



Drumbeat: April 15, 2009

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[Repsol Shuts Spain Refinery Temporarily on Low Profit](#)

(Bloomberg) -- Repsol YPF SA will close its oil refinery in Cartagena in southern Spain for an undefined length of time because of low refining profit margins as the economic slump erodes demand for fuel.

“It’s a commercial decision to stop for a bit,” Kristian Rix, a spokesman for the Madrid-based company, said today by telephone. The shutdown will be completed over the coming days, he said.

The plant accounts for about 14 percent of Repsol’s refining capacity in Spain. Waning demand for fuel has made refining less profitable. Profits from turning a barrel of crude into refined products are 44 percent lower than the second quarter of last year, according to data from BP Plc.

[Peabody's 1Q results miss analysts' forecasts](#)

ST. LOUIS – Peabody Energy Corp. said Wednesday its first-quarter profit tripled, but the showing fell short of Wall Street's expectations as the coal miner again deferred its earnings outlook for the year and cut its output target amid weak demand from steel and power plants.

[Natural Resources Canada: Government of Canada Provides New Funding for Tiverton Ethanol Plant](#)

TIVERTON, ONTARIO--(Marketwire) - Ben Lobb, Member of Parliament for Huron-Bruce, on behalf of the Honourable Lisa Raitt, Minister of Natural Resources, today announced that the Government of Canada's ecoENERGY for Biofuels program will provide up to \$14 million for GreenField's Ethanol Inc.'s facility in Tiverton.

[Iraq drought hits marshes in 'Garden of Eden'](#)

HOR AL-HAMMAR, Iraq - A severe drought is threatening Iraq's southern marshes —

the traditional site of the biblical Garden of Eden — just as the region was recovering from Saddam Hussein's draining of its lakes and swamps to punish a political rebellion.

Marshes that were coming back to life a few years ago with U.N. help are again little more than vast expanses of cracked earth. The area's thousands of inhabitants, known as Marsh Arabs, are victims of the debilitating drought that has ravaged much of Iraq and neighboring countries the last two years.

[UN Defines Norway's Maritime Borders, Adding U.K.-Size Area](#)

(Bloomberg) -- The United Nations agreed to new borders for Norway's continental shelf, giving the world's fifth-biggest oil exporter resource rights in a maritime area almost as large as the U.K.

The UN's Commission on the Limits of the Continental Shelf recommended outer borders for Norway's continental shelf in the Barents Sea, the Arctic Sea and the Norwegian Sea, defining the Nordic country's rights to 235,000 square kilometers (90,734 square miles) of maritime area, the Foreign Ministry said today. The recommendation addressed Norway's 2006 request.

[Non-Opec decline: the means towards a renewed bull market](#)

Of course, in many circumstances the reason why a lot of the production is still hanging on — specifically the case for mature fields like the North Sea — is because once it's gone it may be gone forever. That's because mature fields are not like Opec swing producing fields which can be easily turned up or down. Reduced output impacts pressure which can be very hard to restore.

Which means if non-Opec cuts do come in any accelerated pace, you can expect the ultimate supply-squeeze generated rally many are expecting further down the line will be all the more sharper.

[Suncor and Petro-Canada get U.S. approval for merger](#)

CALGARY, Alberta (Reuters) - U.S. antitrust authorities have approved Suncor Energy Inc's (SU.TO: Quote) C\$18.4 billion (\$15.2 billion) takeover of Petro-Canada (PCA.TO: Quote), a ruling that reflects the companies' relatively small U.S. operations.

The Federal Trade Commission made the announcement on Wednesday in a listing of approved deals issued several times a week.

[Oil job flow turns to trickle](#)

It's much slimmer pickings this year for grads who just last year were fielding multiple job offers with plum salaries and signing bonuses. As oil and gas prices fell amid a global economic downturn access to credit was reduced, and energy firms are slashing exploration budgets, shelving major projects and starting to lay off staff.

This year, oil and gas firms are still recruiting on campus, but the jobs and offers are fewer. And with more students spilling into the work world than ever before, the competition is much tougher.

[Nigerian Militants Warn Shell of More Delta Fighting](#)

(Bloomberg) -- The main militant group in Nigeria's oil-rich Niger River delta said Royal Dutch Shell Plc's unit shouldn't return to the EA oil fields because it can't guarantee the safety of its staff.

[Dominion, BP start up Indiana wind farm](#)

NEW YORK (Reuters) - Power company Dominion Resources and oil giant BP Plc (BP.L) said on Wednesday they had started operations at a 400-megawatt wind farm in Benton County, Indiana, that will generate enough power to supply 120,000 homes.

The Fowler Ridge Wind Farm, developed by Dominion and BP's BP Wind Energy arm, is about 90 miles (150 km) northwest of Indianapolis, and could be expanded to 750 MW, the companies said.

[Russia's oil output declines 1.3% to 880 mln bbls in Q1](#)

MOSCOW (RIA Novosti) - Russia's oil output (including gas condensate) declined 1.3%, year-on-year, in January-March 2009 to 120 million metric tons (880 million barrels), the country's top statistics body said on Wednesday.

At the same time, oil output in March increased 0.5%, year-on-year, and 11.2%, month on month, the State Statistics Service (Rosstat) said.

Primary oil refining declined 1.1%, year-on-year, in January-March 2009 to 58 million metric tons (425 million barrels), Rosstat said.

Production of vehicle gasoline grew 0.5% to 9.1 million metric tons (66.7 million barrels), with diesel fuel declining 3.5% to 16.9 million metric tons (124 million barrels) and heating oil dropping 4.6% to 16.4 million metric tons (120 million barrels) in the reporting period, Rosstat said.

[EIA Estimates OPEC's Oil Export Earnings at \\$476B in 2009](#)

Based on projections from the EIA April 2009 Short-Term Energy Outlook (STEO), members of the Organization of the Petroleum Exporting Countries (OPEC) could earn \$476 billion of net oil export revenues in 2009 and \$598 billion in 2010.

Last year, OPEC earned \$970 billion in net oil export revenues, a 42 percent increase from 2007. Saudi Arabia earned the largest share of these earnings, \$287 billion, representing 30 percent of total OPEC revenues. On a per-capita basis, OPEC net oil export earning reached \$2,686 in 2008, a 40 percent increase from 2007.

[Natural gas production decline creates fiscal headache](#)

CALGARY - Even more than royalties or sagging commodity prices, the Alberta government needs to be worried about falling natural gas production to fill its gaping fiscal hole, oilpatch insiders said in the wake of Tuesday's record \$4.7-billion budget deficit.

In its budget document released Tuesday, the provincial government expects resource revenue to plummet by more than half, to \$6 billion in the current fiscal year from \$12.3 billion in 2008-09.

Although oil prices have fallen more than \$100 US a barrel from last summer's all-time highs, the biggest hit to the provincial treasury will come from natural gas, whose revenue is expected to fall more than 40 per cent to \$3.7 billion.

[Qatar Energy Minister Says Oil Between \\$40-50/Barrel Realistic](#)

Qatar's Deputy Prime Minister and Minister of Energy and Industry Abdullah al-Attiya said on Monday that oil prices between \$40 and \$50 per barrel are realistic under the current global financial crisis.

Speaking to reporters on the sidelines of the International Energy Forum (IEF), the minister said, "We are talking about reality, so we have to be practical."

[Morgan Stanley Cuts Petrobras Profit Estimates on Diesel Outlook](#)

(Bloomberg) -- Morgan Stanley recommended that investors "take profits" in shares of Petroleo Brasileiro SA as the company's earnings may decline because of a potential cut in diesel prices.

[2009 Hurricane Forecast Dampened by Cooling Waters](#)

The team of Professors Philip Klotzbach and William Gray of the Department of Atmospheric Science at Colorado State University (CSU) released their first revision to their initial forecast for the 2009 hurricane season. They now see this year as an average season, down from their prior assessment of it being an active season. The new forecast calls for 12 named storms, down from 14 in their December 10, 2008, initial forecast. These storms will produce six hurricanes and two intense ones, each category lower by one. While the number of named storms is above the 50-year average spanning 1950-2000, the number of hurricanes and intense hurricanes is in line with the historical averages for that period.

[State Highway Projects Draw Low Bids](#)

WASHINGTON -- Construction firms desperate for work are bidding 15% to 30% lower than anticipated for transportation projects funded by the federal economic-stimulus program, according to the American Association of State Highway and Transportation Officials.

Lower commodity prices and high unemployment, particularly in the construction industry, have combined to make the best pricing environment for states in at least six years, said John Horsley, AASHTO's executive director.

[Drop in State Revenue May Mean Further Cuts, the M.T.A. Says](#)

An alarmingly sharp decline in state tax revenues could further undermine the finances of the Metropolitan Transportation Authority, according to a new projection made public on Monday. Combined with other recent forecasts of plummeting revenue, the data made it likely that, without a financial rescue from Albany, the authority might have to resort to additional service cuts or fare increases beyond the measures already proposed.

[Brazil Can Protect Amazon as Crop Output Expands, Unger Says](#)

(Bloomberg) -- Brazil can protect its Amazon rainforest and boost agricultural output by planting crops in areas now used for low-intensity ranching, Minister of Strategic Affairs Roberto Mangabeira Unger said.

“For every acre under cultivation in Brazil, there are more than four acres given over to low-intensity ranching,” Mangabeira Unger said in an interview yesterday in New York. “If we could recover even a small part of that territory, we could double the area under cultivation and triple our agricultural output in a brief time without touching a single tree.”

[Shallow Science Criticized by Global Warming Experts](#)

Willie Soon, a Harvard University astrophysicist and geophysicist with scores of peer-reviewed papers and books to his credit, said he is “embarrassed and puzzled” by the shallow science in papers asserting the Earth faces a climate crisis caused by global warming.

Soon told the second International Conference on Climate Change on March in New York City, “We have a system [of peer reviewing scientific literature] that is truly, truly appalling.”

Soon’s criticisms echoed an earlier presentation at the 2-1/2-day conference that was attended by about 700 scientists, economists, and policymakers considering the issue of “Global Warming: Was it ever really a crisis?”

[Global warming guru](#)

RealClimate blogger Gavin Schmidt says the public hungers for better and more information on climate change.

[Carter’s ‘Malaise’ Speech: Conservative Manifesto?](#)

It’s remembered as a hallmark of Democratic defeatism, but actually it was a daring statement of conservative values, Sean Scallon writes in the American Conservative.

Speaking during the energy crisis, recession and other woes of 1979, Carter (who never actually uttered the word “malaise”) acknowledged a “crisis of confidence” across the land. And so the devout Southern farmer and ex-Navy officer exhorted Americans to self-sufficiency, discipline, sacrifice, conservation, independence and “the striving for meaning and purpose beyond material wealth,” Scallon writes.

Pretty conservative stuff, he contends: “Could Russell Kirk or Richard Weaver have said it any better if they were debating Ayn Rand?”

[Economic survivalists take root](#)

When the economy started to squeeze the Wojtowicz family, they gave up vacation cruises, restaurant meals, new clothes and high-tech toys to become 21st-century homesteaders.

Now Patrick Wojtowicz, 36, his wife Melissa, 37, and daughter Gabrielle, 15, raise pigs and chickens for food on 40 acres near Alma, Mich. They’re planning a garden and installing a wood furnace. They disconnected the satellite TV and radio, ditched their dishwasher and a big truck and started buying clothes at resale shops.

"As long as we can keep decreasing our bills, we can keep making less money," Patrick says. "We're not saying this is right for everybody, but it's right for us."

Hard times are creating economic survivalists such as the Wojtowicz family who are paring expenses by becoming more self-sufficient.

Reviving "almost lost" skills and preparing for tough days make people feel more in control, says Charlotte Richert, consumer sciences educator for Oklahoma State University's Extension Service in Tulsa County.

Karen Gulliver, MBA program chair at Argosy University in Eagan, Minn., expects the movement to grow as the sour economy forces people to reassess priorities. People are asking, "Do I really want to be 100% vulnerable with no self-sufficiency skills if something happens?" she says.

[Oil prices could spike higher without investment](#)

LONDON (AFP) — Oil prices could return to record highs in the long term, despite a weak demand outlook, if crude producing nations do not invest in extra capacity, energy consultancy CGES warned Tuesday.

The London-based Centre for Global Energy Studies (CGES) added in a monthly report that current oil price levels of about 50 dollars per barrel would not allow for adequate investment.

"In the longer term, the world will need more oil production capacity, if a repeat of the recent damaging high-price period is to be avoided," CGES said in its latest report.

[OPEC Cuts 2009 Oil Demand Forecast as World Economy Contracts](#)

(Bloomberg) -- The Organization of Petroleum Exporting Countries cut its forecast for oil demand this year for an eighth successive month as the economic slowdown in the world's biggest oil consumers worsens.

The estimate for 2009 global demand was lowered by 430,000 barrels a day to 84.18 million barrels a day, the producer group said. Demand will contract by 1.37 million barrels a day this year, or 1.6 percent. That's slightly more than North Africa's biggest oil supplier Algeria produces. OPEC forecast a decline of 1.2 percent last month.

"The world economic recession continues to erode oil demand growth, particularly in the U.S., Japan and China," the group's secretariat said in its monthly oil market report today. Demand in industrialized countries will fall this year and developing economies are "likely to see only minor growth."

[U.S. summer gasoline use seen up 1 percent: IEA](#)

WASHINGTON (Reuters) - Demand for gasoline in this summer's driving season in the United States is expected to rise an anemic 1 percent, which will help to keep the lid on fuel costs, the Energy Information Administration said Tuesday.

[Shell declares force majeure on Nigeria Bonny exports](#)

(Reuters) - Royal Dutch Shell said on Wednesday its Nigerian joint venture has declared force majeure on the country's Bonny Light crude oil exports in April and May.

This came as result of the recent production shut-in from fire on Bomu manifold on the Trans Niger Pipeline. The force majeure came into effect from noon (1100 GMT) on April 14.

[Nigerian militants warn of more clashes in oil delta](#)

LAGOS (Reuters) - Nigeria's main militant group warned on Wednesday of further clashes with the military in the oil-producing Niger Delta and said it had moved two British hostages "out of harm's way" in anticipation of unrest.

The Movement for the Emancipation of the Niger Delta (MEND) said it would "join the fray" between the military joint task force and youths who it said were protesting against oil giant Royal Dutch Shell (RDSa.L) in the southern state of Bayelsa.

[Iraqi VP to discuss Total oil deal in Paris](#)

PARIS (AFP) – Iraqi Vice President Adel Abdel Mahdi said Tuesday he will meet executives from the French energy giant Total to discuss a multi-billion dollar oil deal during a working visit to France.

Briefing journalists in Paris on the first day of a three-day visit, Abdel Mahdi and senior Iraqi officials said they hoped to attract French investment in the key oil production sector, devastated by war and neglect.

[Sinopec to Start New Capacity at Tianjin Refinery in September](#)

(Bloomberg) -- China Petroleum & Chemical Corp., Asia's largest refiner, plans to utilize new capacity at an oil- processing plant in Tianjin city on a trial basis in September as demand for fuel increases in northern China.

Annual capacity will triple to 15 million metric tons, or 300,000 barrels a day, from 5 million tons now, Tian Lihua, a spokeswoman at the plant, said by telephone from

Tianjin today.

[WWF Scotland boss calls for energy wasters to be prosecuted](#)

Wasting energy is an "anti-social act" that should be viewed in the same way as drink-driving, a leading environmentalist said today.

[The anti-oil sands industry](#)

Environmental pressure groups have sprouted up across the country in an effort to undermine Canada's oil sands industry. They portray themselves as righteous defenders of the good, protecting Canadians from the forces of greed and exploitation. But a closer look at these groups reveals a sobering truth: the movement is as much an "industry" as any other and is not above manipulating of science and public opinion to achieve its objectives.

[Consumption, Not Population Is Our Main Environmental Threat](#)

Let's challenge the convenient notion that "over-consumers" in rich countries can blame "over-breeders" in distant lands.

[Recession fueling right-wing extremism, U.S. says](#)

MIAMI (Reuters) - Right-wing extremists in the United States are gaining new recruits by exploiting fears about the economy and the election of the first black U.S. president, the Department of Homeland Security warned in a report to law enforcement officials.

[Most Americans OK with Big Government, at least for now](#)

WASHINGTON — Most Americans say they're glad Big Government is back to help through hard times. But they aren't sure they want it to stay.

The Obama administration, trying to reverse the economy's meltdown and prevent it from happening again, is redefining the role of the federal government in the economy — spending trillions of dollars, building new regulatory systems for financial institutions and effectively taking over a major part of the automobile industry.

[Chrysler's debt could derail Fiat deal, bailout funds](#)

DETROIT — With the clock ticking to sign a merger deal with Italian automaker Fiat, Chrysler is struggling to shed a majority of its debt by getting the holders to take shares in trade.

It's a stumbling block that could delay or derail the proposed partnership, which the government has ordered completed by May 1. If Chrysler can't meet that deadline, the government has said, it will get no more bailout money. That likely would push it into filing Chapter 11.

[Eleven potential sites for new UK build](#)

The Department of Energy and Climate Change has named eleven sites that could be potential hosts to new nuclear power stations in the UK. All the sites have been vetted to ensure they credible and could be home to an operational plant by 2025.

[Finding the low-carbon diet: Clearly, we cannot keep eating this way](#)

When you hear the words "peak oil," the long lines at gas pumps during the energy crisis in the 1970s may spring to mind. However, the continuous decrease in the world's oil reserves more likely will result in longer bread lines than gas lines.

Collectively, we Americans eat almost as much fossil fuel as we burn in our automobiles. American agriculture directly accounts for 17 percent of our energy use, which is the equivalent of 400 gallons of oil consumed by every man, woman and child per year, according to 1994 statistics.

['Carrot City' exhibit highlights innovation and growth in urban agriculture](#)

TORONTO — Inuvik is a long way from 50 Cent's hometown of Queens, N.Y, but the hip-hop mogul shares something in common with people in the Northwest Territories community - helping citizens to flex their green thumbs.

Inuvik residents and the award-winning rapper, whose real name is Curtis Jackson, have worked to establish or refurbish community gardens in their respective hometowns where locals can grow their own food.

[Likely EPA Decision A 'Game Changer' For Climate Policy?](#)

Big Business, greens and lawmakers are all bracing for an announcement from the Environmental Protection Agency this week on regulating greenhouse gases.

A declaration is widely expected but not officially scheduled. Experts predict it will

assert the federal government's right to restrict emissions in the name of health.

Joe Mendelson, global warming policy director for the National Wildlife Federation, said the expected announcement would be a "game changer" for climate policy.

[Carbon Offset Investments Stalling](#)

WASHINGTON (OneWorld.net) - Global investments in projects that reduce greenhouse gas emissions are falling this year and will likely continue to decline as countries wait to negotiate a new climate change treaty in December.

[Warming pushes birds to migrate farther](#)

PARIS (AFP) – Climate change will force bone-weary birds migrating to Europe from Africa to log extra mileage, with possibly devastating consequences, according to a study released on Wednesday.

The annual voyage of some species, which fly north in search of food and suitable climates, could increase by as much as 400 kilometres (250 miles), the research found.

[Energy from spam could power 2.4 million homes](#)

The average business email user is responsible for 131kg of CO₂ per year in email-related emissions, with 22 per cent spam related, according to a new report.

McAfee's 'Carbon Footprint of Spam' equated the energy used by spammers to the emissions that resulted if every user burned an extra 3.3 gallons of gasoline each year.

It also said that the total energy used by spammers totalled 33 billion kilowatt-hours (KWh), which could power 2.4 million homes for a year.

[Study: Worst warming impacts avoidable if...](#)

WASHINGTON - So what would the world's temperatures, and the planet, look like in 2100 if greenhouse gas emissions continued as is? And if they were cut by 70 percent?

Researchers at a well-known climate center asked those questions and used a computer model to conclude that it'd be catastrophic if unchecked, but manageable if the world could reduce gases by that much.



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