



DrumBeat: January 11, 2007

Posted by [threadbot](#) on January 11, 2007 - 10:05am

Topic: [Miscellaneous](#)

[Saudis Adjust Long-Term Oil Strategy](#)

Saudi Arabia's growing fear of Iranian hegemony in the Middle East may be driving the world's largest crude oil exporter to prepare a more aggressive long-term political oil strategy that could subvert an Iranian ascendancy, insiders and analysts say.

Under a new, accelerated production program, the kingdom could increase its spare oil drilling capacity to at least 3 million barrels a day

Nathan Lewis: [The Ultimate "Contrarian" Investment for 2007 - Be Prepared](#)

What I am talking about could be summed up as: the lights go out and don't come back on again. Foreign oil shipments stop, or are blocked. Maybe freight shipments of goods from China and elsewhere become impossible. Maybe food is no longer delivered to the supermarket. In short, an economic breakdown something like what happened to the Soviet Union, but possibly on a worldwide scale. In such case, there will be no rescue because there will be nobody to do the rescuing.

(Original source: [The Daily Reckoning](#).) Lewis is a supply-side economist who writes investing articles for FT, WSJ, etc. At least, he used to be.

[Swiss Re Global Risks 2007 Report Highlights Increasing Threats](#)

Swiss Re's newly issued "Global Risks 2007" report highlights "a growing disconnect between the power of global risks to cause major systemic disruption, and our ability to mitigate them."

Among the risks: an oil shock, and climate change. Full report can be read [here](#) (PDF)

Tom Whipple - [The Peak Oil Crisis: A Memorandum for the Board](#)

[Estimate of the World's Oil Reserves](#)

Mr. Zysk appears to have done a fair amount of research, and if true, give the most frightening scenario yet on the amount of time we have to use fossil fuels. He also makes some very pointed observations on the fundamental Christian concept of Jesus saving the earth and the coming rapture which he believes that our present government pins it's final hopes on after we have exhausted the worlds last fossil fuels that we "steal" from the rest of the world. Believe me when I say that his conclusions actually make sense when you look at the world from his standpoint. I am going to reprint his chapter on the estimates on the world's oil reserves. I would also recommend that you check out his web site where I'm sure you will find some very interesting concepts and correspondence.

[Zimbabwean inflation hits 1,281%](#)

Domestic energy, gas and other fuel costs were behind the rise, the Central Statistics Office said.

[Analysis: India deregulates coal sector](#)

NEW DELHI -- India has decided to deregulate its coal industry to encourage private investment and solve the coal production problem, which is not keeping pace with country's rising energy demands.

[Experiment With Biofuel Production in Senegal Raises Concerns](#)

A Senegalese experiment with biofuel production will start within the coming weeks, as part of President Wade's plan to reduce oil imports and to revive the rural economy. Where biofuel supporters see a green solution to their growing energy crisis, critics worry about the problematic - and possibly dangerous - tradeoffs in the rush to exploit environmental cash crops.

[Albania: Mjaft! Protests the Energy Crisis](#)

Yesterday Mjaft! Movement protested against the nation's ongoing energy crisis in front of the Prime Minister's Office. Mjaft! proposed the inauguration of a new Prime Minister for Albania – Pinocchio - as well as the introduction of a new emblem for the Council of Ministers - a picture of a generator, torch and candle to replace the eagle.

Stratfor - [The Belarusian Crisis: An Opportunity for Germany](#)

[European Commission tackles energy crisis](#)

Brussels plans to wean itself off oil imports and slash the carbon emissions blamed for

global warming. Europe has to look at alternatives, using more renewable energy (wind power and biofuels), the Commission says.

[Germany Wary About EU Energy Policy](#)

Germany reacted cautiously Wednesday to an EU plan to diversify energy sources, raising concerns about the new EU president's ability to tackle the issue in the 27-member bloc.

[Russia to diversify oil export routes](#)

Russia will diversify its oil supply routes in order to avoid incidents similar to that with Belarus, Deputy Economic Development and Trade Minister Andrei Sharonov said.

[OPEC's President Urges Group to Comply With Oil Cuts](#)

OPEC's president, describing crude oil's plunge to \$53 a barrel as "unacceptable," urged members to comply with pledged production cuts.

[KSA: Work Progresses at Khursaniyah oil and gas facilities](#)

CEOs and delegates from more than 20 contractor companies has met with Saudi Aramco executives in Khursaniyah for the Second CEO Meeting to discuss the progress on one of the largest oil and gas facilities being built in Saudi Arabia.

[EU proposes break-up of energy giants](#)

The grip of Europe's energy giants on the Continent's oil and gas markets will come under threat today when the European Commission unveils plans which could mean formal separation of supply and generation companies.

[Democrats May Resurrect Ousted GOP Rep's Energy Plan](#)

The November elections left former House Resources Committee Chairman Richard Pombo, R-Calif., without a seat in the U.S. Congress. But one of his important bills - a plan to fix flawed 1998 and 1999 oil drilling leases - might live on.

[Montreal woman seeks to sue gas companies over price hike](#)

The lawsuit argues that four companies — Petro-Canada, Shell Canada, Ultramar and

Imperial Oil — colluded illegally to raise gas prices as a means of offsetting the future cost of a "green tax" on gas that will come into effect later in 2007.

[Barren larder, heavy heart](#)

You know that old joke, I'm sure. The one with the husband talking about his marriage, and explaining how he makes all the big decisions - whether they approve of the government's foreign policy, that sort of thing - while his wife deals with the trivial stuff like what the children should have for dinner. Perfectly amusing in an old-hat, patriarchal "let's give the little woman some credit" sort of way. It's just that I'm finding, increasingly, that the two types of decision have merged into one. Shopping has become a socio-political process, and neither I nor my husband is equipped to make the decisions.

[Weird winter leaves Europeans, North Americans warm but puzzled](#)

"In the coming years, this exceptional mildness will no longer be exceptional."

[NASA scientist urges action on warming](#)

The effects of global warming are being felt around the world and unless international efforts are launched within the next 10 years species will disappear and the earth will be a vastly less habitable planet by the end of the century, according to NASA scientist James E. Hansen.

[Is ethanol the heart of Schwarzenegger's idea?](#)

Activists and experts offer mixed reactions to the gas alternative after the call for a low-carbon fuel initiative features a key backer of ethanol.

[Warming climate may prove costly for state, study warns](#)

A warming climate could cost Washington governments and businesses tens of millions of dollars every year in drought-stricken crops, forest fires and tightened water supplies, according to a new state study.

[Agency Affirms Human Influence on Climate](#)

Until yesterday, no news release on annual climate trends out of the National Oceanic and Atmospheric Administration under the Bush White House had said unequivocally that a buildup of greenhouse gases was helping warm the climate.

[Do carbon offsets live up to their promise?](#)

"On the one hand, there is the potential benefit of educating people through offsets," says Dan Becker, director of Sierra Club's global warming program. "On the other hand, if people view offsets like papal indulgences that allow you to continue to pollute, then it's probably not a good idea."

[Soil Association's annual conference in Wales](#)

At the conference, leading experts on peak oil and climate changes will be included.

[Exploring Coal-Based Jet Fuel](#)

A radical new source of jet fuel that's comparable to jet-A and military JP-8 may become a marketplace reality.

[Study casts doubt on nuclear waste storage safety](#)

Materials that scientists had hoped would contain nuclear waste for thousands of years may not be as safe and durable as previously thought, researchers said on Wednesday.

[Review: Mark Jaccard's *Sustainable Fossil Fuels*](#)

[Oil keeps U.S. vulnerable, lawmakers told](#)

WASHINGTON (Reuters) - The United States' role as dominant global military and economic power hinges on secure access to crude oil, but U.S. politicians who call for "energy independence" are shouting into the void, experts told a U.S. Senate panel on Wednesday.

The U.S. economy will continue to rely on crude oil imports -- which currently account for more than half the nation's oil consumption -- panelists said at a hearing before the Senate Energy Committee on global oil supplies.

[Price of oil hits 19-month low](#)

Oil prices tumbled to settle at a 19-month low Wednesday after the government reported rising inventories of gasoline, heating oil and diesel fuel.

[Fuel dealers' earnings melting in mild winter](#)

...To those in the energy trade, this winter already looks like a slow-motion train wreck.

[The Plan for Economic Strangulation of Iran](#)

Iran currently produces about 4 million barrels of oil per day, of which only 2.5 million barrels are exported with the remaining 1.5 million barrel being consumed internally. According to the latest report (26 Dec 2007) by the National Academy of Sciences of the United States (NAS), if the current increase in local Iranian oil consumption continues and the current decline in oil production is not stopped, then by 2015 Iran's oil export will decline to zero.[3] According to this and other reports Iran needs to invest about \$2.5 billion a year just to stand still. Iran is not running out of oil, but needs money to maintain old fields and bring in the new fields online.

The existing major oil fields in Iran are: Ahwaz (1958), Aghajari (1936), Gacchsaran (1937) and Marun (1963). These four fields together, during their highest output, produced almost 4.5 million barrel of oil per day. All four reached their peak in late 60s to mid 70s. According to Mathew R. Simmons by 2003, these 4 oilfields' combined production were reduced to 1.7 million barrel per day.

[Uganda: Power Cuts Increase City Infernos](#)

A new report has revealed that power shortages and lit candles remain the major causes of infernos in the city.

The report suggests that there is a link between the prevailing power shortage and the ravaging fire outbreaks.

[Canada's Changing Political Winds and the CANROYs](#)

Even if half of what Matt Simmons (of *Twilight in the Desert* fame) says is true, we won't see \$40 oil again.

[How Oil Gets to Central Europe](#)



[Russia resumes pumping oil to Europe](#)

MOSCOW - Russia resumed pumping oil to Europe via Belarus on Thursday, ending a three-day suspension of supplies caused by a dispute between the former Soviet neighbors that has left lasting doubts in European capitals about Russia's dependability as an energy supplier.

[Russia's Pipeline Czar is Putin's 'Soldier'](#)

Semyon Vainshtok, the clever and self-confident head of the pipeline group Transneft, manages Russia's giant oil distribution network. By shutting off oil supplies to the West, he has provoked a serious foreign policy crisis.

[Oil Is Russia's Only Friend](#)

Europeans are deeply unhappy about Russia's decision to close off a major crude oil pipeline. But there are some important lessons to be learned. First, the European Union needs energy alternatives. The second, say German commentators, is that Russia doesn't mind going it alone.

[An incentive to diversify](#)

To the world, Russia seems to be throwing its weight around again. Why, we might ask, was there no advance notice for those European consumers further down the line before the pipeline was shut? Why does the Russian President, Vladimir Putin, refuse to sign the Energy Charter proposed by the European Union, which would guarantee security of supply? Confidence in the Kremlin is wearing thin. The feeling is growing in the West

that Moscow is using energy as a "weapon" rather than merely a tradeable commodity.

['Beware the Russian bear' is the motto Europe must adopt as it reviews its energy future](#)

Today sees the publication of the European Commission's review of energy - a subject which has climbed remorselessly up the political agenda in recent years to the point where it has now assumed the same kind of importance to world well-being and security as international terrorism or global warming



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