



## DrumBeat: October 15, 2008

Posted by [Leanan](#) on October 15, 2008 - 9:57am

Topic: [Miscellaneous](#)

### [Depressed Canadian oil giants ripe for takeover](#)

CALGARY - Canadian oil and gas companies are ripe for becoming merger bait -and we're not talking about the small and medium-sized shops. The biggies -- Suncor Energy Inc., En-Cana Corp., Canadian Natural Resources Ltd., Talisman Energy Inc. and Nexen Inc. -- could all be targets for the world's super biggies.

"In case you didn't think there was money around, the super majors have lots," said Terry Peters, an analyst at Canaccord Adams, in a research note last week that riffed off an article in Petroleum Intelligence Weekly (PIW).

"The super majors have money, motive and opportunity and some of our larger Canadian companies appear vulnerable."

---

This post is part of [Blog Action Day 08 - Poverty](#)

### [Gunmen attack Nigerian navy vessel near Bonny plant](#)

LAGOS (Reuters) - Gunmen in speedboats attacked a Nigerian naval vessel anchored at a Royal Dutch Shell jetty close to a major liquefied natural gas (LNG) export terminal on Wednesday, a security source said.

A second source who works in the LNG plant at Bonny said he heard shooting which appeared to be less than half a kilometre from the living quarters of the facility, whose exports make up close to 10 percent of world LNG supply.

### [Plant-based fuel makers face tough test](#)

MARION, Ohio - It may be one of the biggest green gambles of the century: a national goal of converting wood, grass, corn stalks and garbage into 16 billion gallons of cellulosic biofuels annually by 2022.

No commercial-scale refineries exist, researchers have yet to agree on the best

technology for fuel conversion and there is no distribution network to handle fuel once it is made.

Add it all up and the country's not even close to meeting the EPA's renewable fuel standards a mere 14 years from now.

### [Incentives luring buyers back to pickups, SUVs: Declining gas prices also could swing pendulum away from smaller cars](#)

Is history repeating itself in the automobile industry? The latest data on vehicle sales suggest that it might be.

Auto sales hit the skids in September, sinking to their lowest level in more than 15 years, as the faltering economy and credit crunch combined to squeeze the business. But amid the carnage, sales of large pickup trucks and sport utility vehicles held their own, according to Edmunds.com.

Yes, you read that correctly: trucks and SUVs, the very same gas-swigging monsters that Americans have stampeded away from this year as gasoline prices rose to record levels.

### [Oil dips below \\$75 as OPEC cuts demand forecast](#)

NEW YORK - Oil prices dipped below \$75 a barrel Wednesday, a new 13-month low, as OPEC reduced its 2009 petroleum demand forecast amid signs that the global economy is headed for a severe downturn.

Light, sweet crude for November delivery fell \$2.95 to \$75.68 a barrel on the New York Mercantile Exchange after earlier sliding to \$74.57, the lowest trading level since Sept. 5, 2007.

### [Hurricane Omar gains strength, nears Puerto Rico](#)

SAN JUAN (Reuters) - Hurricane Omar strengthened on Wednesday as it bore down on Puerto Rico and the small islands of the northeastern Caribbean, threatening to bring torrential rains that could trigger dangerous floods and mudslides.

The 15th tropical cyclone of a busy Atlantic hurricane season formed north of the Dutch island of Curacao on Tuesday, immediately disrupting oil operations in Venezuela and later at a refinery in the U.S. Virgin Islands.

### [Global warming may make some spots inviting](#)

Predictions about the rate of global warming vary greatly, but even by conservative estimates it's likely to have a big effect on travel. Many current tourist hotspots will literally be too hot for comfort, while others will lose their natural beauty, be prone to catastrophic storms—or simply be underwater.

According to the Intergovernmental Panel on Climate Change, the planet's average temperature could increase by as much as 3.5 degrees celsius by 2100, causing sea levels to rise nearly four feet. If the Greenland and Antarctic continental ice sheets then melt—as some predict—sea levels could rise by an additional 30 feet. Potential side effects include increasingly intense storms, catastrophic heat waves and global flooding on a biblical scale.

But on the upside, many previously undesirable locations farther from the equator, or at higher altitudes, could become much more inviting.

### [Memos tell wildlife officials to ignore global-warming impact](#)

WASHINGTON — New legal memos by top Bush administration officials say that the Endangered Species Act can't be used to protect animals and their habitats from climate change by regulating specific sources of greenhouse gas emissions, the cause of global warming.

The assessment, outlined in memos sent earlier this month and leaked Tuesday, provides the official legal justification for limiting protections under the Endangered Species Act.

### [National Priorities Project: The real cost of oil](#)

According to a new report from National Priorities Project (NPP), the United States is spending between \$97 and \$215 billion dollars annually on military action to defend access to oil and natural gas reserves around the globe. *The Military Cost of Securing Energy* provides a critical analysis of the military cost of defending U.S. energy concerns overseas. The report estimates that the military spends up to 30 percent of its annual budget to secure access to energy resources internationally.

### [Crude Predictions: A Look Back](#)

One of the great things about the Internet is that it makes it a lot easier to look back at older predictions and scoff.

### [Pickens Decries Lack of Energy Plan](#)

During a visit to Chicago, IL to drum up support for his so-called "Pickens Plan," businessman T. Boone Pickens said America's energy crisis is just as urgent as its current financial emergency and outlined a solution that makes liberal use of natural gas and wind energy.

"I got into this crusade because I think I'm the only person in America who understands the energy issue and I wanted to share that with you," Pickens told an audience of more than 500 people at Chicago's Navy Pier Grand Ballroom. "In this country, we are all to blame for the predicament we're in today."

### [Russia's oil output down 0.6% in January-September](#)

MOSCOW (RIA Novosti) - Russia's crude oil output declined 0.6% year-on-year in January-September to 365 million metric tons (2.7 billion barrels), the country's top statistics body said on Wednesday.

### [Oil: Remember Iran?](#)

Aside from potential OPEC action in November, and the rapid shelving of many high cost production schemes curtailing medium term supply, the possibility of an Israeli strike on Iran is rising again and stands at probably 30% plus.

Despite US diplomatic overtures, it seems that Iran has seen the current U.S. economic chaos as an opportunity to go for nuclear broke, and Russia in its newly aggressive mood, is assisting both with the reactor and advanced surface to air missile systems.

### [Refinery shutdowns limit diesel supply](#)

A sudden diesel shortage has workers hitting the pumps a little earlier these days.

A scheduled turnaround at Petro-Canada's Edmonton refinery combined with an unscheduled maintenance shutdown at the Strathcona Imperial Oil refinery, and an unscheduled shutdown at Suncor's hydrogen plant has local service companies feeling the pinch.

### [Nigeria unions threaten strike over NNPC sale plans](#)

ABUJA (Reuters) - Union members at Nigeria's state oil company NNPC will launch strike action on Thursday Oct. 23 unless the government clarifies plans to privatise some of the firm's downstream subsidiaries, union leaders said on Wednesday.

## [Venezuela Growth Forecast Cut by JPMorgan on Lower Oil Prices](#)

(Bloomberg) -- JPMorgan Chase & Co. cut its 2009 economic growth forecast for Venezuela to 2.5 percent from 3.5 percent on lower oil prices and expectations of a global recession.

Should oil prices remain below \$90 next year, Venezuela's current account surplus, expected to close the year at 14 percent of gross domestic product, could move into a deficit in 2009, analyst Ben Ramsey wrote in a report published today.

## [Venezuela's Chavez Talks Austerity As Oil Boom Softens](#)

President Hugo Chavez has signaled that Venezuela's heady days of easy oil wealth are coming to an end, but many believe his tendency to spend will stay intact.

The president and his closest officers have insisted that "austerity" will be practiced in the 2009 budget to be released this week, as oil prices have fallen far below the level needed to sustain the state's fiscal purse.

## [Brazil Dethrones Mexico](#)

Mexican lawmakers, scrambling to turn around their declining oil industry, have a model to follow in Brazil, which outshines other Latin American countries in new regional rankings.

For the first time, Brazil has surpassed Mexico in terms of proved oil reserves, according to the country's hydrocarbons regulator, A.N.P. Brazil boasted 12.6 billion barrels at the end of 2007, compared to Mexico's 12.2 billion barrels. What is worse, Mexico's reserves have been declining for years, while Brazil has made steady improvements.

The reasons for Mexico's slip are clear. The country cannot attract foreign investors while state-run Pemex, with its weak investment portfolio, is the government's cash cow. Now that the prolific Cantarell field is in natural decline, Pemex is struggling to discover and develop new fields. Brazil, meanwhile, enjoys a competitive energy sector that has reported several worldclass discoveries in recent months.

## [Mexican lawmakers approve energy reform panels](#)

MEXICO CITY (Reuters) - Two committees in Mexico's senate approved on Tuesday the first part of a package of energy reforms before Congress to allow more private investment in the country's flagging state-run energy sector.

The senate committees voted to create three independent panels, made up of government officials and outside experts, that would oversee the country's future

energy policies by promoting energy efficiency, environmental protection and monitoring new oil exploration and drilling projects.

### [Pakistan: NWFP residents decry unabated power loadshedding](#)

PESHAWAR: People from all walks of life across NWFP Tuesday while denouncing the hours-long and unscheduled loadshedding hold demonstrations, blocked the roads and used different ways to express their anger.

The residents of Gulberg locality of Peshawar have asked the authorities to end the ongoing unannounced loadshedding in their area. Talking to The News on Tuesday, the elders of the area complained that the prolonged loadshedding had not only affected their routine life but also the studies of their school-going children for the last several weeks.

### [Pakistan: Loadshedding hits agriculture sector](#)

LAHORE - Unannounced loadshedding is badly affecting the country's agriculture sector particularly at the time when the sowing season of wheat, canola and other crops is beginning throughout the country, agriculturists said on Tuesday.

They said that the country is facing severe water shortage following India stopped Pakistan's water at River Chenab to fill the controversial Baglihar dam. Now loadshedding is adding fuel to fire and destroying the agriculture sector because there are 200,000 electric tubewells in the country to irrigate the land, which could not be run due to electricity shortage, said Ibrahim Mughal Chairman Agri-Forum Pakistan.

### [Zimbabwe faces collapse, starvation](#)

Zimbabwe's children are fending off starvation by eating rats or nibbling inedible roots riddled with toxic parasites, says the Save the Children charity.

The International Committee of the Red Cross says it has found people who survive on wild berries and roots.

Elsewhere, many farm families are trading their last remaining livestock for buckets of maize or have eaten the seed corn intended for next summer's harvest.

### [Bangladesh: 68 fishing trawlers looted, 40 fishermen abducted for ransom in 4 days in Bay](#)

Pirates looted 68 fishing trawlers and abducted 40 fishermen for ransom in different



points of the Bay in last four days since Wednesday.

The pirates looted all valuables including fish, fuel, net, engine and spare parts and cash worth Tk 20 lakh from those trawlers and injured at least 11 fishermen by beating and chopping.

Fishermen have been panicked to go to the sea due to rampant piracy although huge hilsa fishes are being netted in Patuakhali and Barguna coasts for the last seven days.

### [Worst retail sales in three years](#)

A steep 3.8% decline in auto purchases helped depress the overall sales for the month.

Even when volatile auto sales were stripped from the report, sales fell 0.6%, three times the 0.2% decrease economists had predicted.

The weak report shows that consumers cut down on everything except healthcare products and gas, according to Scott Hoyt, senior director of consumer economics at Moody's economy.com.

### [Hard times are good times at the pawnshop](#)

At People's Pawn in Springfield, Mass., the collection of DVD players, televisions and other electronics just keeps getting bigger.

As many as 200 a people a day come in to "sell all their stuff so they can get gas money," said Efred Rivera, who works at the shop. "Some people have to pay their mortgages."

The story is similar at EZ Cash Pawn in West Palm Beach, Fla., where the shelves are so stacked with electronics, musical instruments, guns, fishing poles, scuba gear — you name it — that people are being turned away.

"I have no choice," said Robert DeSantis, the shop's owner. "I have tools in the warehouse now — every single tool you can think about."

### [Your vote, your crummy highways](#)

NEW YORK (CNNMoney.com) -- The economy isn't the only thing falling apart in the United States.

Much of the nation's infrastructure - the highways, bridges, airports and transit lines that keep the American economy humming - is also crumbling and in dire need of improvement. Clearly, a top job for the next president will be finding the funds to fix these sprawling systems.

In fact, it would take \$1.6 trillion over five years to address the nation's infrastructure problems, according to a 2005 report by the American Society of Civil Engineers, which gave the country's system a "D."

### [GM: Better off bankrupt](#)

The automaker is in trouble, but even Chapter 11 would be better than hooking up with Chrysler.

### [British Airways follows Virgin and cuts fuel surcharges](#)

British Airways has followed Virgin Atlantic in cutting its fuel surcharges as airline passengers finally benefit from the fall in the cost of oil.

### [Industry in upheaval: Plotting the future for PV](#)

Predictions for the future global PV market vary dramatically, but a more accurate picture can be derived if market fundamentals are considered across the world's major PV economies. Gerhard Stryi-Hipp identifies the markets and the factors that will influence them over the coming years.

### [A president with an energy plan: Neither nuclear nor 'clean coal' will solve the crisis](#)

Before most people had ever heard of commercial paper, they knew that high oil prices were squeezing both their wallets and the nation's economy, and the presidential candidates spent more time talking about gas tanks than banks. The financial meltdown of recent weeks hasn't just overshadowed the energy crisis, it has eased it in the short term -- gasoline prices have fallen because oil traders fear that demand will shrink in a global recession. Yet meeting our energy challenges will remain among the most important concerns of the next president.

That's why it's doubly disappointing that neither Barack Obama nor John McCain has a responsible energy plan. In pandering to voters in swing states, both have backed dangerous, dirty energy sources in contradiction of their own principles.

### [Pickens: \\$3 gasoline 'temporary'](#)

Pickens' considerable wealth and power -- he's spending \$50 million to press his plan -- has earned him audiences with both presidential candidates. Neither, he said, seem sufficiently alarmed by the energy "crisis."



Sen. John McCain wants to build 45 new nuclear reactors by 2030. Joked Pickens: "He'll be 110; I'll be 120."

Sen. Barack Obama's plan includes adding 1 million plug-in hybrid cars in the next 10 years, an approach that fails to recognize "the magnitude of the problem you and I are facing," Pickens said.

### [McCain's Nuclear Plan Would Be an Economic and Environmental Disaster - Report](#)

Senator John McCain's plan to build up to a 100 new nuclear reactors could cost taxpayers an estimated \$280 billion and presents a significant risk for the economy and the public, while doing little to solve America's energy problems, according to a new report by Environment America.

### [UK: Hard times bring barter back into vogue](#)

Rising inflation, a credit squeeze, crumbling stock markets and a slowing economy with job losses looming have prompted an explosion of cyber markets where consumers can get what they want without spending any of their precious and dwindling cash.

### [Netherlands seeks steady oil supplies](#)

DAMMAM – The Netherlands Minister of Economic Affairs, Maria van der Hoeven, currently visiting Saudi Arabia, said here Tuesday that Europe seeks the continuous import of oil from the Kingdom.

Addressing the Eastern Province Asharqia Chamber of Commerce and Industry here, Hoeven said Saudi Arabia was an important source of oil for her country and the rest of Europe. "Saudi Arabia is an important country for the imports of oil and gas now and in the future and thus for the supply certainty of fossil fuels in the Netherlands and in Europe," she said. She underscored that the Netherlands is Europe's hub for trade in crude oil and the petrochemical industry and plays a crucial role in the international trade of oil.

### [Pakistan: Power outages perturb industry](#)

LAHORE: Lahore Chamber of Commerce and Industry has expressed concern over non-provision of electricity to the industrial sector despite withdrawal of subsidy and steep upward revision in tariff, saying severe shortage of power is giving a bad name to the government.

## [Driving Dinosaurs](#)

This is a dinosaur of a car in 2008, knowing what we know about our energy future. I heard a presentation this week by the author Richard Heinberg (*Peak Everything*) and he said it was "a very real possibility" that the airline industry will be barely functioning in three years. Why? Because fossil fuels have peaked, and we don't have a real substitute for them.

But we're still fiddling while Rome burns, aren't we? And I'm part of the problem, choosing to drive that huge gas-guzzling Kia on my family trip just because it saves me money. It has a 4.6-liter, 375-horsepower V-8 engine under the hood, sourced from the Hyundai Genesis.

## [The News Blues](#)

It was the "Peak Oil" theorists who warned of spiking oil prices and strains on the refinery system, only to be dismissed as amateur nerds and tinfoil-hat chiliasts—until \$4-a-gallon gas and winter heating bills brought the new reality home. It was James Howard Kunstler, the author of *The End of Suburbia* and *The Long Emergency*, who warned with scouring wit and rococo imagery in his weekly online column that high gas prices, suburban sprawl, decaying infrastructure, the machinations of hedge-fund greedheads, and Wall Street necromancy were converging into a Hurricane Katrina-size "cluster\*\*\*\*\*" that would deform the social and political landscape. In his August 25 column, Kunstler wrote, "I'm rather convinced that the carnage on the money scene will be so extreme this fall that the nation will seem to have been transformed from a superpower to a basketcase before November 4th, and that the blame for this state of affairs will be blindingly obvious: the people in charge for the past eight years looted the treasury, destroyed the currency, and left the machinery of capital a smoking wreckage." Within a month, the carnage Kunstler envisioned not only got worse but gained velocity as mortgage giants Freddie Mac and Fannie Mae required an emergency federal bailout, fabled Merrill Lynch disappeared into the maw of Bank of America, Lehman Brothers went belly-up, A.I.G. was rescued, and the Dow lost 500 points in one day, the worst loss since 2001. Billions of dollars of bad loans devoured by boll weevils, thousands of well-paying jobs liquidated in a single stroke, stock portfolios turning into scarecrows before one's eyes, and who knew what awaited over the next hill?

## [Brazil's offshore no challenge to Gulf oil producers](#)

Some analysts now estimate the subsalt reserves of Brazil's deep offshore basins to total up to 80 billion barrels of oil. If proven reserves are correct and added to its current 14 billion barrels of proven reserves, Brazil would be launched into the league of top oil producers. Its reserves would be placed on par with the reserves of the oil majors of the Arabian Gulf region.

Are these discoveries the beginnings of a new North Sea province? Is Brazil likely to become a future market challenger to the Arabian Gulf oil producers? The answer is definitely no.

### [Angola sticks to budget plans despite weaker oil price](#)

LUANDA (Reuters) - Angola's government on Wednesday said a drop in world oil prices would not derail its plans to spend billions to fight poverty and spur economic growth in the booming oil-rich African nation.

The ruling MPLA, which won a landslide in a parliamentary election last month, has pledged to spend \$50 billion on housing for the poor and billions more on reconstruction of ports, railways and infrastructure damaged during a 27-year civil war.

### [Petrobras ADR Forecast Cut 38 Percent to \\$50 at Raymond James](#)

(Bloomberg) -- Petroleo Brasileiro SA, the Brazilian state-controlled oil company, had its 2009 share-price forecast cut 38 percent at Raymond James & Associates, citing the prospect of lower crude prices.

``We cut our price target to reflect a revision of our crude price forecast for 2009 as well as lower earnings multiples than those when the stock peaked in May this year," Raymond James analyst Ricardo Cavanagh said in a telephone interview from Buenos Aires.

### [Gulf of Mexico Could Be in Serious Danger](#)

After the last disastrous hurricane seasons, the federal government has begun taking steps towards determining the seriousness of the situation the United States will be facing over the next few decades. Global warming and climate change are believed to be the main "perpetrator" behind the intensified tornadoes and tropical storms that struck America these last two years. As repairs after the last storm are underway, teams of scientists are rushing into the Gulf of Mexico area, to collect data that might help prevent such disasters from reoccurring.

### [NY museum's climate change show dives into politics](#)

NEW YORK (Reuters) - One of America's most renowned science museums dives into politics again this week with a new exhibition on climate change that curators say is an effort to separate fact from fear.

Three years after tackling the divisive issue of evolution in an exhibition on Charles Darwin, the American Museum of Natural History in New York is mounting a show called "Climate Change: The Threat to Life and A New Energy Future."

### [Australia's carbon scheme risky, say Japanese](#)

THE federal Government's proposed carbon trading scheme is a greater risk to business than the global financial crisis.

This is the view of senior executives in charge of one of Japan's biggest offshore capital investments.

### [Climate Change Can Grind Down Plate Tectonics](#)

Earth's changing climate has a spectacular ability to reface the planet. Shifting winds and ocean currents can turn rainforests to deserts and back again, while ice ages have covered whole continents in glaciers again and again through time.

Now, new evidence has emerged that, given enough time, climate change can even alter the course of plate tectonics.

### [Oil price run-up looks like just another bubble: In hindsight, analysts were 'suckered,' may have contributed to frenzy](#)

COLUMBUS, Ohio - As oil prices zoomed toward an unheard of \$147 a barrel this summer, it seemed every analyst prediction that oil would approach \$200 was a self-fulfilling prophecy, until suddenly it was not.

Instead of \$200 oil, oil is now \$80. Instead of going up, U.S. demand has fallen at the steepest rate since the oil-shocked 1970s. Americans have dramatically cut down on driving over the past year.

Soaring prices for oil and other commodities this summer have turned out to be nothing short of another classic bubble, and the bursting may not be over, one analyst said Monday.

"It's just amazing that the market gets suckered into this," said analyst Stephen Schork of the Schork Report, who called the idea of \$150 a barrel oil "an obscene number, a perverted, illogical number."

### [Oil Production Falling](#)

I continue to hear people say that the financial crisis has postponed peak oil for years. I do not believe this to be true. What it has done is reduce the capital available for investment into oil. It reduced the ability of energy companies to raise money with their deflated stock and reduced the number of investors with cash to chase oil prices. With

the proverbial bubble now deflated it will take some time for the excitement to rebuild. That could be a year or more. Every day that passes with decreased investment brings the peak oil date closer while any decline in demand pushes it farther away. As I pointed out in the Monday newsletter the IEA is still projecting demand growth in 2008 and 2009 even in a recession. That growth will just be a little slower. Meanwhile depletion never sleeps and always increases. The clock is working against those projecting a later date for peak oil.

### [Mideast grapples with oil price slump](#)

CAIRO, Egypt (AP) — Vast, oil-fueled budget surpluses may cushion some of the Mideast's major oil-producing countries now that crude prices have plummeted. But Iran, Iraq and a handful of other nations face daunting challenges to make up the money in coming months because of the price drop and global financial crisis.

The differences are stark: developers in the United Arab Emirates — whose economy is more diversified — are still announcing multibillion-dollar building projects. But merchants in Iran went on strike the past few days over tax increases imposed to bolster the country's budget.

In Iraq, postwar rebuilding could be jeopardized if the vaunted oil-money budget surplus is smaller than expected; countries like Saudi Arabia may only need to trim more ambitious projects.

### [Oil Falls on Doubts Financial Rescue Plan Will Aid Fuel Demand](#)

(Bloomberg) -- Oil fell below \$77 a barrel on speculation a U.S. plan to invest \$250 billion in banks will be insufficient to avoid recession and boost fuel demand.

“The world is in for a very torrid couple of years that are going to hit industrial demand and oil demand,” said Peter Luxton, a London-based energy analyst at Informa Global Markets. “The global bearish sentiment is dominating.”

Crude oil for November delivery fell as much as \$2.58, or 3.3 percent, to \$76.05 on the New York Mercantile Exchange. It traded at \$76.43 a barrel at 12:36 p.m. London time.

Prices, down 11.3 percent from a year ago, have dropped 47 percent from the record \$147.27 a barrel on July 11.

### [Russian Stocks Tumble as Crude Falls, Investors Turn to Cash](#)

(Bloomberg) -- Russian stocks dropped, led by OAO Rosneft and OAO Lukoil, as sinking oil prices hurt the outlook for the economy and investors sold shares to raise cash amid the country's worst financial crisis since 1998.

## [OPEC Cuts 2009 Crude Oil Demand Forecast for a Second Month](#)

(Bloomberg) -- The Organization of Petroleum Exporting Countries, supplier of more than 40 percent of the world's oil, lowered its 2009 demand forecast for a second month as the worst financial crisis since the 1930s threatens a global recession.

OPEC will hold an extraordinary meeting on Nov. 18 in Vienna, after its decision to trim excess supplies at last month's gathering failed to check a slump in prices, which have tumbled 49 percent from their July record. The group told members on Sept. 10 to strictly comply with production quotas, implying a cut of about 500,000 barrels a day.

``Dramatically worsening conditions in financial markets indicate strong fallout on the real economy is now inevitable," the report said. ``Ongoing financial market turmoil is expected to continue to impact oil demand well into the coming year."

## [OPEC Is Likely to Cut Output 1 Million Barrels, PFC Energy Says](#)

(Bloomberg) -- OPEC will probably announce a production cut of 1 million barrels a day at its November meeting, said PFC Energy, an industry consultant that correctly called the decision at the group's last summit.

## [Candidates disagree on oil companies' tax rate](#)

ExxonMobil earned after-tax profits of \$41 billion and paid \$14.5 billion in worldwide income taxes in 2007 — the highest in corporate history in both categories. The world's largest oil company is on track to smash both records in 2008, despite a recent decline in oil prices.

Should it pay higher taxes?

## [Gas lines 'berserk' in Frederick](#)

It's not a mirage.

The Costco gas price sign really reads "Unleaded -- \$2.69."

The wholesaler's Monday holiday price was \$2.92, dropping 23 cents in one day.

"Lines have been berserk," said Pete Barney, Costco assistant manager.

## [Kuwait Refinery Workers Threaten Strike Over Rights](#)



(Bloomberg) -- Workers at Kuwait National Petroleum Co. are threatening to shut down the country's three refineries from Oct. 19 in a protest over equal rights.

### [Exxon Is Said to Shut Gasoline Unit at Fos Refinery for Repairs](#)

(Bloomberg) -- Exxon Mobil Corp., the world's largest oil company, plans to shut a gasoline-making unit at the smaller of its two French refineries for repairs early next year, an official with knowledge of the work said.

### [Angola oil output dips to 1.6-1.7 million bpd](#)

LUANDA (Reuters) - Angola's oil production has fallen to close to 1.6 million or 1.7 million barrels per day (bpd) from a high of around 2 million bpd earlier in 2008, Angola's oil minister said on Wednesday.

The drop resulted from an "accident" at the deepwater Block 18 field off the coast of the oil-rich Cabinda province, Oil Minister Jose Vasconcelos told journalists at the opening of the new parliament in Luanda.

### [Indonesia says S.Korea seeking LNG contract extension](#)

JAKARTA (Reuters) - South Korea is looking to extend contracts to import liquefied natural gas from Indonesia beyond the current 2014 and 2017 terms, Indonesia's energy minister said on Wednesday.

Korea Gas Corp has a contract for two million tonnes a year that expires in 2014 and another for one million tonnes a year that ends in 2017.

### [Iraq underwater oil pipelines need urgent repair: FT](#)

DUBAI - Vital Iraqi oil pipelines are in such dire condition they could burst at any time, which would disrupt regional supply, harm Iraq's economy and could cause an environmental disaster, the Financial Times newspaper reported.

The underwater pipelines that connect storage tanks near the southern Basra oil terminal to offshore tanker fuelling terminals need urgent replacement or repair, the newspaper said on Wednesday, citing a previously undisclosed notification to the US Congress.

'The likelihood of a worst-case catastrophic failure, subsequent collapse of Iraqi crude oil export revenue resulting in a devastating drop in the Iraqi GDP, global economic market impacts and a possible ecological and environmental disaster should warrant concern,' the document obtained by the FT said.



### [Mercedes Diesel SUV Makes Good Gas Mileage, No Smog, Happy Moms](#)

(Bloomberg) -- ``Pee-yeew!" my dad would call out the open window, ``You stink!" This was a 1970s-era ritual played out every time we passed a rattletrap diesel-powered car trailing black haze on the highway. Not kind, maybe, but true. Those suckers stunk up the place.

Though I'm hardly the only American who has negative associations, diesel fuel has seen a major resurgence in Europe, the result of ultra-low-sulfur diesel and engines designed to negate emissions. The benefits are as much as 30 percent better fuel economy and 20 percent to 30 percent less carbon dioxide emissions.

### [Food Security - an issue for the UK too](#)

For its annual World Food Day (Thurs 16 Oct), the UN Food & Agriculture Organisation (FAO) rightly focuses on the 923 million people suffering from malnutrition in the South - highlighting climate change as the key factor threatening their long-term food security. In the short-term, rising oil prices have led to increasing food costs and scarcities, provoking riots in over a dozen countries from Burkina Faso, Haiti, to Mexico. The diversion of land for biofuel crops has also been a factor - with the world's largest grain producer and exporter, the US, diverting nearly 20% of its harvest to feed cars, rather than people.

### [George Soros on the Clean-Energy Economy](#)

Last Friday, in an interview with Bill Moyers on PBS, George Soros, who has made billions of dollars based on his ability to read the ebb and flow of markets, suggested that investing in alternative energy technologies, refurbishing aging electricity grids and pursuing household energy efficiency, among other green strategies, could yet save the global economy.

Mr. Soros, whose prescient book "The New Paradigm for Financial Markets: The Credit Crisis of 2008 and What It Means," was published in May, told Moyers that the business of green could serve as the new "motor of the world economy" — echoing a refrain he has used before.

### [Political Momentum Grows For US National Transmission Grid](#)

WASHINGTON -(Dow Jones)- Momentum is growing in Washington for a federal high-voltage power grid to spark growth of U.S. renewable energy supplies and decrease the country's dependence on energy imports.

Lobbyists and regulators are urging lawmakers to create a national high voltage transmission system that they say would allow renewable projects such as wind and solar farms to flourish.

A growing appetite in Congress to constrain carbon dioxide emissions and a desire tap the nation's domestic energy sources to reduce dependence on energy imports will likely give a political boost to a federally-mandated national grid.

Although the country has substantial wind and solar potential, much of the generation capacity is located hundreds of miles from the demand centers. A corridor along the Rocky Mountains from North Dakota into the Texas panhandle, for example, could provide nearly a fifth of the U.S.'s power needs, but the largest consumers are located on the East and West coasts. The highest solar potential is in Southwestern states that have comparatively smaller populations.

"We have a chicken and egg problem," said George Pataki, former New York state Republican Governor. "Developers won't build a solar system because there isn't any transmission capacity to move it and utilities won't build the needed transmission because there isn't any generation," he said. Pataki and his consulting firm, the Pataki-Cahill Group, are pushing for Congress to establish federal siting authority that would overcome one of the major challenges to current transmission infrastructure: permitting.

### [Build wind farms near land to cut costs, UK study finds](#)

LONDON (Reuters) - Britain will fall woefully short of its own renewable energy targets unless the government allows wind farms to be built closer to shore, the Carbon Trust said in a report on Tuesday.

Only a quarter of the wind power capacity Britain needs to meet its target of getting 15 percent of energy from renewable sources by 2020 will be built unless controls on offshore turbines are relaxed to cut costs.

### [With Little Fuel, Eco-Racers Arrive in Las Vegas](#)

Las Vegas — In a city accustomed to the catering to the strange and offbeat, the arrival Monday evening of Jack McCornack and Sharon Westcott in a topless, two-foot-tall green and yellow roadster at the front door of the storied Sahara Hotel-Casino still turned heads.

Gawkers couldn't have known that Mr. McCornack and Ms. Westcott had just driven the vehicle more than 800 miles over three days from Berkeley, Calif., but many nonetheless noticed the plastic tank of vegetable oil — a.k.a. fuel — affixed to the back.

### [More Flexible Method Floated To Produce Biofuels, Electricity](#)

ScienceDaily — Researchers are proposing a new "flexible" approach to producing alternative fuels, hydrogen and electricity from municipal solid wastes, agricultural wastes, forest residues and sewage sludge that could supply up to 20 percent of transportation fuels in the United States annually.

### [Thinking Anew About a Migratory Barrier: Roads](#)

In recent years scientists have come to understand the marked changes brought by the roads that crisscross the landscape.

Some experts believe that habitat fragmentation, the slicing and dicing of large landscapes into small pieces with roads, homes and other development, is the biggest of all environmental problems. "By far," said Dr. Michael Soulé, a retired biologist and founder of the Society for Conservation Biology. "It's bigger than climate change. While the serious effects from climate change are 30 years away, there's nothing left to save then if we don't deal with fragmentation. And the spearhead of fragmentation are roads."

### [Don't let crisis push climate off agenda: Barroso](#)

BRUSSELS (Reuters) - The head of the European Commission appealed to EU leaders on Tuesday not to sacrifice the fight against climate change to the urgent economic problems thrown up by the global financial crisis.

Commission President Jose Manuel Barroso said the credit crunch was no reason to go back on ambitious EU plans to combat global warming by reducing greenhouse gas emissions, cutting energy consumption and promoting alternative energy sources.

"This is not a luxury we now have to forego. Saving the planet is not an after-dinner drink, a 'digestif' that you take or leave. Climate change does not disappear because of the financial crisis," Barroso told a news conference.

### [Rising Temperatures May Dry Up Peat Bogs, Causing Carbon Release](#)

It's increasingly clear that the effects of climate change will be felt — or are already being felt — in all corners of the globe, in all kinds of ecosystems.

Even, it appears, in peat bogs. A study in Nature Geoscience suggests that northern bogs may lose a significant portion of their peat as global temperatures rise. Organic matter in the peat will decompose, releasing carbon into the atmosphere.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](http://creativecommons.org/licenses/by-sa/3.0/).