



Drumbeat: November 29, 2010

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Kurt Cobb: Peak oil and four principles of PR

Peak oil activists and the mass media have had a rocky relationship. Activists often don't understand how the media works and can't fathom why reporters and editors are not better informed about energy issues. Those working in the media are constrained by the interests of their advertisers, their corporate owners and the necessity of focusing on ratings and circulation.

There is a pervading sense in the peak oil community that those in the mass media "just don't get it." And, there is an inclination to criticize them for either their lack of curiosity or their blatant indifference. And, that brings me to my four principles of public relations...

Kurt Cobb: Literature and limits

Aristotle wrote that the desires of humans are unlimited. This is completely consistent with the modern notion proposed by Howard Odum of the Maximum Power Principle which states that biological systems seek to maximize their power intake. In the context of evolution it makes sense that those human beings who gathered the most energy to themselves in the form of food, heat, and even tools for self-defense, hunting and later farming were most likely to survive and produce offspring.

Mark Ruffalo 'added to terrorism watchlist' over Gasland

Actor Mark Ruffalo has reportedly been placed on a US terror advisory list after campaigning in support of a documentary highlighting the alleged dangers of natural gas drilling.

Ruffalo attracted the attention of Pennsylvania's Office of Homeland Security when he organised screenings for Gasland, which won the special jury prize at this year's Sundance film festival, and said he was concerned about the impact of drilling on water supplies. The actor has addressed the subject in the latest edition of American GQ.

Shell Seeks to Sell Texas Fields for \$1B

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Shell Oil Co., the U.S. arm of the European oil giant Shell, has put its South Texas gas fields on the block, and a sale could fetch roughly \$1 billion, people familiar with the matter said.

Seeking cash, Chavez looks to sell Citgo

CARACAS, Venezuela (AP) — President Hugo Chavez is promising to build new public housing complexes, boost social programs and renovate the long-neglected Caracas subway — and he needs money.

The ambitious plans will squeeze Venezuela's coffers at a time when oil earnings have slipped and Chavez is sending his foreign allies generous amounts of crude on credit. So he has raised a possibility that once seemed remote: selling off Venezuela's U.S.-based oil company, Citgo Petroleum Corp.

Lower 48 US Sept natgas output up from Aug-EIA

NEW YORK (Reuters) - Gross natural gas production in September in the lower 48 U.S. states rose 0.7 percent from upwardly revised August output, data released on Monday by the U.S. Energy Information Administration showed.

<u>Gazprom settles gas dispute with Ukraine</u>

MOSCOW (Reuters) - Russian energy giant Gazprom and Ukraine's Naftogaz have agreed to settle a gas dispute dating back to 2008-09, reducing the potential threat to Russian gas supplies to Europe, Gazprom said on Monday.

Naftogaz will return 12.1 billion cubic metres of gas to RosUkrEnergo (RUE), a company jointly owned by Gazprom and Ukrainian tycoon Dmytro Firtash, while RUE will redeem \$1.7 billion of debt to Naftogaz and \$810 million to Gazprom.

PEMEX Keeps Oil Output Steady in

The PEMEX oil production in the first ten months of the year, remained stable over the same period of 2009 to close to two million 582 thousand barrels per day on average.

Russian govt approves additional expenses for Sakhalin-1 project for 2010 - energy ministry

MOSCOW (RIA Novosti) - The Russian government has approved additional budget expenses for the Sakhalin-1 oil and gas project for 2010, the Energy Ministry said on Monday, without mentioning the size of the new budget.

The government has also approved an amended program of work and spending for

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infrastructure development which will be used as the basis for further annual spending plans.

Gazprom in discussion with Shell over Sakhalin assets swap

Gazprom and Royal Dutch Shell are preparing a joint memorandum on their participation in each others' assets, including Shell's share of oil and gas deposits off Russia's Pacific island of Sakhalin, Gazprom's Deputy Chairman Alexander Medvedev said on Monday.

Saudi Aramco to develop six power stations

Dubai: Saudi Arabian Oil Co plans to develop six power stations worth an estimated \$1 billion (Dh3.67 billion) due to concerns within the company over the ability of the kingdom's main power generator, Saudi Electricity Co, to provide the required level of electricity supplies, Middle East Economic Digest (Meed) reported in its latest weekly edition.

Tullow Oil: First Oil From Jubilee Field In Ghana Scheduled For Dec 15

LONDON -(Dow Jones)- Tullow Oil PLC, Anadarko Petroleum, Kosmos Energy, Ghana National Petroleum Corporation, Sabre Oil and Gas and E.O. Group said Monday that First Oil from the Jubilee field, offshore Ghana, is scheduled for Dec. 15.

Heritage Uganda talks 'going well'

Uganda's negotiations with Heritage Oil and Tullow Oil over a disputed \$404 million tax payment are going "well", although there was no certainty when it can be resolved, junior Energy Minister Simon D'Ujanga said today.

<u>Athabasca readies development plans</u>

Canada's Athabasca Oil Sands Corporation expects to file regulatory application for the first phase of Hangingstone and Dover West projects in the second half of 2011.

Swaziland: Govt Depots Run Out of Fuel

In most of the Rural Development Areas (RDAs) tractors were parked despite the fact this was farming season and the minister has been telling farmers to take advantage of the rains currently received in country.

Some of farmers paid government for the services of the tractors two months ago but to

date they have not ploughed their fields. Shortage

ANALYSIS - WikiLeaks expose hidden Gulf views on Iran

(Reuters) - The disclosure in leaked U.S. cables that Gulf Arab leaders want Washington to destroy Iran's nuclear programme exposes long-hidden views that will kill any chance of detente with Tehran.

From Saudi Arabia, the world's biggest oil exporter, to tiny Bahrain, Gulf Arab rulers revealed a reality they had spent years trying to hide publicly.

Lufthansa to start using biofuel on local flights

BERLIN — Germany's biggest airline, Deutsche Lufthansa AG, says it will launch the world's first passenger flight using biofuel next year.

The culture of crisis

Apparently, many newscasters, writers, commentators, politicians and bloggers believe their own hype—even those who should know better. The paranoid style in American politics is no longer confined to the radical right as it largely was when historian Richard Hofstadter first diagnosed it in his classic book. It has now spread beyond politics and into the culture at large, infecting nearly everything it touches, transforming otherwise thoughtful Americans into modern-day doomsayers anxiously awaiting imminent civilisational collapse.

Living small looms large amid real estate bust

To save money or simplify their lives, a small but growing number of Americans are buying or building homes that could fit inside many people's living rooms, according to entrepreneurs in the small house industry.

Some put these wheeled homes in their backyards to use as offices, studios or extra bedrooms. Others use them as mobile vacation homes they can park in the woods. But the most intrepid of the tiny house owners live in them full-time, paring down their possessions and often living off the grid.

Copenhagen plans bike superhighways

COPENHAGEN -- Copenhagen, one of the world's most bicycle-friendly cities, has begun turning its extensive network of cycle paths into bike highways in an effort to push more commuters to leave their cars at home.

Population control to be debated at OFC 2011

The political and moral minefield of population control will be debated at the 2011 Oxford Farming Conference running from 4-6 January 2011.

Professor Aubrey Manning, Emeritus Professor at Edinburgh University and Patron of the Optimum Population Trust, will set the scene in the main conference by addressing issues of global resources and our ability to feed the world.

The population debate then is met head on the evening of the 5th January with the Conference's famed Oxford Union Debate. The motion is: "This house believes unrestrained population growth and food security are incompatible."

James Hansen Is Optimistic On Global Warming (Because of China, Not Us)

Hansen just got back from China, and sees the Chinese as getting serious about doing something about global warming and climate change (unlike Washington, which looks to be stuck in gridlock for the next two years).

"I have the impression," he says in a recent email, "that Chinese leadership takes a long view, perhaps because of the long history of their culture, in contrast to the West with its short election cycles. At the same time China has the capacity to implement policy decisions rapidly. The leaders seem to seek the best technical information and do not brand as a hoax that which is inconvenient. This is not to say that fossil fuel interests have no power within China, but they do not rule the roost."

<u>A Mundane Approach to a Vexing Problem</u>

AUSTIN, TEXAS — Building codes are not exactly the stuff of a rollicking supper-table conversation. But experts say that they are among the most straightforward and cost-effective ways to cut energy costs in buildings, which account for about 40 percent of energy use in the United States and Europe because of the need for amenities like heating, cooling and lighting.

Crude Oil Trades Near 10-Day High on Cold Weather in Europe, Debt Measures

Oil traded at the highest price in two weeks on speculation cold weather in Europe will increase fuel demand.

Futures rose as much as 1.5 percent as traders bet subfreezing temperatures and forecasts of snow throughout Europe will boost consumption of motor and heating fuel. Oil trimmed gains as the euro declined after European governments and the International Monetary Fund extended an aid package to Ireland.

Demand pushes oil prices up

It seems that the party is continuing in the oil market in November as, on average, it is the forth consecutive month for prices to maintain their upward movement. The price of the Opec basket of crudes (OBC) continued for the whole month over \$80 (Dh293) per barrel to the extent that some analysts are suggesting a new range to emerge and that this level may become a floor.

Talk of \$100 Oil Returns as Options Jump Most in 3 Months

Oil's return to \$100 has become the biggest bet in the crude options market.

The price of options to buy December 2011 futures at \$100 a barrel jumped 14 percent on Nov. 24, the largest one-day gain in three months, according to data compiled by Bloomberg. So-called open interest for the contract has risen 51 percent this year to 45,424 lots, the highest for any crude option on the New York Mercantile Exchange.

<u>Co-operation key to Middle East energy security</u>

MENA states should co-operate on developing energy infrastructure as they seek to meet the region's increasing domestic demand for oil, gas and electricity, according to a senior Dubai energy official.

Nejib Zaafrani, the secretary general and chief executive of the Dubai Supreme Council of Energy, said the region should meet the challenge of supplying energy to its rapidly expanding population by transforming it into an opportunity to work together on "visionary" projects .

"Energy is at the core," he said at the World Economic Summit in Dubai during a public debate on energy security.

China Halts Gas Price Increases in Some Provinces, CNR Reports

Chinese provinces including Guangdong, Jiangsu and Henan halted plans to increase natural gas costs after the government called for stable prices, China National Radio reported today without citing anyone.

Hebei province won't raise gas prices this year while Anhui will refrain from increasing heating, water, gas and public transportation costs before the end of March next year, China National Radio reported.

Russia's TNK-BP eyes oil export hike

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(Reuters) - TNK-BP, Russia's venture of BP, is looking to almost double export of crude and oil products as it opens a trading unit in Geneva, a company official said on Monday.

Russia's Gazprom ready to negotiate lower prices for European clients

The world's largest gas export monopoly, Russia's Gazprom, said on Monday it was ready to cut prices on its long-term contracts to Europe as the volume of paid for but undelivered gas mounted, Gazprom said on Monday.

Gazprom, which supplies Europe with a quarter of its energy needs, has come under fire from customers who started buying gas on the spot market where prices are lower than on long-term contracts preferred by Gazprom. Gazprom had to relent as the international financial crisis cut demand.

Edison Plans to Renegotiate Supply Contracts, Purchase Azeri Gas in 2011

The Milan-based company, which uses gas in power generation and supplies it direct to customers, posted a 54 percent decline in third-quarter profit because of supply deals signed when oil prices were higher. Edison's suppliers include Russia, Algeria, Libya, Norway and Qatar and European gas contracts are typically linked to crude prices. Quadrino said changing the terms of existing gas supply contracts and agreeing purchases from Azerbaijan will set the scene for growth next year.

Russia's Gazprom says plans to double number of gas filling stations in Russia

Russia's gas giant Gazprom plans to double the number of gas filling stations in the country next year by building 200 stations, the company said on Monday.

Gazprom manages 202 automobile compressed natural gas (CNG) filling stations out of Russia's 235. Last year the group sold 297 million cubic meters of CNG, or 90% of all CNG sold in Russia.

Nigeria Oil-Region Fighting Threatens Production in Challenge to Jonathan

A year after thousands of fighters laid down their arms under a government amnesty program, militants this month struck an Exxon Mobil Corp. offshore platform, Afren Plc's shallow water field and a pipeline supplying crude to two refineries. They also clashed with government troops and vowed more raids.

"Any increase in violence is likely to affect oil output," Mark Schroeder, director of Africa analysis at Strategic Forecasting Inc., an Austin, Texas-based global intelligence group, said in a telephone interview. "And the impact of that is felt not only in the country but globally in terms of higher oil prices, even here in the U.S."

<u>New Iraq cabinet to foucs on oil laws</u>

Iraq's new government will prioritise work on new hydrocarbon legislation to reassure international oil companies and integrate oil contracts signed in Kurdistan, a government spokesman said today.

U.K. Isle of Grain LNG Terminal's Expansion Delayed, National Grid Says

The Isle of Grain liquefied natural gas terminal near London may not have a fourth expansion for two years or more, according to the head of National Grid Plc.

China tax wrangle hits drilling activity

The row over import tariffs between Chinese customs authorities and China Offshore Oil Engineering Corporation (COOEC), the engineering arm of China National Offshore Oil Corporation (CNOOC), has caused problems for contractors supplying rigs and vessels for activity off China.

Initial Drilling Confirms Leviathan Field Off Israel Contains Natural Gas

Initial drilling results showed that Israel's offshore Leviathan field contains natural gas, according to partner Ratio Oil Exploration 1992 LP.

The results don't yet indicate the size, quality or economic viability of the project, the company said in a statement today to the Tel Aviv Stock Exchange. Details are expected to be released in about two weeks, Ratio said.

Kuwait to spend \$A93bn on oil projects

OPEC member Kuwait plans to spend as much as \$US90 billion (\$A93.53 billion) on oil projects inside and outside the country over the next five years, a top oil executive said on Monday.

"About 90 billion dollars will be spent over the next five years to achieve our strategy," said Hashim al-Refaai, managing director for planning with Kuwait Petroleum Corp. (KPC), the emirate's national oil conglomerate.

Iran Scientist Killed Today Worked on Nuclear Project

A physicist working on Iran's nuclear program was killed in a bombing in Tehran and another scientist was injured in a second blast, authorities said. Majid Shahriari died early today as he was heading to his teaching job at Shahid Beheshti University, state-run news agencies including Mehr reported. Fereydoun Abasi, a physicist at the same university, was injured along with his wife, Mehr said. The bombs were attached to their cars by magnets, Hossein Sajedinia, Tehran's police chief, was cited as saying by the official Islamic Republic News Agency.

GDF, Iberdrola, SSE link up for UK nuclear

LONDON (Reuters) - A third consortium planning to build new nuclear power plants in Britain and which groups a French, a Spanish and a British utility was was formally founded on Monday, the companies said.

France's GDF Suez, Spain's Iberdrola and Britain's Scottish and Southern Energy will make a final investment decision as to whether to build 3.6 gigawatts (GW) of new nuclear power generation in the UK around 2015.

Sustainability in the region requires subsidy reduction

Sustainable development in the Gulf will not work until governments reduce subsidies on water and energy, Masdar's former director of property development told the World Economic Forum open panel on "cities of the future" in Dubai.

"There is no business case for sustainability in the Gulf," Khaled Awad, who left Masdar last year, said yesterday. "Sustainability today is just wishful thinking."

East Asian Welfare Regimes

All the countries in East Asia confront rapid ageing as well as the challenge from cheap labor in the other developing countries. The pressure is also being ramped up by the apparently inexorable post-peak oil rise in conventional energy and other resource costs, not to mention the increasingly unstable US dollar-based global financial architecture. And Japan's unparalleled public sector debt-dependent model of offering seemingly endless life-support for vested interests seems to warrant a special category of its own. But overall, this snapshot of diverse policy evolution within the region is as useful as a Google map for looking at these countries as they seek to grow out of the vulnerability of export dependence and towards more robust and sustainable domestic consumption.

Indonesia's Billion-Dollar Forest Deal Is at Risk

A report by Greenpeace last week accused Indonesian government ministries of planning for massive land clearance, despite signing a \$1 billion REDD agreement with Norway earlier this year. The agreement, which includes a two-year moratorium on clearing natural forests and carbon-rich peatlands, is aimed at helping Indonesia, which by some counts is the third-largest emitter of greenhouse gases, reach a target of cutting emissions by at least 26 percent by 2020.

China approves more hydropower amid clean energy push

(Reuters) - China has approved several new hydropower projects recently, in a sign that the government is speeding up development of clean energy after an approvals slowdown in recent years because of concerns including environmental impact.

Sandstone solution to cheaper roads?

One gets an uneasy feeling watching the inexorable upward trend in oil prices, knowing that the price of liquid asphalt cement can't help but follow.

So, some people are thinking, instead of paving with asphalt, why not use stone — sandstone to be exact, sandstone that is manufactured in place using a biological process.

<u>Reforms needed before we drill in the Arctic</u>

The fact remains that no one - not the Coast Guard, not BOEMRE, not the oil industry, not even The Wilderness Society - knows what a serious oil spill would do to the Arctic Ocean, from the costs of cleaning it up to the impacts it will have on the fragile marine habitat for whales, seals and polar bears. Before allowing new Arctic Ocean drilling, the Obama administration should realistically assess the likely effects of spills and ensure that needed regulations and enforcement resources exist. Likewise, Congress needs to ensure drilling safety and environmental protection by increasing oil spill liability limits and providing protection for whistleblowers.

<u>Close-Up: Oil Litters Bottom Of The Gulf Of Mexico</u>

The four million barrels of oil from the BP spill didn't vanish. There's growing evidence that a good portion of it sank to the bottom of the Gulf of Mexico, where some remains. NPR's Richard Harris spotted some of the oil while he was on board the research submarine Alvin.

Big Polluters Freed from Environmental Oversight by Stimulus

In the name of job creation and clean energy, the Obama administration has doled out billions of dollars in stimulus money to some of the nation's biggest polluters and granted them sweeping exemptions from the most basic form of environmental oversight, a Center for Public Integrity investigation has found. It's been tagged the 'kitchen table conversation' approach. And if a recent trial is anything to go by it works. "Participants ... cut power use by 37 per cent and their carbon footprint by 27 per cent," says Paul Graham, one of the projects proponents. Now the search is on to find 500 folk who'll act as convenors of these kitchen conversations with family, friends, neighbours or workmates on the topics of energy, climate change, water and waste.

DuPont, Zurich Chase \$135 Billion Climate Market as Warming Forces Change

Seed maker DuPont Co., wind-turbine manufacturer General Electric Co. and insurer Zurich Financial Services AG are devising products to help the world adapt to climate change, a potential \$135 billion-a-year market by 2030.

The companies are driven in part by the failure of international efforts to cut the greenhouse gases that scientists say contribute to global warming.

States Diverting Money From Climate Initiative

In just over two years, the initiative, known as RGGI, has generated more than \$729 million for the 10 states that have participated. Each state is supposed to use its share of the money raised to invest in renewable energy and to promote energy efficiency and consumer benefits, like programs that help low-income electricity customers pay their utility bills.

But the money is proving too much of a temptation for states not to use in other ways.

<u>Africa rejects joint stand with EU on climate</u>

TRIPOLI (AFP) – African nations are refusing to sign a joint statement with the European Union on climate change on the grounds that the proposal does not reflect the continent's priorities, diplomats said on Monday.

Wind seems knocked out of Obama's climate agenda

The fight over U.S. environmental policy will shift next year as Republicans take control of the House of Representatives, leaving the Obama administration chasing smaller victories in the effort to reduce greenhouse gas emissions.

What's dead for now is the ambitious climate bill that President Obama had backed, which sought to commit the U.S. to reduce industrial pollution 17% from 2005 levels by 2020. Companies that came in under those caps could trade, or sell, their pollution credits to others.

Worst case study: global temp up 7.2F degrees by 2060s

CANCUN, Mexico (Reuters) - World temperatures could soar by 4 degrees Celsius (7.2 degrees Fahrenheit) by the 2060s in the worst case of global climate change and require an annual investment of \$270 billion just to contain rising sea levels, studies suggested on Sunday.

Such a rapid rise, within the lifetimes of many young people today, is double the 2 degrees C (3.6 degrees Fahrenheit) ceiling set by 140 governments at a U.N. climate summit in Copenhagen last year and would disrupt food and water supplies in many parts of the globe.

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