



All the way to Trinidad for Henry Groppe...

Posted by [Prof. Goose](#) on August 14, 2005 - 7:13am

A [really good summary piece from Gwynne Dyer from the \(hunh?\) Trinidad Express](#), that amazing bastion of journalism (but it is a really good read...). Some snippets:

"We ran out of \$2 oil in 1973," said Henry Groppe of Groppe Long and Littel, at 79 the oldest active oil consultant (and one of the most respected) in the business. "Then we ran out of \$8 oil, then \$15 oil. Now we're running out of \$40 oil." It's a different way of looking at what is happening to the price of oil, and a much more useful one.

Last week the price of a barrel of oil reached \$65. Oil has doubled in price in the past eighteen months, and oil industry experts freely speculate that the price might hit \$80, even \$100 a barrel before year's end, hugely depressing world economic growth.

But here's an interesting fact. Oil companies still decide whether a new field is worth developing by calculating whether they would turn a profit from it when the price per barrel falls to only \$25. Do they know something that the rest of us don't?

Indeed. Good piece for the new folks.

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