World Oil PUBLISHER'S LETTER
A Special Report on the Oil and Gas Outlook

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DRILLING ACTIVITY SURGE WILL LEAD TO RECORD YEAR

Drilling levels in 2004 exceeded our original forecast last February and our midyear revision in August. We see growing confidence by operators that higher oil and gas prices are here to stay, at least for the foreseeable future. While 2004 turned out to be one of the strongest years for US drilling in recent memory, 2005 is shaping up to be the busiest year for new wells since 1985. The limiting factors in meeting our forecast may be the availability of certain classes of rigs and labor.

As reported in our mid-year survey, most remaining rig capacity in the US exists with large drilling contractors. Many of these units have not worked in several years. According to Baker Hughes, the active US rig count (both land and offshore) grew from an average 1,032 rigs in 2003 to 1,189 in 2004. As we enter 2005, there is evidence that the rate of increase in the active rig count is slowing. Currently, there are about 1,250 active rigs.

World Oil's forecast for 2005 includes:

- Worldwide drilling, including the US, will be 5.1% higher, at 88,868 wells.
- Global offshore wells will total 3,228.
- A 7.4% increase in the number of wells drilled in the US, to 39,958.
- Essentially flat drilling in the Gulf of Mexico, at 830 wells.
- Gulf of Mexico rig utilization numbers will continue to improve, as more rigs leave the region, resulting in a supply shortage heading into 2006.
- The US active rig count will continue to grow slowly, averaging 1,285.
- Outside the US, we expect 48,910 wells to be drilled, a 3.3% gain over last year.

US PRICES

We use the firm, Groppe, Long and Littell, to forecast oil prices. Last year, they forecast a strong oil price of $31.00/bbl for West Texas Intermediate (WTI). Yet, this theoretically optimistic average still widely missed 2004's actual wellhead price of $40.48. High oil prices have had little effect on US GDP growth that has been above 3% for the past six quarters.

As we begin 2005, oil inventories remain tight. Some experts question how much excess capacity remains in the major oil producing countries to help meet continued worldwide demand growth. Within OPEC, only Saudi Arabia, Kuwait and the UAE have capacity to produce in excess of their quotas. None can sustain large increases for extended periods. Groppe, Long and Littell believe that current prices are sustainable, and any disruption in supply will send prices even higher. Their 2005 forecast is for $49.00/bbl, average, for WTI at the wellhead. In contrast, Citigroup Smith Barney found that operators were budgeting for $36.36 oil.

For natural gas, the fundamentals that were in place at the start of 2004 remain. Gas will continue to drive the US E&P industry. Our forecast last year of $5.50/MMBtu at Henry Hub was close to the actual average of $5.85. This year, we call for a slight increase, to $6.26. Operators surveyed by Citigroup Smith Barney found that they were budgeting $5.66 for gas. Despite high oil prices, natural gas drilling still accounts for the bulk of activity in the US. During 2004, 86% of all wells drilled in the US were searching for gas, the same level as seen in 2003. Gas-directed drilling has grown from 55% just 10 years ago.

US Operator Surveys

This year, *World Oil* surveyed 14 US major drillers and 97 independents to gauge their level of activity for 2005. Although not a scientific survey, it does represent a large portion of the total wells drilled. Together, the firms plan to increase drilling 16.5%. Drilling will increase 15.1% for the majors and 25.1% for the independents. As in last year's forecast, our survey showed that the number of wells is shifting more to the exploration side, with 8.5% wildcat wells, compared to 6.8% in 2004.

In the **Gulf of Mexico,** we estimate well drilling to be essentially flat from the estimated 835 wells drilled in 2004. Rig utilization in the GOM continues to rise, now standing at 89%, with 153 rigs under contract out of 172 available. This is up from 76% a year ago. Last year, we reported that GOM utilization increases were largely driven by a reduction in the number of available rigs. While the exodus of rigs from the GOM has slowed, up to 13 more jackups are forecast to leave the area by third-quarter 2005.

As in 2003, **Texas** will see the largest number of new wells of any state, with 600 more wells forecast to be drilled. District 7B, in the Abilene area, will see the largest percentage increase in activity (up 29%), adding 142 wells over 2003. District 8, in the Midland area, will see the largest number of wells drilled in 2005 at 1,632. This is due primarily to a resurgence in Permian basin activity, driven by high oil prices and revitalization of mature fields.

The **Rocky Mountain** region continues to see accelerated demand through improved access to federal lands and increased pipeline capacity. In **Colorado** many of the wells will be coalbed methane. The rig count in this eight-state region of Colorado, Idaho, Montana, New Mexico, North Dakota, South Dakota, Utah and Wyoming has increased 23% in the past year.

Activity in the Eastern US continues to grow, as well. For instance, **New York** will have the largest percent gain at over 200%, from 92 wells in 2004 to a forecast 282 in 2005. Coalbed methane activity continues to flourish, but there are signs that the rapid growth is beginning to taper.

Outside the US

Reflecting continued high oil prices, we expect global drilling, outside the US, to remain feverish. We forecast 48,910 wells, a 3.3% gain over last year's total. Our prediction at this time last year called for a mild increase, but stronger-than-expected oil prices eventually propelled activity to 3,100 wells more than forecast. For 2005, most regions will be up moderately.

Drilling records keep falling in **Canada**. As indicated by data from the Canadian Association of Petroleum Producers, plus *World Oil's* own survey, drilling set another record last year at just over 22,000 wells. High oil prices, and the never-ending hunt for more natural gas supplies, were the driver. This year, although operators appear to be bumping up against drilling capacity limits, Canada should squeeze out up to 1,000 additional wells, for a total of about 23,000.

Meanwhile, **Mexico's** Pemex increased drilling last year by 19%, and another gain of at least 10% to 775 wells is predicted. Two major factors are pushing activity higher. One of these is the ongoing expansion of natural gas production in the Burgos basin via multiple service contracts (MSCs) with foreign contractors. The other factor affecting drilling rates is the major expansion of crude output from the Cantarell offshore complex in the Bay of Campeche.

South American drilling improved 10% last year, and the continent is set to post the best regional gain this year at 11.2%. Leading the charge will be Argentina, where activity will be up 21%, due to ongoing field development projects. Work levels will remain strong in Brazil, and Venezuela intends to boost spending by 12%.

A recovery is underway in **Western Europe**. As a whole, the region will be up 11%, at 624 wells, and most of the significant countries will post double-digit percentage increases. Even the UK has stabilized, thanks to the government's improved licensing terms for offshore E&P.

As predicted, Russian drilling leveled out last year, limiting **Former Soviet Union** growth. Russian officials said that exploration drilling was down 18% and not likely to improve, as operators exploit only the better fields. Drilling will also suffer from the merging of Yukos into Rosneft. The remainder of the FSU is in better shape, particularly Kazakhstan.

Africa continues to gain work, but the pace has slowed, reflecting various countries' inability to digest additional development projects in the short term. Activity was up about 5%, and this year should see a 6.4% increase. Egypt remains the leader, but Sudan has jumped into second place.

The **Middle East** is also slowing, but only because Saudi Arabia is having difficulty obtaining more rigs from other regions. Oman will again lead the region with more than 450 wells, as the sultanate tries to shore up its oil output. Elsewhere, slight gains or losses will be the norm. Regionally, activity will rise 2.4%.

In the **Far East,** China will drill its usual total at just above 10,000 wells, ensuring that the region remains flat with last year. Exploration is on the rebound in India, Malaysia and Thailand, complemented by strong development work.

South Pacific nations will find it hard to exceed last year's total. Wells drilled were up 52%, stoked by onshore projects. This year, the dynamics remain the same, for a 1.7% gain.

For the *World Oil* forecast committee,

Kevin Brady, Publisher

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Forecast of 2005 US wells and footage to be drilled

State or area	Total wells 2005 Forecast	Total wells 2004 Estimated[4]	Total wells % Difference	Total footage (1,000 ft) 2005 Forecast	Total footage (1,000 ft) 2004 Estimated*	Total footage (1,000 ft) % Difference
Alabama[1]	**387**	**394**	**–1.8**	**1,050**	**1,146**	**–8.4**
Alaska	**218**	**230**	**–5.2**	**1,372**	**1,478**	**–7.2**
Alaska-offshore[2]	**20**	**21**	**–4.8**	**194**	**206**	**–5.8**
Arkansas	**384**	**386**	**–0.5**	**2,163**	**2,140**	**1.1**
California	**2,450**	**2,380**	**2.9**	**5,760**	**5,590**	**3.0**
California-offshore[2]	**29**	**26**	**11.5**	**208**	**179**	**16.2**
Colorado	**2,180**	**1,847**	**18.0**	**12,750**	**10,810**	**17.9**
Gulf of Mexico[2]	**830**	**835**	**–0.6**	**10,250**	**10,280**	**–0.3**
Illinois	**405**	**348**	**16.4**	**1,000**	**880**	**13.6**
Indiana	**205**	**194**	**5.7**	**320**	**290**	**10.3**
Kansas	**2,757**	**2,500**	**10.3**	**8,100**	**7,500**	**8.0**
Kentucky	**610**	**580**	**5.2**	**1,830**	**1,740**	**5.2**
Louisiana[1]	**1,380**	**1,334**	**3.4**	**10,752**	**10,253**	**4.9**
North	971	953	1.9	6,580	6,375	3.2
South	409	381	7.3	4,172	3,878	7.6
Michigan	**530**	**374**	**41.7**	**1,218**	**782**	**55.8**
Mississippi[1]	**190**	**178**	**6.7**	**1,500**	**1,300**	**15.4**
Montana	**889**	**712**	**24.9**	**2,848**	**2,281**	**24.9**
Nebraska	**65**	**68**	**–4.4**	**210**	**250**	**–16.0**
New Mexico	**1,816**	**1,670**	**8.7**	**10,902**	**9,548**	**14.2**
New York	**282**	**92**	**206.5**	**619**	**349**	**77.4**
North Dakota	**277**	**235**	**17.9**	**2,161**	**1,800**	**20.1**
Ohio	**600**	**545**	**10.1**	**2,580**	**2,259**	**14.2**
Oklahoma	**2,162**	**2,205**	**–2.0**	**14,424**	**14,837**	**–2.8**

State or area	Total wells 2005 Forecast	Total wells 2004 Estimated[4]	Total wells % Difference	Total footage (1,000 ft) 2005 Forecast	Total footage (1,000 ft) 2004 Estimated*	Total footage (1,000 ft) % Difference
Pennsylvania	**2,300**	**2,225**	**3.4**	**7,400**	**7,074**	**4.6**
South Dakota	**25**	**13**	**92.3**	**137**	**70**	**95.7**
Tennessee	**155**	**180**	**–13.9**	**185**	**225**	**–17.8**
Texas[1]	**12,768**	**12,168**	**4.9**	**92,139**	**89,389**	**3.1**
District 1	382	371	3.0	2,054	1,992	3.1
District 2	833	817	2.0	5,956	5,841	2.0
District 3	1,011	956	5.8	8,114	7,692	5.5
District 4	1,358	1,389	–2.2	13,296	13,600	–2.2
District 5	716	708	1.1	8,220	7,965	3.2
District 6	1,393	1,339	4.0	13,173	12,538	5.1
District 7B	632	490	29.0	2,244	1,959	14.5
District 7C	1,573	1,466	7.3	10,936	10,419	5.0
District 8	1,632	1,537	6.2	10,301	9,452	9.0
District 8A	972	912	6.6	5,112	4,944	3.4
District 9	1,356	1,405	–3.5	7,174	8,219	–12.7
District 10	910	778	17.0	5,559	4,768	16.6
Utah	**650**	**535**	**21.5**	**4,750**	**3,950**	**20.3**
Virginia	**460**	**430**	**7.0**	**1,196**	**1,110**	**7.7**
West Virginia	**909**	**871**	**4.4**	**3,483**	**3,360**	**3.7**
Wyoming	**4,000**	**3,631**	**10.2**	**11,241**	**11,058**	**1.7**
Others[3]	**25**	**11**	**127.3**	**122**	**62**	**96.8**
Total US	**39,958**	**37,218**	**7.4**	**212,864**	**202,196**	**5.3**

[1] Excludes state and federal offshore wells, which are included in the GOM total.
[2] Includes state and federal offshore wells.
[3] Includes Arizona, Florida, and Nevada.
[4] 2004 estimates are based on well counts furnished by state and federal regulatory agencies, API and ODS-Petrodata Group for the Gulf of Mexico.

Average number of US rotary rigs in operation[1]

State or area	2004 Avg.	2003 Avg.	% Diff.
Alabama–onshore	**2.2**	**1.6**	**37.5**
Alabama–offshore	**0.4**	**0.8**	**–50.0**
Alaska–onshore	**9.8**	**8.9**	**10.1**
Alaska–offshore	**0.2**	**0.9**	**–77.8**
Arkansas	**6.3**	**2.1**	**200.0**
California–onshore	**20.3**	**17.9**	**13.4**
California–offshore	**3.4**	**3.2**	**6.2**
Colorado	**54.2**	**38.8**	**39.7**
Kansas	**6.7**	**8.7**	**–23.0**
Kentucky	**4.4**	**4.3**	**2.3**
Louisiana total	**167**	**157**	**6.4**
North	39.3	28.5	37.9
Inland water	18.1	14.3	26.6
South	30.3	29.5	2.7
Offshore	79.1	84.6	–6.5
Michigan	**3**	**3**	**0.0**
Mississippi	**9.8**	**8.1**	**21.0**
Montana	**19.8**	**14**	**41.4**
New Mexico	**67.1**	**64.7**	**3.7**
New York	**4.9**	**2.7**	**81.5**
North Dakota	**15.1**	**13.7**	**10.2**
Ohio	**6.7**	**7.4**	**–9.5**

State or area	2004 Avg.	2003 Avg.	% Diff.
Oklahoma	**159**	**128**	**24.2**
Pennsylvania	**9**	**10.1**	**–10.9**
Texas total	**506**	**449**	**12.7**
Texas offshore	12.8	17.6	–27.3
Inland water	1.3	2.5	–48.0
District 1	11.8	13.4	–11.9
District 2	27.5	26.4	4.2
District 3	57.5	48.1	19.5
District 4	70.8	78.7	–10.0
District 5	61.1	53.3	14.6
District 6	70.1	54	29.8
District 7B	8.1	1.3	523.1
District 7C	37.3	27.1	37.6
District 8	47.6	45.6	4.4
District 8A	14.7	15.4	–4.5
District 9	37.5	39.5	–5.1
District 10	47.5	26.1	82.0
Utah	**21.5**	**13.5**	**59.3**
Virginia	**1**	**0.9**	**11.1**
West Virginia	**15**	**15.5**	**–3.2**
Wyoming	**73.6**	**53.7**	**37.1**
Others[2]	**3.4**	**3.6**	**–5.6**
Total US	**1,189**	**1,032**	**15.2**

Totals may not add due to rounding
[1] Source Baker Hughes
[2] Others includes Florida, Nevada, South Dakota and Tennessee

What 14 major drillers[1] plan for 2005

State or area	Wells to be drilled 2005 Total	Wildcat	Field	Wells drilled 2004 Total	Wildcat	Field	Horizontal wells 2005	2004	Coalbed methane gas wells[2] 2005	2004
Alabama[3]	**85**	**0**	**85**	**65**	**0**	**65**	**0**	**0**	**85**	**65**
Alaska–onshore	**3**	**0**	**3**	**1**	**0**	**1**	**0**	**0**	**0**	**0**
Arkansas	**7**	**1**	**6**	**6**	**1**	**5**	**0**	**0**	**0**	**0**
California–onshore	**1,863**	**1**	**1,862**	**1,867**	**0**	**1,867**	**47**	**36**	**0**	**0**
Colorado	**877**	**33**	**844**	**691**	**23**	**668**	**4**	**1**	**389**	**279**
Gulf of Mexico	**240**	**105**	**135**	**162**	**53**	**109**	**0**	**0**	**0**	**0**
Alabama	0	0	0	0	0	0	0	0	0	0
Louisiana	210	84	126	138	40	98	0	0	0	0
Mississippi	8	8	0	0	0	0	0	0	0	0
Texas	22	13	9	24	13	11	0	0	0	0
Kansas	**56**	**4**	**52**	**58**	**0**	**58**	**1**	**0**	**0**	**0**
Louisiana[3]	**181**	**29**	**152**	**124**	**15**	**109**	**2**	**2**	**0**	**0**
North	78	9	69	61	2	59	0	0	0	0
South	103	20	83	63	13	50	2	2	0	0
Michigan	**94**	**0**	**94**	**99**	**0**	**99**	**0**	**0**	**0**	**0**
Mississippi[3]	**4**	**2**	**2**	**1**	**0**	**1**	**0**	**0**	**0**	**0**
Montana	**114**	**1**	**113**	**67**	**0**	**67**	**20**	**20**	**5**	**0**
New Mexico	**561**	**28**	**533**	**532**	**21**	**511**	**14**	**10**	**158**	**54**
North/West	361	0	361	330	0	330	4	1	158	54
South/East	200	28	172	202	21	181	10	9	0	0
New York	**0**	**0**	**0**	**1**	**1**	**0**	**0**	**0**	**0**	**0**
North Dakota	**49**	**2**	**47**	**45**	**0**	**45**	**25**	**25**	**0**	**0**
Ohio	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Oklahoma	**787**	**75**	**712**	**719**	**58**	**661**	**75**	**68**	**57**	**58**
Pennsylvania	**103**	**2**	**101**	**86**	**1**	**85**	**0**	**0**	**6**	**0**
Texas[3]	**2,352**	**73**	**2,279**	**1,958**	**63**	**1,895**	**327**	**248**	**1**	**0**
District 1	10	0	10	14	0	14	0	0	0	0
District 2	35	6	29	22	4	18	0	0	0	0
District 3	61	13	48	76	23	53	3	2	1	0
District 4	110	22	88	115	14	101	0	0	0	0
District 5	291	8	283	139	10	129	98	15	0	0
District 6	287	0	287	192	0	192	8	6	0	0
District 7B	1	0	1	1	0	1	0	0	0	0
District 7C	657	2	655	629	0	629	0	2	0	0
District 8	290	6	284	213	4	209	10	7	0	0
District 8A	137	3	134	120	0	120	24	21	0	0
District 9	167	3	164	220	2	218	84	104	0	0
District 10	306	10	296	217	6	211	100	91	0	0
Utah	**91**	**0**	**91**	**73**	**0**	**73**	**1**	**0**	**1**	**2**
West Virginia	**366**	**3**	**363**	**330**	**5**	**325**	**3**	**1**	**1**	**1**
Wyoming	**640**	**5**	**635**	**475**	**5**	**470**	**0**	**0**	**140**	**126**
Others[4]	**6**	**6**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total US	**8,479**	**370**	**8,109**	**7,364**	**247**	**7,117**	**519**	**411**	**843**	**585**

[1] Major drillers are defined as integrated oil companies or subsidiaries and large independents that plan to implement significant drilling programs in several states during 2005.
[2] Coalbed methane well data are included in wildcat, field and total categories.
[3] Excludes state and federal offshore wells, which are included in the Gulf of Mexico total.
[4] Includes Arizona, Florida, Illinois, Indiana, Kentucky, Nebraska, Nevada, South Dakota, Tennessee and Virginia.

What 97 US independents[1] plan for 2005

State or area	Wells to be drilled 2005 Total	Wildcat	Field	Wells drilled 2004 Total	Wildcat	Field	Horizontal wells 2005	2004	Coalbed methane gas wells[2] 2005	2004
Alabama[3]	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Arkansas	**10**	**10**	**0**	**10**	**10**	**0**	**0**	**0**	**0**	**0**
California-onshore	**17**	**2**	**15**	**18**	**3**	**15**	**4**	**6**	**0**	**0**
California-offshore	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Colorado	**16**	**12**	**4**	**6**	**4**	**2**	**0**	**0**	**0**	**0**
Gulf of Mexico	**57**	**37**	**20**	**60**	**41**	**19**	**0**	**1**	**0**	**0**
Alabama	0	0	0	0	0	0	0	0	0	0
Louisiana	55	35	20	60	41	19	0	1	0	0
Mississippi	0	0	0	0	0	0	0	0	0	0
Texas	2	2	0	0	0	0	0	0	0	0
Illinois	**26**	**14**	**12**	**21**	**16**	**5**	**2**	**0**	**0**	**0**
Indiana	**18**	**6**	**12**	**7**	**2**	**5**	**0**	**0**	**9**	**5**
Kansas	**289**	**105**	**184**	**263**	**70**	**193**	**1**	**0**	**75**	**100**
Kentucky	**1**	**1**	**0**	**1**	**1**	**0**	**0**	**0**	**0**	**0**
Louisiana[3]	**165**	**79**	**86**	**112**	**46**	**66**	**0**	**0**	**5**	**0**
North	21	4	17	17	2	15	0	0	0	0
South	144	75	69	95	44	51	0	0	5	0
Michigan	**17**	**9**	**8**	**23**	**7**	**16**	**1**	**2**	**0**	**0**
Mississippi[3]	**134**	**9**	**125**	**122**	**4**	**118**	**0**	**0**	**0**	**0**
Montana	**5**	**5**	**0**	**1**	**0**	**1**	**0**	**0**	**0**	**0**
Nebraska	**2**	**2**	**0**	**2**	**2**	**0**	**0**	**0**	**0**	**0**
New Mexico	**114**	**37**	**77**	**94**	**13**	**81**	**1**	**0**	**54**	**47**
North/West	67	3	64	51	0	51	0	0	54	47
South/East	47	34	13	43	13	30	1	0	0	0
New York	**22**	**12**	**10**	**22**	**17**	**5**	**11**	**16**	**0**	**0**
North Dakota	**4**	**1**	**3**	**5**	**0**	**5**	**3**	**5**	**0**	**0**
Ohio	**19**	**3**	**16**	**17**	**1**	**16**	**0**	**0**	**0**	**0**
Oklahoma	**75**	**40**	**35**	**59**	**29**	**30**	**0**	**0**	**0**	**0**
Pennsylvania	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
South Dakota	**11**	**6**	**5**	**9**	**4**	**5**	**5**	**5**	**0**	**0**
Texas[3]	**385**	**78**	**307**	**303**	**60**	**243**	**33**	**9**	**0**	**0**
District 1	20	3	17	15	1	14	0	0	0	0
District 2	23	9	14	19	17	2	2	1	0	0
District 3	27	21	6	20	15	5	0	0	0	0
District 4	58	9	49	68	10	58	0	0	0	0
District 5	7	2	5	3	1	2	0	0	0	0
District 6	81	7	74	52	2	50	0	0	0	0
District 7B	0	0	0	0	0	0	0	0	0	0
District 7C	40	6	34	53	2	51	0	0	0	0
District 8	49	13	36	40	4	36	3	0	0	0
District 8A	36	6	30	14	6	8	0	0	0	0
District 9	36	0	36	18	1	17	28	8	0	0
District 10	8	2	6	1	1	0	0	0	0	0
Utah	**11**	**5**	**6**	**0**	**0**	**0**	**0**	**0**	**2**	**0**
West Virginia	**60**	**0**	**60**	**10**	**0**	**10**	**5**	**0**	**5**	**0**
Wyoming	**29**	**5**	**24**	**27**	**1**	**26**	**0**	**0**	**20**	**25**
Others[4]	**8**	**8**	**0**	**3**	**3**	**0**	**0**	**0**	**0**	**0**
Total, Independents	**1,495**	**486**	**1,009**	**1,195**	**334**	**861**	**66**	**44**	**170**	**177**

[1] Companies represent a cross-section of US independent operators.
[2] Coalbed methane well data are included in wildcat, field and total categories.
[3] Excludes state and federal offshore wells, which are included in the Gulf of Mexico total.
[4] Includes Arizona, Florida, Nevada, Tennessee and Virginia.

Forecast of 2005 drilling outside the US*

Region or country	Wells forecast 2005	Wells drilled 2004	% Diff.
North America	**23,815**	**22,748**	**4.7**
Canada	23,016	22,020	4.5
Cuba	19	17	11.8
Mexico	775	705	9.9
Others	5	6	–16.7
South America	**3,495**	**3,142**	**11.2**
Argentina	1,500	1,241	20.9
Bolivia	15	18	–16.7
Brazil	404	374	8.0
Chile	2	0	. . .
Colombia	85	78	9.0
Ecuador	100	98	2.0
Peru	29	26	11.5
Trinidad & Tobago	197	195	1.0
Venezuela	1,000	950	5.3
Others	163	162	0.6
Western Europe	**624**	**563**	**10.8**
Austria	17	18	–5.6
Denmark	34	28	21.4
France	19	16	18.8
Germany	34	27	25.9
Italy	43	35	22.9
Netherlands	35	23	52.2
Norway	158	143	10.5
United Kingdom	265	264	0.4
Others	19	9	111.1
Eastern Europe/FSU	**5,610**	**5,632**	**–0.4**
Croatia	13	10	30.0
Czech Republic	7	5	40.0
Former Soviet Union	5,207	5,250	–0.8
Russian Federation	4,445	4,520	–1.7
Others	762	730	4.4
Hungary	28	24	16.7
Poland	35	34	2.9
Romania	285	275	3.6
Others**	35	34	2.9
Africa	**1,179**	**1,108**	**6.4**
Algeria	200	200	0.0
Angola	60	50	20.0
Congo	40	20	100.0
Egypt	280	265	5.7
Gabon	29	28	3.6
Libya	130	128	1.6
Nigeria	90	85	5.9
Sudan	220	215	2.3
Tunisia	17	13	30.8
Others	113	104	8.7
Middle East	**1,632**	**1,594**	**2.4**
Iran	165	177	–6.8
Iraq[1]	27	25	8.0
Kuwait	100	95	5.3
Neutral Zone	45	43	4.7
Oman	455	460	–1.1
Qatar	90	82	9.8
Saudi Arabia	350	315	11.1
Syria	101	104	–2.9
Turkey	45	49	–8.2
UAE – Abu Dhabi	96	93	3.2
UAE – Dubai	6	8	–25.0
Yemen	125	120	4.2
Others	27	23	17.4
Far East	**12,256**	**12,244**	**0.1**
Brunei	18	20	–10.0
China	10,215	10,200	0.1
India	504	442	14.0
Indonesia	975	1,100	–11.4
Japan	10	9	11.1
Malaysia	150	120	25.0
Myanmar	62	57	8.8
Pakistan	54	48	12.5
Philippines	4	2	100.0
Thailand	200	185	8.1
Viet Nam	50	46	8.7
Others	14	15	–6.7
South Pacific	**299**	**294**	**1.7**
Australia	270	260	3.8
New Zealand	22	27	–18.5
Papua New Guinea	7	7	0.0
World Total	**48,910**	**47,325**	**3.3**

*Some countries are estimated.
** Includes Albania, Bulgaria, Slovakia, Slovenia and Yugoslavia (Serbia).
[1] Northern Iraq (North Oil Co.) only.

Forecast of 2005 offshore drilling worldwide*

Region or country	Wells forecast 2005	Wells drilled 2004	% Diff.
North America	**1,011**	**1,013**	**–0.2**
Canada	16	20	–20.0
Cuba	1	1	0.0
Mexico	115	110	4.5
US – Alaska	20	21	–4.8
US – California	29	26	11.5
US – Gulf of Mexico	830	835	–0.6
Others	0	0	. . .
South America	**195**	**197**	**–1.0**
Argentina	5	2	150.0
Brazil	142	133	6.8
Chile	0	0	. . .
Ecuador	2	2	0.0
Peru	4	3	33.3
Trinidad & Tobago	39	56	–30.4
Venezuela	1	1	0.0
Others	2	0	. . .
Western Europe	**494**	**460**	**7.4**
Denmark	34	28	21.4
France	0	0	. . .
Germany	5	2	150.0
Italy	15	13	15.4
Netherlands	25	18	38.9
Norway	158	143	10.5
United Kingdom	250	250	0.0
Others	7	6	16.7
Eastern Europe	**51**	**51**	**0.0**
Croatia	7	10	–30.0
Former Soviet Union	38	35	8.6
Russian Federation	n.a.	n.a.	. . .
Others	38	35	8.6
Poland	1	1	0.0
Romania	3	3	0.0
Others	2	2	0.0
Africa	**271**	**255**	**6.3**
Angola	57	46	23.9
Congo	15	5	200.0
Egypt	75	74	1.4
Gabon	17	17	0.0
Libya	4	3	33.3
Nigeria	60	67	–10.4
South Africa	3	3	0.0
Tunisia	4	2	100.0
Others	36	38	–5.3
Middle East	**167**	**157**	**6.4**
Iran	40	42	–4.8
Neutral Zone	4	4	0.0
Qatar	63	56	12.5
Saudi Arabia	32	25	28.0
Turkey	1	1	0.0
UAE – Abu Dhabi	18	17	5.9
UAE – Dubai	5	6	–16.7
Others	4	6	–33.3
Far East	**919**	**806**	**14.0**
Brunei	18	10	80.0
China	90	98	–8.2
India	224	140	60.0
Indonesia	190	210	–9.5
Japan	4	4	0.0
Malaysia	150	120	25.0
Myanmar	12	8	50.0
Pakistan	1	0	. . .
Philippines	1	2	0.0
Thailand	177	167	6.0
Vietnam	49	45	8.9
Others	3	2	50.0
South Pacific	**120**	**107**	**12.1**
Australia	105	100	5.0
New Zealand	15	7	114.3
Papua New Guinea	0	0	. . .
World Total	**3,228**	**3,046**	**6.0**

*Some countries are estimated. n.a.---Not available.

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❑ 12 May 2005
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❑ 9 June 2005
World Oil ***Reliability Conference: Intelligent Completions***
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