



The Round-Up: May 26, 2008

Posted by [Sam Foucher](#) on May 26, 2008 - 10:19am in [The Oil Drum: Canada](#)

Topic: [Miscellaneous](#)

[Oil shock: China and Mexico, not Exxon, stupid](#)

Prices are soaring, in part, because oil is denominated in U.S. dollars and the dollar declines, thanks to Washington's overspending on wars, trade, subsidies and government budgets. Investors have also abandoned credit markets, since the meltdown due to subprime scandals in August, and put their money into solid, real assets instead. But the biggest reason prices have been soaring is that investors are now understanding the future supply and demand reality.

[CITIC Resources Announces Oil Discovery in Oseil Oilfield, Indonesia](#)

CITIC Resources Holdings Limited announces the discovery of the Lower Nief and Manusela carbonate oil reservoirs at the Nief Utara A-1 drilling well located at Seram Island in Indonesia. Lower Nief oil reservoir is the first discovery in the region. The Original Oil in Place (OOIP) of the Nief Utara A-1 drilling well is over 60 million barrels. Thus, the current total Original Oil in Place exceeds 123.6 million barrels.

[Oil rises towards US\\$133 on Monday](#)

Oil rose towards US\$133 a barrel on Monday, extending the previous session's gains on a supply outage at the Statfjord oilfield in the North Sea and a weak U.S. dollar.

[StatoilHydro upgrader delayed](#)

Blaming rising construction costs and policy uncertainty, StatoilHydro ASA, Norway's state-owned oil giant, is delaying by two years the startup of its oilsands upgrader near Edmonton, joining at least three other oilsands developers that are facing or recently announced delays in their oilsands strategies.

[If Alberta can't thrive with this record oil, nobody can](#)

Douglas Porter, deputy chief economist with BMO Capital Markets Corp., is among the country's most-respected economists, producing extensive analysis and research on all facets of the economy, investment and markets. Several years ago Porter distinguished himself by discovering a flaw in Statistics Canada's Consumer Price Index, arguably the most respected measure of consumer inflation in the world.

[Oil price to average \\$115 this year: UBS](#)

UBS AG knocked its oil forecasts higher Friday and it projected Canada's energy-heavy S&P/TSX Composite Index could climb all the way to 16,400 in the next 12 months.

The Switzerland-based parent of investment firm UBS Securities Canada Ltd. became the latest global financial player to revise oil projections in the wake of crude's surprising rally to record heights. Benchmark West Texas Intermediate will average \$115 US a barrel this year, \$120 US in 2009 and \$116 US in 2010, UBS said. It marks increases from UBS's previous projection of 32 per cent, 54 per cent and 53 per cent, respectively.



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