

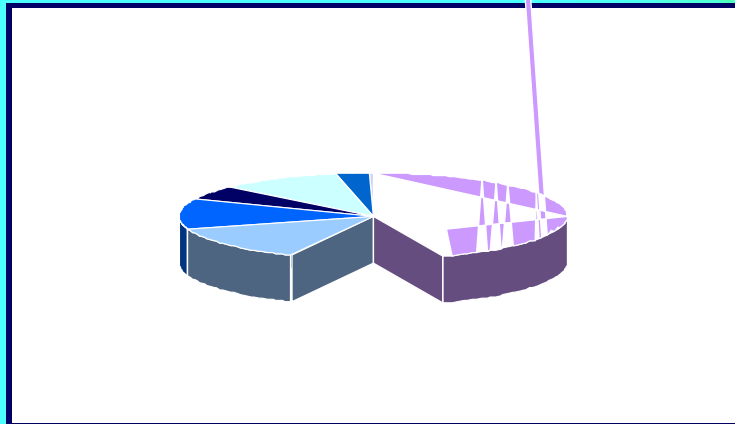
Overview of global crude oil reserve
estimates and supply patterns

Professor Wumi Iledare

Where are conventional oil resources located, 1995-2025?



Distribution of ultimate oil recovery









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Audubon Kiwanis Weekly Meeting, Baton Rouge, LA

The role of OECD

The diversification of supply sources has reduced irrational response to a little political uncertainty in the Middle East.

Agreement for crude swapping in case of any disruption.

Strategic petroleum reserves/inventory as a cushion for a sudden rise in price for whatever reasons.

The U.S. energy policy objectives of economic growth, energy efficiency, cheap and secure energy and clean environment have implications on world oil supply and prices.

The role of OECD

Favorable tax policies to promote restricted use of oil reserves and hence global oil pricing

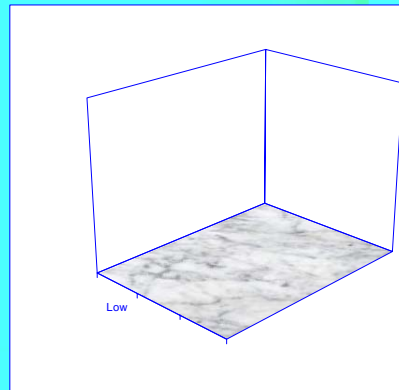
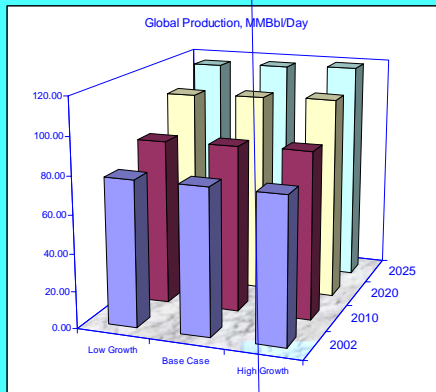
Consumption related taxes for conservation purposes

Production related taxes or subsidies to promote domestic production

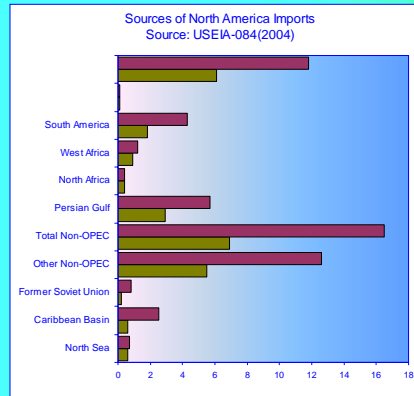
The role of OPEC

OPEC, the Organization of Petroleum Exporting Countries was formed in 1960 for the effective management of petroleum

Global supply and disposition projections --USDOE/EIA-084 (2004)



Crude oil imports & supply patterns



Concluding remarks

OPEC would continue to occupy its position of influence in the oil market, because it controls significant proportion of world oil reserves and production capacity.

Diversification of oil supply sources in the industrialized countries would continue to put pressure on OPEC to manage oil production effectively

Economic growth in the expanding economies in Asia and China would continue to drive the price of oil upward

Import dependency in the US is expected to rise in the face of the expanding economy according to EIA projections

The good news is the availability of enough petroleum resource endowment to support a petroleum dependent global economy for at least 4 decades, *ceteris paribus*.

References