

To

Federal Resource and Defence Ministers

EWP Secretariat, Infrastructure Australia, Minister for Transport and PS
Senate Standing Committee on Rural and Regional Affairs and Transport

NSW Planning, Transport and Road Ministers

Re: Events in Iran will become an energy security risk for Australian oil imports
Links Iran - North Korea
Immediate strategic rail projects needed

Madam, Sir

Demonstrations in Iran are a foretaste for events we have to expect when OPEC's paper barrels are exposed in the next years. These oil lies (i.a. reserves contain oil already consumed) will lead to social unrest and to additional oil supply declines from the Middle East, beyond the decline dictated by oil geology.

We had similar events when Iran introduced petrol rationing in 2007.

The Iranian revolution of the late 70s, which culminated in the fall of the Shah regime, brought about a dramatic decline in Iranian oil production (graph attached) from 5.9 mb/d in 1976 to 1.3 mb/d in 1981. All your alarm bells should be ringing.

I want to remind you again that according to calculations from Dr. Bakhtiari, who gave testimony to a hearing of the Senate Inquiries on oil supplies, Iran will no longer export oil by 2015 (graph attached), even in a peaceful scenario.

It is therefore of strategic importance that all State and Federal projects which assume growing road traffic based on growing oil production in the Middle East **ARE NOT STARTED OR DISCONTINUED**. Instead, massive rail projects and a bus & truck conversion program to CNG has to be immediately started - without bureaucratic delay -, with the focus to ensure food supplies to cities. Every month counts.

The IEA mentioned OPEC's overstated oil reserves in all its WEOs as a warning (graph attached) but did NOT have the courage to work that into their projections for future production, which always have to show growth, for political reasons.

Please also note that Prof. Aleklett's estimate (gently declining, attached) which was presented to ABARE and BITRE assumes the following:

(1) no oil or oil proxy war in the Middle East or other oil strategic corridors.

This includes a war in Korea if US inspections should uncover Iran-North Korea links in the development of missiles and nuclear bombs

(2) no social unrest in the Middle East when it becomes clear to the local population that oil production declines and that they have been lied at about reserves.

This issue has again been brought up in the Kuwait Parliament, for example. It is to be feared that current cover ups will continue until physical shortages are apparent

It is highly unlikely that peak oil (2005-2008) will evolve smoothly. CTL (coal to liquids) will not

change this. Both State and Federal governments have still no plan B or C.

My calculations based on the WEO 2008 show that a whopping 27 mb/d of new capacity have to be developed until 2015 in order to offset natural decline in existing fields (graph attached), just for crude oil to stay flat.

Thanking you for your attention

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Links:

'Death to the dictator' chants fuel Tehran riot

<http://www.smh.com.au/world/death-to-the-dictator-chants-fuel-tehran-riot-20090614-c7fl.html>

Iran fuel rations spark violence (June 2007)

http://news.bbc.co.uk/2/hi/middle_east/6243644.stm

Dr. Bakhtiari's presentation to the Senate Hearing on oil supplies in Sydney in July 2006

<http://www.aph.gov.au/hansard/senate/commttee/S9515.pdf>

Dr. Aleklett's slide show

<http://www.aspo-australia.org.au/References/Aleklett/Aleklett-Adelaide-1-5Jun09.ppt>

My latest crude oil graphs:

<http://www.theoil drum.com/node/5416/504026>

On transport solutions March 2009

http://sydneypeakoil.com/matt/SurfaceMetro_Not_TunnelMetro.pdf

http://sydneypeakoil.com/matt/Pacific_Highway_versus_XPT.pdf

http://sydneypeakoil.com/matt/Casino_Murwillumbah_Rail_Line_hi-res.pdf

Electric rail crash program: jobs for public transport

http://www.aph.gov.au/SENATE/committee/rrat_ctte/public_transport/submissions/sub48_amalg.pdf

The End of Freeways - The tipping points of Peak Oil and Global Warming

Everything about this double challenge including limitations to alternative fuels, clean energy crisis, rail electrification and the impact of ice sheet disintegration on sea levels

http://www.infrastructure.gov.au/roads/F3toM7Review/pdf/SUBMISSION_47-Mr_Matt_Mushalik.pdf