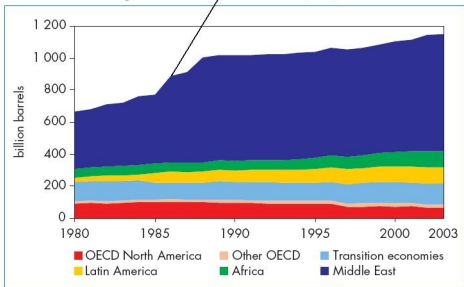


According to BP, reserves increased dramatically in the 1980s and 1990s, from 670 billion barrels at the end of 1980 to 1 147 billion barrels at the end of 2003 (Figure 3.10).³ But most of the increase occurred in OPEC countries, mainly in the Middle East, in the second half of the 1980s. Saudi Arabia and Kuwait revised their reserves upward by 50%, while Venezuelan reserves were boosted 57% by the inclusion of heavy oil in 1988. The United Arab Emirates and Iraq also recorded large upward revisions in that period. Total OPEC reserves jumped from 536 billion barrels in 1985 to 766 billion barrels in 1990. As a result, world oil reserves increased by more than 30%. This hike in OPEC countries' estimates of their reserves was driven by negotiations at that time over production quotas, and had little to do with the actual discovery of new reserves. In fact, very little exploration activity was carried out in those countries at that time. Total reserves have hardly changed since the end of the 1980s.

Figure 3.10: Proven Oil Reserves by Region



Source: BP (2004).

The primary sources of reserves data, such as O&GJ and *World Oil*, do not adjust reported data according to a standardised methodology. Nor do they adjust data for the large number of countries that rarely amend their official reserves estimates to account for actual production. Out of the 97 countries covered by O&GJ estimates at the end of 2003, the reserves of 38 countries were unchanged since 1998 and 13 more were unchanged since 1993, despite ongoing production. For example:

3. Part of this variation can be attributed to BP changing the sources of data they used to compile their estimates.