



## Drumbeat: November 30, 2011

Posted by [Leanan](#) on November 30, 2011 - 9:36am

### [Funds, refiners ponder oil Armageddon: war on Iran](#)

REUTERS - Oil consuming nations, hedge funds and big oil refineries are quietly preparing for a Domsday scenario: An attack on Iran that would halt oil supplies from OPEC's second-largest producer.

Most political analysts and oil traders say the probability of military action is low, but they caution the risks of such an event have risen as the West and Israel grow increasingly alarmed by signs that Tehran is building nuclear weapons.

That has Chinese refiners drawing up new contingency plans, hedge funds taking out options on \$170 crude, and energy experts scrambling to determine how a disruption in Iran's oil supply -- however remote the possibility -- would impact world markets.

### [Oil Pares Second Monthly Gain After U.S. Crude, Distillate Stockpiles Rise](#)

Oil fell from the highest in two weeks in New York after Standard & Poor's cut credit ratings on some of the world's biggest lenders, and amid signs of rising crude supplies in the U.S.

West Texas Intermediate futures slid as much as 0.9 percent, paring a second monthly gain. The industry-funded American Petroleum Institute said yesterday crude inventories climbed by 3.44 million barrels last week. S&P lowered the ratings of banks led by Goldman Sachs Group Inc., Bank of America Corp. and UBS AG. Prices rose yesterday after U.S. consumer confidence climbed the most in more than eight years and Iranian protesters vandalized the British Embassy's compound in Tehran.

### [China Lifts Electricity Prices, Caps Coal Costs Amid Power Profit Squeeze](#)

China, the world's biggest energy consumer, will increase retail and wholesale electricity prices for the first time since June and cap the cost of coal used by power stations.

### [BP aiming to send N.Sea Forties crude to Asia-trade](#)

(Reuters) - BP is looking to send North Sea Forties crude to Asia in a rare move, traders

said on Wednesday.

### [Qatar defies global gloom with \\$5 billion bond issue](#)

(Reuters) - Qatar, the world's biggest natural gas exporter, has raised \$5 billion with its first sovereign bond issue in two years, capitalising on investors' appetite for safe havens as the European debt crisis destabilises global markets.

### [Turkmenistan to boost gas exports to China](#)

MONTREAL - Turkmenistan has agreed to increase future natural gas exports to China from the already planned 40 billion cubic meters per year (bcm/y) to 65 bcm/y, or more than half of China's total consumption of natural gas.

### [EU to impose new sanctions on Syria, hold off on Iran oil embargo](#)

Brussels - The European Union is poised to slap Syria with massive sanctions targeting everything from computer software and insurance to the banking and energy sectors, while holding off on a French call for an embargo on Iranian oil, diplomats said Wednesday.

### [Syria Says Sanctions Are 'Economic War' as UN Reports Abuses](#)

Syrian Foreign Minister Walid al-Muallem called the Arab League's sanctions against his country a declaration of "economic war" as a United Nations human-rights panel said Syrian forces had committed crimes against humanity.

The unprecedented measures adopted by the bloc Nov. 27, including a freeze on Syrian assets and a travel ban on senior officials in President Bashar al-Assad's government, will have no impact on day-to-day life, though they may affect some luxury goods, Muallem told reporters yesterday in Damascus. Iraq and Lebanon, two of Syria's largest trading partners, and Jordan probably won't implement the sanctions, he said.

### [Cairn's \\$600 Million Greenland Oil Campaign Ends in Failure](#)

Cairn Energy Plc (CNE) ended this year's \$600 million drilling program off Greenland after the biggest exploration campaign attempted in the Arctic island's waters failed to make a viable discovery.

### [Iran Oil Sanctions Set to Shrink the Circle of Foreign Buyers](#)

Iran faces new hurdles to getting paid for its oil as the U.S. tightens financial sanctions to

deter buyers from the world's third-largest crude exporter.

### [U.K. Warns Iran After Tehran Embassy Attack](#)

The U.K. will evacuate some of its diplomatic staff from Iran after its embassy in Tehran was stormed by protesters yesterday, chanting "death to the U.K." and burning its flag.

### [Norway closes embassy in Iran after Brits attacked](#)

OSLO, Norway (AP) — Norway has closed its embassy in Tehran due to security concerns after Britain's mission was stormed by Iranian protesters, an official said Wednesday.

### [Oil services company stalled by Yemen protests to resume work](#)

SPD, the Dubai oil engineering firm, is hopeful that a prospective transfer of power in Yemen will allow it to return to fields that once yielded it a third of its revenue.

### [S. Sudan "surprised" by oil export halt, seeks pipeline](#)

JUBA/BEIJING (Reuters) - South Sudan's oil minister said on Tuesday Sudan's decision to halt the South's oil exports over a transit fee row would hurt both countries' oil interests, and that the South would keep seeking an alternative pipeline.

### [Calls for an end to Sudanese oil dispute from China](#)

Yesterday China, the largest recipient of Sudanese oil and active in the country through a state-owned oil company, urged both parties to keep exports flowing.

"We believe that maintaining the normal production of oil is important for both South Sudan and Sudan," Hong Lei, a foreign ministry spokesman, said in Beijing.

### [South sees no future in Sudan oil infrastructure: min](#)

JUBA (Reuters) - South Sudan will continue to press for a new oil pipeline because it does not see a future in Sudan's oil infrastructure, the oil minister said on Tuesday, a day after Sudan said it halted shipments of the South Sudanese government's oil at port.

### [Sudan has not stopped South Sudan oil exports -official](#)

ADDIS ABABA (Reuters) - Sudan has not stopped landlocked South Sudan's oil exports in a transit fee row and does not intend to, a Sudanese official said on Wednesday, but said Sudan had confiscated crude shipments in lieu of payments it claims South Sudan owes.

### [China keen to build roads, railways in Uganda](#)

Two prominent projects have been the funding of construction of a \$93 million state house villa in 2007 and a toll road connecting the capital Kampala and Entebbe, the country's international airport.

Chinese petroleum firm Cnooc, alongside France's Total are awaiting government approval of their proposed partnership with London-listed explorer Tullow Oil, in its fields in the country's nascent oil sector.

### [9,450 energy theft cases detected this year](#)

KUALA LUMPUR: Tenaga Nasional Berhad (TNB) has detected 9,450 cases this year of customers tampering with electricity meters at their residence and factories.

### [The Peak Oil Crisis: The IEA's Road Show](#)

Every November following the publication of the IEA's World Energy Outlook, the leadership of the Agency travels to major capitols in an effort to explain to the world's leaders the conclusions of the new publication. Parts of this year's briefings contain not-so-subtle hints as to what sort of energy policies the world's leaders might like to follow if they want to avoid killing off all life on earth a century or so from now. Earlier this week the travelers stopped in Washington, where sandwiched between visits to various dignitaries they briefed an assemblage of some 200 journalists.

Although I had already plowed through the 600-page report and extracted some wisdom for these columns, I thought it might be interesting to hear about how the IEA's leaders, who oversaw the scope and approved the findings of the new report, saw the global energy situation.

### [Black gold, man: A new oil patch is on the way](#)

Goldman issued a report on the 10th anniversary of 9/11 that says the United States will be the world's largest producer of petroleum by 2017. The reason: The same techniques that have opened massive new natural gas supplies in places like the Haynesville Shale are starting to perform the same miracle for oil all over the country.

Goldman says U.S. production will rise from 8.3 million barrels a day to 10.9 barrels a day over the next five years. Russia's production is 10.6 million barrels.

## [Critical Issues of 2012: How Investors Can Position Themselves for the Year Ahead](#)

Whether one agrees with theories of peak oil or not, the statistics show that the world is becoming more dependent on oil from less efficient, “unconventional,” sources. The chart below, adapted from data compiled by Dr. Tom Murphy of the University of California San Diego, shows that any alternative energy source will be less efficient than conventional oil. The consequence of this is that energy is becoming more expensive and those with access to cheap energy will have a productivity advantage. In conjunction, those nations that export energy gain greater economic and political power because they can influence the performance of larger economies that have to import oil and gas. Higher energy prices act like a tax that slows the economy by reducing productivity, and transmits wealth from the consumer to the producer. In addition, the Federal Reserve also influences prices, as devaluing the dollar increases the value of energy resources, all else equal.

## [Alberta's Oil Sands Heat Up](#)

Thanks to its deposits of buried bitumen, Canada is one of the world's fastest-growing oil producers. New extraction technologies are opening up even more of the vast resource—prompting fresh environmental concerns.

## [Oil sands opponents turn focus to Enbridge project](#)

CALGARY, Alberta (Reuters) - Enbridge Inc's proposed C\$5.5 billion (\$5.3 billion) pipeline to British Columbia poses a raft of environmental risks, according to a new report that signals the project will become the next battleground over the future of Canada's oil sands.

## [Unleashing the Future: Advancing Prosperity Through Debt Forgiveness \(Part 2\)](#)

American baby boomers were born into a world of cheap oil, plentiful jobs, and expansionary foreign policy and were raised by Depression-era parents that wanted to give them the amenities that they never had the chance to enjoy. This engrained an historical sense that physical growth was unlimited and that the “world was there for me”.

Today’s so-called Millennials (children of baby boomers) are growing up in a starkly different world of peak oil, global warming, shrinking jobs, and diminished material standard of living, but one with unprecedented interconnection. Material opportunities are contracting, but social opportunities are expanding. The new motto emerging is more like: “We are in the world and for each other.” A collapse of material prosperity has given way to the increasing possibility of experiential and social richness.

## [Fukushima operator urged to scrap all reactors](#)

Tokyo - The governor of Fukushima on Wednesday urged the Japanese government and Tokyo Electric Power Co to decommission all 10 of the prefecture's reactors in the wake of the world's worst nuclear disaster in 25 years.

### [Chernobyl nuclear disaster zone deemed too hot for tourists](#)

A Ukrainian court has banned tourists from the site of the 1986 Chernobyl nuclear plant meltdown less than a year after government officials declared the region safe and opened it for tours.

### [Brazil Has Become Net Ethanol Importer, Bunge's Coviello Says](#)

Brazil has become a net importer of ethanol, particularly from the U.S., Rob Coviello, head of global sugar trading at Bunge Ltd. (BG), said today at a conference in London.

### [Private Dollars Revive a Solar Panel Plan for Military Housing](#)

An ambitious project by a California company to install solar panels for more than 100,000 military housing units has been revived with private financing after it failed to receive a loan guarantee from the federal government.

### [Tribal Land Rules: Obama Administration's Proposed Changes Include Wind, Solar Energy Projects](#)

Washington — Ahead of a meeting Friday between President Barack Obama and hundreds of Native American leaders, the administration unveiled new rules for tribal lands that officials say will expedite home building and energy development.

The proposed changes — the first of its kind in 50 years — would open the door to badly-needed housing development on reservations, and for wind and solar energy projects that tribes have been eager to launch.

### [Infographic Of The Day: The Metals That Enable Our Gadgets Are Vanishing](#)

Jevons Paradox is probably the world's least appreciated Big Idea.

### ["Warning: This Car Is Inefficient"](#)

Have you ever noticed a friend or neighbor driving a new hybrid car and felt pressure to trade in your gas guzzler? Or worried about what people might think when you drive up to the office in an SUV? If so, then you have experienced the power of reputation for

encouraging good public behavior. In fact, reputation is such an effective motivator that it could help us solve the most pressing issue we face—protecting our planet.

### [Some fight uphill battle for a simpler holiday season](#)

On Black Friday, jacket maker Patagonia ran ads urging people NOT to buy its clothes if they didn't need them.

In a post on the company's blog, the high-end outdoor clothing maker explained, "It would be hypocritical for us to work for environmental change without encouraging customers to think before they buy."

### [As Water Levels Drop, Texas Drought Reveals Secrets of the Deep](#)

MARTINS MILL, Tex. — For more than three years, the lake on Jack Mewbourn's ranch here held a secret at its murky bottom: A 1999 Chevrolet Monte Carlo. His grandson was the first one to notice the top of the car peeking out of the water. It wasn't luck, or even fate. It was drought.

The water level in the seven-acre lake has dropped about five feet from a lack of rain. Stand on the grass lining the lake's edge today, and in any other year you would be standing nearly waist-deep in water.

### [Partnership Preserves Livelihoods and Fish Stocks](#)

Five years ago, the conservancy bought out area fishing boats and licenses in a fairly extreme deal — forged with the local fishing industry — to protect millions of acres of fish habitat. The unusual collaboration was enjoined to meet stricter federal regulations and the results of a successful legal challenge. But once the conservancy had access to what was essentially its own private commercial fishing fleet, the group decided to put the boats back to work and set up a collaborative model for sustainable fishing.

### [Will the Lights Stay On in Texas and New England?](#)

Texas and New England may soon run short of the generating capacity they need to reliably meet peak loads, largely because old plants will be retired rather than retrofitted to meet new pollution rules, the North American Electric Reliability Corporation reported on Monday.

### [EPA Said to Give Power Companies Options to Delay Pollution Rule](#)

The Environmental Protection Agency would let power plants apply for more time to comply with new pollution standards under a rule sent to the White House for review,

according to people familiar with the process.

### [Alaska Native, conservation groups appeal 2nd air permit to Shell for Arctic offshore drilling](#)

ANCHORAGE, Alaska (AP) — Alaska Native and conservation groups are again taking aim at a federal permit needed by a subsidiary of Royal Dutch Shell to drill for petroleum in Arctic Ocean waters off Alaska's northern shore.

### [Alaskan community revives legal bid for global warming damages](#)

A native American community in remote Alaska this week revived legal efforts to hold some of the world's largest energy companies accountable for allegedly destroying their village because of global warming.

The so-called "climigration" trial would be the first of its kind, potentially creating a precedent in the US courts for further climate change-related damages cases.

### [A grim glimpse into Del.'s coastal future](#)

Tom Owen looked at the state's sea-level-rise projection map of Lewes along Delaware Bay on Tuesday night and was only slightly reassured.

He was one of about 100 people who came to see the state Sea Level Advisory Committee's projections of what gradually rising coastal waters will mean for Delawareans over the next 100 years.

"The cottage on the beach is going to be there," he said. "But we're not going to be able to get to it ... and I'm not a boating person."

### [Wood fires fuel climate change – UN](#)

Log burning and diesel vehicles two of the biggest culprits in developed world in generating pollution causing black carbon.

### [Top UN climate scientist lays out dangers of global warming, benefit of controlling pollution](#)

DURBAN, South Africa — The U.N.'s top climate scientist cautioned climate negotiators Wednesday that global warming is leading to human dangers and soaring financial costs, but containing carbon emissions will have a host of benefits.

### [Kent rejects climate 'guilt payment' to poorer countries](#)



The Kyoto Protocol is built on an outdated view of the developed and developing world and the unacceptable demand for climate reparations from poorer countries, Environment Minister Peter Kent says.

### [China decries Canada's "bad example" in climate talks](#)

Canada's failure to deny reports that it is about to ditch the Kyoto Protocol is "setting a bad example" to other developed nations as global climate change talks enter their third day, China's official news agency said on Wednesday.

### [Archbishop Tutu challenges Canada to stop protecting big oil](#)

OTTAWA — Archbishop and Nobel laureate Desmond Tutu is challenging the Canadian government's support for the oil and gas industry, while urging it to start leading the world in addressing climate change as it did in opposing the "whites-only" rule that plagued South Africa in the 1980s.

### [Banks seen as climate culprits at global talks: report](#)

DURBAN (Reuters) - Major global banks are exacerbating the fight against global warming by supplying power utilities and mining firms with ample funds to build coal-fired plants, according to a report released by non-governmental groups at the climate talks in Durban.

### [China, Japan Clash With EU Over Aviation CO2 Curbs at Summit](#)

European Union plans to impose curbs on carbon-dioxide emissions by international airlines as of 2012 drew fire from countries including China, Venezuela and Japan, marking a new stumbling block at the climate summit this week.

### [Shipping sector may accept price on CO2 emissions](#)

The world shipping industry could accept a global levy on carbon emissions from merchant ships under a deal that would also channel proceeds to poor countries, according to an announcement at the UN climate talks on Tuesday.

### [There is still time to avoid being locked into a high-carbon energy system - but not much](#)

THE WORLD is losing the battle against climate change. Last year, the greenhouse gas emissions, blamed by scientists for causing global warming, increased by more than 5 per cent, despite all the efforts being made by many countries to contain them and even against the backdrop of the worst economic recession for decades.

## [Qatar, Greenhouse Gas Titan, Will Host Next U.N. Climate Summit](#)

The Persian Gulf nation of Qatar has been selected as the site of next year's United Nations climate change meeting, edging out South Korea. The announcement came as this year's meeting opened in Durban, South Africa, with delegates from 194 nations facing growing concerns about rising global temperatures and more frequent climate-related catastrophes.

## [Small island states 'may disappear if no climate deal'](#)

DURBAN (Reuters) - Small island states may disappear under rising seas if an international agreement to tackle climate change is delayed for another decade, an official said on Monday.

The European Union is calling for a global deal to be reached by 2015 and implemented by 2020, but the 43-member Alliance of Small Island States (AOSIS) said that would be too late to reverse rising sea levels that threaten to submerge the vulnerable states.

## [Scientists say act or lose all Arctic ice](#)

DURBAN, South Africa: Thirteen of the world's hottest recorded years have occurred in the past 15 years and Arctic ice layers were at their thinnest this year, scientists have warned.

This year was also the hottest to coincide with the normally cooling effect of the La Nina weather system in the Pacific, the World Meteorological Organisation (WMO) found.

Without urgent action by all governments, they say, global temperatures could "very rapidly" rise to 2 degrees above pre-industrial levels, which it is believed would trigger irreversible changes in the climate.



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