



XL CATLIN

# Operational Update

AOEC 2015

Simon Taylor

# Agenda



- 2014 vs 2015
- Impact on Operators
- Impact on Insurers
- What next?

# AOEC 2014



**USD 101 bbl**

Source: OPEC Monthly Report Sep 2014



**USD 3.92 Million BTU**

Source: EIA website Henry Hub Natural Gas spot price Sep 2014



**DJ O&G Index 800**

Source: FT website



**Rig utilisation 126 of 177**

Source: Rigzone website



**Confidence 77%**

Source: DNVGL Oil and Gas News Feb 2015

# AOEC 2015



**USD 46 bbl**

Source: OPEC Monthly Report Sep 2015



**USD 2.78 Million BTU**

Source: EIA website Henry Hub Natural Gas spot price Aug 2015



**DJ O&G Index 530**

Source: FT website



**Rig utilisation 96 of 174**

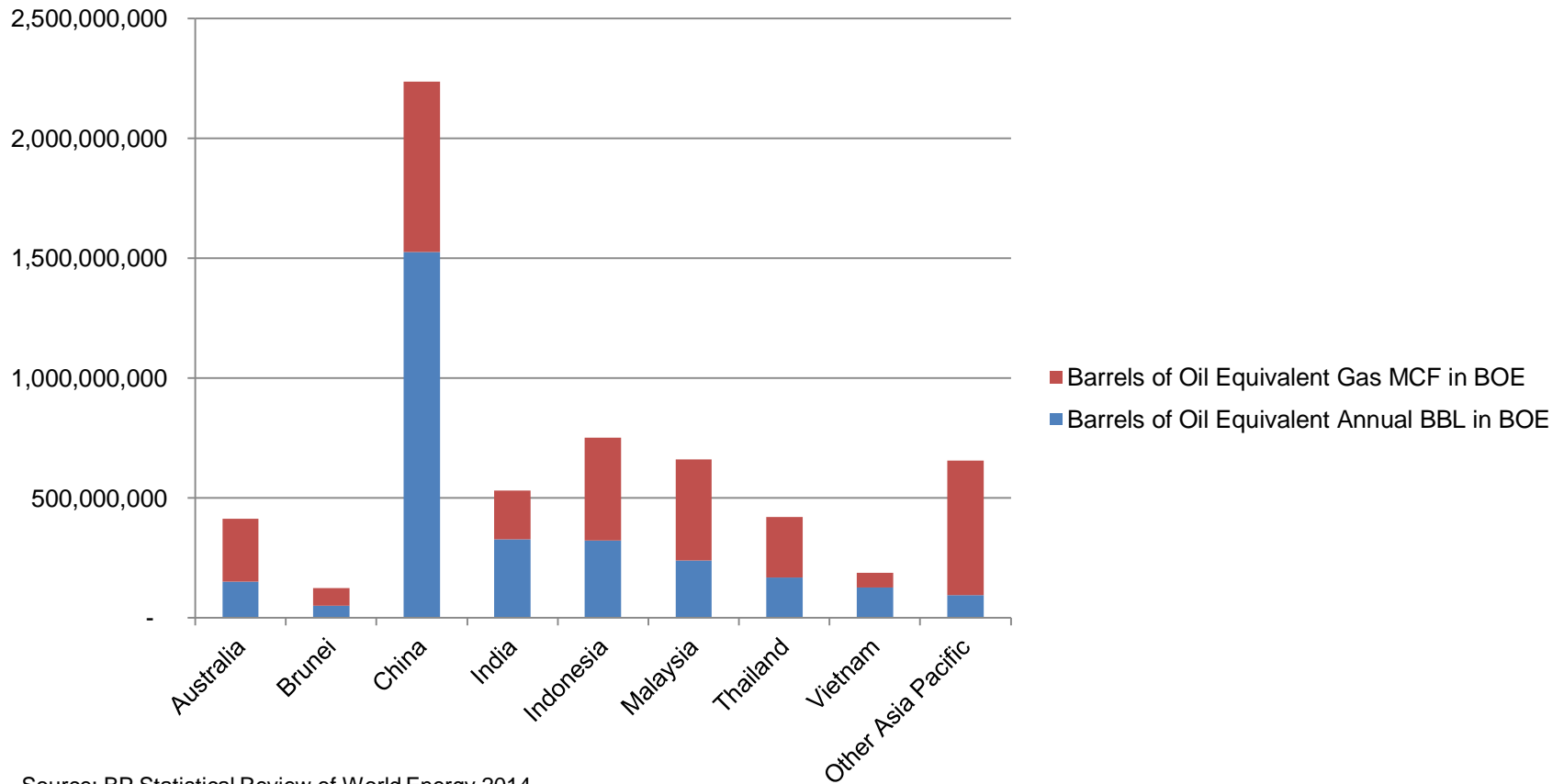
Source: Rigzone website



**Confidence 27%**

Source: DNVGL Oil and Gas News Feb 2015

# Annual Production for APAC



Source: BP Statistical Review of World Energy 2014

# Financial Hit - Oil



2014 AOEC



USD 303bn

2015 AOEC



USD 137bn

Sources: BP Statistical Review of World Energy & Oil & prices per previous slides

# Actions taken by Operators

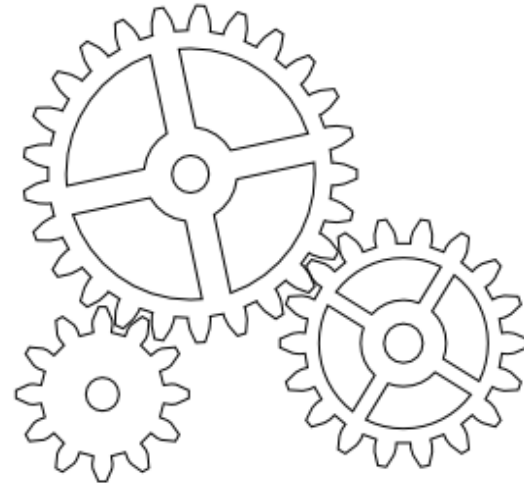


- Cost-cutting
- CAPEX
- Drilling
  
- Production
- Dividend
  
- M&A / Asset Sales
- Reserves

# What about Insurance?



- Macro
- Upstream Energy
- Insureds
- Claims
- Expenses
- Reinsurance



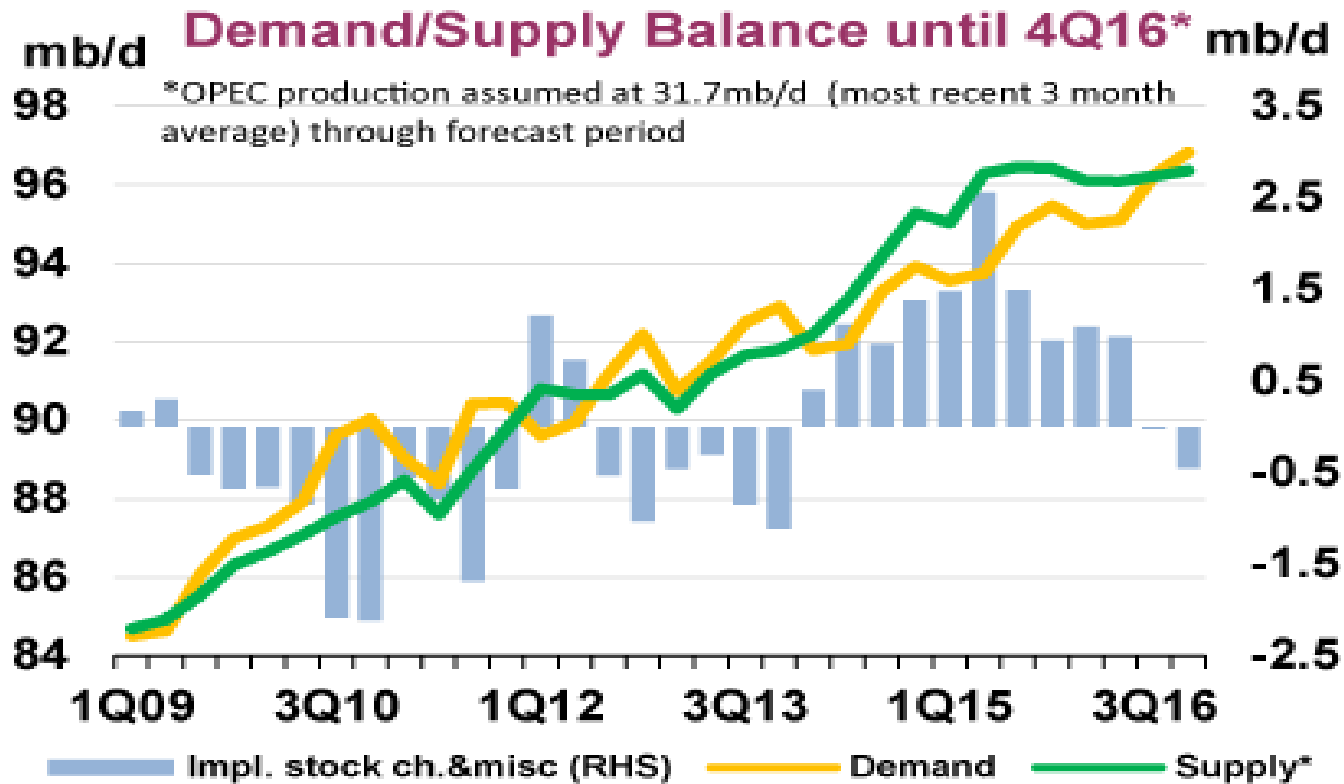


# What next?



- Immediate challenge of low Oil Price
- Planning for the future

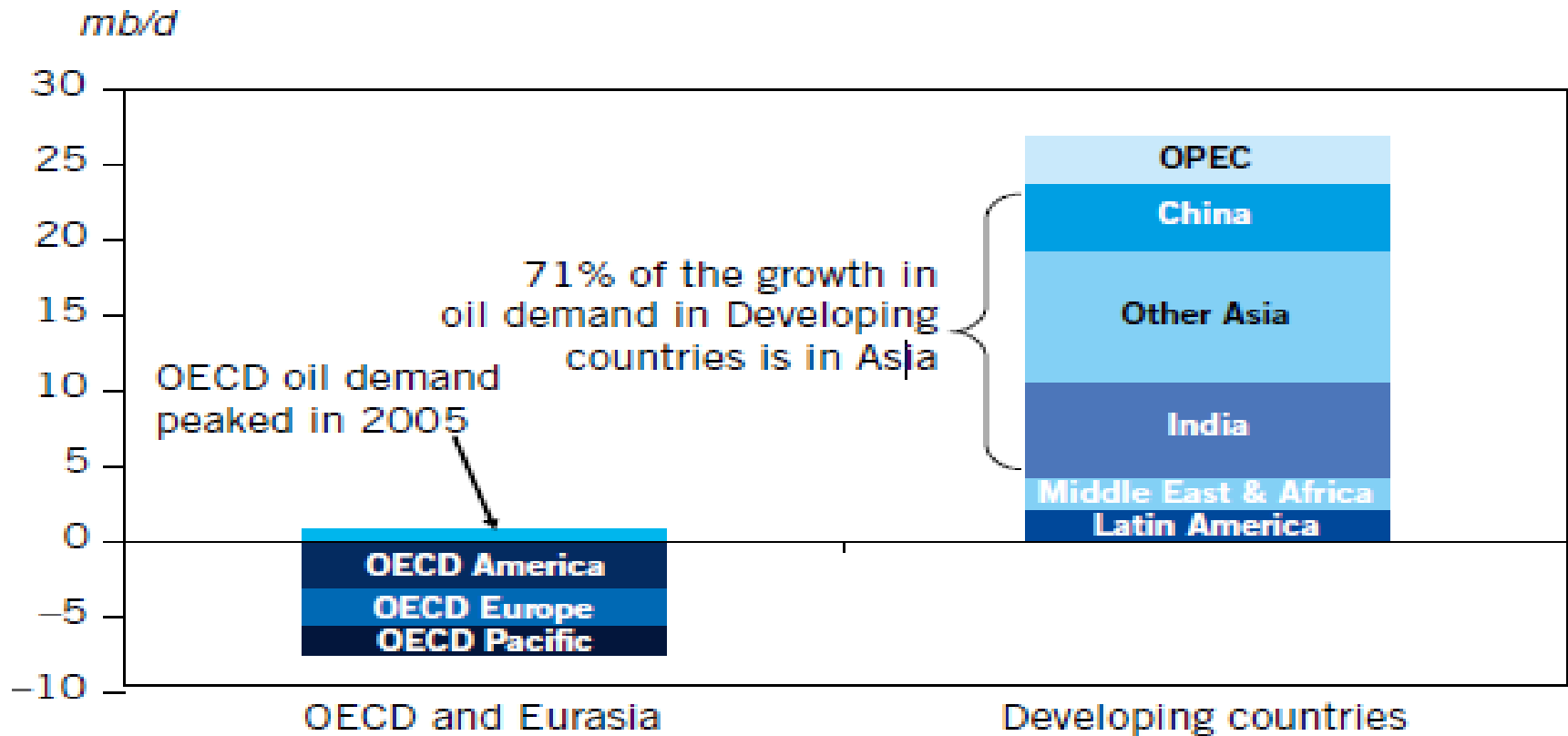
# Supply & Demand



Source: IEA Oil Market Report Sep 2015

# OPEC analysis on Growth in Oil Demand 2014 - 2040

## Growth in oil demand, 2014–2040



Source: OPEC, 2014 World Oil Outlook

# APAC Operators - Supply, Demand and Opportunities



## APAC Share

4.8% of World's Hydrocarbon Reserves

27.9% of World's Hydrocarbon Consumption

- APAC E&P Opportunities:
  - Increase domestic supply
    - Deepwater
    - New technology
  - Overseas growth
  - New territories
  - Decommissioning

Source: BP Statistical Review of World Energy 2014

# Insurance - Supply, Demand and Opportunities



- Adapt to Operators' changes
- Regional Market
  - Scale
  - Expertise
  - Long term
- Supply, Demand & Innovation