

The concept of reserves is generally not well understood. "Reserves" is an estimate of the amount of oil in a reservoir that can be extracted at an assumed cost. Thus, a higher oil price outlook often means that more oil can be produced, but geology places an upper limit on price-dependent reserves growth; in well managed oil fields, it is often 10-20 percent more than what is available at lower prices. **Reserves estimates are revised periodically** as a reservoir is developed and new information provides a basis for refinement. Reserves estimation is a matter of gauging how much extractable oil resides in complex rock formations that exist typically one to three miles below the surface of the ground, using inherently limited information. Reserves estimation is a bit like a blindfolded person trying to judge what the whole elephant looks like from touching it in just a few places.

It is not like counting cars in a parking lot, where all the cars are in full view. **Specialists who estimate reserves use an array of methodologies** and a great deal of judgment. Thus, different estimators might calculate different reserves from the same data. **Sometimes politics or self-interest influences reserves estimates**, e.g., an oil reservoir owner may want a higher estimate in order to attract outside investment or to influence other producers.

Reserves and production should not be confused. Reserves estimates represent one factor in estimating future oil production from a given reservoir. Other factors include production history, understanding of local geology, available technology, oil prices, etc. An oil field can have large estimated reserves, but if the field is past its maximum production, **the remaining reserves will be produced at a declining rate.** This concept is important because satisfying increasing oil demand not only requires continuing to produce older oil reservoirs with their declining production, it also requires finding new ones, capable of producing sufficient quantities of oil to both compensate for shrinking production from older fields and to provide the increases demanded by the market.

I- READING COMPREHENSION: (8 points)

1. Suggest a title to the text.
2. Say if the following statements are true or false and justify your answers in both cases:
 - a. Reserve estimates are sometimes higher than they really are in order to draw the attention of investors.
 - b. Once the oil field reserves reach their highest levels, production will consequently decrease.
3. Find in the text synonyms to the following words:
development /needs/amounts/supply/ forecast/peak
4. Explain with your own words the underlined sentence in the text.

II- GRAMMAR: (8 points)

1- Transform the sentences "A" and "b" into the active voice and "C" and "D" into the passive.

- A. Reserves estimates are revised periodically.
- B. The remaining reserves will be produced at a declining rate.
- C. Sometimes politics or self-interest influences reserves estimates.
- D. Specialists who estimate reserves use an array of methodologies.

2- Fill in the blanks with the following words: hydrocarbons - earnings - prices OPEC - exporter- roughly.

Algeria is an important of oil and natural gas and is a member of the..... . The..... sector is the backbone of the economy, accounting for..... 60% of budget revenues, 30% of GDP, and over 97% of export Algeria has the eighth-largest reserves of natural gas in the world and is the fourth-largest gas exporter; it ranks 15th in oil reserves. Sustained high oil in recent years have helped improve Algeria's financial and macroeconomic indicators.

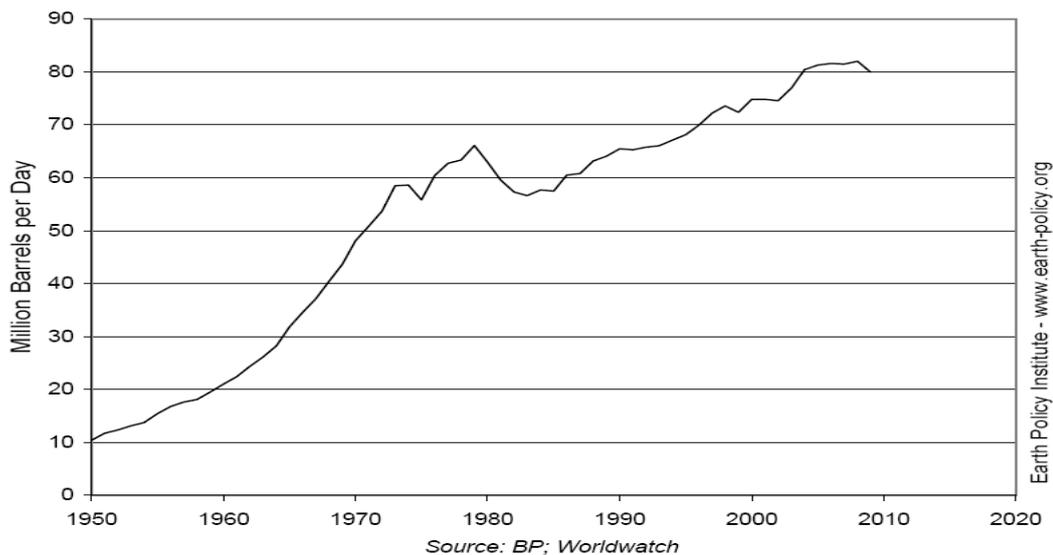
3- Put the verbs between brackets into the correct tense: (present continuous/ present perfect/ simple past)

1. Lisa (not go) to work yesterday. She wasn't feeling well.
2. I still don't know what to do I (not decide) yet.
3. It (begin) to get dark, shall I turn on the light?
4. This is a nice restaurant is it the first time you (be) there?
5. I'd like to see Tina, it's a long time since I (not see) her.
6. I wasn't very busy, I (not have) so much to do.

III- WRITTEN EXPRESSION: (4 points)

Describe in 100 words (10 lines) the graph below using words and expressions you learned in class.

World Oil Production, 1950-2009



Solution:

1- **Title: oil reserves.**

2- **A-true /Sometimes politics or self-interest influences reserves estimates,** e.g., an oil reservoir owner may want a higher estimate in order to attract outside investment or to influence other producers.

b- true / satisfying increasing oil demand not only requires continuing to produce older oil reservoirs with their declining production, it also requires finding new ones, capable of producing sufficient quantities of oil to both compensate for shrinking production from older fields and to provide the increases demanded by the market.

3- development / growth

needs/ requires

amounts/quantities

supply/ provide

forecast/estimate

peak/ maximum

4- The sentence means that specialists can never guess exactly the right amounts of oil reserves.

GRAMMAR:

1- **Passive and active voice:**

A. Specialists/ they revise reserves estimates periodically.

B. Investors will produce the remaining reserves at declining rates.

C. Sometimes reserves estimates are influenced

D. An array of methodologies is used by specialists who estimate reserves

2- **Fill in the blanks:**

Algeria is an important exporter of oil and natural gas and is a member of the OPEC. The hydrocarbons sector is the backbone of the economy, accounting for roughly 60% of budget revenues, 30% of GDP, and over 97% of export earnings. Algeria has the eighth-largest reserves of natural gas in the world and is the fourth-largest gas exporter; it ranks 15th in oil reserves. Sustained high oil prices in recent years have helped improve Algeria's financial and macroeconomic indicators.

3- **Tenses:**

1. Lisa (not go) to work yesterday. She wasn't feeling well. **Didn't go**

2. I still don't know what to do I (not decide) yet. **Haven't decided**

3. It (begin) to get dark, shall I turn on the light? **Is beginning**

4. This is a nice restaurant is it the first time you (be) there? **You've been**

5. I'd like to see Tina, it's a long time since I (not see) her. **Saw**

6. I wasn't very busy, I (not have) so much to do. **Didn't have**