



DrumBeat: October 4, 2006

Posted by [Prof. Goose](#) on October 4, 2006 - 9:12am

Topic: [Miscellaneous](#)

[Update by Leanan on 10/04/06 at 10:15 AM EDT]

[CERA's Quarterly Report](#) (PDF) sees three possible futures:

- Asian Phoenix assumes that current trends continue (no major disruptions in supply and relative economic and political stability). By 2009 overall costs will rise. The biggest increases will be in steel and engineering/project management (25 percent); smallest increases will be in equipment, bulk materials, yard capacity/fabrication, and land rigs (10 to 15 percent).
- Break Point assumes that oil supply difficulties limit production growth and that oil prices could go as high as \$120 per barrel. Overall, by 2009 costs will rise even more. The biggest increases will be in offshore installation, offshore rigs, engineering/project management, and construction labor (30 to 35 percent); smallest increases will be in steel, equipment, and land rigs (10 to 15 percent).
- Global Fissures posits that widespread political backlash against free trade and globalization, combined with global trade and political disputes, lowers economic growth and weakens energy prices. Overall, costs will fall by 2009. The biggest cost decreases will be offshore rigs and offshore installation (-35 to -50 percent); the smallest decreases will be in engineering/project management, equipment, bulk materials, and land rigs (-15 to -20 percent).

[Oil rises above \\$59, Kuwait supports](#)

LONDON (Reuters) - Oil rose above \$59 a barrel on Wednesday after Kuwait said it may join other OPEC countries in cutting output if prices continue their three-month slide.

Kuwait's announcement offset expectations for a further rise in U.S. distillate and gasoline stockpiles, which helped prices dip to an eight-month low earlier in the session.

[Chavez says oil should not fall below \\$60 a barrel](#)

[Pickup, SUV sales bounce back](#)

Pickup and SUV sales staged a September comeback amid falling gasoline prices and bigger incentives, automakers said Tuesday.

[Qatar GTL projects face delays](#)

General manager Lean Strauss said that Oryx's operating costs were expected to soar between 50% to 60% due to the rise in commodity prices. Davies said other Sasol projects had also been delayed or hit by cost overruns, which was a global phenomenon.

Spokesperson Johann van Rhee said: "The phenomena of commodity price increases, and engineering and construction skill shortages, is global and not limited to South Africa or Sasol."

Davies said that an energy company, which he declined to name, had cost overruns of between 30% and 110% on capital projects.

[Shell chief: Access to resources key](#)

"You may find it remarkable to hear someone like me say this, but prices have been pushed to what we in the industry consider to be ridiculous levels," Hofmeister said. "Not necessarily because oil reached \$60 or \$70 a barrel, but because it's driven at a psychological level rather than supply and demand."

[BP production falls in Q3 as Alaska losses bite](#)

LONDON (Reuters) - BP Plc expects its oil and gas production to have fallen 0.6 percent in the third quarter as losses at its Alaska operations and sales of oil fields outweighed gains from new start-ups and a benign hurricane season.

[US, world reserves can offset Iran oil for 18 months](#)

U.S. and world emergency crude oil reserves could replace a complete shut-off of Iranian oil exports for 18 months, avoiding an estimated \$201 billion in damage to the American economy, the Government Accountability Office said on Tuesday.

[Mexico leftist threatens energy reform protests](#)

Mexico's leftist opposition leader threatened on Tuesday to launch protests against any attempt by President-elect Felipe Calderon to privatize the country's energy industry.

"We are not going to allow the privatization of the electricity or oil industry in any form,"

Andres Manuel Lopez Obrador, who narrowly lost July's presidential election, told Mexican radio.

[Russia's Rising Oil Star](#)

“Japan’s overall energy approach lags behind the changes occurring in the world. The strategic importance of energy has a far greater importance than is appreciated in Japan,” the report noted. The report went on to say that the country’s very “existence as a state” could be jeopardized if it does not develop a more strategic approach to energy security.

Canada: [Tories to regulate industries for CO2](#)

Time for asking politely 'is over'

OTTAWA - The oil and gas sectors, along with other greenhouse-gas-emitting industries, are to be regulated by the Conservative government under its widely anticipated plan to fight air pollution and climate change, Environment Minister Rona Ambrose said yesterday.

[Kiwis create website that pays you to save energy](#)

[New security fears after kidnapping raid in Nigeria](#)

Militants freed around 25 kidnapped Nigerian oil workers on Wednesday but five abducted expatriates were still missing in another part of the Niger Delta after an unprecedented attack on a residential compound.

[Major Hurricane Danger Over for Year, Forecasters Say](#)

[Cut emissions now or pay, UK tells climate talks](#)

MONTERREY, Mexico - Britain told the world's worst polluting nations on Tuesday that acting now to cut emissions of heat-trapping greenhouse gases would be vastly cheaper in the long run than doing nothing.

[Global warming will threaten millions say climate scientists](#)

Extreme drought, in which agriculture is effectively impossible, will affect nearly a third

of the planet, according to the study from the Met Office's Hadley Centre for Climate Prediction and Research.

[Coal-Based Jet Fuel Approaches Ready Ramp](#)

University researchers have successfully powered a helicopter jet engine with fuel derived from at least 50 percent bituminous coal, a percentage that could go half again as high.

[Richard Branson interview](#)

The British entrepreneur and Chairman of the Virgin Group Sir Richard Branson recently announced that the next ten years of profits from his transport business will be used to fight climate change. That will amount to something in the region of 3 billion US Dollars. And with his new Virgin Fuels business he hopes to improve and making new fuels such as ethanol and butanol.

[The Axis of Diesel](#): Mercedes, GM and even Honda, are betting on a new breed of green diesels. The goal? To leave hybrids in the dust.

Business Week predicts [The Future of Cars](#)

[Update by Leanan on 10/04/06 at 11:23 AM EDT]

[Summary of Weekly Petroleum Data for the Week Ending September 29, 2006](#): crude oil and gasoline higher than expected, distillates lower than expected.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).