



## "120 million barrels per day will never be reached, never"

Posted by [Chris Vernon](#) on April 8, 2006 - 10:48am in [The Oil Drum: Europe](#)

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Those are the words of Christophe de Margerie, head of exploration for Total and heir presumptive to the leadership of the French energy multinational as reported by The Times newspaper today (8th April 06): [World 'cannot meet oil demand'](#). In the interview de Margerie addressed the IEA's World Energy Outlook which predicts world global oil demand of 121 mbpd by 2030 given investment of more than \$3 trillion (£1.72 trillion).

Total's exploration chief reckons the output rise is impossible, given available resources and geopolitical constraints on gaining access to reserves in Opec countries.

M de Margerie argued that the resources were simply not available. He said: "Take Qatar. How many projects can you have at the same time? You have more than 100,000 people working on sites. It's a big city of contractors. Now they have the problem of having to build a new power plant to supply a city of contractors."

I expect de Margerie knows a thing or two about the business of bringing oil to market and he makes the very plausible comment that:

The world lacks the means to produce enough oil to meet rising projections of demand for fuel over the next decade.

Forget 2030, he's talking about the next decade and suggests that the world is wrong to focus on oil reserves when the problem is the capacity to produce oil. This is a very important point - peak oil is all about capacity to extract, the flow rates and very little to do with the total reserves.

On a related subject last month the UK Government [Foreign and Commonwealth Office](#) published a document titled: *Active Diplomacy for a Changing World, The UK's International Priorities* [Link \(pdf\)](#). Amongst the rosy forecasts for the next 20 years we have come to expect from such publications (no doubt based on assumptions which don't include peak oil) there is this titbit:

Existing conventional oil reserves are projected to meet global demand until 2030, but investment of around £10 trillion (US\$17 trillion) will be needed to turn resources in the ground into supplies for consumers.

This is interesting for two reasons, firstly it is the first time I've seen government put an actual cost to the common statement of "there's enough oil given suitable investment" so often used when government talks about this subject. Secondly it is very different from the "more than \$3 trillion (£1.72 trillion)" that the IEA claim. I guess it is 'more' but that has to be where any agreement breaks down.

Why the uncertainty? Can the world afford \$17 trillion over the next 24 years (\$700bn a year)? How much did the oil industry spend per year over the last few years? Is an admission that it will take \$17 trillion to bring sufficient oil to market out to 2030 really an admission that we won't bring sufficient oil to market? What happens after 2030 - where presumably this situation breaks down and no investment will be able to bring oil to market.



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