

Oil & Gas Supply Security
And Price Stability

Is The Oil Era Ending Soon?

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Abstract

The security of supply for oil or natural gas depends a great deal on the stability of the price, be it for oil or for natural gas. It depends much more on the level of that price. The fate of conventional oil depends on its price and the geology. But - irrespective of the geology - the higher the price the shorter the life expectancy for oil,.

For natural gas, however, the situation is different because it is environmentally more favourable to the consumer and, while it is generally cheaper to produce than in the case of conventional oil, the width of options for its industrial or energy application gives it considerably strength viz-a-viz other alternative sources of energy or industrial feedstock.

On the other hand, the long-term security of supply for both oil and natural gas is exposed to a variety of risks which are not all known to us today. It is its exposure to the risks, rather than what opportunities a good security of supply might offer, which should concern us all at the Tehran conference.

This paper, therefore, will concentrate on the known risks to the long-term security of supply for oil and for natural gas, while it will offer hints on what is to be expected from among the risks which are not known to us today.

The paper will carefully examine the relationship between security of supply and price, for both oil and natural gas.