



If you think the oil situation is bad..

Posted by [Phil Hart](#) on April 26, 2008 - 12:30pm in [The Oil Drum: Australia/New Zealand](#)

Topic: [Demand/Consumption](#)

Tags: [housing bubble](#), [oil prices](#) [[list all tags](#)]

It's hard for oil not to be in the news at the moment, but we haven't seen coverage like this very often. This article by Jad Mouawad is from the New York Times, but today it was published as a full page feature in the The Age Business section in Melbourne:

[If you think the oil situation is bad, worse is to come](#)

To many experts, the steadily rising price underscored longer-term fears about a system that has supplied cheap oil for more than a century.



..global oil consumption will jump by 35% by 2030, according to the International Energy Agency, a leading global energy forecaster for the US and other developed nations. Producers will have to find and pump an additional 11 billion barrels every year.

And that's only 22 years away, a heartbeat for the petroleum industry, where the pace of finding and tapping supplies is measured in decades. The pursuit of oil will be just part of the energy challenge.

...

Refined into petrol, kerosene or diesel fuel, oil has no viable substitute as a transport fuel, and that is not likely to change much in the next 30 years.

The problem is that no one can say for sure where all this oil is going to come from.

That might not sound like such a bad thing for those concerned about carbon emissions

and climate change. High prices might force people to conserve and encourage development of alternatives. But the energy crunch might also result in a global scramble for resources, energy wars, and much higher energy prices.

Some oil executives are sounding the alarm bell. At a recent energy conference, John Hess, chief executive of international oil company Hess Corp, warned that an oil crisis was looming if the world did not deal with runaway demand and strained supplies.

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"The country has been living beyond its means," said Vaclav Smil, a prominent energy expert at the University of Manitoba. "The situation is dire. We need to do relative sacrifices. But people don't realise how dire the situation is."

On the same day, this is the front cover story:

The Age: [Home prices dip as rates bite](#)

MELBOURNE house prices have recorded their biggest quarterly fall in value since 1993 as interest rate rises and fears of a slowing economy dull buyers' appetites for homes.

The median price for a detached home in Melbourne in the March quarter was \$432,500, a slide of 8.4% from the December quarter median of \$472,250.

As expected, the outer suburbs are feeling the impacts much more acutely than inner city areas. The financial crisis and the impacts of peak oil have reached Australian shores.



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