



World Petroleum Council

The Global Forum for Oil and Gas Science,
Technology, Economics and Management

Members Newsletter Issue 03 / 2006

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Congress Programme Committee invites nominations from the member countries

The Congress Programme Committee is currently preparing a wide-ranging Technical Programme to recognize the scientific, technological and professional achievements of the petroleum industry. The topics for the sessions reflect the official theme for the 19th World Petroleum Congress:

A World in Transition: Delivering Energy for Sustainable Growth

Renato Bertani, President of Petrobras USA and Chairman of the Congress Programme Committee, announced that several new features will be included in the programme for the 19th WPC: "High-level Plenaries from leading industry decision makers, interactive Round Tables, in-depth Forums and innovative Posters on a wide variety of industry aspects will address the main challenges the sector is facing. Best Practice Keynotes on the main issues in the upstream,



Members of the Congress Programme Committee (CPC) for the 19th WPC during their second meeting in Budapest in July 2006

Increasing population growth and globalization has led to a phenomenal rise in the use of energy. Demand for oil and gas continues to grow and will have to be met through traditional as well as unconventional sources. Past experience demonstrates that price volatility and economic cycles alternating boom and bust periods were harmful to both the industry and the consumers.

The challenge for the industry in a world in transition is to ensure continuous, affordable and reliable supply, meeting society's expectations in a sustainable, transparent, ethical and environmentally sound manner.

downstream, natural gas, renewables and managing the industry will add further to the quality of the programme. For these we have asked our National Committees for proposals. Key issues such as balancing the requirements of supply and demand, social and environmental responsibilities of the industry and ensuring the attraction and retention of the next generation of professionals will be addressed throughout the four days of the Congress. We are certain that the Opening Ceremony will set an excellent standard for the week, with the Spanish Night and the Dewhurst Lecture promising to provide special highlights for the Congress."

WPC Membership — A call to action



Hege Marie Norheim, WPC Vice President for Membership

Membership in WPC is getting attractive and exciting!

The time is here when all National Committees are discussing who in their country and which experts from their companies could and should lead a Forum or a Round Table discussion during the 19th WPC Congress in Madrid. This is the moment to decide who should lead the discussions at our next Congress and who shall represent the petroleum industry, its experiences and breakthroughs in Madrid in 2008.

The issues to be discussed are numerous and important. And not only to the industry.

They are important to a whole world!

Are there enough resources out there? What will it take to find them, drill them and produce them? What is there to be learned from other parts of the world? And how do we - in the WPC - select the best men and women to deliver these vital issues and discussions clearly and competently to the world at large?

To get a clearer view from our own membership on the key topics of interest, WPC prepared an in-depth questionnaire earlier this year. Thirty National Committees responded to the survey sent out by the WPC before summer this year. We thank you all for that! The results gave valuable feedback and encouraged the secretariat and the committees to improve their efforts for the members even further.

Out of the answers came a picture of National Committees that are organized quite individually, with a variety of focus areas and scope of operations. WPC was pleased to receive positive feedback to the services offered by the Secretariat, as well as requests for more regular information and an interest in jointly organizing events with the WPC. National Committees are also keen to continue building cooperation with other relevant organizations while retaining the unique WPC identity. All the responses are available on the WPC web page and will also be presented at the Council meeting in Calgary.

I expect to see many of you in Calgary. We will discuss the future of the WPC, especially our youth engagement, we will challenge ourselves with a first brief look at the host country candidates for 2011 and we will hopefully gain approval to establish a centralized legacy fund to promote even more the arenas and participants from countries that otherwise can not join. And we will meet, discuss, learn new things and strengthen our networks.

I look forward to welcoming you all to the Council meeting in 2006!

WPC Youth Committee

Youth is one of the key issues for the members of the WPC.

WPC is therefore planning to set up a **WPC Youth Committee** to increase the representation and involvement of young people in our organisation and industry.

In May, WPC's President chaired a workshop hosted by the UK National Committee in London to define a youth engagement roadmap for the WPC. The main conclusions of this workshop were presented and discussed during the last EC meeting held in Budapest in July. Following the recommendations of the workshop's participants, it was decided to add a "Youth Committee" to the WPC organisation.

Dr. Jacqueline Lecourtier was tasked by the EC to take on this vital project. She stated: "The creation of this WPC Youth Committee supports our vision that the international petroleum sector is a strong magnet for a diversity of talented young people who find rewarding opportunities to contribute towards innovative solutions to broad global challenges."

It is proposed that the WPC Youth Committee (YC) will include 12 to 16 young professionals under 35 nominated by the WPC National Committees. The Chair of the YC will also become a member of the Congress Programme Committee (CPC) and will be included in all important decision making.

The mission of the WPC Youth Committee will be to:

- provide new input related to youth vision to the CPC
- define the youth contribution to the 19th WPC Congress
- coordinate youth related initiatives taken by National Committees and organize youth events (i.e. a regional youth congress)
- become our industry's greatest spokespersons, especially in the media and through the use of new media
- develop action plans to promote scientific studies among young students and the benefits of careers in the oil industry

All National Committees were invited to propose candidates to participate in the WPC Youth Committee. CV's of suitable candidates had to be sent on special Nomination Forms to the attention of the Special Representative on the Board for Youth Issues, Dr. Jacqueline Lecourtier. Although National Committees could propose several candidates only one could be appointed from each country.

The nominations have now all been received and the proposed Youth Committee will be presented to the Council for approval in November during the meeting in Calgary.

EC Member to head French Research Agency

Dr. Jacqueline Lecourtier, who serves on the WPC's Executive Committee, was appointed as the new Director of the French National Research Agency (ANR) at an Extraordinary Board Meeting held on 22 May 2006. Dr. Lecourtier had previously been Scientific Director of the French Petroleum Institute (IFP) since April 2001.



Dr. Jacqueline Lecourtier

Founded in 2005, ANR is an organization that finances research projects for public research organizations, universities, and companies. In 2006, ANR has been allocated a €800 million budget to fund research projects (for up to four years).

Within the Executive Board of the World Petroleum Council, Dr. Lecourtier is responsible for Special Projects and in particular for the WPC's Youth Programme.

War for Talent

Guest Columnist Eivind Reiten, President and CEO at Norway's Hydro on the challenges of recruiting the best

Winning the war for talent is on "everybody's lips" these days. It's this simple: Companies that attract and retain the best people will succeed. Hydro, for good reason, is seen as an attractive employer.

But we can do even better.

Competence can mean the difference between success and failure, between profits or loss, between innovation or disaster.



Skills and experience have always been important elements of business development and operations but talent has become increasingly important in both Hydro's industries. In our Oil & Energy business, we need to hire some 100

people every year just to replace colleagues who retire, and with our growth strategy we need even more experts on board to meet our objectives. The industry is booming.

University graduates with engineering degrees can pick and choose among companies eager to attract the best; many have job offers long before they graduate.

We have to recognize that many young people prioritize differently than many of us did when we first started our careers. Solid ground appears to be less important. Individual learning and development opportunities count more. Our future employees want managers who can coach them, not just manage them. They are impatient. We may even find them demanding. "They haven't paid their dues, like I have," you might think, and rightly so.

Nevertheless, we need their skills and mindset. And we need to provide them with the room to grow to help Hydro grow.

Led by O&E in Norway, Hydro has professionalized our recruiting efforts in the last year, resulting in many excellent new hires and in Hydro being perceived as an increasingly attractive employer. Going forward, we will do even more - in Norway and selected international recruiting arenas - to position Hydro as the best place to work.

At the same time, we must maintain our focus on retaining both new hires and existing colleagues, regardless of age. Competence is not about youth, it's about knowledge, curiosity, learning and sharing, persistence and integrity.

WPC plans to regularly invite industry leaders from its member countries as guest columnists to contribute to this newsletter. Suggestions for guest writers and issues of interest to all our members or such reflecting on the main themes for WPC are welcome and should be sent to the WPC Secretariat for the attention of ulrike@world-petroleum.org

IGU Council Meeting in Peru, October 2006

WPC's Director General, Dr. Pierce Riemer, was invited to attend the annual IGU Council meeting in October. As part of a reciprocal arrangement between the two major industry associations for the oil and gas sector he participated as an observer and attended its sessions and technical excursions .

Following the success of its 2006 World Gas Congress earlier this year in Amsterdam, IGU has now entered its new three year cycle, ending with the 24th WGC in Buenos Aires in 2009.

Building on the good relationship between the two organisations, IGU's Director General Peter Storm, will also be attending the WPC's Council meeting in Calgary in November.

Update on SPE/WPC/AAPG Reserves and Resources Classifications

The World Petroleum Council (WPC) has posted the proposed 2007 Petroleum Reserves and Resources Classification, Definitions and Guidelines on its website for general industry information, culminating two years of work to establish internationally accepted guidelines.

The draft document is sponsored jointly with the Society of Petroleum Engineers (SPE), American Association of Petroleum Geologists (AAPG) and Society of Petroleum Evaluation Engineers (SPEE). The proposed classification system is intended to update and replace the current guidelines as contained in the 1997 SPE/WPC Petroleum Reserves Definitions and the 2000 SPE/WPC/AAPG Petroleum Resources Classification and Definitions.

These guidelines are now in common use internationally within the petroleum industry, and provide a measure of comparability and reduce the subjective nature of resources estimation. However, the technologies employed in petroleum exploration, development, production and processing continue to evolve and improve. In addition, the growth of the international petroleum industry and the expanding contribution of unconventional hydrocarbon assets to the worldwide resource base necessitated a re-examination of the existing system.

In a statement, WPC Director General, Dr Pierce Riemer, said: "The WPC has been working on this since the 1980s and has been involved in the historic development of a set of reserves and resources classifications acceptable throughout the oil and gas industry. WPC works closely with other organizations to maintain the definitions and issues periodic revisions to keep current with evolving technologies and changing commercial opportunities. Earlier this year WPC hosted a special Reserves and Resources workshop in Russia inviting a wide range of stakeholders for a high-level discussion on harmonization of fossil energy resources terminology. WPC also endorsed two specialised training sessions on Engineering Aspects of Reserves Analysis and Common Mapping Errors during the SPEE Annual Meeting in June."

In updating the definitions, WPC worked with the SPE's Oil and Gas Reserves Committee to complete a comparison of classifications and definitions used in eight other systems worldwide to identify best practices. The primary updates include that the system is project-based, the class is based on the project chance of commerciality and that categorization is based on quantities recovered by applying a defined project to a reservoir base case that uses evaluator's forecast of future conditions (including prices and costs, technology available, environmental standards, fiscal terms and regulatory constraints). Guidelines are applicable to unconventional resources (including bitumen, oil shale, coalbed methane and gas hydrates)

These definitions and guidelines are designed to establish technically based reserves and resources evaluation standards for the international petroleum industry. While ideally, national reporting and regulatory disclosure agencies would reference these standards, the guidelines do not replace those currently required by these agencies. The draft definitions and a historic listing of the WPC's work on the reserves and resources definitions can be viewed at www.world-petroleum.org

Any comments on the proposed 2007 Petroleum Reserves and Resources Classification, Definitions and Guidelines should be sent by the 1st February 2007 to info@world-petroleum.org

Former WPC President awarded Honorary Fellowship of the Energy Institute

Dr. Eivald Røren, President of the World Petroleum Council from 2000 to 2005, was presented with the Honorary Fellowship of the Energy Institute by James Smith, Chairman of Shell UK, and Vice President of the EI during the EI's Autumn Lunch in October.

During his tenure as President of WPC, Dr Røren spent nearly six years traveling the world promoting the energy industry, its scientific and technical achievements and its contribution to society. Dr. Røren carries on his involvement with the industry and is now actively engaged with some non-governmental organizations and industrial ones continuing to provide professional advice.

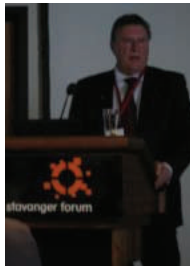


Dr. Eivald Røren, receives the Honorary Fellowship of the Energy Institute Photo: Jim Four/ Energy Institute

Addressing the 2006 ONS Conference

Randy Gossen visited Stavanger in August where he was invited to address the delegates of the Offshore Northern Seas (ONS) conference, with a presentation on advancing sustainability in the petroleum industry.

The President also took this opportunity to meet up with several members of the Norwegian National Committee.



19th WPC Press Conference at Rio Oil & Gas

Jorge Segrelles hosted a special launch press conference for the 19th World Petroleum Congress during the biannual Rio Oil and Gas Week in September.



Supported by the WPC President, the Head of the Congress Programme Committee and João Carlos de Luca from the Brazilian National Committee they addressed an international press audience with details of the preparation for the WPC's congress in 2008.

WPC invited to OPEC Seminar

Dr. Pierce Riemer received an official invitation by the OPEC President, HE Dr. Edmund Daukoru, to attend the OPEC Seminar in September this year. As Minister of Petroleum Resources in Nigeria, Dr. Daukoru, was leader of the Co-host delegation from Nigeria in last year's 18th World Petroleum Congress in Johannesburg.

Keynote speakers at the OPEC Seminar included a number of familiar faces from the Congress in South Africa, such as HE Ali Al Naimi, Saudi Arabia's Minister of Petroleum, the CEOs of Shell and ExxonMobil, Total's Christophe de Margerie and Claude Mandil who joined the previous OPEC Secretary General for the OPEC/IEA Luncheon in Johannesburg.

Improving the Standards for Major Energy Events — WPC participates in OGE Forum

WPC and IGU were the keynote presenters at the first Global Forum for Oil, Gas & Energy Event Organisers in Monaco on the 9-10 July.

Focusing on Best Practices for hosting major industry events, Peter Storm, Secretary General of the International Gas Union, provided examples from the IGU's recent World Gas Congress in the Opening Keynote Speech, while WPC's Pierce Riemer gave a special address on the impact major events have on the local environment and presented experiences from the WPC's legacy programme in his keynote presentation on Leaving a Legacy.

The group of expert speakers from the organising side, the suppliers and the client companies all contributed to provide a training ground for further improvements in the energy event industry. Prince Albert II of Monaco welcomed the initiative and joined the participants during the Forum. Having received great feedback from the attendees the organising committee is already active on planning the next event for 2007.



Pierce Riemer meeting with the Prince of Monaco

A visit to India

The Indian government and tourism industry hosted their 4th "Conventions India – Conclave", in August at which the World Petroleum Council was invited to participate. The event brought together international associations, conference planners, tour operators and the relevant government agencies in India, to discuss challenges in organising international events while providing plenty of opportunities for networking with the Indian travel industry.



WPC's Ulrike von Lonski speaking to members of India's NC

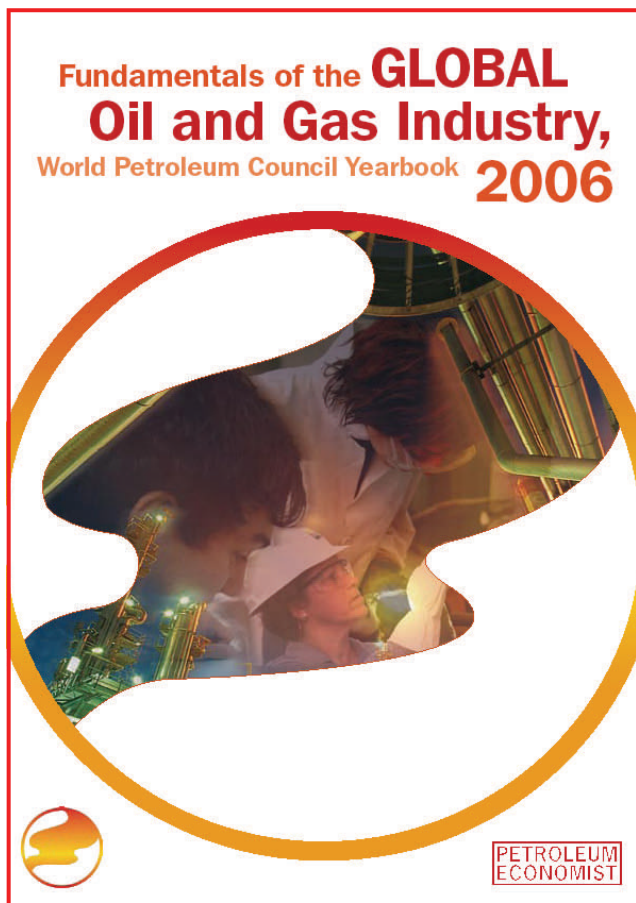
Ulrike von Lonski represented the WPC on this occasion and had the opportunity to meet with a delegation of senior representatives from India's National Committee for a briefing session and special dinner. During lunch the next day several ideas for closer involvement and cooperation were discussed.

President chairs 'Man & Energy' round-table

UNESCO organised a seminar on 'Access to Energy for All', as part of its continuing efforts to address the reduction of poverty and extreme poverty throughout the world. The high-level meeting was held in October at the UNESCO Headquarters in Paris and was aiming to help define principles and practices for an economically and socially sustainable development.

Dr. Randy Gossen chaired one of the four main sessions and hosted a round table on the subject of 'Man and Energy'. The panel included presentations from ENERGIA, the French Agency for Energy Management and Electricité sans Frontières. The view from the developing countries was presented by representatives from Mali and Brasil.

New WPC Yearbook 2006 published



The WPC Yearbook 2006 is being launched at the annual Council meeting in Canada in November where it will be distributed to the members of the World Petroleum Council.

National Committees have already been rushed their priority copies and a special contingent of 250 copies will be handed out to the honour students during this years WPC Millenium Fund Scholarship Lunch in Calgary.

With its indepth overview of the latest industry developments in the key areas and a special focus on young people in the petroleum sector, the WPC Yearbook should provide an excellent source of industry information for the leaders of today and tomorrow.

WPC hosts Women's Breakfast in Calgary

For the first time, the WPC will host a Women's Breakfast WPC in the run-up to its annual Council Meeting. The breakfast on the 15th November is intended to create a new networking forum for WPC's female members and an opportunity to engage directly with the Executive Committee of the World Petroleum Council, to share their views and bring up any issues to be addressed by the WPC.

The initiative has been the brainchild of Hege Marie Norheim, WPC's first female Vice President, who will lead the discussion on delivering diversity within the WPC and within the petroleum industry as a whole.

WPC Newsletter

This is the newsletter of the World Petroleum Council (WPC) for all its National Committee members, friends and partners. WPC is a forum for the pursuit of best practice in petroleum science, technology, economics and management. We welcome your views and your contributions to this newsletter. Please keep us updated with any activities within your National Committees and forward any news to Ulrike von Lonski at the following address:

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EITI Transparency Conference in Oslo

Approximately 450 representatives from the world's resource-rich countries met in Oslo from 16-17 October 2006, for the third plenary conference of the Extractive Industries Transparency Initiative (EITI).

The goal of the EITI is to ensure that the extraction of natural resources benefits the country as a whole and all its citizens.

It aims to do so by setting common standards for the publication and verification of company payments and for government revenues from oil, gas and mining. This will mean that information on who pays what, where and to who is made publicly available.

Speakers at the conference included the Norwegian Minister of Foreign Affairs Jonas Gahr Støre, the Minister of Petroleum and Energy Odd Roger Enoksen and Minister of International Development Erik Solheim. About 20 government ministers from various countries, George Soros (Open Society Institute), Peter Eigen (Transparency International), top executives from Hydro, Statoil and other global oil, gas and mining companies, and various heads of NGOs and international organisations like the World Bank, the IMF and the IFC.

Ulrike von Lonski attended the presentations and received updates on the progress countries such as Nigeria and Azerbaijan had made in complying with EITI's strict standards.

News from the Members

Directory. There have been a number of changes in the WPC's National Committees and an updated Members Directory is available from the official website at www.world-petroleum.org

WPC Survey. The responses received from the survey sent to all of WPC's National Committees are available on <http://www.world-petroleum.org/special/council.htm>

Pakistan. The National Committee is involved in the preparation for the 3rd Oil & Gas Conference in Islamabad from 18-20 Feb. 2007. Details from faiz@pip.org.pk at the Petroleum Institute of Pakistan.

Diary Dates

CPC Meeting Calgary, 14 November

WPC Women's Breakfast Calgary, 15 November

EC Meeting Calgary, 15 November

19th WPC North American Launch Calgary, 15 November

WPC Council Meeting Calgary, 16 November

Forthcoming Events & Meetings

IP Awards London, 23 November 2006

Gastech Abu Dhabi, 4-6 December 2006

Petrotech New Dehli, 15-18 January 2007