



Drumbeat: July 6, 2011

Posted by [Leanan](#) on July 6, 2011 - 9:22am

[Oil will hit \\$150 in U.S. despite IEA - Guild](#)

LONDON (Reuters) - The price of physical crude oil will hit \$150 a barrel this year in the United States due to unrest in North Africa and the Middle East, despite the emergency oil stock release coordinated by the International Energy Agency (IEA), a U.S. fund manager said.

Monty Guild, the chief executive of Guild Investment Management, said the IEA's move did not change oil's fundamentals.

"Our opinion continues to be oil prices will reach \$150 barrels this year due to the fighting near Saudi Arabia," Guild told Reuters in a telephone interview.

[9/11 'mastermind' accused of Aramco attack](#)

THE alleged mastermind of the 9/11 attacks, Khalid Sheikh Mohammed, also plotted to attack Saudi state oil giant Aramco, the kingdom's attorney general said at a hearing in the trial of al-Qaeda suspects.

[Saudi offers some Asian buyers more oil - source](#)

TOKYO (Reuters) - Saudi Arabia has offered more crude to some Asian buyers for August on top of contractual volumes, an industry source said on Wednesday.

[Saudis not serious about cutting oil price: Clyde Russell](#)

SINGAPORE: If you were waiting for an answer as to whether the Saudi Arabians wants to see lower global crude oil prices, now you have it. They don't.

That's the only reasonable conclusion that can be drawn from the release of Saudi Aramco's official selling prices for August.

[Iran builds new gas pipeline](#)

Pakistan is to become a key buyer of Iranian natural gas at a time when relations with Washington are at their most strained in recent years.

[Jordan: In the dark about policy](#)

For the third time in a relatively short span the gas supply from Egypt to the Kingdom was interrupted because of an act of sabotage.

The explosion of the natural gas pipeline in the Sinai Peninsula is inevitably going to make it difficult for Jordan to meet its energy needs, already taxed by the summer season and the influx of expatriates and tourists.

[SCENARIOS-Future cloudy for Venezuela's crucial oil sector](#)

CARACAS (Reuters) - Venezuelan President Hugo Chavez's shock announcement that he was treated for cancer in Cuba has raised doubts about his future leadership role -- and about prospects for the South American nation's oil industry, which is tightly controlled by him.

Below are some scenarios going forward:

[FACTBOX-Key political risks to watch in Zambia](#)

LUSAKA (Reuters) - Zambia, Africa's top copper producer, has enjoyed peace and stability compared with many countries in southern Africa but an election later this year and a possible energy crisis is clouding its immediate outlook.

[Uganda's Power Utility Shuts Generator Due to Fuel Shortage](#)

(Bloomberg) -- The state-owned Uganda Electricity Generation Co. shut down one of its thermal generators because of a fuel shortage, Managing Director Eriasi Kiyimba said, deepening the country's energy shortage.

"We have run out of fuel because we are indebted to suppliers," Kiyimba said by phone today from the capital, Kampala. "One thermal generator of 50 megawatts was shut down yesterday."

[Enoc denies reports about canceling license](#)

(MENAFN) Dubai's Emirates National Oil Company (Enoc) said that rumors claiming that the UAE would cancel the company's petrol stations licenses in the northern emirates were untrue and baseless, reported Gulf Daily News.

[ADNOC set to take over petrol stations in northern emirates](#)

Abu Dhabi National Oil Company is set to take over the management of EPPCO and ENOC petrol stations in the northern emirates following months of fuel shortages, it has been reported.

The UAE government is expected to cancel EPPCO and ENOC's licenses and allow ADNOC to take over in a move that could also be extended to include service stations across the other emirates, Gulf News said on Tuesday quoting an unnamed source.

[SEMC Warns of Food Crisis in Unrest-Hit Yemen](#)

The Studies and Economic Media Center SEMC has warned of a real food crisis in Yemen amid an acute fuel shortage, power outages and price hikes largely blamed on shortages.

In a field study, the Center found that the living conditions of tens of thousands have deteriorated, with many entering the stage of hunger as they can't afford basic food requirements.

[Three-mile-long queues at petrol stations as Yemen's fuel crisis starves economy](#)

SANA'A // Streets are empty as hundreds of thousands of vehicles are off the roads. Thousands of cars line up in front of petrol stations waiting for their turn at the pump. The Yemeni petrol crisis has seen the loss of thousands of jobs because people cannot get to work.

Yemenis are forced to either wait more than a week in front of petrol stations or buy it for six times the price on the black market.

[Why Norway cannot resist the lure of its buried natural treasure](#)

Nordic nation's world-leading green ambition is in stark contrast with the exploitation of the oil that delivers its world-leading wealth.

[Government orders Exxon to craft pipeline safety plan](#)

(Reuters) - U.S. pipeline safety regulators on Tuesday said Exxon Mobil must make fixes to its ruptured Montana oil pipeline and submit a restart plan before oil can flow again.

The U.S. Transportation Department's Pipeline and Hazardous Materials Safety

Administration also ordered the company to re-bury the pipeline segment and do a risk study where it crosses any waterway.

[Vt.: No charges against nuke plant officials](#)

MONTPELIER, Vt. — Prosecutors have decided not to charge executives at Entergy Corp. with lying to regulators about the presence of underground piping at its Vermont nuclear power plant, the state's attorney general said Wednesday.

Attorney General William Sorrell said a 17-month investigation into testimony that Entergy executives had given to the state Public Service Board concluded that there was no "smoking gun" to show that a crime had occurred.

[The World's Greatest Light Bulb](#)

Dump your fluorescents and incandescents for this amazing new LED bulb.

[Are the Chinese really a shoo-in to win the electric-car race?](#)

The conventional wisdom about the global electric-car race is that China is a shoo-in because of its enormous domestic market: The Chinese may be laggards in the laboratory, which is the current battleground, but they will best everyone else when the competition reaches the equally pivotal stage of the manufacturing scale-up. The Communist Party, it is thought, will simply order massive numbers of Chinese to buy electric cars. With their plants churning at full hilt, the Chinese will learn far more quickly than Americans, Japanese or South Koreans how to most efficiently create these vehicles, and hence give their vehicles a decisive advantage.

[As Alberta's Tar Sands Boom, Foes Target Project's Lifelines](#)

Exploiting North America's largest oil deposit has destroyed vast stretches of Canada's boreal forest, arousing the ire of those opposed to this massive development of fossil fuels. Now those opponents are battling the Keystone XL pipeline, which would pass through environmentally sensitive Western lands as it moves the oil to market.

[Arrival of the post-petroleum human \(Michael Ruppert interview\)](#)

What's become clear to me because of the movie — I was guaranteed a percentage of income based on net profits, which is the way it works in Hollywood. I'm not Art Buchwald, that's a long story with Paramount, I've been around Hollywood too long. But the movie was pirated more than 2 million times around the world. It was turning up in BitTorrent sites in Rumania, in India, in Thailand, Indonesia, Malaysia. But I got no income, but I wound up with 8000 Facebook friends. But what that told me was that

what I talked about in that movie, what Chris Smith brought out in me — and Chris really did bring it out of me. There were five separate shoots, there was lots of videos — was a message that resonated all over the world. So the lesson in that for me was there's a whole lot of people who feel this way too. And yet with a stigma akin to the stigma of having been a homosexual in the 1960s. There was no awareness of the power and how much that was a normal natural...it was there already.

And so as a result of that, we started CollapseNet a year ago in June 2010. We're now in 61 countries. And these are real active thinkers, who are members. These are in some cases government officials. I know of one head of state who's a member. And there are also representatives of communities of people. And this consciousness, this awareness that we have to make this transition, have to make the change to go back to living in balance with the earth. It's like they're just waiting for somebody to step up and say something.

[A bold move, but our oil problems are just beginning](#)

The IEA decision to release 60 million barrels from strategic petroleum reserves (SPR) of member nations has been criticized as politically motivated, too small and too late to matter, or, at best, as a desperate attempt to fend off economic woes. The reality and impact of the decision are more complex than that. The move is a bold, price-suppressing “poke in OPEC’s eye” from nations that have been perpetual price takers in the world oil market. The short-term rationale for the decision, however, should not obscure our real oil problem - geopolitics is combining with economics and geology to put us in an oil crunch that is not likely to abate until our nation moves beyond oil.

[The Peak Oil Crisis: At Mid-Year](#)

Most observers with insight into the global oil supply and demand balance, and that are free of any institutional constraints that prevent them from speaking out freely, are looking for much tighter oil markets in the next year and a half. If many economic situations and the weather does not change markedly in the next three months, some of this imbalance in supply and demand could come before fall.

This of course will translate into higher oil prices - but how much higher? A few years ago it was fashionable to forecast that oil prices would soon get to \$200 or even \$300 a barrel thereby putting U.S. gasoline prices in the vicinity of \$10 a gallon. Much current thinking and the experiences of 2008 say this will never happen. Somewhere north of \$150 a barrel, demand for oil will slow markedly and so will the global economy. There is simply not enough discretionary money being taken home to support \$10 a gallon gasoline so most forms of motorized transport would fall precipitously should gasoline prices ever go this high, at least in the United States. Gasoline of course is already pushing \$10 in some parts of Europe, but this situation has come from decades of high taxes that have allowed individuals and transportation systems to adapt to very high cost fuels.

[Oil Falls as China Rate Increase, Portugal Downgrade Fuel Demand Concern](#)

Oil declined as China's central bank raised interest rates, and after Moody's Investors Service downgraded Portugal's credit rating, heightening concern that slower economic growth will crimp fuel consumption.

Brent crude fell as much 1.3 percent, extending earlier losses as the People's Bank of China said benchmark deposit and lending rates will rise 25 basis points from tomorrow. The euro weakened against the dollar after Moody's cut Portugal's rating to junk status, curbing the appeal of dollar-denominated assets such as crude. The industry-funded American Petroleum Institute will report weekly supply and demand data today.

[Jeff Rubin: How long will oil sands producers be disconnected from world prices?](#)

As the price spread between West Texas and Brent continues to widen into uncharted territory, Canadian producers must be wondering why they are benchmarking the price of their oil exports to the huge price discount in the U.S. marketplace.

[The Oil Price Closely Observed](#)

The thing that readers should be particularly careful to note is the sustained upward movement of the oil price after 2002-2003, because between those dates and 2008 something was taking place that probably had never been seen in the oil market in modern times. Readers should be even more aware that while the price of oil fell to about \$32/b when the macroeconomic bad news intensified toward the end of 2008, and a number of distinguished students of the oil market announced that the oil price was going to continue to move down until it reached the point where they thought it belonged if the laws of supply and demand – the so-called fundamentals – became valid once more, OPEC quickly restored the situation in their favour. *They restored the situation even though the international macroeconomy was moving into a partial meltdown. This point should never be forgotten, because it is a measure of the power of OPEC!*

[India may pay around \\$6.8 billion more in fuel subsidy: Source](#)

NEW DELHI: India is likely to pay an additional around 300 billion rupees (\$6.8 billion) than budgeted in 2011/12 to state refiners as compensation towards selling fuel at subsidised rates, a senior government official with direct knowledge of the matter said on Wednesday.

[Million-Barrel Oil Tanker Ablaze Off Yemen](#)

An oil tanker carrying 1 million barrels of fuel oil is on fire off the Yemeni coast after being attacked by pirates.

The 274-meter (900-foot) Brillante Virtuoso was carrying the oil to China from Ukraine, said Andreas Louka, legal adviser to Suez Fortune Investment Ltd., the owner. The

crew of 26 are uninjured and the ship is being towed by two tugs, he said by phone from Athens today.

[China to Offer New Shale-Gas Areas This Year to Tap Reserves Topping U.S.](#)

China, estimated to hold more gas trapped in shale than the U.S., will open new areas to exploration as PetroChina Co.'s parent and Cnooc Ltd. seek drilling technology through partnerships and acquisitions.

The government aims to sign contracts with Chinese explorers this month to develop two blocks offered in the country's first auction, and a second sale is planned later this year, Zhang Dawei, deputy director of oil and gas strategy research at the Ministry of Land and Resources, said in a telephone interview from Beijing yesterday.

[Croatia's Battle for Refiner Control Unwelcome by Hungary](#)

Hungarian Prime Minister Viktor Orban said this week that Hungary would not agree to any changes in the ownership agreement between Hungarian oil and gas company MOL.Nyrt and Croatia's partly state-owned refiner INA.

"It's Hungary's definite view as the owner of MOL that it won't support any modification to the ownership agreement," Mr. Orban said at a press conference in Strasbourg.

[South African Coal Exports to India Fall 21% in First Half, mjunction Says](#)

India's imports of coal from South Africa fell 21 percent in the first half of 2011 from a year earlier while Chinese purchases rose 18 percent, according to India Coal Market Watch, published by Kolkata-based online trading company mjunction Services Ltd.

['So, this is democracy': Frustration rife in new Egypt](#)

Egyptians are now looking to a future in which they hope, for the first time in decades, to chart their own course.

With the floodgates open, Egyptians are taking to the streets to press for long-pent-up demands — more housing, better pay, lower prices. Expectations are soaring, even as they tell themselves not everything can be solved at once.

But the turmoil, fueled in part by the continuing protests, is making it harder to address the demands. Revenue from tourism, worker remittances and foreign investment plunged sharply after the revolution, while manufacturing and productivity were hard hit.

[The rise to peak oil](#)

What is peak oil and what impact will peak oil have on the world and shipping? Well, quite a lot.

Does peak oil mean oil reserves are exhausted? No, it simply means maximum production levels have been achieved and output will diminish thereafter.

[Resources More Precious Every Day](#)

I recently returned from a fascinating trip to China. It was my first. I was one of 45 financial advisors with a Financial Planning Association delegation who went to learn about the growing, Chinese financial planning community. It was a 12 day visit, with cities visited that included highly populated areas in Beijing and Shanghai. We visited and collaborated with many of the large China banks and their financial advisors. The Chinese people and culture are captivating. Their economy and population has been exploding. Although dips in the economy will occur, there are still many trends that point to continued, long-term growth in China and the developing world.

One of my take-a-ways from the China experience: We all need to restrain ourselves.

Today, we live in a different, more constrained world in which prices of raw materials will rise and shortages will become common. According to a recent article by Jeremy Grantham, chairman of the global investment management firm GMO, accelerated demand from developing countries, especially China, has caused an unprecedented shift in the price structure of resources. After 100 years or more of declines, prices are now rising. The last eight years have undone, remarkably, the effects of the last 100 years.

[China Admits Extent of Spill From Oil Rig](#)

BEIJING — Oil that spewed from an offshore drilling rig in northeastern China for two weeks last month has spread over 320 square miles, government officials acknowledged Tuesday, amid public uproar over why it took so long for fishermen, local residents and environmental groups to be informed of the spill.

[Anger mounts in China over oil spill](#)

BEIJING - CHINESE media and green groups on Wednesday slammed the state-run China National Offshore Oil Corporation (CNOOC) and the marine watchdog for keeping an oil spill hidden from the public for nearly a month.

CNOOC, in partnership with the Chinese unit of US oil giant ConocoPhillips, operates an oil field in Bohai Bay off China's eastern coast, where the massive slick was detected on June 4 but only made public on Friday.

[ConocoPhillips: quick response to China oil spill](#)

BEIJING—ConocoPhillips says it responded promptly to contain damage caused by recent oil spills off China's eastern coast at an oil field operated by its Chinese subsidiary, after Chinese authorities said they were investigating the company's role in the spills.

[Debris and Heavy Flow of Water Hamper Cleanup of Oil in Yellowstone River](#)

LAUREL, Mont. — Specially trained crews streaming into this refinery town to clean up tens of thousands of gallons of oil that spilled into the Yellowstone River from a ruptured Exxon Mobil pipeline over the weekend have found their efforts hampered by a muddy, raging river filled with debris.

[Documents detail Exxon's Yellowstone response](#)

LAUREL, Mont.—Federal documents show it took Exxon Mobil nearly twice as long as it publicly disclosed to fully seal a pipeline that spilled roughly 1,000 barrels of crude oil into the Yellowstone River.

[Exxon oil spill on Yellowstone River disrupts farms](#)

HELENA, Montana (Reuters) - Governor Brian Schweitzer vowed on Tuesday to cling to Exxon Mobil like "the smell on a skunk" for as long as it takes to get the company to clean up a weekend oil spill that fouled an otherwise pristine stretch of the Yellowstone River in Montana.

[Jordan pressing ahead with nuclear programme](#)

Jordan has drawn three bidders for its planned nuclear plant as companies vie for limited contracts in the post-Fukushima industry.

[Build safer nuclear plants? We have the power](#)

In the aftermath of the Fukushima disaster in March, the appetite for new nuclear power plants slipped to post-Chernobyl lows. Regulators from Italy to Switzerland to Texas moved to stop pending nuclear-power projects, and the U.S. Nuclear Regulatory Commission (NRC) began to re-evaluate the safety of all domestic plants. Yet nuclear power still provides 20 percent of America's total electric power and 70 percent of its emissions-free energy, in large part because no alternative energy source can match its efficiency.

[A Safer Nuclear Crypt](#)

With more scrutiny on spent fuel pools in the United States, some are pointing to dry casks as a storage option.

[Japan Has Two Reactors Without Approval as Fukushima Raises Safety Concern](#)

Kansai Electric Power Co. and Hokkaido Electric Power Co. are operating two nuclear reactors without approvals, four months after the Fukushima disaster raised concern atomic power in Japan may not be safe.

[Japan nuclear power plants to undergo stress tests](#)

TOKYO (AP) — The Japanese trade minister says the government is looking at conducting stress tests on the country's nuclear power plants to quell heightened concerns about their safety.

[Japan's Edano: no truth to report on Tepco breakup plan](#)

(Reuters) - There is no truth to a media report that senior Japanese government officials have secretly drawn up a plan to break up Tokyo Electric Power Co , which is struggling to stop nuclear leaks after a large earthquake triggered meltdowns in March, the government's top spokesman said on Wednesday.

[Prince Albert, bride go EV in topless Royal Wedding Lexus](#)

After Prince Albert II of Monaco, 53, tied the knot today with former South African Olympic swimmer Charlene Wittstock, 33, he and the newly minted Princess toured their tiny realm in an interesting, one-off, topless Lexus hybrid.

[We Are Approaching Peak Car Use](#)

Many major cities have seen a decline in driving over the past few years. The reasons for this are varied, but if it's a continuing trend, it's going to mean drastic changes for the way we shape our cities.

[Women, Uneasy, Still Lag as Cyclists in New York City](#)

“Women want to feel safe,” said Ms. Hirschfeld, who has expanded her Reade Street boutique, Adeline Adeline, to also cater to male cyclists. She said that if the perception of danger dissipates, “women then will ride, and ride more than men.”

[Bike-Friendly? Check the City's Mass Transit System](#)

The systems' bike rules begin thus: "All bicycles carried on board must be clean and free of excessive dirt and grease at all times." I could find no equivalent of this directive at 10 other mass transit sites with bike information, and I wondered 1) what is considered excessive and 2) if the same standard applies to passengers. Then there is the rush-hour prohibition — a prohibition that, in fairness, these systems share with most others around the country.

Bike commuters must carry a \$5 permit. The site also notes: "On weekdays two (2) bicycles will be permitted per car with a maximum of four (4) bicycles per train." On weekends, trains may carry eight bikes. No space is set aside for them on most trains; it is up to the train crews to decide whether to let them board and where in the car they may park.

[World's foremost scenario planner applies his expertise to the renewable energy sector](#)

It's interesting to hear you mention nuclear, with Japan, right now, struggling with the aftermath of the Fukushima Daiichi disaster and awaiting a decision — an imminent decision — on the future of reactors that were shut down for maintenance long before the earthquake and tsunami last March. You haven't soured on nuclear?

Well, I certainly made people a bit more cautious and it pushed the Germans into a pure frenzy — it's astonishing what they've decided. We're going to find out in Germany, in a really interesting experiment, can you run a modern industrial economy purely on renewables, or will they, as a lot of people think, end up importing a lot of dirty energy from Poland and the Czech Republic or nuclear energy from France? In which case, they will have simply exported their guilt.

[Surviving the Apocalypse in the Suburbs](#)

As a life-after-peak-oil book, *Surviving the Apocalypse* is provocative in ways that the uninitiated might not perceive: In a world short on oil, the suburbs are often considered doomed landscapes, dependent as they are on giant shopping malls and endless motoring. The suburbs represent rampant consumerism and waste—the very things that got us into this mess—so the politically progressive homesteading movements have tended to focus on the alternatives: dense urban areas or remote countryside.

Who knows how everything will shake out when the world goes to hell, but the suburbs may be well positioned to thrive with fewer resources, as Brown points out. Suburbs are close enough to the city to be convenient and encourage community building, yet spread out enough to offer yards and substantial garden space.

[E.P.A. Chief Stands Firm as Tough Rules Loom](#)

Working under intense pressure from opponents, Lisa P. Jackson is scheduled to establish a series of environmental regulations that will affect every corner of the economy.

[Communities Key To Reducing Energy Consumption In Britain Claims New IPPR Report](#)

Communities could be a key force in the fight against climate change and more effective in promoting renewable energy technologies than individual champions or even government campaigns, according to a new report.

[Melting ice caps open up Arctic for 'white gold rush'](#)

As rising temperatures expose more land for exploration, prospectors are rushing to the far north in the hope of carving out a new mineral frontier

[Time, Canada, to negotiate the Northwest Passage](#)

With Arctic sea ice melting, at up to three times faster than scientists were predicting, the international battle over the polar region and the Northwest Passage, in particular, is also heating up. This week Moscow sent a nuclear-powered icebreaker to explore the extent of its northern continental shelf while Canada announced that this summer's annual military exercise in the Arctic will be the largest in recent history.

UBC's Michael Byers, the author of *Who Owns the Arctic? Understanding Sovereignty Disputes in the North*, says it is time for the federal government to start formally negotiating the rules around the Northwest Passage with the international community, the Americans especially.

[Rush for Arctic's resources provokes territorial tussles](#)

US, Canada, Russia, Denmark and Norway are becoming embroiled in disputes over boundaries on land and at sea.



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