

Calls to halt the use of carbon fuels are not only unrealistic, they're a danger to the world's poorest citizens. We will play a role in fueling the world economy for many years to come.

A Place For All Forms

THE FUTURE OF ENERGY

In a strong and growing economy, there's a place for all forms of energy – carbon fuels, wind, solar, nuclear, biomass, hydro and others yet to be developed. Today, we rely primarily on oil and natural gas to fuel the systems of our everyday lives – transportation, heating and cooling, lighting, manufacturing, telecommunications and technology.

Also, many of the products we use every day are made from plastics and compounds derived from oil and natural gas.

And yet, the calls persist to further regulate (or ban outright) oil and natural gas production, as part of a worldwide effort aimed at averting climate change. As we continue to discuss potential regulatory changes for energy production, we must consider the risks of energy shortages and higher costs. Leaving carbon fuels in the ground would necessitate more wind, solar and other forms of energy, but output from these intermittent sources cannot begin to meet the growing needs of expanding economies worldwide.

These issues have been extensively studied. The U.S. Energy Information Administration (EIA) projects that between now and 2040, global demand for all forms of energy will grow. It's expected to be slow growth for coal; much faster growth for renewables and natural gas. The changes should be most visible in

electricity generation, while natural gas also is seen making notable gains as a transportation fuel. Still, in 2040, coal is expected to remain the world's largest energy-related source of CO₂ emissions.

At Devon, we support a consistent, reliable regulatory framework; society depends on measures that are both effective and economically viable. As 55 percent of the world's energy comes from oil and natural gas, curtailing these resources could hurt economic growth and diminish the quality of life for millions of people.

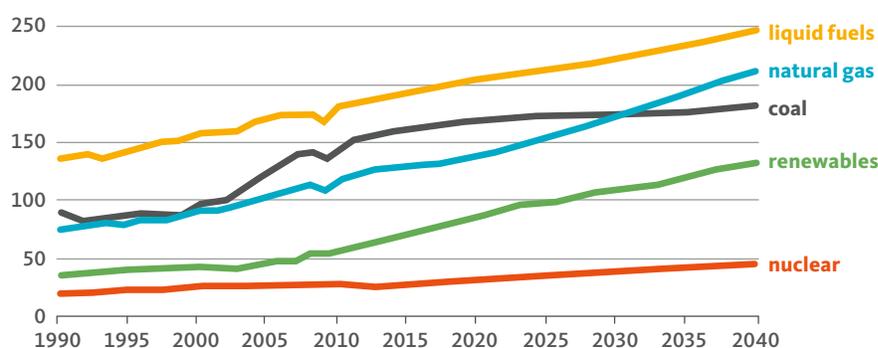
As demand grows for renewables in the years ahead, natural gas is expected to overtake coal, becoming the No. 2 source of energy behind oil around 2030. And by 2040, oil and natural gas together will still account for 55 percent of worldwide energy consumption, according to EIA.

Natural gas already is assuming a greater role. It burns cleaner than coal, emitting less than half the CO₂ and virtually none of coal's pollutants like mercury and sulfur. Natural gas is plentiful, affordable and accessible in North America and around the globe. At Devon, we are particularly well positioned to help meet growing demand for natural gas.

We expect development of new energy sources to continue. Meanwhile, it's our job to produce the energy the world needs now, and to do so thoughtfully and responsibly. We execute our plans based on rigorous analysis of the global outlook for energy, including the prospects for new regulations. We are confident that oil and natural gas will remain the world's most affordable and accessible forms of energy for many years to come.

World energy consumption by source, 1990-2040

quadrillion Btu



Source: U.S. Energy Information Administration, International Energy Outlook 2016

