



Drumbeat: November 28, 2011

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[Sudan says halted South Sudan govt oil exports](#)

KHARTOUM/JUBA (Reuters) - Sudan said on Monday it had halted landlocked South Sudan's oil exports until the two agree on a transit fee, stepping up a row between the two old civil war foes over how to untangle their once-integrated oil industries.

South Sudan seceded on July 9, taking about three-quarters of the formerly united country's roughly 500,000 barrels per day (bpd) of oil production -- the lifeblood of both economies.

[Growing doubts over Saudi Arabia's supply stand-ins](#)

Saudi Arabia does not plan to expand its oil production capacity beyond its target of 12.5m barrels a day, as Khalid al-Falih, chief executive of state-owned Saudi Aramco, says that other countries will meet rising demand over the next few years.

Can others really rise to the challenge and meet the expected rise in demand?

The International Energy Agency forecasts that four nations, on top of Saudi Arabia, would provide the bulk of new supply: Iraq, Brazil, Canada and Kazakhstan. Many have questioned already whether Iraq would deliver. Now, Brazil is also in doubt.

[Daniel Yergin: Clock Ticking on Iran's Nuclear Program](#)

In terms of world oil, what is particularly striking is the rebalancing of Western Hemisphere oil supplies. We're likely to see a much more north-south axis in hemispheric oil trade, and declining imports from the Eastern Hemisphere.

Three big things are happening. Two of them were hardly even on the horizon a decade ago.

[U.S. Shale Boom Reduces Russian Influence Over European Gas Market](#)

The U.S. shale gas boom has not only virtually eliminated the need for U.S. liquefied

natural gas (LNG) imports for at least two decades, but significantly reduced Russia's influence over the European natural gas market and "diminished the petro-power" of major gas producers in the Middle East and Venezuela.

[We will frack you](#)

A PRAIRIE wind whips the flags that fly from a Chesapeake Energy rig near Kingfisher, Oklahoma, but the noise of the drill drowns out the weather. A clutch of roughnecks, smudged with dirt and tattoos, are coring the earth, bringing up a little slice from the shale formation below. If the tests prove promising, the well will be hydraulically fractured or "fracked".

That process is transforming the natural-gas industry. Ten years ago virtually all of America's natural-gas production came from traditional gas or oil wells reached by vertical drills. But companies were learning how to drill horizontal wells and how to use high-pressure water to break up the shale formations to release the gas inside.

[Mexico Gulf oil exporting ports closed on weather](#)

MEXICO CITY (Reuters) - Mexico's three main oil exporting ports remained closed on Monday morning after being shut on Sunday due to bad weather off the Gulf of Mexico, the transport ministry said.

[Syria: Oil and gas thoroughfare plan now in jeopardy](#)

Arab League sanctions on Syria threatens its drive to become a thoroughfare for Middle East oil and gas. As recently as July, Syrian officials signed an early-stage agreement with Iran and Iraq for a US\$10 billion (Dh36.73bn) pipeline that would transport Iranian natural gas through both countries to Europe.

[New Baltic Oil Terminal Likely Facing Delay](#)

The opening of the Ust-Luga Baltic oil terminal has been postponed until next year, industry sources said Friday, days after Russia's safety watchdog said the port was so badly damaged by landslides that it risked a serious environmental accident.

[Analysis: Iran adopts "wait and see" policy on Syria's crisis](#)

TEHRAN (Reuters) - Iran, its crucial anti-Israel alliance with Syrian President Bashar al-Assad at risk from an uprising against his rule, has chosen a "wait and see" policy driven in part by concern not to alienate anyone who might succeed him, analysts say.

[Pakistan's prime minister warns United States](#)

Islamabad, Pakistan (CNN) -- Tensions among Pakistan, Afghanistan and the United States jumped a notch Monday, with Pakistan's prime minister warning there would be "no more business as usual" with Washington after NATO aircraft killed two dozen Pakistan troops.

The Pakistani Taliban urged Pakistan to respond in kind to the airstrike, which NATO called a "tragic unintended" event.

[Lust for fossil fuels brings the world to Canada's oil sands](#)

The helicopter swooping over once-pristine spruce forests provides a close-up view of why the province of Alberta in Canada is among the planet's most coveted – and contested – petroleum hot spots.

North of Fort McMurray, a boomtown serving tens of thousands of migrant workers, Syncrude Canada's oil sands operation stretches 192km².

[CNOOC wraps up Opti deal to expand in oil sands](#)

(Reuters) - CNOOC Ltd closed its C\$2.1 billion (\$2.04 billion) acquisition of Opti Canada Ltd on Monday, giving China's top offshore oil company its second stake in a Canadian oil sands property.

With the close, CNOOC gains a 35 percent stake in the troubled Long Lake oil sands project, which operates well below its 72,000 barrels per day capacity as operator Nexen Inc works to overcome problems with the C\$6.1 billion project's reservoir.

[Kurt Cobb: Why isn't the Keystone pipeline extension going to eastern Canada?](#)

When Canada's oil riches are combined with its abundance of natural gas--it exports half its production to the United States--and its large deposits of uranium and coal, the country ought to be energy self-sufficient. So, why haven't Canadians pursued energy independence? [One member of the Canadian parliament thought he had an answer all the way back in 1972](#). Don't worry too much if you can't follow his discussion of oil company takeovers at the time. His conclusion, however, is quite clear: The Canadian oil industry is largely foreign-owned and serves the needs of its corporate masters and not those of the Canadian people. Little has changed since then.

[Ugandan kingdom demands 10 pct of oil revenues](#)

KAMPALA (Reuters) - A traditional kingdom where most of Uganda's oil was discovered wants the central government to pay it 10 percent of revenues from the

crude reserves once commercial production starts, its spokesman said on Monday.

[India; Industry faces collapse as outages continue](#)

COIMBATORE: A pall of gloom has descended over small and medium industrial units in Coimbatore ever since erratic power outages started affecting all activities in Western Tamil Nadu. The severe energy crisis has stalled manufacturing in most units. In the city alone, units suffer a loss of Rs 6 crore. Unit owners continue to pay wages as workers sit idle throughout the day. The threat of a hike in power tariff adds fuel to the fire.

[Less state aid could mean more need in Sand Springs](#)

Leaders of the Low-Income Home Energy Assistance Program, which is administered by the Oklahoma Department of Human Services, announced earlier this month that a funding gap will mean less assistance in the state.

The LIHEAP budget was cut by approximately two-thirds, leaving \$16 million to fund winter heating, energy crisis assistance and summer cooling programs, according to data from LIHEAP.

[Paul Udall - An undeniable alternative: the scope of the renewable energy market](#)

Mounting pressure on natural resource reserves is opening up a host of opportunities for active investors looking to take advantage of global urbanization trends through the alternative energy sector.

Based on current consumption levels, the global oil supply is predicted to last for another 49 years – a worrying statistic, particularly as currently only 12 percent of the world's population consume 75 percent of the global energy supply. If the developed markets maintain their insatiable appetite for power, and emerging markets begin to follow suit as they continue to expand, then the world faces a clear mismatch between future needs and current production levels. To counter this, a rebalancing of the energy mix is inevitable, increasing the use of renewable sources, with such a shake-up presenting a host of investment opportunities for those looking to take advantage of global urbanization trends.

[England's wood fuel subsidy is 'threat' to Scots jobs](#)

THOUSANDS of Scottish jobs are at risk because of Westminster Government plans to pay out vast subsidies to wood-burning power stations in England.

[GM Volt owners can get loaner during fire probe](#)

NEW YORK (CNNMoney) -- General Motors said Monday it will loan cars to any owner of its electric-powered Chevrolet Volt who is worried about the risk of a battery fire after a crash.

The automaker, which reasserted the overall safety of the car, had no estimates about how many loaners might be requested or how long the Volt owners will be able to use the loaner.

[Western states report comeback of cattle rustling](#)

SALMON, Idaho (Reuters) - Cattle rustlers, casting aside saddle and spurs for modern horsepower, are roaming the West with four-wheel drive and GPS technology in a resurgence of livestock thievery considered a hanging offense on the old frontier.

State livestock officials said the increase in cattle crimes was linked to the slumping economy, soaring beef prices and the advent of handheld global positioning systems that allow rustlers to more easily navigate the wide-open range.

[Waiting for midnight, hungry families on food stamps give Walmart 'enormous spike'](#)

At the stroke of midnight, a growing number of Americans are lining up at Walmart not to cash in on a holiday sale, but because they're hungry.

The increasing number of Americans relying on food stamps to survive the sluggish economic recovery has changed the way the largest retailer in the United States does business.

Carol Johnston, Walmart's senior vice president of store development, said that store managers have seen an "enormous spike" in the number of consumers shopping at midnight on the first of the month. That's typically when those receiving federal food assistance have their accounts refilled each month.

[The New Story of Stuff: Can We Consume Less?](#)

A new study finds that Britons are consuming less than they did a decade ago, with similar patterns being seen across Europe. Could this be the beginning of a trend in developed countries? Might we be reaching "peak stuff"?

[Bold energy plan to end reliance on fossil fuels](#)

An energy plan to end Denmark's reliance on fossil fuels by 2050 and move energy production over to windmills and biomass was launched this Friday by the government.

But while the climate plan might bode well for Denmark's green credentials and self-

sufficient future, in the short term workplaces may be lost.

The plan is likely to be expensive for both tax-payers and businesses, and so to prevent companies from moving jobs to lower cost countries, a fund has been established to help subsidise the switchover.

[Oil Climbs to Highest in More Than a Week on U.S. Sales, Syrian Sanctions](#)

Oil rose above \$100 a barrel in New York for the first time in more than a week on signs of economic recovery in the U.S., while sanctions on Syria stoked concern Middle East crude supplies may be threatened.

Futures advanced a second day, gaining as much as 4.1 percent. U.S. retail sales during Thanksgiving climbed 16 percent to a record. The Arab League imposed sanctions on Syria after the country refused to halt a crackdown on protesters. The country produced an average of 332,000 barrels of crude a day in August, according to the International Energy Agency.

[Kuwaiti cabinet quits to resolve demands from protesters](#)

The Kuwaiti government quit on Monday, parliamentary sources said, to resolve demands from protesters and opposition deputies that the prime minister step down over corruption allegations.

It was not immediately clear whether the cabinet's resignation had been accepted by the ruling emir, Sheikh Sabah Al Ahmad Al Sabah. If he does so, he may then also dissolve parliament before setting a date for new elections.

[China aims to boost military links with Kuwait](#)

Chinese warships started a five-day official visit to Kuwait on Sunday in a bid to increase military links between the two countries, according to a report.

Two warships docked at Kuwait's Shuwaikh port, the Chinese Xinhua News Agency said on Monday.

[Raw Materials Topping Equities With Economic Expansion Intact](#)

Commodities are beating equities for a fifth consecutive year, a sign that demand from developing economies is sustaining global growth that drove prices up almost fourfold in a decade.

[Russia Transneft hikes fines for below par oil load](#)

(Reuters) - Russia's oil pipeline operator Transneft will substantially increase fines for lower than agreed volumes loaded into its network, a company spokesman told Reuters on Monday.

[Arab League Imposes Sanctions on Syria as Eight-Month Crackdown Persists](#)

The Arab League imposed unprecedented sanctions on Syria, including a freeze on financial assets in Arab countries and a travel ban on senior officials, after it failed to stop its crackdown on protesters.

[Iran oil targeted by Obama sanctions](#)

NEW YORK (CNMoney) -- President Obama last week ratcheted up the pressure on Iran's oil industry with fresh sanctions. The sanctions, which include much stricter provisions, are likely to put tremendous pressure on the Iranian government, but they may also cause a spike in oil prices.

[Long Lines Form as Egypt Commences Historic Vote](#)

Egyptians turned out in large numbers Monday for their first parliamentary vote since President Hosni Mubarak's ouster, even as military rulers said they would yield little authority to the new legislators.

[In Fog of War, Rift Widens Between U.S. and Pakistan](#)

After a NATO airstrike killed at least two dozen Pakistani soldiers, actions by the United States and Pakistan reflected a distrust that gets harder to repair with each clash.

[Shell, Mitsubishi Sign \\$17 Billion Iraq Agreement to Develop Natural Gas](#)

Iraq, seeking to boost power output after years of conflict and sanctions, completed the final accord for a \$17 billion project with Royal Dutch Shell Plc (RDSA) and Mitsubishi Corp. (8058) to capture natural gas from its oil fields.

Shell Chief Executive Officer Peter Voser, Mitsubishi Senior Vice President Tetsuro Kuwabara and Iraqi Oil Minister Abdul Kareem Al-Luaibi signed the agreement to save and produce gas that is currently flared off in southern Iraq.

[Libya's Waha Oil begins production at two fields-NOC](#)

(Reuters) - Libya's Waha Oil, a joint venture with U.S. firms ConocoPhillips, Marathon and Amerada Hess, has begun crude oil production at the Dahra and Samah fields at a rate of 16,000 barrels per day, the National Oil Corporation (NOC) said on Monday.

[Statoil restarts 2 oil platforms after storm](#)

(Reuters) - Two Statoil floating oil platforms came back online over the weekend after being shut Friday due to weather concerns but the status of a third facility was not yet clear.

[Anadarko ups Mozambique gas reserves again](#)

LONDON (Reuters) - U.S. oil company Anadarko Petroleum said its major gas finds offshore Mozambique were actually twice as large as it earlier thought, adding support to hopes that East Africa will become another major gas production centre.

Anadarko said on Monday that the results of its Barquentine-3 appraisal well showed its fields had recoverable reserves of 15 to over 30 trillion cubic feet (Tcf) of natural gas -- compared to total UK gas reserves of 9 Tcf, according to the BP Statistical Review of World Energy.

[UK 'backs Canada' in EU oil sands row](#)

The UK has given "secret support" at "the very highest level" to Canada's efforts to thwart strict European rules on its potentially vast oil sands exports, a report claims.

[Sarkozy Says 24 Reactor Halts Would Cost EU115 Bln in Turbines](#)

French President Nicolas Sarkozy said that a proposal by opposition political parties to shut 24 nuclear reactors would cost 115 billion euros in investment if they were replaced by wind turbines.

"Who would pay and where would we find them?" Sarkozy said of the 30,000 turbines that would be needed and would "disfigure" the countryside.

[Spain's Fersa May Miss Capacity, Sales Goals on European Crisis](#)

Fersa Energias Renovables SA (FRS), the Spanish wind-energy developer whose stock has lost 46 percent since April, may miss its capacity and sales targets as Europe's debt crisis dries up financing for projects.

[Drivers still want electric cars, Nissan says](#)

Demand for electric cars remains steady, even in the face of slightly lower gas prices.

That's the view put forward by Nissan. The automaker says it is seeing unrelenting demand for its limited-production Leaf electric vehicle continuing for the foreseeable future, in spite of rumors that consumer fascination with battery-powered cars is waning.

[Poor economy slows Hispanic birth rate](#)

The number of babies born to Hispanics dropped below 1 million in 2010, a nearly 11% drop since 2007 that reflects the tough times.

Fewer people of all backgrounds are having babies because of economic concerns but the sharpest drop is among Hispanics, a booming population that contributes almost a quarter of all U.S. births and half of its population growth.

[Climate talks open on ever-rising emissions](#)

(AP) DURBAN, South Africa - Global warming already is causing suffering and conflict in Africa, from drought in Sudan and Somalia to flooding in South Africa, President Jacob Zuma said Monday, urging delegates at an international climate conference to look beyond national interests for solutions.

"For most people in the developing countries and Africa, climate change is a matter of life and death," said the South African leader as he formally opened a two-week conference with participants from 191 countries and the European Union.

[China says "not optimistic" about climate talks](#)

BEIJING (Reuters) - China's chief negotiator for climate change talks is "not very optimistic" about the results of global climate talks in Durban, state radio reported on Monday.

Countries will make a last ditch effort to save a dying Kyoto Protocol at global climate talks starting on Monday aimed at cutting the greenhouse gas emissions blamed by scientists for rising sea levels, intense storms and crop failures.

[EU Demand for Climate Pledge From Japan, Russia Raises Hurdle at UN Talks](#)

The European Union's demand for a road map leading to the next legally-binding global warming treaty raises a hurdle that may snarl negotiations at the United Nations climate conference this week.

The 27-nation bloc said it accounts for about 11 percent of global emissions and that it can't act alone on emissions blamed for damaging the environment. Limits under the Kyoto Protocol expire next year. Japan, Russia and Canada have ruled out more commitments under that pact.

[After apartheid, Tutu aims at 'huge enemy' climate change](#)

Nobel Peace laureate Desmond Tutu on Sunday branded climate change a "huge, huge enemy" that threatened the common home of humanity, imperilling rich and poor alike.

[Rice 2.0: Climate changes rice in Japan](#)

Rice is responsible for feeding half the world, or more than 3.5 billion people. In other words, rice is important. A tweak to how the grain is grown, sold or eaten can send ripples through the world economy. Take Thailand, which supplies 30 percent of the world's rice. Government subsidies there threaten to raise the price of putting dinner on the table in Mexico. GlobalPost takes a closer look at a tiny grain with a giant footprint.

[Land, water scarcity threaten food security: U.N.](#)

MILAN (Reuters) - A rapidly growing population, climate change and degradation of land and water resources are likely to make the world more vulnerable to food insecurity and challenge the task of feeding its people by 2050, the United Nations' food agency said.

...Intensive farming of the past decades has helped to feed millions of hungry people but it has often led to degradation of land and water systems on which food production depends, the U.N. Food and Agriculture Organization (FAO) said on Monday.



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