



DrumBeat: November 17, 2008

Posted by [Leanan](#) on November 17, 2008 - 9:33am

Topic: [Miscellaneous](#)

[EIA: OPEC 10 Month Oil Export Revenue +32% On Full-Year 2007](#)

NEW YORK -(Dow Jones)- OPEC has earned an estimated \$884 billion on oil exports in the first 10 months of 2008, or 32% more than it earned in all of 2007, the U.S. Energy Information Administration projected.

For all of 2008, EIA expects OPEC to earn a record \$979 billion, a rise of 46% , or \$309 billion more than in 2007, when revenues rose by 10%. Although the percentage rise in 2008 would be the biggest since a 51.5% gain in 2005, the collapse in oil prices in recent months has slashed earlier forecasts on the size of the increase.

[Buffett: First oil, then what?](#)

Warren Buffett's reputation as the world's greatest living investor has been challenged recently, and the Oracle of Omaha's latest filing with the Securities and Exchange Commission is unlikely to heal the damage. Between March and September, Mr. Buffett's Berkshire Hathaway Inc. quadrupled its stake in ConocoPhillips Co. – an oil producer whose share price has been cut in half since June, along with the price of crude oil.

[For the Earth to live, capitalism must die](#)

Under the best of circumstances the global economy and the global system of dominance that rests on it will run into limits it cannot transform -- so that it cannot continue until the point that the global ecosystem -- life itself -- collapses all around us and within us. In the best case scenario, peak oil will prove just such a limit, a limit that sinks the system of production and destruction to such a degree that it prevents it from resurrecting itself.

[International Energy Agency Acknowledges 'Patently Unsustainable' Trends in Global Energy Supply and Consumption](#)

DENVER /PRNewswire via COMTEX/ -- National and international energy agencies

have long downplayed the statistics and significance of oil depletion. Finally, in Wednesday's World Energy Outlook (WEO) 2008 report, the Paris-based International Energy Agency (IEA) conclusively recognized the reality of "Peak Oil" and the magnitude and implications of large annual decline rates on the world's annual oil production.

While the IEA's report is groundbreaking in acknowledging the problem, the Association for the Study of Peak Oil and Gas USA (ASPO-USA) finds unwarranted optimism in the report's projections of oil production that are inconsistent with known decline rates -- acknowledged in the report at more than six percent per year.

[Saudi may delay oil expansion projects as prices fall: official](#)

DUBAI: Saudi Arabia, the world's largest oil exporter, is reviewing its oil expansion projects and may delay some plans to boost output as prices fall, said an official from the country's state-owned oil company.

"We're currently reviewing our investment plan and the schedules for our projects," Hasan al-Zahrani, general manager of project management at Saudi Arabian Oil Co (Saudi Aramco), said yesterday. "Once the review is complete we'll decide what projects we need to defer, or speed up."

[A 'grand bargain' might unlock Kirkuk](#)

The struggle for oil-rich Kirkuk threatens to paralyze Iraq's legislative agenda and block political accommodation, destabilizing fragile security gains that have put the issue of troop withdrawals on the American and the Iraqi political agenda. The competition to control Kirkuk, whose oil field contains 13 percent of Iraq's proven reserves, has exposed a deep fault line between Arabs and Kurds.

[Herman Daly: Economics blind spot is a disaster for the planet](#)

The idea that economic growth should be constrained by the environment was too much for the World Bank in 1992, and still is today. The bank recognised that something must be wrong with that diagram - but better to omit it than deal with the inconvenient questions it raised.

That was when I realised that economists have not grasped a simple fact that to scientists is obvious: the size of the Earth as a whole is fixed. Neither the surface nor the mass of the planet is growing or shrinking. The same is true for energy budgets: the amount absorbed by the Earth is equal to the amount it radiates. The overall size of the system - the amount of water, land, air, minerals and other resources present on the planet we live on - is fixed.

The most important change on Earth in recent times has been the enormous growth of

the economy, which has taken over an ever greater share of the planet's resources. In my lifetime, world population has tripled, while the numbers of livestock, cars, houses and refrigerators have increased by vastly more. In fact, our economy is now reaching the point where it is outstripping Earth's ability to sustain it. Resources are running out and waste sinks are becoming full. The remaining natural world can no longer support the existing economy, much less one that continues to expand.

(This article is from last month, but is newly out from behind a paywall.)

[Prophesy of economic collapse 'coming true'](#)

Things may seem bad now – with fears of a world recession looming – but they could be set to get much worse.

A real-world analysis of a controversial prediction made 30 years ago concludes that economic growth cannot be sustained and we are on track for serious economic collapse this century.

[U.S. gasoline tax hike unlikely, key Senator says](#)

WASHINGTON (Reuters) - The new Congress probably will not approve legislation to raise the federal tax on gasoline, the chairman of the Senate Energy Committee said on Monday.

Democratic Sen. Jeff Bingaman said he was aware of arguments that a "variable tax" should be put on U.S. gasoline to prevent falling pump prices from encouraging Americans to drive more while making alternative fuels less attractive.

Such a tax hike "would be very tough to pass," Bingaman said at the Center for Strategic and International Studies. "I don't think something like that has much prospect of being enacted in my honest opinion."

[War on the Range: As gas drilling surges in the Western U.S., some ranchers are looking for ways to fight back](#)

BIRNEY, Mont. -- A new range war is spreading across the Rocky Mountain West. And this time, it's pitting ranchers against a modern-day nemesis: the gas industry.

At the center of the conflict is an explosion of drilling for coalbed methane gas over the past decade in iconic Western places like sage-covered buttes and mesas -- wide open spaces that, until recently, ranchers pretty much had to themselves.

[Russia to build gas pipeline to Georgian region](#)

MOSCOW (Reuters) - Russian gas giant Gazprom said on Monday it would build a pipeline directly to Georgia's rebel region of South Ossetia because of problems with natural gas supplies to the enclave after a war with Georgia.

[Turkey, Iran Sign Gas Transit, Pipeline Accord, IRNA Reports](#)

(Bloomberg) -- Iran and Turkey signed a memorandum of understanding that will allow natural gas from Iran and Turkmenistan to transit through Turkey to European markets, the Islamic Republic News Agency reported.

[Acid Soils in Slovakia Tell Somber Tale](#)

Increasing levels of nitrogen deposition associated with industry and agriculture can drive soils toward a toxic level of acidification, reducing plant growth and polluting surface waters, according to a new study published online in *Nature Geoscience*.

The study, conducted in the Tatra Mountains of Slovakia by the University of Colorado, University of Montana, Slovak Academy of Sciences, and the U.S. Geological Survey, shows what can happen when nitrogen deposition in any part of the world increases to certain levels—levels similar to those projected to occur in parts of Europe by 2050, according to some global change models.

[Saudi Aramco Relaunches Tenders for \\$10B Manifa Oil Project](#)

Saudi Arabian Oil Co., Aramco will again invite companies to bid for contracts to develop the Manifa oilfield after it canceled a contract with Snamprogetti, Saudi-based Al Riyadh daily reports Monday.

Aramco decided to re-launch its major projects after the decline in raw materials prices, including steel, cement by 40%, the paper reports, citing a contractor.

[Nigeria oil minister urges exploration](#)

Nigeria's petrol minister urged oil companies to look beyond current market volatility and pump more money into exploration, saying the demand for crude could double by the middle of the century.

Odein Ajumogobia said Nigeria's oil and gas reserves were at the same level they were at five years ago even though fresh fields had been identified.

"It is my belief that we must continue to replenish and grow our reserve base and not

allow market uncertainties to distort our decision to explore more," Ajumogobia told a meeting of the Nigerian Association of Petroleum Explorationists in the federal capital Abuja.

[Georgia says pipe damage halted gas supplies to S. Ossetia](#)

MOSCOW (RIA Novosti) - Tbilisi claims that pipeline damage is responsible for the suspension of natural gas deliveries to its breakaway province of South Ossetia, a Gazprom spokesman told a radio station on Monday.

[Reading Up on Nuclear Energy](#)

The debate over nuclear energy has gained new life thanks to concerns about climate change and the need to reduce our reliance on fossil fuels. We asked several experts on the topic to suggest resources for understanding -- and joining -- the debate.

[A Peak-Oiler, but still in the closet? IEA's 2008 Report](#)

The groundbreaking new IEA World Energy Outlook 2008 is still a product of a somewhat schizophrenic organization. Here and there you still have references to how abundant the resource base is (9 trillion barrels all in) and how satisfying demand is only a question of timely investments. The oil optimists are still an important group of the IEA, but it is the new positions the organization takes which are showing us the direction they are heading:

- "Current global trends in energy supply and consumption are patently unsustainable."
- Global decline rates are rising.
- Natural decline rates for fields past their peak is 9% and rising to 10.5 % in 2030.
- Observed decline rates are 6.7 % and rising to 8.6 % in 2030.
- From 2007 to 2030, supply of conventional crude oil will increase with only 5 mbpd, which will leave the peak at below 90 mbpd.

The last statement is a stunner. From here to 2030 the global peak oil capacity of conventional oil is just shy of 90 mbpd. Many would say that makes them a card-carrying ASPO member.

[CNPC says China oil demand falls sharply, stockpiles rising](#)

BEIJING (XFN-ASIA) - China's demand for oil is falling sharply and stockpiles of crude

and oil products stockpiles are rising as a result of the economic slowdown, China National Petroleum Corp (CNPC) said.

"With the spread of the global financial crisis, the impact on China's economy is being gradually felt. Even the company's operations have been adversely affected, particularly since September," CNPC general manager Jiang Jiemin said in a statement.

[Green New Deal makes sense but unlikely](#)

The idea of using tax breaks and extra public spending to promote energy efficiency, mitigate carbon emissions and develop renewable power sources, inspired by U.S. President Franklin D. Roosevelt's New Deal public works programme during the 1930s Great Depression, sounds like common sense.

But it may not happen fast enough, or on a sufficient scale, to stimulate the economy, arrest global warming or durably bring down oil prices that reached \$147 a barrel earlier this year.

[Game beware: it's the return of the poacher](#)

As times get harder in Britain's cities, armed gangs are heading for the countryside – and stealing deer, salmon and rabbits to feed a burgeoning black market in food.

[Can concept of clean coal be salvaged?](#)

Coal may be a four-letter word for former Vice President Al Gore and many environmentalists. But some researchers believe technology may yet salvage the concept of “clean coal” – or at least *cleaner* coal – as an alternative to foreign oil while the drive for longer-term alternative energy picks up steam.

[U.S. Industrial Production Rose on Hurricane Rebound](#)

(Bloomberg) -- U.S. industrial production rose more than forecast in October, led by a jump in mining as work resumed at oil rigs in Gulf of Mexico following shutdowns caused by Hurricanes Gustav and Ike.

[Jordan: Fuel shortage triggers confusion](#)

AMMAN - Police on Sunday had to intervene to maintain security and regulate the long queues of vehicles seeking a refill at gas stations as a result of a severe shortage in fuel derivatives, especially gasoline 90 and 95.

The scene of cars running out of petrol and parking by roadsides was not unfamiliar in Amman.

[For Mexico's Wealthy, Expenses Include Guards](#)

With drug-related violence spinning out of control and kidnappings a proven money-maker for criminal gangs, members of Mexico's upper class find themselves juggling the spoils of their status with the fear of being killed.

[Propane gas industry: ripe for reform and transparency](#)

Welcome to the world of propane gas-- where the less you use, the higher your per-gallon cost, and many dealers run roughshod over customers once the contract is signed.

[Owners set to axe 25% of car carrier fleet as auto sales slump](#)

UP TO a quarter of the world's fleet of pure car and truck carriers could be heading for the scrapyards as shipowners take action to slash capacity in line with factory production cuts.

[Biofuels will send millions into poverty](#)

EUROPE must 'slow down' on biofuels, or else risk sending millions of people over the poverty line, warned the head of the Government's biofuels' watchdog.

Speaking at the AIC's annual conference last week, chief executive of the Renewable Fuels Agency Nick Goodall warned that biofuels will have a major impact on global food prices, putting a further strain on people in developing countries.

[Pact, Approved in Iraq, Sets Time for U.S. Pullout](#)

BAGHDAD — Iraq's cabinet on Sunday overwhelmingly approved a proposed security agreement that calls for a full withdrawal of American forces from the country by the end of 2011. The cabinet's decision brings a final date for the departure of American troops a significant step closer after more than five and a half years of war.

[UK needs more nuclear plant builders, minister says](#)

LONDON (Reuters) - Britain needs more than one company to build nuclear power

stations to meet the government's long-term carbon emissions targets and provide affordable electricity, UK energy minister Mike O'Brien said on Monday.

[As First Plan Stalls, Mayor Tries New Push for Green Taxis](#)

After a federal court ruling stalled a city initiative to make most new taxis hybrid vehicles, Mayor Michael R. Bloomberg said on Friday that he would seek another way, announcing new financial incentives aimed at pushing taxi owners to buy the more environmentally friendly gas-and-electric cars.

[Wind power retains growth potential-research group](#)

LONDON (Reuters) - The wind energy sector has been hit by the global financial crisis but still has the potential to grow in the medium and long term, research group New Energy Finance said.

New Energy Finance said the credit crunch and financial crisis have caused a short-term shortage of project finance for wind farms. Any remaining debt available from banks is also more expensive than in 2007.

[In Times Square, a Company's Name in \(Wind- and Solar-Powered\) Lights](#)

The first eco-friendly billboard is coming to Times Square, entirely powered by the sun and the wind – but there is one small catch.

When there's no sun, and no wind? The \$3 million billboard goes dark: there is no backup generator.

[An idea to fast-track alternative power](#)

How can the Bay State jump-start alternative power generation?

One idea: give the state the power to approve small-scale power generating plants.

[Sticking to the Diet](#): *Companies and consumers have cut their demand for oil in thousands of ways. Now comes the test.*

Oil demand in the world's biggest consuming nations, excluding China, has shrunk by a total 4% over the past three years -- the equivalent of discovering nearly 660 million barrels in new oil supplies.

A good deal of the credit goes to thousands of small and large decisions by companies and consumers looking for ways to pare soaring energy bills. The big question now: What happens to these gains with oil prices down more than 50% since summer?

[Oil falls below \\$56 as Japan slips into recession](#)

Oil prices fell below \$56 a barrel Monday as news that Japan fell into recession highlighted investor fears that a global economic slowdown will hurt crude demand.

By midday in Europe, light, sweet crude for December delivery was down \$1.23 to \$55.81 a barrel in electronic trading on the New York Mercantile Exchange. The contract fell \$1.20 Friday to settle at \$57.04.

[OPEC Slashes 2009 Crude Oil Demand Forecast for a Third Month](#)

(Bloomberg) -- The Organization of Petroleum Exporting Countries, supplier of more than 40 percent of the world's oil, slashed its 2009 demand forecast for a third month as the looming global recession threatens fuel consumption.

The 13-member group reduced its forecast for average oil consumption next year by 530,000 barrels a day, or 0.6 percent, to 86.68 million barrels a day, it said in its monthly oil market report, citing plunging demand from the petrochemical industry as well as falling transport fuel use.

``The downbeat economic forecast has darkened the outlook for oil demand substantially," OPEC said today. ``The rising risk of a prolonged global economic recession with further downward uncertainties for oil demand growth continues to undermine market sentiment."

[Russian Stocks Tumble as Crude Oil Prices Decline: PIK Plunges](#)

(Bloomberg) -- Russia's Micex Index dropped for a fourth day and the Micex Stock Exchange halted trading for an hour as crude oil fell to near a 21-month low.

AO Rosneft and AO Lukoil, Russia's biggest oil producer, led the slump with declines of more than 6 percent each. PIK Group, a Moscow-focused apartment builder, tumbled the most ever in London on concern it won't be able to repay debt.

[Ruble Weakens Against Basket as Oil, Equities, Bonds Decline](#)

Bloomberg) -- The ruble weakened against the central bank's dollar-euro basket as oil,

Russia's biggest export earner, declined and stocks dropped for a fourth day.

The currency fell against the euro and pared gains against the dollar as Urals crude, the nation's export oil blend, slid for a second day to \$48.32 a barrel, an almost two-year low. Russia's Micex index of 30 stocks lost 3.8 percent, while the dollar-denominated RTS index lost 3.2 percent.

[Supplies are struggling!](#)

Our planet is facing a severe energy crisis, however not many are paying attention. I find it amazing that rather than focus on the very real threat of 'Peak Oil', the majority of investors seem to be worrying about the ongoing credit crisis.

Over the past few months, the price of crude oil has dropped sharply due to forced liquidation in every asset-class. Unfortunately, this decline has convinced everyone that the oil 'bubble' has burst. Every day, we hear about the usual 'demand destruction' myth and people are now convinced that the days of expensive energy are behind us. However, nothing could be further from the truth!

[Supply Chain Comment: Should We Still Act as if Cheap Oil is a Thing of the Past?](#)

Sheffi wrote: "Supply chain executives have to plan for a world where cheap oil is a thing of the past."

The pertinent question right now, of course, is: Is that really true? Is the current collapse just a temporary aberration, with an overall trend that will soon again lead to rising prices and expensive oil? Or will it take years to get back to 2007/08 levels?

[Eni Delays Goliat Field Start-Up by One Year to 2013](#)

(Bloomberg) -- Eni SpA, Italy's largest oil company, said output from Goliat field in the Barents Sea will be delayed by one year to 2013 because the company can't begin necessary purchases in time for the planned start-up.

[Fort Hills oil sands project cost hiked 50%](#)

The Fort Hills project, the ambitious oil-sands venture between Petro-Canada, UTS Energy Corp. and Teck Cominco Ltd., will be at least 50% more expensive than originally thought last year, the three firms said on Wednesday.

The companies said in June 2007 the price tag for Fort Hills would be about \$33-billion. On Wednesday, they said cost estimates have since risen "considerably."

[Petro-Canada Again Postpones \\$10 Billion Oil-Sands Upgrader](#)

(Bloomberg) -- Petro-Canada, the country's third- largest oil company, said it again delayed a plan to build an oil-sands upgrader estimated to cost as much as C\$12.5 billion (\$10.1 billion) on rising costs and falling oil prices.

[Natural Gas Plant Costs May Double, Journal de Angola Reports](#)

(Bloomberg) -- The cost of Angola's proposed liquefied natural gas project will probably double to \$8 billion because of unforeseen problems relating to dredging and preparation of the site, Jornal de Angola reported.

[Tehran Oil Refinery Has Fire in Liquid Gas Unit, IRNA Reports](#)

(Bloomberg) -- A fire broke out in the liquid gas unit of Tehran's oil refinery today, state-run news agency IRNA reported, citing the head of National Iranian Oil Refinery and Distributing Co., Nurreddin Shahnazi-Zadeh.

[Chevron Shuts Onshore Nigerian Oil Output on Pipeline Breach](#)

(Bloomberg) -- Chevron Corp., the second-largest U.S. oil producer, shut its onshore oil production in Nigeria's Delta State after a pipeline was breached last week.

``Onshore production was shut in to protect the environment and will be restored as soon as an assessment on the damage is completed, repairs effected and pipeline re-commissioned," Chevron spokesman Scott Walker said in an e-mailed statement.

[Nigerian gunmen seize oil vessel, hold crew hostage](#)

LAGOS (AFP) – Gunmen captured an oil firm vessel and its crew in a weekend raid off the shores of Nigeria's volatile southern Niger Delta region, an army spokesman announced Monday.

"Militants suspected to be from Tompolo's camp seized one MV Thou Galaxy vessel on the Gbaramatu waterway along Escravos (River)," Lieutenant-Colonel Rabe Abubakar, the military spokesman in the region, told AFP.

[Shell employee kidnapped, rescued in Nigeria](#)

Lagos - Unidentified gunmen in southern Nigeria held hostage a local employee of Royal Dutch Shell for several hours at the weekend before he was rescued, army and police sources said on Monday.

Fidelis Akpoghira was seized whilst visiting relatives on Sunday in a district of Port Harcourt, Nigeria's oil hub, a local military spokesperson Lieutenant-Colonel Musa Sagir said.

[Transition: gearing up for the great power-down](#)

Climate change is upon us and the oil is running out. Is mankind's darkest hour really approaching? If so, a growing army of local heroes is determined to turn it into our finest.

[Plug-in electric vehicles and the electrification of road transport](#)

Concerns over 'peak oil', increasing greenhouse gas emissions, and the likelihood that by the middle of this century there could be five times as many motor vehicles registered world-wide as there are currently, mean that the world's almost total dependence on petroleum-based fuels for transport is in every sense of the word, unsustainable.

New, safer designs of lithium batteries, along with better power management systems originally developed for laptop computers and mobile phones, have meanwhile been developed just as these concerns have come to dominate energy policy formulation everywhere. A new consensus is emerging with remarkable speed: that road transport will be increasingly powered by electricity.

[China's coal fires belch fumes, worsening global warming](#)

RUIJIGOU, China — The barren hillsides give a hint of the inferno underfoot. White smoke billows from cracks in the earth, venting a sulfurous rotten smell into the air. The rocky ground is hot to the touch, and heat penetrates the soles of shoes.

Beneath some rocks, an eerie red glow betrays an unseen hell: the epicenter of a severe underground coal fire.

"Don't stay too long," warned Ma Ping, a retired coal miner. "The gases are poisonous."

[Climate change: Emissions from industrialised world still high](#)

PARIS (AFP) — Carbon emissions from the industrialised world in 2006 were higher than at the start of the century, mainly as a result of revived activity by former Soviet-

bloc states, according to UN figures released on Monday.

[Climate disaster awaits aged, poor](#)

LOWER socio-economic groups and the ageing will bear the brunt of climate change in coastal areas, according to a report from the National Sea Change Taskforce.

Those in temporary housing such as caravans and manufactured homes are at particular risk in the event of a natural disaster. "These housing forms are an important source of housing for low-income Australians and retirees, particularly along the coast," the report says.



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