



Drumbeat: November 26, 2009

Posted by [Leanan](#) on November 26, 2009 - 9:05am

Topic: [Miscellaneous](#)

[Europe's Busiest Port Expands for Oil Speculators, Idling Ships](#)

(Bloomberg) -- The Port of Rotterdam, Europe's busiest, expanded its anchorage area to accommodate increasing demand from oil traders storing fuel at sea and more idling ships awaiting cargoes.

Rijkswaterstaat, the Dutch waterways authority, designated an area 15 kilometers (9 miles) northwest off the North Sea resort of Scheveningen as a new anchoring zone, the port authority said in a statement on its Web site today.

"Many tankers are lying at anchor here to wait for orders or for speculative considerations," the port said in the statement. "The popularity of North Sea anchoring spots has increased considerably."

[Shell says oil demand will recover in second half of next year](#)

Royal Dutch Shell Plc, Europe's biggest oil company, expects global crude demand to pick up in the second half of 2010, after declining the most since 1980 this year, according to Chief Executive Officer Peter Voser.

Demand will fall by about 2 million barrels a day this year as the recession curbs energy use, Voser said in an interview posted on the company's Web site today. Consumption of natural gas in Europe will drop by about 5 percent this year, after 30 years of continuous growth, he said.

"We will face a difficult 2010," Voser said. In the first six months of the year "we will still see a very slow pace, then picking up toward the second half."

[MP urges Harper to act in Beaufort Sea dispute](#)

A Northwest Territories MP is urging Prime Minister Stephen Harper to protect Canada's claim to a disputed area in the Beaufort Sea, where the United States wants to drill for oil and gas.

Raising the issue this week in the House of Commons, Western Arctic NDP MP Bevington said the U.S. government and the Alaska state government are planning to sell oil and gas exploration leases off the northern coasts of Alaska and the Yukon.

[Obama faces delicate balancing act on climate](#)

WASHINGTON (AFP) – Having vowed US climate action, President Barack Obama heads to Copenhagen needing to perform a delicate balancing act between huge expectations and the reality of a reluctant Congress.

[FAO warns against effects of climate change in Pacific islands](#)

ROME (KUNA) -- The Food and Agriculture Organization (FAO) warned, ahead of a UN summit in Copenhagen, Thursday against changes in weather which were projected to impact heavily on agriculture, forestry and fisheries in the Pacific islands, leading to increased food insecurity and malnutrition. The agency urged governments and donors to immediately start implementing robust and action-oriented climate change adaptation plans for all Pacific islands.

[IEA chief urges Japan to advance energy cooperation in East Asia](#)

TOKYO — International Energy Agency Executive Director Nobuo Tanaka said Thursday that Japan should advance energy cooperation with neighboring Asian countries as a way of building an East Asian community advocated by Prime Minister Yukio Hatoyama.

[Rob Hopkins: Transition to a world without oil](#)

Rob Hopkins reminds us that the oil our world depends on is steadily running out. He proposes a unique solution to this problem -- the Transition response, where we prepare ourselves for life without oil and sacrifice our luxuries to build systems and communities that are completely independent of fossil fuels.

[Warming to hit "roads, pipelines" in Canada north](#)

OTTAWA (Reuters) - Roads, buildings and pipelines in Canada's north are at risk from global warming and the government must do more to protect infrastructure in the remote frozen region, an official panel said Thursday.

Temperatures in the north -- which includes the Arctic -- are rising much faster than elsewhere in the world, and this comes at a time of increasing interest in the area's vast mineral and energy reserves.

The National Round Table on the Environment and the Economy (NRTEE) said the permafrost layer had begun to melt, a development that can have disastrous consequences.

"Melting permafrost is undermining building foundations and threatens roads, pipelines and communications infrastructure," it said in a report, also citing the potential danger to energy systems, waste disposal sites and ponds containing toxic tailings from mines.

[Business Books: Arctic melts, but no big "Cold Rush" for oil](#)

OSLO (Reuters) - The Arctic is thawing fast because of global warming but a big "Cold Rush" for offshore oil and gas looks unlikely because of icebergs and high costs, a new book says.

A retreat of Arctic ice in summers is changing indigenous peoples' livelihoods and will threaten the survival of polar bears, writes Alun Anderson in "After the Ice" (HarperCollins), packed with anecdotes about shifts already under way.

[Baker Hughes: US Oil Gas Rig Count Up 24 to 1,137 This Week](#)

The number of rigs drilling for oil and natural gas in the U.S. climbed this week as producers ramped up drilling in response to higher prices.

The number of oil and gas rigs climbed to 1,137, up 24 rigs from the previous week, according to data from oil-field services company Baker Hughes Inc. (BHI). The number of gas rigs was 748, an increase of 22 rigs from last week, while the oil rig count was 379, an increase of four rigs. The number of miscellaneous rigs fell by two to 10.

[Chicontepec debate could redefine energy sector](#)

There are times when something is happening around us that we might not deem as monumental as history later judges.

With life's daily *sturm und drang*, especially during these trying financial times, the debate unfolding around Pemex's development of the Chicontepec oil fields might not appear at first glance to be such an occurrence.

Various developments suggest otherwise. Indeed, Mexico's debate over Chicontepec could turn out to be a historical marker for the nation's energy sector.

[Next Mexican crisis could come soon](#)

Pemex needs some help. Its production is declining and exports are falling even faster – down 13% from 2008 and 35% from 2004. With Mexico's population growing 1.1% annually, domestic consumption is set to rise over time, although the recession has brought it down this year. The only good news for the Mexican government, which depends heavily on revenues from Pemex, is the current oil price is well about the US\$59 a barrel assumed in budget calculations.

In a few years – or earlier if oil prices decline – Mexico faces a serious fiscal crunch. The combination of unequal income distribution and high tax evasion limit the government's non-oil revenue to 10.8% of GDP, well below the average for middle-income countries. The national economy has the same sort of problem as government. Mexican productivity remains below its 1980 level.

[Russia to scrap E. Siberia oil tax from Dec - source](#)

MOSCOW (Reuters) - Russia will introduce a zero duty on East Siberian crude oil exports from Dec. 1, a government source said on Thursday, in a long-awaited move designed to spur investment in virgin oilfields and revive stagnating output.

[Aramco, Conoco set Feb refinery unit bids deadline](#)

KHOBAR, Saudi Arabia (Reuters) - Saudi Aramco and U.S. firm ConocoPhillips (COP.N) have set a Feb. 28 deadline for bids for a solids unit at their joint 400,000 barrels per day (bpd) Yanbu refinery, industry sources said on Thursday.

The refinery is part of top oil exporter Saudi Arabia's plans to double total domestic and international refining capacity by 2015.

[Slow demand hits Gulf long-term deals](#)

Gulf refiners are striking deals or have started negotiations on long term supply for 2010 with premiums so far at lower levels than for 2009 due to thin demand.

On the spot market, fuel oil prices fell amid plentiful supply from Saudi Arabia.

[Big Oil - A Look at The Worlds Most Powerful Companies](#)

Why, when the Big Five are investing so much more of their diminishing profits into all sorts of alternative “Green Energy” sources, from wind power to bio-fuels, would the International Energy Agency (IEA) predict that the their position of prominence in the energy industry will continue to dissipate while the “New Seven Sisters” could within 40 years, be providing and holding stakes in more than 50% of the world energy resources?

What distinct disadvantages are the Big 5 now being unfairly forced to compete against, while working their way back up and off of the canvas they were knocked down to by a world population that demanded of barrels of cheap, clean fuel while simultaneously cursing and fighting against those very companies who were dutifully attempting to supply the voracious demands placed upon themselves?

[Kenya: Fuel shortage hurts police operations](#)

Operations at the Criminal Investigations Department ground to a halt after a fuel provider withheld supplies demanding Sh11 million for previous deliveries.

[Distorted IEA oil reserve figures create biofuel opportunities](#)

(MENAFN - Arab News) The recent revelations of a International Energy Administration whistleblower that the IEA may have distorted key oil projections under intense US pressure is, if true (and whistleblowers rarely come forward to advance their careers), a slow-burning thermonuclear explosion on future global oil production. The Bush administration's actions in pressuring the IEA to underplay the rate of decline from existing oil fields while overplaying the chances of finding new reserves have the potential to throw governments' long-term planning into chaos.

Whatever the reality, rising long term global demands seem certain to outstrip production in the next decade, especially given the high and rising costs of developing new super-fields such as Kazakhstan's offshore Kashagan and Brazil's southern Atlantic Jupiter and Carioca fields, which will require billions in investments before their first barrels of oil are produced.

In such a scenario, additives and substitutes such as biofuels will play an ever-increasing role by stretching beleaguered production quotas. As market forces and rising prices drive this technology to the forefront, one of the richest potential production areas has been totally overlooked by investors up to now - Central Asia. Formerly the USSR's cotton "plantation," the region is poised to become a major player in the production of biofuels if sufficient foreign investment can be procured. Unlike Brazil, where biofuel is manufactured largely from sugarcane, or the United States, where it is primarily distilled from corn, Central Asia's ace resource is an indigenous plant, *Camelina sativa*.

[China considers supporting IAEA on Iran - minister](#)

BEIJING (Reuters) - China is "in principle" considering supporting an International Atomic Energy Agency (IAEA) resolution demanding Iran immediately mothball a uranium enrichment site it hid for years, a vice foreign minister said.

[Corals relocated to clear path for Saudi pipeline](#)

DHAHRAN, Saudi Arabia -- Saudi Arabia's Environmental Protection Department (EPD) and the Offshore Projects Division of the Saudi Aramco's Northern Area Projects Department (OPD/NAPD) have sponsored a coral relocation project in the Arabian Gulf. The aim was to minimize ecological disturbance caused by a planned offshore pipelay installation.

Aramco says a coral assemblage was discovered less than 100 m (328 ft) from the beach in the Safaniya offshore field during the pipelay environmental-impact assessment. The corals were in the path of a trench due to be constructed for the pipe, and would have been destroyed during dredging.

[U.S., China help climate talks, but tangles remain](#)

OSLO (Reuters) - Promises of greenhouse gas curbs by China and the United States brighten prospects for next month's U.N. climate summit but leave big tangles over cash, rich nations' emissions cuts and how to tie down a legal treaty.

"This is clearly some progress on the Copenhagen road," Frank Jotzo, deputy director of the Australian National University's Climate Change Institute, said of pledges by the world's top two emitters to tackle global warming.

[How Capitalism Failed Us](#)

Next month, at the climate change summit in Copenhagen, the wealthy nations that produce most of the excess carbon in our atmosphere will almost certainly fail to embrace measures adequate to ward off the devastation of our planet by heat and chaotic weather. Their leaders will probably promise us teaspoons with which to put out the firestorm and insist that springing for fire hoses would be far too onerous a burden for business to bear. They have already backed off from any binding deals at this global summit. There will be a lot of wrangling about who should cut what when, and how, with a lot of nations claiming that they would act if others would act first. Activists -- farmers, environmentalists, island-dwellers -- around the world will try to write a different future, a bolder one, and if anniversaries are an omen, then they have history on their side.

[James Hansen: Climate Change Evidence 'Overwhelming,' Hacked E-mails 'Indicate Poor Judgement'](#)

Do the e-mails indicate any unethical efforts to hide data that do not support the idea of anthropogenic global warming, or to keep contrary ideas out of the scientific literature and the Intergovernmental Panel of Climate Change reports?

They indicate poor judgment in specific cases. First, the data behind any analysis should be made publicly available. Second, rather than trying so hard to prohibit publication of shoddy science, which is impossible, it is better that reviews, such as by IPCC and the National Academy of Sciences, summarize the full range of opinions and explain clearly the basis of the scientific assessment. The contrarians or deniers do not have a scientific leg to stand on. Their aim is to win a public-relations battle, or at least get a draw, which may be enough to stymie the actions that are needed to stabilize climate.

[China's booming car sales, falling gas usage stump analysts: Data 'disconnect' prompts suspicion, closer look at gasoline consumption](#)

HONG KONG (MarketWatch) -- A sharp rise in Chinese car sales and vehicle ownership hasn't been reflected in nationwide gasoline consumption this year, an anomaly that has some analysts scratching their heads in the search for answers.

The disconnect has sparked a range of possible explanations, and even some suspicious musings: One such theory goes that Beijing and its state-owned enterprises are using stimulus funds to buy up new vehicles to subsidize local car makers, with the vehicles then hidden away or turned back into scrap metal.

Standard Chartered stepped into the debate with a recent research note entitled "Mysterious Gas," focusing on what is driving the nation's growing car ownership, which is on track to grow by nearly 25% this year.

"Car sales in China are booming [in the third quarter], but gasoline sales seem to be stuck in the slow lane," wrote Standard Chartered analysts headed by Stephen Green in Shanghai.

[Obama official slams oil industry](#)

Interior Secretary Ken Salazar fired back at critics of the federal government's oil and gas leasing program on Tuesday, saying the oil industry was acting "like an arm of a political party."

In a conference call with reporters to announce oil and gas lease sales on federal land for 2010, Salazar said the Bureau of Land Management's oil and gas leasing program this year has been "robust," putting more than 2.7 million acres of land up for lease and generating \$126 million in revenue. Four more leases are planned before year's end.

"But you wouldn't know it if you listened to the untruths coming out" of industry groups, Salazar said. "Trade groups for the oil and gas industry repeatedly launch attacks that have all the poison and assumptions of election-year politics."

[China's backing on Iran followed dire predictions](#)

Two weeks before President Obama visited China, two senior White House officials traveled to Beijing on a "special mission" to try to persuade China to pressure Iran to give up its alleged nuclear weapons program.

If Beijing did not help the United States on this issue, the consequences could be severe, the visitors, Dennis Ross and Jeffrey Bader, both senior officials in the National Security Council, informed the Chinese.

The Chinese were told that Israel regards Iran's nuclear program as an "existential issue and that countries that have an existential issue don't listen to other countries," according to a senior administration official. The implication was clear: Israel could bomb Iran, leading to a crisis in the Persian Gulf region and almost inevitably problems over the very oil China needs to fuel its economic juggernaut, said the official, who spoke on the condition of anonymity.

[IAEA to vote on demand Iran freeze new nuclear site](#)

VIENNA (Reuters) - World powers are demanding that Iran immediately mothball a uranium enrichment site it hid for years, heightening fears it is planning to build atom bombs, in a resolution to be voted on by U.N. nuclear watchdog governors.

[ONGC to Meet Iran Oil Officials Seeking Opportunities](#)

(Bloomberg) -- Oil & Natural Gas Corp., India's biggest energy producer, plans to discuss "specific opportunities" with executives from National Iranian Oil Co. next week, said Chairman and Managing Director R.S. Sharma.

"In import-dependent countries like ours, we have to see where are the future sources of energy supplies," Sharma said in an interview in his office in New Delhi. "Iran, they have the second-largest crude oil and gas reserves and they are not very well exploited."

[The oil is running out: Mexican president](#)

MEXICO CITY -- Mexican President Felipe Calderon says Mexico's "is running out," and calls the problem "very serious."

Production is falling at Mexico's old, shallow-water offshore fields and the country has yet to exploit its potential deep-water reserves.

[Pemex ordered to slash gas flaring](#)

Mexico issued rules yesterday compelling state-owned Pemex to slash natural gas flaring at oil fields, which costs at least \$3.1 billion a year and is a major source of the country's greenhouse gas emissions.

[PetroChina Expands Jilin Refinery Capacity by 43%. Xinhua Says](#)

(Bloomberg) -- PetroChina Co. is expanding its refinery in the northern province of Jilin, the official Xinhua News Agency said, citing an unnamed official at the plant.

[Putin Seeks Energy Partners, Russian Car Rescue in France Visit](#)

(Bloomberg) -- Prime Minister Vladimir Putin will arrive in Paris today aiming to strengthen ties with France by enlisting energy partners, seeking a rescue for the crippled Russian car industry and discussing a pioneering defense accord.

Putin will hold talks on the participation of Electricite de France SA, Europe's biggest power producer, and GDF Suez SA in Russian pipeline projects, the role of Renault SA in the auto industry and the purchase of a French-made assault ship.

[IAEA to vote on demand Iran freeze new nuclear site](#)

VIENNA (Reuters) - World powers are demanding that Iran immediately mothball a uranium enrichment site it hid for years, heightening fears it is planning to build atom bombs, in a resolution to be voted on by U.N. nuclear watchdog governors.

[Oil falls to near \\$77 amid uncertainty over demand](#)

Oil prices slipped towards \$77 a barrel on Thursday as a sharp slide in stock markets raised worries about the pace of recovery in the global economy and demand for crude.

By early afternoon in Europe, benchmark crude for January delivery was down 60 cents to \$77.36 in electronic trading on the New York Mercantile Exchange. The contract rose \$1.94 to settle at \$77.96 on Wednesday.

[Murban Crude Oil Drops for Second Day on Supply Glut Concerns](#)

Japanese refiners are still running at reduced rates as consumer demand for fuels declines. A report today from the country's Petroleum Association showed that about 25 percent of its processing capacity is sitting idle.

[Oil pricing agencies battle over benchmarks](#)

LONDON (Reuters) - How much does a barrel of oil cost? With billions of dollars at stake, sometimes the answer depends who is doing the asking.

The most visible answer is the figure flashing up on futures screens across the financial globe.

In reality that is merely the top of a pricing pyramid based on a subtle exchange of information between traders and reporters tracking physical crude market deals.

[Oil price-play set to boost crude storage at sea](#)

NEW YORK/LONDON (Reuters) - Offshore crude storage, which has declined sharply from record levels in April, may rise again in the U.S. Gulf as front-month U.S. oil futures trade at a steep discount to barrels for later delivery.

The volume of crude oil stored in tankers globally has dipped to between 32 million and 42 million barrels, according to estimates from several shipbrokers. Floating crude storage likely fell more than 60 percent from peaks above 100 million barrels in April.

Offshore storage plays may now regain popularity near the U.S. Gulf Coast, a key refining region and hub for seaborne oil imports, several shipbrokers and industry sources said. A U.S. oil market contango - when prompt crude trades at a discount - is encouraging new storage plays.

[Moscow retreats from Ukraine bypass strategy](#)

Russian Energy Minister Sergei Shmatko declared on November 16 that the Nord Stream pipeline on the Baltic seabed would not be used for diverting gas volumes away from Ukraine's transit pipelines to Europe. In effect, this statement acknowledges that the Nord Stream pipeline, from Russia directly to Germany, is not a Ukraine-bypass project.

[FACTBOX - Attacks in the Gulf of Guinea](#)

(Reuters) - Pirates attacked an oil tanker off the coast of Benin on Tuesday, killing a Ukrainian officer and stealing the contents of the ship's safe, the head of the West African country's navy said.

Africa's Gulf of Guinea nations have been struggling with mounting threats from piracy and kidnappings in the area, home to myriad rebel groups and smugglers.

Here is a list of some of the attacks that have taken place in the Gulf, which stretches from Angola to the south, around Africa's central and western coast, to the Guineas in

the west.

[Alaska to auction petroleum rights in disputed Arctic waters](#)

The Alaskan government has announced plans to auction oil and gas exploration rights in a disputed section of the Beaufort Sea along the Yukon-Alaska border — a move that has also prompted Canada to lodge a protest with Washington, Canwest News Service has learned.

Foreign Affairs officials acknowledged Tuesday that the diplomatic note was filed in April after Alaska issued a draft version of its Beaufort Sea petroleum plans.

[Obama will unveil Afghan troops move at West Point](#)

WASHINGTON – President Barack Obama plans to announce a redrawn battle plan for Afghanistan, including what the military says could be a roughly 50 percent increase in U.S. forces, in a national address Tuesday night from the U.S. Military Academy.

[Optimism for greentech sector points to more IPOs](#)

SAN FRANCISCO (Reuters) - Purse strings are loosening, new bets are being placed, and cautious optimism has caught on in the green technology sector.

With oil prices up sharply and the U.S. economy steady, the emerging green technology industry is seen moving back to a growth path from a sheer survival track, with factories being built, funds moving to research and some high-profile young firms mulling initial public offerings of shares.

[Green Energy Rush Could Crash Bulgaria Power Grid](#)

SOFIA - A rush to cash in on incentives to develop renewable energy projects in Bulgaria could end up in so much new supply it could cause blackouts on the national grid, the operator told Reuters on Tuesday.

Ivan Ayolov, chief executive of the state electricity system operator (ESO) said in an interview the government should impose stricter regulations to bar speculators.

[Going hungry in the land of plenty](#)

On one level, there's something to give thanks for. Menu items for that classic dinner —

turkey, stuffing, cranberry sauce, pumpkin pie and trimmings — have dropped about 4% in price, according to the American Farm Bureau Federation. The average cost of a feast for 10 has declined \$1.70 since last year, to \$42.91. Small, yes, but welcome for so many families struggling through hard economic times.

The broader picture is more sobering. Just days before Thanksgiving, the government released a shocking statistic: The number of Americans who lack dependable access to adequate food soared last year to 49 million, including almost one child in four. That's the largest number since records were first kept in 1995. Another report says that half of American kids will live at some point in households receiving food stamps.

[China announces plan to boost energy efficiency](#)

BEIJING — China announced plans Thursday to sharply boost its energy efficiency by slowing the growth of carbon emissions as part of its contribution to the fight against global warming.

The State Council announcement ahead of next month's Copenhagen climate summit pledges that China will cut carbon dioxide emissions per unit of gross domestic product by 40 to 45 percent by 2020, compared with levels in 2005.

[Obama to Take 17% U.S. Emission Cut Vow to Copenhagen](#)

(Bloomberg) -- President Barack Obama will travel to Copenhagen for climate-change talks, where he'll offer to cut U.S. emissions about 17 percent by 2020 in an effort to help break a deadlock between rich and poor nations.

[Australia: Embattled leader makes a desperate last stand](#)

MALCOLM Turnbull has dramatically rolled the dice, to keep faith with his commitment to action on climate change and to keep the word of the Liberal Party.

His typically Turnbull gesture seems certain to cost him the leadership.

It is now a desperate race to the death: Turnbull is battling to get the Government's legislation through before his party dumps him.

In a fighting address at a news conference last night Turnbull declared that the Liberal party could not be seen as a party of sceptics on climate and people who break their word.

[Scottish experiment cuts coal emissions](#)

Norwegian scientists and Scottish Power have discovered a way to halve the cost of the environmentally-friendly technology, making it more commercially viable.

[Hacked climate emails called a "smear campaign"](#)

"What they've done is search through stolen personal emails—confidential between colleagues who often speak in a language they understand and is often foreign to the outside world. Suddenly, all these are subject to cherry picking," he said.

They've turned "something innocent into something nefarious," Mann added.

The vital point being left out, he said, is that "regardless of how cherry-picked," there is "absolutely nothing in any of the emails that calls into the question the deep level of consensus of climate change."

[Planet approaching point of no return, experts warn](#)

"The message is the warming hasn't stopped," said Matthew England of the University of NSW and one of the authors of the report, *The Copenhagen Diagnosis*. "Every year this century has been among the top 10 warmest years since instrumental records began."

This warming trend has continued despite solar brightness being relatively weak over the past three years and the impact of the cooling La Nina event last year.

[Climate change already a reality in Africa](#)

NAIROBI (AFP) – From prolonged droughts to melting ice caps to heavy flooding and unpredictable weather patterns, climate change effects are already wrecking lives in Africa, the continent that pollutes the least.

Around 23 million people currently face starvation across east Africa as successive failed rainy seasons have decimated crops, livestock and devastated livelihoods.

[The cost of adapting to climate change](#)

Farmers in developing countries are already feeling the effects of climate change. What is needed to help them cope is an almost unprecedented shift of resources from north to south.

Happy Thanksgiving! And [Happy Peak Oil Day!](#)



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