



ORGANIZATION OF THE PETROLEUM EXPORTING COUNTRIES
PUBLIC RELATIONS & INFORMATION DEPARTMENT

Telefax: +43 1 2164320

E-mail: prid@opec.org

OBERE DONAUSTRASSE 93

Tel: +43 1 21112-0

Cables: OPECOUNTRIES

Internet: <http://www.opec.org>

A-1020 VIENNA, AUSTRIA

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150TH (EXTRAORDINARY) MEETING OF THE
OPEC CONFERENCE
Vienna, 24th October 2008

The 150th (Extraordinary) Meeting of the Conference of the Organization of the Petroleum Exporting Countries (OPEC) convened at OPEC Headquarters, Vienna, Austria, on 24 October 2008, under the Chairmanship of the President of the Conference, His Excellency Dr Chakib Khelil, Minister of Energy and Mines of Algeria and Head of its Delegation.

The Conference extended a warm welcome to HE Eng. José Maria Botelho de Vasconcelos, Minister of Petroleum of Angola, and HE Eng. Derlis Palacios Guerrero, Minister of Mines and Petroleum of Ecuador, who were attending a Meeting of the Conference for the first time since their appointment, and they paid tribute to their predecessors in office, HE Desidério da Graça Veríssimo e Costa of Angola and HE Dr Galo Zambrano Chiriboga of Ecuador.

The Extraordinary Meeting having been convened in order to allow the Conference to discuss the current global financial crisis, the world economic situation and their impacts on the oil market, the Conference began by emphasizing that it shared the concern of the international community – of which OPEC Member Countries are an integral part – over ongoing developments in financial markets.

The Conference observed that the financial crisis is already having a noticeable impact on the world economy, dampening the demand for energy, in general, and oil in particular. This slowdown in oil demand is serving to exacerbate the situation in a market which has been over-supplied with crude

for some time, an observation which the Organization has been making since earlier this year. Moreover, forecasts indicate that the fall in demand will deepen, despite the approach of winter in the northern hemisphere.

Similarly worryingly, the Conference noted that oil prices have witnessed a dramatic collapse – unprecedented in speed and magnitude – these falling to levels which may put at jeopardy many existing oil projects and lead to the cancellation or delay of others, possibly resulting in a medium-term supply shortage.

Given the foregoing, the Conference will continue to provide to the market crude oil volumes required by consumers. Accordingly, the Conference has decided to decrease the current OPEC-11 production ceiling of 28.808 million barrels a day by 1.5 mb/d, effective 1 November 2008, with Member Countries strongly emphasizing their firm commitment to ensuring that the volumes they supply to the market are reduced by the individually agreed amounts, as shown below.

	<u>Decrease</u> (b/d)
Algeria	71,000
Angola	99,000
Ecuador	27,000
I. R. Iran	199,000
Kuwait	132,000
Libya	89,000
Nigeria	113,000
Qatar	43,000
Saudi Arabia	466,000
U.A.E.	134,000
Venezuela	129,000
Total	1,500,000

This decision will be reviewed at the Extraordinary Meeting of the Conference scheduled to convene in Oran, Algeria, on 17 December 2008. In the interim, the Conference requested the Secretariat to continue to closely monitor the market.

The Heads of Delegation again stressed the Organization's proven commitment to providing adequate supplies of petroleum to consuming nations

at all times, as well as to realizing its objective of maintaining crude oil prices at fair and equitable levels for the benefit of the world economy and the wellbeing of the market. At the same time, the Conference pointed out that OPEC cannot be expected to bear alone the burden of restoring equilibrium and it called on non-OPEC producers/exporters to contribute to efforts to restore prices to reasonable levels and eliminate harmful and unnecessary fluctuations.

The Conference expressed its appreciation to the Government of the Republic of Austria and the authorities of the City of Vienna for their warm hospitality and the excellent arrangements made for the Meeting.

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