

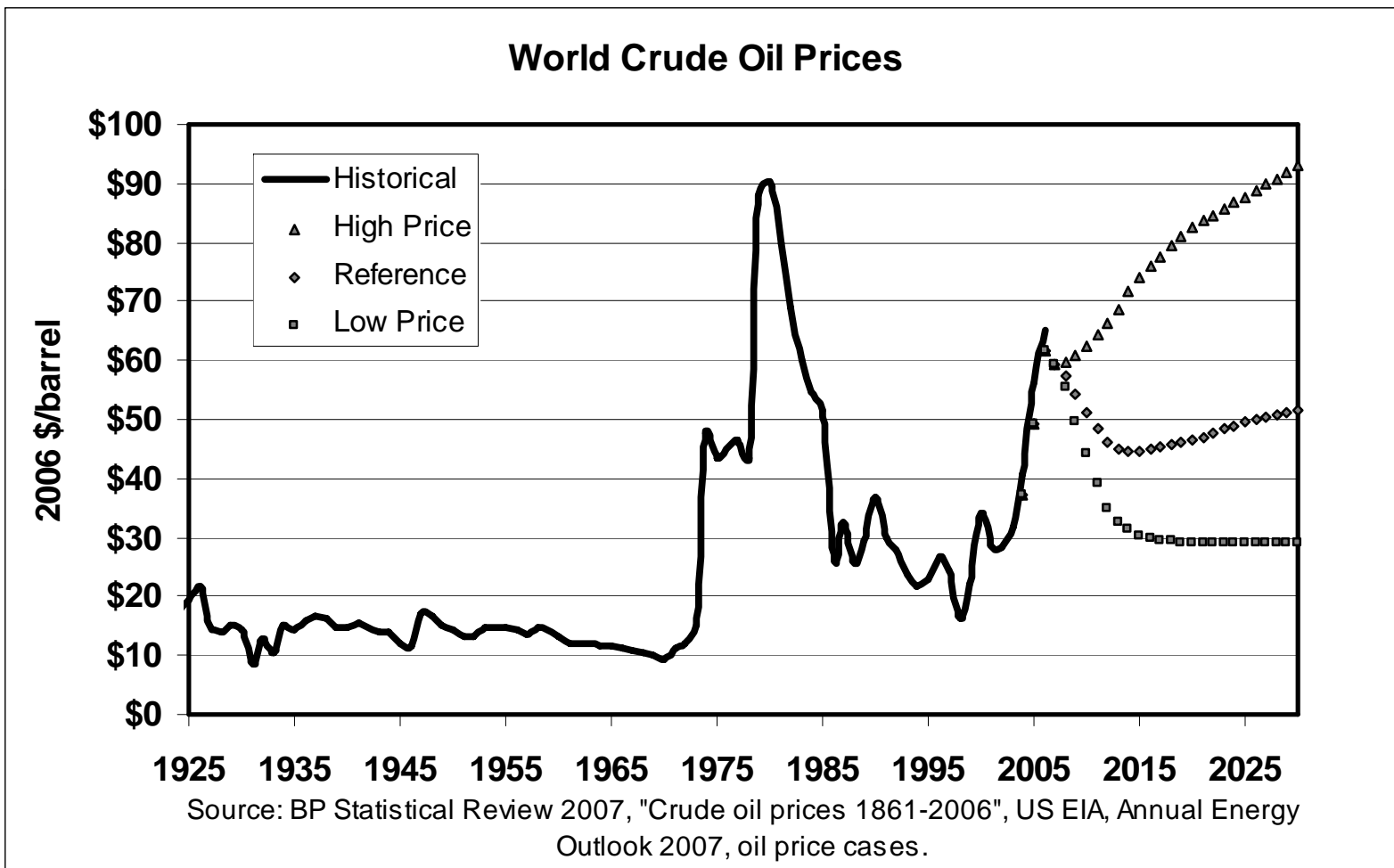


Future Prices and Availability of Transport Fuels

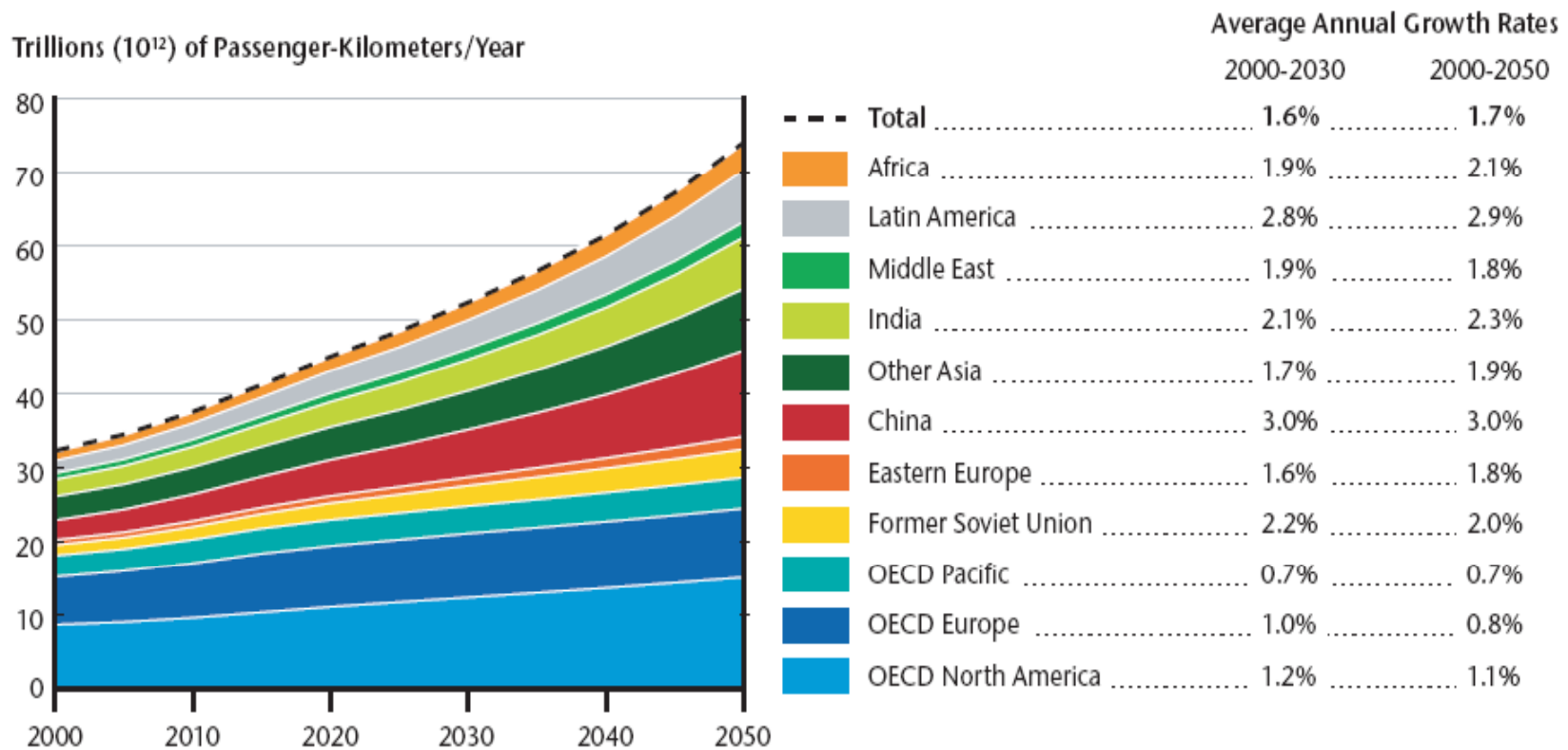
David L. Greene

Oil Dependence: Is Transport Running Out of Affordable Fuel?
International Transport Forum Research Roundtable
Paris, 14-15 November, 2007

What can be said about future oil prices is that they are uncertain and all but certain to be volatile.

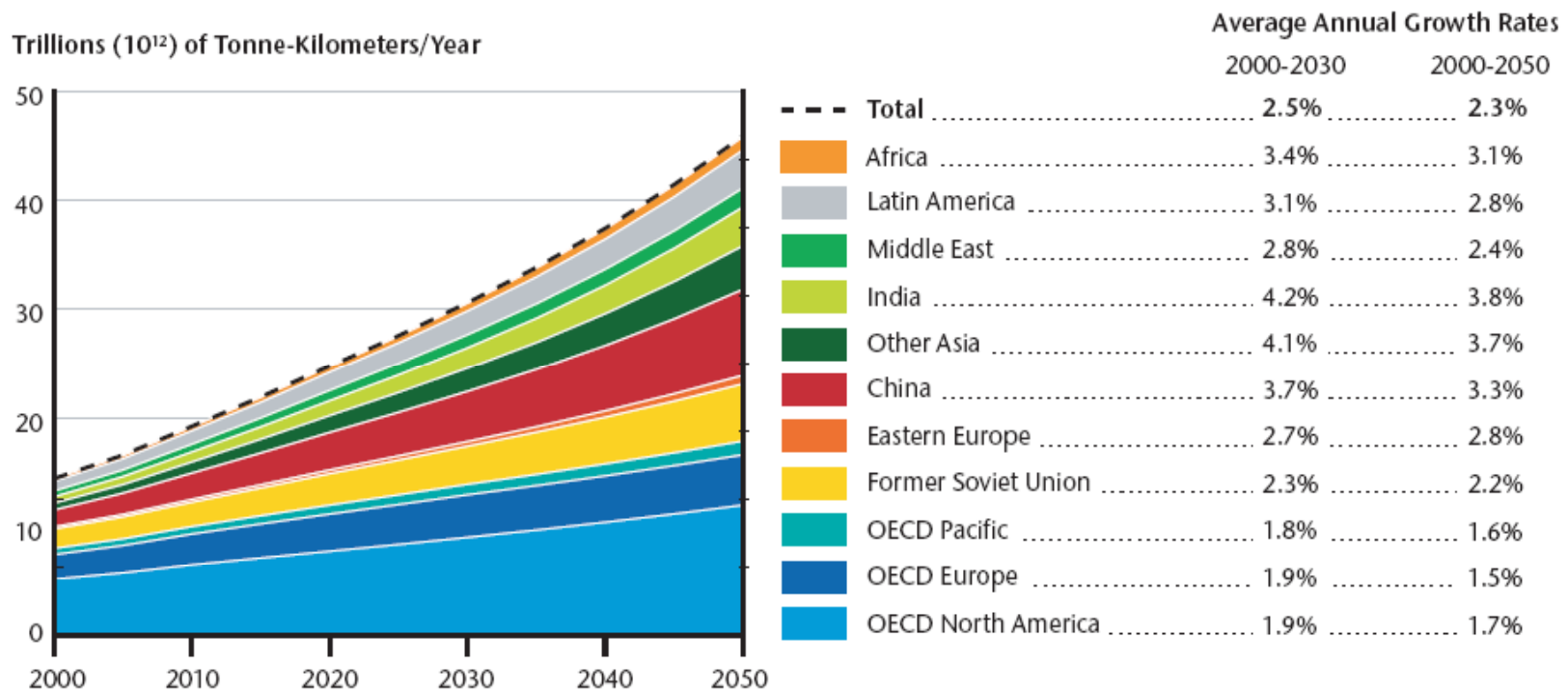


Rising incomes especially in Asia are driving demand for motorized transport.



Source:
Sustainable Mobility Project calculations.

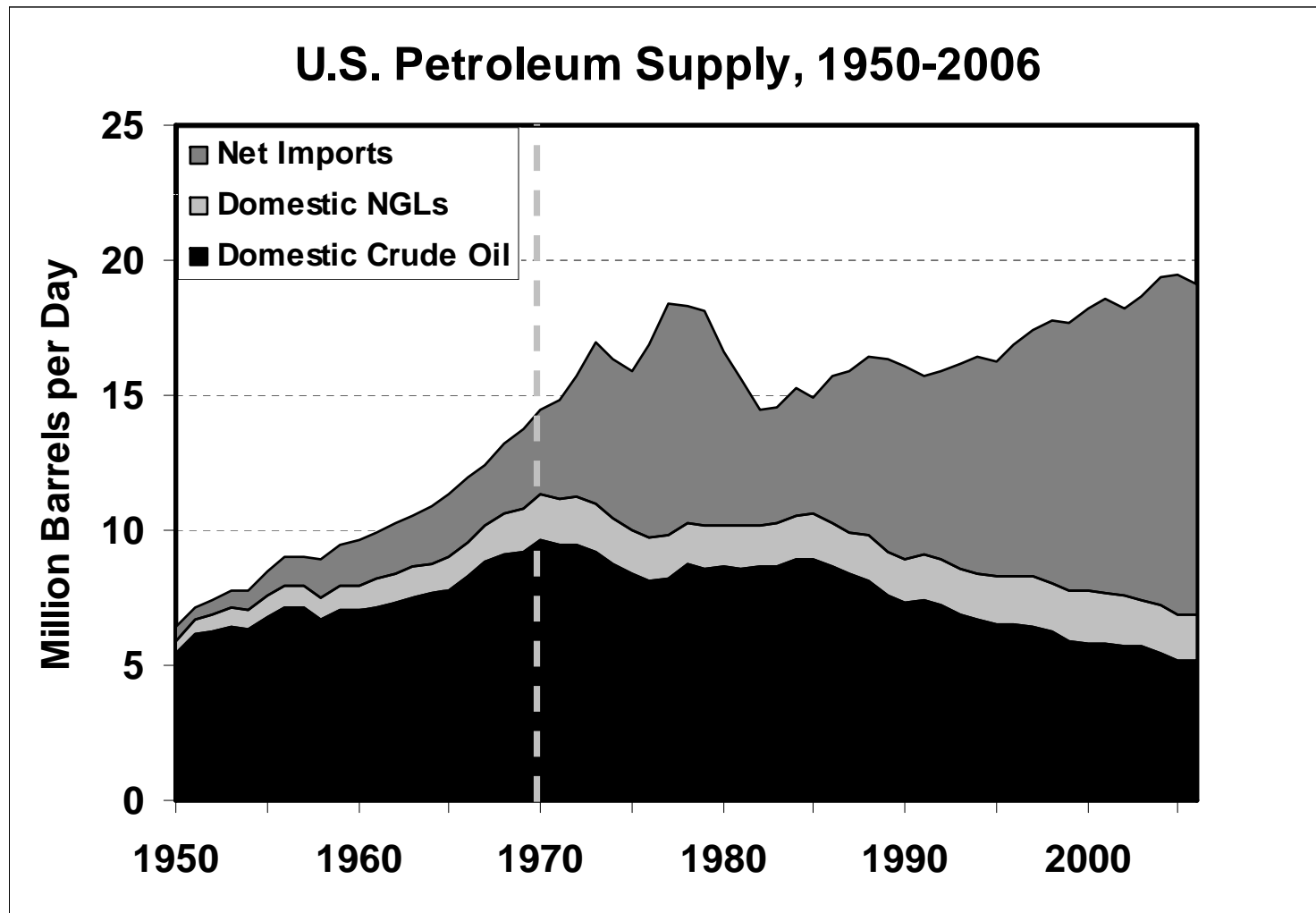
Globalization is driving demand for freight transport.



Note:
Excludes air waterborne and pipeline.

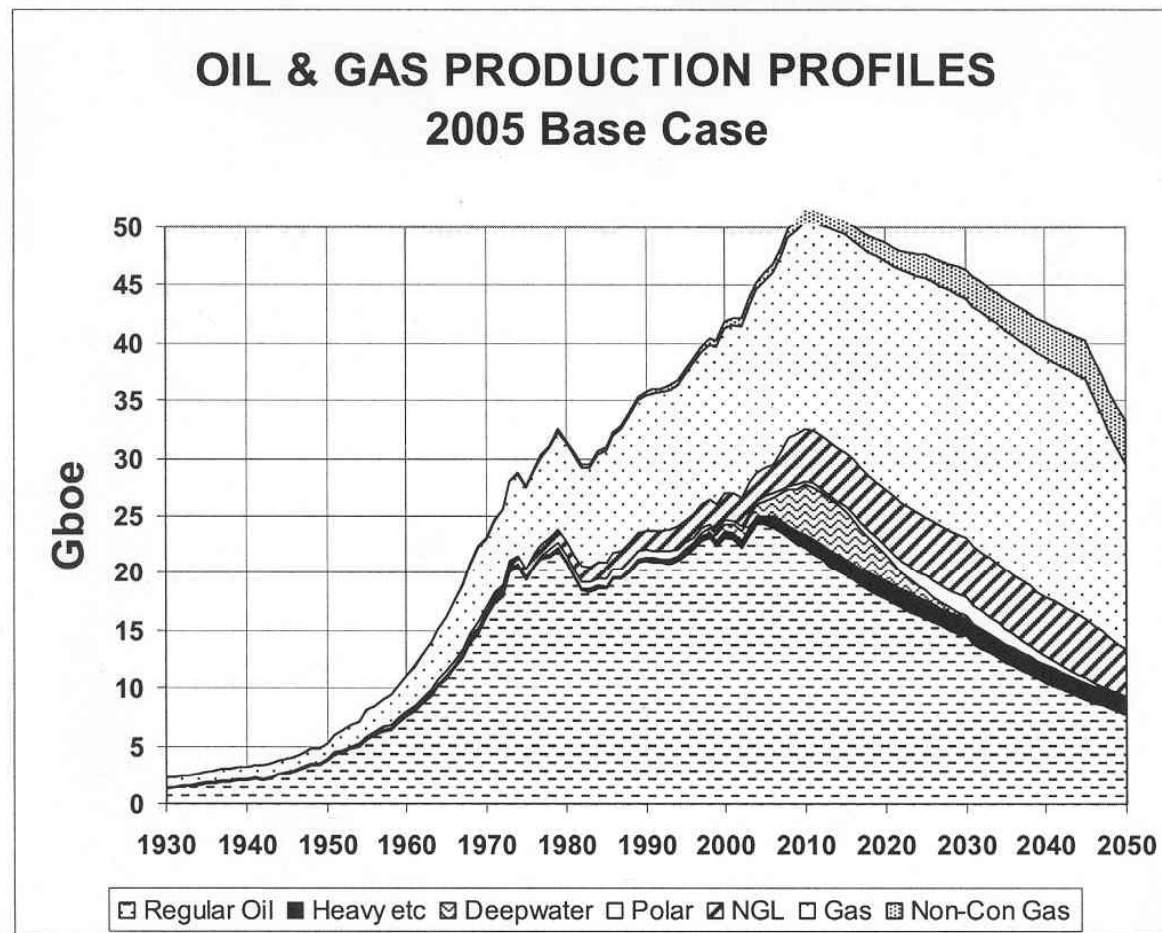
Source:
Sustainable Mobility Project calculations.

Just as U.S. oil production peaked in 1970, it appears that non-OPEC production will peak by 2010.

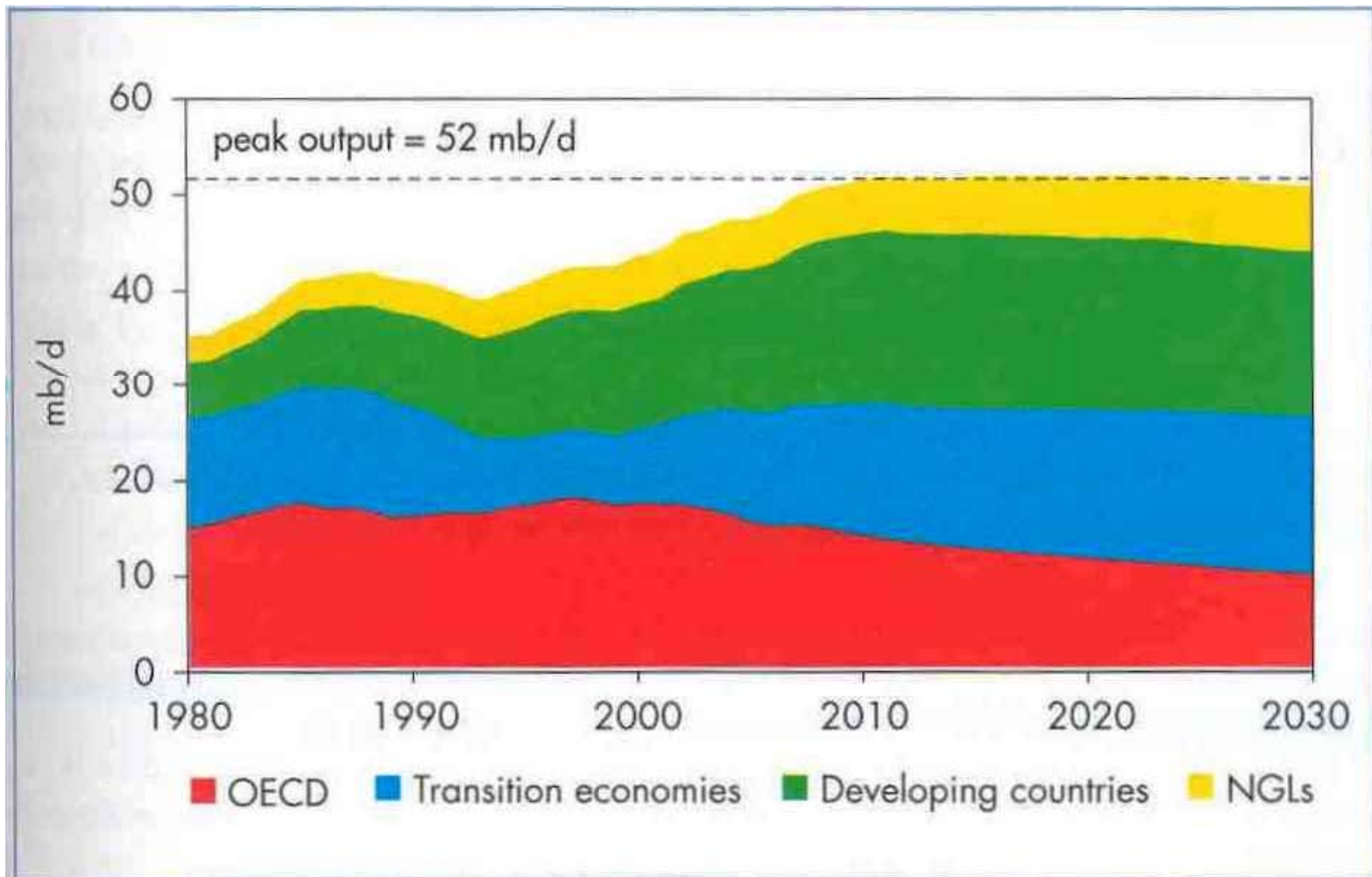


Some see a peak of not only conventional oil but a sharp peaking of all liquids from fossil hydrocarbons.

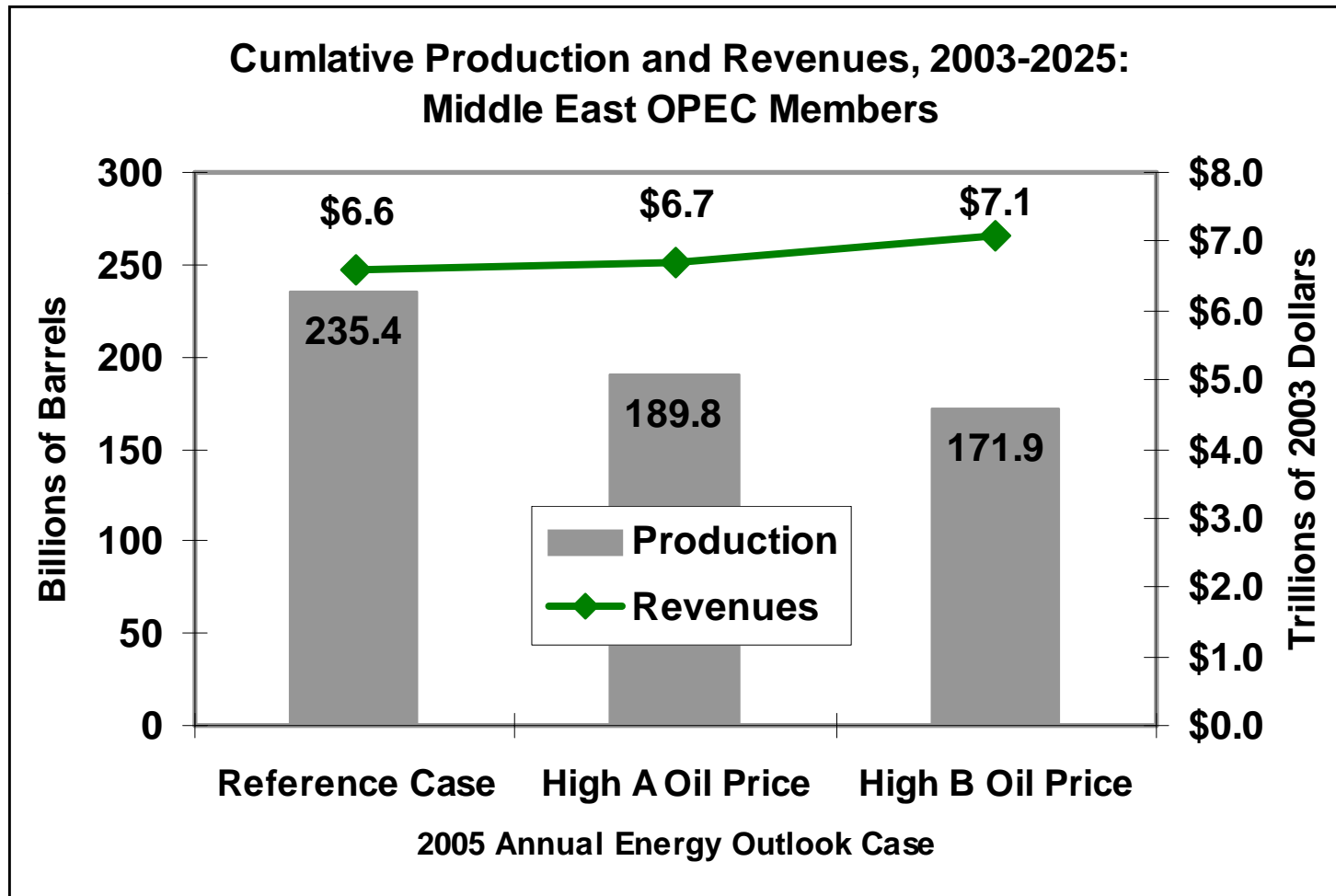
The General Depletion Picture



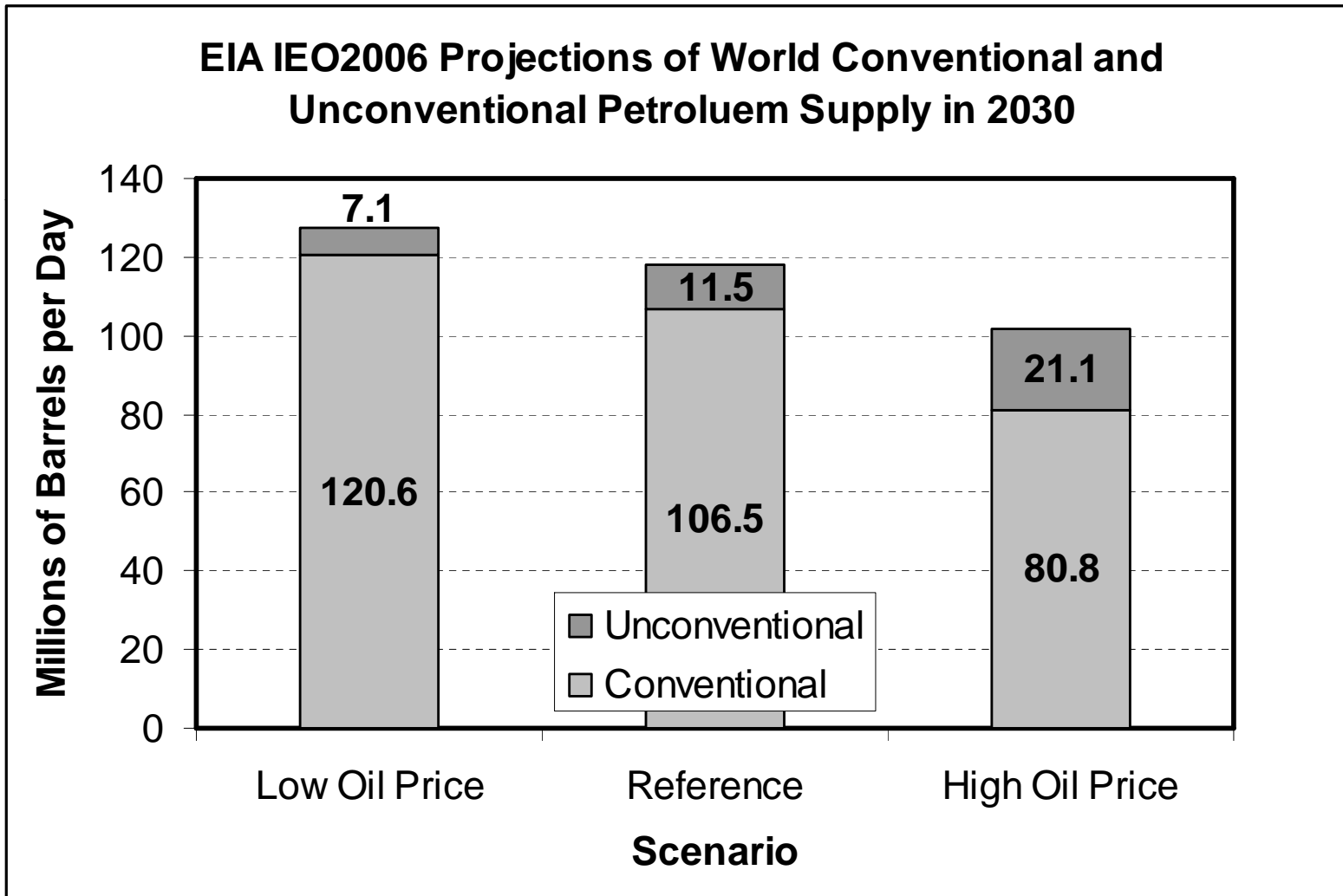
Others foresee a plateau not a peak.



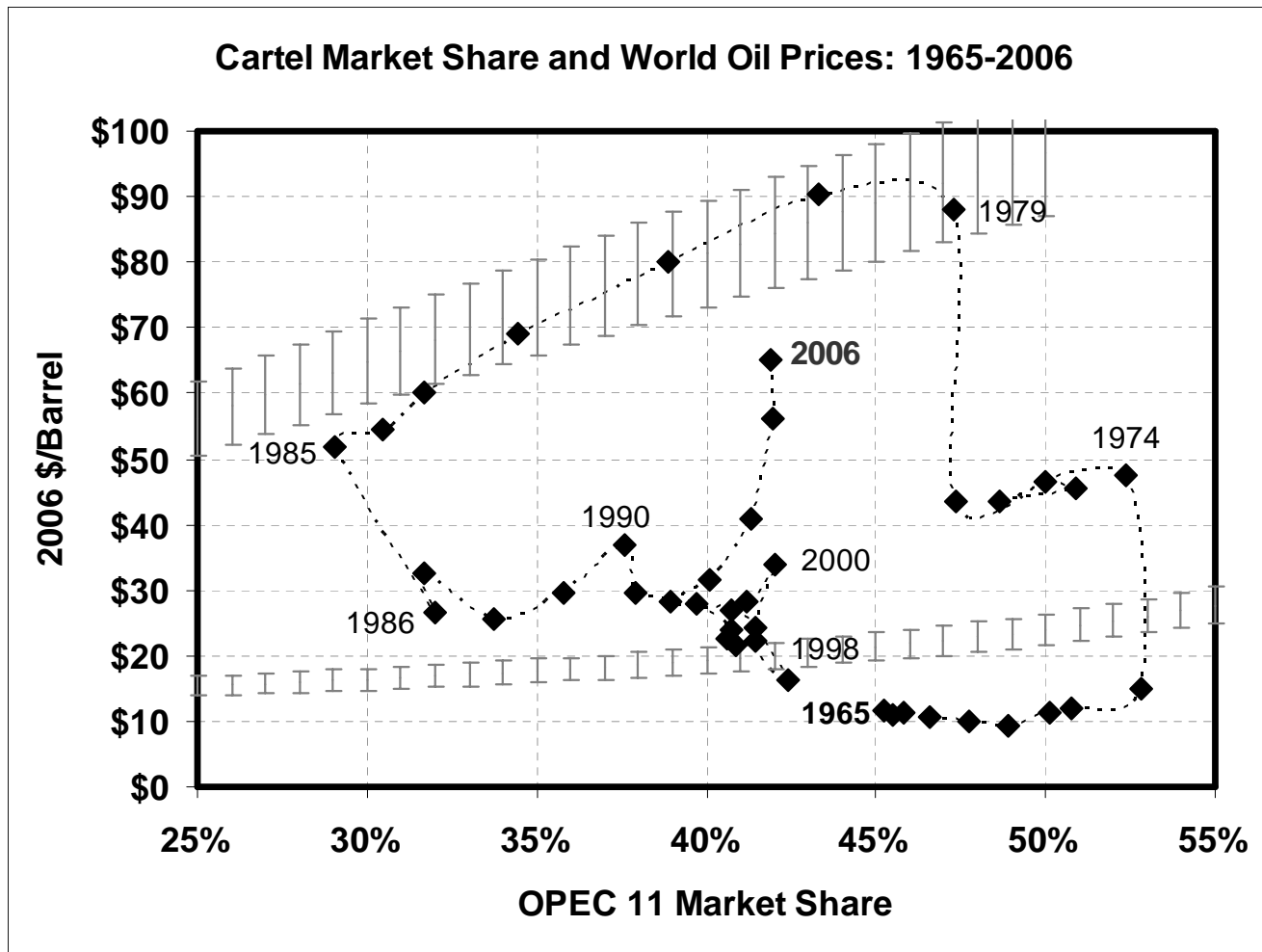
We can be relatively sure that OPEC will not “fill the gap”.



Filling the gap will unconventional oil will not be easy and may not be acceptable.



Shrinking or static non-OPEC supply will magnify the cartel's market power.





Future transport fuel prices will be volatile and uncertain.

- Peaking of conventional oil supply outside of OPEC is real.
- Increased OPEC market power.
- Massive investments in unconventional fuel production are needed in unpredictable markets.
- Much will depend on
 - Actions to mitigate GHG emissions
 - Technological progress



THANK YOU.
