



## Drumbeat: March 9, 2011

Posted by [Leanan](#) on March 9, 2011 - 10:16am

### [Jean Laherrère: Why Cheap Energy Is a Bad Thing](#)

In this tenth video in the series “Peak Oil and a Changing Climate” from *The Nation* and *On The Earth Productions*, petroleum geophysicist and author Jean Laherrère explains that we are in the current energy crisis not only because fuel is running out, but because it's cost is too cheap. Laherrère, a former TOTAL oil company employee, used his insider knowledge to co-author a game-changing 1998 article, “The End of Cheap Oil,” which studied oil depletion based on the most accurate database of the world's oilfields at the time. The article's findings were not reassuring.

Many European countries have responded to the impending fuel crisis with taxes on energy, driving down consumption with higher prices. But the US hasn't followed their lead, and the consequences may be disastrous for our collective future. “We have been living for the last 10,000 years with open space,” Laherrère explains. When you have a problem, ‘go west,’ open space. There is no ‘west’ to go anymore. We have reached the end of the world limit.”

### [U.S. Should Consider \\$1 Gas Tax, CEO Hess Says](#)

The U.S. should consider imposing a \$1-a-gallon gasoline tax and boosting average auto fuel economy to 50 miles a gallon to help avert a global energy crisis, the head of oil company Hess Corp. (HES) said.

“As demand grows in the next decade, we will not have the oil-production capacity we will need to meet demand,” Chief Executive Officer John B. Hess said in a speech today at CERAWeek, a Houston conference held by IHS Cambridge Energy Research Associates. “The \$140-per-barrel oil price of three years ago was not an aberration -- it was a warning.”

### [Timing is right for this energy event](#)

When it comes to this year's CERAWeek, the annual, global energy symposium hosted by IHS and chaired by IHS CERA chairman Daniel Yergin, the timing couldn't be better.

The conference, which marks its 30th anniversary, got underway on Monday in Houston, Texas, against a backdrop of overwhelming uncertainty facing world energy markets, not to mention the global economy.

### [Amid Turmoil, a Key Voice Urges Calm](#)

“There should be a higher degree of confidence—wary confidence—but realistic confidence, about the current situation,” Daniel Yergin, chairman of the IHS Cambridge Energy Research Associates, told *National Journal Daily* in an interview on Friday.

“The market is responding to fear,” Yergin said. “Oil prices are not signaling a shortage of oil, it’s signaling political risk.”

### [Don't worry about oil until it hits \\$160](#)

While introducing the speakers, IHS CERA chairman Daniel Yergin summed up what is likely to become the dominant theme threading through this year’s conference: the political turmoil and uncertainty in oil producing countries and the effect on oil prices, and possibly, the global economic recovery.

“If we held (the conference) six or seven weeks ago, this would be about the strength of the recovery; now it’s about the uncertainty of the recovery,” he said.

### [Former OPEC Official to Obama: Tap Oil Reserves](#)

HOUSTON -- A former top OPEC executive said on Monday that President Obama should tap into the Strategic Petroleum Reserve.

“It will be a wise decision because it supplements the decision of the Saudis to put into the market almost the entire amount of [oil from] Libya,” said Rene Ortiz, who was inspector general of the Organization of Petroleum Exporting Countries from 1979 to 1981.

### [Total CEO: Tapping oil reserve may drive up prices](#)

HOUSTON (CNNMoney) -- The chief executive of French oil company Total said tapping the U.S. Strategic Petroleum Reserve is unnecessary, would signal fear and ultimately could drive energy prices higher.

Tapping the reserve “will send a message we are scared, and it could mean an increase in prices, not a decrease,” Christophe de Margerie, said at IHS CERA’s oil industry conference Tuesday. Total is the world’s fifth-largest publicly-held oil company by revenue.

## [What Is the Strategic Petroleum Reserve, and How Much Oil Is In It?](#)

Political and economic unrest in the Arab world have sent gas prices skyrocketing in the United States in recent weeks, and some lawmakers are ready to tap into the country's Strategic Petroleum Reserve. What is that, and how much oil is in it?

## [Saudi Jizan refinery ready in 2015 - exec](#)

HOUSTON (Reuters) - Saudi Aramco's Jizan refinery will be finished in 2015 rather than 2014 as previously announced, the company's downstream operations chief said Tuesday.

Khalid al Buainain, senior vice president for downstream for Saudi Aramco, was asked whether the 400,000 barrel per day (bpd) facility now under construction would be completed in 2014 as previously announced.

"I would say '15," he said.

## [Steve LeVine: For Big Oil, Libya is just another fix it's in](#)

The global oil industry is in a fix. It's still trying to persuade Washington to revive access to the Gulf of Mexico, one of the world's sole remaining dictator-free oil-rich zones, and it's locked out of Libya for the foreseeable future. Meanwhile, its greatest recent coup -- a technological breakthrough that has unlocked a bonanza of natural gas locked in shale in the United States -- is under threat by homeowners and activists across the country who question whether the method is environmentally safe. On top of all this, global oil demand is rising fast along with robust economic recovery, and the world will pour terrible scorn on the industry if, despite the hurdles, it fails to supply sufficient oil and natural gas to fuel everyone's cars, homes and factories.

## [Will the Libya Syndrome Spread in OPEC?](#)

CARACAS (IPS) - The combination of a leader in power for 42 years, underground political forces bursting on the scene with violence, fractured armed forces and a fast-developing civil war would appear to be a specifically Libyan phenomenon that is unlikely to expand to the rest of OPEC.

But the specter of rebellion has reached the shores of other members of OPEC (Organisation of Petroleum Exporting Countries), in the form of petitions signed by dozens of intellectuals, armed clashes and harsh crackdowns on demonstrators.

## [Saudi oil supply to most in Europe stable, some up](#)

(Reuters) - Saudi Arabia is expected to keep its contracted oil supply volumes to most of its customers in Europe unchanged in April from March, while increasing supplies to a

few of them, trade sources said on Wednesday.

### [Saudi Arabia is losing its fear](#)

There's no doubt the kingdom is ripe for revolution, and any security forces violence at Friday's protests could ignite the fuse.

### [Saudi foreign minister warns against protests](#)

Saudi Arabia's foreign minister said today that dialogue — not protests — is the way to bring reform and warned that the oil-rich nation will take strong action if activists take to the streets.

### [Will Federal Regulators Crack Down on Oil Speculation?](#)

In the wake of the price explosion in the summer of 2008, a bubble that extended to all kinds of commodities, including copper and wheat, a number of observers from George Soros to Hedge Fund manager Michael Masters to former Commodities Future Trading Commission staffer and derivatives expert Michael Greenberg concluded that the underlying supply-and-demand fundamentals couldn't account for the sharp rise in prices. In the first six months of 2008, US economic output was declining while global supply was increasing. And even if supply and demand were, over the long run, pushing the price of oil up, that alone couldn't explain the massive volatility in the market. Oil cost \$65 per barrel in June 2007, \$147 a year later, down to \$30 in December 2008 and back up to \$72 in June 2009.

The culprits, they concluded, were Wall Street speculators.

### [As gas prices rise, 'boutique fuels' may feel the heat](#)

WASHINGTON - With Arab unrest sparking price hikes at gas pumps, more than a third of U.S. senators are backing a bill sponsored by U.S. Sen. Roy Blunt that aims to make so-called "boutique" gasoline blends more reliable and affordable.

### [Global recovery on track but oil poses risk: Reuters poll](#)

LONDON (Reuters) - The United States will lead a rich-world recovery characterized by unspectacular growth this year and next, according to a Reuters poll of economists who view oil prices as the biggest risk to that outlook.

### [Roubini Sees Double Dip for Advanced States If Oil Hits \\$140](#)

Nouriel Roubini, the economist who predicted the global financial crisis, said an increase in oil prices to \$140 a barrel will cause some advanced economies to slide back into recession.

Underlying how fragile the global economic recovery is, Roubini said the European Central Bank may be making a mistake by raising interest rates “too soon” when debt-ridden countries on the euro region’s periphery struggle to restore the competitiveness of exports.

### [Austria's OMV buying small amounts of Libyan crude](#)

VIENNA (Reuters) - Energy group OMV has been buying small amounts of Libyan crude oil and will continue to do so despite unrest there, its chief executive said, voicing optimism Libya will keep the door open for foreign oil firms.

### [Preparing for the Next Oil Shock](#)

I have a creeping sense of déjà vu. Robert Fisk's article in the UK Independent on Saudi forces mobilizing thousands of troops to "quell growing revolt" brought me back nearly 38 years to the first oil shock of 1973.

Living in Los Angeles, I'd had my driver's license for less than a year and was thrilled with my new found mobility. But then the price of gas skyrocketed from around 35 to nearly 60 cents a gallon and lines at the pump meant a four-hour commitment to fill 'er up. Given the circumstances, I quickly reverted to my old mode of transport -- hitchhiking.

### [Growth of GDP and discontent in Egypt and Tunisia](#)

In both countries, as GDP rose steadily, the number of citizens categorized as “thriving” fell. In Egypt, 29% of people reported themselves as thriving in 2005, but that number fell to just 11% in 2010. In Tunisia, Cantril Scale data are unavailable prior to 2008, when 24% of the population could be classified as thriving; that number fell to 14% in 2010, a 40% decline.

The nonviolent revolutions in both countries may have been motivated less by abstract commitment to democratic freedom than by widespread experience of a declining standard of living and increased economic insecurity, even in the face of rising GDP. Two factors contribute to this result that seems paradoxical within the standard model of economic thinking: (1) increasing inequality in income and (2) increasing food prices.

### [India's Widening Energy Deficit](#)

India's energy crisis is set to deepen as top producers of coal, natural gas and oil recently

said their output will grow little in the next few of years – not what the country wants to hear at a time when its thirst for fuel shows no sign of abating.

This means more fuel imports and costlier import bills at energy companies. It also means India's energy sector is becoming increasingly vulnerable to global supply disruptions and price volatility due to events like Australia's floods and unrest in the Middle East.

### [Korea goes dark to save on energy](#)

The back alley of Bukchang-dong near Namdaemun market, central Seoul, was nearly pitch black yesterday after midnight, just one day after bright neon signs guided pedestrians to their destinations.

It was the second day of the government's nighttime lighting ban, imposed as part of energy-saving measures to cope with the rising price of international crude oil.

### [Senegal: Out of touch and in the dark](#)

In mid-January, a group of young men went to the house of some relatives of Senegal's President Abdoulaye Wade, blocking the streets by burning tyres and wooden pyres. The police broke up the protest with tear gas, while the protesters retaliated with stones. The youths were protesting about another night of blackouts, an issue which could determine Wade's chances for a third term in the February 2012 presidential elections.

### [Biofuel scepticism prompts German summit](#)

The German government has called an emergency fuel summit for Tuesday to try to prevent a consumer backlash against biofuels from snowballing into a full-scale petrol shortage.

Growing scepticism about the new biofuel mix, known as E10, has resulted in consumers queuing up for standard petrol, leading to supply shortages in a market already spooked by the turmoil in the Middle East.

### [Lukoil 'targets US shale tie-up'](#)

Russia's Lukoil is looking to forge partnerships to invest in the US shale oil and gas sector as it seeks to gain expertise and technology to tap resources on its home turf, its chief executive was reported as saying.

### [Japan Regrets China's Oil Production in Disputed Field](#)



Japan expressed regret Wednesday over China's reported oil production in a disputed gas field in the East China Sea, a feud that could aggravate the already strained relationship between the two Asian powers.

### [Repsol subsidiary plans oil venture in Alaska](#)

JUNEAU, Alaska—A subsidiary of Spain energy company Repsol-YPF plans to invest at least \$768 million in oil exploration and development on Alaska's North Slope.

### [Pemex Seeks to Buy 'Significant' U.S. Refining Asset This Year](#)

Petroleos Mexicanos, Latin America's largest oil producer, is seeking to buy a "significant" refining asset in the U.S. as Mexican gasoline demand surges.

Pemex, as the state-owned company is known, is evaluating several acquisitions and may close a deal this year, Chief Executive Officer Juan Jose Suarez Coppel said yesterday in an interview in Houston, declining to name the potential targets.

### [Pemex pursues drilling contracts](#)

As part of its efforts to lure investors, Mexico's state-owned oil company, Petroleos Mexicanos, will offer contracts for deep-water drilling by early 2012, the head of the company said Tuesday.

### [Risky energy research faces uncertain future](#)

ARPA-E's aggressive approach to managing research wins support — but perhaps not federal dollars.

### [James Howard Kunstler: The old American dream is a nightmare](#)

Kunstler has long warned of the horrendous hangover we're going to wake up with after our "cheap oil fiesta," but he's not gloating as global instability and climate destabilization become the new not-so-normal. Unlike some dystopians, he's motivated less by the desire to say "I told you so" than by the hope that we might still manage to reinvent the American dream on a scale that better suits our current circumstances.

### [Lawmakers Down to The Wire on Marcellus Regulations](#)

As they enter the last few days of the legislative session, state lawmakers are still working out the details of proposed regulations for Marcellus Shale development.

### [Fort Worth Democrat Pushes Repeal of Gas Drilling Tax Break](#)

Rep. Lon Burnam, D-Fort Worth, has introduced legislation to repeal a tax break for high-cost natural gas production as part of a package of revenue-raising measures that he says is needed to help soften the impact of deep budget cuts being advanced in the Republican-controlled Legislature.

### [Bridgeport coal plant's owners dispute activists' claims facility is dirty, losing money](#)

Since 2008, the plant's peak output in the summer has dropped 60 percent, but operating costs have gone up 30 percent during that same time, Greenpeace member Robert Gardner said. Those increased costs are eventually passed on to ratepayers, he said.

But Bridgeport Harbor will continue to run as long as there is a demand for its energy, Public Service Electric & Gas spokesman Nancy Tucker said. PSEG, a national energy company based in New Jersey, owns the power plant.

### [Beyond food miles](#)

The report contains some surprises. Transportation is the smallest piece of the food system energy pie. Even farming isn't a particularly big contributor. The big energy users turn out to be food processing, packaging, selling, and preparation. Our kitchens command the biggest slice of the pie, using twice as much energy as the farms that grew the food in the first place.

Dissecting that little transportation component of the system offers more surprises. The distance food travels between farm and fork has little impact on how much energy it takes to get there.

### [8 green stars at Most Admired companies](#)

Turning plants into bottles? Putting airline cabins on a diet? Meet 8 leaders at Most Admired companies that are devising innovative ways to make their firms greener.

### [Analysis: Oil over \\$100 pressures Asia to cut subsidies](#)

(Reuters) - High oil prices are straining the coffers of Asian governments, forcing them to contemplate rolling back fuel subsidies despite the political cost amid rampant food inflation, and even though the move risks hurting demand.

...Vietnam and Pakistan have both raised fuel prices recently to narrow the gulf between



what consumers pay at the pump and what importers pay on international markets, although Pakistan quickly rolled back half the raise in the face of domestic political opposition.

If more countries follow suit and cut subsidies, higher prices would slow the pace of the region's oil demand growth.

### [Oil prices threaten double-dip recession](#)

Further sharp increases in the price of oil would be enough to push some advanced economies back into recession, says Nouriel Roubini, the economist who predicted the global financial downturn.

Unrest in the Middle East has contributed to driving up prices to post-global recession peaks.

Analysts are now asking whether prices could touch the record highs of 2008, shortly before the financial downturn sent them tumbling.

### [Filling Stations Fret Over Price Creep](#)

"The people will only spend so much money on gas, so they drive less," he told me. He has seen a change in consumer behavior over the last three weeks, he said. His customers now are filling their tanks halfway. They are buying fewer bags of chips, fewer drinks, even fewer packs of cigarettes these days. Some people have even begun to join carpools. "People who used to change their oil every 3,000 miles," he added. "Now they are saying, 'I'll wait till I get my next paycheck.'"

### [What to do about fuel prices?](#)

There can be no ambiguity in the effects for New Zealand of steadily rising fuel costs.

Even in normal times, they would impact on the cost of living and constrain the competitiveness of business operations.

Commercial operations of all manufacturers and retailers will be adversely impacted should prices continue to rise.

But in the rural sector, where the majority of our export earning capacity lies, the effects will be amplified.

### [Kuwait protesters bring reform demands to streets](#)

KUWAIT CITY - Hundreds protested outside Kuwait's main government building

Tuesday to demand sweeping changes on how the oil-rich country is run as another Gulf state joined the surge for reforms around the Arab world.

### [Jeff Rubin: Is the house of Saud next?](#)

As Libya descends into a bloody and protracted civil war, both the White House and International Energy Agency are considering tapping strategic oil reserves.

Normally, no one would care what's happening in a remote desert country that has been a pariah state for decades. But when you produce 1.6 million barrels a day of oil in a market in which global supply and demand was already balanced on a knife -edge, all of a sudden everybody cares.

### [U.S. Credit Swaps Index Reverses Drop as Libya Violence Drives Oil Higher](#)

The cost of protecting U.S. corporate bonds from default rose, reversing an earlier decline as the cost of oil climbed.

### [Taking a Risk for Rare Earths](#)

KUANTAN, Malaysia — A colossal construction project here could help determine whether the world can break China's chokehold on the strategic metals crucial to products as diverse as Apple's iPhone, Toyota's Prius and Boeing's smart bombs.

As many as 2,500 construction workers will soon be racing to finish the world's largest refinery for so-called rare earth metals — the first rare earth ore processing plant to be built outside China in nearly three decades.

For Malaysia and the world's most advanced technology companies, the plant is a gamble that the processing can be done safely enough to make the local environmental risks worth the promised global rewards.

### [EPA asks Pa. to boost monitoring of gas well waste](#)

The Environmental Protection Agency has asked Pennsylvania regulators to begin testing drinking water for radium in some places to make sure it isn't being contaminated by wastewater from the state's booming natural gas industry.

In addition to producing gas, the thousands of wells now being drilled into the Marcellus Shale rock formation produce large amounts of ultra-salty water tainted with metals like barium and strontium, trace radioactivity, and small amounts of toxic chemicals injected by energy companies.

### [Federal hearing in Pa. addresses gas pipelines](#)

KING OF PRUSSIA, Pa. – A Pennsylvania utility executive said at a congressional hearing Monday that it's possible a leak in a natural gas pipeline developed after an inspection a day before an explosion that killed five people in Allentown last month.

### [When Energy Efficiency Sullies the Environment](#)

For the sake of a cleaner planet, should Americans wear dirtier clothes?

This is not a simple question, but then, nothing about dirty laundry is simple anymore. We've come far since the carefree days of 1996, when Consumer Reports tested some midpriced top-loaders and reported that "any washing machine will get clothes clean."

### [Digging Up Energy Savings Right in Your Backyard](#)

Five years ago, my husband and I walked out of what was left of our historic house after a propane explosion. As the house caught fire, the cat jumped out to safety, too. When we rebuilt, we wanted to avoid burning fossil fuels in our new home, and I remembered reading an article about an architect who drilled geothermal wells to heat and cool his Lower Manhattan town house.

### [Cambodia's Isolated Villagers Change Their Lives With Lower-Cost Solar](#)

Living in this typical Cambodian village without electricity, Phat used to do homework by a kerosene lamp that emits no more light than a cigarette lighter. The dim ray hurt his eyes, made him drowsy and forced the boy to quickly give up his tasks.

That dark homework time ended in February with a gift from his aunt. What Phat received is a small solar array, which powers three light bulbs and made his wooden hut fill with bright light for the first time.

### [Making Vancouver sustainable: Greenest City meets Village Vancouver](#)

On March 5, 2009, Mayor Robertson announced Vancouver would become the Greenest City in the world by 2020. With his announcement, backyard chickens were legalized and Vancouver City Hall converted a large swath of its lawn into a community garden.

### ['Agroecology' Could Help Stave Off World Hunger](#)

Food production in many of the world's poorest regions could as much as double with small-scale "eco-farming," a system that could also help fight climate change, the United

Nations reported Tuesday.

### [At House E.P.A. Hearing, Both Sides Claim Science](#)

WASHINGTON — Science and politics rarely play nicely together, and a House hearing Tuesday on a bill to strip the Environmental Protection Agency of its power to regulate greenhouse gas emissions proved no exception.

### [Democrats Provide a Counteroffer to GOP Cuts on Energy and Climate](#)

Senate Democrats are seeking to protect energy and climate programs targeted by the House's aggressive budget cuts, a move that accelerates the chambers toward a clash over President Obama's key priorities and a possible government shutdown.

Yet even as the Senate established a defensive perimeter, its spending plan released Friday afternoon made it clear that funding cuts are coming to renewable energy programs, climate research and U.S. EPA. The question is, by how much?

### [Snubbing Skeptics Threatens to Intensify Climate War, Study Says](#)

Listening to climate change doubters, and not dismissing them, might avert a "logic schism" similar to the political stalemate on abortion, according to a new paper involving research on skeptics.

### [Nansen G. Saleri: Our Man-Made Energy Crisis](#)

*There's plenty of oil and no fundamental reason to expect prices of \$200 per barrel. But that doesn't excuse the administration's punitive approach toward the industry.*

The unfolding turmoil in Libya has amplified concerns about the reliability of global energy supplies in an era of political uncertainty. Is oil at \$200 per barrel inescapable? Is this the beginning of the end so vigorously underscored by peak oil enthusiasts for the last several decades? The short answer is clearly "No."

### [Yes, the world still has plenty of oil, but ...](#)

The loss of Libya's oil output — even all of it — would remove a relatively small percentage of total global supplies. In any case, Saudi Arabia is believed to have enough spare capacity to cover any shortfall.

But that's where the oil market's nightmare scenarios begin. With virtually no other spare capacity, the global oil market is running on fumes. And no computer model can predict whether — or how far — the turmoil will spread in the richest oil production

region in the world

"A little over two weeks ago, we were trading below \$85 a barrel," said Addison Armstrong, research director at Tradition Energy. "This price move that we've seen over the past 14, 16 days is all related to what amount to concerns over what could happen."

### [Oil near \\$105 amid mixed US demand, Libyan crisis](#)

Oil prices remained near \$105 a barrel Wednesday amid mixed signs about U.S. demand and as fighting continued in Libya between rebels and forces loyal to Moammar Gadhafi.

### [Gas prices are about more than just oil](#)

When Jay Ricker, owner of the BP gas station off Interstate 70 in Plainfield, Ind., set the price of unleaded gasoline at \$3.44 per gallon on Monday of last week, it was 4 cents higher than the Friday before.

That alone might have been irritating to drivers paying the highest gas prices in more than two years. It was even more so because it happened on a day when the price of crude oil, which is used to make gasoline, fell almost \$1 a barrel.

### [Libya's revolt squeezing world oil supplies](#)

The world faces an oil supply crunch, according to oil services companies who have most to gain from surging prices and the unrest in north Africa and the Middle East.

Ayman Asfari, the chief executive of FTSE 100-listed company Petrofac, said if production were entirely shut off from Libya, only a "very thin" margin of spare capacity to pump more oil would be left.

### [Oil Market Remains Well-supplied, Saudi Naimi](#)

(MENAFN - Qatar News Agency) Saudi Oil Minister Ali Naimi denied Tuesday the surge in oil prices reflects a shortage of crude on the market, but said the Kingdom is committed to tapping excess supplies if needed.

OPEC has so far held its official output quotas unchanged, even as massive protests across the Middle East have pushed global oil prices to their highest levels since late 2008. An uprising in OPEC member Libya has stoked supply concerns, increasing pressure on the producer bloc to pump more to ease prices. Al-Naimi said the oil market remains well-supplied.

### [OPEC Considers Urgent Meeting as Saudis Create New, Low-Sulfur Oil Blend](#)

OPEC members are discussing whether to hold an emergency meeting to consider increasing oil production, Kuwait's oil minister said.

"I've talked to Abdalla El-Badri in this regard, and he is calling everybody and making a consensus on whether we'll need an OPEC meeting, an urgent meeting," the Kuwaiti minister Sheikh Ahmad al-Abdullah al-Sabah told reporters in Kuwait City today. El-Badri is the secretary general of OPEC. "We have to find out at the meeting whether there is a need for an increase or not," the Kuwaiti minister said.

### [Oil and the S&P 500: Something's Got to Give](#)

The current regime will last, but not for the duration it did in 2008. The oil price that would trigger negative impact on world growth is most likely below the 160 USD thresholds. In the short run expect this regime to prevail. The resilience of the equity market shows some signs of declining in the wake of a growing risk premium, embedded in oil prices. Any downward adjustment in the political oil premium will prove initially conversely supportive for equity markets.

### [Oil Tanker Rates Doubling on Lower Speeds, Libya Uprising](#)

Supertanker owners are coping with the second-highest fuel costs on record by sailing ships at the slowest speeds in at least three years, reducing vessel supply and bolstering charter rates.

### [Cam Hui Is Still Right: Oil Futures and Gasoline Consumption May Fall Soon](#)

The title of this article refers to SA Author Cam Hui's famous prediction in the summer of 2008 that "We'll see \$100 per barrel oil before we see \$150 per barrel oil." This author believes that Mr. Hui's prediction applies to the current oil market as well, except now downside pressures may be even more intense.

Several factors are in play right now that are likely to bring oil futures back down into the high 80s to low 90s range before the middle of April and there are likely to be long term effects of high gas prices on the oil futures markets and consumer behavior.

### [Eni's 41-Year Qaddafi Link Means Lowest Oil Industry Valuation](#)

Eni SpA (ENI)'s four-decade relationship with Muammar Qaddafi's regime in Libya has exacerbated its position as the cheapest stock with the highest credit risk among the world's largest oil companies.



### [How much oil is left?](#)

Greenbang CEO Dan Ilett posed a simple question to our team over the weekend:

“Guys — how much oil is left?”

### [Why are gas prices rising? Gasbuddy.com tells us why](#)

Peak Oil theory says that we're currently at maximum global output, and output will not go up in the future. There may be some validity to this theory as resources of easy to get to crude oil are dwindling rapidly. This is why they need to get crude oil in the Gulf of Mexico, and other hard to get to places. Having said that, speculators looking to make a profit do drive up prices too. This has a somewhat limited effect, as at the end of the month, someone needs to take delivery on the oil contract.

### [Oil's well that ends well](#)

It is a fair bet that within three years, oil prices won't just be back where they are today - they will be HALF what they are today.

### [Malthus Lives on With Peak Oil Alarmists](#)

History has shown time and time again that Malthus was wrong. The population growth has not outstripped the food supply. Malthus' predicted social catastrophe never happened because necessity is the mother of all inventions — when more food was needed to feed a growing population, there were innovations or alternatives discovered.

When it comes to energy, Malthus lives on with those who believe in peak oil. Peak oil is the idea that humans have reached the point of maximum oil production, and that proven reserves will be depleted. Despite these claims by peak oil alarmists, world proven reserves have doubled since 1980.

### [They haven't got us over a barrel at all](#)

The interesting question is why so many seem to have a stake in terrifying the public. Different people have different reasons. For Chris Huhne, it is to persuade us to shift to renewable sources of energy (although his vision of electric cars powered by wind energy could lead to a situation in which only multi-millionaires like him would be able to afford to drive at all). More generally, British politicians like to disguise the extent to which high domestic oil prices are a function not so much of Arab greed but of the enormous taxes they themselves impose on petrol at the pump.

## [Continent below the oceans: how much and how far? The future for deepwater exploration \(and geopolitics\)](#)

US Geological Survey global reserve estimates are based upon conventional perception of the extent of continental crust below the sea—most submarine crust is oceanic and uninteresting. Reconstructions of Pangaea, the supercontinent that existed until Triassic rifting and Jurassic drift, show assemblages unrealistically on one side of the planet and laud "tight fit" of reconstructions practically at the coastline. They leave little leeway for exploration below the deep sea.

This article describes a rationale for industry to be more optimistic and explore wider and deeper.

## [From Russia with Love](#)

Guess who's the world's largest oil producer?

You said Saudi Arabia, right?

*Wrong.*

Russia passed the desert nation last year and is now producing 9.93 million barrels per day, according to the most recent data from the Energy Information Administration (EIA). The Saudis have fallen to second with 9.76 barrels per day.

This goes against everything Middle America thinks it knows — and against most of what you read in the media.

## [Industry working to deal with oil spill threat](#)

Australia's peak oil and gas industry body says it has been working vigorously to make sure companies have the necessary measures in place to deal with an oil spill.

## [Oil exploration: not a price worth paying](#)

Have the world's oil companies learned nothing from the Deepwater Horizon spill which poured 200 million gallons of crude oil into the Gulf of Mexico for three months last year? It seems not. The petroleum giant Shell has now applied to start exploration drilling just off Ningaloo Reef, one of Western Australia's most treasured marine-life nature reserves. It is famous for its whale sharks and one of the most bio-diverse coral reef systems in the planet's oceans.

## [United scraps expansion plans because of oil](#)

CHICAGO — United Continental Holdings Inc. is scrapping plans to add flights this year,

and says it will drop unprofitable routes because of rising fuel prices.

The announcement from the world's largest airline company on Monday is the latest example of airlines shifting plans because of the run-up in oil prices. Southwest Airlines matched an industry-wide fare hike, and the smaller Frontier Airlines said it would reduce growth plans.

### [Public transport numbers rise with cost of fuel](#)

Skyrocketing petrol prices have seen Wellingtonians flocking to public transport.

Passenger numbers on Wellington's rail service during February were up 6% on last year. A similar increase was seen two years ago when petrol hit record highs.

### [Gadhafi: Libyans will fight no-fly zone](#)

TRIPOLI, Libya (AP) — Moammar Gadhafi said in an interview broadcast Wednesday that Libyans would fight back if Western nations impose a no-fly zone to prevent the regime from using its air force to bomb government opponents staging a rebellion.

### [Ebadi says Arab-style revolt certain soon in Iran](#)

GENEVA (Reuters) — Iranian Nobel peace laureate Shirin Ebadi said on Wednesday an Arab-style popular revolt would come soon to her country, driven by poverty and the fierce oppression of critics by its Islamic rulers.

### [Officials: 11 killed in Egypt sectarian clashes](#)

CAIRO (AP) — Security and hospital officials say Muslim-Christian clashes in the Egyptian capital Cairo killed 11 people and wounded more than 90.

### [Make energy cost more](#)

The concept of the rebound effect is not a new one. Its original name, in fact, is the Jevons paradox, named after English economist William Stanley Jevons. In a book published in 1865, Jevons took a look at advances in the technology of coal-consuming industries and machinery, making them more efficient. But instead of decreasing coal consumption, this increased efficiency pushed it up. More than a century later in the 1980s, economists Daniel Khazzoom and Leonard Brookes took a fresh look at the issue in what is now called the Khazzoom-Brookes postulate and came up with similar conclusions. These are the foundations of the Breakthrough Institute's study. Far from being some controversial, crackpot theory, it is carrying on an established line of research.

### [Not a waste of energy](#)

To say energy efficiency is vital for human welfare is a truism. Developed and developing nations may quarrel over targets linked to carbon emissions reduction. But neither doubts it must contribute to realising such cuts by conserving energy. However, going by a recent study, achieving greater energy efficiency may be a waste of time courtesy its 'rebound effect': a proportionate rise in energy demand. US think tank Breakthrough Institute suggests the gains registered as energy savings could thus be erased, and carbon emissions actually increase. For, higher energy efficiency seems to boost rather than trim energy consumption.

### [The perpetual politics of petroleum](#)

The boom-bust cycle of oil politics is booming this week on Capitol Hill, where the only thing more predictable than politicians' policy solutions are their claims that the other side is ignoring the issue.

### [Gas guzzler hedge fund could help alleviate pump pain](#)

With gas bearing down on \$4 a gallon and no ceiling in clear sight, why not create a hedge for the consumer - a simple, low-cost stock-market investment that increases in value as pump prices rise?

If the smart guys on Wall Street can dream up credit default swaps, they can slap together something as elementary as this.

### [The short and long-term future of oil](#)

Oil executives are meeting in Houston. Reporter Scott Tong discusses whether there is panic among execs at the energy conference and what's in store for the oil industry going forward.

### [Total's De Margerie Keynotes CERA Conference, Sees No Oil Supply Concerns From Mideast Strife](#)

In the keynote speech to open the CERAAweek conference in Houston today, Christophe de Margerie, chief executive of French oil giant Total said that despite political unrest in north Africa and the Middle East, he sees "no reason to consider there is a risk of sufficient supply," later adding "I don't see major concerns as far as the production of oil and gas is concerned."

Regarding calls that President Obama should open the Strategic Petroleum Reserve to help placate high gasoline prices, de Margerie says that with Saudi Arabia still capable of

replacing the 1 million barrels per day of Libyan oil there is no defensible argument to open the SPR. Doing so “would send the message that we are scared,” he said. We should just “wait and see if there is a real shortage of oil.”

### [Mongolia Seeks Balanced Growth to Avoid 'Dutch Disease' From Mining Boom](#)

Mongolia needs to look beyond the coal and copper mines that are driving its economic boom to find a more balanced model of growth, Prime Minister Sukhbaatar Batbold said.

### [Australia Will Begin Talks to Sell Uranium to U.A.E.](#)

Australia will enter talks to sell uranium to the United Arab Emirates as the second-biggest Arab economy aims to start a nuclear power program in 2017, Foreign Minister Kevin Rudd said.

### [Impax, Hudson Clean Energy Join Investors Suing Spain on Solar Subsidy Cut](#)

Impax Asset Management Group Plc (IPX), Hudson Clean Energy Partners and HGC Capital are among at least 15 international investors suing the Spanish government over retroactive cuts to the country's solar power subsidies.

### [Race for better biofuels heats up](#)

Scientists who engineer microbes to efficiently produce biofuels from plants and algae are busy reporting breakthroughs that could wean us from fossil fuels — offering a glimmer of hope to consumers eyeing gas prices skyrocket.

In one breakthrough, a microbe has been genetically engineered to produce isobutanol, a gasoline-like fuel, directly from cellulose.

"That's the first time cellulose has directly been used to produce four-carbon alcohols," James Liao, vice chair of chemical and biomolecular engineering at the University of California, Los Angeles, told me today.

### [New study to look at economics, groundwater use of bioenergy feedstocks](#)

AMARILLO – Biofuel feedstock production in the Texas High Plains could significantly change the crop mix, which could affect regional income and groundwater consumption, according to Texas AgriLife Research and Texas AgriLife Extension Service economists.

### ['2050 strategy' builds on energy savings](#)

Europe must invest heavily in efficiency to limit spiralling energy costs and beat its own target for cutting greenhouse gas emissions, the European Commission said yesterday (8 March), unveiling plans to move to a competitive low-carbon economy by 2050.

### [Smart meters raise suspicions about accuracy](#)

Coast to coast, from Maine to Marin County, Calif., the number of homes being outfitted with smart meters that keep a close eye on homeowner electricity use is on the rise. And so is the number of folks who think smart meters are a dumb idea.

### [Can We Make Electronics Without Factories? The Future of Gadget Design](#)

Dominic Muren has a great way of looking at greener gadget design -- make it simple, make it repairable, make it upgradable. The longer gadgets last, the less overall environmental impact they have. He gave a great TED Talk on the idea, and we were lucky enough to get him to talk more about the essentials of green gadget design and his hopes for the future of electronics. Read his rapid-fire 5-question interview, and maybe change your mind about how our consumer electronics should be made.

### [Change Is Coming; Get Used To Your New "Normalized" Lifestyle](#)

Remember that lifestyle that we all enjoyed back in the year 2000. Remember it with fondness because it's gone and it's not coming back. Welcome to a new, "normalized" lifestyle that will be yours into the foreseeable future. This society, long caught up in the grip of hyper-materialism, went too far, too fast and now that bubble has burst. Dramatic changes to our lifestyles are coming and, like it or not, we will just have to learn how to live much simpler lives, doing more with less.

### [Surviving the Apocalypse in the Suburbs](#)

*Surviving the Apocalypse in the Suburbs* envisions a suburban evolution -- from isolated cookie-cutter houses with manicured lawns and 2-car garages to small, closely packed, productive, interdependent homesteads. This guide to simplifying suburbia and adopting a lower energy lifestyle breaks down all our basic needs and describes how they might be met after the loss of the modern conveniences we currently take for granted. From small-space gardening techniques and a guide to small livestock, to tips on cooking, heating, and sanitation options and much more, this is a complete guide to becoming more self-sufficient wherever you live.

### [Small Is Possible](#)

In an era when incomprehensibly complex issues like Peak Oil and Climate Change dominate headlines, practical solutions at a local level can seem somehow inadequate.



In response, Lyle Estill's *Small is Possible* introduces us to "hometown security," with this chronicle of a community-powered response to resource depletion in a fickle global economy. True stories, springing from the soils of Chatham County, NC, offer a positive counter balance to the bleakness of our age.

### [Crossing the 'green frontier'](#)

We are now in the early stages of what has been called the Third Energy Revolution - the first was harnessing fire, the second was the Industrial Revolution. We now are exploring the "green frontier" as we adapt to historic changes. And the opportunities are unprecedented and unlimited.

Is this to be America's new Manifest Destiny? Boldly, we can make it so. Those who seize the day will thrive; those who ignore or deny this opportunity - like blacksmiths deriding automobiles - will diminish or disappear.

### [Western China the 'Middle East' for coal?](#)

LONDON (UPI) -- Western China's vast coal reserves could make it the "new Middle East," a top coal industry official said.

### [Plan for new coal-fired plants heats up at the Capitol](#)

Despite appeals from youth, health and environmental groups, House and Senate panels voted overwhelmingly Tuesday to lift restrictions on new coal-fired power in Minnesota.

The Republican-led push sent the legislation to the floors of the respective bodies, where the Senate could take action as early as next week.

### [Coal vs. gas debate rages over which energy spews more methane into Colorado skies](#)

Colorado's coal industry is on fire lately, going after natural gas producers with gusto in the wake of last year's controversial Clean Air, Clean Jobs Act, which requires Xcel Energy to convert several coal-fired power plants on Colorado's Front Range over to natural gas or alternative fuel sources such as wind and solar.

Gas is touted as burning up to 50 percent cleaner than coal and dramatically reducing carbon dioxide emissions as well as the amount of nitrogen oxide, sulfur dioxide and mercury spewing into Colorado's air. Colorado coal backers, however, strongly dispute the notion that natural gas is superior at all in terms of reducing greenhouse gas emissions.

[It's all in a name: 'Global warming' vs. 'climate change'](#)

Overall, 74 percent of people thought the problem was real when it was referred to as climate change, while about 68 percent thought it was real when it was referred to as global warming.

These different levels of belief may stem from the different associations carried by the two terms, Schuldt said. "While global warming focuses attention on temperature increases, climate change focuses attention on more general changes," he said. "Thus, an unusually cold day may increase doubts about global warming more so than about climate change. Given these different associations and the partisan nature of this issue, climate change believers and skeptics might be expected to vary in their use of these terms."

[World trade growth may propel fourfold increase in size of the maritime carbon footprint, WISTA UK meeting is told](#)

Merchant shipping's already huge carbon footprint is set to increase massively, based on present international trade potential, Dr Martin Stopford, managing director of Clarkson Research, has forecast. Speaking to a monthly meeting of WISTA-UK (part of the Women's International Shipping & Trading Association), Dr Stopford underlined the role that fossil fuels had played in the last two and a half centuries, in driving the maritime industries forward.

[Polar ice adding more to rising seas: study](#)

(PhysOrg.com) -- The Greenland and Antarctic ice sheets are losing mass at an accelerating pace, according to a new NASA-funded satellite study. The findings of the study -- the longest to date of changes in polar ice sheet mass -- suggest these ice sheets are overtaking ice loss from Earth's mountain glaciers and ice caps to become the dominant contributor to global sea level rise, much sooner than model forecasts have predicted.



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