



DrumBeat: August 28, 2007

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[OPEC policy will hit the poorest hardest, says IEA chief](#)

The head of the International Energy Agency (IEA) criticised OPEC for setting a target price of around 70 dollars per barrel, saying in an interview published Tuesday that it would hit the poorest hardest.

"The market is clearly aware that OPEC has set itself a new implicit price target or a new price band of around 70 dollars (51 euros) per barrel and that the organisation will endeavour to defend this level," Claude Mandil told Arab Oil and Gas review.

"I deplore this, because it is a factor that could, whatever people often say, weigh on world economic growth and which represents a very heavy burden for the poorest people and the poorest countries," he added.

[Energy futures mixed on OPEC, storm news](#)

Oil and gas futures fell Tuesday as concerns about refineries faded and OPEC suggested that the oil cartel sees no need to boost production.

Natural gas futures rose on jitters about a developing Atlantic storm system and as traders covered positions ahead of the September contract's expiration on Wednesday.

[Holiday 2007: 4 red flags](#)

Store traffic declining: Shopping trips to malls have declined for 6 of the past 7 months months, according to Chicago-based market research firm ShopperTrak RCT.

"It's the first time that we've seen traffic fall across the United States and we're alarmed by this continuous drop," said Bill Martin, CEO of ShopperTrak, which monitors traffic and sales at close to 50,000 retail locations nationwide.

Wal-Mart, the world's largest retailer, said consumer traffic to its stores last quarter was softer than expected. Gap Inc., the No. 1 clothing chain also complained of weaker traffic trends last quarter.

Americans say they are making fewer trips to stores to save on gas, ShopperTrak's Martin said. They're also buying more online and bulk shopping at wholesale clubs like Costco and Sam's Club.

[Big U.S. oil: Tepid on Libya](#)

The country, thought to hold huge quantities of natural gas, is once again taking bids. But no interest from U.S. firms so far.

[Big Oil Sees GoM as Pricey But Accessible](#)

As geopolitical turmoil makes Big Oil's portfolio more risky, the Gulf of Mexico is fast becoming the energy world's savings bonds. While it's unlikely to match expanding production in West Africa or the Middle East, the area is immune to sudden shocks that come from working under unpredictable governments that control most reserves worldwide.

Companies are snapping up drilling rights in the Gulf on a scale not seen since the late '90s, when heavy bidding was fueled by the first hard evidence of deep water's oil-drilling potential and a lower tax rate. The hope of discovering the next half-billion-barrel oil field is still a big lure. But for the international oil companies that rule the Gulf, the new oil rush has as much to do with the lack of options elsewhere as the size of undiscovered reserves.

[Mideast turmoil 'could cause world war'](#)

Upheaval in the Middle East and Islamic civilisation could cause another world war, the US ambassador to the UN was quoted as saying in an Austrian newspaper interview.

Zalmay Khalilzad told the daily *Die Presse* the Middle East was now so disordered that it had the potential to inflame the world as Europe did during the first half of the 20th century.

[South Korea: Surging Oil Prices Hit Pilot Training](#)

Skyrocketing oil prices are compromising the Air Force's combat capability by reducing flight training hours for pilots, a state-funded defense think tank said Monday.

[Jordan: King urges speeding up nuclear energy programme](#)

His Majesty King Abdullah on Sunday called for speeding up the Jordanian nuclear programme, stressing that energy remains a top challenge that requires long-term radical solutions.

[Saudi July inflation hits 7-year high on dollar slide](#)

The dollar's slide over the previous 12 months to a record low against the euro in July helped drive up the cost of food imported from Europe, said Giyas Gokkent, head of research at the National Bank of Abu Dhabi.

[South Korea: New Energy Source to Be Commercialized](#)

South Korea is stepping up efforts to develop a new eco-friendly energy source and establish implementation for full-scale use of the fuel, dimethyl ether (DME), from 2012.

Coal-based DME is an alternative fuel to liquefied petroleum gas (LNG), liquefied natural gas, diesel and gasoline and is considered to be environmental friendly. The government hopes that DME will reduce the country's greenhouse gas emissions.

[PCs lead in energy wastage](#)

BUSINESS reliance on technology is generating almost 8 million tonnes of carbon dioxide each year, more than the emissions created by the civil aviation industry.

According to research conducted for the Australian Computer Society, one of the biggest power consumption demands comes from desktop computers, which in many cases are never switched off.

The load on airconditioning plants to cool devices is also adding significantly to emissions, the study shows.

[German Energy Plan Faces Reality Check](#)

A government plan to make Germany a global leader in fighting climate change must win the support of a reluctant finance minister to succeed.

[Carnegie Mellon Researchers Look At Fossil Fuel Impacts](#)

A team of Carnegie Mellon University researchers report that the choices U.S. officials make today could limit how the nation's future energy needs are met and could cost consumers billions in idle power plants and associated infrastructure systems. In the

upcoming Sept. 1 edition of the journal Environmental Science and Technology, Carnegie Mellon researchers Paulina Jaramillo, W. Michael Griffin and H. Scott Matthews show that liquefied natural gas (LNG) imported from foreign countries and used for electricity generation could have 35 percent higher lifecycle greenhouse gas emissions than coal used in advanced power plant technologies.

[The darker side of ethanol](#) - *As plans pop up for biofuel plants, neighbors argue they aren't so green.*

In rural eastern Indiana, where corn-seed markers dot the roadside, a number of homemade white signs with electric-red letters have started popping up offering another message: "No Ethanol."

[Randy Udall: NPC Report is Hand Grenade in Bubble Wrap](#)

Facing the Hard Truths About Energy is perplexing, even schizophrenic. In maddening fashion, it blends numerous cautions about the "accumulating risks" to global oil and gas production with repeated, rosy reassurances that we "aren't running out," as if anyone said we were.

A call for maximum sustained improvements in automobile efficiency—a welcome first for Big Oil—is paired with a cheery statement about our "vast" global endowment of petroleum and natural gas. Peak oil may be near—but then again we might have 10 times more oil left than we have already used. Carbon emissions are a concern—but coal-to-liquids seems promising.

News coverage reflects the report's confusing duality. Some headlines called it "alarming." Other reporters found it a snooze.

[OPEC Sec Gen Says Economic Uncertainty Clouds Oil Outlook](#)

While global oil markets are currently well supplied, volatility in U.S. financial markets is clouding the outlook for world oil demand and economic growth next year, OPEC Secretary General Abdalla Salem el-Badri said Monday.

[Authorities stamp out Myanmar protest attempt within minutes](#)

Defiant demonstrators tried to again to protest rising consumer prices Tuesday in Myanmar's biggest city, but marched only 30 meters (yards) before being beaten and wrestled into waiting trucks like farm animals by pro-government civilian thugs, witnesses said.

The two dozen protesters shouted slogans against a massive fuel price hike and implored onlookers to join them, stressing they were marching peacefully for their

rights, said witnesses who asked not to be named for fear of official reprisals.

[Gas Hike Doesn't Slow SPDC's Exports](#)

While much of Burma reels under a sharp rise in fuel prices, an announcement on Monday that the country's ruling junta will increase exports of natural gas and bio-diesel has left some Burmese analysts perplexed.

[Petrol, diesel prices hiked in Punjab](#)

Petrol and diesel prices in Punjab are up by 91 paisa and 16 paisa respectively, as the state government has re-imposed VAT on the fuel prices, which will bring a revenue of Rs 100 crore to the state.

The price hike came into effect from last night.

Last year, the then Congress government in the state had withdrawn VAT on the hiked portion of fuel prices in view of their escalating prices.

[Outside needs tap Jefferson aviation fuel for a week](#)

Peak flying season and an inordinate number of Northwest wildfires is to be blamed for a recent week without aviation fuel at Jefferson County International Airport.

[Will oceans surge 59 centimetres this century - or 25 metres?](#)

When Al Gore predicted that climate change could lead to a 20-foot rise in sea levels, critics called him alarmist. After all, the International Panel on Climate Change, which receives input from top scientists, estimates surges of only 18 to 59 centimetres in the next century.

But a study led by James Hansen, the head of the climate science program at the National Aeronautics and Space Administration's Goddard Institute for Space Studies in New York and a professor at Columbia University, suggests that current estimates for how high the seas could rise are way off the mark - and that in the next 100 years melting ice could sink cities in the United States to Bangladesh.

[As bees go missing, a \\$9.3B crisis lurks](#)

The mysterious disappearance of millions of bees is fueling fears of an agricultural

disaster.

[Gas Shortage in North Dakota](#)

A study by Triple-A says Gas Prices in North Dakota are the highest of the lower 48 states, averaging \$3.03 a gallon.

The situation may get worse before it gets better.

Officials say a supply shortage in the midwest is THE reason for high prices. In fact, gas is in such short supply Governor Hoeven requested a waiver today from the EPA to get gas out of Canada.

The shortage has left area stations scrambling for fuel.

[Sinopec, Aramco refinery on track, discuss reserves](#)

Asia's biggest oil refiner Sinopec Corp. said its plans with Saudi Arabia's Saudi Aramco for a refinery in east China were on track and the companies were also talking of building commercial oil reserves.

[July oil output drops at Mexico's Cantarell field](#)

Crude oil output dropped in July at Mexico's aging Cantarell offshore field, according to data published on the energy ministry's Web site on Monday. Cantarell, closely watched by the oil industry after sharp dips in output in recent months, produced an average of 1.526 million barrels per day versus 1.570 million bpd in June.

The figure meant Cantarell accounted for just 48.2 per cent of Mexico's overall crude oil output last month, continuing a steady decline over the past year at the field, which once produced around 60 per cent of the country's oil.

Analysts worry that state oil monopoly Pemex will struggle to ramp up yields at younger oil fields like Ku Maloob Zaap and Chicontepec fast enough to make up for Cantarell's decline.

[Oil production nearing the peak](#)

In 2005, the ASPO revised its prediction for the peak in world oil production, again, from both conventional and non conventional sources, to the year 2010. These consistent upward (into the future) revisions are expected in models which don't take into account continually increasing reserve estimates in older accumulations.

[Tajik president urges population to get prepared for power shortage](#)

President of Tajikistan Emomali Rakhmon has called on the country's officials and population in general "to seriously and in advance" prepare for major disruptions in energy supply during the coming winter. "This year's lack of water that affected the capacities of the exiting hydropower plans forced us to transfer to regulated and limited electric power supply, including to the population," Rakhmon stressed at a special government meeting on Tuesday, the presidential press service reported.

Tajikistan has been experiencing a severe energy crisis for several years due to chronic shortage of own electric power purchasing it from Kyrgyzstan and Uzbekistan. Last winter, the supply of electricity to the population was limited by four-six hours a day, and certain rural areas had no electricity in houses during the whole autumn-winter period.

[Kenya: Daunting Task of Fuelling Economic Growth](#)

Like many of the countries whose economies are on the take-off, fueling the growth of the Kenyan economy has emerged as one of the most pressing problems facing policy makers.

The past four year of steady economic growth has seen demand for electricity rise at the rate of 10 per cent annually against a supply growth of about 8 per cent kicking off a reserve thinning process that key players are now seeking to address by shifting the activities of bulk consumers to off peak hours.

[Australia's oil and gas production up](#)

Australian oil and gas production grew strongly in the 2006/07 year, a new report has found.

Energy advisory group EnergyQuest said oil production jumped 16.6 per cent to 129.8 million barrels, due to higher output from the Carnarvon Basin off the West Australian coast.

That helped lift petroleum production 10 per cent to 472 million barrels of oil equivalent in the 12 months to the end of June.

[Australia: Consumers accepting ethanol in the mix](#)

Currently, fuel grade ethanol production in Queensland, based on sugarcane, is estimated at around 32 million litres per annum, with CSR Ethanol at Sarina in Central Queensland and Rocky Point Distillery, south of Brisbane, the main producers.

"Queenslanders currently consume around 20-25 million litres per annum, but we believe that with peak oil and the international push to reduce carbon emissions, demand will grow and this is why, in Queensland, we are positioning ourselves as a leader in biofuel production," he says.

[Noble Corporation Reports No Damage From Hurricane Dean](#)

Noble Corporation announced that a survey of the Company's fleet of eight drilling units currently operating in waters off Mexico revealed essentially no damage as a result of Hurricane Dean.

[Burundi hit by fuel shortage](#)

A FUEL shortage in Burundi has led to rationing of fuel and doubling of prices. The shortage follows an order by the Burundi general prosecutor, Elysée Ndaye, for the impounding of trucks and fuel tankers belonging to Interpetrol Company and freezing of all the company's bank accounts in Burundi. The company supplies more than 50% of fuel in Burundi.

[PetroTech program helps fuel new career](#)

The PetroTech program helps local energy companies by providing new workers who have a basic understanding of the industry and tools necessary to help the industry grow, Hochstein said.

"It fills a vital need in the oil and gas community," he said. "Engineering and geological technicians are at a premium now. There's a severe shortage of them. The work force in the oil and gas industry is spread pretty thin right now."

[Problems of aging, shrinking population](#)

The population of bugs in a Petri dish typically increases in an S-shaped curve. To start with, the line is flat because the colony is barely growing. Then the slope rises ever more steeply as bacteria proliferate until it reaches an inflection point. After that, the curve flattens out as the colony stops growing.

Overcrowding and a shortage of resources constrain bug populations. The reasons for the growth of the human population may be different, but the pattern may be surprisingly similar.

[UN climate change talks open in Austria](#)

More than a thousand people from government, industry and research institutions opened a week-long meeting in Vienna Monday as part of a UN initiative to discuss how to fight climate change.

"Climate change is a huge challenge that can only be tackled at a global level and in an integrated manner," Josef Proell, Austrian environment minister, said in opening the conference, according to a UN statement.



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