



DrumBeat: February 17, 2008

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[Despite record profits, oil companies find little comfort in high prices](#)

PARIS: As crude oil prices topped \$100 a barrel in January, some of the world's major oil companies rang up annual profits that beat the bottom lines of any other company, in any other line of business. Yet, despite appearances, industry analysts are not rushing to pat the majors on the back.

Exxon Mobile, the largest oil company, reported at the start of this month a record 2007 profit of \$40.6 billion, earnings that trounced any other company. Royal Dutch Shell reported the largest earnings of any company in Britain, at about \$31 billion.

But amid rising consumer resistance to high prices of gasoline and other refined products, analysts and even some oil company executives have a hard time putting a positive spin on the future.

"As far as the outlook, it is pretty horrible," said Peter Hitchens, an oil analyst at Seymour Pierce in London.

[Chevron Shuts Australia Oil Fields, Adds to Closures](#)

(Bloomberg) -- Chevron Corp.'s Australian unit halted production at oil fields on the Barrow and Thevenard Islands off the northwest coast, adding to shutdowns due to a tropical cyclone moving through the region.

Chevron Australia moved non-essential workers from the islands and shut down 9,000 barrels a day of production as Tropical Cyclone Nicholas nears the area, Scott Walker, a Perth-based spokesman, said yesterday in an e-mail.

[Crude supply sufficient: Saudi, Norway](#)

RIYADH: Two of the world's top oil exporters, Saudi Arabia and Norway, consider crude supply to the global market to be sufficient, according to a statement carried yesterday by state news agency SPA.

[Chavez says no plan to halt oil exports to the United States](#)

"We don't have plans to stop sending oil to the United States," the socialist leader said Sunday during a visit to heavy-oil projects in Venezuela's petroleum-rich Orinoco River basin that were nationalized last year.

But he added that Venezuela could cut off supplies to the United States if Washington "attacks Venezuela or tries to harm us."

[Venezuela may create windfall oil tax: Chavez](#)

CARACAS (Reuters) - Venezuela may create a windfall oil tax on earnings generated by quick increases in oil prices, President Hugo Chavez said on Sunday, extending the OPEC's nation's efforts to increase revenues from the oil industry.

[Biofuel: Gene scientists find secret to oil yield from corn](#)

PARIS (AFP) - Agricultural scientists in the United States have identified a key gene that determines oil yield in a corn, a finding that could have repercussions for the fast-expanding biofuels industry.

[High prices leave Kuwaiti families reeling](#)

Kuwait families are suffering major budget crunches as inflation in the oil rich state climbs to new highs.

Prices for basic goods have surged by as much as 40% over the past three months, according to the Kuwait Times, with inflation knocking a new record of 7.3% in October, 2007.

[Ethanol fuels food price frenzy](#)

The pending global food crisis is due, in part, to a rich twist of irony: One of the factors driving up the price of T-bone steak, a dozen eggs and a carton of milk is a perfectly edible vegetable, a staple of many diets - corn.

To add to the irony, we're growing more corn than ever before. We're just not eating it.

"The U.S. is now using more corn for production of ethanol than our entire crop in Canada," says Kurt Klein, a professor of agricultural economics at the University of Lethbridge. "It's huge."

[Soy displaces cattle as main farm activity in Argentina](#)

“Of all the current crop options soy requires a lesser investment; prices remain strong and promise to remain strong; demand for oil and bio-diesel keeps growing and it’s the crop less susceptible to suffer the lack of rainfall”, said economist Ernesto Ambrosetti from the SRA Economics Studies Institute.

However it has its drawbacks and the main soy organization admits it.

“In vast areas soy has become a single cultivation” said Rodolfo Rossi from the Soy Association. And he warned many farmers are not involved in the necessary conservation of the soil since soybeans extract a high percentage of nutrients which need to be replenished.

[Petrol Price Shakeup Panics Turkmen Drivers](#)

Sharp increase in petrol prices accompanied by a rationed allowance alarms drivers used to paying a pittance for fuel.

[Indian motorists face dearer fuel](#)

India has raised the prices of petrol and diesel for the first time in 20 months to help petrol dealers with sky-high oil prices.

[Rail exec's traffic fix sidetracked](#)

E. Hunter Harrison thought he'd be cheered for breaking Chicago's railroad bottleneck. Instead, the CEO of Canadian National Railway Co. is under attack.

[Happy days in Harare](#)

This wasn't Johannesburg, was it? We arrived at a completed, modern international airport with friendly, efficient customs and immigration officers and driveable trolleys. The lights were all working, the people were smiling, there wasn't a police car in sight and the streets were clean.

[Bangladesh: Sulphur-rich imported coal polluting air](#)

The import of substandard Indian coal is being sanctioned by the government even though the polluting fossil fuel exceeds the sulphur level set by the government itself.

[For 'EcoMoms,' Saving Earth Begins at Home](#)

Move over, Tupperware. The EcoMom party has arrived, with its ever-expanding "to do" list that includes preparing waste-free school lunches; lobbying for green building codes; transforming oneself into a "locovore," eating locally grown food; and remembering not to idle the car when picking up children from school (if one must drive). Here, the small talk is about the volatile compounds emitted by dry-erase markers at school.

[Energy crisis making way for 'nuclear renaissance'](#)

WASHINGTON — Like it or not, the nukes are coming.

Driven by soaring energy demands, the high cost of gas and oil and worries about global warming, an expansion of peaceful nuclear power increasingly appears to be inevitable.

"I believe very strongly that new nuclear plants will be built in the U.S. in the coming decades to address problems with respect to higher energy demand, high prices and global warming," said Sudarshan Loyalka, a professor of nuclear engineering at the University of Missouri-Columbia. "I believe the nation has no other choice."

[Drivers slugged as LPG prices double](#)

AUSTRALIANS who converted their cars to LPG are paying nearly twice as much for fuel as they were just five months ago.

A *Daily Telegraph* investigation found LPG prices have skyrocketed from an average of 45c a litre in October up to as much as 87.9c, as the price was at the bowser in Parkes, in the state's Central West, yesterday, according to the Shell.com.au website.

[Japan Faces Indonesian Gas Cuts](#)

In 2006, Japan purchased 62.2 million tons of LNG from abroad, up 7.2 percent, or 4.2 million tons, from 2005, to supply 96.4 percent of its LNG needs. Indonesia was the largest supplier to Japan in 2006, exporting 13.99 million tons, followed by Australia, Malaysia, Qatar, Brunei and the United Arab Emirates, which shipped 12.16 million tons, 12.02 million tons, 7.48 million tons, 6.50 million tons, and 5.31 million tons.

But Japan is increasingly alarmed by the global rush, as well as soaring prices, for natural gas - an environmentally friendlier fuel than oil. Global imports of LNG jumped 10.8 percent to 158.8 million tons in 2006.

[Malta: Renewables – Time to Act. 2](#)

The present electorate will be guilty of abetting their leaders who persistently ignore the needs of the future, because we tend to vote for our wallets. If taxing alcohol and tobacco was meant to dissuade over-use for a healthier lifestyle, surely subsidising energy will not help the masses take remedial action to curb energy consumption? Giving out free compact fluorescent (energy saving) bulbs may have been a better policy than subsidising energy surcharges. If one ignores the possibility that impending peak oil timing could be scare-mongering to help keep current oil prices up, the truth is that peak oil has long been forecast to occur around the year 2015. The economic rise and energy demands of India and China were not in the equation 20 years ago, when 2015 was pencilled in. Recent articles are talking of peak oil starting to bite in 2010. Insignificant Malta could always beg for favours and handouts for scarce fuel.

[Pakistan: Commandeering of public transport puts commuters in trouble](#)

ACUTE shortage of public transport on Saturday caused great trouble to the commuters in the provincial metropolis as the majority of the vehicles was commandeered for the general election.

Taking advantage of the situation, rickshaw drivers increased the fare by 150 to 300 percent. Motorcycle-rickshaws and two stroke auto-rickshaws were also seen running on The Mall and Jail Road where their entry is banned. For an hour or so after 7am, there were a large number of commuters on every intersection and bus stop but no public transport were there.

[Eastern Montana loses rural air service](#)

Last year, only two people on average flew between Lewistown and Billings, a route that would be a two-hour drive. However, mass transit nearly everywhere is heavily subsidized, Rabenberg argued.

"Go check out what federal subsidies the subway system in Washington, D.C., gets or what was poured into the Big Dig tunnel in Boston," Rabenberg said. "Unbelievable."

[Trouble On Tap For Brewers](#)

Hops puts the bite in Cottrell's Old Yankee Ale, but the flavoring is also putting the bite on brewer Charlie Buffum's bottom line.

Costs for the bitter ingredient in beer rose as much as 400 percent this past year, Buffum said last week. Combined with the high price of fuel, the shortage of hops is driving up costs to brew beer at the Cottrell Brewing Co. in Pawcatuck and around the

country.

[Entropy is the problem, not energy](#)

We can neither create energy nor destroy it. We will always have as much energy as we ever had according to the Conservation of Energy principle.

So, how can we experience an energy crisis? The crisis develops from another law of energy: The Entropy Law. It states that energy always suffers some loss of quality or availability during use. Physics characterizes this loss as entropy.

[Coal: The hottest global commodity](#)

Do not ask for whom the bell tolls; it tolls for clean coal. But dirty coal is doing just fine, thank you very much.

[The new climate science: Governments gamble with our survival](#)

Almost universally, governments are refusing to recognise the scope and urgency of the changes demanded by global warming. The menace, however, is real, and the time available for concerted action to combat it is frighteningly brief.

There is something counter-intuitive here, when most of us are still experiencing climate change only as near-imperceptible shifts in average temperatures. But nature is gradualist only up to a point. The smooth curves that describe “linear” processes can suddenly turn jagged.

[Iran Opens First Oil Products, Petrochemicals Bourse](#)

TEHRAN (AFP)--Iran, OPEC's number two crude oil producer, Sunday inaugurated its first exchange for oil products and petrochemicals, in a bid to become a major player in the global downstream industry.

Iran hopes that its oil goods exchange can lead the way for a domestic downstream industry to match its upstream crude oil production, the country's main foreign currency revenue winner.

[Gulf must curb its oil demand](#)

The Middle East Gulf oil producers should do something about their increasing oil and

gas demand. The demand of seven Gulf States, including Iran, is going to exceed six million barrels per day over the next few years. At such a rate, our own refining capacity may not cope with our rate of consumption which will reach nearly 30 per cent in the next two years. Today most Gulf States are net importers of oils, particularly of motor gasoline. Iran, Saudi Arabia, United Arab Emirates and Iraq are importing almost all finished petroleum products. Bearing in mind that Iraq is still not stable, its demand for oil in times of prosperity will be far more than that of Saudi Arabia and Iran.

We all know that China is the main factor behind the growing demand for oil but no one is publicly commenting on the growing demand of the Middle East Gulf countries whose annual demand is as big as that of China. China's demand is growing at 6 per cent while our Gulf states are very close behind with 5 percent growth.

[Iran says OPEC output cut not ruled out](#)

(AFP) - Iran on Sunday declined to rule out that the oil cartel OPEC would cut production at its next meeting in early March, a move vehemently opposed by oil-consuming countries.

[OPEC-like gas organization called for](#)

LONDON (IranMania) - Iran, which sits atop the world's second-largest gas reserves, supports the swift formation of an OPEC-style organization for natural gas, PressTV reported.

"We believe that the world's main gas producers should create such an organization as soon as possible," Iranian Ambassador to Russia Gholam-Reza Ansari said as major gas producers will discuss the idea in June at the GECF annual meeting in Moscow.

[As Mexico's oil reserves drop, Calderon thinks the unthinkable](#)

MEXICO CITY — The political showdown over the future of Pemex, the Mexican government's crucial oil monopoly, appears to loom at last.

At stake, people on both sides of the clash say, is the viability of Mexico's petroleum industry, which ranks as the third-largest source of imported U.S. oil and supplies nearly 40 percent of the Mexican government's budget.

[Pull Plug On Giveaway To Oil Giants](#)

I still can't get over the fact that ExxonMobil made \$40.6 billion in profit in 2007.

While we were paying \$3 a gallon, ExxonMobil was cashing in.

Even more galling, though, is the knowledge that ExxonMobil and other oil companies are still enjoying lucrative tax breaks and production incentives from our own government.

[As Nuclear Waste Languishes, Expense to U.S. Rises](#)

WASHINGTON — Forgotten but not gone, the waste from more than 100 nuclear reactors that the federal government was supposed to start accepting for burial 10 years ago is still at the reactor sites, at least 20 years behind schedule. But it is making itself felt in the federal budget.

With court orders and settlements, the federal government has already paid the utilities \$342 million, but is virtually certain to pay a total of at least \$7 billion in the next few years and probably over \$11 billion, government officials said. The industry said the total could reach \$35 billion.

[Fire shuts down Tesoro refinery production](#)

All fuel production at the Tesoro Hawaii refinery in Campbell Industrial Park was halted late Saturday night after a fire broke out in a processing unit, a company spokesman said.

It was not immediately known how long the plant would be idled or what effect, if any, the shutdown would have on the fuel supply, Tesoro spokesman Nathan Hokama said.

[Global warming threatens to redraw world's wine map: experts](#)

BARCELONA, Spain (AFP) - Champagne produced in southern England? Bordeaux in the Loire Valley?

Climate change is threatening to redraw the world's wine-producing map, and the effects are already being seen in earlier harvests and coarser wines, experts told an international conference Friday.



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