

OPEC's Growing Call on Itself

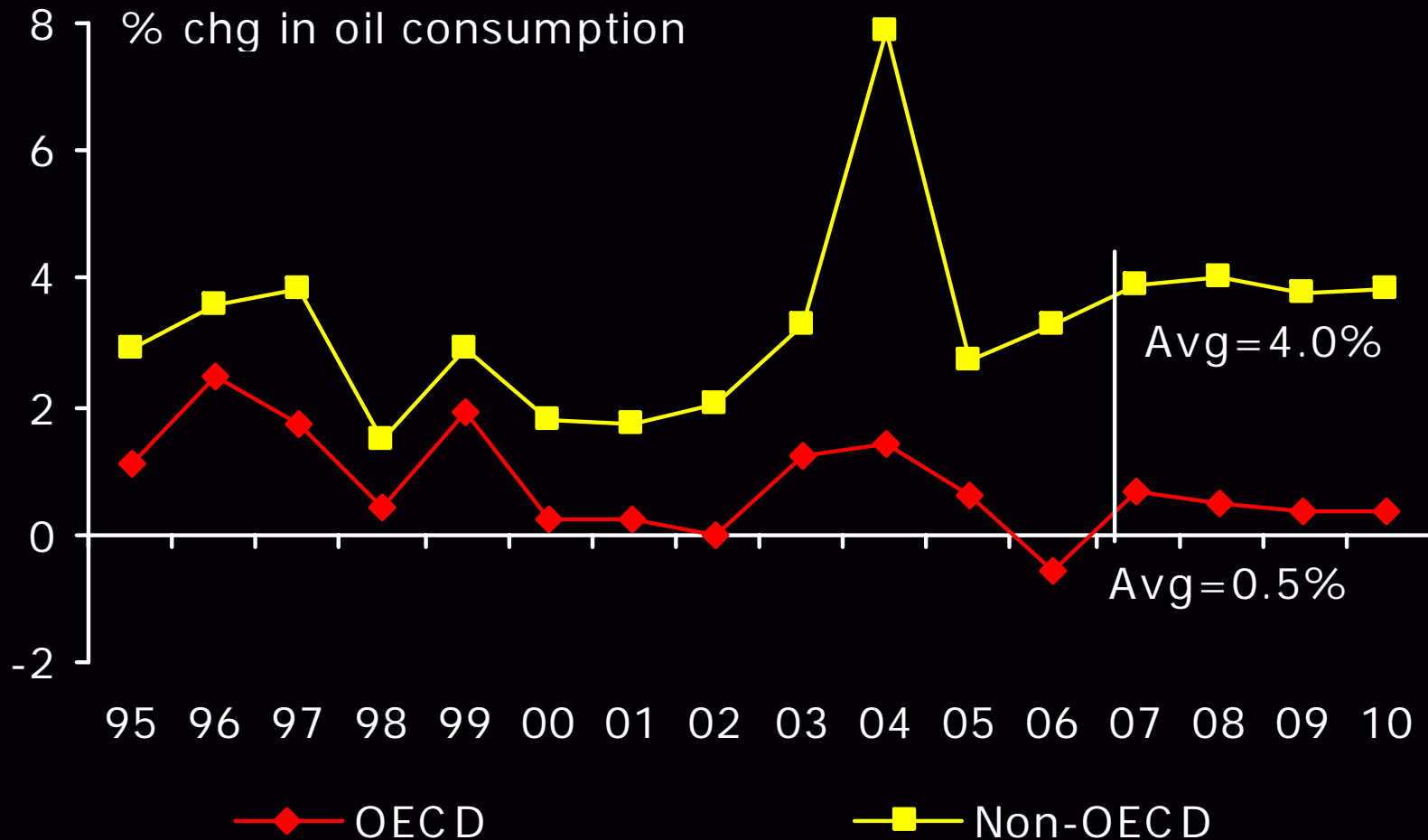
Jeff Rubin
Chief Economist & Chief Strategist



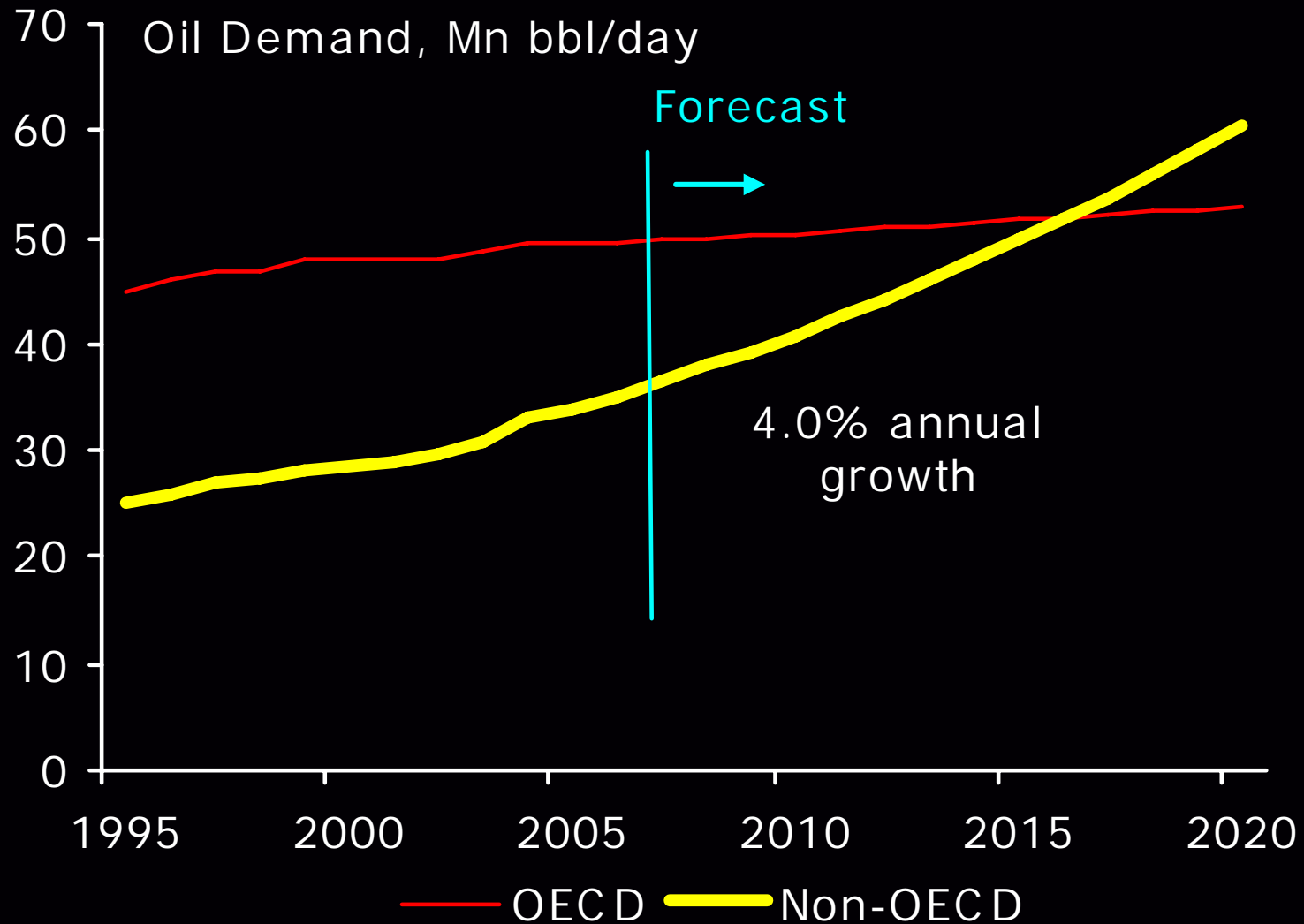
CIBC
World Markets

October 2007
Economics & Strategy

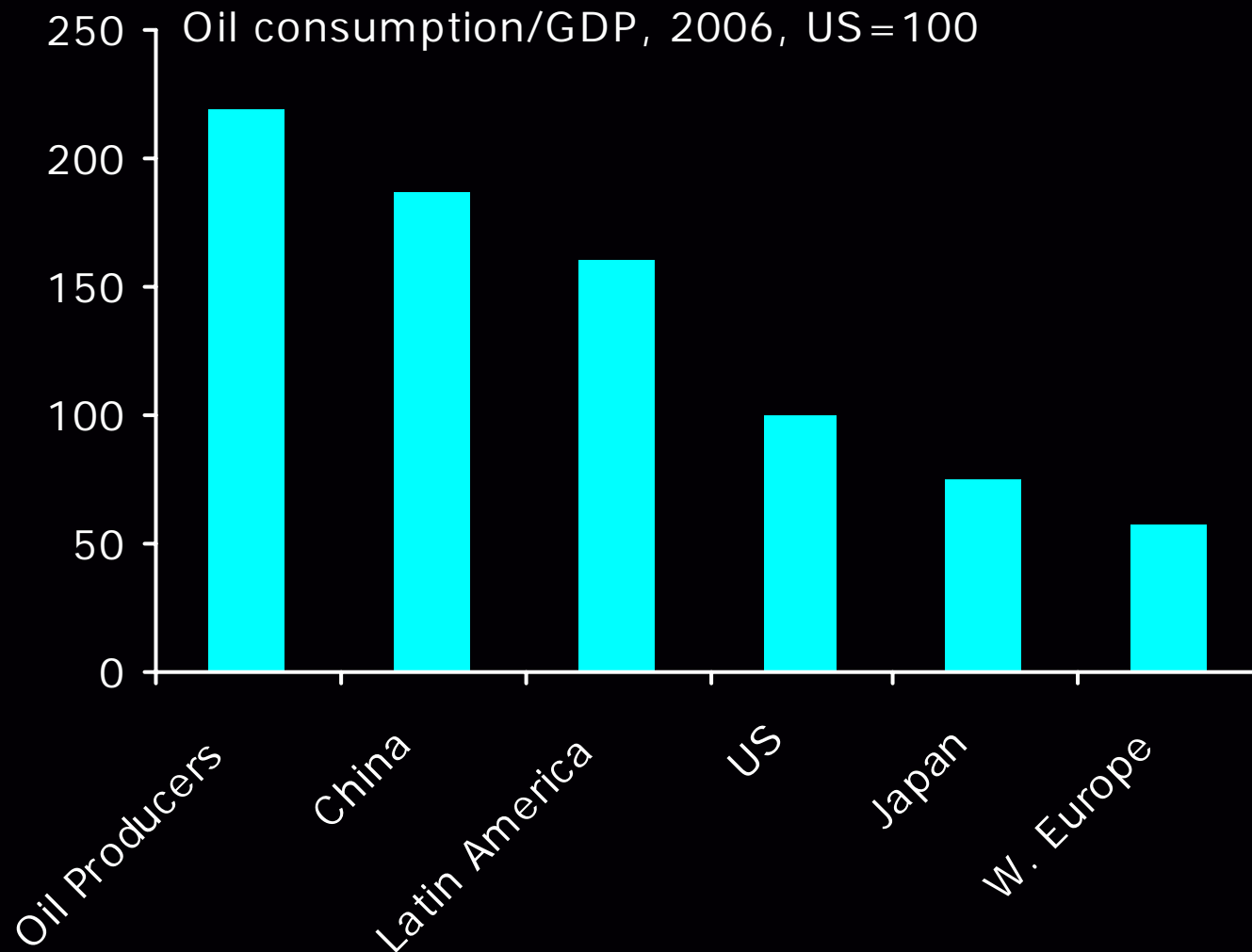
Two Very Different Consumption Trends for Oil



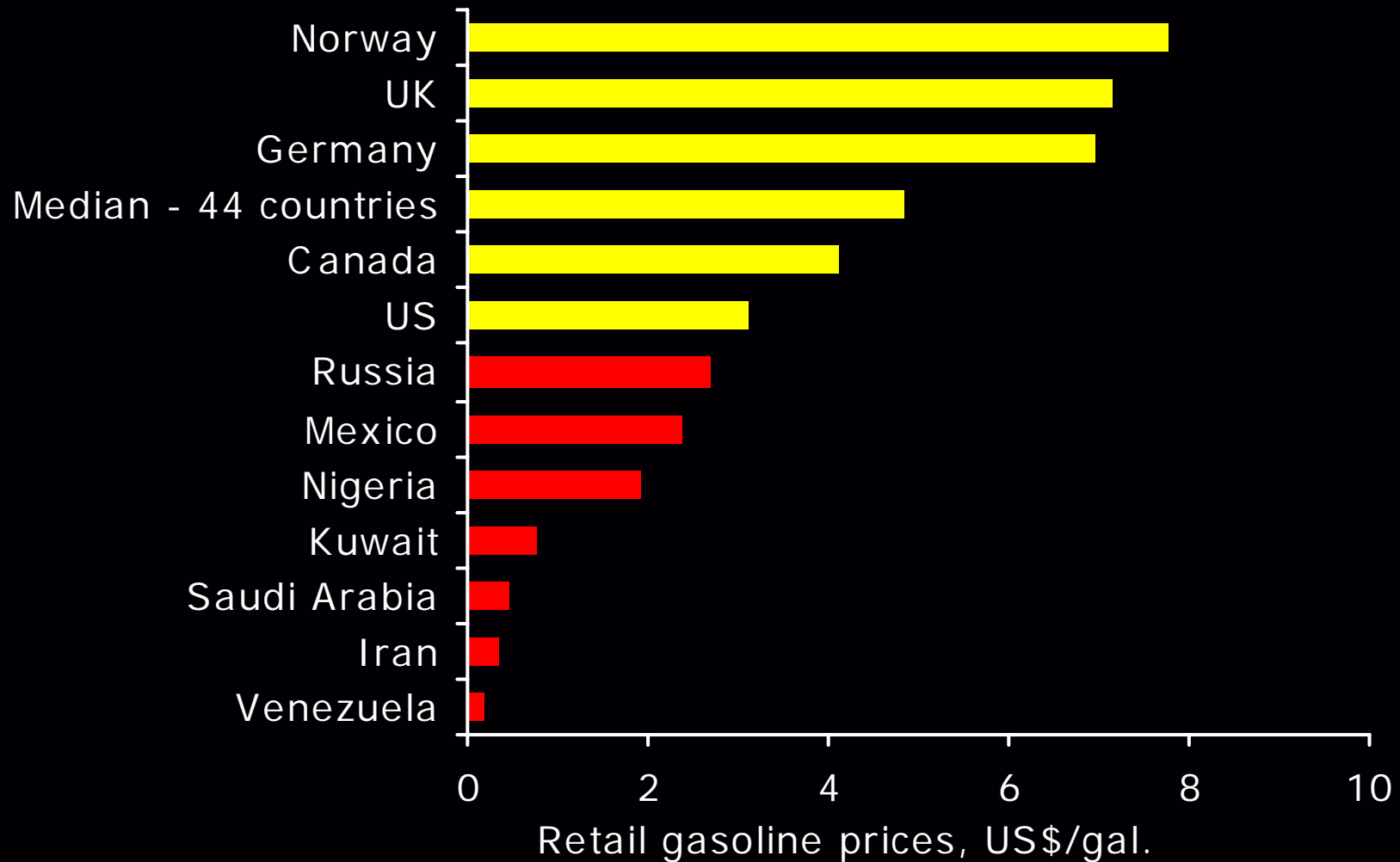
Developing World Demand to Exceed OECD Demand Within a Decade



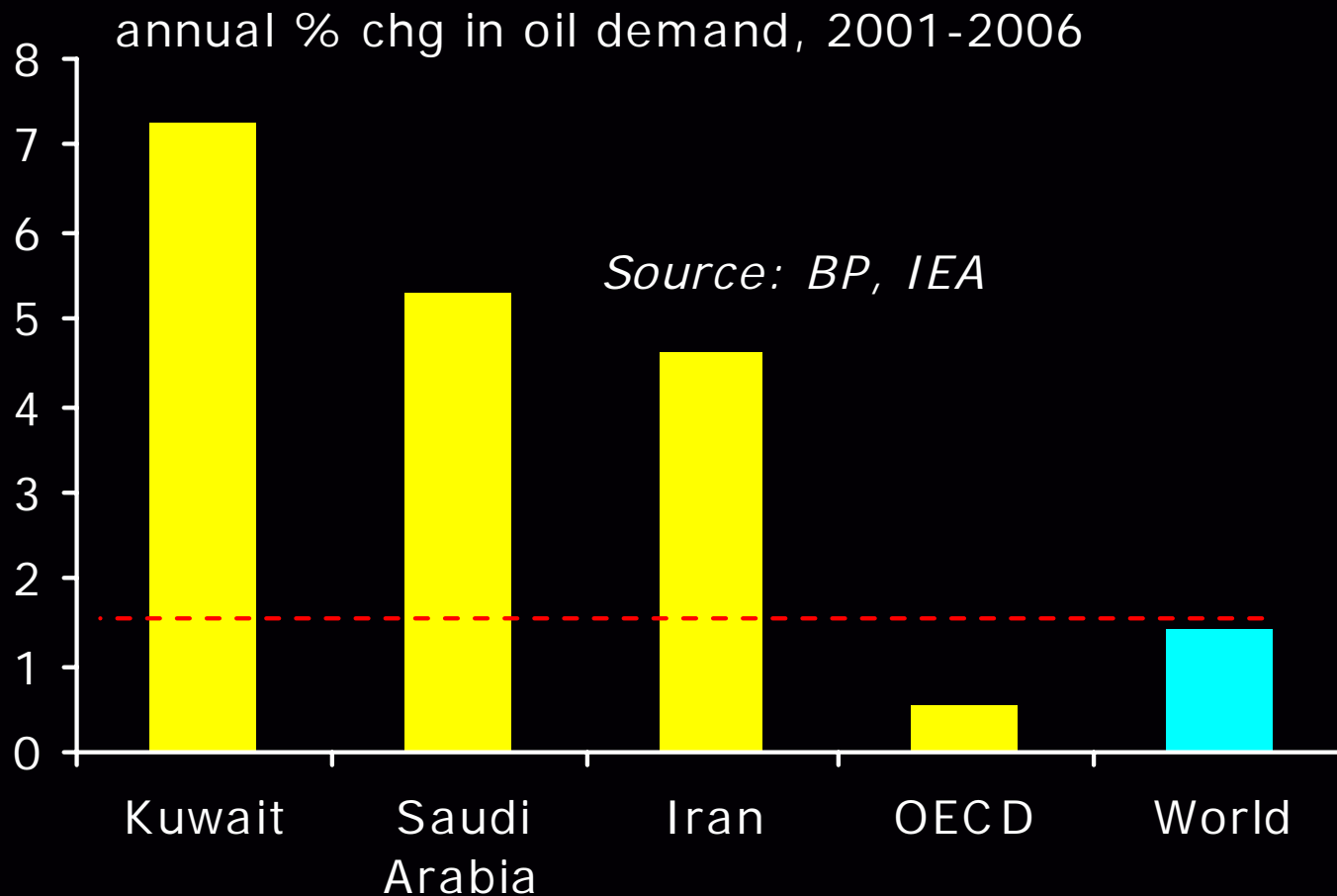
OPEC and Developing Countries Very Oil Intensive



Gasoline Prices Highly Subsidized in Many Oil-Producing Countries

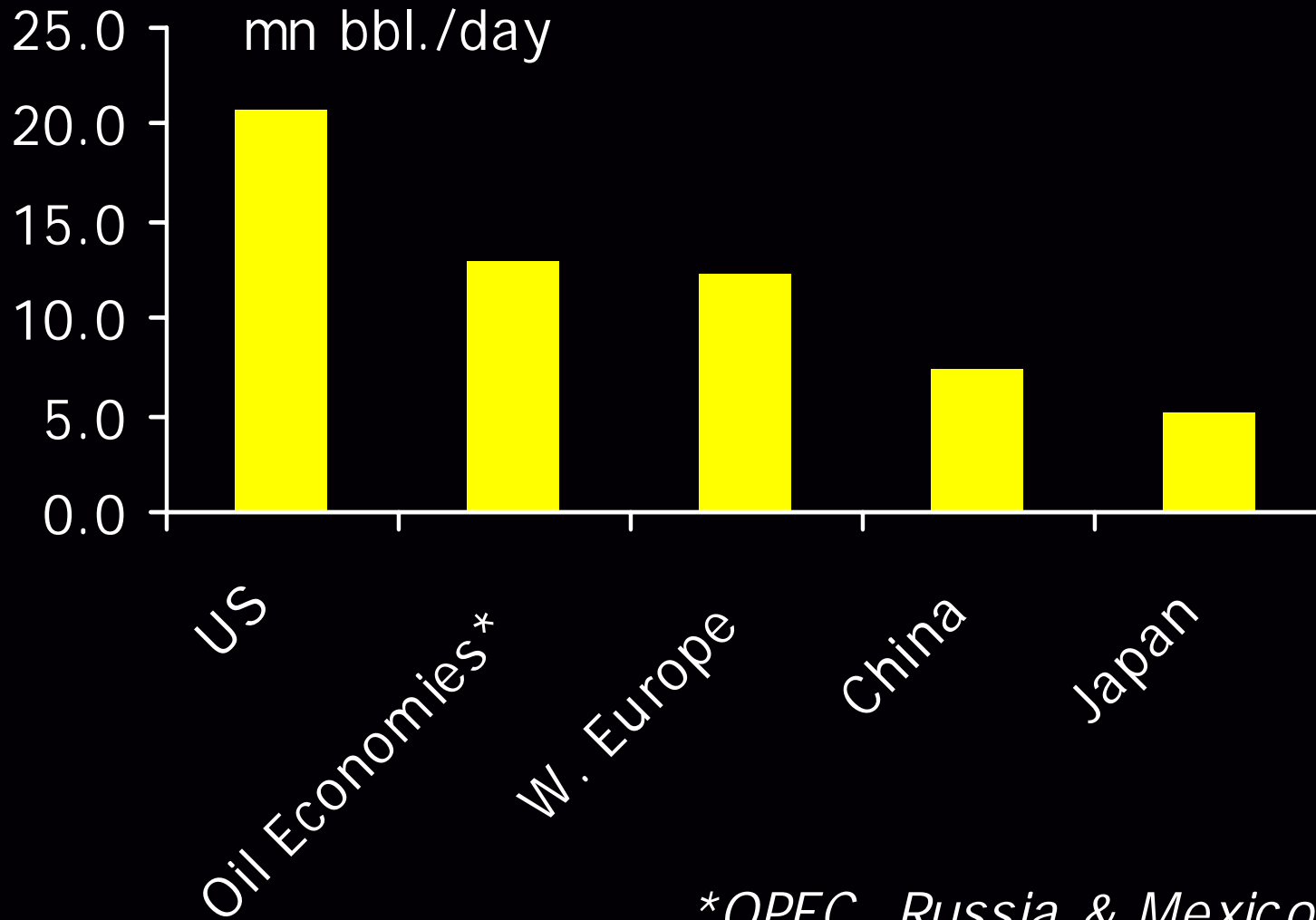


Oil Consumption in Oil-Producing Countries

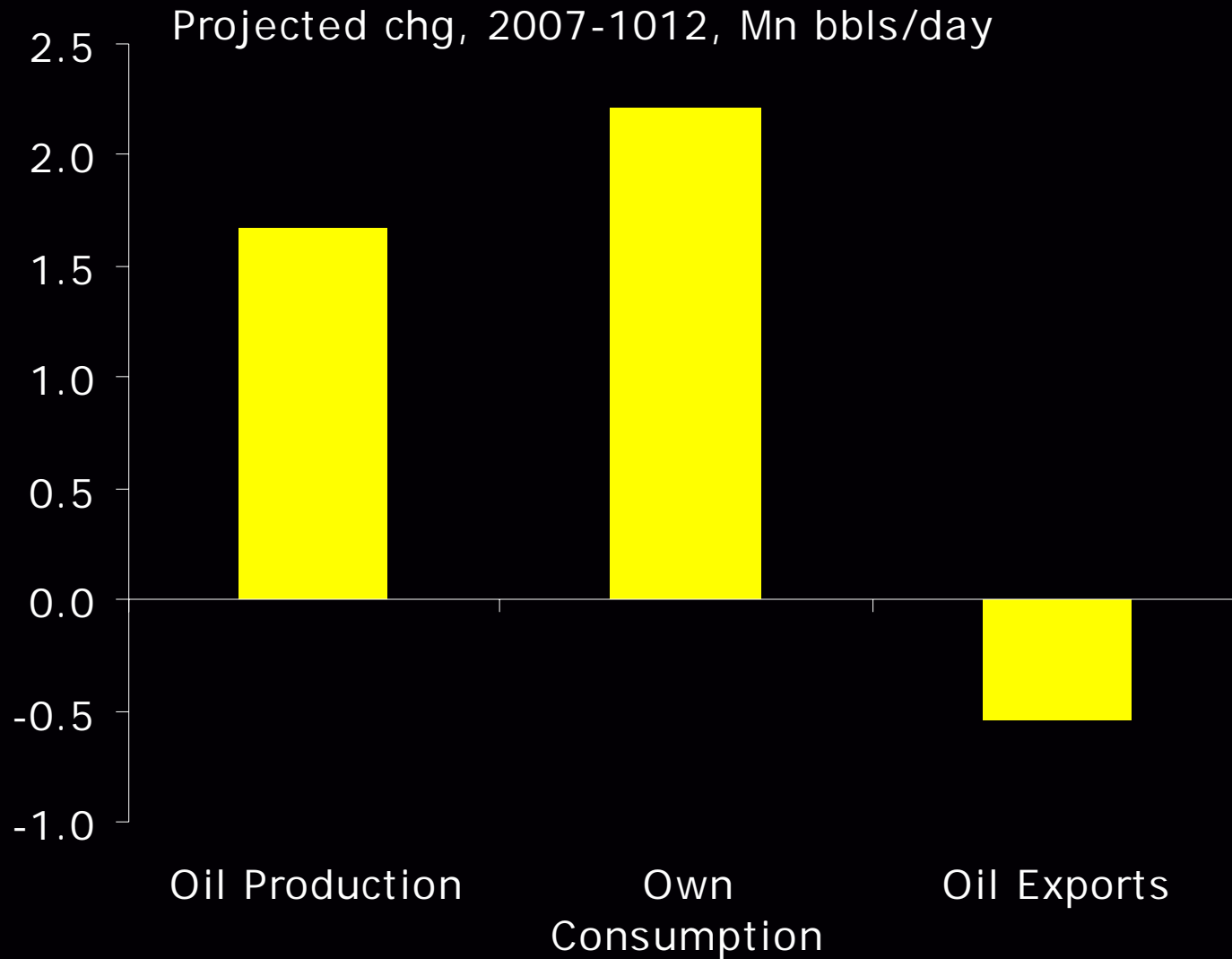


Oil-Producing Countries

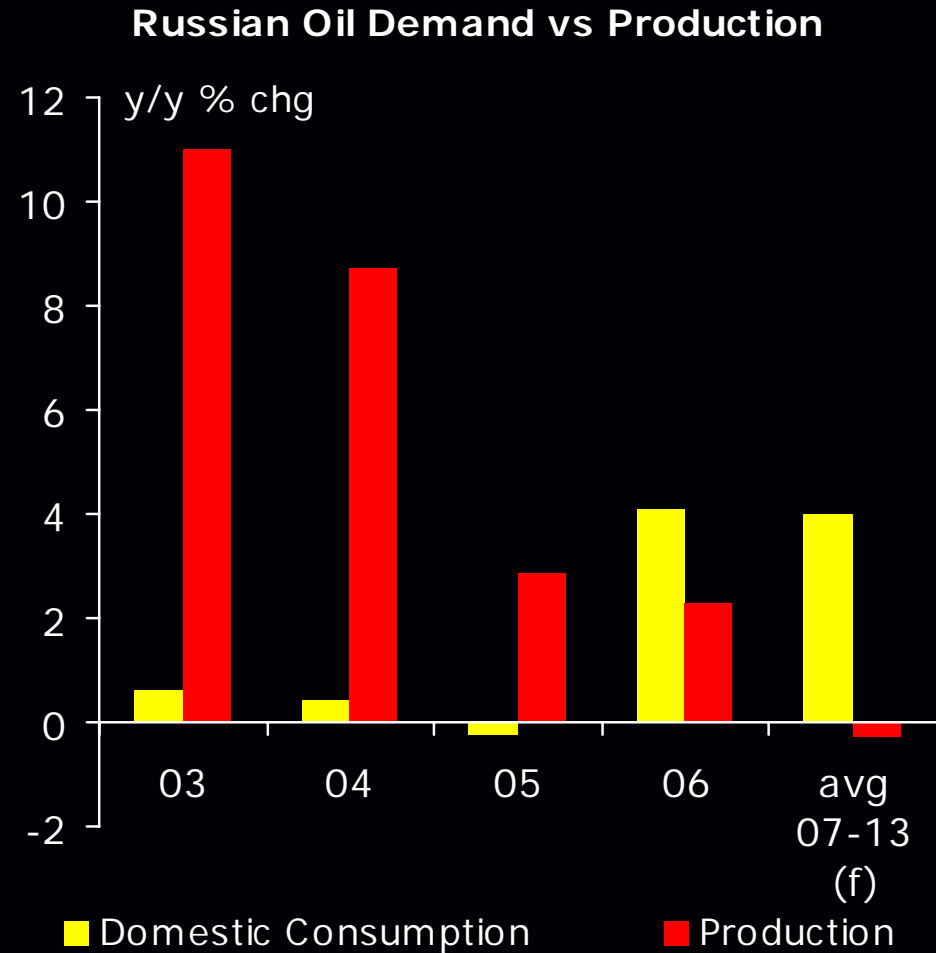
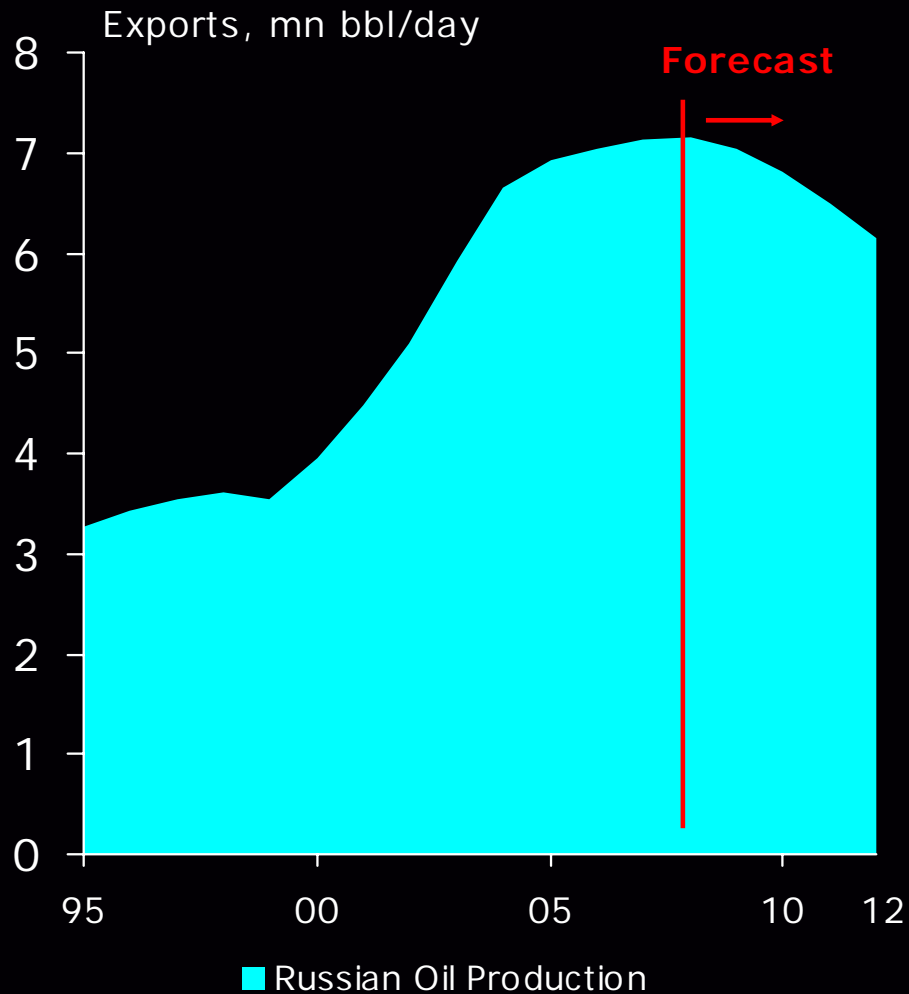
World's Second Largest Oil Market



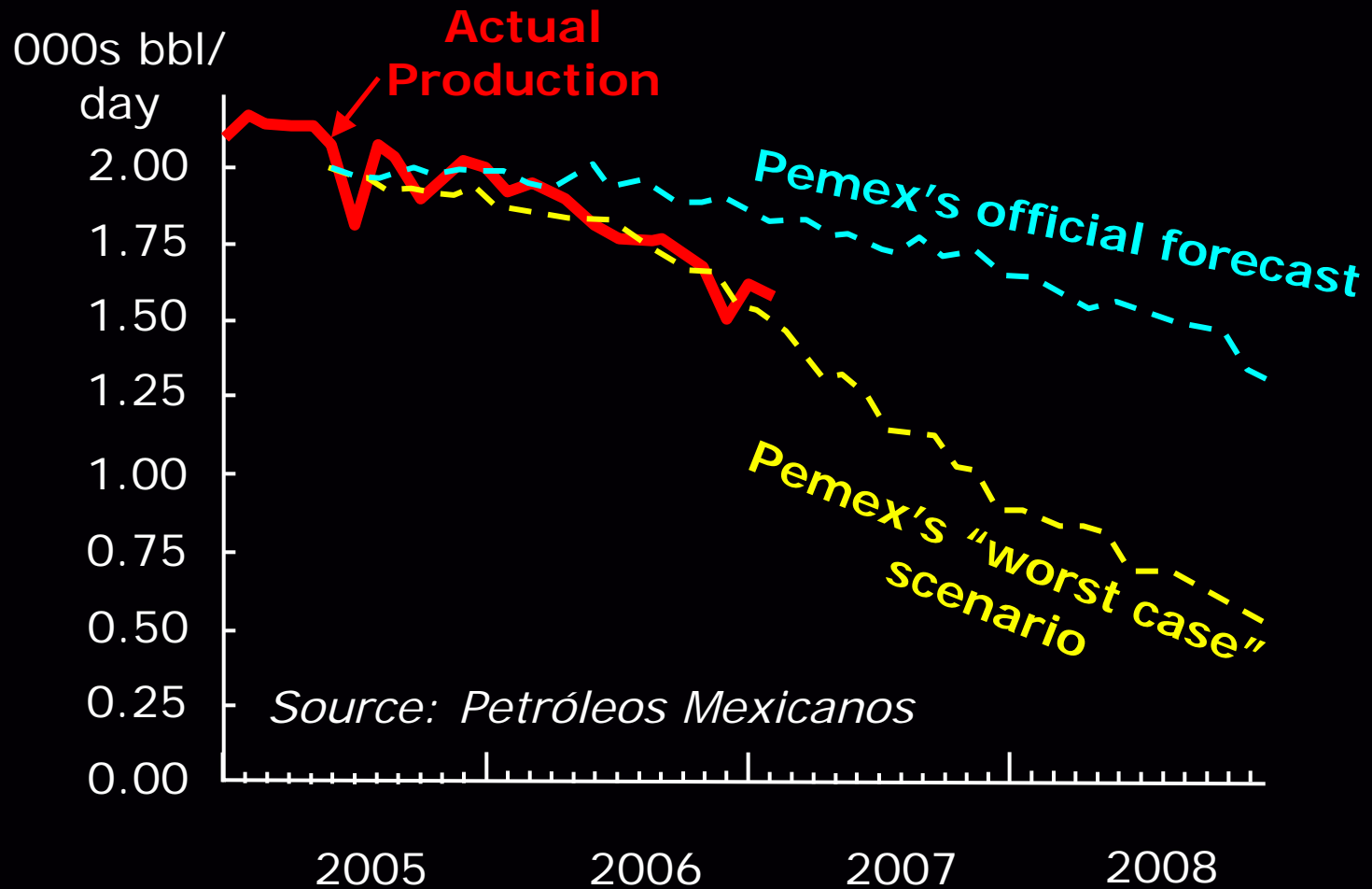
OPEC's Own Consumption Will Cut into Exports



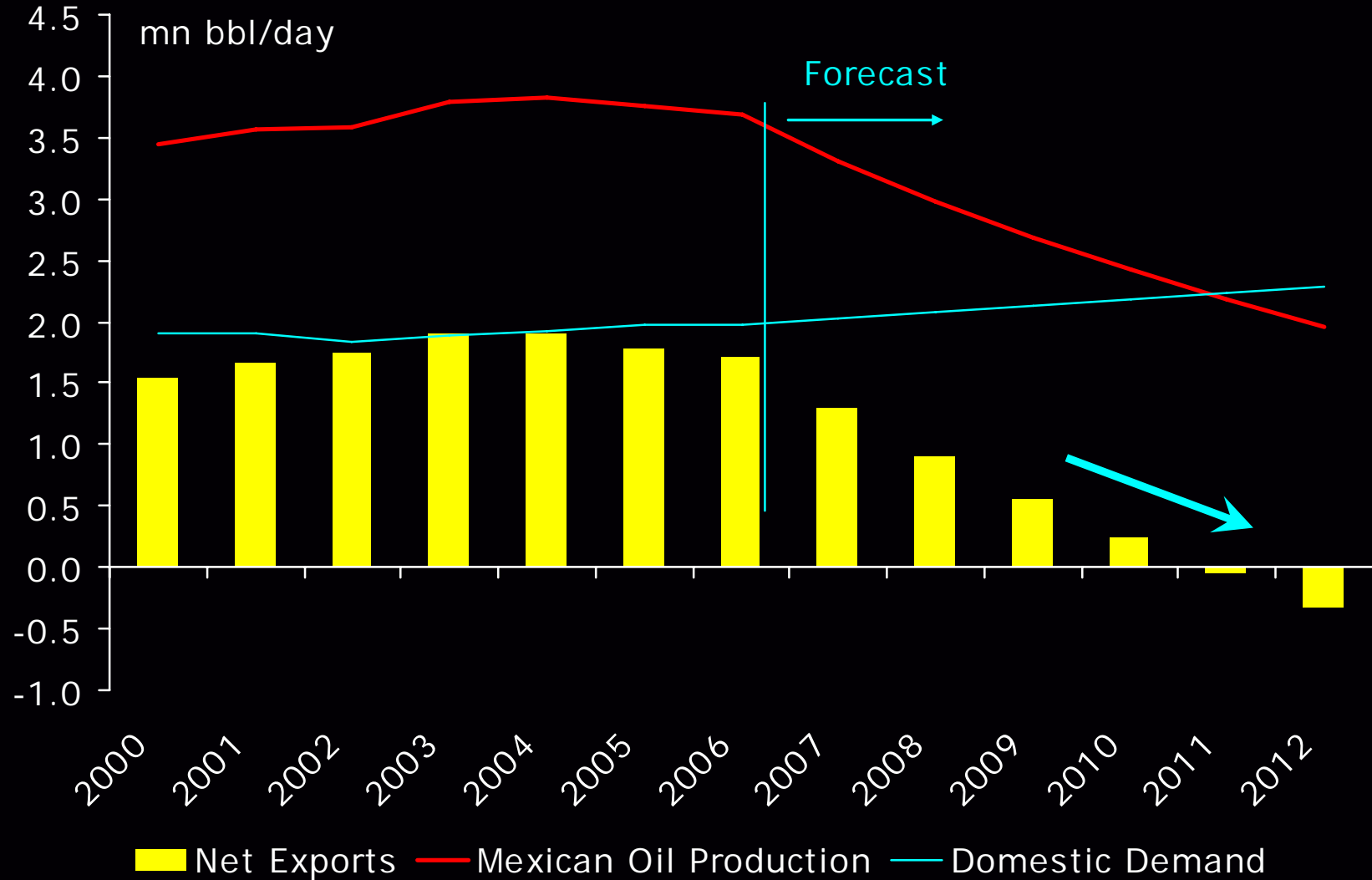
Russian Exports Will Soon Peak ...



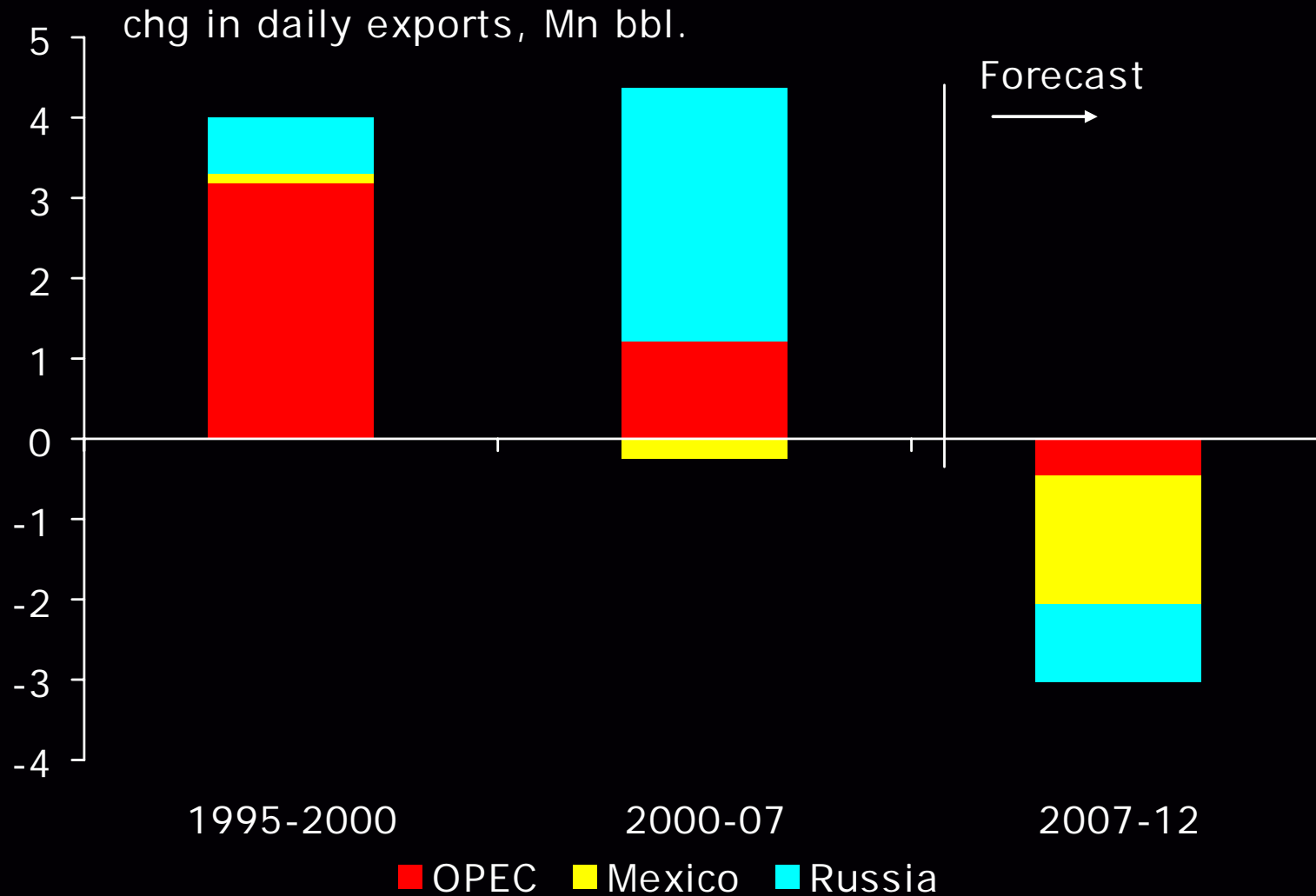
... While Mexico Faces Rapid Depletion at Cantarell



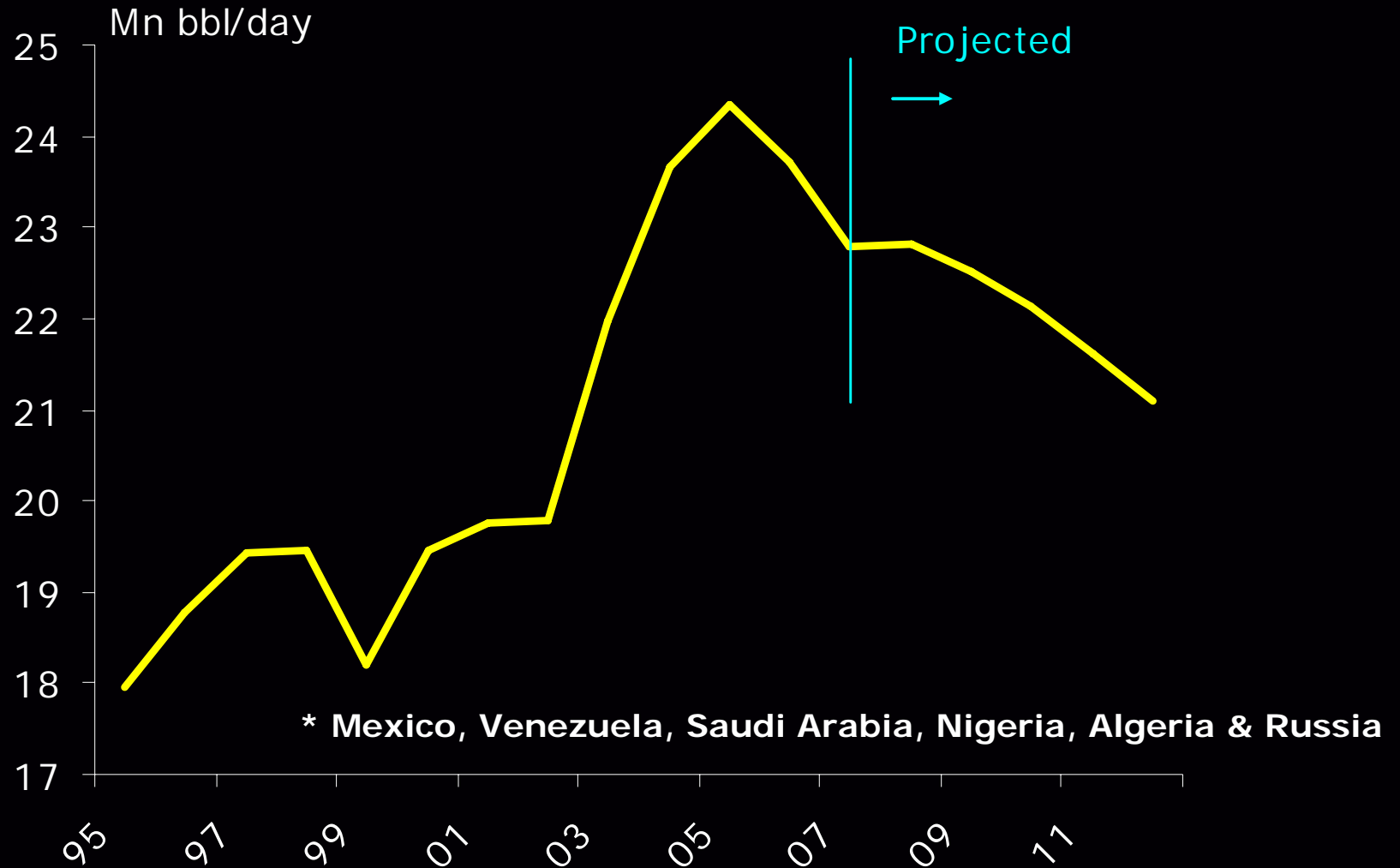
Mexico's Exports Will Collapse With Cantarell's Depletion



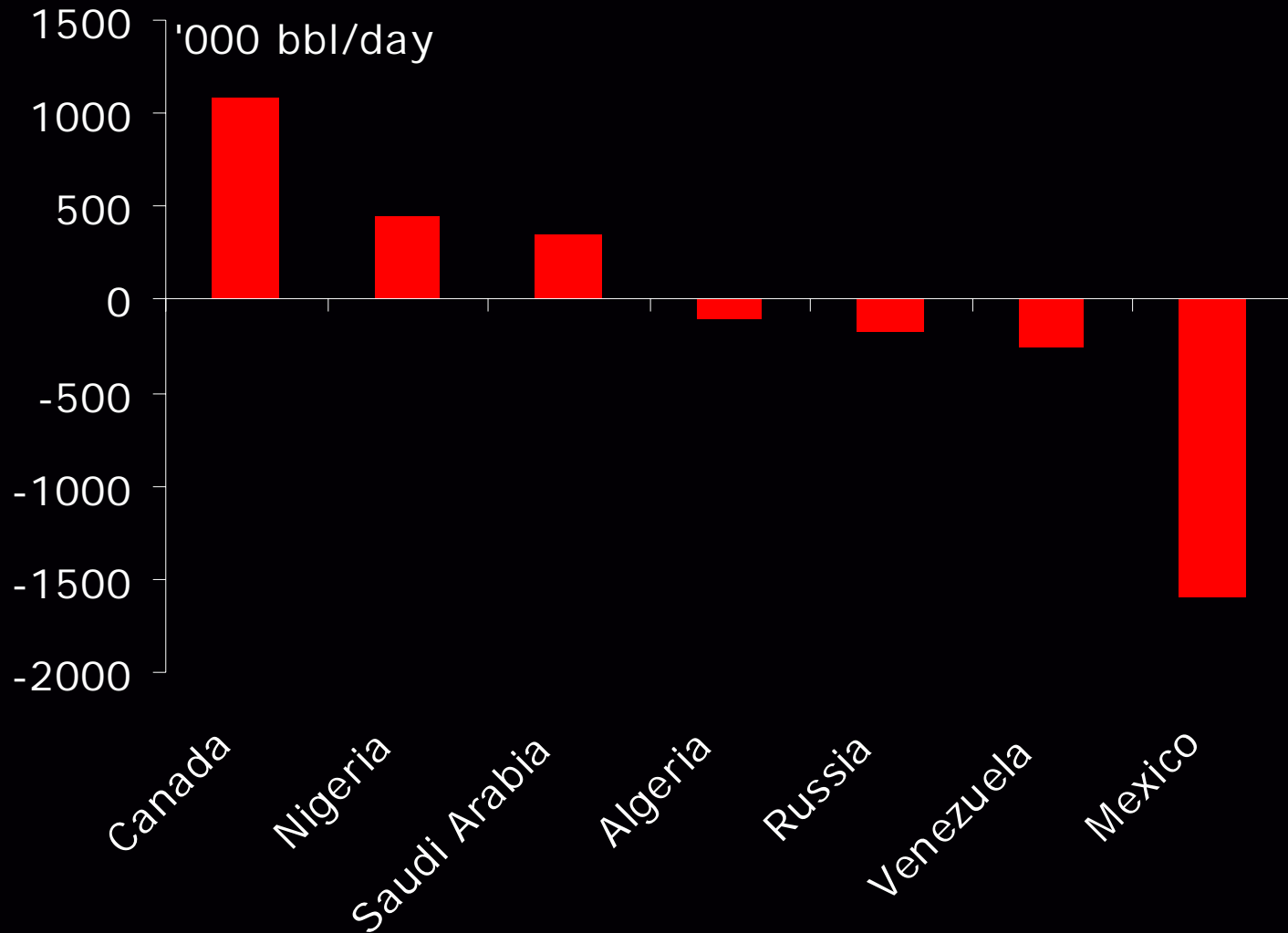
Oil-Producer Exports to Fall 3 Million Barrels per day by 2012



Aside from Canada, Exports from Next 6 Largest* US Suppliers Will Fall Nearly 2 mn Barrels by 2012

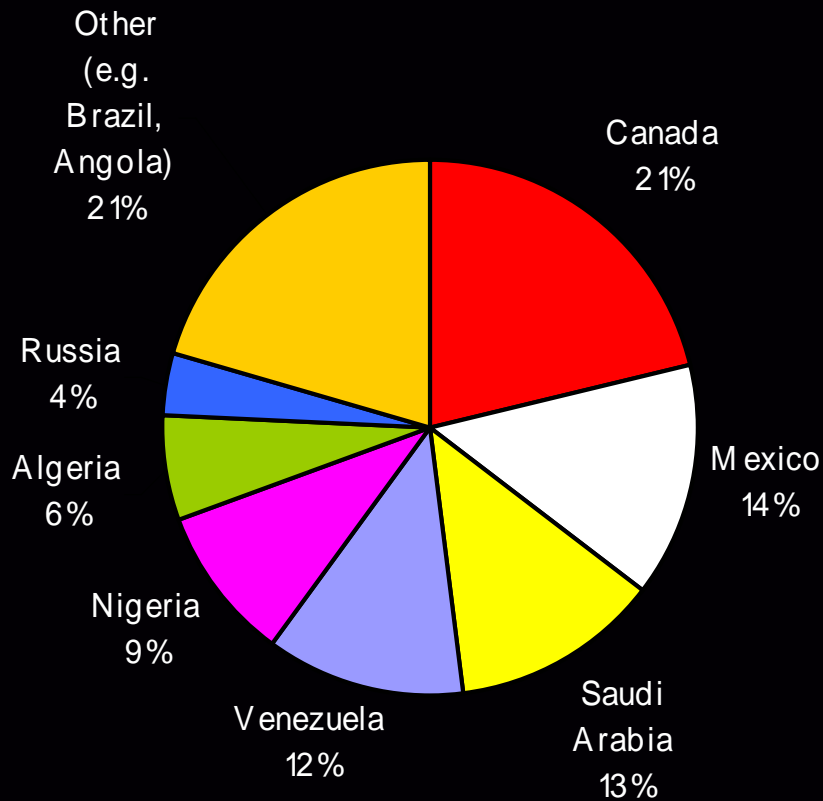


Projected Change in US Oil Imports From Largest Suppliers (2007-2012)



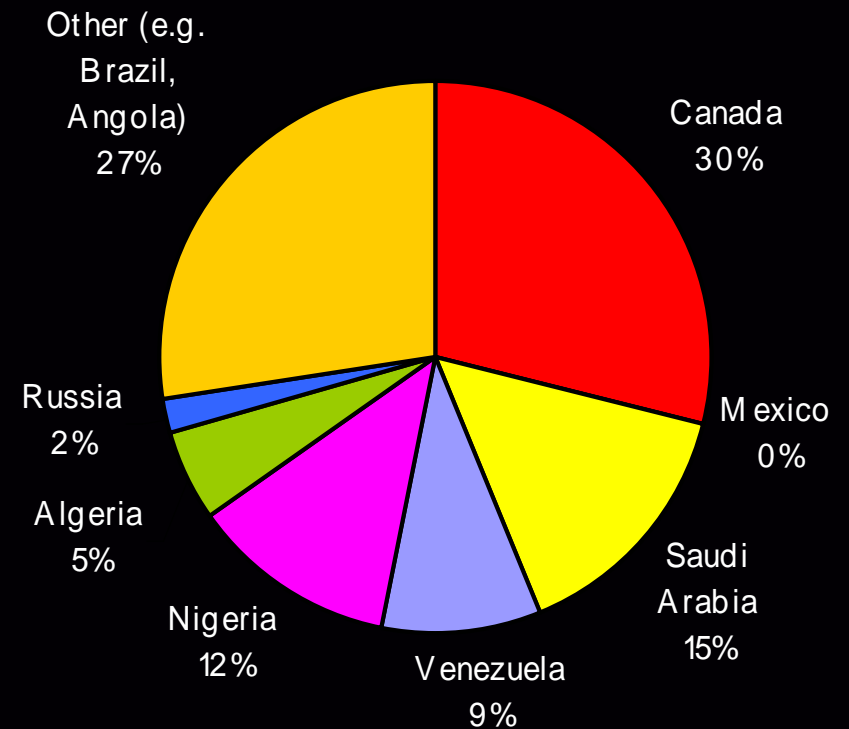
Huge Shift from Mexico to Canada Over Next Five Years

US Oil Imports - Today*



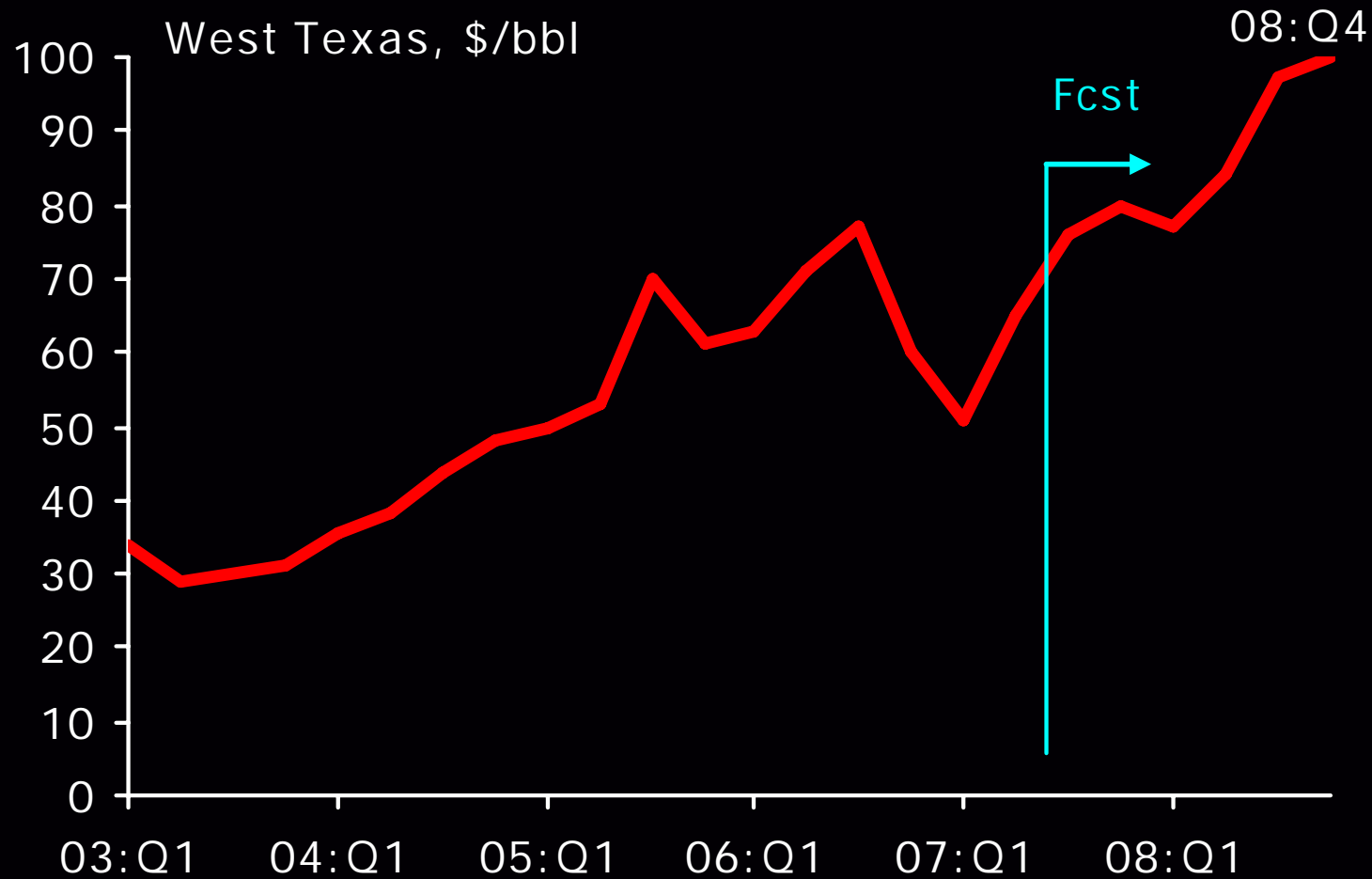
**includes refined products*

US Oil Imports - 2012*

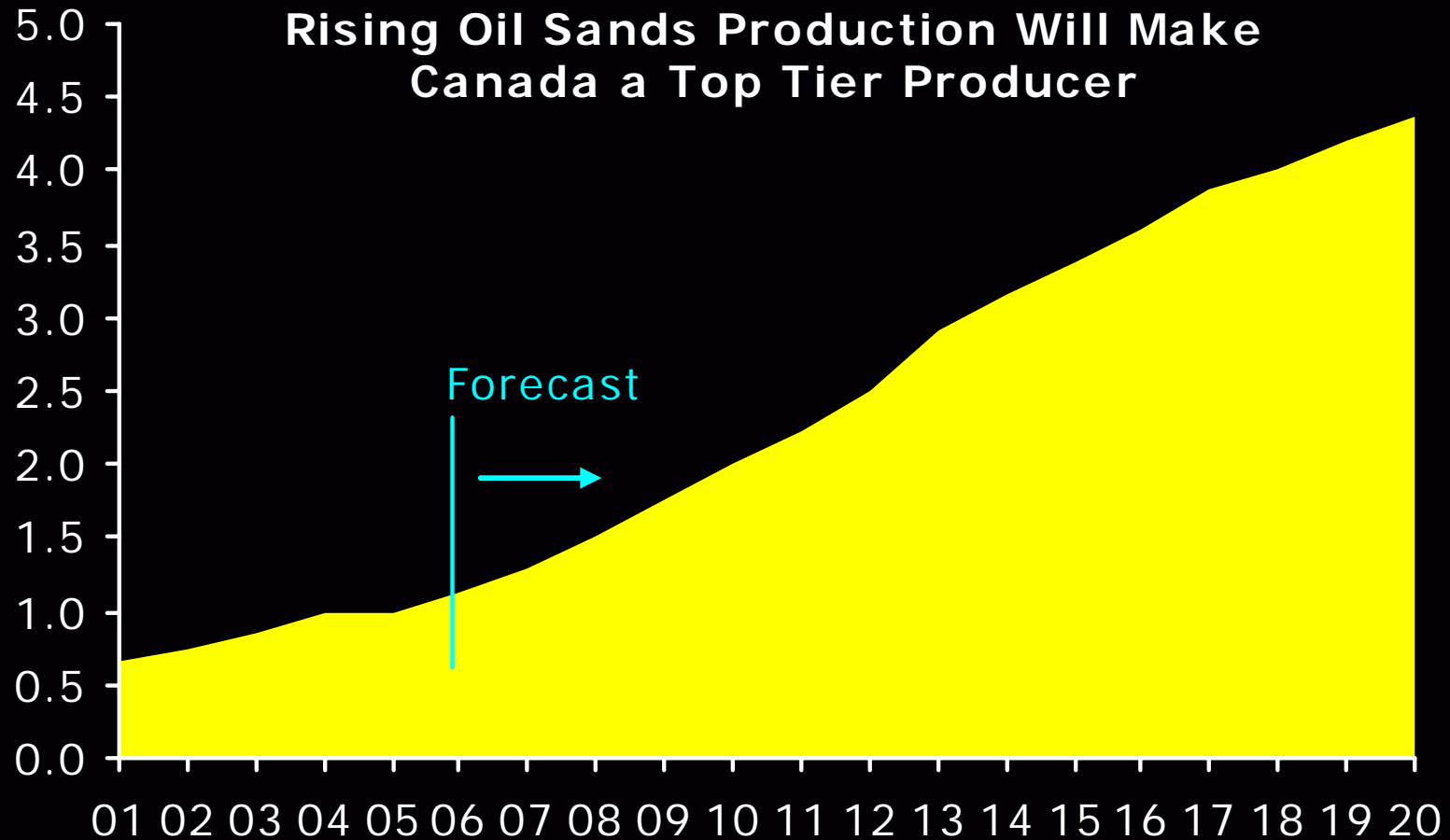


**includes refined products*

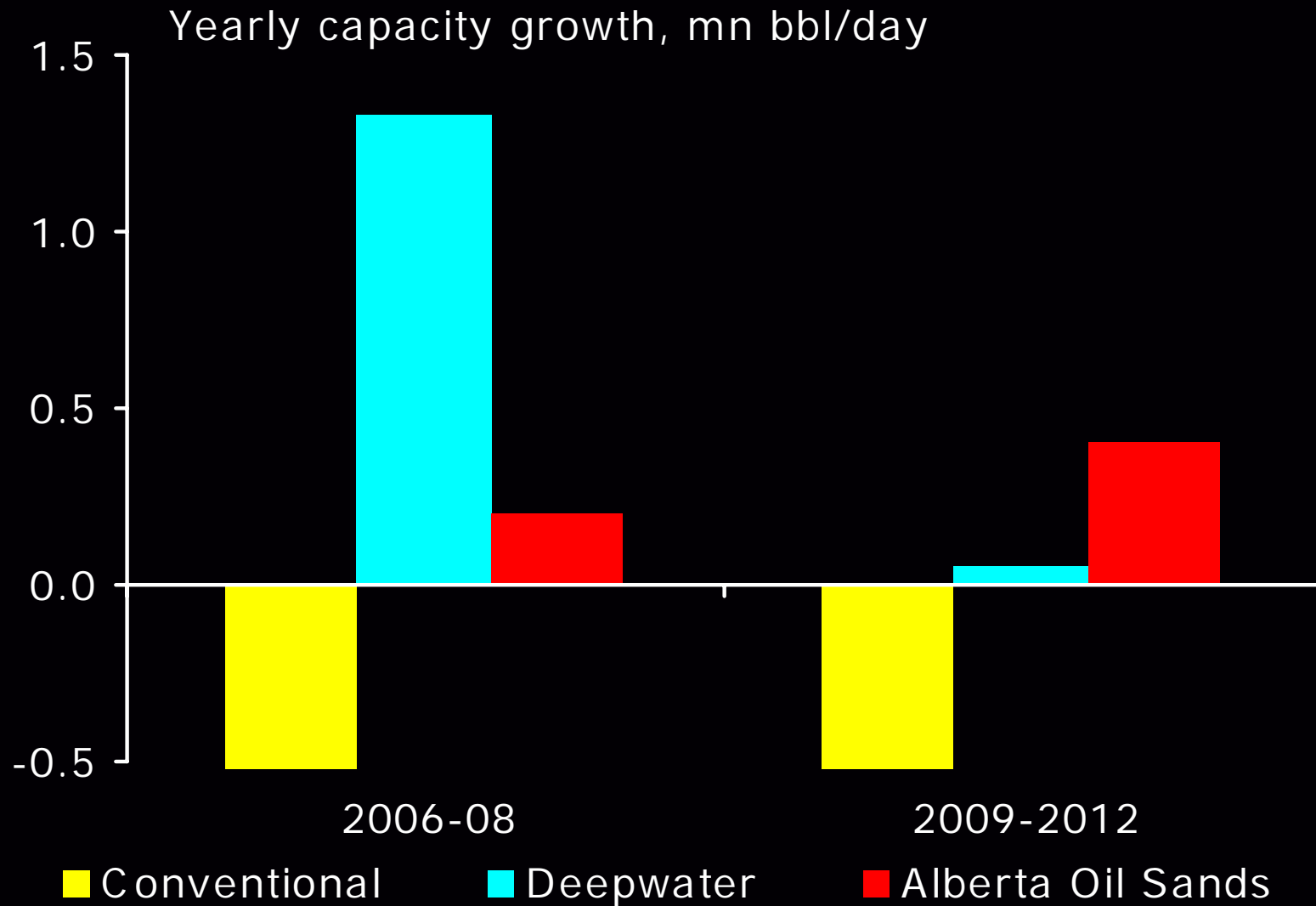
\$100 WTI Price Forecast



Soaring Oil Prices Spur Rapid Development of Canadian Oil Sands

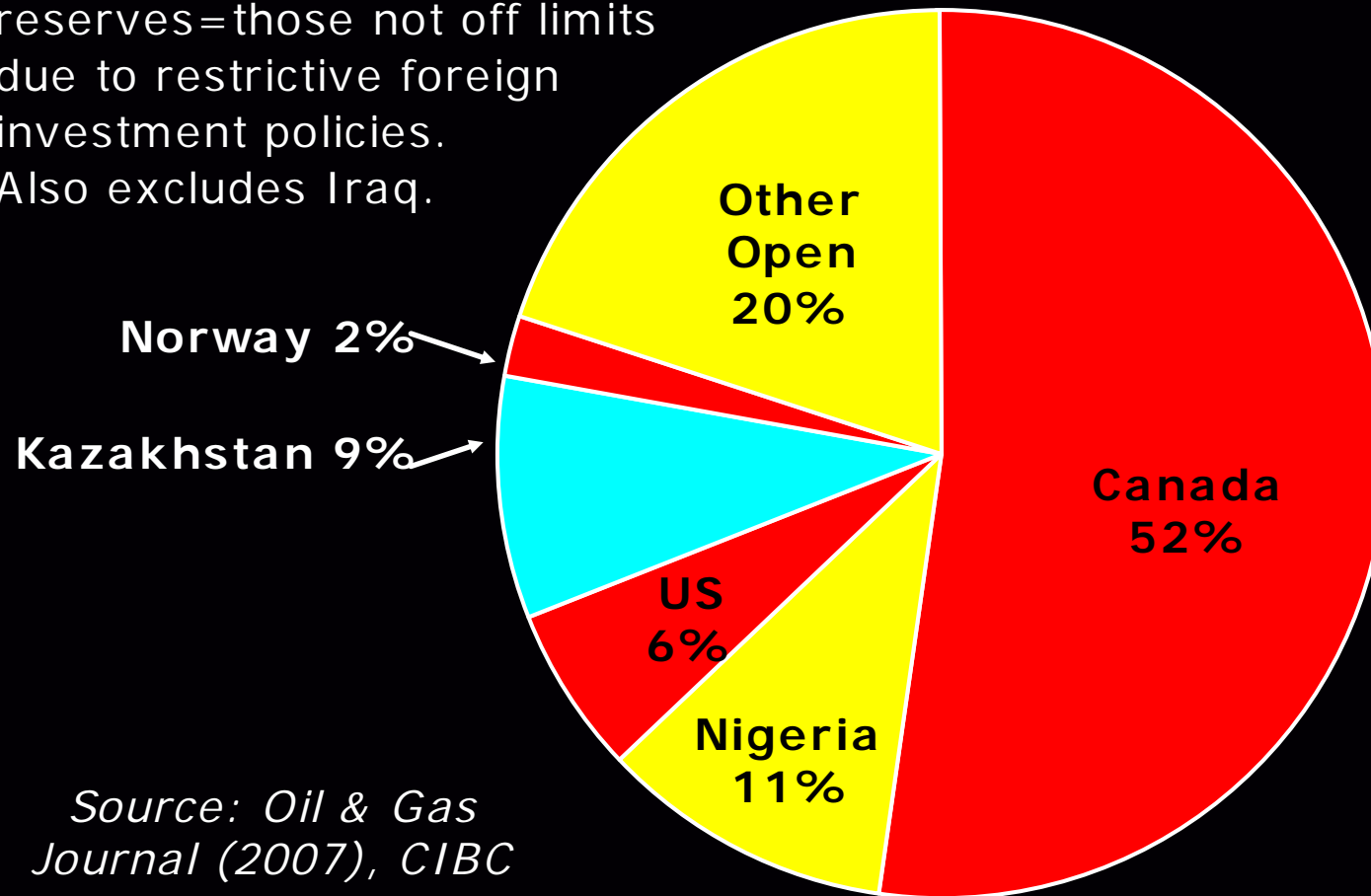


Canadian Oil Sands Production to be Single Largest Source of New Supply



Over 50% of Investable Reserves in the World

"Investable" oil reserves=those not off limits due to restrictive foreign investment policies. Also excludes Iraq.



Source: Oil & Gas Journal (2007), CIBC