



## DrumBeat: February 21, 2008

Posted by [Leanan](#) on February 21, 2008 - 9:55am

Topic: [Miscellaneous](#)

### [The Next Price to Watch for After \\$100 Oil](#)

If you want a longer benchmark to keep an eye on, look at "[The Coming Triple-Digit Oil Prices](#)" (.pdf) by petroleum economist Philip Verleger, published last fall in the *International Economy* magazine. Writing during the summer, when oil was in the \$70s, Verleger noted six factors that would lead to higher oil prices: demand created by economic growth, underinvestment, nationalism in oil-exporting countries, investment uncertainty, disruptions from global conflicts, and issues of scale—"efforts to substitute away from hydrocarbons or to conserve will be hampered by the problem's enormity."

"Indeed, looking forward," Verleger wrote, "it appears that triple-digit oil prices may become a regular feature of the global economy within three or four years, and soon the first digit may become something other than one."

### [The gazpromization of European energy security](#)

The term "energy security" in Europe has been hijacked to empower suppliers and weaken importers, implying a drastic reduction in competition, rising political vulnerability and the erosion of the rule of law.

### [Saudi financial plans rely on high oil prices](#)

Saudi Arabia is pushing ahead with a costly decision to pay more to public servants and cut government fees – but is keeping its fingers crossed as such measures could have damaging effects if oil prices fall steeply.

### [Venezuela's PDVSA prepares legal defense](#)

State-run oil company Petroleos de Venezuela SA is preparing to challenge a court injunction obtained by Exxon Mobil Corp. that froze \$12 billion in PDVSA assets next week in London, a top Venezuelan oil official said.

Deputy Oil Minister Bernard Mommer said Wednesday that a hearing in which PDVSA

plans to contest Exxon's claims will be held between Feb. 27 and Feb. 29.

### [Whodunnit? - A strange theft of oil and gas secrets](#)

Neither Halliburton nor Petrobras has said much about it. This may reflect their embarrassment. It seems odd that commercially-sensitive information should be transported in the same way as soya beans; odder that the thieves apparently knew exactly where to find what they wanted. President Luiz Inácio Lula da Silva has said that the incident bears the signs of industrial espionage.

### [Nigeria accuses oil delta rebel leader of crimes](#)

ABUJA (Reuters) - Nigerian police accused a detained rebel leader from the oil-producing Niger Delta of killings, arms dealing, oil smuggling and other crimes on Thursday, raising the prospect of a trial that could destabilise the area.

### [Eni's Agip Says Oil Worker Kidnapped in Nigeria](#)

Gunmen kidnapped a Nigerian manager with Agip, a subsidiary of Italy's Eni, and wounded his driver on Wednesday in restive oil-rich southern Nigeria, a company spokesman said.

The man was snatched from his car close to the Nigerian Port Authority offices in Port Harcourt, the region's oil capital, Agip spokesman Harsen Orife told AFP.

### [China: Coal mines lift their production](#)

China, the world's second-biggest energy consumer, has ordered state-owned coal mines to expand production as factories reopen after the Lunar New Year holidays and increase demand for electricity.

"As the industrial and agricultural sectors resumed production after the holidays, China is facing further potential thermal coal shortages," the Beijing-based National Development and Reform Commission said yesterday. China shut seven percent of its coal-fired power plants last month as the heaviest snowfalls in half a century hampered transportation.

### [China Seeks Spot LNG Imports to Ease Fuel Shortage in Guangdong](#)

(Bloomberg) -- China, the world's second-largest energy user, is resuming imports of

individual liquefied natural gas cargoes after record snowfall disrupted fuel supplies to power plants, a Chinese official said.

### [Kathmandu: The City of Scarcity](#)

One sight has become very commonplace in the nation's capital these days, and it is the long line of motorbikes, taxis and buses stretching, at times, up to two kilometers from petrol stations in the main thoroughfares of the city. This is the worst fuel crisis the city residents ever saw since 1990 when the country went out of petroleum products after India imposed an economic embargo against it which only worked as a catalyst for the democratic movement to follow.

### [UAE: Gas shortage hurts profits of cement companies](#)

A shortage of energy – particularly gas – combined with high oil prices and inflation in local and global economies – has contributed to a fall in profits of most UAE cement companies.

### [Restructured Debt to Mexico Could Precede Cuban Economic Change](#)

Before Fidel Castro stepped down as Cuba's leader, Mexico signed a deal to restructure a \$400 million outstanding debt owed by Cuba. This follows a six-year drought in trade and credit communications between the two countries.

The agreement could be the first step in repairing trade relations between the two countries, which reached nearly \$500 million in the 1990s but fell to less than \$200 million in 2007.

### [Mexico's PRI Limits Opening of Oil to Border Fields](#)

(Bloomberg) -- Mexico's opposition Institutional Revolutionary Party is pushing to limit foreign or private investment in the state oil monopoly to offshore fields near the U.S. border, a senator said.

### [Monbiot: Juggle a few of these numbers, and it makes economic sense to kill people](#)

Britain's official approach to climate change puts a price on human lives. And the richer you are, the more yours is worth.

### [Worldwide shortage of rice shoots prices soaring](#)

The causes of the shortages and high prices are diverse, and vary from country to country. They include natural disasters or adverse weather; high fuel prices, which add to transport costs; hoarding and smuggling of rice and wheat to take advantage of higher prices across national borders; and, in Pakistan, a shortage of electricity that is reportedly hampering mills from functioning at full capacity.

### [Wheat prices could defy a recession](#)

Declining water tables and unpredictable weather in major production areas have hit crops, and much arable land has been diverted to producing biofuels. Meanwhile, consumers in emerging markets like China are eating more meat as they become wealthier, driving demand for animal feed.

These factors are not likely to go away soon, even as general economic conditions worsen.

### [Bread will cost more dough](#)

The world is suffering from a scarcity of wheat with stocks at a 30-year low and in the U.S, they're at a 60-year low, said Canadian Wheat Board spokeswoman Maureen Fitzhenry.

The price of wheat has doubled. Durum wheat, used in pasta, has tripled in price.

The commonly held belief that farmers switching to corn from wheat for bio-fuel production is not a factor in the shortage, Fitzhenry said.

### [Liquid Gold](#)

Ethanol is supposed to be good for the environment. But producing green fuel can cost a lot of water.

### [The Futility of Ethanol](#)

Never mind the subsidies, we simply cannot grow enough fuel to have a significant impact on our petroleum consumption.

### [Uranium One Cuts Production Forecast 32%; CEO Resigns](#)

"We're removing 1.5 million pounds that the market anticipated having" this year, Executive Vice President of Business Development Jean Nortier, appointed interim

CEO, said from his mobile phone today.

### [UK: Shock tactics](#)

Plans to install smart meters in homes to let consumers see how much power they are using should help reduce emissions, but the government and energy companies can't agree on strategy.

### [Energy cost rising](#)

Ohio State's energy budget grew from \$22.5 million in fiscal year 1998 to \$58.5 million in fiscal year 2007, a \$36 million increase. The cost stems from rising energy prices and from OSU's 66 percent increase in energy usage since the mid-1980s.

### [Groceries Grow Elusive For Many in New York City](#)

Many cities, including Washington, have long struggled with the lack of inner-city supermarkets, but Rivera's plight is different: There had been an Associated Supermarket across Myrtle Avenue from her housing project, but it was recently demolished to make way for a condominium development.

### [Greenland's rising air temperatures drive ice loss at surface and beyond](#)

A new NASA study confirms that the surface temperature of Greenland's massive ice sheet has been rising, stoked by warming air temperatures, and fueling loss of the island's ice at the surface and throughout the mass beneath.

Greenland's enormous ice sheet is home to enough ice to raise sea level by about 23 feet if the entire ice sheet were to melt into surrounding waters. Though the loss of the whole ice sheet is unlikely, loss from Greenland's ice mass has already contributed in part to 20th century sea level rise of about two millimeters per year, and future melt has the potential to impact people and economies across the globe. So NASA scientists used state-of-the-art NASA satellite technologies to explore the behavior of the ice sheet, revealing a relationship between changes at the surface and below. The new NASA study appears in the January issue of the quarterly *Journal of Glaciology*.

### [Rich, poor and climate change](#)

Around half of the world's population -- slightly fewer than 3 billion people -- survives on less than \$2 a day. None of them are likely to go shopping for an automobile any time soon in a bid to reduce on their greenhouse gas emissions; and investing in photo voltaic solar panels to put on their rooftops probably won't be a priority, either.

### [Maryland's climate plan would be nation's boldest](#)

ANNAPOLIS, Md. — A proposal to address climate change by adopting the nation's most ambitious plan to reduce greenhouse gases went before Maryland lawmakers Tuesday.

The governor lent his backing to the bill, but industry and union officials warned that the plan could hurt the state while doing little to stop climate change.

### [Crunch time for South America's gas supplies](#)

Until last May more than 10 per cent of the world's methanol was produced at a plant on the Magellan Straits in the far south of Chile. But for eight months now, three-quarters of the plant has been standing idle.

Canada's Methanex relies on Argentina for 60 per cent of the natural gas it needs for its Cabo Negro methanol plant but Argentine supplies dried up last June.

### [Oil constraints to cause “huge recession” \(podcast\)](#)

The world will have to suffer a deep economic downturn before serious attempts are made to kick the oil habit, according to the chairman of PFC Energy, the Washington based oil consultancy.

### [Saudi Aramco chief calls for energy vision clarity](#)

Jum'ah said he is “deeply concerned that if the prevailing confusion involving energy issues continues and key players scatter in different directions in trying to address those issues based on varying agendas, there is considerable risk that the necessary expansion of energy supplies would be significantly compromised.”

### [Technology to aid in tackling skills shortage](#)

LONDON, Feb. 20 -- Technology will aid in improving the productivity of skilled labor as the petroleum industry struggles to attract and retain new recruits, International Petroleum Week delegates were told in London.

Antoine Rosand, a senior executive with Schlumberger Business Consulting, said remote, real-time drilling centers with features such as model-based surveillance and integrated well planning would enable companies to boost production and handle risk better.

### [Rowan Gets 3-Year, \\$201M Rig Contract](#)

HOUSTON - Rowan Companies Inc. said Thursday it received a three-year, \$201 million contract to operate one of its offshore drilling rigs off the coast of Saudi Arabia.

The jackup rig recently completed a project in the Gulf of Mexico, where demand for that type of drilling platform has been slow. Rowan has been expanding operations in the Middle East since returning to the region two years ago and now operates nine jackups there.

### [Pemex Says January's Daily Oil Output Little Changed](#)

(Bloomberg) -- Petroleos Mexicanos, the state- owned Mexican oil monopoly, said daily crude oil production in January was little changed from December.

Output rose to an average 2.957 million barrels a day from 2.954 million barrels in December, Mexico City-based Pemex, as the company is known, said today in an e-mailed statement. Production fell 5.9 percent from January 2007 as output at its main field extended a three-year decline.

### [Mexican Energy Reforms on Horizon](#)

Mexico's political leadership is building on the momentum created by last year's passage of several reforms to the state-controlled energy sector. Mexico's congress is now considering proposals that could break the monopoly of state oil company Pemex over refining and transportation operations. Perhaps more important are proposals that would allow Pemex to partner with other companies in promising new regions, especially offshore. Pemex's falling reserves and production, as well as its financial problems, have created a sense of urgency for reform, so some form of change is likely.

### [Tehran Looks To Dushanbe To Promote Iran's Role In Central Asia](#)

Tehran's policy toward Tajikistan remains cautious and not primarily exploitative. Despite the dire Tajik energy crisis, Iran has not manipulated the situation for overtly political purposes.

### [Netherlands to Donate 676,000 Dollars in Aid to Tajikistan](#)

These funds will be used to provide over a million Tajik people, suffering from the



energy crisis, with drinking water, as well as with public health and hygiene goods.

### [Proposed power line gets its own Web site](#)

A regional power line project that would stretch from northern Virginia into southern New Jersey now has its own Web site.

At the newly launched [www.powerpathway.com](http://www.powerpathway.com), visitors can find an overview, a timeline and maps of the Mid-Atlantic Power Pathway project - a 230-mile, 500-kilovolt transmission line that Pepco Holdings Inc. could begin building next year.

### [Mining Weekly Real Economy Report](#)

Embattled State power utility Eskom is getting set to pull the trigger on a large-scale concentrating solar power plant in the sun-rich Northern Cape. This could see the deployment of a field of mirrors 1,5-km in diameter, which will concentrate the sun's energy on a central receiver, or tower, which will in turn heat a salt solution that will power a steam generator. But what if the sun fails to shine?

### [Extending the Life of Data Centers with an Energy-Efficient SAN](#)

According to analyst estimates, up to 50 percent of data centers will have insufficient power and cooling capacity this year. This leaves many companies scrambling for more efficient solutions that reduce both the total cost of ownership and the environmental impact of running their data centers, and are scalable enough to grow along with the company and its data needs. To meet rapidly changing business needs, IT departments need to consider more than just adding equipment or expanding functionality and look for long-term solutions.

### [Law Professor Says Government Obligated to Curb Climate Change](#)

The government's failure to protect the atmosphere from climate change is a violation of its "fiduciary duties" as guardian of the nation's natural resources, distinguished University of Oregon Law Professor Mary Wood said in a Wilderness Issues Lecture Series address to the University of Montana campus Tuesday night.

Citing common law and a variety of other statutory frameworks like the Clean Air Act, Wood argued the atmosphere, like all natural resources, belongs to the people as a natural trust administered by the government. The government then has a legal responsibility as trustee to maintain these resources for the benefit of present and future generations.



## [Clean coal's false promises](#)

While Illinois politicians cry foul over the Department of Energy's "deceptive" cancellation of the nearly \$2 billion FutureGen project, and scurry to circumvent the department's decision to withdraw federal funding from the project's ballooning budget, they have effectively limited the debate over whether FutureGen is really in our economic best interest. The resounding message is the "clean coal" pipe dream. Even in the minds of government officials whose life's work is to handle our national energy policy, is not economically viable.

Even in the wake of all this, our administration is considering going down the same economically risky road.

## [Global Warming An Immediate Threat, Says Founders' Day Speaker](#) (with podcast)

BLOOMINGTON, Ill. – The moment is coming. The Earth is reaching a point of danger from which it cannot be rescued.

This was the message of James E. Hansen, an expert on climate change and the Director of the National Aeronautics and Space Administration (NASA) Goddard Institute for Space Studies, at the address for Illinois Wesleyan University's annual Founders' Day Convocation Tuesday in Westbrook Auditorium.

## [India - Bio-Diesel: The fuel for future](#)

These days, bio-diesel is mostly derived from oils or fats of plants like jatropa, sunflower, canola, rapeseed, soybean, etc. We have chosen jatropa carcus as an important source along with many succulent plants because it is a drought-resistant perennial plant, which grows well even on infertile land. The seeds contain oil to the extent of around 37 per cent. It burns smoke-free. It was tested in the beginning of the bio-diesel era as fuel on simple diesel engines and found to be satisfactory.

## [Cheap, renewable energy years away: Shell](#)

"Renewables are still too expensive. They will come, I'm not self-serving, I'm not defensive but it will take a very long time" either to achieve the technological breakthroughs required or to build many more nuclear power stations, Mr. van der Veer said.

"You see that we have a lot of tensions. The world demands more energy," he added. "Renewables may come to a solution but it will take decades before it is big."

## [The Impossible Dream of Energy Independence](#)

In his forthcoming book *Gusher of Lies: The Dangerous Delusions of "Energy Independence"* (PublicAffairs) Robert Bryce, managing editor of Energy Tribune and author of *Pipe Dreams: Greed, Ego and the Death of Enron*, grapples with what he detects as a growing belief, both among policy elites and the public, in "energy independence."

That's the notion that America should disengage from world energy markets and seek self-sufficiency in energy production. To Bryce, this is not only impossible, but dangerous to even attempt. As he writes in the book's introduction, the quest for energy independence "means protectionism and isolationism, both of which are in opposition to America's long-term interests."

## [Oil Barons Raise Price.... Again](#)

With new oil fields being discovered at an exponential rate it is hard to see a peak in the near future. Russian scientists have discovered enormous fields in the arctic which it plans to start drilling in the near future.

Even new discoveries in America's own backyard have put a damper on the peak-oil theory. The field is in the Gulf of Mexico and expected to have at least 10Bn barrels of oil which would make it larger than their current largest oil field in Cantarell.

## [UK: Seaton gets 'transition' status for sustainability](#)

SEATON has been officially recognised as a 'transition town' thanks to the work of an environmental group.

Sustainable Seaton meet once a month to discuss ways in which the seaside community can tackle the issues of climate change and 'peak oil', the moment the world's demand for oil outstrips its supply.

## [Pentagon faces a battle on climate change](#)

In the run-up to the United Nations climate change conference in Bali, businesspeople implored political leaders to take bold steps to combat global warming. They insisted that their ability to undertake effective long-term planning was undermined by uncertainty about the future cost of carbon emissions. Yet their calls for action were ignored.

Perhaps the outcome would have been different if the world's single largest organisation - the Pentagon - had joined the chorus. After all, it also needs to know what kind of

environment to prepare for to allocate its vast resources efficiently. Planning for future contingencies is a long-term process, as force structure and weapons systems have to be co-ordinated at least a decade in advance.

### [Expert: Energy crisis here, climate change on the horizon](#)

While several key government agencies and industry sources have rejected the notion that a global energy crisis is imminent, others in the field believe the crisis is already upon us.

“I think the crisis is really happening now. It’s less visible to us in North America because we’re not seeing the same fallout that is happening in other countries,” said Richard Lawrence, director and co-founder of the Association for the Study of Peak Oil & Gas-USA (ASPO-USA), a nonprofit and non-partisan research and public education initiative.

### [Architect's wish list could apply here](#)

In their song If I Had a Million Dollars, the Barenaked Ladies muse about what they'd do if they were to strike it rich. In a similarly playful spirit, the current issue of Architecture magazine asks various urban-affairs experts to fantasize what they would do if they had \$1.6 trillion.

That staggering sum is what it would cost the United States to upgrade its crumbling infrastructure, according to an estimate by a think-tank, the Urban Land Institute.

### [Backyard garden is a practice run for future sustainability goals](#)

I'm treating it like my practice run--I want to learn the ways of the soil now, while it is not yet necessary for my survival to do so, and be able to move out into the country or an eco-village when I graduate and hit the ground running. On my next visit down to Fredericksburg, I will be tilling and digging up the land and adding fertilizer. We plan to grow sweet corn, squash, zucchini, beets and the occasional herb, but that's just for starters.

### [Ireland: Domestic attempts to meet our increasing demand](#)

Marathon Oil moved yesterday to assure its commitment to the Irish market, as it completes a review of its international business, including its assets here.

...Meanwhile, there have been attempts on the homefront to increase the security of gas supplies in Ireland, apart from the various efforts to focus on alternative fuel sources,

according to the Commission for Energy Regulation.

### [Australia: Acting on climate change - now](#)

We may be all to blame. And we may be all in this together. But on very different terms.

Poorer Australians feel the effects of climate change disproportionately. To give obvious examples: rising costs in food (due to the drought), utilities and petrol take up a greater percentage of a smaller budget. Anglicare services across the country are reporting more families accessing emergency relief as these prices rise.

We have seen increased wild weather events. Those on low incomes are less able to protect themselves. Only some 45 per cent of clients of community services are able to afford home contents insurance - compared with 78 per cent of the general community.

### [Let buildings heat and cool themselves](#)

We know that coal is the enemy of the human race, what with carbon emissions, deadly air pollution, and unsafe and destructive mining practices. The supply of coal is becoming more problematic as well: recently, a *Wall Street Journal* article described a "coal-price surge," and Richard Heinberg has warned that coal may peak much sooner than most people expect. So what's to like? Not much.

But since coal-fired plants provide almost half of our electricity, we can't get rid of coal unless we find either a way to replace it or a way to reduce the use of electricity. Recently, Gar Lipow has discussed how friggin' cheap it would be to replace coal, and Bill Becker has pointed to several studies that show how renewables could replace coal.

### [U.S. Presidential candidates' staffs briefed on peak oil and the plastic plague](#)

Just to cover my bases, in case politics and laying groundwork can do wonders, I have just spent a week in Washington, D.C. talking with staffers of Senators Obama, McCain and Clinton. Their understanding of peak oil is rising at a critical time, perhaps in time for the election, but certainly afterwards for Presidential or Senatorial initiatives.

### [IEA Wants OPEC To Keep Oil Output Unchanged](#)

(RTTNews) - Julius Walker, an oil market analyst with the International Energy Agency, or IEA, requested OPEC to decide at its next meeting on March 5 to keep oil production levels unchanged, to rebuild low crude oil stock levels.

## [Oil Breaking \\$100 a Barrel - But Why?](#)

Crude oil reached a record high on Tuesday, and there's an embarrassing oversupply of theories to explain why.

## [BP goes back to petroleum](#)

The biggest change at the oil major is associated with none of these initiatives: it is the decision to accept that high crude prices of between \$60 and \$90 per barrel are here to stay, which will affect the whole strategy of BP. This "seismic shift," as one veteran analyst described it, promises to hasten in an era of higher dividends, more capital expenditure and investments in high-cost areas such as the oil sands of Canada that were previously considered too costly - and environmentally unfriendly.

## [Libya ratifies gas exploration deal with Gazprom](#)

TRIPOLI (Reuters) - Libya's state-owned National Oil Corporation ratified a gas-focused exploration accord with Russian gas export monopoly Gazprom on Thursday, detailing the firm's commitments, NOC said.

## [Vermont: Peak Oil Task Force tells town to prepare for post-petroleum world](#)

BRATTLEBORO -- The world is running out of petroleum and Brattleboro better prepare itself for that eventuality. That was the message from the Peak Oil Task Force at Tuesday night's Selectboard meeting.

The group, part of Post Oil Solutions, was asked to give a presentation on its research into a world of declining petroleum supplies.

## [The Peak Oil Crisis: Connecting the dots](#)

Earlier this week oil closed above \$100 a barrel for the first time. To make matters worse, wholesale gasoline and heating oil jumped 11 cents a gallon in a single day to their all-time highs. A lot of bad news triggered the increase of nearly \$14 a barrel in the last two weeks. A 70,000 b/d refinery in Texas blew up and may take months to repair; floods, snowstorms, and power outages have the world's coal markets breaking records; and to top it off OPEC is threatening to cut oil production, either officially or unofficially, because OECD stockpiles crept up a bit in January. When you can get \$100 for every barrel exported you might as well save some for the grandchildren, because you sure don't need the money.

Then there is the economic news. Last week, a Harvard economist opined to an energy conference in Texas that when we are through tallying up the credit crunch losses from

real estate loans, car loans, credit card loans, and business loans all going bad at the same time, the total will be over \$1 trillion. Now this is just an abstract figure until you learn that the total capitalization of all the banks in America is about \$1 trillion.

### [Australia: Planning for peak oil - what it will mean](#)

South Australia has no transport plan - if there was an understanding of peak oil we would have. At the national level the transport-related promises of both parties in the 2007 federal election were almost entirely about roads. Yet, in May 2005, the then Premier of Queensland, Peter Beattie, listened to the concerns of the member for Hervey Bay, Andrew McNamara, and set up the Queensland Oil Vulnerability Task Force.

### [Brunei: Days Of Cheap And Easy Oil Are Over](#)

"It is not easy to bring out oil from the ground. The days of cheap and easy oil are not here anymore," said Pehin Dato Hj Yahya.

"Many reservoirs are no longer using the primary drive to move the oil to the surface. Many are now using secondary or tertiary recovery methods to extract the extra molecule of hydrocarbon (oil and gas) from the formation.

### [China: Adapt to dearer oil](#)

Triple-digit oil prices will surely complicate the Chinese government's efforts to fight domestic inflation. Yet, policymakers should face it with a greater sense of urgency to reform the country's energy pricing system.

### [Demand fuels oil industry confidence](#)

At last week's annual gathering of global oil industry executives and academics at the Cambridge Energy Research Associates conference in Houston, Texas, climate change and energy security were high on the agenda. A US recession was not.

The surge in commodity prices to record levels in recent years has left the leading oil companies flush with cash, which they intend to continue spending.

### [Risk Of Permafrost Thaw A "Wild Card" In Warming - UN](#)

MONACO - A thaw of Arctic permafrost is a "wild card" that could stoke global warming



by releasing vast frozen stores of greenhouse gases, the UN Environment Programme (UNEP) said on Wednesday.

More research was urgently needed into the possibility of a runaway release of methane, a powerful heat-trapping gas trapped in frozen soils in Siberia, Canada, Alaska and Nordic nations, it said in a 2008 yearbook issued at 154-nation talks in Monaco.

### [Past greenhouse warming events provide clues to what the future may hold](#)

BOSTON, MA--If carbon dioxide emissions from the burning of fossil fuels continue on a "business-as-usual" trajectory, humans will have added about 5 trillion metric tons of carbon to the atmosphere by the year 2400. A similarly massive release of carbon accompanied an extreme period of global warming 55 million years ago known as the Paleocene-Eocene Thermal Maximum (PETM).

Scientists studying the PETM are piecing together an increasingly detailed picture of its causes and consequences. Their findings describe what may be the best analog in the geologic record for the global changes likely to result from continued carbon dioxide emissions from human activities, according to James Zachos, professor of Earth and planetary sciences at the University of California, Santa Cruz.

### [Biofuel doubts hit Dutch renewable energy output](#)

AMSTERDAM, Feb 20 (Reuters) - The proportion of Dutch electricity produced from renewable sources fell to 6 percent in 2007 from 6.5 percent in 2006 as less biofuels were used, the statistics office said on Wednesday.

Statistics Netherlands (CBS) said in a statement that power plants almost halved the use of biofuels in 2007 compared to 2006 after government subsidies were cut mid-2006, in part due to concerns about the environmental effects of some biofuels.

### [Pumped up: Why the price of oil and other raw materials continues to rise despite the economic gloom](#)

Citigroup believes that the recent rise in the oil price "is driven principally by a sharp uptick in fund flows." Lombard Street Research sees an "iron bubble". Others worry that America's fiscal stimulus may cause trouble by inflating demand for commodities. In Citigroup's cheery phrase, "the collapse of one bubble often sows the seeds of the next."

### [Oil muscles past faltering U.S. economy](#)



NEW YORK (CNNMoney.com) -- There was a time when oil prices needed the backing of a strong U.S. economy to reach record levels, but oil prices hit all-time highs again Wednesday even as a recession looms.

Clearly, a strong economy is still necessary to keep oil prices high, but it seems the United States is no longer oil's main driver.

### [Oil at \\$100 to sharpen pain for US consumers](#)

Oil's rise above \$100 a barrel will probably sharpen the trends the US has witnessed during the commodity's climb, ranging from high petrol and home heating prices to difficult operating conditions for industry, according to analysts.

"\$100 crude is really an exclamation point behind the trends we have seen the last year or two," said James Burkhard, managing director of the oil and gas group at Cambridge Energy Research Associates.

### [Pickens sees oil, natural gas prices falling](#)

NEW YORK (Reuters) - Oil investor T. Boone Pickens said on Thursday he has a short position on oil and natural gas due to his expectation that prices will fall in the near-term.

Pickens, speaking on CNBC television, said he expects the price of oil to fall \$10 a barrel to \$15 a barrel in the second quarter from the \$100 level it hit on the U.S. market this week. But he said he expects the price of oil to be back above \$100 a barrel in the second half of year.

He also called natural gas prices unusually high and said he expects them to "back off also."

### [Venezuela settles with oil firms](#)

The Venezuelan government has paid \$1.8bn (£900m) in compensation to French, Norwegian and Italian oil firms after it nationalised key oil fields.

The move isolates US oil firm Exxon Mobil in its dispute with the country.

### [Kuwait raises salaries to meet soaring inflation](#)

KUWAIT CITY - Oil-rich Kuwait on Thursday ordered a 120-dinar (440-dollar) monthly salary rise for nationals in the public and private sectors after inflation hit a 15-

year high, the finance minister said.

It also decided to raise the pay of foreigners employed by the government by 50 dinars (183 dollars), Mustafa al-Shamali said, quoted by the official KUNA news agency.

### [Indonesia to make adjustments on state budget due to soaring oil prices](#)

The president said the subsidies could reach 250 trillion rupiah (27.14 billion U.S. dollars), some 28 percent of the total value of the state budget. "Without adjustment, our subsidies would be very high, it is very unhealthy."

### [News blackout on Nigeria oil rebel raises tensions](#)

ABUJA, Feb 21 (Reuters) - Militants in Nigeria's oil producing Niger Delta have been angered by the government's failure to give more news of detained rebel leader Henry Okah and the issue could cause more violence and derail peace talks.

### [Russian expert says oil dealings in Iranian Oil Exchange Market soon](#)

Head of Iran Contemporary Studies Center in Russia Rajab Safarov says in the coming months, Iran wants to privatize its oil companies, whose number is no more than 40, and start oil deals in Iran's Oil Exchange Market.

Safarov told Moscow-based daily Vermianovesti that Iran's Oil Exchange is a crucial body that is expected to leave a drastic impact on the world oil market.

### [Shell says Iraq oil law proceeding slowly](#)

BRUSSELS (Reuters) - Royal Dutch Shell hopes Iraq will pass an oil law this year and sees this and improved security as prerequisites for being able to work there, CEO Jeroen van der Veer said on Thursday.

"You need basically two green lights before you can work...first of all you have to know the rules of the game," van der Veer told a security conference in Brussels.

He told an Iraqi questioner he hoped the oil law would be passed this year "but it doesn't go very fast."

### [Kazakhstan oil blocks offered to investors](#)

ALMATY (Reuters) - Kazakhstan announced on Thursday it would abandon subsoil

contracts favoured by oil companies due to their liberal tax regime but keep existing production sharing agreements intact.

### [Carbon tax heat from B.C. to blow Alberta's way](#)

Dunno 'bout you, but since the 60-cent-a-litre average price of gas in July 2006, traffic seems just as jammed, buses just as empty, full or SUV-sized cars just as popular and the average number of occupants in most commuting vehicles remains at, um, one.

But out there in British Columbia they've decided that a carbon tax, hitting motorists for 2.4 CENTS per litre more this summer, represents a sufficient incentive to revolutionize consumer habits and help save the planet from overheating in its own greenhouse gas blanket.

### [Brazil hosts climate change forum](#)

BRASILIA, Brazil - Encouraged that all major U.S. presidential candidates vow to protect the environment, lawmakers from industrialized nations and big emerging economies met Wednesday to craft solutions to global warming and rising deforestation.

Scores of legislators and officials from China to Cameroon were considering approval of a document demanding "ambitious absolute emission reductions for developed countries" to fight climate change.

### [China, India speed climate change: Australian report](#)

SYDNEY (AFP) - The economic rise of China and India means climate change is occurring faster than previously thought, making efforts to fix the problem more urgent, an official Australian report found Thursday.

The government-commissioned report called for stronger international commitment to addressing climate change, saying current efforts "still fall far short of getting deep cuts in global emissions underway."



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