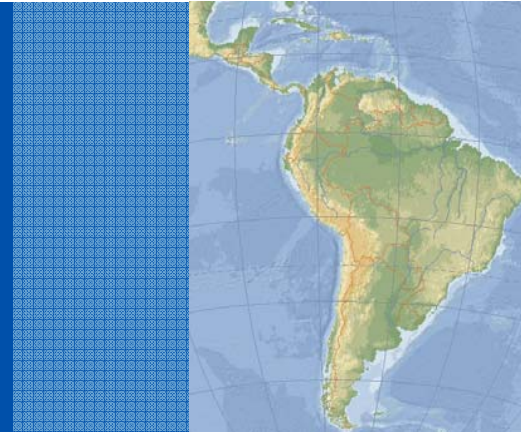




Energy for Development in the Americas: *The Role of Public-Private Partnerships*



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Global realities: diagnosis of current global energy situation



- The 20th century: rapid growth and increase in prosperity → stronger-than-anticipated global demand for fuels
- Worldwide, oil production and refineries are running near capacity → prices rise.
- Fossil fuels currently supply most of the world's energy, and are expected to continue to do so for the foreseeable future
- Over time will share more and more of the market with other sources of energy. The sources of energy are diversifying as energy companies continue to meet the challenge of fulfilling the world's energy demand



...and what is the outlook?

- World demand is approximately 85 millions of barrel per day. IEA estimates that global oil demand will increase roughly 40 %from 2005 to 2030
- According to the IEA's World Energy Outlook 2006 report, the total primary energy consumption outlook in 2030 would be as follows:

Oil	32%
Natural Gas	23%
Coal	26%
Renewables	14%
Nuclear	5%



What are the challenges? What to do?

Growth in global energy demand, along with **constrained supply** – in crude oil, natural gas and refined products – and **uncertain geopolitical dynamics**, including concerns about **energy security** and climate change, combine to form what Chevron terms the “new energy equation.”

Ensuring **access to ample, affordable, clean, and sustainable sources of energy** is unquestionably one of the greater challenges facing the modern world

For us, the era of “easy” oil is over. From Chevron’s perspective what needs to be done is to...

- Diversify energy supplies
 - Find more traditional fuels
 - Develop alternatives and renewables
- Foster open markets and transparency
- Encourage conservation and energy efficiency



The case for Latin America...

- Fossil fuels are the main source of energy in Latin America. Security of supplies is the most important priority in the Region
- There are limited possibilities of structural changes to the energetic balance in Latin America in the foreseeable future
- It requires new thinking about how we approach energy security. We will need all the energy we can get from every segment of the portfolio—every molecule counts, and using them more efficiently does too
- Openness, engagement, interdependence and the recognition by governments that markets work – when they are allowed to work – is our best strategy to help strengthen energy security for the countries in Latin America and the World.