



Drumbeat: October 6, 2012

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[Saudi Arabia to Lead \\$740 Billion Oil Spending Through 2017](#)

Oil producers in the Middle East and North Africa plan to invest \$740 billion on energy projects in the next five years, led by Saudi Arabia, according to Arab Petroleum Investments Corp.

High oil prices will allow them to resume projects that were delayed at the height of the financial crisis, the inter-governmental energy lender said.

[Kingdom assures world of oil flow](#)

Ankara—Minister of Petroleum and Mineral Resources Ali Al-Naimi stressed that Saudi Arabia and the Organization of Petroleum Exporting Countries (OPEC) have been ensuring a steady supply of oil to global markets at reasonable prices besides expressing their willingness to meet additional energy demand.

“In the first quarter of 2012, high price levels prompted the Kingdom to launch its own initiative to help calm fears about oil supplies and work with others to restore the oil prices to reasonable levels,” Al-Naimi said while speaking at the fifth International Energy Conference in the Turkish capital Ankara.

“However, the fears have not completely been allayed, and I repeat here today that there is no shortage of oil supplies. Its stocks remain high, and we can meet any additional demand on oil,” Al-Naimi said.

[Oil Caps Third Weekly Drop on Supply](#)

Oil capped a third weekly drop in New York as signals that supply is exceeding demand outweighed an unexpected decline in the unemployment rate.

Futures completed the longest run of weekly decreases since June after the Energy Department reported Oct. 3 that U.S. crude output rose to 6.52 million barrels a day last week, the most since December 1996. Prices pared their descent earlier when government data showed the U.S. added 114,000 jobs last month as the jobless rate fell to 7.8 percent.

[Saudi Arabia Boosts Supertanker Charters to U.S. Gulf of Mexico](#)

Saudi Arabian Oil Co., the world's biggest state-owned crude producer, increased the number of supertankers it hired to haul oil to the U.S.

The company chartered at least seven very large crude carriers to load a total of about 14 million barrels in October, compared with about four a month so far this year, according to data from Athens-based Optima Shipbrokers Ltd. Brokers report tanker bookings when the deals are provisional and charters are then sometimes canceled.

['Insane' jump in California gas prices starts to ease](#)

SAN FRANCISCO/LOS ANGELES -- An unprecedented spike in California gasoline prices showed signs of easing on Friday, with some supply-stricken service stations preparing to reopen and retail rates poised to ease after topping \$5 a gallon in many places.

This week's abrupt price spike blindsided the state's car-loving consumers and left some retailers in Los Angeles scrambling for supply, causing wholesale prices to surge and driving up pump prices by an average of 36 cents a gallon.

[Calif. gas prices equal all-time high](#)

LOS ANGELES (AP) -- The price of gasoline equaled the all-time average high in California of \$4.61 a gallon Saturday, fueled by a reduced supply and a volatile market.

Prices throughout the state were expected to increase for several more days before leveling off, after a temporary reduction in supply triggered a price spike that saw fuming motorists paying \$5 or more per gallon in some locations and station owners shutting down pumps in others.

[Despite problems, local stations say they still have gas](#)

The gasoline shortage driving up prices all over California is also forcing some independent gas station operators to shut down their pumps or pay inordinately high prices for wholesale gas.

But in Santa Maria, most gas station operators say they're not having a problem getting gasoline, even though some distributors are rationing allocations.

[IMF chief praises Gulf effort on oil price management](#)

RIYADH (Reuters) - IMF chief Christine Lagarde praised Gulf oil exporters on Saturday for their help in stabilising the global economy by managing oil prices, despite complaints by some Western countries that energy costs are still too high.

"It gives me an opportunity to thank the GCC countries for their ... stabilising role in the global economy because of the good monitoring and good management of oil prices ..." the International Monetary Fund's managing director said.

[IMF chief predicts sustainable, but reduced growth in Gulf states](#)

RIYADH, Saudi Arabia -- The head of the International Monetary Fund has predicted that the economies of the oil-rich countries of the Gulf Cooperation Council will grow at sustainable but reduced rates.

[Petrobras sweetens pay raise offer, will likely avert strike](#)

RIO DE JANEIRO - Brazilian state-run oil company Petrobras on Friday sweetened a pay increase offer to thousands of workers, which will likely help the company avert a strike.

[Russia's Rosneft to invest \\$18 billion in old refineries, says report](#)

MOSCOW: Russia's state oil company Rosneft plans to spend \$18 billion on its refinery infrastructure over the next three years, a report said Saturday after the company's chief met with investors.

The oil company unveiled a \$25 billion programme to modernise its Soviet-era refineries, Interfax news agency reported, quoting data given by Rosneft president Igor Sechin to investors in London.

[Afghanistan reels from Exxon blow](#)

With foreign aid set to decline and Nato forces soon to withdraw, what hope there is in Afghanistan lies under the ground. But much of those mineral riches are likely to remain out of reach for the near future.

Last week, the apparent exit of ExxonMobil from the group of companies vying for oil rights in the Tajik Basin signalled waning appetite among top-tier investors to take on operations in a place with deteriorating security, a lack of infrastructure and a reputation for corruption.

[Colombia Combats Martians Robbing Crude for Cocaine Labs](#)

Colombia, once the largest supplier of cocaine worldwide, is cracking down on traffickers by thwarting theft of oil used to make the drug.

Police are destroying clandestine refineries where guerrillas and crime gangs process crude stolen from pipelines to use in cocaine production, said Lieutenant Colonel Hector Alvarez Yotagri, head of a police unit that tracks the practice.

"Each refinery is a big part of oil theft," he said yesterday in a phone interview from central Colombia. "They still have rustic labs nearby. Going after the refineries diminishes their resources."

[China likely to cut fuel prices this month: analysts](#)

BEIJING (Xinhua) -- China is likely to cut its gasoline and diesel prices this month, as the international crude oil prices to which China's prices are linked are expected to head south.

Data released by Chem99.com, a major oil industry service provider, showed that as of Friday, the basket of crude oil prices used to calculate China's own fuel prices, namely Brent, Cinta, and Dubai, went down by an average of 1.86 percent since a previous adjustment last month.

[Rwanda raises fuel prices, blames cost of oil on global markets](#)

KIGALI (Reuters) - Rwanda has increased fuel prices after global crude prices rose, the country's ministry of trade and industry said on Friday.

Rwanda had lowered fuel prices in August, a move which officials said at the time would help bring down inflation.

[Nigeria LNG declares force majeure as of October 4](#)

LONDON (Reuters) - Nigeria liquefied natural gas (LNG) on Friday declared a force majeure on plant output after an attempt to steal crude oil from a pipeline led to a fire, Shell said.

[Nigeria arraigns eight fuel subsidy fraud suspects](#)

ABUJA (Reuters) - Nigeria's Economic and Financial Crimes Commission (EFCC) arraigned eight suspects on Friday in connection with part of a multi-billion dollar fraud involving the state fuel subsidy programme.

Nigeria paid for nearly twice as much motor fuel as the country consumed between 2009 and 2011, one parliamentary inquiry found, in fraudulent deals that cost the

treasury \$6.8 billion over that time.

[Iran calls EU Ban on Iran's Gas "propaganda"](#)

The Iranian Oil Ministry downplayed the importance of the recent threat by the European Union to ban imports of Iran's natural gas supplies, reminding that Iran has no gas export to the EU members at all, FNA reported.

[There Is No Hyperinflation in Iran – The Real Story Is Much More Interesting](#)

The politically-important lower classes – which represent a significant amount of voters – are shielded from devaluation of the dollar because their day to day lives don't even involve dollars. Salehi-Isfahani told *Business Insider*, "The Iranian currency is very worthwhile for poor people. They go to work, they get their daily wage, they go buy their chicken and bread, and they get the same that they got the day before."

University of Michigan social historian and Middle Eastern affairs expert Dr. Juan Cole agreed, telling *Business Insider*, "It's just that you don't pay for your eggs in Iran in dollars."

[U.S. official: 2 Tunisians questioned about deadly Benghazi attack on U.S. Consulate](#)

(CNN) -- There is a connection between two Tunisians detained for questioning in Turkey and the attack on an American Consulate in Libya that left four dead, the U.S. defense chief said.

"We know there is some connection but, frankly, we really don't have all the specifics," Secretary of Defense Leon Panetta told reporters Friday.

The Tunisians -- who had been on a watch list provided by the United States to Turkish authorities -- are being questioned at the request of the United States, said a U.S. official with knowledge of the investigation. They entered Turkey this week.

[Syria and Turkey clash for fourth day](#)

(CNN) -- Turkish soldiers returned fire Saturday after a shell from Syria landed near a border village, state media reported, as clashes between the two neighbors entered a fourth day.

The shell hit the countryside of a Turkish village in Hatay province, about 50 meters (164 feet) into Turkey, the local government said.

[Japan to highlight 'flip-flops' in China's claim of Senkaku Islands in bid to drum up international support](#)

Kyodo (ANI): The Japanese Government is planning to highlight inconsistencies in China's territorial claim over the Japan-controlled Senkaku Islands in a bid to drum up international support for its case, Foreign Ministry officials have said.

The officials said that the government would aim to disprove China's assertion that it has long claimed the East China Sea islets by stressing that 'Beijing did not lodge any formal protest over their sovereignty until the early 1970s'.

[Chávez reelection at risk as Venezuela's oil heartland moves on](#)

In Venezuela's oil-rich east, some say the administration's management of natural resources – including oil spills and refinery accidents – has pushed them toward the opposition.

[Venezuela election result set to upset global oil politics](#)

According to studies, Venezuela has overtaken Saudi Arabia to become number one in the world for proven oil reserves, largely thanks to the heavy crude found in this vast alluvial plain.

Whether this multi-trillion dollar asset is controlled by Hugo Chávez or the opposition challenger, Henrique Capriles, will influence which countries and companies are given the priority to exploit them and how much drivers around the world pay at the pump. According to a report this year by BP, Venezuela has reserves of 296.5bn barrels, about 10% more than Saudi Arabia and 18% of the global total. At the country's current levels of production, this would last about 100 years.

If Chávez wins – as most polls suggest – he has promised to ramp up production and reduce his country's dependence on the US market by doubling crude exports to Asia. To further this goal, Venezuela plans to build a pipeline through Colombia to the Pacific which would reduce costs and transport times to China and other Asian markets.

[BP And Chesapeake To Fight In Court Over Land Deal Gone Sour](#)

Chesapeake Energy and BP are currently locked in a legal fracas over a 2008 Oklahoma land deal. Arbitration didn't work, so a fight in U.S. Court in the Western District of Oklahoma is likely next year. The dispute – which has been in and out of arbitration, and now looks headed to trial early next year – is interesting in that it reveals that about 7% of the natural gas acreage it sold to BP, it didn't even own the rights to.

[China taps shale gas through combined efforts](#)

BEIJING -- China is exploring an optimized energy structure by tapping into shale gas resources through the joint efforts of local authorities, enterprises and researchers.

The country's second round of auctions for shale gas licenses, which will be held in late October, has elicited substantial interest from more than 70 domestic companies, including Sinopec and PetroChina, the country's two largest oil producers.

[Why Susan Scott Buried TransCanada's Money on Her Family Farm](#)

Scott has been fighting to protect her farm, her cabin and her trees since before she ever heard of TransCanada's Keystone XL pipeline. Having already beaten back a previous oil pipeline and a power line, she was stunned when she got wind of TransCanada's plans for her property.

"I'm going like, 'What now?'" Scott told Truthout.

Scott says she was intimidated into signing a contractual agreement with TransCanada for her land. "I said, 'I ain't signing that,' and [a TransCanada representative] said to me, 'Let me tell you why you ought to, because they are going file charges, take you to court and they're going to sue you. You're going to have to pay lawyer fees, you're going to have to pay court costs,' and God only knows what else they're going to come up with, and I'm going like, 'I am a farmer. I don't have that kind of money. I'm a farmer for heaven's sakes!'"

[Tesla CEO plays down concerns](#)

NEW YORK (CNNMoney) -- Mitt Romney branded electric-car maker Tesla as one of the government-supported "losers" in green technology during the presidential debate this week, but CEO Elon Musk says there's nothing to worry about.

[Who Needs Fracking When You Have DNA?](#)

Biotechnology offers the hope of providing a variety of vehicle fuels and other products from renewable sources. I believe this flexibility and the renewable nature of feedstocks, joined with genetically modified micro-organisms, will help bring energy independence to America.

[Elon Musk's SolarCity Plans IPO, Supported by Solar Slump](#)

SolarCity Corp., the developer of rooftop solar-power systems whose chairman is Elon Musk, filed to raise more than \$200 million in an initial public offering that shows there are areas within the renewable-energy industry that benefit from cheap panels.

[The New Values Voters: Faith Groups And Climate Change](#)

For years, polling analysis on the environment has been grouped with other policy concerns like the economy and national security, rather than with “culture” issues such as same-sex marriage and abortion. But when the idea of environmental stewardship and care for the earth is articulated as a moral concern, this takes priority with voters above those traditionally listed culture issues. For their part, faith groups on both sides of the aisle are becoming bolder in their commitment to tackling climate change as a moral issue.



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