Eni presents the 18th edition of the World Oil, Gas and Renewables Review

- In 2018, oil reserves rose slightly (+0.4%). The Growth was concentrated in the USA, mitigated by the reduction in some OPEC countries.
- World oil production recorded an overall growth of 2.5 Mb/d, 88% due to the USA.
- The production drop in Venezuela and Mexico and the slowdown in Iran, due to US sanctions, penalized medium-heavy crudes, while the strong growth of US tight oil increased the share of sweet light crudes, with further lightening of the barrel produced.
- Regional crude oil balance showed for the first time the disappearance of the deficit in the Americas, due to the large reduction in the North American deficit, which balanced the surplus in the Central South America. Middle East remains the area with the highest surplus and Asia Pacific is the region with the deepest deficit.
- World oil demand grew by 1.4%, slightly lower than in 2017 (+1.6%) in a context of increasing oil prices.
- Asia keep leading global refining capacity growth with 77% of the 1 Mb/d increase vs 2017.
- The OPEC and non-OPEC alliance and the sustained growth in consumption led to a 30% rise in ICE Brent price (72 $/b) compared to 2017 (55 $/b).

San Donato Milanese (Milan), 29 July 2019 – Eni has released the 18th edition of the *World Oil, Gas and Renewables Review*, the annual statistics report on oil, natural gas and renewables sources. The first volume of the report, the *World Oil Review*, is devoted to oil reserves, supply, demand, trade and prices with a special focus on crude oil quality and on refining industry. The second volume, the *World Gas and Renewables Review*, focused on natural gas and renewables sources (solar, wind and biofuels), will be published in autumn.

In 2018, oil reserves rose slightly (+0.4%), mainly due to growth in the USA. The values also rose in Brazil and Norway. The OPEC slowed down, in particular for the downsizing of Iraq, even if the Organization of the Petroleum Exporting Countries confirms its predominance with a 73% share of the total world. Venezuela is in first position, followed by Saudi Arabia and Canada.

2018 recorded an overall growth in oil production of 2.5 Mb/d, 88% due to the USA, which hit a new record, consolidating the first position in the rank of world producers. The USA also broke into the international crude trade, doubling export volumes and entering the top ten rank. An important recovery for Canada that exceeded the threshold of 5 Mb/d and a record also for Russia, which accelerated in the second part of the year. Zero growth instead for OPEC which, despite the increases in the Gulf countries (especially Saudi Arabia), suffered losses due to sanctions against Iran (-0.2 Mb/d) and the collapse of Venezuela (-0.6 Mb/d).

The new record of tight oil production continued to increase the share of sweet light crudes, which rose above 20% worldwide. Only WTI, the US light crude, covers 60% of global growth. The collapse of Venezuela and Mexico and Iran's retreat prevailed over increases in Saudi Arabia and Iraq, reducing the weight of medium sour crude oil for the first time below 40%, with impacts on price differentials and refining.

In the regional crude oil balance 2018 for the first time, the deficit of the Americas is cleared, which in the last decade exceeded even 5 Mb/d. The surge in US production and Canada's growth far outweighed domestic demand, generating a sharp decline in North American oil dependence. The surplus in the Middle East is slightly up, due to the year-end increases of big producers (Saudi Arabia, Iraq and U.A.E.). Asia Pacific's oil dependence continues to grow, ranking first in terms of deficit.

Global oil demand grew by 1.4%, slightly lower than in 2017 (+1.6%) in a context of increasing oil prices. The growth is slightly under the five-year average of 1.7% recorded in 2013-2017. For the fourth year in a row, OECD gave positive support to global growth, but non-OECD maintained the dominant share, accounting for 69% of the overall growth.

Asia keep leading global refining capacity growth with 77% of the 1 Mb/d increase vs 2017. In Africa a minor cut reduced capacity by around 0.3 Mb/d.

The OPEC and non-OPEC alliance and the sustained growth in consumption led to a 30% rise in ICE Brent price (72 $/b) compared to 2017 (55 $/b). In the first part of the year the high OPEC+ discipline and the announcement of the US sanctions against Iran supported a rising price curve. The year ended in sharp decline, due to increases of Saudi Arabia and Russia production in excess of geopolitical losses and due to growing fears of a slowdown in economic growth.

The publication is available online at the *World Oil, Gas and Renewables Review* website.