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Private industry conference finds much less oil

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(Podcast) A secretive gathering some of the world's biggest oil companies has concluded the industry will discover far less oil than officially forecast, according to an executive who attended the event, meaning global oil production may peak much sooner than many expect.

The Hedberg Research Conference on Understanding World Oil Resources was held by the American Association of Petroleum Geologists in Colorado Springs last November to try to reconcile widely divergent estimates of likely future reserves additions. In an interview with Lastoilshock.com, oil executive [Ray Leonard](#) said the majority view was that future oil discovery would amount to some 250 billion barrels, rather than the 650 billion barrels suggested by the United States Geological Survey.



The Colorado meeting was attended by technical experts from all the supermajors along with some of the biggest state-owned oil companies such as Saudi Aramco. According to Mr Leonard, a vice president of the recently-formed Kuwait Energy Company, who presented a paper on Russian reserves as the former head of exploration for Yukos, the experts challenged the USGS's regional assessments on the basis of their companies' more detailed proprietary data. Mr Leonard says the majority opinion was that reserves growth from current fields might add around another 500 billion barrels, against the USGS estimate of 612 billion, and that non-conventional oil production would reach only 4-5 million barrels per day by 2015, also much lower than the most optimistic predictions.

Journalists were barred from the conference to allow open discussion of confidential information, although the Oil & Gas Journal later reported that the meeting had concluded oil production would peak between 2020 and 2040 at 90-100 million barrels per day. But Mr Leonard said that based on the range of numbers accepted by the majority of delegates at the conference, he expects output to plateau in five years' time. "If there's a world recession it could be a little longer, if United States invades another oil producing country it may happen a lot sooner. But it's going to happen in around five years so we need to make some preparations".

The [USGS oil resource estimates](#) have long been regarded as wildly optimistic by many peak oil forecasters. Its World Petroleum Assessment published in 2000 implied that the oil industry could discover some 22 billion barrels per year between 1995 and 2025, but in the first quarter of the forecast period discovery has averaged just 9 bn bbls annually. Last month the USGS revised down one of its most controversial regional assessments, when it slashed its estimate of East Greenland's oil potential from 47 billion barrels to just 9 billion.

[Listen to the interview with Ray Leonard.](#)



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