



Drumbeat: April 11, 2011

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[IMF hikes oil price forecast by 20%](#)

This year's oil price spike has dragged the IMF kicking and screaming into the world of overstressed energy markets.

The International Monetary Fund said Monday that it expects the global oil price to average \$107 a barrel this year and \$108 next. That's 20% above its previous forecast, thanks to stronger-than-expected global petroleum growth in 2010 and a less than enthusiastic supply response.

Global oil demand rose 3.4% last year, the IMF said in the latest release of chapters from its semiannual World Economic Outlook report. That's the fastest pace since 2004 and double the rate IMF forecasters projected at the start of 2010.

Meanwhile, the supply of crude oil "is responding sluggishly to the ongoing pickup in demand, largely reflecting the policy stance of OPEC," the IMF said.

[WikiLeaks cable: Politicians, military - not militants - behind most Nigeria oil thefts](#)

LAGOS, Nigeria — Politicians and military leaders — not militants — are responsible for the majority of oil thefts in Nigeria's crude-rich southern delta, according to a U.S. diplomatic cable quoting a Nigerian official and released by WikiLeaks.

A member of a government panel on troubles in nation's Niger Delta implicated Shehu Musa Yar'Adua, a general whose brother became president, and former Vice President Atiku Abubakar as being the biggest forces behind the thefts, the cable claims. Those thefts also fuel arms sales to the restive region while causing environmental damage and cutting production in a nation crucial to U.S. oil supplies.

[FACTBOX - Iran's oil trade under sanctions regime](#)

(Reuters) - Iran has manoeuvred around sanctions for decades, but the task has become more complicated since Western powers introduced new measures in the middle of last year that specifically targeted oil and gas trade.

No sanctions, however, are water-tight.

The following is an update of Iran's response to them.

[Utica, Upper Devonian Reserves in Pa. May Match Marcellus' Bounty](#)

Natural gas drillers are accelerating exploration of several Appalachian rock formations that sandwich the Marcellus Shale beneath Pennsylvania, and some experts say the new discoveries may be as prolific as the Marcellus itself.

"What we've got is Marcellus times two," said Terry Engelder, the Pennsylvania State University geosciences professor whose Marcellus Shale estimates in 2008 first drew public attention to the region's shale gas potential.

[Saudi Aramco to Supply Full May Oil Volumes to Asia Refiners](#)

Saudi Arabian Oil Co. will supply full contracted volumes of crude to Asian refiners in May, according to refinery officials.

Saudi Aramco, as the company is known, will provide 100 percent of cargoes sold under long-term contracts for an 18th month, according to refiners in Thailand and Japan who requested anonymity, citing confidentiality agreements with the Middle East's biggest producer.

[Lula Urges Mexico, Brazil to Form Oil Partnership](#)

ACAPULCO, Mexico – Mexico and Brazil should form a strategic partnership in the oil sector, according to former Brazilian President Luiz Inacio Lula da Silva, who urged oil monopoly Petroleos Mexicanos and Petrobras to work together to ensure further growth and technological development.

[Politicians Push to Revise Oil Project Review Process](#)

Kern County politicians are urging Gov. Jerry Brown to ease what the local oil industry sees as a clampdown on certain drilling-related activities that state regulators view as environmentally risky.

[Energy crisis leaves Nepal in the dark](#)

KATHMANDU — By the light of a single candle Shankar Prasad Bhandari strains his eyes as he tries to count out the correct change for a customer in his blacked out shop on the outskirts of Kathmandu.

Rolling 14-hour power cuts, triggered by a growing energy crisis, mean that much of life

in the Nepalese capital and across the Himalayan nation functions by candlelight these days.

[Ivory Coast strongman Gbagbo captured](#)

(CNN) -- Forces stormed the president's residence in Ivory Coast on Monday and arrested self-declared president Laurent Gbagbo, whose refusal to accept the results of a presidential election last year plunged the West African nation into civil war.

Fighting appeared to quickly end following Gbagbo's arrest, Alain Le Roy, under-secretary-general of the United Nations' Department of Peacekeeping Operations.

[Gulf's Complexity and Resilience Seen in Studies of Oil Spill](#)

In the year since the wellhead beneath the Deepwater Horizon rig began spewing rust-colored crude into the northern Gulf of Mexico, scientists have been working frantically to figure out what environmental harm really came of the largest oil spill in American history.

What has emerged in studies so far is not a final tally of damage, but a new window on the complexities of the gulf, and the vulnerabilities and capacities of biological systems in the face of environmental insults.

[Europe's untapped energy resource](#)

Greater energy efficiency is the fastest, cheapest, safest, easiest, cleanest, most accessible, most diverse way to reduce our dependence on our natural resources, to ensure that the European Union has a competitive and sustainable economy and to help save the planet by reducing the release of global warming gases. It is the lifeblood of Europe's economy with the ability to enhance the lives of all Europeans, providing them higher levels of comfort and safety whilst reducing the increasing risk of "energy poverty". Investing in ways to save energy also boosts sustainable growth and secures quality jobs at national, regional and local levels and brings about huge cost savings, not just for Europe's larger companies but for hundreds of SMEs and millions of independent workers.

[A pen stroke led to a sweet subsidy](#)

Bloom, the focus of a gee-whiz "60 Minutes" segment last year, manufactures sleek fuel cells the size of refrigerators that provide alternative energy sources for Google, eBay and many other businesses.

As I wrote in February, the adulatory treatment omitted that Bloom benefited last year from \$210 million – since revised up to \$218.5 million – in subsidies through a program

approved by the Legislature and overseen by the California Public Utilities Commission.

[Interest soars in natural gas vehicles](#)

Natural gas is rapidly becoming more than just the fuel most Wisconsin residents use to heat their homes.

As the price of crude oil continues to rise, nuclear energy comes under intense scrutiny and debate rages over ethanol and its effect on the world's food supply, natural gas is becoming a greater focus of U.S. energy needs.

Higher petroleum prices and drilling technology that make it cheaper to extract the gas from shale rock formations are driving the trend.

[Deals on wheels at bike swap](#)

More than 1,900 people of all ages attended the 10th annual bike swap sponsored by the Bicycle Coalition of Maine, according to swap organizer Fred Robie of Freeport.

[Kurt Cobb: The coolest book I've ever read on energy](#)

It may seem a bit over the top to say that a book entitled *Into the Cool* is the coolest book I've ever read on energy. But energy junkies should take note of its two compelling theses: First, the eventual heat death of the universe--a supposed consequence of the Second Law of Thermodynamics--has, to borrow a phrase from Mark Twain, been greatly exaggerated. Second, life--in all its forms--is NOT an anomaly made improbable by the aforesaid Second Law, but rather a direct and likely inevitable consequence of it.

[Lower food costs by cutting travel distance](#)

Iowa agribusiness entrepreneur and Republican heavyweight Bruce Rastetter showed a bit of a green streak in a speech to the Rotary Club of Des Moines last week.

He suggested that to stem rising food prices, we should find a way to reduce the distance food travels. He defended ethanol, saying corn prices comprise a tiny fraction of our retail food dollar. Higher energy costs make up a much larger portion, and he noted that food travels an average of 1,500 miles before reaching consumers.

"I'm not a big fan of organic or natural food," he said, but reducing travel distance would reduce costs, he pointed out.

[Can Climate Capitalism Save the World?](#)

"Climate Capitalism" is, if you will, the conclusion to the argument. We now have overwhelming proof from those wild-eyed environmentalists at Goldman Sachs showing that the companies that are the leaders in environment, social, and good governance policy have 25 percent higher stock value than their less sustainable competitors. And we have research from A.T. Kearney showing that even in the economic collapse, since 2008, the sustainability leaders have the fastest-growing stock value, are well protected from value erosion, even in a down economy, and in 16 out of 18 industries studied, hundreds of companies, these more sustainable companies have an average market capitalization of \$650 million more than their less-sustainable competitors. There's the new study out from Maplecroft showing that the top 350 companies in climate innovation and carbon-management programs have a positive correlation between financial performance and their ability to successfully implement disruptive market innovations related to climate change.

[Saudi ready to pump 12.5 mln bpd oil if needed - Gulf source](#)

(Reuters) - Top oil exporter Saudi Arabia would have "no problems" producing at its claimed 12.5 million barrels per day (bpd) capacity if the market needed the oil, a senior Gulf source told Reuters on Sunday.

The official dismissed doubts raised by some analysts over the kingdom's stated spare capacity as the work of speculators trying to manipulate oil prices as fighting in Libya has disrupted production in the North African OPEC nation.

"First traders used the peak oil theory to drive the market up and since that didn't work now they are saying that Saudi can't use its full capacity, which is completely not true," the senior Gulf source said.

[Crude Falls From 32-Month High as IMF Cuts U.S., Japan Growth Forecasts](#)

Oil fell, extending its earlier decline, after the International Monetary Fund cut its forecasts for economic growth in the U.S. and Japan and said high oil prices pose a new risk to the global economy's expansion.

[Price of gas continues to rise, now up to \\$3.76](#)

NEW YORK — The average price for a gallon of gasoline in the United States has moved closer to \$4, jumping more than 19 cents since mid-March to a level less than 10 percent below its all-time high, a widely followed survey said Sunday.

[At the pump, some early signs that Americans are conserving fuel as gas prices soar](#)

NEW YORK, N.Y. - With the price of gas above \$3.50 a gallon in all but one state, there are signs that Americans are cutting back on driving, reversing a steady increase in demand for fuel as the economy improves.

Gas sales have fallen for five straight weeks, the first time that has happened since November, according to MasterCard SpendingPulse, which tracks spending at 140,000 service stations nationwide.

[Iraq oil output at highest level for a decade, says IEA](#)

Iraq has raised its oil output to the highest level for almost a decade, adding another 350,000 barrels per day in the space of six months to reach 2.68m b/d, according to the International Energy Agency.

For years, one of the main concerns surrounding world oil supply has been the state of Iraq's hydrocarbon industry, damaged by decades of war and under-investment. But just as the loss of Libyan output has helped to push the price of a barrel of Brent crude above \$125, Iraq has quietly boosted its own production by 15 per cent since last August.

[Is Peak Oil Real?](#)

For years now, the idea of 'peak oil' has been hotly contested and constantly debated. The validity of its existence and possible seriousness has also been captured in various studies and discussions.

[Ukraine investigates ex-PM over Russian gas deal](#)

KIEV (Reuters) - Ukraine's state prosecutor's office has launched a criminal case against former prime minister Yulia Tymoshenko over a gas deal she reached with Russia in 2009, a senior prosecutor said on Monday.

Tymoshenko, who stepped down as prime minister after losing the February 2010 presidential election to Viktor Yanukovich, has already been targeted by two separate criminal probes related to alleged misuse of state funds, charges she denies.

[Medvedev orders creation of gas exchange by June 1](#)

President Dmitry Medvedev has ordered the government to organize a natural gas exchange in Russia, the world's leading gas supplier, before June 1, the Kremlin said on Monday.

[Gazprom returns to gas supply talks with China this week](#)

Russia's state-run gas export monopoly Gazprom will start commercial negotiations with China on gas supplies on Monday, Pavel Oderov, head of Gazprom's international

business department said.

[Debate brewing over proposal for Utah tar sands mine, first in U. S.](#)

SALT LAKE CITY (AP) - Beneath the lush, green hills of eastern Utah's Uinta Basin, where elk, bear and bison outnumber people, the soil is saturated with a sticky tar that may soon provide a new domestic source of petroleum for the United States. It would be a first-of-its kind project in the country that some fear could be a slippery slope toward widespread wilderness destruction.

[BP buyout of TNK-BP partners seen unlikely for now](#)

MOSCOW/LONDON (Reuters) - BP is not expected to attempt a buyout of its oligarch partners in its Russian venture TNK-BP anytime soon, if at all, banking and industry sources said.

[Libya Rebels Spurn African Cease-Fire Plan Without Qaddafi Exit](#)

Libya's rebels said a cease-fire plan proposed by the African Union and agreed to by Muammar Qaddafi won't be acceptable if it allows the ruler and his sons to retain power.

"We reject any initiative that provides for Qaddafi and his children to stay on," Abdallah Shamiya, a member of the rebel coalition from the Libyan branch of the Muslim Brotherhood, said in a phone interview in Benghazi.

[Dozens Dead in Yemen, Egypt, Syria as Protests Shake Region](#)

Scores of people were killed or wounded in Yemen, Egypt and Syria, and Libyan rebels battled loyalists in three cities, as protests against entrenched regimes shook the Middle East.

Yemeni security forces fired on demonstrators in three cities yesterday, leaving many wounded, and Syrian contingents shot at a funeral for protesters killed in an earlier demonstration. Egyptian military leaders blamed "outlaws" trying to "thwart the revolution" for killing at least one person when soldiers broke up a protest in central Cairo, which also left 71 injured.

[Kuwait seeks to import Iraqi gas in Shell deal](#)

Kuwait is seeking to import gas from Iraq through a deal with Royal Dutch Shell.

The emirate burns large volumes of oil in its power plants as it has insufficient supplies of cleaner-burning gas.

[Iran claims India pay row resolved](#)

Iran's Economy Minister Shamseddin Hosseini said today that the country has resolved its dispute with India over payments for Iranian crude oil.

"About the payment for oil bought from Iran by India, a problem was created for a bank by the German central bank, which has been solved by negotiations with Indian and German officials," Fars news agency quoted Hosseini as saying at a news conference, according to a Reuters report.

[West Coast oil line leads Canadian energy debate](#)

CALGARY, Alberta (Reuters) - A battle over a C\$5.5 billion (\$5.7 billion) oil pipeline to the West Coast and oil sands tax policy have led a thorny debate over energy and the environment early in Canada's election campaign.

Canada has become the biggest energy exporter to the United States with its oil sands the main supply, prompting Conservative Prime Minister Stephen Harper to tout the country as an emerging energy superpower.

[Shell to take interest in Chevron gas field](#)

Chevron Corp. on Sunday said Shell will take an interest in its liquefied natural gas project that it operates in northwestern Australia.

Shell Development Australia Pty Ltd. signed a deal with Chevron to take an 8 percent interest in the natural gas fields that are part of the Wheatstone field. Shell will also take a 6.4 percent interest in the project's facilities. Chevron will remain the project's operator

[Citigroup Says Buy All Pemex Bonds on Rebound in Oil Output: Mexico Credit](#)

Citigroup Inc.'s Accival, Mexico's largest brokerage, is recommending all 28 of Petroleos Mexicanos' bonds for the first time as Latin America's largest oil producer reverses a six-year decline in crude output.

[Gulf officials using SUVs, iPad and other gear with no clear oil ties, on BP's dime](#)

NEW ORLEANS — In the year since the Gulf oil spill, officials along the coast have gone on a spending spree with BP money, dropping tens of millions of dollars on gadgets, vehicles and gear — much of which had little to do with the cleanup, an Associated Press

investigation shows.

...In sleepy Ocean Springs, Miss., reserve police officers got Tasers. The sewer department in nearby Gulfport bought a \$300,000 vacuum truck that never sucked up a drop of oil. Biloxi, Miss., bought a dozen SUVs. A parish president in Louisiana got herself a top-of-the-line iPad, her spokesman a \$3,100 laptop. And a county in Florida spent \$560,000 on rock concerts to promote its oil-free beaches.

[Samsung Heavy Rises to Highest Since 2007 on \\$1.2 Billion LNG Ship Orders](#)

Samsung Heavy Industries Co., the world's second-largest shipyard, received orders to build six liquefied natural gas carriers worth a total \$1.2 billion as demand for the fuel surges, prompting a jump in the shares.

[Nigerian Opposition Parties Making Gains Against PDP in Legislative Vote](#)

Nigerian opposition parties gained against the ruling People's Democratic Party in parliamentary elections held yesterday in Africa's top oil-producing nation, according to early results released by the Independent National Electoral Commission.

[Japan rattled by aftershock; tsunami warning lifted](#)

SENDAI, Japan (AP) — A strong new earthquake rattled Japan's northeast Monday just hours after people bowed their heads and wept in ceremonies to mark a month since the tsunami that killed up to 25,000 people and set off a still-unfolding nuclear crisis.

[Japan orders extra nuclear safety step as aftershocks jolt](#)

(Reuters) - Japan has ordered nuclear plant operators to put in place new safety measures by April 28 in addition to steps imposed late last month that are soon due for checks by authorities to confirm implementation, the trade ministry said, as another series of aftershocks on Monday jolted the eastern region.

[Japanese Nuclear Plant Withstands Aftershock; Evacuation Zone Is Widened](#)

Tokyo Electric Power Co.'s stricken nuclear station withstood a 6.6-magnitude earthquake, while the government widened the evacuation zone around the plant after radiation levels rose.

[Japanese Workers Braved Radiation for a Temp Job](#)

Mr. Ishizawa, who was finally allowed to leave, is not a nuclear specialist; he is not even

an employee of the Tokyo Electric Power Company, the operator of the crippled plant. He is one of thousands of untrained, itinerant, temporary laborers who handle the bulk of the dangerous work at nuclear power plants here and in other countries, lured by the higher wages offered for working with radiation. Collectively, these contractors were exposed to levels of radiation about 16 times as high as the levels faced by Tokyo Electric employees last year, according to Japan's Nuclear and Industrial Safety Agency, which regulates the industry. These workers remain vital to efforts to contain the nuclear crisis at the Fukushima nuclear plants.

[Analysis: Fukushima and the 'nuclear renaissance' that wasn't](#)

(CNN) -- A month after a devastating earthquake sent a wall of water across the Japanese landscape, the global terrain of the atomic power industry has been forever altered.

The ongoing drama at the power plant in Fukushima -- a name now ranked alongside Three Mile Island and Chernobyl as history's worst nuclear accidents -- has erased the momentum the nuclear industry has seen in recent years.

[New Doubts About Turning Plutonium Into a Fuel](#)

The nuclear crisis in Japan has intensified a conflict over a project to turn weapons-grade plutonium into a commercial fuel called mixed oxide, or mox.

[U.K. Can Meet Carbon Targets Even Without Nuclear Energy, Minister Says](#)

The U.K. government will find alternative forms of clean energy to meet its goal of cutting greenhouse gas emissions even if nuclear developments are delayed, an energy minister said.

Charles Hendry, a junior minister in the Department of Energy and Climate Change, acknowledged there's a risk that companies delay or scale back investments in new nuclear power because of risks highlighted by the atomic accident in Japan.

[Diesel Dash](#)

If you own a car, you know that unrest in the Middle East has sent petrol prices rocketing to a 30-month high. What you probably don't know is that controversial moves are underway to lessen Australia's reliance on imported crude by converting coal into fuel. Proponents claim underground coal gasification, or UCG, is technically and environmentally sound, yet critics argue it's just not worth the long-term risk to some of the country's most fertile farmland. By the end of the year, the Queensland Government will decide whether to give UCG the go-ahead.

[Partnership in clean energy prospers](#)

With a united goal to develop alternative sources of power while adapting to climate change, the UAE and the UK have become world leaders in taking the initiative.

[Solar Power, Voodoo Style](#)

Money. Fear. Social responsibility. Pain, push, pull. These are three of the prime motivators in people doing something differently, and they all come together in a business that grew an astonishing 40 percent last year—solar energy.

[Wind delivers record energy levels](#)

The Irish Wind Energy Association celebrated another Irish record for renewable resources last week as enough wind energy was supplied to power more than 850,000 homes.

The growing importance of wind as a key energy resource for Ireland was reaffirmed last Monday as a record power output level of 1,323 megawatts - enough to power more than 850,000 homes - was recorded, the IWEA revealed today.

[From Ancient Giants, Finding New Life to Help the Planet](#)

A plan hatched by tree enthusiasts hopes to clone and mass-produce colossal redwoods, the tallest living things on earth.

[China Denies Breach of Carbon Credit Rules Cited in Confidential Documents](#)

Chinese environment officials rejected claims in a document indicating some chemical factories may have adjusted output levels to maximize United Nations carbon credits, defying market rules.

[China planning emissions trading in 6 regions: Point Carbon](#)

(Reuters) - China will launch pilot emissions trading schemes in six provinces before 2013 and set up a nationwide trading platform by 2015, Thomson Reuters Point Carbon said on Monday, citing a senior government official.

[Safeguarding our coasts](#)

MANILA, Philippines - LAST week, the University of the Philippines Marine Science

Institute finally unveiled the findings of a landmark research quantifying the impact of climate change on our marine and coastal ecosystem. The findings point to an incontrovertible truth: Global warming is adversely altering our marine life.



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