



DrumBeat: November 4, 2007

Posted by [Leanan](#) on November 4, 2007 - 10:02am

Topic: [Miscellaneous](#)

[PetroChina expected to surpass Exxon Mobil as largest company](#)

When the state oil and gas firm PetroChina makes its debut Monday on the Shanghai Stock Exchange, China's booming stock markets will be on the verge of setting another stunning milestone in market valuations. Soon after the Shanghai listing, analysts expect PetroChina to surpass the U.S. energy giant, Exxon Mobil, as the world's largest company by market capitalization.

[Reasons for Crude Oil Price Rises and the Repercussions](#)

There are various and conflicting views regarding the reasons for the record and rapid rise in crude oil prices. Some experts attribute the developments to purely geological reasons, believing that the big oil states have reached the peak of their productive capacity and have no new reserves to exploit. Others attribute the developments to economic reasons, such as the sustainable growth in China and Iran, while still others point to the "hidden hands" of markets that are taking advantage of opportunities to reap astronomical financial benefits, such as the case of speculators, for example. There are those who attribute the increase in consumption demand, which involves the additional storage quantities required prior to a military confrontation between Iran and the West. Some oil observers attribute the reason for weekly fluctuations to the level of the US commercial reserve of crude oil. Of course, there is the problem of the delay in constructing new refineries in industrial countries. Finally, there has been increasing talk about the impact of the weak dollar on the rise in consumption, but without confirmed information, and the increase in demand for oil in Europe and Japan.

[China subsidizes rural transportation, urges aid for urban poor following fuel price hike](#)

China's central government has subsidized transportation in rural areas and urged local officials to help the urban poor after it raised fuel prices by nearly 10 percent this past week, state media reported.

[China cylinder gas price rises despite warning](#)

The price of cylinder gas in China's southern boomtown of Guangzhou has jumped more

than 6 percent since last week's fuel price hike, state media said on Sunday, despite a warning from Beijing not to raise prices.

[Price rises hurting the wallets of Malaysians](#)

A price increase in petrol will result in higher transportation fees, and is relayed to the consumer – and this trend is occurring all over the world. Other factors include the growing of crops for bio-fuel and animal feed instead of for food.

Even global warming is in the picture. The rising price of wheat due to drought and reduced harvests in Australia caused the price of flour to rise: in Jamaica it's up by 30%; in China, the price of a packet of instant noodles jumped an average of 20% and by as much as 40% in some cases in July.

[Iraq, With U.S. Support, Voids a Russian Oil Contract](#)

Guided by American legal advisers, the Iraqi government has canceled a controversial development contract with the Russian company Lukoil for a vast oil field in Iraq's southern desert, freeing it up for potential international investment in the future.

In response, Russian authorities have threatened to revoke a 2004 deal under the Paris Club of creditor nations to forgive \$13 billion in Iraqi debt, a senior Iraqi official said.

[Iran sees 25,000 bpd output from oil field by Jan](#)

Iran expects to produce 25,000 barrels per day (bpd) from its huge Azadegan oil field by around mid-January, contributing to gradually rising output capacity in the OPEC state, the oil minister said on Sunday.

Gholamhossein Nozari, the caretaker minister who will take on the role permanently if he wins parliament's backing this month, also said U.S. and other sanctions on Iran were not hurting the energy industry in the No. 2 OPEC crude producer.

[Iran warns foreign firms to complete energy deals](#)

Iran warned foreign oil and gas firms on Sunday that it will implement major projects with domestic companies alone if they do not speed up the completion of negotiations.

[Kuwait boosts security at oil fields](#)

Kuwait said it is stepping up security at oil fields and at its exploration arm by adding more facilities and staff.

The world's seventh-largest oil exporter said in September it planned to tighten security at energy installations and was coordinating with US authorities.

[Asia refiners to stay away from DME Oman futures](#)

Crude futures contracts could act as hedging tools for refiners – which need to buy crude oil for their own use, rather than for trading purposes – with other hedging options limited.

But with price movements volatile, futures trading often can be riskier than over-the-counter dealing and speculative – a discouraging factor for traditionally conservative Asian refiners, traders at refiners said.

“\$1 a barrel is equal to \$500,000 per cargo,” said a crude oil trader at a Japanese refiner, referring to the typical size of a Middle East crude oil cargo. “We should be conservative.”

[Oil giant CEO: Prices starting to quell fuel thirst](#)

HOUSTON -- U.S. drivers are still consuming more gasoline than they did last year, but higher pump prices in 2007 are spurring them to pull back a bit, the chief of the nation's second-largest oil refiner said.

"It does appear there's starting to be an impact with respect to demand as a result of price," James Mulva, chairman and CEO of Houston-based ConocoPhillips, said in a conference call to discuss the company's third-quarter earnings.

[Truckers angry over rising cost of diesel fuel](#)

The cost of diesel fuel is going through the roof – of tractor-trailer cabs, in particular – and the drivers wonder who's to blame, although they have a good idea.

“There's a lot of chatter on the CBs (trucker-to-trucker citizens' band radios),” said David Barber, 32, of Tunkhannock, while filling up at the Uni-Mart truck stop along Route 924 near Humboldt Industrial Park on Saturday. “And a lot of the (unpleasant) chatter obviously is about President Bush.

[Gas station owners search for ways to keep costs low](#)

Some dealers in the industry suggest the best way to solve the high cost of gasoline in California—and keep themselves in business — is to implement new laws that would improve competition, starting with targeting the oil companies.

“As much as I am for free enterprise, it has gotten to a point where the government has to interfere,” said Katcho Achadjian, who owns three stations in Arroyo Grande.

[Wood burns away high cost of heat](#)

The sticker shock of heating our homes last winter ignited a new wave of traditionalists.

Natural gas, propane, heating oil and electric baseboard heat are being elbowed aside by wood.

[Mayors, Looking to Cities' Future, Are Told It Must Be Colored Green](#)

Part pep rally, part policy discussion, the conference presented two main themes: the federal government must do more than the Bush administration has done to fight global warming; and in the meantime, cities must take up the slack.

[Effort to Save Everglades Falters as Funds Drop](#)

Seven years into what was supposed to be a four-decade, \$8 billion effort to reverse generations of destruction, federal financing has slowed to a trickle. Projects are already years behind schedule. Thousands of acres of wetlands and wildlife habitat continue to disappear, paved by developers or blasted by rock miners to feed the hungry construction industry.

[Texas Proceeding With Plan to Auction Preserve](#)

In Austin, 360 miles east, the state's general land commissioner was collecting bids to do what conservationists say is all but unheard of — selling a state wildlife preserve to a private buyer.

[China's dependence on coal damaging country's historic sites](#)

More than 80 percent of China's 33 U.N.-designated World Heritage sites, including the Leshan Buddha, have been damaged by air pollution and acid rain, mostly from the burning of coal, according to China's official Xinhua News Agency.

"The level of pollution that China is creating will be devastating to these monuments,"

said Melinda Herrold-Menzies, a professor of environmental studies at Pitzer College in Claremont, California.

[From Conservation to Population, a New Look at Planet Earth](#)

In just a few decades the world's population will hit nine billion, leading to the essential question: Can this many humans survive and try to improve their lives without depleting the planet?

[Price may drive the success of hybrid SUV](#)

General Motors Corp. is building the industry's largest hybrid passenger vehicles - in a belated effort to catch up with an expanding market and boost its own flagging SUV sales. If successful with hybrid versions of the Chevrolet Tahoe and GMC Yukon, GM plans to expand its hybrid offerings to, among other vehicles, the Chevrolet Silverado pickup and Cadillac's behemoth SUV, the Escalade.

But will people inclined to drive large SUVs and trucks go green - and pay thousands of dollars extra to do it?

[Here comes the £1,200 car](#)

This revolutionary Tata is known as the "one-lakh" car. A lakh is 100,000 rupees, about £1,225. It has been the dream of company chairman Ratan Tata for more than a decade. He promises a small, four-door car, with a simple specification, cheap to run, and attainable by Indian buyers who want to step up from two wheels to four.

[Expect oil demand, and price, to go up](#)

Wyss, chief economist at Standard & Poor's, gave his forecast for the United States economy at an economic outlook conference in Charleston on Thursday. West Virginia University's Bureau of Business and Economic Research sponsored the conference.

"The demand for oil will increase greatly over the next 10 years," Wyss said. "In the long run, energy prices are going up. There's no shortage of energy. There is a shortage of oil."

[Fuel for thought](#)

The market may be good at making oil undesirably expensive, but that's no reason to let

it decide energy policy.

[Biofuel producers forced to shut](#)

AUSTRALIAN Renewable Fuels chairman Max Ger yesterday scathingly attacked Canberra's "pathetic" attitude towards the local biofuels sector after announcing the closure of its Perth and Adelaide operations at the cost of 33 jobs.

The closures were attributed to the soaring price of tallow, its main input, but Mr Ger accused the Government and Opposition of "mouthing platitudes" about so-called green fuels.

A legislative change last year made it almost impossible for users of biodiesel and mineral diesel blends to claim the 36c a litre tax rebate.

[China to continue raising fuel prices to correct economic distortions](#)

China will have to continue raising its domestic resources prices, even though the move could result in additional inflationary pressure, in order to correct the distortions in the economy caused by underpriced fuel, a senior official at the People's Bank of China (PBoC) said.

[Thailand may face electricity shortage in future](#)

Protests at the planned construction sites of several new electrical power generating plants in Thailand may cause the country to experience an electricity shortage as the demand the power is rising 1,400-1,600 MW annually, said outgoing Electricity Generating Authority of Thailand (EGAT) governor Kraisri Karnasutra on Sunday.

[Vietnam: Fuel prices capped despite high oil costs](#)

In part of the Government's ongoing bid to rein in inflation, the Ministry of Industry and Trade has ordered petroleum importers to hold the lid on retail prices despite the global oil price hitting record highs.

[Fiji: Support for waiver of fuel duty](#)

THE Fiji Council of Social Services has supported calls made by the Consumer Council of Fiji to reduce duty on fuel.

[Fiji: Shippers 'struggling'](#)

LOCAL ship owners would not be able to sustain any further increase in fuel prices, says the Local Shipowners Association.

Association secretary Leo Smith said the requests to government from domestic ship owners to review the rate for carting domestic goods has not been entertained by all governments for the past 15 years.

[The Philippines: Arroyo calls for law on the development of renewable energy](#)

With oil prices surging to record highs, President Gloria Macapagal Arroyo has called on Congress to pass legislation that would help the country deal with the problem by making it less reliant on imported fuel.

Press Secretary Ignacio Bunye said on Sunday President Arroyo was asking Congress "to pass urgent legislation on the development and promotion of renewable energy sources."

[Panel to examine fuel price manipulation](#)

A U.S. Senate committee is set to review a new bill designed to help control energy prices by curbing commodity traders' ability to manipulate the rates of oil, natural gas, electricity and other fuels.

[Heating oil prices hit record high in Maine](#)

The average price of heating oil in Maine has broken an all-time record dating back more than 25 years.

The state's average oil price hit \$2.78 a gallon in October. That is 11 cents higher than the annual average high — adjusted for inflation — reached in 1981, according to calculations done for the Portland Press Herald by the U.S. Energy Information Administration.

[Bracing for the cold](#)

Economists say paying for heating oil — used by almost 40 percent of the homes in the state— will force residents to cut into disposable income and lead to reduced restaurant and retail spending. With the escalating price of oil — up nearly \$1.50 per gallon since a year ago — requests for fuel assistance are expected to increase.

[Climate change: we have the power](#)

Svante Arrhenius, a Swedish chemist, suggested in 1936 that carbon dioxide from burning coal could create an atmospheric greenhouse effect and warm the planet. In 1979 the American National Academy of Sciences warned that a wait-and-see policy on global warming "may mean waiting until it is too late". In 1988 delegates from 46 countries to a Changing Atmosphere conference in Toronto called for a 20% reduction in carbon dioxide emissions by 2005. In February 2005, the Kyoto Protocol established an international binding agreement to cut carbon-dioxide emissions. In October 2007, I can now reveal the net outcome of all this science. Nothing. Zero. Zilch. Nada. CO2 emissions, now approaching 30 billion tonnes a year, have continued to rise inexorably.

"In spite of all the rhetoric," says Chris Rapley, director of the Science Museum and one of the world's leading climate scientists, "we sit perfectly on or just above the business-as-usual curve."

[Sustainable Living: Fossil fuels feed our food supply](#)

When you hear the words "peak oil," the first thing that springs to mind are the long lines at the gas pumps during the '70s energy crisis. However, the continual decrease in the world's oil reserves will more likely result in longer bread lines than gas lines.

Collectively, Americans eat almost as much in fossil fuels as we burn in automobiles.

[Eat less, save health and save the planet](#)

In the context of looming environmental crises, eating less takes on much larger significance than its effect on our waistlines, or even our health. Reducing our food intake, making better choices in the first place, and wasting less, will mean we will be eating up less of the planet.

[Drink It](#)

If what the oil "experts" say is true and that the major oil reserve "Ghawar" in Saudi Arabia is indeed drying up--and that the barrel of oil will be reaching 100\$, then it makes total sense to destroy Iraq, who happens to be the second largest oil reserve in the world with the best quality of crude.

And it also makes perfect sense to use vicious Iran who played along - to divide and fragment that second largest reserve in the world.

[Iran Oil Minister urges reducing gas use](#)

Iran's caretaker oil minister has called for preventing excess gas consumption as the country braces up for the bitter winter season, PressTV reported.

[The warmth to come](#)

The world is running out of petroleum. Peak oil production occurred a few years ago and it is all downhill from there. As the supply diminishes the oil companies will become even more voracious and the oil producing countries will want more for their wasting asset.

[Crude Impact](#)

Like most doomsday docs, this ends on an upbeat note, with a list of things you can do to help, but the most helpful thing would be to drive your SUV into a wall - or better yet, another SUV.

[Canadian pipeline via S.D. raises questions](#)

Two court hearings are scheduled related to Trans-Canada's plans to create the 1,830-mile underground crude-oil Keystone pipeline that would run through parts of South Dakota's Marshall and Day counties.

[The coming cleantech boom](#)

JOHN F. Kennedy once said, "When written in Chinese, the word 'crisis' is composed of two characters - one represents danger and one represents opportunity". The threat of dangerous climate change has magnified global attention on broader management of the environment. Now investors are gearing up to capitalise on the biggest thing since the dotcom boom - the "cleantech" boom.

[Expert view: So all the fuss about oil prices is just a lot of hot air. Oh really?](#)

The four most dangerous words in financial markets are: "This time it's different." I ploughed through yet another economist's report last week arguing that surging oil prices were irrelevant. Triggered by the black stuff approaching \$100 a barrel, it trotted out many of the same arguments used when oil broke the \$75 barrier - that energy costs represent only 6 per cent of US manufacturing's cost base etc etc. It was an academic tour de force. It nearly convinced me. Then a man was murdered in China on Wednesday for jumping a petrol queue.

[New Presentations by Matt Simmons](#)

- *A Hungry World In Search Of More Oil*
- *Gauging The Risks Of Peak Oil - Will We Face Limits To Growth?*

[New 'disaster' movie warns world of oil apocalypse](#)

Oil is 'the bloodstain of the earth's economy' and will soon trigger a global conflict that will cost millions of lives. That is the stark claim of a controversial new film, which says a crash in oil production is about to set off worldwide recession and economic collapse.

[Oil exec pushes for new policy](#)

"I am calling for the United States of America to think about the energy needs of its citizens and come up with a coherent energy strategy," John Hofmeister, president of Shell Oil Company, told area business leaders Tuesday evening.

[China urges local governments to keep prices stable following oil price hikes](#)

China's National Development and Reform Commission (NDRC), the country's top economic planning body, urged local governments to take measures to maintain stable market prices overall after it raised refined oil prices by 10 pct last week.

In a circular posted on its website, the NDRC said local authorities must ensure that no 'chain reaction' proceeds from the fuel price hikes.

[Scandal brings change to Alaska's Legislature](#)

State House Speaker John Harris sat in his quiet Capitol office on a recent morning, checking e-mail. Outside his door, the benches where lobbyists used to sit jammed thigh to thigh stood as empty as the T-shirt shops shut for the winter on the rainy streets of Alaska's capital city.

[Iran shuns greenback deals](#)

An official at the National Iranian Oil Company (NIOC) has revealed that 85% of the Islamic Republic's oil deals are now conducted in currencies other than the US dollar, reported the Tehran Times. The NIOC has requested that purchasers pay in alternative currencies so that Iran can reduce its 'dollar dependence'.

[EU report: World's need for energy to increase](#)

An economic report set by the European Union (EU) revealed Thursday that the world's need for natural gas would increase by 60 percent in the future, adding that the Mideast and African regions' demand for energy would go up by 2.9 percent despite having great amounts of water energy resources.

The report, which was made for the Intentional Energy Conference which kick-started in Sharm El-Shiekh, indicated that due to a study by the International Energy Agency (IEA), the world's need for energy between 2004-30 would increase over 50 percent.

[Energy time bomb](#)

The developed, rich world has been talking for three decades about curbing its addiction to imported oil. But despite all the rhetoric, the oil supply problem has become worse and energy security more complex. Over the past 30 years, the United States, "the policeman of the world", has doubled its dependence on imported oil, notwithstanding the repeated calls from top ranking politicians to move towards energy independence.

[Gazprom revealed as mystery Imperial Energy suitor](#)

THE financial arm of Gazprom, the Russian state-controlled oil giant, has emerged as the mystery bidder that is attempting to buy 25% of Imperial Energy, the embattled London-listed oil company.

[World Bank asks Bangladesh to raise oil prices](#)

The World Bank has asked Bangladesh to raise domestic oil prices in order to reduce pressure on the national budget, a financial adviser of the interim government said on Saturday.

The state-run Bangladesh Petroleum Corporation (BPC), the country's sole importer and distributor of oil, subsidizes oil products and is now incurring losses approaching \$44 million each month, officials have said.

[Walk! Cycle! Minister tells French on high oil price](#)

Economy Minister Christine Lagarde urged French people on Sunday to walk more and drive less, given the increase in oil prices.

"From time to time, you should forget your car to the benefit of your two legs and your two wheels," Lagarde told Le Parisien daily in an interview.

['MidEast Oil Forever?': Part II](#)

After the introduction, the next part of "MidEast Oil Forever?" predicted in 1996 that we would have an oil crisis in ten years, and that we would be in a weak position to respond if Congress succeeded in gutting our clean energy programs.

That may seem obvious now, but oil prices were low in the mid-1990s -- in the previous three years, oil prices had averaged about \$16 a barrel -- and only a few oil/security analysts (whom we cite) were raising alarms.

[Oil is king – but for how much longer?](#)

"We are of course concerned about high oil prices," Mohammed bin Dhaen Al Hamli, the president of Opec, said last week. But he added: "The market is increasingly driven by forces beyond Opec's control."

So what is really going on in the oil market? Opec's view is by no means an isolated one. Many oil industry executives, including Shell's van der Veer, believe that there is no fundamental reason why crude prices have hit their current levels. "There is a lot of psychology in the price," he said in September.

[\\$US100 a barrel could be days away](#)

AUSTRALIAN oil producers could receive \$US100 a barrel within days after the Asia-Pacific benchmark TAPIS crude price reached \$US96.95 a barrel yesterday.

Some Australian producers, such as Oil Search and AED Oil, sell their oil at a premium to the TAPIS price, given the higher quality of the crude. The most expensive oil in the Asia-Pacific region yesterday was oil from the Thevenard Island joint venture off Western Australia.

The spot price of Thevenard oil - owned by Chevron, Santos and ExxonMobil - was \$US97.80 a barrel, up \$US4.29 from Thursday.

[Sorting through oil industry lies](#)

Industry officials have been claiming that Alaska is changing its tax rate right and left, and is as unstable as Nigeria. These claims are blatantly untrue and show how the industry is willing to say whatever it takes to prevent the state from raising taxes.

[Overturning Exxon verdict appears political](#)

There were legal questions to be decided, including whether the state proved that ExxonMobil actually committed fraud, as defined by Alabama law. But there also was no denying that the case was politically charged, as evidenced by the court's split decision.

Its eight Republican associate justices voted for a reversal of the fraud finding while its lone Democrat was opposed.

[An Imitator of Chávez: He May Be Sincere, but Is It Flattering?](#)

These incidents came after an episode of "Hello, My People," his television show, in which he defended the right of "revolutionaries" to own Hummers, which have become popular affectations of the rich business class here. "If we earn money, we can do it," he said.

[Industry welcomes fuel price hikes in China, but tensions remain](#)

Officials with China's major oil refiner on Thursday welcomed a hike in domestic fuel prices, but said a severe supply crunch that led to tense queues at petrol stations would remain.

[Qatar says will not automatically track Fed moves](#)

Qatar, one of five Gulf oil producers that pegs its currency to the dollar, said on Sunday it would only track future U.S. Federal Reserve interest rate moves if they suited conditions in its domestic market.

[Kuwait's new oil minister might resign](#)

OPEC-member Kuwait's oil minister has offered to resign after some members of parliament voiced resistance to his appointment a week ago, newspapers said on Sunday.

[Nigeria: 'Why Petroleum Products Are Scarce'](#)

The inadequate supply of petroleum products to Benue and Nasarawa States through the NNPC Depot Makurdi, has been attributed to pipeline vandalism by hoodlums and has forced bridging of the products upon the marketers.

[Iran-Turkey gasline construction to cost \\$5b](#)

It will cost Iran \$5 bln to construct the pipeline that carries its gas to Turkey and Europe, said the deputy petroleum minister for gas affairs, MNA reported.

[Invest in the Gulf, but not just for oil](#)

Another way to profit is by investing in the countries reaping the benefits of several years of relatively high oil prices. Even if the value of black gold falls back to about \$80, this is still significantly more than the \$24 a barrel it was in 2002.

[Edwards calls global warming moral test](#)

Democratic presidential candidate John Edwards on Saturday called reversing global warming a "great moral test" and said the next president needs to stand up to industries resisting change.



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