OPEC to Consider Another Round of Cuts: Meeting Saturday, Cartel Will Again Try to Stem Oil-Price Fall

Having failed twice in two months to calm plunging oil markets, OPEC ministers are set to weigh another round of steep production cuts as the world's economic travails continue to drive crude prices to levels not seen in years.

The Organization of Petroleum Exporting Countries has scrambled since September to stem the fall in oil prices, which is now putting pressure on OPEC budgets from Ecuador to Kuwait. Ineffective in blunting the price spike earlier this year, the cartel is proving similarly hapless in putting a floor under collapsing prices.

TNK-BP Could Freeze New Projects in 2009

TNK-BP may have to freeze new refining and marketing projects next year as Russia faces its biggest financial crisis in a decade.

"Next year won't be easy, just as for any other company," Alexander Kaplan, an interim vice president for refining and marketing, said Thursday. The board will decide on the 2009 business plan on Dec. 11, he said.

Russian oil companies are already struggling with falling output at mature fields, a drop in crude prices and rising costs for starting projects in harder-to-reach regions.

Petrobras took loan due to 'temporary' problems - minister

BRASILIA/RIO DE JANEIRO (Reuters) - Brazil's state-run oil giant Petrobras took a loan from a state-owned bank due to "temporary" financial problems, the country's energy minister said on Thursday.

Petrobras from Caixa Economica Federal in October, raising questions about the company's financial health.
Venezuela, Chevron Venture Operating Below Capacity Since Oct.

(Bloomberg) -- Petroleos de Venezuela SA and Chevron Corp.’s heavy-oil producing joint venture has been operating below capacity since an October power outage, an executive for Venezuela’s state-owned energy company said.

The Petropiar venture’s upgrader, a specialized plant that converts tar-like heavy oil into a lighter grade for export, lost a sulfur unit in the blackout, cutting output to 135,000 barrels a day, said Petroleos de Venezuela Vice President Eulogio Del Pino. The project is designed to handle 180,000 barrels of crude.

Iraq central gov’t, Kurdistan agree oil exports

BAGHDAD (Reuters) - Iraq’s oil ministry and the country’s largely autonomous northern Kurdish region have agreed to export oil from Kurdistan to Turkey, an Oil Ministry spokesman said on Thursday.

The initial agreement represents a breakthrough in a dispute between the two Iraqi authorities. Disagreement between the Baghdad central government and the Kurdistan Regional Government has held up development of oilfields for export.

"There has been an initial agreement to export Iraqi oil from the Tawke oil field," Iraqi Oil Ministry spokesman Asim Jihad said.

French Refinery Talks Begin as Union Calls for Strike Action

(Bloomberg) -- Salary negotiations got under way today between French refinery workers and management at companies including Total SA, Europe’s third-largest oil producer, amid calls for strike action by one trade union.

Talks began at the Paris-based Union Francaise des Industries Petrolieres, the main body representing the French oil industry, industry and union representatives said.

Russia Eyes Trade Accord, Investment In Ecuador - Foreign Min

QUITO -(Dow Jones)- Russian Foreign Minister Sergei Lavrov said Thursday that his country would pursue negotiations with Ecuador on a trade agreement and is interested in investing in its oil, gas and energy sectors, including nuclear energy.

Hyperion looks for railroad service for refinery
SIoux FALLS, S.D. (AP) - A company that wants to build a $10 billion crude oil refinery north of Elk Point is trying to find a way to bring railroad service to the site.

Hyperion Refining has contacted the D & I Railroad of Sioux Falls.

Hyperion says it needs a rail line to bring in equipment and materials for the construction phase -- and that the rail line would continue to be used when the refinery is operating in order to export its products and receive materials.

Kurt Cobb: The Energy Optimist's Lexicon

The world's energy optimists often employ a particular lexicon to make their case for abundance far into the future. Whether the lexicon is used cynically or out of ignorance, the result is the same: false impressions.

It is understandable that when people want to argue their case effectively, they use the terms most favorable to their argument. We should expect that in any spirited debate. But when it comes to the debate over the world's energy future, those arguing for continued abundance are sometimes ignorant of the full implications of the terms they use and sometimes just intellectually dishonest.

To help readers sort through the thicket of loaded terms often used by the energy optimists, I've constructed a short list of the most pernicious words and phrases that are often used to fool audiences rather than inform them.

Report of the Select Committee on the Impact of Peak Oil in South Australia (PDF)

During the time this committee was in operation, the price of petrol in Adelaide increased to more than $1.70 per litre, and is now trending downwards with predictions of it reaching $1.00 per litre by the end of the year.

While there is general relief in the community at this lowered price, it is a false dawn. The reality is that peak oil impacts will be felt just as hard. In the light of evidence taken by the Committee it might even result in those impacts occurring earlier and harder. We learnt that higher prices result in oil companies being willing to undertake new, more costly and more difficult exploration and extraction of oil while a lowering of the price removes any incentive for that to happen.

Gulf's woes bode ill for the oil and gas we need

Alistair Darling's Pre-Budget Report on Monday contained at least one item that raised not a flicker of attention at Westminster but which will have been keenly noticed far away in the Gulf: he has decided that Islamic bonds will not form part of the Government's borrowing programme in the near future.
The scrapping of Britain's first sukuk (a loan instrument that complies with Islamic strictures on the immorality of interest) will be seen as a slap in the face, a cold shoulder at a time when Islamic financial institutions are being buffeted by a catastrophe of real estate, the seeds of which were planted in America and Europe.

Petrobras takes out US$890mn loan, faces financial questions

Brazil's federal energy company Petrobras (NYSE: PBR) has taken out a 2bn-real (US$890mn) short-term loan with federal savings bank Caixa Econômica Federal (CEF), a Petrobras spokesperson told BNamericas, confirming a statement from the senate news agency.

"The operation took place in Brazil because of the tough credit scenario in foreign markets," she said.

Shell warns on gas supplies to Nigeria LNG

LAGOS (Reuters) - Royal Dutch Shell (RDSa.L: Quote, Profile, Research, Stock Buzz) declared force majeure on gas supplies to Nigeria Liquefied Natural Gas Ltd (NLNG) on Thursday after shutting down its Soku gas plant to repair pipelines damaged by thieves.

Shell's Nigerian unit SPDC said a sharp rise in illegal connections on pipelines to the Soku plant in recent months had raised safety risks to an unacceptable level and that it had been forced to carry out urgent repairs.

Democrats brace for 'midnight rules' from Bush

White House hastens to put new regs in place – and out of Obama's reach, watchdogs say.

Oligarchy: A game with a message

Trash the environment for profit to win! An utterly partial guide to the oil industry, as you 'walk a mile' in a mogul's shoes.

Carolyn Baker: Restoring Food Security and a Dying Way of Life

The U.S. financial system is in collapse, and energy costs are likely to come back again next spring and summer with a vengeance that we can't imagine. This will make the price of food, already off the scale, skyrocket even further. We must all get to know our
local farmers, or better yet, become them. In the moment, we have the “luxury” of low energy prices, and it is during this time that we should be making food security our top priority.

**Michael T. Klare: The Fall of Triumphantism**

In a remarkable evocation of the strategic environment of 2025, the National Intelligence Council (NIC), a government intelligence service, portrays a world in which the United States wields considerably less power than it does today but faces far greater challenges. The assessment, contained in *Global Trends 2025: A Transformed World* (dni.gov/nic/NIC_home.html), was released November 20 and is intended to be read by President-elect Obama's transition team as well as the general public. "Although the United States is likely to remain the single most powerful actor," the council notes, "the United States' relative strength--even in the military realm--will decline and US leverage will become more constrained."

The report is devoted largely to an examination of the major trends--political, economic, military and environmental--that will shape the world of 2025. Many of these will be familiar to *Nation* readers: the rise of China and India as major actors in world affairs; Russia's growing significance as a power broker in Europe; the increasing role of corporations, crime networks and other nonstate actors; and the growing impact of climate change. But two key developments, by the council's own admission, stand out above all others: the decline of America's global primacy and the growing international competition for energy.

**Opec keeps a close eye on US**

Delegates of the Opec oil cartel yesterday began to arrive for their emergency policy meeting in Cairo, just as American families criss-crossed the US to reunite for their Thanksgiving dinners. The two gatherings may appear worlds apart, but in fact they are closely linked. The US accounts for almost a quarter of the world’s oil demand, lapping up nearly one in every five barrels of the oil Opec produces.

For Opec ministers ahead of Saturday’s meeting, the number of trips by US drivers will be key in measuring the health of oil demand as they consider a production cut to shore up oil prices that have tumbled from July’s record of almost $150 a barrel to yesterday’s $52.85.

**Merrill Lynch Cuts 2009 Oil Forecast to $50 a Barrel**

(Bloomberg) -- Merrill Lynch & Co. cut its 2009 oil price forecast to $50 a barrel from $90 as the global economic slump cuts fuel demand and said OPEC production cuts will likely fail to revive the market.

Merrill lowered its 2010 crude forecast to $70 a barrel from $100 and said prices may
fall as low as $43 in the first quarter of next year. Iran and Venezuela have called for the Organization of Petroleum Exporting Countries to cut production again after an Oct. 24 decision to reduce supplies by 1.5 million barrels a day failed to stop the slide in prices.

UAE oil rig firm sees drilling as usual despite crisis

"We all got caught in the panic as investors rushed for the doors," Chief Executive Peter Whitbread told reporters on a visit to Lamprell's yards this week.

"But nobody is cutting back on drilling in this region. There is no significant cutback in the areas we are focused on."

Australia: Fewer independent fuel rivals allow rorts

A SHORTAGE of independent petrol stations has all but killed off the effectiveness of Queensland's fuel subsidy to drive local fuel prices down, according to watchdog Fueltrac.

Gold Coasters were yesterday paying 5c more for a litre of unleaded petrol than South Australians despite our state's 8c a litre fuel subsidy.

Edible playgrounds and political vegetables

From school playgrounds to digging up the lawns of the White House and Downing St, there are many wasted spaces where we could be inspiring people to grow their own food.

Villaraigosa unveils solar plan for Los Angeles

The mayor's proposal aims to have solar power meet one-tenth of L.A.'s energy needs by 2020. But skeptics wonder if the plan will be cost-efficient and friendly to private enterprise.

Falling oil prices test OPEC's unity

NEW YORK: For the first time in a decade, oil producers are facing a real test of their unity.

As the Organization of Petroleum Exporting Countries prepares to meet in Cairo on Saturday, exporters are being pummeled by a triple whammy of lower prices, falling
demand and declining revenue. The group, whose members account for more than 40 percent of global oil exports, is desperately seeking ways to stop the drop in prices, which have fallen from their summer peaks at a record pace.

But OPEC is increasingly torn between its moderate members, led by Saudi Arabia, which can afford a period of lower oil prices, and countries with high government spending, like Iran and Venezuela, which have become much more dependent on high prices.

These two groups have often clashed in the past, and as prices plummet the tensions are once again bubbling to the surface.

**Oil producers to carry on spending, but warily**

DUBAI (Reuters) - A deep drop in oil prices has sapped the confidence of producer nations as even top exporter Saudi Arabia faces the prospect of a financial deficit next year.

But they are still expected to carry on spending for as long as possible and the core Gulf producers can draw on healthy cash reserves accumulated during the price boom.

**Nigeria: Production Cuts - Country Threatens to Ignore Opec**

Abuja - The Federal Government yesterday threatened that Nigeria may stop further cuts in crude oil production as directed by the Organisation of Petroleum Exporting Countries (OPEC) if other member countries within the cartel fail to obey the directives.

**Russian oil producers seek further cut in oil export tax from Dec**

Moscow (Platts) - Russia's oil producers are trying to convince the government to cut export duty for crude oil further from $192.10/mt ($26.31/barrel), expected to be introduced from December 1, the Vedomosti daily reported Thursday, citing unnamed sources in two ministries.

Deputy Prime Minister Igor Sechin is dragging out the signing of the draft resolution on the new export duty of $192.10/mt as he tries to help oil companies by reducing it further, the report quoted one of the sources as saying.

**Peak oil is over but present lows hurt: Jum'ah**

NEW DELHI: The world's largest oil producer Saudi Aramco on Wednesday said the time for astronomical crude prices was over but the present low levels too would not be
good in the long run for finding and developing new reserves to ensure security of future energy supplies.

"The peak oil theory has been proven right. The era of peak oil is gone... for many NOCs (national oil companies) oil represents big revenues for development. Producers want enough money to build additional facilities after paying taxes, royalty and shareholders," Saudi Aramco president and CEO Abdallah S Jum'ah told a conclave of industry captains and experts organised by energy think-tank Great Organisations of the World.

**Goldman Says Sell Oil Refiner Calls, Outperformance Won’t Last**

(Bloomberg) -- Goldman Sachs Group Inc. told clients to sell Exxon Mobil Corp., BP Plc, Total SA and Chevron Corp. call options on speculation shares of the world’s biggest oil refiners will be unable to sustain their outperformance of equity markets as demand for crude remains weak.

**Euro-Caspian energy plans inch forward**

Azerbaijan's state oil company SOCAR and Kazakhstan's state monopoly KazMunaiGaz this month signed an agreement setting out the main principles for a transport system to convey Kazakh oil across the Caspian Sea for entry into the Baku-Tbilisi-Ceyhan (BTC) pipeline and subsequent re-export to world markets.

This represents a step forward in the realization of the Kazakhstan-Caspian Transportation System (KCTS) that, while long discussed, has become Kazakhstan's response to Russia's unwillingness and/or inability to implement the long-promised doubling of the capacity of the Caspian Pipeline Consortium (CPC) line.

**Medvedev, Chavez Sign Oil Agreements Before War Games**

(Bloomberg) -- Russian President Dmitry Medvedev and Venezuelan President Hugo Chavez agreed to form joint ventures to pump crude oil and to increase military and nuclear cooperation yesterday in the first visit by a Russian president to the South American country.

Medvedev and Chavez today will tour the Russian atomic-powered navy cruiser Peter the Great, which is visiting Venezuela along with three other Russian vessels. The ships will conduct exercises in the Caribbean Sea with the Venezuelan navy in the coming days.

**America’s Coming Financial Vortex: 6 predictions for 2009-2012**
5. **We will see oil hit $200 as Peak oil becomes obvious to all during 2009-2012.** Don’t be fooled by the recent drop in oil from $147 in the summer of 2008 to $50 during November 2008. The recent data from the world energy market indicates that oil depletion (“supply destruction”) is far more severe than the recent headlines blaring the misleading condition of “demand destruction”. The most severe energy crisis in history is in my mind an unavoidable certainty during the next few years. America needs to go full-bore toward energy independence since we will have no choice. This energy crisis will be very difficult to get through and will cause tremendous social and economic difficulty.

6. **International conflicts over natural resources will hit the headlines during 2009-12.** As governments across the globe seek to address the wants needs of their growing populations, there will be aggressive competition for the world’s limited resources. Natural resources will be seen as strategic as well as economic. National and economic security for America will be a vital concern.

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**Nafeez Ahmed: Food Crisis & Peak Oil (Audio)**

Are we running out of oil and food? Why are prices fluctuating? Are we leaving behind a catastrophic legacy for our children? Learn about how global food and energy crises will affect you over the coming years, and how the global system must change to meet our food and energy needs.

**Hope For Hawaii's Energy Future**

Every great debate faces the initial challenge of getting the facts straight, and few subjects have more factual confusion and denial than our energy future. Matt Simmons, international expert who wrote the best-seller Twilight in the Desert, opened with a compelling recitation of the evidence for "peak oil", referring to the point at which international petroleum production hits its maximum and, not being a renewable resource, begins its decline.

**Plans for the world's biggest wind farm**

It is not the usual green suspect. But it hopes to build a 5-gigawatt, deep-water wind farm - the largest in the world, equal to the output from five nuclear plants.

"It" is the Ocean Energy Institute, a tiny research organization founded by Matthew Simmons. An energy investment banker who specializes in oil and gas, Simmons was an energy adviser to President George W. Bush. His main partner, George Hart, is a physicist who consults for the Pentagon on the Strategic Defense Initiative, where he uses supercomputers for the mathematical modeling of complex systems. He also co-invented a laser used for eye surgery and semiconductor manufacturing.
China Seeks 60,000 Alternative-Energy Vehicles on Roads by 2012

(Bloomberg) -- China, the world's second-biggest oil user, plans to have 60,000 alternative-energy vehicles on the roads in 10 cities by 2012 to cut pollution and fuel imports.

Solar panel sales to contract in 2009, says forecast

PARIS — The economic crisis will impact significantly solar panel sales, starting with weakened average selling prices and order delays or cancellations, according to market research group The Information Network (New Tripoli, PA.)

The solar panel market is set to contract in 2009 because of the slowdown in economic growth and the credit crunch, stated Dr. Castellano, president of The Information Network. "Newly installed solar capacity will reach only 7.1 GWatts in 2009, equivalent to a global growth rate of 26 percent, down from our forecast of 49-percent growth earlier this year."

The new politics of climate change

Only governments can save us from catastrophic climate change. Only they have the power to tax, regulate and incentivise businesses and individuals to act. But only a dramatic surge in the demand for political change will persuade them to use their power to full effect.

Creating that demand is now the central task, for all of us committed to success in this struggle.

Czech president: EU's most outspoken global warming doubter

Prague - Czech President Vaclav Klaus, one of the most prominent climate change doubters, is about to get a new platform: the European Union presidency. Klaus has called man-made global warming a myth and questioned sanity of Al Gore, the former US vice president who received the 2007 Nobel Peace Prize for turning a spotlight on climate change.

Most recently, Klaus expressed hopes the EU would give up its ambitious plan to spearhead the global struggle against climate change in the face of the global financial crisis.

ANALYSIS - Rich shelving CO2 cut ambitions as economies slow
OSLO, Nov 27 (Reuters) - Many industrialised nations are shelving ambitions for the deepest cuts in greenhouse gas emissions by 2020 as economic slowdown overshadows the fight against climate change.

About 190 countries meet for U.N. climate talks in Poznan, Poland, next week with scant mention of a deal in Vienna last year by almost all rich nations to consider cuts in emissions of 25-40 percent below 1990 levels by 2020.

Americans: Happy Thanksgiving! May you enjoy friends and family, food and football today. (Real football, not that strange game played with a round ball. ;-)

Everyone else: Happy 3rd Anniversary of Peak Oil. 😊

Stay tuned, I think the second half is going to be a barnburner...

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