 1.7 mb/d by 2010



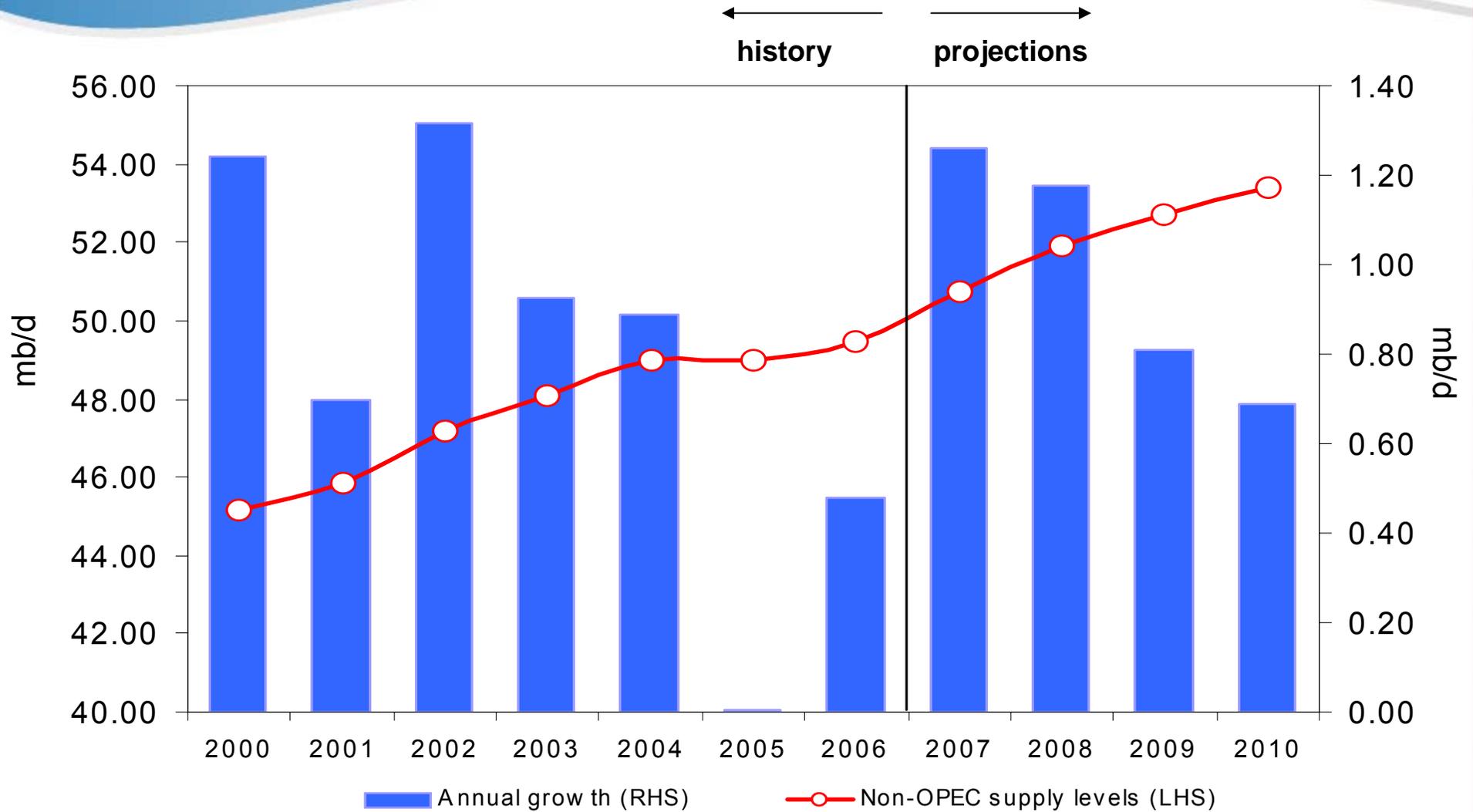
Crude quality of additional OPEC oil



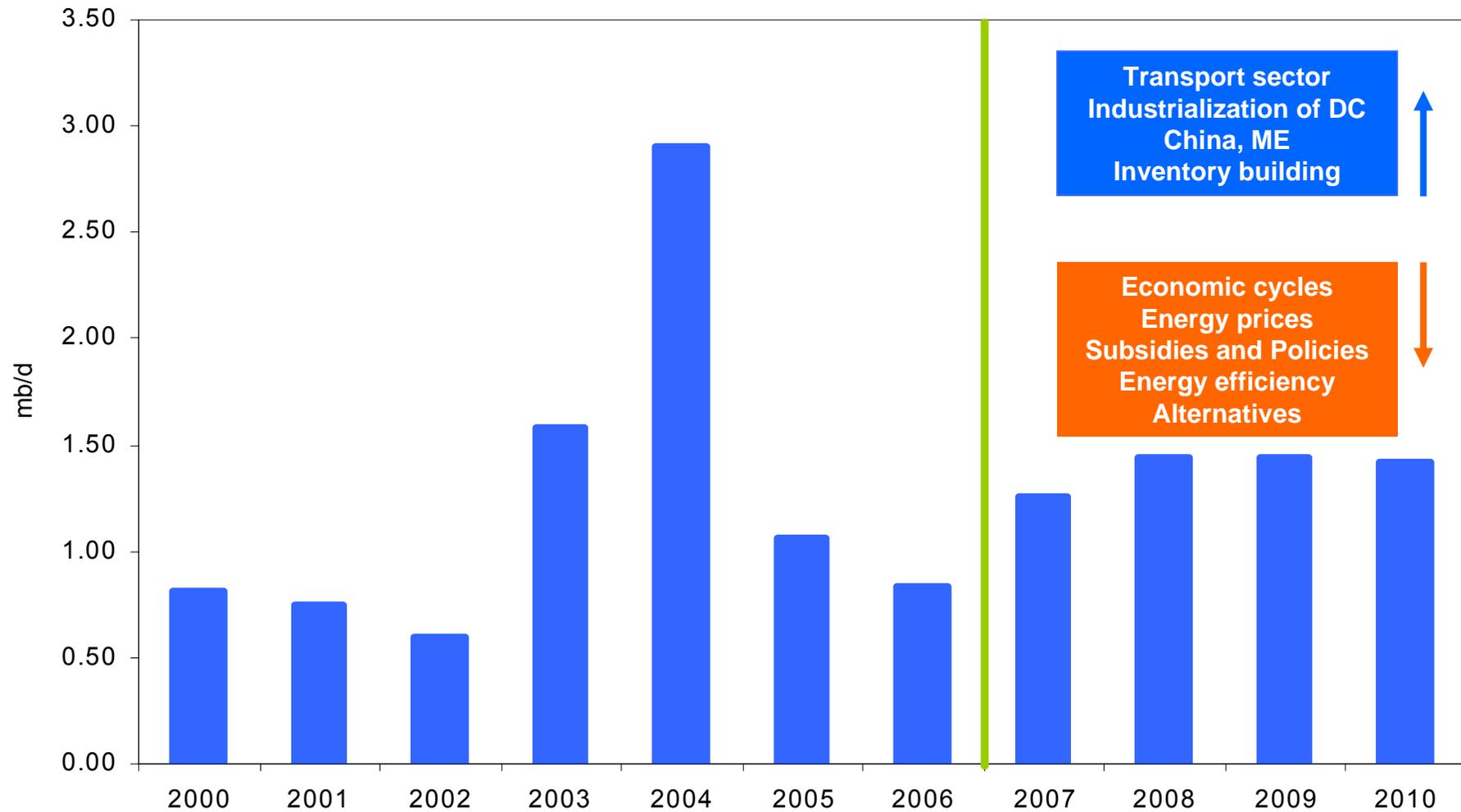
Heavy<26, Medium 26-35, Light>35 API



Medium-term prospects for non-OPEC supply

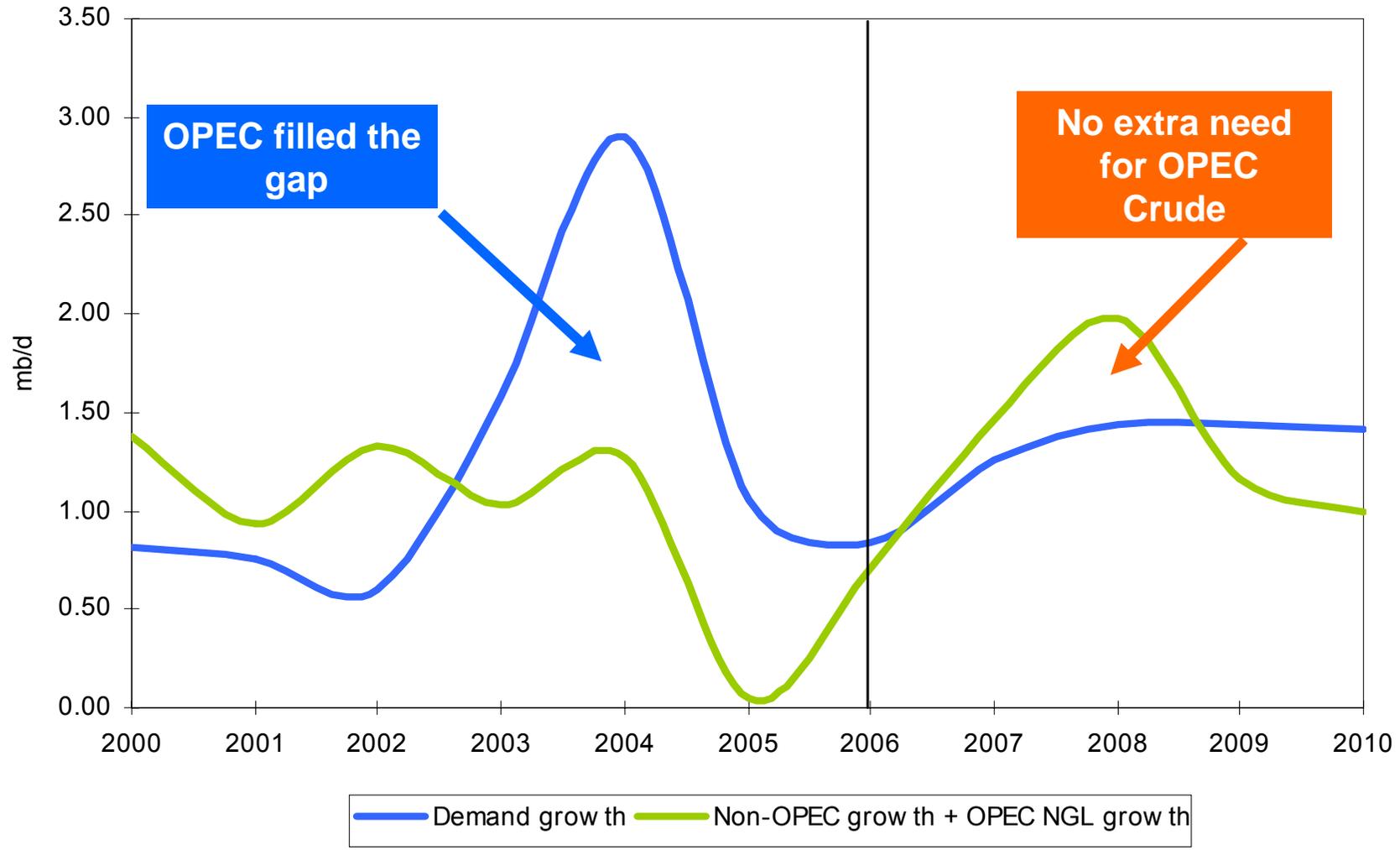


World oil demand growth

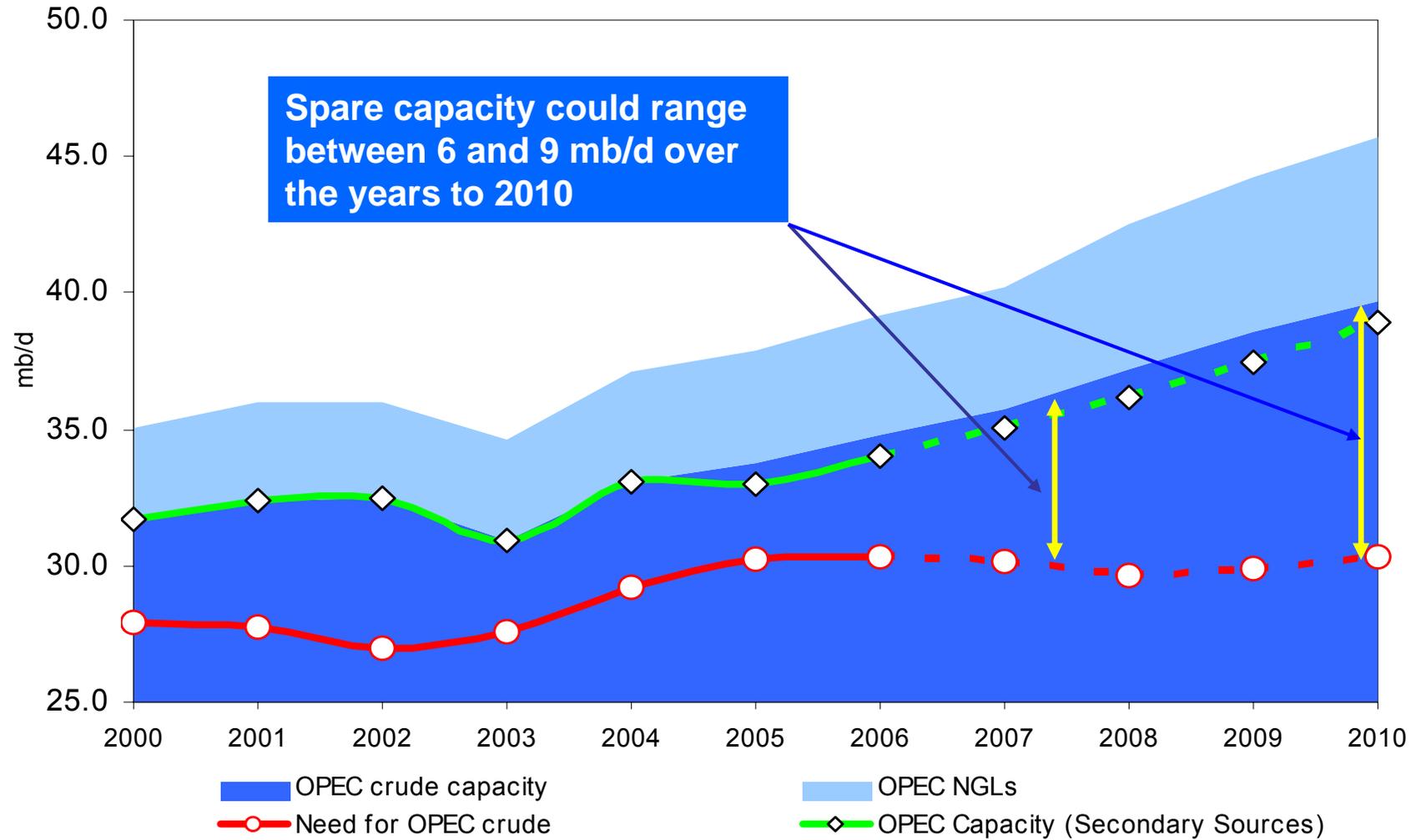


The role of OPEC's capacity

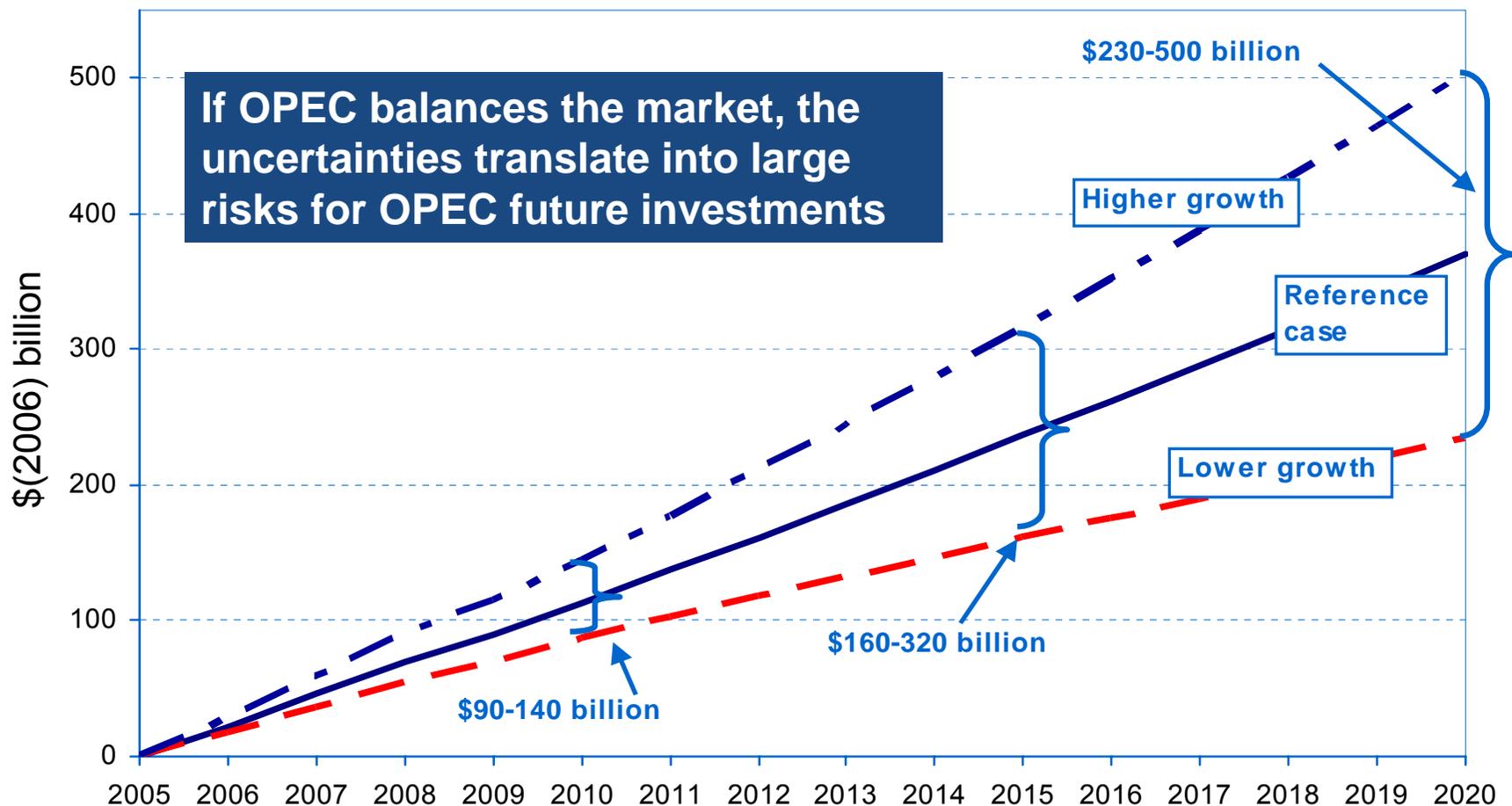
Annual growth of world oil demand and that of supply excluding OPEC crude



Medium-term prospects for OPEC spare capacity

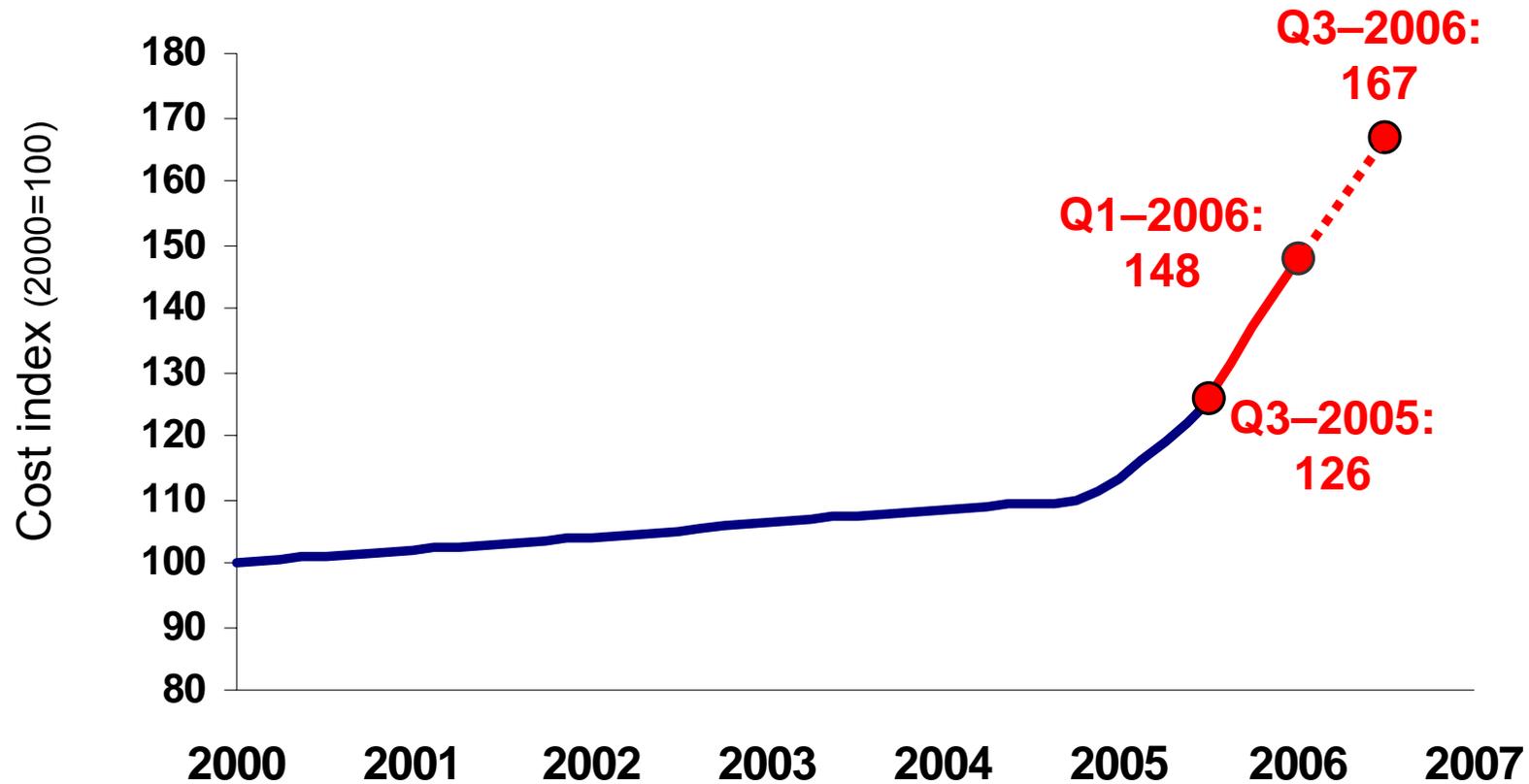


Cumulative OPEC investment requirements: How much is needed?



Upstream costs have been soaring...

IHS/CERA Upstream capital costs index



Source: Cambridge Energy Research Associates



General conclusions

- Next few years point to strong increases in non-OPEC supply and OPEC capacity
- OPEC spare capacity expected to continue to rise in the medium term
- Required OPEC crude is likely to fall or remain flat at best until 2009
- Strong collaboration between non-OPEC and OPEC a must for future market stability
- Upstream investment challenge not dissimilar to the past: nevertheless, ensuring market stability will be complicated by considerable uncertainties
- OPEC will continue to support security of supply to consumers
- Security of energy demand is an inherent factor in supporting long-term market stability





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