



## Drumbeat: April 12, 2010

Posted by [Leanan](#) on April 12, 2010 - 9:33am

Topic: [Miscellaneous](#)

### [Made For Each Other: Vietnam Wants Oil, Saudi Arabia Wants Rice](#)

Like many countries specifically in the Persian Gulf or Arabin Gulf area, Saudi Arabia require a large amount of imports of vegetables, rice, and the other usual agricultural products. It also heavily relies on foreign labor forces from Asia.

Vietnam remains to be one of the top exporters of farmed goods to Saudi Arabia and many other countries. Vietnam on the other hand needs significant investments in its refineries and reinforcement of its petroleum and energy sectors; Saudi Arabia is of course the major supplier of oil for Vietnam.

lying heavily on biofuels is a very dubious prospect in a world that also needs to feed 9 billion (assumed wealthier) people from its limited agricultural land. So you can probably figure that the residual 5% of carbon emission intensity is all going to go on these kind of specialized uses that are hard to substitute.

Therefore, these goals basically imply that the ordinary living and working of most citizens would be essentially carbon free by 2050. That is in 40 years time.

### [Why Is Obama Drilling?](#)

What have we learned in the decades since OPEC, Tower of Power, and others brought the oil crisis to our attention? Back then, the Nixon administration's energy policy included a big push to open the outer continental shelf to offshore oil and gas production. In 2010, the Obama administration has announced plans to open more of the outer continental shelf to oil and gas production.

We've been there, done that. And it didn't work. Despite plenty of drilling, U.S. crude oil production reached its all-time peak in 1970, and began to fall rapidly and steadily after 1985. By 2008, it was barely half of its 1970 level.

### [NRG Says It and Constellation May Both Get Nuclear Loan Help](#)

(Bloomberg) -- NRG Energy Inc., the second-largest power producer in Texas, said it

and Constellation Energy Inc. may both get federal loan guarantees for new reactors as the government tries to spur development of nuclear plants.

“The government has two projects they want to support, ours and Constellation’s project, and they’re trying to figure out how they can support both,” Crane said in an interview during Platts Global Power Markets Conference in Las Vegas today. “There are many ways in which it’s possible.”

The U.S. is trying to revive nuclear-power construction after the last new plant to be licensed opened in 1987. The U.S. Energy Department is analyzing projects by Princeton, New Jersey-based NRG, Baltimore-based Constellation and South Carolina’s Scana Corp. after handing out its first loan guarantee to Atlanta-based Southern Co. in February.

### [Free Live Webinar on Global Outlook of Oil & Gas, April 14, 2010 at 11:00AM EDT](#)

The focus of the discussion (and the Q&A) will be only on sector trends and fundamentals, and not on company specifics or company recommendations. The discussion will cover Global Trends, Developments, and Outlook in Oil & Gas. Presented by Fortis Bank Nederland.

### [Petrobras Still Plans Share Sale by End of First Half](#)

(Bloomberg) -- Petroleo Brasileiro SA, Brazil’s state-run oil producer, still plans to sell new shares by the end of the first half as it seeks to fund the world’s largest investment program in the oil and gas industry.

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### [Pakistan: Protests against power outages spread](#)

LAHORE - The prolonged and unscheduled power cuts continued across the country, triggering angry protests in several cities including Lahore and Karachi.

The Lahorites continues protests against unending and unscheduled power outages, which has multiplied their miseries, as Sunday witnessed the worst loadshedding with hours long outages reported in the morning and afternoon amid the rising temperature.

### [East Timor to reject Woodside natural gas plan](#)

THE East Timorese government has reiterated that it will reject any attempt by Woodside Petroleum and its partners to process gas from the Greater Sunrise field either at Darwin or on a floating liquefied natural gas platform.

The government's statement appears to be at odds with an ABC report last Wednesday that quoted East Timorese President Jose Ramos-Horta as saying that a floating platform might benefit all sides.

### [Yemen tries rebel supporters with spying for Iran](#)

SANAA (Reuters) - Yemen put four Shi'ite rebel supporters on trial on Monday on charges of spying for Iran in a move that could strain a slow-going truce to end a northern war that drew in neighbouring oil giant Saudi Arabia last year.

### [South Korean refiners' recovery faces hurdles](#)

Although signs in late 2009 indicated South Korea was fast recovering from the 2008-09 global recession, the South Korean refining industry is still suffering.

Deteriorating refining margins caused refiners to post poor performances for 2009. Oil demand is recovering but still below 1997 levels. Various internal and external factors imply that the difficult situation may be prolonged.

### [Saudi April gasoline imports down 20pc](#)

Saudi Arabia, the world's top oil exporter, was expected to lower its gasoline imports in April by about 20 per cent versus the previous month, traders said on Monday.

### [The Colosseum and Energy Flows](#)

Today it is not slaves that are transported to the centres of power to do work but, rather, black oil. (However, as an example the labour force in Dubai is bordering on voluntary slavery. Many men come from Pakistan and are given a bunk in large barracks and food three times per day. There remains only \$20 per day that they

normally send home to their families.) They are no longer paid with stamped coins of precious metal but with worthless paper on which is printed a number and a quantity of zeros. On the paper there is also a "\$" symbol. There are those that declare that the flow of oil will never end but will always increase. But there are others, e.g. Global Energy Systems at Uppsala University, who assert something quite different. The future value of those dollar bills that exist outside the USA remains to be seen.

### [How we can become an eco-city](#)

Last August, Wausau resolved to become a sustainable eco-municipality. Because the eco-municipality concept is based on a planning process known as The Natural Step, several community members began reading circles for The Natural Step for Communities, in order to better understand Wausau's eco-municipality resolution.

At UWMC, The Natural Step is the framework for an environmental science course and the campus shared reading is Bill McKibben's "Deep Economy," which focuses on building sustainable communities. Sustainability is a great idea, but how do we move toward such a goal?

### [Southern California Edison blankets roofs with solar panels](#)

FONTANA, Calif. — The view from a warehouse roof here is consistent. In every direction, there are blocks and blocks of warehouse roofs baking in the Southern California sun. Rather than letting them sit bare, a California utility hopes to blanket roofs like these with solar panels to produce enough electricity to power 162,000 homes.

Southern California Edison has installed solar on two warehouse roofs and is working on another in the Los Angeles region. The utility expects to do 100 to 125 more, totaling about 1.5 square miles of roof space in the next five years.

### [Iranian Tankers Expand Oil Storage to Echo 2008 Surge](#)

(Bloomberg) -- Iran, OPEC's second-biggest crude producer, expanded the number of supertankers being used to store surplus oil, echoing a program that contributed to a tripling of freight rates two years ago.

At least nine such vessels are idling in the Persian Gulf, Gulf of Oman and to the south of Egypt's Suez Canal, according to data from the ships collected by AIS Live Ltd. Two months ago, there were three. Their depth in the water indicates they are loaded, with as many as 18 million barrels of oil being stored, almost enough to supply Europe for a day.

## [Crude Oil Falls a Fourth Day on Demand Doubts, Dollar Recovery](#)

(Bloomberg) -- Oil declined for a fourth straight day in New York on speculation that demand has not sufficiently recovered to support prices around \$85 a barrel.

## [Price of gasoline continues to climb](#)

NEW YORK - The average price for a gallon of gasoline in the United States rose 3.79 cents to \$2.85 in the past three weeks as retailers gained some margin, according to an industry analyst.

It was the third consecutive survey showing an increase in the price of regular-grade gasoline as global crude oil prices rose by around 10 cents a gallon equivalent during the three week period of the survey.

## [Gasoline Traders Boost Price-Rise Bets to Record, CFTC Says](#)

(Bloomberg) -- Hedge-fund managers and other large speculators boosted their net long positions for gasoline, bets that the motor fuel's price will rise, to a record last week, according to the U.S. Commodity Futures Trading Commission.

## ['There's no shortage in oil market'](#)

Qatar's Oil Minister Abdullah Attiyah today denied that supply was pushing crude prices up, saying there is no shortage in the global oil market.

Reuters quoted Attiyah telling reporters that oil prices of around \$85 a barrel were not related to supply and demand fundamentals.

Global oil inventories were high, indicating supply was sufficient, he added.

The oil price is above the \$75 to \$80 a barrel that the king of top exporter Saudi Arabia said was fair late last year. Other Opec members have also said a price around that level was good for both consumers and producers.

## [Royalty Rip-Off](#)

A sloppily written law passed by Congress 15 years ago has cost the country several billion dollars in lost oil royalties in the Gulf of Mexico and threatens to cost the country billions more. Representative Edward Markey has been trying, without success, to fix the law. He argues that the profit-rich oil companies are absconding with money that rightly belongs to American taxpayers.

### [US Expert Predicts 'Oil and Gas Rush' to Israel](#)

A US energy industry expert estimates that international companies may soon join exploration efforts for oil and gas in Israel.

The expert, Fred Zeidman, told *Globes* website that it is very likely that international firms will join the exploration efforts on Israeli territory, a year after the 'Tamar' and 'Dalit' discoveries in the Mediterranean Sea. One international firm is already involved: Noble Energy, which was the partner of Delek and Isramco in the discoveries.

### [Nigerian military issues alert on plans to attack Shell facilities](#)

Nigerian military operating in the oil rich Niger Delta region has issued an alert on a plot to attack a facility of Shell Petroleum Development Company (SPDC) in the region.

The military spokesman in the region Timothy Antigha disclosed this in a statement reaching here late on Sunday.

### [Nigeria: Acting president swears in Cabinet](#)

ABUJA, Nigeria -- Nigeria's acting president sacked the head of the nation's oil company Tuesday, the same day he swore in a Cabinet that put a former oil company employee in charge of the country's petroleum ministry and an investment banker at the helm of its finances.

The moves by Acting President Goodluck Jonathan seemed to cement his power in Africa's most populous nation, despite ill President Umaru Yar'Adua's recent return to the country. Jonathan also said he directly would manage the nation's failing power ministry, a move that could turn around years of struggles to produce power for Nigeria's 150 million people.

### [Goodrich to buy Eagle Ford, Haynesville shale assets](#)

(Reuters) - Independent oil and gas explorer Goodrich Petroleum Corp said it will buy 35,000 net acres in the Eagle Ford shale and 4,200 net acres in the Haynesville shale in Texas.

The Eagle Ford deal involves about \$15 million in upfront cash payment while the Haynesville deal has no upfront cash consideration.



[BG to sell power plants - report](#)

LONDON (Reuters) - British gas producer BG Group is retreating from the UK power sector and has put its power plants up for sale, according to a report in the Sunday Times.

The newspaper said bidders lodged first-round offers last week for two power stations put up for sale by the FTSE 100 company.

[Another Financial Crossroads: Attempting to Read the Signs](#)

By contrast, almost no one is seriously predicting a *real* bout of Great Deflation - no one, that is, but members of the inevitably regular doomsayer brigade for whom the clock is permanently stuck at 5 minutes to catastrophe du jour. But some of them may have something valuable, indeed, to contribute to our views on possible monetary and fiscal futures; I shouldn't even call them doomsayers. Prophets of inflection points, perhaps?

I am referring to peak oil theorists and analysts. First, please note the absence of capitals in "peak oil"; it is meant to separate sober fact from the panting and hyperventilation common just a couple of years ago, when crude oil had reached \$150/bbl. Add climate change to the mix, stir well and let settle. Do you see a possible monetary future emerging - or, at least, a *desirable* future?

[Renewable Energy Investments Surge on China, Wind](#)

(Bloomberg) -- Global investments in renewable energy surged 31 percent in the first quarter from the same period last year, driven by wind power and demand in China, Bloomberg New Energy Finance said.

New spending on wind, solar and geothermal power through share offerings, venture capital and asset finance totaled \$27.3 billion in the three months through March compared with \$20.8 billion in the first quarter of 2009, New Energy Finance said today in an e-mailed statement.

[Energy Department vows quick approval for loans to help automakers retool](#)

U.S. Energy Secretary Steven Chu vowed Thursday to quickly approve additional loans for automakers, parts suppliers and startups to retool factories to develop and build more fuel-efficient vehicles.

"We are working as fast as we can," Chu said in a conference call with reporters to tout new job-training grants, adding he hopes to make announcements on loans soon.

The Detroit News reported this month that most of the 100 automakers, suppliers and

start-ups seeking the remaining \$16 billion in low-cost government loans have been rejected, given up or are still waiting.

### [China Can't 'Afford' to Halt Argentine Oil Imports](#)

(Bloomberg) -- China cannot completely halt imports of soybean oil from its biggest supplier Argentina as rising demand outstrips its ability to expand domestic production, Oil World said.

The Asian nation, which is said to be curbing supplies from the Latin American producer, cannot process enough oilseeds to replace the volume lost because of the halt, Thomas Mielke, executive director of the industry journal, said in a report given to media before a conference today in Beijing.

### [United Biofuels of America Hosts the Second Jatropha Harvest Experience in Costa Rica](#)

The Jatropha Harvest Experience was held in Costa Rica, April 7 – 10, 2010. This event developed by United Biofuels of America (UBA), is an annual outreach program to create awareness of biofuel development in Central America.

### [Ukraine loads US fuel into South Ukraine NPP](#)

Nuclear fuel made by Westinghouse in the USA has been loaded into the South Ukraine nuclear power plant. The milestone, on 8 April, is part of the Ukraine nuclear fuel qualification programme, a ten-year effort supported by the US Department of Energy (DOE) to help diversify the Ukraine's fuel sources for its nuclear power stations.

### [Sir John Chilcot in MoD lobbying row](#)

SIR John Chilcot, chairman of the Iraq war inquiry, successfully lobbied the Ministry of Defence (MoD) to drop its opposition to a lucrative £150m wind farm project of which he is a director.

Chilcot was among a group of three of the company's directors who met MoD officials in a private home in London in January 2009. The MoD was blocking the whole scheme because it said the 410ft high turbines would interfere with military radar.

### [China Has Overtaken Germany as Second-Leading Wind Power Nation](#)

(Bloomberg) -- China overtook Germany as the second-leading wind power nation last



year, the Global Wind Energy Council said today in a statement.

### [Transition Town Movement](#)

I spent this morning working on the Quaker community garden in Leek as part of a Transition Town Leek project. We were planting apple trees. The siting of the project is significant the Garden is attached to the Meeting House in the town and with the exception of the parish Church the second oldest place of worship in Leek. It dates from 1694. And from 1897- a year after his death- the Meeting House was called the William Morris Labour Church and up to the outbreak of the First World War many pioneers of the labour movement such as Keir Hardie, Edward Carpenter and Charlotte Despard spoke at socialist meetings. The place has a very strong progressive resonance and its fitting that it is the setting for a social experiment that is sweeping across the country and galvanising communities.

### [Tokyo carbon scheme: blueprint for Asia?](#)

Tokyo's recently launched carbon trading scheme could provide a blueprint for similar schemes across Asia, say carbon experts.

Under the scheme, which is the first of its kind in Asia, 1,400 of Tokyo's most carbon-intensive industrials, including commercial buildings and factories, will be required to meet legally binding emission reduction targets. The first phase of the scheme will finish in 2014 and requires participants to cut carbon emissions by 6% of 2000 levels. Overall, the scheme aims to cut the metropolis's overall emissions by 25% of 2000 levels by 2020.

### [UN Climate Talks 'Fracturing' as Decision Delayed](#)

(Bloomberg) -- Negotiators at United Nations climate talks put off a decision on how to treat a U.S.-brokered agreement on global warming, reducing the chances for a new plan on limiting emissions of greenhouse gasses after 2012.

After three days of discussions, delegates from 175 countries left it up to Margaret Mukahanana-Sangarwe, a diplomat from Zimbabwe chairing the talks, to decide what parts of the accord signed by President Barack Obama in December 2009 in Copenhagen to include in the UN's official negotiating text.

### [Peru glacier collapses, injures 50](#)

AFP - Around 50 people have suffered injuries in Peru after part of a glacier broke off and burst the Hualcan River banks in a disaster the local governor attributed to climate change.

The mass of glacial ice and rock fell into the so-called "513 lake" in the northern Ancash region, causing a ripple effect down the Hualcan, destroying 20 nearby homes.

"Because of global warming the glaciers are going to detach and fall on these overflowing lakes. This is what happened today," Ancash Governor Cesar Alvarez told reporters, linking climate change to the disappearance of a third of the glaciers in the Peruvian Andes over the past three decades.



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