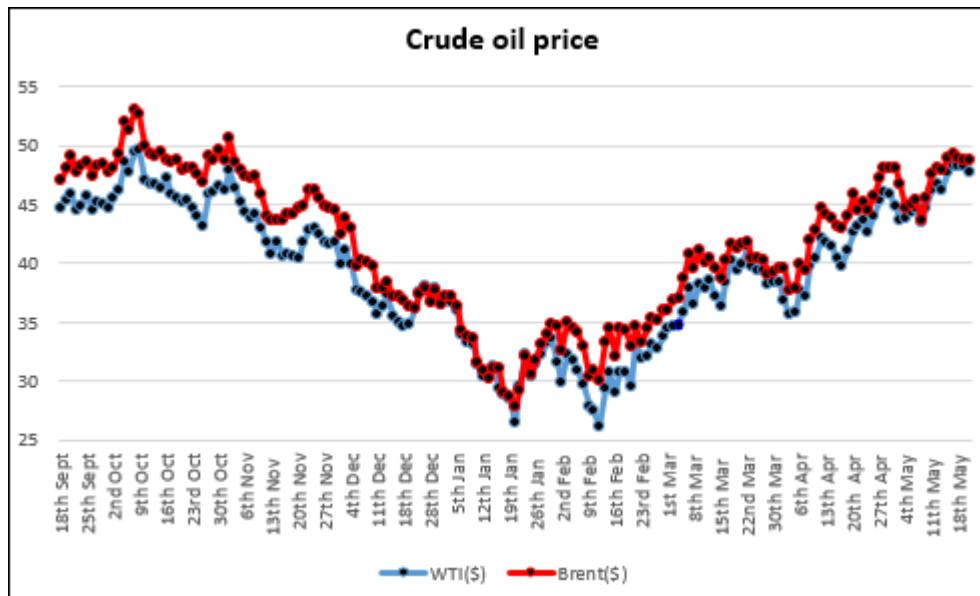


www.chopraseismic.com

Calgary, Canada

Some of the news items for this week are as follows:



1. The oil price this week has fluctuated between \$47 and \$49, and this has been due to a number of reasons.
2. The variation has been due to speculation that US stockpiles have declined and the disruptions in Canada, Nigeria and Libya. For the week ending May 6th, as per the EIA the US crude inventories stood at 540 mb, which is a reduction by 3.4 mb. The Alberta wildfires are under control now, but have reduced the Canadian production by 1.2 mb/d.
3. The stockpiles in Saudi Arabia declined from 305.6 to 296.7 mb in March as the country maintained its production of 10.2 mb/d since January. These numbers are down from 329.4 mb which the country had in October.
4. Since the fall in the oil prices in late 2014, many North American oil and gas companies have filed for bankruptcy, as the low price of the barrel is just not economic for them anymore. Even at the present prices of \$45 and above, some companies are not able to raise capital and several are struggling to sustain crippling debt loans or are nearing default. As financial analysts are now suggesting, some operators may boast of breaking even at \$35 or \$40, but those prices usually include the cost of drilling. When other expenses such as salaries, taxes, interest, etc. are factored in, they no longer break even or are economical. Going by this reasoning, in the coming months many more oil and gas companies may go in the red.
5. OPEC pumped in 32.44 mb/d in April'16, which is an increase of 188,200 b/d from the previous month. This increase is due to increased production in Iran and Iraq, which compensated for

disruptions in Nigeria and the strike in Kuwait. There have since been further oil supply disruptions in Libya, and in Canada due to the wildfires in norther Alberta, Canada.

6. According to Baker Hughes, the active oil rig count in North America fell last week by 10, and the number now stands at 318.
7. Some of the bigger oil and gas companies have decided to keep their investors happy by maintaining the dividend payouts, and are making good use of the lower cost of borrowing, to raise huge debts. Exxon Mobil, Royal Dutch Shell, Chevron, Total, BP and Eni have sold bonds this year, which they have been able to do due to their strong balance sheets.
8. In Libya, in late 2014, the country got divided into two separately governed regions, one around Tripoli in the west, and the other which is run by internationally recognized governments in the east. This political development led to competing administrations in the National Oil Corp. (NOC). The latest development is that the two factions have agreed to resume exports and that NOC should be kept free of political conflicts. The faction infighting has led to labour strikes and attacks on oil installations. Libya produces only 300,000 b/d, which is miniscule compared with its production of 1.6 mb/d in 2011.
9. Venezuela is going through its worst political crisis, and companies such as Halliburton and Schlumberger have reduced their activity there for lack of payments.
10. In Nigeria some oil pipelines have been blown up by militants, disrupting the oil exports.
11. Decline in production, coupled with disruptions in Canada, Nigeria and Libya and Venezuela have not reflected appreciably on the price of the barrel, even though they must be eating into the global glut. It may come soon.

So much for the industry news this week.

For the lighter side this week

Have you heard of the 20 second rule?

It refers to the first 20 seconds when making a presentation, meeting a person, arguing a case or appearing for an interview. It is during these 20 seconds that you make your first impression, which sets the tone for the outcome of your interaction.

When making a presentation in front of a large audience, if you are able to catch their attention in the first 20 seconds, they will be anxious to know what more you have for them. Once those 20 seconds have passed, you may find yourself somewhat less effective in making your mark. This holds true when a lawyer is presenting his arguments for a case. It is during the first 20 seconds that the most effective and compelling evidence has to be presented to swing the judgements your way. This rule seems to work in different walks of life. Again when appearing for an interview, if one is able to begin well, speak confidently and make a good impression in the first 20 seconds, the interviewee will feel more relaxed for the rest of the interview. This is true for employers also, as usually they are able to make up their mind in the first 20 seconds. Finally, I may mention for the youngsters also, that you are meeting a girl or a boy for the first time, keep the 20 seconds rule in mind. It is 'sure' to work.

I have begun above by saying, the 20 seconds rule. Strictly speaking, it is not a rule, but a conclusion that people have come up with and also a result that has been arrived at from practical studies carried

out in different cases. In a different context, another practical example that can be cited would be when you have been working at your computer for a couple of hours, which we all occasionally do, it is a good idea to look at a faraway object for 20 seconds to prevent the straining of your eyes.

An interesting or shall I say a motivating quote that is often cited, is from the movie, 'We bought a zoo', where Matt Damon says '... sometimes all you need is 20 seconds of insane courage, ... and something great will come out of it.'

Check this out at

<https://www.youtube.com/watch?v=ZCykrLxlmfk>

It will help if you always remember the 20 seconds rule.

Did you know?

Dolphins sleep with one eye open. It is true.

Dolphins can rest one-half of their brain, while the other half remains conscious. In any case they have to come to the surface periodically for air, and also need to be vigilant against predators (sharks), and they do this by sleeping with one eye open. This way they can stay alert and vigilant with no ill-effects on their health.

I hope you find these interesting.

So much for this week! Till the next post, stay safe and happy!