OPEC to Cut Exports on Refinery Maintenance, Oil Movements Says

The Organization of Petroleum Exporting Countries will cut exports through to March 19 as refiners idle units while conducting seasonal maintenance, according to tanker-tracker Oil Movements.

The drop is unrelated to any disruption in supplies from Libya, the Halifax, England-based company said. Loadings will slip to 23.63 million barrels a day in the four weeks to March 19, down 1.1 percent from 23.9 million a day in the equivalent period to Feb. 19, the company said today in a report. The data exclude Angola and Ecuador.

"Demand declines at this point in the year because of maintenance," Roy Mason, the founder of Oil Movements, said in a telephone interview. Shipments will likely fall until mid-April, he said.

Global oil consumption will shrink by 0.3 percent to 88.4 million barrels a day in the second quarter as demand for winter fuels fades, according to the International Energy Agency. As much as 1 million of Libya's 1.6 million barrels of daily production may have been halted as a result of the uprising against Muammar Qaddafi, the agency said.

Any reduction in Libyan exports will appear in next week's data, once canceled tanker bookings are reported, Mason said.

Oil climbed to the highest in in 2 1/2 years in London on Feb. 24 as Libya's violent uprising reduced supplies from Africa's third-biggest producer. Brent futures for April settlement were at $114.84 a barrel today.

In the four weeks to March 19 exports from Middle Eastern producers, including non-OPEC members Oman and Yemen, will fall by 1.7 percent to 17.43 million barrels a day, Oil Movements' data show.

A total of 484.99 million barrels of crude will be on board tankers in the month to March 19, down 0.8 percent from the Feb. 19 figure of 488.7 million, according to Oil Movements, which calculates shipments by keeping a tally of tanker-rental agreements. Its figures exclude supplies held on board ships used as floating storage.

OPEC's members are Algeria, Angola, Ecuador, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, the United Arab Emirates and Venezuela. Iraq is exempt from the quota system.

No Oil Market Shortage Despite Libya Unrest -Iran OPEC Governor

There is no shortage on the oil market warranting action by the Organization of Petroleum Exporting Countries over unrest in Libya, a top official with Iran, which holds the presidency of the group, said Thursday.

The official also said OPEC shouldn't rush to meet as any impact of the crisis remains a moving target.

Muhammad Ali Khatibi told Dow Jones Newswires "there is no shortage in the market" after foreign oil companies disclosed they were shutting some of their output in Libya.He said secondary sources estimated OPEC produced 29.7 million barrels a day in January while demand for its crude "cannot be more than 29 million barrels a day this season."Asked if OPEC should consider an emergency meeting over the Libya disruptions, Khatibi said: "We need a stable situation to analyze supply and demand, before we can judge. The situation is changing so fast."

April Brent crude on London's ICE Futures exchange inched close to $120 a barrel Thursday morning, on Libyan disruptions.The North African country normally produces 1.6 million barrels a day--or close to 2% of global oil consumption. But output has dropped 75% due to ongoing unrest, Paolo Scaroni, chief executive of Italy's Eni SpA (E), said earlier Thursday.

OPEC can cover Libya oil output -Iraq

OPEC is concerned about turmoil in Libya but has enough surplus capacity to cover any shortfall caused by the rebellion against Muammar Gaddafi, Iraqi Oil Minister Abdul-Kareem Luaibi said on Thursday.

Luaibi said current world oil prices were acceptable and were not affecting the global economy."The concern is there ... but Libya's oil exports are limited and OPEC has surplus capacity, much more than what Libya produces," he told reporters in aghdad.Although the stability of global oil prices was difficult to estimate, Luaibi said, he did not expect a big increase in the next two or three weeks as Saudi Arabia, the most influential member of OPEC with the biggest spare capacity, is able to pump more oil to put a cap on prices when needed."We (OPEC) are careful that prices are stable and do not affect (global) economic growth," he said, after a ceremony at the ministry's oil development and research centre."Until now, the prices do not constitute a danger to global economic growth ... for us the prices are acceptable."Oil prices were trading below $116 on Thursday after the Arab League said a peace plan for Libya was under consideration.Luaibi said there had been no talks to date of OPEC holding an extraordinary meeting over the Libya situation. The group's next meeting is scheduled for June.Iraq aims to export more than 2.2 million barrels per day in March, Luaibi said, adding Iraq is on track with building new export facilities that could boost its export capacity from Basra by more than half of its existing 1.8 million bpd."We have a new project to set up a new export system that is expected to be completed before the end of this year to add export capacity that could exceed 50 percent of the current capacity," he said.February exports were 2.202 million bpd, Iraq's highest since the 2003 U.S-led invasion, and up from 2.16 million bpd in January.

UAE sticks to OPEC oil quota despite Libya cuts

The United Arab Emirates, OPEC's third-largest oil exporter, continues to produce oil within its OPEC quota despite Libyan supply disruptions that led Saudi Arabia to pump more oil, an official told Reuters on Wednesday.

"The UAE is producing within its OPEC quota," an industry official told Reuters. Production is still in the range of 2.3 million barrels per day (bpd), while total capacity is around 2.8 million bpd, he said.

Abu Dhabi holds more than 90 percent of the UAE's oil reserves, which are tapped by state-owned Abu Dhabi National Oil Company (ADNOC).

"The market is already well supplied, and with the extra supply coming from some OPEC countries there might be a risk of over flooding the market. That's why the UAE is not producing more," said an official from ADNOC under condition of anonymity.

OPEC's leading exporter has promised it will provide enough oil to make up for any lost because of disruptions in OPEC member Libya. On Monday, a senior Saudi source told Reuters that the kingdom had upped its output to 9 million bpd.

In its most recent oil allocations report, ADNOC said it had lifted cuts in allocations of Lower Zakum, Umm Shaif and Upper Zakum crudes in April. The UAE often changes supply levels depending on customer needs, said the official.

"This does not mean the ADNOC has increased its output, and if we have a cut in one month, we might not have one in the next, but over the year it all balances out," the first official added.

Persian Gulf oil traders said, however, that an increase of UAE supplies would not come as a surprise, given that a number of OPEC members in the Persian Gulf had expressed the need to calm the market.

"It wouldn't be a total shock to me that the UAE may have increased output, but right now it's really too early to tell," said a Dubai-based crude trader.

Another trader also said output in Kuwait, another regional OPEC producer with spare capacity, might increase.

Oil prices hit a record high above $147 a barrel in July 2008, but OPEC producers have fresh memories of how quickly they plunged from those levels to lows near $33 a barrel six months later as the global economy fell into a tailspin.

Unrest in the region pushed oil prices last week to a 2-1/2 year high of nearly $120 a barrel, a level potentially damaging to the world economy and far above the range of $70-$80 that Saudi Arabia has repeatedly said it favours.

Prior to unrest in Tunisia and Egypt in January, OPEC members considered the world market to be amply supplied, and only as some Libyan output was shut in during recent days did Saudi Arabia move to stem oil's surge by pumping more. (Reporting by Amena Bakr; Editing by Joshua Schneyer and Jane Baird)

Ecuador Will Boost Crude Oil Production to Tap High Prices

Ecuador, OPEC's smallest member, aims to boost oil production by about a fifth by 2013 to take advantage of surging crude prices, said Wilson Pastor, minister of non-renewable natural resources. Ecuador plans to boost crude output to 600,000 barrels a day from 508,000 barrels now, Pastor said today at Bloomberg's Ecuador Economic Summit in Quito. Block 31 and an expansion at the Sacha field in the eastern Amazon jungle will come online by 2013 as part of $1.5 billion in planned state oil investments in the next two years, he said.

"Both state and private companies need to increase oil production," Pastor said. "We'll also call for bids in October on a dozen new areas on Peru's border where there are signs of major reserves." Ecuador, which in November seized concessions from Brazilian state-controlled Petroleo Brasileiro SA (PETR4) and three other crude producers, is trying to offset two years of output declines. Private oil companies, which produce 145,000 barrels a day in Ecuador, may invest $450 million in coming years, Jose Luis Ziritt, president of the Ecuadorean oil industry association, said at the same conference. "Private oil companies have suffered a great deal over the past four years with changing conditions," Ziritt said. "The new contract terms have now set a clear timeline for investment." Crude oil for April delivery rose $2.60 to settle at $102.23 a barrel, on the New York Mercantile Exchange, the highest closing price since Sept. 26, 2008.