



Interesting Stuff Out There Today...

Posted by [Prof. Goose](#) on August 1, 2005 - 2:50pm

I wanted to bring your attention to a few things out in the 'sphere today.

First, [there's an interesting take on the importance of Cassandras to the peak oil movement over at WorldChanging today](#). (EP's already been there!)

Second, an [interesting post by the Watchful Investor](#) linking a Federal Reserve study that reports that our current unemployment rate actually being as high as 8.7%, reaching Europe-like levels, just because people are choosing to stay out of the workforce.

Finally, here's a guest post by fan-favorite J:

"[This article](#) has some good stuff, which is strange for a rag like USA Today:

Nugget #1: "Futures quotes do not dip below Wednesday's \$59.11 a barrel for September delivery until June 2008, by which time new supplies in Africa and the Gulf of Mexico are expected to be available."

Nothing else needs to be said, if you ask me...all it takes is continued warm Atlantic waters and increased storm activity. Never forget that tropical storms can and often do spawn on the African coast, and those platforms are no different than the ones in our own Gulf of Mexico.

Nugget #2: "In addition, tiny Murphy Oil said Wednesday that its quarterly exploration expenses rose 72% to \$40 million due to energy searches in the Congo and Malaysia."

Murphy is the former owner of ODECO, which used to hold the largest fleet of offshore rigs in the world. Their primary oil comes from older shelf platforms and deepwater drilling in the Gulf of Mexico. REALIZE that their increased costs are TYPICAL of the entire industry. Murphy just happens to need to share this with stockholders due to their reduced dividends from international ventures. Larger companies can hide these numbers more effectively, and will always hide everything they can about their inner workings.

Nugget #3: "There's just not that many corners of the world left to go drill holes in anymore," affirms PFC Energy analyst Seth Kleinman, who says the exploration activity underway will be accompanied by a consolidation wave in a struggle of the fittest. "One sure way of adding to your reserves," he says, "is to buy them. And companies are sitting on top of a lot of cash right now."

Everybody in this business knows that another wave of consolidation is coming. THOUSANDS of petroleum engineers are banking on this to be their last 'hurrah' before cashing out and retiring. They already have exit plans based on bonuses yet to be had, stock prices yet to be reached. But everybody knows the reserve picture, and so the confidence level is very high that these exit plans can be carried out with financial success. The fallback position is to continue working. What

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will be left in the oil patch will be a shadow of what we have today, just when we are getting things rolling from the new capital influx."

J also suggests having a read of [this piece](#).

Technorati Tags: [peak oil](#), [oil](#)



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