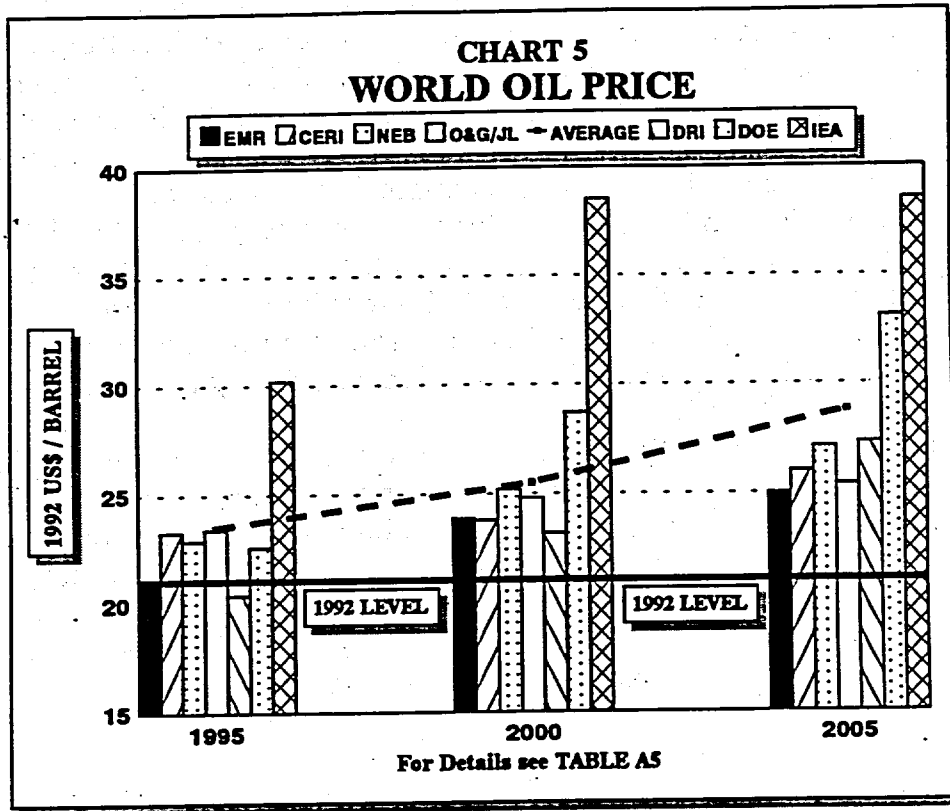


Recent oil price projections

*Most of the forecasters expect the oil prices to remain weak over this decade. After achieving an annual average price of \$24/bbl in 1995, the remainder of the decade sees virtually flat real prices, as OPEC follows the policy of revenue growth through output gains, rather than price increases. The crude oil price (in 1992 dollars) is expected to average \$ 25-26 in 2000 and rise to around \$29 by 2005.*



On the high side of the projections are the DOE, various oil companies which project prices in the range of \$28-29 in 2000 and \$38-39 in 2005, and the IEA (high price scenario) which projects about a \$38 per barrel price in 2000 and after.

Most of the forecasters including DRI, EMR, CERI, NEB, IEA (low scenario) and CONOCO, are projecting low real oil prices in the range of \$23-24 by 2000 and \$25-27 by 2005. These low oil price projections are generally based on the following assumptions:

- Low world oil demand growth of 1.0% to 1.5% per year.