



Global Business Leaders - World Oil Outlook

Bob Dudley, group chief executive





Introduction

Your Excellencies, distinguished guests, ladies and gentlemen, good afternoon.

Thank you John for the introduction.

It's a pleasure to see you here today.

ADIPEC is always a great conference bringing the industry together in this dynamic country and region.

And I'm delighted to have the chance to participate this year.

Outlook

The world is changing fast - the clockspeed seems to keep increasing.

At the same time, geopolitical risks and challenges around many parts of the world are also increasing.

The oil price remains lower despite fundamentals of supply and demand being close to balance.

This continues to challenge our industry in driving capital and cost efficiencies.

Demand for hydrocarbons continues to grow, particularly from the developing world.

BP's Energy Outlook projects that this demand will be a third bigger by 2035 on the most likely path.

Meeting this demand will help bring on development and bring millions out of poverty, which is vital.

But as I am sure my fellow panellists would agree, the mix of fuels to meet this demand is also changing, as it needs to.



Energy transition

We are entering a period of energy transition.

One where a range of different fuels will be needed to meet demand affordably and sustainably.

And the Middle East will continue to play a crucial role.

Demand for oil is still growing at a steady rate - at around 1% or just under we think for the next two decades.

The projection for natural gas is even stronger growth-around double that of oil.

Both low cost oil and natural gas-as a potential transition fuel in a lower carbon environment, will be essential in the future energy mix of the world.

Middle East

As a supplier of around a third of the world's oil and a fifth of the world's natural gas, this region has an important part to play.

And let's not forget that these are some of the world's most economic barrels - which is important in this highly competitive environment.

We're all aware of the heightened need for competitiveness in the price environment we are in at the moment.

It puts a premium on 3 things:

1. Efficiency-driving down cost of supply
2. Technology and Innovation, and
3. Relationships

As a company, BP has always been committed to working with our partners for the long-term.

We've always believed that the greatest value is in relationships that look to the long term and where the value is fairly shared over time.



We are very proud of the strong relationships we have in this part of the world...

Relationships that go back as long as the company itself.

The Middle East is deeply woven into the history of BP - it's where we started out over a century ago.

Firstly, we've been in Abu Dhabi for about 75 years and worked alongside our partner ADNOC in managing the oil and gas fields onshore and offshore.

Our relationship has stood the test of time and I hope we have helped to play a role in the development of the industry here in the UAE.

We've been in Egypt over 50 years-and have recently invested \$12 billion to help supply the country's growing need for energy through natural gas.

We returned to Iraq in 2009 - the first oil company back there after the Gulf War.

We have been working with South Oil Company and CNPC to increase production from the massive Rumaila oil field by 50% to 1.4 million barrels per day over the last 3 years.

In Kuwait, we are working closely with KOC and KPC on providing technical support for managing the Burgan field - which is, along with the fields here in the Abu Dhabi and Rumaila, among the largest oil fields in the world.

More recently we have been working in Oman, bringing technology developed in the US to advance gas in some of the world's hardest rocks-harder than granite.

The project is going really well with first gas expected next year, ramping up to supply about a third of Oman's gas demand.

In all of these places, we are committed to build the local workforce, build capability and help young people to see the opportunities that exist in oil and gas.

Because the pace of change inside our industry is going even faster than outside it.

Conclusion

In summary, the patterns of energy demand and supply, and the fuel mix will continue to shift and evolve particularly over the medium to long term.

The need for a renewed focus on driving cost and capital discipline for efficiencies...

For applying technology and innovation competitively...

And for deepening long-term and mutually beneficial relationships between NOCs and IOCs...

Will all be increasing important for the Middle East as well as for our industry going forward.

Thank you.