



Will our thirst for oil see the dawn of a new type of Antarctic exploration?

CRUDE IDEAS

Antarctica could become the last frontier for the insatiable oil industry according to international oil expert Dr Ali Samsam Bakhtiari of the University of Tehran. His warning comes as the oil-addicted, developed world faces the reality of 'peak oil' – the point at which maximum oil production is reached and demand for oil starts to outstrip production capacity.

'I developed a mathematical model which showed that oil consumption would peak at 81 million barrels per day in 2006 and then decline, and I believe we are seeing this now,' Dr Bakhtiari told delegates at the symposium of the Standing Committee on Antarctic Logistics and Operations.

'In 2020 I predict production will drop to 55 million barrels per day, so that in the next 14 years one third of today's oil supply will be gone.'

Dr Bakhtiari said the total global oil resource was estimated at 1900 billion barrels, 1000 billion of which have already been produced. This means that there are only 900 billion barrels left and these will be more difficult and more expensive to produce. Discoveries of new oil fields have also declined, with only 4-6 billion barrels discovered on average each year in the past 10 years.

'We've explored the Middle East, America and Russia, shallow water and deep water, and we are now in the Arctic. The only place left to explore is Antarctica,' Dr Bakhtiari said.

However, Antarctic Treaty Parties have signed the Madrid Protocol, which prohibits mineral exploration in Antarctica. There are also significant practical barriers to oil and gas exploration in Antarctica; notably the extremes of temperature and wind, and limited time to construct drilling infrastructure after the long period of winter darkness.

'Drilling into ice is a messy and cumbersome affair and it is no easier in the icy Antarctica waters,' Dr Bakhtiari said.

'Not to mention exploitation, with its continuous production imperatives and downstream logistics of pipelines, storage tanks and transport by ice-breaking tankers.'

Despite these barriers, Dr Bakhtiari's comments raised concerns that public opinion could change as the domino effect of reduced oil supply increased.

'In a world thirsty for oil nothing looks impossible, especially when oil prices have skyrocketed to those stratospheric heights which are difficult to visualize today, but will leave us yearning for any benign two-digit prices,' he said. 'At \$US150 or \$US200 it would make economic sense to exploit even Antarctic energy.'

However, according to Dr. Colin Campbell, whom Dr Bakhtiari describes as the world's pre-eminent oil reserves specialist, so-called polar oil reserves are estimated at only 52 billion barrels – less than two years' supply of current global consumption.

Many people would share Dr Bakhtiari's view that oil exploration in Antarctica would be a 'tragedy for mankind'. Australia's federal Minister for the Environment and Heritage, Senator Ian Campbell, reiterated the Australian Government's long-standing position against oil exploration and mining in Antarctica.

'The Australian Government is implacably opposed to mining in the Australian Antarctic Territory,' he said.

The immediate concern for Antarctic operators is how to minimise the pain of the transition from peak oil to reduced supply.

Dr Bakhtiari has put forward a 'to do' list of 'five Rs':

- Re-program - throw out business-as-usual thinking;
- Reduce - cut waste, debt, travel, consumption;
- Reuse;
- Recycle;
- Reward - reward significant actions to reduce, reuse or recycle.

He also cautioned that energy, not economics, will be the driving concern of such projects.

'We need to plan today so that tomorrow won't be a problem,' he said.

More information:
<<http://www.samsambakhtiari.com>>