



Drumbeat: October 15, 2012

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[No risk of oil price collapse despite demand slowdown: Aramco CEO](#)

Dubai (Platts) - The global energy industry faces downward pressure on demand while supply of fossil fuels has risen sharply but there is no risk of a price collapse, Saudi Aramco CEO Khalid al-Falih was quoted as saying Monday.

"Our industry now faces downward pressure on demand; supply abundance; a slowdown in the deployment of renewables; and reduced momentum on climate change legislation," Falih said in a speech made to the Oxford Energy Institute on September 20 and just released by Saudi Aramco.

"It doesn't mean that our industry is in bad shape or that prices are going to collapse, but that's a profoundly altered energy landscape from the one we faced a decade, or even just a few years ago," he added.

[Oil Trades Near Four-Day Low Amid Global Economic Growth Concern](#)

Oil traded close to a four-day low in New York amid concern that the global economy is weakening, threatening to curb demand for fuels.

Futures slid as much as 1.1 percent. Bank of Israel Governor Stanley Fischer said the world is "awfully close" to a recession, adding to concern raised at annual meetings of the International Monetary Fund last week. Hedge funds and other speculators trimmed bets that oil will rise, data from regulators showed on Oct. 12. Iran reiterated an offer to suspend domestic production of medium-enriched uranium before European officials meet to discuss tighter sanctions on the Persian Gulf country.

[Asia Distillates-High sulphur gasoil premiums lowest since July](#)

India's Mangalore Refinery and Petrochemicals Ltd offered its third 0.25 percent sulphur gasoil cargo, its first exports of that grade in more than a year, in a further sign that the company is gradually shifting towards cleaner fuel production.

[Bullish Wagers Drop to Eight-Week Low Before Rally: Commodities](#)

Hedge funds cut bullish commodity wagers to the lowest since the middle of August before signs the U.S. economy is improving and declining grain stockpiles drove prices to a three-week high.

[Iran's Secret Plan to Contaminate the Strait of Hormuz](#)

Iran could be planning to create a vast oil spill in the Strait of Hormuz, according to a top secret report obtained by Western intelligence officials. The aim of the operation is to both temporarily block the vital shipping channel and to force a suspension of Western sanctions.

...The goal of the plan seems to be that of contaminating the strait so as to temporarily close the important shipping route for international oil tankers, thereby "punishing" the Arab countries that are hostile to Iran and forcing the West to join Iran in a large-scale cleanup operation -- one that might require the temporary suspension of sanctions against Tehran.

Western intelligence experts speculate that Jafari's planned operation is an expression of growing frustration. Contrary to claims made by Iranian Foreign Minister Ali Akbar Salehi in an interview with SPIEGEL last week, the embargo imposed on Tehran is causing far more than "discomfort." Iran derives more than 50 percent of its government revenue from oil exports, which declined from about 2.4 million barrels a day in July 2011 to about 1 million barrels in July 2012. But Iran has only cut back production by less than a quarter, because of the technical complexity and expense involved in temporarily capping wells.

[EU Bans Imports of Natural Gas From Iran](#)

German Foreign Minister Guido Westerwelle says the EU is banning the import of Iranian natural gas into European Union countries, trying to increase pressure on Iran to cooperate in talks regarding its nuclear program.

Westerwelle also indicated that other sanctions on Iran are being considered by EU foreign ministers as they meet Monday in Luxembourg.

[Iran's oil networks faced extensive cyber attacks](#)

Cyber attackers have targeted communication networks on Iranian offshore oil and gas platforms in the past few weeks, but their attacks have been repelled, a state official was quoted as saying. Iran, the world's No 5 oil exporter, has tightened cyber security since its uranium enrichment centrifuges were hit in 2010 by the Stuxnet computer worm, which Tehran believes was planted by Israel or the US.

[Iran denies role in cyber strikes in the Persian Gulf](#)

Iran has denied any role in cyber-attacks against two major oil and gas companies in the Persian Gulf, amid statements from the United States that alluded to the possible rise in Tehran's capability to launch massive cyber-strikes against Washington and its allies.

[Iran says gas output to exceed Qatari production by 2016: IRNA](#)

Tehran (Platts) - Iran plans to increase gas production from the giant offshore South Pars field to 800 million cubic meters a day by 2016, higher than Qatar's output of 550 million-560 million cu m/d from the shared field, despite slow progress in Iran's development program, the official IRNA news agency reported Sunday.

[Align domestic petrol prices to global rates: President](#)

New Delhi (IANS) President Pranab Mukherjee Monday called for a closer alignment of domestic prices of petroleum products with global prices, saying it is in the interest of both consumers and investors and necessary for a sustainable future.

He said that for an over-8 percent growth during the 12th plan (2012-2017), India has to ensure a better demand management, maintaining a balance between energy consumption and its cost and availability.

"In the present international environment of rising petroleum prices, greater alignment of prices to global prices is in the interest of both consumers as well as investors," Mukherjee said inaugurating the international Petrotech 2012 conference here.

[India's ONGC eyes stake in Canada's Athabasca oil sands-source](#)

(Reuters) - Indian state-run exploration company Oil and Natural Gas Corp plans to approach Marathon Oil about buying half of its 20 percent stake in the Athabasca Oil Sands Project in Canada, two sources with knowledge of the matter said on Monday.

[High stakes in Iraqi oil dispute](#)

When ExxonMobil, the world's largest international oil company, signed a deal for oil rights with the Kurdish regional government (KRG) last November, the simmering tensions between Erbil and Baghdad were again exposed.

[After Peak Oil, What?](#)

In recent months, some analysts have questioned the peak oil hypothesis. In an article entitled "Sustainable Energy Development (May 2011) with some Game-Changers" available online in November 2011 in the leading journal Energy, Noam Lior, for example, speaks of the apparent postponement of the threat of fossil fuel depletion. This view is consistent with the main conclusions of a more recent Harvard study. Take note

that following this publication, one analyst has indicated: "We were wrong about peak oil: There's enough in the ground to deep-fry the planet." And another one has wondered whether this finding will "kill development of alternatives to oil."

[Azerbaijan: 'No Threat' to Western Firms after President's Criticism](#)

BAKU, Azerbaijan – There is no threat to Western companies working in Azerbaijan, the country's industry and energy minister said Monday, after President Ilham Aliyev last week sharply criticized a consortium led by BP for declines in oil output. "There is no threat to the activity of foreign companies in Azerbaijan," Natiq Aliyev said on the sidelines of the 6th Caspian Oil and Gas Trading and Transportation conference.

[Pertamina suffers \\$37m in losses due to oil thieves](#)

The theft of crude oil in South Sumatra since 2010 has caused the state-owned oil firm PT Pertamina to lose around 370,000 barrels of oil worth US\$37.01 million.

The amount of stolen crude oil from the Tempino-Plaju oil pipeline in the province had increased over the years, Pertamina president director Karen Agustawan said during a meeting with the House of Representatives' Commission VII overseeing energy on Monday.

[Sinopec, ENN's \\$2.15 Billion Bid for China Gas Collapses](#)

China Petroleum & Chemical Corp., one of the country's biggest state-owned firms also known as Sinopec, lost a battle for China Gas Holdings Ltd. in its home market Monday.

On Monday, Sinopec and gas supplier ENN Energy Holdings Ltd. said they terminated their US\$2.15 billion hostile bid for China Gas, as the pre-conditions of the deal--including Chinese regulatory approvals--remain unfulfilled.

[Halliburton Earnings Likely Fell On Natural Gas Switch](#)

Rigs are shifting away from natgas and focusing on oil-rich regions in the U.S. as a glut in natural gas has lowered prices to near decade lows. Natgas prices are rebounding slightly as a cold winter is expected to freeze the Northeast.

Analysts were expecting profit margins to be squeezed by the high price of guar gum, a food additive that is also used in hydraulic fracking, during the quarter. Guar prices are finally falling in recent weeks after hitting a high of \$12 per pound. It is now around \$5 per pound.

[Saudi Aramco sees gas flow from Madyan field in 2013](#)

(MENAFN - Arab News) Transport Minister Jabara Al-Seraisry yesterday announced the discovery of a gas field in the Red Sea, north of Dhuba Port in Tabuk.

"It's a good beginning and will benefit the people of Tabuk and other regions," the minister said after signing an agreement with Saudi Aramco President Khaled Al-Falih to develop facilities to extract the gas.

[Chrysler Opens Dealer Orders for Natural Gas Ram Pickup](#)

Chrysler Group LLC, the automaker controlled by Fiat SpA, is making its natural gas-powered Ram pickup available for sale to retail buyers, according to the head of the company's dealership network.

[Peak Lithium: Death Blow For Electric Cars?](#)

Economists and investors love to argue over the peak oil theory, and what the impact will be for a shrinking high EROEI oil supply means for the global economy. Some think we'll switch to natural gas and electric vehicles, some put their faith in biofuels, and some claim that we still have so much oil through shale oil reserves that we will have entire new technologies ready before it's a problem.

I'm solidly in the electric and natural gas vehicles camp. There's a substantial amount of natural gas for trucks and tractors, and the electric vehicle infrastructure just needs to be produced for a while in order for people to switch over. Both are environmentally friendly, at least to the air, and it's just a logical switch.

The problem, though, is when many claim that we won't be able to use electric batteries for long because of "peak lithium". Some even claim that since lithium is in other countries, it's somehow not "secure", so we shouldn't make the switch.

[A Grand Experiment to Rein In Climate Change](#)

On Jan. 1, California will become the first state in the nation to charge industries across the economy for the greenhouse gases they emit.

[Pacific iron fertilisation is 'blatant violation' of international regulations](#)

A controversial American businessman dumped around 100 tonnes of iron sulphate into the Pacific Ocean as part of a geoengineering scheme off the west coast of Canada in July, a Guardian investigation can reveal.

Lawyers, environmentalists and civil society groups are calling it a "blatant violation" of two international moratoria and the news is likely to spark outrage at a United Nations environmental summit taking place in India this week.

[Facing the Climate Gap: How Low-Income Communities of Color Are Leading the Charge on Climate Solutions](#)

California's communities of color are implementing effective climate change responses that address social equity concerns while also building political momentum that can catalyze broader policy change.

[Lower lake levels could hurt region, industry](#)

Climate change is expected to drop water levels in the Great Lakes, affecting industry and the region.

Levels could drop anywhere from a few inches to several feet as water evaporates in the drought conditions, experts said Wednesday.

Extreme weather will become more commonplace. Heat waves will be more severe. Drought will be more frequent, said Don Wuebbles, professor of atmospheric sciences at the University of Illinois.

[Sea Level Rising Toward Washington and Other Cities](#)

How soon could ocean waters be lapping at Thomas Jefferson's memorial on the edge of the Washington Mall?

City planners in Washington, D.C. — and in most major coastal cities around the world — are asking such questions as sea level rise, which the world's climate scientists agree is being caused by manmade global warming, accelerates.

[Globalisation of floods: The start of hundred years of change in Nigeria](#)

Unfortunately, it is not products, services and ideas that are being globalised; the miseries of climate change brought about mainly by the economic and social activities in the leading economies, USA, China, Japan, Europe, Russia, Brazil, and Asian Tigers are being visited on rich and poor countries alike. Nigerians and other African countries, which account for less than three per cent of global output of goods will pay a disproportionate share of the penalties of globalization of floods.

[Ecological crisis and the need to challenge the 20 per cent](#)

The US, home to less than 5 per cent of the world's population, uses almost a quarter of the world's fossil fuel.



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