



Drumbeat: March 2, 2010

Posted by [Leanan](#) on March 2, 2010 - 9:11am

Topic: [Miscellaneous](#)

[Saudi crude output still down from 2008 - Aramco](#)

KHOBAR, Saudi Arabia, March 2 (Reuters) - Saudi Arabia's oil production is still down compared with 2008, having fallen in 2009, state oil company Saudi Aramco's chief executive was reported as saying on Tuesday.

Oil drilling for production has declined, although exploration activities are increasing, Khalid al-Falih was also quoted as saying in the Asharq al-Awsat newspaper.

[Food security tests Africa's unity agenda](#)

An immediate paradox is the reality that we continue to face hunger and poverty in a context where large tracks of agricultural land remain under- and unused.

A second and related paradox is that, we are witness to a situation where many of our farmers are moving from the growing of staple foods to the production of high-value agricultural products for export, including bio-fuel, hence forcing many countries to import basic and staple agricultural products.

[Losses wipe out equity of Mexico's Pemex](#)

MEXICO CITY (Reuters) - The equity in Mexico's state oil monopoly Pemex was wiped out in the final quarter of 2009 as losses on refined product sales, lower crude output and high taxes offset higher crude prices.

Pemex said on Monday it lost 16.6 billion pesos (\$1.3 billion) in the fourth quarter of 2009, pushing the full year loss up to 46.1 billion pesos.

[Pemex Closes Two Crude Oil Export Terminals in Gulf](#)

(Bloomberg) -- Petroleos Mexicanos closed its largest and smallest oil export terminals in the Gulf of Mexico because of heavy rain and winds.

[India Fuel Exports Rise on Increasing Shipments to U.S., Japan](#)

(Bloomberg) -- Bookings of tankers to export fuels from India's west coast, the home of two Reliance Industries Ltd. refineries, rose in February as India sold more gasoline to the U.S. and Japan.

[Senators Seek Change in Alaska's O&G Structure](#)

A two-week study of Alaska's oil and gas tax structure has convinced some state senators that the Legislature needs to act fast to change the system or risk the plundering of state riches.

The cost of doing nothing is "colossal," up to \$2 billion in lost revenue a year under some scenarios, says Sen. Bert Stedman, a Republican from Sitka who co-chairs the Senate Finance Committee. He's been holding hearings for two weeks on Alaska's oil and gas tax system, and on Friday said he's preparing legislation to settle the issue before the session ends in April.

[Gazprom May Reduce 50% South Stream Stake, Allowing EDF Entry](#)

(Bloomberg) -- OAO Gazprom, an equal partner with Italy's Eni SpA in the South Stream natural-gas pipeline project, may reduce its stake to allow Electricite de France SA to buy shares in the venture.

[BP Deal to Expand US Shale-Gas Operations - Sources](#)

BP PLC is expected to announce Tuesday an expansion of its U.S. shale-gas operations through a joint-venture deal in Texas with privately held Lewis Energy Group worth at least \$160 million, people familiar with the situation said.

[Oil production helps community escape recession](#)

Oil production in North Dakota has helped a run-down area get through a tough economic climate.

Unemployment in the state was five percentage points below the US average in December, at 4.3 per cent, according to the Wall Street Journal.

Local ranchers have been turned into millionaires by selling oil companies access to oil underneath their properties.

In some areas of North Dakota the oil production has even created a labour shortage. In Dickinson, McDonald's has been offering people \$300 in bonuses when they sign to work for the food giant.

[Kenya: Paper mill recovery hinges on cheaper energy](#)

The previous management that abandoned the factory when creditors came knocking put its power costs at 33 per cent of the total operational costs.

This is the highest single operational cost and does not even factor in the heavy diesel the company uses to run some of its boilers.

[Ethiopia: Fuel Shortage Mystery Plagues Drivers](#)

The delayed delivery of ethanol might have caused the petrol shortage in Addis Abeba during most of last week, although power failures shared the blame at some places.

[New no. 1? Ford sales top GM](#)

Ford reported a 43% jump in sales compared to a year earlier, which was the worst month for the industry in 19 years. It topped the forecasts of sales tracker Edmunds.com, which had estimated a 35% increase. Ford's results were also up 22% compared to January.

[Consumerism 'doomed', investment forum told](#)

Western governments may not realise it yet, but consumerism as we know it is doomed and resource war with China inevitable, the world's biggest fund managers were told yesterday.

The unsettling message, which focuses on the potentially destabilising shortfall of the rare "technology metals" used in everything from mobile phones to guided missiles, was issued in Tokyo yesterday at the close of one of Asia's largest annual investment forums.

[Are America's Fears of a Greentech Race with China Unfounded?](#)

While some U.S. politicians and commentators still paint China as the global pollution villain, especially after the disappointing outcome at Copenhagen, others are beginning to take green China seriously — as a threat. Last fall, for instance, when Senator Charles Schumer got wind of a planned wind farm in west Texas, announced by a partnership of

American and Chinese companies, that would use some wind equipment made in China and potentially create new jobs across the Pacific, he recommended blocking stimulus money from the project, rather than help boost green China. The stimulus money “is supposed to create jobs in America,” he wrote in a letter to Energy Secretary Steven Chu. (The new wind farm would also have created 300 jobs in Texas, but Schumer was worried that a greater number could be created in China.)

[Climate debate missing the point](#)

My considered view is that nuclear power will end up forming the backbone of any effective real-world clean energy plan, but I'd be just as happy if other prospective technologies, such as concentrating solar power or enhanced geothermal systems, are able to take a major role.

Yet, even if you disagree with my plan (or anyone else's for that matter), you shouldn't seek to 'block' any qualifying technology. And if you wish people to take *your* plan seriously, you must be prepared to tell them how much it will likely cost, what sort of support it will need to be put into action, and consider its implications for electricity grid stability, energy storage and sustainability.

[Israel to review nuclear power plant construction](#)

Israel's Atomic Energy Commission and the Israel Electric Corporation signed a deal to develop the infrastructure needed to construct nuclear power plants, Israel Radio reported on Tuesday.

[Energy surge](#)

HOW would you like to generate your own electricity, and make money from it? If things go according to plan, the impending introduction of a new feed-in tariff law that is set to revolutionise Malaysia's renewable energy production will make it easy for everyone to generate renewable electricity and sell it back to the national power grid.

[Power plants in private hands contribute to rotating blackouts](#)

MANILA, Philippines – While the privatization of power plants was expected to provide efficiencies that evaded them when they were state-run, the rotational blackouts that hit Luzon on Monday proved otherwise.

[Being Ready, in Quake Zones or Snow Zones](#)

A little preparation and training can go a long way when disaster strikes, at any scale.

[How the Men Reacted as the Titanic and Lusitania Went Under](#)

Records from two nearly 100-year-old shipwrecks, the Titanic and the Lusitania, have given researchers new insight into human selfishness — and altruism.

On one boat, it seems, the men thought only of themselves; on the other, they were more likely to help women and children. This occurred for one key reason, researchers said: time. The Lusitania sank in about 18 minutes, while the Titanic took nearly three hours. Women and children fared much better on the Titanic.

[Shrinking Glaciers Threaten Tajikistan's Economic Dreams](#)

Like many other farmers in the remote village of Barchid, lying in the shadow of Tajikistan's Pamir Mountains, Makbulsho Yakinshoev knows little about issues like greenhouse-gas emissions or global warming.

But the 65-year-old Tajik farmer knows what he sees, and for years he has seen his fruit and vegetable harvests decline as the glacier that looms above his village retreats.

[Are you a farmer at heart? Start a 'Crop Mob'](#)

A growing number of young people are finishing college and resisting the pressure to plunk down in a cube behind a computer. Others skip college altogether—given the spiraling costs involved, it's hard to blame them—and yearn for meaningful, hands-on work.

Community-scale organic farming has emerged as an attractive profession for such talented, energetic youth. But there are problems with this choice. Hours are long, the pay too often stinks, and land prices remain crushingly high. To top it off, our nation lacks universal health coverage.

Yet youthful zeal to farm abides, and hasn't let up, as far as I can tell. This is a major asset to the sustainable food movement. As our nation's million or so active farmers near retirement age, an emerging generation of landless farmers is rising.

[For Pennies, a Disposable Toilet That Could Help Grow Crops](#)

A Swedish entrepreneur is trying to market and sell a biodegradable plastic bag that acts as a single-use toilet for urban slums in the developing world.

Once used, the bag can be knotted and buried, and a layer of urea crystals breaks down the waste into fertilizer, killing off disease-producing pathogens found in feces.

[Saudi crude output still down from 2008 - Aramco](#)

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[CFTC official sees transparency challenge in global energy markets](#)

Energy commodities regulators worldwide will need to move carefully and cooperatively if they expect to make global oil markets more transparent, US Commodity Futures Trading Commission member Scott D. O'Malia said in Tokyo on Feb. 26.

"We have to acknowledge that we've witnessed a paradigm shift in the global oil market over the past decade," he said in remarks to the International Energy Agency and Institute of Energy Economics Japan's Forum on Global Oil Market Challenges. "The paradigm has shifted in two significant ways.... First, oil is now a financial asset and its price movements are correlated to economic growth. Second, the growth in oil demand is being led by developing nations."

[Avoiding Exxon: The Oil Investment Trap](#)

Two weeks ago, ExxonMobil announced their 2009 reserves replacement. (Simply put, the reserves replacement is the amount of new reserves compared to oil produced.) In 2009, ExxonMobil added 2 billion barrels of oil equivalent to its reserves, replacing 133% of its production during that year.

ExxonMobil — one the world's largest publicly traded oil companies — shouldn't be so quick to gloat. These new reserves aren't easy-to-get from conventional sources, and the reality is that Exxon's saving grace lies in developing unconventional oil, such as oil sands.

In other words, developing those new barrels will be costly.

[Venezuela struggles with energy emergency](#)

CARACAS, Venezuela (UPI) -- Venezuelan plans to cut electricity demand amid a looming energy crisis are not feasible for businesses in Caracas, the chamber of commerce said.

[Climate Change: "The Great Squeeze"](#)

Hassan Abu Bakr, professor and researcher at Cairo University's faculty of agriculture, led the discussions that followed the film and answered questions posed by the febrile crowd.

The documentary attempted to illustrate how human actions and the excessive use of energy for the past 200 years had led to the consumerist behavior that today threatens our very survival. Since the discovery of fossil fuels that led to the Industrial Revolution, we have embraced a vision whereby the world revolves around oil consumption.

Have we reached an oil peak yet? Some experts say so, while others predict it will happen in the years ahead. However, since the 1960s, the discovery of oil sources has been declining regularly, and, as one of the experts interviewed in the film says, "once we pass this oil peak, no country will be able to get enough oil unless another one gets less."

[War over the Arctic? Global warming skeptics distract us from security risks.](#)

Global warming skeptics must recognize that real - not predicted - climate change is already turning the Arctic into a potential military flash point.

[Russia February Output Nears Post-Soviet Record on TNK-BP Gains](#)

(Bloomberg) -- Russia crude production neared a post-Soviet record in February as TNK-BP, the venture owned by BP Plc and a group of billionaires, raised output at new fields in both western and eastern Siberia.

Crude production reached almost 10.08 million barrels a day, a gain of 3.3 percent from a year earlier and 0.2 percent from the previous month, according to preliminary data from the Energy Ministry's CDU-TEK unit. Output, which has exceeded 10 million barrels a day for six months in a row, was slightly below November's record.

[Oil gains to around \\$79 amid mixed US data](#)

Oil prices hovered near \$79 a barrel Tuesday as investors considered mixed signals about the strength of the U.S. economy and the dollar's fluctuations against the euro.

[Demand for OPEC Oil May Drop in 2010 on Weak Economy](#)

(Bloomberg) -- Demand for OPEC crude may drop by 100,000 barrels a day this year as stockpiles are higher than the five-year average and the global economy is weak, the United Arab Emirates oil minister said.

Demand for crude produced by the Organization of Petroleum Exporting Countries could drop this year after last year falling by 2.3 million barrels a day to 28.7 million barrels a day, Mohamed Al-Hamli said in a speech in Abu Dhabi today.

[Analysts see the cost of gas rising: 'There is no legitimate fundamental reason'](#)

It may not make much sense, given that the economy remains weak, but the cost of filling up your car is about to go higher.

Seasonal influences are strong this time of year and account for much of the expected increase that many analysts say will push gasoline to a nationwide average of at least \$3 per gallon this spring.

[Saudi Arabia Raises April Oil Prices to U.S. on Most Grades](#)

(Bloomberg) -- Saudi Aramco, the world's largest state-owned oil company, raised its official selling prices for all crude grades, except Arab heavy, for customers in the U.S. for April, a company official said today.

[Enbridge Says Oil Pipelines May Run at Reduced Rates Until 2017](#)

(Bloomberg) -- Enbridge Energy Partners LP, the Houston-based pipeline partnership controlled by Canada's largest pipeline company, said it may take seven years to fill new crude oil pipelines from Canada to the U.S. because of excess capacity.

"It may be 2017 before we see all the pipes that are being planned to be full," said Stephen Letwin, managing director of Enbridge Energy Co., the general partner of Enbridge Energy Partners, during an interview at Bloomberg headquarters in New York. "The fact that these pipes are not filling until 2017 is not critical because we know we are going to get our value back."

['Buy farmland and gold,' advises Dr Doom](#)

The world's most powerful investors have been advised to buy farmland, stock up on gold and prepare for a "dirty war" by Marc Faber, the notoriously bearish market pundit, who predicted the 1987 stock market crash.

...One of Dr Faber's darker scenarios involves growing military tension between China

and the United States over access to limited oil resources.

[Iran plans tenders for eight new blocks](#)

Iran plans to hold tenders soon for eight new oil and gas exploration blocks, Mahmoud Mohadess, head of the exploration office at the National Iranian Oil Company (NIOC) said today.

[BP Aims to Boost Profits by \\$3 Billion, Forecasts Rising Output](#)

(Bloomberg) -- BP Plc, vying with Royal Dutch Shell Plc as Europe's largest oil company, plans to increase annual pre-tax profitability by \$3 billion over the next two to three years by bolstering production and cutting costs.

BP will increase average annual oil and gas output by 1 to 2 percent through 2015, the company said in a annual strategy update today in London. Most of the increased profitability will come from making the refining and marketing business more efficient. The company will centralize exploration and production project management to save money, it said.

[Energy exec: Israel could soon export natural gas](#)

TEL AVIV, Israel – A U.S. energy company says Israel's longtime dependence on natural gas imports could soon come to an end.

Noble Energy chief executive Charles D. Davidson said in Tel Aviv on Tuesday that two undersea gas fields his company is developing off Israel's coast are set to become operational in 2012.

[Nord Stream to Complete Gas Pipeline Financing Deal This Month](#)

(Bloomberg) -- Nord Stream will complete the financing to build a gas pipeline from Russia directly to western Europe this month, Alexei Miller, chief of OAO Gazprom, the majority shareholder in the project, said.

[Iraqi minister says oil deal with Japan failed: report](#)

TOKYO (AFP) – Iraqi Oil Minister Hussein al-Shahristani has said that talks over a huge oil development deal with a Japanese energy consortium had broken down, a leading Japanese newspaper reported Tuesday.

Baghdad would "promote the development (in the Nasiriyah oil field) centred around an Iraqi state-owned company", he was quoted as saying by the Asahi Shimbun.

[India seeks closer ties with Saudi to fuel recovery](#)

RIYADH (Reuters) – India said it expects its economy to rebound to 9-percent annual growth rates within two years and wants to expand its energy ties with top OPEC exporter Saudi Arabia to help fuel the recovery.

[India PM visit to Saudi shows rising security ties](#)

RIYADH (AFP) – Prime Minister Manmohan Singh's visit to oil and regional powerhouse Saudi Arabia has been underpinned by India's thirst for energy, and its need to battle radical Islamists.

The first prime minister to visit Saudi Arabia in 28 years, Singh emphasised New Delhi's direct stake in the various conflicts of the Middle East region and its desire to work with Riyadh on them.

[E.ON Said to Consider Sale of U.S. Unit to Trim Debt](#)

(Bloomberg) -- E.ON AG is examining the sale of its U.S.-regulated utility business, valued at about 4 billion euros (\$5.4 billion) by analysts, to reduce debt, according to a person briefed on the matter.

[BP to quit 5 African states](#)

JOHANNESBURG (Reuters) - Oil major BP Plc said on Tuesday it would pull out of five countries in southern Africa following a strategy review, but would still invest to grow its market share in Mozambique and South Africa.

The company said it plans to sell its marketing businesses in Namibia, Malawi, Tanzania, Zambia and Botswana, but said Mozambique and South Africa offered better synergies with its supply portfolio.

[Three reporters seized in Nigeria: police](#)

PORT HARCOURT, Nigeria - A South African sports journalist and two Nigerian colleagues have been kidnapped in Nigeria's restive oil-producing Niger Delta, South African media and a Nigerian police source said on Tuesday.

The South African reports said the three, from the SuperSport satellite channel, were kidnapped near Warri, an oil industry hub, as they headed for the airport on Monday.

[Lyondell Said to Reject \\$14.5 Billion Reliance Bid](#)

(Bloomberg) -- The board of bankrupt LyondellBasell Industries AF rejected a \$14.5 billion bid from Reliance Industries Ltd., an oil refiner and explorer controlled by India's richest man, two people briefed on the matter said.

[Abu Dhabi's IPIC Hires Banks for \\$2.5 Billion Loan](#)

(Bloomberg) -- International Petroleum Investment Co., the Abu Dhabi government-owned energy investor, hired banks to raise \$2.5 billion of loans, according to data compiled by Bloomberg.

[Suncor unveils new tailings pond technology](#)

CALGARY -- Suncor Energy Inc. is moving forward on a new tailings pond technology it believes will rapidly speed up its ability to reclaim the areas of northern Alberta it has strip-mined as it extracts bitumen buried beneath the Earth's surface.

[Seismic Effect on Fish Shows Increased Catch in Norway Study](#)

(Bloomberg) -- A study showed limited damage to fish from seismic surveys of oil reserves off Vesteraalen in northern Norway as the country debates whether to open more of its coveted Arctic to petroleum and gas exploration.

The Institute of Marine Research study in some cases even found increased catches of haddock and halibut after the fish were hit by sound waves used to map oil and gas reserves, the Norwegian Petroleum Directorate said today.

[U.S. analyst has two Canadian picks for peak oil](#)

The recession has really taken supply and demand in the energy business – which was quite tight, as we had a rising demand and a flattening supply in the world of 2009 – and turned it around temporarily. The high prices of 2005 and 2008 got a lot of people interested in energy conservation and efficiency, or they ran through the money that they had, which forced them to use less energy. In many poor countries, that's what happened.

[Iran's nuclear swap option revived](#)

Yukiya Amano, the new director general of the International Atomic Energy Agency (IAEA), has raised hopes that a "confidence-building" plan for a swap of nuclear material between Iran and a third party could still be salvaged.

[Shell defends continued focus on fossil fuel - paper](#)

FRANKFURT (Reuters) - Royal Dutch Shell Plc \Chief Executive Peter Voser defended the oil giant's retreat from some green technologies to concentrate on oil and gas production in an interview with the German daily Frankfurter Allgemeine Zeitung.

Shell withdrew from its solar business because it was not prepared to make the required investments, Voser told the newspaper adding that alternative fuel for cars remained problematic.

[EPA Approves World's First 100% Natural Gas 2010 Taxi](#)

ASHEVILLE, N.C.--(BUSINESS WIRE)--Altech-Eco Corporation of Asheville, North Carolina announced today that they have obtained a Certificate of Conformity (COC) from the EPA for their DEDICATED 2010 Ford Transit Connect compressed natural gas (CNG) conversion system. The "Dedicated" system means that the vehicle runs entirely on 100% natural gas, and needs absolutely zero gasoline ever.

[Electric Car Strategy: Follow the Fleet](#)

Like other automakers, Ford Motor Company is betting heavily on electric vehicles as the economy recovers. That decision has been powering the prospects of Azure Dynamics, a company in Oak Park, Mich., that makes electric drive trains and other components for hybrid commercial fleet vehicles like courier vans.

[Heat From Power Generation Could Trim U.K.'s 2050 Energy Needs](#)

(Bloomberg) -- Capturing heat from power plants could help reduce Britain's future generation capacity, projected to exceed 150 gigawatts by 2050, by 13 percent, according to a Combined Heat and Power Association report.

Diversifying the ways heat is supplied and using combined heat and power, or CHP, plants would reduce peak demand, making it easier to manage electricity usage, the report said. Heat represented 41 percent of Britain's total final energy consumption in 2007.

[Chain reaction: The nuclear debate is among the most pressing of our times](#)

Following the precautionary principle, avoiding the construction of more nuclear power stations worldwide is a sensible idea.

But this doesn't hide the fact the planet is facing an energy crisis. While plenty of alternative and renewable sources of power exist, whether they can be adopted in sufficient time, or provide the true volumes required seems uncertain.

[Qatar, Germany set up solar power joint venture](#)

DUBAI, United Arab Emirates -- A state-run foundation in the natural gas-rich state of Qatar says it is setting up a joint venture plant with Germany's SolarWorld to produce the main ingredient in solar panels.

Qatar Foundation says the deal marks "the first phase" in the Persian Gulf state's push into the solar energy field.

[Transition Milwaukee](#)

For some, the future is bleak. Imagine, if you will, a nightmarish apocalypse of oil shocks and climate change that leave everyday Americans groping around alone, cold in the dark, cranking induction flashlights to illuminate cars that won't run, big-box retailers devoid of merchandise, and decaying cities peopled by zombie-like citizens who can tap out text messages with precision but go hungry without microwavable meals.

For others, the forecast of a world without cheap and abundant oil is motivation to start building a brighter future today. A growing vanguard of people around the planet are rejecting a vision of self-imposed apocalypse and embracing this second future, with an emphasis on humanity and sustainability customized at many local levels.

[A Warning on Europe's Forests](#)

Europe's forests have been expanding for the last 60 years. But the rate at which forests are growing in Europe is slowing, and forested areas face even more acute challenges in the future because of climate change, Janez Potocnik, the E.U. commissioner for the environment, warned today.

"Europe's forests are a precious resource," he said at a news conference at E.U. headquarters in Brussels. "Their wide range of social, economic and environmental functions means that the stakes are high."

[British scientist in climate row admits 'awful' emails](#)

LONDON (AFP) – A British climate researcher at the centre of a row over global warming science has admitted he wrote some "pretty awful" emails to sceptics when he was refusing their requests for data.

But Phil Jones, of the University of East Anglia's Climatic Research Unit, defended Monday his decision not to release the data about temperatures from around the world, saying it was not "standard practice" to do so.

[South Dakota legislature declares that astrology can explain global warming](#)

Wow! The South Dakota legislature has declared, by majority vote, that the ancient pseudoscience of astrology "can effect world weather"! Astrology, of course, is a superstitious belief that the movements of stars and planets can affect our daily lives here on Earth, a belief that has no basis in science. Some people – including, apparently, the South Dakota legislature – still take it seriously, although most view astrological forecasts as light entertainment.

[Expert: Climate change effort will take centuries](#)

Climate change won't be solved by the passage of one bill. It's something we're going to have to manage over hundreds of years.

The best outcome of whatever policy we implement is that nothing happens. That's the most difficult thing about it. This is a long-term problem. It will keep coming up until we deal with it. That's difficult in the current political climate. Moderates are scarce and the bases of the parties are miles apart. Eventually the public will demand action. But that doesn't mean nothing should be done now.



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