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# OIL & GAS STRATEGIES SUMMIT

The Transformational Impact of the  
North American Energy Revival

May 21, 2014 | The Plaza, New York



**Wednesday, May 21, 2014**

7:45 am - 8:15 am

**Registration**

The Plaza Hotel - Grand Ballroom, 3rd Floor

8:15 am - 9:00 am

**Breakfast Briefing Sponsored by Booz Allen Hamilton: Thriving in the Complex Unconventional Market**

As demand grows for unconventional resources, oil & gas companies are challenged to access these complex resources safely and economically. Whether you are managing a portfolio of prospects, discovers or productions, new challenges and risk exist across the lifecycle. With more capital investments going into the unconventional portfolio, a new field of risks needs to be mitigated to ensure success. Given the fast moving nature of the shale play, being able to identify, quantify and mitigate capital risks is more important than ever before. The security and integrity of the supply chain is fluid in this new arena. There are cyber risks as well as many environmental regulations that can bring production to a halt – reducing the return on investment. There is hope through the latest tools, analytics and techniques to keep investments productive.

**Stephen Senterfit**, Vice President, *Booz Allen Hamilton*

Moderated by: **Herman Franssen**, Executive Director, *Energy Intelligence*

9:00 am - 9:10 am

**Opening Remarks by FT and Energy Intelligence**

**Ed Crooks**, US Energy and Industry Editor, *Financial Times*

**Herman Franssen**, Executive Director, *Energy Intelligence*

9:10 am - 9:30 am

**Keynote Address: The Future of Shale Energy in the Americas**

**The Honorable Adam Sieminski**, Administrator, *US Energy Information Administration*

Moderated by: **Ed Crooks**, US Energy and Industry Editor, *Financial Times*

9:30 am - 10:20 am

**US Energy Independence: Vision and Reality**

Ever since the 1973 oil embargo, successive US governments have vowed to return the country to energy independence but neither market forces nor energy policies have significantly reduced US dependence on foreign oil -- until recently. Higher oil prices and the wide-scale application of new drilling technologies in recent years have rapidly increased US non-conventional oil and gas production, and the prospect of net gas exports and a major reduction in oil imports has become a reality. There are, though, a number of constraints -- price, infrastructure, regulatory climate, environment, finance, and skilled labor among others -- that could prevent the goal of energy independence being achieved in the foreseeable future, and while the short-to-medium term supply of shale gas seems assured, there are doubts about the ability of the industry to sustain growth of tight oil production for the longer term.

Will the US promise of energy independence be short-lived with oil imports rising again by the middle of the next decade? What are the costs and benefits of US energy independence? What are the regional and national implications? Can legal and political impediments be overcome for the US to become a significant energy exporter? Will the large spread between gas and oil prices continue to encourage a major shift to gas, and what will this imply for future prices? Will future US LNG exports have an impact on regional gas price developments? What will be the impact of the massive expansion of US non-conventional gas and liquids on the US economy and industry?

**Jason Bordoff**, Professor and Director, Center on Global Energy Policy, *Columbia University*

**Trevor Houser**, Partner, *Rhodium Group*

**Antoine Rostand**, President, *Schlumberger Business Consulting*

Moderated by: **Herman Franssen**, Executive Director, *Energy Intelligence*

10:20 am - 10:50 am

**Keynote Interview: Moving Towards Self-Sufficiency: The US Oil and Natural Gas Outlook**

**Timothy L. Dove**, President and Chief Operating Officer, *Pioneer Natural Resources*

Moderated by: **Thomas Wallin**, Editor-in-Chief, *Energy Intelligence*

10:50 am - 11:20 am

### **Networking Break**

Sponsored by Trafigura

11:10 am - 12:10 pm

### **Canadian and Mexican Oil and Natural Gas Development Prospects**

Canada has the potential to expand its oil sands production by one-third or more early into the next decade. Mexico's Congress, meanwhile, has passed a bill to reduce the state's monopoly rule in the petroleum sector, paving the way for foreign investment and a reversal of recent production declines. Both could add significantly to new supply and bolster the case for North American self-sufficiency. The Canadian oil sands reserves and resource base is huge but, there are many impediments to production expansion largely related to logistical, regulatory, environmental and political issues. How sensitive is oil sands production expansion to global oil price changes? Can Canadian oil sands producers overcome opposition from environmental rights groups? Does Canada have export options other than the US in the medium term? How long will it take for Mexico to first stabilize and then increase production and exports of crude oil? Will Canadian shale gas be able to compete with US gas?

**Derek Mathieson**, Vice President, Strategy and Corporate Development, *Baker Hughes*

**Jesus Reyes-Heroles**, Executive President, Structura, and Former CEO, *Pemex*

**Katherine Spector**, Head of Commodities Strategy, *CIBC World Markets*

Moderated by: **Ed Crooks**, US Energy and Industry Editor, *Financial Times*

12:00 pm - 1:10 pm

### **Midstream and Downstream Challenges**

North American energy independence is creating major challenges in the infrastructure to move oil to refiners and port facilities by way of pipelines, railroad and trucks. Tight oil and oil sands have been significantly discounted at the wellhead due to the inability to solve infrastructure bottlenecks. Over and above changes in the oil product demand structure in North America caused by price changes and energy policies, volumetric and quality changes in the upstream have changed refinery economics in the country. Coping with midstream and downstream challenges will be essential for the efficient and profitable running of US and Canadian refineries. As for shale gas, the lack of infrastructure has sharply increased gas flaring in parts of the US. How can these challenges be addressed? Will the construction

of pipelines and rail cars to carry oil and gas from the wellhead to refiners and consumers be able to keep up with upstream developments? How can the industry cope with the mismatch of crude oil quality and ability of refiners to turn the oil into products? Will midstream and downstream constraints lead to a review of US policy on crude oil exports?

**Russ Girling**, Chief Executive Officer, *TransCanada*

**Michael Leger**, President, *Turner Mason & Co.*

**Al Monaco**, President and Chief Executive Officer, *Enbridge*

**Matt Rogers**, Director, *McKinsey and Co.*

Moderated by: **Barbara Shook**, Senior Reporter and Analyst, *Energy Intelligence*

1:10 pm - 2:20 pm

**Lunch**

2:20 pm - 3:20 pm

**Financing Oil and Gas along the Supply Chain**

Massive investments are required for the development of upstream, midstream and downstream projects in the years ahead to finance the expansion of North America's oil and gas industry. Financing is readily available today, but what are the potential risks to the supply of capital? Will rising interest rates threaten the industry's growth? The independent oil and gas producers that have led the shale revolution still have capital expenditures running well ahead of their free cash flows. How will they be able to make the investments they need? How can the use of derivatives help reduce costs and risk? How great a role can MLPs play in attracting investors? And mergers and acquisition activity slowed sharply last year. How likely is it that we will see a pick-up in deal-making, and how important is it to the health of the industry?

Opening remarks from: **James Kinnear**, Founder, Chairman and CEO, *Kinnear Financial*

**Poppy Allonby**, Managing Director, *BlackRock Investment Management*

**James Kinnear**, Founder, Chairman and CEO, *Kinnear Financial*

**David Leuschen**, Co-Founder and Senior Managing Director; *Riverstone Holdings LLC*

**Cristina Roberts**, Managing Director – Head of Energy & Commodity Finance Americas Corporate Banking Americas, *BNP Paribas*

Moderated by: **Ed Crooks**, US Energy and Industry Editor, *Financial Times*

3:20 pm - 4:10 pm

**Environmental Challenges to Rapid Oil and Gas Production Growth in North America**

Unprecedented expansion of non-conventional oil and gas in North America will be accompanied by challenges to local environments. Tight oil and shale gas require the use of large volumes of water and chemicals in the extraction process, and air, water and noise pollution can be the unpalatable result of large-scale development. Since much of that development is taking place on private lands, the influence of Federal authorities is limited. In contrast, the role of local and State authorities is significant in regulating drilling and land use. How will industry and local/State governments work together to mitigate the intrusive nature of large scale development of non-conventional oil and gas resources? Will the projected vast expansion of drilling activity and infrastructure development for shale gas and tight oil result in more regulations at all levels? Will environmentalists in the US and Canada be able to accept a doubling of oil sands production and exports to the United States?

**Porter Bennett**, Principal and CEO, *Ponderosa Advisors*

**Mark Brownstein**, Associate Vice President & Chief Counsel, US Climate & Energy Program, *Environmental Defense Fund*

**Andrew Place**, President, *Center for Sustainable Shale Development (CSSD)*

Moderated by: **David Pike**, Editor, *EI New Energy*, *Energy Intelligence*

4:10 pm - 4:30 pm

### **Networking Break**

4:30 pm - 5:30 pm

### **Geopolitical and Market Impact of American Oil and Gas**

Declining US light oil imports from North and West Africa are already having an adverse impact on volumes and the price of light oil exports from those regions to the United States. Additional tight oil production, increased deep water oil production from the Gulf of Mexico, and major imports of Canadian oil sands if a key pipeline project is approved will further impact US demand for OPEC as well as non-OPEC oil. As for natural gas, growing self-sufficiency in the US has freed up LNG from Qatar and West Africa for Asia and Europe, enabling Qatar to meet rising demand for LNG in post-Fukushima Japan and adding to the competitiveness of European gas markets. On the geopolitical front, moreover, there is a growing sentiment among the American public that US presence in the Middle East should be reduced if the US is no longer dependent on oil import .

Will declining US oil imports have a significant adverse impact on OPEC and US interest in the International Energy Agency? As oil and gas previously destined for the US is diverted to Europe, will Russia's stranglehold on European energy markets diminish? In the unlikely event of a US partial withdrawal from the Middle East, who will protect the supply lines from the Middle East to South and East Asia? Will energy independence support an emerging isolationist sentiment among part of the US electorate?

**Admiral Dennis C. Blair, US Navy (Ret.)**, Former Director of National Intelligence, Commander in Chief, *US Pacific Command*, and Co-Chair on the *Commission on Energy and Geopolitics, Securing America's Future Energy*

**Anatol Feygin**, Senior Vice President, Strategy & Corporate Development, *Cheniere Energy, Inc.*

**Andrew Gould**, Chairman, *BG Group*

**Frank Verrastro**, Senior Vice President, *Center for Strategic and International Studies*

Moderated by: **Ed Crooks**, US Energy and Industry Editor, *Financial Times*

5:30 pm - 5:35 pm

**Closing Remarks**