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Statement of API President and CEO Red Cavaney
at the Press Briefing for the API Beijing Representative Office

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Good afternoon and thank you for joining us here at the Ritan Inn House. We are very happy and proud to be here to open API's first overseas office.

As you may know, API is the only trade association in the United States that represents all aspects of our nation's oil and natural gas industry. We have almost 400 members who come from all segments of the industry.

So, you may be asking, why are we opening an office in Beijing?

First, having a permanent presence in Beijing will enable API to get to know and work with key government officials and nongovernmental bodies involved in Chinese oil and natural gas operations. The office will promote cooperation between our industries and will offer API's services and support to help meet the Chinese oil and gas industry's needs.

Second, the markets for API's programs are increasingly global, with nearly 80 percent of all current customers located outside the United States. Moreover, of the 57

nations where API has customers, China ranks first. The opening of our Beijing office reflects both the global breath of the oil and natural gas industry and the emergence of a robust energy sector that is fueling China's growth.

And, finally, by maintaining an office in Beijing, API will be able to showcase our programs in China and demonstrate our commitment to working with Chinese government agencies. Hopefully, the API office will help reduce barriers to the acceptance of U.S. equipment and operations and facilitate our nation's trade and commerce with China.

Before I open this up to questions, I would like to thank the Ministry of Commerce of the People's Republic of China for its approval to open this office, as well as our many Chinese friends and colleagues and their organizations for their assistance since the earliest days of our presence here in China.

Thank you again, and now I would be pleased to answer your questions.