

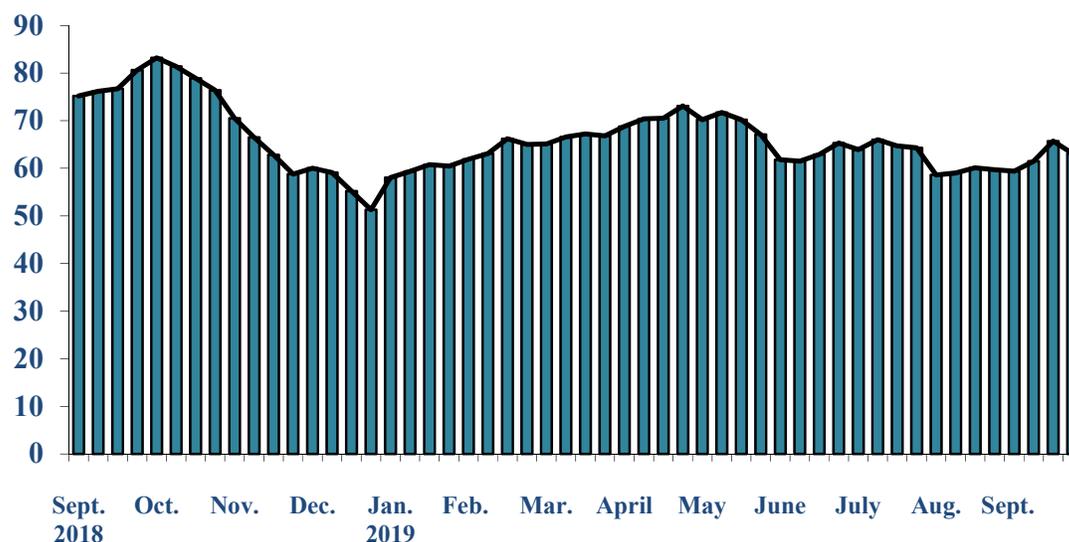
Monthly Report on Petroleum Developments in The World Markets and Member Countries November 2019

First: World Oil Markets

1. Oil Prices

In September 2019, **OPEC Reference Basket increased** by 4.7% or \$2.8/bbl from the previous month level to stand at \$62.4/bbl. Supply disruptions and heightened geopolitical tensions in the Middle East, were major stimulus for the increase in oil prices during the month of September 2019.

Weekly Average Spot Prices of OPEC Basket of Crudes, 2018-2019 (\$/bbl)



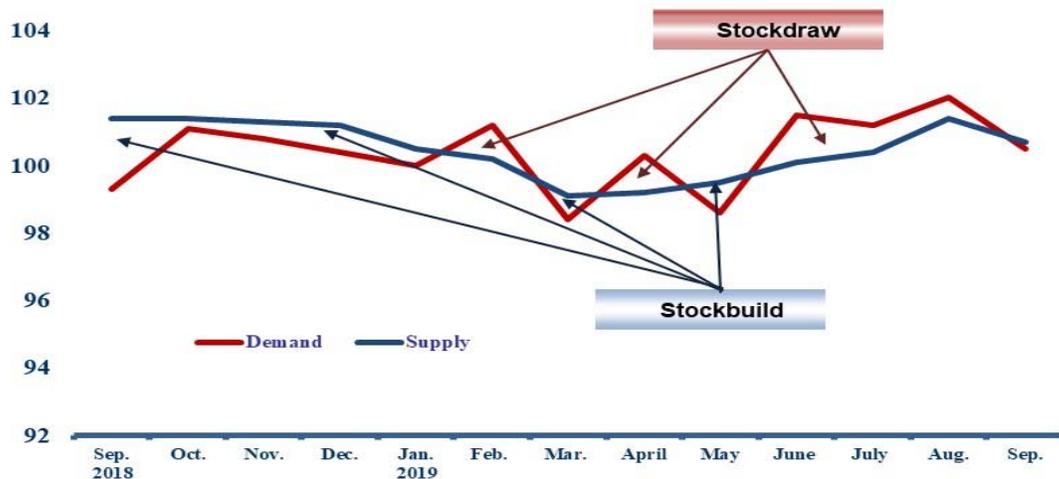
Source: Organization of Petroleum Exporting Countries, OPEC.

2. Supply and Demand

- **World oil demand** in September 2019, **decreased** by 1.5 million b/d or 1.5% from the previous month level to reach 100.5 million b/d. **Demand in OECD countries decreased** by 2% comparing with the previous month to reach 48 million b/d. And **demand in Non-OECD countries decreased** by 0.8% comparing with their previous month level to reach 52.5 million b/d.
- **World oil supplies** in September 2019, **decreased** by 0.7 million b/d or 0.7% comparing with the previous month to reach 100.7 million b/d. **OPEC crude oil and NGLs/condensates total supplies decreased** by

2% comparing with the previous month to reach 34.5 million b/d. Whereas preliminary estimates show that **Non-OPEC** supplies remained stable at the same previous month level of 66.2 million b/d.

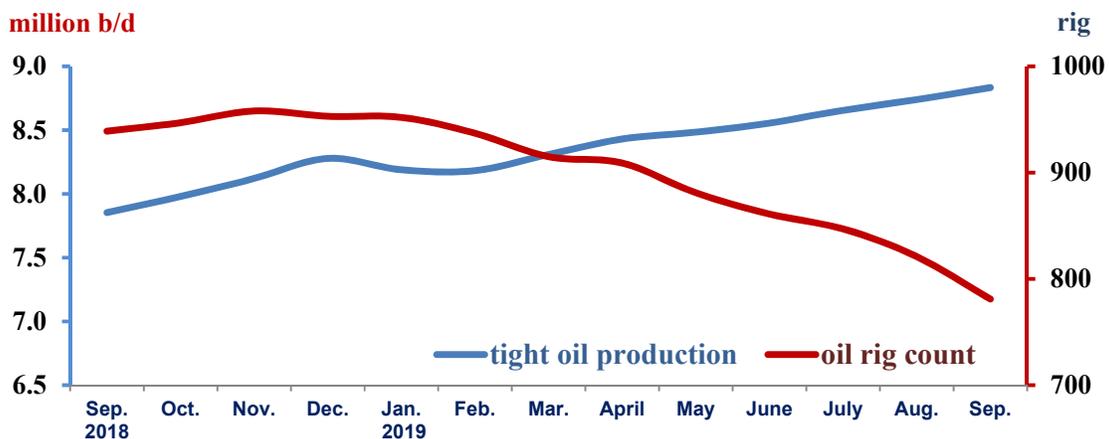
World Oil Supply and Demand (million b/d)



Source: Energy Intelligence Briefing Oct. 23, 2019.

➤ **US tight oil production** in September 2019, **increased** by 1.1% to reach about 8.8 million b/d, whereas **US oil rig count decreased** for the tenth month in a row, by 40 rig from the previous month level to stand at 781 rig.

US tight oil production and oil rig count



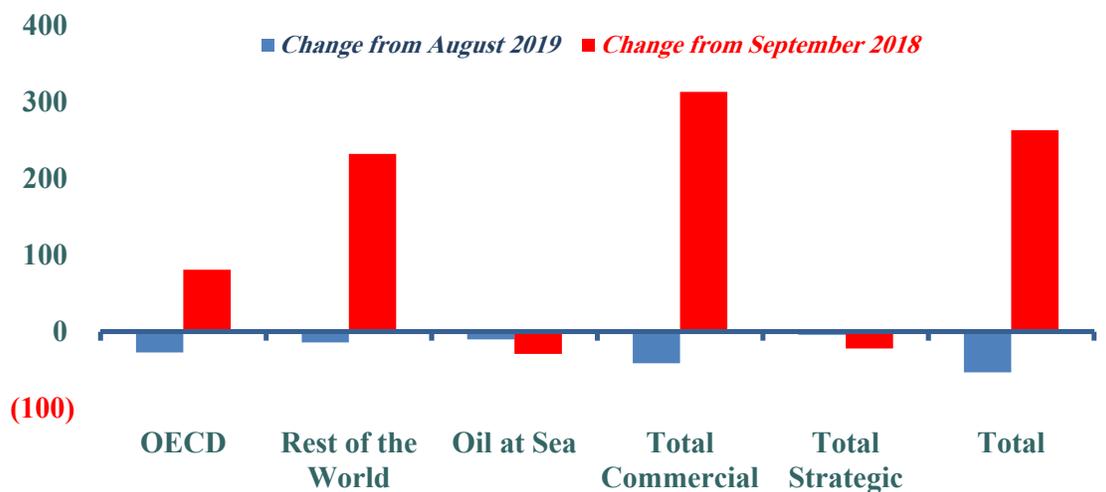
Source: EIA, Drilling Productivity Report for key tight oil and shale gas regions Oct. 2019.

3. Oil Inventories

➤ **OECD commercial inventories** in September 2019 **decreased** by 27 million barrels from the previous month level to reach 2947 million

barrels, and **Strategic inventories** in OECD-34, South Africa and China **decreased** by 4 million barrels from the previous month level to reach 1824 million barrels.

Change in Global Inventories at the End of September 2019 (million bbl)



Source: Oil Market intelligence, Dec 2018 and Oct. 2019.

4. Oil Trade

US Oil Imports and Exports

- **US crude oil imports** in September 2019, **decreased** by 4.8% from the previous month level to reach 6.6 million b/d, and **US product imports decreased** by 17.4% to reach about 2 million b/d.
- **US crude oil exports** in September 2019, **increased** by 6.5% from the previous month level to reach 3.1 million b/d, whereas **US product exports decreased** by 3.6% to reach about 5.1 million b/d.

Second: Natural Gas Market

1. Prices

- **The average spot price of natural gas** at the **Henry Hub** **increased** in September 2019 to reach \$2.56/million BTU.
- **The Price of Japanese LNG imports** in August 2019 increased by \$0.7/m BTU to reach \$10.16/m BTU, the **Price of Chinese LNG increased** by \$0.1/m BTU to reach 8.45/m BTU, whereas **the Price of Korean LNG imports decreased** by \$0.2/m BTU to reach \$9.20/m BTU.

2. Exports

- **Arab LNG exports to Japan, Korea and China** were about 2.730 million tons in August 2019 (a share of 18.3% of total imports).