



## The crystal ball, though murky, is not empty

Posted by [Heading Out](#) on August 5, 2005 - 3:24pm

Halfin has commented on the risks of projecting demand, and the inaccuracies of those who anticipate Peak Oil. Now, being one of those that, 30 years ago, would post predictions on the board outside my office, I now know that there are a lot of unforeseen circumstances that can influence demand, and hesitate to date peak oil.

But that being said, it is a fool that ignores the warning signs of trouble ahead. This awareness of concern began, for me, with a Michael Lynch comment last year that oil prices would, by now, have dropped back to \$30 a barrel. And from there, as I looked further, that price seemed harder and harder to defend. Move ahead a year and a bit, and this situation remains much worse than the optimists might have it. I suppose that I would be less concerned if I could find more credibility in the arguments thrown up against the positional sense that has developed at this site over the past few months.

As one sees that one of the optimists is willing, shall we say, to gild the lily, in regard to future supply, then concern grows. When Saudi Arabia promises the world enhanced production, yet the number of tankers from that region are reported as not being as high as they should be, then that concern grows. When China builds new refineries it is naïve to believe that they won't be used, and concern grows. And when hopes of increased production from Russia seem doomed to be filed under dreams, then concern grows.

It is useful to review where we get our oil from. We did it [here](#) and [here](#) in more detail, but it can be simplified to figures from the OGJ that show that, in April 2005, the US imported oil from Algeria (467 kbd); Kuwait (164 kbd); Nigeria (1,243 kbd); Saudi Arabia (1,494 kbd); Venezuela (1,567 kbd); Other OPEC (597 kbd); Angola (365 kbd); Canada (2,190 kbd); Mexico (1,632 kbd); Norway (250 kbd); UK (394 kbd); Virgin Islands (358 kbd) and other non-OPEC (2,655 kbd) [1 kbd = 1,000 barrels a day].

Of these Mexico has just gone into depletion, Venezuela for political or geological reasons has dropped a possible 1 mbd of production over the past year, Saudi Arabia may or may not be at peak production, but has set aside 800,000 bd of new production just to offset depletion in its older fields, Canada is relying on tar sands for increases and at no more than around 150,000 bd/year; the North Sea appears now to be depleting at around 500,000 bd/yr (UK and Norway); Iraq is still dropping in production – at present it is down around 100,000 bd over last year (that may be the other OPEC); Angola is just starting to increase production as is Algeria; Kuwait is up around 20,000 bd; and Nigeria is staying stable, but appears to have significant political problems.

This is a relatively volatile world and over the past few weeks riots and other political problems have broken out in a number of parts of the world where the current price of gasoline is proving to be too high. Short term measures to "cope until prices drop back to \$45 a barrel" may well become permanent.

In this sort of world having some idea as to what is happening and what might be perceived, based on news and other reports, as coming down the pike does not seem to be an unworthy goal. And so I guess I will continue trying to ferret out the real numbers, what they currently mean and what they might mean in the future. But hopefully at our new site I should be able to make it easier to show the numbers.

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

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