



## Drumbeat: April 28, 2012

Posted by [Leanan](#) on April 28, 2012 - 9:38am

### [For Egypt, gas deal with Israel was bad business](#)

CAIRO, Egypt — While much of the world sees Egypt's decision to cancel a natural gas contract with Israel as a threat to peace, Egyptians say it just makes good business sense.

Last week, Egypt's government unilaterally cancelled the 7-year-old natural gas deal, citing the failure of the Egyptian-Israeli consortium East Mediterranean Gas Co (EMG) to make regular payments.

Not so, says EMG, which told Reuters on Wednesday that the gas supply was interrupted because Egypt failed to protect the feeder pipeline in the Sinai Peninsula from militant attacks.

But politics and peace treaties aside, experts here say the deal — clinched at below-market prices under the notoriously crooked regime of former President Hosni Mubarak — makes little sense for Egypt, a nation scrambling to boost its tumbling foreign currency reserves. Egypt is also struggling with a ballooning demand for energy that will soon outstrip supply.

### [Oil Advances in Last Hour of Trading, Reversing Decline](#)

Oil rose to the highest level in more than three weeks in New York as the biggest gain in U.S. consumer spending in more than a year and better-than-projected earnings overshadowed lower-than-forecast economic growth.

Futures climbed 0.4 percent after the Commerce Department said household purchases increased 2.9 percent, exceeding the most optimistic projection by economists surveyed by Bloomberg. Gross domestic product grew at a 2.2 percent annual rate, missing the 2.5 percent projection. Equities increased after Amazon.com Inc. posted earnings per share that quadrupled.

### [U.S. oil imports rise in February-EIA](#)

WASHINGTON (Reuters) - U.S. crude oil imports rose for the fourth time in five months in February, climbing 545,000 barrels per day from a year earlier, the Energy Information Administration said on Friday.

Crude imports averaged 8.558 million bpd in February. Excluding a drop last month, the United States has imported more oil every month since October when compared to a year ago.

The rise in imports coincided with a much smaller-than-expected decrease in February oil demand, with consumption down just 0.72 percent from a year ago.

### [Mexico Oil Opening First Time Since 1938 Shows Revival](#)

For the first time in 74 years, Mexico may allow private investment in its oil and gas, the third-largest reserves in Latin America.

### [Need to rationalise petroleum prices: Prime Minister](#)

Prime Minister Manmohan Singh today said India needs to rationalise the prices of petroleum products while insulating the common man from its effects.

Dedicating the Rs 20,000 crore-Guru Gobind Singh Refinery, he said with imports accounting for about 80 per cent of the crude supplies, the spiralling prices of crude in the international markets have put a serious strain on the import bill.

### [HPCL head says no decision yet on Pakistan fuel trade](#)

(Reuters) - Hindustan Petroleum Corp Ltd (HPCL) (HPCL.NS) has not finalised any agreements with Pakistan on exporting fuel to that country, the company's chief said at the opening of a new refinery on Saturday near the border between the two countries.

HPCL is in talks with Kuwait and Saudi Arabia for long-term crude oil supply contracts for the Bathinda refinery, chairman S. Roy Choudhury added.

### [TransCanada seeks switch from gas to oil](#)

TransCanada Corp. TRP-T is "actively" pursuing a move to ship oil rather than natural gas along a key pipeline network, as prices for the Alberta gas fetch low profits.

### [Russia warns EU Iran oil embargo will be costly](#)

(Reuters) - Russia pressed its case against new sanctions over Iran's nuclear program on Friday, saying an European Union ban on purchasing Iranian oil would end up hurting the bloc's member countries.

### [Japan Cosmo Oil resumes ops of quake-hit Chiba CDU](#)

(Reuters) - Japanese oil refiner Cosmo Oil Co said it has restarted the 100,000 barrels per day (bpd) No.1 crude distillation unit (CDU) at its 220,000 bpd Chiba refinery, east of Tokyo, on Saturday, marking the first operations in more than 13 months after the facility was shut following a massive earthquake.

### [Venezuela to Construct 3 Oil Refineries in China](#)

Venezuela will construct three oil refineries in China, the state-run Venezuelan oil company PDVSA said, quoting Energy Minister Rafael Ramirez.

“Our goal is to give an impetus to Venezuela’s energy cooperation with Asian countries, which is in line with President Hugo Chavez’s policies aimed at building a multipolar world and diversifying the oil market,” Ramirez was quoted as saying.

### [China firm to build part of refinery in Nicaragua](#)

(Reuters) - China's CAMC Engineering Co Ltd will build a 1.08 million-barrel oil deposit tank and submarine pipelines for a refinery in western Nicaragua, authorities from the Central American nation told local media on Friday.

### [Norway’s Arctic Oil Bonanza Gets Reality Check in Pipe Limbo](#)

Norway is grappling with how to turn last year’s oil and gas finds in the Arctic Circle into real money as the world’s seventh-largest crude exporter seeks to sustain output after more than 40 years of extraction.

### [Aftermath: The Deepwater Horizon, Two Years on](#)

For 87 days in 2010, the nation and much of the world watched transfixed as tens of thousands of barrels of oil a day gushed from the floor of the Gulf of Mexico. Explosions aboard the offshore drilling rig, *Deepwater Horizon*, killed 11 men on April 20, 2010. Seventeen people were injured. More than 100 people fled the vessel and survived.

### [ConocoPhillips to compensate for oil leaks](#)

US energy giant ConocoPhillips China and its partner the China National Offshore Oil Corp have agreed to pay 1.68 billion yuan (\$267 million) for the oil leaks off northern Bohai Bay, China's maritime watchdog announced on Friday.

### [Japan to Model Trillion-Yen Tepco Bailout on 2003 Bank Rescue](#)

Japan intends to take control of Tokyo Electric Power Co. in return for bailing out the beleaguered utility, following a model it adopted to rescue the nation's fifth-biggest bank.

### [Edison, Scripps join to study offshore faults near San Onofre](#)

Southern California Edison announced Friday that it will collaborate with the Scripps Institution of Oceanography on seismic studies looking at offshore faults near the San Onofre nuclear plant, beginning later this year.

### [A California Startup Taps the Sun to Pump Oil in the Middle East](#)

When Rod MacGregor launched GlassPoint Solar in Fremont, California, in 2009, he tried to sell its solar technology to domestic oil companies. His pitch: By harnessing the sun to power their pumping equipment, they wouldn't have to pay for the natural gas they typically used to extract heavy crude. Few deals resulted, but MacGregor persisted.

Now with natural gas prices at less than \$2 per million cubic feet, a 10-year low in the U.S., the Scottish-born serial entrepreneur is packing on the frequent flier miles, focusing on Middle Eastern countries with abundant sunlight and hard-to-reach heavy crude, where many oil companies pay \$10 or more per million cubic feet for the liquid natural gas that powers their extraction machinery.

### [Vestas Appoints Andresen as CFO, 'Significant Tightening' Needed](#)

Vestas Wind Systems A/S (VWS) hired former Vattenfall AB Chief Financial Officer Dag Gunnar Andresen to take up the same role at the world's biggest turbine maker after the predecessor quit amid worse-than-expected losses.

### [A123 Rises as Army Testing Its Batteries in Prototype](#)

A123 Systems Inc. (AONE), a U.S. maker of lithium-ion batteries for electric cars, rose the most in more than three months after the U.S. Army introduced a prototype vehicle that uses its products.

### [Good-for-Nothing Polluted Land May Be Good for Renewables](#)

EPA estimates there are 490,000 contaminated sites covering almost 15 million acres across the United States, in both urban and rural areas. Reusing this land for renewable energy projects could provide economic and other benefits.

"Tapping sun and wind power at brownfield sites, rooftops, parking lots, and abandoned land could provide untapped gigawatts of clean energy," said Jared Blumenfeld, EPA's regional administrator for the Pacific Southwest, in a statement.

### [More singles living alone and loving it, despite the economy](#)

The swelling percentage of single-living people is changing the way cities grow, homes are built and businesses operate. The trend line has been noticed by developers and economic observers in many corners of the country.

### [A Daunting Emissions Quest for U.S. Cities](#)

More than 1,000 American cities have voluntarily committed themselves to ambitious targets for reducing carbon dioxide emissions. A recent case study focusing on Allegheny County, Pa., home to Pittsburgh, highlights how hard it will be for some to meet those goals, however.

### [EPA faces crucial climate decision on diesel made from palm oil](#)

Quick quiz: Which country is the world's third-largest emitter of greenhouse gases, after the United States and China?

The answer, at least in recent years, has been Indonesia. That's surprising. It's not the world's third-largest economy. It's not an industrial powerhouse. But Indonesia has been clearing its vast rain forests of late, releasing huge stores of carbon into the air. One culprit has been the country's fast-growing production of palm oil, an edible vegetable oil that's increasingly being harvested to make biodiesel fuel for cars and trucks in Europe.

### [Germany: Fighting Climate Change And Phasing Out Nuclear Power Are Two Sides Of The Same Coin](#)

Instead of repeating myths about Germany's nuclear phase-out, the editorial board of the *Washington Post* would do better by looking at the facts. It would also help to expand the article's narrow focus to include a question about whether nuclear is even the most cost-effective or safe option to fight climate change. It is not, says even the *Economist*.

### [Carbon Price Needed to Halt Warming, NASA Chief Says](#)

Putting a price on carbon is the world's best hope at staving off runaway global warming, said James Hansen, the top climate-change scientist at the U.S. National Aeronautics and Space Administration.

Carbon emitted from cars and factories will have to be reduced by an average of 6 percent a year to stabilize Earth's climate by the end of the century, Hansen said late yesterday in Vienna. Government subsidies to oil, gas and coal companies, worth up to \$500 billion worldwide each year, have impeded the transition to alternative technologies, he said.



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