



DrumBeat: February 14, 2009

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Topic: [Miscellaneous](#)

[Government must help oil industry ... or lose \\$1,000,000,000,000 in tax](#)

THE LEADING light of Scotland's oil and gas sector has issued his strongest warning yet that government intervention is needed to protect the long-term potential of the industry in the face of the worldwide recession.

Sir Ian Wood, chairman of Wood Group, also predicted that failure to act now could undermine the UK economy's overall recovery when the upturn comes, and could cost the Treasury around \$1 trillion (£700 billion) in lost tax revenue.

[Ecuador to freeze assets over Repsol, Perenco debts](#)

QUITO (Reuters) - Ecuadorean President Rafael Correa said on Saturday his government will freeze some assets of Spanish oil company Repsol (REP.MC: Quote, Profile, Research) and France's Perenco to seek payment of pending debts.

Correa said Repsol and Perenco owe the country hundreds of millions of dollars over a controversial windfall tax.

[Gaddafi urges Libyans to back his income oil plan](#)

TRIPOLI (Reuters) - Libyan leader Muammar Gaddafi on Saturday called on Libyans to endorse his proposal to dismantle the government and give the oil wealth directly to the country's 5 million people.

His plan to hand oil revenues directly to Libyans had run up against opposition from senior officials, who stand to lose their jobs in a government purge Gaddafi wants to rid the state of what he says is entrenched and widespread corruption.

[Big oil must start work fast in Iraq or lose deals](#)

ISTANBUL (Reuters) - International oil companies will lose contracts at Iraq's biggest

producing oilfields if they fail to start operating in the country within six months of deals taking effect, an Iraqi oil official said on Saturday.

Iraq will brook no delays on deals to boost oil output by 1.5 million barrels per day despite oil company concerns on security, said Abdul Mahdy al-Ameedi, deputy director general at Iraq's petroleum contracts and licensing directorate.

[Saudi king reshuffles cabinet](#)

RIYADH (Xinhua) -- Saudi Arabia's King Abdullah bin Abdul Aziz reshuffled his cabinet and named a new central bank governor, a new head of the religious police and chosen the first-ever female deputy minister in the oil-rich kingdom, local Al-Arabiya website reported Saturday.

[US petroleum dependency factor of history](#)

When the Drake Oil Well in Titusville, Pennsylvania began seeping crude oil 150 years ago, humanity allowed itself to become engulfed in the ecology of oil, according to a Penn State environmental historian. Now in the midst of an energy transition, the U.S. and the world need to keep moving forward toward alternative methods of power generation.

"American consumers must take stock and understand our dependency on oil in the context of how we got to this point," said Brian Black, associate professor of history and environmental studies, Penn State Altoona. "Just as a certain path of consumption led us to petroleum dependence, a path will lead us out of it. These paths, of course, are composed by the choices made by the American consumer."

[More struggle to pay energy costs](#)

As the recession deepens, more Virginia utility subscribers are falling behind in paying their winter heating bills, and more are having their electric and gas service disconnected, officials said.

"There's an uptick in the number of customers who are having difficulty paying their electrical bills," Dominion Virginia Power spokesman David Botkins said.

[Early indications hint at smaller 2009 cereal crop](#)

Rome - Early indications point to a reduction in global cereal output in 2009 from the 2008 record, according to FAO's latest Crop Prospects and Food Situation report. Smaller plantings and adverse weather look likely to bring grain production down in

most of the world's major producers.

While conditions are generally favourable for winter wheat throughout Europe and the United States, planted area in these countries has declined, reflecting the prospect of sharply reduced returns compared to last year, combined with persisting high input costs, the report said.

[Climate change likely to be more devastating than experts predicted, warns top IPCC scientist](#)

Without decisive action, global warming in the 21st century is likely to accelerate at a much faster pace and cause more environmental damage than predicted, according to a leading member of the Nobel Prize-winning Intergovernmental Panel on Climate Change.

IPCC scientist Chris Field of Stanford University and the Carnegie Institution for Science points to recent studies showing that, in a business-as-usual world, higher temperatures could ignite tropical forests and melt the Arctic tundra, releasing billions of tons of greenhouse gas that could raise global temperatures even more—a vicious cycle that could spiral out of control by the end of the century.

[Green agenda of Canada, U.S. out of sync](#)

OTTAWA -- As Prime Minister Stephen Harper and U.S. President Barack Obama prepare to discuss energy and climate change at their meeting next week, each man has a villain to deal with: 'dirty oil' from Alberta's tarsands and 'dirty coal' in the United States.

Those major sources of energy are also huge sources of greenhouse gas emissions - carbon and other pollution caused by burning fossil fuels - that both governments have pledged to reduce in the international fight against climate change.

[Great Lakes not enough to quench water shortage: Report](#)

Even the Great Lakes aren't great enough to sustain North Americans' reckless water use in the event of a continentwide water shortage, according to a new report.

The report — titled Sentinels of Change and set for release in Friday's edition of Science — suggests the Great Lakes' scant renewal rates would not provide enough water to get through a full-blown crisis.

"I think we have to stop considering the Great Lakes as the thing that's going to irrigate the Red River Valley and supply water to the dry American southwest," said University of Alberta biologist David Schindler. He co-authored the paper — a review of recent research into water resources across North America — with two biologists from the U.S.

[Mass media often failing in its coverage of global warming, says climate researcher](#)

"Science is not politics. You can't just get two opposing viewpoints and think you've done due diligence. You've got to cover the multiple views and the relative credibility of each view," said Schneider, a senior fellow at Stanford's Woods Institute for the Environment. "But that is not usually the problem of the well-trained reporters, who understand what is credible.

"The problem is CNN just fired their science team. Why didn't they fire their economics team or their sports team?" "Why don't they send their general assignment reporters out to cover the Superbowl?" Schneider said.

[World oil production potential weakening: Total](#)

LONDON (Reuters) - The oil price collapse has weakened the industry's capacity to increase output and future production may top out at a lower level than earlier expected, the chief executive of major oil company Total said.

Christophe de Margerie said that world oil output may hit a plateau below 90 million barrels per day in the years ahead, less than earlier envisaged.

"The capacity that the oil industry has to go to 93-95 million barrels per day is already over," the CEO of the French oil major told reporters on Friday at a briefing in London.

[It's too late for Planet Earth, says James Lovelock](#)

You may feel, as job losses soar and parts of the world descend into turmoil, that you're apocalypsed-out for February. If so, you may not immediately leap at James Lovelock's forthcoming book, *The Vanishing Face of Gaia*. His warning that climate change is spinning us into a hot world, where billions will starve and whole ecosystems will collapse, is a horror few want to contemplate, leavened only by the faint consolation that those of us lucky enough to live in the British Isles, Siberia, Chile, Canada or New Zealand may survive. But his prophecies are plausible and they will also make you think, which are two good reasons to grit your teeth and read him.

[WTI, Brent, Dubai as Oil Price Benchmarks: Caveat Emptor](#)

In media discussions of the oil market, there is a tendency to conflate WTI prices with the world price of oil. There are more than 130 varieties of crude oil and WTI (West Texas Intermediate) is not even the benchmark used to price most of the crude traded in the world. That distinction belongs to Brent, a UK blend of oils from the North Sea. Brent is used for pricing 2/3 of the world's traded oil. WTI is mostly used for pricing oil

consumed in the U.S. What makes these two crudes so special and, in the media's eye, WTI even more so?

[Moscow's New Energy Policy Worries Central Asian Nations](#)

BISHKEK, Kyrgyzstan (ENS) - Central Asian leaders gathered for a summit of former Soviet states last week amid signs that Russia was beginning to show a more active interest in their region's water and energy disputes. However, regional analysts were divided over whether Moscow's engagement would help bring the different states closer together, or deepen the existing divisions between them.

[Indonesia sees container volumes down 20-30 pct in '09](#)

"Based on container flow for January-February, exports volume this year may decline by between 20 to 30 percent. Non-oil and gas exports are expected to fall," Pangestu said.

She added that exports of automotive products and electronics would be worst hit.

Car exports through the Jakarta International Container Terminal, the country's largest shipping terminal, fell to 9,391 units in January, from 13,000 units in December 2008, Pangestu said, representing a decline of about 27 percent.

[Massive desert solar 'colonies' hope to solve energy crisis](#)

Imagine large-scale solar-power plants being built across the Sonoran Desert, along with power lines up to 300 feet high, to export the sun's power to the rest of the West.

That's the ambition of an idea the Western Governors Association and the federal government are studying -- to make Arizona a solar-energy "colony" for 11 other states, two Canadian provinces and Baja California.

[Fire Strikes Kuwait Petroleum Refinery in Rotterdam](#)

(Bloomberg) -- Kuwait Petroleum Corp., the state-owned oil and refining company, said a fire occurred in a desulfurization unit at its Europoort refinery in Rotterdam.

Parts of the refinery were shut because of the blaze, Ian McConnell, the plant's manager, said in a telephone interview.

...The fire occurred in a gasoil desulfurization unit, which Kuwait Petroleum said it planned to shut down for normal maintenance. "It could be that something went wrong in that process," Spaninx said. "The part of the plant that is affected will burn down

completely.”

[Oil breaks out of weeklong price slide](#)

COLUMBUS, Ohio – Oil broke out of a weeklong slump Friday, soaring 10 percent, as traders prepared for a long Presidents Day weekend.

Light, sweet crude for March delivery rose \$3.53 to settle at \$37.51 a barrel on the New York Mercantile Exchange. Prices rose as high as \$38.25 in afternoon trading.

"It's very simply profit-taking going into a three-day holiday," said Phil Flynn at Alaron Trading Corp.

[OPEC states uncertain about output cut policy](#)

LONDON: Uncertainty about how far world fuel demand and oil prices will fall has made it harder than ever for OPEC members to agree on how to balance group output policy against the divergent needs of their individual budgets.

Oil's collapse from almost \$150 a barrel last July cut OPEC earnings by \$356 billion in six months and they could drop by a further 50 percent this year, the group's Secretary-General Abdullah al-Badri said.

[Exxon Mobil looks to Canada for heavy-duty project](#)

As harsh oil outposts go, Canada would not appear to rank high on the list.

After all, energy companies battle rebels in the swampy thickets of Nigeria and Ecuador and spar with governments in capitals from Caracas to Moscow. But off the east coast of Newfoundland, the companies wage war with the elements in their ongoing effort to extract oil.

And that's where a Houston-based unit of Exxon Mobil Corp. is working to develop an oil field thought to contain up to 700 million barrels of crude.

[Petrobras discovers evidence of oil off Iran's coast](#)

RIO DE JANEIRO, Feb. 13 (Xinhua) -- Brazil's state-owned oil and gas company Petrobras has discovered evidence of hydrocarbons in ultra-deep water in the Persian Gulf off the coast of Iran, company officials said Friday.

Jorge Zelada, Petrobras' international area director, said the next step will not be

determined until the company finishes its analysis of the evidence, which will take two to three months.

[China signs \\$90 mln Senegal deals, buys peanut oil](#)

DAKAR (Reuters) - Visiting Chinese President Hu Jintao's delegation has signed loan and aid deals worth \$90 million with Senegal, state media in the West African country reported on Saturday.

Hu is in Senegal on the second leg of a four-nation African tour seen as an effort to reassure Africa that Beijing will not ease up on aid and investment during hard economic times and that its interests on the continent extend beyond oil and mining.

[Some surprises among the top-searched autos of 2008](#)

Surprisingly, the Ford Mustang was No. 4 on the list of most-searched vehicles. And the fuel-hungry Chevrolet Tahoe large sport utility was No. 6, and the Ford F-150 pickup No. 7.

Another pickup made the list, the midsize Toyota Tacoma at No. 9.

The fact that three of the top vehicles on potential buyers' lists were models not known for having good fuel economy shows that perhaps even at \$4 a gallon, Americans weren't ready to give up all of their favorite rides.

[Raymond J. Learsy: The "Nightmare Scenario". Thank you Saudi Arabia For Looking After Our Future](#)

Saudi Arabia has such concern and respect for The United States and the perceptiveness of its citizenry that they feel compelled to ply us with instruction and advice. The very same nation that through its loquacious Oil Minister Ali al-Naimi regaled us back in December that it was Saudi Arabia's "Noble Cause" to see to it that the price of oil be clawed back to at least \$75 a barrel as soon as possible (please see OPEC's Noble Cause" 12.17.08) . You see, anything less will discourage investment in new production according to our friend in Riyadh, not to speak of curtailing the purchase of yachts, palatial residencies and Ferraris, and billions upon billions to Wahhabi schools, madrassas, mosques, social centers and charitable organizations throughout the world, teaching civility and good citizenship.

[Thousands rally to support Chavez bid to end term limits](#)

CARACAS (AFP) Thousands of Venezuelans gathered in central Caracas to support

President Hugo Chavez's bid to end term limits for elected officials, which would allow him to seek re-election in 2012. "My heart tells me that you won't let me down on Sunday 15," Chavez said to his cheering, red-clad crowd of supporters, referring to the date of the referendum on changing the constitution.

[Four Freedoms, Four Changes](#)

Militarism, racism, empire, peak oil, climate catastrophe and authoritarian responses to the crises of our time will kill us. Dead. We can either fight back, following the light from the past, when people fought other destructive forces and injustices for a future worth living in, or we can wish to go back to "normal," roll over and give it up to corporate rule. Because we've gotten used to not thinking or seeing, and comfortable doing things the same way things have been done to get us into this fix.

[Burn coal and save the environment?](#)

Old King Coal has had - and continues to have - a very bad press (and a very bad press has he!). However, in a provocative lecture at the University of Leicester, Professor Paul L Younger of the University of Newcastle upon Tyne will argue that a new approach to coal exploitation probably represents the world's last and best chance of bridging the gulf to a genuinely low carbon future.

[Professor tries to set the record straight on global warming](#)

Conservatives, the kind who believe a chilly morning is proof that global warming is a hoax, seized on Doran's piece as the best evidence yet that climate change is nothing more than liberal fear mongering. Overnight, he became their hero, a really smart guy who supported their thesis.

The morning after Doran's article ran, Rush Limbaugh had a field day with it on his radio show. Ann Coulter, the 55-pound conservative heavyweight, referenced the study on her Web site. Another global-warming debunker, Michael Crichton, erroneously cited Doran in his book "State of Fear."

Doran, a mild-mannered native of Canada, was mortified.

That Antarctica actually was getting hotter over a time period longer than the one researched by Doran, or the little fact that he happened to believe in global warming, didn't matter.

[Reducing Carbon Dioxide Through Technology And Smart Growth](#)

ScienceDaily — A Georgia Tech City and Regional Planning study on climate change, published February 10 by Environmental Science and Technology, shows that "smart

growth” combined with the use of hybrid vehicle technology could reduce cities’ carbon dioxide (CO₂) emissions – the principal driver of global warming – significantly by 2050.

[VIRGINIA: Transportation plan trimmed to tune of \\$2 billion](#)

RICHMOND, Va. (AP) — The Commonwealth Transportation Board cut \$2 billion from Virginia's six-year transportation plan, acting during a rare midyear meeting Friday to ensure the list of ready projects will qualify under the federal stimulus package.

More than 800 highway projects statewide will feel the pinch of the cut, which left the highway project portion of the plan at \$6 billion. Public transportation and rail funding remained unchanged at \$2.9 billion.

[Center for Biological Diversity Declares Legal War on Global Warming](#)

SAN FRANCISCO, California (ENS) - To fight climate change, the nonprofit Center for Biological Diversity Thursday opened a new law institute in San Francisco and announced the dedication of an initial \$17 million to the project.

The Climate Law Institute will use existing laws and work to establish new state and federal laws that will eliminate energy generation by the burning of fossil fuels - particularly coal and oil shale.

[Warming up to the idea of no fridge](#)

Beth Barnes wanted to reduce her carbon footprint and make a difference in this ecologically fragile world.

But first she had to ask herself: Can I give up frozen pizza?

The answer, as it turned out, was yes. And forgoing instant cheesy goodness wasn't the hardest part about giving up her refrigerator. That one gesture, she said, changed the way she thinks about food and shopping.

[Level of climate change 'without precedent' - Gore](#)

Former US vice president Al Gore exhorted scientists to "get involved" in warning the public about the dangers posed by climate change. "This is a task for all of us. This is no time to sit back, this is a historic struggle," he told an audience in Chicago.

[Europe to leave collapsing carbon prices to market](#)

The European Commission will not intervene to support the market for European carbon emissions where futures prices have nosedived along with the economic downturn, the EC's chief climate change negotiator said yesterday.

[Algae growth in ocean fertilizing test surprises scientists](#)

Bremerhaven, Germany - Scientists testing an idea to beat global warming have met with an unexpected result as the experiment proceeds in polar waters, a German science official said Saturday. One type of algae, haptophytes, reproduced rapidly in the ocean after a nutrient-rich eddy of water, 1,530 kilometres north-east of the island of South Georgia, was fertilized with iron by Indian and German scientists.

Ulrich Bathmann, head of bioscience at the Alfred Wegener polar and oceanography institute (AWI) in Bremerhaven, Germany, said the growth had been different from previous, smaller-scale experiments.

He told Deutsche-Pressre Agentur dpa, "This would be an argument against large-scale commercial iron fertilization, since the effects are not calculable in advance."

[Pure ethical gold](#)

Want to please your green warrior girlfriend on Valentine's Day? There may be an answer: responsibly sourced gold.

Happy Valentine's Day!



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