2004 witnessed a consistent trend of high oil prices explained by a combination of factors ranging from a strong increase in the world demand, the rapid economic growth of Asian countries specially China and India, the erosion of the spare capacity of OPEC countries and political instability induced by geopolitical factors namely in the Middle East, West Africa and South America. Most of these factors will remain in 2005 and it is unlikely that the oil prices could return in the short-term to the previous lower level.

This paper discusses the consequences of the current price trend for the oil and gas industry on various issues, such as the current level of proven oil and gas reserves, the role of probable and possible reserves which can not be ignored, the high technological intensity of the industry that can drive it to new appealing breakthroughs, the triggering of Research and Development projects on new forms of energy like hydrogen, renewables and nuclear.

In particular an analysis of the current crisis and its roots will be performed highlighting its specific content: it is a crisis induced by the demand not by the supply and, in this context, economic growth will remain the main driver of oil demand. The expansion of oil and gas production and supply capacity will call for an huge amount of investment, much of it in developing countries.

In the recent years, industry investments were more focused on existing assets. Investments in exploration did not deserve enough attention, as it is the case of the Middle East producing countries. A good example of this trend is that the last big field discovered in the world was Kashagan in Kazakhstan in 2000.

In terms of the oil and gas industry, a new approach to this problem is required and the increase in world demand combined with high oil prices opens new opportunities to less conventional projects like the extra-heavy oil of the Orenoco belt in Venezuela and the Tar sands of the Alberta province in Canada. Parallel to that, a more aggressive exploration policy combined with the acceleration of the oil and gas projects in the deep offshore areas of Angola, Niger delta and Brazil, is important to cope with the world demand.

However these investments will take time to produce a consistent output and most of the companies and Governments are reluctant to embark in huge expensive projects when there are still plenty of cheaper opportunities. It is understandable that the Middle East Governments strategy focus on the preservation of their resources, namely the optimization of the oil and gas production and the reservoir management policies. In this context, the openness to foreign investment remains a challenge and a balance is required between Middle East Government interests, world demand and the role of international oil companies.
Iraq Petroleum Company in the first decades of the twentieth century. In this regard PARTEX vision has its roots in a realistic assessment of the Middle East oil and gas reserves which are far away from being depleted. A discussion of their role in the future is a must.

The gas world demand is booming and this trend will continue in the future. In this regard, the LNG market and other possibilities like GTL are options to be pursued by PARTEX.

In parallel the notion of a diversified energy company will be introduced with the need to balance the energy portfolio encompassing the development of other resources with special focus on renewable energies. Within this framework it is clear that this century will witness a new mix in the energy portfolio with a new equilibrium between oil, gas, hydrogen, coal, nuclear and renewable energies. PARTEX vision is to position itself accordingly through the participation in new business opportunities, creating a balanced and solid portfolio of assets.