



The VM Group
101 Ashmill Street, London - NW1 6RA, United Kingdom
Tel + 44 (0) 20 7569 5930
Web: <http://www.virtualmetals.co.uk>
Email: info@virtualmetals.co.uk

PRESS RELEASE

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“Gaddafi on the Run – Lower Gas Prices on the way”.

The US newspaper headline was not only a little premature – it was possibly even wrong. The revolution in Libya was never about control of the country’s huge oil and gas reserves though, no doubt, they heightened the resolve of western countries to help bring about an end to the despotic reign of Muammar Gaddafi. Now, as Libyan rebel and NATO forces try to track down the man who used brute force and corruption to run his own fiefdom for four decades, political and economic reconstruction is already underway. But given the chaotic infrastructure in the battle-weary country and with recriminations and even tribal in-fighting likely, how quickly can the world’s 12th largest crude oil exporter recover?

The prospects for the international crude oil market following regime change in Libya forms the feature of this month’s VM Group/ABN AMRO Energy Monthly. Before Libya descended into civil war it was producing an average 1.6m bpd of crude, a modest 2% of global supplies and a droplet compared to the output of most other Opec member states. Around 90% of its production was sold overseas, with oil and gas together representing around 92% of the government’s annual revenues. Its return to full production will help cool crude oil prices – but bigger factors, not least the state of global economic growth – will dwarf the Libya factor.

The September edition of the **Energy Monthly** also carries our regular update on prices of all major energy products, snapshots of speculative investment movements, a concise summary of all major energy-related news, and an updated series of crude oil supply-demand data from the IEA, EIA and Opec.

The report is open-access, available directly from the VM Group at: www.virtualmetals.co.uk. If you have not received a copy of this report, or should you require further details or commentary, please contact: Clare Hayter, VM Group, +44 20 7569 5930 or info@virtualmetals.co.uk.