



World Petroleum Council

3rd WPC Regional Meeting, Colombia, June 2010

Closing Remarks – Dr Randy Gossen, President, WPC

- Good afternoon Ministers, ladies and gentlemen.
- Now that we have reached the end of the first WPC Regional Meeting in Latin America, let me first of all thank our National Committee in Colombia for an excellent job in preparing a truly international event. Thank you Minister Martinez, Mr Gutierrez, Armando, and all the team.
- The representation of 25 countries at this conference is testimony to the desire for greater cooperation and integration.
- We have heard from many eminent speakers over the last three days who shared with us their views on Latin America's solutions to the challenges faced by the global energy community.
- The programme was designed to discuss how this region is implementing creative solutions to develop its energy resources in a sustainable and responsible way.
- Not only is Latin America able to meet its own energy needs, but it is increasingly playing a role in the world energy supply and is emerging as a dominant economic power.
- As I outlined during my opening remarks, the event was built around the three key drivers for the industry: Cooperation, Innovation and Investment.

- With respect to cooperation, a number of sessions addressed the various energy policies being implemented by governments of Latin America, particularly Mexico, Colombia, Peru and Brazil.
- Although the regulatory framework varies from country to country, mostly depending on operational, political and even historic factors shaping their respective policies, it is clear that certain common denominators are required in any successful energy policy:
 - Transparent, open and competitive acreage awarding tender processes;
 - Stable tax and contractual terms, ensuring that local societies obtain maximum benefits from their natural resources and investors have a fair capital remuneration;
 - Clear roles for the regulatory entities, including the authority to require and overview the adoption of best practices in health, safety and environment
 - A framework for cooperation between industry, communities and local government.
- The tragic events of April 20 in the Gulf of Mexico point to the complexity and fragility of the oil and gas industry's relationship with governments and the public and the constant need to maintain open and transparent communication with our stakeholders.
- Safety is the top priority, and requires quick responses with governments and companies working together.
- We also heard about the need for enhanced cooperation between IOCs and NOCs.
- And the same applies for communities. As Armando Zamora summarised earlier today: communities are not only a topic for the operational levels - but must be addressed by the top management.
- Regarding innovation, huge oil and gas resources still remain to be developed in Latin America, both onshore and offshore, and we were told about the related challenges and opportunities for the industry.

- Once again it became clear that breaking paradigms and adopting leading edge technologies are key to developing resources that until recently were considered out of reach and/or uneconomic.
- Presentations illustrated how ingenuity and the highest technological and operational standards are being used to develop the ultra deep pre-salt carbonate reservoirs offshore Brazil, the deep sandstone reservoirs and subtle traps of the Marañon Basin and both conventional and non conventional oil and gas reserves including vast shale gas deposits.
- The discussions also demonstrated that South America is a world leader in both the development of renewables and their use. Many Latin American countries are implementing large scale and successful programs to develop biofuels, wind and solar energy. Biofuels in particular may become important sources of export revenues and promote social and economic development throughout the region
- Turning to investment, it is clear that Colombia is a leader in South America in accelerating the growth of its petroleum industry and opening up its oil and gas sector to increased local and international investment.
- Colombia is ranked by the World Bank as the No 1 country in South America for encouraging investment and for offering a stable and secure environment to do business.
- It is also clear that the Colombian government and its various directorates, such as the ANH, are fully committed to providing competitive terms and conditions to support this increased investment in the petroleum industry.
- As we heard this morning from President-elect Santos this policy will be maintained in future years.
- Recent initiatives such as the Free Trade Agreement between Canada and Colombia and the EU and Colombia will also lead to a sustainable economic future.

- In terms of future investment in the South American continent, growing regional cooperation and integration in the petroleum sector will lead the way to a sustainable energy future.
- Cross border partnerships by regional players is also increasing the overall level of investment in both the upstream and downstream areas of the industry. In addition positive progress is being made in the areas of gas infrastructure and transport which will greatly benefit Latin America.
- Ladies and gentlemen, the World Petroleum Council greatly appreciates the opportunity to co-host this outstanding conference in Cartagena.
- In addition to showcasing technological development, the WPC's mandate is to facilitate dialogue on the key issues relevant to our industry.
- The WPC Regional Meeting for Latin America has clearly demonstrated that this has been achieved.
- We were extremely grateful to both President Uribe and President-elect Santos for their support and commitment to the WPC.
- Thank you!