



Drumbeat: April 20, 2013

Posted by [Leanan](#) on April 20, 2013 - 10:21am

[Russia says Egypt asks for help with gas supplies to Europe](#)

MOSCOW (Reuters) - Egypt, struggling to meet domestic energy demand, has asked Russia to help it fulfil its gas supply contracts with Europe, Russia's Energy Minister was quoted as saying on Saturday.

He also said Egypt had offered some Russian companies, including Gazprom , Gazprom Neft , Lukoil and Novatek , opportunities in the North African country's offshore oil and gas sector.

"The gas, which they were supposed to ship (abroad) under a contract, may be left for domestic consumption, while we could fulfil the contract via a swap supply by Gazprom," Alexander Novak was quoted as saying by the RIA Novosti news agency.

[Fossil fuel subsidies: the addiction Egypt just can't kick](#)

Fossil fuel subsidies cost governments \$523bn a year, but despite a growing consensus that they should be reformed, they linger on.

Earlier this month Egypt walked away from negotiations on a \$4.8bn lifeline loan from the International Monetary Fund (IMF), despite its parlous financial situation.

[The falsehood of 'Peak Oil Theory'](#)

In the last few years, there were several attempts from several non-specialized writers in the Saudi media to advocate for what is called "Peak Oil Theory" that wrongly predicts dark future for oil production.

This theory was introduced in the US after the oil embargo in early 70s by some bankers stating that when 1/2 of the oil reserves in any field is produced, the production will follow steep decline. This concept is based on a probability theory that is not linked to any scientific facts or physical laws that govern oil production in oil reservoirs.

In addition, what makes this theory completely false is the fact that it totally ignores the impact of technological advancements in increasing the recovery factor and the probability to find new oil discoveries.

[Crude Increases a Second Day](#)

Crude advanced for a second day, paring its third weekly drop, on speculation that declines were excessive and as the euro increased against the dollar.

West Texas Intermediate oil rose 0.3 percent. Prices gained the most in three weeks yesterday after the 14-day relative- strength index sank below 30 on April 17, a sign the market is oversold, data compiled by Bloomberg show. Commodities gained with the euro after German Finance Minister Wolfgang Schaeuble said in an interview with Wirtschaftswoche magazine that the European Central Bank should reduce liquidity in the euro area.

[Heavy Louisiana Sweet Oil Weakest Against WTI Since January 2012](#)

Heavy Louisiana Sweet oil's premium to West Texas Intermediate on the spot market shrank to the narrowest level since January 2012 as Brent held at about \$11 a barrel more than WTI.

Brent's premium over the U.S. benchmark has fallen by more than half since February as refinery turnarounds and disappointing economic data out of Europe and Asia have diminished demand. The June European benchmark's premium to WTI for same-month delivery was \$11.24 a barrel at 2:14 p.m. New York time.

[Los Angeles Gasoline Weakens as Refinery Restarts Unit This Week](#)

Transportation fuels on the spot market in Los Angeles weakened as Chevron Corp. was scheduled to bring the fluid catalytic cracker online this week at its El Segundo refinery in Southern California.

[Iran sees no need for OPEC emergency meeting over drop in prices](#)

TEHRAN - Iran sees no need for an emergency meeting of the oil cartel OPEC over a recent drop in crude prices before the producers' annual session at the end of May, Oil Minister Rostam Qasemi said Saturday.

"No extraordinary meeting is needed as the May 31 meeting is coming up, and the price of oil had not gone below 100 dollars per barrel for a long time," Qasemi told reporters on the sidelines of an oil and gas trade fair in Tehran.

[Commodities Supercycle Seen Intact by Mercuria Energy](#)

The commodity supercycle is in no danger of ending even as raw materials prices head

for their worst month since May, according to Mercuria Energy Trading SA.

Economic growth in China will keep driving demand for everything from oil to metals, with crude prices likely to recover later this quarter, Roger Jones, Mercuria's global head of non-oil trading, said this week at the Financial Times Global Commodities Summit in Lausanne, Switzerland.

[Ethanol Strengthens Against Gasoline on Below-Average Production](#)

Ethanol strengthened against gasoline on speculation that demand for the biofuel is outstripping supply.

The fuels' spread shrank by 1.11 cents to 28.44 cents a gallon as production of the fuel reached 832,000 barrels a day last week, the lowest level for this time of year in records going back to June 2010, a report from the Energy Information Administration showed. Inventories have fallen 11 out of the 15 weeks so far this year.

[California Power Facing Biggest Test Since Enron](#)

California may face the biggest regional power shortages in more than a decade this summer, sending wholesale prices higher, as idled nuclear reactors and low hydroelectric output cut generating capacity.

[Official: Venezuela will audit 100% of election results](#)

(CNN) -- Venezuela's top election official said Thursday that authorities will complete a 100% audit of votes cast in Sunday's presidential election.

Tibisay Lucena, president of Venezuela's National Electoral Council, said officials decided on the audit after a lengthy debate.

[War-torn Caucasus may be at root of the brothers' rage](#)

MOSCOW — The journey that led two brothers to bomb the Boston Marathon has its roots in the strife-ridden violent Muslim region of Russia known as North Caucasus, where jihadists have been trying to take over for years, an expert says.

"Although the two suspects may not have lived in Chechnya, they are likely to have socialized with Chechens, both in the United States and online," said Oliver Bullough, an author and North Caucasus expert.

[Experts: Growing piracy across West Africa takes root in oil-slicked creeks of Nigeria](#)

LAGOS, Nigeria — Experts say that the growing piracy off the coast of West Africa takes root in the oil-slicked creeks of Nigeria's southern delta.

Speaking Saturday at a conference on piracy, the experts say the majority of the attacks happening across the Gulf of Guinea mostly happen along Nigeria's coast. The experts say those committing the acts likely come from the militant groups of the Niger Delta.

[Uganda: Battle for oil contracts](#)

With local businesses crying foul over big oil contracts and jobs going to international companies and expatriates, oil companies are drawing strategies to improve their local content input.

French oil giant Total E&P has announced it is spending US\$ 1.5 million (Shs 3.9 billion) for an international firm to conduct an industry survey to map the Ugandan market and find out what companies and competencies are available in its local content drive.

[In latest legal blow, Pakistani court confines Musharraf to his home](#)

Islamabad, Pakistan (CNN) -- A day after he made a swift exit from an Islamabad court when a judge revoked his bail, former Pakistani President Pervez Musharraf appeared before a magistrate on Friday and was formally placed under house arrest.

The development is the latest setback to Musharraf since the former military ruler returned to Pakistan last month to fight a series of court cases against him and re-enter the country's turbulent political scene by seeking to run in upcoming elections.

[Tehran, Pyongyang in Talks over Supply of Iranian Crude](#)

Speaking in a Q&A session at the 18th International Exhibition of Oil, Gas, Refining and Petrochemicals here in Tehran today, Qassemi said his North Korean counterpart is visiting the exhibition at the head of a delegation.

"We have had some negotiations with the country's oil industry minister about exports of oil to North Korea and these negotiations are still underway," Qassemi said.

[Iran, EU Strike Agreement over Payment of Shell's Overdue Debts to Iran](#)

TEHRAN (FNA)- Tehran has worked out a deal with the EU to receive its blocked money from the Royal Dutch Shell, Iranian Oil Minister Rostam Qassemi announced on Saturday.

[Official: India Keen to Join IP Gas Pipeline](#)

TEHRAN (FNA)- Iranian Oil Ministry Spokesman Alireza Nikzad Rahbar said that New Delhi has shown interest in the extension of Iran-Pakistan (IP) gas pipeline to India.

"Since India has been motivated by Pakistan's seriousness in construction of the (Iran-Pakistan) peace pipeline, New Delhi is negotiating to join the project," Nikzad Rahbar said on Friday.

[Women Cash In on Dakota Oil Service Needs to Sustain Boom](#)

Amanda Kieson gets calls at 2:30 a.m. to collect urine samples from workers involved in accidents in western North Dakota's oil industry. The 33-year-old mother of two says she opened her testing service two years ago to get a part of the economic bonanza engulfing the region.

[Canadian ambassador to U.S. calls for Keystone XL approval](#)

As the battle over the Keystone XL pipeline sharpened this week at State Department hearings in Nebraska, Canada's ambassador to the United States called for approval of the giant pipeline intended to carry oil from Alberta and North Dakota south across the Great Plains.

[BP Halts This \\$10 Billion Project](#)

The Gulf of Mexico site where BP planned to start the second phase of Mad Dog is still a sore spot for the oil giant. In 2010, the biggest oil spill ever off the coast of the U.S. prompted a multi-billion dollar settlement and bad press worldwide. BP was planning to get production going with this project and was to invest close to \$10 billion to access the oil-rich reserves and potentially start bringing the oil to consumers by the end of the current decade.

The company's decision will stop effectively that momentum, leaving BP with the recent court defeat in the Deepwater Horizon settlement as its primary concern in the Gulf of Mexico area. The oil spill required a giant settlement following the damage caused to human lives, property and business in the region. The mining industry will take another major hit following the halting of the Mad Dog project.

[BP Still Uncertain Over Spill Cost at Third Anniversary](#)

BP Plc faces the third anniversary of the 2010 oil spill in the Gulf of Mexico today with no sure knowledge of how much more it will have to pay government and private plaintiffs over the disaster.

[Three Years After the BP Spill, Tar Balls and Oil Sheen Blight Gulf Coast](#)

The rest of the U.S. may have moved on, but along the coast where oil drifted to shore, residents are still waiting for some kind of closure.

[Mississippi Suing BP Over Gulf Oil Spill](#)

Mississippi has become the third state to sue BP over the 2010 Gulf of Mexico oil spill. State Attorney General Jim Hood said on Friday that the state had filed suits in federal and state court.

[3 Years Later: What BP's Disaster Has Taught America?](#)

First of all, as despised as BP was as it raced to cap the well, we're actually lucky that the disaster happened to a company with the financial resources of the oil giant. So far, the company has agreed to pay more than \$30 billion in fines, settlements, and cleanup costs. Very few companies could pull that off without going bankrupt.

That's why we need to look at the disaster in terms of risk. For most Americans, we see the spill and its aftermath as evidence of the risk of doing business, so to speak. We need the oil, and it's better to get it from our own backyard than to import it from overseas.

[Will hunt for oil off Atlantic coast, Florida deafen dolphins?](#)

Hunting for oil and gas deposits off the Atlantic coast with gear that produces underwater sound blasts 100,000 times stronger than a jet engine could harm or kill tens of thousands of whales and dolphins, an environmental group contends in a new report.

The devices, called seismic air guns, are routinely used during offshore geological surveys. Towed behind vessels, they fire intense bursts of compressed air that shoot sound waves and bounce echoes off the sea floor that help pinpoint promising areas for exploration.

[Boeing 787 Battery Fix Wins Approval to Resume Flights](#)

Boeing Co. won U.S. approval for the 787 Dreamliner's redesigned battery, setting the stage for ANA Holdings Inc. and Japan Airlines Co., the jet's two biggest operators, to seek domestic clearance to restart flights.

[E.P.A. Issues Plan on Tainted Water From Power Plants](#)

Power producers would have to curb the tainted water they discharge into waterways under a proposal issued by the Environmental Protection Agency on Friday, the latest in a series of rules focused on utilities that burn coal.

[U.S. Supreme Court asked to hear EPA greenhouse gas challenge](#)

(Reuters) - Top industry groups and a dozen states have asked the Supreme Court to review a lower court decision upholding the Obama administration's plan to limit greenhouse gas emissions generated by power plants and vehicles.

[An Earth Day Message: Take Heart from the Abolition Movement](#)

On this Earth Day, those of us fighting for climate justice and an end to the world's fossil fuel domination should take heart from the struggle against slavery.

[Climate inaction likely to deepen EU divisions - paper](#)

(Reuters) - The European Union must take measures to prevent the destruction of crops and property by extreme weather or face instability and deeper social divisions as a result of potential climate change, a European Commission document said.

The discussion paper, seen by Reuters, calls for a pre-emptive, EU-wide strategy, taking account of factors such as disruption to energy and food supplies.



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