



DrumBeat: October 13, 2008

Posted by [Leanan](#) on October 13, 2008 - 10:00am

Topic: [Miscellaneous](#)

[Growth Economics on a Finite Planet](#)

Over the weekend, I asked Herman Daly, the specialist in “ecological economics” at the University of Maryland, about the recent financial turmoil. He pointed me to a short piece he wrote that was posted on the Oil Drum blog a few days ago and that he gave me permission to post below. It’s mostly about economic theory, but does get at one of the keystone concepts explored here — which is how many people, consuming how much stuff, can one livable planet support?

To Dr. Daly, the implosion after the burst of trading and investment in high-concept paper offerings was inevitable, and simply a reorientation of the market toward the only real economy — the one grounded in actual assets. In the end, the only economy that can’t be gamed is one that is grounded in the way the Earth works. That is where “real wealth,” and real limits, lie, he says.

[Sept. OPEC oil output down 340,000 b/d to 32.47 million b/d](#)

The 13 members of the Organization of the Petroleum Exporting Countries (OPEC) pumped an average 32.47 million barrels per day (b/d) of crude oil in September, a Platts survey of OPEC and oil industry officials showed today. This is down 330,000 barrels per day from August and reflects output declines in Saudi Arabia, Iraq and Angola.

Excluding Iraq, the 12 members bound by production agreements produced an average 30.18 million b/d, the survey showed. This is 230,000 b/d less than the August output of 30.41 million b/d and exceeds the so-called OPEC-12 output target of 29.673 million b/d by 507,000 b/d.

"At Platts, we are seeing increasing signs of crude and products going unsold on the market," said Platts Global Director of Oil John Kingston. "This means that from an OPEC perspective, the cuts we estimate for September may not be coming fast enough to keep the market in balance. OPEC's upcoming meeting is in November, and the conditions we face today could be radically different by then."

[MMS: '81 Evacuated Platforms, 43.3% of Gulf Oil Production Shut-In'](#)

Based on data from offshore operator reports submitted as of 11:30 a.m. CDT today, personnel are evacuated from a total of 81 production platforms, equivalent to 11.7% of the 694 manned platforms in the Gulf of Mexico. There are no longer any evacuated rigs in the Gulf.

From the operators' reports, it is estimated that approximately 43.3% of the oil production in the Gulf is shut-in. As of June 2008, estimated oil production from the Gulf of Mexico is 1.3 million barrels of oil per day. It is also estimated that approximately 38.2% of the natural gas production in the Gulf is shut-in.

[OPEC to weigh recession risk as well as price](#)

LONDON (Reuters) - A looming global recession could make even aggressive members of OPEC more tolerant of cheaper oil, but the group still needs to cut output by early next year to control swelling stocks and insure against a price collapse.

Already top exporter Saudi Arabia has begun to pare back production in line with expectations of lower demand, which last week pushed oil to a 13-month low below \$80 a barrel, nearly 50 percent down from the July peak of \$147.27 for U.S. crude.

"What is the highest price the market can profitably pay?" is the real question," said Serene Gardiner of Standard Chartered Bank.

[Gas projects in Russia unaffected by financial crisis](#)

MOSCOW (RIA Novosti) - The tough economic situation in Russia and the world will not affect Russian natural gas projects, such as the Nord Stream and South Stream pipelines, the president of the Russian Gas Union said on Monday.

"These projects are so advanced that the crisis will not affect them," Valery Yazev told the press.

[Oil's Fall Won't Affect Norway 2009 Budget](#)

A plunge in oil prices to below the average foreseen in Norway's 2009 budget is unlikely to affect the public finances of the world's number four oil exporter, Oil and Energy Minister Terje Riis-Johansen said on Monday.

"Oil prices have been high for a long time and we have a considerable surplus from our oil sector," he told reporters during a conference about climate change in Oslo.

[Lesson learned from gas shortage: 'It'll be a couple of weeks...'](#)

So here we are a good six weeks out from when the hurricanes hit and turned our gasoline world upside down, and some stations are still having spotty problems with supplies.

I was talking with an oil company owner last week and he expressed dismay that he still can't get a straight answer from the suppliers in Spartanburg, S.C. — or anyone else, really — as to why we got shorted so bad and why it dragged on so long.

[Indie oil hunter strikes a 'screamer'](#)

I had joined these characters on the Stillwater Project oil rig because, against the backdrop of a global energy crisis, I was hoping to witness the moment when a rock hound named Mark Herndon found out whether he could actually strike oil by drilling horizontally beneath a small Oklahoma city.

[Gas Prices Record Largest-Ever Drop, Close In on \\$3](#)

CAMARILLO, Calif. — The average price of a gallon of gasoline in the United States recorded its largest drop ever as crude oil prices plunged and consumer demand continued to wane, an industry analyst said on Sunday.

The Lundberg Survey released this weekend showed the average price of a gallon of self-serve regular down 35 cents over the past two weeks to \$3.31. Mid-grade was \$3.45 as of Friday and premium was \$3.57.

[Australia: Woodside Petroleum begin hiring freeze](#)

Woodside Petroleum Limited has begun a hiring freeze and is warning Western Australia the economic downturn will be worse than expected.

[Lower oil prices will help travellers](#)

Oil prices are tumbling. That is good news, right? Well, it is good news for drivers as prices at the petrol pump begin to come down. It is reasonable news for cruisers as several lines have vowed to reduce their surcharges (albeit for 2010 bookings) but for most British air passengers it is the same old story: airlines are still imposing exorbitant fuel surcharges that do not reflect what is happening to the price of oil.

[Nigeria hopes to meet gas needs without export loss](#)

LAGOS (Reuters) - Nigeria hopes it can reach agreement with international energy firms on how to meet its domestic gas needs without threatening their export plans, officials said on Monday.

The West African country has made increasingly strident public demands for Western oil companies to help it increase domestic gas use, saying the time has come for firms that have seen decades of profit to help resolve its chronic power crisis.

But despite the sometimes barbed rhetoric, officials say they are reluctant to jeopardise exports which make up close to 10 percent of world liquefied natural gas (LNG) supply.

[Addax uses Nigeria navy staff to guard oil facilities](#)

LONDON (Reuters) - Militant and pirate activity in Nigeria's oil producing south has led Canada's Addax Petroleum to hire ex-U.S. military speed boats staffed by Nigerian navy personnel, the company's CEO said.

Jean Claude Gandur, chief executive officer of the oil exploration and production firm, told Reuters in an interview that an attack on an Addax supply vessel in June, which left one of its contractors dead, had forced the company to act.

[Kidnappers in Nigeria release 5 Filipino sailors](#)

PORT HARCOURT, Nigeria: A military spokesman says five Filipino sailors kidnapped in Nigeria's restive southern oil region have been freed.

[Is There a Fuel Crisis in Baghdad?](#)

Baghdad, Iraq – it's well known that Iraq has one of the largest reserves of oil in the world, so it is quite ironic that the Iraqi people are constantly having problems obtaining various products produced from oil such as gasoline, propane, diesel, and kerosene. Furthermore, the prices of these products, when compared with the average income of an Iraqi citizen are barely affordable.

The average income of an Iraqi citizens is between \$100 and \$300 per month. The price of one liter of gasoline is 450 Iraqi Dinar, or approximately \$.30. While on the black market the price of one liter of gasoline is nearly 1500 Iraqi Dinar or \$1. These prices are not stable and depend on the current conditions, whether there is an oil crisis or electricity shortage. The prices could jump between 2000 and 5000 Iraqi Dinar, or between \$1.50 and \$4 per one liter. Reaching most any destination in Baghdad could cost you half to three quarters of your gas tank due to the large number of checkpoints, walls, and convoys causing traffic jams across the city.

[World food scarcity and the challenges of climate change and bio energy](#)

FAO was founded in 1945 on the 16th of October - a day which is observed as World Food Day (WFD) in about 150 countries all over the world. The theme for this year's WFD is 'World Food Scarcity : The Challenges Of Climate Change And Bio Energy' as there is a strong need to expand global awareness to reduce the effect of severe climate patterns on agriculture and the impact of bio fuels on food production.

Global warming and the bio fuel boom are threatening to push the number of hungry even higher in times to come. During 2007 alone, around 50 million more have been added to the rank of the world's hungry due to rising prices, thus pushing the number of unfed to about 900 millions. The world seems to be further distancing itself from reaching the U.N. Millenium Development Goal of halving hunger and poverty by 2015. Poor harvests, high oil costs, bio fuels and a rising demand for basic staple crops, especially in fast growing Asian countries, have been cited as examples for the spiralling food prices which have sparked protests, even riots, prompting the U.N.Secretary General Ban Ki Moon to give a wake up call.

[Letters from Zimbabwe: We need seed](#)

I had three questions in mind when I phoned around the main agricultural suppliers in my farming home town this week: Have you got seed maize; how much is it; can I pay in Zimbabwe dollars? I knew I was being optimistic because just a week ago it was reported that there was only enough seed in the country to plant 360 thousand hectares of land. Zimbabwe apparently has to plant at least one million hectares in order to feed itself.

My phone calls were a waste of time. There is no seed maize to buy, not in Zim Dollars or American dollars and we are just a couple of weeks away from the main planting season. I asked one main farming supplier when they were expecting a delivery of seed maize and he laughed and said he didn't think any of their seed orders were going to come at all.

[Milk imports surge as British production drops to 30 year low](#)

Two dairy farmers are going out of business in this country every day because of low prices and high costs, and the wet summer has also affected cows' ability to produce high yields.

But there are concerns that the quality of milk brought in from overseas could be substandard because of the time taken to transport it.

Retailers and processors are now buying a million litres each day from Northern Ireland, Holland and Belgium, but the increased cost of foreign milk is adversely affecting them

as well as the customer.

[A new misery for Pakistanis](#)

The country's economic troubles - a balance of payments crisis threatens to bankrupt Pakistan in the next few weeks - have been quickly translated into misery for millions of Pakistanis. Inflation is running at 25 per cent, more for many vital food items, throwing an ever greater proportion of the population into poverty.

A sudden economic collapse this year has greatly tarnished the restoration of democracy in Pakistan, a vital international security partner, and weakened its role in the U.S.-led campaign against terrorism.

[Pakistan: Middle class worst hit by terrorism, inflation](#)

RAWALPINDI-At a time when the giant of inflation and economic vicious circle have grasped the world economy as most of the countries are hit by this inflation phenomenon, the people of Pakistan specially, the middle class has become the victim of this unprecedented price hike ever before in the country, which in fact has broken the backbone of the people, who do not have the stamina to resist this enormous load, under limited and meager resources of income, they face lot of problems to sustain and survive under the given atmosphere.

The nation which has been passing through a war-like situation, due to ongoing wave of terrorism and extremism has also been facing other crises and challenges like scarcity of flour, long running electricity loadshedding, shortage of natural gas and above all, unbearable enhancement in fuel charges, i.e. from 50 to 70 % up in electricity beyond the reach of a common man.

[Farmworkers have fewer job options](#)

Although the candidate pool this year continues to grow — significantly boosted by layoffs from the construction industry — the local farm labor market isn't necessarily brimming with job opportunities.

With prices for everything from hay to fuel hitting unprecedented heights, horse farm owners are making efforts to stay strong by keeping their operations lean. Cost cutting is the rule of the day, and payrolls continue to shrink, leaving job seekers with little or no field experience with few options for making ends meet in this sector of agriculture.

[Russia to build Ukrainian nuclear power plant](#)

KIEV (RIA Novosti) - Ukraine's energy ministry has approved a Russian company's winning bid to construct a nuclear power plant (NPP), Ukraine's UNIAN news agency reported on Monday.

The approval came after the Russian nuclear equipment and services exporter Atomstroyexport, won a tender to complete construction of the Khmel'nitsky NPP project, which was frozen in 1990 over fears following the Chernobyl nuclear tragedy.

[New, improved and unnecessary](#)

With the Bush administration, no bad idea ever dies. So it should be no surprise that the Pentagon and the Department of Energy have released a new policy paper - pitched to the next president - arguing the case for a new nuclear warhead.

[Solar tax credit gives huge opportunity to PG&E](#)

As the solar industry reveled in the better-than-expected 8-year tax-credit extension Congress passed October 2, PG&E was celebrating, too.

Utilities will for the first time be able to collect that 30 percent credit as part of the federal government's latest extension. And that means utilities will now be able to develop their own solar or wind or biomass power plants rather than relying solely on private developers.

[Vancouver goes for the green: Six new Olympic venues designed with energy conservation in mind](#)

Vancouver's push for sustainability in its new Olympic venues would be pointless if it built them for 16 days' worth of events and then never used them again. The city is making sure that each structure can serve the community long after the Olympic torch has been extinguished.

[Plastic film could make house lights obsolete](#)

NISKAYUNA, N.Y. - On a bank of the Mohawk River, a windowless industrial building of corrugated steel hides something that could make floor lamps, bedside lamps, wall sconces and nearly every other household lamp obsolete.

It's a machine that prints lights.

[How the Crisis Saved the German Railroads](#)

The rolling stock of the German railroads, due to be peddled off to the highest stock market bidders on October 27th, has been saved, at least temporarily, and is still nationally owned. That seems to be the one possible bit of good news in the present economic crisis. All the rest is bad.

[Nonprofits, charities brace for the worst](#)

The economic downturn is hitting Bay Area foundations and social service providers hard. Charities are faced with cutting services at the same time people need more help.

"We just toured the Second Harvest Food Bank in San Carlos and heard the director say she's seeing former donors and former employees come in for help," said Emmett Carson, CEO and president of the Silicon Valley Community Foundation, which has \$1.7 billion in assets (having lost \$9 million in the recent market downturn) and serves Santa Clara and San Mateo counties. "That was a pretty telling statement."

And, the grim economic news - including a global credit crunch, the slide in the Dow Jones industrial average, rising unemployment and a housing collapse - couldn't come at a worse time. Most philanthropic donations are made toward the end of the year.

[Saudi prince to build tallest building](#)

LONDON, England (CNN) -- Saudi Prince and billionaire Al-Waleed bin Talal says he will build the world's tallest building, planned to be over a kilometer (3,281 feet) high. The tower will be built in the Saudi town of Jeddah and will be part of a larger project that will cost \$26.7 billion, (100 billion Saudi riyals) said the Prince's firm, Kingdom Holding Company.

[Time is right to raise taxes on gasoline, says author of 'Declaration of Energy Independence'](#)

GRAND RAPIDS -- While motorists celebrate lower gas prices, a former U.S. Department of Energy official sees an opportunity: Raise fuel taxes to help end America's dependence on foreign oil.

"Unfortunately, it's high prices that cause people to be careful about energy use," said Jay Hakes, who lived in Grand Rapids as a child and is director of the Jimmy Carter Presidential Library and Museum in Atlanta.

...Among his seven recommendations for regaining independence: a tax on fuel and rebates to all Americans, including those who don't drive.

It would punish those who burn the most gasoline and reward those who burn less, eventually driving down demand, he said.

[Kurt Cobb: Too complex to fail?](#)

Much that has happened in the last few weeks in the markets was shocking in its swiftness even to the financially literate. But it shouldn't have been all that surprising. The explosive cocktail of too much debt and too little energy has now had the effect of toppling the already top-heavy world markets.

When the world economy was humming along, nary a thought was given to its enormous complexity. It is only now when it is disrupted that we are forced to notice where that complexity is breaking down. And, perhaps the biggest disconnect is between the scope of the problem which is international and the response which has been largely national. The cowboy capitalism which spread across the globe in the past 20 years is now looking for a marshall to come to town and straighten things out.

[Whither the Oil Price?](#)

While the plunge to sub-\$80 oil came sooner than I expected, if current trends in the global economy and financial markets continue, oil is likely to come under further pressure, taking it towards \$60 a barrel. If so, would take us to oil price levels not seen since early in 2007 and far below last years average.

With credit markets locked up and investors unwilling to put money into any asset seen as risky, oil's downward momentum seems likely to continue. Even if the coordinated injections and nationalizations of flailing financial institutions succeed, we will still be in a recessionary environment – bad for oil demand and probably almost all commodities except gold (which hasn't been too shiny lately despite the flight to safety environment). Yet some of these commodities may be approaching their production costs, providing some floor in the near term.

[A Retail Pricing Policy For Petroleum Products In SL](#)

Petroleum is an important and essential raw material for all the economic activities, including transport, power generation, Industries, domestic purposes and everything else. The retail prices of essential petroleum products are directly linked to the cost of living through the transport costs and the cost of goods and services.

The volatility of world oil prices in the recent past has become a critical factor in the economic development of this country, as the impact of frequent fluctuations in the retail prices of petroleum products impacts on the cost of all the essential commodities and other goods and services to increase their costs in several folds. The dangerous side of it is, that the costs of these goods and services are not sensitive to any decreases in the retail prices of petroleum products at any time. This clearly proves that the frequent fluctuations in the retail petroleum prices are not a healthy situation for a country and its economy.

[Ten Things You Can Learn From '70s Recession](#)

7. Big Oil is always the villain, but it knows how to drill home its message

Oil-company profits surged in the energy crisis. Facing a backlash, companies offered their best spin. Congressional foes pushed for an antitrust breakup of oil companies; a proposal was floated to ban the deductibility of some oil-company advertising expenses.

An Ad Age editorial said, "Oil companies have used every possible device to convince the public that their big increase in profits is needed to develop new energy sources."

[Mexico Lawmakers Propose Incentives for Companies to Help Pemex](#)

Bloomberg) -- Mexican lawmakers drafted bills that, if approved, would allow the state oil monopoly to hire private and foreign companies for exploration and production under contracts that provide performance-based incentives.

[Mega power project in the works, says minister](#)

RIYADH - Amid a global financial crisis triggering recession worldwide, King Abdullah, Custodian of the Two Holy Mosques, continues his never-ending development policies begun with his accession to the throne in August 2005 with a world-scale power project worth SR6 billion to be inaugurated soon across the nation.

The project will connect the Kingdom's regions by guaranteeing the flow of a better and uninterrupted power supply, said Ali Al-Barak, CEO of the Saudi Electricity CompanySaudi Electricity CompanyLoading....

[Where We're Going We Won't Even Need Lithium: A Neurotic Look at Our Energy Future](#)

For the record, I support all forms of alternative energy. Anything but oil I say, it's a relic of the Cold War as far as I'm concerned. But what will be the future of energy? Well, my time machine wasn't completely accurate. While I sincerely hope that we can establish an electric infrastructure, it appears that the market will decide our energy future.

In the scientific community, we keep running into this massive roadblock known commonly as thermodynamics. It's an intimidating word for an intimidating world-view. Simply, thermodynamics states that we just reuse matter. Matter cannot be created or destroyed, it can only be converted. It appears that we will only be converting matter to energy for the next, oh I don't know, maybe million years or so? Sorry, my imagination

couldn't take me much further past 2015 (plus I had a broken flux-capacitor).

[Commod bull Goldman turns bearish, warns on \\$50 oil](#)

SINGAPORE (Reuters) - Goldman Sachs, one of the foremost bulls on commodities, turned a near-term bear on Monday after conceding that global financial turmoil would take a far bigger toll on demand than first anticipated.

"We have underestimated the depth and duration of the global financial crisis and its implications on economic growth and commodity demand," its commodity markets research team lead by Jeffrey Currie said in a report dated Oct. 13.

The bank, which has consistently been at the top of Reuters oil price polls for years, said in the report that it now expects U.S. crude oil prices to end the year at around \$70 a barrel, down from a previous forecast of \$115 a barrel.

"However, should the financial and evolving economic crisis cut deeper into demand, the market could fall as low as \$50, which we believe to be the industry's cash cost and shut in level," the analysts wrote.

[Goldman faces limits in Platts oil window - sources](#)

DUBAI/SINGAPORE (Reuters) - Goldman Sachs, the biggest oil trader on Wall Street, has been restricted from making a market in price assessment agency Platts' daily oil trading window as counterparty anxiety grows, two sources familiar with the move said on Monday.

Goldman is the latest in a series of major investment banks to be placed under a so-called "review" by Platts, which has said it may sometimes need to limit the activities of some companies in its half-hour price-discovery process if their acceptability by counterparties threatens to distort benchmark prices.

[Oil prices rally as world leaders act to save markets](#)

LONDON (Reuters) - Oil rose above \$81 a barrel on Monday after governments around the world acted to boost confidence in the global banking system, spurring a rally in European and Asian stock markets and commodities.

But investment bank Goldman Sachs said the financial crisis had already done more damage than it expected to commodity demand and warned that a slide to \$50 a barrel for oil could be possible.

[Kuwait shuts down oil refineries temporarily](#)

KUWAIT CITY - The Kuwait National Petroleum Co. says it has temporarily shut down the country's three oil refineries because of a power surge, but that exports have not been affected.

Mohammed al-Ajmi, spokesman for the state-owned company that owns the refineries, says the surge occurred early morning Monday. He says the refineries were shut down as a precaution but that exports of stored oil continued smoothly.

[Iran predicts OPEC to cut output at November meeting](#)

TEHRAN (AFP) - Iran on Sunday predicted that OPEC would cut oil output at its November meeting in Vienna, the state-run television news website reported.

"OPEC will probably seek a cut in its production at the November meeting in order to balance supply and demand," Iran's OPEC representative Mohammad Ali Khatibi was quoted as saying.

[Raymond J. Learsy: While The World's Economies Are Reeling OPEC Wants Us To Pay More For Oil](#)

In November of 1999, in a speech to the Houston Oil Forum, Saudi Oil Minister Ali al-Naimi bragged that the "all inclusive" cost to the Saudis to produce a barrel of oil was less than \$1.50 a barrel. Costing \$1.50 then you can make your own extrapolation as to what it may cost today. My estimation is is less than three dollars today, and probably a lot less. My reason for putting forward this tidbit of information is to give one a comparative benchmark of production costs of other OPEC member states be it Libya, Kuwait, Iran, Algeria, etc. All would be comparable to Saudi production costs. As to the argument that todays oil price reflects a rapidly declining resource, this post has long argued that OPEC's and especially Saudi Arabia's reserrves have been purposely understated and are vastly greater than we have been led to believe (among other posts please see "Peak Oil" RIP. Official Obit Front-paged In the New York Times" 3.8.07)

[Plans, Plans and More Plans](#)

With crude prices falling so sharply last week the price of gasoline should be under \$3 very soon. That may not be a good thing because it will convince consumers the price spike was temporary and it has passed. They can now feel good about rushing back into showrooms to buy new SUVs. I heard one commentator saying peak oil had been pushed back at least ten years by the financial crisis. That is probably the dumbest statement I have heard in months. The IEA just reported last week that global consumption EVEN WITH a slowdown will grow by over one million barrels per day in both 2008 and 2009.

[Algeria president warns over oil price fall: paper](#)

ALGIERS (Reuters) - Algeria's President Abdelaziz Bouteflika said in a newspaper report on Monday the country, which is heavily dependent on energy income, needed to brace for a possible oil price collapse.

Algerian government officials see no immediate threat to the country's ambitious plan to sustain growth this year, but they are concerned about the impact of a possible fall in oil prices beyond 2008.

[Saudi Aramco to Maintain Supplies to Asian Refiners in November](#)

(Bloomberg) -- Saudi Aramco, the world's biggest state oil company, will maintain crude supplies in November to customers in Asia at levels agreed under annual contracts, refinery officials said.

The Dhahran, Saudi Arabia-based producer will supply full volumes of crude oil to Asia next month, unchanged from October, said three refinery officials who had received notices from the company. They asked not to be identified because of confidentiality agreements.

[Commodity Rout Far From Ended as Recession Approaches](#)

While tumbling prices of oil, nickel and soybeans already crippled stock markets from Moscow to Sao Paulo and sliced Alcoa Inc.'s profits by 52 percent, investors say rising stockpiles of copper and slowing energy demand mean prices will continue to fall. The U.S. slowdown will last more than a year and be deeper than any in three decades, according to Harvard University economist Martin Feldstein, a member of the committee that charts American business cycles.

``This downturn is going to make 2001 look like a walk in the park," said Tim Mercer, chief investment officer of Hong Kong-based hedge fund Musashi Capital Ltd., who sold all his commodity investments in July. ``This is the bursting of a 25- year asset-credit bubble. People have really stopped spending money, everywhere."

[Chevron Predicts Higher Profits Despite Lower Output](#)

Chevron Corp., the focus of *Money Morning's* "Buy, Sell or Hold?" feature back in late July, said it's predicting a jump in its third-quarter results, despite a decline in oil-and-gas output.

Without offering actual financial details, the second-biggest U.S. oil company said in its

interim update that it “expects third-quarter earnings to exceed those of 2008’s second quarter.” The San Ramon, Calif.-based Chevron attributed the improved results to higher energy prices and better refining margins - both factors that were predicted by Money Morning Contributing Editor Horacio Marquez.

[Gazprom may get 27 pct in Canadian LNG terminal](#)

MOSCOW (Reuters) - Russian gas export monopoly Gazprom may get a 27 percent stake in Canada's Rabaska liquefied natural gas (LNG) terminal, a top executive of France's GDF Suez was quoted as saying on Monday.

[IOC issues annual Nigeria crude swap tender](#)

NEW DELHI (Reuters) - Indian Oil Corp (IOC) has issued the annual Nigerian crude swap tender for 2009, a trade source said on Monday.

... IOC started the swap contract at the end of 2004 as it does not always require all the grades offered by NNPC.

Through the tender, IOC swaps various grades out of its quota allocated by NNPC with other Nigerian varieties such as Bonga, Bonny Light, Escravos and Qua Iboe that suits its refining process.

[China's independents to sue oil majors over fuel](#)

BEIJING (Reuters) - Frustrated by an unsteady trickle of overpriced fuel, China's independent oil firms hope to sue the country's two energy giants Sinopec and PetroChina under a new anti-monopoly law, Chinese media reported on Monday.

The companies have crushed their smaller rivals as they fought to protect their own bottom line from the impact of unprofitably low state-set fuel prices, the Beijing News reported.

[Woodside, Chevron May Delay LNG Projects on Turmoil](#)

(Bloomberg) -- Woodside Petroleum Ltd. and Chevron Corp. are among liquefied natural gas producers in the Australian region that may delay committing to new projects costing more than \$70 billion because of lower oil prices and difficulty in raising finance, analysts said.

The most-expensive projects, such as Woodside's proposed Browse LNG and Chevron's Gorgon off northwest Australia may be worst affected, said Di Brookman, an oil and gas

analyst at Citigroup Inc. in Sydney. Most projects not already approved will probably ``slide in time," said Stuart Baker, an energy analyst at Morgan Stanley.

[Alcoa signs power contract with Bonneville Power Administration](#)

The memorandum of understanding (MoU) provides the framework for a contract which would begin in October 2011. It would provide up to 240MW of direct power sales, enough to operate the facility at 50% capacity, contingent upon Bonneville Power Administration (BPA) acquiring additional power to augment the NW power system, within certain threshold price levels.

Under the terms of the contract, Alcoa would commit to minimum payroll levels, based on the amount of power supplied. In addition, assuming at least 10 years of power can be assured prior to the contract start, Alcoa would commit to spending between \$125 million and \$160 million by 2028.

[100th Anniversary of Safe Water, Safer Lives](#)

Unlike many more complicated world health issues (e.g., AIDS) and global conflicts (e.g., Darfur, Iraq, Isreal/Palestine) the solution is as accessible as it is affordable; easy as it is uncontroversial. Chlorine. Yep, one of the 8 building blocks of life can not only disinfect original water sources, but it can also stay in the water and fight off bacteria that it encounters whilst traveling through our pipes (or water jugs, or whatever your water travels in before it gets to you).

[Weak flood defences 'risking lives'](#)

Recent flood events in Nepal, India and Bangladesh that displaced millions have stoked fears that defences along rivers in the region may not withstand climate change-induced floods, and could result in bigger catastrophes.

Experts say many infrastructures are becoming weaker while the rivers' flows are getting stronger - a classic setting for projected climate change calamities.

[From energy efficiency to war: thinktank sees 2030 climate future](#)

PARIS (AFP) - The challenge posed by climate change could be resolved by a peaceful switch to a low-carbon economy, or alternatively inflict stresses that could include war and desertification of swathes of the US and Australia, a thinktank said on Monday.

The provocative report is published by a British NGO, Forum for the Future, which carries out strategic analysis on sustainable development on behalf of business.

[Climate author goes political](#)

In *Keeping Our Cool*, Weaver outlines in a comprehensive way what climate change is, why it's real, what causes it and what obstacles politicians and industrial interests place in the way of countering it. Throughout there are diagrams and tables that attempt to present graphically what he admits is an inherently complicated truth.

It's so serious, he said, that unless we reach a point where we stop emitting greenhouse gases entirely, 80 per cent of the world's species will become extinct, and human civilization as we know it will be destroyed, by the end of this century.

"Climate scientists who grapple with this every day ... we see where it's headed. We understand it very well.

"I think the public needs to know, straight in their face, that you can give up on civilization as we know it. This is what I'm trying to get across in the book. Do we actually give a s--- for future generations?"



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