

An Oil Question for Saudi Arabia

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For those who have chased the Oil Supply story for even a short time, it has become obvious that, outside of the oil sands of Canada, the only significant immediate supply to meet the growing demand will come from increased OPEC production. However only very few of the OPEC countries can increase production and of these only Saudi Arabia is considered to have the reserves to make a major contribution towards the 2 mbd plus growth in demand that is currently expected to happen this year.

When Saudi ministers are questioned on the concerns that the rest of the world have in ensuring that there is an adequate supply they name two major fields, that have yet to be brought to full production, as part of their immediate reserve. These two are the Manifa and Khurais fields, which, they claim, have been shut in until now because of low demand. Current Saudi Plans are now to boost Khurais production by 1.2 mbd by 2009. This is not an immediate increase, but a staged one over time. The concern comes with the Saudi considering the Manifa field as part of their immediate reserve to match increases in production (You will note it is not on the list of anticipated increases).

Manifa could produce up to 1 mbd but as <u>David Fleming</u> pointed out in November, 2000 in Prospect Magazine"

Beneath the seabed off the coast of Saudi Arabia is an oil field called Manifa. It is giant, and its riches are almost untapped. There is, however, a snag. Its oil is heavy with vanadium and hydrogen sulphide, making it virtually unusable. One day the technology may be in place to remove these contaminants, but it will not be for a long time, and when, or if, it becomes possible, it will do no more than slightly reduce the rate at which the world's oil supplies slip away towards depletion. Even this field has one advantage over the massive reserves of oil which middle east suppliers are said to hold, ready to secure the future of industrial civilisation. Unlike those fantasy fields, Manifa does actually exist.

However it would be reassuring to be told that in the 1.5 mbd that Saudi Arabia says that it has on hand to meet the 2 mbd growth this year, that the Manifa oil has not been counted.

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