



Drumbeat: October 3, 2011

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[Record U.S. Gasoline Cargoes Seen Driving 17% Tanker-Rate Advance](#)

Record U.S. exports of gasoline and other refined oil products are poised to eliminate a glut of ships hauling the fuels next year, driving freight rates to a three-year high.

Shipments in the first nine months were 24 percent higher than a year earlier, led by cargoes to Latin America, Energy Department data show. Costs to hire medium-range tankers, holding enough gasoline to fill about 800,000 cars, will gain 17 percent to \$14,000 a day next year, according to the median of seven analysts surveyed by Bloomberg.

U.S. crude-oil output in the first nine months rose 1.7 percent, the highest for the period since 2003. Gasoline demand fell 3.7 percent in July to the lowest for the month in 11 years. At a time when ships hauling crude and coal are forecast to lose money for at least another two years, product tankers may break even as early as 2012. Billionaire Wilbur Ross completed his first shipping investment last month, joining a group of investors buying a fleet of 30 fuel carriers.

[BW Maritime Idles Two Supertankers, Plans to Mothball a Third, CEO Says](#)

BW Maritime, a Singapore-based owner of 15 supertankers, said it temporarily idled two of the vessels and is mothballing a third for a longer duration as earnings plunge to the lowest since at least 1997.

[Oil drops to lowest price since 2010](#)

NEW YORK – Oil started the final quarter of 2011 with a whimper.

The benchmark price dropped below \$78 per barrel to its lowest level in more than a year, as fears of another recession grew. Oil fell along with broad declines on Wall Street: The Dow Jones industrial average, the S&P 500 and the Nasdaq composite were each down about 2 percent.

[Enbridge To Spend C\\$120 Million On Expanding Eastward Oil Shipments](#)

CALGARY -(Dow Jones)- Enbridge Inc. said Monday it will spend C\$120 million on two pipeline projects to expand the eastward flow of crude oil from producers in western Canada.

[Pump logic: Why gas prices are still a pain](#)

Falling oil prices should be welcome news for Canadian drivers as they look for a break from the stubbornly high cost of a fill-up at gas stations across the country.

But in both Canada and the United States, gasoline prices have remained high, despite recession-level demand for oil products. Pump prices in Canada are now 22 per cent higher than they were a year ago, while the most commonly quoted oil price, West Texas Intermediate, is up only a few dollars.

[Soft energy prices challenge Alberta's new premier](#)

CALGARY, Alberta (Reuters) - Alison Redford, the new premier of Alberta, may be hard pressed to narrow the Canadian province's budget deficit as softer energy prices cut into the revenue of the largest oil exporter to the United States.

[Insight: Brazil's oil future hinges on bill to share wealth](#)

(Reuters) - Brazil's government is racing to forge a deal in Congress this week that it hopes will prevent a lengthy legal and political battle over its huge offshore oil reserves.

[Global Markets And The Mayan Magic Market Wave](#)

Being radical, the answer is real easy: just flip the clock back 40 years and forward 40 years. The results are interesting. 40 years back, less than 1-in-2 of all people living today existed on the planet. 40 years forward we dont know how many will be living (say anywhere between 67% and 133% of today's 7 billion, maybe less but not more), but for the other things fixing what kind of economy we can have - and will have - we can be really sure.

Both Peak Oil and Peak Gas, despite shale and frac gas resources, will have come and gone. The economy (whatever kind it is) will have shifted away from oil in a big way. The gas bubble will itself be winding down in a big way. It happened despite the rearguard action of Ecological Royalty and green commissars. Coal reserves will have been heavily developed, all over the world but this will not stop coal from getting a lot more expensive. By 2055 early generation and wildly uneconomic, even anarchic alternate energy quick fix vanity projects like offshore windfarms and solar polar plants may be strange museum pieces on the horizon, along with hulks of abandoned but still dangerous nuclear power plants, totally shunned after a couple more Fukushima-type disasters. Global energy consumption from fossil fuels will have had no choice at all but to decline in a big way.

[Cold Front In Crude Oil: Is A Bearish Winter Ahead?](#)

YET -- after hitting an all-time high at \$147 in July 2008, oil prices endured a precipitous decline to a low-\$30-a-barrel bottom in mid 2009.

What was the fatal flaw of the widely bullish call for crude in 2008?

Same as with most forecasts based on market "fundamentals": They simply take the previous and existing trends -- and boldly extrapolate them into the future. As a result, you end up completely unprepared for trend reversals.

[Price-Fixing Suits Over OPEC Rejected by U.S. Supreme Court](#)

The U.S. Supreme Court refused to revive two price-fixing lawsuits pressed by gasoline retailers against OPEC-affiliated companies including Venezuela's state-owned Citgo Petroleum Corp.

The justices today left intact a federal appeals court ruling that said the antitrust lawsuits couldn't go forward because they would improperly embroil the judiciary in questions of defense and foreign policy.

[Three strikes and you are out?](#)

Daniel Yergin, whom the media have consistently designated as one of the world's premier experts on energy matters--and who has a consistent track record of predicting higher oil production levels--has been very visible of late, especially with a full page essay in the Wall Street Journal, focused on why concerns about Peak Oil are misplaced.

I thought that it would be useful to review how some of Mr. Yergin's prior predictions regarding oil prices, production and exports in the 2004/2005 time frame have turned out, now that we have several years of post-2005 price, production and export data. Following is a brief summary.

[With pirates, it's one step forward, two steps back](#)

Some three centuries ago, a Welshman named Bartholomew "Black Bart" Roberts captured hundreds of vessels in a record run of piracy off the West African coast. Roberts was a star of what historians call the Golden Age of Piracy, when brigands seriously terrorized the movement of seaborne commerce. He comes to mind because, for him, it all began off the coast of Ghana, which today is seriously worried about a new flourishing of piracy. The oil-soaked Gulf of Guinea, of which Ghana is part, risks becoming one of the world's riskiest zones of piracy if security is not enforced rapidly, reports the *Ghanaian Times*.

[Power protests continue to rock city](#)

LAHORE: The citizens, irked by excessive load shedding, staged protests at various locations across the city for the second day in a row. The protests were held on various main roads of the city, resulting in traffic jams on almost all the important roads.

[Exxon Starts Fracking Hard In Eastern Europe](#)

Exxon Mobil has been expanding its footprint on shale exploration efforts in Europe. The company recently inked a pact with Ukrainian state oil and gas firm Naftogaz to explore and develop Ukraine's shale gas reserves. The move comes on the back of Exxon completing its first hydraulic fracturing operation in neighboring country Poland last week.

[Temporary ban on oil, gas permits doesn't sit well with some](#)

State regulators are not happy with El Paso County's moratorium on oil and gas permits, which county commissioners enacted last Thursday.

The four-month suspension, imposed to give county leaders more time to create local land use regulations, also has had at least one unintended consequence. One oil company was so concerned it canceled a free tour of oil rigs for commissioners that was supposed to have happened Monday.

[Pa. would let counties set gas drilling fees](#)

PITTSBURGH (AP) -- Gov. Tom Corbett released a plan for Pennsylvania's natural gas boom Monday that would allow the state's counties to impose a fee on drilling to help pay to regulate it and fix environmental damage in communities where it is happening.

[France cancels three shale permits](#)

The French government has cancelled three exclusive shale gas exploration permits after the holders failed to commit not to use hydraulic fracturing, energy minister Eric Besson and environmental minister Nathalie Kosciusko-Morizet said Monday in a joint statement.

[Syria Forces Kill 10 Protesters as Dissidents Form Council to Unseat Assad](#)

Syrian security forces killed at least 10 protesters demanding the ouster of President Bashar al- Assad as dissidents created a council to coordinate efforts to end his 11-year rule.

[Leary: Europe's Praiseworthy Syrian Oil Embargo. Why Not Now a U.N. World Embargo on Iran's Oil??](#)

The Iranian people are under a regime of subjugation as harsh as that of Syria. Popular demonstrations and movements for greater freedoms are put down as ruthlessly as those in Syria. This, to the point that Iran's agents have been acting as mentors to Syrian Security forces teaching them the deadly tricks on how to crush popular demonstrations with the likes of strategically placed snipers and other murderous responses to peaceful acts of civil disobedience seeking respect for personal freedoms.

[“Ethical Oil”? Why stop there?](#)

Canada is trying to hit one out of the ballpark with a brazen attempt to re-brand some of the world's dirtiest and most dangerous oil as “ethical”. If we pull it off, there's no reason to stop there. If an “ethical” brand make-over can make our tar sands smell sweet, just imagine how many other profitable, but deadly, industries it can pry open for us.

[TEPCO report faults operating manual; disputes hydrogen explosion](#)

TOKYO — A committee set up by Tokyo Electric Power Co (TEPCO) to investigate the accident at the Fukushima Daiichi nuclear power plant following the March 11 tsunami has released an internal document that says the company's operating manual had not properly prepared workers for a disaster scenario.

[Tepco needs to raise up to US\\$112bil over 10 years](#)

TOKYO: A government panel reviewing Tokyo Electric Power's finances said the utility will need to raise 8.6 trillion yen (US\$112bil) to help pay compensation to residents forced to evacuate the area around its contaminated nuclear plant and to scrap its stricken reactors.

[Chevron Unveils World's Largest Solar Enhanced-Oil-Recovery Proj.](#)

Chevron Technology Ventures, a division of Chevron U.S.A., launched a unique demonstration project to test the viability of using solar energy to produce oil. The project uses over 7,600 mirrors to focus the sun's energy onto a solar boiler. The steam produced is injected into oil reservoirs to increase oil production. The project is the largest of its kind in the world.

[When Money Dies – a “Live from the Summit” Report](#)

First, as investors, we have heard a lot about risks from governments, the clash of

cultures, geopolitics, etc. But in terms of your portfolio, the real risk is not taxes, regulations, fraud, or peak oil. It is your own self. In an era of permanent volatility, you must have the courage and liquidity to accept and exploit it.

[The new recession](#)

We're at the end of growth. Growth of the economy, of consumption, of wealth. That this would happen isn't news to those who've followed the writings of Meadows, Heinberg, and many others. What's different now is that it may have actually arrived. I'd like to briefly look at our current situation in this context and synthesize the various ideas we explored in previous posts.

[Bill McKibben: Pipeline to disaster](#)

On November 6—exactly one year before the presidential election—some of us will spend the afternoon circling the White House. I'm not sure that's ever been done before. There won't be arrests this time. Depending on your perspective, we'll either be making a giant hopeful "O" around the president or performing a symbolic house arrest. In either case, the message to the president is clear: Keep your word.

November 6 is a Sunday. I'm not telling you to skip church to come to D.C. that day. But I can promise that, just like that Sunday morning in jail, church will be there if you come.

[Tough Oil: Five public health challenges of petroleum scarcity](#)

It was the easy oil—that's what fueled our prosperity.

Economists associate the availability of abundant inexpensive energy with economic growth, suggesting that the modern era's rising tide of global wealth—and health—was borne up largely on a sea of cheap oil. "We've been living for 150 years on a fossil fuel bubble," is how Stuart Chaitkin, MA, a retired energy policy analyst and senior associate in Environmental Health Sciences (EHS), describes the current situation. "You can't just simply replace oil for many of its uses. Oil is the world's master resource."

['Fossil fuels are wonderful', claims US documentary](#)

New Mexico filmmaker makes a 'pro-truth' film about oil – but he needs to be more open about his own links to pro-oil advocacy.

[Kurt Cobb: Crisscrossing the Rubicon of peak oil](#)

In the minds of many of those concerned about an imminent rendezvous with peak oil, the day the world slides past the all-time peak in oil production will be a fateful and

irreversible crossing. After it all the calamitous predicted consequences of the ensuing decline will become obvious--financial collapse, unaffordable energy prices, shortages of food and other goods dependent on cheap oil, and mounting unemployment to name a few. And, the cause of these effects will be plain for everyone to see.

But even as some of these symptoms begin to manifest themselves, the public remains ignorant that stringency in oil supplies lies at the heart of them (though peak oil is admittedly part of a complex web of problems related to our broader energy and resource use). Why is this so?

[TransCanada Pipeline Foes Allege Bias in U.S. E-Mails](#)

With the Obama administration about to decide whether to green-light a controversial pipeline to take crude oil from Canada's oil sands to the United States Gulf Coast, e-mails released Monday paint a picture of a sometimes warm and collaborative relationship between lobbyists for the company building the billion-dollar pipeline and officials in the State Department, the agency that has final say over the pipeline.

Environmental groups said the e-mails were disturbing and evidence of "complicity" between TransCanada, the pipeline company, and American officials tasked with evaluating the pipeline's environmental impact.

[Crude Oil Extends Decline From One-Year Low After Worst Quarter Since 2008](#)

Oil fell in New York, after closing last week at a one-year low, on concern that Greece will default on debt payments, leading to slower economic growth and fuel consumption.

Futures slipped as much as 2.3 percent after dropping 17 percent since the end of June in the worst quarter since 2008. Reports this week may show manufacturing in the U.S., the world's biggest oil consumer, barely grew last month, while job growth failed to cut unemployment. European finance ministers meet today in Luxembourg to weigh the threat of a Greek default. Saudi Arabian Oil Co. canceled a crude shipment to Royal Dutch Shell Plc after a fire at Shell's largest oil refinery.

[Koch Brothers Flout Law With Secret Iran Sales](#)

What many people don't know is how the Kochs' anti-regulation political ideology has influenced the way they conduct business.

A Bloomberg Markets investigation has found that Koch Industries -- in addition to being involved in improper payments to win business in Africa, India and the Middle East -- has sold millions of dollars of petrochemical equipment to Iran, a country the U.S. identifies as a sponsor of global terrorism.

[Iraq sees oil output at 3 mln bpd by year-end](#)

(Reuters) - Iraq's oil production will reach 3 million barrels per day (bpd) by the end of this year from its current output of 2.9 million bpd, the Iraqi oil ministry said on Monday.

[China outgrowing dependence on Russian arms, oil, think tank says](#)

Stockholm - China is weaning itself off Russian arms shipments, revealing rifts between the two countries despite their historical links, a report said Monday.

'Decreasing dependence on Russian arms exports and a growing number of alternative energy suppliers mean that China has taken the upper hand in the relationship,' according to a report by the Stockholm International Peace Research Institute (SIPRI).

The report, titled China's Energy and Security Relations with Russia: Hopes, Frustrations and Uncertainties, compiles input from Chinese and Russian experts on the relationship.

[Gazprom ready to supply gas to Turkish private firms](#)

Russia's gas giant Gazprom is ready to supply gas to private Turkish companies if Turkey's state gas pipeline operator Botas terminates its gas supply contract with the Russian gas exporter, Gazprom's export head Alexander Medvedev said on Monday.

"We see that the gas supplied via the western corridor finds demand among commercial and industrial consumers," Medvedev told journalists.

[BP-led Azeri project receives three bids for gas](#)

(Reuters) - BP's Shah Deniz project said it had received three bids for 10 billion cubic metres of gas that will be made available to European customers from the next stage in the fields' expansion.

[Libya Forces Tighten Grip Around Qaddafi's Sirte as NATO Mission Nears End](#)

Libyan opposition fighters tightened their cordon around Sirte, the hometown of Muammar Qaddafi and one of the country's last loyalist strongholds, as NATO said it was preparing to wind down its mission there.

Interim government forces, who have been shelling Qaddafi loyalists in Sirte backed by NATO air strikes, are seeking a two-day truce to allow civilians to escape the coastal city. A family of four was killed by machinegun fire as they fled Sirte yesterday, the Associated Press reported yesterday.

[Big oil firms waiting to see what happens](#)

Tony Hayward's move into the Kurdistan part of Iraq will lead to fresh speculation over the entry of oil majors.

[Libya govt shuffles posts; oil, foreign affairs stay](#)

(Reuters) - The head of Libya's interim government announced on Monday changes to its ministers but kept key portfolios of foreign affairs and oil unchanged.

[Russian oil production increases 1.23% in three quarters, exports drop](#)

Russian oil production increased by 1.23% in the first three quarters of this year to 381.446 million metric tons, and exports shrank by 2.13% to 180.429 million tons, the Energy Ministry said.

[Shell Singapore cancels crude, petchems deals](#)

SINGAPORE (Reuters) - Royal Dutch Shell's Singapore refinery has cancelled the lifting of four million barrels of Saudi Arab Light crude and is in the process of shutting down a chemical complex after a fire forced the closure of its biggest refinery.

[Q&A-Shell's shutdown may impact Asian gasoline mkt](#)

SINGAPORE (Reuters) - The shutdown of Royal Dutch Shell's Singapore refinery will impact the gasoline market as the massive 500,000 barrel per day (bpd) plant is a key supplier in the region.

[Sailor abducted off ship supplying Nigeria oil rig](#)

LAGOS, Nigeria (AP) — Gunmen attacked a ship Friday supplying an Exxon Mobil Corp. offshore oil rig near the coast of Nigeria, kidnapping a sailor and leaving another wounded, an official said.

The attack happened off the coast of Akwa Ibom state, the home of Exxon Mobil's Nigerian subsidiary, local spokesman Nigel Cookey-Gam said. The gunmen boarded the vessel as it idled near an Exxon Mobil oil rig, attacking the crew, he said.

[Eni Repairing Nigeria Pipeline After Sabotage Attack](#)

LONDON -(Dow Jones)- Italian oil major Eni SpA said Monday it was undertaking repairs on its Obama-Brass pipeline in Nigeria, following damage caused by sabotage.

[Bataan nuke plant conversion likely: DOE](#)

MANILA, Philippines - The government is likely to convert the Bataan Nuclear Power Plant (BNPP) into a coal-fired power facility, said Energy Secretary Jose Rene Almendras.

[Nuclear plant works on during protest](#)

(Reuters) - Two reactors at EDF Energy's UK Hinkley Point nuclear power plant continued operating as normal on Monday, while one man was arrested during anti-nuclear protests at the site which blocked access to the nuclear plant, the operator and local police said.

[UK nuclear regulator submits final Fukushima report to government](#)

London (Platts)-- The UK's chief nuclear inspector, Mike Weightman, submitted his final report on lessons from the Fukushima I nuclear power plant accident in Japan to the Department of Energy and Climate Change on Friday, a spokesman for the Office for Nuclear Regulation said Monday.

Weightman's interim findings, issued May 18, found there was no need to curtail nuclear power in the UK.

[Proposed Keystone XL oil project draws a divisive line](#)

Some might have been surprised to hear that plans to build a 1,700-mile oil pipeline through the Midwest to the Gulf Coast — a source of new oil and thousands of jobs — would drive an emotional fault line down the middle of the conservative heartland. But any skepticism would have quickly evaporated here in the noisy bleachers of the West Holt High School gymnasium.

The proposed Keystone XL pipeline — the subject of public hearings convened by the State Department last week along the route from Montana to Texas — was alternately described as a plot by a foreign corporation to exploit America, a potentially perilous polluter of the nation's greatest freshwater resource, the answer to America's energy insecurity, a generator of the last great family-wage jobs and, oh yes, a dangerous new instigator of global warming.

[What The Frack Is Going On Here?](#)

Hydraulic fracturing sends “huge volumes of toxic fluids” deep underground at high pressure, to fracture shale rock and release natural gas, Food & Water Watch claims. “Billions of gallons of toxic fluids” will “contaminate” groundwater and drinking water “for generations.” We need to “Ban Fracking Now.”

Environmentalists used to support “clean natural gas.” Whence the intolerant new attitude?

[Alaska may become Silicon Valley of rare earths](#)

TORONTO (Reuters) - A rare earth project nestled into a mountain ridge on Alaska's Prince of Wales Island may unlock a motherlode of resources, bringing needed jobs and opportunity to the state and offering a secure supply of the strategic metals for the high-tech sector.

Between the Bokan Mountain deposit, owned by Canada's Ucore Rare Metals , and the nearby city of Ketchikan, Alaska, state legislators see the potential to build up a lucrative rare earth mining and processing industry, with exploration companies set to exploit about 70 promising sites already identified by state geologists.

"They have this view that, potentially, they can make Alaska the Silicon Valley of rare earths," said Luisa Moreno, an analyst at Jacob Securities in Toronto.

[Recycling: Rarely so Critical](#)

As renewable energy finally takes off, China, which controls 97% of the global supply of rare earth elements, vital to much renewable technology, has tightened supply. As industry and governments around the world scramble for solutions, the complex process of recycling rare earths has moved into the spotlight.

[Op-Ed: Why EV Haters Are Wrong](#)

Below are some of the current issues surrounding EVs, and my analysis:

[Homeowners and Businesses Embracing Small Wind Turbines](#)

AUSTIN, TEXAS — Most of the buzz about wind power centers on the enormous turbine farms that dot plains and hilltops around the world.

But another segment of the wind business is also gaining traction — small wind turbines, the type that stand alone at homes or businesses.

[Brazil: Again, Court Ruling Halts Giant Amazon Dam](#)

A Brazilian judge has suspended work on a massive hydroelectric dam in the Amazon jungle, saying it would harm fishing on the Xingu River.

[BP boosts investment in Brazil biofuels in bid to become top global supplier](#)

BP is planning a multibillion-pound investment spree to become the world's leading supplier of biofuels.

The company's ambitious target is centred on building up its huge land holdings in Brazil to produce billions of gallons of ethanol from sugar cane.

[U.T. Making a Big Bet on the Future of Algae](#)

For decades, scientists have been trying to find ways to mass-produce algae as a viable source of fuel for vehicles. High costs and environmental factors have created insurmountable roadblocks. Now, researchers hope, a new facility at the University of Texas will help them move closer to that goal.

[Does Secretary Mabus Do the Right Thing with Wrong Reasons?](#)

Here one again needs to ask the following: How long should the tax payers subsidize the biofuel industry to finally get a competitively prices biofuel?

[Functional deficits for dysfunctional America](#)

As its people suffer as they haven't since the Great Depression, the United States' political elites have turned away from thinking about real human suffering in the name of a pious concern with the abstraction of fighting "deficits". But if that concern were serious, and not just a political ploy, we'd see the US and the world in a strikingly different light. Three structural/functional deficits - the sustainability deficit, the time/jobs deficit and the equality deficit - revolve around values, choices that we, as a society, make about how to organise the broad patterns of how we live.

[Fewer Humans, More Humanity?](#)

Making a taboo of population is bizarre when the win-win solution to factor P (voluntary, accessible family planning within a rights-based framework) is actually so life-saving, a humanitarian measure. Life-saving? yes, the lives of women (WHO says the outrageous avoidable mortality of 1000 mothers every 24 hours could reduce by 35%, since so many women are dying through a pregnancy they did not want and would have avoided with realistic access to voluntary family planning); and of children, since child survival is always increased by well-spaced births.

[The *Melancholia* of the middle classes](#)

Lars von Trier's new film brilliantly teases out the link between the rot of the bourgeois mind and the rise of apocalyptic fantasies.

[Post-Carbon America](#)

Forget about 'peak oil' and global warming. What about two centuries from now, when we'll really need help?

[EPA objects to 19 more mine permits](#)

FRANKFORT, Ky. (AP) — The U.S. Environmental Protection Agency has objected to 19 mountaintop mining permits in Kentucky only days after Gov. Steve Beshear urged President Barack Obama to ease up on the state's coal industry.

[Churches take to the streets to press for coalition action on climate change](#)

A thousand supporters have been on the streets in Manchester for a march organised by Christian Aid, Tearfund and CAFOD. Their aim: to persuade the coalition government to work harder to deliver climate justice.

For many years, churches in the UK have campaigned to end global poverty. Now, Christian organisations are taking on climate change, on the grounds that much like the third world debt, global warming is a poverty-related issue.

[Analysis: EU carbon costs may force refiners to relocate, close](#)

(Reuters) - European Union plans to make oil refiners pay for carbon emissions from 2013 could accelerate European refinery closures and encourage them to relocate outside the EU to avoid higher operating costs that could run into millions of euros a year.

The UK refining industry is seen as being at particular risk due to UK government plans for a carbon floor price that may be above the level set by the market. UK companies such as Ineos are worried they will be put at a competitive disadvantage.



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