

GLOBAL OIL PRODUCTION

Oil production in the U.S. grew by an average of 0.7 million barrels per day in 2015 (versus 1.25 million barrels per day in 2014). OPEC oil production increased by 0.8 million barrels per day, whereas in 2014 production was roughly the same as compared with the 2013 level. Meanwhile, production in the U.S. primarily declined over the course of 2015 with a decrease of 0.2 million barrels per day recorded from December 2014 to December 2015. Thus, it was the Middle East and not the U.S. that played the main role in maintaining the oversupply of oil in 2015, particularly Iraq and Saudi Arabia, which significantly increased oil production in the first half of 2015.

0.7 mn barrels/day

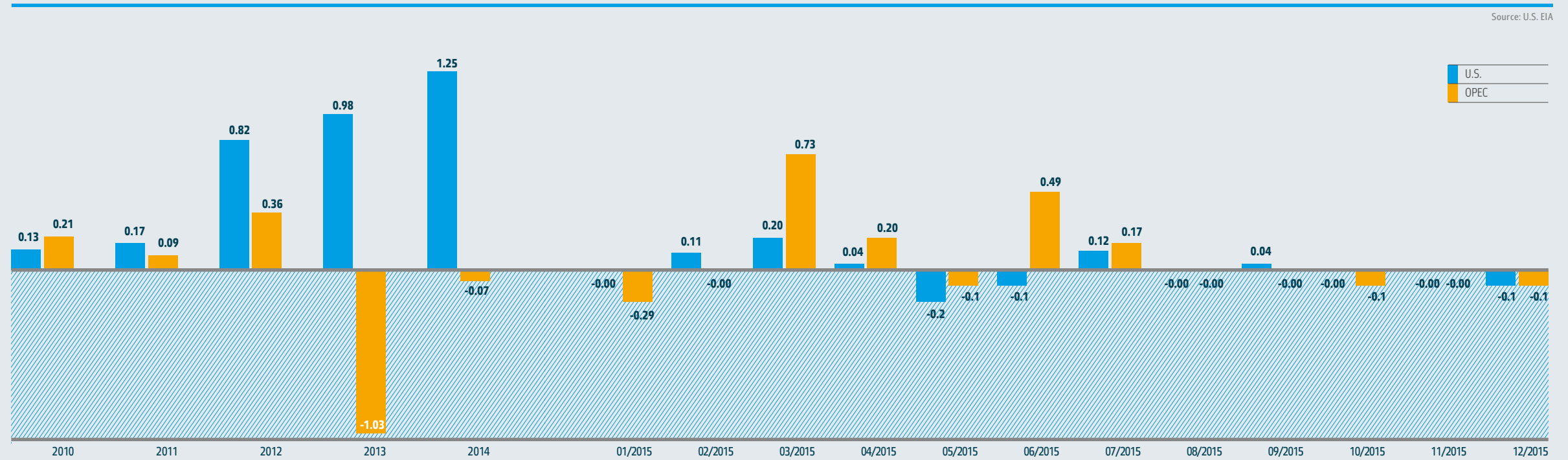
Growth in U.S. oil production in 2015

0.8 mn barrels/day

Growth in OPEC oil production in 2015

¹ Data is presented as mn barrels/day versus the previous year for yearly dynamics and mn barrels/day versus the previous month for monthly dynamics.

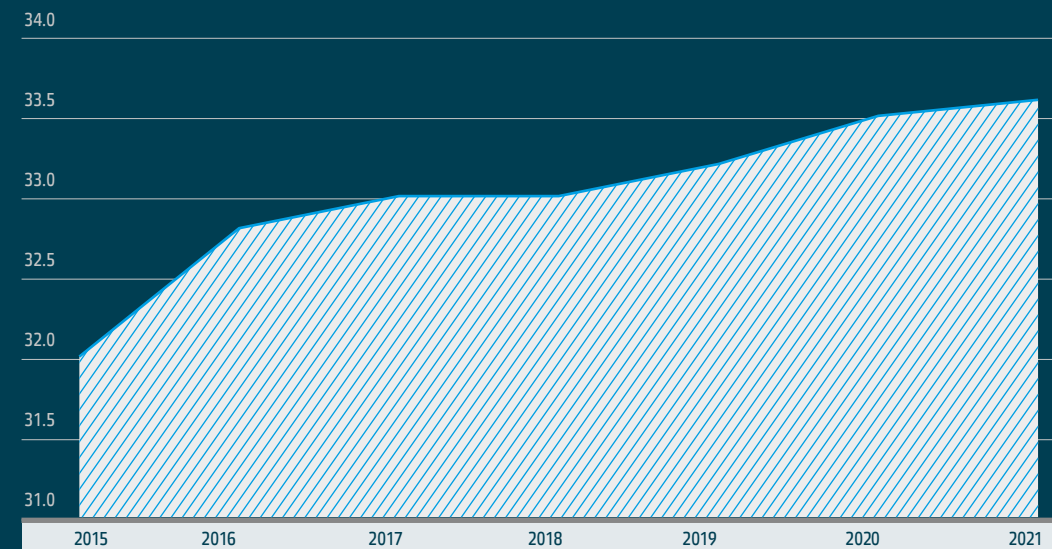
U.S. AND OPEC OIL PRODUCTION DYNAMICS¹ //



Source: U.S. EIA

OPEC OIL PRODUCTION FORECAST // mn barrels/day

Source: IEA

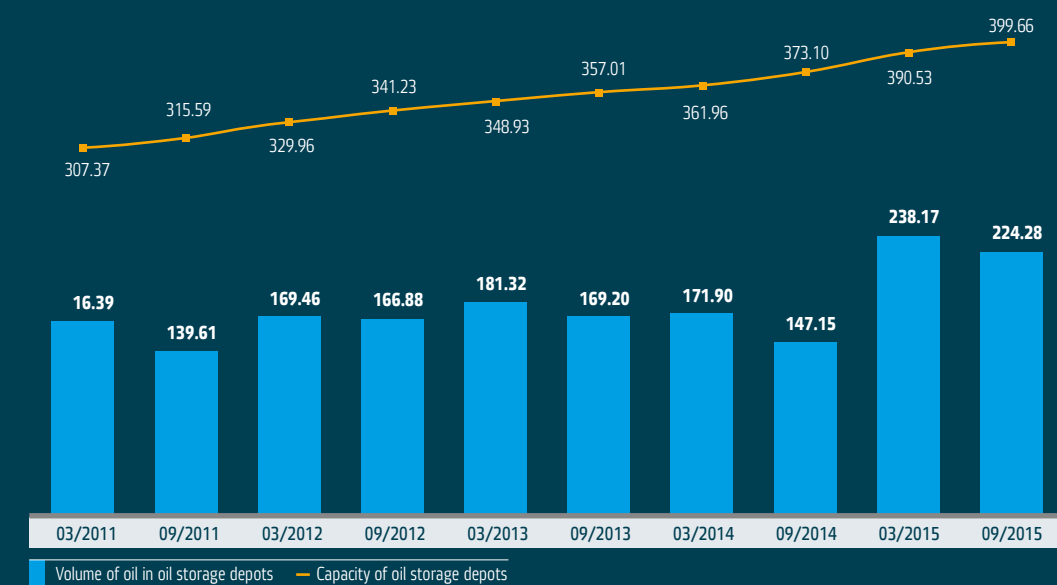


1.6 mn barrels/day

Growth in OPEC oil production by 2020 according to IEA forecasts, primarily as a result of Iran's resumed production after the lifting of sanctions

OIL RESERVES IN U.S. OIL STORAGE DEPOTS // mn barrels

Source: U.S. EIA



Overproduction has led to growth in oil reserves at oil storage depots. Reserves at U.S. oil storage depots were up 150% in September 2015 versus September 2014, while the storage capacity usage level had increased from 47% to 56%: the capacity of storage depots is expanding at a very rapid pace. The growth in oil reserves impacts prices primarily due to the market's lack of current data on the expansion in storage capacity.