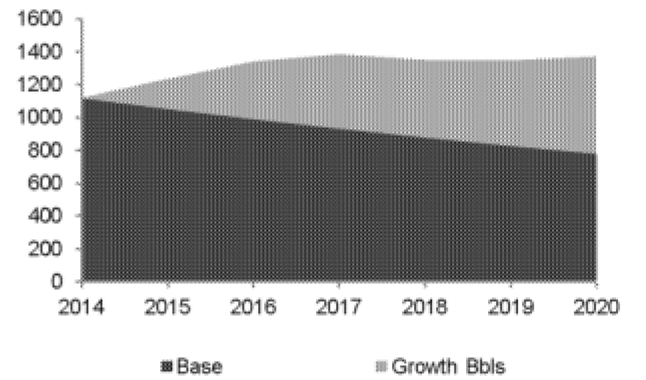
U.S. Gulf of Mexico

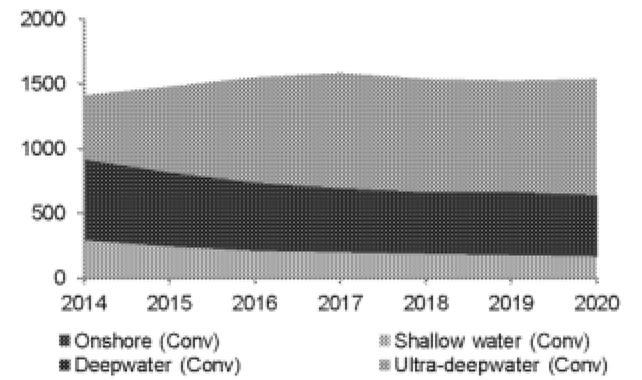
Near-term production in the GoM is expected to be supported by the ramp of YE14 start-ups (Tubular Bells, Jack/St Malo) and the 2015/2016 (6 and 4 projects respectively) start-up of several key deepwater projects. While the projects are expected to add an incremental 350 mbpd of crude (2016 vs. 2014), the longer-term outlook (2018+) has less visibility beyond the contribution from a few (Appomattox) deep-water projects anticipated to be sanctioned this year. Sanctioning activity, lease sales, rig rates and announcements of early rig terminations will be monitored moving forward to assess incremental shifts in industry appetite for deepwater investment. In the shelf, we assume a 5% annual decline in the central gulf through 2020 with declines likely to accelerate toward the latter part of the forecast period resulting from decreased demand for acreage. Since 2006, average acreage value has declined from $300/acre to ~$100/acre and declining further to $50/acre in the most recent bidding in March.

Figure 92: GoM Production Outlook, 2014-2020e (Mb/d)



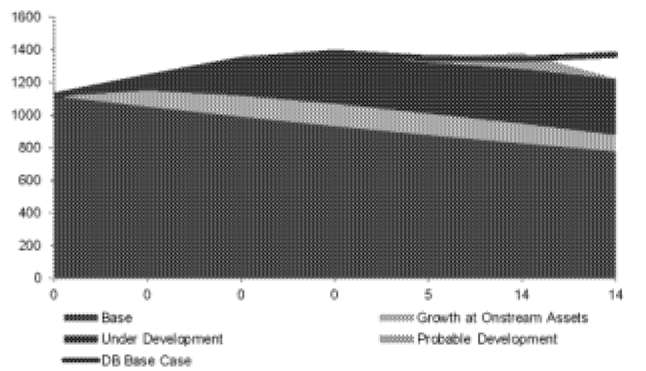
Source: Deutsche Bank, Wood Mackenzie, IEA

Figure 93: Production by type (area chart of onshore vs. shallow vs. deepwater (Mb/d)



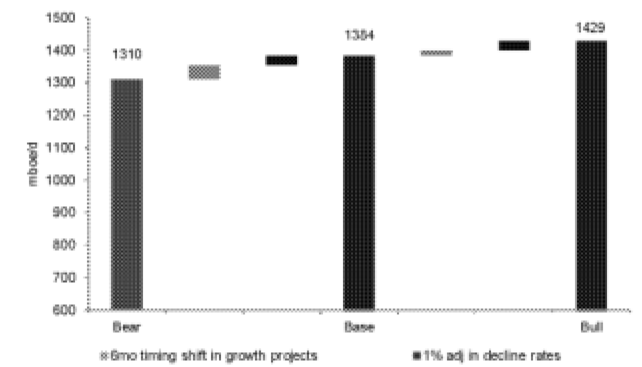
Source: Deutsche Bank, Wood Mackenzie, IEA

Figure 94: Crude volume growth outlook by project status (Mb/d)



Source: Deutsche Bank, Wood Mackenzie, IEA

Figure 95: 2017 Production Swing (Bear vs. Bull) of ~120 Mb/d



Source: Deutsche Bank, Wood Mackenzie, IEA