



Drumbeat: February 3, 2010

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Topic: [Miscellaneous](#)

[Russia boasts 100% reserve replacement](#)

Russia has fully replaced oil output with new reserves since the collapse of the Soviet Union, Natural Resources Minister Yuri Trutnev said today, as the world's top energy nation seeks to maintain record oil output levels.

Trutnev said in a statement Russian oil reserves as of 1 January were equal to the reserves of 1990.

About 51.3 billion barrels produced since then had been fully replaced with new reserves, he said.

hat," said Neil Mc Mahon, a Sanford C. Bernstein & Co. analyst. But it has "only pulled out a fluffy bunny so far."

[Call made for gas network](#)

The chief of Oman's main gas transportation firm called for the development of a regional GCC gas pipeline network, but said higher local gas prices would be needed to support such a project.

"We need an integrated approach to putting a gas network in the area," Yousuf al Ojaili, the chief executive of Oman Gas, told the Gas Arabia Summit in Abu Dhabi yesterday. "Enough studies have been done. We need to move to the next step."

[Why Iraq Remains a Puzzle for the U.S.](#)

(CBS) A professor of sociology at Stony Brook State University, Michael Schwartz is the author of War Without End: The Iraq War in Context (Haymarket Press), which explains how the militarized geopolitics of oil led the U.S. to dismantle the Iraqi state and economy while fueling a sectarian civil war.

['Russia unlikely to make oil tax switch soon'](#)

Russia is unlikely to switch to a profit-based oil taxation system before 2012, chief financial officer at state-controlled oil major Rosneft, Peter O'Brien, said today.

[Oil services poised to grow in 2010](#)

Barclays Capital has a bullish report on the global oil service industry, which it says will grow this year after passing the low point for activity in the fourth quarter of 2009. The reports predicts an 11 per cent rebound in worldwide spending on exploration and production this year.

[Nigeria Cement Makers Cut By HSBC on Fuel Shortages](#)

(Bloomberg) -- Three of Nigeria's four biggest cement makers had their recommendations cut by HSBC Holdings Plc on concern fuel shortages in Africa's biggest oil-producing nation will cause earnings to "disappoint."

Militant attacks have disrupted pipeline supplies from the Niger Delta oil region, cutting output from four state-run refineries and causing the West African nation to rely on imports to meet 80 percent of daily domestic needs. Fuel shortages have worsened since November after companies including Exxon Mobile Corp. and Total SA stopped importing oil into the country because of debt owed to them by the government.

[Valero doesn't see fuel shortage after Quebec fire](#)

CALGARY, Alberta (Reuters) - Quebec is not expected to be hit with gasoline shortages as a result of a fire that damaged the Canadian province's biggest refinery, a spokesman for the company that operates the refinery said on Tuesday.

[Depletion of Key Resources: Facts at Your Fingertips](#)

Modern industrial society is based on a triad of hydrocarbons, metals, and electricity. The three are intricately connected; each is accessible only if the other two are present. Electricity, for example, can be generated on a global scale only with hydrocarbons. The same dependence on hydrocarbons is true of metals; in fact the better types of ore are now becoming depleted, while those that remain can be processed only with modern machinery and require more hydrocarbons for smelting. In turn, without metals and electricity there would be no means of extracting and processing hydrocarbons. Of the three members of the triad, electricity is the most fragile, and its failure serves as an early warning of trouble with the other two.

[White House report: Develop more crops for biofuels](#)

Washington, D.C. — The nation won't meet its biofuels goals unless the government accelerates the development of biofuel crops and products, the White House says.

In a report being released today, an administration task force said the government needs, among other things, to set targets for commercializing new types of fuel crops, such as switchgrass.

[Energy Quiz: What renewable fuel delivers the most net energy?](#)

Surprise! Humble firewood yields the highest energy return on energy invested.

[Russia boasts 100% reserve replacement](#)

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[Saudi Oil Flows East: China's Ever Increasing Appetite for Oil](#)

One more measure of China's growing global clout – so much Saudi oil is flowing China's way that it may soon replace the U.S. as the leading market for the world's largest oil exporter.

[Saudi Aramco Completes Ras Tanura Asphalt Unit Work](#)

Saudi Arabia, holder of the world's largest oil reserves and the biggest producer in the 12-member Organization of Petroleum Exporting Countries, imports refined products such as gasoline because it lacks capacity to meet domestic demand.

Aramco is investing in refining capacity even given the current poor returns, Chief Executive Officer Khalid al-Falih said at the World Economic Forum in Davos last week. Refiners worldwide have postponed expansion projects and idled plants in the past year as the global recession eroded fuel demand, squeezing profit margins for oil processors.

[Venezuela Cuts Power Use Amid Conservation Drive](#)

(Bloomberg) -- Venezuela cut electricity consumption last month after President Hugo Chavez ordered homes, businesses and government offices to save power as water levels plunged at hydroelectric dams.

The country used 9,557 gigawatt-hours of electricity in January, down 2.4 percent from a year earlier, according to preliminary figures on the Web site of the National Administration Center, the electricity-grid operator known as the CNG. Consumption fell 8.1 percent from December.

[Iran seen boosting gas supplies to Turkey - minister](#)

ANKARA (Reuters) - Iran is expected to boost gas sales to Turkey from current levels of between \$1.5-2.0 billion a year, Turkish State Minister Cevdet Yilmaz said after meeting with Iranian Foreign Minister Manouchehr Mottaki on Wednesday.

[Oil price predicted to be low this year February 2nd 2010](#)

Despite the world's long term march toward peak oil – the time when daily oil supply to the world can no longer be expanded – oil may see more downside than upside in this year comments Saxo Bank. Even a dramatic geopolitical disruption related to Iran's nuclear ambitions may do little to upset the well-supplied energy markets. After the spectacular collapse in oil in late 2008 on the heels of the credit meltdown and worldwide recession, oil went on to rally more than 100% off its lows around \$35 dollar per barrel in early 2009 to as high as \$82 dollars by later in the year. Prices recovered as risk appetite recovered in general and on higher demand. As well, oil was partially caught up in the USD carry trade and the idea that it was better to own hard goods rather than paper currency, though this effect was far more pronounced for gold than oil.

[Shifting More Freight to Rail Isn't Always Such a Great Idea](#)

The U.S. government has introduced various incentives to motivate companies to use rail transportation more often to move their freight, with the goal of a greener transportation system throughout the country. However, there's no real evidence that greenhouse gas (GHG) emissions would be reduced by forcing truck traffic onto the rails, says Noël Perry, managing director and senior consultant with FTR Associates. In fact, it's quite the contrary -- most freight currently moving by truck would consume more energy if converted to a 100% rail move, he points out.

[Lithuanian official sees deal on new nuclear plant by early 2011](#)

Riga - A final agreement on construction of a new nuclear power plant in Lithuania will be signed by early 2011 at the latest, Lithuanian Energy Minister Arvydas Sekmokas said Wednesday.

Speaking to the German Press Agency dpa on the sidelines of an energy and infrastructure conference in the Latvian capital, Sekmokas said an agreement binding together the Baltic states of Estonia, Latvia and Lithuania, plus Poland and a yet-to-be-chosen private strategic investor, would be signed 'at the end of this year or, in a worst-case scenario, early next year.'

[Lack of Australian nuclear plant almost immoral: Cosgrove](#)

FORMER defence force chief Peter Cosgrove has pleaded for Australia to embrace nuclear power, criticising the "daily scrapping" between politicians about climate change.

Addressing a business breakfast in Perth, General Cosgrove said strong action was crucial and it was "almost immoral" to export uranium to less technologically advanced and stable countries to use in nuclear power plants while refusing to have one in Australia.

[Tony Abbott's compost idea is not so corny](#)

IT wasn't fear of global warming that prompted farmer Cam McKellar to start producing a humified compost that captures and stores carbon in his soil.

Rather, it was a simple business decision.

"It's about increasing the fertility of the soil, improving yields and producing better-quality food," says Mr McKellar, who runs a 1200ha corn and mixed-crop farm at Spring Ridge, 100km southwest of Tamworth in northeast NSW.

[No apology from IPCC chief Rajendra Pachauri for glacier fallacy](#)

The embattled chief of the UN's climate change body has hit out at his critics and refused to resign or apologise for a damaging mistake in a landmark 2007 report on global warming.

[IPCC flooded by criticism](#)

Just over two years after winning the Nobel Peace Prize, the United Nations panel on climate change is undergoing a period of soul-searching.

[Phishing Scam Cripples European Emissions Trading](#)

Sneaky cyber-thieves have made millions by fraudulently obtaining European greenhouse gas emissions allowances and reselling them. The scam has hampered trading of the credits, which are seen as an important tool in curbing climate change, in several European countries.

[Jeff Rubin: Why can't we build coal plants, too?](#)

Just because North Americans have lost faith in international environmental summits doesn't mean that environmental—and, in particular, carbon—concerns don't factor more and more into our economies and our everyday lives.

Try setting up a brand-spanking new coal-fired power plant, like the 800 China and India will have on the go, and see how far you get in the approval process. With the exception of major coal-producing areas like Wyoming, West Virginia and Alberta, you can't get new coal-fired facilities licensed anymore, not even in places like Texas, which still get nearly half their power from coal, let alone in holier-than-thou states like California.

[Obama pushing clean coal and green jobs](#)

WASHINGTON -- President Barack Obama is meeting with governors from coal-producing states, hoping to earn their support for a languishing energy bill and to bolster his image as a leader willing to work with Republicans as well as Democrats.

Obama planned to announce on Wednesday new steps to increase the role of biofuels in powering the nation and to release a report detailing how Washington could increase investments in green technologies, an administration official said. The president was also expected to discuss so-called clean coal technologies, said the official, who spoke ahead of the announcement only on condition of anonymity.

[Obama Says Senate May Drop Cap and Trade, Pass Energy-Only Bill](#)

President Obama acknowledged yesterday that the Senate may pass an energy bill this year without the cap-and-trade component he has long put at the center of his environmental agenda.

[Oil hovers above \\$77 on demand hopes](#)

Oil prices continued to rise Wednesday as economic reports suggested demand could

improve and the dollar weakened, making crude cheaper for investors holding other currencies.

By early afternoon in Europe, benchmark crude for March delivery was up 27 cents at \$77.50 a barrel in electronic trading on the New York Mercantile Exchange. The contract jumped more than \$2 on Tuesday to settle at \$77.23.

[Gasoline Poised to Rise Past \\$2.19 a Gallon: Technical Analysis](#)

(Bloomberg) -- Gasoline futures are set to rise past \$2.19 a gallon after breaking through resistance at \$2, according to a technical analysis by Newedge Group.

The March contract “surged higher, pulverizing resistance,” said Veronique Lashinski, a senior research analyst for Newedge USA LLC. “It is positioned to continue higher,” and challenge resistance between \$2.05 and \$2.10.

[U.S. Distillate Supplies Fell Last Week, Survey Shows](#)

(Bloomberg) -- U.S. inventories of distillate fuel, a category that includes heating oil and diesel, probably fell last week as wholesalers prepared for colder weather, a Bloomberg News survey of analysts showed.

[Corporate Bond Risk Falls on Greek Deficit Plan: Credit Markets](#)

Elsewhere in credit markets, energy companies are increasing bond sales at the fastest rate since October as investors snap up the notes of companies with rising profits while the overall pace of debt issuance slows.

[Demand for oil will peak by 2030 – BP chief](#)

GLOBAL demand for oil will peak within the next two decades, the chief executive of Europe's largest oil company has said. Tony Hayward of BP said the plateau would be reached between 2020 and 2030 as falling demand from developed countries balanced growing demand from developing nations.

BP said it was the first time Mr Hayward had put a date on peak demand, following a range of predictions from other bodies.

His comments also suggest Mr Hayward now thinks the peak will come earlier than he had previously thought.

[Ofgem Considers Gas Regulation to Protect U.K. Supply](#)

(Bloomberg) -- U.K. energy regulator Ofgem recommended “far-reaching” measures to protect energy supplies, including dismantling the liberalized natural-gas market, after the recession cut funds for utility investment.

“The credit crisis is taking a serious munch out of this sector,” Ofgem Chief Executive Officer Alistair Buchanan said today on a conference call. “There are tremendous market pressures on discretionary market spend.”

[Falklands oil plans anger Argentina](#)

Argentina has lodged a protest with the UK over London's plans to begin offshore oil exploration off the north coast of the disputed Falkland Islands.

[Nigerian militants promise strike on Shell line](#)

LAGOS, Nigeria – The main militant group in the restive Niger Delta says they will attack a Royal Dutch Shell PLC pipeline already hit in recent days by saboteurs.

The Movement for the Emancipation of the Niger Delta issued a statement Tuesday saying they would attack the Trans-Ramos pipeline after it is repaired. The group criticized government officials who blamed the pipeline's rupture Saturday on thieves trying to steal crude oil.

The group says that no thief “breaches pipelines with explosives as was done in this attack.”

[Statoil to Evaluate Listing Retail and Fuel Business](#)

(Bloomberg) -- Statoil ASA, Norway’s largest oil and gas company, started an evaluation of the ownership of its gas station and transport fuel business that may lead to a stock listing at the end of the year.

[UK To Struggle To Meet Green Energy Targets](#)

BRUSSELS/LONDON - Britain could struggle to hit its target of getting 15 percent of its energy from renewable resources within the next decade, according to a UK government report submitted to the European Union.

Interim targets for the next six years will cause even greater problems, causing Britain to fall behind its EU neighbors.

[Kenya: Jatropha Farmers Walk on Slippery Ground](#)

As the international oil price rallied towards \$150 a barrel in 2008, the developed world turned its attention to idle land in Africa, with numerous European NGOs introducing oil plants like jatropha to farmers saying it could be the continent's next big thing - a likely principal export and an alternative fuel that could improve the speed of industrialisation in a continent with eyes on the middle-income status.

Such was the excitement in Majiwa, a remote village in the outskirts of Bondo town in Nyanza Province when the international NGOs came knocking in 2006.

With the encouragement of Mr Tor Steiner Rafoss, one of the international bio-diesel agents, the villagers formed the Nam Lolwe Jatropha Caucus for the purpose of pooling resources to promote cultivation of the hitherto foreign oil plant. Mr Rafoss donated seeds to start the jatropha project.

Years since, the hope for a better life among the farmers is fading. They are asking about the promised "ready market" for the wonder plant.

[Iran says ready to send enriched uranium abroad](#)

TEHRAN (Reuters) - President Mahmoud Ahmadinejad said on Tuesday Iran was ready to send its enriched uranium abroad in exchange for nuclear fuel under a plan the West hopes will stop the material being used for atomic bombs.

The U.N. nuclear agency has brokered a proposed deal under which Iran, which denies seeking nuclear weapons, would send its low enriched uranium abroad in exchange for more highly enriched fuel to produce medical isotopes.

"We have no problem sending our enriched uranium abroad," Ahmadinejad told state television.

[Senators Warned of Terrorist Attack on U.S. by July](#)

WASHINGTON — America's top intelligence official told lawmakers on Tuesday that Al Qaeda and its affiliates had made it a high priority to attempt a large-scale attack on American soil within the next six months.

[In a Renewable Energy World, Is There an Alternative to Growth?](#)

One of many conservative talking points against climate change of late has been that that environmental campaigners are tree-hugging, humanity-hating Luddites. So they really couldn't have asked for a better present than the latest liberal think-tank report

on climate change: "Growth isn't possible," cries the New Economics Foundation, in a 145-page jeremiad that compares humanity to an overweight hamster.

[It's Resistance Now Or Never!](#)

The other thing a global economy had to have if it was going to work was a plentiful and cheap supply of oil. If the world is not now on the downside of the Peak Oil curve, it's close enough for government work in the US, China, India, Russia, the EU. Rulers in these developed and developing countries have begun to act along those lines. For instance, the US won't be getting out of the Middle East anytime soon because it is a major source of a dwindling world oil supply. US military presence there has nothing to do with politicians' silly bleatings over "underwear bombers" or terrorism. And for another instance, economic nationalism, in the form of US tariffs on Chinese steel to give one example, is the wave of the future. Globalization cannot withstand the end of free trade or oil-driven trade, but it faces both simultaneously. It will crash and burn as a result.

A US soldier or two, away from the harrowing places they have been sent to secure oil, when given time to consider, have probably wondered why their government has contracted with Blackwater (now Xe)-type mercenaries at 10 times the price to pull duties once assigned to them. It is completely absurd on its face. The product of a hidden agenda is always absurdity. Globalization, which seeks privatization of all things, is that agenda.

[Brazil uproar over massive Amazon dam plan](#)

BRASILIA (AFP) – Environmentalists, indigenous groups and British rock star Sting have denounced a government plan to build the world's third largest hydroelectric dam in the Amazon river basin, which they claim will devastate the region.

The government of President Luiz Inacio Lula da Silva on Monday approved the 11 billion dollar Belo Monte project on the Xingu river that will flood 500 square kilometers (193 square miles) and supply 11 percent of Brazil's electricity.

[Learn to save money and cut greenhouse gas?](#)

A team from the University of Oregon's Climate Leadership Initiative developed and tested the Climate Masters at Home program. It is modeled after Extension's Master Gardener program and will now be delivered by the OSU Extension Service in Lane County.

"The first class we offered in Lane County helped participants reduce their annual greenhouse gas emissions by more than 20 percent — nearly two tons per person," said Sarah Mazze, climate education director for UO's Climate Leadership Initiative. "We believe those results are achievable for anyone taking the course and that means

significant savings for people's household budgets."

[House Ag Chairman Backs Bid to Block EPA Greenhouse Gas Regs](#)

A trio of House lawmakers yesterday introduced a bill to block U.S. EPA's authority to regulate greenhouse gases, marking the latest in a string of bipartisan attacks against forthcoming climate rules.

[California Sets Up Statewide Network to Monitor Global-Warming Gases](#)

SAN FRANCISCO — California is preparing to introduce the first statewide system of monitoring devices to detect global-warming emissions, installing them on towers throughout the state.

The monitoring network, which is expected to grow, will initially focus on pinpointing the sources and concentrations of methane, a potent contributor to climate change. The California plan is an early example of the kind of system that may be needed in many places as countries develop plans to limit their emissions of greenhouse gases.

[Industries sue to void California's low-carbon fuel regulations](#)

The suit by the oil and trucking industries alleges that the rules discriminate against corn ethanol and Canadian crude oil. A state official calls the suit 'shameful.'



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