



Drumbeat: September 17, 2012

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[Shell abandons Alaska offshore drilling efforts until next year](#)

Shell Alaska said Monday it has abandoned its efforts to drill into hydrocarbon deposits in the offshore Arctic after the latest in a series of glitches on the company's troubled oil containment barge resulted in damage to the high-tech dome designed to contain oil in the event of an underwater spill.

Company officials said they will continue to drill "top holes" off the Alaskan coast through the end of this season's drilling window, but will not attempt to reach any oil deposits this year -- a serious but not fatal setback for the company, which has spent six years attempting to explore its outer continental shelf leases off the coast of Alaska.

[Russia Laying the foundations for Arctic exploration](#)

Gas production in Russia could pave the way for successful arctic drilling projects after new techniques helped improve efficiency during the region's harsh winters.

The creation of Russia's first Liquefied Natural Gas (LNG) plant has meant overcoming a number of obstacles similar to those faced within the Arctic region – an increasingly attractive prospect as proven oil and gas reserves decline.

The success of the programme – which has seen the use of “big bore wells” cutting operating costs and increasing gas flow – is an example of how viable working in such harsh conditions can be.

[Oil Trades Near Four-Month High on Signs of Improving Economy](#)

Oil traded near a four-month high before reports that may show economic growth in the U.S., the world's biggest crude user, is gaining strength.

[Current oil prices no threat to world economy - Iran](#)

(Reuters) - Current oil prices above \$100 a barrel are no threat to the world economy and political pressure on producers to raise output is driven by the approach of U.S. presidential elections, Iran's OPEC governor Mohammad Ali Khatibi said on Sunday.

[Bullish Wagers at 16-Month High as Citi Sees Gains: Commodities](#)

Bullish commodity wagers rose to a 16-month high just before the Federal Reserve's pledge for more stimulus drove prices to a seventh weekly advance and banks from HSBC Holdings Plc to Citigroup Inc. forecast more gains.

[Fuel prices may grow in Kazakhstan](#)

The owners of gas stations in Kazakhstan have appealed to the Oil and Gas Ministry to review the maximum retail fuel price, or to set a threshold price for wholesalers, the Seventh Channel reported today.

The owners say they suffer huge losses.

[Blackouts Spur \\$18 Billion Power Grid Upgrade: Corporate India](#)

Power Grid Corp. of India Ltd., the nation's largest electricity transmission company, may exceed a 1 trillion rupee (\$18 billion) spending plan to upgrade its network and avoid a repeat of the world's biggest blackout.

Revenue of the state-owned company, which is doubling expenditure in the five years through March, 2017, may rise fourfold in the period following completion of transmission projects, R.P. Sasmal, director of operations said in an interview. The grid aims to boost its market share to 70 percent from 50 percent as the company increases spending at a rate that will dwarf its competition, he said.

[Utilities Pain Is Alcoa Gain in Rousseff's Power Plan](#)

Brazil's drive to make electricity less expensive wiped out \$6.4 billion in market value for utilities, while making winners of metals and mining companies from Alcoa Inc. (AA) to ArcelorMittal.

Electricity is their biggest expense, totaling 40 percent of costs for aluminum producers, according to Rio de Janeiro state industry group Firjan. Alcoa Chief Executive Officer Klaus Kleinfeld qualified Brazilian energy costs as "unbelievably high" in a May 4 speech, after the New York-based aluminum producer said in a March statement it was considering cutting output in the country.

[Jordan signs key agreement to assess oil resources](#)

The Ministry of Energy and Mineral Resources on Monday sealed a Memorandum of Understanding (MoU) with the Canadian Global Oil Shale Holdings (GOSH) to assess oil

shale resources in the southern region of the Kingdom.

The Canadian firm will study the economic feasibility of an oil shale project in the Attarat Um Ghudran and Isphere Al-Mahatain Central and South of Jordan. After completing the term, the company will enter into negotiations with the Jordanian government to conclude an agreement to exploit oil shale resources within the two Areas.

[Canadians should stop worrying about foreign takeovers](#)

What an insecure nation this can be. Canada is blessed with some of the biggest oil reserves this side of Saudi Arabia, a vast trove of metals and natural gas, a stable financial system and arguably the brightest economic outlook in the G8. We aren't driving toward a debt cliff (United States, Japan), haven't fallen back into recession (Britain), aren't responsible for the chocolate mess called the euro zone (Italy, Germany, France) and aren't governed by kleptomaniacs (Russia). We've even passed the Americans in average household wealth.

All of this should make us a confident lot. But then a foreigner comes along to buy one of our companies, and we get our Stanfield's in a knot.

[Falkland Oil Makes Region's Second Gas Find With Loligo Well](#)

Falkland Oil & Gas Ltd., the explorer focused on the namesake South Atlantic islands, made the region's second gas find this year at its Loligo well.

The well drilled through six reservoirs and encountered gas-bearing zones over a 1,300-meter (4,265 feet) interval, it said today in a statement in London. The company wasn't able to determine how much of the discovery may be liquids. The shares pared initial losses of as much as 21 percent to trade 0.7 percent lower at 69.75 pence as of 8:55 a.m. local time.

[Libya Was Doomed from Day One](#)

People often ask me why the West doesn't attempt a Libya-style intervention in Syria. After all, things are going so well in Libya. Oil production is up. But oil production is merely a mirage, as is security in Libya, which was doomed from the day one PG (post-Gaddafi) because of the way it was "liberated".

[More arrests in U.S. Consulate attack, Libyan official says](#)

Al-Magariaf said he has "no doubt" the fatal attack was planned and not a result of the anti-American demonstrations that began that day -- the 11th anniversary of the September 11, 2001, terrorist attacks on the United States.

"Definitely it was planned by foreigners, by people who entered the country a few months ago, and they were planning this criminal act since their arrival," he said.

[New wave of Mideast protests turn violent](#)

KABUL, Afghanistan (AP) -- Hundreds of Afghans burned cars and threw rocks at a U.S. military base as a demonstration against an anti-Islam film that ridicules the Prophet Muhammad turned violent in the Afghan capital early Monday.

And in Jakarta, Indonesians angered over the film clashed with police outside the U.S. Embassy, hurling rocks and Molotov cocktails and burning tires outside the mission. At least one police officer was seen bleeding from the head and being carried to safety by fellow officers.

[Fareed's Take: Vivid protest images do not tell whole story](#)

The images of the American embassy burning in Benghazi might have conjured up memories of Tehran in 1979 but the analogy is false.

In Libya, the government is not fomenting Anti-Americanism, it is fighting it, openly declaring America an ally and friend. The country is pro-American by a 2-to-1 margin, and the violence there appears to have been the work of small, extremist elements that lack much popular support. But the storm has spread from Libya.

[Actor: Anti-Islam filmmaker 'was playing us along'](#)

"They brought the actors in in post (production) and had them say specific words. Like 'Mohammed,' for example. It was isolated. It wasn't in context," she said. "They'd say 'Say Mohammed,' and they'd (the actors would) say 'Say Mohammed' why?"

When the film was complete, it was no longer a desert adventure about a man named George but rather an anti-Islamic movie about Prophet Mohammed.

"He knew what he was doing. He was playing us all along," Dionne said.

[NATO admits killing civilians in Afghan strike](#)

(CNN) -- NATO admitted that it had killed Afghan civilians in an airstrike early Sunday morning, hours after saying there was no evidence of civilian deaths.

"A number of Afghan civilians were unintentionally killed or injured during this mission," the coalition said in a statement accepting "full responsibility for this tragedy."

[China Warns Against Violence as Japan Protests Are Broken Up](#)

China banned some protests in the city of Xian and detained suspects accused of vandalizing billboards and a storefront amid a territorial dispute with Japan, after two Japanese car dealerships were set on fire and police used water cannons to break up demonstrations.

U.S. Defense Secretary Leon Panetta said on a visit to Tokyo he was “very concerned” after demonstrators took to the streets yesterday in a dozen cities across China, in the biggest protests since 2005. In Shenzhen, police used tear gas and water cannons to stop protesters from reaching a Japanese department store, Radio Television Hong Kong reported.

[Fallout widens from island dispute between China, Japan](#)

Tokyo (CNN) -- The widening fallout from an increasingly volatile territorial dispute between China and Japan prompted a Japanese company to halt work at plants in China on Monday, and the United States to urge the two sides to avoid letting the situation spiral out of control.

The electronics company Panasonic said Monday that it was suspending operations at three plants in China after two of them were damaged amid violent anti-Japanese protests set off by the clash between Beijing and Tokyo over a group of small islands in the East China Sea.

[Netanyahu Says Iran's Nuclear Program Is in a 'Red Zone'](#)

Israeli Prime Minister Benjamin Netanyahu said Iran's effort to develop nuclear weapons is in a “red zone,” and the U.S. must set a clear “red line” that Iran can't cross without risking a military attack.

“They're in the red zone,” Netanyahu said on NBC's “Meet the Press” yesterday. “They're in the last 20 yards. And you can't let them cross that goal line. You can't let them score a touchdown.”

[US Renews Waivers of Iran Sanctions for Japan, EU Nations](#)

The United States has renewed waivers on Iran sanctions for Japan and 10 European countries because they cut their purchases of the OPEC nation's crude oil, Secretary of State Hillary Clinton said on Friday.

The renewal means banks in the 11 countries have been given a second 180 day reprieve from the threat of being cut off from the U.S. financial system under the sanctions designed to choke funding to Iran's nuclear program.

[Man sues oil company after being shot, abducted in Nigeria](#)

ST. JOHN'S, N.L. -- The lawyer for a Newfoundland oil worker who was shot and abducted from a rig in Nigeria says his client was negligently put in harm's way because of lax security.

Bob Croke of Torbay is suing for compensation along with his former American co-worker, James Johnson.

[Rosneft confirms no oil for Gunvor in major tender](#)

(Reuters) - Rosneft said on Monday it has awarded a big semi-annual crude tender to Glencore and Vitol, confirming reports that trading house Gunvor, seen as a Kremlin favourite, had been left empty-handed for the first time.

The result has sparked intense debate in the industry over whether Gunvor's co-owner Gennady Timchenko is out of favour with the Kremlin - or whether the firm is merely fine-tuning its strategy before embarking on yet another phase of spectacular growth.

[Myanmar Gets Record Investment After Years of Isolation: Energy](#)

Myanmar, shunned since the 1990s for tolerating corruption and human trafficking, is set for record foreign investment in 2012 led by oil companies after the southeast Asian nation took its first steps toward democracy.

[Chevron Agrees With YPF to Develop Shale Wells in Argentina](#)

Chevron Corp., the second-biggest U.S. oil company, agreed with YPF SA , the nationalized Argentine oil producer, to develop oil and natural-gas wells in the country's Vaca Muerta shale formation.

YPF and San Ramon, California-based Chevron also agreed to study the recovery of oil from aging wells through new technologies, the Buenos Aires-based company said today in an e- mailed statement.

[French Shale Backers Vow to Battle On After Hollande Frack Ban](#)

Oil companies and labor unions vowed to fight on in favor of developing unconventional energies in France after President Francois Hollande said a fracking ban would remain during his five-year mandate.

“We don’t think it’s game over,” said Jean-Louis Schilansky, head of Union Francaise des Industries Petrolieres, or UFIP, which represents explorers like Total SA.

[Deepwater Horizon Gear Failed Pre-Spill Test, Lawyers Say](#)

Transocean Ltd. (RIG) employees talked about blaming the failure of the Deepwater Horizon’s blowout preventer on a bad cement job, after the device ‘blew up’ casing during a test two months before the rig exploded, according to an e-mail cited by lawyers suing the company.

An employee identified as Jess Richards “states that during a test of the lower annular, Transocean blew up their 22 casing,” lawyers suing Transocean and BP Plc said of an e-mail that the rig owner turned over as part of the litigation. “She then remarks, ‘I’m sure we will find some way to blame it on the cementer,’” the attorneys said in a filing yesterday in federal court in New Orleans.

[British businesses are taking an unfair whacking from America](#)

BP has made mistakes, but its endless battering from the US authorities is out of all proportion.

[Japan Won’t Stop Work on Reactors, Official Says](#)

TOKYO — Japan will not stop work on several planned reactors, the trade minister was quoted as saying on Saturday, casting further doubt on whether this resource-poor nation will follow through on a contentious plan to phase out nuclear power.

[Brazil ethanol outlook positive as Petrobras faces fuel losses: JP Morgan](#)

London (Platts) - Fuel ethanol prices in Brazil "have more upside than downside" as the federal government looks at measures to incentivize consumption and reduce gasoline imports, according to investment bank JP Morgan.

Brazil's oil major Petrobras has been selling imported gasoline at a 20%-plus discount because of regulated prices aimed at controlling inflation.

[Warning after Bulgaria cuts wind farm tariffs](#)

BULGARIA: Energy regulator SWERC has decided to cut tariffs for all existing wind energy projects by ten per cent and those for solar even more, in a move Bulgarian wind energy association BGWEA says will push the majority of renewable energy projects into bankruptcy and could endanger the country's financial stability.

[Forgoing College to Pursue Dreams](#)

Ms. Full, 20, is part of one of the most unusual experiments in higher education today. It rewards smart young people for *not* going to college and, instead, diving into the real world of science, technology and business.

The idea isn't nuts. After all, Bill Gates and Steve Jobs dropped out, and they did O.K.

Of course, their kind of success is rare, degree or no degree. Mr. Gates and Mr. Jobs changed the world. Ms. Full wants to, as well, and she's in a hurry. She has built a low-cost solar panel and is starting to test it in Africa.

[E.P.A. Plans Crackdown on Muddy Upstate Waterway](#)

The federal Environmental Protection Agency wants to list the Lower Esopus Creek in the Catskills region of New York as an "impaired" waterway. Such a step could force New York City to stop discharging muddy water into the creek from the Ashokan Reservoir, one of the sources of the city's drinking water.

The muddying of the Lower Esopus has been an issue for environmental officials from both the city and the state because the tributary is vital to recreation and agriculture in Ulster County. The county executive, Michael P. Hein, has compared the city's actions on the Esopus to those of "an occupying nation" toward "indigenous people."

[World Hunger: The Problem Left Behind](#)

THE drought-induced run-up in corn prices is a reminder that we're nowhere near solving the problem of feeding the world. The price surge, the third major international food price spike in the last five years, casts more doubt on the assumption that widespread economic development leads to corresponding gains in agriculture.

[Climate change severely impacting food prices](#)

While there are hardly any signs of substantive and forward-looking agreements being reached at the UN climate change conference from Nov. 26 to Dec. 7, in Doha, latest research cautions that impact of climate change on future food prices is being underestimated.

[European biofuel targets contributing to global hunger, says Oxfam](#)

European targets to replace fossil fuels with biofuels are contributing to spikes in food prices and global hunger, according to the latest analysis by Oxfam.

The aid organisation is calling for EU energy ministers meeting in Cyprus on Monday to scrap mandates that commit member states to sourcing 10% of transport energy from renewable sources by 2020. It has calculated that the land required to meet these mandates for biofuels for European cars for one year could feed 127 million people.

[UPS Earns Top Score Among U.S. Firms On Carbon Disclosure](#)

For the second consecutive year, UPS (NYSE: UPS) has received the highest score in the 2012 Carbon Disclosure Project's "Carbon Disclosure Leadership Index" of S&P companies, receiving a 99 out of 100.

UPS is one of only two U.S. companies to achieve the high score, reflecting the company's commitment to transparency and leadership with regards to carbon reporting and performance in mitigating environmental impact. UPS is the only company from the Standard & Poor's 500 (S&P) Industrials sector to receive the highest score. Only four companies in the world received scores of 99 or higher.

[One way to protect the melting Arctic](#)

Arctic countries should draft an international agreement preventing the start of industrial fishing in the high seas of the Central Arctic Ocean until scientific research and rules are in place to ensure that it can be done sustainably. With the leadership of the five Arctic coastal countries - Canada, the United States, Russia, Norway, and Greenland - major fishing countries from beyond the Arctic also could be persuaded to sign. Because fishing hasn't started yet, no jobs would be lost. All interested countries could participate in joint research on Arctic ecology to learn about the changes occurring in these waters.

[Thomas Homer-Dixon: Ice, please – climate on the rocks](#)

Those who deny the reality or significance of climate change often say Arctic sea ice also shrank dramatically as recently as the 1930s, so what's happening now is just part of a natural long-term fluctuation. But the best recent analysis, published in the top scientific journal Nature last November, says that "both the duration and magnitude of the current decline in sea ice seem to be unprecedented for the past 1,450 years" and that the recent decline is "consistent with [human-caused] warming."

Indeed, climate scientists increasingly believe we're seeing a rapid and irreversible shift in a major feature of Earth's climate system.

[Arctic expert predicts final collapse of sea ice within four years](#)

One of the world's leading ice experts has predicted the final collapse of Arctic sea ice in summer months within four years.

In what he calls a "global disaster" now unfolding in northern latitudes as the sea area that freezes and melts each year shrinks to its lowest extent ever recorded, Prof Peter Wadhams of Cambridge University calls for "urgent" consideration of new ideas to reduce global temperatures.



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