Cheap oil 'a mirage' and heading to $140: Dicker

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Don't bank on cheap oil, MercBloc President Dan Dicker said Wednesday.

Brent crude oil prices this week dropped 2.4 percent to $94.83 per barrel and West Texas Intermediate saw a 3.6 percent decline to $91.16 a barrel. Meanwhile, the U.S. dollar hit a four-year high.

On CNBC's "Halftime Report," Dicker called cheap oil prices "a mirage."

"If you put up any chart for any currency you like against the dollar—put up the euro, put up the yen, put up the pound, put up whatever you like—you see a ski slope. And that's really what's been affecting oil," he said. "And that, to me, is a financial connection that is specious at best. When it works, it works. But when it doesn't work, it fails spectacularly. This is one of those moments when it's really working. The dollar continues to get stronger and continues to force oil lower. But I tell you, this is a mirage, and this is why: It's all about future production."

Dicker, who is author of "Oil's Endless Bid," said the outlook for global oil production isn't pretty.

"There hasn't been a moment in history that I can remember where future production wasn't at risk in so many places," he said.

Dicker cited sanctions against Russia, which were likely to halt arctic production, as well as violence in Iraq from ISIS, instability in Libya and a possible Ebola outbreak in Nigeria.

"Really, I'm looking at what is maybe 10 or 11 million barrels of future production that will not come online when the International Energy Agency expects it to come online, and that's going to translate into a higher price of oil—not just a slightly higher price of oil, a much higher price of oil," he said. "Over the course of the next two years, I see oil going to at least $125 on its way to $140."

Dicker also added that domestic U.S. shale oil production was a different story.

“These are domestic hot spots for oil production that are not really representing what’s going on in the global price,” he said. “So, when you take it in that outlook, Brent is still very, very strong, running at a $15 to a $20 premium to a lot of the hot spots of domestic production here and in Canada.”