

**Current
Developments**[Global](#)[Middle East](#)[Africa](#)[Latin America](#)[East Asia](#)[North America](#)[Europe](#)[Alternatives](#)**ENIGMATIC LEADER OF IRAN BACKS OVERTURE, FOR NOW**

Ayatollah Ali Khamenei spoke at a meeting of Revolutionary Guards commanders in a photo released by his office last week.

Global Developments**1. OIL SLIDES IN ASIAN HOURS**

Trades in tight range ahead of Iran talks and weekly oil inventories data.

(Dow Jones, Tuesday, September 24, 2013) -- Crude-oil futures were lower in Asian trade Tuesday, but traded within a tight price range, ahead of talks over Iran's nuclear weapons and an expected decline in weekly oil inventories in the U.S. On the New York Mercantile Exchange, light, sweet crude futures for delivery in November traded at \$103.50 a barrel at 0550 GMT, down \$0.09 in the Globex electronic session. November Brent crude on London's ICE Futures exchange fell \$0.03 to \$108.13 a barrel. Nymex crude has been down for three straight sessions and Brent crude has settled lower for two of the past three sessions, on the lack of headlines from the Middle East and fewer supply outages. Iran's President Hasan Rouhani is scheduled to speak today at the start of the annual United Nations General Assembly where the country's previous anti-U.S. rhetoric is likely to moderate. Later this week, Iran's foreign minister will also meet the U.S. Secretary of State and officials from five other major powers regarding Iran's nuclear program, with the possibility of brief but direct talks with U.S. President Barack Obama. [\[more\]](#)

2. WTI TRADES NEAR SIX-WEEK LOW AS GLOBAL OIL SUPPLY CONCERNS EASE

(Bloomberg, Tuesday, September 24, 2013) -- West Texas Intermediate crude traded near the lowest price in more than six weeks amid output gains and speculation a United Nations resolution will ease the threat of a U.S. military strike on Syria. Futures were down as much as 0.5 percent after closing yesterday at the lowest level since Aug. 8 as the Security Council worked toward an agreement to disarm Syria's chemical weapons. Production in Texas climbed in June to the most in 32 years, while Nigeria restored some oil supplies as pipelines that were sabotaged by vandalism and theft were repaired. "Today is another sell-off and it seems like the oil market is under pressure this week," Myrto Sokou, an analyst in London at Sucden Financial Ltd., a commodities broker. "The risk premium on Syria has dissolved." WTI for November delivery dropped as much as 54 cents to \$103.05 a barrel and was at \$103.13 in electronic trading on the New York Mercantile Exchange as of 10:08 a.m. London time. The contract fell for a third day slipping \$1.16 to \$103.59 yesterday. The volume of all futures traded was 59 percent less than the 100-day [\[more\]](#)

3. NATURAL GAS FUTURES SETTLE 2.3% LOWER AT \$3.602/MMBTU AS DEMAND EASES

- --Prices settle at lowest level since Sept. 11
- --Two-day, 3.2% drop as seasonal demand lull hits
- --No storm threats to Gulf gas supply

NEW YORK (Dow Jones, Tuesday, September 24, 2013) -- Natural-gas futures prices settled 2.3% lower Monday as moderating temperatures diminished demand. Analysts said the benign weather outlook is expected to help inventories rise sharply amid a seasonal demand lull, keeping pressure on prices. October-delivery natural gas on the New York Mercantile Exchange settled 8.5 cents lower, at \$3.602 per million British thermal units, the lowest since Sept. 11. The price drop was the biggest on a percentage and a dollar basis since Sept. 5. In the past two sessions, front-month gas futures shed 3.2%, or 11.8 cents, as the market has moved, as expected, into a seasonal demand lull with the start of autumn. Demand for electricity to power air conditioners or to power heating needs isn't particularly strong as temperatures moderate, meaning utilities need to burn less gas. Gas output, near record high levels, and the shoulder-season demand drop ahead of the winter peak, means that inventories likely will rise at more typical levels, analysts said. Unusually warm late summer temperatures in the Midwest sparked more gas consumption, reducing the volumes heading into stockpiles. [\[more\]](#)

Middle East & North Africa

4. ENIGMATIC LEADER OF IRAN BACKS OVERTURE, FOR NOW



Ayatollah Ali Khamenei spoke at a meeting of Revolutionary Guards commanders in a photo released by his office last week.

TEHRAN (New York Times, Tuesday, September 24, 2013) -- This is Hassan Rouhani's moment. The toast of the United Nations, the new Iranian president is busy granting interviews to select audiences and possibly cramming in a meeting with President Obama — the first such high-level get-together since the 1979 revolution. But when he stands before the world to speak on Tuesday, he will do so as the loyal representative of Iran's supreme leader, the ultimate authority behind the country's recent diplomatic charm offensive. Since his election in June, Mr. Rouhani has made no secret of his wish to reach an accord with the West on Iran's nuclear program — and no secret that the only reason he can reach out so conspicuously is that he has the support, for now anyway, of one man, Ayatollah Ali Khamenei, the supreme leader. "Rouhani can only attempt to have direct talks because the supreme leader has agreed to it; otherwise, Rouhani would not be in New York now," said Hamid-Reza Taraghi, an insider who is one of the few people trusted to interpret for the public the supreme leader's sermons and speeches. "The president and his team enter any talks only under the leader's direct command." An enigmatic and cunning man, Ayatollah Khamenei, 74, is the one who gave Mr. Rouhani the authority to pursue a deal with the United States, top aides to Mr. Rouhani and outside experts say, and could just as easily cut off support — as he has done to some Iranian leaders before, including Mr. Rouhani. Ayatollah Khamenei sees himself as a sort of referee of Iran's complex political system, sitting in judgment of the politicians he anoints to lead the country in what are often sharply different directions. In 1997, for example, he blessed the reformist candidacy of Mohammad Khatami, who relaxed some social restrictions and allowed more press freedom. [\[more\]](#)

5. HANDSHAKE WITH IRAN MIGHT SAY MUCH MORE

UNITED NATIONS (New York Times, Tuesday, September 24, 2013) -- It has become the diplomatic big tease of the year, a rumored geopolitical rendezvous that, if not quite as momentous as Nixon and Mao in 1972, would still rank as a landmark encounter for two countries that have been estranged for more than three decades. So, will President Obama actually shake hands with President Hassan Rouhani of Iran at the United Nations on Tuesday, when both men are scheduled to speak to the General Assembly? On Monday, the White House

insisted again that there was no meeting with Mr. Rouhani on the president's schedule. But administration officials did nothing to dispel feverish speculation that the two leaders would find a way to bump into each other, whether in a hallway, in an elevator bank or by scraping their chairs together at lunch. "We are open to engaging with Iran on a variety of levels," Benjamin J. Rhodes, the deputy national security adviser, told reporters on Air Force One as Mr. Obama flew to New York. "This is not something we object to in principle. We will do so if we believe it is in our interest." By any standard, a meeting of Mr. Obama and Mr. Rouhani would be a seminal event: Iranian and American leaders have not met since before the Islamic Revolution in 1979. Even if it does not happen, officials noted, Secretary of State John Kerry planned to meet Iran's foreign minister, Mohammad Javad Zarif, here later this week - the highest-level meeting between the countries since May 2007. [\[more\]](#)

6. IRAN'S ROLE IN NORTH SEA GAS FIELD REVIEWED

LONDON, Sept. 23 (UPI) -- The British government said it was examining the prospects for development of a North Sea gas field controlled in part by an Iranian oil company. British energy company BP and the National Iranian Oil Co. control the Rhum natural gas field in the North Sea. The British economy became a net importer of natural gas in 2009 and sanctions targeting Iran's energy sector idled the Rhum field a year later. A spokesman for the British Department of Energy and Climate Change was quoted by British newspaper The Mail on Sunday as saying it was reviewing the North Sea project. "We are working to ensure the long-term security of the Rhum gas field, but no decision has been made at this time," the spokesman said. The newspaper reported Sunday that European Union officials said operations at Rhum could be waived from sanctions under certain circumstances but the report did not elaborate. BP did not provide a comment. Iran holds a minority stake in the Shah Deniz gas field in the Azeri waters of the Caspian Sea. A BP-led consortium is gearing up to export some of that natural gas to the European market. [\[more\]](#)

7. IRAQ: THIRD DAY OF FUNERAL BOMBINGS

(AP, Tuesday, September 24, 2013) -- A double bombing at a Sunni funeral in Baghdad killed 14 people on Monday, officials said. It was the third day in a row in which funerals were attacked in the Iraqi capital. Officials said Monday's blasts hit near a mourning tent for one of four people killed two days before when men fired their guns in a store selling liquor in the Sunni neighborhood of Azamiya. An official said 35 had been wounded. [\[more\]](#)

8. AFTER BAGHDAD BLASTS, A JOURNEY OF SORROW AND PAIN

(AFP, Tuesday, September 24, 2013) Two buses speed south from Baghdad towards Najaf Sunday bearing the bodies of people killed in an attack, as other buses return carrying upside-down coffins, the dead they held now buried. The bodies are bound for Wadi al-Salam, the world's largest cemetery, at the shrine of Imam Ali, one of the holiest sites in Shiite Islam. The journey began in Sadr City, a Shiite area of north Baghdad, where bombs targeting mourners killed at least 73 people and wounded more than 200 on Saturday. At the site of the blasts, Jabbar Abdulsahib stood under the metal frame of a funeral tent targeted in the attack, receiving condolences over the deaths of two grandsons -- Mussa, aged three, and Hussein, 10. His son was wounded in the attack, so Abdulsahib rushed him to a hospital, he said. Qadissiyah Hospital looked like a slaughterhouse. Pools of blood inside and outside, wounded people in the hallways, on the floor, helpless," he said. "Even those who died did not get rest as there were not enough places to keep the bodies," he added. Some, including the bodies of his grandchildren, had to be taken to Najaf for burial that night. [\[more\]](#)

9. EGYPT TO PAY \$6 BILLION ENERGY DEBTS BEFORE YEAR-END

Move Intended to Boost Foreign Energy Investment

(Wall Street Journal, Tuesday, September 24, 2013) -- Egypt is planning to soon reach an agreement to repay the more than \$6 billion it owes international energy companies for the oil and gas it has bought from them, aiming to make the first payment before the year-end, two people familiar with the matter said Monday. "We are close to agreeing on a timetable for the outstanding debt and the oil ministry is pushing the government to make the first payment before the end of this year," an Egyptian oil official who asked not to be named told the Wall Street Journal. "The first payment would hopefully reassure the oil companies and encourage them to increase their investments in the country," the official said. Egypt has been facing a slowdown in oil and gas exploration activities over the past couple of years due to continuing civil unrest since the ousting of former president Hosni Mubarak. The country has been paying hefty premiums for its crude supplies due to the weaker Egyptian pound and is struggling to pay its \$6 billion debt to foreign energy companies including: BP PLC, Apache Corp, BG Group PLC and Dana Gas PJSC, an energy company based in the United Arab Emirates. One of the options being discussed is that foreign companies raise their output of crude and condensates in the country and then export their share of this increased production as repayment for some of the money owed. [\[more\]](#)

10. EGYPTIAN COURT SHUTS DOWN THE MUSLIM BROTHERHOOD AND SEIZES ITS ASSETS



Tara Todras-Whitehill for The New York Times

Anti-Muslim Brotherhood graffiti depicting former President Mohamed Morsi in Cairo.

CAIRO (New York Times, Tuesday, September 24, 2013) -- An Egyptian court on Monday issued an injunction dissolving the Muslim Brotherhood and confiscating its assets, escalating a broad crackdown on the group less than three months since the military ousted its ally, President Mohamed Morsi. The ruling, by the Cairo Court for Urgent Matters, amounts to a preliminary injunction shutting down the Brotherhood until a higher court renders a more permanent verdict. The leftist party Tagammu had sought the immediate action, accusing the

Brotherhood of “terrorism” and of exploiting religion for political gain. The court ordered the Brotherhood’s assets to be held in trust until a final decision. If confirmed, the ban on the Brotherhood — Egypt’s mainstream Islamist group — would further diminish hopes of the new government’s fulfilling its promise to restart a democratic political process that would include Mr. Morsi’s Islamist supporters. For now, though, it effectively formalizes the suppression of the Brotherhood that is already well under way. Since Mr. Morsi’s ouster, the new government appointed by Gen. Abdul-Fattah el-Sisi has killed more than 1,000 Brotherhood members in mass shootings at protests against the takeover and arrested thousands more, including almost all of the group’s leaders. Security services have closed offices of the group and its political party in cities around the country. Members are now sometimes afraid to speak publicly by name for fear of reprisals. [\[more\]](#)

Sub-Saharan Africa

11. SHELL SHUTS DOWN TRANS-NIGER PIPELINE, DEFERS 150,000 BARRELS OF OIL A DAY

IBADAN, Nigeria (Dow Jones, Tuesday, September 24, 2013) -- Royal Dutch Shell PLC's (RDSA, RDSA.LN) Nigerian unit said Monday that it has shut down the Trans-Niger Pipeline, or TNP, to repair new leaks at Bodo West and Oloma which resulted from the theft of crude oil. Precious Okolobo, spokesman for Shell Petroleum Development Corp. of Nigeria, said in a statement that the company has declared force majeure on Bonny Light exports and deferred some 150,000 barrels of oil a day. "The TNP has repeatedly been targeted and closed down five times since early July due to multiple leaks from crude theft connections," Mr. Okolobo said. He said the company was working to "repair and reopen the line as soon as possible." The TNP, which carries 150,000 barrels of oil a day through the Niger Delta to the Bonny Export terminal, was also shut down on July 11, according to Shell. [\[more\]](#)

Latin America

12. CHINESE PREMIER MEETS VENEZUELAN PRESIDENT



Chinese Premier Li Keqiang (R) meets with Venezuelan President Nicolas Maduro, in Beijing, capital of China, Sept. 23, 2013. (Xinhua/Zhang Duo)

BEIJING, Sept. 23 (Xinhua) -- Chinese Premier [Li Keqiang](#) met with Venezuelan President Nicolas Maduro here on Monday. Li hailed the fruitful China-Venezuela strategic partnership, and spoke highly of the good beginning of the Venezuelan government in developing economy and improving people's wellbeing. Li said China believed the Venezuelan government and people will continue to progress in national development. The premier also briefed the guests on China's efforts to promote economic transformation. In the face of an economic downturn, China adopted a strategy in consideration of both immediate and long-term needs. China kept the deficit from expanding, did not relax or tighten the monetary policy, maintained economic growth by adjusting economic structure and promoting reform, boosted market vitality, enhanced weak links, upgraded the quality and efficiency of growth, ensured and improved people's wellbeing, so as to lay a good foundation for sustained and healthy development of the economy, Li said. He added that China will deepen reciprocal cooperation with all countries to achieve common development. [\[more\]](#)

East Asia

13. CHINA SAYS CONSUMERS NEED TO BEAR SOME COSTS OF TIGHTER FUEL STANDARDS

China said consumers will need to bear some of the costs of tighter fuel standards, opening the door to higher prices at fuel pumps.

BEIJING (Dow Jones, Tuesday, September 24, 2013) -- China said Monday that consumers will need to bear some of the costs of tighter fuel standards, opening the door to higher prices at fuel pumps as the nation

balances growing public concern over the environment with worries about inflation. The announcement comes after a number of episodes of severe air pollution in recent months in Beijing and several other places. The government also Monday mapped out plans to combat air pollution, including limiting the number of motor vehicles in Beijing to six million by 2017. In January, the official Xinhua news agency said Beijing had around 5.18 million vehicles. [\[more\]](#)

14. SPEEDY TRAINS TRANSFORM CHINA



Timothy O'Rourke for The New York Times

The high-speed rail station in Changsha, China, opened less than four years ago

CHANGSHA, China (New York Times, Tuesday, September 24, 2013) -- The cavernous rail station here for China's new high-speed trains was nearly deserted when it opened less than four years ago. Not anymore. Practically every train is sold out, although they leave for cities all over the country every several minutes. Long lines snake back from ticket windows under the 50-foot ceiling of white, gently undulating steel that floats cloudlike over the departure hall. An ambitious construction program will soon nearly double the size of the 16-platform station. Just five years after China's high-speed rail system opened, it is carrying nearly twice as many passengers each month as the country's domestic airline industry. With traffic growing 28 percent a year for the last several years, China's high-speed rail network will handle more passengers by early next year than the 54 million people a month who board domestic flights in the United States. Li Xiaohung, a shoe factory worker, rides the 430-mile route from Guangzhou home to Changsha once a month to visit her daughter. Ms. Li used to see her daughter just once a year because the trip took a full day. Now she comes back in 2 hours 19 minutes. [\[more\]](#)

North America

15. U.S. GASOLINE PRICES CONTINUE TO DROP

WASHINGTON, Sept. 23 (UPI) -- Motor group AAA reports Monday the national price for a gallon of regular unleaded gasoline was \$3.47, the lowest since February. The national average price for a gallon of regular unleaded gasoline Monday, about 4 cents less than one week ago and 34 cents lower than the same time last year. AAA reports a national average of around \$3.66 for February, one of the lowest averages for the year. Prices across the United States begin to decline after the Labor Day holiday in September because refiners switch to a less expensive winter blend of gasoline and fewer people take lengthy road trips. Major crude oil indexes held slightly above the \$100 per barrel mark though they've declined because of higher oil production from Libya. The U.S. Energy Department said it expects retail prices to average \$3.44 per gallon for the rest of the year. AAA said Sept. 17 marked the 1,000th consecutive day the national average price for gasoline held above the \$3 per gallon mark. For a national average, the motor group said gasoline prices may never be that low again. [\[more\]](#)

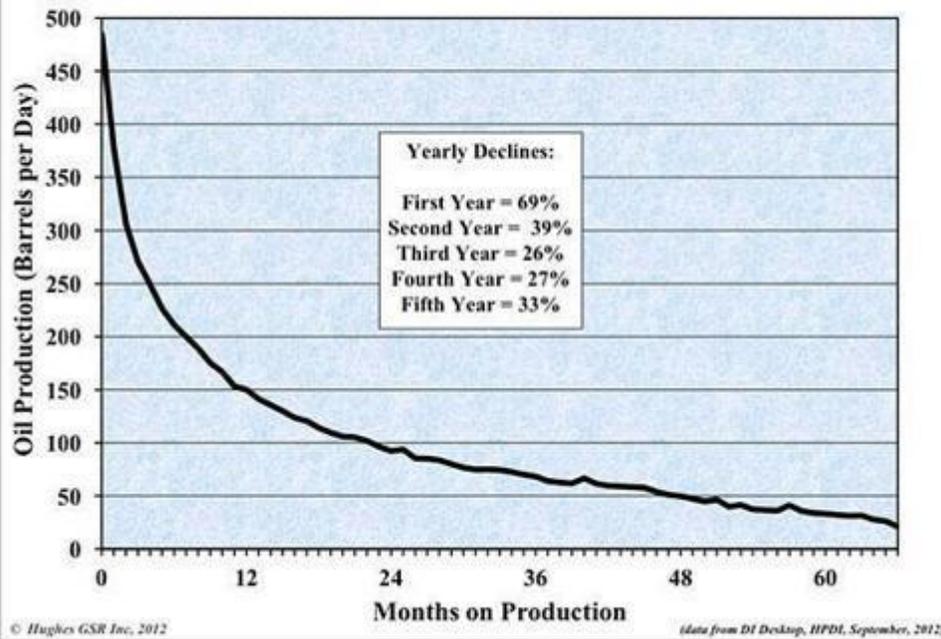
16. EAGLE FORD OIL NARROWS DISCOUNT TO LLS AS PRODUCTION INCREASES

(Bloomberg, Tuesday, September 24, 2013) -- Eagle Ford crude strengthened to the smallest discount to the U.S. Gulf Coast benchmark light crude as Texas regulators reported that production from the shale formation grew 36 percent from the year before in July. Plains Marketing LP's posted price for Eagle Ford light oil was \$101.25 a barrel Sept. 20. The price relative to Light Louisiana Sweet strengthened by 81 cents to a discount of \$3.81 a barrel, according to data compiled by Bloomberg. It's the smallest level since Plains began posting prices in 2010. The spread has narrowed 86 percent since reaching a year-to-date wide level of \$26.46 a barrel on March 20. The nine fields that make up the majority of Eagle Ford yielded 569,191 barrels of crude a day, according to preliminary data released by the Texas Railroad Commission, which oversees oil and gas drilling in the state. That is 36 percent more than the fields produced in July 2012. May output was revised to 656,853 barrels a day from the preliminary report of 617,884, the commission said. Production totals typically increase in subsequent months as the state receives revised, corrected or late reports. The Port of Corpus Christi, where much of the Eagle Ford crude is shipped to by pipeline, shipped out 367,535 barrels of oil a day in August, up 91 percent from the same month in 2012. [\[more\]](#)

17. BAKKEN – HYPE VERSUS REALITY

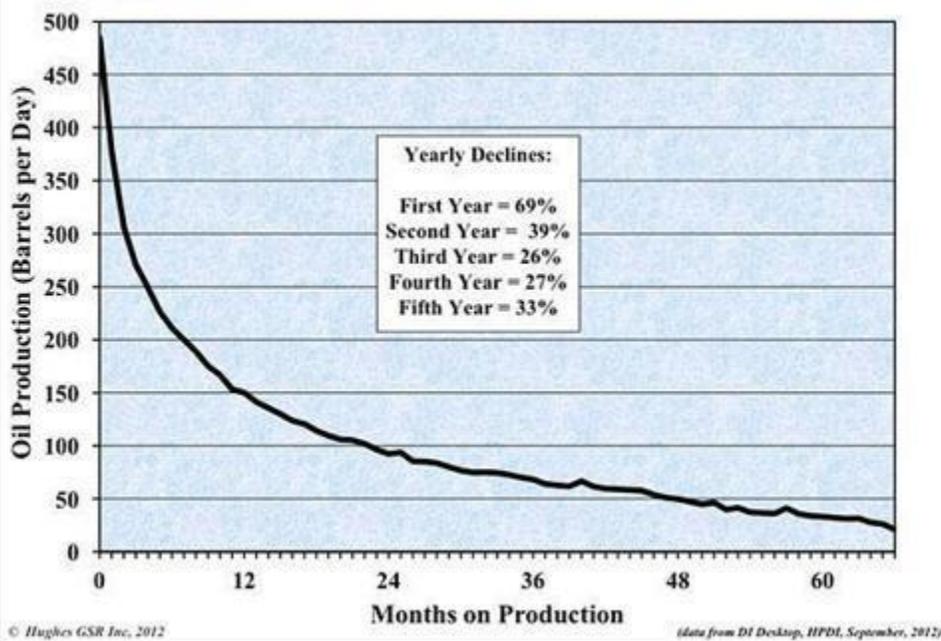
([The Burning Platform blog](#), Tuesday, September 24, 2013) As Wall Street, CNBC, and feckless politicians tout American energy independence from the miracle of shale oil, reality is already rearing its ugly head. Production grew by 24% over the first six months of 2012. **Production has grown by only 7% over the first six months of 2013. That is a dramatic slowdown.** The fact is that these wells deplete at an extremely rapid rate. Oil companies will always seek out the easiest to access oil first. They have already accessed the easy stuff. This explains the dramatic slowdown. Peak Bakken oil production will be below 1 million barrels per day. The last time I checked, we consumed 18 million barrels per day. I wonder when that energy independence will be achieved? Reality is a bitch.

Type Decline Curve for Bakken Shale Oil Wells



Bakken Oil Production Growth Has Slowed Significantly In 2013

Type Decline Curve for Bakken Shale Oil Wells



The headlines ring of “booming” American oil production and “gluts” of oil ([USO](#)). I’m here to tell you that while the boom is real, there is no glut of oil and we need to be aware that the huge production growth of the past eighteen months is going to slow. It already is slowing. I’ve been watching what is going on in the Bakken pretty closely because I think it is going to be an excellent proxy for what will happen across the country. Let’s take a look at what happened to production in North Dakota during the first six months of last year (2012). Here is the raw [data](#) detailing barrels of oil production per day: [\[more\]](#)

Europe

18. STATOIL FRUSTRATED WITH BARENTS SEA FIND

STAVANGER, Norway, Sept. 23 (UPI) -- Norwegian energy company Statoil said Monday it discovered natural gas but no oil at a prospect in the Johan Castberg complex in the Barents Sea. Statoil said it is working alongside its partners, Italian energy company Eni and Norwegian counterpart Petoro, at its Iskrystall prospect in the Barents Sea "Our main goal was to find oil in Iskrystall, but unfortunately it did not materialize," Gro Haatvedt, Statoil's vice president of exploration, said in a statement Monday. "We still believe we can prove more oil resources in the Johan Castberg area and will continue our exploration effort." Statoil in June said there may be pending tax issues and uncertainty about the reserve estimate at its Johan Castberg project in the Barents Sea. Iskrystall was the second of four prospects drilled in the area this year. The first project, Nunatak, was described as a "small" discovery for Statoil and not commercially viable. [\[more\]](#)

19. GREENPEACE CRIES FOUL OVER RUSSIAN REACTION

MOSCOW, Sept. 23 (UPI) -- Advocacy group Greenpeace said it was frustrated with the way Russian authorities responded to protesters storming an arctic drilling program last week. Russian authorities fired warning shots at Greenpeace activists protesting an arctic drilling program by a subsidiary of Russian energy company Gazprom. The Russian Coast Guard seized the group's Arctic Sunrise protest vessel and arrested some of the campaigners. Gazprom's Prirazlomnaya rig was towed to the region last year as the first ice-resistant oil rig in the world. Greenpeace issued a list of complaints against Russian authorities. It said it was frustrated by the possibility protesters may face 15 years in jail for piracy. The advocacy group said piracy is a violent act, not an act of peaceful protest. Russia's state news agency RIA Novosti reported Friday border officials said Greenpeace efforts to scale an arctic oil rig in the Pechora Sea "bore the signs of piracy." It reported Monday more than 40 environmental groups called on Russian President Vladimir Putin to release Arctic Sunrise. "Non-violence has been enshrined at the core of Greenpeace for more than 40 years," the group said in a statement Sunday. "We engage in peaceful protests to expose environmental crimes. We posed no safety threat." [\[more\]](#)

Alternatives

20. INDIA PLANNING WORLD'S LARGEST SOLAR PROJECT

NEW DELHI, Sept. 23 (UPI) -- The Indian government says it is planning the world's largest solar power plant in the northwestern state of Rajasthan. The project will have a total power generation capacity of 4,000 megawatts, which is more than double the total solar power generation capacity in the country. As part of Phase 2 of India's National Solar Mission, the government aims to have 20,000 megawatts of solar energy by 2020. There is now 1,759.43 megawatts connected to the grid. "This will be the largest solar-based power project in the world. Being the first project of this scale ... this project is expected to set a trend for large-scale solar power development in the world," a government statement said. The project -- to be located on 23,000 acres of land owned by the state-run Sambhar Salts Ltd -- would be set up and run by a joint venture of five public sector utilities: Bhel, Powergrid Corp. of India, Solar Energy Corp. of India, Hindustan Salts limited and Rajasthan Electronics & Instruments Limited, the statement said. The first phase, for 1,000 megawatts, is slated for completion in three years. When fully operational, the Sambhar plant will generate 6,000 units of electricity annually. The government intends to sell solar power from the proposed plant for about 9 cents a unit, which would be the lowest rate for solar power in the country. The current cost of solar power in India is around 11 cents per unit.

[\[more\]](#)

Full Stories

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Later this week, Iran's foreign minister will also meet the U.S. Secretary of State and officials from five other major powers regarding Iran's nuclear program, with the possibility of brief but direct talks with U.S. President Barack Obama.

While markets have been focused on developments in Syria for the last few months, signs of a possible thaw in the relationship between Washington and Tehran could have much larger implications for oil prices, Capital Economics said in a note.

It said the lifting of sanctions should allow Iran to supply at least another one million barrels of oil per day to global markets within a matter of months and even the anticipation of a break-through could cause oil prices to fall sharply.

"The prospect of renewed Iranian supply and a reduction in Middle East risks more generally is one of the key reasons why we expect the price of Brent crude to fall back to \$90 per barrel by the end of 2014," Capital Economics said.

The American Petroleum Institute, a trade group, is expected to release its weekly U.S. oil inventory data later Tuesday at 2030 GMT. The more closely watched inventory data from the Energy Information Administration will be released on Wednesday.

Lower oil stocks at the Cushing oil trading and storage hub in the U.S. have helped boost Nymex oil prices.

"Since the Memorial Day holiday crude oil supplies at the NYMEX Cushing hub have dropped by a record 17.3 million metric barrels or 34%. Stocks now stand at the lowest low, 33.3 million metric barrels, in over a year with a year-on-year deficit of 24%," The Schork Group said in a note.

Nymex reformulated gasoline blendstock for October--the benchmark gasoline contract--fell 22 points to \$2.6208 a gallon, while October heating oil traded at \$2.9527, 35 points lower.

ICE gasoil for October changed hands at \$910.50 a metric ton, down \$2.50 from Monday's settlement.

[\[Back to Top\]](#)

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Futures were down as much as 0.5 percent after closing yesterday at the lowest level since Aug. 8 as the Security Council worked toward an agreement to disarm Syria's chemical weapons. Production in Texas climbed in June to the most in 32 years, while Nigeria restored some oil supplies as pipelines that were sabotaged by vandalism and theft were repaired.

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Texas High

Brent for November settlement slid 42 cents to \$107.74 a barrel on the London-based ICE Futures Europe exchange. The European benchmark crude widened for a third day to a premium of \$4.68 to WTI.

Growing production from Eagle Ford is helping fuel a renaissance in Texas crude. The state pumped 2.58 million barrels a day in June, the highest monthly level since May 1981, according to the Energy Information Administration, the statistical arm of the Energy Department. The EIA hasn't released July output data for the state.

U.S. crude inventories shrank by 800,000 barrels in the week ended Sept. 20, the lowest in 18 months as refineries maintained operations at more than 90 percent of capacity and oil imports slipped, according to the median estimate of nine analysts surveyed before a report tomorrow from the EIA, the Energy Department's statistical unit. That would leave stockpiles at 354.8 million, the least since March 2012.

The industry-funded American Petroleum Institute is scheduled to release supply data today.

Syria Resolution

The UN Security Council is set to negotiate a Syria resolution as world leaders travel to New York for the opening of the General Assembly. The U.S., the U.K. and France have accused government forces of carrying out a chemical attack on Aug. 21 that killed 1,400 people near Damascus. Syrian President Bashar al-Assad has blamed rebel groups. Russia rejected a plan to include enforcement in the resolution.

Oil rose to a two-year high on Aug. 28 amid concern that a U.S.-led assault would widen the Syrian conflict and disrupt Middle East shipments. Syria borders Iraq and is near Iran, which together control almost a fifth of the

production capacity in the Organization of Petroleum Exporting Countries, according to data compiled by Bloomberg.

Output in Nigeria, Africa's largest crude producer, increased to 2.4 million barrels a day after sabotaged lines were restarted, Tumini Green, a spokeswoman at Nigerian National Petroleum Corp., said in an e-mailed statement. Supply dropped to 2.2 million in the first quarter, according to the state-owned company.

"We are a little bit more relaxed about the Middle East risk," said Ric Spooner, a chief market analyst at CMC Markets in Sydney. With "supply increases in Libya and Nigeria, crude prices are under pressure in recent days. We may see WTI move back to under \$100."

[\[Back to Top\]](#)

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October-delivery natural gas on the New York Mercantile Exchange settled 8.5 cents lower, at \$3.602 per million British thermal units, the lowest since Sept. 11. The price drop was the biggest on a percentage and a dollar basis since Sept. 5.

In the past two sessions, front-month gas futures shed 3.2%, or 11.8 cents, as the market has moved, as expected, into a seasonal demand lull with the start of autumn. Demand for electricity to power air conditioners or to power heating needs isn't particularly strong as temperatures moderate, meaning utilities need to burn less gas.

Gas output, near record high levels, and the shoulder-season demand drop ahead of the winter peak, means that inventories likely will rise at more typical levels, analysts said. Unusually warm late summer temperatures in the Midwest sparked more gas consumption, reducing the volumes heading into stockpiles.

"Traders are looking ahead to the next three injections which are expected to be much larger than normal," said Aaron Calder, senior market analyst at Gelber & Associates in Houston. "It will take a lot of aberrant weather to keep coal switching and rising production from showing up in the coming storage reports."

Weather projections, instead, show a neutral temperature outlook. Forecasters at MDA EarthSat said early autumn temperatures in different regions likely will offset each other, erasing potential for demand-led price gains. The near-term outlooks for a "warm north and seasonal to cool south...should continue to limit overall energy demand," the weather forecasters said in a note.

The National Hurricane Center doesn't show any tropical storm activity now in what been an unexpectedly quiet season.

Mr. Calder, said a storm in the Gulf that drew attention ahead of the weekend didn't end up posing a threat to regional gas production. In fact, he said, "the formation caused heavy rainfall and cloud cover across Texas decreasing natural gas demand."

[\[Back to Top\]](#)

4. ENIGMATIC LEADER OF IRAN BACKS OVERTURE, FOR NOW



Ayatollah Ali Khamenei spoke at a meeting of Revolutionary Guards commanders in a photo released by his office last week.

TEHRAN (New York Times, Tuesday, September 24, 2013) -- This is Hassan Rouhani's moment. The toast of the United Nations, the new Iranian president is busy granting interviews to select audiences and possibly cramming in a meeting with President Obama — the first such high-level get-together since the 1979 revolution. But when he stands before the world to speak on Tuesday, he will do so as the loyal representative of Iran's supreme leader, the ultimate authority behind the country's recent diplomatic charm offensive.

Since his election in June, Mr. Rouhani has made no secret of his wish to reach an accord with the West on Iran's nuclear program — and no secret that the only reason he can reach out so conspicuously is that he has the support, for now anyway, of one man, Ayatollah Ali Khamenei, the supreme leader.

"Rouhani can only attempt to have direct talks because the supreme leader has agreed to it; otherwise, Rouhani would not be in New York now," said Hamid-Reza Taraghi, an insider who is one of the few people trusted to interpret for the public the supreme leader's sermons and speeches. "The president and his team enter any talks only under the leader's direct command."

An enigmatic and cunning man, Ayatollah Khamenei, 74, is the one who gave Mr. Rouhani the authority to pursue a deal with the United States, top aides to Mr. Rouhani and outside experts say, and could just as easily cut off support — as he has done to some Iranian leaders before, including Mr. Rouhani.

Ayatollah Khamenei sees himself as a sort of referee of Iran's complex political system, sitting in judgment of the politicians he anoints to lead the country in what are often sharply different directions. In 1997, for example, he blessed the reformist candidacy of Mohammad Khatami, who relaxed some social restrictions and allowed more press freedom.

But he allowed the hard-liners to undermine Mr. Khatami's presidency, and in 2005 he pinwheeled to Mahmoud Ahmadinejad, the strident nationalist hard-liner, who denied the Holocaust and antagonized the West for much of his eight years in office.

This year, in a surprise to almost all Iran watchers, Ayatollah Khamenei has seemed to get behind Mr. Rouhani's diplomatic push, talking in somewhat opaque but nevertheless conciliatory terms of "heroic flexibility." And on Monday, in another gesture of support for Mr. Rouhani, Iran released 80 political prisoners. But the question for many here is, how much room will the supreme leader allow for diplomacy before pulling the rug out from under Mr. Rouhani?

This is not the first go-round for Ayatollah Khamenei and Mr. Rouhani, himself something of a prodigy who was once the darling of the clerics who founded the Islamic republic. In 2003 Mr. Rouhani, then the chief nuclear negotiator, persuaded Ayatollah Khamenei to suspend uranium enrichment for several months in hopes of reaching a nuclear deal. But the negotiations broke down, and Mr. Rouhani was banished from the circles of power before being resurrected this spring.

From Ayatollah Khamenei's perspective, experts say, it makes perfect sense to stand back and allow Mr. Rouhani to conduct talks with the country's main adversary.

"Everybody understands that Supreme Leader Khamenei is in a win-win situation," said Mojtaba Mousavi, an Iranian political commentator who is often briefed by officials close to the leader. He explained that if talks lead to the reduction or elimination of the economic sanctions that have damaged Iran's economy, Ayatollah Khamenei will get the credit for approving the new negotiating strategy.

But Ayatollah Khamenei can also take the credit if the talks should collapse. "If talks fail to reach any results, he will be praised for having proved his warnings over the dishonesty by the West towards Iran," said Mr. Mousavi. "In that case his doubts will be proved once again."

Experts here say that Ayatollah Khamenei, who was appointed supreme leader in 1989, is interested in testing the flexibility of the United States in negotiations over Iran's nuclear program, which it says is for peaceful uses but the West says is a cover for developing nuclear weapons.

"The leader is giving the U.S. an opportunity to change its ways, although he doubts such a thing can ever happen," said Mr. Taraghi, who stressed that Ayatollah Khamenei had "permitted" Mr. Rouhani to explore possibilities. "Our leader is waiting to see whether the U.S. will follow Iran in taking a step towards positive engagement."

But as Mr. Rouhani and his foreign minister, Mohammad Javad Zarif, work the corridors and back rooms of the United Nations this week, their mandate will be limited, restricted by the supreme leader to the nuclear program and possibly Syria, those close to him say.

For all the attention paid to Iran's new tone of moderation, insiders here say the supreme leader will never compromise his basic positions. "We have no intention to change," said Mr. Taraghi. "Our ideology will remain the same. Iran will remain the same even after possible talks."

By this he meant that Iran would never recognize the state of Israel or stop supporting Palestinian groups fighting what it calls "the Zionist entity." In nuclear matters, it means accepting nothing less than full recognition of what Iran says is its "right" to a nuclear program under its own control. Support for the Syrian government will continue, as will Iran's overall confrontational stance toward the West.

The change in Iran's diplomatic language is a new tactic to be explored, Mr. Taraghi and others said. Iran's supreme leader is mainly interested to see whether the United States has shifted its position and is ready to recognize Iran as a main power in the Middle East.

Suspicious of American intentions and policies lie at the core of Ayatollah Khamenei's beliefs. "The domination system spreads war, poverty and immorality with a specific mechanism which is dividing the world between oppressors and oppressed," he said in a speech for commanders of Iran's Islamic Revolutionary Guards Corps last week. He said Iran's resistance to American policies is the reason it is being pressured "by imposing sanctions, and by efforts to impose a civil war and a coup in Iran."

Ayatollah Khamenei, who has often emphasized that he is "a revolutionary, not a diplomat," also urged the president and his team never to forget the nature of their rivals. "It is good and necessary to have flexible approaches sometimes and somewhere," he said, citing a theory he called "heroic leniency," in which "you can show leniency to the rival, while never forgetting his goals."

While many advocates of détente have interpreted this remark as illustrating Ayatollah Khamenei's readiness to compromise, his close supporters say it means that he sees America as an eternal enemy that needs to be approached with different tactics at different times.

"Our leader is convinced the ultimate goal of the U.S. is to foil our spirit of confrontation and change our behavior," Mr. Mousavi said. "The basis of our revolution is fighting the hegemonic powers."

It was a surprise when Iran's hard-liners, who had held sway for eight years in tandem with Ayatollah Khamenei, lost to Mr. Rouhani in the presidential elections in June. They and the institutions they control — the Revolutionary Guards, the nationwide Friday Prayer venues, the judiciary and the state broadcaster — have all been ordered by Ayatollah Khamenei not to sabotage Mr. Rouhani's effort with criticism or controversial remarks.

This is not to say that the hard-liners are out of power, nor are they excluded from deciding Mr. Rouhani's mandate for negotiations. "We have coordinated our policies in order to talk with a single voice, which for now is the government's voice," Mr. Mousavi said.

It is almost the polar opposite of Mr. Ahmadinejad, the former president, who was allowed to antagonize world leaders using a tactic he called "active diplomacy," which ultimately helped create an atmosphere in which many countries supported sanctions against Iran.

Iran's establishment now agrees across the board that Mr. Rouhani's diplomatic offensive can reinvigorate the stalled talks over Iran's nuclear program and potentially reduce sanctions, analysts say.

“This is about convincing the U.S. that the Islamic republic is a big dam against their policies in the region,” Mr. Taraghi said. “They need to realize the huge price they are paying for their hegemonic policies in the Middle East. It is better for them to find common ground with us.”

That does not mean, however, that the two traditional enemies will become fast friends overnight.

“Whatever happens,” Mr. Taraghi said, “don’t expect a U.S. embassy to open up in Tehran any time soon.”

[\[Back to Top\]](#)

5. HANDSHAKE WITH IRAN MIGHT SAY MUCH MORE

UNITED NATIONS (New York Times, Tuesday, September 24, 2013) -- It has become the diplomatic big tease of the year, a rumored geopolitical rendezvous that, if not quite as momentous as Nixon and Mao in 1972, would still rank as a landmark encounter for two countries that have been estranged for more than three decades.

So, will President Obama actually shake hands with President Hassan Rouhani of Iran at the United Nations on Tuesday, when both men are scheduled to speak to the General Assembly?

On Monday, the White House insisted again that there was no meeting with Mr. Rouhani on the president's schedule. But administration officials did nothing to dispel feverish speculation that the two leaders would find a way to bump into each other, whether in a hallway, in an elevator bank or by scraping their chairs together at lunch.

"We are open to engaging with Iran on a variety of levels," Benjamin J. Rhodes, the deputy national security adviser, told reporters on Air Force One as Mr. Obama flew to New York. "This is not something we object to in principle. We will do so if we believe it is in our interest."

By any standard, a meeting of Mr. Obama and Mr. Rouhani would be a seminal event: Iranian and American leaders have not met since before the Islamic Revolution in 1979. Even if it does not happen, officials noted, Secretary of State John Kerry planned to meet Iran's foreign minister, Mohammad Javad Zarif, here later this week - the highest-level meeting between the countries since May 2007.

If the two sides were to orchestrate a handshake, diplomats said, the most likely venue would be a luncheon Tuesday for heads of state given by Secretary General Ban Ki-moon. While any encounter might appear impromptu, Mr. Rhodes made clear that in such matters of high-level schmoozing, spontaneity has its time and place.

"I don't think anything would happen by happenstance in a relationship, on an issue that's this important," he said.

Less predictable is what a not-so-accidental encounter would mean for Iran's confrontation with the United States and other Western countries over the Iranian nuclear program. Israel and American allies in the Persian Gulf are watching nervously, worried that Mr. Obama will trade their security for an easing of tensions with Tehran.

Analysts and former officials say a face-to-face meeting could be pivotal, opening the door to a direct negotiation between Washington and Tehran that many believe is crucial to breaking the long impasse. But

they, too, warn of risks, most notably that a handshake would reward Mr. Rouhani and magnify expectations for diplomacy that may not be warranted, given the fallow history of diplomacy with Iran.

"It will certainly play to the Rouhani charm offensive, making the new Iranian leadership appear more moderate without any overt change in behavior," said Dennis B. Ross, a former adviser to Mr. Obama on Iran. "At the same time, it makes a bilateral engagement much more likely."

Mr. Ross drew a distinction between a handshake and photo opportunity, and a working meeting. But he said, "We will still need to manage expectations and Israeli fears that we will end up in a rope-a-dope dialogue while the Iranian nuclear program creates facts on the ground."

It would not be the first time the Obama administration used an informal meeting to try to open a channel to Iran. In March 2009, the special envoy Richard C. Holbrooke table-hopped at a lunch in The Hague to greet an Iranian deputy foreign minister. The two chatted about Persian architecture, Mr. Holbrooke recalled at the time.

It also would not be the first time an American president had viewed the General Assembly as an auspicious place for breaking the ice with the Iranians. In September 2000, before leaving office, President Bill Clinton instructed his aides to arrange a face-to-face encounter with Iran's president, Mohammad Khatami.

The White House requested that the United Nations schedule Mr. Clinton's speech so that it fell just before Mr. Khatami's. At the secretary general's lunch, the Americans asked to have Mr. Clinton seated not far from Mr. Khatami so that if they pulled back their chairs, they would almost bump into each other, recalled Bruce O. Riedel, then a senior director at the National Security Council who advised Mr. Clinton on Iran.

"Imagine Clinton saying, 'Oh, Mr. President, so sorry for spilling soup on you; how would you like to make peace with America?'" Mr. Riedel said with a laugh, adding, "We tried very hard to arrange a meeting, but Khatami was unwilling to take the political risk."

This time, Mr. Obama and Mr. Rouhani have already exchanged letters, and both have spoken in conciliatory terms about the intentions of the other. Mr. Rouhani, administration officials noted, also appeared to have a broader mandate than his predecessors to make a diplomatic opening.

Mr. Obama has shown willingness, especially early in his presidency, to shake hands with other difficult leaders. He greeted Hugo Chávez of Venezuela warmly at a summit meeting in Trinidad in April 2009 and, somewhat less warmly, Col. Muammar el-Qaddafi of Libya at a Group of 8 meeting in Italy in July 2009.

If Mr. Clinton's experience shows one thing, however, it is that Mr. Obama can do only so much to make a connection. "The real issue is not whether the Americans want to meet," Mr. Riedel said. "The real issue is whether the Iranians want to meet."

[\[Back to Top\]](#)

6. IRAN'S ROLE IN NORTH SEA GAS FIELD REVIEWED

LONDON, Sept. 23 (UPI) -- The British government said it was examining the prospects for development of a North Sea gas field controlled in part by an Iranian oil company.

British energy company BP and the National Iranian Oil Co. control the Rhum natural gas field in the North Sea. The British economy became a net importer of natural gas in 2009 and sanctions targeting Iran's energy sector idled the Rhum field a year later.

A spokesman for the British Department of Energy and Climate Change was quoted by British newspaper The Mail on Sunday as saying it was reviewing the North Sea project.

"We are working to ensure the long-term security of the Rhum gas field, but no decision has been made at this time," the spokesman said.

The newspaper reported Sunday that European Union officials said operations at Rhum could be waived from sanctions under certain circumstances but the report did not elaborate. BP did not provide a comment.

Iran holds a minority stake in the Shah Deniz gas field in the Azeri waters of the Caspian Sea. A BP-led consortium is gearing up to export some of that natural gas to the European market.

Sanctions on Iran's energy sector are designed to starve the government of revenue it could use to finance a controversial nuclear program.

[\[Back to Top\]](#)

7. IRAQ: THIRD DAY OF FUNERAL BOMBINGS

(AP, Tuesday, September 24, 2013) -- A double bombing at a Sunni funeral in Baghdad killed 14 people on Monday, officials said. It was the third day in a row in which funerals were attacked in the Iraqi capital. Officials said Monday's blasts hit near a mourning tent for one of four people killed two days before when men fired their guns in a store selling liquor in the Sunni neighborhood of Azamiya. An official said 35 had been wounded.

[\[Back to Top\]](#)

8. AFTER BAGHDAD BLASTS, A JOURNEY OF SORROW AND PAIN

(AFP, Tuesday, September 24, 2013) Two buses speed south from Baghdad towards Najaf Sunday bearing the bodies of people killed in an attack, as other buses return carrying upside-down coffins, the dead they held now buried.

The bodies are bound for Wadi al-Salam, the world's largest cemetery, at the shrine of Imam Ali, one of the holiest sites in Shiite Islam.

The journey began in Sadr City, a Shiite area of north Baghdad, where bombs targeting mourners killed at least 73 people and wounded more than 200 on Saturday.

At the site of the blasts, Jabbar Abdulsahib stood under the metal frame of a funeral tent targeted in the attack, receiving condolences over the deaths of two grandsons -- Mussa, aged three, and Hussein, 10.

His son was wounded in the attack, so Abdulsahib rushed him to a hospital, he said.

"Qadissiyah Hospital looked like a slaughterhouse. Pools of blood inside and outside, wounded people in the hallways, on the floor, helpless," he said.

"Even those who died did not get rest as there were not enough places to keep the bodies," he added.

Some, including the bodies of his grandchildren, had to be taken to Najaf for burial that night.

Abdulsahib stopped speaking and stared upwards, trying not to cry, but the tears came anyway.

Iraqis offload from a vehicle the body of late Ali Adnan, 23-years old, at a cemetery in the city of ...

"People were looking for their sons here, carrying body parts without knowing if they belonged to them," he said.

A nearby group of women began screaming, beating their chests and heads as a bus brought in a coffin wrapped in a green sheet.

Three buses with coffins drove by, and then another stopped.

Four men carried a coffin holding the body of Ali Adnan to the vehicle, and secured it to the roof.

A group of men and women, including Adnan's pregnant wife, boarded the bus, and it left with another one for the drive south.

As the two buses headed towards Najaf, relatives of the dead stared out of the windows, as other buses bearing now empty coffins travelling in the opposite direction.

Adnan's relatives stopped and washed his remains at a one-storey building near Wadi al-Salam Cemetery.

One of Adnan's uncles, who did not give his name, said they would not take his body to the actual shrine of Imam Ali, as is the tradition, because it had been too badly mutilated.

Instead, they returned the corpse in the coffin to the roof of the bus and drove into Wadi al-Salam, which by legend is large enough to hold all of the world's Muslims.

Family members mourn during the burial of late Ali Adnan, 23-years old, on September 22, 2013, at a ...

"This is not the first time we've buried someone we love, and not the second, nor even the fifth," Naim Saadallah, another uncle, said after helping carry the body to the grave.

"We are used to burying people. We will bury him today, and we will go back to our lives."

Adnan's relatives gathered around the grave, and an old man sat nearby reading from the Koran, the Muslim holy book.

As they began to lower the body into the grave, the women began shouting. His mother cried out: "Oh father, oh mother, he broke my heart. Allawi, you break my heart."

Adnan's wife tried to reach out to his body but the men held her back. She sat down, sobbing and beating her head with one hand.

The ceremony was over quickly, and the mourners went back to the bus. Adnan's sister sat at the very back, looking out of the window towards his grave, weeping.

Her brother's empty coffin was placed back on the roof of the bus, upside down.

As he walked to the bus, one of Adnan's uncles thought about those responsible for the attack.

"The man who killed Ali, how will he face his God today? What is he going to tell him, I wonder?"

[\[Back to Top\]](#)

9. EGYPT TO PAY \$6 BILLION ENERGY DEBTS BEFORE YEAR-END

Move Intended to Boost Foreign Energy Investment

(Wall Street Journal, Tuesday, September 24, 2013) -- Egypt is planning to soon reach an agreement to repay the more than \$6 billion it owes international energy companies for the oil and gas it has bought from them, aiming to make the first payment before the year-end, two people familiar with the matter said Monday.

"We are close to agreeing on a timetable for the outstanding debt and the oil ministry is pushing the government to make the first payment before the end of this year," an Egyptian oil official who asked not to be named told the Wall Street Journal.

"The first payment would hopefully reassure the oil companies and encourage them to increase their investments in the country," the official said.

Egypt has been facing a slowdown in oil and gas exploration activities over the past couple of years due to continuing civil unrest since the ousting of former president Hosni Mubarak.

The country has been paying hefty premiums for its crude supplies due to the weaker Egyptian pound and is struggling to pay its \$6 billion debt to foreign energy companies including: BP PLC, Apache Corp, BG Group PLC and Dana Gas PJSC, an energy company based in the United Arab Emirates.

One of the options being discussed is that foreign companies raise their output of crude and condensates in the country and then export their share of this increased production as repayment for some of the money owed.

"The government is also considering using part of the Gulf aid it has received to make the first payment since it is a quicker solution," another official said.

Saudi Arabia, Kuwait and the United Arab Emirates promised Egypt a total of \$12 billion in loans, grants and fuel shipments to help its ailing economy, following a military intervention in July that ousted Mr. Mubarak's successor, Mohammed Morsi.

The pledges have so far allowed Egypt to stabilize food and fuel prices, bolster its dwindling foreign reserves and hold off negotiating an International Monetary Fund loan for \$4.8 billion.

[\[Back to Top\]](#)

10. EGYPTIAN COURT SHUTS DOWN THE MUSLIM BROTHERHOOD AND SEIZES ITS ASSETS



Tara Todras-Whitehill for The New York Times

Anti-Muslim Brotherhood graffiti depicting former President Mohamed Morsi in Cairo.

CAIRO (New York Times, Tuesday, September 24, 2013) -- An Egyptian court on Monday issued an injunction dissolving the Muslim Brotherhood and confiscating its assets, escalating a broad crackdown on the group less than three months since the military ousted its ally, President Mohamed Morsi.

The ruling, by the Cairo Court for Urgent Matters, amounts to a preliminary injunction shutting down the Brotherhood until a higher court renders a more permanent verdict. The leftist party Tagammu had sought the immediate action, accusing the Brotherhood of “terrorism” and of exploiting religion for political gain. The court ordered the Brotherhood’s assets to be held in trust until a final decision.

If confirmed, the ban on the Brotherhood — Egypt’s mainstream Islamist group — would further diminish hopes of the new government’s fulfilling its promise to restart a democratic political process that would include Mr. Morsi’s Islamist supporters. For now, though, it effectively formalizes the suppression of the Brotherhood that is already well under way.

Since Mr. Morsi’s ouster, the new government appointed by Gen. Abdul-Fattah el-Sisi has killed more than 1,000 Brotherhood members in mass shootings at protests against the takeover and arrested thousands more, including almost all of the group’s leaders. Security services have closed offices of the group and its political party in cities around the country. Members are now sometimes afraid to speak publicly by name for fear of reprisals.

And even before Mr. Morsi was overthrown, the police watched idly as a crowd of anti-Brotherhood protesters methodically burned down the group’s gleaming Cairo headquarters — a symbol of its emergence

after the 2011 revolution from decades underground. The destruction capped weeks of attacks on its offices around the country.

Some Islamist lawyers said Monday that they would appeal the injunction, but the Brotherhood's legal status is likely to remain uncertain for some time. Amid the anti-Islamist fervor after Mr. Morsi's ouster, the group now faces several similar legal claims seeking to rescind its license or prohibit its work, and it is unclear how long it might take to resolve them.

In a statement issued from an office in London — out of reach of the Egyptian police — the Brotherhood called the verdict “an attack on democracy,” arguing that the court overstepped its jurisdiction and failed to allow the group to present its side of the case. “It is clearly an attempt to ban the Muslim Brotherhood from political participation,” statement said, accusing the military leaders of “throwing Egypt back into its darkest days of dictatorship and tyranny.”

“We have existed for 85 years, and will continue to do so,” it continued. “We are part and parcel of the Egyptian society, and a corrupt and illegitimate judicial decision cannot change that.”

Laying out its reasoning, the court reached back to the Brotherhood's founding as a religious revival group in 1928, when Egypt was in the last tumultuous decades under a British-backed monarchy. From its beginning, the court argued, the Brotherhood has always used Islam as a tool to achieve its political goals and adopted violence as its tactic.

The state newspaper Al Ahram elaborated further, declaring on its Web site that the court found the Brotherhood had “violated the rights of the citizens, who found only oppression and arrogance during their reign” — until fatigued citizens had risen up this summer “under the protection of the armed forces, the sword of the homeland inseparable from their people in the confrontation with an unjust regime.”

Despite the tone of the official news media, it was hard to discern whether the court's ruling was part of a plan by the generals now leading Egypt or a more ad hoc judicial decision, said Michael Hanna, a researcher who studies Egypt at the Century Foundation in New York. “It could be part of a broader strategy with respect to the Muslim Brotherhood, or it could be that people in the military were as surprised as anyone,” he said.

In a sweeping injunction, the court banned both the Brotherhood itself and “all activities” it organized, sponsored or financed. It immediately returned the Brotherhood to the outlawed, underground status it occupied for most of its 85 years, including the long decades from President Gamal Abdel Nasser's 1954 crackdown on the group until the 2011 revolt that ousted President Hosni Mubarak.

If enforced, the ruling could take a toll on communities across Egypt where the Brotherhood has often played a philanthropic role. For decades, the Brotherhood has also played an open role in political life by sponsoring candidates who formed a minority bloc of the Parliament.

[\[Back to Top\]](#)

11. SHELL SHUTS DOWN TRANS-NIGER PIPELINE, DEFERS 150,000 BARRELS OF OIL A DAY

IBADAN, Nigeria (Dow Jones, Tuesday, September 24, 2013) -- Royal Dutch Shell PLC's (RDSA, RDSA.LN) Nigerian unit said Monday that it has shut down the Trans-Niger Pipeline, or TNP, to repair new leaks at Bodo West and Oloma which resulted from the theft of crude oil.

Precious Okolobo, spokesman for Shell Petroleum Development Corp. of Nigeria, said in a statement that the company has declared force majeure on Bonny Light exports and deferred some 150,000 barrels of oil a day.

"The TNP has repeatedly been targeted and closed down five times since early July due to multiple leaks from crude theft connections," Mr. Okolobo said.

He said the company was working to "repair and reopen the line as soon as possible."

The TNP, which carries 150,000 barrels of oil a day through the Niger Delta to the Bonny Export terminal, was also shut down on July 11, according to Shell.

Force majeure is declared when a company is unable to fulfill its contractual obligations to deliver crude or gas due to circumstances beyond its control.

The latest shutdown underscores that fact that, despite a government crackdown, oil theft and damage to pipelines remain a persistent problem in Nigeria, Africa's largest oil producer.

[\[Back to Top\]](#)

12, CHINESE PREMIER MEETS VENEZUELAN PRESIDENT



Chinese Premier Li Keqiang (R) meets with Venezuelan President Nicolas Maduro, in Beijing, capital of China, Sept. 23, 2013. (Xinhua/Zhang Duo)

BEIJING, Sept. 23 (Xinhua) -- Chinese Premier [Li Keqiang](#) met with Venezuelan President Nicolas Maduro here on Monday.

Li hailed the fruitful China-Venezuela strategic partnership, and spoke highly of the good beginning of the Venezuelan government in developing economy and improving people's wellbeing.

Li said China believed the Venezuelan government and people will continue to progress in national development.

The premier also briefed the guests on China's efforts to promote economic transformation.

In the face of an economic downturn, China adopted a strategy in consideration of both immediate and long-term needs. China kept the deficit from expanding, did not relax or tighten the monetary policy, maintained economic growth by adjusting economic structure and promoting reform, boosted market vitality, enhanced weak links, upgraded the quality and efficiency of growth, ensured and improved people's wellbeing, so as to lay a good foundation for sustained and healthy development of the economy, Li said.

He added that China will deepen reciprocal cooperation with all countries to achieve common development.

Maduro said relations with China are exemplary country-to-country relations. The bilateral cooperation benefited the two peoples. Venezuela will enhance cooperation with China in areas including energy, finance, mining, agriculture and infrastructure construction, and further deepen their strategic partnership.

He added that he believed the bilateral cooperation will help Venezuela to realize development transformation.

On Monday afternoon, China's top political advisor [Yu Zhengsheng](#) also met Maduro.

[\[Back to Top\]](#)

13. CHINA SAYS CONSUMERS NEED TO BEAR SOME COSTS OF TIGHTER FUEL STANDARDS

China said consumers will need to bear some of the costs of tighter fuel standards, opening the door to higher prices at fuel pumps.

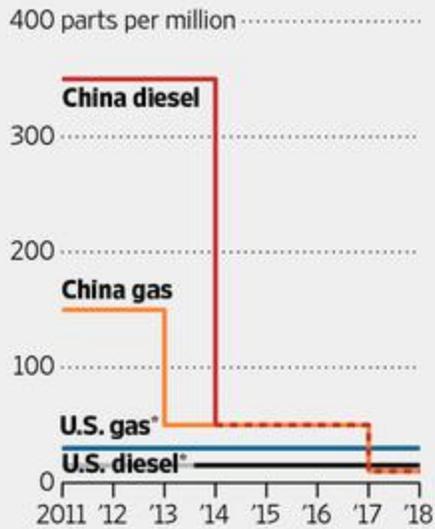
BEIJING (Dow Jones, Tuesday, September 24, 2013) -- China said Monday that consumers will need to bear some of the costs of tighter fuel standards, opening the door to higher prices at fuel pumps as the nation balances growing public concern over the environment with worries about inflation.

The announcement comes after a number of episodes of severe air pollution in recent months in Beijing and several other places. The government also Monday mapped out plans to combat air pollution, including limiting the number of motor vehicles in Beijing to six million by 2017. In January, the official Xinhua news agency said Beijing had around 5.18 million vehicles.

Tighter Standards

China's tightening fuel-quality standards will mean higher fuel costs to consumers, as the government raises prices to help meet refiners' compliance costs.

Sulfur fuel-quality standards



Cost of fuel in China



Sources: China's National Development and Reform Commission (China standards), Environmental Protection Agency (U.S. standards); ICIS C1 Energy (current fuel prices)

The Wall Street Journal

The National Development and Reform Commission, China's top economic planning agency, said Monday that higher costs to improve nationwide fuel quality will be borne by both the refining industry and its consumers. It didn't elaborate.

"Currently, the situation of the atmospheric environment in China is grim," the NDRC said on its website.

Tiny particulate matter in the air has "harmed the health of the population and has had an impact on society and harmonious stability," it said.

Chinese refiners have resisted costly upgrades to raise fuel standards because of Beijing's strict control over fuel prices, which has made it difficult to pass on higher costs to consumers. However, the Chinese

government unveiled an overhaul to its fuel-pricing system this year, which has improved bottom lines and made it easier for other changes.

China, which has lagged behind Western countries in fuel standards, plans to improve fuel quality over time using a road map similar to that followed by the U.S. and Europe. For example, one target is to limit the concentration of sulfur in gasoline to 50 parts per million from 150 parts per million before the end of this year.

The NDRC said China's two largest refining companies pegged the cost of doing that at 290 yuan a metric ton, or about 13 U.S. cents a gallon. It wasn't known how much of that cost would be passed on to consumers. The average price of gasoline in China is about \$4.21 a gallon, consultancy ICIS C1 Energy said.

The NDRC said that because of rapid growth in car ownership in China, vehicle emissions now account for between 20% and 30% of the country's overall emissions of PM 2.5—tiny particulate matter harmful to human health.

Meanwhile, the NDRC said it wouldn't raise fuel prices immediately but allow for a gradual transition over the next few years, which also will be determined by local governments. It also said it would temporarily subsidize grain farmers and the forestry, fishery and transportation sectors to ease the impact on consumers.

[\[Back to Top\]](#)

14. SPEEDY TRAINS TRANSFORM CHINA



Timothy O'Rourke for The New York Times

The high-speed rail station in Changsha, China, opened less than four years ago

CHANGSHA, China (New York Times, Tuesday, September 24, 2013) -- The cavernous rail station here for China's new high-speed trains was nearly deserted when it opened less than four years ago.

Not anymore. Practically every train is sold out, although they leave for cities all over the country every several minutes. Long lines snake back from ticket windows under the 50-foot ceiling of white, gently undulating steel that floats cloudlike over the departure hall. An ambitious construction program will soon nearly double the size of the 16-platform station.

Just five years after China's high-speed rail system opened, it is carrying nearly twice as many passengers each month as the country's domestic airline industry. With traffic growing 28 percent a year for the last several years, China's high-speed rail network will handle more passengers by early next year than the 54 million people a month who board domestic flights in the United States.

Li Xiaohung, a shoe factory worker, rides the 430-mile route from Guangzhou home to Changsha once a month to visit her daughter. Ms. Li used to see her daughter just once a year because the trip took a full day. Now she comes back in 2 hours 19 minutes.

Business executives like Zhen Qinan, a founder of the stock market in coastal Shenzhen, ride bullet trains to meetings all over China to avoid airport delays. The trains hurtle along at 186 miles an hour and are smooth, well-lighted, comfortable and almost invariably punctual, if not early. "I did not think it would change so quickly. High-speed trains seemed like a strange thing, but now it's just part of our lives," Mr. Zhen said.

China's high-speed rail system has emerged as an unexpected success story. Economists and transportation experts cite it as one reason for China's continued economic growth when other emerging economies are faltering. But it has not been without costs — high debt, many people relocated and a [deadly](#) accident. The corruption trials this summer of two former senior rail ministry officials have cast an unfavorable light on the bidding process for the rail lines.

The high-speed rail lines have, without a doubt, transformed China, often in unexpected ways.

For example, Chinese workers are now more productive. A paper for the World Bank by three consultants this year found that Chinese cities connected to the high-speed rail network, as more than 100 are already, are likely to experience broad growth in worker productivity. The productivity gains occur when companies find themselves within a couple of hours' train ride of tens of millions of potential customers, employees and rivals.

"What we see very clearly is a change in the way a lot of companies are doing business," said Gerald Ollivier, a World Bank senior transport specialist in Beijing.

Productivity gains to the economy appear to be of the same order as the combined economic gains from the usual arguments given for high-speed trains, including time savings for travelers, reduced noise, less air pollution and fuel savings, the World Bank consultants calculated.

Companies are opening research and development centers in more glamorous cities like Beijing and Shenzhen with abundant supplies of young, highly educated workers, and having them take frequent day trips to factories in cities with lower wages and land costs, like Tianjin and Changsha. Businesses are also customizing their products more through frequent meetings with clients in other cities, part of a broader move up the ladder toward higher value-added products.

Li Qingfu, the sales manager at the Changsha Don Lea Ramie Textile Technology Company, an exporter of women's dresses and blouses, said he used to travel twice a year to Guangzhou, the commercial hub of southeastern China. The journey, similar in distance to traveling from Boston to Washington, required nearly a full day in each direction of winding up and down mountains by train or by car.

He now goes almost every month on the punctual bullet trains, which slice straight through the forested mountains and narrow valleys of southern Hunan province and northern Guangdong province in a little over two hours, traversing long tunnels and elevated concrete viaducts in rapid succession.

"More frequent access to my client base has allowed me to more quickly pick up on fashion changes in color and style. My orders have increased by 50 percent," he said.

China relocated large numbers of families whose homes lay in the path of the tracks and quickly built new residential and commercial districts around high-speed train stations.

The new districts, typically located in inner suburbs, not downtown areas, have rapidly attracted large numbers of residents, partly because of China's rapid urbanization. Enough farm families become city dwellers each year to fill New York City, part of a trend visible during a series of visits to the Changsha high-speed train station over the last four years.

When the station opened at the end of 2009 in an inner suburb full of faded state-owned factories, the neighborhood was initially silent. But by 2011, nearly 200 tower cranes could be counted building high-rises during the half-hour drive from downtown Changsha to the high-speed rail station. On a morning last month, only several dozen tower cranes were visible along nearly the same route. But a vibrant new area of apartment towers, commercial office buildings and hotels had opened near the train station.

China's success may not be easily reproduced in the West, and not just because few places can match China's pace of urbanization. China has four times the population of the United States, and the great bulk of its people live in the eastern third of the country, an area similar in size to the United States east of the Mississippi.

"Except for Boston to Washington, D.C., we don't have the corridors" of high population density that China has, said C. William Ibbs, a professor of civil engineering at the University of California, Berkeley.

China's high-speed rail program has been married to the world's most ambitious subway construction program, as more than half the world's large tunneling machines chisel away [underneath big Chinese cities](#). That has meant easy access to high-speed rail stations for huge numbers of people — although the subway line to Changsha's high-speed train station has been delayed after a deadly tunnel accident, a possible side effect of China's haste.

New subway lines, rail lines and urban districts are part of China's heavy dependence on investment-led growth. Despite repeated calls by Chinese leaders for a shift to more consumer-led growth, it shows little sign of changing. China's new prime minister, Li Keqiang, publicly endorsed further expansion of the 5,900-mile high-speed rail network this summer. He said the country would invest \$100 billion a year in its train system for years to come, mainly on high-speed rail.

The Chinese government is already struggling with nearly \$500 billion in overall rail debt. Most of it was incurred for the high-speed rail system and financed with bank loans that must be rolled over as often as once a year. Using short-term loans made the financing look less risky on the balance sheets of the state-controlled

banking system and held down borrowing costs. But the reliance on short-term credit has left the system vulnerable to any increase in interest rates.

“Even well-performing railways capable of covering their cash running costs and interest on their debt will almost certainly be unable to repay the principal without some long-term financing arrangements,” said a World Bank report last year.

Another impact: air travel. Train ridership has soared partly because China has set fares on high-speed rail lines at a little less than half of comparable airfares and then refrained from raising them. On routes that are four or five years old, prices have stayed the same as blue-collar wages have more than doubled. That has resulted in many workers, as well as business executives, switching to high-speed trains.

Airlines have largely halted service on routes of less than 300 miles when high-speed rail links open. They have reduced service on routes of 300 to 470 miles.

The double-digit annual wage increases give the Chinese enough disposable income that domestic airline traffic has still been growing 10 percent a year. That is the second-fastest growth among the world’s 10 largest domestic aviation markets, after India, which now faces a slowdown as the fall of the rupee has made aviation fuel exorbitantly expensive for air carriers there.

High-speed trains are not only allowing business managers from deep inside China to reach bigger markets. They are also prompting foreign executives to look deeper in China for suppliers as wages surge along the coast.

“We always used to have go down south to Guangzhou to meet with European clients, but now they come up to Changsha more often,” said Hwang Yin, a sales executive at the Changsha Qilu Import and Export Company.

The only drawback: “The high-speed trains are getting very crowded these days.”

[\[Back to Top\]](#)

15. U.S. GASOLINE PRICES CONTINUE TO DROP

WASHINGTON, Sept. 23 (UPI) -- Motor group AAA reports Monday the national price for a gallon of regular unleaded gasoline was \$3.47, the lowest since February

The national average price for a gallon of regular unleaded gasoline Monday, about 4 cents less than one week ago and 34 cents lower than the same time last year. AAA reports a national average of around \$3.66 for February, one of the lowest averages for the year

Prices across the United States begin to decline after the Labor Day holiday in September because refiners switch to a less expensive winter blend of gasoline and fewer people take lengthy road trips.

Major crude oil indexes held slightly above the \$100 per barrel mark though they've declined because of higher oil production from Libya.

The U.S. Energy Department said it expects retail prices to average \$3.44 per gallon for the rest of the year.

AAA said Sept. 17 marked the 1,000th consecutive day the national average price for gasoline held above the \$3 per gallon mark. For a national average, the motor group said gasoline prices may never be that low again.

[\[Back to Top\]](#)

16. EAGLE FORD OIL NARROWS DISCOUNT TO LLS AS PRODUCTION INCREASES

(Bloomberg, Tuesday, September 24, 2013) -- Eagle Ford crude strengthened to the smallest discount to the U.S. Gulf Coast benchmark light crude as Texas regulators reported that production from the shale formation grew 36 percent from the year before in July.

Plains Marketing LP's posted price for Eagle Ford light oil was \$101.25 a barrel Sept. 20. The price relative to Light Louisiana Sweet strengthened by 81 cents to a discount of \$3.81 a barrel, according to data compiled by Bloomberg. It's the smallest level since Plains began posting prices in 2010.

The spread has narrowed 86 percent since reaching a year-to-date wide level of \$26.46 a barrel on March 20.

The nine fields that make up the majority of Eagle Ford yielded 569,191 barrels of crude a day, according to preliminary data released by the Texas Railroad Commission, which oversees oil and gas drilling in the state. That is 36 percent more than the fields produced in July 2012.

May output was revised to 656,853 barrels a day from the preliminary report of 617,884, the commission said. Production totals typically increase in subsequent months as the state receives revised, corrected or late reports.

The Port of Corpus Christi, where much of the Eagle Ford crude is shipped to by pipeline, shipped out 367,535 barrels of oil a day in August, up 91 percent from the same month in 2012.

LOOP Shipments

The Louisiana Offshore Oil Port, the largest waterborne petroleum import terminal in the U.S., received 2.4 million barrels of oil from Texas in June. LOOP received its first tanker of domestic crude in August 2012 after making modifications to one of its three offshore buoys to allow receipts from smaller domestic vessels, such as those carrying Eagle Ford crude out of Texas.

Growing production from Eagle Ford is helping fuel a renaissance in Texas crude. The state produced a total of 2.58 million barrels a day in June, the highest monthly level since May 1981, according to the Energy Information Administration, the statistical arm of the Energy Department. The EIA hasn't released July production data for the state.

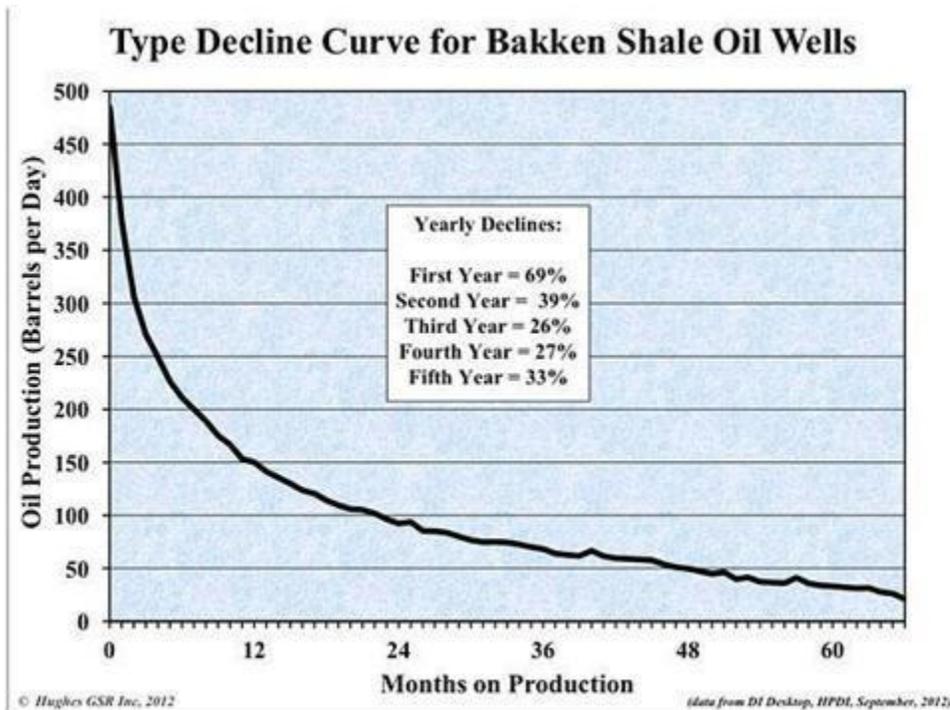
EOG Resources Inc. (EOG) is the largest leaseholder in the Eagle Ford play, with 639,000 net acres. Chesapeake Energy Corp. (CHK) is next with 485,000, according to data compiled by Bloomberg.

[\[Back to Top\]](#)

17. BAKKEN – HYPE VERSUS REALITY

([The Burning Platform blog](#), Tuesday, September 24, 2013) As Wall Street, CNBC, and feckless politicians tout American energy independence from the miracle of shale oil, reality is already rearing its ugly head. Production grew by 24% over the first six months of 2012. **Production has grown by only 7% over the first six months of 2013. That is a dramatic slowdown.** The fact is that these wells deplete at an extremely rapid rate. Oil companies will always seek out the easiest to access oil first. They have already accessed the easy stuff. This explains the dramatic slowdown. Peak Bakken oil production will be below 1 million barrels per day. The last time I checked, we consumed 18 million barrels per day. I wonder when that energy independence will be achieved? Reality is a bitch.

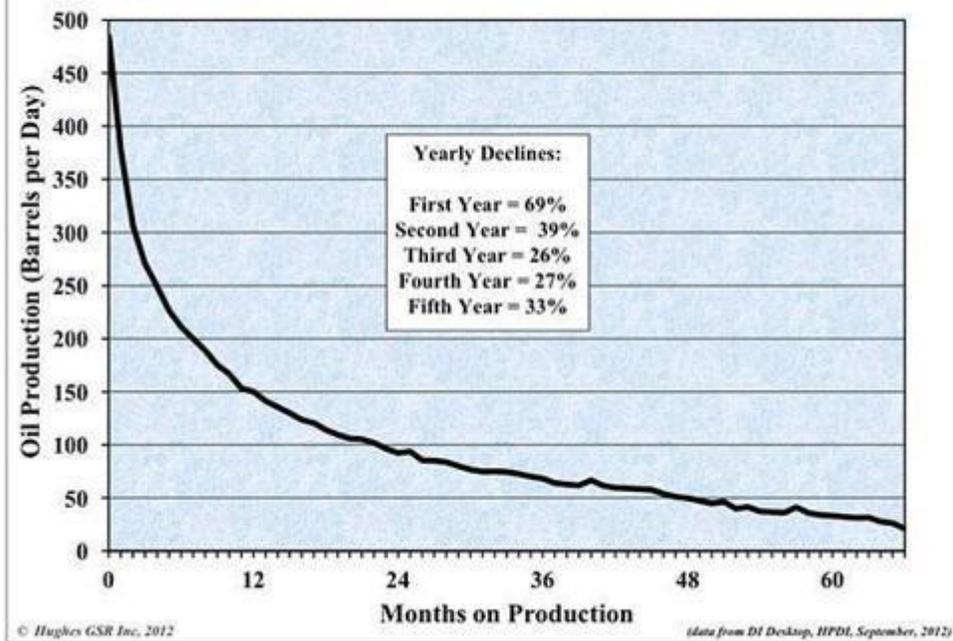
Bakken Oil Production Growth Has Slowed Significantly In 2013



The headlines ring of “booming” American oil production and “gluts” of oil ([USO](#)). I’m here to tell you that while the boom is real, there is no glut of oil and we need to be aware that the huge production growth of the past eighteen months is going to slow.

It already is slowing.

Type Decline Curve for Bakken Shale Oil Wells



I've been watching what is going on in the Bakken pretty closely because I think it is going to be an excellent proxy for what will happen across the country.

Let's take a look at what happened to production in North Dakota during the first six months of last year (2012). Here is the raw [data](#) detailing barrels of oil production per day:

December 2011 – 535,000 boe/day

January 2012 – 547,000 boe/day

February 2012 – 559,000 boe/day

March 2012 – 580,000 boe/day

April 2012 – 611,000 boe/day

May 2012 – 644,000 boe/day

June 2012 – 664,000 boe/day

Daily production in North Dakota increased by 129,000 barrels per day from December 2011 to June 2012.

Now let's look at the same period for this year (2013):

December 2012 – 768,000 boe/day

January 2013 – 739,000 boe/day

February 2013 – 780,000 boe/day

March 2013 – 785,000 boe/day

April 2013 – 793,000 boe/day

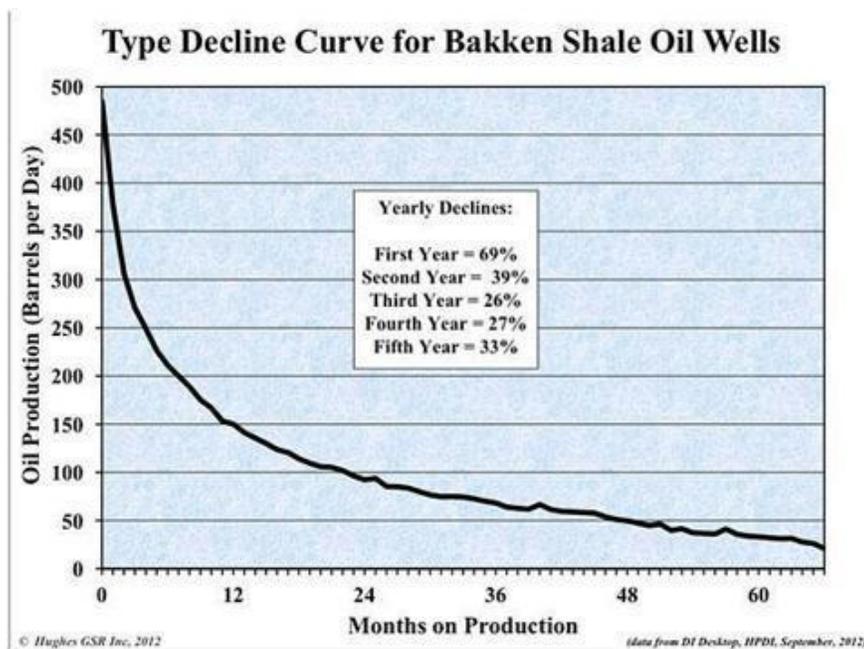
May 2013 – 811,000 boe/day

June 2013 – 821,000 boe/day

Where last year production increased by 129,000 barrels per day in the first six months of the year, this year production is up by only 53,000 barrels per day.

Yes, the rate of growth in the Bakken has slowed considerably in 2013.

To understand why, a person needs to look at the production profile for these horizontal oil wells.



By the end of the first year of production, a new well is producing at a rate that is 30% of where it was the year before. That means a huge amount of drilling each year has to be done just to offset the production lost due to these steep decline rates.

Without a continuous step change each year in the number of wells being drilled and the capital available to do so, production in the Bakken is going to flatten.

Good things are still happening, but we can't repeat every year the hyperbolic growth that we saw in 2012.

What this means for investors is that we shouldn't expect oil prices to fall much from where we have seen them over the past three years.

CLV13 - Crude Oil WTI (NYMEX)



For the past three years WTI oil prices have ranged from \$85 per barrel to \$105 per barrel. I think \$85 is about as low as we can go for an extended period of time because that is likely just about the marginal cost of production for oil in the world today.

Production growth in the Bakken is slowing and so too will production growth in the Eagle Ford. That is the nature of these horizontal oil fields. We get an initial surge in production as capital comes into the play. Then that growth rate slows steadily until it flattens and enters a decline.

[\[Back to Top\]](#)

18. STATOIL FRUSTRATED WITH BARENTS SEA FIND

STAVANGER, Norway, Sept. 23 (UPI) -- Norwegian energy company Statoil said Monday it discovered natural gas but no oil at a prospect in the Johan Castberg complex in the Barents Sea.

Statoil said it is working alongside its partners, Italian energy company Eni and Norwegian counterpart Petoro, at its Iskrytall prospect in the Barents Sea

"Our main goal was to find oil in Iskrytall, but unfortunately it did not materialize," Gro Haatvedt, Statoil's vice president of exploration, said in a statement Monday. "We still believe we can prove more oil resources in the Johan Castberg area and will continue our exploration effort."

Statoil in June said there may be pending tax issues and uncertainty about the reserve estimate at its Johan Castberg project in the Barents Sea. Iskrytall was the second of four prospects drilled in the area this year. The first project, Nunatak, was described as a "small" discovery for Statoil and not commercially viable.

[\[Back to Top\]](#)

19. GREENPEACE CRIES FOUL OVER RUSSIAN REACTION

MOSCOW, Sept. 23 (UPI) -- Advocacy group Greenpeace said it was frustrated with the way Russian authorities responded to protesters storming an arctic drilling program last week.

Russian authorities fired warning shots at Greenpeace activists protesting an arctic drilling program by a subsidiary of Russian energy company Gazprom. The Russian Coast Guard seized the group's Arctic Sunrise protest vessel and arrested some of the campaigners.

Gazprom's Prirazlomnaya rig was towed to the region last year as the first ice-resistant oil rig in the world.

Greenpeace issued a list of complaints against Russian authorities. It said it was frustrated by the possibility protesters may face 15 years in jail for piracy. The advocacy group said piracy is a violent act, not an act of peaceful protest.

Russia's state news agency RIA Novosti reported Friday border officials said Greenpeace efforts to scale an arctic oil rig in the Pechora Sea "bore the signs of piracy." It reported Monday more than 40 environmental groups called on Russian President Vladimir Putin to release Arctic Sunrise.

"Non-violence has been enshrined at the core of Greenpeace for more than 40 years," the group said in a statement Sunday. "We engage in peaceful protests to expose environmental crimes. We posed no safety threat."

Activists have expressed concern about the potential environmental threat to the arctic from energy exploration.

[\[Back to Top\]](#)

20. INDIA PLANNING WORLD'S LARGEST SOLAR PROJECT

NEW DELHI, Sept. 23 (UPI) -- The Indian government says it is planning the world's largest solar power plant in the northwestern state of Rajasthan.

The project will have a total power generation capacity of 4,000 megawatts, which is more than double the total solar power generation capacity in the country.

As part of Phase 2 of India's National Solar Mission, the government aims to have 20,000 megawatts of solar energy by 2020. There is now 1,759.43 megawatts connected to the grid.

"This will be the largest solar-based power project in the world. Being the first project of this scale ... this project is expected to set a trend for large-scale solar power development in the world," a government statement said.

The project -- to be located on 23,000 acres of land owned by the state-run Sambhar Salts Ltd -- would be set up and run by a joint venture of five public sector utilities: Bhel, Powergrid Corp. of India, Solar Energy Corp. of India, Hindustan Salts limited and Rajasthan Electronics & Instruments Limited, the statement said.

The first phase, for 1,000 megawatts, is slated for completion in three years.

When fully operational, the Sambhar plant will generate 6,000 units of electricity annually.

The government intends to sell solar power from the proposed plant for about 9 cents a unit, which would be the lowest rate for solar power in the country. The current cost of solar power in India is around 11 cents per unit.

The lower rate "would surely bring in buyers" Amit Kumar, associate director of PricewaterhouseCoopers India, told India's Economic Times newspaper. "Prior discussion with the government, distribution companies and the Ministry of Finance have yielded that solar power at this rate is most viable for finance and purchase," said Kumar, who is in charge of the firm's energy and utilities division.

The lower rate is also expected to serve as a benchmark rate for the Phase 2 of the national solar mission.

The Sambhar project, the Times reported Monday, is just part of a bigger plan for solar power in India.

India's Ministry of New and Renewable Energy said the prime minister's office had already approved a plan to target the arid regions of Rajasthan and Gujarat for a solar park, the Times report states.

These "wasteland" areas, the ministry said, could produce 300,000 megawatts of electricity -- about the amount India consumed in 2012.

India currently relies mostly on coal-powered plants for power generation. Because of insufficient fuel supply, the country suffers from a severe shortage of electricity generation, leading to rolling blackouts. While 94 percent of urban households had electricity in 2012, only 60 percent of rural households had access.

[\[Back to Top\]](#)

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