Oil Prices are Cyclical

Annual WTI in 2008 $/bbl (through 1Q09)

Source: Platts
Economic Downturn Has Curtailed Oil Demand

Oil Demand Growth (Million Barrels/Day)

Source: IEA Oil Market Report, March 2009
U.S. Gasoline Demand Has Slowed

U.S. Vehicle Miles Traveled
Trillion Miles – 12-month rolling average

People are changing driving habits…….

Leading to slowing gasoline demand

U.S. Gasoline Demand
Million Barrels/Day

Source: EIA

Source: US DOT/FHWA
Longer Term Economic Growth Expected

Projected GDP Growth Rates

Percent

Source: Global Insight (Real PPP$)
Emerging Markets Will Drive Energy Demand

- Growing **global middle class**
- Major **fleet growth** yet to come
Demand Growth in All Energy Sources

Global Energy Demand
Billions of Oil Equivalent Barrels

OECD – 19% Increase
Non-OECD – 85% Increase

Source: EIA
Long-Term Oil Supply Challenge

Million Barrels Per Day

- Existing Capacity

2007: 0
2015: 30 - 45 MMBD
2030: 70 - 100 MMBD

EIA 2008 Demand Range

4 – 7% Production Decline

Source: 2008 Updated NPC Global Oil and Gas Study
Five Key Strategies to Respond to The New Energy Equation

- Moderate Demand By Increasing Energy Efficiency
- Expand And Diversify Energy Supply
- Strengthen Global Energy Security
- Build Capabilities To Meet New Challenges
- Address Carbon Constraints

There Is No Single, Easy Solution

Source: 2007 NPC Global Oil and Gas Study