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[Credit Woes Hit Oil Supply Chain, Push Prices Down](#)

LONDON (Dow Jones)--Already suffering amid a global financial meltdown, oil and gas prices are feeling further pressure as the scarcity of credit squeezes the supply chain that has long provided support for them.

Most observers see the drop in the oil price - which Thursday fell - as collateral damage from weakening consumption, itself driven by the credit crunch. But the link between the two may be more direct: The banking crisis is reducing financial flows that normally propped up the oil price.

Banks are either refusing or tightening up credit conditions in a long chain that starts in the ports of oil-producing Middle Eastern and African countries, goes through tankers and refineries and ends up in gas stations in Europe and the U.S. Less crude is being purchased while buying is increasingly being concentrated in the hands of a smaller number of companies - mostly oil majors and large retailers - that are able to bargain for lower prices.

"The credit crunch is putting on a brake at every level of supply," said Antoine Halff, deputy head of research at brokerage Fimat USA. "Levels of credit are evaporating, so producers and refiners are having a hard time selling -they want to make sure their customers are good for the money," Halff added.

"The oil trade relies on credit lines, so the freezing of credit is making the system less optimal," agreed Olivier Jakob, an analyst at Petromatrix.

[Wind energy becalmed by shortage of finance](#)

The credit crunch and falling oil prices threaten to hold up some of Britain's renewable energy projects just as the UK has raised its commitment to green electricity, financiers said yesterday.

While large projects backed by the bigger utilities are generally thought to be safe, smaller and more speculative developments are facing funding problems as backers adjust their lending criteria or, in some cases, consider withdrawing it altogether.

"The debt is just not there," said John Dupont, head of renewable energy finance in the

UK for Nordbank, the world's largest clean energy financier. "We are still doing deals but the market is very difficult. This could result in a big delay for wind farm projects being developed in the UK."

[The future of wind power](#)

Massive wind turbines dominate the wind power industry, but entrepreneurs are now racing to build energy-making kites, sails and balloons. Here are five cutting-edge technologies.

[As Market Slides, OPEC Seeks Pricing Power](#)

Thirty-five years ago, against the backdrop of the Yom Kippur War, OPEC's Gulf members announced a unilateral jump in crude oil prices to \$5.12 a barrel, shattering traditional relationships with multi-national oil companies.

"It was the first move by member countries to exercise their sovereign right to determine the price of the natural resources," according to an official chronology published by the Organization of Petroleum Exporting Countries. "From this point on, OPEC assumed the power to consider and set prices unilaterally for its oil."

[Iran to press for output cut at OPEC meet](#)

TEHRAN, (AFP) – Iran said on Saturday that OPEC should cut oil output at its emergency meeting next week amid prospects of reduced demand in the face of the global economic slowdown, the state broadcaster reported.

"Iran's clear proposal for the OPEC emergency meeting is that crude supply should be reduced in proportion with demand," Iran's ambassador to the oil cartel, Mohammad Ali Khatibi, told the state broadcaster.

[Turkish Petroleum Wants Japan Cooperation to Develop Iraq Oil](#)

State-run Turkish Petroleum Corp. is urging major Japanese companies, including Nippon Oil Corp. and Mitsubishi Corp., to jointly develop the mostly untapped vast oil deposits in the Kurdish region of northern Iraq, the company's Chairman Mehmet Uysal said recently.

[Northeast paves way for climate crisis fix](#)

WASHINGTON — As Congress members struggle to find solutions to global warming, they are looking to 10 Northeast states for help.

Unwilling to wait for the slow-moving federal government to act, New York, Vermont, New Jersey, Delaware, Maryland and five other states have begun an historic experiment to fight climate change on their own.

[Earth, but not as we know it](#)

LONDON, England (CNN) -- Dr Jan Zalasiewicz is the author of "The Earth After Us -- What legacy will humans leave in the rocks?" His book examines what might remain of our civilization in the strata 100 million years from now, and how aliens might piece together the story of the planet and our brief but dramatic impact on it.

Comparing present day environmental change with perturbations back in the deep past has always interested Zalasiewicz, a lecturer in geology at the UK's University of Leicester. Here he imagines what distinctive traces humans might leave in the strata and how the past is improving our knowledge of climate change.

[Hunton to set up world's first green refinery](#)

The first "green refinery" will be built by Hunton Energy on the Texas Gulf Coast using an established technology that could revolutionise the way transportation fuels are made, said a report.

"Hunton Energy," states the The Houston Chronicle, "envisions a refinery with the capacity to convert 340,000 barrels per day of Canadian bitumen crude oil into clean-burning jet and diesel fuel.

[OPEC left to its own devices: Hedge fund redemptions lay bare the role in oil speculation](#)

Gone is the steady drone of peak-oil forecasts. Gone is the fear that we are in the pockets of "folks that don't like us very much." Prices are down at the pump, and talk radio has moved on, feasting now on banks, bailouts and rampant greed and corruption on Wall Street.

As the industrial world withdraws into a recessionary shell, it takes oil demand with it. China and India's insatiable thirst for oil looks meager now as factory output slows to a trickle.

But there's also been a rush of roving capital out of the market. According to the latest data from Hedge Fund Research, third-quarter hedge fund redemptions hit a record-high \$210 billion, spearheading an exodus wealth that burst one of the biggest commodities bubbles of all time.

[Oil's Drag on Russian Growth Poses Test for Putin](#)

MOSCOW -- The prospect of sharply lower prices for oil and other commodity exports - on top of plunging stock markets and a seized-up financial system -- threatens the economic recovery that's been a foundation of Vladimir Putin's rule in Russia.

[Canada diesel shortage seen lasting another month](#)

CALGARY, Alberta (Reuters) - A diesel fuel shortage that has left numerous Western Canadian retail outlets without supplies of the key transport fuel could last several more weeks as refineries undergo maintenance, industry officials and analysts said on Friday.

[Canada: Communities fuming](#)

Residents in a pair of northwest neighbourhoods are fuming after a nearby asphalt plant reverted back to using recycled oil as a fuel source, raising new concerns that thick, noxious clouds will once again shroud the communities.

[Canada's Sherritt Pulls Out of Oil Contract in Cuba](#)

Canadian energy company Sherritt cancelled its oil-production contract for Cuban waters of the Gulf of Mexico, saying it "wasn't worth continuing" operations in that area, Cuba state oil firm Cupet said.

[Khazanah warns of power shortage in Malaysia by 2012](#)

KUALA LUMPUR: There are "structural problems" with Malaysia's electricity industry that may result in a shortage of supply by 2011 or 2012.

n Government investment agency Khazanah Nasional Bhd managing director Tan Sri Azman Mokhtar said the whole industry structure needed to be reviewed.

[India: Citizens of Hyderabad demand drinking water](#)

HYDERABAD: The citizens of Hyderabad held a protest demonstration against prolonged power outages and acute drinking water shortage outside the Hyderabad Press Club on Friday.

[It's Time to Make Lemonade](#)

Imagine being 30, with \$150,000 in education debt and no job. Imagine your spouse is in the same boat. Your home mortgage is \$100,000 more than the current value of your home. And you have two young kids. Oh, wait. I don't have to imagine it. One of those 30-year-olds is related to me!

So, pick your poison—the worst financial collapse since the Great Depression, the energy crisis, global warming, or our dual-front war on terrorism. We'll get through it. And my commitment is to provide you with solid information and expert advice about how you can make the most of what you've got—how you can make The Best Life possible for you and those you love.

[Minnesota Nice Wood Recovery: Turning waste into energy](#)

They take the wood you don't want and haul it away. Free of charge.

The wood is turned into mulch and sold to District Energy in St. Paul.

“The idea was to go out and gather up enough supply that could be ground into mulch and sold to District Energy,” Fritz said. “We just recycle raw wood, we don't take processed or treated wood.”

[Michael T. Klare: The Crisis and the Environment](#)

Given the magnitude and scope of the current economic crisis, the world will no doubt experience a significant economic downturn — of what degree and duration, no one can say — profoundly affecting all aspects of U.S. and international society. Of the many areas that will be impacted by the downturn, the environment stands out in particular. It's closely tied to the tempo of resource consumption, and significant efforts to ameliorate environmental decline will prove very expensive and out of reach for already-stretched budgets. The question thus arises: Will the crisis be good or bad for the environment, especially with respect to global warming?

[How Do Experts Estimate The Size Of Oil And Gas Fields?](#)

Turkmenistan is in the news this week after confirming that its South Yolotan-Osman natural-gas field is among the five biggest in the world. That assertion is based on a survey done by an independent British firm.

Such estimates are of vital importance to energy-rich countries, as they cannot plan their national strategies without some idea of what resources they have. So how do surveyors determine how much wealth lies under their feet? And just how accurate are these estimations anyway?

[Petrochemical capacity to rise in Saudi Arabia](#)

(MENAFN - Khaleej Times) The Saudi petrochemical sector will witness a massive increase in capacity in the second half of 2008, securing the country's position as a global petrochemicals supplier, according to Business Monitor International's (BMI) latest Saudi Arabia Petrochemicals Report.

['Kenya can't enforce energy price control'](#)

Nairobi, Kenya - Kenyan consumers will continue to pay higher electricity charges, following the introduction of an inflation-related cost in the monthly electricity bills while the local pump prices of fuel are not expected to change soon.

Kenya's Energy Regulatory Commission (ERC), tasked with regulating the local energy market, said on Friday it lacked the requisite legislation to enforce price control, despite a government warning this week that it intended to enforce a fuel price cut.

[Nuclear cooperation with Pak 'not on table': US](#)

Describing the Indo-US civilian nuclear agreement as "unique" which cannot be replicated elsewhere as a model, the Bush administration has made it clear that Pakistan cannot be the beneficiary of a similar deal and no such cooperation with Islamabad is on the table.

[China to install two more nuclear power reactors in Pakistan](#)

Islamabad - Pakistan's foreign minister said on Saturday that China will help the country to build two more nuclear power reactors to overcome its energy crisis. An agreement was signed during President Asif Ali Zardari's recent visit to China, Shah Memhood Qureshi told a news conference in Islamabad.

[Minister directs PEPCO to avoid unscheduled loadshedding](#)

Islamabad — Federal Minister for Water and Power, Raja Pervez Ashraf has directed the PEPCO to devise a strategy to handle the prevailing energy crisis and asked to reduce load shedding duration. He further directed that there should be no unscheduled load shedding and warned the CEOs of DISCOs to place their system in order so that the existing state of affairs could be arrested prudently.

[Report: Federal Agencies of Two Minds on Freedom of Speech](#)

Federal agencies have inconsistent media policies when it comes to allowing scientists to share information with journalists, concludes a new study by the Union of Concerned Scientists.

The nonpartisan, nonprofit group issued a "report card" grading 15 federal agencies on their communication policies. Some agencies, it found, "stifle communication" even if their policies encourage free speech. Other agencies simply have weak policies regarding communication with the media.

[Credit crunch forces Canada oils to make cuts](#)

CALGARY, Alberta (Reuters) - EnCana Corp was first off the mark, warning earlier this week it plans to husband its cash next year, signaling the end of a spending boom among Canada's energy companies as the credit crunch forces them to live within its means.

The economic turmoil has pushed oil prices to less than half their July peak, lowered access to capital and cut the share prices of Canadian oil and gas producers across the board.

As a consequence, most of the sector is likely to hunker down during the current lean patch. Most Canadian oil companies will detail their 2009 spending plans later this year. Expect them to restrain drilling, slow expensive projects and to spend only cash raised from operations. That would help them avoid the need to search for expensive and increasingly scarce debt funding.

[Media-driven fear makes stocks cheap](#)

What about the "age of China" leading to the complete depletion of oil, copper, natural gas and nickel? Weren't we supposed to run out of food right about now? Wasn't potash supposed to become more expensive than gold? How about the "peak oil" stories? Where are all the "oil is going to \$200" screamers now?

Because of all these "experts," millions of naive Americans invested in stocks at the top of the supercycle, only to see 70% of their wealth evaporate. Many also invested in China, agriculture and other fads.

[Where did all of those oil speculators go?](#)

These wild fluctuations in price correspond with the theory of "peak oil" espoused by Ken Deffeyes of Princeton. The professor emeritus of geology theorized that the world would be hitting its peak in oil production a few years ago. It's not that we're running out of oil. We're just running out of cheap oil. So when demand accelerates, prices rise. When events such as the current recession depress demand, prices fall.

[Petrobras September Oil Production Rises to Record, Gas Climbs](#)

(Bloomberg) -- Petroleo Brasileiro SA, Brazil's state-controlled oil company, said its monthly oil production rose to a record 1.89 million barrels a day in September.

Petrobras, as the company is known, said late yesterday in an e-mailed statement that total daily domestic output in September increased 7.26 percent from a year earlier and 1 percent from August. Natural gas output rose 24 percent compared with a year-ago and was unchanged from August.

[Biofuel Makers Push to Boost the Amount of Ethanol Allowed in Gasoline to 20 Percent](#)

As presidential candidates Barack Obama and John McCain continue to push their plans to boost alternative energy, there is a growing but controversial effort by some biofuel advocates to increase the amount of ethanol that can be blended into a gallon of gasoline.

[Research team probes wind turbines effect on bat population](#)

SUMMIT -- One of the world's largest wind power owner-operators is making history here on one of the numerous ridges that comprise the Allegheny Mountains.

Some 65 miles southeast of Pittsburgh, in Somerset County, Iberdrola Renewables Inc. agreed to let an independent scientific team study the impact of turbines on the local bat population when the company's 10-month-old wind farm in Summit Township is temporarily shut down.

[US replaced more than twice 2007 gas used](#)

The US replaced more oil reserves than the country used in 2007 and added more than twice the amount of gas used that year, the US Energy Information Administration said Oct. 17.

The oil additions were the first in 4 years, and the gas additions set a record, the agency said.

Operators added 2 billion bbl of proved oil reserves in 2007, a year in which the country produced 1.7 billion bbl. They added 46.1 tcf of proved dry gas reserves while producing 19.5 tcf.

[Gas prices fall below \\$3](#)

NEW YORK (CNNMoney.com) -- Gasoline prices continued to slip, tumbling below \$3 a gallon for the first time in nearly nine months, according to a daily survey of credit card swipes released Saturday.

The average price of unleaded regular fell to \$2.99 a gallon, down four and nine-tenths of a cent, according to the Daily Fuel Gauge Report issued by motorist group AAA. Prices have fallen 30 cents in the last week and 84.4 cents, or 22%, in the last 30 days.

[Sour gas anger may be root of Canada pipe attacks](#)

VANCOUVER, British Columbia (Reuters) - The saboteur who attacked two pipelines in northeastern British Columbia in the past week is likely somebody who has been hurt by sour gas development, according to an author who has studied past attacks on Canada's energy infrastructure.

[China sees more than 50% decline in coal exports in September](#)

BEIJING (Xinhua) -- China's coal exports have kept declining since the beginning of the second half of this year, partly as a result of limits in export quotas.

[35 Yrs On, Calls For Lower Oil Imports Echo](#)

NEW YORK (Dow Jones)--Slashing oil imports from the Middle East is echoing as a catch phrase in the final weeks of the U.S. presidential election, even as volumes are on the rise. What's unsaid is that reducing such dependence won't bring lower prices.

In the first eight months of the year, crude oil imports from Persian Gulf members of the Organization of Petroleum Exporting Countries accounted for 24.5% of U.S. crude imports, compared with 20.8% in the year-ago period and the most since 2003, when the U.S. launched the war on Iraq, in which oil has emerged as a central theme. In a twist that shows the complexity of the issue, the increases come largely from Iraq and Saudi Arabia.

[A Great Time to Buy?](#)

Buy you ask? Yes. Not stocks, unless you're talking about oil. And unless you're the best of the best of traders you'll probably want to buy the oil trusts, but only if you believe in the peak oil story. Today? Not likely....at least wait until the next market crash, which appears to be coming any day now. And I highly doubt you're anywhere as good of a trader as you think.

[RBS says no credit pulled from Venezuela's PDVSA](#)

LONDON (Reuters) - Royal Bank of Scotland said on Saturday it has not pulled any lines of credit from Venezuela's state oil company PDVSA, denying a report it had withdrawn a \$5 billion facility.

U.S. business news channel CNBC reported late on Friday that RBS had eliminated a credit line to PDVSA, following similar reports in two small Venezuelan anti-government newspapers.

[OPEC eyeing 'sharp' production cut](#)

OPEC oil producers are leaning towards cutting production by 1-1.5 million barrels per day (bpd) at their Oct. 24 meeting, UAE state news agency WAM said on Friday, citing an OPEC source.

"An OPEC source expressed the belief that... a strong tendency among ministers at their meeting next Friday will be to carry out a sharp production cut of between one million and 1.5 million barrels per day from Nov. 1," WAM said in a report from Vienna, where OPEC's headquarters are located.

[OPEC sees \\$70-\\$90 as floor for oil prices - paper](#)

ALGIERS (Reuters) - OPEC oil producers see oil prices bottoming at \$70-\$90 per barrel, OPEC President Chakib Khelil was quoted as saying in Saturday's edition of Algerian daily El Watan.

[County will feel \\$25M MTA cuts](#)

The Maryland Transportation Authority has proposed cutting some commuter bus lines and MARC train service, including a bus that runs from Annapolis to New Carrollton Metrorail Station.

...The moves will save the state about \$25 million, as gasoline taxes, vehicle registration fees and other revenue sources continue to come in below expectations, said Jawauna Greene, an MTA spokesman.

[GM sends Hummer sales book to potential buyers](#)

DETROIT (Reuters) - General Motors Corp (GM.N) has sent a sales prospectus for Hummer to potential bidders as it scrambles to shore up its cash amid a sharp downturn in global auto sales.

The step to put Hummer up on the block and provide financial data to buyers comes four months after Chief Executive Rick Wagoner said GM would look to sell the military-derived SUV brand that had become an emblem of gas-guzzling excess for many consumers.

[State, feds investigate rupture of gas line](#)

ALASKA - The state has asked federal regulators to help investigate the rupture of a natural gas pipeline late last month in the Prudhoe Bay oil field.

The rupture was violent, causing the steel pipe to break apart and sending a piece flying across the tundra. No one was hurt in the Sept. 29 incident.

[Alaska: Weather thwarts fuel run](#)

Early freeze-up on the Kuskokwim River has left the village of Kwethluk without diesel fuel needed for the winter after two runs by fuel barges failed this week to get through thickening river slush to the community.

An emergency declaration was adopted Thursday in Kwethluk at a joint meeting of the city council, tribal council and village corporation. Kwethluk is seeking state and federal financial help, warning that its 800 residents face loss of electricity and exposure to extreme cold in another month.

[Amid green energy euphoria, some solar concerns](#)

SAN DIEGO (Reuters) - Matt Cheney said he felt like the boy who cries "The emperor has no clothes," during this week's Solar Power International conference in San Diego.

Talk from industry executives featured a rosy future for solar power, despite worldwide recession fears.

"Hey, didn't anybody around here notice the dive the markets took last week?" said Cheney, the CEO of MMA Renewable Ventures, which builds solar power plants.

[First world must help poor nations on climate change](#)

MANILA (AFP) – Developed countries are obligated to help poorer nations cope with disasters that may be exacerbated by climate change, a UN-sponsored gathering of legislators in the Philippines said Saturday.

[MBA's face up to the cold, hard facts about global warming](#)

Climate change students are shocked and depressed by what they learn, but business can also influence the outcome.



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