



DrumBeat: May 7, 2007

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Topic: [Miscellaneous](#)

[China's 7 billion barrel oil bonanza](#)

PetroChina, Asia's largest oil and gas producer, sent Hong Kong's stock market into a frenzy last week with news that it has discovered 7.5 billion barrels of new crude oil in an undersea field in Bohai Bay, just off China's northeast coast. It is a stunning windfall. The oilfield, called Jindong Nanpu, is Asia's largest petroleum find in three decades and is expected to boost China's known oil reserves by a fifth. News of the bonanza sent shares of PetroChina (PTR) soaring 14% on Hong Kong's stock exchange Friday to more than US\$1.30, vaulting the company past BP (BP) and Gazprom to become the world's third most valuable oil producer.

But the Bohai discovery also underscores just how rapidly China's addiction to oil is rising. PetroChina says that when the new field begins production, probably in 2008 or 2009, it will likely pump out about 180,000 to 200,000 barrels per day. That's a lot of new crude. And yet it isn't nearly enough to keep pace with the voracious appetite of China's booming economy. At those levels the Bohai bounty would be roughly equal to just the growth in China's foreign oil imports last year.

[The Complete User's Guide to T. Boone Pickens](#)

Pickens believes that Peak Oil, the point after world oil production reaches maximum output, will occur sooner than later. In his fund, BP Capital -- which tripled in 2005 and rose 30% in 2006 -- he picks stocks that he feels will rise dramatically due to higher oil. He likes offshore drillers, alternative energy, nuclear power, natural gas, and oil. At [Stockpickr.com](#) we keep track of all of Pickens's holdings (see link on the right).

[Get ready for \\$4 gasoline](#)

With prices at record high, demand and refining problems could push them much higher. Any relief in sight?

[Blast cuts Russia-EU gas pipeline](#)

An explosion in Ukraine has knocked out of service one of the main pipelines exporting

Russian natural gas to the European Union, the Ukrainian emergency situations ministry told AFP on Monday.

A "large explosion" cut the pipeline, which carries Siberian gas through Ukraine to Germany and other EU clients, ministry spokeswoman Viktoria Ruban said.

...There was no immediate information regarding the effect of the incident on deliveries to the European Union, the biggest foreign gas market for Russia, the world's leading natural gas producer.

[Obama: More fuel-efficient cars needed](#)

Democratic presidential candidate Barack Obama (news, bio, voting record) said Monday that U.S. energy policy must change in order to help domestic automakers answer the rising global demand for fuel-efficient vehicles.

[Average pump price hits record \\$3.07 a gallon](#)

Gasoline prices have surged to a record nationwide average of \$3.07 per gallon, nearly 20 cents higher than two weeks earlier, oil industry analyst Trilby Lundberg said Sunday.

The previous record was \$3.03 per gallon on Aug. 11, 2006.

[Iraq: Explosives found under pipeline](#)

Four Iraqis were arrested early Monday after soldiers found a load of explosives planted under an oil pipeline in northern Iraq that carries crude oil to Turkey, the Iraqi Army said.

[Malaysia to build 7 billion dollar oil pipeline project: Abdullah](#)

Malaysia will build a seven billion dollar pipeline to transport Middle East oil across the north of its peninsula to East Asian countries, Prime Minister Abdullah Ahmad Badawi said Monday.

[India: 'Govt trying best not to increase petrol and diesel prices'](#)

Petroleum Minister Murli Deora on Monday said the Centre was trying its best not to increase the prices of petroleum products like petrol and diesel even though the

international oil prices had registered an upward trend in the past few months.

"The international prices of oil have increased from 40 dollars to about 62 dollars a barrrel so there is no question of reducing the prices of petrol and diesel," he told reporters here.

[India's crude oil import bill jumps 24% to \\$48.1 billion](#)

India's crude oil import bill jumped over 24 per cent to \$48.1 billion in 2006-07 on back of rise in international prices.

The country imported 110.85 million tonnes of crude oil in 2006-07, which is 11.5 per cent up from 99.4 million tonnes bought in 2005-06, petroleum ministry officials said.

[Saudi assures Philippines of oil supplies](#)

Saudi Arabia, the world's largest oil producer, has reaffirmed its commitment to help plug any disruption or shortfall the Philippines may encounter on its oil supply.

Philippines: [Fake power crisis?](#)

President Arroyo, along with Department of Energy Secretary Raphael Lotilla, ceremonially switched on the electrification of 128 rural barangays in Masbate in rites held at Malacañang Palace last Friday. Masbate is dependent on the 8-MW oil-based power plant owned and run by the state-owned National Power Corp.

[Hawaii, get ready for 2010 ConCon](#)

It's been nearly 30 years since Hawaii held its last state Constitutional Convention and re-examined in a holistic way how our government could be reorganized to better meet the many challenges facing the islands today. Hawaii is a different place from the one it was in 1978, the date of the last ConCon. The number of people residing on Hawaii Island, Kauai and Maui has doubled. Oahu has grown by 230,000 -- nearly a 50 percent increase. Sugar and pineapple plantations, once the defining industries of the islands, have practically disappeared, and our economy is still dependent on mass tourism, whose future looks shaky as we approach an era of Peak Oil raising costs of airfares and all our imported goods.

[Getting the trains to run on time](#)

NO POLITICIAN has spent more bedside time at the MacArthur Maze collapse site

than Gov. Arnold Schwarzenegger. San Francisco Mayor Gavin Newsom likewise has poured on the attention to solve Muni's spotty performance.

Transit, it turns out, is job No. 1 when it flops and fails.

[Yergin Sees Clear Road Ahead For More Fuel-Efficient Cars](#)

The road is getting much clearer.

This week, legislation will emerge from committee, and almost certainly soon head to the floor of the U.S. Senate. It might not get that much notice in itself, but it ought to, because it tells you how much has changed on energy issues. And, given its probable passage (or that of something along its lines), the new legislation will have a big impact on the automobile industry, on gasoline consumption, and on what people drive.

[Mesa could pull plug on utility customers](#)

For years, Mesa has relied on millions in profits from its 16,000-customer electric utility to keep its libraries and city offices open and to pay its police officers and firefighters.

As a result, Mesa has invested little to maintain its electrical infrastructure, leading to an aging network of transmission lines, transformers and substations. Some of the technology dates back to the 1950s.

[Peak opportunity](#)

After thousands of years of human history, it seemed we are now at or just a couple of years away from the all-time peak in energy available to humanity. What a time to be alive! What a truly awe-inspiring event to actually be living through! We should have a party to celebrate the end of the 150 year Oil Party.

[Why one-day gasoline 'boycott' won't work](#)

With gasoline prices topping \$3 a gallon again, a number of readers, including Greg in Louisiana, are wondering about a proposed one-day "gas boycott" that has a goal of taking \$2.3 billion in oil company profits. Aside from circulating some questionable math, organizers of this event stand exactly zero chance of having an impact on gas prices.

[Spike in gas prices puts E85 back in spotlight](#)

The E85 pump at the Bellmart gas station in La Porte has gotten a workout since gasoline prices spiked, cashier Pam Angeledes said.

Motorists are pumping the gasoline alternative into as many as 40 vehicles a day, double the number of a few months earlier, she added.

[Go Green With Buffett, Lynch and O'Shaughnessy](#)

The U.S. Environmental Protection Agency recently unveiled its quarterly list of the top 25 "Green Power Partners," highlighting companies, institutions and government agencies that are spending the most on renewable energy sources such as wind and solar power.

[Poll: Current price of oil is not justified](#)

Canada's business leaders believe the current price of oil is not justified, but argue the situation is in much better shape compared to the oil crisis in the mid-to-late 1970s.

[Big blip ahead on the market radar](#)

A third hit will come on the Pacific, where the most lucrative of all Qantas routes, Sydney-Los Angeles, will see the arrival of Virgin and probably Air Canada next year. And then there is peak oil. Oil prices will be much higher in four years. Turbulent times lie ahead for Qantas, not just this week.

[For my next mission: save the world](#)

EDF chief Vincent de Rivaz believes nuclear power is the answer to stopping climate change.

[Citigroup Rates Rio Tinto, BHP as Ripe For Private Equity Takeover](#)

China's PetroChina discovered 7 billion barrels of oil in Bohai Bay in Northeast China. It's the largest oil find in that part of the world in 30 years. And no, it is not proof that peak oil is wrong. It is proof that oil is more expensive to find and produce than ever before.

[Is IBM Planning Huge Layoffs?](#)

While I am no economist, I have strong feelings about offshoring / outsourcing. While it's

great for the corporation in the short-term, it disenfranchises the American worker and leads to a squeeze on the once-healthy middle class. You only need look at the manufacturing sector to see how a whole sector of jobs has left the country ... and if, as some theorize, global warming and peak oil lead to a time where importing of virtually all our manufactured goods is no longer viable, we may regret having dismantled our manufacturing infrastructure.

[Biofuel market stifled](#)

AUSTRALIA is falling behind the rest of the world on biofuels due to sluggish government policy and inaction by oil companies, according to the Australian Renewable Fuels Association.

[Questions loom as auto industry vows to boost 'flex-fuel' vehicles](#)

The auto industry's ability to successfully bring the so-called "flex-fuel" vehicles to market faces a number of obstacles, from a distribution system that remains limited to a small number of gas stations to consumer awareness and acceptance of the alternatives.

[Question marks over China's climate commitment](#)

Huge questions remain over China's commitment and ability to combat global warming after the surging Asian power bruised and cajoled but also charmed delegates at a UN conference, observers said.

[Kurt Cobb: The point of despair](#)

I recently gave a talk to a college audience on what I called the hidden role of energy in every environmental problem. As part of my presentation I went through a depressing list of environmental problems and showed their connection to our energy use. The next day I received a message from an audience member who clearly understood the implications of my talk, but who bemoaned my failure to provide practical solutions. He said I had left the students feeling hopeless.

[Heat on parents to have fewer kids to cool planet](#)

A LOWER birthrate would help cut carbon dioxide emissions, according to a British report.

The Optimum Population Trust warns that each Briton uses nearly 750 tonnes of carbon dioxide in a lifetime, an effect equivalent to 620 return flights between London and New York.



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