

The IEA has asked us to remove the copy of the WEO Executive Summary from our website, which we have done. We apologise for the confusion which arose from media articles which announced that it had been released on Thursday last week.

Bruce Robinson,
Convenor, ASPO-Australia

“The findings are part of the agency’s annual World Energy Outlook, which is scheduled to be released next week in full. An 18-page executive summary was made public on Thursday”. NYT, below

http://www.nytimes.com/2008/11/07/business/07energy.html?_r=1&em&oref=slogin

Agency Predicts a Return of Triple-Digit Oil Prices

By [JAD MOUAWAD](#)
Published: November 6, 2008

The global economic slump that has curbed energy demand and pushed oil prices down in recent months may provide only a short-lived respite for consumers, according to the world’s top energy forecaster.

The International Energy Agency, which advises industrialized nations on energy policy, warned on Thursday that the supply shortfalls that pushed oil prices into triple-digit territory this year are far from resolved, and could lead to a new period of high prices.

Oil has plummeted from its summer peak in recent weeks as the financial and economic slowdown reduced consumption. But many analysts believe oil could bounce back quickly once economic growth resumes. On Thursday, oil futures in New York settled at \$60.77 a barrel, down \$4.53, their lowest level in 19 months. Prices are now 58 percent below their peak of \$145.29 a barrel in July.

As a result of higher prices and lower growth, the energy agency slashed its forecast for global oil demand by more than 10 million barrels a day over the next two decades. It now expects oil

consumption to reach 106 million barrels a day in 2030, up from 86 million barrels a day this year.

But even with the lowered demand forecast, the agency warned that the period of lower prices may not last as producers fail to increase oil supplies to meet the developing world's rising needs. It expects prices to average more than \$100 a barrel through 2015, and possibly rise to \$200 a barrel by 2030.

The findings are part of the agency's annual World Energy Outlook, which is scheduled to be released next week in full. An 18-page executive summary was made public on Thursday.

Much of the growth in oil supplies will come from the Organization of the Petroleum Exporting Countries, whose members hold the bulk of the world's oil reserves.

The agency said that big new investments would be required in coming decades to meet growing energy needs. Oil and gas investments of \$8.4 trillion will be required through 2030, or about \$350 billion a year on average.

"Globally, oil resources are plentiful, but there can be no guarantee that they will be exploited quickly enough" to meet the expected consumption growth, the agency said.

Falling prices are causing some producers to pare investments and delay projects.

Saudi Arabia's national oil company, Saudi Aramco, and [ConocoPhillips](#) said on Thursday that they would delay a major expansion at a refinery in Yanbu, on the kingdom's Red Sea coast, for at least six months.

The two companies said they halted the bidding process for the 400,000-barrel-a-day refinery because of "uncertainties in the financial and contracting markets." Both companies said they were still committed to the project but wanted to take advantage of better contracting terms as prices fall.

The energy agency's experts have become increasingly alarmed in recent years at the slow pace of development of oil resources. The agency's report includes an extensive analysis of the world's 800 biggest oil fields. It found that producers would face a steep path just to keep production from declining.

Part of the problem, the report found, was that decline rates at existing fields were accelerating, meaning that more oil needs to be found and produced to keep global production from falling.

According to the report, in order to offset both natural field declines and meet the projected growth in demand by 2030, the world would need to increase production by 64 million barrels a day, or the equivalent of six times the current production of Saudi Arabia.

The global agency also stressed that urgent action was required to curb carbon emissions, which are expected to double by the end of the century. That would push global temperatures up by as much as 11 degrees Fahrenheit, leading to catastrophic [global warming](#), the agency said.

“Current global trends in energy supply and consumption are patently unsustainable — environmentally, economically, and socially,” the energy agency said. “But that can — and must — be altered.”

The agency said that reductions in the carbon dioxide output of the United States and China, the world's top two emitters, would be critical to stabilizing global emissions. Carbon emissions from the use of fossil fuels are expected to rise by 45 percent by 2030. Even modest reductions will be difficult to achieve, and will be costly.

“The future of human prosperity depends on how successfully we tackle the two central energy challenges facing us today: securing the supply of reliable and affordable energy; and effecting a rapid transformation to a low-carbon, efficient and environmentally benign system of energy supply,” the report said.