

The writing is on the wall for oil

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The [FT has reported](#) that:

Norway's \$1tn oil fund should sell out of oil and gas shares, the country's government has recommended, in a move that will send shock waves through the energy sector.

The world's largest sovereign wealth fund, which owns about \$37bn in energy shares, should sell out of companies that solely explore and produce oil and gas in a bid to reduce the risk to the Norwegian economy of a sustained fall in oil prices, according to the country's finance minister.

I welcome this. And I note the superficial argument. And I do not believe it.

There is excellent, and wholly rational reason for not investing in oil now. It is that the worth of any company is dependent upon its future revenues. And these companies are as a result valued upon the basis of their supposed reserves. But the fact is that those reserves are going to have to stay in the ground if there is any hope at all that the world can survive climate change.

Norway is selling out of oil because it knows it has no future. It's a wise move. But they daren't give their reason though because it also spells the end for their own oil industry. Some little white lies (or maybe oily black ones) are being told as a result to justify this intensely logical course of action.

Maybe they should invest in the Green New Deal instead.