

PETROLEUM GEOLOGISCHE KRING



KONINKLIJK NEDERLANDS GEOLOGISCH MIJNBOUWKUNDIG GENOOTSCHAP **PGK**

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| Venue: | PGK's monthly meetings are held at the KIVI building, Prinsessegracht 23, Den Haag. Drinks are served from 17:00 hrs; the lecture starts at 18:00hrs. | | www.pgknet.nl |
| Membership: | Apply for membership by contacting the secretariat. The annual fee is €15.- | | |
| Accounts: | Fortis Bank: 88.65.82.733 (PGK, Den Haag) | | |

MAY 2006 NEWSLETTER

17 MAY: MONTHLY PGK MEETING

The next PGK meeting will be on **Wednesday, May 17th, 2006**. As usual, social hour (free drinks) will be from 17:00 to 18:00 hrs. At 18:00 **Lucia van Geuns** (Clingendael International Energy Programme) will give a lecture on:

World Conventional Oil Production: Challenges and Uncertainties

Please see other side of this newsletter for the lecture abstract.

JUNE MEETING:

The June meeting will be held on **Monday June 12th, 2006** at the **Dept. of Geotechnology, Mijnbouwstraat 120, Delft**. The programme will be as follows:

- 17:00-18:00 hrs: Social hour (free drinks)
- 18:00-19:00 hrs: Lecture by Mr. Lawrence (Shell)
- 19:00-21:00 hrs: BBQ (in garden)

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Monthly meeting: Wednesday 17 May 2006
Address: KIVI building, Prinsessegracht 23, Den Haag
Social hour: (free drinks) between 17:00 and 18:00 hrs
Lecture: 18:00-19:00

World Conventional Oil Production: Challenges and Uncertainties

Lucia van Geuns

ABSTRACT

Demand for oil, gas and coal will continue to grow in the next 25 years, albeit at different growth rates. Demand for energy will be particularly strong in emerging market economies because these economies are still in a more energy intense phase of economic development. This also translates into a strong demand for oil. The distribution of future demand and supply leads to one conclusion: the import dependency of major consuming countries/regions is not only set to increase, but will also be concentrated on only a few suppliers. This will heighten concerns about security of supply. It is seen as both politically and economically undesirable to import oil from only a few suppliers. Security of supply concerns are further sharpened because consumer countries must increasingly compete for supplies. The buyers market of the 1980s and 1990s has turned into a seller market. Given the political tension in the world, politics matter again and oil flows could again become politically determined. Increasing capacity to match growing oil demand is going to be enough of a challenge for most OPEC countries. Only a few regions in the world offer possibilities for large-scale production. These regions/countries are: Russia, Central Asia and the Persian Gulf, that will also continue to be in the future large net-oil-exporting areas.

The world is not running out of oil in the near and medium term, albeit that substantial investments and continuing technological innovations are required to increase the world oil production capacity. Investing in exploration and production capacity is imperative, but destinations for investment are limited. OPEC countries do not give access to private/foreign parties since they have nationalised their oil industry. Only some 35% of world oil reserves are accessible for International Oil Companies (IOCs). Furthermore, countries open to investment (a.o. Russia, West-Africa) have challenging investment climates, creating risks for investors. This presentation will be about oil reserves, production and oil prices, which are a reflection of both long and short term factors, national and international developments, technical, political and economical changes, and fundamental and psychological movements in the market.

Please post this page your company's notice board. Members may be accompanied by guests!

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