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Under embargo until 22 October 2007

Peak Oil could trigger meltdown of society

London, 22 October 2007

According to a newly published global oil supply report to be presented by the Energy Watch Group at the Foreign Press Association in London, world oil production peaked in 2006. Production will start to decline at a rate of several percent per year. By 2020, and even more by 2030, global oil supply will be dramatically lower. This will create a supply gap which can hardly be closed by growing contributions from other fossil, nuclear or alternative energy sources in this time frame.

"The most alarming finding is the steep decline of the oil supply after peak", warns Jörg Schindler from the Energy Watch Group. This result, together with the timing of the peak, is obviously in sharp contrast to the projections by the International Energy Agency (IEA). "Since crude oil is the most important energy carrier at a global scale and since all kinds of transport rely heavily on oil, the future oil availability is of paramount importance as it entails completely different actions by politics, business and individuals.", says Schindler.

This cautious energy outlook corresponds with statements made by former US Defense Secretary and CIA Director, James Schlesinger, who said at a recent oil summit in Cork: "The battle is over, the oil peakists have won. Current US energy policy and the administration's oil strategy in Iraq and Iran are deluded."

However, until recently the International Energy Agency denied that a fundamental change of energy supply is likely to happen in the near or medium term future. Hans-Josef Fell MP, a prominent member of the German Parliament, is clear: "The message by the IEA, namely that business as usual will also be possible in future, sends a diffusing signal to the markets and blocks investments in already available renewable energy technologies.

Remaining world oil reserves are estimated to be 1,255 Gb (Giga barrel) according to the industry database HIS (2006). For the Energy Watch Group (EWG), however, there are sound reasons to modify these figures for some regions and key countries, leading to a corresponding EWG estimate of 854 Gb. This oil supply outlook does not rely primarily on

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reserve data which in the past have frequently turned out to be unreliable. Hence the EWG analysis is based primarily on production data which can be observed more easily and which are more reliable.

Peak oil is now. "The oil boom is over and will not return. All of us must get used to a different lifestyle.", said King Abdullah of Saudi Arabia, the largest global oil producer. For quite some time, a hot debate has been going on regarding peak oil. Institutions close to the energy industry, like CERA, are engaging in a campaign trying to debunk peak oil as a "theory". However, the EWG report shows that peak oil is real. The world is at the beginning of a structural change of its economic system. This change will be triggered by a sharp decline of fossil fuel supplies and will influence almost all aspects of daily life. Climate change will also force mankind to change energy consumption patterns by significantly reducing the burning of fossil fuels.

Anticipated supply shortages could easily lead to disturbing scenes of mass unrest as witnessed in Burma this month. For government, industry and the wider public just muddling through is not an option anymore as this situation could spin out of control and turn into a meltdown of society.

"My experience of debating the peak oil issue with the oil industry, and trying to alert Whitehall to it, is that there is a culture of institutionalised denial in government and the energy industry. As the evidence of an early peak in production unfolds, this becomes increasingly impossible to understand", says Jeremy Leggett, the Solarcentury CEO and former member of the British Government's Renewables Advisory Board.

Further information:

The Energy Watch Group was founded on joint initiative by Hans-Josef Fell MP, international parliamentarians and scientists. It is supported by the Ludwig-Bölkow-Foundation and produces reports on fossil and nuclear energy resources, scenarios for regenerative energy and also strategies for a long-term secure energy supply. The focus lies thereby on the analysis of economical and technological implications. Results of these studies are to be presented not only to expert audiences but also to the wider interested public.

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