



# Oil Markets and Asphalt

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BP Bitumen  
IAPA March 17, 2008



# Agenda



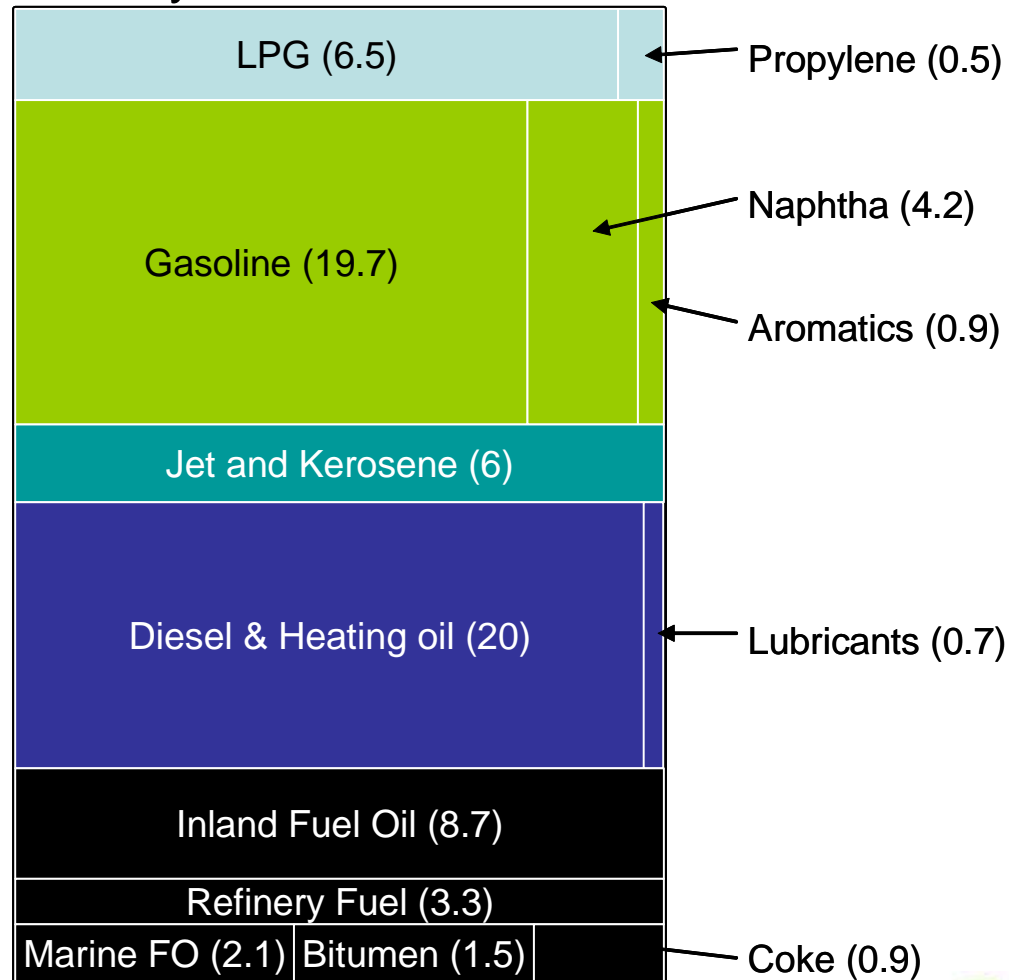
- Global and US crude demand
- Crude prices
- Reserves
- Heavy Oil
- Challenges



# Global consumption of oil products



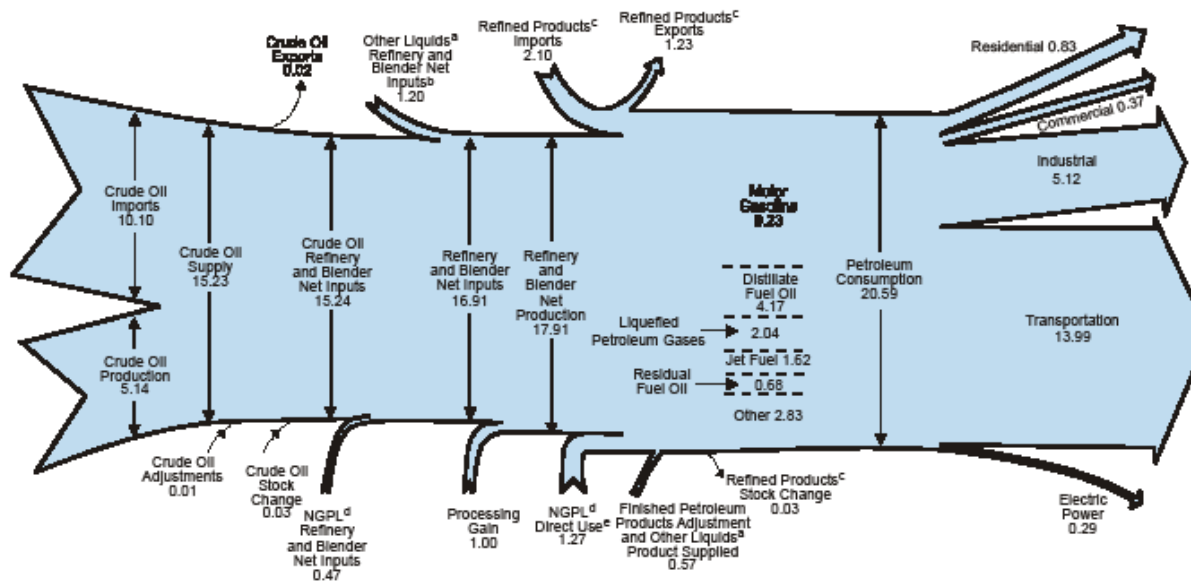
Total = 75 Million barrels/day in 2000



# US oil consumption



Diagram 2. Petroleum Flow, 2006  
(Million Barrels per Day)



\* Unfinished oils, other hydrocarbons/hydrogen, and motor gasoline and aviation gasoline blending components.  
 † Net Imports (1.34) and adjustments (-0.03) minus stock change (0.07) and product supplied (0.03).  
 ‡ Finished petroleum products, liquefied petroleum gases, and pentanes plus.  
 § Natural gas plant liquids.

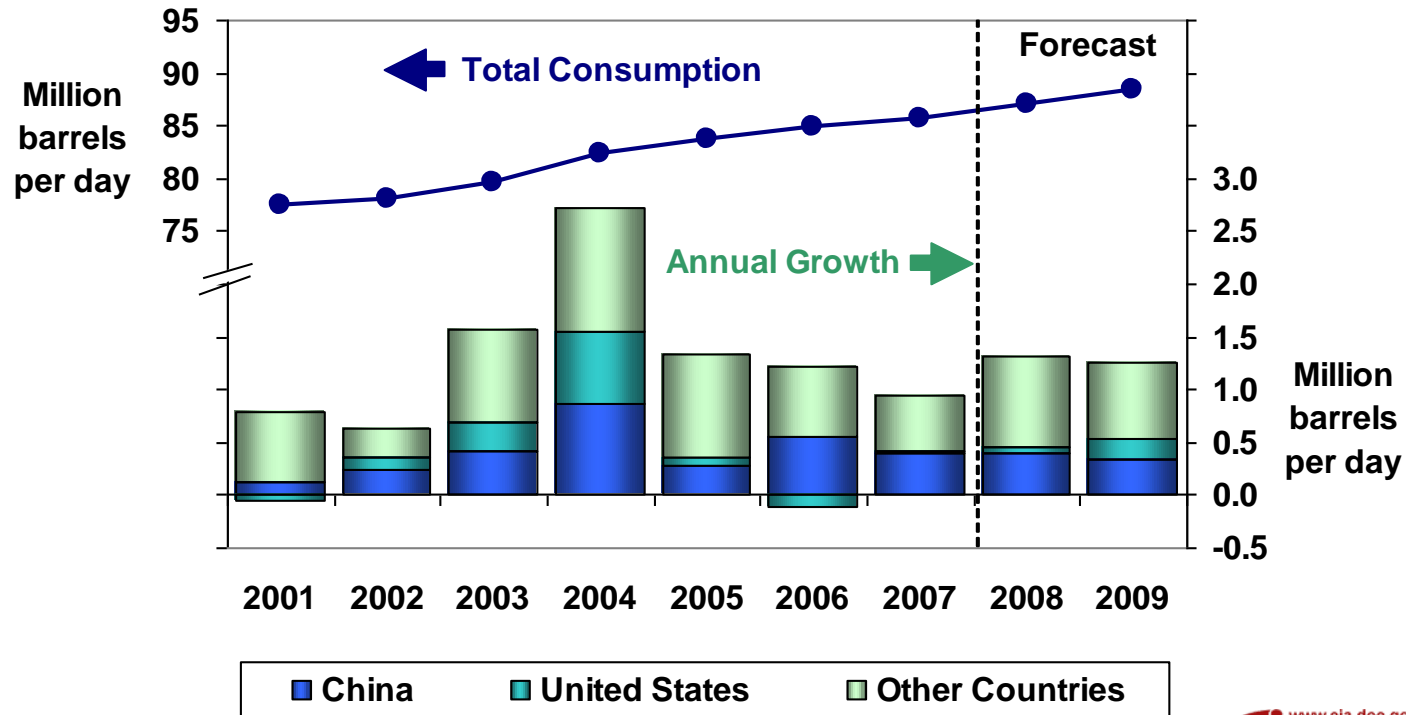
\* Production minus refinery input.  
 Notes: • Data are preliminary. • Values are derived from source data prior to rounding for publication. • Totals may not equal sum of components due to independent rounding.  
 Sources: Tables 5.1, 5.3, 5.5, 5.8, 5.11, 5.13a-5.13d, 5.16, and *Petroleum Supply Monthly*, February 2007, Table 4.



# World oil consumption



## World Oil Consumption



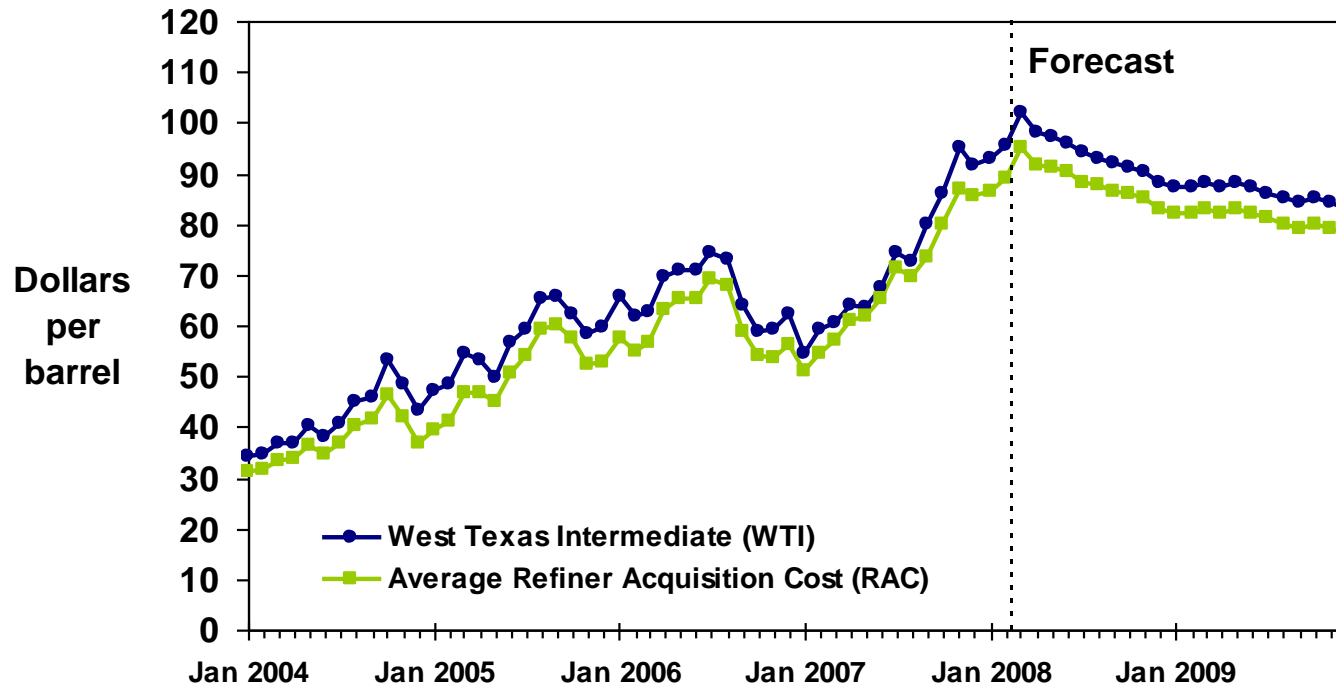
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# Crude oil prices



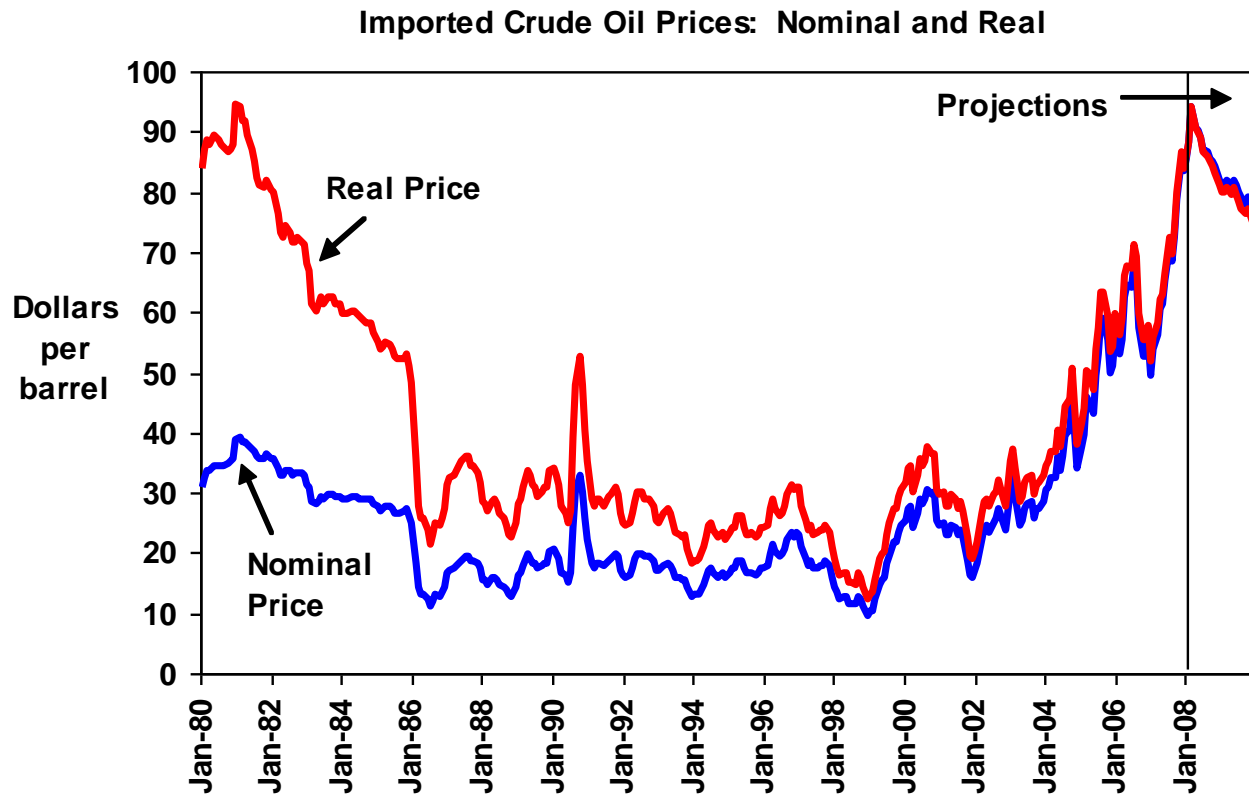
## Crude Oil Prices



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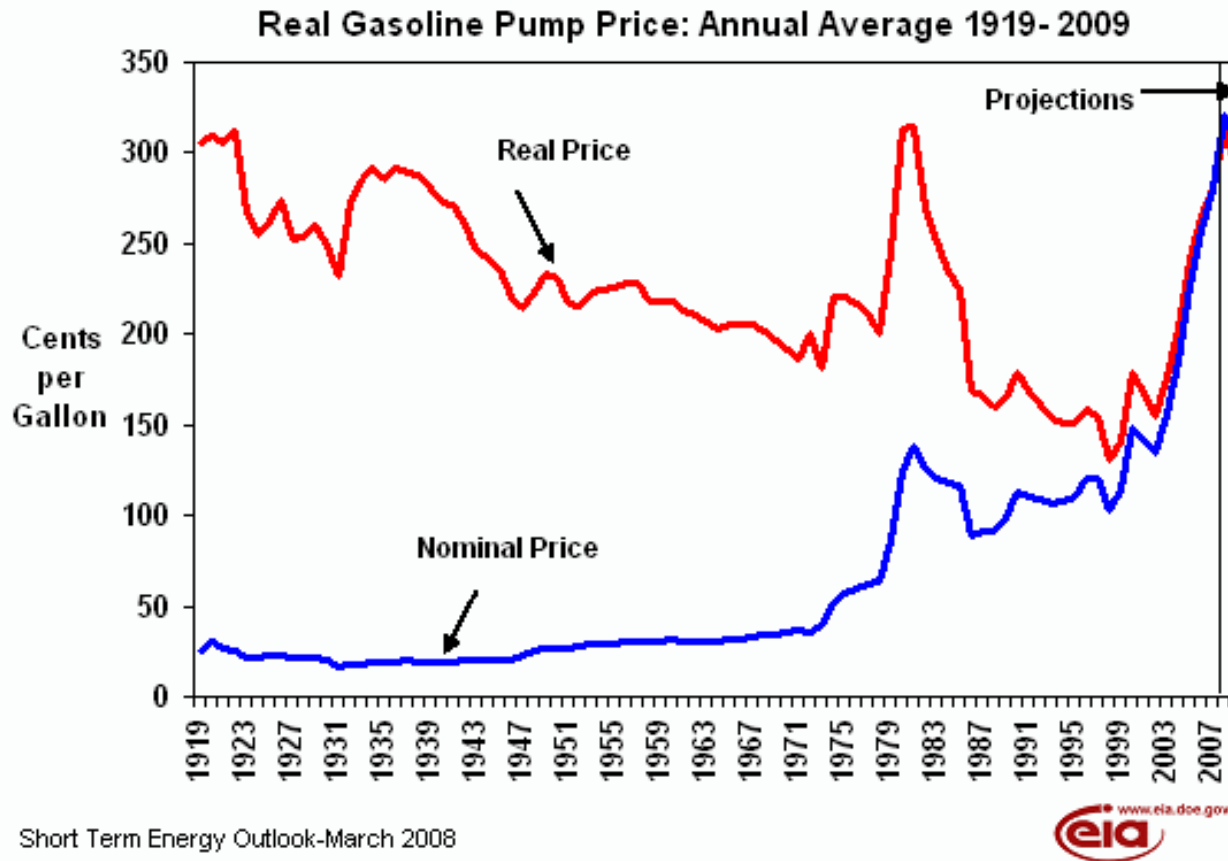
# Crude oil prices – nominal and real



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# Gasoline prices – nominal and real

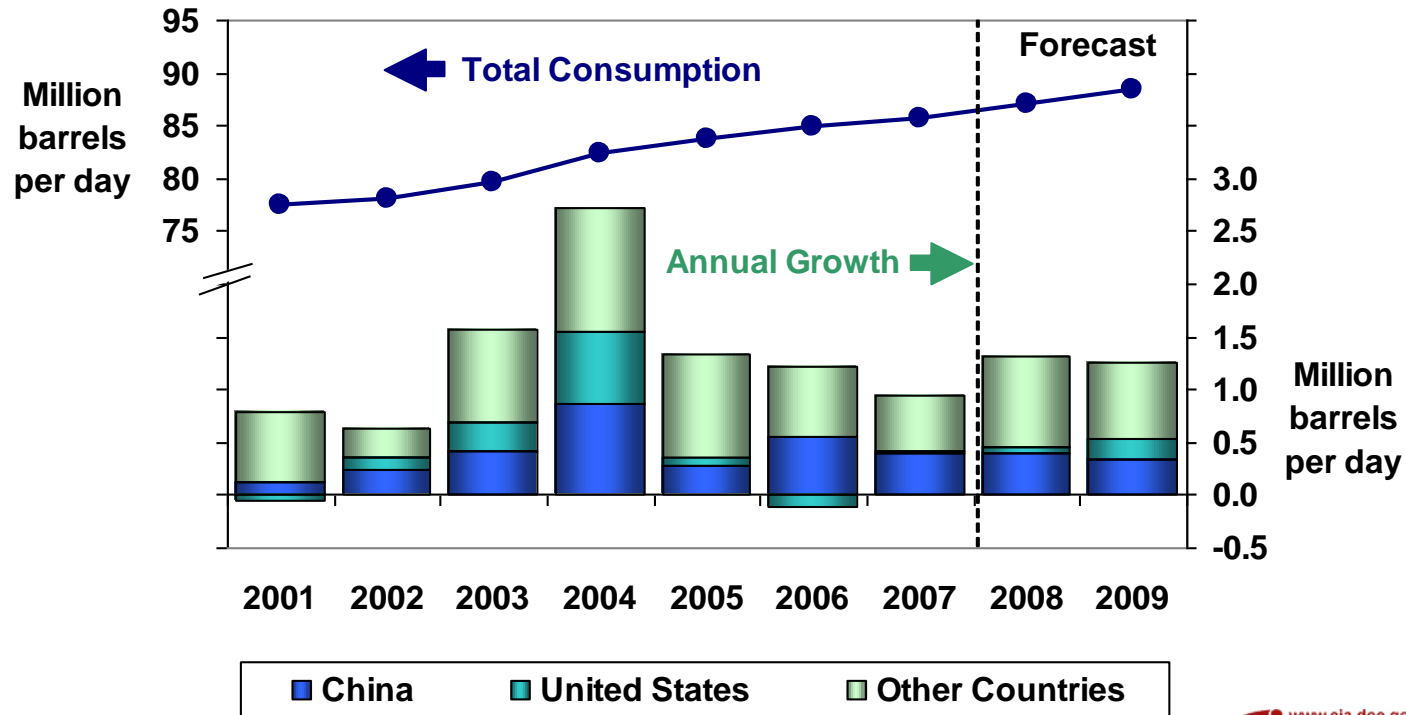




# World oil consumption



## World Oil Consumption



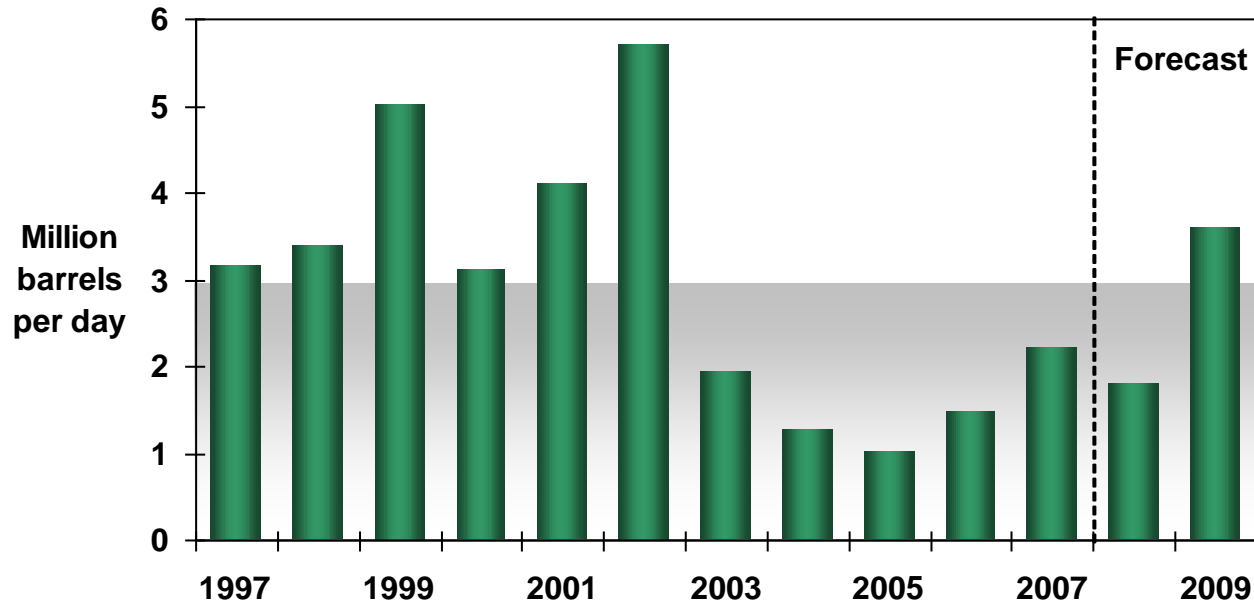
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# OPEC surplus capacity



## OPEC Surplus Crude Oil Production Capacity

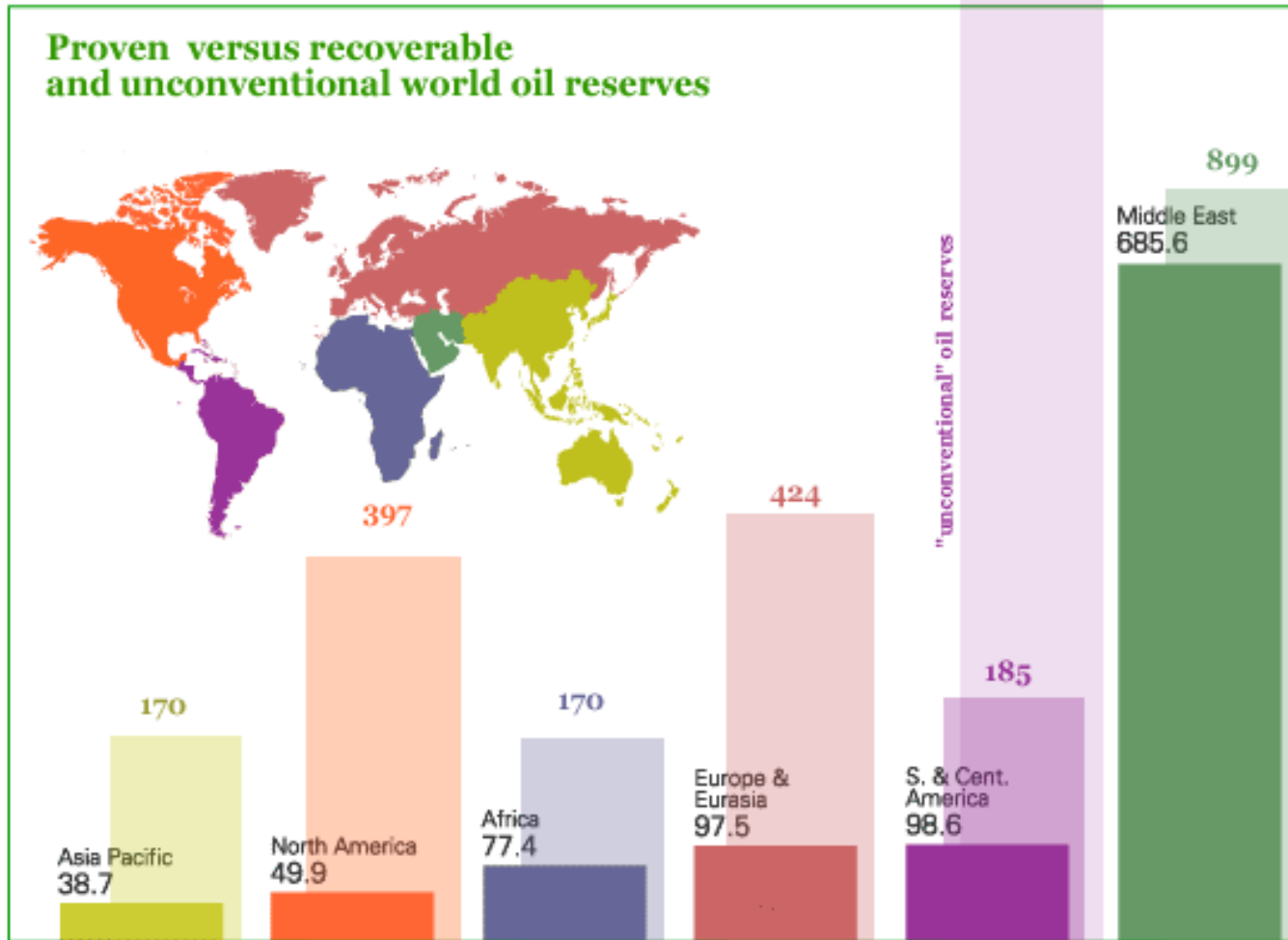


Note: Shaded area represents 1997-2007 average (2.9 million barrels per day)

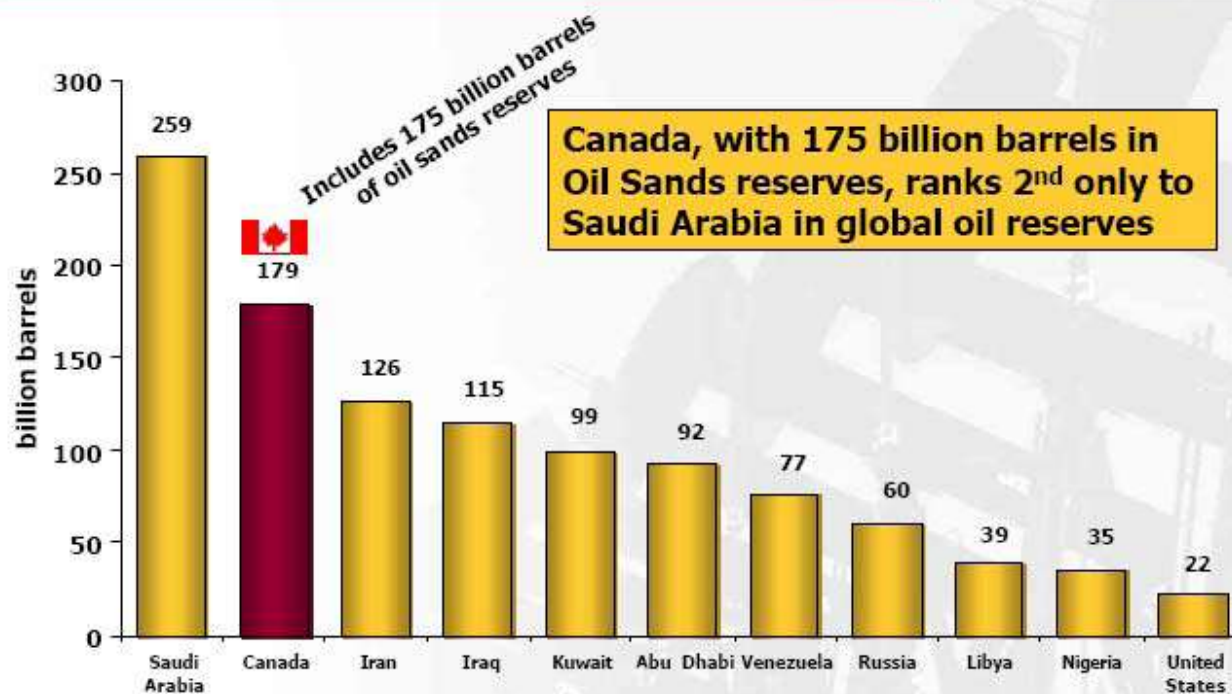
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# USGS estimated reserves



## Global Crude Oil Reserves by Country



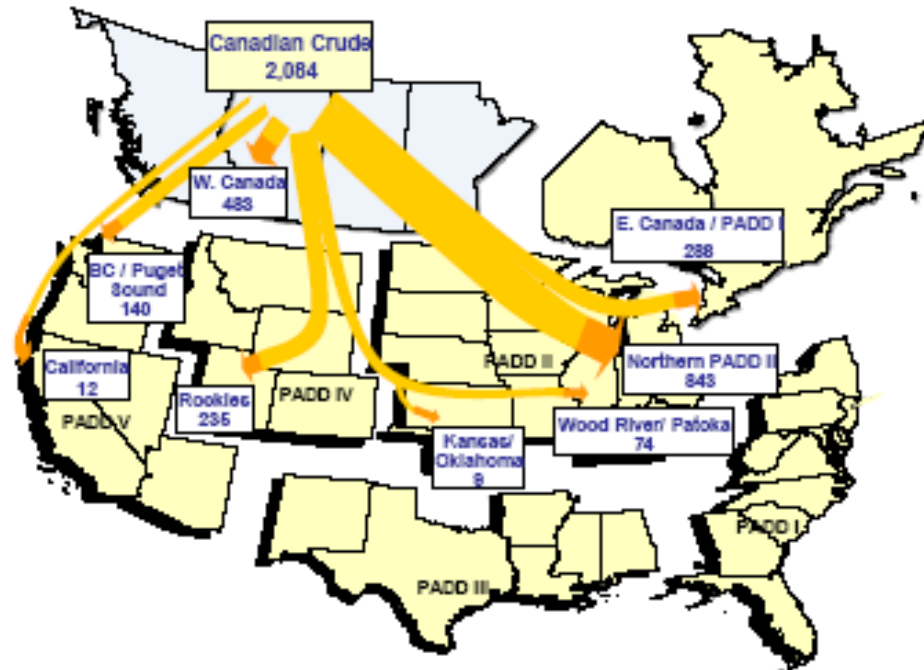
Source: Oil & Gas Journal Dec. 2004



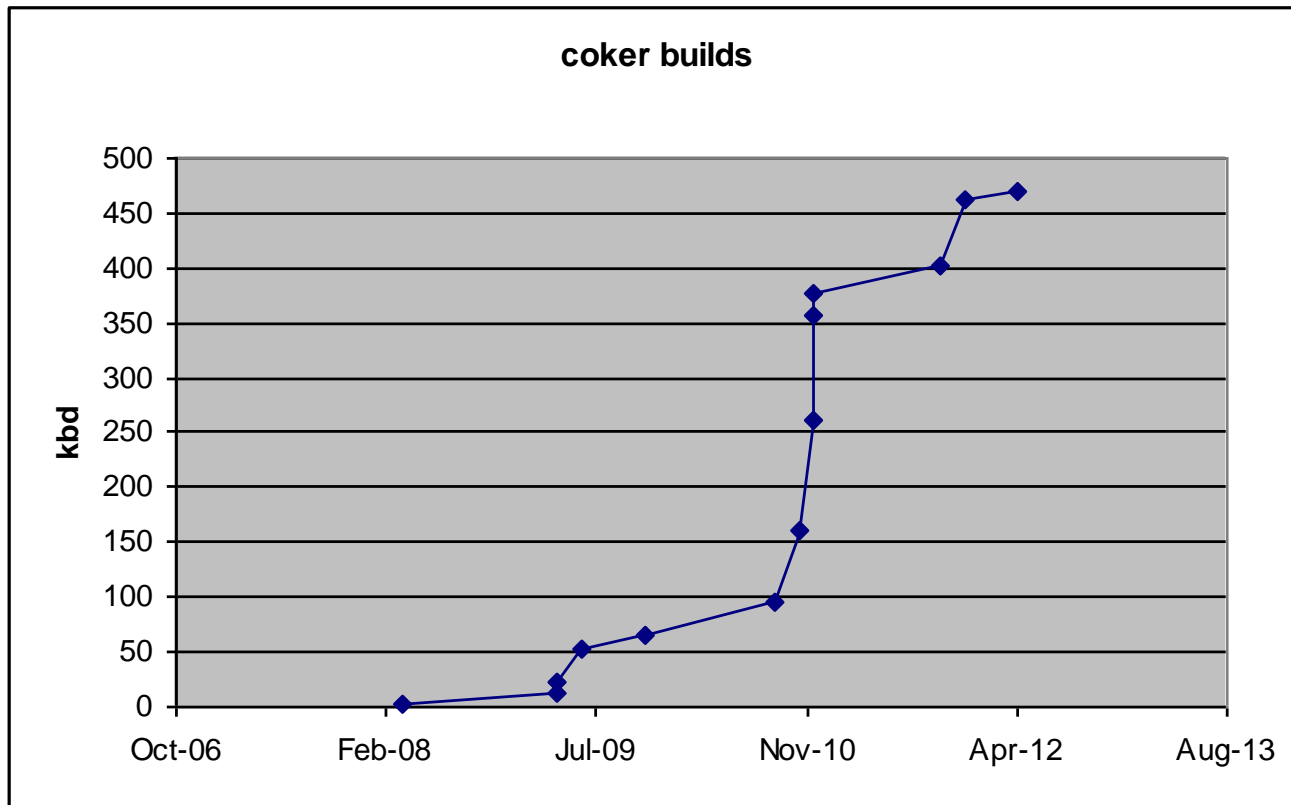
# Western Canadian supply



## Western Canadian Crude Oil Markets



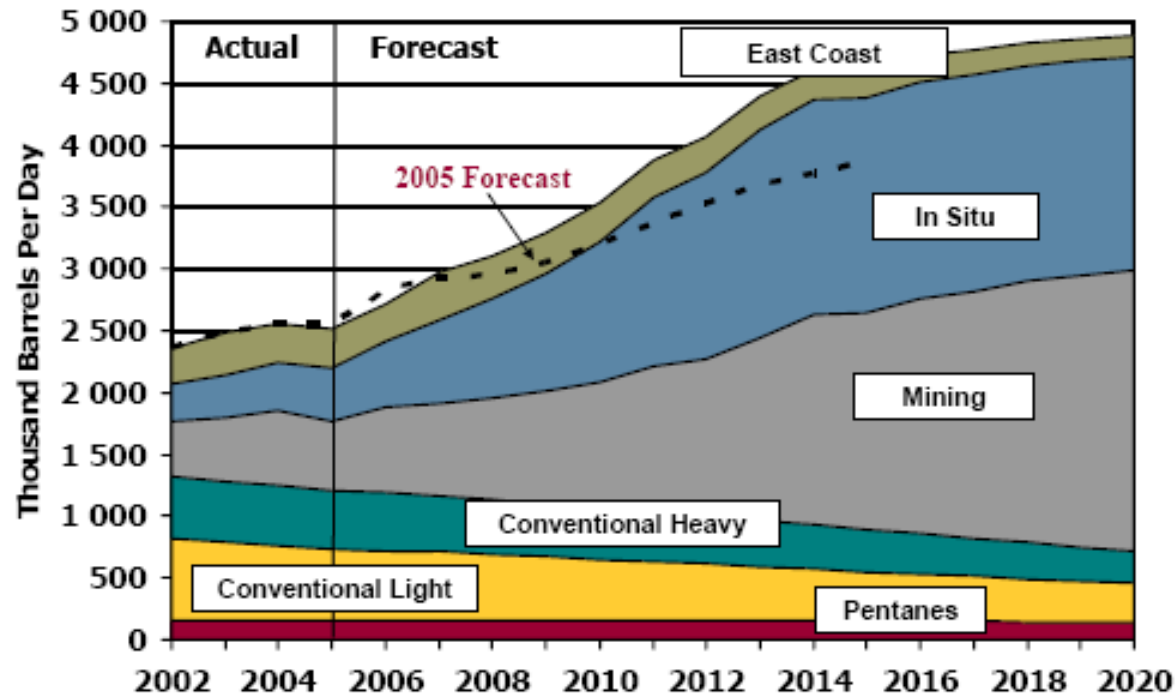
# Delayed coker capacity increase



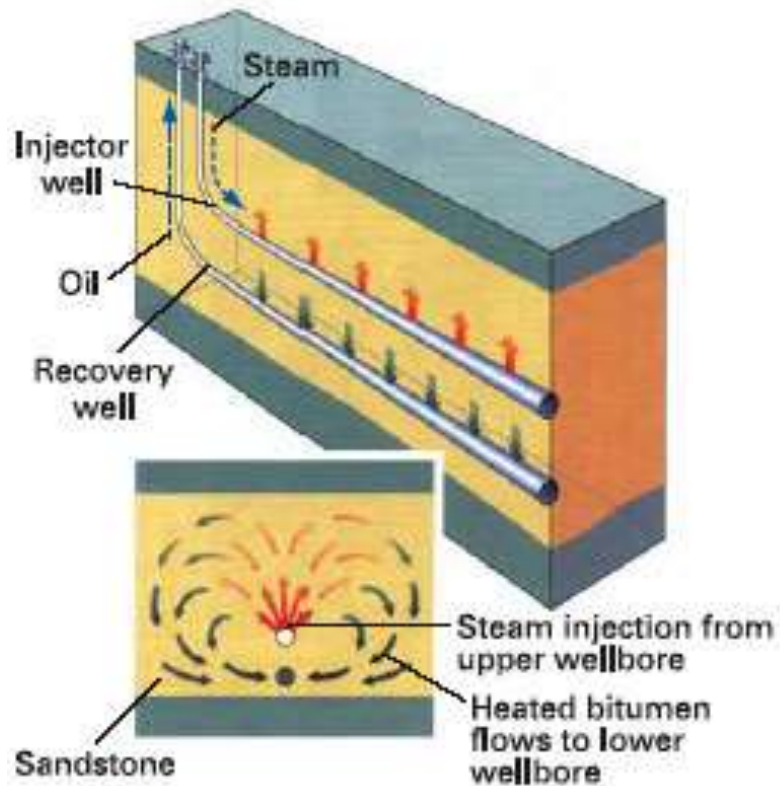
# Canadian oil production



Chart 1: Canadian Crude Oil Production Forecast



# SAGD production



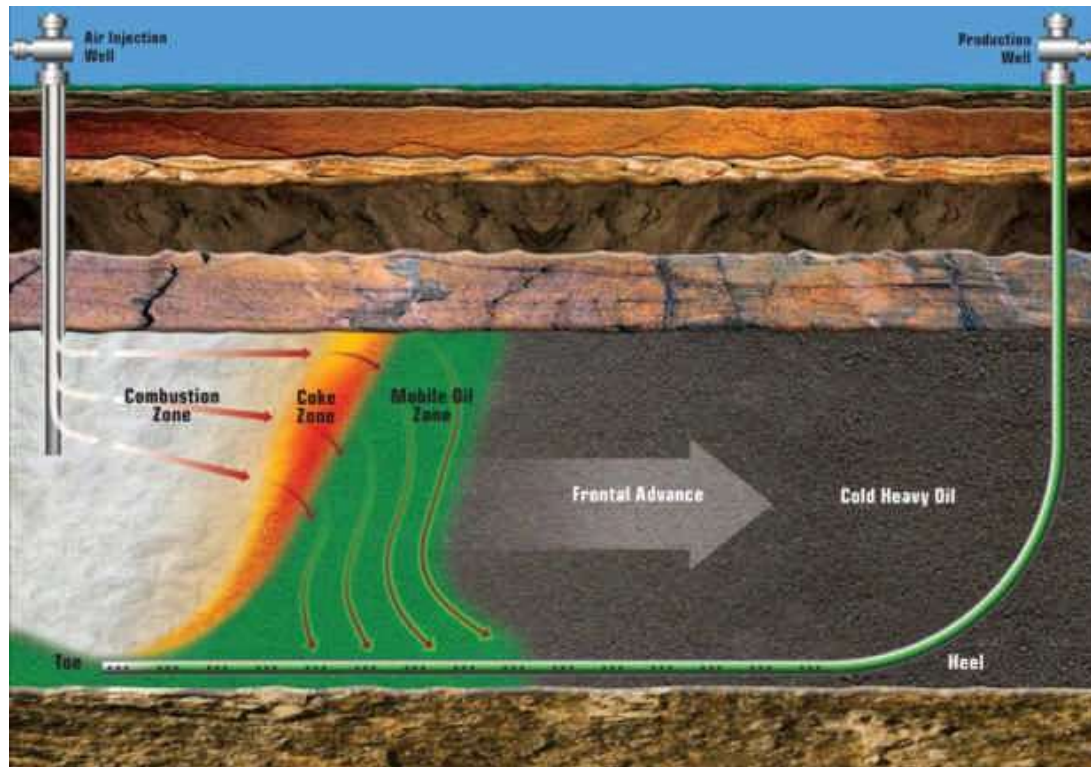


# Toe Heel Air Injection



THAI (Toe-to-Heel Air Injection)

## Petrobank Whitesands Project



# Challenges



- Oil prices likely to remain high into 2009
- Growth in Canadian heavy oil will continue to displace other imports in the Midwest and beyond
- Delayed Coker builds to compete with heavy residue availability
- Mining and new “in situ” recovery technology may affect bitumen quality as conventional production wanes



# Supplemental Slides



# Heavy crudes are best for bitumen

