



Drumbeat: February 28, 2010

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Topic: [Miscellaneous](#)

[North Sea oil 'viable for 30 more years'](#)

THE North Sea has a viable future for the next 30 years, or beyond, provided oil heads above \$200 a barrel, an industry expert has forecast.

Matt Simmons, the founder and chairman emeritus of energy investment specialist Simmons & Company International, said there was a bright future for the UK sector of the North Sea "if we come up with attractive investment opportunities".

"It's in everyone's interest to keep oil and gas infrastructure alive," he said. "But the game changes. We don't have any fabulous new fields to find, unless we get really lucky.

"Basically, we now need to mitigate the declines while we look at how we can start replacing oil. Oil prices need to go way higher though. You couldn't start to rebuild the oil and gas infrastructure at what they are today."

Oil prices hit a record peak of almost \$147 a barrel in July 2008, triggering soaring prices at the petrol pumps. After falling to the low \$30s less than six months later, they have since recovered to stand at about \$80.

Simmons described even the near-\$150 level as "dirt cheap". Asked if \$200 was a more realistic price to sustain investment in oil and gas assets, the industry veteran replied: "I'm not sure that's high enough."

reserve.

The crude is being stored in facilities that the Japanese government borrowed last year from Nippon Oil, the national petroleum company, then offered to Abu Dhabi National Oil Company. The UAE company aims to use Japan as a base for Asian oil trading. In return for providing storage, however, Tokyo has priority purchase rights to up to 4 million barrels of immediately accessible crude in the event of an energy crisis.

If oil is relatively cheap, why not buy it and store it? Strategic petroleum reserves (SPR) are a legacy of the Arab oil embargo of 1973, an event that thrust the concept of energy security to the top of the list of priorities for developed oil importing countries of the time.

[PDVSA could drop Curacao refinery lease - report](#)

CARACAS (Reuters) - Venezuelan oil company PDVSA may withdraw from the 320,000 barrel-per-day Isla refinery it operates in Curacao to protest U.S. military operations on the Caribbean island, Ultimas Noticias newspaper reported on Saturday, citing an interview with Venezuela's oil minister.

Venezuela may order state-run PDVSA to abandon its lease of the Isla refinery because the U.S. military has been staging "provocations" on Venezuela from Curacao, Oil Minister Rafael Ramirez was quoted as saying.

[Iraq, Nippon Oil group oilfield talks at "dead end"](#)

BASRA, Iraq (Reuters) - Talks between Iraq and a Japanese group led by Nippon Oil Corp (5001.T) to develop the Nassiriya oilfield have reached a "dead end", the head of Iraq's South Oil Co. said on Sunday.

[Gazprom Price Change to Last 3 Years](#)

Gazprom on Friday detailed the concessions it was giving to its four largest customers, saying its long-term contracts would take into account the much-lower spot price for gas for only three years.

[Energy chief asks Arroyo: Use emergency powers](#)

MANILA, Philippines—A power crisis in Mindanao must be declared in Mindanao to allow the government to use "emergency powers" in addressing the worsening supply shortage in the island, Energy Secretary Angelo Reyes said.

In a statement, Reyes said his recommendation to President Gloria Macapagal-Arroyo would allow the government to invoke Section 71 of the Electric Power Industry Reform Act (Epira).

[Young People 'Needed To Save UK Farming'](#)

It is feared the UK's farming industry could suffer a critical shortage in skilled labour if younger people aren't attracted into the profession.

The challenges of climate change and food security mean it's vital that a new workforce gets the training so desperately needed.

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[Jan Lundberg: Social and Individual Breakdown Pent up toward Collapse](#)

The U.S. appears to be breaking down on all levels, probably taking the rest of the modern world with it. Noticing this helps us understand the hopelessness of our intrinsically flawed system. Also, recognizing breakdown is helpful for seeing impending collapse in a new light.

Breakdown should be seen in such a way to realize that order is becoming an illusion. Breakdown is preceding and adding to future collapse. Simultaneously there are myriad magnificent yet small-scale efforts to improve people's lives and the health of our Earth. Overall, however, I detect a quickened intensity of breakdown across the board that cannot be cured under current conditions. It is manifested in many areas, such as minimal civic involvement in one's own life-and-death interest.

[Greenhouse project promotes self-sufficiency](#)

BROOKSVILLE, Maine — A grass-roots project seeks to promote self-reliance and self-sufficiency by making low-cost greenhouses available to interested individuals and institutions.

[Ag expertise needed to feed, fuel world's skyrocketing demands for food, energy](#)

World food demand is expected to increase 100 percent by 2050 due to a rapidly expanding population in countries such as China, India and the United States. And, yet 963 million people, 14 percent of the world's population, are already chronically hungry.

"To increase the supply of safe, nutritious and affordable food, we all share in the responsibility to ensure those responsible for producing food have the knowledge required to do their jobs," said Jackman. "For millions of people, it could be the difference between sustenance and starvation."

Additional agricultural crops will also be needed to meet growing energy demands. For example, without biofuels such as ethanol produced from corn, the United States would have used 7.2 billion more gallons of gasoline in 2008. And, earlier this month President Barack Obama announced a series of steps his administration is taking to boost biofuel production to enhance America's energy independence.

[Scientists see biochar as promising fuel source](#)

Scientists in Eastern Washington are at the forefront of research into an ancient practice that shows promise as a clean fuel source, a way to improve soil condition and to capture carbon that otherwise would be released into the atmosphere.

[Refiners facing tough times](#)

TEXAS CITY — Last year was a dark one for the refining industry. This year isn't going to be much better, industry observers said.

"It's going to be rugged," said Tom Kloza, analyst with the Wall, N.J.-based Oil Price Information Services.

A recession that has curbed demand for fuel, left a glut of refining capacity and deflated margins is behind one of the most brutal downturns in recent memory, putting an end to the industry's so-called "Golden Age" of record profits.

[Abu Dhabi Deepens April Cuts for Murban Oil Shipments](#)

(Bloomberg) -- Abu Dhabi National Oil Co., the United Arab Emirates' state-run producer, deepened cuts for shipments of Murban and Umm Shaif crude in April because of OPEC limits on members' output.

Shipments of Murban, the largest export grade, and Umm Shaif will be 15 percent less than contracted amounts for April, Adnoc said in a statement today. That's a deeper cut than the 10 percent reduction in March liftings for those crudes.

[BP joins the rush for gas](#)

The global oil group BP is to signal its intention to rapidly increase the gas arm of its business - including controversial shale gas - when it announces its strategic plan for investors this week.

[Chesapeake CEO Wins Dismissal of Investors' Excess Pay Lawsuit](#)

(Bloomberg) -- Chesapeake Energy Corp.'s Chief Executive Officer Aubrey McClendon won dismissal of a shareholder lawsuit claiming the company paid him too much money in 2008.

[Russia exports East Siberian oil to Japan for 1st time](#)

VLADIVOSTOK, Russia — Russia has started exporting East Siberian crude oil to Japan for the first time, trading industry sources said. A tanker, which will leave the port of Kozmino near the Russian city of Nakhodka, on Friday, will dock at the Keiyo Sea Berth in Tokyo Bay in early March, the sources said.

[Argentinian veterans plan protests at Falklands oil rig](#)

Argentinian veterans of the 1982 Falklands war are planning to use civilian ships to mount protests in front of the British rig that has begun drilling for oil off the islands.

They say that their mission is to "spread Argentina's position in international waters". The group also plans to "enlighten" staff at the Argentinian offices of the Chilean airline LAN about the need to halt all flights from Chile's mainland to the islands. It is also calling for a national boycott of all British companies and goods.

[India, Saudi Arabia set to sign 10 pacts](#)

RIYADH: India and Saudi Arabia today finalised 10 pacts, including an Extradition Treaty and agreements in the economic sphere for signing during Prime Minister Manmohan Singh's ongoing visit to this oil-rich country.

[South Korea cuts big gas deal with Canada](#)

South Korea's state run Korea Gas has won a 1.1 billion dollar deal to jointly develop natural gas fields in Canada with a Canadian gas firm Encana.

[A natural choice](#)

IN AMERICA'S climate debate, one of the most promising developments of recent months has been the growing recognition in Washington that natural gas may play a key role in curbing carbon emissions. The resurgence of gas comes through the discovery of massive deposits in Appalachian shale formations and elsewhere -- a reserve that offers the prospect of stable domestic supplies and relatively low prices. Since burning natural gas produces half the emissions of burning coal, switching the two fuels could put a significant dent in America's carbon footprint.

[China needs more hydropower projects: lawmaker](#)

BEIJING: China should build more large hydropower projects so it can live up to its promise to the international community, Wang Shucheng, vice chairman of the Finance and Economic Committee under the National People's Congress (China's top legislature), said on Saturday.

China in 2007 promised to make renewable resources supply 15 percent of its total energy consumption by 2020, in a bid to reduce greenhouse gas emissions and promote sustainable economic growth.

[China says moving to enforce greenhouse gas goals](#)

BEIJING (Reuters) - China said on Sunday it will spell out greenhouse gas emissions goals and monitoring rules for regions and sectors in its next five-year plan, with monitoring to show it is serious about curbing emissions.

The Chinese government said in November it would reduce the amount of carbon dioxide, the main greenhouse gas from human activity, emitted to make each unit of national income by 40 to 45 percent by 2020, compared with 2005 levels.

[New "Low Carbon World website" to Accelerate Transition to Green Economy](#)

Bali - The internet is successfully facilitating a transition from traditional so called "brown" business models to new green growth strategies. The "Low Carbon World" website, a web-based communications platform - www.LowCarbonEconomy.com - was officially launched today (Thursday) in Bali, Indonesia at the United Nations Environment Programme's annual Governing Council.

The new website, a joint project between Low Carbon Economy.com and the United Nation's Climate Neutral Network (CN NET) <http://www.unep.org/climateneutral/> aims to facilitate the move to global low carbon economies, a necessary imperative if we are to combat dangerous and escalating climate change.



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