



Drumbeat: May 14, 2012

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[Peak oil debate is over, say experts](#)

THE debate about peak oil is over and the world has used just a fraction of the petroleum it will be possible to extract, an expert believes.

Speaking at the Australian Petroleum Production and Exploration Association (APPEA) 2012 conference in Adelaide, oil major Total's chief executive Christophe de Margerie said new sources of petroleum, such as tight gas and shale oil, meant that the world had ample supplies of petroleum.

Mr de Margerie said while there were economic and environmental issues which would affect how quickly resources were exploited, there was "definitely not a concern about reserves".

[Oil prices could double by 2022, IMF warned](#)

The International Monetary Fund (IMF) has been warned by its internal research team that there could be a permanent doubling of oil prices in the coming decade with profound implications for global trade.

"This is uncharted territory for the world economy, which has never experienced such prices for more than a few months," the report warns.

Report is [here](#) (PDF)

[The difficult future facing black gold](#)

swissinfo.ch: What is likely to happen after "peak oil"?

D.G.: There will be more pressure on the environment. Because conventional oil has already reached its peak, there has been more investment in non-conventional oil over the past few years, but oil sands in Canada, deep sea oil in the Gulf of Mexico and shale oil from the United States cause a lot of pollution. Canada has even withdrawn from the Kyoto climate protocol in order to avoid millions of dollars' worth of fines because of its oil sands.

Then you have the problem of wars breaking out over resources. For me, the 2003 Iraq

war, which killed more than 100,000 people, was quite clearly an oil raid, just like the Libyan war in 2011, with more than 30,000 dead. And Sudan and the recently independent South Sudan are now fighting over oil fields. People are being killed for oil today. That's a cause for concern.

[Peak Oil: The Sun Also Rises](#)

While the net exports concept is a great pedagogical tool, I worry that it may distract us from the ways that even subsidized demand for oil in oil exporting countries responds to changes in the oil price. For instance, Saudi Arabian consumers may not feel the impact of changes in the world price of oil, but their government does.

[Carbon, Low Carbon, And No Cash](#)

The IEA doesn't have time for stuff like Peak Oil anymore: the global warming crisis is so serious we will have to give up oil an awful lot sooner than it runs out all on its own - which was one good bit of news. In the meantime however, Jones urged the energy corporations of the IEA countries to increase and accelerate and intensify the production of shale oil, deep offshore oil, heavy oil, Arctic oil, gas-to-oil conversion, coal-to-oil conversion, biomass-to-oil conversion, algae-based oil, biofuels, and what have you, all of them clean of course. Breakthroughs could be coming, the IEA says, on top of those which already came in the shape of shale gas and tarsand oil, the shale gas being possible to convert to oil, and the tarsand oil being possible to use as-is. Cars will of course become much more fuel efficient, due to the global warming crisis, and it goes without saying that electric cars are coming, and nuclear power to charge them up is fine as long as it's nicely managed. As Jones added, China and India were aware of the oil problem and had told him they were doing serious things to cut the growth of their oil habit. It was sure.

[200 Year Supply Of Oil In Green River Formation](#)

“The Green River Formation—an assemblage of over 1,000 feet of sedimentary rocks that lie beneath parts of Colorado, Utah, and Wyoming—contains the world's largest deposits of oil shale. USGS estimates that the Green River Formation contains about 3 trillion barrels of oil, and about half of this may be recoverable, depending on available technology and economic conditions. The Rand Corporation, a nonprofit research organization, estimates that 30 to 60 percent of the oil shale in the Green River Formation can be recovered. At the midpoint of this estimate, almost half of the 3 trillion barrels of oil would be recoverable. ***This is an amount about equal to the entire world's proven oil reserves.***”

[Oil Falls to 2012 Low on Greek Debt, Saudi Call for Drop](#)

Oil fell below \$94 a barrel in New York for the first time since December as Europe's debt crisis worsened and Saudi Arabia's energy minister said prices should decline further.

West Texas Intermediate slid as much as 2.6 percent to the lowest level this year. Brent crude, trading at about \$110 a barrel today, should drop to \$100 as supply outweighs demand, Saudi Oil Minister Ali al-Naimi said yesterday in Adelaide, Australia. Futures also slipped after Greece failed to agree on a unity government and European Union officials considered the nation's possible exit from the euro. Hedge funds cut bullish bets on oil by the most in three years, data showed last week.

[Naimi Says Brent Oil Should Drop to \\$100 as Supply Tops Demand](#)

Crude prices should fall because global supply is outweighing demand, according to Saudi Arabia's oil minister, Ali al-Naimi.

"We want a lower price than where it is now," al-Naimi said in Adelaide today. "We need to get the price to a level of around \$100" a barrel for London's Brent crude, he said. Saudi Arabia is the world's biggest oil exporter.

[National Hurricane Center Tracking Two Pre-Season Storms](#)

The National Hurricane Center is tracking two pre-season storms in the Atlantic and Pacific oceans today.

The stronger of the two is located in the Pacific about 550 miles (885 kilometers) south-southwest of Acapulco, Mexico and has a 50 percent chance of becoming a tropical depression in the next day or two, according to a bulletin from the center in Miami.

[UK gas prices sink on poor demand, ample supply](#)

LONDON (Reuters) - British prompt gas prices sank on Monday due to ample supply and below-average demand but upcoming maintenance outages and cooling temperatures may drive gains later in the week.

[Why China's Slowdown Could Be Good for US, Europe](#)

China's economy may be on track to grow at its slowest pace in a decade, but there's a silver lining to this: lower commodity prices may actually benefit the U.S. and Europe, just when they most need it.

[Palm Oil Plunges Most in 14 Months on Europe Debt Crisis](#)

Palm oil slumped the most in more than 14 months on concerns that an escalating debt crisis in Europe and a deepening economic slowdown in China may curb demand for

commodities.

[Lower jeepney fares starting Tuesday](#)

MANILA, Philippines - Commuters will once again pay P8 minimum fare for public utility jeepneys starting tomorrow (May 15). The Land Transportation Franchising and Regulatory Board (LTFRB) on Monday issued a recall order on the P0.50 provisional fare increase being implemented since March.

The LTFRB's order came on the heels of a major price rollback implemented by oil companies on Monday. The companies cut prices by P1.70/ liter for gasoline and P1.50/liter for diesel.

[In Bahrain, the spark behind Pearl Revolution still glows](#)

While other Arab nations are engaging in elections and self-rule after the removal of dictators, Bahrain remains solidly in the control of King Hamad bin Isa Al Khalifa and his family. After negotiations with protesters broke down, Khalifa called in the troops from the Gulf Cooperation Council, a union of Gulf states dominated by Saudi Arabia, and its troops forced demonstrators from the streets.

The Bahrain Center for Human Rights says the crackdown left 73 people dead. Human Rights Watch reported serious abuses by security forces, saying five people who were detained died under torture.

[UK warns of more EU Iran sanctions if no change](#)

BRUSSELS (Reuters) - The European Union will impose tougher sanctions on Iran if it fails to take concrete steps to allay international concerns over its nuclear program, British Foreign Secretary William Hague said on Monday.

Six world powers, including Britain, are due to meet Iranian officials for another round of negotiations over the nuclear issue in Baghdad on May 23.

[Turkey cuts Iranian oil imports in April vs March](#)

Turkey's cut its crude oil imports from Iran steeply in April from unusually high levels in March but its purchases were still close to last year's average, meaning Ankara has yet to slash buying to the extent sought by Washington, data from shipping sources showed.

Turkey said on March 30 that it would cut imports of oil from Iran by 20 percent from last year's quantities, ceding to US pressure to reduce purchases.

[Iran Company to Renovate Syrian Hydropower Plants, Press TV Says](#)

Safa Nicu Sepahan Co., a privately owned Iranian company, reached an agreement with Syria's government to renovate two hydroelectric power stations in northern Syria, the state-run Press TV reported.

The company will refurbish the al-Furat dam at an estimated cost of 14.8 million euros (\$19 million) and the al-Baath plant for 767,000 euros, according to a report published on the news channel's website. The al-Furat power station on the Euphrates River has the potential to generate 800 megawatts of electricity and the al-Baath 75 megawatts.

[EU slaps new sanctions on Syria](#)

(CNN) -- European Union foreign ministers agreed Monday to impose fresh sanctions on Syria as a U.N.-backed peace plan -- along with all other diplomatic efforts -- has yet to stop the carnage that mounts every day.

The EU ministers agreed to an assets freeze and visa ban on two firms and three people believed to provide funding for the regime, according to the office of EU foreign policy chief Catherine Ashton.

[A month after 'cease-fire,' where does Syria stand?](#)

(CNN) -- It's been a month since the "cease-fire" was due to come into effect in Syria as the first step in a U.N.-backed peace plan, with a team of U.N. monitors on the ground to observe the progress.

But clearly, there is no let-up in the violence. Daily reports spill in of bombings, shootings, explosions and more as opposition groups and the regime forces of President Bashar al-Assad battle for more than a year.

So, where does the Syria conflict stand now?

[Drowned Libya oil chief feared going home](#)

VIENNA (Reuters) - Spat at in public by a fellow Libyan who called him a thief, watching his back on long walks through Vienna, eating poorly; Muammar Gaddafi's fugitive oil supremo was a troubled man in the months before he was found drowned in the Danube two weeks ago.

Just whom, or what, Shokri Ghanem feared may hold a key to his mysterious sudden death, just as he was under mounting pressure to reveal what he knew of suspect deals with foreign oil buyers that made billionaires of the late dictator's family.

[Nigeria president unlikely to risk oil graft crackdown](#)

ABUJA (Reuters) - Nigerian President Goodluck Jonathan is coming under pressure to prosecute top officials implicated in a \$6.8 billion fuel subsidy fraud, but many of the suspects are allies he is unlikely to go after if wants to keep his power base intact.

It has been three weeks since parliament produced a report detailing massive corruption in a state subsidised petrol import scheme and Jonathan has yet to indicate how he intends to respond.

[Argentina as No Claims-Nation Revealed in Repsol Losses](#)

Repsol YPF SA (REP), the Spanish oil explorer seeking \$10.5 billion from Argentina for seizing its assets, will line up behind companies from Exxon Mobil Corp. to Unisys Corp. yet to be repaid by the most-sued nation on earth.

There are 26 cases pending against Argentina, more than any other country, at the World Bank's International Centre for Settlement of Investment Disputes in Washington, the principal arbitration court for claims against sovereign countries. So far, it has refused to pay any of the tribunal's judgments, according to a Bank of America Merrill Lynch economists' report.

[Brazil, Venezuela, and Mexico: three ways to nationalize oil](#)

Argentina's renationalization of its biggest oil company, YPF, recently caused an outcry. But the cases of oil nationalization in Brazil, Mexico, and Venezuela show that outcomes can vary widely.

[Crescent Won't Provide Cash to Dana Gas for Sukuk Payment](#)

Crescent Petroleum Co., Dana Gas PJSC's biggest shareholder, has no plan to provide cash to the United Arab Emirates-based natural gas producer to help pay a \$1 billion Islamic bond due in October.

[BHP leaves door open to U.S. shale gas write-down](#)

ADELAIDE (Reuters) - BHP Billiton's petroleum chief executive left the door open to the possibility of a write-down on the company's U.S. shale gas assets on Monday, but defended their long-term value.

[Kurt Cobb - Chesapeake And JPMorgan: Risk \(Mis\)Management With Other People's Money](#)

If I were to stake you \$50,000 and set you loose in the world's largest casino, you might try your luck in a big way at a number of games to see if you could double or maybe even triple your good fortune. But it would be an entirely different matter if the \$50,000 were your own money. You might decide to take advantage of the casino's restaurant for which you would at least get a meal in return for your money. You might even test your skills with a few hundred dollars. But unless you were a gambling addict, you would be on your way pretty soon after the house had taken the few hundred dollars you decided you could afford to lose.

Running some of America's largest corporations is more like the former situation than the latter. This past week, two corporate titans proved just how easy it is to gamble with other people's money, especially when you know you have little to lose personally.

[Japan to Experience Power Shortages This Summer, Panel Says](#)

Kansai Electric Power Co. and two other Japanese utilities may have power shortages this summer without supplies from nuclear reactors, a government panel said.

Kansai Electric, the utility most dependent on nuclear power, may face the biggest shortage of 14.9 percent, the independent committee said in a draft report published May 12. Kyushu Electric Power Co. and Hokkaido Electric Power Co. may have shortages of 2.2 percent and 1.9 percent, the report said.

[Chevron Sells 80% of Wheatstone Gas After Deal With Tohoku](#)

Chevron Corp., the second-largest U.S. oil company, said it sold more than 80 percent of the gas from its Wheatstone project in Western Australia after reaching an agreement with Tohoku Electric Power Co.

The Japanese electricity supplier will buy as much as 1 million tons of liquefied natural gas per year under a 20-year agreement, Roy Krzywosinski, managing director of Chevron's Australian unit, said yesterday in Adelaide.

[Tepco Expects Narrower Net Loss as Government Takes Control](#)

Tokyo Electric Power Co. (9501) expects a narrower annual loss after a government-approved business plan proposed measures including an increase in electricity rates to return the company to profitability in two years.

[Japan grapples with post-tsunami suicides](#)

TOKYO, Japan – More than 60 people have committed suicides related to last year's 9.0 quake and tsunami, which triggered meltdowns at a nuclear plant in Fukushima, the

Japanese government says.

The data comes as a family prepares to file the first lawsuit against the Tokyo Electric Power Co. over the suicide of Hamako Watanabe, a 58-year-old woman who set herself on fire in wake of the disaster.

[6 hybrid supercars on the cutting edge](#)

Rising gas prices and tougher U.S. government gas-mileage requirements for the coming years have forced the car industry to take hybrid cars very seriously.

There's a whole new generation of so-called plug-in hybrid cars in the pipeline. These supercars can be recharged with household electricity, which is much cheaper than running a gasoline engine to recharge the battery.

[Willing to Pay \(a Little\) for Clean Energy](#)

The perception that the American public is adamantly opposed to higher energy costs is at the root of most political opposition to policies favoring the adoption of renewable energy. But a new study of public opinion finds that people are in fact willing to pay to move to cleaner energy.

[Growing the grunt: developing green biofuels for Australia](#)

In 300 BC, the Syrian city of Antioch had public street lighting fuelled by olive oil. At the 1900 Paris World Fair, German inventor Rudolph Diesel demonstrated his engine powered by peanut oil.

Biofuels are not new, but many of the technologies are, and interest in renewable, sustainable biofuels has recently been rising due to worry about peak oil and price pressures, vulnerability of energy supplies, dependence on imports, and greenhouse emissions.

[Permaculture Visionary: "We Don't Need to Wait for Permission" to Transform Our Societies](#)

Four years ago, a British educator and permaculturist named Rob Hopkins initiated what has since become one of the most rapidly evolving and far-reaching social experiments of our time. The Transition movement - which encourages people in cities and towns across the world to devise their own unique, local solutions to peak oil and climate change in the absence of meaningful government action - has developed a spirited and devoted following and garnered praise from the likes of Bill McKibben and Richard Heinberg. Rob's latest book, "The Transition Companion," looks at how the movement has evolved from its beginnings in tiny Totnes, England, to hundreds of communities all over the world. "The Transition Companion" is available now from

Chelsea Green Publishing. Rob recently spoke with Chelsea Green Associate Editor Brianne Goodspeed.

[Backfiring Cookstoves Point Way to Assessing Aid Schemes](#)

In Orissa, households were randomly assigned to three waves of stove construction, and researchers measured a meaningful reduction in smoke inhalation in the first year after a stove was installed. Over a longer period, however, they saw no health benefits and no reduction in fuel use. That's because once the stoves and chimneys developed cracks, the villagers generally chose not to fix or maintain their new devices but instead went back to their old, smoky ways of cooking.

This doesn't suggest the clean-cookstove campaign should be abandoned so much as slowed down. It would be wise to test various designs in real-life settings, and, where necessary, take more time to human-proof models. Clean-cookstove advocates need to develop incentives for families to stick with the stoves, and they need to study why many villagers in the India trial embraced the devices yet continued using their conventional cooking fires as well. Otherwise, the innovative stoves of today could wind up in the same junk piles as models from efforts decades ago.

[The man who takes on the environmental conservatives](#)

Mr Hauge is the founder of Bellona, an environmental non-governmental organisation (NGO) that advocates controversial practices such as burying greenhouse-gas emissions underground. It has forged close ties with industry and government alike. Most of its annual budget, which ranges between US\$10 million (Dh36.7m) and \$12m a year comes from corporations.

[Petition calls on Brazilian president to veto 'catastrophic' forest code](#)

More than 1.5 million people in Europe, the US and elsewhere have petitioned the Brazilian president, Dilma Rousseff, to veto a law that critics say could lead to the loss of 220,000 square kilometres of Amazonian rainforest, an area close to the combined size of the UK and France.

[Time, place and how wood is used are factors in carbon emissions from deforestation](#)

When trees are felled to create solid wood products, such as lumber for housing, that wood retains much of its carbon for decades, the researchers found. In contrast, when wood is used for bioenergy or turned into pulp for paper, nearly all of its carbon is released into the atmosphere. Carbon is a major contributor to greenhouse gases.

"We found that 30 years after a forest clearing, between 0 percent and 62 percent of carbon from that forest might remain in storage," said lead author J. Mason Earles, a doctoral student with the UC Davis Institute of Transportation Studies. "Previous models generally assumed that it was all released immediately."

[Eating wisely can lower carbon footprint: Study](#)

London: Consumers can help curb greenhouse gas emissions by reducing the quantity of food they buy, serve and waste, a study says.

According to the study conducted at the University of Edinburgh, UK, some 360,000 tonnes of milk poured down kitchen sinks in Britain creates a carbon footprint equivalent to exhaust emissions of 20,000 cars annually, or 100,000 tonnes of CO₂.

[New Zealand Government Mulls Break For Importers Of Greenhouse Gas-containing Goods](#)

WELLINGTON (Bernama) -- The New Zealand government announced Monday it was considering allowing importers of goods containing synthetic greenhouse gases to pay a levy rather than submit them to the country's fledgling emissions trading scheme (ETS).

The proposals were welcomed by new car dealers and other importers who feared the ETS obligations would be too costly, Xinhua news agency reported.

[U.N. cap-and-trade system: Good for China and India, but who else?](#)

The United Nations-administered cap and trade system to reduce planetary greenhouse gases through investment in "green" projects in developing countries has directed most of its billions of dollars in investments to China and India, two of the world's most notorious polluters.

Indeed, China and India together have gotten more than 70 percent of the more than 4,100 projects so far registered for the system, while most developing nations, aside from a handful, have gotten hardly any at all, according to the system's own accounts.

[The Figueres family led Costa Rica's revolution, and now its green revolution](#)

Say the name Figueres in Costa Rica and it's bound to get a reaction. José "Don Pepe" Figueres led the 1948 revolution, was president three times, nationalised the banks and gave women and black people the vote. His daughter Christiana is the UN's climate chief trying to steer almost 200 countries through the most complex international negotiations ever attempted; and her brother José María was one of Latin America's youngest ever presidents at the age of 39.

Now José María – who coined the phrase "there's no planet B" when head of the World Economic Forum – has joined his sister in the fight for a global energy revolution by taking over as head of the climate change business thinktank Carbon War Room, which aims to get business to cut gigatonnes of carbon by sharing best practice information.

[Norway acts as others drag feet on carbon emissions](#)

The industry is banking on country-specific conditions, such as a need for carbon dioxide for oil recovery in the United States or government support in China, to drive projects and technology innovation in the years ahead.

The idea of going solo when it comes to the quest to bury carbon emissions underground reflects a growing sentiment among nations that they are alone when it comes to the fight against global warming.

[In Rhode Island, Protecting a Shoreline and a Lifeline](#)

The problematic part of Matunuck is about 1,400 feet of beach, parceled into private lots, between two old sea walls that extend in opposite directions and were built before state regulations came into effect. Along some parts of this open stretch, there are less than a dozen feet of sand protecting the road — the town's lifeline — from the water.

In theory, this leaves the neighborhood with three basic courses of action. It can protect the beachfront, it can protect the road or it can retreat and move away from the encroaching shoreline, as a growing number of environmentalists and scientists recommend.

Almost nobody here likes that last option. "If we do this, how far do we retreat?" asked Frank Tassoni, the president of the Mary Carpenter's Homeowners' Association, which includes residents who keep trailers and small cottages on the tract of land across the road from the beach. "If we keep doing this, Rhode Island will be gone. We're trying to find a balance. We're not killing baby seals out here."



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