



DrumBeat: April 2, 2008

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Topic: [Miscellaneous](#)

[Military feels the gouge of fuel costs as Iraq, allies watch oil profits soar](#)

WASHINGTON (AP) -- Think you're being gouged by Big Oil? U.S. troops in Iraq are paying almost as much as Americans back home, despite burning fuel at staggering rates in a war to stabilize a country known for its oil reserves.

Military units pay an average of \$3.23 a gallon for gasoline, diesel and jet fuel, some \$88 a day per service member in Iraq, according to an Associated Press review and interviews with defense officials. A penny or two increase in the price of fuel can add millions of dollars to U.S. costs.

Critics in Congress are fuming. The U.S., they say, is getting suckered as the cost of the war exceeds half a trillion dollars - \$10.3 billion a month, according to the Congressional Research Service.

[Forest Oil makes big gas discovery in Quebec](#)

CALGARY — Forest Oil Corp. says it has made a huge natural gas discovery in Quebec, a development that could potentially transform the province from a relative energy backwater to the next Canadian exploration hot spot.

While exploration is at an early stage, drilling results so far suggest that the Utica shale play in the St. Lawrence Lowlands, between Montreal and Quebec City, may hold as much as 4 trillion cubic feet of gas, Forest Oil said in an investor presentation Tuesday.

[Porsche sues over London plans to charge gas-guzzlers](#)

London - German luxury carmaker Porsche on Wednesday said it was suing the London local authority over plans by the British capital for an extra toll on gas-guzzling cars.

The toll envisaged by London Mayor Ken Livingstone was unfair, unproportional and illegally took advantage of his powers, Andy Goss, head of Porsche Cars GB said.

[Nigerian oil rebel to appear in court for first time](#)

LAGOS (Reuters) - A rebel leader from Nigeria's oil-producing Niger Delta will appear in court for the first time on Thursday to be formally charged with treason, one of his lawyers said on Wednesday.

Henry Okah is the suspected leader of the Movement for the Emancipation of the Niger Delta (MEND), whose 2006 campaign of pipeline bombings and kidnappings of foreign oil workers forced the closure of a fifth of Nigerian crude output.

[Concern over 'zero carbon' homes](#)

UK home-owners are not prepared to make the changes needed to live in "zero carbon" homes, according to a report.

People felt the eco-friendly buildings would require extra maintenance and that they would have to cut back on certain appliances, it added.

[There Is No Gas Shortage](#)

Gasoline reserves on hand are at the highest levels since the early 1990s, which is remarkable considering the nation's refineries have been cutting back on the production of gasoline because their margins have declined. In fact, average gasoline reserves on hand have risen since this past October, while oil reserves in this country have gone up virtually every week this year—and only fog in the Houston Ship Channel that kept oil tankers from unloading their crude one week kept it from being every week.

[Auto sector feels pinch of credit crunch](#)

Rising inflation, high gas prices and a tightening home mortgage market have driven up auto-loan delinquencies, according to Fitch Ratings, the credit-rating agency. The number of Americans who are more than 60 days late on their car-loan payments rose to a 10-year high in January, Fitch recently reported, attributing the rise in late payments to “increasing pressure on the consumer” in a weakening economy.

The problem is so acute it could weigh on the overall U.S. economy, according to Lawrence B. Lindsey, former director of the National Economic Council and now CEO of the Lindsey Group, an economic advisory company in Washington. He told CNBC last week that “the next shoe to drop” in the credit crunch could be the auto-loan sector.

[Brazil biodiesel sputters on social, green goals](#)

IRAQUARA, Brazil (Reuters) - Booming demand for biodiesel has become a lifeline for some poor farmers who plant oil seeds in Brazil's dry northeast but critics say the fuel is not as clean, equitable and bountiful as the government boasts.

[Soaring energy costs 'to change how society operates'](#)

ENERGY costs could increase up to tenfold over the next few years, profoundly changing the way business and society operate, a former Woolworths chief says.

Roger Corbett told a Queensland University of Technology business leaders' forum in Brisbane today that rising energy costs would "no doubt" present challenges for the retailing and business sectors.

"Our lives in the Western world are absolutely dependent upon the unit energy cost, whatever it may be, most of all the petroleum costs," Mr Corbett said.

"And I don't think it's ill-conceived to think in the next few years that energy cost may go up by a factor of five or 10 times - certainly five."

[Russian March oil output falls again, exports recover](#)

MOSCOW, April 2 (Reuters) - Russia failed to grow its oil output for a third month in a row in March and closed the first quarter with a one percent production decline year-on-year, confirming gloomy outlook by analysts for the whole of 2008.

Energy Ministry data showed on Wednesday March oil production edged down to 9.76 million barrels per day from 9.79 million bpd in February, and well below the post Soviet high of 9.93 million bpd reached in October last year.

[Jordan Govt Dismisses Allegations Of 'Conspiracy' On Oil Reserves](#)

The government on Sunday dismissed allegations made by some lawmakers that it is involved in "a political conspiracy" to cover up the discovery of half-a-billion barrels of oil in the Dead Sea area.

"This is rejected and unacceptable. I hope what was said is a slip of the tongue and not an ideology of thinking," Minister of Interior Eid Fayez said in response to remarks by several MPs, who claimed the government is aware of the existence of oil reserves but does not wish to reveal the fact.

[Expert asks Ecuador court to fine Chevron \\$7- \\$16 bln](#)

QUITO/NEW YORK (Reuters) - An independent environmental expert told a court in Ecuador that oil company Chevron Corp should pay \$7 billion to \$16 billion in compensation for environmental damage in the country.

In a report to the court, geologist Richard Cabrera said the low end of the range represented the cost to remediate soils and pay for health care costs, a water system and infrastructure improvements.

[Oil Theft May Be To Blame For Pipeline Fires In Nigeria](#)

While the supply of crude pumped through a pipeline at K-Dere, owned by Nigeria National Petroleum, has been threatened by the breakout of a fire on Monday, Shell said that it is "too early to tell" if a second fire along the Trans Niger Pipeline will affect exports.

[Husky says White Rose production halted by ice](#)

CALGARY, Alberta (Reuters) - Husky Energy Inc said on Wednesday that ice conditions have forced it to suspend oil production at its 140,000 barrel per day White Rose oil field off Newfoundland.

Husky spokesman Graham White said the company halted production at the field on Tuesday because of the ice. He was unable to say when output was expected to resume.

[Trucks keep rolling..for now](#)

NEW YORK (CNNMoney.com) -- Despite a threatened strike by some independent truck drivers, many trucks were still on the road Tuesday. But for how much longer?

Several industry experts predict problems ahead finding drivers because of higher fuel costs.

[Bangladesh: Govt urged to stock food grains for lean period](#)

The government should aim at achieving self-sufficiency instead of self-reliance to ensure food security by increasing production and sufficient procurement from local and foreign sources.

[Thailand: Oil-rich gulf waters to be negotiated](#)

Thailand expects to start negotiations with Cambodia on April 21 in Bangkok on offshore petroleum fields in the disputed waters in the Gulf of Thailand, according to Songpop Polachan, deputy director-general of the Department of Mineral Fuels.

The Ministry of Foreign Affairs would host the first official negotiations between the two countries in the hope of reaching a conclusion over the controversial area, which covers 26,000 square kilometres.

[Nuclear Watchdog Gets China's Iran Intel](#)

VIENNA, Austria (AP) -- China has recently given the International Atomic Energy Agency intelligence about Iran's nuclear program despite Beijing's opposition to harsh U.N. Security Council sanctions on Tehran, according to diplomats familiar with the matter.

[Australia: Not enough 'green energy' to meet carbon emission targets](#)

Electricity suppliers say they cannot source enough so-called 'green energy' to meet ambitious new carbon emission targets.

The Commonwealth Government has committed to cutting emissions by 60 per cent by 2050, mirroring a commitment made last year by the ACT Government.

However John Mackay, the chief executive of Canberra's power supplier ACTEW AGL, says given the current state of the industry, there is little chance of meeting the target.

[Solar power moves towards grid parity](#)

In a Green Wave Panel discussion on the future of solar power at Credit Suisse's Asian Investment Conference, an underlying theme emerged that "grid parity" with rival energy sources must be attained to make it a cost-effective choice for governments. It also became clear that this might be sooner rather than later.

[States take detours to fund road repairs](#)

(AP) - Frozen credit markets, sky-high gas prices and a rising federal budget deficit are hurting cash-strapped states as they confront increasing congestion on the nation's deteriorating roads and bridges.

From Texas to Pennsylvania and New Jersey to California, states are more desperate than ever to tap every possible source of funding -- tolls on leased roads, sharp hikes in motor fuel taxes and partnering with the private sector -- to finance the building and repairing of roads and bridges.

Experts see a sharp increases in states partnering with the private sector for funding. Some analysts say highway funding may be the next 'sweet spot' for institutional investors as the burst housing bubble leaves firms looking for ways to put their money to work.

[South Africa: Load shedding here to stay](#)

Load shedding is a reality South Africans will have to live with until 2013, says the Minister of Minerals and Energy, Ms Buyelwa Sonjica.

Speaking during a media briefing at Nasrec, South of Johannesburg today, the minister said power shortages have reached a critical level in the country and load shedding is the only option to help reduce demand and normalise the energy crisis.

[Bangladesh: Gas Supply to Some Industries to Remain on Hold 5 hrs a Day](#)

In order to provide power plants with required quantity of fuel, energy ministry has asked Petrobangla to stop gas supply to re-rolling mills, lime and dyeing industries for five hours from 6 pm everyday.

[FACTBOX - Mexico energy reform debate](#)

(Reuters) - Latest developments as Mexico's ruling conservatives court PRI and PRD opposition lawmakers to agree on an energy reform proposal aimed at revitalizing the country's flagging oil industry.

[Ireland: Gas plant gets 'green light'](#)

A MASSIVE €500m gas storage plant as big as five Croke Park pitches was approved yesterday.

Fears raised by residents about a high risk of explosions were dismissed by An Bord Pleanala which ordered the developers to pay the local community €200,000 a year.

[Bush defies Russia over Nato membership](#)

George W Bush has raised the stakes in a row with Vladimir Putin over plans by former Soviet states to join Nato.

The US president said during talks with Ukraine's leaders that the Kremlin would not be

allowed to veto their ambitions or those of Georgia, another one of Russia's neighbours, to join the Western military alliance.

Mr Bush's slap-down of the Russian president over the plan is likely to sour an important Nato summit which begins in Romania tomorrow.

[Declare an energy emergency, and get going on likely solutions](#)

Gasoline and diesel fuel prices have reached the point of inflicting pain and prompting protest.

The truckers' parade around the Capitol Monday is proof that, at long last, the unfolding energy crisis is starting to attract attention.

Americans have long believed in an inalienable right -- it must be in the Constitution somewhere -- to low energy prices. Unfortunately, there's little the government can do to bring them back. What the country needs is a national strategy to conserve and develop alternatives for a finite resource.

[Waiting for the Apocalypse again](#)

Greed drives the commercial exploitation, corporate interests, privatization and private values that are at the heart of the crises we face.

[Louis Farrakhan: Is Oil The Motive For War](#)

America has come to a crossroads. You must understand that power is linked, in world politics, to oil. And as the greatest industrial nation on the Earth, America has an insatiable appetite for oil. When coal was the number one energy in the world, Great Britain ruled the world. She had the greatest deposits of coal. But when the power to move engines moved from coal to oil, England and America began vying for control of the places on this Earth that produce oil.

[Fuel or folly? - Ethanol and the law of unintended consequences](#)

In the pantheon of well-intentioned governmental policies gone awry, massive ethanol biofuel production may go down as one of the biggest blunders in history. An unholy alliance of environmentalists, agribusiness, biofuel corporations and politicians has been touting ethanol as the cure to all our environmental ills, when in fact it may be doing more harm than good. An array of unintended consequences is wreaking havoc on the economy, food production and, perhaps most ironically, the environment.

[Groups Intend to Sue Agency Selling Sham Clean Air Credits](#)

LOS ANGELES, California (ENS) - Demanding an end to "years of unregulated and illegitimate pollution credits" provided by South Coast Air Quality Management District, AQMD, to polluting companies, a coalition of environmental groups today delivered a 60-day notice of intent to sue to the agency.

[People driving their cars to the end of the oil age](#)

OTTAWA - Gasoline-powered cars are driving humanity to the end of the oil age, leaving electric vehicles as the best weapon against global warming.

This is the major conclusion in a dramatic international report written by a former Exxon insider and released Tuesday to Canwest News Service.

"Sometime during the year 2008, humanity will probably pass the point at which it collectively consumes 1,000 barrels of crude oil every second of every day. More than half of it - and the share continues to rise - is dedicated to the movement of goods, services and people," said the analysis by physical chemist Dr. Gary Kendall, titled *Plugged in: The End of the Oil Age*. "Despite the pivotal role which oil is playing during the early years of the 21st century we are, without a doubt, entering the twilight of the Oil Age."

[Shell CEO: Easy-to-produce oil, gas to peak in next decade](#)

WASHINGTON: Royal Dutch Shell CEO Jeroen van der Veer said Tuesday he expected easy-to-produce oil and gas would likely peak in the next 10 years.

Van der Veer said while depletion of maturing conventional resources would certainly play a key role in peak production, lack of access to remaining large reserves, such as in Saudi Arabia, was also a central component in his forecast.

Remaining resources, such as gas trapped in difficult-to-tap reservoirs or oil sands and shales, will require increasingly costly investments per barrel to produce.

[Truckers protest high fuel prices: Independent haulers snarl traffic, idle rigs](#)

TRENTON, N.J. - A convoy protesting high diesel prices pulled out of a truck stop south of Atlanta about 30 strong, and got a lot stronger.

By the time the truckers reached a section of Interstate 285 east of the city Tuesday morning, there were about three miles of tractor-trailers, headlights on, caution lights flashing, pattering along at about 20 mph.

[Oman sees dollar recovering, lifting pegged rial](#)

SANAA (Reuters) - Oman, one of five Gulf oil producers which peg their currencies to the dollar, said on Wednesday it expects the U.S. currency to recover this year, helping lift its own rial.

[Credit crunch hits Imperial Energy](#)

LONDON — Russia-focused oil firm Imperial Energy Corp Plc has ditched a planned debt financing due to the problems in credit markets, and said it will likely issue up to \$600-million in shares, sending its stock into freefall.

[Iran torpedoes US plans for Iraqi oil](#)

In the highly competitive world of international politics, nation states very rarely miss an opportunity to crow about success stories. The opportunity comes rare, mostly by default, and seldom enduring. By any standards of showmanship, therefore, Tehran has set a new benchmark of reticence.

By all accounts, Iran played a decisive role in hammering out the peace deal among the Shi'ite factions in Iraq. A bloody week of human killing on the Tigris River ended on Sunday. Details are sketchy, however, since they must come from non-Iranian sources. Tehran keeps silent about its role.

[Russia Duma OKs foreign investment rules](#)

MOSCOW—Russia's lower house of parliament on Wednesday backed restrictions limiting foreign investment in key sectors such as oil and gas, aerospace and mass media.

[Our view on gasoline prices: With crude at \\$100 a barrel, Big Oil needs no tax breaks](#)

Beating up energy executives is no policy, but at least end the giveaways.

[Opposing view: Don't blame oil companies](#)

Tax hikes would take away income that could be reinvested in oil, gas.

[Poor nations demand climate money](#)

BANGKOK, Thailand - Poor countries at a U.N. conference said Tuesday they won't sign a global warming pact unless industrialized nations guarantee them billions of dollars needed to adapt to the impact of climate change.

[Merrill Thinks Green, Invents Carbon Indexes](#)

Merrill Lynch has rolled out a set of indexes anticipating the growth of carbon emissions markets.

Francisco Blanch, Merrill's head of global commodities research, says the indexes track the value of carbon emissions credits.

[Green hotels and resorts reach out to eco-conscious travellers](#)

HUA HIN, Thailand (AFP) - As climate change guilt among tourists grows, hotels and resorts are finding they need to do more to please the green consumer than simply ask them to re-use their towels.

Under-sea air cooling systems, intelligent lighting, organically-fertilised herb gardens and spas constructed entirely from mud are all being employed to woo tourists concerned about their carbon footprint.

[Australia opens carbon burying plant](#)

CANBERRA, Australia - Australia on Wednesday began pumping carbon dioxide underground to reduce greenhouse gas emissions, using a technology that locks dangerous gases deep in the Earth.

Officials opened a plant in southern Victoria state that they said would capture and compress 110,231 tons of carbon dioxide from industry emissions and then inject it 6,500 feet underground into a depleted natural gas reservoir.

[Global economy woes cast shadow on climate talks](#)

BANGKOK (AFP) - As more than 160 nations continued talks here Wednesday about what to do after the Kyoto Protocol's obligations end in 2012, environmentalists say the painstakingly tough negotiations are getting even harder as concerns mount that the global economy is heading into recession.



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