

End of Oil? We've Heard that Before

What Coal's Past Reveals About Oil's Future

One of the core arguments against building new oil pipelines is the belief that demand is destined to fall—the oft-quoted “end of oil” narrative. Yet predictions of oil’s demise overlook its wider uses beyond transportation. As petrochemical demand surges and advanced refining hubs expand across Asia, the pull for Canada’s heavy crude is growing. History shows that when one resource market fades, another opens.

Summary

- Oil’s future demand growth is driven less by transportation and more by petrochemicals, materials and industrial feedstocks.
- New Asian integrated refining-and-chemical complexes are reshaping global demand, aligning well with Canada’s heavy crude characteristics
- Coal’s past reminds us that historical predictions of demise overlook market shifts; oil remains economically resilient, versatile in use, and widely needed for decades.

Last week’s federal–Alberta MOU on regulatory reform, an oil pipeline corridor through BC, and carbon–capture development was met with predictable skepticism — and in some corners, outright anger and cynicism.

Opponents argue that encouraging an oil pipeline isn’t just environmental betrayal — it’s enabling economic obsolescence. On the latter point, the view is that electrification is accelerating, and renewables are surging. Therefore, oil antagonists claim Canada is doubling down on a commodity destined to become a stranded asset before the first barrel even ships to the Pacific coast.

But that argument about oil’s demise focuses almost entirely on road transportation, the simplest sector to electrify. There’s rarely any acknowledgement of the vast, persistent demand embedded in aviation, shipping, petrochemicals, fertilizers, synthetic

materials, heavy industry, and the infrastructure of modern life. Even as passenger vehicles electrify, global need for plastics, solvents, lubricants, medical products, and long-haul fuels continues to rise.

If you look past the narrow misconceptions about oil, demand isn’t declining at all. It’s growing into new markets beyond transportation, as the global economy pulls hydrocarbons into fresh uses faster than it abandons the old ones.

Canada’s heavy crude — rich in complex hydrocarbons — is well suited for this transformation. It feeds the advanced refining-and-chemical complexes now being built across Asia and the Middle East, the very facilities underpinning today’s growth in global oil demand.

Yet, leaders, think tanks and institutions continue to write oil’s obituary faster than the world can consume the stuff. That kind of eulogizing has a century-long history of hubris.

1914: When Coal Was King

Overconfidence isn’t a quality you usually associate with a dictionary. But in October 1914, the Standard Oil Company of California managed to find it — and proudly wrote about it in their monthly Standard Oil Bulletin.

One of its editors — I call him Richard — had just opened the recently published Funk & Wagnalls New Standard Dictionary. Under “Fuel,” he found the definition: ‘Combustible matter used to kindle or sustain fire or produce heat — as oil, wood, etc.’¹

¹ See Appendix

He stopped cold. Coal — the unquestioned king of energy at the time — wasn't mentioned.

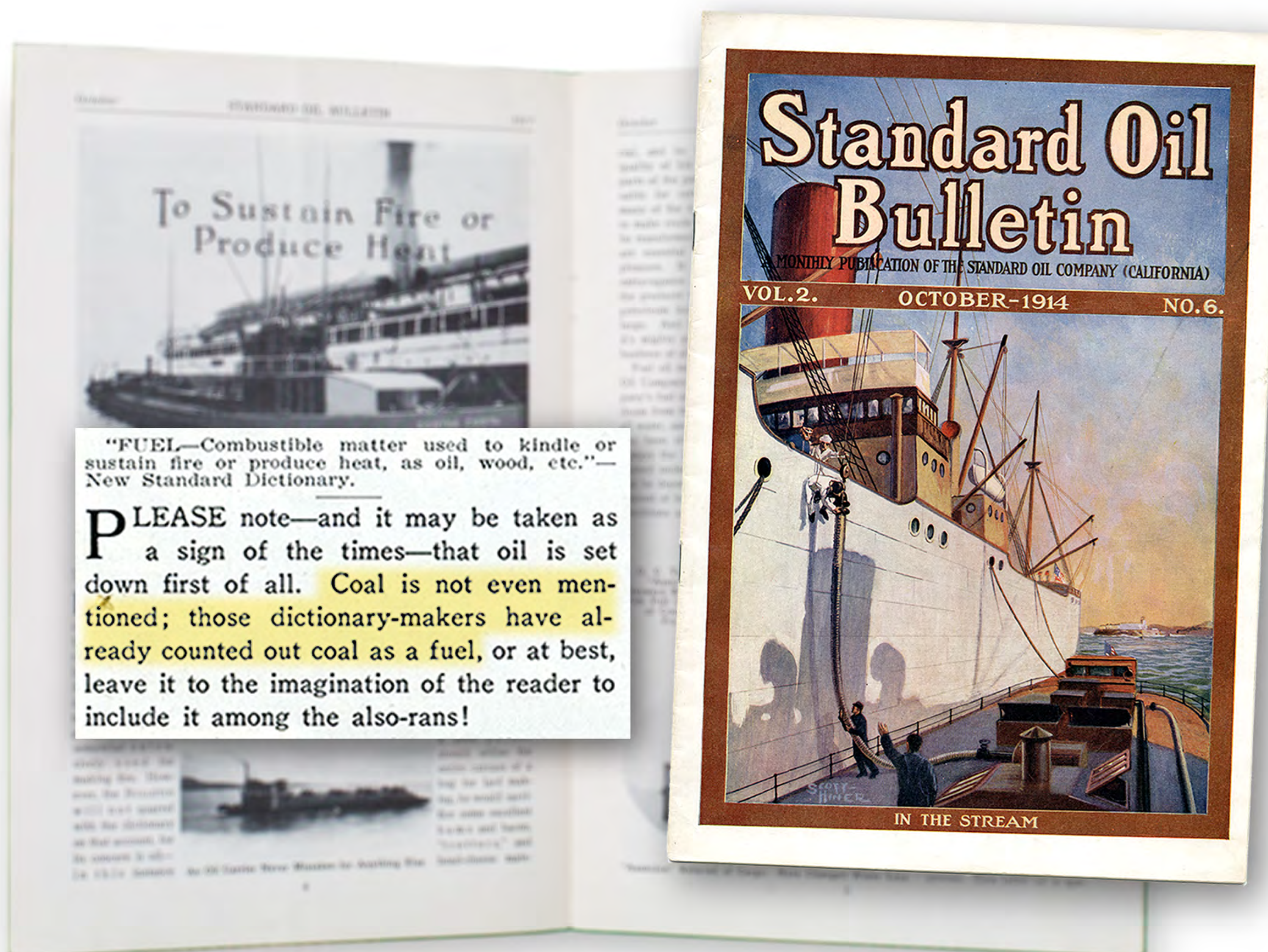
“Ha!” he must have said. “It's the end of coal. Oil is definitively the fuel of the future!”

He hurried to his typewriter and drafted an article announcing, “Coal is not even mentioned; those dictionary-makers have already counted out coal as a fuel.” It was marketing swagger with a touch of institutional hubris: oil had arrived, and Standard Oil was writing coal's obituary— “or at best, leave it to the imagination of the reader to include it among the also-rans!”

Except it didn't turn out that way.

Coal lost its glamour markets — locomotives, factories, ocean liners — but found a far larger one in electricity generation. As grids expanded, coal's share of global energy grew. What looked like “the end of coal” was really a shift to a bigger, more durable market.

The lesson Richard missed, and that many oil detractors miss today, is that low-cost incumbents with many uses rarely die when predicted. Their resilience isn't emotional; it's economic.



FROM THE COLLECTION OF PETER TERTZAKIAN

Echoes of a Modern Obituary

Fast-forward a century and the rhetoric sounds familiar. Today we're told that oil's twilight is upon us or that we must pull the curtains on the resource. The United Nations calls fossil fuels "a dead end."

But the flaw in the "end of oil" narrative is treating oil as merely a combustion fuel. Oil is not just about firing pistons; it's a molecular input into almost every consumer product around us. Assuming otherwise is like believing copper is only for pennies — and because pennies are being phased out, the narrow view would be to perpetuate 'the end of copper' narratives.

None of the data suggest the end of crude oil as a resource is nigh. The world is consuming roughly 105 million barrels a day, more than at any point in history, with an increasing number of agencies and analysts projecting a growth runway to 2050 and beyond.

Oil's Growth Markets

It's true: electric vehicles are scaling, and oil companies are diversifying into renewable fuels. But while oil is losing market share in transportation, it is expanding elsewhere — just as coal did after 1914.

Feedstocks for petrochemicals is the fastest growing segment for oil. Plastics, textiles, medical products, synthetic rubber, and countless other hydrocarbon-based materials are in greater demand as developing economies urbanize and industrialize.

Under current policies, the International Energy Agency's World Energy Outlook 2025 suggests that "petrochemical feedstocks, aviation and trucks underpin growth in oil demand out to 113 mb/d in 2050."²

A new generation of refineries is rewriting oil's trajectory. Across China, India, and the Persian Gulf, companies are building huge integrated refining-and-chemical complexes — the most sophisticated in history. Facilities like Ruwais in the UAE, Duqm in Oman, Jamnagar in India, and Zhejiang on China's

east coast are not fuel factories of the 1970s; they are molecule-manufacturing hubs capable of turning crude into the components of modern life: solvents, resins, fibers, coatings, detergents, and more.

These complexes are more efficient, and far more versatile than the refineries they displace. And their demand pull is Canada's opportunity.

History's Refrain — and Canada's Opportunity

A century later, coal itself is proof of how low-cost resources are so hard to dislodge. In 1914, the world consumed about 1.3 billion tonnes a year; today it uses around 8.7 billion tonnes — roughly six times more. Richard's perception of an "also-ran" fuel of the early twentieth century went on to run pretty hard.

No, oil is not coal. And it's not going to grow six-fold. But nor is it going to decline or lose its utility in the way its detractors assume. A barrel of oil doesn't just produce combustion fuels; it is a concentrated package of hydrogen and carbon atoms — the raw ingredients for thousands of products that underpin global economic growth. It remains one of the most adaptable, utility-rich commodities ever produced.

And this is where Canada's opportunity comes in.

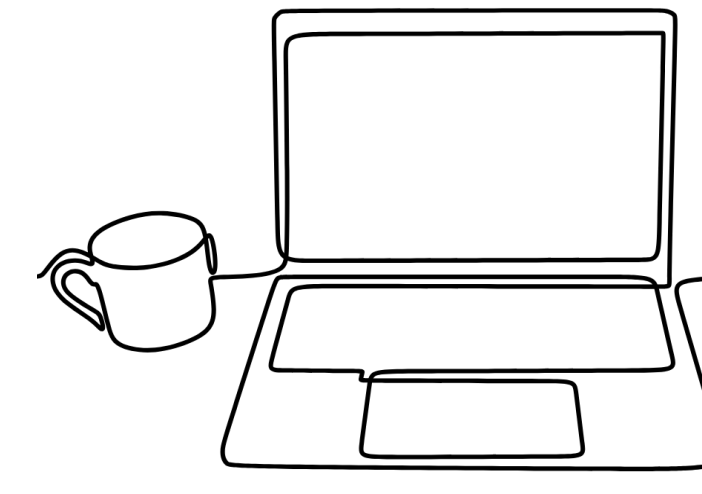
Building a pipeline to the West Coast — and therefore to Asia-Pacific markets — is not so much about clinging to a slowly fading transportation-fuel economy. It's about supplying a region that is constructing the world's most advanced refining-and-chemical complexes, the very facilities driving global oil-demand growth. Today, the frontier of Asian oil demand is not the tailpipe — it's the chemical plant.

Canadian heavy crude is a stable, long-life resource that fits these integrated complexes well. Customers on the other side of the Pacific prize consistent supply from a reliable trading partner as much as the volumes needed. Put simply, there is strong and long-projected appetite in Asia for the hydrocarbon resources that Canada produces.

If Richard, that self-satisfied Bulletin editor from

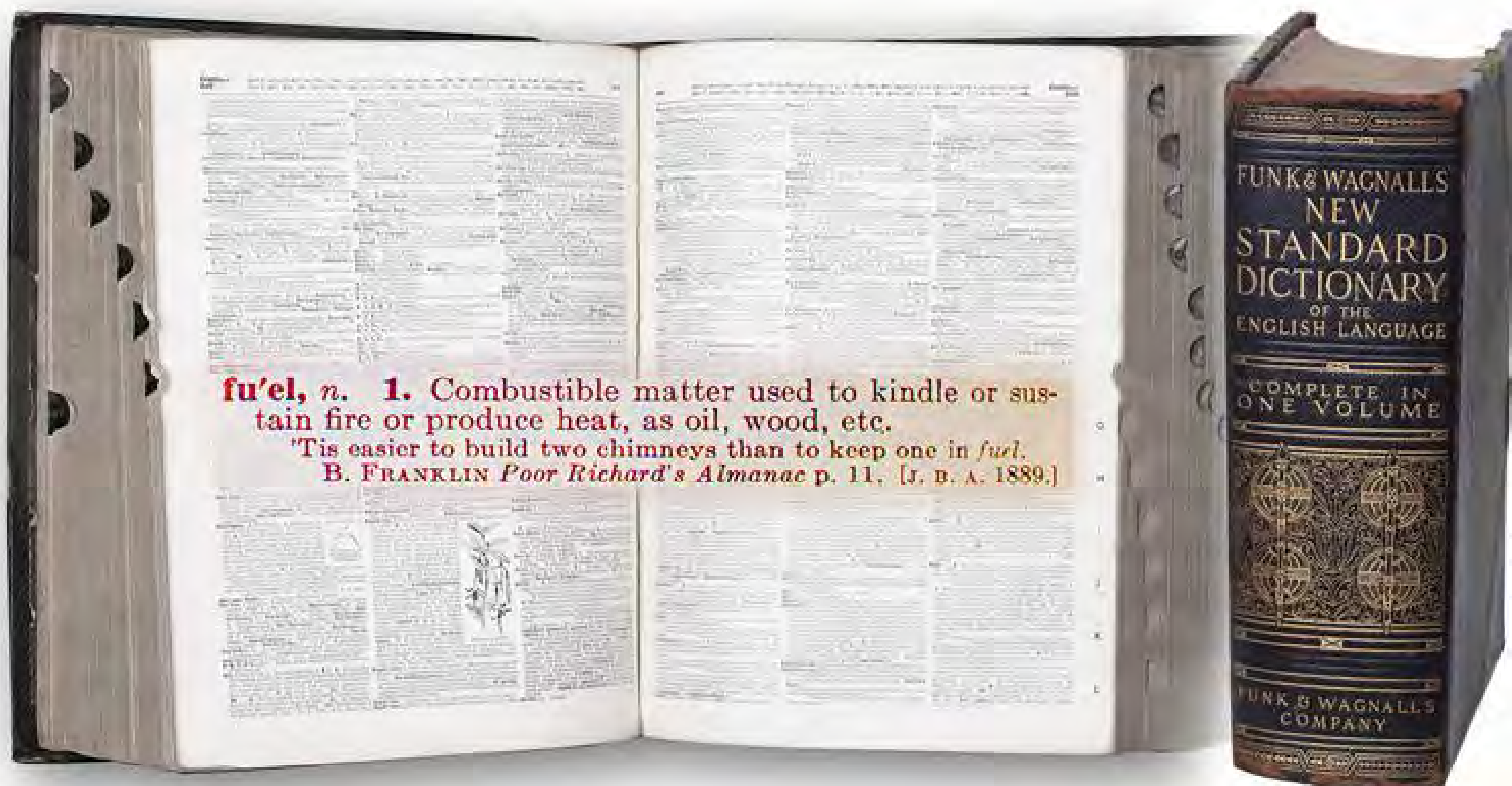
² World Energy Outlook 2025; International Energy Agency; November 12, 2025

Standard Oil, could see us now, he'd recognize the same confident tone in today's declarations of oil's demise. And he would probably smile knowingly. Because resource history tends to rhyme and spreading skepticism based on narrow assumptions has a way of catching fire—just like fuel. 🔥



Authored by:
Peter Tertzakian
Founder & CEO
Studio.Energy

1



FROM THE COLLECTION OF PETER TERTZAKIAN

Information in this document is subject to the disclaimer notice on our website. For more information contact think@studio.energy.