



## Drumbeat: May 21, 2012

Posted by [Leanan](#) on May 21, 2012 - 9:00am

### [Saudi Arabia knocks off Russia as world's biggest oil producer](#)

Saudi Arabia has overtaken Russia as the world's biggest producer of oil for the first time in six years as the kingdom tries to compensate for declining Iranian exports and attempts to push crude prices lower.

Saudi production reached a 31-year high at 9.923 million barrels per day (bpd) in March, marginally more than Russia's 9.920 million bpd, according to data from the Joint Organisations Data Initiative (Jodi).

Opec's largest producer has increased production in response to sanctions and an embargo levelled on Iran, and has made repeated assurances it would use its spare capacity to keep the markets supplied. Yet its efforts to calm the oil markets and lower crude prices to levels palatable to a vulnerable world economy are hampered by the inability of other countries to increase their production and an anticipated rebound in demand.

"The kingdom has done its share of putting in place capacity and resources to sustain its operations," said Sadad Al Husseini, the owner and founder of Husseini Energy. "I don't see a matching effort by many of the other countries."

### [Oil Rises First Time in Seven Days; Goldman Sees Tighter Supply](#)

Oil rose for the first time in seven days in New York after China pledged to boost the nation's economy and Goldman Sachs Group Inc. said the balance between supply and demand of crude is tightening.

### [Price of gasoline drops 6 cents in the past 2 weeks](#)

The average price for a gallon of regular gasoline in the United States fell 6.2 cents to \$3.78 in the last two weeks due to a drop in crude oil prices, partly on concerns about Europe's economy, according to the nationwide Lundberg Survey.

According to the survey of some 2,500 gas stations in the continental United States, the national average for regular gasoline as of May 18, was down more than 12 cents a gallon compared with a year earlier.

### [Govt to provide addl Rs 38,500 cr subsidy to oil cos](#)

New Delhi: The government will dole out Rs 38,500 crore additional cash subsidy to public sector oil companies as part of compensation for selling diesel, domestic LPG and kerosene below cost in 2011-12 fiscal.

### [UK heat forecast drags gas to 4-month low](#)

LONDON (Reuters) - British prompt gas prices hit a four-month low on Monday as Norwegian exports rose toward winter levels despite weak demand with temperatures of up to 25 degrees Celsius expected to hit parts of the UK this week.

Gas prices for this week fell 4.15 pence as rising temperatures, falling demand and pipelines packed with gas dragged the contract to a low of 53.85 pence per therm last seen on January 24, price data showed.

### [Investors Least Bullish in 2012 as Crisis Escalates](#)

Hedge funds reduced wagers on a rally in commodities to the lowest this year on mounting speculation that Greece will leave the euro, slowing global growth and curbing demand for everything from copper to soybeans.

### [Iraq Earns \\$8.8 Billion From Oil Sales In April; Highest For Decades](#)

AMMAN – Iraq's revenues from oil sales in April climbed to \$8.79 billion, the highest the Middle Eastern country has achieved for decades, the oil ministry said in a statement Monday, adding that Iraq had sold its oil at an average price of \$116.8 a barrel.

In April, Iraq exported an average of 2.508 million barrels a day, the highest figure it had reached since 1989, the ministry said.

### [Iran Finds Its First Caspian Sea Oil for More Than a Century](#)

Iran has discovered oil in its Caspian Sea waters for the first time in more than a century, the state-run Fars news agency reported.

The deposit was found at a depth of 2.5 kilometers (1.5 miles) during drilling on a natural-gas field and may contain 10 billion barrels of crude, Fars said, citing the National Iranian Oil Co. That's equal to 7 percent of Iran's known reserves.

### [Iranian Minister Predicts Oil Price Rise With Sanctions](#)

Iranian Economy Minister Shamseddin Hosseini said international oil prices will rise under sanctions designed to persuade the Persian Gulf nation to abandon its nuclear program.

Oil prices might go as high as \$160 per barrel if the European Union goes ahead with a July 1 embargo, Hosseini told CNN's "Fareed Zakaria GPS" in an interview scheduled to air tomorrow. Group of Eight nations gathered a summit at the U.S. presidential retreat at Camp David, Maryland, discussed containing Iran's nuclear ambitions.

### [SK Energy to stop Iran oil imports from July: sources](#)

SEOUL (Reuters) - South Korea's largest oil refiner SK Energy will stop Iranian crude imports after a European Union insurance ban takes effect on July 1, two sources said, effectively making it the first of Tehran's major Asian oil buyers to halt purchases.

### [China's Iran oil imports rebound on month, down on year](#)

BELJING (Reuters) - China's crude oil imports from Iran rebounded more than 50 percent in April from March after resolving pricing disputes over term contracts, but shipments fell nearly a quarter from a year ago, with Saudi Arabian supplies helping to plug the gap.

China and India are under Western pressure to cut purchases, since the actions of the world's top buyers of Iranian oil will determine the success of a strategy aimed at crimping Iran's oil revenue to halt Tehran's controversial nuclear programme.

### [MRPL gets oil cargo insured with Iran, may do more: Sources](#)

NEW DELHI: India's MRPL has got a crude cargo insured by an Iranian firm, the first state refiner to do so, after local firms refused cover even before European Union sanctions barring such deals start in July, sources with knowledge of the matter said.

### [How Iran could double its oil output](#)

NEW YORK (CNMoney) -- As Iran continues to grapple with the West over its nuclear ambitions, experts say the nation could double its already sizable oil output if sanctions were lifted to allow foreign investment into its oil industry.

### [Iraq turns to U.S. drones to protect oil platforms](#)

(Reuters) - Iraq is buying unmanned drones from the United States to help protect its

southern oil platforms as the OPEC nation ramps up production after the withdrawal of the last American troops, U.S. and Iraqi officials said on Monday.

### [Libya tries to calm wary investors over review](#)

Libya is seeking to reassure investors concerned about a major review of nearly 10,000 business contracts that were signed by the government of the late Muammar Qaddafi.

### [SAfrica turns to China for refinery project](#)

CAPE TOWN (Reuters) - South African national oil company PetroSA said on Monday it had partnered with China's Sinopec Group to push along the building of its Coega refinery, originally slated to cost \$9-\$10 billion and produce 400,000 barrels a day.

### [Total, ConocoPhillips Lose Battle To Operate UK Terminal - Report](#)

The U.K. Court of Appeal ruled last week that the U.K.'s largest port operator had the right to terminate four tenancy agreements that allow the two oil majors to operate the terminal at the Port of Immingham at a cost of GBP4.2 million, the newspaper reports.

### [WA uranium mine approved by EPA](#)

Western Australia's first uranium mine is a step closer to being built but opponents say the proposal is by no means a done deal.

### [Leading the way to green energy era](#)

Greater efficiencies and mandated global warming gas reductions are not enough to address the unprecedented crisis of global warming and peak oil and gas production.

### [Report: Boulder's 'Impressive' energy savings under Climate Action Plan still not enough](#)

The energy savings achieved by Boulder's Climate Action Plan programs have been "impressive" and reasonably cost-effective, but they still leave the city far from achieving its Kyoto Protocol goal.

That was the conclusion of analysts from the Rocky Mountain Institute, who dug into the various programs funded by Boulder's Climate Action Plan tax, also known as the carbon tax, which generates about \$1.8 million a year to fund energy-efficiency and renewable energy programs.

### [The Norwegian Church sells Statoil shares in protest](#)

The Norwegian Church has decided to sell its Statoil shares in protest against the greenhouse gas emissions associated with the company's oil sand projects in Canada.

### [Heartland Institute facing uncertain future as staff depart and cash dries up](#)

The first Heartland Institute conference on climate change in 2008 had all the trappings of a major scientific conclave – minus large numbers of real scientists. Hundreds of climate change contrarians, with a few academics among them, descended into the banquet rooms of a lavish Times Square hotel for what was purported to be a reasoned debate about climate change.

But as the latest Heartland climate conference opens in a Chicago hotel on Monday, the thinktank's claims to reasoned debate lie in shreds and its financial future remains uncertain.

### [Arctic melt releasing ancient methane](#)

Scientists have identified thousands of sites in the Arctic where methane that has been stored for many millennia is bubbling into the atmosphere.

The methane has been trapped by ice, but is able to escape as the ice melts.

Writing in the journal Nature Geoscience, the researchers say this ancient gas could have a significant impact on climate change.

### [Fresh water demand driving sea-level rise faster than glacier melt](#)

Humanity's unquenchable thirst for fresh water is driving up sea levels even faster than melting glaciers, according to new research. The massive impact of the global population's growing need for water on rising sea levels is revealed in a comprehensive assessment of all the ways in which people use water.

Trillions of tonnes of water have been pumped up from deep underground reservoirs in every part of the world and then channelled into fields and pipes to keep communities fed and watered. The water then flows into the oceans, but far more quickly than the ancient aquifers are replenished by rains. The global tide would be rising even more quickly but for the fact that man-made reservoirs have, until now, held back the flow by storing huge amounts of water on land.



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