

OILWATCH

RESISTANCE No. 22

OILWATCH
November 2001

Dear Friends,

In this edition we want to continue with the theme that remained left-over from the last issue. That theme has to do with the current world situation.

We have included a commentary on how world oil prices are being affected at the moment, as well as a general remark on the geopolitical situation in regards to oil in the Caspian Sea and Central Asian region.

From Cameroon we have a message concerning the Bakola, we also have news from Argentina about the Mapuche and from anti-petroleum activities in Costa-Rica.

In the section on climate change we include an article on the impacts that global warming has had on the Mengkong river basin.

We share with you information about the situation in Brazil (with a poem by Thiago de Mello, a Brazilian poet and defender of the Amazon. We also share information from the Philippines and a global vision on the state of the petroleum situation in Africa.

In solidarity
Oilwatch Secretariat

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CURRENT OIL PRICES

Panic shook the price of oil to more than 30 dollars in the first minutes after the attacks on the United States. Reactions, according to OPEP, were because of the speculators. Ali Rodr'guez, secretary general of OPEC criticized those who "celebrated in times of tragedy". While stocks collapsed, the traders and brokers of oil and oil companies, increased their earnings. The price of a Brent barrel in London rose 13%, the biggest rise in one day since 1998. The big oil companies closed with earnings close to 4% as an average.

With the war, there are two possible scenes in terms of the price of oil, depending on the magnitude that the conflict reaches in the region. If the United States opts for a large range response, a seizure

could be placed on all exportations, like the one that took place in 1973 in the Middle East.

A decade of high oil prices.

The bombing of Iraq, for example, meant the removal of 2 million barrels of oil daily from the world market. This could worsen with the possible reactions of other Arabic nations in the region. But, the initial bombing in Afghanistan has meant that the price of oil has been falling. This fall is produced not by the negative effects to the supply, but because of a reduction in demand, for example, there is less consumption of crude and derivatives by the transport sector, especially in air travel. The events of September 11th have planted fear in the majority of transport users, which has continued to increase with the threat of a bio-war.

The fall of oil prices is obligating various countries that produce oil to take contingency measures in order to avoid a fiscal crisis, due to the fact that state budgets have been calculated according to higher prices. Many countries are considering increasing their production. Others, like Venezuela, have supported the defense of prices. OPEC meanwhile, is discussing a reduction in the amount of oil produced (reducing production by 1 million barrels a day).

The position of the United States is to increase the offer of oil in order to achieve the decrease in prices facing a recession. Republican Congress leaders demand that the Senate of the United States create energy legislation that includes the possibility of initiating oil activity in the Artic National Wildlife Refuge in Alaska, without needing the approval of the Senate. In addition, incentives are being proposed in order to increase production within the United States, including the construction of oil pipelines and other facilities.

With these tendencies, it is feared that the offer will be larger than the demand and that the extraction of crude will rapidly increase, thereby intensifying environmental impacts and decreasing the market price of crude.

The mechanism for crude prices depends of several political and economic factors. Discussions within OPEC involve whether or not to maintain current production quotas of between 22-28/bbl.

Within OPEC there are two tendencies, that of countries with large reserves, many of them with few habitants, that fight for low extraction rates in order to achieve better prices and extend extraction life, and the countries with smaller reserves with the need to increase extraction quotas.

For the oil companies, who have more and more influence in the political and economic spheres, the control of prices should be one that allows for more profits as quickly as possible.

The United States has a strategy in the war that has broken out in Afghanistan. They have used their old and aggressive communication strategies to construct a generalized apathy, and justify their intervention in Afghanistan. This means that they are able to increase their capacity to control the resources in the last unexplored frontier, in a zone that possesses two thirds of the world's crude. "We have a double interest", said Bill Richardson, Energy Minister of the Clinton administration. "We need to have a significant impact on the Ben Laden network and we have to preserve the stability of the regimes in Saudi Arabia, that is our main national security and source of energy in the region." This is yet another war that smells strongly of oil.

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STORIES OF THOSE WHO RESIST

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BAKOLA "PYGMIES" AFFECTED BY EXXON, ELF AND SHELL

"Africa cannot afford the environmental devastation of such a project. We need hel to construct, not to destroy. Help!"
Archbishop Desmond Tutu

The Chad/Cameroon Oil and Pipeline Project will drill 300 oil wells in the Doba oil fields of southern Chad. It wil construct a 650- mile pipeline from Doba through Careroon to the Atlantic, and a marine pipeline at Kribi to a floating storage offloading (FSO) vessel.

The Oil Consortium consists of Exxon (40%), Shell (40%), and Elf (20%).

The project will affect the Bakola, also know as "pigmies". Most Bakola settlements moved from the Cameroon interior to the coast by the late nineteenth century. At present, 73 Bakola settlements have been identified along a 10-km length of the pipeline route in the Lolondorf-Kribi area. These settlements hold a total of about 1,500 individuals. A settlement generally consists of two to five houses that are constructed with bark, palm leaves and wood poles. A house can provide shelter for up to 30 people. Pygmies take on various seasonal activities, with most land clearing and planting activities occurring in January to May and hunting and trapping predominantly taking place between June and November. Due to the inability of forest resources to support population growth, many pygmies are now replacing traditional hunter-gatherer activities with subsistence farming.

The Bakola, though, continue to sell bushmeat to neighbouring Bantu populations or merchants. Most pygmy villages are near populated areas and roads, but sometimes stretch 2-3 km into the region's evergreen rainforest.

Several Bakola communities reside in the area of influence of the pipeline route.

At the beginning, the consortium did not plan to have an indigenous peoples' development program (IPP), as requested in the World Bank policies. Under the pressure of the NGOs and some Governments (Netherlands and German), an IPP was prepared. The present IPP is not adequately addressing the needs of the bakola who will be affected by the project.

The threats:

1. the pipeline will be crossing the land of some of the bakola groups, and will lead to major changes in their daily life.
2. There's no evidence that the sacred sites have being avoided by the pipeline road, since the IPP expresses the consortium's failure to identify those sites
3. The Bakola are originally hunters and gatherers, and the intrusion of new comers will increase pressure over the wildlife. The noise induce by the work will also have the same effect. In addition to that, the project will destroyed a lot of trees and other forest products they rely on for their daily life. A compensation will be paid for that. But one question remains: what's the cost of destroying one's basis of life? Can you compensate with money the lost of wildlife and of forest products? The consortium answers yes to this question.
4. Health is another major concern. New comers will bring new diseases, wich will be spray all over the area
5. The way the plan adresses all these concerns is also a concern. The plan recognizes that the bakola rely on the foorest for their life, but there is no mitigation measure saying that the forest should be protected. The are rather planning to involve the bakola into agriculture (by distributing "improved seeds", among other solutions), to improved their access to health and to education. These three solutions will speed up the "integration process" of the bakola into modernity.

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CLIMATE CHANGE
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“Facing up to climate change in the Mekong Region”

The physical effects of climate change

The ultimate effects of climate change will vary from region to region around the world. The Mekong Region, with extensive coastlines and a tropical climate characterised predominantly by seasonal weather patterns associated with two monsoons, is considered by the IPCC highly sensitive to climate change. Over the last century, average temperature in the region has already risen 0.3° to 0.8° Celsius. By 2100, further rises in temperature are expected, along with more extreme weather events such as floods and droughts, changes in the amount and distribution of rainfall, a disruption of the seasonal monsoons and increases in sea level.

These changes could result in major impacts on the region's ecosystems and biodiversity, hydrology and water resources, agriculture, forestry and fisheries, mountains and coastal lands, and human settlements and human health. However, forecasting the specific impacts of rapid climate change is very difficult, and the effects of the complex social, political and economic responses to such changes will be even more unpredictable.

Sea level rise

Southeast Asia has some of the most extensive and heavily settled coastlines in the world. Thailand and Vietnam each have over 3,000 Kilometers (Km.) of coastline, and the large, densely populated delta regions of these countries are particularly vulnerable to sea level rise. The predicted global average sea level rise of up to 88 centimeters over the next century could result in severe ecological damage and massive displacement of human populations.

In Thailand, much of the country's most fertile agricultural land is situated in low-lying plains near river deltas easily threatened by inundation. Rising sea levels could result in the intrusion of saltwater up to 40 km up the Chao Phraya, Tachin, and Bangpakong rivers, threatening crops sensitive to the balance between fresh and salt water.

Bangkok, a city of 10 million already suffering from extensive land subsidence, is barely above sea level. As sea levels rise, salt water will increasingly intrude into the Chao Phraya River, the city's main source of drinking water. As levels continue to rise, large areas of Bangkok will be inundated.

In Vietnam, a sea level rise of up to one meter could lead to the inundation of around two million hectares of land in the Mekong Delta, and another 500,000 hectares in the Red River Delta. This could result in the displacement of up to 10 million people from coastal Vietnam alone, as well as the loss of coastal fisheries, aquaculture, and fertile low-lying agricultural areas. Ho Chi Minh City would also eventually be inundated by the rising seas.

Land ecosystems

Ecosystems exist within a specific range of temperature and water availability. When this range varies gradually and naturally over time, ecosystems may "migrate" to areas where the climate is more suitable and other kinds of ecosystems will evolve or move into their place. Forests may take hundreds of years to migrate and become established in a suitable area, and even then the rate of movement of individual plant and animal species differs.

As temperatures, rainfall and humidity change, the IPCC predicts that climate change is likely to result in the migration of forest ecosystems, with drier forest types moving to higher elevations throughout Southeast Asia. In Thailand, for example, the IPCC suggests that the percentage forest cover of moist tropical forest will increase as drier monsoon forest migrates upland.

However, the current rate of climate change is unprecedented, and it is likely that slow-migrating species, particularly trees, will be unable to keep up with this rate of change. As a result, climate change may disturb the delicate balance of many ecosystems because interactions between mutually dependent species will be disrupted as the various species respond differently to the changes in climate.

Tropical forests are particularly vulnerable to changes in climate because of their tightly closed nutrient cycle and sensitivity to changes in water and moisture levels. These effects will also be compounded by continuing deforestation and habitat fragmentation.

The disturbance of ecosystems and large-scale “forest death”, disruption of agricultural production and changes in surface water supplies, will affect substantial sections of the population in the region.

Water resources

The glaciers and snowfall in the Himalayas play a critical role in the provision of water to mainland Southeast Asia via snow-fed rivers. As increasing temperatures and seasonal variability cause glaciers to melt and snowfall patterns to alter, rivers such as the Mekong and Salween will be affected. The flow in these rivers may increase in the short-term, due to accelerated snowmelt, but decrease in the long term as snow stocks are reduced. Variations in rainfall and increased sediment yields will also affect flows of both snow-fed and predominantly rain-fed rivers.

In some areas, wetlands, streams and small rivers that are now fished by people and are habitats for animals throughout the year may become “seasonal”, meaning these areas will only have water during periods of rainfall and become dry during periods of little or no rain.

In larger rivers and other bodies of water such as lakes, changing weather and land-use patterns could result in increases and/or decreases in sediment load, water temperature, nutrient levels, the volume and speed of water flows, and so on. All of these factors will add to, and increase the rate of, the ongoing destruction of rivers and fisheries throughout the region by chemical pollutants, large dams, and habitat destruction.

These changes in water resources and hydrology will have major repercussions for agriculture, fisheries, urban water supply and hydroelectric power generation.

Food security: Agriculture and fisheries

Agricultural production is the basis of livelihoods for millions of people throughout the Mekong region. In Laos, agriculture constitutes the main source of livelihood for at least 80 per cent of the population, in Thailand around 60 per cent, and in Vietnam 75 to 80 percent.

Of the region’s major crops, rice is by far the most important. Most crops are dependent on predictable periods of rainfall and sunlight. But both the upland “dry” rice varieties and the wet-rice grown in the paddies of floodplains have life-cycles that are very sensitive to water supply, soil and air temperatures, and the length and timing of exposure to sunlight.

A number of studies have investigated the sensitivity of major cereal and tree crops grown in tropical Asia to changes in air temperature, precipitation and soil moisture and the concentration of carbon dioxide in the atmosphere. The findings of these studies indicate that increased concentrations of carbon dioxide would increase yields of rice and wheat, but that the corresponding changes in the region’s temperatures and rainfall patterns would lead to an overall decrease of crop yields in the future.

Changing rainfall patterns and reductions in the growth-rates and yields of crops would also have an impact on the raising and production of livestock. All livestock animals need water, although pigs and cattle (particularly the “exotic” varieties introduced into the region over the past two decades) are particularly prone to dehydration. At the level of the household farm, food for livestock is often those parts of the food crops un-used or discarded by humans –food crop cultivation is directly related to livestock raising. At the level of the mass-production “factory farm” raising thousands of animals, the manufactured “feed” for the animals is based on food crops much like those grown for human consumption.

Within the region, fisheries are a crucial source of food and protein for millions of people. Changes in the region’s rivers and other aquatic ecosystems will impact heavily on these fisheries. As wetlands, streams and small rivers become “seasonal” or dry up, these extremely important and usually reliable sources of fish and animal habitats will disappear. Likewise, the changes to larger rivers and other bodies of water such as lakes (see above) are likely to disrupt the breeding, migration and feeding patterns of various fish and other aquatic species, leading to significant decline in aquatic species varieties and populations.

Overall, the biological diversity and productivity of the fisheries of the Mekong Region’s rivers, lakes and wetlands will decline even more rapidly as climate change continues.

In summary, as the region’s climate changes, rice and most food crops will be more difficult to grow, yields will become more uncertain, livestock more difficult to raise, and it will be more difficult to catch fish in the region’s rivers, lakes and wetlands. In mainland Southeast Asia, climate change threatens every major source of food presently available to humans and other animals.

Human health

Climate change will have severe effects on human health. The increase in frequency and severity of cyclones, storms, floods and droughts –already responsible for huge loss of human life and threats to human health throughout the region- could increase the number of storm-related deaths and injuries, as well as damage or destroy people’s homes, crops and other property.

But it is the disruption of natural ecosystems that is more likely to have greater cumulative impacts on human health over the long term, particularly due to the rising incidence of infectious diseases and food – and water- related illness.

Warmer temperatures are likely to bring about an increase in tropical vector-borne and infectious diseases. Mosquito-borne malaria and dengue fever in particular are likely to proliferate and spread into new regions as temperatures increase. In some parts of Asia, malaria infections are already occurring in areas where cooler temperature in the past had prevented malarial mosquitoes from inhabiting these areas. In recent years the incidence of dengue fever in Thailand has dramatically increased by as much as eight to ten-fold, probably as a result of warmer temperatures and changing weather patterns.

Changes in the availability and quality of surface water supplies, including flooding, could increase contamination of drinking water and affect sanitation, leading to increases in waterborne and water-related infectious diseases such as

cholera, diarrhoea and dysentery. Potential crop losses will also increase the incidence of malnutrition, reducing resistance to illness and disease, particularly among children and the elderly.

Source: Watershed
Vol. 7 No. 1 July – October 2001

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HUMAN RIGHTS

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Neuquen (AN) – A special group from the federal police – contracted by the company Repsol-YPF – arrested a dozen important members of the Kaxipayin community of Mapuche. The community members were trying to halt the advance of machinery working on a path into Loma de La Lata.

During the turmoil, one of the community members had a cut in his scalp. An indigenous woman received a baton blow to the leg and a 12 year old boy was hit in the head. This followed a court decision handed down in a Neuquen court that afternoon.

The officers, contracted for additional tasks, in a strange set of circumstances advanced against the group containing men, women and children to – according to the company – carry out security measures handed down by the federal judge in the court. The legal measures require that the Mapuches do not impede the company's work, however this was not communicated to each member of the community. Nor was any insinuation or order of eviction produced.

We are definitely not going to leave them to advance with this work: We moved ourselves forward and they attacked us physically without any court order or without the judge being aware of anything. Their project has been approved but not for the place that they are aiming for – 15 meters into the vegetation - affirmed the leader of the community Gabriel Cherqui, who was also left with bruises after the events.

The head of external relations for Repsol YPF, Robert Villa, confirmed that the company had contracted the federal police. He commented that the officers acted in defense of the right to work and to defend their (the companies) personnel, who he said – are frightened by the situation.

The federal police were contracted in the last days, and began their task with two officers. By yesterday this number had increased by five. It's a low act by the company, looking for a reaction from the Machupe community. Said Veronica Huilipan, the head of the Association of organizations of Machupe. It's like the company are the owners of the rights to exploitation, and the Machupes owners of the land but not the oilwells. They have a very bad relation. And so, in Loma de la Lata a war with both all its trimmings and its risks has been set loose.

Villa stated that the plan of the gas pipeline – that operates a separate plant – was to be looked at yesterday. However he admitted – It wasn't discussed because doing so was not in accordance with technical norms of security set by our professionals.

- (However), the work of the separate plant was proven, and we had it functioning in a most convenient form – he defended.

From what we could evaluate, the confrontation was definitely foreseeable. As the police arrived dressed as if for a war, the Mapuches got cameras and video cameras out in an attempt to stop police advances. An important police source would admit of only one injured Mapuche, The source assured that it was because he was trying to take a policeman's baton. He further stated that the police first intervened to protect the safety of people who were standing in the path of an excavating machine.

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OIL IN PROTECTED AREAS

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WORLD BANK BOTH PROTECTING AND THREATENING KOLKHETY NATIONAL PARK IN GEORGIA

The government of Georgia is promoting oil transport from the Caspian Sea westwards to the Black Sea, by constructing pipelines, harbours, refineries and oil terminals. The World Bank is giving financial support to these activities, but is also funding nature areas which are threatened by these developments.

In 1998 the IDA (a subsidiary of the World Bank) and Global Environment Facility (GEF) agreed to a plan for managing the Black Sea coastline. Kolkhety, on the west coast, was made a national park and Kobuleti a nature reserve, and measures were drawn up for managing these areas.

GEF, an organisation run jointly by the World Bank and the United Nations (UNDP and UNEP), finances environmentally friendly projects. Member states, including the Netherlands, contribute to this fund. IDA has lent over NLG 11 million to the Georgian government for this project. GEF has donated more than NLG 3 million. In addition the Dutch government thought the project was so valuable that they donated another NLG 2.5 million.

KOLKHETY LOWLAND AND KOLKHETY NATIONAL PARK

Kolkhety National Park (NP) is situated in the Kolkhety Lowland on the Black Sea. This unique natural area also comprises the Kolkhety and Kobuleti Wetlands, Lake Paliastomi, a nature reserve and a marine reserve.

The Kolkhety Wetlands are an extremely important stopping place for migratory birds and a wintering ground for others. In 1996 Georgia put these wetlands on the list of "wetlands of international significance", as formulated in the Ramsar Convention of 1971, under the auspices of UNESCO.

Kolkhety NP covers 45,000 hectares, about three times the area of the Dutch island of Texel. Peat bogs with alder and subtropical Tertiary forests, the park is home to old first-growth plant communities as well as rare flora and fauna such as the Eurasian otter and royal fern.

The marine reserve is extremely fragile due to its many salt-water streams, rivers and waterfalls. It provides habitat to rare fishes on the European Red List of endangered species, such as Acipenser Sturion (a type of sturgeon) as well as all three species of dolphins which occur in the Black Sea area, which are under special protection because of their small populations. Georgian law prohibits activities which threaten the ecosystem of the reserve.

WORLD BANK FUNDING OIL PROJECTS AROUND THE NATIONAL PARK

Several years ago, the Georgian government launched a programme for transporting oil from the vast oil fields in the Caspian Sea to the Black Sea coast. The most important new pipelines and rail lines will run through the Kolkhety Lowland. In April 1999 the first tankers were loaded in the new oil terminal in Supsa, two kilometres from the Kolkhety Wetlands. The World Bank (IFC) donated NLG 500 million for building the terminal, which consists of a pipeline, four storage reservoirs and an offshore loading platform.

However, the terminal does not meet the requirements of the MARPOL Convention (on prevention of pollution from ships) for intake and treatment of waste water. Chevron is already transporting about 2.5 million tonnes of crude oil each year by another rail line. Two accidents have already caused massive oil spills right near the national park.

Since 1995, the World Bank has pressed through reforms helping to minimise the political risks of oil investment in Georgia for private investors, in order to attract more and more capital.

EVEN MORE NEW OIL PROJECTS

Meanwhile, in the city of Kulevi, in the middle of Ramsar Convention protected territory, construction of a new oil terminal has begun, without the required permission from the Ramsar secretariat. In the future 10 million tonnes of oil products will be shipped from here each year. The terminal has the capacity to store 100,000 tonnes of oil which will come in by rail. The (incomplete) environmental impact assessment (EIA) for this project singles out the route through Kolkhety National Park as the best option.

The decision to construct the terminal was made by decree, without participation of the Georgian parliament. The government is trying to convince the Ramsar

secretariat of the necessity of the terminal after the fact; however, without mentioning that Kulevi is in the middle of Ramsar territory.

The Georgian government intends to provide even more oil transport facilities in the future. It is researching the feasibility of a new sea harbour, oil drilling in Kolkhety National Park, modernising an existing oil pipeline and building a refinery. It is not looking into the cumulative environmental, economic and social effects of these developments.

Association Green Alternative and CEE Bankwatch are calling for your help. Join Earth Alarm in writing the World Bank. Ask that they demand the Georgian government to temporarily stop all oil projects in Kolkhety National Park (including the terminal in Kulevi), the Ramsar territory and the nature reserves until a cumulative EIA has been made. Afterwards a decision about the projects must be made again, with citizens participating in the decision-making process. If you would like to write another letter, send the same request to Minister Jorritsma of Economic Affairs.

For more information:

<http://www.parliament.ge/SOEGEO/english/blacksea/paliasto.htm>

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FROM THE NETWORK
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People from Limón against oil companies in Costa Rica

Dozens of citizens of Limón were demonstrating their concerns about the social and ecological effects of petroleum exploration and exploitation in their communities, as contracts were being signed between the government and oil transnationals.

William Vargas
Editor

A public meeting was held on the 19th of September in the Costa Rican Petroleum Refining Center (RECOPE). The meeting included representatives from oil companies, environmental groups and community members. The meeting was looking at possible effects that these projects could have in the Limón area.

The meeting, called by the secretariat of the national office of science and the environment is a part of a complex process that could permit oil companies to construct a drilling platform off the Caribbean coast.

The public meeting permitted representatives from the companies Harken Costa Rica Holdings and MKJ Xplorations to share their opinions on the benefits that

such activity could bring to the zone. Nevertheless, community representatives, environmentalists, religious organizations and (some) municipal representatives expressed their opposition to the project.

The voices sounding their opposition include the Association of the Struggle against Oil (ADELA), whose delegate the ex-defender of the people, Rodrigo Alberto Carazo, criticized the findings of the companies Environmental Impact Statement and the accumulated effects of 2 decades of exploitation if the project goes ahead.

According to ADELA, the government signed a 26 year contract with Harken Costa Rica for exploration and exploitation rights in the Atlantic region. The company began its operations off Moín in 1999.

Harken Energy Corporation was described by Rodrigo Alberto Carazo as the invisible Transnational corporation that has created branches with tiny amounts of capital, to deal with activities such as those in Costa Rica.

He added that according to internal communications with stockholders – Harken has evolved its interests to free itself from societies operating abroad. Thus making it, yet more invisible.

The companies believe that the benefits that the communities are going to receive would compensate for the risk of social and environmental damage. The municipality of Limón estimate that they could receive around \$26 million in revenue as a part of what the company could bring to the community.

However, ADELA's studies show that Petroleum drilling off the coast could only produce 1000 barrels daily, which at current prices of \$26 could bring revenue of \$26,000 daily or \$9,516,000 per year.

Through the audience SETENA will have to gain approval for the construction of the exploration platform off the coast. In the meantime the Limón municipality announced the creation of an open forum for the citizens to express their opinions on this matter.

Local fishermen registered their concerns about the impact that the oil industry would have on their livelihoods. The local fishing industry is responsible for 800 direct jobs and generates more than 1200 million (in Costa Rican currency) annually in revenue.

This is not new

Wanting to explore for oil in the area is not a new idea. Between 1982 and 1985 indigenous communities within their Talamanca territory were violently shaken as paths and roads were opened, bridges were constructed and dynamite was exploded freely. The jungle area was given over (by the government) to heavy machinery.

In the first months of exploration geological, topographical, seismological and (labor) studies were completed. The completion of these studies caused contamination of rivers, also degrading the flow of many smaller rivers. Noise pollution and some deforestation were also produced.

Lately the government have intervened. They have granted the first license of four blocks (2 land-based and 2 marine –5600km squared) to MKJ Xplorations in the South Caribbean.

The company initiated its seismic studies in an area of 107km squared in front of the city of Limón.

<http://www.ticotimes.net/>

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FROM THE PRESS

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PAKISTAN KIRTHAR NATIONAL PARK VS. PREMIER

October 05, 2001

Hong Kong

Pakistan Sindh court dismisses case against Premier Oil Pakistan's Sindh Court Thursday dismissed a legal challenge against UK-based Premier Oil's exploration activities in Kirthar National Park.

The case will now be taken to the Supreme court, said Farhan Anwar of the Karachi-based Shehri Citizens for a Better Environment, the leading opposition to the project. "This is a bit of a blow, but not unexpected. We intend to take the matter up at the Supreme Court level, the highest court of the land," he said.

Local environment groups backed by Friends of the Earth have disputed the legality of Premier's exploration license granted by the federal government for exploration activities in the country's oldest park. Legal action was first brought against Premier in April.

SOURCES: (www.platts.com) - the global energy news web-site

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SAUDI OIL OFFICIAL SAYS NOW NOT TIME FOR PRODUCTION CUTS

PETROLEUMWORLD

Caracas, Oct. 7

AP-A Saudi oil official said Saturday that no change in oil production levels was necessary, dampening speculation that oil producing nations might act this weekend to cut production in the face of a steep fall in oil prices.

The Saudi Oil Ministry official, who spoke on condition of anonymity, said that with the global economy stagnating in the wake of the Sept. 11 attacks in the U.S., and especially given the sharp drop in demand for jet fuel, now is not the time for further production cuts.

"The world is passing through exceptional, and perhaps dangerous times, and as well, the oil market is not ready for any cut in production," the official said.

He expected prices to jump dramatically if an expected war on terrorism in Afghanistan begins. The U.S. has warned Afghanistan's Taliban rulers, who are sheltering prime suspect Osama bin Laden and his terrorist network, to hand him over or face the consequences.

Speculation that the Organization of the Petroleum Exporting Countries could cut output for the fourth time this year emerged as the group's so-called price band mechanism was set to be triggered Friday.

Under the OPEC's price-band mechanism, the group will raise its output ceiling by 500,000 barrels a day if OPEC's reference oil price remains above \$28 a barrel for 20 consecutive trading days or lower the ceiling by the same amount if the reference price remains below \$22 a barrel for 10 consecutive trading days.

The reference price averaged \$19.91 on Thursday, the ninth straight day it has stayed below the \$22 mark.

Friday was day 10, but the Saudi official reiterated OPEC officials' reluctance to cut production and tighten global oil supplies.

Kuwaiti Oil Minister Adel al-Subeih said last Sunday that the world oil market is too volatile and uncertain for OPEC to lower output, adding that the cartel would "tolerate" for some time a price of around \$22 barrel for the basket.

The airline industry has been hard hit in the weeks following the suicide hijackings of four planes that targeted sites in New York and Washington. OPEC members are next scheduled to meet Nov. 14.

Representatives of four oil producers Saudi Arabia, Venezuela, Iran and Mexico are expected to meet soon to discuss oil markets.

Sources: petroleumworld.co

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OXY, PETROECUADOR SIGN CONTRACT
Monday, September 10, 2001

Los Angeles-based Occidental Petroleum is intent on expanding its upstream operations in Ecuador. Last week it signed a contract with Petroecuador subsidiary Petroproduccion to develop the Eden-Yuturi field, located in Block 15 of the Andean nation's Amazon region.

Oxy will cover all operational costs in the project, including the construction of a 90-mile pipeline that would link the production area with the proposed Heavy Oil Pipeline (OCP), which is to carry most of Ecuador's crude produced by foreign majors.

Petroproduccion, however, will maintain a 23%-25% share in the project. Costs are expected to amount to \$80 million this year and \$334 million by 2006.

Eden-Yuturi is expected to yield at least 44,000 b/d, which would be added to current national production. A total of 44 wells will be drilled in Eden-Yuturi, four of them by the end of the year.

Oxy plans to invest \$1.1 billion in Ecuador through 2006, including \$13 million in the construction of the OCP pipeline, which is being built by a consortium that also includes Repsol-YPF, Perez Companac, Alberta Energy, and Italy's ENI. Oxy's other fields in Block 15, Limonconcha and Indilla, together produce 33,000 b/d, a figure the US major plans to increase to 70,000 b/d by 2005.

Source: Energy Intelligence Group, Inc. Oil Daily

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BRASIL

Petroleo Brasileiro SA (Petrobras) plans to resume development of its offshore Roncador field with installation of an advanced production system in the same area where its P-36 platform, once the world's largest, sank earlier this year . The new Roncador production system, christened module 1A phase 1, is expected to start production in August, with an installed capacity of 90,000 b/d of oil.

Sources: (OGJ Online, Oct. 2, 2001)

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SOUTH AFRICA: CHEVRON AND TEXACO ACCUSED OF POLLUTING

Danielle Knight. Inter-Press Service (IPS),
20. April 2001

Cape Town - Known for its breathtaking mountain views, vineyards and beaches, this coastal city seems relatively free of some of the air pollution problems that plague other urban centres around the world.

But residents north of the city, in an area called Table View, say that the multinational oil giant, the California Texas Oil Company or Caltex, a joint venture founded by Chevron and Texaco, is taking advantage of South Africa's lack of legally binding pollution standards and making the air unsafe to breathe.

Air sampling has revealed the air in Table View near the Caltex refinery, owned by the California-based company, could be among the most heavily polluted in the country. Local residents say authorities have done nothing because Parliament is currently drawing up new pollution legislation.

"Our lives are impacted daily by this toxic pollution," says Andy Birkinshaw, chair of the Table View Residents' Association. "Children and the elderly are especially vulnerable and suffer high rates of asthma and complain of other respiratory symptoms and itchy eyes."

Like other communities across the country, a few of the 35,000 residents of Table View have begun taking their own air samples with the help of US environmentalists who taught them how to use a simple bucket testing device.

Last year an air sample taken along the fence line of the Caltex refinery, showed the presence of 16 different chemicals known to cause health problems, including MTBE a fuel additive being phased out in California, where Chevron is based.

Several chemicals, including acetone and toluene, known to cause eye irritation and respiratory problems, the symptoms reported by many nearby residents, were also found in the sample. Levels of benzene, which causes leukaemia, were also discovered.

Caltex did not respond to repeated requests for comment.

Before the air samples were taken, Table Top residents had been battling the company over its sulphur dioxide emissions. After a series of meetings with the association, in 1994 the former manager of the refinery, Mike Rademeyer, announced it would reduce its sulphur dioxide emissions by 80 percent by 1999.

This meant the refinery would reduce its current emissions of 40 tons per day to about eight tons per day. But in 1997, Caltex said it could not comply because it would cost too much. The company has since said it would lower its sulphur dioxide emissions to just 28 tons per day, which is what it currently emits.

"At that point I realised that Caltex was just taking us round and round," says Birkinshaw. "And since by that time we had a new constitution that recognised the right to a clean environment, I decided to contact the Human Rights Commission."

In 1999 the Commission agree to take up the case and investigate the air pollution. But since then, it has been silent on the issue in anticipation of new legislation on air pollution that would apply to refineries, like the one operating here.

The current air pollution law dates back to 1965 and only proposes suggested guidelines for refinery emissions that are not legally binding.

Joyce Mabudafasi, Deputy Minister of Environmental Affairs and Tourism, says that once the new legislation is in place there will be "zero tolerance for polluters". "We will clamp down on those who do not comply," she said when the air test results were made public by Birkinshaw. "We will withdraw permits."

Sources: OilResistance-Africa. OilResistance-Africa@topica.com

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TANZANIA APPROVES CANADIAN OIL EXPLORATION PROJECT

By Joachim Mwalongo - TOMRIC News Agency (Dar es Salaam)
September 26, 2001

A Canadian company, Antrim has been given a green light to start offshore oil exploration in Pemba and Zanzibar.

Worth US\$15.2 million, the firm is set to begin drilling for oil in three wells in the deep sea waters in the Isles, the semi autonomous East African country. The Minister for Energy and Minerals, Mr. Edgar Maokola-Majogo has said here that the company has got a green light to begin the work as soon as possible.

He said the Union and Zanzibar governments would set up a joint committee to monitor the project whose commercial drilling would depend on the project's viability.

So far technical teams from the two governments are still negotiating on the profit sharing agreement should the company start commercial operations. Antrim suspended operations in 1997 following technical problems on the licensing of the project and starts operations after meeting necessary terms, the Minister told the press here yesterday.

According to the Commissioner for Energy, Mr. Bashir Mrindoko, the potential for availability of oil at the area is there, but commercial drilling would depend on the project viability. Early this year a Tanzania mission visited to UK and US to market ideas on oil exploration in Tanzania. A mission had to market a survey conducted between 1999 and 2000 by the Tanzania Petroleum Development Corporation (TPDC) and Western Geophysical Company (WGC) of the United Kingdom.

The survey was conducted in the country's deep-sea waters along the Indian Ocean including area stretching from the Tanzania/ Mozambique border and the area opposite Dar Es Salaam, Zanzibar as well as Kenya/Tanzania boarder.

Sources: OilResistance-Africa

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ANGOLA

ANGOLAN FISHERMAN DEMAND MORE COMPENSATION FROM CHEVRON
07-04-01

Around 300 fishermen in Angola's Cabinda enclave have gone to court to demand more compensation than a subsidiary of US oil company Chevron is offering for damages stemming from a 1999 oil slick. The Cabinda Gulf Oil Company has given 150 fishermen \$ 2,000 each to make up for the accident in late 1999 when 40 barrels of crude oil were discharged from a treatment tank into the ocean.

However, 300 others say the amount isn't enough. The fishermen filed a complaint Thursday at a Cabindan court to press the company to pay them \$ 3,500 each. The Chevron subsidiary says the compensation sum was proposed by the government.

Source: Dow Jones via Energy

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PERU

PEREZ COMPANC SELLS OIL FIELD

Argentine energy group Perez Companc said Tuesday that its main unit, Pecom Energia, had sold an oil field and share in a terminal to Sipetrol, a unit of Chile's state oil firm ENAP, for \$125 million.

Perez said Pecom had sold its share of the Pampa del Castillo-La Guitarra oil field in the southern Argentine province of Chubut, which currently produces 9,780 b/d of oil and has 42 million bbl of proved oil reserves, according to an independent audit.

Shedding the field fits Perez Companc's strategy of concentrating its Argentine oil and gas operations in the Neuquen and Austral basins, the company said. The sale of the field and of its 14% share in a maritime terminal will generate a pretax loss of \$29 million.

Perez Companc also said it had signed a contract in Peru with national company Perupetro for exploration and production of Lot 99, in Ucayali state. The Ucayali Basin is near the giant Camisea gas project.

The contract calls for drilling of up to four exploratory wells, reprocessing of two-dimensional seismic data, and other geological study, with an estimated investment of \$35 million, the company said.

Perez Companc is already working in Peru, exploring in Blocks 10 and 16 in the northwest zone of the country, and lots 34 and 35 in the Ucayali Basin. Peru has been actively wooing foreign companies into the country, offering acreage near Camisea as well as further north.

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OIL IN THE TROPICS

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BRASIL

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Brazil

The history of Brazil and oil can be divided into four phases.

The first occurred before 1938, with business operating under a government administration of free initiative. In this period, the first deep exploration was between 1892 and 1896 in Bofete in the state of Sao Paulo by Eugenio Terreira Camargo.

1938 saw the nationalization of underground resources and the creation of the National Petroleum Advisory.

In 1953 under the government of Getúlio Vargas the state owned company Petrobras was created.

Since the creation of Petrobras, the petroleum industry has constituted the most important sector of the Brazilian economy. Until 1997, exploration, exploitation, refining, transportation and distribution of oil and its by-products was the responsibility of Petrobras.

With the goal of reducing foreign dependence on goods and services, Petrobras decided to support the development of an industrial park so as to supply themselves with materials and equipment. They also made large investments in capacity technology, civil construction, ports, technical development centers and universities.

Now, Petrobras is one of the largest oil companies in the world and the international leader in production in deep waters. Around 17% of Brazilian oil comes from depths of more than 1300 feet and it is believed that by 2003 this could exceed 60% if there are no major discoveries onshore or in shallow waters.

In the fourth phase deregulation and liberalization of the state monopoly was implemented. This was in accordance with law 9478 passed on the 6th of August 1997. This opened the oil market to new investors both local and foreign for the exploration, exploitation, refining, transport and distribution of gas and oil.

A new agency was created – the National Oil Agency (ANP) – to regulate oil activities in Brazil. Until now they have given 3 rounds of oil licenses, permitting 43 new oil companies to operate in the country.

Known reserves of Brazil are more than 17 billion barrels. Present production is of 1.4 million barrels daily but consumption is of 1.9 million. This leaves an import dependence of 500,000 barrels per day.

Oil companies now no longer have to search for markets outside the country as consultants Robertson Research International Ltd. are now marketing Brazil as one of the best countries in which to make oil industry investments. The estimated amount of investment Brazil will receive over the coming years is around \$US100 billion. Petrobras will account for 60% of this.

Brazil has more than 20 sedimentary sites on-shore, off-shore and coastal representing a total of 6 million km squared. This represents a grand variety of complex structures and geological composition.

The most productive hydrocarbon source in Brazil is at Campos to the south-east of Rio de Janeiro. The first wells were made at the sites of Garoupa, Enchova, Namorado and Marimba. Later there were extensions to deeper zones and larger camps like those of Albacora, Marlim, Barracuda and Roncador.

Marlim, Marimba and Albacore produce 25% of the countries' crude. The deep site of Marlim – the largest offshore site – has more than 2,000 million (in proven reserves) and is located at a depth of 2,000m. Sites at these depths are thought of as ultra-deep. The Albacore site has probable reserves of 500 million barrels, Barracuda 400 million and Roncador 1,300 million.

Another potentially productive site is that of Ceara. Ceara is to the north-east of the on-shore Urucu in the amazon. Within Brazil there are more than 7,300 oil wells. The 755 off-shore wells operate through 77 fixed, 16 floating and 225 underwater platforms.

The Mataripe refinery in Bahia processes some 270,000 barrels per day. Natural gas has represented 3% of Brazil's sourced energy, though that is thought to have increased with the construction of the Bolivia/Brazil gas pipeline.

Petroleum in the Brazilian Amazon

The first explorations for petroleum in the Amazon were conducted in the 1920's. The Geological and Mineralogical Service of Brazil arrived to verify indications of oil and gas in the lower and middle amazon. At this stage, they had not discovered reserves of real commercial interest.

In the second part of the 1940's the first seismic operations were undertaken and in the 1950's these operations intensified with the creation of Petrobras.

In 1955 the reserves of Nova Olindaen were discovered in the middle amazon, however after intensive investigations it was revealed that they were not commercial reserves. In the mid 70's however, they returned to explore further

as a result of the worldwide rise in oil prices, intensifying further exploration work. This time around they discovered the natural gas reserves of Jurua (27 million cubic meters proven and 127 billion probable). These reserves converted the region into one of Brazil's most important zones for gas.

Following that was the discovery of gas reserves in the order of 115 billion cubic meters in the structure of the Solimoes area. Starting in 1984 Petrobras have also investigated and discovered important reserves of gas and oil in the region situated between the Tefé and Coari rivers.

With the discoveries of the sites of Urucu, this region became a key oil producer in the amazon region. The volume of recoverable oil from the early 1990's was thought to be 36.4 million barrels. This however only represents a minimal part of Brazil's total reserves which are estimated to be in the range of 2 to 8 billion barrels. Reserves of natural gas found in Urucu are estimated at 25 billion cubic meters.

Source: www.eia.doe.gov

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PHILLIPINES
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The Philippines, along with Taiwan, China, Brunei, Malaysia, and Vietnam claims the property on the Spratly Islands in the South China Sea, with immense hydrocarbon and mineral potential. Due to this lawsuit, there have been occasional small attacks, mainly in the Philippines and China. In order to relieve any tensions, Philippines accepted a code of conduct proposal, presented before the Association of Southeast Asian Nations (ASEAN), for this conflictive region.

The code omits the utilization of geographic references that has caused conflict in Vietnam and Malaysia. It is hoped that the new code will be able to overcome the differences that come from Chinese occupation, in 1000 km of small islands, reefs, among other geographic land formations.

The entire theme of the Spratlys continues to be a conflictive theme for the Asia-Pacific region. As part of the peace agreements, at the national level, President Macpagal Arroyo has declared a unilateral suspension of the hostilities with the Nationalist Muslim movement, the Muslim-nationalist Moro National Liberation Front - MNLF, and the armed forces are preparing to engage in dialogue with the New People's Army. However, the government has decided that there will be no negotiation with the Abu Sayyaf rebels.

The Philippines is an important country in the energy market due to the increasing consumption of energy. The Philippines was one of the countries in the Southeast Asian region that has suffered the most from the economic crisis

of 1998. Gloria Macapagal Arroyo, who became president in January of this year, has opened up a policy of privatization in the energy sector as well as create the necessary conditions for investment from transnational oil companies.

The energy sector in the Philippines is very dynamic, but needs to reinforce the exploration of gas and oil in order to lower the dependence on the importation of hydrocarbons. The government has created the 2000-2009 Energy Plan (PEP) with three basic reforms that include structural reforms to increase private investment and the creation of a political and legal framework that adequately serves the natural gas and oil sector.

In the year 2000, the Philippines produced a total of 4.000 barrels daily of oil, and consumption in this year reached 377.000 bd. This unbalance has provoked enormous interest in developing oil camps in the country. The main oil companies that are present in the Philippines are the state company Philippine National Oil Company (PNOC); Petron, privatized in 1994, is considered the biggest refining company in the country; Shell, Caltex, Petroleum Authority of Thailand, TotalFinaElf, as well as smaller countries such as Coastal/Subic Bay Fuels, Oilink International, Eastern Petroleum Corp. The main reserves of crude in the country are found at the Malampaya site, which is estimated to contain some 50 million barrels of oil. Shell Philippines Exploration (SPEX) leads exploration activities in hopes of exploiting crude at a rate of 35.000-50.000 bdp.

The Trans-Asia Oil and Energy Development Corporation (TAOEDC) have led a drilling project in the San Isidro well in the Visayan watershed in the east. This oilfield could contain around 60 million barrels. According to government data, besides these two projects, new explorations in Palawan NW and Minduro-Cuyo, could reach an estimated 246 million and 37.4 million barrels, respectively.

In terms of natural gas, the Philippines has a total of 2' 800.000 million cubed feet in tested reserves. It is hoped that production will reach 146.500 million cubed feet in 2004 and 255.800 million cubed feet in 2009. The principal natural gas site is the Malampaya-Camago site, with estimated reserves of 2'600. 000 million cubed feet. Shell Philippines Exploration (SPEX) is the operator with 45% involvement, then comes Texaco with 45% and the national company Philippine National Oil Company (PNOC) with 10%. The offshore Palawan site is located in the South China Sea.

A 504-kilometer gas duct is being constructed in order to transport gas to three energy plants in Batangas. This gas duct will be one of the largest deep water lines in the world, with more than half of its length 200 meters under the water. It is hoped that the site will begin to produce in the next few months. The gas from Malampaya will replace the 26 million barrels of oil that was to be imported in the next 20 years for 2,700 megawatts of electrical energy. A 100 km. Extension of the gas duct from Batangas to Metro Manila will also be constructed by PNOC. When the duct has been constructed, the Philippines will be able to export Liquid Gas (LNG) for the year 2005.

The Philippines and Malaysia have come to an agreement for the storage and transport of natural gas from Malaysia to the Philippines by the underwater Philippine-Sabah gas duct. PNOC and PETRONAS will establish a gas duct that will leave Sabah, Malaysia, to the Philippines, with stations in Bataan or Batangas. The gas at Sabah will complement the provision of gas at Malampaya for Luzon until 2006.

Malaysia has reserves totaling 82'500. 000 million cubic feet of gas, of which the majority is located in offshore sites in the north and southeast of Sabah.

In comparison, the Malampaya site in the Philippines has reserves of 4'800. 000 million cubic feet of gas. In addition, the reserves at Malampaya, for the economic development of the Philippines for the year 2002, require another 4'800. 000 million cubic feet, which will be supplied by the Tras-ASEAN Gas Pipeline (TAGP) project. The Sabah-Philippines gas pipeline is key in the interconnection of the TAGP. A consortium of five companies, PNOC (operating 78,7 5%) and four Australian companies are exploring gas sources near Fuga Island, north of Luzon. Calculations estimate that the area could have more than 5'000. 000 million cubic feet of natural gas, which will be transported to Taiwan by a gas pipeline that will be constructed for this purpose.

Another area being explored is in Victoria, Tarlac, in central Luzon. The consortium responsible is made up of PNOC, Anglo Philippines Oil, Vulcan Industrial and Mining Corp. The main refineries are Petron -- Limay, Bataan (180.000 bbl/d); Filipinas Shell -- Tabangao (137.000) bbl/d) and Caltex -- Batangas (84.000 bbl/d).

Petron is the biggest refinery and distribution company and was the property of the Philippine National Oil Company until 1994. It is now owned by the government of the Philippines (40%) and Aramco Saudi (40%).

Sources: Asia Pulse
Kyodo News
<http://www.eia.doe.gov/emeu/cabs/philippi.html>
Asian Development Bank

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AFRICA

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AFRICA PERSPECTIVE

African countries collectively hold only one tenth of the proved oil reserves and one fifth of the proved gas reserves of the Middle East, but Africa is beginning to pull ahead from its traditional low ranking among the world's regions in production and reserves.

STATISTICS

Africa's crude and condensate production has neared 7 million b/d in recent months after remaining nearly flat at 6 million b/d for the 1970s, 1980s, and much of the 1990s.

The recent gains stem from good increases in Sudan, Nigeria, and Algeria. Large increases are on the way in the next few years mainly from world class fields off Angola, Algerian fields, Nigerian deepwater fields, and Chad.

African oil and condensate reserves were 75 billion bbl at the beginning of this year, having returned to about the same level as in 1971. At that time the main players were the same: Algeria and Nigeria with about 30 billion bbl each and Libya a distant third with 9 billion bbl.

In a recent monthly estimate, OGJ put Africa's gas production at 350 bcfd in March 2001, up from the year 2000 average of 274 bcfd. Algeria provides 70% of Africa's total gas output, and Egypt is second with 13%. Gas development and utilization initiatives in several countries portend further production gains this decade.

Africa's gas reserves at 394 tcf are more than double the 191 tcf evident in 1971. The continent's refining capacity, now more than 3.2 million b/d, was still less than 1 million b/d as recently as 1970.

BIG AND SMALL PROJECTS

Large projects are driving Africa's production growth for the most part. A major share of oil production growth will come from projects attached to large oil field discoveries off Angola, Nigeria, and Equatorial Guinea the last 4 years.

One report indicated the magnitude of what is in store off West Africa the next 5 years. The list includes 176 field developments fueling a production increase of as much as 3 million b/d, including 192 new platforms with more than 700 platform wells, close to 300 new subsea well installations installed or on order, and as much as 4,000 km in new pipelines.

West Africa had 633 platforms at the time of the study. North Africa has already seen large oil production gains from staged developments of a string of discoveries by Ana-darko Petroleum Corp., Agip SPA, and others in the Ghadames and Illizi basins of Algeria, the opening and initiation of production from the Murzuk basin of far southwestern Libya, and large oil and gas developments in Egypt's Western Desert.

A Talisman Energy Inc. group is producing well above 200,000 b/d from southern Sudan, and more discoveries have been reported there. Within 2 years a separate group will start up a large heavy oil development project in Chad.

On the gas side, projects to make use of gas now being flared are mandated in much of West Africa. Algeria is supplementing its already large pipeline

shipments of gas to Europe with the In Amenas and In Salah projects, both under development hundreds of kilometers from Hassi R'Mel.

A string of gas and gas-condensate fields is being developed in Egypt's Nile Delta, where deepwater exploration is at an early stage.

South Africa, Tanzania, Mozambique, and Namibia are trying to get fledgling gas infrastructure projects off the ground.

OUTLOOK

As long as oil and gas prices hold up, exploration could also flourish in Africa's nonproducing and lightly producing areas. These stretch across the continent from Morocco and nonproducing coastal countries to its south, through Niger, Chad, and Central African Republic, to sub-Saharan countries north of South Africa.

Source: Oil and Gas Journal. June 11, 2001, p. 86

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BEYOND THE TROPICS

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THE OIL BEHIND BUSH AND SON'S CAMPAIGNS

Oct 6

By Ranjit Devraj

NEW DELHI - Just as the Gulf War in 1991 was all about oil, the new conflict in South and Central Asia is no less about access to the region's abundant petroleum resources, according to Indian analysts.

"US influence and military presence in Afghanistan and the Central Asian states, not unlike that over the oil-rich Gulf states, would be a major strategic gain," said V R Raghavan, a strategic analyst and former general in the Indian army. Raghavan believes that the prospect of a western military presence in a region extending from Turkey to Tajikistan could not have escaped strategists who are now readying a military campaign aimed at changing the political order in Afghanistan, accused by the United States of harboring Osama bin Laden.

Where the "great game" in Afghanistan was once about czars and commissars seeking access to the warm water ports of the Persian Gulf, today it is about laying oil and gas pipelines to the untapped petroleum reserves of Central Asia. According to testimony before the US House of Representatives in March 1999 by the conservative think tank Heritage Foundation, Azerbaijan, Kazakhstan, Turkmenistan and Uzbekistan together have 15 billion barrels of proven oil reserves. The same countries also have proven gas deposits totaling not less than nine trillion cubic meters. Another study by the Institute for Afghan Studies placed the total worth of oil and gas reserves in the Central Asian republics at around US \$3 trillion at last year's prices.

Not only can Afghanistan play a role in hosting pipelines connecting Central Asia to international markets, but the country itself has significant oil and gas deposits. During the Soviets' decade-long occupation of Afghanistan, Moscow estimated Afghanistan's proven and probable natural gas reserves at around five trillion cubic feet and production reached 275 million cubic feet per day in the mid-1970s. But sabotage by anti-Soviet mujahideen (freedom fighters) and by rival groups in the civil war that followed Soviet withdrawal in 1989 virtually closed down gas production and ended deals for the supply of gas to several European countries.

Major Afghan natural gas fields awaiting exploitation include Jorqaduq, Khowaja, Gogerdak, and Yatimtaq, all of which are located within 9 kilometers of the town of Sheberghan in northern Jowzjan province.

Natural gas production and distribution under Afghanistan's Taliban rulers is the responsibility of the Afghan Gas Enterprise which, in 1999, began repair of a pipeline to Mazar-i-Sharif city. Afghanistan's proven and probable oil and condensate reserves were placed at 95 million barrels by the Soviets. So far, attempts to exploit Afghanistan's petroleum reserves or take advantage of its unique geographical location as a crossroads to markets in Europe and South Asia have been thwarted by the continuing civil strife.

In 1998, the California-based UNOCAL, which held 46.5 percent stakes in Central Asia Gas (CentGas), a consortium that planned an ambitious gas pipeline across Afghanistan, withdrew in frustration after several fruitless years. The pipeline was to stretch 1,271km from Turkmenistan's Dauletabad fields to Multan in Pakistan at an estimated cost of \$1.9 billion. An additional \$600 million would have brought the pipeline to energy-hungry India.

Energy experts in India, such as R K Pachauri, who heads the Tata Energy Research Institute (TERI), have long been urging the country's planners to ensure access to petroleum products from the Central Asian republics, with which New Delhi has traditionally maintained good relations. Other partners in CentGas included the Saudi Arabian Delta Oil Company, the Government of Turkmenistan, Indonesia Petroleum (INPEX), the Japanese ITOCHU, Korean Hyundai and Pakistan's Crescent Group.

According to observers, one problem is the uncertainty over who the beneficiaries in Afghanistan would be - the opposition Northern Alliance, the Taliban, the Afghan people or indeed, whether any of these would benefit at all. But the immediate reason for UNOCAL's withdrawal was undoubtedly the US cruise missile attacks on Osama bin Laden's terrorism training camps in Afghanistan in August 1998, done in retaliation for the bombing of its embassies in Africa. UNOCAL then stated that the project would have to wait until Afghanistan achieved the "peace and stability necessary to obtain financing from international agencies and a government that is recognized by the United States and the United Nations".

The "coalition against terrorism" that US President George W Bush is building now is the first opportunity that has any chance of making UNOCAL's wish come true. If the coalition succeeds, Raghavan said, it has the potential of "reconfiguring substantially the energy scenarios for the 21st century".

Sources: Asia Times, Hong Kong Oct 6
<http://www.atimes.com/global-econ/CJ06Dj01.html>
Distributed by: OilResistance-Africa

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POETRY

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"first writing since"

5 Oct 2001

Suheir Hammad

There have been no words.
I have not written one word.
No poetry in the ashes south of canal street.
No prose in the refrigerated trucks driving debris and dna.
Not one word.

Today is a week, and seven is of heavens, gods, science.
Evident out my kitchen window is an abstract reality.
Sky where once was steel.
Smoke where once was flesh.

Fire in the city air and i feared for my sister's life in a way never
before. And then, and now, i fear for the rest of us.

First, please god, let it be a mistake, the pilot's heart failed, the
plane's engine died.
Then please god, let it be a nightmare, wake me now.
Please god, after the second plane, please, don't let it be anyone
who looks like my brothers.

I do not know how bad a life has to break in order to kill.
I have never been so hungry that i willed hunger
I have never been so angry as to want to control a gun over a pen.
not really.
Even as a woman, as a palestinian, as a broken human being.
never this broken.

More than ever, i believe there is no difference.
The most privileged nation, most americans do not know the difference
between indians, afghanis, syrians, muslims, sikhs, hindus.

More than ever, there is no difference.

...

All day, across the river, the smell of burning rubber and limbs floats through. The sirens have stopped now. The advertisers are back on the air. The rescue workers are traumatized. The skyline is brought back to human size. No longer taunting the gods with its height.

I have not cried at all while writing this. I cried when I saw those buildings collapse on themselves like a broken heart. I have never owned pain that needs to spread like that. And I cry daily that my brothers return to our mother safe and whole.

There is no poetry in this. There are causes and effects. There are symbols and ideologies. Mad conspiracy here, and information we will never know. There is death here, and there are promises of more.

There is life here. Anyone reading this is breathing, maybe hurting, but breathing for sure. And if there is any light to come, it will shine from the eyes of those who look for peace and justice after the rubble and rhetoric are cleared and the phoenix has risen.

Affirm life.

Affirm life.

We got to carry each other now.

You are either with life, or against it.

Affirm life.

suheir hammad