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## Era of cheap, easy oil is over, warns study

The world could start to run out of oil in the next ten years, sparking soaring energy prices and a rush for even more polluting fossil fuels, an influential new study by the UK Energy Research Council has warned.

By [Louise Gray](#), Environment Correspondent

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The exact date of "peak oil" - when the amount of oil being pumped out of the ground every day reaches its highest point before beginning an inexorable decline - has been hotly debated for decades. Environmentalists have tended to warn oil could run out at any moment, while oil companies insist there are plenty more oil fields yet to be discovered.

The most recent estimation from the International Energy Agency, that advises Governments around the world, said conventional oil would not peak until after 2030.

However an authoritative new study from the Government-funded UK Energy Research Council called this prediction "at best optimistic and at worst implausible". The peer-reviewed research looked at 500 studies from around the world and took into account the difficulty of accessing new oil fields as well as growing demand. It predicted oil will begin running out before 2030 and there is a "significant risk" peak oil will be reached before 2020.

"In our view, forecasts which delay a peak in conventional oil production until after 2030 are at best optimistic and at worst implausible. And given the world's overwhelming dependence on oil and the time required to develop alternatives, 2030 isn't far away," said the report's lead author Steve Sorrell. "The concern is that rising oil prices will encourage the rapid development of carbon-intensive alternatives which will make it difficult or impossible to prevent dangerous climate change."

Robert Gross, Head of Technology and Policy Assessment at UKERC, said as soon as oil begins to run out it will make energy more expensive, sparking a knock on effect on industry and economies around the world. Petrol prices would rise and long distance travel become more expensive.

"The age of easy and cheap oil is coming to an end," he said. "It doesn't suddenly come to an end, obviously it's a gradual change, but we're moving away from easy and cheap oil to increasingly difficult and expensive oil."

At the moment oil is around £44 (\$70) per barrel after peaking at around £92 (\$147) per barrel earlier in the year during the height of the economic crisis.

Dr Gross said the spectre of peak oil should encourage Governments to invest in more energy-efficient vehicles such as electric cars, renewable energy like wind or solar and improving energy efficiency in industry and homes.

But he said there was a risk that instead the world will start to look at even more intensive forms of fossil fuels, therefore



Oil supplies could start running out before 2020, according to a new study Photo: Getty Images

producing more carbon emissions and causing "catastrophic climate change". Alternatives include heating tar sands to produce oil at huge cost both environmentally and financially.

"The danger is high oil prices push us into high carbon resources just as much as they might help push us towards renewables," he said.

"The challenge for policy makers is to make sure, on a global scale, that that isn't the response to more difficult and expensive oil."

The world produces around 85 million barrels of oil every day. It is estimated this could rise to more than 100 million barrels per day before declining.

Oil companies like BP claim billions more barrels are available in new oil fields discovered in the Gulf of Mexico.

However Mr Sorrell said these new supplies are extremely difficult to access and will only delay peak oil by a few weeks or even days.

Even if the new fields are exploited, he said the world needs to move away from oil in order to stop global warming.

But Mr Sorrell said the UK Government had no contingency plans for oil peaking before 2020.

"If these problems are ignored and we do not make these changes ahead of time, we are heading for trouble," he warned.

The IEA is due to release its latest report on peak oil this November, just before the world meets in Copenhagen to decide a new deal on climate change. The report will be a key influence on whether the rich world is willing to agree to set targets to cut greenhouse gas emissions, while also helping poor countries to switch to a low carbon economy.

The Department for Energy and Climate Change is currently considering the UKERC report.

"We are already well aware of the significant challenges for investment in future oil production and that there is a role for Governments to play in reducing demand for fossil fuels," a spokesman said. "Our climate change, energy efficiency and energy security policies outlined in the UK low carbon transition plan are not only reducing the UK's carbon emissions, but are consistent with the need to reduce our use of fossil fuels."

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