SUPPLY

Summary

- **World oil supply** nudged lower by 40 kb/d in November to reach 84.4 mb/d, after a sharp increase in October. OPEC crude fell by 505 kb/d, while non-OPEC production plus OPEC NGLs etc increased by a combined 465 kb/d. Global supply for both September and October was revised down by over 200 kb/d as OPEC crude and OECD oil production assessments came in lower than expected. But non-OPEC supply and OPEC 'other oils' are rebounding strongly from earlier lows, rising by a combined 335 kb/d this month, and 475 kb/d in January. A comparison with supply from last year shows OPEC crude now 1.7 mb/d above 2003 levels, non-OPEC supply up by 835 kb/d and OPEC other liquids 190 kb/d higher.

- **Non–OPEC supply** revisions for September and October are downward and amount to 155 kb/d and 110 kb/d respectively. September's adjustment was driven by the UK, where aggregate output data was pulled down by 235 kb/d. This implies heavier autumn maintenance than tentative schedules had indicated. October's revision arose from lower implied US Gulf of Mexico supply, and outages affecting Canadian, Chinese and Brazilian supply. Nonetheless, non-OPEC 4Q supply should rise by 865 kb/d versus 3Q. Non-OPEC growth now averages 1.1 mb/d in 2004 and 1.2 mb/d in 2005, marginally less than in last month's Report.

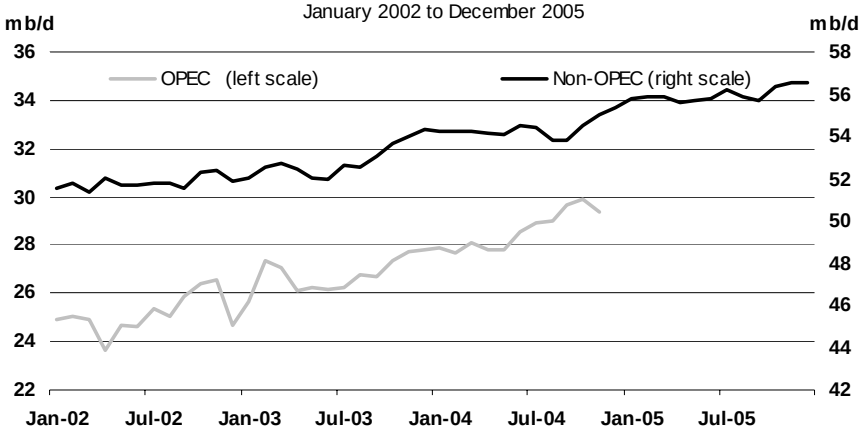
- **OPEC crude supply for November** fell by 0.5 mb/d, to 29.4 mb/d. This signalled the end of six straight months of rising OPEC output. Developments in November were heavily influenced by Iraq, where supply fell by 430 kb/d as southern exports were severely disrupted. Modest production declines were recorded by Saudi Arabia, Nigeria, UAE, Kuwait and Indonesia. Only Algeria saw increased supply, by 20 kb/d. A review of Saudi Arabia's sustainable capacity levels results in effective OPEC spare capacity of around 1.0 mb/d. However, this remains a low safety margin compared to historical norms, especially when considering geopolitical uncertainty that continues for key producers like Iraq and Nigeria.

- **OPEC-10** supply (excluding Iraq) averaged 27.6 mb/d in November, a decline of 75 kb/d versus October. Output was within 570 kb/d of the latest target production level (27.0 mb/d), which took effect from 1 November. OPEC Ministers meet in Cairo on 10 December, with issues including the production ceiling, quota compliance and the target price range for the OPEC crude basket reportedly up for discussion.

- **The 'call on OPEC crude and stock change'** is revised up by 100 kb/d in both 2004 and 2005, to 28.0 mb/d and 27.8 mb/d respectively. Lower North Sea and North American oil supply partially accounts for the adjustment. The call for the current quarter is revised up by 300 kb/d to 29.0 mb/d, easing seasonally through mid-2005 before regaining 29.0 mb/d again by end-2005.

OPEC Crude and Non-OPEC Oil Supply [1]

January 2002 to December 2005



1 Non-OPEC Oil Supply includes OPEC NGLs, condensate and non-conventional oil

All world oil supply figures for November discussed in this Report are IEA estimates. Estimates for OPEC countries, Alaska, Egypt and Russia are supported by preliminary November crude supply data.

Note: Random events present downside risk to the non-OPEC production forecast contained in this Report. These events can include accidents, unplanned or unannounced maintenance, technical problems, labour strikes, political unrest, guerrilla activity, wars and weather-related supply losses. No contingency allowance for random events is subtracted from the supply forecast. Although upside variations can occur, experience in recent years indicates that, roughly speaking, the random events listed above may cause supply losses of between 300 kb/d and 400 kb/d for non-OPEC supply each year.

OPEC

OPEC crude supply for November fell by 500 kb/d, to 29.4 mb/d. This signalled the end of six straight months of rising OPEC output. October's supply estimate for OPEC was also revised down by 95 kb/d to 29.9 mb/d with downward adjustments made to Iranian and UAE data on the basis of latest information on exports and field production levels respectively. Developments in November were heavily influenced by Iraq, where supply fell by 430 kb/d. Pipeline flows to both the southern export terminals and to Ceyhan in Turkey were disrupted, although weather-related loading delays ensured southern exports were hardest hit. Other production declines were more modest, ranging from 50 kb/d for Saudi Arabia to 15 kb/d or less for Nigeria, UAE, Kuwait and Indonesia. Only **Algeria** saw increased conventional crude supply. Build-up in production at the new ROD development is thought to have contributed to a 20 kb/d increase in supply. Higher output here and a potential increment for overall capacity await completion of central processing facilities.

The review of Saudi Arabia's sustainable capacity levels later in this section results in total effective OPEC spare capacity (excluding Iraq, Nigeria, Venezuela and Indonesia) being revised up to around 1.0 mb/d. However, this remains a low safety margin compared to historical norms, which for the past decade have averaged 3-4 mb/d. It is also low when considered against the uncertainty still surrounding output from a number of key producers, including Iraq, Nigeria, Venezuela, Norway, Brazil and Yukos in Russia. A combination of insurgent activity, industrial action, ethnic unrest and financial difficulties has at various times over the past few months threatened supplies from these sources, with a potential 1.5-3.0 mb/d of output at risk in each case. As noted before however, new investment in OPEC capacity between 4Q 2004 and end-2005 should add a further 600-800 kb/d to installed capacity levels on a net basis.

OPEC Crude Production

(million barrels per day)

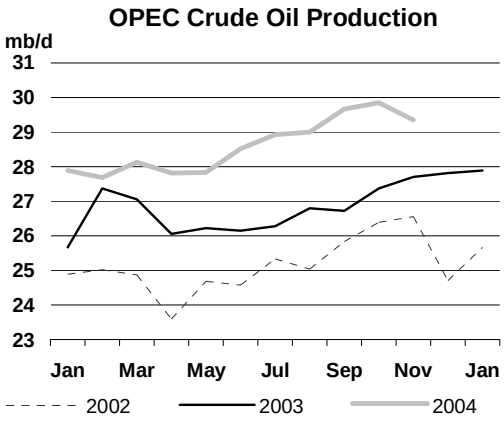
	1 Nov 2004 Target	Nov 2004 Production	Sustainable Production Capacity[1]	Spare Capacity vs. Nov 2004 Production	Production vs. Target
Algeria	0.86	1.29	1.30	0.01	0.43
Indonesia	1.40	0.97	1.00	0.04	-0.43
Iran	3.96	3.90	4.00	0.10	-0.06
Kuwait[2]	2.17	2.44	2.50	0.06	0.27
Libya	1.45	1.61	1.62	0.01	0.17
Nigeria	2.22	2.35	2.40	0.05	0.13
Qatar	0.70	0.80	0.80	0.00	0.10
Saudi Arabia[2, 3]	8.78	9.55	10.0-10.5	0.45-0.95	0.77
UAE	2.36	2.42	2.55	0.14	0.06
Venezuela[4]	3.11	2.25	2.25	0.00	-0.86
Subtotal	**27.00**	**27.57**	**28.42-28.92**	**0.85-1.35**	**0.57**
Iraq		1.79	2.50	0.72	
Total		**29.36**	**30.92-31.42**	**1.57-2.07**	
(excluding Iraq, Nigeria, Venezuela., Indonesia				*0.76-1.26)*	

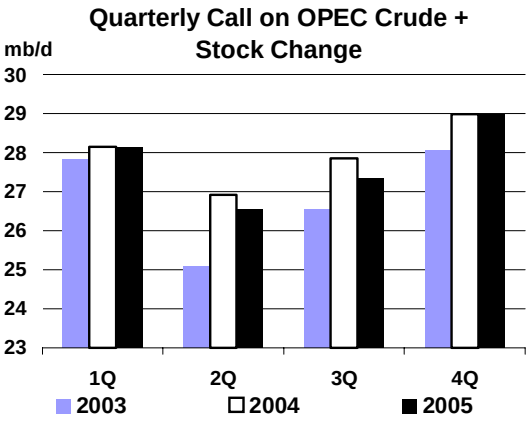
1. Capacity levels can be reached within 30 days and sustained for 90 days
2. Includes half of Neutral Zone Production
3. Saudi Arabian capacity shown as a range since a delay may be incurred before higher level can be achieved
4. Excludes upgraded Orinoco extra-heavy oil which averaged 378 kb/d in November

Crude supply from the OPEC-10 (excluding Iraq) averaged 27.6 mb/d in November, a decline of 75 kb/d versus October. Output was within 570 kb/d of the latest, 27.0 mb/d target production level which took effect from 1 November. Recent total OPEC production levels of just under 30 mb/d may prove to be a peak for now. In the case of Saudi Arabia, Iran and UAE reported term customer responses to offers of incremental supply, and the weakening trend in formula prices, suggests these

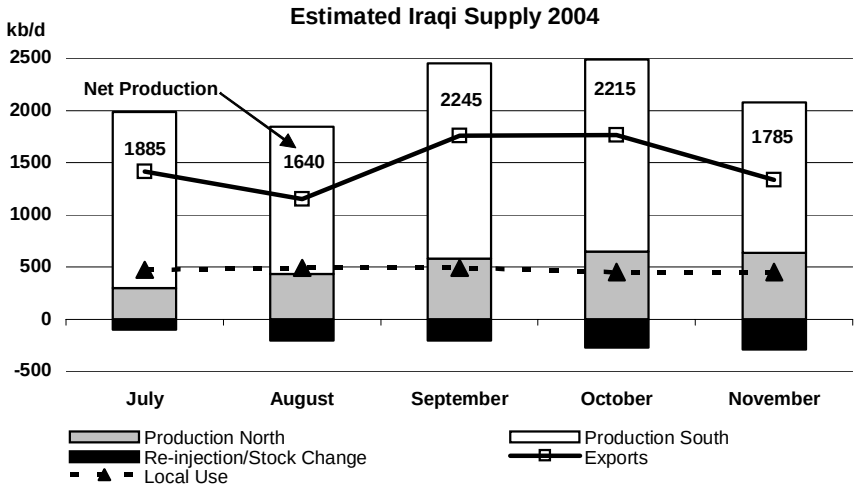
producers would struggle to shift higher volumes of production. Economic, as distinct from physical nameplate, capacity levels may have been reached.

OPEC Ministers meet in Cairo on 10 December, with issues including the production ceiling, quota compliance and the target price range for the OPEC crude basket reportedly up for discussion. A growing number of producers including Venezuela and Iran, but also Indonesia, Kuwait, Libya and Qatar are reported to have suggested that further sharp price falls could require curbing production to levels closer to the 27.0 mb/d target. Others, including Saudi Arabia, Algeria and Nigeria have gone on record saying that any cut in production now, with prices still relatively high, and ahead of peak winter demand, would be premature.





With production from the OPEC-10 largely stable, interrupted supply from **Iraq** underpinned the 500 kb/d decline in total OPEC supply. Iraqi production (net of re-injection and deliveries into storage) averaged 1.8 mb/d in November, falling by 430 kb/d from October's 2.2 mb/d. Domestic use of crude at refineries and for power generation remained constrained at around 450 kb/d in light of repeated disruptions at all three of the major domestic refineries. The drop in net production was therefore largely the result of sharply curtailed exports from the southern oilfields via the Basrah and Khor al-Amaya terminals on the Arab Gulf. Further disruptions on the northern export pipeline to Ceyhan in Turkey precluded any increase in export liftings from the port, although total exports from the latter outlet remained steady at around 150 kb/d, as in October. In total, Iraqi exports fell to 1.35 mb/d from October's 1.75 mb/d. Once again, we would urge caution in interpreting the spare capacity levels from the *OPEC Crude Production* table above. Iraq can theoretically attain 2.5 mb/d of gross production, but only if exports were to enjoy an un-impeded month and refinery utilisation was to rise. The erratic nature of production and export recovery in recent months (see below) means that 'spare capacity' here is best regarded as theoretical.



Periodic sabotage and disruptions to northbound pipeline flows to Ceyhan continued through November, with northern oilwells also being hit. At start-December, pipeline throughput had again halted and, with the 10 mb-capacity storage tanks at Ceyhan largely empty, tanker liftings scheduled

for late-November and the first few days of December were deferred. The renewed disruptions here mean that SOMO will likely have to rely once more on spot sales for northern Kirkuk crude after 4Q term export contracts expire. Problems in the south were more prosaic, with pipeline corrosion and weather-related loading delays playing prominent roles in cutting tanker liftings from Basrah terminal. However, latest indications are that southern exports had recovered again into a 1.6-1.8 mb/d range in the first week of December.

Saudi Arabia's Sustainable Production Capacity

November marked a third successive month of Saudi crude supply above 9.5 mb/d. Hitherto, this Report has assessed sustainable production capacity (attainable in 30 days and sustainable immediately thereafter for at least 90 days) at 9.5 mb/d. Recent production levels suggest that a more thorough re-examination of Saudi capacity is in order. The result has been an increase in the assessment through the adoption of a range between 10.0 mb/d and 10.5 mb/d. This accords with a number of other analyses, notably that of the US Energy Information Administration. The lower end of the range fits more closely the definition of immediately sustainable capacity, while the upper end of the range may be attainable and/or sustainable but with a greater time lag.

As the Saudi Minister of Petroleum has said on several occasions, capacity can only truly be confirmed when it is put into use. For other OPEC producers, recent surges in production have helped to identify the broad level of achievable capacity. In contrast, Saudi Arabia's aim of maintaining a certain level of spare capacity at all times makes estimating actual sustainable production capacity an inexact science. The lack of data on individual monthly field production levels (a shortcoming not restricted to Saudi Arabia) also renders estimation difficult. The balance of evidence in recent months has however shifted in favour of higher Saudi sustainable production capacity.

Well documented new production from the Qatif and Abu Safah fields is believed to be approaching capacity in November and December. The 650 kb/d of extra production provided by these fields, in the form of Arab Light and Arab Medium crude, was originally designed to replace decline elsewhere. With extra drilling at older fields however, this new supply is now likely to be, at least in part, incremental to existing capacity. Reports of up to 800 kb/d of new capacity from these projects overstate the likely increment however. Up to 150 kb/d of existing Abu Safah production accrues to Bahrain and lies outside Saudi quota but, confusingly, is believed to be included in Saudi Arabia's own quoted capacity levels.

Reports began to emerge in September of increased drilling activity within the Kingdom, aimed at stemming decline and sustaining production at existing fields. Drilling companies such as Nabors Industries Ltd. and National Oilwell Inc. have reported increased orders. There are indications that the proportion of rigs targeting oil as distinct from gas is also increasing from 55% to 75%. The first results from this incremental drilling programme should by now become apparent.

Under the IEA definition for sustainable capacity however, we are disinclined to adopt recent capacity claims of 11 mb/d. Uncertainty over annual decline rates persists (a wide range of between 300-800 kb/d per year has been cited). In the past too, Saudi Arabia has quoted capacity levels achievable within 90 days, as distinct from the IEA's 30 days limit. Recent statements suggesting the Kingdom's preferred spare capacity cushion may have fallen back to 1.0-1.5 mb/d from an earlier 2.0 mb/d may also lend credence to capacity lying within, but not above, this 10.0 – 10.5 mb/d range.

Early November indications of higher export loadings from **Nigeria** during the month failed to be realised by way of higher overall supply. Nigerian output is assessed down slightly versus October, at 2.35 mb/d. Recent production performance, statements from state oil company NNPC and a survey of other analysts' opinion has also led to a further modest downward revision in Nigerian sustainable capacity, to 2.4 mb/d from last month's 2.45 mb/d. NNPC also stated that existing deepwater discoveries raise the prospect of capacity reaching 3.4 mb/d, although the timing and also the extent to which this estimate reflects field decline elsewhere were not clear. Producers in Nigeria may soon face legislation requiring them to refine increasing proportions of their output in Nigerian refineries, rising from 25% by 2006 to 100% by 2010. While such a move would help address chronically low utilisation rates at the country's downstream plants, it is seen as a potential disincentive for foreign companies to boost upstream spending.

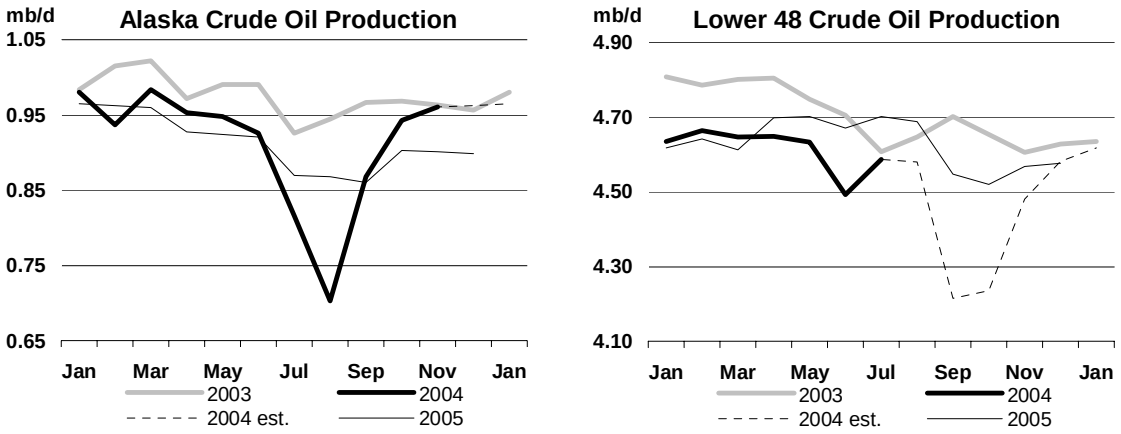
In the shorter term, November saw one threat to Nigerian production recede but another emerge. A national strike planned for mid-November in protest at domestic fuel price rises, and which was reportedly likely to hit oil production and exports, was suspended just prior to getting underway. The government agreed to increase price subsidies, effectively cutting prices by 8% compared to union calls for a 20% cut. However Shell and ChevronTexaco were forced to shut-in 120 kb/d of production in early December in Rivers State, in the country's Niger Delta. Local protestors calling for jobs and greater development spending by the government occupied production facilities on 5 December. Although the occupation had ended at the time of writing, production remains shut-in and threats persist that facilities will be re-occupied unless the government acknowledges the protestors' grievances.

Indonesian crude production has resumed a declining track, latest data suggesting a downward-revised level of 970 kb/d in October and 965 kb/d in November. However, condensate production (excluded from consideration for OPEC quotas) recovered towards 130 kb/d after two months of depressed supply around 120 kb/d. The renewed fall in crude supply came in spite of start-up at the offshore Belanak field located in the South Natuna Sea and operated by ConocoPhillips. Initial production of around 20 kb/d of crude should increase to 60 kb/d in 2005. This Report's estimates suggest however that Belanak will do little to halt Indonesia's prevailing production decline in the short term as steep decline at mature fields continues. With this in mind, the government has been pushing for state Pertamina to ensure timely development of the potentially prolific Cepu block on Java. This may ultimately involve Pertamina acceding to operator ExxonMobil's calls for its operating contract to be extended beyond 2010.

OECD

North America

US – November Alaska actual, others estimated: Revisions to US data are concentrated in October and November, with those months' total supply adjusted down by 25-30 kb/d compared to last month's Report. However, total US crude supply recovered to 5.4 mb/d in November from below 5.1 mb/d in September. Implied Gulf of Mexico (GOM) production has been revised down by 25 kb/d for October and by 50 kb/d for November. The latter reduction was however partly counteracted by higher than expected output from **Alaska**. Here, production from Prudhoe Bay and at the Kuparuk and Alpine fields exceeded expectation, offsetting outages incurred early-month at Northstar and Milne Point. Alaskan crude supply reached 960 kb/d in November, recovering from an August low near 700 kb/d. The role of satellite field developments in sustaining Alaskan output was emphasised, with Federal approval for ConocoPhillips to proceed with expansion at the Alpine field.

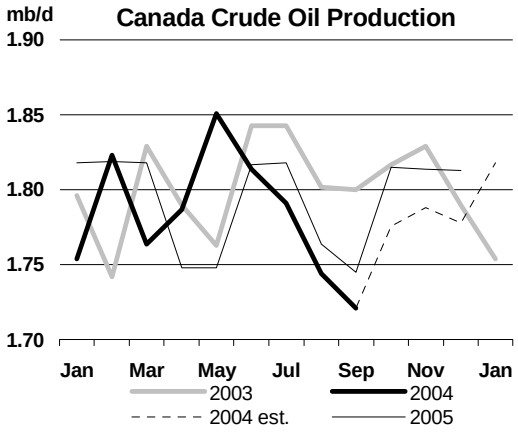


Total supply from the GOM is estimated at 1.46 mb/d for November, compared to September's storm affected 1.18 mb/d. As of Monday 6 December cumulative shut-in production was nearly 34 mb, with 155 kb/d of output still idled. On average, some 200 kb/d remained off-line through November, compared to our early-month estimate of 150 kb/d. We now assume 100 kb/d remaining out of action in December, 75 kb/d in 1Q 2005 and 50 kb/d in 2Q 2005, slightly higher levels for December through March than had been assumed in last month's Report.

Repairs to damaged subsea pipelines, the main cause of the disrupted production, continue. This damage was itself the result of huge underwater mudslides in the Mississippi Delta and played a

greater role in curtailing supply than did damage to production facilities. The precise timing and pace of production recovery remains a source of uncertainty. Further downward adjustment to forecast GOM supply for 2005 is the result of changes at ConocoPhillips' Magnolia field. Appraisal work at the field, due to enter production this month, has caused a downgrading of reserves. Originally planned production for the second half of 2005 of 50 kb/d has been scaled back to 35 kb/d. Sharp decline in the field's production is now expected after 2006.

Canada – October Newfoundland actual, others September actual: Aggregate September data show the continuation of sharp decline in Canadian conventional crude production evident since May, output barely exceeding 1.7 mb/d. Total liquids output, including NGL and synthetic crude, reached 3.06 mb/d in September compared to 3.11 mb/d in May. Maintenance at the Shell Scotford syncrude plant in October and November kept total Canadian supply below 3.1 mb/d. The fall in conventional crude output has been driven in part by the Hibernia and, particularly, the Terra Nova fields offshore Newfoundland. The latter returned to operation after extended maintenance in early November but was shut down again after mechanical problems emerged on 21 November. Output is reported likely to remain shut-in until mid-December. Normal production levels at the field are around 150 kb/d.

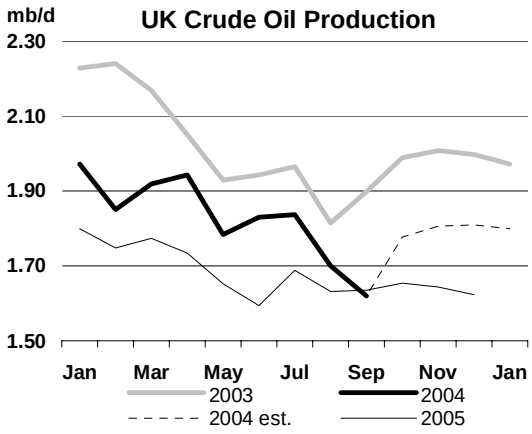


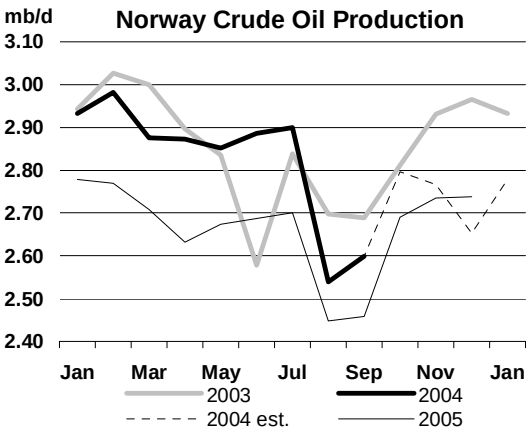
These protracted outages late in 2004 result in a 15 kb/d downward adjustment to Canadian supply for the year. Lower baseline output of bitumen and synthetic crude from Alberta has also led to a re-evaluation of supply from these sources for 2005. Combined output is now seen averaging 990 kb/d in 2004 and 1085 kb/d in 2005. The latter is 50 kb/d less than the estimate contained in last month's Report.

The Canadian Association of Petroleum Producers (CAPP) reported a 300 mb rise in bitumen reserves for 2003 but a 200 mb decline in conventional crude. A turnaround in the decline of conventional reserves might have been hoped for in 2005, after estimates of record drilling levels planned for next year. However, these increased exploration levels have recently been called into doubt following reports of potential manpower shortages.

North Sea

UK – September actual: Aggregate data for September production came in sharply lower than expected, to the tune of 230 kb/d, well below earlier indications derived from loading programmes and announced late-summer maintenance schedules. Offshore crude output averaged 1.62 mb/d in September compared to 1.7 mb/d in August and a recent high of 1.95 mb/d in April. This implies markedly higher maintenance levels for the UK sector, although the issue is clouded by a paucity of advance information from UK operators. Production is seen rebounding from recent low levels in 4Q 2004 however, despite unplanned stoppages in November at the Forties and Brae fields.
In total, UK output has been revised down by 30 kb/d for 2004, offshore crude averaging 1.8 mb/d and total liquids 2.1 mb/d. Levels for 2005 are held steady from last month's Report at 1.7 mb/d and 1.9 mb/d respectively. New start-ups at the Howe, James, Clair, Alba Extreme South, Glenelg and Chestnut fields, although modest individually in volume terms, help to stem production decline in





2005. The forecast for 2005 may however be subject to downward revision in the months ahead if detailed field-by-field production data for the second half of 2004 confirm steeper decline rates at key fields, or a sustained trend towards heavier and more protracted field maintenance.

Norway – September actual, October provisional: Further downward revisions to North Sea supply derive from Norway, where total output is adjusted down by around 15 kb/d for both 2004 and 2005. Government data actually suggest crude output running above our forecast for September and October, at 2.6 mb/d and 2.8 mb/d respectively. However, November saw unplanned stoppages at three fields which reduced our estimate for production by 75 kb/d. Firstly, in early November a damaged production riser at the Varg field caused operator Petroleum Geo-Services to cut field output to 15 kb/d from normal operating rates of 25 kb/d. Reduced operating rates will be sustained through until March 2005. Secondly, Statoil suffered a gas leak at the Snorre A field on 28 November which caused the shut in of 200 kb/d of output at Snorre A and the associated Vigdis field. Production here is unlikely to re-enter service before mid-December.

Former Soviet Union (FSU)

Russia – October final, November provisional: Total Russian oil production fell back by some 20 kb/d in both October and November. Remarkably, this was the first let-up in monthly supply growth since December 2002. Nonetheless, production in 2004 now appears on track to average 9.2 mb/d, growing by 735 kb/d versus 2003. Lower baseline output for 4Q 2004 also underpins a modest downward adjustment to 2005 supply. This is now seen averaging 9.64 mb/d, implying annual growth of 420 kb/d versus this year's total. Growth has therefore been scaled back by 30 kb/d compared to last month's estimate.

The slowing in growth for 2005 is widely seen as reflecting uncertainties over export capacity availability, a tightening of government controls on reservoir management and any fall-out from the potential financial collapse of the troubled Yukos organisation. While we consider the latter factor unlikely to play a primary role in determining short term production growth, the disposition of Yukos production assets could impact upon perceptions of the longer term investment environment in Russia. An auction of the assets of Yukos' main production subsidiary has now been scheduled for 19 December, with state-controlled Gazprom considered a front-runner in the bidding process.

Despite generally lower Russian production growth expectations for the short term, the surge in output in the past year has forced the Industry and Energy Ministry to re-visit its longer term Energy Strategy. Last year's document saw 2020 production lying within a 9.0-10.4 mb/d range, but recent production growth is reported to have led to an increase in the forecast to 11.0-11.9 mb/d.

FSU Net Exports of Crude & Petroleum Products
(million barrels per day)

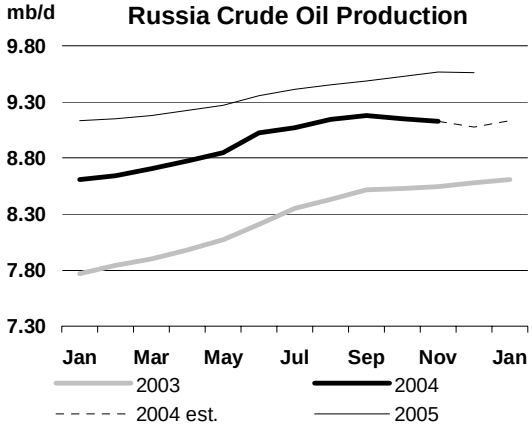
	2002	2003	4Q03	1Q04	2Q04	3Q04	Revised Sep 04	Revised Oct 04	Prelim. Nov 04	Latest month vs. Oct 04	Latest month vs. Nov 03
Black Sea Exports	2.52	2.80	2.68	2.84	2.75	2.90	2.63	2.99	2.63	-0.36	0.01
Baltic/Arctic Exports	2.02	2.42	2.61	3.03	3.11	3.15	3.14	2.99	2.94	-0.06	0.21
Total Seaborne	**4.54**	**5.22**	**5.29**	**5.87**	**5.87**	**6.05**	**5.77**	**5.98**	**5.57**	**-0.41**	**0.22**
Druzhba Pipeline	1.04	1.05	1.08	1.09	1.04	1.10	1.12	1.08	1.13	0.05	0.05
Other	0.35	0.48	0.49	0.48	0.53	0.56	0.64	0.55	0.70	0.15	0.36
Total Exports	**5.93**	**6.75**	**6.87**	**7.44**	**7.43**	**7.71**	**7.52**	**7.61**	**7.40**	**-0.21**	**0.63**
Imports	0.01	0.02	0.01	0.01	0.01	0.02	0.01	0.01	0.01	0.00	0.00
Total Net Exports	**5.92**	**6.73**	**6.86**	**7.43**	**7.42**	**7.69**	**7.52**	**7.60**	**7.39**	**-0.21**	**0.63**
Crude	4.04	4.69	4.82	5.14	5.18	5.32	5.25	5.49	5.33	-0.15	0.66
of which: Russian Crude	*3.02*	*3.43*	*3.38*	*3.65*	*3.82*	*3.75*	*3.65*	*3.89*	*3.81*	*-0.08*	*0.45*
Products	1.89	2.06	2.05	2.30	2.25	2.39	2.28	2.12	2.06	-0.06	-0.03

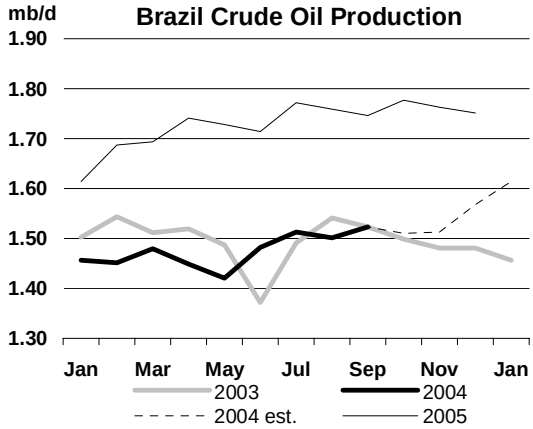
Sources: Petro-Logistics, IEA estimates

Preliminary weekly data for FSU seaborne oil exports via the Transneft system in November suggest a sharp fall from record October levels. Delays facing vessels using the Turkish straits, and weather-related loading disruptions at the port of Novorossiysk led to a sharp fall in Black Sea liftings. However, increased Russian crude flows via the CPC and Druzhba pipelines, and indications of sharply higher Caspian crude swaps with Iran suggest a partly offsetting 200 kb/d rise in exports via alternative routes. Overall FSU net exports for November are seen down by 210 kb/d versus October, but this is 630 kb/d above November 2003 levels.

Other Non-OPEC

Brazil – September actual, October provisional: Crude production increased by 20 kb/d in September to 1.52 mb/d, a further 10 kb/d increase coming from NGL. However, October crude output slipped by 15 kb/d as start-up of new wells at the Marlim field was offset by field maintenance elsewhere in the offshore Campos Basin. New offshore production at the Albacore, Barracuda and Caratinga fields will push Brazilian output higher in 4Q 2004 and in first-half 2005. On the downside, Barracuda start-up has been deferred from November to this month. Alongside reports from Petrobras of expected 2005 mature field decline rates, this leads to a downward adjustment to forecast crude production of 10-15 kb/d for this year and next. Crude production is now seen averaging 1.49 mb/d in 2004 and 1.73 mb/d in 2005 (total oil averages 1.8 mb/d and 2.0 mb/d).





Revisions to other non-OPEC estimates: A further 30 kb/d of downward revisions for 2005 result from developments in Oman, Angola and Egypt. For **Oman,** recent statements by Petroleum Development Oman suggest sharper decline in 2005 production than had earlier been assumed by this Report. Total Oman oil supply in 2005 is revised down by 15 kb/d, to 740 kb/d, as a result. The deferral of build-up in Sanha condensate production during 2005 reduces **Angolan** output by some 10 kb/d. Lower baseline supply from **Egypt** in October and November also reduces forecast 2005 output modestly. In contrast, **Malaysian** production for 2005 is revised up 15 kb/d having taken account of sharply higher October 2004 output data.

Revisions to Non-OPEC Oil Supply

(million barrels per day)

	Last month's OMR			This month's OMR			This month vs. last month		
	2004	2005	05 vs. 04	2004	2005	05 vs. 04	2004	2005	05 vs. 04
North America	14.65	14.90	0.25	14.63	14.85	0.22	-0.02	-0.05	-0.03
Europe	6.13	5.90	-0.23	6.09	5.89	-0.20	-0.04	-0.01	0.03
Pacific	0.58	0.54	-0.04	0.58	0.54	-0.04	0.00	0.00	0.00
Total OECD	**21.35**	**21.34**	**-0.02**	**21.30**	**21.28**	**-0.01**	**-0.06**	**-0.05**	**0.00**
Former USSR	11.18	11.82	0.64	11.17	11.77	0.60	0.00	-0.05	-0.05
Europe	0.17	0.16	-0.01	0.17	0.16	-0.01	0.00	0.00	0.00
China	3.46	3.52	0.05	3.46	3.53	0.06	0.00	0.01	0.01
Other Asia	2.74	2.71	-0.03	2.74	2.73	-0.01	0.00	0.02	0.01
Latin America	4.05	4.36	0.31	4.04	4.35	0.30	-0.01	-0.01	-0.01
Middle East	1.89	1.86	-0.03	1.89	1.84	-0.05	0.00	-0.02	-0.02
Africa	3.41	3.72	0.31	3.41	3.71	0.30	0.00	-0.01	-0.01
Total Non-OECD	**26.90**	**28.15**	**1.25**	**26.89**	**28.08**	**1.19**	**-0.01**	**-0.07**	**-0.07**
Processing Gains	1.83	1.86	0.03	1.83	1.86	0.03	0.00	0.00	0.00
Total Non-OPEC	**50.09**	**51.36**	**1.27**	**50.03**	**51.23**	**1.20**	**-0.06**	**-0.13**	**-0.06**

OMR = Oil Market Report