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Energy Risk
Management Services

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# World Petroleum Perspectives
# Monthly Review and Outlook

## Summary

Since our last monthly report, the prompt NYMEX crude oil contract has risen by about $7.00 per barrel on a point to point basis, but within the period declined and subsequently found support around $87.00-$88.00 per barrel. The most recent recovery has in part occurred during a period of progressively lower holiday volume. Despite ongoing concerns with regard to the pace of U.S. and perhaps global economic activity, prices previously declined once inventories at Cushing began to stabilize and recover, leading in turn to a contraction in the term structure backwardation. Subsequently, however, concerns about the adequacy of winter fuel availability resurfaced, and continued declines in aggregate U.S. crude oil stocks began to outweigh the Cushing impact. As we have previously discussed, the declines in total U.S. crude oil stocks largely reflect customary year-end LIFO strategies, which have been compounded this year by the inordinate nominal crude oil price strength. Nonetheless, despite such normal refiner behavior which therefore does not reflect global crude oil tightness, traders and funds have decided to respond to the stock decline no matter what the cause.

This suggests, however, that after the turn of the New Year U.S. crude oil stocks will recover, as they customarily do. The degree to which prices retrace and offset other factors will be critical in setting the price stage for 2008 as a whole. The primary "other factor" from a non-fundamental standpoint will be the magnitude of incremental passive length coming into the market which, based on our previous analyses, is likely to be felt early in the year and may be significant given the substantial end-2006 to end-2007 price gain and the backwardation that developed in the second half of 2007. Once again we have made relatively little revision to our global demand and supply balances from previous reports. From a price standpoint our Base Case is still looking for a WTI average in 2008 of about $71.50 per barrel. However, later in this report we discuss a possible alternative scenario, which assumes even greater inflows of passive length in early 2008 coupled with a global demand outlook that is more robust than we expect. Under this outlook, WTI averages about $97.50 per barrel in 2008.

+ World oil demand is expected to rise by 1.1%, or some 935 MB/D next year.

+ Non-OPEC supply is forecast to increase by about 785 MB/D in 2008.

+ Assuming little net change in global discretionary stocks days supply for the year, we continue to believe that Saudi crude oil sales will average around 8.8 MMB/D in 2008.

## Viewpoint

Since the publication of our November monthly report on the world oil market, the prompt NYMEX crude oil contract gained by about $7.00 per barrel on a point-to-point basis. However, over the past month prompt WTI declined from $90.00+ per barrel, subsequently finding support at around $87.00-$88.00 per barrel during the first week in December.

The most recent price recovery to back toward $98.00 per barrel has in part occurred during a period of progressively lower holiday volume, exacerbating any response to events and/or expectations.

Despite ongoing concerns with regard to the pace of U.S. and perhaps global economic activity, WTI declined from the late November peak once inventories at Cushing began to stabilize and recover, leading in turn to a contraction in the price curve's backwardation.

In addition, we believe that many funds, seeing some stability in the dollar, began unwinding long crude oil/short dollar positions that had been established since the end of August.

Subsequently, however, concerns about the adequacy of winter fuel availability began to resurface in early December, and continued declines in aggregate U.S. crude oil stocks began to outweigh the Cushing recovery.

As we have previously discussed, the declines in total U.S. crude oil stocks largely reflect customary year-end LIFO strategies, which have been compounded this year by the inordinate nominal crude oil price strength.

During this decade, in every year except 2005 U.S. crude oil stocks declined during December, with December of 2005's inventory gain reflecting the post-Katrina/Rita recovery on the Gulf Coast.

Nonetheless, despite such normal refiner behavior, which therefore does not reflect global crude oil tightness, traders and funds have decided to respond to the progressive stock decline no matter what the cause.

This suggests, however, that after the turn of the New Year U.S. crude oil stocks will recover, as they customarily have every January during this decade with the exception of January 2003 when inventories declined marginally.

We would strongly emphasize that **the degree to which crude oil prices retrace in direct response to any aggregate refiner crude oil inventory recovery and offset other factors will be critical in setting the price stage for 2008 as a whole.**

The primary "other factor" from a non-fundamental standpoint will be the magnitude of incremental passive length that may enter the market which, based on our previous analyses, is likely to be felt early in the year based on behavior since 2004.

The magnitude of new passive length may be significant given the substantial end-2006 to end-2007 price gain and the backwardation that developed in the second half of 2007.

Such a combination of absolute price gain over the course of the year (as oppose to the annual average) in combination with a "positive roll" in the second half of the year stood in stark contrast to the market of 2006, where there was literally no price gain over the course of the year in combination with a negative roll, leading to negative returns in the GSCI and other indices.

This led in turn to some exit of passive length early in 2006 as we had previously discussed and anticipated, contributing to WTI's fall to $50.00 per barrel in the first quarter of this year.

Once again we have made relatively little revision to our global demand and supply balances from previous reports. From a price standpoint our Base Case is still looking for a WTI average in 2008 of about $71.50 per barrel, characterized by the greatest price strength coming in the first half of the year.

However, later in this report we discuss a possible alternative scenario, which assumes even greater inflows of passive length in early 2008 coupled with a global demand outlook that is even more robust than we expect.

We strongly emphasize that if world oil demand grows at a somewhat stronger rate in 2008 than under our Base Case, we would not expect growth to achieve the rate assumed by the IEA. Our alternative scenario would suggest non-OECD oil demand gains at a faster pace than we currently expect and, as or more important, U.S. gasoline demand does not decline in 2008 as we currently assume. Under this outlook, WTI averages about $97.50 per barrel in 2008.

## Global Oil Demand

World oil demand is forecast to increase by 1.1%, or some 935 MB/D in 2008, a slight reduction from previous expectations largely the result of fine tuning.

OECD oil demand is expected to rise by 0.2% or about 110 MB/D, a somewhat more conservative view than last month following our reduction in forecast U.S. jet fuel and aggregate OECD Europe oil demand. Non-OECD oil demand is expected to gain by 2.2%, or around 825 MB/D next year, a slight upward revision from last month.

Our latest forecast implies 2008 growth in world oil demand less than half the volume currently forecast by the IEA. However, we are confident in our outlook, and if we are off the mark, we believe the odds favor lower demand growth and not higher.

### United States

The latest weekly data reveal that year to date, U.S. refined product demand is up by only 0.2% versus the comparable period in 2006, with gains in gasoline, distillate, and heavy fuel oil almost offset by declines in jet fuel and "other" oil demand.

As we have previously discussed, the DOE is likely to revise the data once the Petroleum Supply monthlies are released, but since the tendency has been for downward and not upward revisions there is a good chance that on a "near final" basis U.S. refined product demand may be flat or even down this year versus 2006.

Given that economic concerns keep mounting and the data continue to confirm these fears of a recession in 2008, how reasonable is it to expect much if any gain in U.S. refined product demand next year? Our current Base Case anticipates U.S. oil demand will rise by 0.4% in 2008, a downward revision from last month by almost 100 MB/D.

With regard to the composition of our conservative demand outlook, we retain our view, likely the only one in the world, that gasoline demand will witness a modest decline next year reflecting a modest improvement in aggregate fleet fuel efficiency, more than offsetting the negative efficiency impact of ethanol blends.

In terms of other products, we have trimmed our expectations for jet fuel demand based on trends in improved capacity utilization and preference for more fuel-efficient airplanes when and where possible.

Distillate demand is expected to receive a boost assuming normal temperatures in January, underpinned by modest gains in diesel demand since we do not assume a recession. Overall, however, we believe that if our U.S. oil demand outlook is off the mark, the odds favor lower and not higher oil demand, even if gasoline manages to eke out a modest gain.

### Europe

At the risk of sounding like a broken record, once again there is little change to the OECD Europe oil picture, with demand on average continuing to decline versus last year. Gasoline demand remains a major negative influence, as it has for the last couple years, with fleet dieselization now compounded by consumer response to higher retail prices.

For the fourth quarter as a whole gas oil demand is now increasingly likely to fall versus last year despite colder recent temperatures and delayed consumer stocking compared to the same period in 2006.

Heavy fuel oil continues to suffer from alternative fuel substitution, particularly in Italy, which may be additionally hurt for Europe as a whole as economic growth moderates.

For 2008, we anticipate OECD Europe oil demand to fall by 0.7%, or some 80 MB/D. The largest single influence is an assumed moderation in the gasoline demand decline rate.

While somewhat negative overall for the entire barrel, our outlook still marks a moderation in the average aggregate rate of European oil demand decline compared to the pace of the last two years. As with the United States, however, our sense is that if we off the mark, Europe oil demand will come in somewhat below our current Base Case outlook.

## Japan and South Korea

Japan oil demand early in the fourth quarter continued to gain versus the previous year, a similar picture to September, with warmer than normal late season temperatures boosting electricity demand. We would also note that gasoline demand staged a modest recovery from lower levels earlier in the year.

The aggregate demand gain was largely fueled, however, by the heavy end of the barrel, with incremental power demand met at the margin by oil due to ongoing, reduced nuclear capacity utilization, which may continue until the middle of next year. Lower hydro output also boosted demand for heavy fuel oil and crude for direct burning.

For next year we anticipate that Japan oil demand will fall by 0.2%, or about 10 MB/D, compared to our estimated decline of 1.0% this year and essentially unchanged from last month.

While second half year heavy fuel oil demand should weaken as nuclear capacity returns online, the assumption of normal winter weather leads to some recovery in mid-barrel product demand for space heating.

In South Korea, demand continues to forge ahead, remaining in contrast to Japan for 2007 since all products across the barrel generally continue to gain versus 2006.

Recent data suggest a moderation in naphtha demand, but the declines reflect a move by petrochemical producers to opt for less expensive alternative feedstocks, and not a decline in aggregate petrochemical product demand.

For 2008 we look for South Korea oil demand to rise by 2.1%, or about 40-45 MB/D, unchanged from last month and implying a moderation in demand growth from our estimated pace of 2007.

## Non-OECD

China and OPEC have largely called the tune of non-OECD oil demand, and recent data do not suggest anything different. Although clearly subject to revision down the road, early fourth quarter implied demand growth for China came in around our long-standing assumption, i.e. +4.0%.

Although LPG and heavy fuel oil demand weakened versus the previous year, these products were more than offset by gains in virtually every other product. Transportation fuels benefited from extensive National holidays.

Nonetheless, we still expect that as the Chinese economy matures and feels a greater influence from higher world oil prices as domestic prices rise, any major influence on oil demand relative to real GDP growth is long term in nature.

For next year, therefore, we expect China implied oil demand to increase by 4.0%, or around 255-260 MB/D, only slightly off the estimated pace of 2007.

Despite expectations that naphtha demand would be curtailed due to incremental natural gas availability, India oil demand in the aggregate gained significantly in the early fourth quarter, led by transportation fuels as driving has increased along with jumps in new vehicle sales.

We estimate that total OPEC refined product demand growth has performed in line with our Base Case, with our group total incorporating demand gains in Saudi Arabia alone of 8%-9%, which was the order of magnitude in demand growth for the third quarter. Due to inexpensive fuel costs relative to world averages, we would look for both OPEC and Saudi oil demand growth to continue apace through 2008.

Overall, we anticipate a gain in non-OECD oil demand next year of 2.2%, or about 825 MB/D, an upward revision from last month's report, but by only 25 MB/D.

## Global Oil Supply

### Non-OPEC

This month's report incorporates an upward revision to non-OPEC supply growth for next year, largely reflecting our reassessment of the Brazil picture.

Although the capacity expansions and additions due to new platform startup have been known for some time, actual production rates have tended to fall short of original Petrobras plans, which we had included as part of our thinking.

We are now of the mind, however, that actual Brazil production will build at a somewhat faster pace than we had previous assumed, and we have amended our growth path accordingly.

December witnessed Brazilian crude oil production exceeding 2.0 MMB/D for the first time, reflecting the startup of seven platforms over the course of 2007. Four more platforms are due for startup in 2008, and we now assume that 2008 Brazil crude oil production will average in excess of 2.0 MMB/D, after adjusting for estimated maintenance downtime and other factors.

Incorporating this latest view into our aggregate outlook and fine tuning elsewhere, we are now looking for non-OPEC supply to rise by 785 MB/D next year, an upward revision from our previous assessment by about 20 MB/D.

### OPEC and Inventory

Not that it would made a difference in actual sales in our minds, since our last report OPEC decided to maintain the status quo and not provide another 500 MB/D or so of "real" incremental crude to the market.

As previously discussed, however, incremental refiner nominations had already set the process in motion, and as Saudi Arabian oil minister Ali Naimi has stated time and again, he will sell neither more or less crude oil than the market requires.

Our customary table below lays out our estimated production rates for the month of January, with relatively little change compared to our assessment for December.

**OPEC "10"**
**Targeted Vienna "Quotas"**
**v.**
**Estimated January Production**
**(MB/D)**

| | "Quota" | Production | Prod. Vs. "Quota" |
|---|---|---|---|
| Algeria | 1,358 | 1,340 | -18 |
| Indonesia | 871 | 850 | -21 |
| Iran | 3,818 | 3,720 | -98 |
| Kuwait | 2,487 | 2,475 | -12 |
| Libya | 1,704 | 1,730 | +26 |
| Nigeria | 2,173 | 2,190 | +17 |
| Qatar | 824 | 800 | -24 |
| S. Arabia | 8,987 | 8,900 | -87 |
| UAE | 2,546 | 2,495 | -51 |
| Venezuela | 2,485 | 2,410 | -75 |
| Total | 27,253 | 26,910 | -343 |

We have revised up our outlook for OPEC condensate and NGL for 2008, which all else equal modestly reduces the market need for OPEC crude oil. Putting together our slight downward revision in demand with our slight upward revision in non-OPEC supply, we expect OPEC crude oil deliveries for the "OPEC 10" to average about 26.9 MMB/D in 2008.

For Iraq, we have decided to assume a production average for next year of around 2.15 MMB/D, while Angola production is estimated to average almost 1.8 MMB/D.

Our balances now imply a modest net global stock build for 2008, but on a days supply basis we anticipate end-2008 usable commercial inventories to lie only marginally above our estimate for the end of 2007.

With regard to our forecast quarterly pattern, for the first quarter we anticipate a net global stock draw averaging only about 100 MB/D, substantially below the net draw experienced in the first quarter of 2007.

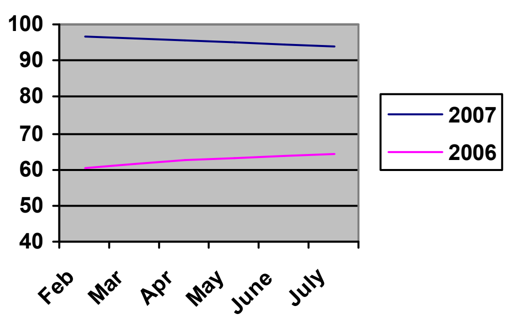
However, we are ending 2007 at a somewhat lower aggregate inventory level compared to end 2006, and thus the normal seasonal distillate stock draw will be more offset by some re-accumulation of stocks, particularly of crude oil and gasoline.

## Implications for Price

As suggested earlier in this report, we believe that if we are off the mark on the demand side of the equation, the odds favor lower and not higher world oil consumption for 2008.

Having said this, however, we believe that based on our research with regard to the financial flow effect on oil prices experienced in 2007, if we are of the mark on price *and* world oil demand is at least as strong as we expect, the odds likely favor somewhat higher prices and not lower for next year. The ultimate demand response to higher oil prices would therefore be even more lagged and have a greater impact in 2009 and beyond.

**Current Six-Month NYMEX Crude Oil Term Structure**
**2007 vs. 2006**




In this regard, we wish to strongly emphasize that we do not believe crude oil "should be" at these levels. In addition, we would maintain our view that there are longer-term factors at play that will impact world oil demand over the next several years. Many analysts are bullish long term because they do not see an adequate supply response, or are ardent adherents to the "peak oil" theory.

Our view of history suggests that the non-OPEC supply response to major price spikes is largely, though not exclusively, a myth. Many, if not most of the major increases in non-OPEC supply that have occurred since the Arab oil embargo would have come on in any event, with one of the most notable examples the surge in North Sea production following the Iranian Revolution.

By and large the "corrective mechanism" has been the demand side, which by its nature is more lagged in effect and more elusive to detect over the shorter term. Many long-term outlooks suggest a progressive march to $200.00 per barrel and/or that world oil demand will continue to rise at a reasonable pace despite such price gains.

Although we concede that anything can happen, we do not believe that any 10-year outlook for world oil demand and supply and price has *ever* even remotely come close to the mark, whether it has been bullish or bearish, and as such we believe such efforts, including our own if we were ever to so embark, are exercises in futility.

Having some sense of history as we do can be helpful, **as long as one is mindful of the underlying dynamics of crude oil price determination that have been in play since 2004, i.e. the interplay between fundamentals and financial funds flow.**

We remember quite well statements over the course of the past number of years that "WTI will never fall below $25.00 per barrel again", right before the Asian financial crisis.

These were followed by pundits claiming that "WTI would remain in a $12.00-$20.00 per barrel range indefinitely" and we recall Texaco hedging production at $16.00 per barrel.

We do not claim to hold the patent on long-term price accuracy by any means, but we know what we do *not* know, and therefore limit our official forecasts to one year out, by and large, unless requested to look farther out.

Having said all this, with our longer term price perspective therefore one of a generally lower rather than higher price because of what we believe will ultimately be a greater demand response than consensus expectations in 2009 and beyond, in the table at the end of our report we present our current Base Case price outlook for 2008 by quarter, accompanied by two alternative cases, each with our estimated probability of unfolding.

The most important aspect of our forecast is that our Base Case has a 60% probability of occurring, but our next most likely case is a *higher* price level for 2008 carrying 30% odds. Our lowest probability case, at 10%, is where WTI collapses in tandem with the U.S. economy into a severe recession, with any Fed efforts exercises in futility. Explanations are warranted.

Our Base Case world oil balance outlook has now incorporated modestly *lower* demand growth and modestly *higher* non-OPEC supply growth than last month, and in combination with higher OPEC NGLs and condensate the world balance is a bit "looser" than 2007, but not in surplus by any means.

Our Base Case has assumed that despite a continued rise in world oil demand, U.S. gasoline demand declines modestly next year, with this most visible market dominating over any continued growth in China.

The crude oil term structure therefore moves into contango, as refinery runs are adjusted accordingly in tandem with BP's aggressive buildup at Texas City, and through the combination of fundamentals and some net exit of passive length in response over the course of 2008 (but not before an inflow in January in response to positive index returns in 2007) WTI progressively weakens through the course of the year.

Our Alternative Case at 30% odds assumes that U.S. gasoline demand does not decline, world oil demand rises at least in line with our outlook, and due to massive central bank liquidity efforts passive length enters the market in such magnitude as to lead to a $97.50 per barrel WTI average for the year, with the quarterly pattern embracing the normal seasonal second quarter strength.

We emphasize we are not trying to be sensationalist or "one up" Goldman Sachs. It is simply our conclusion based on our quantitative analysis of the various fundamental and non-fundamental factors that determine prices that if our Base Case is wrong for next year, the odds favor higher rather than lower prices.

As a result of our assessment of funds flow sensitivity, 2007 has provided much useful input as to what it takes for funds to load up on crude oil.

For example, we have observed a willingness to bid up crude oil prices in response to any U.S. crude oil stock draw well beyond what should be considered reasonable from a fundamental standpoint, despite our knowledge that such draws reflect active refiner behavior and not a physical shortage of crude.

As long as world demand does not decline precipitously next year, such pricing leverage will continue in varying degrees, despite our more conservative long-term view. As we have been discussing in recent reports, we hope to have an idea of any shifting of our odds as we move through January.

Of perhaps some note is the fact that on a probability-weighted basis, the average for 2008 comes out to an 8.3% increase over 2007, which would be consistent with the deceleration in annual crude oil price gains in evidence since 2005. We also wish to emphasize once again that we are not trying to "sneak in" a bullish oil price forecast by giving it 30% odds. Our Base Case is our Base Case.

While we will reserve final judgment until we see how the market behaves in January based on all known economic and other variables, we *do* believe that from what we see from a financial, and not fundamental basis, if we are off the mark the odds would tend to favor higher and not lower prices, since we are not officially forecasting a recession for 2008.

December 28, 2007

**Actual and Forecast Prompt NYMEX Crude Oil Prices By Quarter: Base and Alternative Cases**

| | | -------------------------------2008------------------------------- | | | |
|---|---|---|---|---|---|
| | | **Base Case 60%** | **Alternative Case I 30%** | **Alternative Case II 10%** | **Probability-Weighted Avg.** |
| | **2007(E)** | | | | |
| **Q1** | **$58.24** | **$86.00** | **$95.00** | **$84.00** | **$88.50** |
| **Q2** | **$64.85** | **$75.00** | **$105.00** | **$60.00** | **$82.50** |
| **Q3** | **$75.40** | **$65.00** | **$100.00** | **$50.00** | **$74.00** |
| **Q4** | **$90.50** | **$60.00** | **$90.00** | **$50.00** | **$68.00** |
| Yr. | $72.25 | $71.50 | $97.50 | $61.00 | $78.25 |

Table 1

OECD Oil Demand
(Thousands of Barrels Daily)

| **BASE CASE 12/27/07** | Q1 | Q2 | Q3E | Q4E | 2007E | % Chng 07/06 | Q1E | Q2E | Q3E | Q4E | 2008E | % Chng 08/07 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DEMAND | | | | | | | | | | | | |
| United States | 20786 | 20649 | 20692 | 20778 | 20726 | 0.2 | 20965 | 20708 | 20641 | 20937 | 20812 | 0.4 |
| Motor Gasoline | 9028 | 9390 | 9486 | 9275 | 9295 | 0.5 | 9005 | 9331 | 9506 | 9193 | 9259 | -0.4 |
| Jet Fuel | 1602 | 1641 | 1634 | 1619 | 1624 | -0.5 | 1610 | 1649 | 1642 | 1627 | 1632 | 0.5 |
| Distillate | 4399 | 4134 | 4109 | 4256 | 4224 | 1.3 | 4562 | 4228 | 3991 | 4451 | 4308 | 2.0 |
| Residual | 820 | 733 | 698 | 654 | 726 | 5.5 | 836 | 748 | 712 | 667 | 741 | 2.0 |
| Other | 4937 | 4751 | 4765 | 4973 | 4856 | -1.8 | 4952 | 4752 | 4789 | 4998 | 4873 | 0.3 |
| Canada | 2200 | 2102 | 2146 | 2125 | 2143 | 2.8 | 2277 | 2116 | 2169 | 2147 | 2177 | 1.6 |
| Naphtha | 73 | 72 | 68 | 77 | 73 | 1.0 | 74 | 72 | 69 | 78 | 73 | 1.0 |
| LPG | 219 | 271 | 223 | 137 | 213 | 1.3 | 217 | 280 | 225 | 139 | 215 | 1.3 |
| Gasoline | 731 | 754 | 818 | 783 | 772 | 2.6 | 742 | 765 | 830 | 794 | 783 | 1.5 |
| Kerosene | 80 | 79 | 90 | 80 | 82 | 1.0 | 81 | 79 | 91 | 81 | 83 | 1.0 |
| Gasoil/Diesel | 675 | 487 | 506 | 592 | 565 | 4.4 | 742 | 477 | 511 | 599 | 582 | 3.1 |
| Fuel Oil | 138 | 96 | 84 | 161 | 120 | 6.4 | 141 | 94 | 83 | 157 | 119 | -0.8 |
| Other | 283 | 344 | 356 | 295 | 320 | 1.4 | 280 | 348 | 359 | 298 | 321 | 0.6 |
| Mexico | 1992 | 2006 | 2020 | 2056 | 2018 | 2.1 | 2031 | 2026 | 2040 | 2077 | 2044 | 1.2 |
| United Kingdom | 1518 | 1414 | 1399 | 1577 | 1477 | 0.0 | 1517 | 1415 | 1400 | 1579 | 1478 | 0.0 |
| Naphtha | 84 | 74 | 60 | 89 | 77 | 1.0 | 85 | 75 | 61 | 90 | 78 | 1.0 |
| LPG | 133 | 132 | 113 | 131 | 127 | 1.0 | 134 | 134 | 114 | 132 | 128 | 1.0 |
| Gasoline | 446 | 399 | 404 | 415 | 416 | -2.3 | 437 | 391 | 396 | 407 | 408 | -2.0 |
| Kerosine | 247 | 201 | 218 | 214 | 220 | 0.8 | 248 | 202 | 220 | 215 | 221 | 0.5 |
| Gasoil/Diesel | 364 | 471 | 460 | 571 | 467 | 1.0 | 368 | 476 | 465 | 577 | 471 | 1.0 |
| Fuel Oil | 147 | 43 | 39 | 52 | 70 | 1.3 | 147 | 43 | 39 | 52 | 70 | 0.0 |
| Other | 96 | 93 | 105 | 104 | 99 | 1.0 | 97 | 94 | 106 | 105 | 100 | 1.1 |
| France | 1751 | 1589 | 1790 | 1616 | 1686 | -1.3 | 1732 | 1579 | 1780 | 1625 | 1679 | -0.4 |
| Naphtha | 167 | 144 | 223 | 249 | 196 | 1.0 | 169 | 146 | 225 | 252 | 198 | 1.0 |
| LPG | 163 | 94 | 76 | 130 | 116 | 1.0 | 164 | 95 | 77 | 131 | 117 | 1.0 |
| Gasoline | 212 | 280 | 242 | 184 | 229 | -3.4 | 207 | 273 | 236 | 179 | 224 | -2.5 |
| Kerosene | 95 | 111 | 121 | 87 | 104 | 1.1 | 96 | 112 | 122 | 88 | 104 | 0.8 |
| Gasoil/Diesel | 955 | 752 | 925 | 784 | 854 | -1.8 | 936 | 744 | 916 | 792 | 847 | -0.8 |
| Fuel Oil | 91 | 92 | 60 | 81 | 81 | -3.9 | 92 | 93 | 61 | 82 | 82 | 1.0 |
| Other | 68 | 116 | 143 | 100 | 107 | 0.2 | 69 | 116 | 143 | 100 | 107 | 0.5 |
| Italy | 1587 | 1557 | 1528 | 1514 | 1546 | -2.9 | 1552 | 1495 | 1499 | 1487 | 1508 | -2.5 |
| Naphtha | 68 | 78 | 47 | 37 | 57 | 1.0 | 68 | 78 | 47 | 38 | 58 | 1.0 |
| LPG | 147 | 98 | 104 | 145 | 123 | 1.0 | 149 | 99 | 105 | 146 | 125 | 1.0 |
| Gasoline | 353 | 323 | 332 | 307 | 329 | -3.5 | 343 | 313 | 326 | 301 | 321 | -2.5 |
| Kerosene | 66 | 73 | 76 | 63 | 70 | 1.1 | 67 | 73 | 77 | 64 | 70 | 0.8 |
| Gasoil/Diesel | 585 | 482 | 587 | 565 | 555 | 0.7 | 591 | 487 | 593 | 570 | 560 | 1.0 |
| Fuel Oil | 228 | 402 | 257 | 255 | 285 | -12.6 | 194 | 341 | 226 | 225 | 247 | -13.7 |
| Other | 140 | 102 | 125 | 142 | 127 | 0.9 | 141 | 103 | 126 | 143 | 128 | 1.0 |
| Germany | 2312 | 2287 | 2318 | 2543 | 2365 | -3.3 | 2322 | 2279 | 2319 | 2544 | 2366 | 0.0 |
| Naphtha | 256 | 224 | 217 | 251 | 237 | 1.1 | 260 | 227 | 219 | 254 | 240 | 1.1 |
| LPG | 135 | 135 | 117 | 114 | 125 | 1.1 | 137 | 136 | 118 | 115 | 127 | 1.1 |
| Gasoline | 548 | 600 | 532 | 577 | 564 | -3.0 | 537 | 588 | 524 | 569 | 554 | -1.8 |
| Kerosene | 97 | 139 | 144 | 121 | 125 | 1.0 | 99 | 140 | 145 | 122 | 126 | 1.0 |
| Gasoil/Diesel | 1091 | 925 | 996 | 1210 | 1056 | -6.1 | 1102 | 927 | 998 | 1213 | 1060 | 0.4 |
| Fuel Oil | 69 | 80 | 115 | 98 | 91 | -1.7 | 70 | 76 | 116 | 99 | 90 | -0.4 |
| Other | 116 | 184 | 196 | 171 | 167 | 0.8 | 117 | 186 | 198 | 173 | 168 | 1.0 |
| Austria | 229 | 216 | 240 | 292 | 244 | -0.5 | 224 | 218 | 242 | 296 | 245 | 0.4 |
| Belgium | 438 | 429 | 398 | 468 | 433 | -1.7 | 429 | 420 | 394 | 468 | 428 | -1.2 |
| Denmark | 217 | 192 | 196 | 205 | 202 | -0.3 | 215 | 190 | 198 | 209 | 203 | 0.2 |
| Finland | 224 | 217 | 215 | 211 | 217 | -0.4 | 222 | 219 | 217 | 214 | 218 | 0.6 |
| Greece | 307 | 265 | 284 | 347 | 301 | -1.3 | 301 | 260 | 281 | 344 | 296 | -1.5 |
| Iceland | 12 | 15 | 25 | 24 | 19 | 1.5 | 12 | 16 | 26 | 25 | 20 | 2.0 |
| Ireland | 123 | 113 | 123 | 133 | 123 | 0.4 | 125 | 115 | 125 | 135 | 125 | 1.1 |
| Luxembourg | 51 | 47 | 46 | 45 | 47 | 1.5 | 52 | 48 | 47 | 46 | 48 | 2.0 |
| Netherlands | 432 | 406 | 411 | 409 | 415 | -2.0 | 424 | 398 | 407 | 405 | 409 | -1.5 |
| Norway | 189 | 186 | 192 | 203 | 193 | 0.8 | 192 | 188 | 194 | 205 | 195 | 1.1 |
| Portugal | 193 | 280 | 264 | 286 | 256 | 0.4 | 195 | 283 | 266 | 289 | 258 | 1.0 |
| Spain | 924 | 793 | 993 | 937 | 912 | -2.3 | 897 | 770 | 973 | 928 | 892 | -2.2 |
| Sweden | 381 | 333 | 309 | 320 | 336 | -1.3 | 378 | 330 | 306 | 316 | 332 | -1.0 |
| Switzerland | 280 | 273 | 288 | 348 | 297 | -0.4 | 275 | 271 | 282 | 355 | 296 | -0.6 |
| Turkey | 576 | 481 | 622 | 560 | 560 | -0.9 | 564 | 481 | 621 | 554 | 555 | -0.8 |
| OECD Europe | 11745 | 11094 | 11642 | 12039 | 11630 | -1.7 | 11626 | 10973 | 11579 | 12024 | 11551 | -0.7 |
| Japan | 5561 | 4337 | 4275 | 5131 | 4826 | -1.0 | 5589 | 4295 | 4244 | 5134 | 4815 | -0.2 |
| Naphtha | 665 | 570 | 569 | 779 | 645 | 1.4 | 673 | 579 | 577 | 790 | 655 | 1.4 |
| LPG | 895 | 615 | 567 | 695 | 693 | 1.4 | 918 | 624 | 572 | 702 | 704 | 1.6 |
| Gasoline | 995 | 960 | 915 | 956 | 956 | -1.7 | 965 | 940 | 906 | 947 | 940 | -1.8 |
| Kerosene | 1006 | 448 | 360 | 646 | 615 | 1.1 | 1036 | 455 | 365 | 656 | 628 | 2.1 |
| Gasoil/Diesel | 1206 | 1080 | 939 | 1255 | 1120 | -4.3 | 1169 | 1058 | 920 | 1256 | 1101 | -1.7 |
| Fuel Oil | 320 | 315 | 522 | 387 | 386 | 1.2 | 352 | 299 | 506 | 376 | 383 | -0.7 |
| Other | 198 | 175 | 205 | 223 | 200 | -0.7 | 194 | 174 | 206 | 225 | 200 | -0.3 |
| Direct Crude | 277 | 175 | 200 | 189 | 210 | -4.7 | 282 | 166 | 192 | 182 | 205 | -2.2 |
| South Korea | 2137 | 1974 | 1845 | 1971 | 1982 | 2.4 | 2190 | 2023 | 1882 | 2001 | 2024 | 2.1 |
| Australia | 869 | 829 | 826 | 890 | 853 | 1.1 | 878 | 837 | 839 | 898 | 863 | 1.1 |
| New Zealand | 105 | 107 | 105 | 113 | 107 | 0.4 | 106 | 108 | 105 | 113 | 108 | 0.5 |
| Total OECD | 45394 | 43097 | 43551 | 45103 | 44286 | -0.1 | 45662 | 43085 | 43498 | 45330 | 44394 | 0.2 |

Table 2

World Oil Demand
(Thousands of Barrels Daily)

| BASE CASE 12/27/07 | Q1 | Q2 | Q3E | Q4E | 2007E | % Chng 07/06 | Q1E | Q2E | Q3E | Q4E | 2008E | % Chng 08/07 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| DEMAND | | | | | | | | | | | | |
| United States | 20786 | 20649 | 20692 | 20778 | 20726 | 0.2 | 20965 | 20708 | 20641 | 20937 | 20812 | 0.4 |
| Canada | 2200 | 2102 | 2146 | 2125 | 2143 | 2.8 | 2277 | 2116 | 2169 | 2147 | 2177 | 1.6 |
| Mexico | 1992 | 2006 | 2020 | 2056 | 2018 | 2.1 | 2031 | 2026 | 2040 | 2077 | 2044 | 1.2 |
| United Kingdom | 1518 | 1414 | 1399 | 1577 | 1477 | 0.0 | 1517 | 1415 | 1400 | 1579 | 1478 | 0.0 |
| France | 1751 | 1589 | 1790 | 1616 | 1686 | -1.3 | 1732 | 1579 | 1780 | 1625 | 1679 | -0.4 |
| Italy | 1587 | 1557 | 1528 | 1514 | 1546 | -2.9 | 1552 | 1495 | 1499 | 1487 | 1508 | -2.5 |
| Germany | 2312 | 2287 | 2318 | 2543 | 2365 | -3.3 | 2322 | 2279 | 2319 | 2544 | 2366 | 0.0 |
| Austria | 229 | 216 | 240 | 292 | 244 | -0.5 | 224 | 218 | 242 | 296 | 245 | 0.4 |
| Belgium | 438 | 429 | 398 | 468 | 433 | -1.7 | 429 | 420 | 394 | 468 | 428 | -1.2 |
| Denmark | 217 | 192 | 196 | 205 | 202 | -0.3 | 215 | 190 | 198 | 209 | 203 | 0.2 |
| Finland | 224 | 217 | 215 | 211 | 217 | -0.4 | 222 | 219 | 217 | 214 | 218 | 0.6 |
| Greece | 307 | 265 | 284 | 347 | 301 | -1.3 | 301 | 260 | 281 | 344 | 296 | -1.5 |
| Iceland | 12 | 15 | 25 | 24 | 19 | 1.5 | 12 | 16 | 26 | 25 | 20 | 2.0 |
| Ireland | 123 | 113 | 123 | 133 | 123 | 0.4 | 125 | 115 | 125 | 135 | 125 | 1.1 |
| Luxembourg | 51 | 47 | 46 | 45 | 47 | 1.5 | 52 | 48 | 47 | 46 | 48 | 2.0 |
| Netherlands | 432 | 406 | 411 | 409 | 415 | -2.0 | 424 | 398 | 407 | 405 | 409 | -1.5 |
| Norway | 189 | 186 | 192 | 203 | 193 | 0.8 | 192 | 188 | 194 | 205 | 195 | 1.1 |
| Portugal | 193 | 280 | 264 | 286 | 256 | 0.4 | 195 | 283 | 266 | 289 | 258 | 1.0 |
| Spain | 924 | 793 | 993 | 937 | 912 | -2.3 | 897 | 770 | 973 | 928 | 892 | -2.2 |
| Sweden | 381 | 333 | 309 | 320 | 336 | -1.3 | 378 | 330 | 306 | 316 | 332 | -1.0 |
| Switzerland | 280 | 273 | 288 | 348 | 297 | -0.4 | 275 | 271 | 282 | 355 | 296 | -0.6 |
| Turkey | 576 | 481 | 622 | 560 | 560 | -0.9 | 564 | 481 | 621 | 554 | 555 | -0.8 |
| OECD Europe | 11745 | 11094 | 11642 | 12039 | 11630 | -1.7 | 11626 | 10973 | 11579 | 12024 | 11551 | -0.7 |
| Japan | 5561 | 4337 | 4275 | 5131 | 4826 | -1.0 | 5589 | 4295 | 4244 | 5134 | 4815 | -0.2 |
| South Korea | 2137 | 1974 | 1845 | 1971 | 1982 | 2.4 | 2190 | 2023 | 1882 | 2001 | 2024 | 2.1 |
| Australia | 869 | 829 | 826 | 890 | 853 | 1.1 | 878 | 837 | 839 | 898 | 863 | 1.1 |
| New Zealand | 105 | 107 | 105 | 113 | 107 | 0.4 | 106 | 108 | 105 | 113 | 108 | 0.5 |
| Total OECD | 45394 | 43097 | 43551 | 45103 | 44286 | -0.1 | 45662 | 43085 | 43498 | 45330 | 44394 | 0.2 |
| Non-OECD | 37521 | 38795 | 39194 | 37801 | 38328 | 2.0 | 38321 | 39667 | 40061 | 38579 | 39157 | 2.2 |
| FSU | 4216 | 3188 | 3124 | 3819 | 3587 | -0.6 | 4195 | 3172 | 3108 | 3800 | 3569 | -0.5 |
| Non-OECD Europe | 2536 | 2383 | 2411 | 2547 | 2469 | -0.6 | 2519 | 2367 | 2396 | 2531 | 2453 | -0.6 |
| China | 5223 | 7653 | 7531 | 5268 | 6419 | 4.9 | 5432 | 7960 | 7832 | 5479 | 6676 | 4.0 |
| OPEC | 7396 | 6845 | 7294 | 7322 | 7214 | 5.7 | 7845 | 7247 | 7721 | 7743 | 7639 | 5.9 |
| Argentina | 484 | 526 | 507 | 544 | 515 | 0.1 | 484 | 528 | 509 | 546 | 517 | 0.3 |
| Brazil | 1881 | 2149 | 2209 | 2225 | 2116 | 0.4 | 1900 | 2170 | 2231 | 2247 | 2137 | 1.0 |
| Other L. A. | 1499 | 1587 | 1737 | 1816 | 1660 | 0.8 | 1514 | 1603 | 1771 | 1834 | 1681 | 1.3 |
| Egypt | 558 | 569 | 569 | 575 | 568 | 2.5 | 569 | 583 | 583 | 589 | 581 | 2.4 |
| South Africa | 451 | 484 | 499 | 510 | 486 | 2.0 | 460 | 496 | 509 | 521 | 496 | 2.1 |
| Other Africa | 1056 | 1101 | 1158 | 1169 | 1121 | 1.6 | 1075 | 1118 | 1180 | 1188 | 1140 | 1.7 |
| Non-OPEC M. E. | 634 | 621 | 635 | 639 | 632 | 2.2 | 653 | 634 | 648 | 651 | 647 | 2.3 |
| India | 2187 | 2181 | 2120 | 2164 | 2163 | 3.4 | 2230 | 2227 | 2165 | 2209 | 2208 | 2.1 |
| Other Asia | 4066 | 4148 | 4044 | 3821 | 4020 | -0.9 | 4025 | 4135 | 4003 | 3833 | 3999 | -0.5 |
| Int. Bunkers | 2057 | 2072 | 2071 | 2074 | 2068 | -0.5 | 2065 | 2073 | 2066 | 2069 | 2068 | 0.0 |
| Refinery F/L | 3278 | 3288 | 3284 | 3309 | 3290 | 0.4 | 3355 | 3353 | 3337 | 3340 | 3346 | 1.7 |
| Grand Total Demand | 82915 | 81892 | 82745 | 82904 | 82614 | 0.9 | 83983 | 82752 | 83559 | 83910 | 83551 | 1.1 |

Note: Demand by country is shown on an "inland" basis, i.e., excluding bunkers and refinery fuel/loss.

## Table 3

World Oil Supply
(Thousands of Barrels Daily)

| **BASE CASE 12/27/07** | | | | | | % Chng | | | | | | % Chng |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q1 | Q2 | Q3E | Q4E | 2007E | 07/06 | Q1E | Q2E | Q3E | Q4E | 2008E | 08/07 |
| Grand Total Demand | 82915 | 81892 | 82745 | 82904 | 82614 | 0.9 | 83983 | 82752 | 83559 | 83910 | 83551 | 1.1 |
| Inventory Change | -968 | 318 | -636 | -179 | -366 | | -108 | 1083 | -128 | -415 | 108 | |
| SUPPLY | 81947 | 82210 | 82110 | 82724 | 82248 | 0.4 | 83875 | 83835 | 83431 | 83495 | 83659 | 1.7 |
| United States | 5174 | 5199 | 4998 | 5295 | 5167 | 0.6 | 5323 | 5317 | 5310 | 5303 | 5313 | 2.8 |
| United Kingdom | 1580 | 1570 | 1415 | 1625 | 1548 | 2.9 | 1580 | 1523 | 1429 | 1576 | 1527 | -1.3 |
| Norway | 2455 | 2165 | 2210 | 2295 | 2281 | -4.9 | 2455 | 2143 | 2166 | 2249 | 2253 | -1.2 |
| Denmark | 385 | 380 | 380 | 385 | 383 | -0.6 | 380 | 380 | 380 | 380 | 380 | -0.7 |
| Netherlands | 52 | 51 | 52 | 54 | 52 | -0.5 | 52 | 51 | 51 | 53 | 52 | -1.0 |
| Other OECD Europe | 460 | 460 | 460 | 460 | 460 | 0.0 | 460 | 460 | 460 | 460 | 460 | 0.0 |
| Non-OECD Europe | 305 | 305 | 305 | 305 | 305 | 0.0 | 305 | 305 | 305 | 305 | 305 | 0.0 |
| Mexico | 3150 | 3165 | 3055 | 3065 | 3109 | -4.7 | 3087 | 3102 | 2994 | 3004 | 3047 | -2.0 |
| Canada | 2675 | 2475 | 2705 | 2740 | 2649 | 4.5 | 2745 | 2745 | 2765 | 2765 | 2755 | 4.0 |
| Argentina | 670 | 660 | 645 | 650 | 656 | -0.9 | 650 | 650 | 650 | 650 | 650 | -1.0 |
| Brazil | 1835 | 1805 | 1815 | 1890 | 1836 | 2.6 | 1995 | 2015 | 2045 | 2075 | 2033 | 10.7 |
| Colombia | 520 | 515 | 490 | 475 | 500 | -5.2 | 500 | 500 | 500 | 500 | 500 | 0.0 |
| Ecuador | 365 | 365 | 365 | 365 | 365 | 1.4 | 365 | 365 | 365 | 365 | 365 | 0.0 |
| Peru | 105 | 105 | 105 | 105 | 105 | 0.0 | 105 | 105 | 105 | 105 | 105 | 0.0 |
| Trinidad & Tobago | 130 | 130 | 135 | 130 | 131 | 5.0 | 130 | 130 | 135 | 130 | 131 | 0.0 |
| Other L. A. | 75 | 80 | 80 | 80 | 79 | 17.8 | 75 | 80 | 80 | 80 | 79 | 0.0 |
| Bahrain | 37 | 37 | 38 | 38 | 38 | 0.0 | 37 | 37 | 38 | 38 | 38 | 0.0 |
| Oman | 720 | 705 | 705 | 705 | 709 | -4.9 | 710 | 705 | 705 | 705 | 706 | -0.4 |
| Syria | 400 | 395 | 375 | 375 | 386 | -4.0 | 380 | 380 | 380 | 380 | 380 | -1.6 |
| Other Middle East | 365 | 365 | 365 | 65 | 290 | -19.4 | 365 | 365 | 365 | 65 | 290 | 0.0 |
| Congo | 195 | 195 | 195 | 195 | 195 | 0.6 | 195 | 195 | 195 | 195 | 195 | 0.0 |
| Egypt | 625 | 630 | 620 | 625 | 625 | -2.2 | 625 | 630 | 630 | 630 | 629 | 0.6 |
| Gabon | 265 | 265 | 265 | 265 | 265 | -1.9 | 265 | 265 | 265 | 265 | 265 | 0.0 |
| Tunisia | 130 | 130 | 125 | 125 | 128 | 0.0 | 130 | 130 | 125 | 125 | 128 | 0.0 |
| Other  Africa | 365 | 375 | 380 | 380 | 375 | 8.7 | 365 | 375 | 380 | 380 | 375 | 0.0 |
| Australia | 475 | 505 | 495 | 505 | 505 | 13.0 | 505 | 505 | 500 | 500 | 503 | -0.5 |
| India | 685 | 680 | 680 | 685 | 683 | 2.7 | 690 | 690 | 690 | 690 | 690 | 1.1 |
| Malaysia | 720 | 700 | 690 | 690 | 700 | -5.4 | 700 | 700 | 700 | 700 | 700 | 0.0 |
| Brunei | 135 | 135 | 130 | 130 | 133 | 0.0 | 135 | 135 | 130 | 130 | 133 | 0.0 |
| Other Asia/Pacific | 585 | 605 | 605 | 610 | 601 | 2.3 | 610 | 610 | 615 | 615 | 613 | 1.9 |
| FSU | 11492 | 11750 | 11408 | 11210 | 11465 | 4.3 | 11780 | 12044 | 11693 | 11490 | 11752 | 2.5 |
| China | 3745 | 3765 | 3695 | 3755 | 3740 | 1.9 | 3785 | 3780 | 3790 | 3785 | 3785 | 1.2 |
| NGL | 4818 | 4814 | 4864 | 4918 | 4854 | 1.3 | 4879 | 4876 | 4928 | 4983 | 4916 | 1.3 |
| Ref. Gain/Other | 1866 | 1843 | 1862 | 1865 | 1859 | 0.9 | 1890 | 1862 | 1880 | 1888 | 1880 | 1.1 |
| Non-Conventional | 1160 | 1165 | 1171 | 1185 | 1170 | 2.0 | 1189 | 1194 | 1200 | 1215 | 1199 | 2.5 |
| Total Non-OPEC | 48718 | 48489 | 47883 | 48246 | 48344 | 1.1 | 49441 | 49349 | 48949 | 48779 | 49129 | 1.6 |
| OPEC SUPPLY | 33229 | 33721 | 34227 | 34479 | 33914 | -0.6 | 34434 | 34486 | 34482 | 34716 | 34530 | 1.8 |
| OPEC NGL | 1710 | 1750 | 1800 | 1825 | 1771 | 7.0 | 1835 | 1855 | 1865 | 1895 | 1863 | 5.2 |
| OPEC CONDENSATE | 1695 | 1725 | 1765 | 1810 | 1749 | 5.8 | 1815 | 1830 | 1845 | 1855 | 1836 | 5.0 |
| OPEC CRUDE SALES | 29824 | 30246 | 30662 | 30844 | 30394 | -1.3 | 30784 | 30801 | 30772 | 30966 | 30831 | 1.4 |
| Saudi Arabia | 8600 | 8750 | 8675 | 8800 | 8706 | -4.6 | 8800 | 8800 | 8700 | 8800 | 8775 | 0.8 |
| Iran | 3819 | 3736 | 3877 | 3814 | 3811 | -2.8 | 3804 | 3786 | 3817 | 3836 | 3811 | 0.0 |
| Iraq | 1905 | 2075 | 2145 | 2205 | 2083 | 7.9 | 2145 | 2145 | 2145 | 2175 | 2153 | 3.4 |
| Kuwait | 2300 | 2500 | 2525 | 2525 | 2463 | 2.5 | 2525 | 2525 | 2550 | 2550 | 2538 | 3.0 |
| Qatar | 800 | 810 | 825 | 825 | 815 | 0.6 | 820 | 820 | 820 | 820 | 820 | 0.6 |
| UAE | 2410 | 2475 | 2565 | 2565 | 2504 | 2.4 | 2550 | 2550 | 2550 | 2550 | 2550 | 1.8 |
| Algeria | 1315 | 1345 | 1355 | 1345 | 1340 | 0.0 | 1345 | 1345 | 1345 | 1345 | 1345 | 0.4 |
| Angola | 1565 | 1615 | 1690 | 1725 | 1649 | 14.2 | 1750 | 1755 | 1760 | 1760 | 1756 | 6.5 |
| Nigeria | 2125 | 2005 | 2125 | 2155 | 2103 | -7.2 | 2165 | 2195 | 2205 | 2250 | 2204 | 4.8 |
| Libya | 1700 | 1700 | 1735 | 1740 | 1719 | 4.6 | 1745 | 1745 | 1745 | 1745 | 1745 | 1.5 |
| Venezuela | 2415 | 2375 | 2295 | 2295 | 2345 | -8.6 | 2285 | 2285 | 2285 | 2285 | 2285 | -2.6 |
| Indonesia | 870 | 860 | 850 | 850 | 858 | -5.9 | 850 | 850 | 850 | 850 | 850 | -0.9 |
| Inventory Change | -968 | 318 | -636 | -179 | -366 | | -108 | 1083 | -128 | -415 | 108 | |
| Assumed Inventory Position(c) | | | | | | | | | | | | |
| Days Supply of MOV | 50 | 50 | 50 | 50 | 50 | | 50 | 50 | 49 | 49 | 49 | |
| Days Supply of UC | 15 | 15 | 14 | 14 | 14 | | 14 | 15 | 15 | 14 | 14 | |
| Days Supply of MOV+ | 65 | 65 | 64 | 64 | 64 | | 64 | 64 | 64 | 64 | 64 | |
| Days Supply of S/C | 14 | 14 | 14 | 14 | 14 | | 14 | 14 | 14 | 14 | 14 | |

a) OPEC supply measured on a delivered sales basis, i.e. accounting for tanker transit and storage time lag, plus net producer stock change.
b) Includes share of Neutral Zone, shared equally.
c) MOV: Minimum Operating Volume; UC: Usable Commercial; S/C: Strategic/Compulsory.