



CHALLENGES FACING OIL TITANS

OIL SUPPLY

AGENDA

CHAPTER ONE



STORIES OF THE SURVIVORS

CHAPTER TWO



NEXT STOP : OPEC+ & U.S. ACTION

CHAPTER THREE



MARKET OUTLOOK

AGENDA

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NEXT STOP : OPEC+ & U.S. ACTION

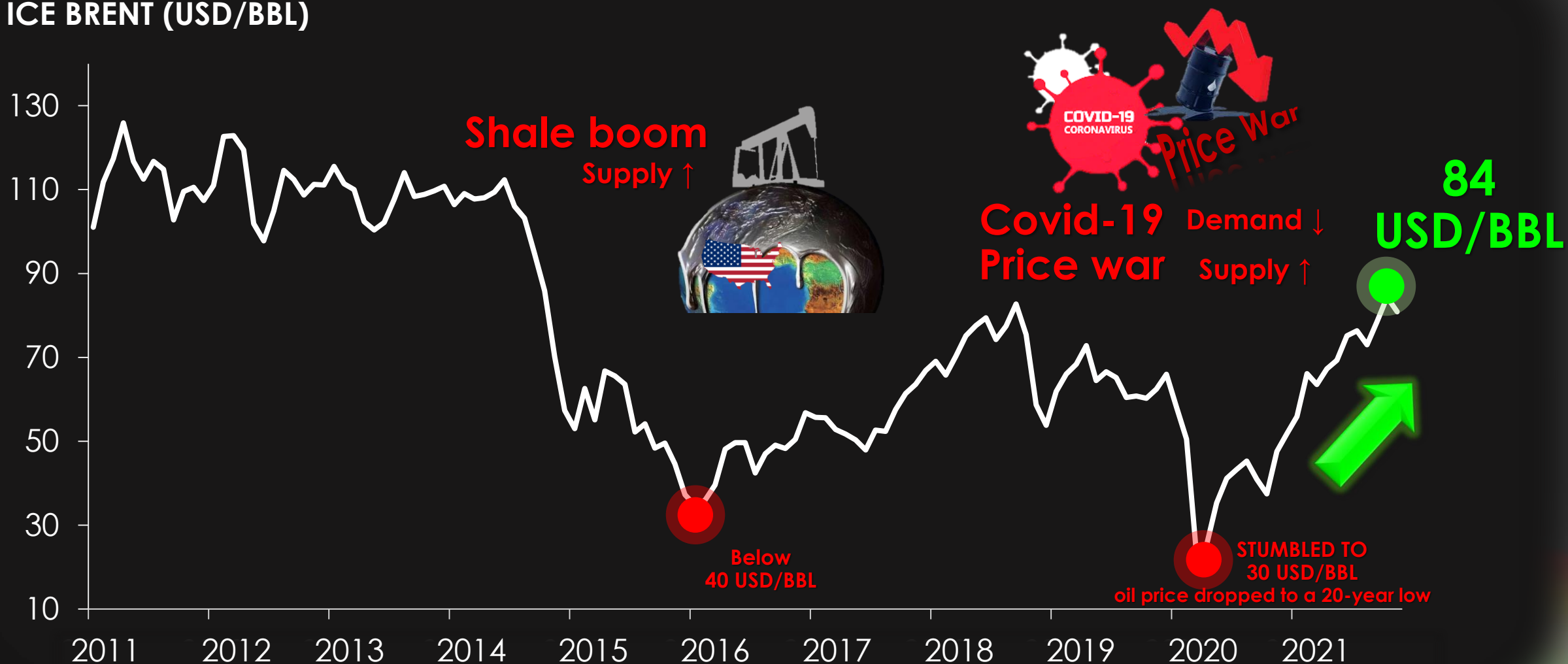
CHAPTER THREE



MARKET OUTLOOK

OIL MARKET TURBULENCE IN THE PAST DECADE

ICE BRENT (USD/BBL)



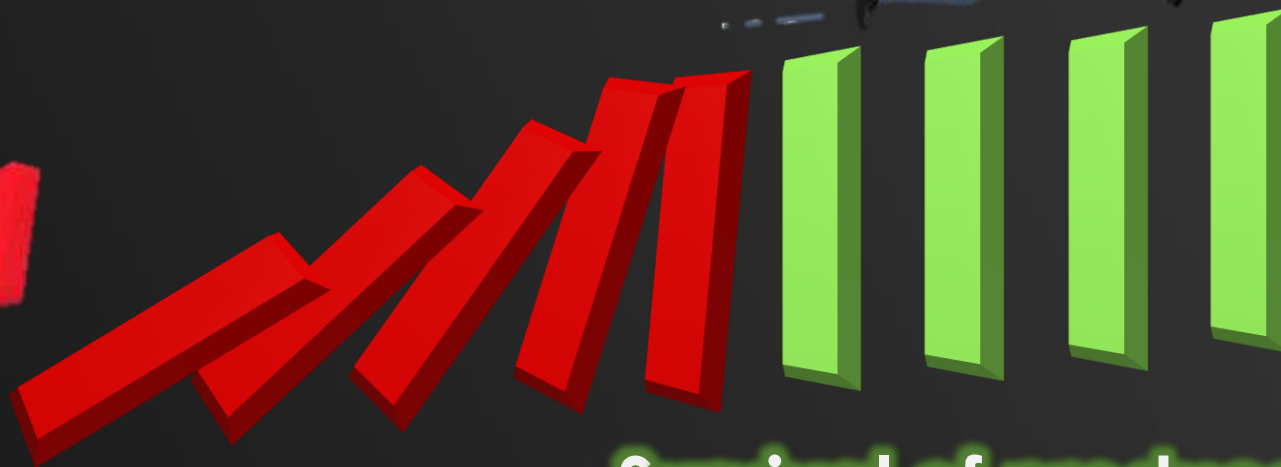
SURVIVAL STRATEGIES KEEPING SUPPLY TIGHT

Impact from crushed demand

- Budget deficits
- Higher debts
- Bankruptcies



Price War



Survival of producers

- Cost reduction with new technology
- Retain investors' confidence
- Maintain discipline to generate cash flow
- OPEC+ price war ended after 9.7 MMBD cut

TIGHTENING SUPPLIES, ANOTHER BOOSTER FOR SURGING OIL PRICES



CRUDE OIL PRICE

HIGH DEMAND

- ECONOMIC RECOVERY
- DEMAND RECOVERY

TIGHT SUPPLY

- PRODUCERS CONTROLLING PRODUCTION
- CONCERN OVER COVID-19 PANDEMIC
- SLOWDOWN IN INVESTMENT
- CLIMATE CONCERN

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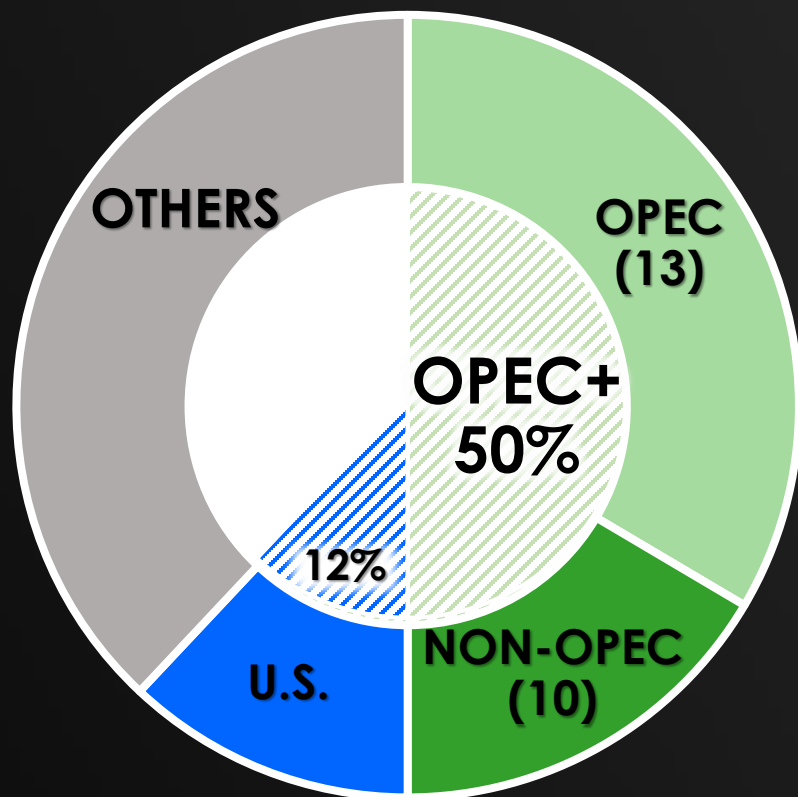


MARKET OUTLOOK

SOURCES OF SUPPLY FROM PRODUCERS & INVENTORIES

1. PRODUCERS

% of global supply



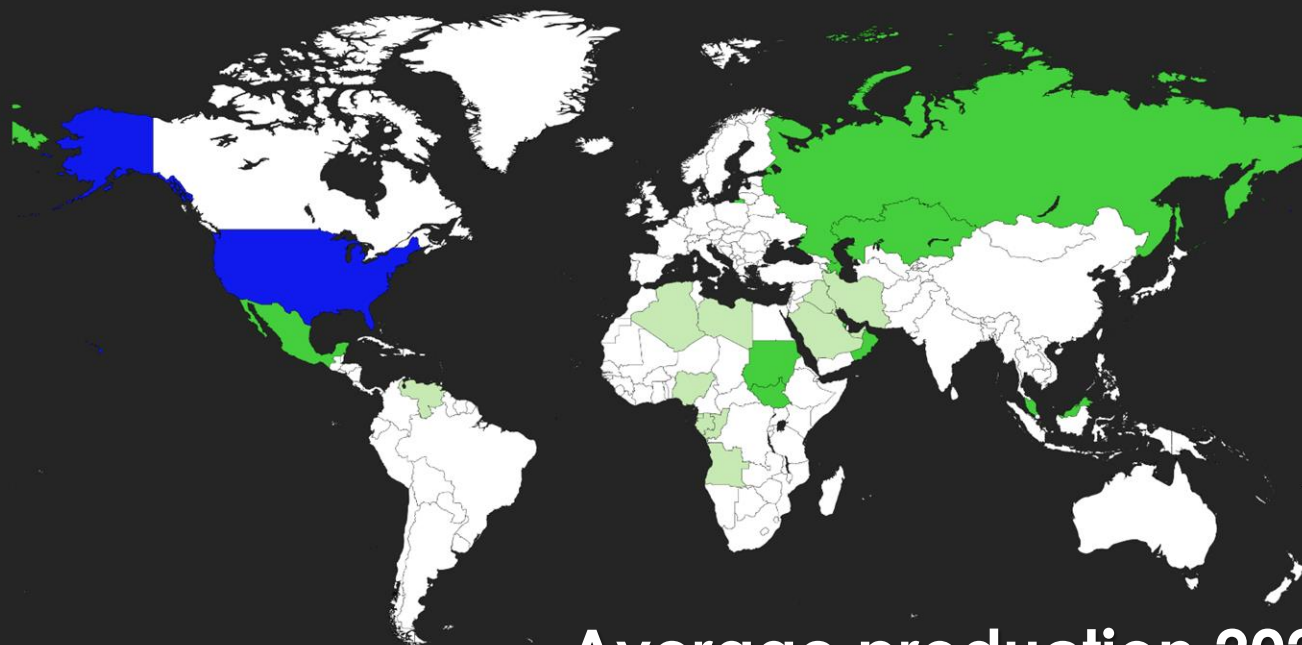
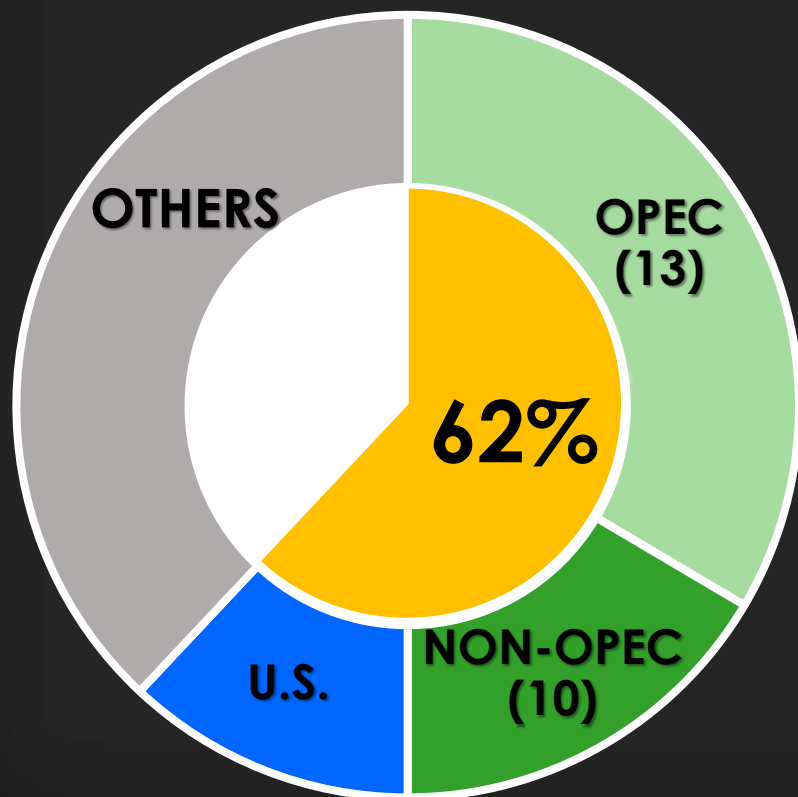
2. INVENTORIES



OPEC+ & U.S. PRODUCE OVER 60% OF GLOBAL SUPPLY

1. PRODUCERS

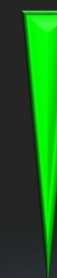
% of global supply



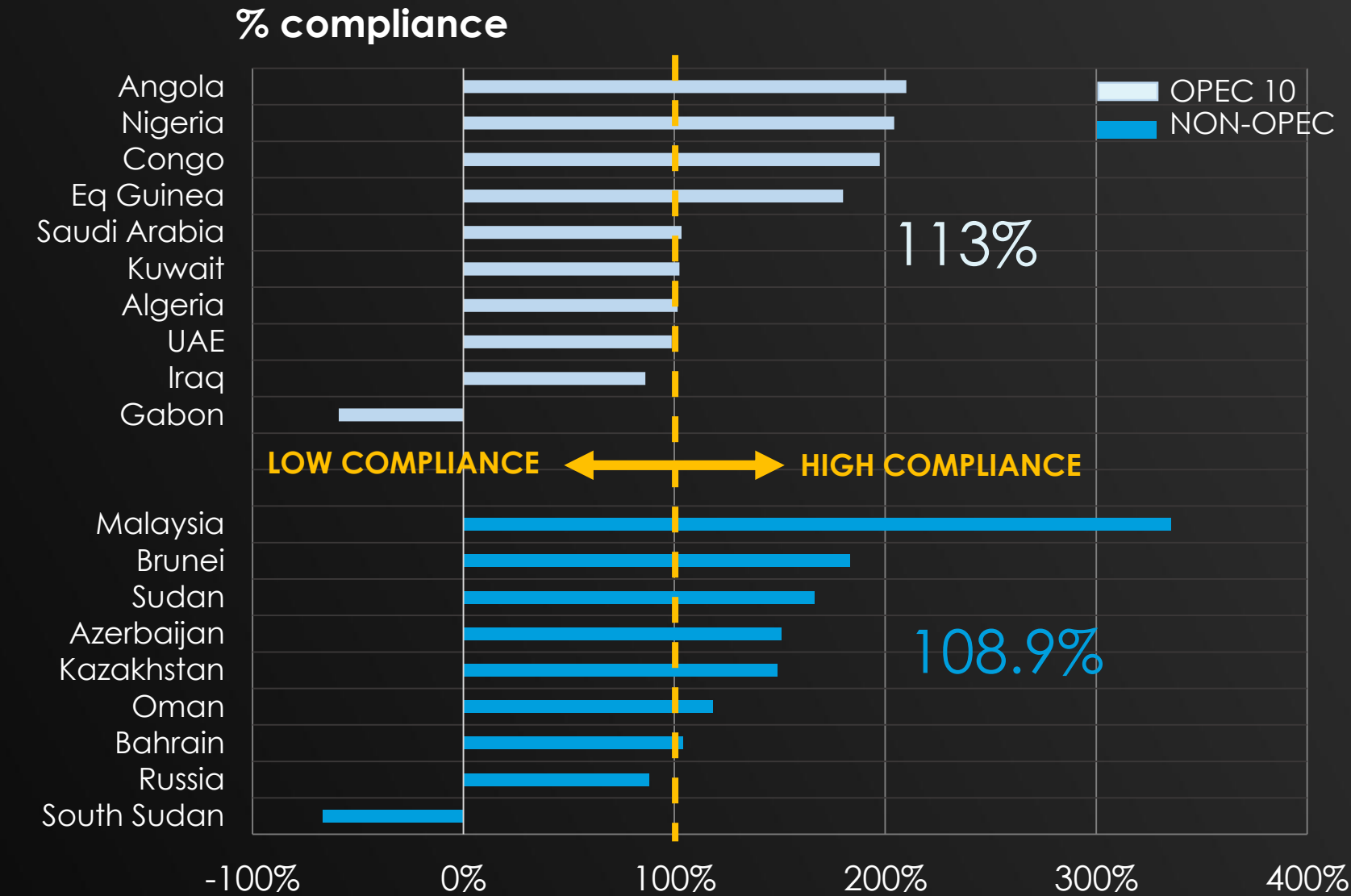
Average production 2021 (MMBD)



1. U.S.	11.0
2. Russia	10.4
3. Saudi Arabia	8.9



HIGH OPEC+ COMPLIANCE TO SUPPORT PRICE FUNDAMENTALS



TOTAL OPEC+ COMPLIANCE

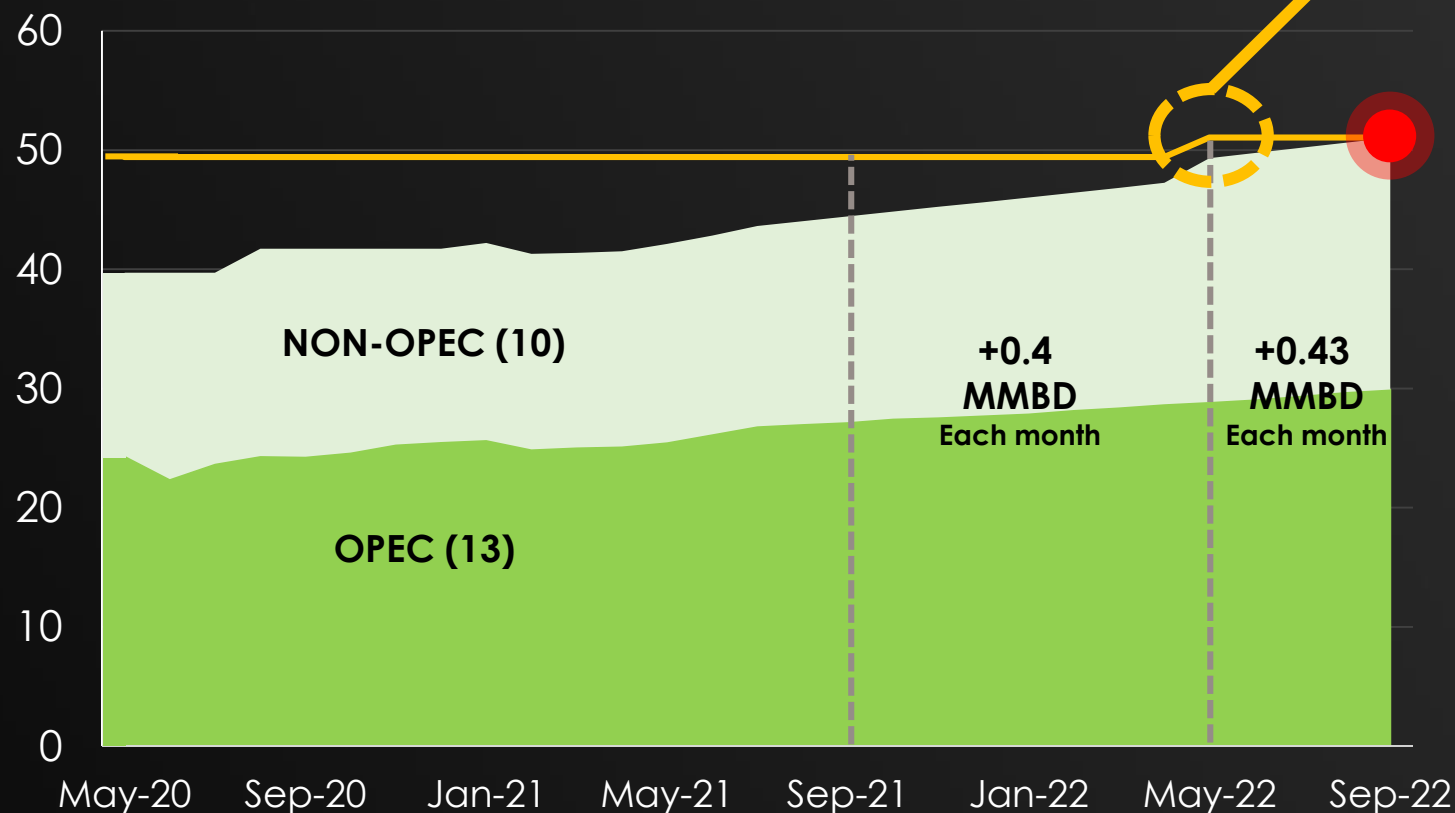
111.5%

%COMPLIANCE >100%
production level below quota



OPEC+ TO GRADUALLY UNWIND CUTS

OPEC+ PRODUCTION (MMBD)



OPEC+ TO CHANGE REFERENCE PRODUCTION

CURRENT REFERENCE
OCTOBER 2018



NEW REFERENCE
MAY 2022 ONWARDS

↑ +1.64 MMBD



Saudi Arabia



Russia



UAE



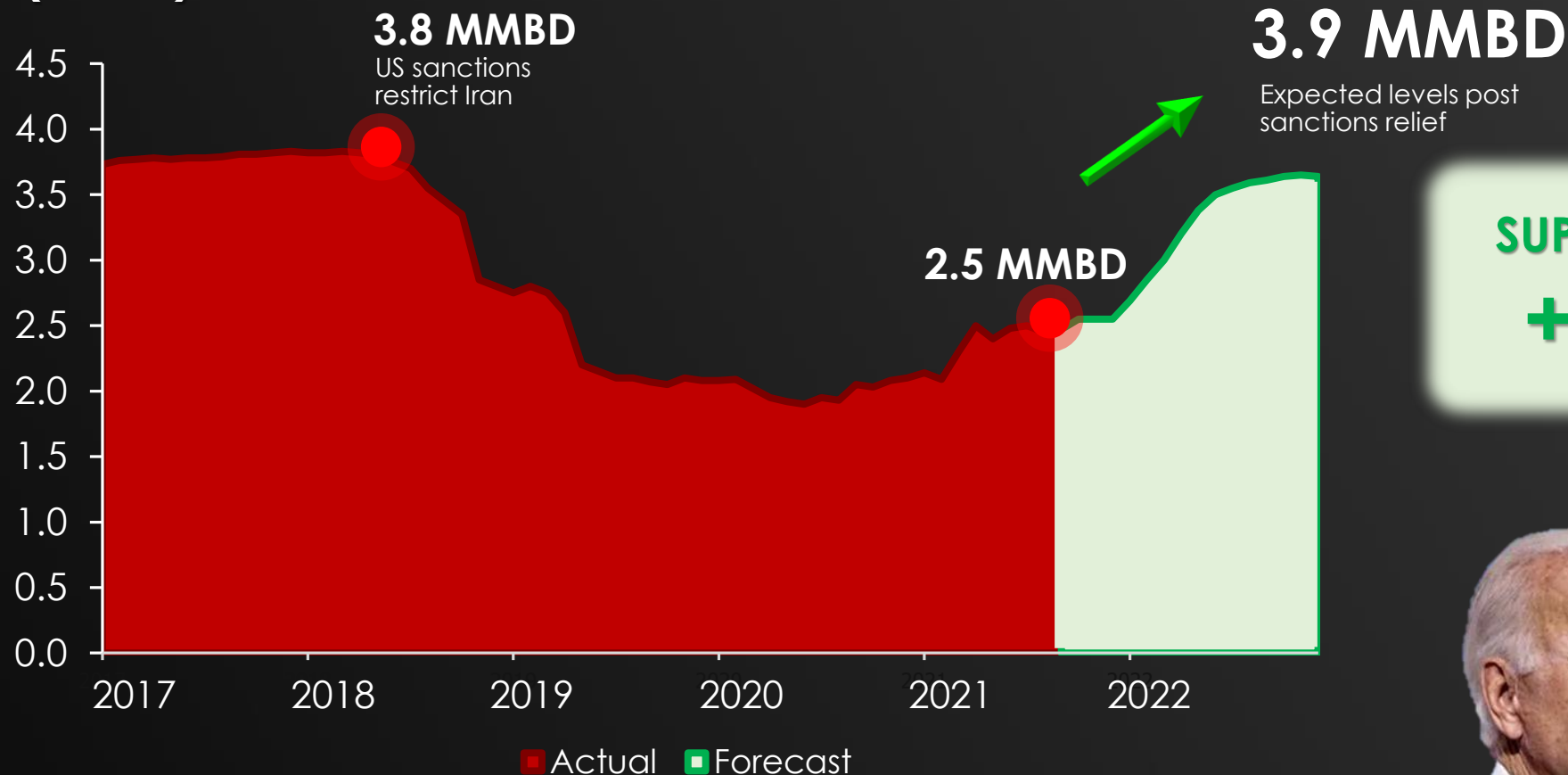
Kuwait



Iraq

IRAN'S COMEBACK SOLELY DEPENDS ON NUCLEAR DEAL

Iranian oil production
(MMBD)



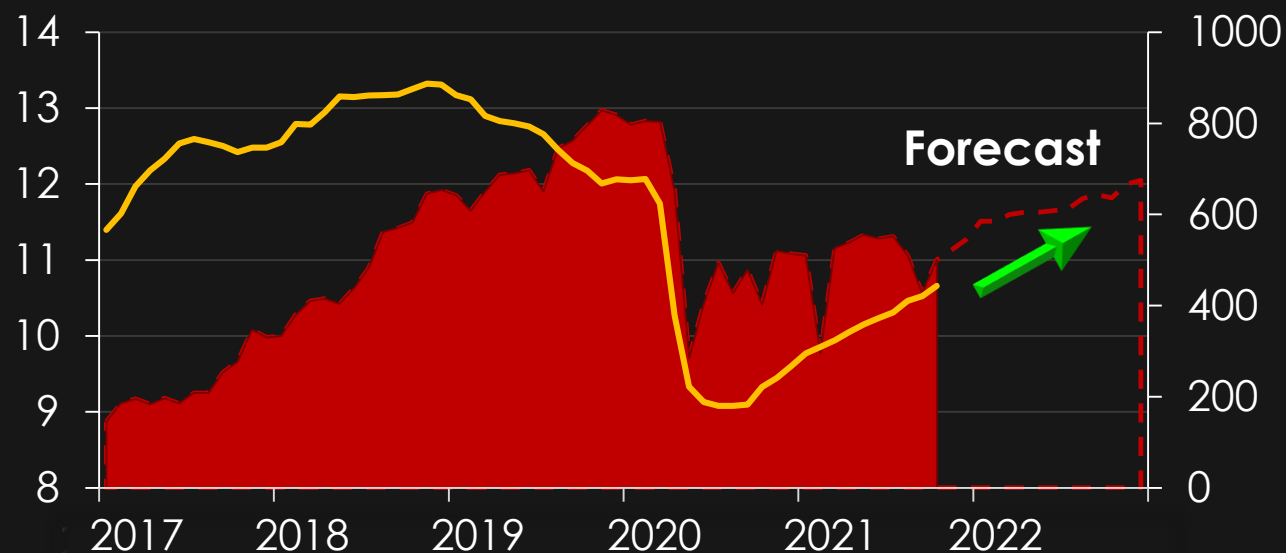
**SUPPLY GROWTH UP TO
+1.4 MMBD**



BIDEN'S POLICIES TO LIMIT U.S. SUPPLY EXPANSIONS

U.S. Production
(MMBD)

Rig Count



■ U.S. Production — Rig Count

2022 VS 2021
+6.5 %

2022 VS 2019
-4.5 %

BIDEN'S POLICIES

Campaign promise to prioritize climate change



OIL INVENTORIES : A BUFFER FOR CONSUMERS

2. INVENTORIES

2.1 Commercial Oil Stocks (OECD)

2.2 Strategic Petroleum Reserve (SPR)

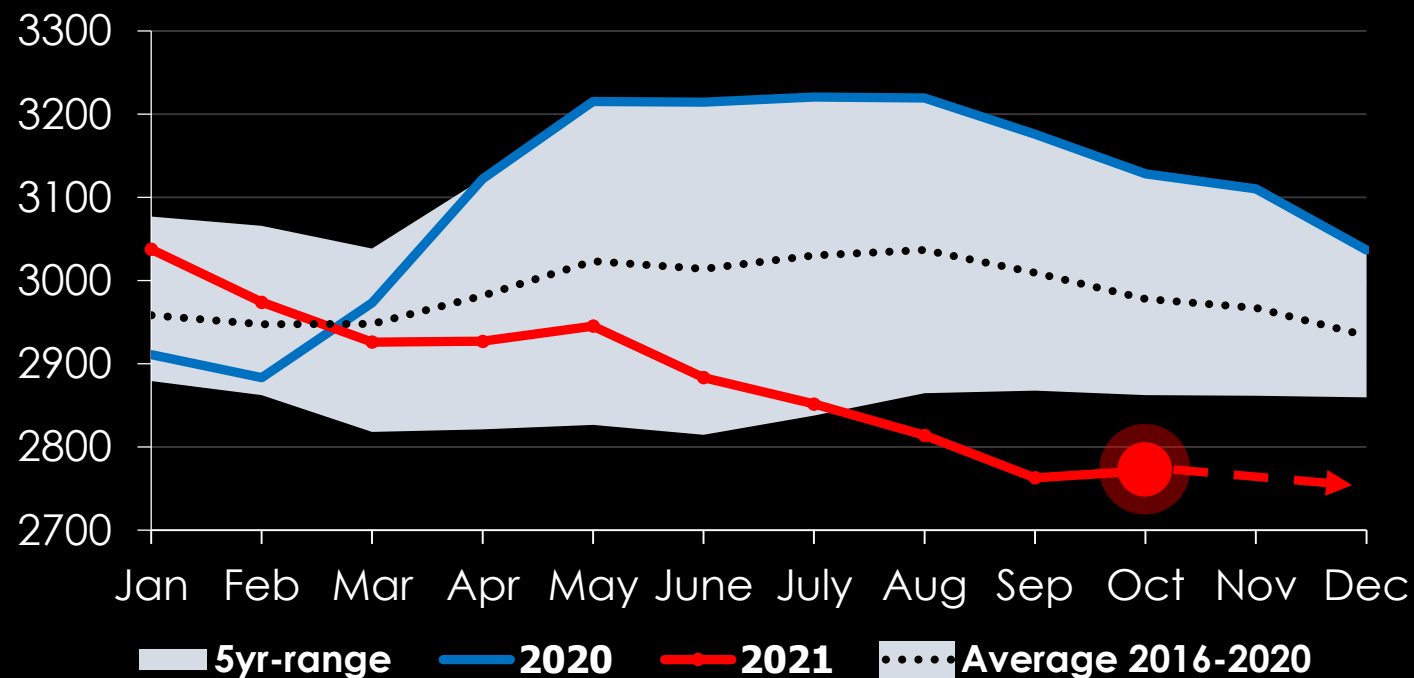


OECD INVENTORY AT ROCK BOTTOM LEVELS



OECD OIL INVENTORY LEVEL (CRUDE & PRODUCTS)

(MMB)



Current inventories below 2016-2020 average levels

SPR : COVERING SHORT – TERM SUPPLY DISRUPTIONS

U.S. holds the world's largest SPR with plans to release up to **20 MMB** in Q4 2021



China, world's largest crude importer, has never done an SPR release until this year, auctioned **7.38 MMB** in September 2021



India, Asia's second largest crude importer. plans to release up to **8 MMB** from it's SPR, expected to execute by year end



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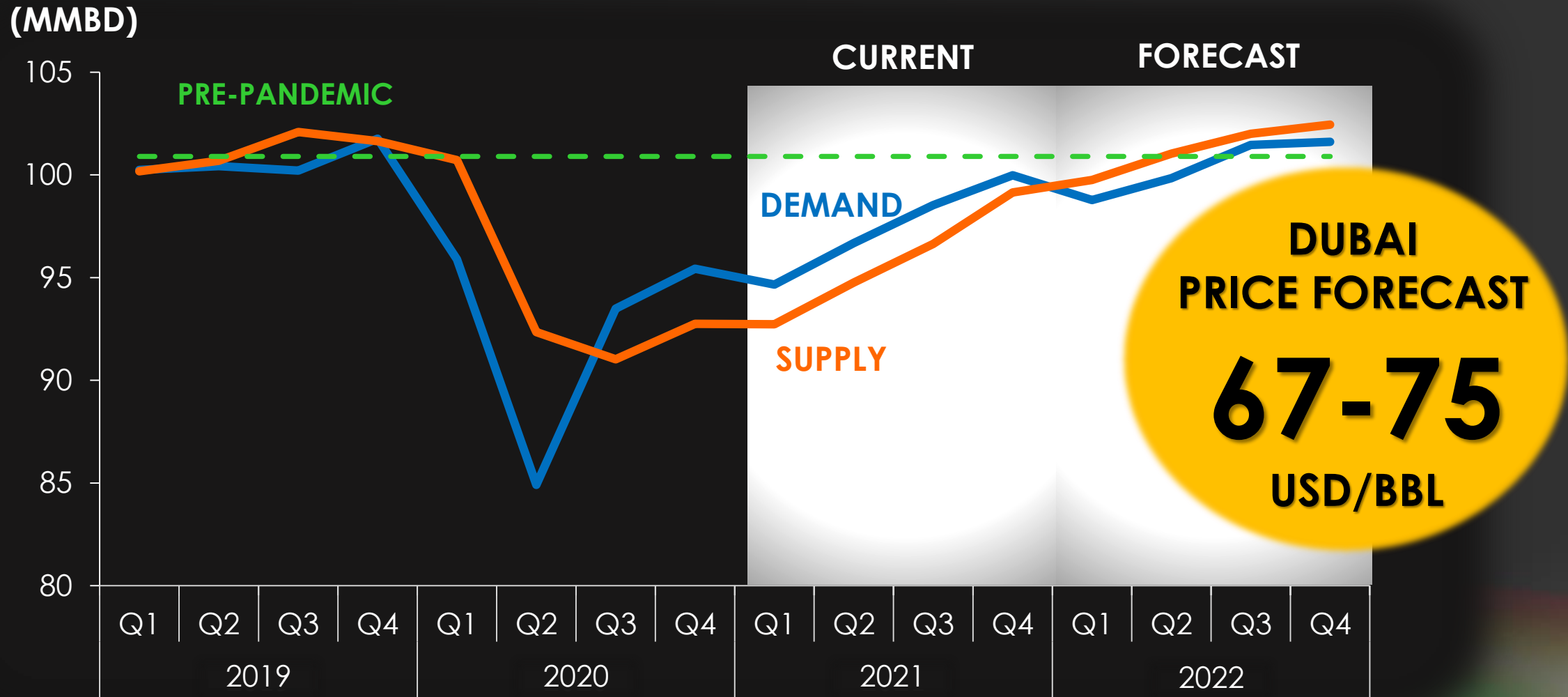
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MARKET OUTLOOK

GLOBAL DEMAND & SUPPLY : LOOSEN BALANCES IN 2022



OIL MARKET UNCERTAINTIES

DEMAND

GLOBAL ECONOMY



COVID-19 UNCERTAINTIES



SUPPLY

OPEC+ COMPLIANCE



GEOPOLITICS



ENVIRONMENTAL

POLICIES (COP 26)



**UN CLIMATE
CHANGE
CONFERENCE
UK 2021**

IN PARTNERSHIP WITH ITALY





**“The moment you stop accepting challenges
is the moment you stop moving forward”**

-Isaac Netero