Oil Settles Below $60, Biggest Weekly Fall Since January

(Bloomberg) -- Crude oil fell, heading for its biggest weekly decline since January, on concern the global recession will curb energy consumption and as a stronger dollar reduced demand for commodities.

Oil has plunged 10 percent this week on speculation fuel use in the U.S., the biggest energy-using nation, will drop. The greenback has risen 0.8 percent against most major currencies since the beginning of the month.

“Prices surged higher on green shoots of an economic revival, but a deeper look shows that the situation is still poor,” said Michael Fitzpatrick, a vice president for energy at MF Global Ltd. in New York. “It’s hard to make a case for a revival of demand anytime soon.”

Top companies: Most profitable

Oil firms are the biggest money makers.

Why There Should Be More Oil Speculation, Not Less

We need more — not fewer — oil traders. After a roller-coaster ride that has sent oil prices from a record high of $147 per barrel last July to below $35 in December and back to around $60, there has been a clamor to clamp down on speculators — those investors who trade oil but don't ultimately supply it or use it, the way airlines do for instance. The economic disruption caused by oil's volatility has been so vexing that the Obama Administration believes it can stabilize prices by regulating speculators out of the market. It can't.

Venezuela's Chavez: Oil Price Decline Isn't Alarming

CARACAS -(Dow Jones)- President Hugo Chavez said he was unconcerned by the recent drop in the price of oil.
"I don't think that the decline last week is something to worry about," Chavez told a press conference Friday. "There are no threats in sight," he added.

**Peak Oil Investing**

Think back to July of 2008, oil was over $140/barrel and a lot of talk on “Peak Oil” (the point in time when the maximum rate of global petroleum extraction is reached) was floating around. By late December a hard hitting recession (depression?) and a strengthening dollar drove prices under $35/barrel. Suddenly there was very little peak oil talk. Today oil is around $60/barrel - and dropping. It is time to again visit peak oil thinking.

**Price of Oil No Measure of Inflation**

Green shoots are withering on the vine, fuel supplies are rising, crude oil supply far outstrips motorist demand, tankers at sea act as floating storage, and the technicals look dismal.

For now, that's what matters -- peak oil be damned.

**Chevron shares fall following warning of second quarter weakness**

NEW YORK (AP) — Shares of Chevron Corp. slid on Friday a day after the company warned of weak second-quarter results, hurt by lower refining margins in the U.S. and foreign currency losses.

**Going too slow on high-speed rail**

Canada is at a critical juncture. The recession has left hundreds of factories sitting empty and hundreds of thousands of workers sitting at home, not knowing what future lies ahead for their families. Added to this, the major issue before the recession hit -- the environment -- has not just gone away because we are not talking as much about it. Every day, we are exhausting our oil reserves, and the impact of an oil economy is slowly, but persistently, making our planet inhospitable.

But one project can at once lift our recessed economy and propel us forward into the economy of tomorrow: a multi-modal intercity high-speed rail network.

**Will Oil Help Or Hinder the Recovery?** *(interview with Dan Yergin)*
What's been the biggest ramification of the oil bubble on the U.S. economy?

"I think it’s been the impact it had on Detroit. It wasn’t Lehman Brothers that killed GM and Chrysler, it was what happened at the gas pump in late 2007 and into 2008. It totally killed the demand for the profitable SUV’s they were making. On the flip side, the collapse of prices has essentially been a tax break for people."

What did the steep drop in price do to oil production?

"We’re in a period of the long aftershock from the rapid collapse. What that’s meant to projects, is that many that had been given the go ahead have been delayed or shut down. Our estimate is that of the 15 million barrels of new net capacity that was supposed to come online between 2008 and 2014, over half of it is at risk of not happening."

Oil below $60 as traders eye company results

VIENNA – Oil prices slid well below $60 a barrel Friday as investors braced for company earnings reports next week that will provide clues on the strength of crude demand.

While global appetite for crude over the next few months remains unclear, expectations are that it will increase by next year, with the International Energy agency predicting a 1.7 percent rebound in demand by next year.

Benchmark crude for August delivery was down $1.58 at $58.83 a barrel by afternoon European electronic trading on the New York Mercantile Exchange. On Thursday, the contract rose 27 cents to settle at $60.41.

Ruble Drops Most Since February as Oil Slumps, Deficit Widens

(Bloomberg) -- The ruble weakened the most since February as oil prices slumped, Russia cut interest rates and the budget deficit widened as the country slips into its first recession in a decade.

The currency depreciated as much as 3.1 percent to 32.7649 per dollar, extending losses in the worst week since January. The 30-stock Micex Index dropped for the fourth day this week.

Platts Survey: June OPEC Oil Output Rose to 28.47 Million Barrels Per Day

The Organization of the Petroleum Exporting Countries (OPEC) increased crude oil production by 80,000 barrels per day (b/d) to 28.47 million b/d in June, according to a just-released Platts survey of OPEC members, oil industry officials and analysts. This is
an increase from 28.39 million b/d in May.

Production from the 11 OPEC members bound by quotas, not including Iraq, climbed by 50,000 b/d to 26.04 million b/d in June from 25.99 million b/d in May, the survey showed.

**Dated Brent Oil Shipments Set to Fall 27% in August**

(Bloomberg) -- Daily shipments of the four North Sea crude grades that determine the price of Dated Brent, the benchmark for almost two-thirds of the world’s oil, will sink 27 percent next month as fields are idled for maintenance.

Combined loadings of Brent, Forties, Oseberg and Ekofisk crude will decline to 1.03 million barrels a day, down from 1.406 million barrels a day in July, according to Bloomberg calculations from schedules released today and yesterday.

**Iraq Needs $50 Billion of Investments in Oil Industry**

(Bloomberg) -- Iraq, holder of the world’s third-largest crude oil reserves, needs more than $50 billion of investments in the country’s petroleum industry in the next five to six years, Oil Minister Hussain al-Shahristani said.

The country plans to increase its crude oil production to 6 million barrels a day by the end of 2015, from the current 2.4 million barrels, the minister said in Tokyo today. Iraq also aims to almost triple its refining capacity to 1.5 million barrels a day by 2017 from 540,000 barrels at present.

**If at First You Don’t Succeed, Try Alberta’s Plan**

Canadian drilling activity is flagging due not only to the recessionary impact on oil and gas demand, but also due to weak producers’ cash flows and restricted access to investment capital to help fund new exploration and development programs. The traditional seasonal downturn at breakup this year was worse than at any time since before 2000. The Canadian land drilling rig count, as measured by Baker Hughes at June 26th, stands at 147 active rigs. This represents somewhere around 18% of the available rig fleet.

**Chevron May Delay Brazil Oil Projects on High Cost, Valor Says**

(Bloomberg) -- Chevron Corp. may delay the development of a Brazilian offshore field to 2011 from 2010 because the cost of equipment and services has not fallen in line with oil prices, Valor Economico newspaper said.
IEA Says Recession May Not Affect Spending on Renewable Energy

(Bloomberg) -- The global financial crisis may not affect investment in renewable energy projects this year as countries strive to cut emissions of pollutants and reach a new climate-change agreement, the International Energy Agency said.

“Global investments in renewables won't be severely affected,” Francois Nguyen, senior policy adviser, electricity markets at IEA, said at a conference in Singapore today, citing preliminary findings from a report. “Over the long run, there’s significant potential for investment in renewables.”

Storing Nuclear Waste Above Ground May Be Most Viable Solution

(Bloomberg) -- Storing nuclear waste above ground at atomic power plants for as long as six decades may be the best temporary solution in the U.S. for the dangerous refuse, university researchers say.

Leaving spent fuel on the site after the stations close may be the most viable and “safe, short-term option,” University of Michigan researcher Rodney Ewing and Princeton University’s Frank von Hippel wrote in Science. In the longer term, the U.S. will need several geological dumps, von Hippel said in yesterday’s report.

Coal mine threat to Glacier draws United Nations attention

A United Nations delegation will travel to Glacier National Park and the North Fork to see for itself the threats of mining and coal bed methane development could have on the Park.

EU Emission Permits Head for Biggest Weekly Gain in a Month

(Bloomberg) -- European Union carbon dioxide permits headed for their biggest weekly gain in more than a month as German power advanced and nations agreed to tackle climate change caused by heat-trapping gases.

EU carbon allowances for December rose as much as 1.5 percent to 14 euros ($19.47) a metric ton on London’s European Climate Exchange, the highest intraday price since June 8. They were at 13.91 euros as of 9:55 a.m. local time, taking their weekly gain to 7.4 percent. That would be the biggest jump since the week ended May 22.

Saudi investment in oil and gas surges in first half of 2009
Saudi Arabia awarded nearly $21 billion (Dh77bn) in oil and gas deals in the first half of 2009, more than 20 times the value of hydrocarbon contracts in the final few months of 2008, a key Saudi bank said.

The surge was apparently a result of a decision by the state operator Saudi Aramco to re-tender key hydrocarbon projects that were to be awarded last year to take advantage of a steep decline in construction costs, the Saudi American Bank Group (Samba) said in its July economic bulletin.

No time to panic

Trading restrictions or price controls create artificial demand for oil. Brown is also calling for spending on green measures. Economist Jeff Rubin sees gas at $2 a litre in Canada by 2012, which will serve as a stronger driver of green technology than any declaration of government. So Brown wants to hold down the price of oil while instituting green measures? This will succeed only in driving up government deficits while dirtying the environment that government spending was intended to clean.

With controls on petroleum prices, where will the incentive to create alternative sources of energy come from? When trading or price controls are lifted and oil skyrockets to its market level, what of the economy then? One benefit of a recession (yes, there are some) is the elimination from the economy of inefficient practices and industries, while simultaneously forcing entrepreneurs to innovate, and to gravitate to sound sectors. Innovation will not come to the energy sector so long as there is cheap oil. And so long as there is cheap oil, the environment will not be cleaner, despite all the government spending in the world. So let the marketplace work.

Oil rises, snaps six-day slide on gasoline buying

"I think what's happened is that reality has come back into the picture," oil historian and analyst Daniel Yergin told Reuters in an interview.

"What we've seen the last week or two is a recognition that this is going to be a longer road and a more difficult recovery. I guess we'd say that supply and demand have walked back into the stage again."

India: Shortage of kerosene forced people to purchase kerosene in black rate in Jagatsinghpur

The kerosene is becoming inaccessible for the thousands of people in remote areas of Jagatsinghpur district as unscrupulous traders have struck a deal with civil supply officials, tuning the system into full fledged racket. The people of remote are purchasing kerosene at the rate of Rs 30 to 40 per liter due to acute shortage of kerosene during power crisis.
Rural and urban areas of Jagatsinghpur district continued to reel under the worst ever power crisis in recent times of five to eight hours which also resulted acute shortage of kerosene. Poverty stricken people are purchasing the kerosene in black rate during power crisis. It is matter of regret that neither district administration not civil supply department has increased the quota of kerosene especially load shielding period in which consumers are purchasing kerosene at the rate of Rs 30 to Rs 40 per liter. Locals have alleged that major portion of the kerosene allotted for BPL families has found its way to the open market.

**India peak power deficit to widen 12.6 pct in 09/10**

NEW DELHI (Reuters) - India's peak power deficit is expected to widen in the current fiscal year to 12.6 percent from 11.9 percent in the 2008/09 fiscal year that ended in March, junior power minister Bharatsinh Solanki said on Friday.

**Indonesia: Tobacco farmers to suffer due to kerosene shortage**

Thousands of tobacco farmers on Lombok Island, West Nusa Tenggara, are facing the prospect of losing their harvest this year because kerosene required for processing their crop has not yet arrived.

**The Li of Bolivia's land**

Bolivia idles at a crossroads. The country has an unprecedented opportunity to use its newfound lithium deposits to bring itself out of poverty and in part save the planet from climate change. The trouble is, Bolivia can't fully do so without the help of foreign firms.

**North Sea Oil: Norway’s Pumping, Britain’s Lagging**

On the UK side, the big majors have reduced their exposure to the North Sea over the last decade or so as the basin has matured. They’ve been succeeded by a wave of independents, lured by low-cost licenses and other government incentives.

These players have been floored by the credit crisis. Strapped for cash, they’ve struggled to finance exploration. Many have deferred projects. A couple have gone bust. UK investment in the North Sea fell 20% between 2005 and 2008, despite the red-hot oil price.

On the Norwegian side, things are much rosier. “There’s a state drive to encourage exploration,” says Graham Sadler, head of Deloitte’s Petroleum Services Group. “Half the recent wells in Norway have been drilled by StatoilHydro.” Norway’s national champion, Statoil is still 62% government-owned.
Official producer prices in biggest drop since 2001

LONDON (AFP) – The price of goods leaving factories fell in June at the fastest 12-month rate for almost eight years as oil prices slumped, official data showed Friday.

Producer prices sank 1.2 percent in June compared with the level 12 months earlier, the Office for National Statistics (ONS) said in a statement.

That was the sharpest decline in annual terms since December 2001, and compared with market expectations of a 0.8-percent drop.

IEA sees global oil demand bouncing back in 2010

LONDON (Reuters) – Global oil demand will rebound 1.7 percent next year, led by rising consumption in emerging economies as the developed world recovers from recession, the International Energy Agency said on Friday.

But the IEA, adviser to 28 industrialized economies, still predicted demand would shrink this year and said the need for OPEC oil would be limited.

It forecast world oil consumption next year would reach 85.2 million barrels per day (bpd), up from 83.8 million this year. The demand outlook for this year was "effectively unchanged" -- down 2.9 percent, or 2.5 million bpd compared with last year.

Bank: Chevron could approve $39B Aussie gas project

Chevron Corp. and its partners may approve next month development of the $39 billion Gorgon liquefied natural gas venture in Western Australia, JPMorgan Chase & Co. said.

“Industry discussion suggests to us this could occur by late August,” JPMorgan analysts led by Sydney-based Alistair Reid said in a research note dated Thursday. The venture has signed fuel-supply agreements with Japanese utilities Tokyo Gas Co., Osaka Gas Co., and Chubu Electric Power Co. Inc.

Shell says U.S. oil refiners need more CO2 permits

WASHINGTON (Reuters) - Major oil company Royal Dutch Shell urged the U.S. Senate on Wednesday to give oil refiners a bigger share of free pollution permits under a cap-and-trade plan to fight global warming than the House of Representatives provided in its climate change legislation.

U.S. oil refineries received only 2 percent of the allowances, or pollution permits, in the House bill passed last month, even though they account for much more of the total
Betting big - and small - on electric cars

NEW YORK (CNNMoney.com) -- The cars of the future will run on electricity, most major automakers agree on that. What they don't agree on is how soon drivers will be ready to fully embrace electric power and how aggressively to push electric cars.

Nissan, General Motors and Ford's electric car strategies show just how differently they view America's readiness to get behind the wheel of purely electric cars.

South Africa: Dwindling Gas Supplies a Challenge for PetroSA

Johannesburg — With natural gas reserves insufficient to keep its gas-to-liquids refinery running beyond next year, national oil and gas company PetroSA is looking out for more gas.

PetroSA must secure additional gas for its Mossel Bay refinery amid falling indigenous gas production. According to the company, its offshore gas reserves will reach the end of their plateau by 2011.

The new normal could be a lot more frugal

As an example, it's entirely possible that the automobile culture, which once dominated us, will never return and that people will be comfortable with smaller cars and rented cars and, most directly, with public transportation.

And, of course, no better way exists to reduce climate change than to reduce our spending on toys.

Americans value science, but not all of it: survey

CHICAGO (Reuters) – Many Americans still value the nation's scientific achievements, but unlike most scientists, they often pick and choose which scientific findings they agree with, especially in the areas of climate change and evolution, according to a survey released on Thursday.

The survey found nearly 9 in 10 scientists accept the idea of evolution by natural selection, but just a third of the public does. And while 84 percent of scientists say the Earth is getting warmer because of human activity, less than half of the public agrees with that.
More scientists support nuclear power than non-scientists as well. The Pew report is here. You might want to take their science quiz first.

Book Review - A Presidential Energy Policy

Peak Oil has been a topic of interest since the infamous M. King Hubbert predicted when both the U.S and the world would see peak oil. Yet, there are still millions of people in denial, says Michael C. Ruppert and these people need to "get angry" so they can move to the step of acceptance that we’re running out of oil. Do I foresee a 12 step program for oil addiction coming our way? This is just the beginning of what Ruppert writes about in his new book, A Presidential Energy Policy: Twenty-five Points Addressing the Siamese Twins of Energy and Money. Just in case you’re unclear, this book was written for President Obama to help guide him in making energy decisions on behalf of the country.

G8 pledges $20 billion in farm aid to poor nations

L'AQUILA, Italy (Reuters) – G8 leaders pledged $20 billion in farm aid to help poor nations feed themselves, surpassing expectations on the final day of a summit that has yielded little progress on climate change and trade.

The United States used the meeting of world leaders to push for a shift toward farm aid from food aid and will make $3.5 billion available to the 3-year program. But African nations reminded the rich of the need to honor past commitments.

Sustenance & sustainability

An hour south, an Opunake community garden was kickstarted by members of the town’s Sustainability Group. The 20-strong group came together last year after word-of-mouth talk about a farmers' market and other related projects.

"The interest was out there and no doubt it was fuelled with concern for the planet and peak oil issues," says member Peter Clement, an Opunake High School teacher.

Their first project was an edible garden on land owned by the high school. Planting began last October and over summer, tons of seasonal veg including artichokes, tomatoes, lettuce, capsicums and beans were harvested. As in the Marfell garden, helpers share the tasty rewards.

Alastair Parvin re-imagines a section of the M1 as a self-sufficient farming system

Although to most of us they are invisible, we are all dependent on a few highly-complex,
energy-intensive systems which ensure the continuous supply of food to cities. The increasing concentration of those systems and the first effects of global peak oil production will mean we can no longer afford to take them for granted. Rather than settle for the price-hikes inherent in the ‘local production’ solution, Server speculates upon whether we can redefine what is actually meant by the term ‘local’.

The project takes a section of the M1 motorway in the Midlands and investigates its redesign as a self-sufficient farming system; a belt of knowledge-intensive agriculture, producing no waste and consuming minimal external resources. Based on existing processes, prices and capacities, it begins with the production of biodiesel from algae, and the residual biomass which is used as a cattle feedstock. These become the generators for a more complex choreography of mutually-supportive programmes.

**Transition Towns: Contested Spaces and the Debate between the 'Local' and the 'Global'**

The trend towards depoliticised discourses is moving rapidly across the world and is serving to deepen a growing conservatism and/or a return to a more traditional way of life. These discourses usually come with a mandate that advocates change via methods of non-confrontation, sometimes referred to as mediation. Here social advocates seek to avoid all forms of politics and political dissent. Instead, they focus on community based solutions to social change. The new social movement called Transition Towns is one such movement using this framework and it is gaining immense popularity in Australia. There are now roughly twenty Transition Towns across the nation.

**Solar panel makers ready for a boom**

Solar panel makers from California to China are gearing up to capture a slice of the growing U. S. market for utility-scale solar power plants, but just a handful of players are expected to snap up most of the business.

**Credit Suisse, UBS, BNP Paribas to help finance cutting of rainforests for palm oil, say NGOs**

Swiss banks, Credit Suisse and UBS, together with the French BNP Paribas, are helping Singapore-listed Golden Agri-Resources raise up to 280 million Swiss francs ($258 million) to finance conversion of large areas of rainforest in New Guinea and Borneo for oil palm plantations, reports the Bruno Manser Fund (BMF), a group that campaigns on behalf of forest people in Southeast Asia.

The deal would finance expansion of plantations operated by Sinar Mas, a subsidiary of Golden Agri-Resources. A recent report from Greenpeace Indonesia says that Sinar Mas plans to convert up to 2.8 million hectares of forest for new plantations in the Indonesian provinces of Kalimantan and Papua.
**Eastern Aral Sea has shrunk by 80% since 2006: ESA**

PARIS (AFP) – The eastern lobe of the disaster-struck Aral Sea seems to have shrunk by four-fifths in just three years, the European Space Agency (ESA) said on Friday.

**Obama's healthcare, climate goals hit speed bumps**

WASHINGTON (Reuters) – U.S. President Barack Obama suffered a double-barreled setback in Congress on Thursday when members of his own party moved to apply the brakes on his top legislative priorities, healthcare and climate change.

**Cool-Planet Goal Shared by Large Polluters, Insurers**

(Bloomberg) -- Insurers in the U.S., Germany and Switzerland say a pledge announced yesterday at a meeting of the world’s biggest polluters to limit global temperatures is essential to controlling the cost of protecting property.

Munich Re, the biggest reinsurer, and Zurich Financial Services AG back the target set by the European Union, the U.S. and 15 more nations to hold the planet to within 2 degrees Celsius (3.6 Fahrenheit) of pre-industrial times.

**A modest step**

SCEPTICS could refer to an old joke about a music lover who would do anything to play the violin—except practice. The countries that emit 80% of the world’s heat-trapping gases, gathered at the Group of Eight (G8) meeting in the earthquake-stricken city of L’Aquila, in Italy, agreed on a goal this week. But they failed to say how they intended to achieve it.

**Despite Obama’s pledge, G-8 makes little headway on global warming**

Addressing leaders of the world’s most important economies early Thursday, President Obama wasted no time in proclaiming a new day for U.S. policy on climate change.

"I know that in the past, the United States has sometimes fallen short of meeting our responsibilities," he said. "So let me be clear: Those days are over."

But by the end of the day, when the Group of 8 summit in L'Aquila, Italy, wrapped up its deliberations on climate, Obama found himself stymied by many of the same roadblocks that plagued previous efforts to tackle global warming.
L'AQUILA, Italy — The chasm between rich and poor on how to address climate change burst into the open at the G-8 summit Thursday, showing how difficult it will be to persuade the world to make lifestyle and economic sacrifices needed to save the planet from global warming.

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