

Westchase Hilton • 9999 Westheimer

Social Hour 5:30-6:30 p.m. • Dinner 6:30-7:30 p.m.

Cost: \$28 pre-registered members; \$35 for non-members & walk-ups;

Emeritus/Life/Honorary: \$14; Students: FREE

To guarantee a seat, you must pre-register on the HGS website and pre-pay with a credit card.

Pre-registration without payment will not be accepted.

You may still walk up and pay at the door, if extra seats are available.

Ray Leonard

Vice President Exploration

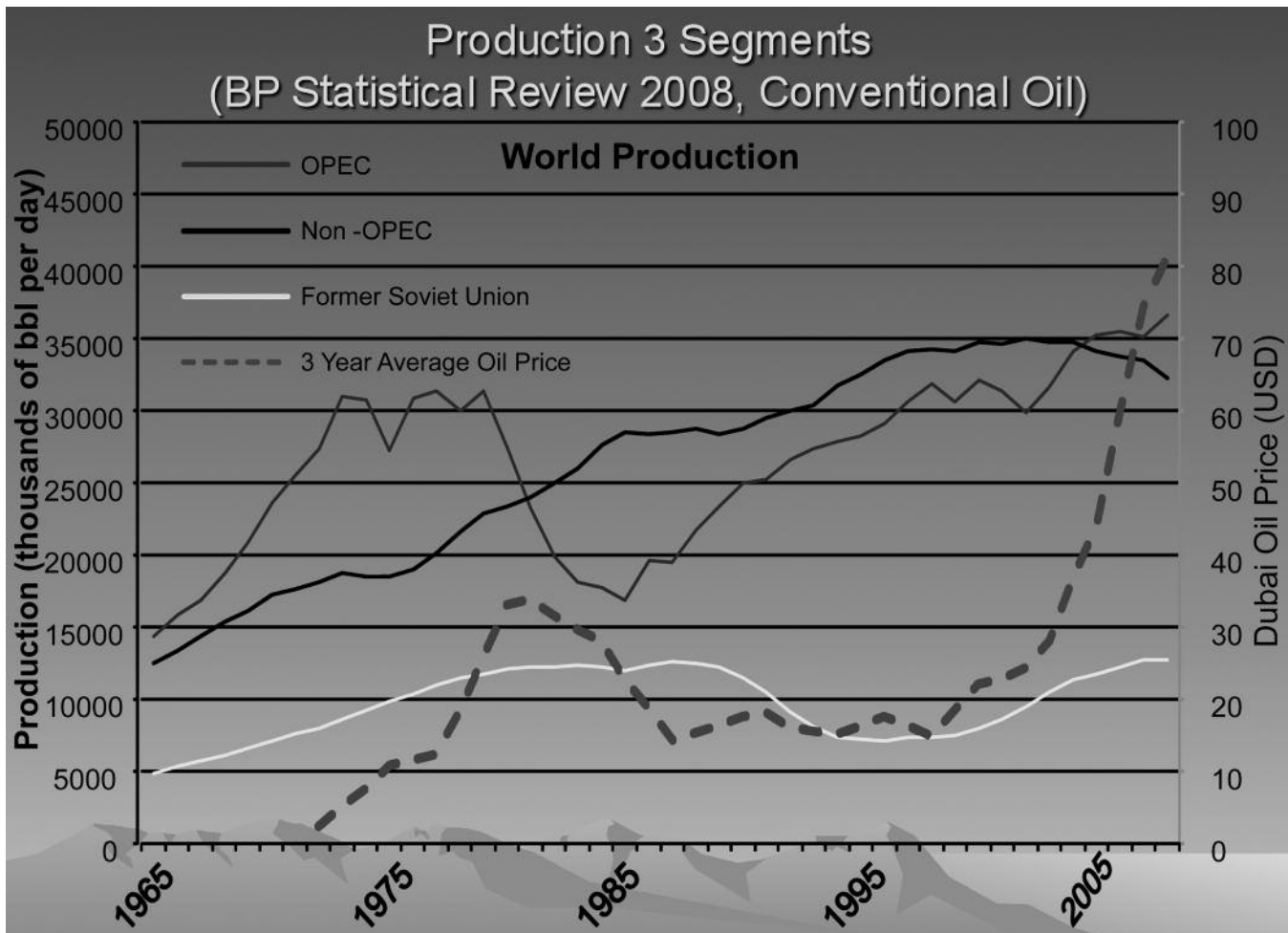
Kuwait Energy Company

# World Oil Reserves, Future Production Levels and Pricing What challenges lie ahead for the USA?

A prediction of future world petroleum production levels and pricing is only partially dependent on the size of reserves, as political factors will play just as important a role. A key shift in the dynamics of production and pricing has seen Russia move from an open and rapidly increasing producer to a largely state-controlled industry struggling to maintain the current production level.

A number of trends clearly demonstrate that the current situation of comparatively low world oil prices is a temporary phenomenon. The USA in particular faces significant challenges in adjusting to the next coming price rise. Specific steps will need to be taken given the current concerns about the economy, national security, and greenhouse gasses.

Joint HGS International and North American Dinner continued on page 25



In the long term (i.e. following the current disruption) a moderate rise in production by the Organization of the Petroleum Exporting Countries will be offset by a decrease in production in the rest of the world, with the former Soviet Union countries' production remaining steady. The production from ultra deep-water fields will allow "peak oil" to instead be "plateau" in the coming decade, followed by a sharp fall. The supply side crisis of 2005-2008 was due to the peak reached in the rest of the world in 2003, combined with a cessation of significant production growth in Russia after 2004 during a period of rapid demand increase. The world was nearing peak oil, which resulted in high prices and associated political and economic disruptions. ■

**Biographical Sketch**

RAY LEONARD was born in New York. He received a Bachelor of

*The production from ultra deep-water fields will allow "peak oil" to instead be "plateau" in the coming decade, followed by a sharp fall.*

Oil Company in Almaty, Kazakhstan; YUKOS in Moscow, Russia; and Hungarian oil and gas company MOL before joining Kuwait Energy Company as Vice President–Eurasia and Exploration in December 2006. He now resides in Kuwait City.

Science in geology from the University of Arizona and a Master of Arts in geology from the University of Texas at Austin. His 19-year career with Amoco was entirely associated with international projects, with assignments in the western hemisphere and across Eurasia.

Mr. Leonard left Amoco in 1998. Since then he had senior management positions with First International

