



## DrumBeat: May 5, 2007

Posted by [Leanan](#) on May 5, 2007 - 9:20am

Topic: [Miscellaneous](#)

[Where gasoline is cheap](#) - *And why places like Saudi Arabia, Iran, China and Russia are making it more expensive for you.*

In Saudi Arabia gasoline costs about 45 cents a gallon. In Iran it's 33 cents. Venezuelans pay less than a quarter.

These absurdly low prices are a direct result of massive government subsidies.

...But it's straining government budgets. More importantly, it's not allowing the free market to do its job. Higher prices on the open market are not leading to a drop in demand, which is keeping the cost of oil high for everyone else.

"Roughly two-thirds of new oil demand is coming from countries that have subsidized oil markets," said Christopher Ruppel, a senior geopolitical analyst with the consulting firm John S. Herold. "So demand is not going to be affected if oil goes from \$60 a barrel to \$80."

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## [The Next 'Greatest Generation'](#)

That's it . . . the Pentagon has officially smelled the coffee on peak oil.

They're not talking efficiency improvements or pilot projects anymore. Oh no.

Now they're singing a much more plaintive tune:

"We have to wake up. We are at the edge of a precipice and we have one foot over the edge. The only way to avoid going over is to move forward and move forward aggressively with initiatives to develop alternative fuels. Just cutting back won't work," said Milton R. Copulos, president of the National Defense Council Foundation and an expert on the military's energy needs.

## [Nigeria: Militants Halt 50,000 Bpd Oil Exports](#)

The Nigerian National Petroleum Corporation (NNPC) has declared a force majeure on the exports of 50,000 barrel per day (bpd) from the Okono-Okpoho oilfield following

Thursday's attack on the Mystras Floating Production Storage and Offloading (FPSO) vessel by armed militants in the Niger Delta.

### [Muscle cars come roaring back](#)

Ford is expected to sell at least 170,000 Mustangs annually, Chevy 100,000 Camaros, and Dodge 50,000 Challengers. Hossack said: "Not huge numbers, but profitable numbers while at the same time providing consumers with something not all cars do, a grin and fun for the dollar."

How much fun? If that trio reaches the 320,000 annual sales mark, it would top by 70,000 the number of hybrids sold in the U.S. last year.

### South Africa: [Many dark days to come](#)

In the wake of this week's blackout in areas east of Johannesburg, energy and construction experts have warned of darker days to come. As thousands of homes and businesses from Bedfordview to Germiston were plunged into darkness during this week's cold snap, the Ekurhuleni metro pointed fingers at Eskom.

### Pakistan: [Traders reject early shop closure to save electricity](#)

Small traders rejected the government's decision of early shop closure from May 7 and demanded alternate measures to overcome energy crisis of the country.

Shopkeepers censured the government's decision for closing markets at 8 pm terming it a step against the small traders and threatened to stage protest until the decision is changed.

### [Pemex Seeks Union Concessions, Reyes Heroles Says](#)

Petroleos Mexicanos, the third-biggest oil supplier to the U.S., will seek flexibility to move workers around in negotiations of a labor contract that expires in August, said Chief Executive Officer Jesus Reyes Heroles.

### [Kingdom Aims to Become No. 3 in Petrochemicals Sector](#)

Saudi Arabia has its eyes set on becoming the No. 3 petrochemicals producer by 2015, said Minister of Petroleum and Mineral Resources Ali Al-Naimi at the Arab Economic Forum in Beirut yesterday. The Kingdom is currently ranked No. 10 in the production of petroleum derivatives.

### [Atomic energy has much room to play in China](#)

In the period between 1995 and 2005, China's nuclear power generation outpaced all other forms of energy in growth, by an annual average of 15.3 percent against the average 9.5 percent for total energy.

In spite of that, the existing nine reactors in commercial operation, totaling 6,990 MW in capacity, account for only 1.6 percent of China's total power generating capacity. Nuclear power production stood at 54.3 billion KWH last year, 1.92 percent of the total electricity output.

### [New step for uranium trading](#)

When the New York Mercantile Exchange launches a first-of-its-kind uranium futures contracts Sunday, it sets a new stage in the growing uranium market. But the project, a venture with Ux Consulting, is likely not to settle the rocky road uranium prices have ridden lately.

### [Only the Innovative Truckmakers Will Survive](#)

I wanted to speak with Johansson because I'm looking for answers about the future of ground transportation -- personal, commercial and industrial. Volvo Group has been pouring lots of intelligence and money into developing those answers. Consider the matter of diesel fuel, used by 94 percent of the big rigs on American roads.

Generally, diesel engines are more fuel-efficient than gasoline models -- with "fuel-efficient" in this case being defined as the amount of work done per unit of fuel consumed. It is not the same thing as "fuel economy," a term that speaks more to the cost of fuel used, regardless of work-to-fuel efficiency.

### [Gasoline prices fuel anger](#)

Some of the nation's drivers are trying to fight fast-rising gasoline prices by staging an Internet-driven "gas out" May 15.

### [Gov't sets sights on ex-CEO](#)

The government is investigating several former top executives of state-owned oil giant Pemex for allegedly diverting US\$156.7 million in company funds, officials said Friday

John Michael Greer: [Religion and peak oil: The twilight of fundamentalism](#)

The contemporary predicament of industrial society, as I suggested in last week's post, is among other things a religious crisis. The religion of progress, the defining faith of today's industrial nations, staked its claim to the allegiance of the human spirit on the material benefits it offered its votaries. For the last three centuries, that offer was backed up with an astonishing expansion of wealth that left few lives in the western world unchanged, and gave the religion of progress a strength none of its rivals could easily match.

[Saudis aim to boost oil reserves by 76%, gas by 40%](#)

Saudi Arabia aims to increase its crude-oil reserves by 76% and gas reserves by 40%, as it seeks to retain its position as the world's largest petroleum exporter this century.

Saudi Oil Minister Ali al-Naimi said the country plans to boost oil reserves by 200 billion barrels on top of the 264 billion barrels it currently holds. The kingdom intends to lift gas reserves by 100 trillion cubic feet, or TCF. Saudi Arabia's current gas reserves stand at 250TCF, al-Naimi told a conference in Beirut on 4 May.

"The Kingdom will continue to be the largest and the most important oil producer and exporter during the 21st century, just as it has been over the past half century," al-Naimi said.

[All that oil and nowhere to go](#)

A combination of East-West geopolitical rivalries and haggling among former Soviet republics is delaying the construction of a series of oil and gas pipelines that could help alleviate the world's energy-supply concerns.

[Finding fuels as the oil runs out](#)

John A. Bewick's column [Preparing for 'peak oil'](#) praises President Bush for his energy plan. However, this plan is years late and, in any case, made of tissue paper.

[Houston's competition for the energy capital title](#) - *Dubai knocking Houston from the petroleum pedestal?*

"It's the biggest bunch of baloney I've ever heard," Matthew Simmons said.

..."I've only been to Dubai one time," he said. "Houston for energy is like Hollywood is to the entertainment business. Doesn't mean many films are made in Hollywood anymore."

In fact, they're not. But are all the decisions made in Hollywood? I think they still are."

### [Alaska lawmakers indicted on bribery charges](#)

One current and two former Alaska legislators pleaded not guilty Friday on federal charges they accepted bribes or the promise of future work to benefit an Alaska-based oil services company.

### [More Evidence for Cold Fusion](#)

Almost two decades ago, Fleischmann and Pons reported excess enthalpy generation in the negatively polarized Pd/D-D<sub>2</sub>O system, which they attributed to nuclear reactions. In the months and years that followed, other manifestations of nuclear activities in this system were observed, viz. tritium and helium production and transmutation of elements. In this report, we present additional evidence, namely, the emission of highly energetic charged particles emitted from the Pd/D electrode when this system is placed in either an external electrostatic or magnetostatic field. The density of tracks registered by a CR-39 detector was found to be of a magnitude that provides undisputable evidence of their nuclear origin. The experiments were reproducible. A model based upon electron capture is proposed to explain the reaction products observed in the Pd/D-D<sub>2</sub>O system.

### [Progress on global warming is questioned](#)

European Union and U.S. leaders are hailing what they say is a big step toward bridging their sharp differences on global warming. Academics and critics of President Bush's policies, however, question whether he really gave any ground.

### [Climate report ignored by Chinese media](#)

China's media largely ignored a landmark report on global warming on Saturday as Beijing sweated through an [unseasonal heatwave](#).

The China Daily, an English-language newspaper aimed largely at foreigners, ran a front-page story on the report released in Bangkok outlining measures needed to avert potential disaster brought on by global warming.

However, China's most influential press, including the People's Daily, the mouthpiece of the ruling Communist party, overlooked it entirely.



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