



DrumBeat: February 28, 2008

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Topic: [Miscellaneous](#)

[Oil Climbs Above \\$102 to a Record as Dollar Falls Against Euro](#)

"All the crude oil available is being vacuumed up by investors, in part because interest rates are low and there's no alternative to commodities that looks very good," said Tim Evans, an energy analyst at Citigroup Global Markets Inc. in New York. "The fall in the dollar also attracted funds."

Crude oil for April delivery rose \$3, or 3 percent, to \$102.64 a barrel at the 2:30 p.m. close of floor trading on the New York Mercantile Exchange. Futures rose to \$102.97 a barrel, the highest since trading began in 1983. Prices are up 66 percent from a year ago.

[Oil hits inflation-adjusted record high](#)

(Reuters) - U.S. oil surged to a new inflation-adjusted record high on Thursday, surpassing the previous record of \$102.53 set in 1980, according to the International Energy Agency.

[Major fire at large gas terminal](#)

LONDON (Reuters) - Firefighters said on Thursday they were tackling a major fire at the Bacton gas terminal, but that the blaze appeared to be confined to the terminal itself.

"We have a very large scale incident ongoing at the moment at the Bacton Gas Shell UK Ltd site ... on the Norfolk coast," a spokeswoman for Norfolk fire brigade said.

[Putin mocks US-backed gas pipeline project](#)

MOSCOW (Thomson Financial) - President Vladimir Putin today mocked a US-backed plan to build a gas pipeline to Europe that would bypass Russia as he concluded a deal with Hungary on a rival project.

"There's always an alternative but it's worse than cooperation with Russia. You can build

two pipelines, you can build three. The question is what you pump through them,' Putin told reporters after the agreement was signed.

'It's very clear that the project we are proposing can be realised and has supplies guaranteed. If someone wants to dig up the ground and build a pipeline -- go ahead, we don't mind,' he said.

[Wind turbines may threaten whooping cranes](#)

But because wind energy has gained such traction, whooping cranes could again be at risk — either from crashing into the towering wind turbines and transmission lines or because of habitat lost to the wind farms.

"Basically you can overlay the strongest, best areas for wind turbine development with the whooping crane migration corridor," said Tom Stehn, whooping crane coordinator for the U.S. Fish and Wildlife Service.

[BP begins construction on phase one of Sherbino Wind Farm in West Texas](#)

LONDON (Thomson Financial) - BP's renewables arm, BP Alternative Energy, has begun full construction on phase one of its Sherbino Wind Farm in West Texas, it said in a statement.

[Option plays suggest oil may fall to \\$80 by June](#)

LONDON (Reuters) - A big chunk of new speculative money that has poured into energy futures has gone into options, which can now play a bigger role in driving the ups and downs in the price of crude oil.

In November last year a mass of option bets on \$100 oil came close to pushing prices to that level. Now a large number of options are betting oil could fall to \$80 by June.

[Gloves are off in battle for oil sands clients](#)

"We just had some people come back from a tour of Chinese state oil companies, and on the wall of each, there was a map of the Canadian oil sands," says Brock Gibson, a partner with the Calgary office of Blake Cassels & Graydon LLP. This despite the pull-back by China's CNPC International from its Canadian projects and uncertain future of Synenco Energy Inc.'s Northern Oil Sands Project, in which China's Sinopec has a 40-per-cent stake.

But China is just one example of foreign interest in the oil sands. The Dutch, Norwegians,

French, Israelis, South Koreans and Japanese all have stakes in the sands now. India - via the Indian Oil and Natural Gas Company's (ONGC) - keeps on promising to arrive.

[Analysis: Cuban oil production down](#)

Oil production in Cuba has fallen steadily over the last half decade from a production high of nearly 65,000 barrels per day in 2003, according to energy experts on the subject.

Over the past five years, production in Cuba has dropped to about 51,300 bpd, said Jorge Pinon, a researcher at the Institute for Cuban and Cuban-American studies at the University of Miami.

While some are quick to assert that inefficiencies in the extraction process are to blame, Pinon notes Cuba's main oil field, Varadero, is in its fourth decade of production and showing signs of being near the end of its lifespan.

[Norway state oil group Petoro's Q4 output falls](#)

OSLO (Reuters) - Norwegian state-owned petroleum company Petoro reported a 6.7 percent drop in oil production for the fourth quarter on Thursday though higher gas output kept total production steady.

...Norway is struggling to maintain oil production against a declining trend as production from ageing North Sea oilfields tapers off, though Norwegian gas production is growing steeply.

[An Energized Giant](#)

Brazil looks set to play a larger role in South America and the world, thanks in part to a major oil discovery.

[Gazprom sends warning to Ukraine as deadline looms](#)

MOSCOW, (Reuters) - Russia's gas export monopoly Gazprom sent a new warning to Ukraine on Thursday, four days ahead of the expiry of its ultimatum to Kiev to pay debt and sign a new supply deal or face reduced deliveries.

"The deadline is in force. No one has cancelled it and we plan to reduce supplies on March 3 if the problems are not solved," Gazprom's spokesman Sergei Kupriyanov told Reuters.

[Russian giant looms over Europe](#)

The figures are staggering: Gazprom has a market value of \$245 billion. It employs nearly half a million people and is buying up state energy companies across Europe.

It provides 100% of the gas needs of neighbouring countries like Latvia, and it provides almost half of Europe's gas needs, which will rise from 200 billion cubic metres today, to around 600 billion cubic metres by 2020.

Europe is currently desperately dependent on Russian gas.

[Analysis: Russia's northern oil exports](#)

WASHINGTON (UPI) -- The good news for Russia is that energy prices are at a world record, and that Russia is now tied neck and neck with Saudi Arabia as the world's leading oil producer, producing around 9 million barrels per day to a world consuming about 84 million bpd. Russia is the largest non-OPEC oil producer and now generates 12 percent of global production.

The bad news is that Russia's major export routes are running at full capacity. Russian energy exports to the four cardinal points of the compass all represent varying degrees of difficulties. Eastward, exports to China are still largely miniscule and move by rail until a new pipeline is complete. To the south, two routes exist -- southward across the Caspian, where oil swaps with Iran remain minor, while shipments from Russia's Black Sea Novorossiisk port, approximately 1.2 million bpd, must transit the Turkish Straits, and Ankara has vociferously protested increase in tanker traffic.

[PDVSA asks UK court to lift Exxon's asset freeze](#)

LONDON, Feb 28 (Reuters) - Venezuelan state oil company PDVSA has asked a UK court to lift a \$12 billion freeze on its assets, granted to U.S. oil major Exxon Mobil, pending arbitration over the seizure of Exxon's Venezuelan oil fields.

Lawyers for PDVSA argued on Thursday that the British court had no right to impose the freeze because the dispute, involved parties and arbitraion were not connected with the UK.

[Exxon vs. Chavez: More Smoke Than Fire](#)

So then, why is it that every time Hugo Chavez opens his mouth, crude oil futures leap to attention and U.S. politicians wet themselves? It's an understandable question, and one that few investors have taken the time to understand.

The short answer would be: What if that blustery demagogue isn't bluffing this time?

[Key Mexico party seen opposing oil alliances](#)

MEXICO CITY (Reuters) - A key Mexican opposition party is unlikely to back any oil sector reform proposal that would let private companies form profit-sharing alliances with the state oil company Pemex, a senior lawmaker said.

"For us, risk contracts are unacceptable for now," Sen. Manlio Beltrones told the Mexican daily Reforma.

[Analyst sees Halliburton, Schlumberger win Manifa](#)

HOUSTON (Reuters) - Oilfield service companies Halliburton Co and Schlumberger Ltd are the expected winners of big contracts for work in Saudi Aramco's offshore Manifa oil field, Bill Herbert, analyst with Simmons & Co., said on Thursday.

"This is one of the most widely anticipated project awards," Herbert said. "The results of that tender have not been officially revealed, but we believe that the winners are Schlumberger and Halliburton."

[Union members picket Petro-Canada to support locked out Montreal workers](#)

OTTAWA, Feb. 28 /CNW Telbec/ - Members of Canada's largest energy workers' union are picketing select Petro-Canada gas stations across the country tomorrow to support of locked-out workers at the company's Montreal refinery.

[The World's Growing Food-Price Crisis](#)

One factor driving up the cost of food is the rocketing price of oil, which raises agricultural costs of everything from fertilizer to transport and shipping. Like the oil price, the cost of food is responding, in part, to the burgeoning demand in China and India, where rising incomes allow people to eat bigger meals, and to buy meat far more frequently. That, in turn, has helped to squeeze the world's supply of grain, since it takes about six pounds of animal feed to produce a pound of meat.

Then there is climate change: Harvests have been seriously disrupted by freak weather, including prolonged droughts in Australia and southern Africa, floods in West Africa, and deep frost in China and Europe. And the push to produce biofuels to replace hydrocarbons is also adding to the pressure on food supplies — generous U.S. subsidies for ethanol has gobbled up needed food acreage, as farmers switch from producing food. "The area used for biofuels is increasing each year," says Nik Bienkowski, head of

research at ETF Securities, a commodities trading firm in London.

[The ethanol bust](#)

NEW YORK (Fortune) -- Cargill announces it's scrapping plans for a \$200 million ethanol plant near Topeka, Kan. A judge approves the bankruptcy sale of an unfinished ethanol plant in Canton, Ill.. And that was just Tuesday.

Indeed, plans for as many as 50 new ethanol plants have been shelved in recent months, as Wall Street pulls back from the sector, says Paul Ho, a Credit Suisse investment banker specializing in alternative energy. Financing for new ethanol plants, Ho says, "has been shut down."

How can the ethanol industry be slumping only two months after Congress passed an energy bill most experts consider a biofuels boon? The answer is runaway corn prices.

[Food Price Hikes Roil Pakistan](#)

Pakistanis have been grumbling about rising inflation for more than a year now, but in the past few months the sticker shock has grown much worse. Wheat prices have jumped by more than 20% since November, driven up by rising global prices as well as local hoarding ahead of the election and wheat smuggling into neighboring Afghanistan. The price of the gas that many Pakistanis use to cook with has also skyrocketed. January's inflation rate was nearly 12%, the highest in almost three years.

[Food Security: Moving towards the precipice?](#)

A jittery Chinese government imposed temporary price-controls on a slew of basic food products in January after news that the consumer price index jumped to an 11-year high that month. Food prices were cited as a main contributor to the increase.

The pressure of rising food prices has afflicted not only China, but reflects a greater global trend driven by complex factors such as population growth, changes in dietary trends as groups are lifted out of poverty, increased demand for biofuels, and climate change.

[Fertilizer glut likely by 2012](#)

NEW DELHI: Farmers across the world will not face any shortage of fertilizers in four years' time.

If a UN Food and Agriculture Organisation report is anything to go by, global fertilizer

supply is expected to outstrip demand by 2011-12 and will support higher levels of food and bio-fuel production.

[Bangladesh: Bridging the widening food gaps](#)

As the price of rice climbs across South Asia farmers and millers in Thailand are setting on stocks and waiting for it to rise even further. Top rice exporter in Bangkok says in an interview with the Straits Times, "In my 25 years of trading, I have never seen such a bad position." So, Bangladesh being an Asian country and prone to natural calamities cannot expect to see a better situation in respect of rice and wheat price.

[Breadbasket inflation](#)

The scope of the problem is daunting. On Tuesday, Julian Borger reported in The Guardian that rising food commodity prices will prevent the United Nation's World Food Program from maintaining its current food deliveries to 73 million desperately hungry people. In China, the fourth consecutive year in which grain harvests lagged consumer demand impelled the government to slap a raft of export tariffs on grain exports. Russia, Argentina, and Kazakhstan have also imposed export restrictions. (Thanks to Energy Bulletin for the links.)

The worst-case scenario is obvious: mass starvation. Short of that, crippling inflation.

Enter the biotech industry.

[Protests paralyse Cameroon capital and port city](#)

YAOUNDE (Reuters) - Anti-government riots paralysed Cameroon's capital and main port city on Wednesday as popular anger exploded over high fuel and food prices and a bid by President Paul Biya to extend his 25-year rule.

The unrest -- the worst in more than 15 years in the central African oil producer -- has killed at least six people since it broke out at the weekend in the port of Douala, a major shipping hub on Africa's west coast.

['Panic' wheat buying across the US](#)

While US has made improvements to increase crop production efficiency in recent years, the world hasn't really put sufficient investment into production agriculture for several decades.

The net result has been declining stocks at the same time that expanding global wealth

has demanded more raw commodities.

[The Problem With Biofuels](#)

AS THE United States searches for alternative ways to feed its addiction to petroleum, ethanol and other biofuels derived from organic material have been considered a miracle motor vehicle elixir. The energy bill signed by President Bush in December mandates that at least 36 billion gallons of biofuels a year be used by 2020. Yet separate studies released this month by Princeton University and the Nature Conservancy reveal that biofuels are not a silver bullet in the battle against global warming. In fact, they could make things worse.

[Fuel Prices Back On The Rise](#)

He explained that in the two years that lapsed between when the city did cost estimates, established a project budget and issued debt for the South Milam Street and Friendship Lane work, the price of the project rose by \$2 million -- from roughly \$3.7 million to \$5.7 million.

The city made up that difference with its cash reserves, but Neffendorf pointed out that such a solution is not always available.

“Experience tells us that we’ll adjust and cope, but you have to wonder when ‘too high’ is too high?” he said.

[UK: Brown's Huge Petrol Ripoff](#)

GORDON Brown is set to rake in £4.5billion in stealth taxes on the back of soaring oil costs that are causing misery for millions of motorists.

[Drought in China leaves millions thirsty](#)

While parts of China have been rocked by record snowfalls, a drought in northern China has left more than two million people without sufficient drinking water, a state news agency says.

The drought has led to loss of arable land, livestock and drinking water, according to the State Flood Control and Drought Relief Headquarters, the official Xinhua News Agency said.

[Things aren't as bad in the Gulf as claimed](#)

Overzealousness recently backfired on the peak oil crowd after Platts investigated the actual data behind their claims that the first generation of deepwater Gulf of Mexico fields has failed to fulfill expectations.

Challenged on that assertion to provide backup data, peak oil guru Matt Simmons was unable to comply.

[Florida's Blackout: A Warning Sign?](#)

Both America's electrical hardware and software components, Makovich concedes, are still dealing with "a legacy of underinvestment." In the decade before the 2003 blackout, for example, annual electrical transmission investment in the U.S. grew only about 20%. Between 2005 and 2010 it's expected to jump by some 65%, to about \$15 billion — a level many U.S. infrastructure critics feel the country should have been at by the beginning of the this century, not a decade into it.

[DOE Not Backing Down On Strategic Reserve Fill](#)

The Bush administration yesterday defended its policy to withdraw oil from a tight market to fill the Strategic Petroleum Reserve while at the same time asking other countries to boost oil production.

Katharine Fredriksen, principal deputy assistant secretary in the Energy Department's Office of Policy and International Affairs, said taking less than one-tenth of 1 percent of the 85 million barrels of crude consumed per day around the world for the SPR does not affect consumer prices.

[PDVSA Aims For \\$5.7B Investment In Former Exxon Venture](#)

Venezuela plans an ambitious development program for Petromonagas, a heavy crude upgrader at the heart of the country's legal dispute with Exxon Mobil Corp.

[Oil changes every 3,000 miles: not for everyone](#)

Car manufacturers don't recommend such frequent changes for many vehicles -- and all that used oil is bad for the environment.

[Waste not, want not](#)

(Fortune Magazine) -- Sintex Industries, a plastics and textiles manufacturer in

Gujarat, India, is betting it can find profit in human waste. Its new biogas digester turns human excrement, cow dung, or kitchen garbage into fuel that can be used for cooking or generating electricity, simultaneously addressing two of India's major needs: energy and sanitation.

[ANALYSIS - Nuclear Industry Eyes Oversupplied US South](#)

HOUSTON - Would-be developers of the next round of nuclear power plants who want to build reactors in eight Southern US states are ignoring a surplus of idle generation and the region's history of nuclear cost overruns.

[Poonpirom wants to make Thailand world-class 'green energy' hub](#)

Thailand is developing a master plan to build the country into the world's second largest green energy producer after Brazil. Energy Minister Poonpirom Liptapanlop said she wanted to see the country become a net exporter of green energy to tap strong global demand.

To achieve the goal, authorities plan to develop a 15-year Renewable Energy Development Plan to cover the full range of alternative energy businesses including gasohol, biodiesel, biomass, wind and solar power, she said yesterday.

[Canada: Emerson hints oil would be back on table if U.S. reopens NAFTA](#)

OTTAWA - Trade Minister David Emerson suggested the United States has a sweet deal over access to Canada's oil under the North American Free Trade Agreement, saying the two Democratic presidential candidates calling for renegotiations may not know just how good the U.S. has it under the deal.

..."Knowledgeable observers would have to take note of the fact that we are the largest supplier of energy to the U.S. and NAFTA has been the foundation for integrating the North American energy market. When people get below the rhetoric and pick away at the details, they are going to find it's not such a slam dunk proposition."

[Indonesia blackouts may be sign of dark years ahead](#)

JAKARTA, Feb 28 (Reuters) - Sudden blackouts on two key Indonesian islands last week may be just the start of a spiralling two-year power crisis that could stymie economic growth, curtail resource exports and trigger social unrest.

..."The situation in Indonesia is worse than anywhere else in Asia," says Joseph Jacobelli, head of Asia-Pacific utilities research at Merrill Lynch.

[With Bolivian gas supplies uncertain, Argentina looking for energy](#)

BUENOS AIRES, Argentina: Argentine officials, already facing an energy crisis, are scrambling to find new sources of natural gas and other energy following Bolivia's warning that it may not be able to provide all the supplies it had promised.

[Mexico's Pemex posts \\$1.48 bln 2007 net loss](#)

MEXICO CITY, Feb 27 (Reuters) - Mexican state-run oil monopoly Pemex reported a \$1.48 billion net loss for 2007, as higher energy imports knocked it back into the red after it managed a rare annual profit in 2006.

Pemex, which is taxed heavily to provide more than a third of the government's fiscal income, said overall revenues inched up by 2.9 percent in 2007 to an all-time high of \$104 billion, boosted by high global oil prices.

[Fuel costs, lower demand to hit profits](#)

AIRLINE profits are expected to come under increasing pressure in 2008, due to a slowdown in premium traffic demand and high fuel prices.

The sweet spot of industry profit growth is gone, following some superb earnings performances in the latter half of 2007.

[France to send engineers to help in South Africa power crisis](#)

Johannesburg - France will send a team of engineers to South Africa over the coming week to help it resolve a crippling energy crisis, South African President Thabo Mbeki and visiting French President Nicolas Sarkozy said in Cape Town Thursday. The announcement followed the signing of a 1.4-billion-euro deal between state electricity supplier Eskom and French company Alstom, which has been chosen to supply turbines for a new coal-fired power station in Mpumalanga province.

[South Africa: Urgent meeting over mine jobs called](#)

Government, the mining industry and trade unions are meeting over the potential shedding of thousands of jobs due to the country's power restrictions.

According to Sapa, those attending the meeting are the Minister of Minerals and Energy, the Minister of Trade and Industry, the Chamber of Mines, the National Union of Mineworkers (NUM) and state-owned power utility Eskom.

[Upgrades helped contain Fla. blackout](#)

MIAMI — The power outage that left 1.2 million Florida homes and businesses in the dark Tuesday could have been worse without emergency measures adopted after the disastrous Northeast blackout of 2003, a power industry official said.

Numerous systems failed during the blackout, which left two nuclear power plants closed and knocked out traffic lights in dozens of communities.

"It wasn't just one thing that went wrong," said Stanley Johnson, manager of Situation Awareness and Infrastructure Security for the North American Electric Reliability Corporation, which oversees the U.S. power grid system. "In a sense, it's like the Challenger (space shuttle that exploded in 1986)."

[Declining Oil Supply Means War Is 'Fairly Probable,' Rep. Bartlett Says \(with video\)](#)

Rep. Roscoe Bartlett (R-Md.) said "that war is a fairly probable consequence" of peaking and declining world oil supplies. Bartlett spoke to Energy Policy TV about oil supplies as a guest on the EPTV News Roundtable series. Video of the full interview is available at no cost: Bartlett EPTV News Roundtable.

China is buying significant amounts of oil to fuel its economy and meet the needs of its people. But while China is bolstering its oil supply, its leaders are planning for a future without oil, Bartlett said.

China wants to foster international cooperation to deal with constrained oil supplies, Bartlett said. "They recognize that any one country, going it alone, is not going to be able to solve this problem. But while they plead for international cooperation, they wisely plan as if there won't be any because they are out there buying oil everywhere they can. At the same time they are buying this oil, they are aggressively building a blue-water navy," he said.

That navy is beyond anything the Chinese would need in a confrontation with Taiwan, Bartlett said. Rather, he said, they are anticipating a day when oil supplies are so constrained that they have to tell the rest of the world, "Gee, I'm sorry, guys, it's our oil. We have a billion, three-hundred million people and we can no longer share it."

[Oil could reach \\$300, says expert](#)

Matthew Simmons, chairman and founder of specialised energy investment banking firm, Simmons & Company International, said the current highs of \$100 per barrel are "cheap".

"I think the supply is showing some very troubling signs that we might well have

already peaked and started [to slow] down. If we haven't, we are very close to it," he told *Arabian Business*. "Demand on the other hand shows absolutely no sign of slowing down because we are now at \$100 a barrel, which I still think is a preposterously cheap price. It works out at just \$0.15 a cup.

"A cup of gas will get a car with six passengers in, with the air conditioning on and go two miles. It's a bargain," he added.

[OPEC ministers say oil output will not increase, citing a weak global economy](#)

VIENNA, Austria - OPEC decided Friday against pumping more oil in a rebuff to the United States and a possible prelude to cuts as early as next month should the wounded U.S. economy sap demand for crude.

The decision arrived despite U.S. urgings - backed by other major consumers - for more oil on the market to cool prices and relieve inflationary pressures that have contributed to fears of a global economic downturn.

[Loss of wind causes Texas power grid emergency](#)

HOUSTON (Reuters) - A drop in wind generation late on Tuesday, coupled with colder weather, triggered an electric emergency that caused the Texas grid operator to cut service to some large customers, the grid agency said on Wednesday.

Electric Reliability Council of Texas (ERCOT) said a decline in wind energy production in west Texas occurred at the same time evening electric demand was building as colder temperatures moved into the state.

[House OKs new taxes on big oil companies](#)

WASHINGTON - The House approved \$18 billion in new taxes on the largest oil companies Wednesday as Democrats cited record oil prices and rising gasoline costs in a time of economic troubles.

The money collected over 10 years would provide tax breaks for wind, solar and other alternative energy sources and for energy conservation. The legislation, approved 236-182, would cost the five largest oil companies an average of \$1.8 billion a year over that period, according an analysis by the House Ways and Means Committee. Those companies earned \$123 billion last year.

[Nigeria's Brass River oil output cut by attack](#)

(Reuters) - Oil output at Nigeria's Brass River crude oil stream has been reduced because of a militant attack on Feb. 24, oil traders said on Thursday.

[No Nigeria Brass oil attack, operator Eni says](#)

MILAN/LAGOS, Feb 28 (Reuters) - Italian energy firm Eni denied on Thursday that its Nigerian Brass River crude oil stream had been attacked by militants.

"We are not aware of any attack and there has only been a minor stop in production due to technical problems at one minor flow station at Brass. Production is nearly normal," an Eni spokeswoman told Reuters.

[Connecticut to hear testimony on establishment of a energy scarcity taskforce](#)

AN ACT CONCERNING ENERGY SCARCITY AND SECURITY.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (Effective from passage) (a) There is established a task force to study energy scarcity and sustainability. The task force shall conduct scenario planning for long-term petroleum and natural gas scarcity, steep price increases and supply disruptions. Such study shall include, but not be limited to, examining price and scarcity impacts of natural gas and petroleum on the economy, food supply, transportation, education, health and emergency response.

The public is invited to testify.

[UAE rejects advice to de-peg from dollar](#)

DUBAI - The United Arab Emirates will not de-peg its currency from the flagging US dollar, the central bank governor was quoted as saying in remarks published on Thursday. His comments came after former US Federal Reserve chairman Alan Greenspan advised oil-rich Gulf Arab states whose currencies are pegged to the dollar to float their currencies as a means to curb inflation.

"The dollar is on its way to strengthening, and it is not logical to speak now of de-pegging the dirham from the dollar," Sultan bin Nasser Al Suwaidi told the Abu Dhabi-based daily Al-Ittihad.

[China welcomes president of oil-rich Nigeria](#)

BEIJING: President Hu Jintao of China, which is increasingly looking to Africa for natural resources to feed its booming economy, gave a warm welcome Thursday to the president of oil-rich Nigeria.

[South Korea to Increase Imports of Saudi Crude](#)

South Korea's top refiner has decided to crank up its imports of Saudi crude by 50 percent starting in April. SK Energy plans to import a total of 135,000 barrels per day, or 49.27 million barrels per year, from state-run Saudi Aramco, up 47,000 barrels per day from the current 88,000.

SK Energy has had difficulty in securing a sufficient oil supply since Iraq suspended all crude exports to South Korea in protest of an exploration deal between Korean companies, including SK, and the Kurdish regional government.

[Israel renews talks with Gazprom](#)

Sources inform "Globes" that senior officials at the Ministry of National Infrastructures, including director general Hezi Kugler, left for Russia this week, apparently in order to meet representatives of Russian energy giant Gazprom. It is believed the aim of the meeting is to make progress on an agreement for the supply of natural gas from Russia to Israel, following the talks the governments of the two countries held on the deal last year.

[Aramco's \\$90 billion five-year plan](#)

"We also need the whole world to arrive at greater clarity as to what it wants and realistically can achieve in terms of a future energy mix; to achieve a greater consensus among producers and consumers about the roles and responsibilities of each in terms of realizing that mix; and finally, to enhance the security of both supply and of demand over the long term," said Jum'ah.

"With time, we will need to draw upon a variety of energy sources, including alternatives, to help meet demand," he said, pointing out that expert forecasts indicate fossil fuels will continue to dominate global energy supplies for the foreseeable future. In fact, the share of fossil fuels is predicted to remain above 80% through the year 2030.

[The shape of lights to come? Not everyone's buying it](#)

But now that more people are using CFLs, the bulbs' shortcomings are giving some consumers pause. Consumers are raising concerns about the quality of light from such bulbs and say they often don't work well with dimmer switches, in certain light fixtures or in hot or cold conditions.

And although fluorescent bulbs are less expensive to use in the long run, some consumers are turned off by the cost: \$3 to \$10, compared with about 50 cents for regular bulbs. Meanwhile, retailers such as IKEA are setting up recycling programs in response to concerns about how to dispose of CFLs, which contain mercury and could pose a health hazard if they break and are not cleaned up properly.

Such drawbacks help explain why, even though one in five bulbs sold in the USA is now a compact fluorescent, a lower percentage of American homes — estimates run as low as 11% — have at least one of the bulbs.

[The \\$2.5 Billion Question](#)

In appearance at least, it's a case for the ages. The grounding of the Valdez, allegedly caused by an intoxicated captain, was one of the major environmental disasters of the last few decades. It pits America's largest company and most influential industry groups against the state of Alaska, several of the state's most prominent politicians (including Republican Sens. Ted Stevens and Lisa Murkowski) and environmental groups.

[Ghana: Crude Oil - Blessing Or Curse?](#)

We have every right to celebrate the news of the oil discovery in the country particularly when the nation had just wallowed in the darkness of energy crisis for nearly a year. Moreover, with crude oil prices reaching record high, we ought to rejoice as the great book says 'again, I say rejoice'.

However, whilst rejoicing on the discovery of the oil we should not allow our heart to override our head in this matter. Crude oil is not the solution to our problem. It is like the bitter bile on the liver. One ought to be careful when attempting to take the liver as it might result in bursting the bitter bile.

[Transit-Oriented Development - By the Numbers](#)

The compact, walkable neighborhood built around public transit rather than the private car has long been one of the ideals of new urbanism. Now significant new research confirms with hard numbers the advantage of transit-oriented development over conventional suburbia. With the United States in the midst of a light-rail building boom, it's a great time to be finding this out.

[Summit reveals Abu Dhabi as world leader in race for future energy solutions](#)

The first World Future Energy Summit, which took place in Abu Dhabi in the United Arab Emirates (UAE) last month, has firmly established this small Gulf emirate as a

world leader in the increasingly urgent race to find innovative solutions to the coming energy crisis.

[Renewable Energy: Approaching Grid Parity?](#)

So to summarize: We need more energy. Oil is more expensive and harder to get. Yet renewables are not competitive, even with the rising prices of fossil fuels.

What is this guy smoking?

[Radiant Future: Our suburban lifestyle is doomed by the energy crisis](#)

In the docudrama *Radiant City*, written and directed by Gary Burns and Jim Brown and just out on DVD, one scene captures the mess made by our "way of life." Author and critic James Howard Kunstler is standing on an asphalt path for bikes and jogging; the path is affixed to a brand new subdivision that resembles a moonscape with houses. Traffic whizzes by Kunstler on either side of a fence, barely five feet away. As the wind from the SUVs blows his necktie to and fro, Kunstler tries to explain why this pathetic little amenity — slapped onto the landscape by some designer in an office cubicle hundreds of miles away — is an "assault on your neurology" with the "ambiance of a prison."

[G8, EU make progress in climate commitments: study](#)

OTTAWA (AFP) - The Group of Eight industrialized nations and the European Union have made greater strides this past year than previously in meeting their commitments to stem global warming, said a report Wednesday.

"This year, compliance has increased noticeably across climate-related commitments," said the G8 Research Group's annual compliance report.

[U.S. Remains Cool to Warming Pact](#)

Read quickly, the latest White House statement on climate change may have sounded like news - good news. On Monday, Daniel Price, the Deputy National Security Adviser for International Economic Affairs, told reporters in Paris that the U.S. would be willing to accept mandatory international limits on greenhouse gas emissions. Coming from an Administration that has steadfastly resisted mandatory caps, withdrawn from the Kyoto Protocol and effectively derailed any serious global effort to slow climate change, this could have been a big deal. But as is so often the case with the Bush Administration's environmental policies, the devil is in the details.



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