

# Changes in the fuel market in 2018

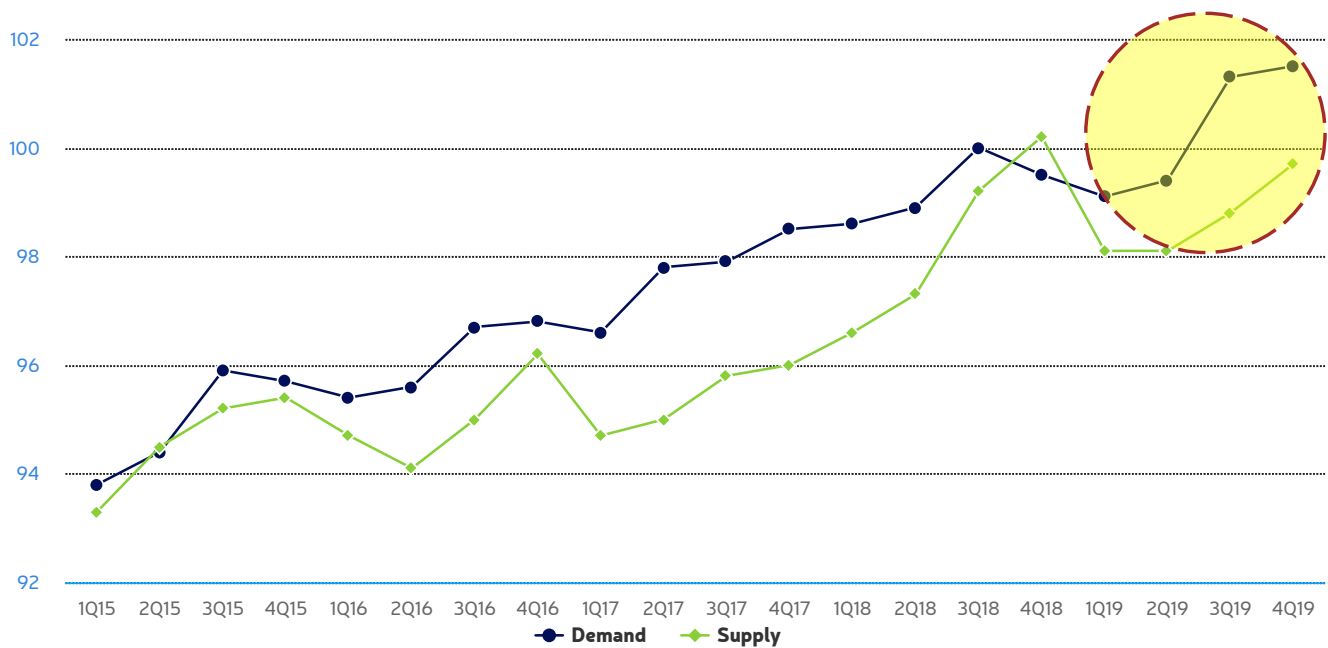
## United States as the leader of the oil market

Last year, the United States exerted immense pressure on the global economy. It was also the world's largest oil producer, exporting on average 1.96 million barrels of crude oil a day, with WTI oil cheaper on average by USD 6.8/bbl than Brent crude, produced in the North Sea.

The macro environment was significantly impacted by OPEC's and Russia's decision of December 7th to cut oil output by 1.2 mbd.

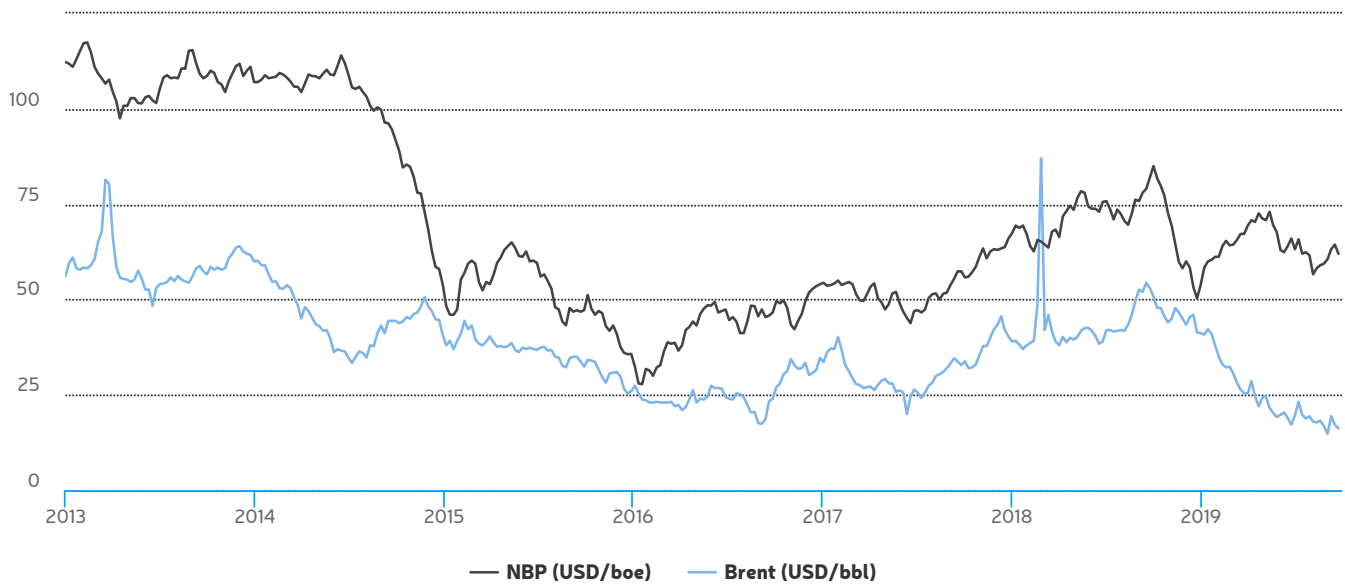
### GLOBAL OIL DEMAND AND SUPPLY (MBSL)

Source: Grupa LOTOS's in-house analysis based on International Energy Agency data, [www.iea.org](http://www.iea.org)



## Improved economic conditions and cost optimisation

2018 saw an improvement in the commodity market after a four year-long oil crisis. The average price of crude oil reached USD 71/bbl, while the average price of natural gas was USD 45/boe, up nearly 38% year on year.



The crisis situation of the past five years has become an incentive for significant optimisation in the E&P industry. The costs of drilling and offshore services, direct production costs, and new field development costs went down. Standardised technical solutions, technological advancement, and improvement of contracting and procurement of products and offshore services helped to reduce average operating expenses by more than 40% relative to 2013.