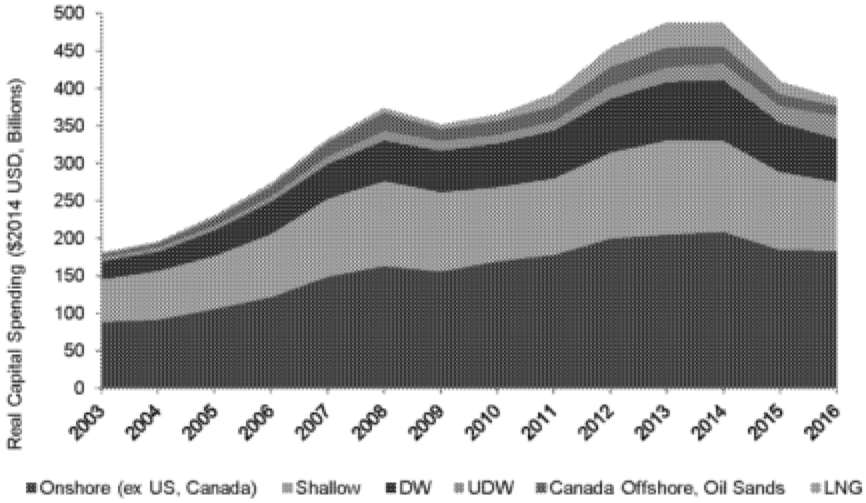
Despite the current speculation on the impact of potential reductions to brownfield capital spend (infill drilling, tie-backs) or other decline maintenance efforts, the reality is that large projects remain the single largest driver of incremental volume growth, and the lag in project development timelines means that many of those "$100/bbl crude" projects will start over the coming 2-3 years.

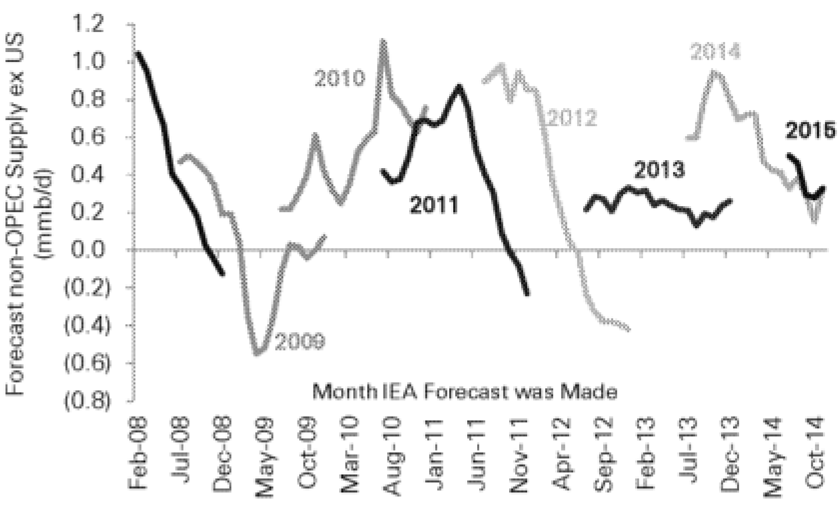
Figure 11: Non-OPEC peak spending from 2012-2014 chief driver of increase in incremental "growth" barrels anticipated on-stream between 2015-2017




Source: Deutsche Bank, Wood Mackenzie

There are clearly risks to this outlook, as Non-OPEC supply has historically disappointed (see figure below), but there is no avoiding the fact that the outlook for Non-OPEC supply is more robust than usual.

Figure 12: However, Non-OPEC Supply has often disappointed (IEA Non-OPEC supply projection revisions)




Source: IEA, Deutsche Bank