



Drumbeat: February 25, 2011

Posted by [Leanan](#) on February 25, 2011 - 10:33am

[Angola, Nigeria Can't Immediately Replace Libya Oil - Sources](#)

LONDON -(Dow Jones)- Angola and Nigeria can't immediately make up for missing shipments of Libyan oil, officials in the African countries said Friday.

The news come after Saudi officials said Libya production shut down by unrest could be replaced by West African light crude.

[Suncor shuts Libya operations, evacuates staff](#)

(Reuters) - Suncor Energy Inc said on Friday it has evacuated all its expatriate staff in Libya and that field operations there were shut down earlier this week.

[What Will Oil At \\$100 Or More Mean For The Economic Recovery?](#)

Crisis-watchers have shifted their attention from food to oil prices, as the struggle in Libya, where Colonel Muammar Gadhafi is attempting to keep a grip on a nation that is quickly slipping from his hands, has injected a fresh dose of volatility into the markets. Investors and analysts are struggling to come to terms with what the meaning of a barrel of oil at \$100 or more will mean for the U.S. and global economic recovery.

[Motorists facing £6 a gallon at the pump due to Libya crisis](#)

Motorists are now paying £6 a gallon in garages across the country as oil prices continue to soar amid the crisis in Libya.

[Libya Crisis Fuels Washington Debate Over Energy Production as Prices Rise](#)

The crisis in Libya has revived the partisan debate in Washington over energy production, with Democrats and Republicans drifting to familiar arguments as they try to figure out a solution to rising oil prices.

A Libyan diplomat reportedly said Friday that the country, which accounts for about 2 percent of the world's crude oil exports, will stop exporting oil while the unrest persists.

The United States isn't as dependent on Libyan oil as other parts of the world, but the country still provides thousands of barrels per day to the United States.

[Reduce dependence on oil, Middle East](#)

Every kind of crude oil whose price is used as a barometer for international trading has topped the benchmark of 100 dollars a barrel. Should oil prices continue rising, they will slow the world economy, now moving toward recovery, and weigh down the Japanese economy as well. We must remain on guard.

The government and industrial sectors may need to promote anew energy measures to help Japan become less dependent on oil and the Middle East.

[15 killed on Iraq 'Day of Rage'](#)

Security forces used water cannons and tear gas to disperse thousands of angry protesters in Baghdad on Friday as a "Day of Rage" across Iraq left 15 demonstrators dead in clashes with police.

Around 5,000 people thronged Baghdad's Tahrir Square, with angry crowds throwing stones, shoes and plastic bottles at riot police and soldiers blocking off a bridge connecting the site to Baghdad's heavily fortified Green Zone, home to the US embassy and parliament.

[US natgas rig count up 1st time in 4 wks-Baker Hughes](#)

NEW YORK (Reuters) - The number of rigs drilling for natural gas in the United States rose for the first time in four weeks, up by one to 906, oil services firm Baker Hughes said on Friday.

The gas-directed rig count had dropped in nine of the previous 11 weeks, but remains above the 12-month low of 902 hit on Jan. 14.

[Canada not concerned over oil effects on inflation](#)

(Reuters) - There is little concern about long-term inflationary pressures in Canada arising from turmoil in Libya and Middle East countries, Finance Minister Jim Flaherty said on Friday.

"We watching what's going on in the oil markets. I don't think there's reason now to have any strong concerns about any long-term effects," Flaherty told reporters following a speech.

[Russian oligarchs accuse BP of 'sabotage' over Rosneft dispute](#)

BP failed to show up at the scheduled board meeting of its joint venture TNK-BP, leaving its Russian partners accusing the company of trying to "sabotage" arbitration proceedings meant to resolve their dispute.

[Libyan rebels say control oil fields, honour deals](#)

BENGHAZI, Libya (Reuters) - Rebels in eastern Libya said on Friday they now controlled most of the oil fields east of the town of Ras Lanuf, and said they would honour oil deals as long as they were in the interest of the people.

The eastern Libyan town of Brega and its oil terminal are under rebel control, and soldiers who have defected are helping the rebels to secure the port, Reuters witnesses said on Friday.

"This area is controlled by the people," said Mabrook Maghraby, a lawyer from Benghazi who is now involved with the local committees defending Brega.

If oil contracts were unfair or based on corruption, however, the interim leadership of Libya's second city Benghazi said they reserved the right to renegotiate them.

[U.N.: Libyan crackdown 'escalating alarmingly'](#)

Benghazi, Libya (CNN) -- Libya's bloody crackdown on protesters is "escalating alarmingly" and "thousands may have been killed or injured," the world's top human rights official said Friday, as strongman Moammar Gadhafi vied to retain power from his stronghold in the capital of Tripoli.

[Spain to lower speed limit as oil prices rise](#)

MADRID — Spain says it will lower highway speed limits and cut train ticket prices in an emergency energy-saving initiative because of higher oil prices brought on by unrest in Libya.

[Newspaper: Oil 'megaloads' will be downsized](#)

PORTLAND, Ore. (AP) -- A company trying to move huge pieces of oil refining equipment to Canada says it will downsize the "megaloads" so they can be trucked on interstate highways.

[Corbett Repeals Policy on Gas Drilling in Parks](#)

Gov. Tom Corbett has repealed a 4-month-old policy designed to minimize the environmental impact of Marcellus Shale natural gas well drilling in Pennsylvania's parks.

The policy repeal could hurt recreation and the environment in Ohiopyle State Park and a number of other parks in the western part of the state where oil and gas companies are seeking drilling permits, according to the former director of the state Department of Conservation and Natural Resources, which manages the state's parks and forests.

[Gas Permits for Marcellus Shale May Face Backlog](#)

Companies hoping to extract natural gas from West Virginia's Marcellus shale may have to wait in line unless there's money for more oil and gas inspectors, said the state's top environmental protection official.

[Mexico to slash oil and gas drilling by 42 pct](#)

MEXICO CITY (Reuters) - Mexico's state oil monopoly Pemex will dramatically slash the number of wells it drills for oil and gas this year in an apparent rethink of two of its largest onshore projects, according to its 2011 operational plan.

[New Study: Alaska Has More Oil Than Russia, Nigeria, Libya](#)

(CNSNews.com) – A new study says drilling on Alaska's Outer Continental Shelf (OCS) could make Alaska the eighth largest oil resource province in the world -- ahead of Nigeria, Libya, Russia and Norway.

[House panel pledges hard look at offshore drilling delays](#)

WASHINGTON, DC -- US House Natural Resources Committee leaders promised to raise questions about what they consider a de facto offshore drilling moratorium with officials at the US Department of the Interior at hearings in the next 2 weeks. The committee also will hear directly from affected Gulf Coast states, communities, and local businesses on Mar. 16 and conduct a field hearing and site visit in Louisiana during the April district work period, Chairman Doc Hastings (R-Wash.) and Energy and Mineral Resources Subcommittee Chairman Doug Lamborn (R-Colo.) said.

[Chevron Sees US Deepwater Drilling Resuming by Midyear](#)

Chevron, the second-largest U.S. oil company, expects to be able to resume its ambitious drilling program in the deep waters of Gulf of Mexico before the first half of 2011 is over, company executives said Wednesday.

"We are getting to the end of the road," Gary Luquette, Chevron's head for exploration

and production in North America, said. "One time we thought it will be the end of the year, now our estimate is that it could be before the middle of the year."

[Shell CEO acquitted in fuel shortage case](#)

The case began in 2007 after Trade Secretary Guillermo Moreno accused Mr. Aranguren of allegedly causing a fuel shortage. However, the judge considered that in the June-September 2007 time period, 'Shell didn't infringe the 1974 Supply Law.'

[Ivory Coast Gbagbo militia confirms rebel advance](#)

ABIDJAN (Reuters) – A militia chief loyal to Ivory Coast's incumbent Laurent Gbagbo confirmed on Friday that a western town under control by government forces had fallen to rebels and said they would fight to get it back.

[Is Ivory Coast Doomed to Slide Into Civil War?](#)

After nearly four months of post-electoral turbulence which has seen banks shut, political activists targeted and food prices rise dramatically, citizens of Ivory Coast's commercial capital Abidjan have become jaded. "There are a lot of people who have gone mad with poverty and misery here," says unemployed mechanic Yassa Touré. Which is why last Monday he barely looked up from his coffee at a roadside stall in Abobo, a working-class suburb of Abidjan, when a man ran past screaming that the army was approaching and would "mow down civilians." "An hour later presidential guards drove into the neighborhood," says Touré. "They had machine guns mounted on trucks. The next thing I knew was the noise of heavy weapons being fired." The shooting lasted six hours. When it was finally over, says another Abobo resident, a 52-year-old shopkeeper who gave his name as Ali: "I opened my door and there was a man lying there, blood everywhere. Next to him another corpse had half his face missing."

[Arms deals still made amid Middle East crackdowns](#)

Amid all the change sweeping the region, the multibillion-dollar business of arms sales to the Middle East may remain the one constant. The rich Persian Gulf states - particularly the United Arab Emirates and Saudi Arabia - are scooping up as much weaponry as they can. Some of it could, in theory, be turned on their own populations. But diplomats and defense industry representatives say the goal is to defend against Iran and to secure energy infrastructure that has become even more valuable with oil topping \$100 a barrel.

[Manifa well sets regional distance record](#)

DHAHRAN, Saudi Arabia – Saudi Aramco's drilling team on the Manifa offshore field have set a new record for a long-reach well in Saudi Arabia.

[Saudi Aramco said to sell crude oil cargo from Okinawa](#)

Saudi Arabian Oil Co, the world's biggest oil exporter, sold the first crude cargo from its new storage facility on Japan's southern Okinawa island, three people with direct knowledge of the transaction said.

[Factbox: Possible future Saudi oil ministers](#)

(Reuters) - The following are some of the names suggested as possible successors to Saudi Oil Minister Ali al-Naimi.

Rumors have repeatedly circulated that he might retire, but so far they have proved unfounded and Naimi last year dismissed them as "rubbish."

[FACTBOX-Saudi oil ministers past and present](#)

(Reuters) - Ali al-Naimi, in office since 1995, is only the fourth Saudi Arabia oil minister to date.

Here are some facts about his three predecessors.

[David Strahan: Old Iran hand casts doubt on Saudi, Libya](#)

As the last oilman out of Iran in 1979, Jeremy Gilbert knows just how it feels to be caught up in a Middle Eastern revolution. Hospitalized and desperately weak with hepatitis, he was left behind in the general evacuation and only escaped by walking through Iraq – after being forced to kiss the shoes of a border official.

Compared to the 170 British oil workers still trapped in the Libyan desert, the former chief petroleum engineer for BP was relatively fortunate. But the oil shock he lived through was far more serious than the current crisis. "It was a much bigger shock", says Gilbert, "at least, so far".

[Libya: Stranded Oil Workers Describe Turmoil](#)

"Our company will try again to get a flight out today, but if that fails the backup plan will be to try and bus everyone to Tripoli and then fly them to Tunisia, or to try and bus them to the Egyptian border.

"Personally, from what I have heard this is a disastrous plan as people that have tried to drive to Tripoli so far have had their cars stolen and the occupants left stranded in the desert. I can't imagine what the outcome would be with 46 expats onboard.

"For those who are thinking of taking matters into their own hands, plans have been to try and steal a car and get to the Egyptian border or maybe Benghazi."

[Relying on Libya](#)

Which countries depend most on Libyan oil?

[A cry for freedom is paid at the pump](#)

Who knew democracy would cost so much at the pump?

As political unrest intensified in Libya and continued to swell throughout the Arab world this week, oil prices pushed past \$100 a barrel, at least briefly, their highest in two years. It probably won't be the last time, especially if violence in oil-producing countries escalates.

Americans support the cry of freedom, but the past month serves as a reminder that promoting democracy has long taken a back seat to cheap oil.

[Expert Warns Against Tapping Oil Reserves](#)

WASHINGTON—A leading energy expert is warning against calls by U.S. lawmakers to open emergency fuel supplies to reduce the pressure on fast-rising oil and gas prices.

Daniel Yergin, chair of IHS Cambridge Energy Research Associates, said the U.S. Strategic Petroleum Reserves should be used solely to combat supply shortages, and not to lower fuel prices.

[British analysts: Rising oil prices will not lead to global recession](#)

Oil prices on world markets continue to rise amid fears that the hydrocarbon flow will be halted from Libya as a result of the political unrest in the country.

[Spiking Oil Prices: Time To Worry Yet?](#)

For Cambridge Energy Research Chairman Daniel Yergin, the panic point will hit when oil routinely costs more than \$100 a barrel. That benchmark, Yergin tells CNBC, "starts being a worrying setback for the economy. It hits consumer confidence and spending — and a lot of businesses, beginning with airlines."

For Jack Ablin, CIO of Harris Private Bank, the trigger point may be closer to \$140 a barrel. He sent a message to CNBC Tuesday saying that when a gallon of gas hits \$4,

that "will begin to weigh on the consumer and our incipient recovery."

[Who gets rich off of \\$100 oil?](#)

NEW YORK (CNMoney) -- For consumers, the return of \$100-a-barrel oil is nothing but bad news. But investors see an opportunity: They're piling into unconventional energy stocks, betting that high oil prices could translate into big profits for some smaller U.S.-based oil companies.

In fact, companies that specialize in extracting crude from oil shale and oil sands are posting the biggest gains among energy companies this year.

[Steve LeVine: Two reasons why oil prices are going through the roof](#)

Trouble has been going on in the Middle East for weeks, so why have oil prices suddenly gone up precipitously today? Mainly because two major presumptions underlying our understanding of the world changed in the last 24 or so hours and in doing so shook up the global economic calculus.

[Steve LeVine: All is not lost in Libya](#)

We need some balance in the Libyan oil story. Is this north African nation an unmitigated disaster for those elsewhere in the world running an economy or driving a gas-guzzling vehicle? Notwithstanding the turmoil, the answer so far is no.

[Libya oil production to shut down completely-BofA](#)

(Reuters) - Oil production in Libya is expected to shut down completely and could be lost for a prolonged period of time, Bank of America Merrill Lynch said on Thursday.

[Why the Disruption of Libyan Oil Has Led to a Price Spike](#)

Libya produces less than 2 percent of the world's oil, and exports little to the United States. But the high quality of its reserves magnifies its importance in world markets.

Libya's "sweet" crude oil cannot be easily replaced in the production of gasoline, diesel and jet fuel, particularly by the many European and Asian refineries that are not equipped to refine "sour" crude, which is higher in sulfur content. Saudi Arabia has more than four million barrels of spare capacity and has promised to tap it if necessary, but that capacity is mostly for sour grades of oil.

[Kjell Aleklett: Oil – Democracy's black straightjacket](#)

The collective name for the nations that produce oil in the Middle East and North Africa is MENA. On the map above you can see that MENA includes the following nations: Algeria, Libya, Egypt, Saudi Arabia, Iraq, Iran, Kuwait, Bahrain, Qatar, The United Arab Emirates (UAE), Oman and Yemen. What happens in these nations in coming years will be crucial for the world's future. 10 of the 12 MENA nations are among the world's 20 largest oil exporters. The exceptions are Bahrain and Egypt, but Egypt has a central position in the oil trade since large volumes of oil pass through the Suez Canal and it also controls an oil pipeline that runs parallel to the canal. Every day, large volumes of oil are freighted or pumped to the Mediterranean Sea and the EU. The 10 largest oil exporters are, in rank order, Saudi Arabia, Iran, UAE, Kuwait, Iraq, Algeria, Libya, Qatar, Oman and Yemen. None of these nations are democracies as we understand the term.

[What the Libya Crisis Means for Crude Oil Investors](#)

In a word: Canada.

Our longtime friends in Canada are happily – and quite profitably – producing millions of barrels of oil from the vast deposits of oil sands in Alberta.

[Political unrest casts a shadow over Desertec energy project](#)

The Desertec project aims to supply Europe with renewable energy from North Africa. Construction of the first solar plant is due to begin soon, but unrest in the region has put a question mark over the project's future.

[California Senate OKs renewable energy bill](#)

Reporting from Sacramento — The state Senate acted Thursday to require California utilities to boost their use of wind, solar and other renewable energy sources to a third of total supply by the year 2020.

[Bonneville Power to Wind Generators -- Shut Down, and You Get Free Power](#)

The Bonneville Power Administration says it is preparing to sharply reduce the region's wind generators' output during extreme high water flows in the Columbia River system as a last resort to assure that hydropower dam operations do not threaten protected fish populations.

[Pakistan: Solar energy to beat price heat of fossil fuel](#)

Muhammad Jamshed, Head Engineering & Instrumentation, TSML and Kai

Klingenhagen, Area Sales Manager, SolarWorld signed the memorandum. Muhammad Jamshed, Head Engineering & Instrumentation, TSML said: “With higher prices and growing scarcity of fossil fuel, solar power is finally emerging as a viable and efficient source of energy.

[Former NATO Commander Urges Shift To Ethanol](#)

Gen. Wesley Clark, a decorated U.S. serviceman who served as the U.S.’ top NATO officer in Europe and who also ran for the Democratic presidential nomination in 2004, says ethanol is a viable replacement for imported oil from unstable Middle Eastern nations which are being overcome with chaos.

In an op-ed he penned for Politico’s website on Thursday, Clark — who retired from a life in service and is now an ethanol lobbyist — lamented the effect that ongoing turmoil in Libya has had on oil prices, which have skyrocketed over \$100 per barrel since protests against Libyan ruler Muammar Gaddafi began over a week ago.

[Drought-hit Chile requiring less diesel for power due to LNG terminal](#)

Santiago (Platts) - Chile's state oil company ENAP has increased imports of diesel to meet extra demand from the power industry due to a drought that has crimped hydroelectric output, but such demand is lower than during past crises, due to an LNG terminal that began operating in 2009, ENAP's CEO Rodrigo Azocar said Thursday.

[Zimbabwe reviews Namibia power exports](#)

ZIMBABWE exports electricity to Namibia – despite major power shortages at home, Energy Minister Elton Mangoma revealed on Thursday.

Zimbabwe generates between 1300-1400 mega watts against the national requirement of 2000MW, but the country still exports 150MW to Namibia “below cost”, the minister said.

“The current situation means that Zimbabwe, despite its own shortage of electricity, is subsidising Namibia. This situation has to be corrected soon,” Mangoma said, as he revealed the true extent of the country’s energy crisis and a long term strategy to meet the country’s power needs.

[John Michael Greer - Energy: embracing the real alternative](#)

It will be interesting to see what happens if the current round of crises turns into a full-blown energy crisis, as it well might, with oil prices spiking up past \$200 or \$300 a barrel, say, and the cost of gasoline and diesel fuel following the same upward trajectory until demand destruction puts a ceiling on them. No doubt there will be any number of attempts to blame it all on the oil companies, or the Arabs, or the Obama administration,

or perhaps David Ickes' imaginary space lizards; no doubt there will be at least as many proposals to rush another round of stimulus money the US government doesn't have from the Fed's already overworked printing presses and pour it into fusion power, cellulosic ethanol, and an assortment of other high-tech ratholes; no doubt there will be plenty of people insisting that we'd have all the energy we need if we just put the same amount of freshly printed money down some other set of ratholes. What interests me, though, is whether there will be any amount of attention, or even lip service, paid to the real alternative to petroleum.

[Being Carless in America is Like Second-Class Citizenship](#)

The first time I came to America I was 23 years old, and it always confused me why people were so shocked that I had never driven a car. Until I started to travel. Because as soon as you leave the major metropolitan areas, it can be amazing how un-pedestrian friendly most infrastructure is. The fact is that being carless in most of America is, without doubt, a major impediment to social inclusion and economic well-being. Without a car, you're basically a second class citizen.

[Michael C. Lynch: Drilling for an Oil Crisis](#)

While peak-oil advocates have in the past ridiculed optimistic industry expectations, the evidence continues to confound them. Over recent decades, the consensus estimates of the amount of recoverable oil on the planet have roughly doubled. And recovery rates — the percentage of those reserves that we are technologically able to collect — have grown from 10 percent a century ago, to 25 percent a half-century ago, to an estimated 35 percent now. In some areas, like the North Sea, the figure is above 60 percent.

There are several other reasons to remain calm about Saudi reserves. Officials there have discovered approximately 70 major oil fields that they have left untapped over concerns that increased Saudi production would cause global oil prices to collapse.

And while Aramco is hardly likely to find anything on the scale of the Ghawar oil field, the world's largest, they haven't been looking very hard. The Saudis drilled about 500 wells last year; some 11,000 are drilled every year in the United States alone.

[Thomas L. Friedman: If Not Now, When?](#)

What's unfolding in the Arab world today is the mother of all wake-up calls. And what the voice on the other end of the line is telling us is clear as a bell:

"America, you have built your house at the foot of a volcano. That volcano is now spewing lava from different cracks and is rumbling like it's going to blow. *Move your house!*" In this case, "move your house" means "end your addiction to oil."

[Oil hovers above \\$97 as traders eye Libya supplies](#)

Oil prices hovered above \$97 a barrel Friday but were far from highs over \$103 the day before amid signs the crisis in Libya may have cut supplies less than previously estimated and as Saudi Arabia seemed ready to boost output.

By early afternoon in Europe, benchmark crude for April delivery was up 42 cents at \$97.70 a barrel in electronic trading on the New York Mercantile Exchange. Trading was volatile between \$96.39 and \$99.20. The contract on Thursday dropped 82 cents to settle at \$97.28 after massive swings.

[Gas prices spike 6 cents overnight](#)

So far this week, gas prices have increased nearly 12 cents a gallon. And analysts expect prices to continue higher in the next few days following a sharp rise in the price of crude oil.

[Oil May Rise as Mideast Turmoil Disrupts Supplies, Survey Shows](#)

Oil prices may rise from the highest levels in 29 months next week as violent clashes in Libya and tensions in other parts of the Middle East disrupt crude shipments from the region, a Bloomberg News survey showed.

Twenty-three of 40 analysts, or 58 percent, forecast crude oil will climb through March 4. Nine respondents, or 23 percent, predicted prices will decline and eight estimated little change. Last week, 44 percent said futures would increase.

[Oil price: Should we fear the latest rises?](#)

With energy prices already well on the rise before the latest crisis hit the Middle East and North Africa, is the global economy headed for another tumble?

[Fears oil prices could put global economy at risk](#)

LIBYA'S descent into civil war has led to drastic cuts in oil shipments and prompted warnings that an escalation of the crisis could see Brent crude prices double to \$US220 a barrel.

[The spike that sparked a correction](#)

Global economic growth is not such a fragile beast that a spike in oil prices of \$US10 or even \$US20 will cause much harm. The key word there though is "spike".

[Economy faces new threats](#)

NEW YORK (CNMoney) -- Just when the U.S. economy seemed to be getting its footing, a number of new obstacles risk tripping it up.

A spike in oil prices due to spreading unrest in the Middle East is the highest profile problem, but not the only one.

[Oil's 'inflexion point' and Wahabi central banks](#)

The greatest threat to the global economy is not the oil shock itself but the risk that central banks will commit a blunder, compounding the damage by tightening monetary policy at exactly the wrong moment.

For the European Central Bank and the Bank of England this would mean raising rates into the teeth of the storm, as the ECB did with predictably disastrous consequences in July 2008.

[Obama, Geithner seek to quell fears about oil spike](#)

WASHINGTON (Reuters) – U.S. President Barack Obama and Treasury Secretary Timothy Geithner sought to quell fears on Thursday that unrest in Libya would put oil prices on a long term upward trajectory.

"We actually think that we'll be able to ride out the Libya situation and it will stabilize," Obama, referring to fuel prices, told a group of corporate chief executives.

[India oil min to seek ministerial meet on fuel prices](#)

(Reuters) - India's oil minister S. Jaipal Reddy wants a ministerial meeting on fuel prices and will ask Finance Minister Pranab Mukherjee to set one up, but it will not happen before the budget on Feb. 28, he told reporters on Friday.

India freed petrol pricing last June, but diesel prices and cooking gas prices are set by the federal government.

[Gov't considering using oil reserves amid Libya chaos](#)

Chances are high that Korea will tap into its oil reserves to prevent a possible supply crunch and price spikes should international oil prices keep soaring because of the ongoing pro-democracy movements in the Middle East and Africa.

The Ministry of Knowledge Economy held a second emergency meeting yesterday to

discuss the possibility of releasing oil reserves. It created a special team to monitor the crisis in Egypt early this month.

[Qaddafi Bolsters Defenses in Tripoli While UN Mulls Libya Sanctions](#)

Muammar Qaddafi bolstered defenses in Libya's capital after rebels seized much of the rest of the country, as the United Nations prepared to debate sanctions and the U.K. said the route to Tripoli airport is no longer safe.

[Venezuela: US, allies fomenting Libya's violence](#)

CARACAS, Venezuela – Venezuela's top diplomat on Thursday echoed Fidel Castro's accusation that Washington and its allies are fomenting unrest in Libya to justify an invasion to seize North African nation's oil reserves.

Foreign Minister Nicolas Maduro claimed the United States and other powerful countries are trying to create a movement inside Libya aimed at toppling Moammar Gadhafi.

[Saudi Arabia Pledges OPEC Supplies to Replace Lost Libya Oil](#)

Saudi Arabia and other OPEC nations including those in West Africa are willing and able to replace any lost Libyan oil as soon as companies ask for it, including crude of the same quality, a Saudi Arabian oil official said.

There is no reason for oil prices to rise because Saudi Arabia and OPEC won't allow shortages to exist, the official said by telephone today, declining to be identified by name. Some West African oil that goes to Asian markets can be redirected to Europe, and extra Saudi oil can go to Asia to replace Nigerian or Angolan supplies, the Saudi official said.

[Saudi Arabia raises output above 9 mln bpd](#)

(Reuters) - Saudi Arabia has increased its oil production to more than 9 million barrels per day (bpd) to compensate for disruption to Libyan output, an industry source familiar with the kingdom's production told Reuters on Friday.

"We have started producing over 9 million barrels per day (bpd). We have a lot of production capacity," the source said, but said he could not say when the change had taken place.

[Oil spike: a word from Saudi Arabia](#)

The fact that active negotiations are taking place between Saudi Arabia and European refiners to establish how the kingdom might replace Libyan supplies has calmed the market after Thursday's panic-buying sent a barrel of Brent crude above \$119.

But the most crucial question of all remains unanswered: has Saudi Arabia actually begun to produce more oil?

[Libyan oil ports, terminals mostly halted-sources](#)

(Reuters) - Crude oil exports from Libya, Africa's third-largest producer, have almost stopped because of reduced production, a lack of staff at ports and security concerns, industry sources said on Friday.

Security concerns had deterred some shippers from sailing to Libya which is in the grip of a violent uprising against leader Muammar Gaddafi's 41-year rule.

Some vessels have refused to dock at Libyan ports or have turned back en route, the sources said, and bad weather in the Mediterranean has also disrupted operations.

[Gaddafi son: govt will not destroy Libya oil supplies](#)

(Reuters) - The government of Muammar Gaddafi will never resort to destroying Libya's oil wealth in its fight to put down an insurrection, the Libyan leader's son Saif al-Islam told Turkish news channel CNN-Turk on Friday.

[Eni: Libyan upheaval cuts 1.2M barrels from market](#)

Libya's violent upheaval has taken 1.2 million barrels of oil off the global market as energy plants and ports are shut down, according to Italy's Eni, the largest producer in Libya.

The figure represents a majority of Libya's total daily production, which before the crisis was about 1.6 million barrels of crude. The country also sits on the biggest proven oil reserves in Africa.

[Repsol's Libya oil production at about 50 pct](#)

Spanish energy company Repsol says its production of oil in Libya is slightly above 50 percent of capacity amid violent protests against the embattled regime of Moammar Gadhafi.

[China oil company says Libyan facilities attacked](#)

China National Petroleum Corp. says its facilities in Libya were attacked, and that its employees have been evacuated back to China.

A statement issued Thursday on CNPC's website mentions that its project and job site were under attack, prompting an order for all staff to withdraw. It does not mention the location of the facility or any other details.

[Iran sells more oil as Libyan exports dwindle](#)

TEHRAN/LONDON (Reuters) - Iran is taking advantage of Libya's turmoil and dwindling exports to sell more crude that it has found difficult to offload due to economic sanctions.

Unrest in Libya has slashed a big chunk of its crude oil output of 1.6 million barrels per day (bpd), with estimates of capacity shut down ranging from 500,000 to 1.2 million bpd.

[Mideast unrest shows need for alternative fuels: Navy Secretary](#)

WASHINGTON (Reuters) – Oil price rises spurred by spreading unrest in the Middle East underscore why the U.S. military should reduce its dependence on fossil fuels, said U.S. Navy Secretary Ray Mabus.

Every \$10 increase in the price of a barrel of oil adds more than \$300 million to the U.S. Navy's annual fuel costs, said Mabus, the former governor of Mississippi and the U.S. ambassador to Saudi Arabia under former President Bill Clinton.

[Q&A: How Will the Libyan Crisis \(and Its Oil\) Affect the US?](#)

Libya is different. Unlike the toppling of dictators in Tunisia and Egypt and the unrest roiling Bahrain and Iran, the violence gripping Libya, the 18th largest oil producer in the world, may have a more immediate impact on the American pocketbook.

[Our view: Mideast oil shock threatens U.S., again](#)

It's nice to aspire to a carbon-free future built on solar, wind, hydropower and similar renewable technologies, but that future is materializing so slowly that oil will be a major factor for decades. Even if President Obama's goal of 1 million electric cars on the road by 2015 is achieved, they will still be outnumbered 250-to-1 by gasoline-powered vehicles.

So the U.S. doesn't have the luxury of picking a few energy strategies it likes and fencing off the rest. The nation needs a do-everything policy to bridge to a time when the

choices are better.

[Opposing view: More drilling won't help](#)

"Drill, baby, drill" won't get us out of this mess. We have only 2% of world oil reserves but use one-quarter of world oil production. Oil companies want more ocean drilling, yet it will take years to produce anything from the thousands of undeveloped Gulf of Mexico leases they already own. And nuclear plants are no solution because they are exorbitantly expensive and time consuming to build.

We must shrink oil use by increasing vehicle efficiency, using cleaner fuels and investing in public transit.

[Equity markets stirred-up as 'peak oil' fears grow amid Libya crisis](#)

Setting aside the political and humanitarian issues, the escalating crisis poses an intriguing dichotomy for investors.

[Think before scratching itch to invest in oil](#)

Oil prices have been surging. You want to ride the wave, so you're thinking about investing in an exchange traded fund that tracks oil prices.

If you're thinking crude will be a-bubblin' because of events in the Middle East, here's some advice: Go to Las Vegas instead. You'll have lots more fun and may even marry a really fun rodeo clown.

[Why I'm Long ProShares Ultra Crude Oil ETF Despite Volatility](#)

Like many Peak Oil proponents, Kunstler comes off as obsessed with the idea. It got to a point, reading his weekly ramblings, where I seriously decided that he lost it. He either went nuts *or*, became so closely associated with the phenomenon that he desperately *needs* to be right. It's good for business and the ego. While I am not stockpiling ammo and moving the family out to a farm on cheap land in the middle of Wyoming, I remain convinced that oil prices will move with volatility throughout my lifetime and trend ultimately higher over the mid- to long-term, irrespective of who's "right" in the Peak Oil squabbles. I pay little attention to the spikes, such as the one experienced in the summer of 2008 and the one occurring now. It's all so predictable -- prices rise, people find other modes of transportation and cut out car trips, demand falls, prices retreat. Depending upon the extent and duration of the spike, it may or may not impact the domestic and global economies. This too shall pass. I think if you cut through the hype, you realize, without the attendant and unnecessary hysteria, that oil serves as a sound long-term investment.

[Pemex crude production hits 8-month high](#)

Mexico's production of crude oil hit 2.58 million barrels per day in January, an eight-month high for the state-owned Petroleos Mexicanos.

A statement from Pemex on Thursday credits the higher output to stabilization in production from its Cantarell field in the Gulf of Mexico, which once had been its principle source.

[Tullow Geologist Gambles on \\$70 Billion Oil Find by Chasing Atlantic Drift](#)

More than 90 million years ago, when the land mass of Pangaea began separating into the continents we now call South America and Africa, the earth may have produced a lucrative farewell gift: huge oil and gas deposits along both coastlines where they had previously been joined.

Now, Angus McCoss, exploration director and chief geologist at Tullow Oil Plc, which in 2007 discovered one of the biggest oil finds of recent years off the coast of West Africa, is betting more than \$100 million that a similar bonanza awaits off South America's eastern shore, Bloomberg Businessweek reports in its Feb. 28 issue.

[Study highlights benefits of Arctic Ocean drilling](#)

ANCHORAGE, Alaska (AP) -- Shell Oil is touting a report it commissioned that says outer continental shelf petroleum development off Alaska's northern shores could create 54,700 new jobs that could be sustained for 50 years.

[Breaking an Ice-Bound U.S. Policy: A Proposal for Operating in the Arctic](#)

The United States is losing the race to protect its own interests in the Arctic region. It is important to create a sensible policy to field an adequate fleet of U.S.-owned ice-breakers. An adequate, competent, and sustainable fleet is the key to maintaining American presence in the region, protecting U.S. sovereignty, working with allies, and rebuilding the nation's edge in global commerce.

[Sinopec to Buy Fuel, LNG Stake From ConocoPhillips, Origin](#)

China Petrochemical Corp., the nation's second-largest oil company, agreed to acquire 15 percent of an Australian gas venture planned by ConocoPhillips and Origin Energy Ltd. as part of a fuel-purchase accord.

[U.S. has interest in buying Brazilian oil: Brazilian FM](#)

Brazilian Foreign Minister Antonio Patriota said Thursday that the United States is interested in purchasing Brazilian oil.

Patriota said that the matter was mentioned when he met U.S. officials in Washington D.C.

"The U.S. eyes on Brazil's energy potential. It was speculated that Brazil could become an important oil exporter to the U.S., because of its pre-salt reserves," he said.

[1 worker critically hurt in Pa. gas well explosion](#)

AVELLA, Pa. – Three contract workers were injured, one critically, in a fiery explosion that erupted during well testing at a natural gas-drilling site in western Pennsylvania, authorities said.

[Gas drillers make waves in Pa. with NFL tickets](#)

HARRISBURG, Pa. – When John Hanger, then the state's top environmental regulator, was offered a coveted trip to the Super Bowl to see the Pittsburgh Steelers in 2009, he turned it down.

The offer came from Consol Energy, one of the energy companies thirsting after the riches of the nation's largest-known natural gas reservoir, the Marcellus Shale.

[Oil poisoning humankind](#)

One thing that quickly becomes clear from reading *Crude World: The Violent Twilight of Oil*, is that its subtitle is misleading. Violent twilight? A reader might expect to be heading into the territory of writer James Kunstler, who argues that a coming global shortage of oil is going to turn our petroleum-powered lives upside down, and leave stranded suburban families relying on their vegetable gardens for survival.

But in *Crude World*, American journalist Peter Maass is actually sending a different message. Like Kunstler, Maass seems to be a believer in the theory of Peak Oil, meaning he thinks the days of relatively cheap petroleum are coming to an end. But far from seeing this twilight of oil as a disaster, Maass sees it as a saving grace. It will force us to end our addiction to a substance that has poisoned our natural environment and our politics, and made life measurably worse for millions.

[High Oil Prices, Global Instability: The Nasty Underbelly Of Fed Policy](#)

The Dow is going down because investors are worried. That's why gold is going up. What if these revolutions get out of hand? What if they spread to Saudi Arabia? What if the

price of oil keeps going up?

“Gasoline at \$4 a gallon?” asked a headline yesterday. What would gasoline at \$4 a gallon do to the U.S. economy?

[A Day of Rage](#)

In just a second, I'll show you how to manipulate oil prices down. It could come in handy if you're ever asked to rig the market in favour of your elite establishment friends. But the main point I'd like to make in today's Money Morning – which I'm writing because your normal editor Kris Sayce is away for the day – is this: the chaos in global financial markets is a sign of the endgame in the global currency war. It's going to get a lot worse before it gets any better.

[Cruise lines reluctant to bring back fuel surcharges](#)

With oil prices soaring this week due to unrest in the Middle East, North American cruise passengers can't help but wonder if fuel surcharges are soon to come.

[Clean-energy economy a winner for Oklahoma](#)

For more than a century, Oklahomans have relied on the oil and gas industry to provide jobs and wealth to give us the “good life” in our state. But things have changed. Today and in the future, clean energy will provide the jobs and the economic boost we need – if we support our fledgling green industries right now. A clean-energy economy can help the earth as well as our pocketbooks.

[Jerry Brown's tough choice: green energy in hard economic times](#)

Los Angeles – Instability in the Middle East has put America's dependence on foreign oil back on front pages. It's also added another ball to California Gov. Jerry Brown's juggling act over this state's renewable energy sector in tough economic times.

[Solar Energy Faces Tests On Greenness](#)

SAN FRANCISCO — Just weeks after regulators approved the last of nine multibillion-dollar solar thermal power plants to be built in the Southern California desert, a storm of lawsuits and the resurgence of an older solar technology are clouding the future of the nascent industry.

[Using Solar Power to Extract Oil](#)

A California company has begun using solar power to squeeze oil out of an old oil field, flooding the underground rock with steam that comes from the sun's heat instead of from burning natural gas.

[PCB Removal, With Zero Upfront](#)

As I reported in Thursday's paper, New York City is allocating \$708 million for an energy retrofit program in public schools over the next 10 years that is mostly spurred by the need to replace light fixtures containing the toxic chemicals known as PCBs. For some months, the cost issue was a major factor delaying this week's decision to replace the lighting at nearly 800 schools.

But some energy service companies say they are willing to undertake the job with no upfront costs. Instead, they suggest that they could be paid with the savings that the city racks up by switching to more energy-efficient lighting.

[Judge recommends rate hike to pay for dam removal](#)

GRANTS PASS, Ore. - An administrative law judge has recommended granting PacifiCorp a temporary 2 percent rate increase for its 45,000 electric customers in California to help pay the costs of removing dams on the Klamath River.

[Reality Is Broken, By Jane McGonigal](#)

It has been strange to read a book which claims that reality is listless, uninspiring and broken compared to computer games as the Arab revolutions swarm across our screens. We watch real citizens defy real riot police in order to achieve real control of public space and institutions. At this moment, it's not that easy to hear Jane McGonigal tell us that immersion among the trolls and space warriors of virtual worlds is a way to recover our sense of epic idealism and heroic altruism.

But even in the blazing context of the new Arab dawn, McGonigal might have a point. One of the cheekier posters held up by the Tunisian youth in their mass protests was "Game Over": and we know generally how much cyber-culture enabled the fall of Ben Ali.

[The \\$200 Microhouse](#)

For ingenuity, thrift and charm, Mr. Diedricksen's tiny structures are hard to beat. Made of scavenged materials, they cost on average less than \$200 to build. They often have transparent roofing, which allows a fine view of the treetops, particularly in the smallest ones, where the most comfortable position is supine. They have loads of imaginative and decorative details: a porthole-like window salvaged from a front-loading washing machine, a flip-down metal counter taken from the same deceased washer. Mr. Diedricksen hates to throw anything away.

[Joel Kotkin predicts growing population, growing suburbanization](#)

Where will the next 100 million Americans live? Kotkin thinks he knows: While 20 million may indeed find their way into the urban cores, most will live in the multi-nodal, car-defined suburbs. Will rising energy costs and a desire for density “force” empty-nesters back downtown? Not likely, says Kotkin—and the sprawled-out megacities of Houston, LA, Atlanta, and Miami will become the dominant paradigm of metro life. The strip shopping plaza may make Jane Jacobs aficionados wince, but in the West, the Southwest, Texas, and all across the Southeast, that’s where the folks are going to continue to want to be. Meanwhile, the “superstar” cities—Manhattan, Boston, Chicago, San Francisco, Portland, Seattle—will become even more luxurious playgrounds for the owning class, folks who are so much richer than everybody else that these places will have next to no middle class residents at all, only tycoons and their servants.

[Surviving, thriving in a world of the future](#)

“How could a town bounce back after peak oil?” asks Read. “Is your town going to be able to survive with not much transportation available? Or if all the jobs dry up? What would people be able to do? It’s that sort of thought process.”

It may sound radical, but it draws on some decidedly old-fashioned notions about the collective power of a community.

[How to Make Oatmeal...Wrong](#)

There’s a feeling of inevitability in writing about McDonald’s latest offering, their “bowl full of wholesome” — also known as oatmeal. The leading fast-food multinational, with sales over \$16.5 billion a year (just under the GDP of Afghanistan), represents a great deal of what is wrong with American food today. From a marketing perspective, they can do almost nothing wrong; from a nutritional perspective, they can do almost nothing right, as the oatmeal fiasco demonstrates.

One “positive” often raised about McDonald’s is that it sells calories cheap. But since many of these calories are in forms detrimental rather than beneficial to our health and to the environment, they’re actually quite expensive — the costs aren’t seen at the cash register but in the form of high health care bills and environmental degradation.

[Farm living could arm kids against asthma](#)

Kids who grow up on traditional farms are 30% to 50% less likely than other children to develop asthma, a new study shows. But it's not the fresh country air.

It's the germs.

[No Farms No Food: Battle Over Rezoning Application in Kings County Goes Provincial](#)

On February 1, 2011, the Kings County Council voted to approve a rezoning application for 382 acres of land in the hamlet of Greenwich. The land, which is zoned as agricultural, may now be available for development, pending approval from the province. The decision to approve the application for rezoning, which passed at council by a narrow vote of 6-5, has pitted neighbour against neighbour, and arguments both for and against the rezoning application have become heated and emotional.

The collective known as No Farms No Food is the driving force arguing against the approval. Members of No Farms No Food describe themselves as "farmers, tourism and business operators, wildlife enthusiasts, teachers, health care professionals, lawyers, and individuals from every walk of life." What they share is that they call the Annapolis Valley (in which Kings County is located) "home" and are committed to its long term sustainability.

[E.P.A. Scales Back Emission Rules](#)

Responding to a changed political climate and a court-ordered deadline, the Obama administration issued significantly revised new air pollution rules on Wednesday that will make it easier for operators of thousands of industrial boilers and incinerators to meet federal air quality standards.

The new regulations represent a major step back from more demanding and costly rules proposed last spring that provoked an outcry from members of Congress from both parties and from thousands of affected businesses. One industry-financed study said the proposed standard would cost businesses \$20 billion to comply and cause the loss of more than 300,000 jobs.

[Greens say new transport strategy ignores emissions and climate change](#)

The Australian Greens say they welcome a National Freight Strategy but have slammed the Federal Government's approach to emissions and climate change in the planning.

"Basically, there hasn't been any notice taken of the issues of greater emissions from road freight and the issue of peak oil" says Senator Christine Milne.

[Bhutan's experiment with happiness](#)

"Guided by our unique philosophy of Gross National Happiness, Bhutan has so far been free of the guilt of contributing to climate change and has in fact been more successful than most other countries in conserving our natural environment."

In a bid to match its grand rhetoric with actions, the authorities have busily promoted

policies that reflect a pro-environment stance. The economic development policy and the foreign direct investment policy, both formed by the current government, strongly favour environment-friendly businesses, offering tax cuts and benefits to those who demonstrate green practices.

[Can geoengineering put the freeze on global warming?](#)

Scientists call it "geoengineering," but in plain speak, it means things like this: blasting tons of sulfate particles into the sky to reflect sunlight away from Earth; filling the ocean with iron filings to grow plankton that will suck up carbon; even dimming sunlight with space shades.

Each brings its own set of risks, but in a world fretting about the consequences of global warming, are these ideas whose time has come?

[NOAA scientists cleared in climate email review](#)

WASHINGTON (Reuters) - U.S. officials on Thursday cleared scientists of charges that they manipulated data about climate change in e-mails that were stolen from a British university in 2009, triggering a climate scandal.

The Department of Commerce's Inspector General conducted the independent review of e-mails taken from the Climatic Research Unit at the University of East Anglia in England, at the request of Republican Senator James Inhofe, a climate change skeptic.

[Ancient megadroughts preview warmer climate: study](#)

WASHINGTON (Reuters) - Ancient megadroughts that lasted thousands of years in what is now the American Southwest could offer a preview of a climate changed by modern greenhouse gas emissions, researchers reported on Wednesday.

The scientists found these persistent dry periods were different from even the most severe decades-long modern droughts, including the 1930s "Dust Bowl." And they determined that these millennial droughts occurred at times when Earth's mean annual temperature was similar to or slightly higher than what it is now.



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