



News Release

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Daniel Yergin: “Age of Oil” Gives Way to “Century of Energy Innovation” *Keynote remarks open Singapore International Energy Week 2009*

SINGAPORE (November 16, 2009) – The drive for innovation across “the entire energy spectrum is more intense than ever before,” declared Dr. Daniel Yergin, the widely-recognized international energy expert and Pulitzer-Prize winning author of *The Prize*, the definitive history of world oil, now in a new updated edition.

“If the 20th century was the Century of Oil,’ he predicted, “the 21st century will be the Century of Energy Innovation.”

Dr. Yergin, chairman of IHS Cambridge Energy Research Associates (IHS CERA), made these comments in the course of delivering the Singapore Energy Lecture which opens Singapore International Energy Week (SIEW) 2009. The week-long gathering of international and regional policymakers, industry leaders and academics is recognized as one of the most prestigious and respected energy platforms in the world. SIEW 2009 is held this year following the Asia Pacific Economic Cooperation Summit (APEC).

“This intense push for innovation is driven by two powerful forces—the quest for clean energy and the need to provide energy for economic growth,” Yergin said “This reality is nowhere more vivid than in Asia, the center of economic growth.”

“As Asia becomes an increasingly integrated economy, meeting these needs is not just a national issue, but a regional issue,” Yergin continued. “It is a foundation for regional economic growth in this increasingly-interconnected region. And it is an urgent issue.”

Dr. Yergin said that one of the key developments that became clear in preparing the new edition of *The Prize* is the intensified drive for new energy technologies—renewable and conventional energy. He contrasted this current era of innovation to the 1990s when it was widely thought that the energy problem had been “solved”.

“But that was before Asian economic growth took off on a scale that is transforming the balance in the world economy,” he said.

“There is currently a cushion of surplus energy supplies in the world because of the recession,” he said. “But it is important to realize that a few years of renewed economic growth will renew the focus on security of supply.”

He identified a dozen competing explanations for the global economic downturn and said that there is not yet an “agreed upon narrative” as to what happened.

“Such a narrative, when it does emerge, will have a great impact on government policies, including on energy,” Yergin said. “But it is clear that the crisis has speeded up changes in the structure of the world economy that have already been unfolding, and in particular, in the changing relationship between the United States and China.”

Dr. Yergin said that the economic recovery is still in its “early days” and it is very important to facilitate global trade, which will stimulate economic growth. Climate change initiatives coming out of the Copenhagen conference next month and thereafter should reflect a “spirit of cooperation” and avoid becoming confrontational and disruptive to trade, which could have very serious unintended economic and political consequences.

Dr. Yergin also said that natural gas is going to become a more important part of the energy mix both in Asia and in the world because of its abundance and its attractive attributes as a fuel.

“In the next few years, Asia will see substantial growth in use of natural gas in the form of LNG – liquefied natural gas,” said Yergin. “The world’s capacity to produce LNG will grow by 50 percent in the period 2008 to 2012.”

“The most important energy innovation of this decade is the development of unconventional shale gas in the United States,” He said. “IHS CERA’s new Future of North American Energy Forum is researching how this new resource and climate change legislation will change the energy balance in that region.”

“It’s still very early days for unconventional natural gas in Asia, but we expect it to become a more important part of the energy mix,” he added.

Dr. Yergin said that IHS CERA expects a big impact to come from increasing energy efficiency around the world and pointed to Singapore’s regional leadership in pursuing an energy efficiency strategy.

He also noted that Singapore’s role as the “energy crossroad”—both intellectually and in terms of physical supply—goes back to 1892, when the first shipment of oil was unloaded in Singapore.

“To understand the future of energy, you need to understand how we got here and the realities that will shape tomorrow,” he said.

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