3) Abstract of your paper

"Outlook for the Global Oil Markets: Implications for Oil Companies and Equities" Driven by low inventories, revived products markets, and speculative activity, crude oil prices have been on a rising trend since January 2002. Brent prices have averaged almost exactly $22/barrel since 1995 with a strong tendency to trade in a band from $16 to $28. OPEC discipline and unusual geopolitical events have kept post-1999 prices trading mostly at the top end of this long-term band. Recently oil prices have moved up toward $40/bbl, and economists are now worrying about the long term implications (higher inflation and oil supply; lower economic growth and oil demand) implied by this move. The oil markets are currently locked in a self-reinforcing loop of low inventories and high prices. Frequent OPEC market-monitoring meetings and extraordinary political events in Iraq, Venezuela, Nigeria and elsewhere have kept production in check, while demand has recovered from the setbacks of earlier in the decade- especially in the US and China. Backwardation in the futures market discourages inventory building and helps keep spot prices high. The only way of this circle is through a demand or supply shock such as an economic downturn, a very warm winter, surging Russian/Caspian production, a reversal of production decay in Venezuela, or a flood of Iraqi oil. Although OECD finance ministers are starting to act more worried about the economic outlook (including the impact of high oil prices), the consensus view still suggests that global GDP is on track for outperformance in 2004-05. Russian output continues to grow despite the Yukos affair, and export pipeline projects have run into delays in both Russia and the Caspian. The uprising in Iraq adds uncertainty to growth there, and the Chavez government in Venezuela seems more interested in control of state oil resources than producing them. The evidence on these topics points to incremental and not gigantic shifts, and suggests that oil prices are likely to remain near $30/barrel Brent for most of 2004. We continue to believe that lower prices ($22-25) are coming in 2005-06, but this development hinges on a cooling in hot geopolitical events. We believe that our "settling-in" forecast for $22/barrel Brent in 2006 is still a better choice for company earnings models than the $16 or $28/barrel alternatives that have been considered. Company spending on upstream activity is growing, up 9% in 2003 and at least 7% estimated for 2004. With oil and gas prices remaining relatively firm by historic standards, and customer-facing business like chemical and marketing doing reasonably well, share prices should not be hurt too much even if today's extraordinarily high oil prices do not hold. Mid-cycle oil and gas price assumptions are drifting up, and this has positive implications for company investments and performance of the equities.

4) Full Text of your paper/Slides- Will be provided upon arrival at conference.

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