



Liar, liar, pants on fire...?

Posted by [Prof. Goose](#) on June 14, 2005 - 3:58pm

[This article](#) (hat tip: peakoil.com) is yet another example, at least in my opinion, of the Saudis continuing to be disingenuous.

Here's some quotes from that piece:

"VIENNA : Saudi Arabian Oil Minister Ali al-Nuaimi urged consumer countries to build more refineries to put an end to a shortage that is causing oil prices to surge.

"The supply is here, inventories are building, there is certainly no shortage of supply -- so build, build refineries, Nuaimi told reporters.

"Start building refineries and you will solve maybe half of the problem," he added during his traditional morning jog in Vienna, ahead of a meeting of the Organisation of Petroleum Exporting Countries due Wednesday."

As we have illustrated here at TOD [again](#) and [again](#) and again, refinery capacity is only a slight problem. The real problem is that Saudi Arabia (and OPEC...and...and...) doesn't have any more oil to give that's cheap to extract.

Well, today over [at LOBG, there's a post](#) and [an extensive linked document](#) that is contrary to this point of view, and therefore worth reading. It's a piece on oil from Arthur Berman, editor of the Houston Geological Society (HGS) Bulletin, questioning the idea that Peak Oil is the actual problem.

(btw, I will always advocate reading and expressing other viewpoints and ideas here at TOD...we learn by challenging our ideas, not marching in lockstep).

As LOBG says:

"This is probably the best 'attack' on Peak Oil I have read, which is not actually saying much. Nonetheless, I think it is well worth reading, as I think the authors' ideas have validity.

Ultimately, it does not refute the idea that oil prices will be higher and chaotic in the future, though the author believes this is not due to Peak Oil, instead due to limited refining capacity, the most promising regions being off-limits for exploration by major oil co's, and the bumbling nature of most nationalized oil co's."

I found it an interesting skim (lots and lots o' charts!), though I haven't had time to read it extensively yet. Still, it seems to me that this piece doesn't give me enough evidence to go against all of the evidence we've presented here regarding Saudi supply/capacity, but I'd like to hear what y'all think.

EDITED TO ADD: Here's a [story at MSNBC](#) discussing exactly this topic. (hat tip: [FTD](#)). Maybe we should all go vote in the poll...yeah, that would make a difference...

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