

The global shortage of oil

[Science](#), [Physics](#)



The world we know and love today is on the cusp of a global energy crisis as population has ballooned beyond what was previously expected over the past few decades and therefore intern so has the demand for heating, energy and transport. Most of which is derived from the crude oil sector. Society has become ever more dependent on fuel to function as more and more of our technologies are fuel reliant.

Oil otherwise known as 'black gold' is quite possibly the most valuable resource our planet holds and rightly so, it is not just a luxury to billions of people but a necessity to. The price of oil in recent years has had a sharp rise from \$35 per barrel in in 2000 to \$112 per barrel in 2012. Industry leaders such as Chevron, Shell and Exxon mobile have blamed it on an unexpected growth in demand as well as supplies dwindling as wells dry up. Chevron vice chairman Peter J. Robertson said in a statement to the US Senate that-" The world is consuming oil at an ever increasing rate, and it is projected to continue. There are more than a billion people who enjoy our standard of living.

There are billions more striving for the same. The current system is straining to meet all our needs. There is dramatically reduced spare supply and no room for error. Any disruption — or perceived threat of disruption — sends oil prices up." However, as shown by Figure 1 crude oil production is rising at in increasing rate. In 2000 the global production of crude oil was 3, 339, 311 thousand tonnes but rose to 3, 702, 726 thousand tonnes in 2012 and increase of 10% in 12 years. This is a very large increase over a short period of time. Therefore, I propose the question, could oil giants be sitting on vast global reserves. Could this be the world's largest case of Fraud?

High prices are generally justified by the industry using the peak oil theory. The idea is that there is a limited supply of oil in every well, however due to technological advancements there will be a pinnacle of production. Before the oil start to subside. The idea was devised by M. King Hubbard while working for energy producer Shell. Some evidence supports his theory. For example, his prediction that the US would run dry in 1971 which was true, although more recently tar sand oils have been discovered. On the contrary, he predicted that the globe would peak in 1995, however that target has been eclipsed and is now 2030. However, it is looking more likely this target will be over lapped as well due the continuing rise of oil production with no end in sight.