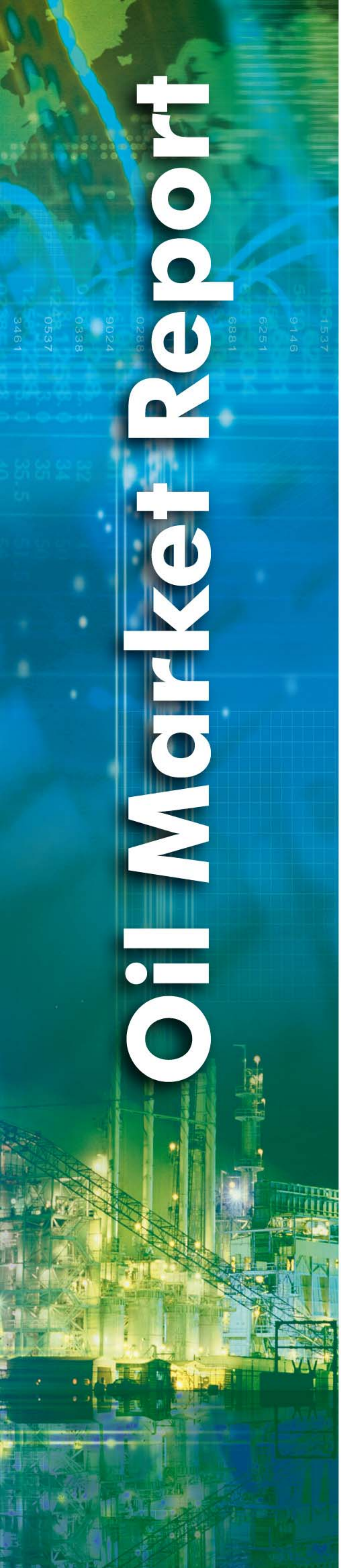

International Energy Agency

12 March 2010

HIGHLIGHTS

- **Benchmark crude oil futures were down by $2/bbl** month-on-month in February, but rebounded by almost $10/bbl from early-February lows. WTI and Brent were recently trading at $82/bbl and $80/bbl, respectively, on a perceived heightening of geopolitical tensions affecting some producing countries, but market sentiment was tempered by ample physical oil supplies.

- **Global oil demand has been revised up by 70 kb/d** for both 2009 and 2010 on higher-than-expected non-OECD data, which largely offset persistently weak OECD readings. Demand is now estimated at 85.0 mb/d in 2009 (-1.4% or -1.2 mb/d year-on-year), and is expected to rise to 86.6 mb/d in 2010 (+1.8% or +1.6 mb/d versus 2009).

- **Global oil supply rose by 0.9 mb/d to 86.6 mb/d** in February, with OPEC crude posting its first yearly growth since October 2008. Non-OPEC output for 2009 is revised by +0.1 mb/d to 51.5 mb/d, implying annual growth of 750 kb/d, the strongest since 2004. A higher Canadian baseline boosts 2010 supply by 0.2 mb/d to 51.8 mb/d. OPEC NGLs are set to rise by 0.8 mb/d to 5.5 mb/d in 2010.

- **OPEC crude production hit a 14-month high of 29.2 mb/d** in February, with Iraq accounting for half of the 200 kb/d increase. Market expectations envisage OPEC ministers maintaining current production targets at their 17 March meeting if prices remain near $80/bbl. The call on OPEC crude and stock change is revised down to 29.6 mb/d on average in 2H10 due to higher non-OPEC expectations.

- **Global refinery throughputs are revised down by 140 kb/d to 72.5 mb/d** for 1Q10, nonetheless 910 kb/d higher than a year earlier. Newly added refinery capacity pushes up expected Chinese and Other Asian runs by a combined 2.1 mb/d year-on-year in 1Q10, but OECD throughputs remain constrained.

- **OECD industry stocks increased by 34.4 mb to 2 703 mb** in January, 0.1% below 2009's level, with higher crude, gasoline and distillates. End-January forward demand cover rose to 59.2 days, 0.1 days lower than in the previous year. Preliminary data point to a February OECD stockdraw of 28.6 mb and a continued decline in floating storage.

www.oilmarketreport.org