



Drumbeat: May 12, 2012

Posted by [Leanan](#) on May 12, 2012 - 10:44am

[WSJ: 'Undisclosed' Chesapeake debt looms](#)

A US report contends that the embattled Chesapeake Energy has “previously unreported liabilities” summing to \$1.4 billion resulting from a programme that allowed it to exchange future oil and gas production for cash up front.

The Wall Street Journal analysed 10 of the company’s Volumetric Production Payment agreements and projected that the costs associated with the arrangements was far higher than \$600 million over 10 years previously estimated.

[Chesapeake wins breathing space with \\$3 bln loan](#)

(Reuters) - Chesapeake Energy Corp said it had received a \$3 billion loan from Goldman Sachs and Jeffries Group that will give it breathing room to sell assets and close a funding gap this year.

The company, which has been embroiled in a corporate governance crisis that prompted its move to replace co-founder Aubrey McClendon as chairman, said the new unsecured loan will be used to repay money borrowed under its existing \$4 billion revolving credit facility.

[Report: Pickens sells shares in Chesapeake Energy](#)

Billionaire and former oil magnate T. Boone Pickens’s investment firm has reportedly sold more than half a million shares in Chesapeake Energy, the embattled natural-gas company.

[Oil price declines on slower China growth](#)

NEW YORK (AP) — The price of oil fell Friday after reports that China's economy appears to be slowing down.

China, the world's second-largest oil consumer, reported a sharp decline in both investment and industrial production growth in April. A slowdown in China could push oil consumption — and prices — lower this year.

[Higher Oil Futures Margins May Boost Volatility, IEA Says](#)

Rising margin requirements in oil futures trading may increase volatility and concentrate market share in the hands of large speculators, the International Energy Agency said.

The Obama administration proposed rules on April 17 to strengthen the oversight of the U.S. Commodity Futures Trading Commission to give it authority to raise margin requirements in oil futures trading.

[Essar Oil Reports Quarterly Loss as Refining Margins Shrink](#)

Essar Oil Ltd. (ESOIL), the operator of India's second-biggest non-state refinery, posted a loss for the third straight quarter after earnings from turning crude into fuels declined.

[China returns to Iranian North Pars while problems remain at South Pars](#)

The China National Offshore Oil Corp (SINOC) has announced readiness to restart working on development of Iran's North Pars gas field five years after Iran threatened to cancel the contract due to the Chinese company's repeated delays, the ISNA News Agency said in a report on Monday.

[Venezuela's PDVSA confirms \\$3 billion bond](#)

The issue is Venezuela's first of the year and might kickstart further borrowing to help President Hugo Chavez boost public spending ahead of an October election.

In recent years, PDVSA has enjoyed growing profits thanks to high global oil prices, but has also issued record amounts of debt to cover its own operating budget, transfers to central government, and heavy spending on social programs.

[Nigeria power privatisation winners named in October](#)

ABUJA (Reuters) - Nigeria's privatisation body said on Saturday the preferred bidders for state power assets would be announced in October, hoping to alleviate chronic electricity shortages holding back Africa's second biggest economy.

Nigeria plans to sell off 11 distribution and 6 generation companies as part of plans to privatise a power sector rife with inefficiency and corruption.

[Gas' gain could be coal's loss](#)

The coal industry, which employs thousands of Ohioans, has long been assailed by environmentalists as the fossil of fossil fuels -- primitive, dying off and unable to adapt to a world more conscious of its carbon footprint.

Now it faces pressure from a competitor, natural gas, which is cutting into coal's most important customer base, utility companies.

[Shale gas to put South Australia on front foot as global energy superpower](#)

"As recently as 2006, US natural gas production was in decline but drilling technology advances have allowed US companies to commercialise gas found in deep shales, which has caused the country's gas production to rise sharply," he said.

"Natural gas from shale is now the fastest-growing contributor to total primary energy in the US. Only a few years ago, the US was planning to import gas from other countries but now it is building major liquified natural gas terminals to export its oversupply of shale gas.

"The SA shale industry is still in the early stages of development but many people think the state is very well positioned to capitalise upon its shale gas resources on a large scale."

[Fracking reaches point-of-no-return for EU legislators](#)

What the issue boils down to in Europe is that there is no consistent line taken since there is plenty of unknowns. However, what is needed is a process that properly includes citizens and communities in decision-making related to shale gas, shale oil or coal bed methane. HEAL endorses free and fully-informed consent of local communities which is not applied for most fracking projects prior to both exploration and exploitation phases, while they should be placed at the heart of the discussions.

[Researcher questions impartiality of industry-backed oilsands education program](#)

EDMONTON - An industry-funded program that offers high school teachers a six-day trip to Fort McMurray to "experience Alberta's oilsands" is being expanded across the country.

While the operators of Inside Education say they work hard to ensure their programming offers plenty of balance, others say informing educators about controversial developments shouldn't be left to those with most to gain from them.

[Local Author Predicts Strong Future For Energy Resources](#)

Jay Warmke of Blue Rock Station said he wrote the book, *When The Biomass Hits The Wind Turbine*, because he believes there are more energy resources available than the average person recognizes.

"I hate to be the one to break it to you, but we've gone past peak oil, we've gone past peak coal, we've gone past peak natural gas, and what that means is that half of all of the supplies on this planet has been used up, and that's the easy half," he said. "I'm always struck at how people feel hopeless. Everything has been used up and they have no hope, and I wanted to do some research to see [if this was] the case."

[Gill Tract Farm Essential for Post-Peak Oil Food Security](#)

Without food, we cannot survive and without local farms to grow and supply food in a post-peak oil world, the costs associated with traditional long-distance, oil-reliant food production will continue to soar and become unsustainable.

At the heart of the dispute over the Gill Tract, a 10-acre plot of Class-1 agricultural soil in Albany owned by UC Berkeley and currently being occupied by as many as two-dozen farmers, is a grassroots movement to ensure local food sovereignty, sustainability and security.

[A Higher Price Tag for a Nuclear Project](#)

The flagship project of a hoped-for but not-yet-realized "nuclear renaissance," the Vogtle 3 and 4 reactors under construction near Augusta, Ga., may cost about \$900 million more than had been estimated, the Southern Company said in a filing this week with the Securities and Exchange Commission.

[Battery maker A123 Systems expects a first-quarter loss of \\$125 million](#)

Battery maker A123 Systems expects a first-quarter loss of \$125 million, reflecting weak demand for electric vehicles and a recall of potentially defective batteries.

[Conservative thinktanks step up attacks against Obama's clean energy strategy](#)

A number of rightwing organisations, including Americans for Prosperity, which is funded by the billionaire Koch brothers, are attacking Obama for his support for solar and wind power. The American Legislative Exchange Council (Alec), which also has financial links to the Kochs, has drafted bills to overturn state laws promoting wind energy.

Now a confidential strategy memo seen by the Guardian advises using "subversion" to build a national movement of wind farm protesters.

[Cracking the Smart Energy Market](#)

Research from several pilot projects has shown that people who use these types of devices are saving money on their monthly bills, in some cases up to 20 percent.

Yet despite the upbeat prediction from Parks Associates, consumer response has been mostly lukewarm, according to Neil Strother, an analyst with Pike Research. He said that fewer than 1 percent of homes in North America had installed some form of in-home energy management system by the end of 2011.

[A meeting of minds on a sustainable future?](#)

The unresolved issue remains whether the focus should be on critical changes that governments, largely in developing countries, will need to make to convince investors that aligning asset allocation with the green economy will provide superior risk-adjusted returns 'business as usual'. Or, whether there will be agreement to modify longer-term trends in production and consumption patterns to recognise ecological limits of natural resource use.

[California and Quebec Near an Agreement for Trading of Carbon Permits](#)

SAN FRANCISCO — California and Quebec moved to knit together their fledgling carbon markets on Wednesday as California proposed a new regulation allowing cross-border trading of the permits that industries must acquire to cover their emissions of greenhouse gases.

[Climate clash: Corporate giants caught as groups skirmish](#)

Some corporate giants are caught in the middle of a battle between a think tank skeptical of manmade global warming and an environmental group that it is trying to undermine its financial health.

['We Are Losing the Planet'](#)

The environmental movement is losing momentum and governments around the world are ignoring their responsibility for slowing climate change. Greenpeace head Kumi Naidoo, however, remains optimistic. In an interview, he explains his new vision for a sustainable world -- and how the pope can help.



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