



## DrumBeat: February 6, 2009

Posted by [Gail the Actuary](#) on February 6, 2009 - 10:01am

Topic: [Miscellaneous](#)

### [U.S. pump prices on the rise as refiners cut back](#)

At least seven U.S. refiners have announced fuel production cuts as a result of weak profits stemming from softening demand, including Valero Energy Corp and ConocoPhillips -- the nation's two biggest fuel producers.

As of the end of January, refiners were running their plants at just 82.5 percent of capacity -- four percentage points below last year, according to government figures.

"There is too much capacity to make gasoline in this environment," Valero Chief Executive Bill Klesse said last week. "If the industry doesn't balance supply with demand we will have negative margins as we had in December."

### [Miners lead the rush to raise equity](#)

Since January 26th three leading firms—Rio Tinto, Freeport-McMoRan and Xstrata —have indicated that they will probably try to raise equity in one form or another. Together they could target as much as \$17 billion, lopping a fair chunk from their combined net debt of \$62 billion, and equivalent to just over a quarter of their stockmarket value.

Why miners? All three firms have high borrowing, in large part due to overpriced acquisitions they made during the boom years. Indeed, Freeport also announced that it was writing off half of the \$26 billion it paid for Phelps Dodge in 2007, and Rio will surely have to write down Alcan, which it bought for \$38 billion in the same year. But all three had reasonable liquidity and could have hunkered down for at least another year. Perhaps they reacted more quickly than other firms because the damage a downturn does to miners' earnings is immediate. Denial is not an option.

### [Spending on infrastructure could easily run amok](#)

On January 28th ASCE estimated that \$2.2 trillion is needed over the next five years to raise the nation's infrastructure from a "D" to a "B". The House bill has only \$9 billion

for public transport and \$30 billion for highways. An amendment to add \$25 billion in infrastructure spending to the Senate's bill failed on February 3rd. This may be a blessing, given how the money is likely to be spent.

### [New biomass charcoal heater: A 'new era' of efficiency and sustainability](#)

Using waste biomass charcoal, their heater recorded a thermal efficiency of 60-81 percent, compared to an efficiency of 46-54 percent of current biomass stoves in Turkey and the U.S.

"The charcoal combustion heater developed in the present work, with its fast startup, high efficiency, and possible automated control, would open a new era of massive but small-scale biomass utilization for a sustainable society," the authors say.

### [The Great Acetonitrile Shortage](#)

Now here's a news item that I'm pretty sure you haven't heard about unless you work in or near a laboratory. We're in the middle of an extreme shortage of acetonitrile, a common solvent. . .

So why are we going dry on the stuff? There seem to be several reasons, one of which, interestingly, is the summer Olympics. The industrial production that the Chinese government shut down to improve Beijing's air quality seems to have included a disproportionate amount of the country's acetonitrile production (for example). A US facility on the Gulf Coast was shut down during Hurricane Ike as well. But on top of these acute reasons, there's a secular one: yep, the global economic slowdown. A lot of acetonitrile comes as a byproduct of acrylonitrile production, which is used in a lot of industrial resins and plastics. Those go into making car parts, electronic housings, all sorts of things that are piling up in inventory and thus not being turned out at the rates of a year ago.

### [Why sustainable power is unsustainable](#)

Renewable energy needs to become a lot more renewable – a theme that emerged at the [Financial Times Energy Conference](#) in London this week.

Although scientists are agreed that we must cut carbon emissions from transport and electricity generation to prevent the globe's climate becoming hotter, and more unpredictable, the most advanced "renewable" technologies are too often based upon non-renewable resources, attendees heard.

### [US Lawmakers Preparing to Draft New Offshore Drilling Laws](#)

Federal lawmakers are gearing up to legislate a new offshore drilling plan that could restrict development in major areas of the Outer Continental Shelf, but allow some acreage previously closed to access to be opened for exploration.

House Natural Resources Committee Chairman Nick Rahall, D-W.Va., on Wednesday announced a series of hearings on offshore drilling that will explore the appetite for drilling off the nation's coasts.

### [Exxon Touts Surefire Plan to Stimulate Economy: Drilling Creates Jobs](#)

The big state [Alaska] and the big company [Exxon] have been at loggerheads over Point Thomson, one of the largest undeveloped fields in the U.S. for years. Last year, a few months before she became the Republican vice presidential nominee, Gov. Sarah Palin attempted to revoke Exxon's license to develop the field because they were moving too slowly. Exxon is ready to move quickly now, arguing at a recent administrative hearing that it could begin drilling before the end of winter, if the state gave it a license to build an ice road to move in a drilling rig the size of the Statue of Liberty. Late last month, the state complied, Palin's recent green conversion apparently notwithstanding.

What was the winning argument? Essentially, Exxon promised to move quickly this time, generating jobs, investment and ultimately revenue from oil and gas production. Exxon's first witness, Alaska production manager Craig Haymes, dove right into the job creation angle at the beginning of his testimony.

### [Europe's Ricardo claims breakthrough in ethanol engine efficiency](#)

Engineering firm Ricardo today announced new technology that optimizes ethanol-fueled engines to a level of performance that it claims exceeds gasoline engine efficiency and approaches levels previously reached only by diesel engines.

The company's Ethanol Boosted Direct Injection, or EBDI, takes advantage of ethanol's best properties—higher octane and higher heat of vaporization—and achieves the performance of diesel, at the cost of ethanol, and runs on ethanol, gasoline, or a blend of both, the company said.

### [Charter Street plant will use biomass fuel, not coal](#)

The new biomass boiler will be online in the heating plant before the end of 2012.

The boiler will be able to burn 100 percent biomass fuel, up to 250,000 tons a year.

Biomass fuels range from wood chips to switchgrass pellets.

Using biomass fuels would replace the 108,800 tons of coal annually burned at the heating plant, which provides steam for heating and cooling in buildings on the UW-Madison campus.

### [UPDATE 1-Global rig count down 8 pct in Jan-Baker Hughes](#)

Baker Hughes, a leading oilfield services provider, said the industry's January U.S. rig count was 1,553, down from 1,782 the previous month. The worldwide rig count stood at 2,974, down 8 percent from the month before.

The U.S. rig count has been hit particularly hard so far because many wells are drilled with equipment on shorter contracts and by smaller operators that respond more quickly to market signals in order to manage their cash and risk.

### [Chevron Makes Big Oil Find Off Texas](#)

Chevron has confirmed a potentially huge oil find at its ultra-deepwater Buckskin prospect in the Gulf of Mexico. The oil-bearing structure is about 200 miles off the coast of South Texas. The discovery well had to navigate almost 7,000 feet of water to a total depth of 29,404 feet -- an astounding engineering achievement for Buckskin's owners.

Until recently, the Lower Tertiary Trend was largely considered a wildcatter's pipe dream -- potentially a billion barrels of oil at a depth that was impossible to reach. This week's double-header from Chevron and Anadarko is now forcing all the naysayers in the debate surrounding the Gulf's Lower Tertiary to rethink those conventional views.

Chevron also confirmed on Thursday that it will defer a planned improvement to its refinery in Pascagoula, Miss. A spokesperson said that the delay will stretch until 2010 at the earliest.

### [Emerson Electric Plans to Cut as Many as 14,000 Jobs in '09](#)

Feb. 6 (Bloomberg) -- Emerson Electric Co., the world's largest maker of power equipment for oil companies, plans as many as 14,000 job cuts this year after already slashing 7,000 positions since October amid lower demand.

The company expects to shrink its workforce to as little as 120,000 by its fiscal year ending on Sept. 30, according to spokesman Mark Polzin, citing a presentation today by Chief Executive Officer David Farr. The St. Louis-based company had 141,000 workers on Oct. 1, 2008, Polzin said.

### ['Oil prices can not go above \\$40 now'](#)

We suggest that people contain any oil purchases between \$35 and \$40—not above \$40 at this point in time. Oil longer term is far more likely to be higher than that level than equities looking out the same timeframe. As bearish as oil looks right now in the demand destruction, we're also having development destruction, which happens very fast. We have argued for almost four years that the peak oil theory, which many people latched onto during the last dramatic rise, couldn't come into play without another recession and without what has been taking place in the oil market recently. As we get into the next economic recovery, which I think will be more a world recovery versus a U.S. recovery, the peak oil argument could have a more pronounced effect on the oil price. That's particularly true in light of the fact that this decline has caused just about everybody to stop any real new exploration and hold off where expectations of oil were high, such as the tar sands in Canada.

### ['Cash for Clunkers' pulled from stimulus](#)

An amendment to spend \$16 billion to encourage buyers to purchase new, fuel efficient autos was pulled from the bill.

### [Ice collapse 'could raise sea levels 20 feet'](#)

A team of experts has calculated that if the West Antarctic Ice Sheet collapses -- as many expect it to -- the outcome will be worse than has been forecast.

The sea level in the wake of the collapse is already projected to rise between 16 and 17 feet. The new research suggests the true figure could be almost 21 feet in the North Atlantic.

### [Update On Renewable Energy Stimulus Provisions](#)

Senators Tom Harkin (D-IA), John Thune (R-SD), Tim Johnson (D-SD), and Jon Tester (D-MT) introduced an amendment (#397) to the economic recovery legislation last night that would move US \$1.14 billion from the U.S. Department of Energy (DOE) into energy programs at the U.S. Department of Agriculture (USDA). The amendment could be voted on later today. . .

The senators noted that in order to meet the national targets in the Renewable Fuel Standard, there needs to be new support for biomass crop production, harvesting, transport and storage – programs already in place at USDA. In addition, during this time when private investment capital is slowing to a drip, the senators believe that Congress needs to support the growing number of commercial biorefineries for advanced biofuels, as well as biomass research and development for better technologies in the future.

## [Obama: Energy an essential part of economic recovery plan](#)

Energy components are essential parts of a strong economic recovery plan because they would begin to reduce reliance on imported oil, US President Barack H. Obama told Department of Energy employees on Feb. 5.

"Your mission is so important and will only grow as we seek to transform the ways we produce and use energy for the sake of our environment, our security, and our economy," Obama said in a joint appearance with US Energy Secretary Steven Chu.

## [DWP's renewable energy efforts will boost rates, report says](#)

The Los Angeles Department of the Water and Power's decision to embrace renewable energy will have a "significant impact" on the electricity bills of customers, according to a five-year review of the nation's largest municipal utility.

In a 223-page document released Thursday by City Controller Laura Chick, PA Consulting Group also said the DWP would have difficulty accomplishing Mayor Antonio Villaraigosa's plan to make renewable power -- generated from wind, solar and other sources -- one-fifth of the city's energy portfolio by 2010.

## [Utilities Turn Their Customers Green, With Envy](#)

The [Sacramento Municipal Utility District] had been trying for years to prod customers into using less energy with tactics like rebates for energy-saving appliances. But the traditional approaches were not meeting the energy reduction goals set by the nonprofit utility's board.

So, in a move that has proved surprisingly effective, the district decided to tap into a time-honored American passion: keeping up with the neighbors.

Last April, it began sending out statements to 35,000 randomly selected customers, rating them on their energy use compared with that of neighbors in 100 homes of similar size that used the same heating fuel. The customers were also compared with the 20 neighbors who were especially efficient in saving energy.

Customers who scored high earned two smiley faces on their statements. "Good" conservation got a single smiley face. Customers like Mr. Dyer, whose energy use put him in the "below average" category, got frowns, but the utility stopped using them after a few customers got upset.

## [Confusion in the Oil Patch](#)

Last week I said that I was going to defend the proposition that it is unlikely that the world oil production would ever exceed its July, 2008 peak. I realize now that I was getting ahead of myself. Instead I will use a simple model for the available oil supply and examine each term in it this week and next. . .

Contrary to reasonable expectations, oil producers (mostly) outside OPEC are pressing forward with new oil projects everywhere you look, to wit—

### [U.S Government Agencies Should Consider Taking Back the Tap](#)

"USDA should look at the big picture regarding bottled water. In most locations, tap water is safer than bottled water because EPA requires municipalities to test their water hundreds of times a month. Meanwhile the FDA, which regulates bottled water, only requires that companies test four empty bottles once every three months for bacteria. They are not required to test after bottling or storage.

"Tap water is safe to drink in virtually all communities and if the USDA is concerned about water quality in some locations, the best option is to provide filtered water that can be put in refillable bottles. The truth is, the only truly sustainable water is the kind that requires no packaging or shipping at all and that's tap water."

### [Major Oklahoma utilities plan to supply 10 percent of their electricity from turbines](#)

Public Service Co. of Oklahoma Thursday announced it has signed long-term agreements to buy about 198 megawatts of wind energy from two new wind farms planned for western Oklahoma.

The announcement means Oklahoma's two largest electric utilities, PSO and OG&E Energy Corp., each soon expect to pass a major milestone by generating more than 10 percent of their electrical power from renewable wind energy.

### [Amish help neighbors left without electricity](#)

MAYFIELD, Ky. -- When the wind died down and the ice storm had passed, Joe Stutzman gathered his spare lanterns and stepped out of his Amish farmhouse to lend them to his modern-living neighbors.

"I feel sorry for my neighbors who were used to electricity and all of a sudden didn't have it," Stutzman said. "I know that must be hard for them."

### [It's nice to drive electric](#)

The family car powered entirely by electricity is ready for daily use. The vehicle has been on sale in the Netherlands for a few days now. ECE (Electric Cars Europe) is a young company in Lochem which was specifically created to manufacture electric cars. It recently delivered its first specimen to the Essent energy company. Essent, which will quickly make a large part of its fleet electric, will advertise with the words: 'From now on electric driving is a real option.' . .

The ECE's electric family car is still much too expensive for the average family, with a price of around 100,000 euros. However, thanks to all sorts of environmental subsidies and tax breaks it can be interesting to companies. Moreover, the 'fuel costs' - in this case electricity - are a fraction of the costs of petrol or diesel. A full engine is only a couple of euros.

### [Petrobras: Opportunity or Trap?](#)

Here is the reality: Petrobras benefited from high oil prices and made huge profits and a lot of it went to the Brazilian government. That's great! It was good for Brazil and let's hope Lula spent the money wisely. Brazil also made huge profits from the commodities boom but now the boom is over and the flow of capital all but evaporated with the credit crunch. Profitability has suffered and Brazil will have to issue debt to stimulate demand (read this RGE Monitor regional report). We're going to see a role reversal where the government will be forced to pump money into Petrobras. So, don't expect miracles from this company anytime soon.

### [Penn Virginia Corporation Reports a 35 Percent Increase in Proved Reserves and a 15 Percent Increase in Annual Production](#)

Records for Annual and Quarterly Production and Proved Reserves; 604 Percent Reserve Replacement at a Drillbit Cost of \$1.94 Per Mcfe; Fourth Quarter Production 13 Percent Higher Than Previous Quarter

For full-year 2009, oil and gas production guidance has been lowered to a range of 51.0 to 53.0 Bcfe, or 139.7 to 145.2 MMcfe per day, an increase of nine to 13 percent over full-year 2008. This guidance compares to a previous guidance range of 52.0 to 54.0 Bcfe. The expected 4.1 to 6.1 Bcfe increase in 2009 production is primarily attributable to anticipated increases in the Lower Bossier Shale, the Granite Wash, south Louisiana and Mississippi, partially offset by anticipated decreases in the Cotton Valley, Appalachia, south Texas and horizontal coalbed methane (HCBM) in the Mid-Continent.

### [Ethanol: Myths and Realities](#)

**Doesn't producing ethanol on a large scale use a great deal of energy?**

Yes. Some ethanol skeptics have even argued that the process involved in growing grain



and then transforming it into ethanol requires more energy from fossil fuels than ethanol generates. In other words, they say the whole movement is a farce.

There's no absolute consensus in the scientific community, but that argument is losing strength. Michael Wang, a scientist at the Energy Dept.-funded Argonne National Laboratory for Transportation Research, says "The energy used for each unit of ethanol produced has been reduced by about half [since 1980]." Now, Wang says, the delivery of 1 million British thermal units (BTUs) of ethanol uses 0.74 million BTUs of fossil fuels. (That does not include the solar energy -- the sun shining -- used in growing corn.) By contrast, he finds that the delivery of 1 million BTUs of gasoline requires 1.23 million BTU of fossil fuels.

Producing ethanol could get more efficient soon as new technologies help farmers get more corn per acre of land and allow ethanol producers to get more of the fuel from the same amount of corn.

### [Allis-Chalmers cuts 235 jobs amid recession](#)

Oilfield service company Allis-Chalmers Energy Inc. said Friday it is laying off 235 employees nationwide and cutting day rates for certain personnel and benefits for all staff.

It efforts will save \$21.7 million a year, the company said.

### [Venezuela behind on payments to oil contractors](#)

CARACAS, Venezuela (Map, News) - Venezuela's state oil company is behind on billions in payments to private oil contractors from Oklahoma to Belarus, some of which have now stopped work, even as President Hugo Chavez funnels more oil revenue to social programs.

Petroleos de Venezuela SA, or PDVSA, says unpaid invoices jumped 39 percent in the first nine months of last year - reaching \$7.86 billion in September. And that was when world oil was selling for \$100 a barrel.

With prices plummeting by more than half, PDVSA is trying to renegotiate some contracts. But analysts say hardball tactics to reduce charges from crucial service providers could backfire by lowering Venezuela's oil output. And foreign debt markets are reflecting jitters about Venezuela's finances.

### [Polish company: Gazprom may boost gas deliveries](#)

Russia's Gazprom may increase its gas deliveries to Poland to cover a shortfall in supplies coming through Ukraine, Poland's gas monopoly said Friday. . .

Poland is receiving only 76 percent of its total contracted deliveries from Russia because the Swiss-based energy trader RosUkrEnergo -- which is half-owned by Gazprom -- never resumed gas deliveries after the resolution of last month's pricing dispute between Russia and Ukraine.

### [Exxon: Juggernaut or Dinosaur?](#) (Podcast also at same link)

Yet despite its seeming invincibility, Exxon is surprisingly vulnerable. Interviews with industry analysts, consultants, and current and former employees cast doubt on its strategy and growth prospects. Most immediately, Exxon's oil reserves and production are shrinking, and it is relying on less valuable natural gas to replenish them. Worse, it is getting much of that gas from a single country—Qatar—that could change the terms of their deal at any moment.

More broadly, Exxon seems overly wedded to a playbook drafted decades ago. The company's aversion to risk, a point of pride, has caused it to withdraw from lucrative exploration projects prematurely. And Exxon's perceived arrogance, reflected in its dismissal of alternative energy and its strained relations with foreign governments, has cost it business.

### [Economic crisis heralds uncertain times for gas](#)

It is becoming increasingly likely that the global economic crisis will result in substantially lower demand for gas in Asia over the next few years than was previously expected.

Yet lower than anticipated global demand for energy could reduce gas prices sufficiently to make piped gas and liquefied natural gas (LNG) more competitive with coal as a power sector feedstock, so it is difficult to predict whether falling revenues for gas exporters will be matched by lower consumption.

Indeed, gas prices have already fallen sharply in all four major Asian gas markets.

The market for spot LNG deliveries in Asia already seems to have dried up.

### [Farm state lawmakers call for loan guarantees for ethanol pipe](#)

A congressional delegation of farm state lawmakers this week called for the US Department of Energy to expand its program of loan guarantees to help fund a dedicated ethanol-only pipeline, a potential boost for Magellan Midstream Partners, who hopes to start construction on a 10 million gal/day pipeline to the US East Coast.

A federal loan guarantee may aid the efforts of Magellan to start building an ethanol-dedicated pipeline in the next year or so. A "go/no-go" decision on a 10 million gal/day pipeline to bring Midwest ethanol to the East Coast is "at least a year away," Magellan

CEO Don Wellendorf said earlier this week. "We continue to advance the ball on the project," Wellendorf said in a conference call discussing the Tulsa, Oklahoma-based company's fourth quarter earnings.

The pipeline, to be developed in partnership with Buckeye Partners, would stretch 1,700 miles from several Midwestern states to New York Harbor. If developed, the pipeline would be the first long-range line dedicated to moving ethanol in the US. Ethanol is currently moved via rail, truck and barge.

### [Iran interested in Nabucco](#)

TBILISI, Georgia, Feb. 5 (UPI) -- European parties to the planned Nabucco gas pipeline have continually approached Iran on participating in the project, the Iranian envoy to Georgia said.

"Very many experts are expressing their assurance that without involving Iran, the Nabucco project will not be economically viable," he said.

He called on European customers, Nabucco hosts and potential suppliers to approach Iran on joining the project.

### [Possible Link Between Dam and China Quake](#)

A Columbia University scientist who studied the quake has said that it may have been triggered by the weight of 320 million tons of water in the Zipingpu Reservoir less than a mile from a well-known major fault. His conclusions, presented to the American Geophysical Union in December, coincide with a new finding by Chinese geophysicists that the dam caused significant seismic changes before the earthquake.

Scientists emphasize that the link between the dam and the failure of the fault has not been conclusively proved, and that even if the dam acted as a trigger, it would only have hastened a quake that would have occurred at some point.

### [Clean-Coal Debate Pits Al Gore's Group Against Obama, Peabody](#)

Coal is at the center of the discussion about so-called green energy because the fuel provides half of U.S. electricity -- and 30 percent of the greenhouse-gas emissions that contribute to global warming.

The issue, framed in dueling television campaigns, is whether U.S. energy policy should be based on what is still largely an assumption: that technology can capture carbon emissions before they go into the air and store them permanently underground.

## [How long will the world's uranium supplies last?](#)

If the Nuclear Energy Agency (NEA) has accurately estimated the planet's economically accessible uranium resources, reactors could run more than 200 years at current rates of consumption.

Most of the 2.8 trillion kilowatt-hours of electricity generated worldwide from nuclear power every year is produced in light-water reactors (LWRs) using low-enriched uranium (LEU) fuel. About 10 metric tons of natural uranium go into producing a metric ton of LEU, which can then be used to generate about 400 million kilowatt-hours of electricity, so present-day reactors require about 70,000 metric tons of natural uranium a year.

According to the NEA, identified uranium resources total 5.5 million metric tons, and an additional 10.5 million metric tons remain undiscovered—a roughly 230-year supply at today's consumption rate in total. Further exploration and improvements in extraction technology are likely to at least double this estimate over time.

## [Iran in scramble for fresh uranium supplies](#)

Western powers believe that Iran is running short of the raw material required to manufacture nuclear weapons, triggering an international race to prevent it from importing more, The Times has learnt. . .

Iran, which has always claimed that its nuclear programme is peaceful, acquired several thousand tonnes of yellow cake from South Africa during the mid-1970s shortly after the Shah initiated the country's original push for civil nuclear power. Tehran also has two small uranium mines but they are costly to run, yield only small quantities of ore and are suffering from problems with purity.

## [Central Asia Poised To Become The Atomic El Dorado](#)

"The NEA has...recently published a nuclear energy outlook, which says by 2030 projections for low nuclear growth will require as much as 70,000 tons of uranium a year to even higher nuclear growth that would require over 100,000 tons a year," Vance says.

"Right now about 40,000 to 45,000 tons is being mined every year around the world, so there's a need to ramp up this industry and Central Asia, and particularly Kazakhstan, will play a very central role."

## [Gazprom announces major price cuts for gas exports to Europe](#)

Moscow - The Kremlin-controlled Russian gas firm Gazprom announced Friday it was to reduce gas prices to Europe.

This year the average price paid by European energy firms will go from 409 to 280 dollars per 1,000 cubic meters, according to the Interfax news agency, citing a company official.

Gas prices are closely tied to the oil price, which since last summer has plummeted by almost three-quarters to around 40 dollars a barrel.

Gazprom also said it will reduce its exports to Europe by around 5 per cent to 179 billion cubic meters due to an anticipated decline in demand.

The state-monopoly will also this year reduce its gas extraction by around 7 per cent to an anticipated 510 billion cubic meters.

### [Suncor oil sands production up](#)

Suncor hopes to produce of 300,000 bpd each month this year, compared with an average 228,000 bpd last year, according to company reports.

### [Chevron hits oil at Buckskin](#)

US giant Chevron today announced a new deep-water oil discovery at the Buckskin prospect in the deep-water US Gulf of Mexico.

The block is approximately 190 miles southeast of Houston and 44 miles west of Chevron's 2004 Jack discovery in the lower tertiary - a geological formation seen as a potential source of significant new supplies in the offshore fields.

The Buckskin 1 discovery well encountered more than 300 feet of net pay, Chevron said in a statement.

The well is located in about 6,920 feet of water and was drilled to a depth of 29,404 feet.

### [OPEC President Says Group Analyzing Impact of Cuts \(Update1\)](#)

Feb. 6 (Bloomberg) -- The Organization of Petroleum Exporting Countries is monitoring the result of its production cuts to decide whether more reductions are needed at a March 15 meeting to push the price of crude to \$75 a barrel, the group's president said.

"There will be a deeper analysis from the delegates," at the March meeting in Vienna, OPEC President Joao Maria Botelho de Vasconcelos said in an interview yesterday in Luanda, the Angolan capital.

## [Gazprom and PDVSA get talking](#)

A Gazprom delegation led by Stanislav Tsygankov, head of the company's International Business Department, paid a working visit to Venezuela to discuss exploration projects.

## [CNOOC to hike investment 26 pct despite oil's fall](#)

BEIJING, Feb 6 (Reuters) - China offshore oil specialist CNOOC said it aims to increase total investments in 2009 to \$16.5 billion, up 26 percent from a year earlier, despite oil price falls that have forced some foreign firms to cut spending plans.

The company, parent of CNOOC Ltd (0883.HK)(CEO.N), plans to produce 48.05 million tonnes of oil equivalent this year, 14 percent more than in 2008, General Manager Fu Chengyu said on Friday.

The targeted growth is sharply higher than its output gains in 2008, when it produced 42.93 million tonnes of oil equivalent, 6 percent more than in 2007.

## [Renewable Energy Project Finance: Cause For Optimism Amidst Turmoil](#)

But in the face of all this, promising signs and valid cause for optimism remain.

Long fought over extensions and expansions of renewable energy investment and production tax credits were included in the US \$700 billion financial rescue and economic stimulus package passed in October. Adding to that, "green" economic stimulus is a core aspect of President Barrack Obama's "American Recovery & Reinvestment Act of 2009," which could inject as much as \$126 billion worth of government capital and additional private sector incentives into the economy over the next two years.

Moreover, the bursting of this latest speculative investment bubble is imposing a healthy dose of investment and fiscal discipline that was probably lacking during the frothy "go-go" days of recent years.



This work is licensed under a [Creative Commons Attribution-Share Alike 3.0 United States License](#).