



## What are Chevron and Shell trying to tell us

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Shell and Chevron-Texaco are two companies that, I would argue, are precipitously close to acknowledging the peak oil problem. Between [Chevron-Texaco's "Will you join us" ad campaign](#) which states:

"Energy will be one of the defining issues of this century. One thing is clear: the era of easy oil is over. What we all do next will determine how well we meet the energy needs of the entire world in this century and beyond. Demand is soaring like never before. As populations grow and economies take off, millions in the developing world are enjoying the benefits of a lifestyle that requires increasing amounts of energy. In fact, some say that in 20 years the world will consume 40% more oil than it does today. At the same time many of the world's oil and gas fields are maturing. And new energy discoveries are mainly occurring in places where resources are difficult to extract, physically, economically and even politically. When growing demand meets tight supplies, the result is more competition for the same resources. We can wait until a crisis forces us to do something. Or we can commit to working together, and start by asking the tough questions: How do we meet the energy needs of the developing world and those of industrialized nations? What role will renewables and alternative energies play? What is the best way to protect our environment? How do we accelerate our conservation efforts? Whatever action we take, we must look not just to next year, but to the next 50 years."

...to [Shell Director Malcom Brinded's recent comments that:](#)

The challenges of supplying the expanding energy needs on which rising living standards for billions of people depend - while still preserving our environment - are increasingly apparent. I believe they are among the greatest challenges ever faced by mankind.

It should not surprise us that these two companies would be the first to break ranks with the oil fraternity and acknowledge the problem. These are the two of the big multinationals who [have seen their total daily production rates decline over the past 4 years.](#)

Now we have to try to read the tea leaves here. Remember that these companies are primarily responsible to their shareholders. Not only that, but the leaders of these companies cannot break ranks with the fraternity easily without looking like left-wing fringe wackos to their peers. My analogy is that these companies just decided they are gay, but they can't come out and tell all of their jock friends (e.g. Exxon, BP, Dick Cheney etc.) that they are gay. However, they are starting to come out publicly and say gays should not be discriminated against.

On the other side of the coin, I met someone this week who also worked for one of the IOCs as a mid-level manager working on strategy and new business opportunities. He had authored an academic paper, using exclusively non-proprietary public sources, on the high likelihood of an economic shock to the world's economy due to oil demand outrunning supply in the next decade. The paper was submitted and accepted for publishing in an internationally known public policy journal.

However, the paper was not approved for publishing by his company. It is a shame too, as the paper is very good and well documented.

I guess that most IOC's are not prepared to let the cat out of the bag yet. They do not want any of their scientists or managers names publicly associated with the concepts supporting Peak Oil. Better to bury the evidence.

My questions are these: Does anyone else know of any additional explicit statements by senior members of the oil fraternity that acknowledge peak oil? And how can we use these and other statements to start to get public policy makers to begin to acknowledge the peak oil problem, because that is what we should be here for.



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