

BP Executive Says
World Oil Output To Peak 2010 - 2020

*Lord Browne Tries To Calm Fears
 As Saudi Insider Issues Warning*

www.btinternet.com/~nlpwessex/Documents/BPgeologistpeakoil.htm

November 2004

"A senior executive at BP PLC (BP) thinks world oil production will peak in the next decade, earlier than most other forecasts, the Business reported Sunday. BP exploration consultant Francis Harper estimated the amount of total usable oil reserves in the world are 2.4 trillion barrels, and production would peak between 2010 and 2020, the report said. Harper said production would drop off outside the Organization of Petroleum Exporting Countries first, concentrating power in the producer group. That forecast would mean demand outstripping supply much earlier than other forecasts by ExxonMobil Corp. (XOM) or Royal Dutch/Shell Group (RD SC), the report said."

World Oil Output To Peak Next Decade - BP Exec
[DOW JONES NEWSWIRES, November 7, 2004](#)

"BP CEO Lord Browne made an attempt to calm the world concerning an oil crisis as his company published third-quarter profits had surged by 43 % to almost \$ 4 bn, due to record crude prices. Lord Browne confirmed that oil prices will stay very changeable, however he noted, 'It is not helpful for the world to believe that it is running out of oil. We are evidently not.' All oil producers were increasing output and some had increased their spending on exploration and production from \$ 62 bn in 2000 to almost \$ 100 bn last year. Lord Browne said that if demand returned to historic levels the supply-demand proportion would be back to 'more normal levels' by 2008. He acknowledged that if demand continued to grow at the same exceptional level as it had this year, the world would run out of spare capacity, but he added: 'I think that would be a bit of a stretch, in my view. Oil is not immune from the general vagaries of the world economic situation.' In the medium term, he said, BP expected the oil price to stay above \$ 30 a barrel 'underpinned by OPEC discipline and their needs for revenue.'"

BP makes attempt to calm the world concerning oil crisis
[Neftegaz, 27 October 2004](#)

"BP exploration consultant Francis Harper said he estimated the world's total original usable oil resources - the amount of oil before drilling began - at about 2.4 trillion barrels of oil. This is considerably less than the 3 trillion assumed by bullish commentators such as the US government's Geological Survey. This points to oil production peaking between 2010 and 2020.... His comments are a rare entry by a global oil company into the debate on the life of global oil supplies.... He added that oil companies' public positions on the issue masked debate within them. 'There are people in BP who happen to be economists and so happen to think there's no problem, and there are people in BP who are geologists who are saying it's getting hard to find.'... Seth Kleinman at PFC Energy said oil companies had held back from such statements. 'There's a certain degree of hesitancy for oil companies to go on the record and say, 'we are doing well with oil prices where they are now, but 10 years down the road things actually look pretty dire'."

Oil supply to peak sooner than we think, says BP scientist
[The Business, 7 November 2004](#)

"Channel 4 News has been told by a top Saudi oil industry insider that the American government's forecast for future oil supplies are a 'dangerous over-estimate'. Sadad Al Hussein has just retired as vice-president of the Saudi oil company Aramco.... The Saudis very rarely speak publicly about future oil capacity but there are signs the Kingdom is worried their fields are being pushed too hard. Al-Husseini has just retired as Head of Exploration at Aramco and he told us in a rare interview, that estimates of future global supplies from the EIA, the US government's energy think tank, are simply too high.... Al-Husseini's opinion is a view that is growing in the oil markets, but which no-one wants to admit....

It's also a view articulated by Matthew Simmons, one of the industry's leading financiers, and a former energy advisor to America's Vice President Dick Cheney. He says the main reason the markets won't wake up to permanently high oil prices is what he calls 'group think'..."

Oil supplies 'over-estimated'
[Channel 4 News, 26 October 2004](#)

[The Business](#)

<http://www.thebusinessonline.com/modules/news/view.php?id=29138>

Oil supply to peak sooner than we think, says BP scientist

Richard Orange

November 07, 2004 6:00 AM (GMT)

WORLD oil production is likely to peak in the next decade, much earlier than many international forecasts, a senior BP executive has told The Business.

BP exploration consultant Francis Harper said he estimated the world's total original usable oil resources - the amount of oil before drilling began - at about 2.4 trillion barrels of oil. This is considerably less than the 3 trillion assumed by bullish commentators such as the US government's Geological Survey. This points to oil production peaking between 2010 and 2020.

His comments are a rare entry by a global oil company into the debate on the life of global oil supplies. If true, it would mean demand outstripping supply much earlier than energy projections by ExxonMobil and Shell. BP does not officially supply projections.

The International Energy Agency, the industry watchdog, expects oil demand to continue to rise until 2030. It assumes production will rise to meet demand.

Harper will argue [at a London conference this week](#) that production would start to slow in non-Opec members, concentrating the cartel's power.

He said: "When the world peaks isn't the critical thing. What's more salient is when non-Opec oil peaks, then you'll have the control of marginal production passed back to a progressively smaller group of countries."

He added that oil companies' public positions on the issue masked debate within them. "There are people in BP who happen to be economists and so happen to think there's no problem, and there are people in BP who are geologists who are saying it's getting hard to find."

Harper's prediction is higher than the 2 trillion posited by doom-sayers like Colin Campbell. Harper said: "I'm more conservative than Exxon Mobil with regard to future oil resources, but I'm not Colin Campbell."

Seth Kleinman at PFC Energy said oil companies had held back from such statements. "There's a certain degree of hesitancy for oil companies to go on the record and say, 'we are doing well with oil prices where they are now, but 10 years down the road things actually look pretty dire'."

"The Business newspaper was launched in January 2002 and is available every Sunday on news stands throughout the United Kingdom and Ireland, in first and business class cabins of major airlines, 4 & 5 star hotels frequented by senior businessmen and delivered direct to homes in some of the most affluent homes in the country. The Business is privately owned by Sir David and Sir Frederick Barclay who have other publishing interests in The Scotsman, Scotland on Sunday, Edinburgh Evening News and The Telegraph Group, recently acquired from Hollinger International, comprising of The Daily Telegraph, The Sunday Telegraph and the Spectator magazine."

Energy Institute, London

<http://www.energyinst.org.uk/template.cfm?page=media>

Media Release

Thursday 11 November 2004. For immediate release.

Oil supply to peak by 2015?

"Oil production is now in decline in eighteen countries around the world", said Chris Skrebowski, Editor of Petroleum Review, at yesterday's Energy Institute oil depletion debate.

Joined by Roger Bentley, Senior Research Fellow at University of Reading, Francis Harper, Exploration Consultant at BP, Professor Peter Odell, Professor Emeritus of International Energy Studies at Erasmus University, Dr Michael Smith, Technical Director at Energyfiles, Dr Robert Arnott, Senior Research Fellow at Oxford Institute of Energy Studies, and Dr Ken Chew, Vice President of IHS Energy, this debate considered whether the subject of oil depletion was no problem, concern or crisis.

Over half of the audience felt that oil depletion was a concern, and a further quarter believed that this issue was a crisis for both the UK and the rest of the world. Only four members of the audience took the view that future supplies were no problem. With oil fuelling 95% of all transport, prices currently at their highest level since 1978 and little spare capacity, prices are likely to remain high until oil demand slows or new supplies come on-stream.

One speaker commented that existing reserves are unlikely to sustain demand for more than about 15 years. While Dr Michael Smith demonstrated that a full analysis of oilfield production data clearly shows that a combination of all global oil supplies would be permanently unable to meet forecast demand after the 2010 to 2015 period.

Some of the speakers expected non-conventional oil supplies, tar sands and heavy oils would become increasingly important but there are significant financial and environmental costs to consider. In stark contrast to the general view that future supplies represent a challenge,

Professor Odell suggested that oil production will continue to rise until after the mid 21st century with oil's contribution to the global supply of hydrocarbons then being overtaken by natural gas. Francis Harper and Ken Chew both provided presentations with a wealth of detail about reserves and future prospects. Both were confident that the industry could deliver further supplies while conceding the challenge of meeting future supplies and the idea that conventional oil supplies would peak.

However while the economic development of tar sands and heavy oils looks generally optimistic, there are still some doubts regarding oil shales.

This conference tackled most of the key influences affecting future oil supplies – geological, financial, economic and political. While virtually everyone was prepared to recognize the size of the challenge and the possibility that the era of cheap oil was ending, the idea that physical supply may be restricted within a decade and how this would impact the rest of the world was still being contested.

Following the success of this and a previous conference organised by the Energy Institute, it is clear that future oil supplies and their likely price remains an active and important debate, one which the EI will continue to lead.

ENDS

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For additional comment on the issue of oil depletion, please contact Chris Skrebowski at Petroleum Review on +44 (0) 20 7467 7117 or email cs@energyinst.org.uk

"I think in total the [International Energy Agency] outlook is much too high for production and it's unrealistic for the world to be expecting such high numbers from all of the producers, including Saudi Arabia. They're not only overestimating the Middle East, but they overestimate non-Opec, they overestimate Russia, they overestimate the whole global resource base. And I think this is a rather dangerous situation for the US government policy to be based on."

Sadad al-Husseini, former vice-president of Saudi Arabia's national oil company
Aramco

[Channel 4, 26 October 2004](#)

'Not In front Of The Children'
Why The Oil Crisis Is Different This Time

www.btinternet.com/~nlpwessex/Documents/oilcrisisdifferent.htm

'This Is Not For The Press'

IEA Chief Economist

June 2004

[BP Executive Says World Oil Output To Peak In 5 To 15 Yrs - November 2004](#)
[Top Middle East Oil Figure Says Saudis Can't Deliver - October 2004](#)
[World Oil Demand Surges As Doubts About Saudi Oil Capacity Grow - August 2004](#)
[Why The Oil Crisis Is Different This Time - June 2004](#)

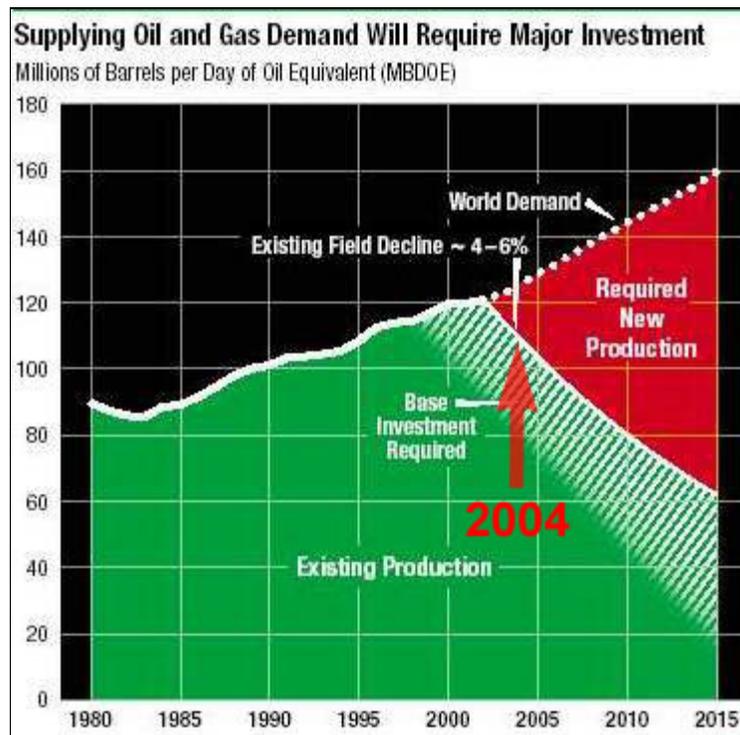
"The United States cannot afford to wait for the [next energy crisis](#) to marshal its intellectual and industrial resources.... Our growing dependence on increasingly scarce Middle Eastern oil is a fool's game—there is no way for the rest of the world to win. Our losses may come suddenly through war, steadily through price increases, agonizingly through developing-nation poverty, relentlessly through climate change—or through all of the above."

James Woolsey, US Director of Central Intelligence, 1993 - 1995
Bush II Administration Adviser and Envoy, 2001 - Present

James Woolsey - Ex-CIA Chief Predicted 'Peak' Oil Crisis In 1999 CFR Paper - [23 May 2004](#)

"Our industry can certainly be proud of its past achievements. Yet the challenges we will face in the coming years will be every bit as great as those encountered in the past, due in part to ever-increasing global energy use. For example, we estimate that world oil and gas production from existing fields is declining at an average rate of about 4 to 6 percent a year. To meet projected demand in 2015, the industry will have to add about 100 million oil-equivalent barrels a day of new production. That's equal to about 80 percent of today's production level. In other words, by 2015, we will need to find, develop and produce a volume of new oil and gas that is equal to eight out of every 10 barrels being produced today."

John Thompson, President of ExxonMobil, the world's largest oil company
[The Lamp \(published for ExxonMobil shareholders\), 2003, Vol. 85 No.1](#)



Graph from ExxonMobil report 4 February 2004, p4 (2004 marker added for illustration)
['A Report on Energy Trends, Greenhouse Gas Emissions, and Alternative Energy'](#)

GLOBAL ENERGY CRISIS LOOMING

[Click Here](#)

"We must not be prisoners of our own time. The horrific terrorist attack in Bali, the attack on the French tanker off Yemen the other week - these threats are coming at the world from all directions....And you can't continue.... to just keep erecting security and defence barriers all around you..... We have a way of life, a set of [energy] consumption patterns, that are going to have to change - all of us. We have to recognise that without a major shift in the whole way we organise ourselves, our pattern of life is simply not sustainable."

Peter Hain, UK Minister for Europe

Mid-East oil 'too costly' for Europe

[BBC Online, 17 Oct 2002](#)

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