



DrumBeat: October 30, 2008

Posted by [Leanan](#) on October 30, 2008 - 9:32am

Topic: [Miscellaneous](#)

[The Peak Oil Crisis: A Steepening Slope](#)

At the minute, the oil and other commodity markets seem seized with the notion that a rip-roaring, world engulfing depression is on the way that will demolish oil consumption. People are actually starting to talk about oil falling all the way to \$20 a barrel again. Is this likely or even remotely possible?

Start with the International Energy Agency, which is still forecasting that worldwide demand for oil will grow during 2008 and 2009. They have of course reduced their growth estimates in the last six months, but they still are talking about actual growth in world consumption - not declines.

In thinking about who might slow their use of oil in the world these days, let's start with the oil exporting countries as this is where consumption has been growing the fastest. Most of these sell their oil products domestically at discounts, some substantial, to world prices. Their foreign exchange earnings are obviously hurting from much lower prices at the minute and they are starting to talk about slowing economic development projects, but there certainly has been no sign of lower domestic consumption for now.

Oil consumption is so ubiquitous today that, somewhere, oil is used by people in all walks of life - from multi-billionaires to those who are just getting by. As hard economic times descend, it is obvious that people at the bottom of the economic scale will stop consuming oil first. Reduced consumption then will climb right on up through the several billion of us who are at least moderate oil consumers until we get to those who are so rich there is almost no price that would force them to lower their consumption.

[Britain's Brown Heads for Gulf to Seek Bailout Plan Support](#)

LONDON - British Prime Minister Gordon Brown embarks on a mini-tour of oil-rich Gulf states on Saturday, but could struggle to win support for his plan to boost funds available to nations hit by global economic chaos.

Brown will head to Saudi Arabia, the United Arab Emirates and Qatar in a four-day visit and is likely argue to that Gulf states should be among the biggest donors to an expanded International Monetary Fund (IMF) bailout scheme.

"It's the countries that have got substantial reserves, the oil-rich countries and others

who are going to be the biggest contributors to this fund,” Brown said before the trip, adding he also wanted China to contribute.

[‘The Low Energy Price Age Is Over’](#)

Mr. de Margerie said that when oil prices bounce back, they could reach unprecedented levels, making it wise for investors to keep investing in alternatives.

“Do we stop being clean because of this crisis?” asked Mr. de Margerie. Prices for oil could climb “to the sky,” he warned, and waiting to invest in low-carbon energy projects could triple their cost.

[OPEC likely to cut production again: Venezuela](#)

CARACAS: Venezuela said the Organization of Petroleum Exporting Countries will soon need to make another production cut to boost falling oil prices.

Oil Minister Rafael Ramirez estimates the 13-member cartel will need to cut production by at least 1 million barrels per day.

[Central Asia and the financial crisis: After the boom](#)

FOR almost a decade, oil-rich Kazakhstan has been the economic engine of Central Asia. Since 2000 its GDP has grown by an annual average of around 10%. But now the global financial crisis is taking its toll and the Kazakhstani motor is spluttering. In 2008 the economy is expected to grow by just 5%, which sounds healthy but is still a wrenching slowdown.

Kazakhstani officials were long in denial about the crisis. But in mid-October President Nursultan Nazarbayev announced a series of measures to deal with it. Since then, the government, criticised for inaction, has gone into overdrive. Mr Nazarbayev has given Karim Massimov, the prime minister, a free hand to take any steps necessary to stabilise the economy. Mr Massimov has taken on the job with relish, declaring almost daily that everything is under control.

[ONGC Profit Unexpectedly Declines as Subsidy Triples](#)

(Bloomberg) -- Oil & Natural Gas Corp., India's biggest explorer, reported an unexpected drop in second-quarter profit after it was forced by the government to sell crude to state-owned refiners at below market rates.

[Brazil oil delays may cause industry exodus, Maersk oil says](#)

A lack of new Brazilian offshore exploration leases and delays defining rules for future rights sales may prompt foreign energy companies to leave the country, Jorg Pigaht, Maersk Oil's Brazil chief, said.

[Russia says Rosneft, LUKOIL break competition laws](#)

MOSCOW (Reuters) - Russia's anti-trust watchdog, known as FAS, said on Thursday that the Russian oil firms Rosneft and LUKOIL have broken competition laws on the domestic product market.

State-controlled Rosneft, which is the largest oil firm in the country, and no. 2 oil privately-owned oil company LUKOIL have abused dominant positions on the wholesale market of oil products, such as diesel, jet and fuel oil, FAS said.

[Gazprom, Eni, Enel agree to develop Russian assets](#)

MOSCOW (RIA Novosti) - Gazprom, Italian electricity company Eni, and oil and gas giant Enel have agreed to develop Italian assets in Russia, the Russian energy giant said on Thursday.

[Richard Heinberg: Go Develop Yourself](#)

In a recent commentary I suggested that, due to the confluence of the unfolding economic crisis and Peak Oil, we have now seen the last of aggregate world economic growth—forever—if the word “growth” is conventionally defined. So far no one else seems to have taken up this idea. So, in forthcoming commentaries, I will seek to sort out the evidence that might confirm or disconfirm the notion, and also unpack some of its implications.

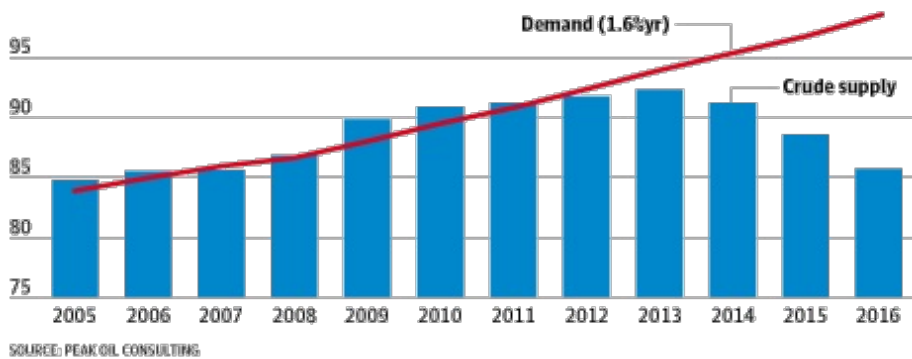
Today I am somewhat exercised by a spate of recent articles that suggest the financial collapse may cause “developed” countries to forgo promised aid packages (i.e., loans) to “developing” ones.

For many years I have resisted using the language of “development,” as the term can mean so many things. At its base, it is a metaphor for industrialization, if it is first assumed that industrialism is the goal and destiny of all human societies. Those that are already industrialized are “developed,” while those that aren’t are “developing.”

However, if (as I believe is the case) industrialization was a consequence of the brief historical period of fossil fuel consumption, then it is not the destiny of all societies, and may not survive for long in any of them.

[UK will face peak oil crisis within five years, report warns](#)**Supply and demand**

Global oil supply versus projected demand in a best-case analysis



The "peak oil" debate has raged for many years. Some governments and oil companies believe that crude oil production will meet rising demand for decades to come. But an increasingly vocal group - including many experts from within the oil industry - claim that a production peak is imminent.

The new report marks the first time a group of businesses has weighed into this debate. At its core are two newly commissioned assessments of future oil production: one from Chris Skrebowski, consulting editor of Petroleum Review, and one from Shell.

[Jeremy Leggett: Peak oil](#) (audio)

Now to the supply of oil, which affects us all just as much as the economic meltdown. A report from a British Industry Taskforce is due to be released tonight, which predicts a premature peak in oil production will arrive much earlier than expected. But if this task force is correct, peak oil not only poses further risk to the global economy but will have enormous repercussions on food production, energy supply, transportation -- in fact most aspects of modern life.

[Oil's stunning retreat: How long can it last?](#)

NEW YORK: After surging to record levels this summer, oil prices have suffered a dizzying collapse in recent months, echoing the darkening prospects of the global economy.

...While consumers can cheer the drop, producers have been alarmed at the sudden downturn in their fortunes. Fears of a global slowdown have kicked off a down cycle in the oil sector: It is unclear how long it will last and how low prices will go.

As oil gets caught in the wild gyrations of the financial meltdown, three major questions

loom over the oil markets for next year.

What will happen to oil consumption in the United States and in China? How will producers respond to lower prices? Can the oil cartel OPEC stop the slide in prices?

[Mexico's Pemex Reports \\$1.3B 3Q Net Loss](#)

Mexican state oil firm Petroleos Mexicanos reported a net loss of \$1.3 billion during the third quarter of this year.

In a Tuesday filing to the Mexican Stock Exchange attributed the poor results to exchange rate losses. Pemex reported at \$1.2 billion loss during the year-ago period.

[First Solar jumps into residential rooftop market](#)

In a move that will bring thin-film solar panels to the U.S. residential market, First Solar has signed a deal to provide installer SolarCity with 100 megawatts' worth of solar arrays over the next five years. First Solar is also investing \$25 million into SolarCity, the Silicon Valley startup backed by Tesla Motors founder Elon Musk.

This is First Solar's initial foray into the home market — and apparently the first of any thin-film solar module maker. Thin-film solar panels are made by depositing solar cells on sheets of glass or flexible material and use little of the expensive silicon that forms the heart of more bulky conventional solar modules. That makes thin-film panels cheaper, although they are less efficient at converting sunlight into electricity. And thin is in for homeowners who prefer less-obtrusive panels on their roofs.

[Oil-Price Rebound Could Be Severe](#)

The slump in oil prices has spread relief among consumers and fuel-reliant industries, but also is squeezing the companies who could invest in new sources of oil -- spurring concerns that prices will prompt them to shelve investments.

Industry executives warn that could mean the world will face a dramatic ramping up of prices as soon as the global economy, and demand, begins to rebound.

"Low oil prices are very dangerous for the world economy," said Mohamed Bin Dhaen Al Hamli, the United Arab Emirates' energy minister, speaking Tuesday at an oil-industry conference in London. "We need an adequate and reasonable oil price that will continue to stimulate investment." With prices now languishing, he said, "a lot of projects that are in the pipeline are going to be reassessed."

[Richard Heinberg: Nine Percent](#)

The Financial Times has leaked the results of the International Energy Agency's long-awaited study of the depletion profiles of the world's 400 largest oilfields, indicating that, "Without extra investment to raise production, the natural annual rate of output decline is 9.1 per cent."

This is a stunning figure.

[Exxon Mobil: Biggest profit in U.S. history](#)

NEW YORK (CNNMoney.com) -- Exxon Mobil Corp. set a quarterly profit record for a U.S. company Thursday, surging past analyst estimates.

Exxon Mobil, the leading U.S. oil company, said its third-quarter net profit was \$14.83 billion, or \$2.86 per share, up from \$9.41 billion, or \$1.70, a year earlier. That profit included \$1.45 billion in special items.

[MEXICO: Oil Reforms Leave State in the Red](#)

MEXICO CITY (IPS) - The oil industry reforms approved by the Mexican Congress and applauded by the government and most of the country's parties, with the exception of factions on the left and part of the business community, will deprive the state of a source of funding that currently finances 40 percent of the public budget.

"Good for the oil industry, which will now have more funds, but the lack of an alternative source of financing for the state is very worrisome," Roberto Gutiérrez, an expert on energy issues at the Autonomous Metropolitan University (UAM), told IPS.

[No More Urban Hype](#)

Just months ago, urban revivalists could see the rosy dawn of a new era for America's cities. With rising gas prices and soaring foreclosures hitting the long-despised hinterland, urban boosters and their media clique were proclaiming suburbia home to, as the Atlantic put it, "the next slums." Time magazine, the Financial Times, CNN and, of course, The New York Times all embraced the notion of a new urban epoch.

Yet in one of those ironies that markets play on hypesters, the mortgage crisis is now puncturing the urbanists' bubble. The mortgage meltdown that first singled the suburbs and exurbs, after all, was largely financed by Wall Street, the hedge funds, the investment banks, insurers and the rest of the highly city-centric top of the paper food chain.

[Over 70 Nobel Science Laureates Endorse Obama](#)

It's no secret that, to many of his critics, George W. Bush hasn't exactly been the "science and technology president."

From stem-cell research to global warming to evolution, Bush and his allies have displayed a decidedly anti-science attitude, according to critics. Moreover, faced with the energy crisis, Bush and his allies have refused to make major investments in the technology needed to wean our country off fossil fuels and move to an economy powered by renewable energy sources.

[300 steel mills burning tyres](#)

LAHORE: Around 300 steel mills in the city are increasingly burning used tyres as fuel, releasing toxic smoke into the environment, it was learnt on Wednesday.

The mills have resorted to using tyres as fuel following the shortage of natural gas.

[Dirty Traditional Energy Sources Outweigh Clean Alternatives](#)

Gas prices have dropped. Some state utilities have lowered the cost of heating oil for this winter. And recently permitted nuclear and coal-fired plants will keep the state out of a projected "energy deficit."

But not so fast, says state Danny Verdin, R-Laurens and chairman of the Senate Agriculture and Natural Resources Committee. "Inflation in energy costs will come faster and faster over the next 15 years," Verdin says. "We're being told that we're just two years into steep fuel cost increases; we're already a year into steep food prices inflation."

As a result, Verdin says his committee and his colleagues in the General Assembly have been looking for a solution to a pending energy crisis, but that a magic bullet hasn't presented itself.

[People Still Have to Eat: *Many restaurants will weather a bad economy just fine*](#)

To start with, more and more women have joined the workforce over the years. Thus, in most families, no one regularly has the time to shop, cook and clean up afterwards. Second, our tax laws continue to favor eating out for business. Last, the Immigration Act of 1965 led to a diversification of inexpensive, ethnic cuisines. Today roughly 50% of all meals consumed around the U.S. are prepared outside the home.

As a result, we've witnessed the exponential growth of what we call Better Alternative

to Home (BATH) restaurants -- casual, modestly priced eateries (pasta-rias, burger joints, BBQs, upscale diners, noodle shops and myriad ethnic places) as well as family dining chains. These restaurants buy wholesale and produce meals far more efficiently than home cooks.

[Surprise: Lean times may actually make you fat](#)

Tough times inspire belt-tightening, or so the popular notion goes, but scientists who study public health say they're worried that a slumping economy will make American waistlines wider than ever.

Rising unemployment, higher food prices and dwindling savings may exacerbate the nation's obesity problem, sending already high rates ballooning as consumers turn to cheaper, less healthful choices ranging from boxed mac 'n' cheese to fast-food dollar menus.

[A Solar Gold Rush Is Spreading From California to New Jersey](#)

With new solar-powered movie theaters and factories, the solar industry is exploding. But how far can it take us toward a clean energy future?

[As Gas Prices Go Down, Driving Goes Up](#)

The sharp decline in gasoline use earlier this year — with volume down nearly 10 percent in some weeks — suggested to many people, including the automobile companies, that a permanent change in American habits might be at hand. But with gasoline prices falling drastically in recent weeks, some American drivers are returning to their old ways.

...Lawrence J. Goldstein, a director of the Energy Policy Research Foundation, said that what happened over the summer "was not demand destruction but demand reduction, which is largely reversible." He added, "The sharp price increases did not happen long enough to permanently affect behavioral decisions."

[Chevron Project Offers Glimpse Of Future: More Work, Less Oil](#)

RIO DE JANEIRO -- Chevron Corp. executive Ali Moshiri spent the past seven years scouring the globe for hard-to-get equipment, schmoozing foreign officials and taking billion-dollar risks to fast-track a new oil prospect off the coast of Brazil.

Despite the full-out effort, Mr. Moshiri concedes Chevron's \$3 billion Frade (pronounced Frah-jay) project is a mediocre prospect compared with the huge pools of easy-to-get oil

the company has tapped in the past. Even if it fulfills its greatest promise, the deep-water oil field will contribute only a trickle to the global river of petroleum. And Frade, whose first well is now being drilled, could still fail to deliver enough oil to make all the effort worthwhile.

[Oil's Dropped, but Price Contracts Haven't](#)

As oil prices were spiking in July, Southwest Airlines chief executive Gary C. Kelly told a conference that his company was "very well prepared to weather the storm" and "prepared for \$4 jet fuel." But it turned out that what Southwest wasn't ready for was \$2 jet fuel.

Famous for its ability to play the oil markets to lock in low fuel costs, Southwest made some bad bets in late spring and summer. Now, it's paying a heavy price just when it should be celebrating lower costs. A \$189 million loss on fuel contracts put the company in the red for the first time in 17 years.

Southwest isn't alone. Though plunging oil prices have been a silver lining for the ailing economy, many companies are still covering high costs they locked in months or weeks ago.

[An Interview With the World's Top Commodity Investor](#)

Porter Stansberry: That all makes sense to me. I don't know what side of the fence you come down on in terms of "Peak Oil" but I think a lot of the evidence for Peak Oil has been actually created by the mal-investment of the state oil companies.

Rick Rule: I think that's absolutely true. I think Peak Oil – at least from my point of view at age 55 – is an economic rather than a geological function. You'll notice gasoline prices are falling and storage numbers are rising. And the politicians are sort of flummoxed as to how that happened. Well, it happened because markets worked. People could afford less of it at \$4, than they could at \$1. And you know, from an economic point of view, this makes sense. From an economic point of view, Peak Oil is a function of price in the near term, not geology.

[Credit crunch may hit Aramco](#)

DUBAI - Saudi Aramco expects the global credit crunch to affect joint-financing projects in transportation, distribution and refining areas, a senior company official said.

...“In reality, financing these gigantic projects by borrowing from international credit institutions which are suffering from a shortage of funds poses a great challenge,” Abu Al-Aynain said.

[Wind Farm's Future Under Uncertain Economic Times](#)

One of the largest, is T. Boone Pickens, Mesa Power project outside of Pampa.

The original proposal of 4,000 megawatts, may not turn out to be as big because of the stock market.

[Climate-warming methane levels rose fast in 2007](#)

WASHINGTON (Reuters) - Levels of climate-warming methane -- a greenhouse gas 25 times as potent as carbon dioxide -- rose abruptly in Earth's atmosphere last year, and scientists who reported the change don't know why it occurred.

Methane, the primary component of natural gas, has more than doubled in the atmosphere since pre-industrial times, but stayed largely stable over the last decade or so before rising in 2007, researchers said on Wednesday.

This stability led scientists to believe that the emissions of methane, from natural sources like cows, sheep and wetlands, as well as from human activities like coal and gas production, were balanced by the destruction of methane in the atmosphere.

But that balance was upset starting early last year, releasing millions of metric tonnes more methane into the air, the scientists wrote in the *Geophysical Research Letters*.

[Q&A: Andrew C. Revkin](#)

Mother Jones: How does "whiplash coverage" of global warming damage people's understanding of the science?

Andrew C. Revkin: It's one of the many reasons this issue hasn't grabbed hold of people in a concrete way. The aspects of global warming that matter most to people—how rapidly will the seas rise? Are hurricanes already getting stronger? How strong will they get as a result of warming?—those are still immersed in complexity. So in those realms that catch people's attention most, or that get used as symbols by environmental campaigners, those facets really do come with significant back-and-forthing. Early stage science always has these disputes, and they're normal. You've heard a lot about the deniers and the professional campaign to muddy the waters and highlight uncertainty—that's another factor, but this is perhaps even more profound because it's deeper and not a function of some campaign. It's just reality. For the average person who's not attuned to the rhythms of science it just looks like one thing: "Oh, they're questioning aspects of global warming. I don't have to worry."

[Eastern Europe looks to nuclear revival to meet its power needs](#)

BERLIN: From the Baltic to Bulgaria, governments in Eastern Europe are increasingly looking toward a revival of nuclear power generation to meet growing energy demand.

The renewed interest in nuclear energy in a region that has been under intense pressure from the European Union to close unsafe older-generation plants coincides with a lively debate in several West European countries, in which governments seek cleaner energy options to combat climate change.

[The Oil Crunch: Securing the UK's energy future](#) (PDF)

There isn't any shortage of oil, but there is a real shortage of the cheap oil that for too long we have taken for granted. During the 20th century, cheap oil - \$20 - 30/barrel in today's terms - allowed the internal combustion engine to replace the steam engine and sparked a transport revolution that fostered and fed the innate human desire to travel. We loved it.

By the middle of the century warning bells began to ring and some such as King Hubbert began to point out that world oil was a finite resource and furthermore that it was possible to estimate how much remained. At the time Hubbert was regarded by many as a crank and the industry line was that new discoveries would continue to replace what had been used. We now know differently.

A great deal more oil has been discovered since Hubbert's day but his basic thesis still holds. The difference is that today, with more exploration and more sophisticated exploration tools, we know the Earth much better and it is pretty clear that there is not much chance of finding any significant quantity of new cheap oil. Any new or unconventional oil is going to be expensive.

(If the link doesn't work, go in through the [front page](#).)

[Oil shortage "bigger threat to UK than terrorism"](#)

A global shortage of oil within five years poses a bigger threat to the UK than terrorism, an industry group has warned.

It will also see prices soar to far higher levels than the \$147 a barrel peak of July, which saw the country's motorists paying 119.7 pence a litre for petrol.

[Rise and fall](#)

A peak oil timeline.

[Oil rises above \\$69 on weak dollar, market rally](#)

KUALA LUMPUR, Malaysia – Oil prices climbed above \$69 a barrel in Asia Thursday, steadily extending gains as the dollar tumbled and stock markets in the region rallied after the U.S. Federal Reserve cut interest rates to boost the world's largest economy.

[TNK-BP CEO says Russia oil output likely peaked](#)

LONDON (AP) -- Robert Dudley, chief executive of oil company TNK-BP, said Wednesday that Russia's oil production has likely reached its peak and is now headed for a slow decline, due in part to lack of investment.

Dudley, who will leave TNK-BP in early December after a long-running dispute between shareholders of the Anglo-Russian joint venture, said oil production had probably touched a high in August.

"There isn't going to be a precipitous decline. It's very mature oil fields and there'll probably be a gentle decline as we move on," Dudley told reporters on the sidelines of the annual Oil and Money conference in London.

"But I believe we are ... at the top of a broad curve or cycle right now until other things happen."

[Russia pushes an 'OPEC' for natural-gas nations](#)

For Russia, which blames the US for causing the current global financial crisis and the attendant collapse of oil and other commodity prices, forging new energy-based international relationships holds political promise. "There is a clear desire in Moscow to work toward breaking what it perceives as US dominance of the world economy, but it's way too soon to predict where this global crisis is leading," says Masha Lipman, an expert with the Carnegie Center in Moscow. "If the US should really go into decline, I suppose we shall see new groups of states, and new contenders, come forward."

As global energy prices plunge, cooperating with the Organization of Petroleum Exporting Countries (OPEC) to stabilize markets has gained fresh traction in the Kremlin while the long-discussed idea of creating a "gas OPEC" of leading producers is suddenly getting a big push from Moscow.

[Mexican energy reforms still keep oil giants shut out](#)

WASHINGTON — Mexican lawmakers' decision Tuesday to revamp the country's oil and natural gas law will provide some new flexibility for oil field service companies doing business there but will keep the door shut on foreign oil companies eager to explore in

the crude-rich nation.

“For international oil companies, this does not change the Mexican situation at all,” said RoseAnne Franco, lead analyst for PFC Energy in Washington.

[Further delay to start-up of North Sea development](#)

Canadian energy group Nexen yesterday announced a further delay to first output from the Ettrick field development in the North Sea.

Nexen said a leased floating production, storage and offloading (FPSO) vessel would not now be delivered until December following previous delays because of third-party labour shortages at a construction yard in Singapore.

Nexen said the latest hitch was the result of commissioning delays for the FPSO, whose late arrival means production from Ettrick has been postponed until “early 2009”.

[Shell Postpones Athabasca Oil-Sands Decision on Higher Costs](#)

(Bloomberg) -- Royal Dutch Shell Plc, Europe's largest oil producer, postponed an investment decision on expanding its Athabasca oil-sands project in Canada because of rising costs.

[Supply and Demand Have Little Relevance in Commodities Prices](#)

The oil run-up of last year bothered me a great deal. So I decided to make an effort to make sense of it. Back then everybody was talking about supply and demand, peak-oil production, Saudi Arabia's exaggerated oil reserve, etc. etc. But I couldn't understand how these slow-moving variables could possibly cause the insanely fast-moving price. Then I read about how a new breed of speculators have joined the market and driven up price. That makes perfect sense, but just as explaining why water boils by saying the temperature is 100C -- it provides absolutely no information. Why did those speculators all of a sudden swamp into commodities?

Then it hit me. The real negative interest rate. When the real interest rate is negative, it doesn't make economic sense to hold cash. Real assets that people need have a much better chance of holding value through inflation. (I know, I can't be even the millionth one realizing this.) With real estate out of the question last year, commodities was a logical place to park your money. And it's a self-fulfilling proposition and yet another positive feedback -- the higher the commodities price, the higher the inflation pressure, and therefore the higher the commodities price...ad nauseam.

[Gazprom CEO says foreign cash available - paper](#)

VIENNA (Reuters) - Russian gas export monopoly Gazprom is not worried by its financial position and can use more credit lines from foreign banks if needed, its chief executive was quoted as saying on Thursday.

"Like everyone else, we have felt the effects of the global financial market crisis," CEO Alexei Miller told Austrian daily Die Presse in an interview.

"But we are not worried about our financial position or our ability to use new credit lines from foreign banks. For us the state help is above all a safety net and that should reassure our shareholders."

[Oil giants try to polish image before latest gusher](#)

African children smile for the camera, a youngster sips pink medicine from a spoon and a doctor explains his part in a venture to fight malaria, the No. 1 killer on the continent. It's an effort, he says, that will help save hundreds of thousands of lives.

The images look like something out of a health documentary, but it's a commercial for oil giant Exxon Mobil, for which the doctor is medical-projects director.

[Fourth Chinese hostage found dead in Sudan](#)

KHARTOUM (AFP) – The body of a fourth Chinese hostage was found in Sudan on Wednesday as two local staff for a Yemeni company were shot dead, exacerbating fears of growing insecurity for the country's oil industry.

The recovery of the Chinese oil worker, one of a group of nine snatched in central Sudan 11 days ago, confirms Beijing's official death toll of four, although the circumstances of their killings remain murky.

[India plays at Russian Imperial roulette](#)

MOSCOW - India's Minister of Petroleum and Natural Gas Murli Deora was to have been in Moscow last week to urge approval of a controversial plan to put 1.4 billion pounds sterling (US\$2.43 billion) into a London-listed company called Imperial Energy Corporation. Questions the deal raises include why Imperial, why so much, and why was the visit delayed?

Imperial's oil deposits in the Tomsk region of Siberia are years from full production, its current operations are loss-making, and its oil, when it finally is lifted, will either be refined in Russia or be exported by pipeline to China.

[Syrian riot police form ring around US Embassy](#)

DAMASCUS, Syria – Tens of thousands of Syrians turned out Thursday for a massive government-orchestrated protest against a deadly U.S. raid near the Iraqi border.

A mile away, hundreds of Syrian riot police formed a protective ring around the closed U.S. Embassy, but the flag-waving crowds dispersed peacefully after a couple of hours later, with students heading to schools and employees to work.

['We're not going to win this war'](#)

All the indications are that the US military and foreign policy establishment has already abandoned the ambitious neo-conservative objective of crushing the Taliban and remaking Afghanistan as a functioning democracy.

America's Afghanistan policy is falling into the hands of the realists, whose highest priority is maintaining a tractable and viable client in Kabul, keeping Afghanistan securely inside the US sphere of interest, holding on to a key chess piece in Central Asia's "great game" of energy resources and pipeline infrastructure, and offering the Pentagon another basing option to bedevil Russia and Iran.

[Oil-rich, remote and difficult](#)

As rich countries poured billions of dollars into bank bailouts, China quietly announced plans last month to invest \$100bn building roads and railways to open up remote central Asia to the rest of the world. More than 20,000km of rail track will be built in the coming decade to bring Chinese goods into central Asia and carry back oil and metals to China.

Reaching out towards Russia, Europe, Iran and Pakistan, the railways will create a modern equivalent of the region's ancient Silk Road.

[Leary: Oil Prices Slipping? Hurry Moscow Call Our Strategic Petroleum Reserve Maven Energy Secretary Bodman](#)

The Russians, perhaps a little reluctant to jump into the OPEC pool with both feet have come up with a better idea. And here, Secretary Bodman you and your staff and all those good folks at the White House can play a role which, in the old days, would have been attributed in the European parlance of another time as help from the "Onkel aus Amerika". You see the Russians have this concept that they can support oil prices by, yes you guessed it, diverting part of their production to a national petroleum reserve with the purpose of limiting oil supply on global markets. A concept being put forward

with the weighty support of Russia's deputy prime minister Igor Sechin.

And who knows better about national petroleum reserves (here known as the "Strategic Petroleum Reserve") and their impact on prices than our own administration who for years has been taking millions of barrels off the market and pouring them into salt caverns willy nilly while oil prices were going through the roof leaping some 700 percent. A program that continued in such unabated excess that it literally took an act of Congress to get them to desist.

[US natural gas use to rise under next president](#)

Some in the industry see some differences in the candidates' attitudes toward natural gas.

"Any introduction of greenhouse gas legislation is going to create demand for natural gas because there are very limited ways to meet the targets," said Dean Girdis, president of Downeast LNG. "In that respect maybe Obama is better for gas because he is going to have more stringent adherence to climate control mechanisms because of the desire to meet support to slow down coal power production," he added.

Still, some analysts said the oil and gas industry is more comfortable with McCain's policies of increased drilling.

[Palin calls for break from Bush energy policy](#)

TOLEDO, Ohio – Republican vice presidential candidate Sarah Palin called Wednesday for a "clean break" from the Bush administration's energy policies, which she says rely too much on importing foreign oil.

In her second policy speech in a week, the Alaska governor said the recent drop in gas and oil prices shouldn't deter consumers and lawmakers from seeking alternative energy sources. She cast energy independence as a national security issue and said dependence on Middle East oil leaves the U.S. more vulnerable to terrorists.

[Renewable energy debuts on ballots](#)

Three states — California, Colorado and Missouri — have measures on their ballots that deal with alternative energy sources, including wind and solar power. "This is a fairly new issue to the ballot," says Jennie Drage Bowser, who has been tracking ballot measures for more than a decade at the National Conference of State Legislatures. "It's a direct response to the demand for energy independence and the rising cost of energy."

[How Parked Cars Could Power the Future](#)

Imagine running a parking meter backwards and actually being paid to park your car. Along those lines, electric vehicles might one day make money for their owners by providing electrical storage for the nation's power grid.

The monthly income could add up to a lot more than what you pay for a big-city parking ticket and many moving violations.

[Fatalities on the rise in vehicle-animal crashes](#)

WASHINGTON – Fatalities from vehicle crashes with deer and other animals have more than doubled over the last 15 years, according to a new study by an auto insurance-funded highway safety group that cites urban sprawl overlapping into deer habitat.

[One-third of world fish catch used for animal feed](#)

WASHINGTON (Reuters) - One-third of the world's ocean fish catch is ground up for animal feed, a potential problem for marine ecosystems and a waste of a resource that could directly nourish humans, scientists said on Wednesday.

The fish being used to feed pigs, chickens and farm-raised fish are often thought of as bait, including anchovies, sardines, menhaden and other small- to medium-sized species, researchers wrote in a study to be published in November in the Annual Review of Environment and Resources.

[In Brazil, Biofuels Dream Is Already Reality](#)

The problems confronting the U.S. industry stand in sharp contrast to the experience of the world's other major ethanol producer -- Brazil. Together, Brazil and the United States lead a rising market, poised to produce a record 16 billion gallons this year. Yet biofuels have gained the kind of mainstream acceptance in Brazil that Grassley can still only hope for in the United States.

That is partly because the Brazilians have come far closer to achieving the ultimate promise of biofuels -- the generation of a greener, cheaper alternative to gasoline. Production methods in Brazil are considered the world's most efficient, helping make ethanol commercially viable for the masses. From the Amazon region to their country's deep south, Brazilians now consume more ethanol than gas at the pumps.

[Ethanol's environmental advantage over petrol confirmed by US study](#)

The Illinois Corn Growers Association (ICGA), US, has unveiled the results of two studies this week that confirm ethanol can grow substantially without affecting the food or feed sectors' supply of corn and that the carbon footprint of ethanol is less than that of gasoline.

[Betting on Green](#)

Falling oil prices mean tough times for renewable energy, but experts expect the industry to bounce back.

[Less grass, less gas, says cattle researcher](#)

WINNIPEG -- A University of Manitoba scientist says he's figured out how to cut the amount of greenhouse gas belching from cows by as much as 200 litres a day -- feed them grain instead of grass.

[Royal Society to research potential of geo-engineering to limit global warming](#)

The Royal Society has announced plans today to study which planetary-scale geo-engineering techniques might play a practical role in stemming the worst impacts of climate change.

Geo-engineering includes everything from placing mirrors in space that reflect sunlight from the Earth to seeding the oceans with iron to encourage the growth of algae that can soak up atmospheric carbon dioxide. The Royal Society study will look at which techniques might be feasible to carry out and what their impacts or unintended consequences might be on society.

[“Post 2012” strikes fear in carbon market players](#)

No pun intended but for the world's carbon community, times are looking a little black.

The global financial crisis, or GFC as it is being called this week during Australia's largest ever carbon market gathering, is deeply troubling many participants. But a larger, more worrying issue remains “post 2012”.

This is when the Clean Development Mechanism under the current phase of the U.N. Kyoto Protocol runs out, along with the hundreds of CDM projects already approved and the 3,000 still awaiting approval by a U.N. board.



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