

International Energy Agency Confirms the Energy Watch Group's Warning

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- "Peak Oil" through conventional production was reached in 2006
- IEA's assumptions about future total production unrealistic
- Accelerated expansion of renewables will safeguard supply more economically

As early as three years ago, the Energy Watch Group (EWG) identified the highpoint of conventional worldwide oil exploitation as having been reached in 2006. With its "World Energy Outlook 2010", the International Energy Agency (IEA) expressly endorsed this conclusion for the very first time, corroborating that the production of crude oil will never again achieve the 2006 level. The Agency, made up of 28 OECD countries, represents the governmental interests of the largest "Western" energy-consuming nations.

In a comprehensive 2007 study, the Energy Watch Group's scientists explained why "after attaining this maximum production, there is a very high probability that in the coming twenty years – by 2030 – annual output of crude oil will halve." In each of the past few years, the IEA has revised its annual forecast of worldwide oil production downward, converging toward the Energy Watch Group's analysis.

Unlike the Energy Watch Group, however, the IEA continues to espouse expectations that are far too optimistic in regard to the expansion of oil production from conventional and unconventional sources. Thomas Seltmann, the EWG's project manager, explains, "Leading representatives of the IEA regularly declare that 'several new Saudi Arabias' would need to be tapped only in order to maintain current output levels. This would also be a condition for their current scenario, but these oilfields simply don't exist. You can only produce oil that you can find."

Moreover, the IEA continues to make unrealistic assumptions about the potential output from so-called "unconventional" wells: natural gas condensates and tar sands – two putative substitutes for crude oil. Production of the latter is very complicated and detrimental to the

environment, and the availability of both is much lower. "Bringing them online is absolutely not comparable with the familiar oil production on land and in the sea", Seltmann qualifies. Nonetheless, the IEA still suggests that the oil supply can be raised to meet demand.

The unjustified optimism about oil is paralleled by an equally unfounded pessimism vis-à-vis the expansion of renewable energies, and the expansion rate outlined by the IEA is well below the current growth rates for renewables. Seltmann says, "We urgently recommend that governments ambitiously accelerate the expansion of renewable energy in order to counter the foreseeable shortages and price jumps of fossil fuels. More rapid expansion of renewable energy is more economical overall than a slower approach. Even completely meeting our energy needs with renewables is possible within a few decades and more economical in total than the further consumption of oil, natural gas, coal, and uranium."

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Download of the study and updated graphic related to the EWG oil study:
<http://www.energywatchgroup.org/Crude-Oil.56+M5d637b1e38d.0.html>
(www.energywatchgroup.org Themes Crude Oil)