



## AGREEMENT

The global oil market has witnessed a serious challenge of imbalance and volatility pressured mainly from the supply side. It has led to significant investment cuts in the oil industry, which has a direct impact on offsetting the natural depletion of reservoirs and in ensuring security of supply to producers.

Current market conditions are counterproductive and damaging to both producers and consumers, it is neither sustainable nor conducive in the medium- to long-term. It threatens the economies of producing nations, hinders critical industry investments, jeopardizes energy security to meet growing world energy demand, and challenges oil market stability as a whole.

There is a firm and common ground that continuous collaborative efforts among producers, both within and outside OPEC, would complement the market in restoring a global oil demand and supply balance, in particular the drawdown in the stocks overhang, which is currently at a very high level.

At this juncture, it is foremost to reaffirm OPEC's continued commitment to stable markets, mutual interests of producing nations, the efficient, economic and secure supply to consumers, and a fair return on invested capital.

Consequently, the recovery of oil market balance could be addressed through dialogue and cooperation among producing countries as a way forward for cohesive, credible, and effective action and implementation. Hence, it is under the principles of good faith that countries participating in today's meeting agree to commit themselves to the following actions:

1. In the fulfilment of the implementation of the Algiers Accord, 171st Ministerial Conference has decided to reduce its production by around 1.2 mb/d to bring its ceiling to 32.5 mb/d, effective 1<sup>st</sup> of January 2017;
2. The duration of this agreement is six months, extendable for another six months to take into account prevailing market conditions and prospects;
3. To recognize that this Agreement should be without prejudice to future agreements;
4. To establish a Ministerial Monitoring Committee composed of Algeria, Kuwait, Venezuela, and two participating non-OPEC countries, chaired by Kuwait and assisted by the OPEC Secretariat, to closely monitor the implementation of and compliance with this Agreement and report to the Conference;

5. This agreement has been reached following extensive consultations and understanding reached with key non-OPEC countries, including the Russian Federation that they contribute by a reduction of 600 tb/d production.

In testimony of the above-stated the undersigned, authorized by their governments, have signed this Agreement.

Agreed crude oil production adjustments and levels\* (tb/d)

Member Country	Reference Production level	Adjustment	Production level effective January 2017
Algeria	1,089	-50	1,039
Angola	1,753	-80	1,673
Ecuador	548	-26	522
Gabon	202	-9	193
Indonesia**			
IR Iran	3,975	90	3,797
Iraq	4,561	-210	4,351
Kuwait	2,838	-131	2,707
Libya			
Nigeria			
Qatar	648	-30	618
Saudi Arabia	10,544	-486	10,058
UAE	3,013	-139	2,874
Venezuela	2,067	-95	1,972

\* Reference base to crude oil production adjustment is October 2016 levels, except Angola for which September 2016 is used, and the numbers are from Secondary Sources, which do not represent a quota for each Member Country.

\*\* Indonesia suspended its membership.