



DrumBeat: February 12, 2008

Posted by [Leanan](#) on February 12, 2008 - 9:46am

Topic: [Miscellaneous](#)

[Venezuela's state oil company halts oil sales to Exxon Mobil](#)

CARACAS, Venezuela (AP) - Venezuela's state oil company said Tuesday that it has stopped selling crude to Exxon Mobil Corp. and has suspended commercial relations with the U.S.-based oil company.

State-run Petroleos de Venezuela SA, or PDVSA, said in a statement that it "has paralyzed sales of crude to Exxon Mobil." It said the decision was made "as an act of reciprocity" for the company's "judicial-economic harassment."

[Saudi chief: Top oil field not in decline](#)

HOUSTON, Feb. 12 (UPI) -- The head of Saudi Arabia's national oil company is playing down rumors the world's largest oil field, Ghawar, is declining production.

"The interesting thing is that over the last 10 years Ghawar has consistently been producing between 5 and 6 million barrels (per day)," Saudi Aramco President and Chief Executive Officer Abdullah Jumah told an international energy conference Tuesday in Houston. He added the company has increased it by another 300,000 bpd.

He said engineers are decreasing the water count to 27 percent.

[Saudi oil spare capacity a safety net](#)

HOUSTON, Feb. 12 (UPI) -- Saudi Arabia doesn't produce as much oil as it can, a spare capacity the head of the state oil firm says provides a crucial safety net.

[Industry, government must tackle balance between energy use, climate change, executives say](#)

HOUSTON (AP) - Global energy companies and governments must come together to help solve one of the biggest challenges facing the world today - keeping the planet fueled while not ruining the environment, two top oil executives said Tuesday.

Despite rising international concerns over energy and climate, the world continually deals with these issues through "uncoordinated approaches," James Mulva, chairman of oil giant ConocoPhillips, told a gathering of industry executives, academics and analysts Tuesday.

Meanwhile, Mulva said, "the U.S. has missed opportunities to show leadership because it lacks a coherent approach to either problem."

[Aramco chief: Tackle root causes of woes](#)

HOUSTON, Feb. 12 (UPI) -- The head of state-owned Saudi Aramco said Tuesday the world must tackle the "root causes" of supply concerns to achieve energy security goals.

"If we are indeed serious about developing more effective and more enduring energy security solutions for the long term, then surely we should be targeting the root causes of our supply concerns rather than simply battling with their various manifestations like the many heads of the Hydra," Abdallah Jumah, president and chief executive officer of Aramco, said at the CERA weeklong energy confab in Houston.

[Nigeria: Oil-Export Reliability At Risk](#)

Experts in the oil industry have warned that Nigeria stands the risk of losing its credibility as a reliable supplier of crude oil on the world market.

According to them, exports that have been held back because of rebel attacks would seriously affect Nigeria's credibility in the oil industry.

[Kuwait oil earnings post lowest growth since 2002 - NBK](#)

KUWAIT, Feb 12 (KUNA) -- Kuwait's oil revenues recorded their lowest growth in the first nine months of the instant fiscal year compared to the same period of the previous FYs since 2002, the National Bank of Kuwait (NBK) said here Tuesday.

Oil earnings for the first nine months of this FY went up by 11 percent compared to 19 percent in the same period of last year, the NBK said in an economic brief.

The continued hike in oil prices was the main reason for oil earning growth, it said, adding that oil prices had averaged USD 70 per barrel, but OPEC oil output led to lower revenues.

[Total to build new facility at Port Arthur](#)

French oil major Total said Tuesday it plans to build a new \$2.2 billion refining facility at its Port Arthur refinery.

[Other oil nations could make up for Venezuela halt - U.S.](#)

HOUSTON (Reuters) - Top world oil producers have assured the United States they could make up for a major supply disruption amid threats from Venezuela of a halt, a U.S. government official told Reuters Tuesday.

"Other major oil producers have assured they can compensate for significant disruptions of any nature," said the official, who declined to be named due to sensitivity of the issue.

"The world's leading oil consumers are also united through the International Energy Agency, which has a range of contingency options at its disposal."

[EIA: OPEC 1Q Output 32.2 Million B/D, +600,000 B/D Vs 4Q '07](#)

NEW YORK -(Dow Jones)- Crude oil output from the Organization of Petroleum Exporting Countries is expected to average 32.24 million barrels a day in the current quarter and stay near that level throughout 2008, according to the latest U.S. government forecast.

In its latest Short-Term Energy Outlook released Tuesday, the Energy Information Administration said the expected OPEC output level will be about 600,000 barrels a day higher than OPEC's fourth-quarter 2007 level, put at 31.68 million barrels a day.

The expected higher OPEC output projection comes despite the group's Feb. 1 decision to keep official oil output levels unchanged. OPEC is to review output policy on March 5.

[Venezuela oil giant tries end run](#)

It is difficult to glean a clear picture of PDVSA's finances because it discloses limited information to the public. However, the company seems to have the wherewithal to stay current on debts totaling about \$16 billion, of which \$2.1 billion is due in 2008, said Standard & Poor's sovereign analyst Richard Francis.

"Exxon Mobil is going to court not because it fears PDVSA can't pay, but because it fears it won't pay," Francis said.

But others Monday painted a darker picture of PDVSA's financial condition. Guerra said the company was paying Total of France in oil for the value of its nationalized field in the Orinoco region "because it doesn't have any cash."

"PDVSA is in a very deep crisis, both in terms of its management and its oil production, which has declined for 10 quarters in a row," Guerra said. "The Exxon Mobil court

action is damaging because it affects the credibility of PDVSA."

[Exxon seeks oil-project value talks with Venezuela](#)

HOUSTON (Reuters) - Exxon Mobil Corp is interested in "substantive" discussions with the Venezuelan government over the value of the extra heavy oil project taken over last year as part of the OPEC nation's nationalization drive, a company official said on Tuesday.

[Iraq says ready to review old Russian oil deals](#)

MOSCOW (Reuters) - Iraq is ready to study the possibility of reviving old deals, including in the oil sector, which were signed between Russian firms and the government of Saddam Hussein, a top official said on Tuesday.

"We are not hiding from existing problems, such as the old contracts," Iraqi Foreign Minister Hoshiyar Zebari told a news conference, speaking through an interpreter.

[Liquid coal touted as good fuel bet if ethanol fails](#)

HOUSTON (Reuters) - Refining coal into liquids is the next logical step should it become clear that corn-based ethanol is not the solution to the transportation fuel problem, the developer of a coal-to-liquids plant said on Tuesday.

"Does it make sense to burn your food supply ... to make what is in our estimation an inferior transportation fuel?" Robert Kelly, chairman of DKRW Advanced Fuels LLC, told a questioner at Cambridge Energy Research Associates' 2008 conference.

[Shell rationing gasoline, diesel in Western Canada](#)

CALGARY, Alberta (Reuters) - Royal Dutch Shell Plc's refinery in Alberta is running at reduced rates, forcing the company to ration fuel to its own Western Canadian retail network and to commercial customers, a spokeswoman said on Tuesday.

There is no indication yet when the 98,000 barrel a day Scotford refinery near Edmonton will be back at full rates, Shell spokeswoman Jana Masters said. She declined to say how much fuel the plant is producing.

[Japan likely to face LNG shortage in 2010 - report](#)

TOKYO (KUNA) -- As the amount of liquefied natural gas (LNG) imported from Indonesia is expected to fall significantly from 2010, Japan, the world's biggest importer of LNG, likely will be seriously affected, a top-selling Japanese newspaper reported Tuesday.

[Argentina Agrees to Lift Export Ban on Shell After Price Accord](#)

(Bloomberg) -- Argentina's government lifted a ban on exports from a refinery owned by Royal Dutch Shell Plc after the company agreed to observe price caps.

Shell agreed to lower prices at the pump to Oct. 1, 2007, levels, said a government official who declined to be identified because of department policy. The accord follows similar agreements with Repsol-YPF SA, Petroleo Brasileiro SA and Exxon Mobil Corp., he said. A Shell spokesman in Argentina couldn't immediately be reached for comment.

[Russia, Ukraine Reach Last-Minute Deal, Avert Gas Cut](#)

(Bloomberg) -- Ukraine averted a cut in supplies of natural gas from Russia's OAO Gazprom after the two countries' presidents reached an agreement before a deadline passed.

Ukraine will start paying the debt for 2007 gas deliveries on Feb. 14, Ukrainian President Viktor Yushchenko said at a Kremlin press conference broadcast by Russian state television today.

[Tortuous and tangled is Russian gas route to the EU](#)

Kiev - Russia's number one export earner - natural gas sold to Europe - travels to market by one of the most convoluted and lucrative energy distribution networks in the world, and square in the middle stands Ukraine. The former Soviet republic is now locked in a dispute with the Russian natural gas monopoly Gazprom over a host of purported issues (and a few real ones), all related to updating the division of a massive income stream.

"It's the same old question," said Serhy Makhno, a Kiev-based energy industry analyst. "How do you divide up money with people you don't trust?"

[World's refineries need flexibility, report says](#)

The world's refineries must adapt to a plethora of raw materials to avoid shortfalls in meeting global demand for diesel and jet fuel, a leading energy consulting firm is reporting today.

Cambridge Energy Research Associates says its analysis of global refining capacity shows that increased ability to process a greater variety of raw materials is key to the industry's future.

[Shell VP, Exploration: 'No More Easy Oil'](#)

Shell Europe's vice president of exploration, Tom Botts, will review some hard truths at Subsea 08 when he gives his keynote address to 200 representatives from the global subsea sector.

Speaking at the major subsea oil and gas event, which kicks off Feb. 12 at the AECC, Mr Botts will focus on the global future of an industry which was developed in Aberdeen.

"There is no more easy oil," Botts will warn, "and the subsea industry is critical to unlocking more oil to meet world supply."

[Venezuela ready to halt oil exports: report](#)

CARACAS—Venezuela is ready to cut off oil supplies to the United States if necessary, the country's oil minister said in an interview published Tuesday, echoing a threat by President Hugo Chavez.

Oil Minister Rafael Ramirez told the Venezuelan newspaper Ultimas Noticias that "we're ready" to cut off oil shipments to the United States – a threat that apparently could be triggered if Exxon Mobil Corp. succeeds in seizing billions of dollars in Venezuelan assets through lawsuits abroad.

[S&P: PDVSA Ratings Unaffected by Ruling](#)

Standard & Poor's Ratings Services said today that news regarding Exxon Mobil Corp.'s moves to freeze \$12 billion in Petroleos de Venezuela S.A.'s overseas assets has no immediate impact on our rating and outlook on The Bolivarian Republic Venezuela and its national oil company and related entities, including CITGO Petroleum Corp., Petrozuata Finance Inc. (Petrozuata) and C.A. La Electricidad De Caracas.

[Valero says Houston refinery unit work till Feb 14](#)

NEW YORK (Reuters) - Valero Energy Corp said Tuesday that maintenance work on an unspecified unit at its Houston, Texas, oil refinery will last until Thursday.

[BP will close Sakhalin office, scraps drilling](#)

MOSCOW (Reuters) - Oil major BP will close its office in Russia's Pacific Sakhalin island after the company decided to scrap further drilling at its two offshore projects in the region in 2008, BP's Moscow office said on Tuesday.

BP said its joint venture with Russia's largest oil firm Rosneft, Elvari NefteGaz, will only do geological exploration at Sakhalin-4 and Sakhalin-5 projects, where drilling has so far not been seen as successful.

[New oil and gas reserves found in Oman](#)

Petroleum Development Oman said it found "significant new volumes" of oil at the Budour Northeast oil field, which was discovered last year, the Khaleej Times reported.

In addition, the company may also have found a significant volume of oil in a rock formation at the Rabab-Southeast field, also near Birba.

[A big oil discovery](#)

Brazil's role as a global energy producer is likely to increase dramatically over the next ten years. The country is already a relatively important oil producer, and following recent announcements of major offshore deep-water discoveries, the largest Latin American country will move from being self-sufficient to becoming a net exporter. If the government's early estimates are confirmed—that the broader area where the recent discoveries were made might hold as much as 70bn-100bn barrels—Brazil will be able to boast of holding among the world's ten-largest oil reserves in the medium to the long term.

[Bolivia's Irresistible Reserves](#)

LA PAZ, Bolivia -- When President Evo Morales took state control of Bolivia's energy sector nearly two years ago, critics warned that investors would abandon the country's gas fields and ultimately sink the industry.

They were half-right. Production has slowed along with investment, forcing Bolivia to renege on some of its export commitments this year. But foreign governments, often in the form of state-owned companies, have jumped in to resuscitate the energy sector.

The reason is simple: They can't afford not to.

[Russian Surgut boosts cleaner fuel sales to Europe](#)

Sales from Kirishi offer further evidence that Russian refiners are technically able to supply cleaner fuels to Western markets and take advantage of substantial premiums for low sulphur material, but face obstacles from export infrastructure.

[Papua New Guines: Fuel shortage hit Bougainville, affecting transportation](#)

FUEL outlets in the Autonomous Region of Bougainville have completely dried up, leaving PMV owners and road construction companies no choice but to ground their machineries.

Those also affected include passengers from other parts of Bougainville, who could not travel to Buka town to access vital services such as banking and telecommunication.

[Once an Exporter of Products, China Now Leading Global Exporter of Inflation](#)

Cheap raw materials and ultra-cheap labor helped China earn its reputation as the supplier of low-cost products to the world, but rising domestic prices have touched off an inflationary epidemic that is infecting the U.S. economy.

[Blue China weathers the storms](#)

More blizzards are expected this week, but China has mostly weathered the crisis brought on by weeks of unusually bad weather, including severe snow and ice storms that affected most of the country and paralyzed transport systems as millions of people were trying to get home to celebrate the Lunar New Year. Millions spent New Year's Eve in darkness.

"We have won a partial victory against the disaster of rain, snow and ice," the State Council's disaster relief centre said Saturday. "From today on, we must continue to guarantee transport, electricity and basic livelihoods."

[North Korea Can Produce Instant Noodles Again](#)

Roh Won Chul, the factory chief was quoted as saying that instant noodles were produced and widely sold till the 1990s in North Korea. However, since then, the country has not been able to produce instant noodles like it used to.

The chief also said that the country's noodle production lines were suspended due to fuel shortages. He said that North Korea faced difficulty obtaining heavy oil needed to operate boilers at the factory because it could not import oil from foreign countries after economic sanctions were imposed. North Korea ended up importing instant noodles from China and other countries.

[Metals - Platinum hits new record as South African supply fears fuel buying](#)

As the world's biggest platinum miner, producing just under 80 pct of total supply, South African production outages have a huge effect on the market. Unlike gold, platinum is readily consumed in industry, chiefly in car manufacturing, and is therefore more sensitive to supply outages than the other metal.

[India: Cooking gas crisis hitting the poor hard](#)

NEW DELHI: The poor people who depend on small refilled gas cylinders for their cooking needs these days have been hit the hardest by the acute shortage of liquefied petroleum gas (LPG) supply in and around Delhi. They are having to pay as much as Rs.80 per kg for the fuel -- equivalent to Rs.1,436 for a 14.2 kg cylinders -- whose real cost is only Rs.293.35.

[Illinois plans for other clean coal](#)

ST. LOUIS, Feb. 12 (UPI) -- Though the Mattoon, Ill., FutureGen plant was canceled, other projects stay.

[You Vote: What Megabubble Will Be The Next To Bring Us Down](#)

The main alternative is "Peak Oil" theory, which the world's Exxon-Mobils hate. "Peak Oil" forecasts a different end game. Janszen's theory simply predicts America's economy will "creatively self-destruct" in 2013 while Wall Street is busy creating a newer, bigger bubble. In marked contrast, "Peak Oil" forecasts:

A "not-so-creative destruction" of the oil industry. The end of Wall Street's "bubble-blowing machine." A steady decline of the oil-dependent global economy. Widespread resources wars intensifying through the 21st century.

[Refinery pollution may soar](#)

Global-warming pollution from Midwest oil refineries is expected to soar by as much as 40 percent during the next decade, a dramatic increase that runs counter to regional and national efforts to curb heat-trapping gases.

Expansion plans at the BP refinery in Whiting would boost the facility's greenhouse-gas emissions to 5.8 million tons a year, the company told the Tribune. That would be equivalent to adding 320,000 cars to the nation's highways.

[Expect tight energy supply for four years](#)

South Africans can expect tight energy supply for another four years, Public Enterprises Minister Alec Erwin said in Cape Town on Monday. The country's energy supply problems are no different from those of other developing countries, he told a media briefing in Parliament.

"We are in exactly the same position as every other developing country," he said.

[Winter shortages fuel Tajik anger](#)

Tajikistan is well-versed in hardship, but this winter has been too much.

Millions of people here are trying to survive without heat, water or electricity in temperatures that stay well below zero.

[Pakistan problem: Washington's perspective](#)

This preemptive foreign policy is driven by "Peak Oil" related anxiety. Cognizant of the fact that the world is headed towards a new type of international rivalry that will entail a scramble for world's diminishing supply of fossil fuel, and encouraged by the U.S's unrivaled status, the neocons embarked upon a policy to establish greater control over the world's energy resources. As a functional prerequisite of this control, Washington has set out to establish alliances that will strengthen its created "energy order", prevent China from emerging as a competitor of the U.S, and prevent major Asian countries from forming a multi polar power bloc against the U.S.

[Bush's Administration behind Exxon Mobil assault against Venezuela](#)

The Bush's administration -closely linked to the world oil market- has already tried, twice, to destabilize the Bolivarian Revolution and to affect the Venezuelan people through a sabotage program to its oil industry.

[Pakistan: Need to focus on sustainable power generation stressed](#)

KARACHI: A household can lit a candle or an emergency light to illuminate the house, but it does not work for the industry, as it requires uninterrupted power supply. Industry is facing a production loss due to current power crisis.

Korangi Association of Trade and Industry (KATI) President Shaikh Fazal Jaleel told The News that there was 50 per cent decline in production due to power breakdowns.

When asked whom he considered the biggest enemy of investors in Pakistan; the so-called terrorism or energy crises; “energy crises,” he said.

[February Symposium: World Oil Peak - Out of Gas](#)

Dr. David L. Goodstein, Professor of Physics and Applied Physics at the California Institute of Technology, will discuss the current oil crisis and the harmful repercussions that will occur when the world's oil supply is depleted.

[Future of Transportation - PART II](#)

Apart from crossing peak oil, another major event happened around 2005 - the emergence of a new generation of batteries - Lithium Iron Phosphate (LiFePO₄) - able to sustain more charge cycles and based on safe chemistry that can be put into a car. For the first time the total cost of energy for electric transportation has crossed under the cost of fuel when calculated on a per kilometer basis. The fundamental technology and economic drivers behind these two events will continue to drive the price vectors for fuel and electricity further apart in favor of the electron and battery.

[Global demand lifts grain prices, gobbles supplies](#)

But higher demand isn't all that's pushing food prices higher:

- **Spiraling oil prices.** Food needs fertilizer, and to make fertilizer, you need energy. The cost of natural gas, for example, is one of the biggest components in the price of ammonia and potash. While natural gas prices have tumbled from their 2005 highs, the price is still nearly double its 2001 levels. And to get food to market, you need trucks, trains and barges, all of which consume oil and gasoline, which have soared nearly 70% in the past 12 months.
- **Government mandates for biofuels.** In a bid to reduce oil dependence, many countries are requiring additional use of biofuels, such as ethanol and biodiesel. That, in turn, competes with food destined for the table — and increases the prices of what consumers eat.

[Great Plains Synfuels Plant restarts after shutdown](#)

The Great Plains Synfuels Plant near Beulah has is making natural gas from coal again, after a leak was repaired in one of the plant's processing units.

The plant resumed full production last Thursday, after being shut down for 41 days to repair a crack in a processing unit that extracts chemicals from the plant's synthetic gas, said Daryl Hill, a spokesman for Dakota Gasification Co., a subsidiary of Bismarck-based

Basin Electric Power Cooperative.

[NASA scientist hits out at power station plans](#)

PLANS for the UK's first coal power station in a generation are a terrible idea, says one of the world's most eminent climate scientists.

Speaking on Radio Four's Today programme, James Hansen, a director at NASA, said that the plant, due to be sited next to an existing coal power station at Kingsnorth "will destroy the efforts of millions of citizens to reduce their carbon emissions".

[ANALYSIS - Solar Power Boom Faces First Test](#)

LONDON / FRANKFURT - Prospects for the solar power sector are puzzling investors juggling on one hand a possible dotcom-style bust and on the other fresh support in Europe, home to a third of the world's market.

The solar power industry uses the same silicon raw material as the semiconductor industry and may share a similar boom-bust path, according to some analysts.

[Eco-villages Prove to be Sustainable](#)

Australians produce over 560 million tonnes of greenhouse gases annually – that is equivalent to putting 127 million cars on the road.

In an eco-village, however, life is all about ecological balance and sustainability.

[Uranium, that strategic metal](#)

India's ambitious nuclear program is based on the availability of sufficient uranium. But, do we have enough uranium resources in our country to meet the increasing demand?

[Is Nuclear Energy Sustainable?](#)

Like the, now mythical, debate about Hummers vs Priuses, nuclear power is an issue who's pros and cons largely can't be addressed without an LCA (Life Cycle Analysis). Sure, Nuclear reactors, without a doubt, produce fewer carbon emissions than coal and other traditional power plants in their use phase—(actually, natural gas and hydro, both of which can be considered “traditional” as well, probably beat nuclear, not to mention renewable energy sources like solar and wind). But coal is the big, dirty source of power

that makes nuclear look good so let's stick with it, for now.

[Drought spreading in Southeast](#)

ATLANTA — Georgians will be able to water their azaleas and swim in their pools this spring after the state eased a ban on outdoor watering.

Barely 400 miles away, residents of Raleigh, N.C., should be so lucky. Their city council just enacted the toughest water restrictions available, essentially banning all outdoor watering in Raleigh and six surrounding towns.

As the historic drought gripping much of the Southeast stretches into a second year, Atlanta and Raleigh find themselves in similar drought conditions but are adopting contrasting strategies.

[Las Vegas Business Press - Green Supplement](#)

Going green never sounded so good. The quicker the better. And with Simmons' disturbing predictions in mind, take seriously the subject. It's not just that our cover story is about it -- Review-Journal reporter John G. Edwards writes about Nevada's potential to be an alternative energy powerhouse, perhaps leading the world in solar and geothermal power delivery someday -- but we offer you an inside glimpse with our green issue supplement about what some local businesses and people are doing to build a foundation for healthier and greener living. We have stories from Tony Illia, Arnold Knightly, Sara Cureton, Hubble Smith and a contribution from Luxury Magazine's recent feature, Green Leaders.

[Valentine's Day gifts must be politically correct these days](#)

To be PC this year, the valentine needs to be paperless, the chocolates should be organic, the flowers must be Fair Trade-certified and the perfume — better check that it was made without animal experiments.

A politically correct Valentine's Day is kinder to the planet, poor folks in foreign lands and furry friends. "You shouldn't be hurting anyone or anything on Valentine's Day, the day of love," says trends guru Faith Popcorn. "The country is rediscovering a social conscience of ethics, passion and compassion."

[Train roof riders to be sprayed](#)

JAKARTA (Reuters) - Indonesian commuters riding on the roofs of trains will be sprayed with colored liquid so that security officers can identify and arrest them, a report said Saturday.

Electric trains linking the Indonesian capital and its neighboring towns are packed with passengers during rush hours, with many sitting on the roofs due to a lack of space inside or to avoid paying.

[Peak Oil: Simmons v. Saudis, Round Two](#)

Saleri now says in an interview that time has proven Aramco right. Simmons “was saying four years ago that Ghawar was going to collapse and that Saudi Aramco was going to go into decline....[But] that precipitous decline never occurred,” he says.

...“Abqaiq became a renaissance story for Aramco,” he says, insisting that the field’s pressure remains strong and its water content is going down even after more than 60 years in production. Abqaiq “is doing fantastically,” Saleri says.

Simmons, reached by phone in Houston, says he feels equally vindicated—and increasingly alarmed. He based his book largely on information dug up in old technical journals. In recent weeks he has hit the archives again, with thoughts of writing a second book.

What he has found, he says, “is so unbelievably scary you can’t believe it.” He claims that there is mounting technical evidence that Aramco is struggling to deal with increasing volumes of water at its hugest fields. With water production going up, he says, oil production is going down.

“It is absolutely clear as a bell now that all of those fields are heading toward being another Cantarell,” referring to the massive Mexican offshore field, which is now in rapid decline.

[Venezuela wants to avoid U.S. oil cutoff](#)

CARACAS (Reuters) - Venezuela wants to avoid cutting off oil supplies to the United States because it would be costly to the OPEC nation, a senior Venezuelan oil official said Tuesday.

[Putin meets Ukraine leader as gas talks go down to wire](#)

MOSCOW (AFP) - Russian President Vladimir Putin met Ukrainian counterpart Viktor Yushchenko on Tuesday amid crunch talks on averting a cut in Russian gas supplies to the neighbouring state.

[Canadian Natural says Horizon project costs mounting](#)

TORONTO (Reuters) - Canadian Natural Resources Ltd said on Tuesday its Horizon Oil

Sands Project in Alberta could cost more than a quarter above its C\$6.8 billion target as severely cold weather had slowed construction.

As of Dec. 31, the forecast cost of phase one of the project was already 13.4 percent over the target, and without an increase in productivity, that cost estimate would rise by 25 to 28 percent, the company said.

[China Spurs Coal-Price Surge](#)

China is doing for coal what it once did for oil: pushing prices to new highs, adding more pressure to the creaking global economy.

[Green Ink: All The Coal In China](#)

This is the end: A detailed look at peak oil and “The Limits to Growth,” over at The Oil Drum, posits that running out of oil could be a quicker and more painful hit to civilization than global warming. At the Energy Bulletin: More dirt on the \$100,000 bet between peak-oil proponents and researchers CERA. Meanwhile, Peak Opportunities takes a close look at fast-declining oil fields in Mexico.

[UK: Food and petrol push up inflation](#)

Rising food and petrol prices pushed up UK inflation in January, figures show.

Last month's Consumer Prices Index (CPI) inflation figure rose to 2.2%, up from 2.1% in December. The rate is the highest since June 2007.

[In Oil-Rich Mideast, Shades of the Ivy League](#)

Education City, the largest enclave of American universities overseas, has fast become the elite of Qatari education, a sort of local Ivy League. But the five American schools have started small, with only about 300 slots among them for next year's entering classes. So there is a slight buzz of anxiety at the fair, which starts with a nonalcoholic cocktail hour, with fruit juices passed on silver trays as families circulate among the booths.

[Airlines Look For Savings As Fuel Costs Rise](#)

The need for US airlines to control costs is greater than ever with losses creeping back onto balance sheets and shares slipping, but carriers are simply running out of fat to trim after years of restructuring.

The main culprit undercutting profits is high fuel prices. But overall US economic weakness is threatening to erode travel demand and make it more difficult to generate revenues.

[George Monbiot: Apart from used chip fat, there is no such thing as a sustainable biofuel](#)

Nine months ago, I asked the British government to send me its assessments of global oil supply. The results astonished me: there weren't any. Instead it relied exclusively on one external source: a book published by the International Energy Agency. The omission became stranger still when I read this book and discovered that it was a crude polemic, dismissing those who questioned future oil supplies as "doomsayers" without providing robust evidence to support its conclusions. Though the members of Opec have a powerful interest in exaggerating their reserves in order to boost their quotas, the IEA relied on their own assessments of future supply.

[UN chief, NY mayor urge world action on climate change](#)

UNITED NATIONS (AFP) - New York Mayor Michael Bloomberg joined UN chief Ban Ki-moon here Monday in galvanizing world action to roll back climate change, an issue he described as "just as important" as nuclear proliferation and terrorism.

"We are damaging our planet. Nobody knows at what rate but at any rate it is not good," Bloomberg told reporters after addressing a UN General Assembly debate on the impact of global warming.

[King penguins could be wiped out by climate change: study](#)

PARIS (AFP) - One of the emblems of the Antarctic, the king penguin, could be driven to extinction by climate change, a French study published on Monday warned.

In a long-term investigation on the penguins' main breeding grounds, investigators found that a tiny warming of the Southern Ocean by the El Nino effect caused a massive fall in the birds' ability to survive.

[Global Warming: Sea Level Rise Could Be Twice As High As Current Projections, Greenland Ice Sheet Study Suggests](#)

A comprehensive new study authored by University at Buffalo scientists and their colleagues for the first time documents in detail the dynamics of parts of Greenland's ice sheet, important data that have long been missing from the ice sheet models on which projections about sea level rise and global warming are based.



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