



DrumBeat: December 27, 2006

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Topic: [Miscellaneous](#)

[Energy's winners and losers in 2006](#)

NEW YORK (CNNMoney.com) -- Even with oil prices little changed from the end of 2005, 2006 was still a very good time to be an energy investor.

The AMEX oil and gas index is up nearly 14 percent year to date, while the electric utility index on Baseline is up 17 percent and the Wilder Hill clean energy index is up about 6 percent.

But within these broad categories, which companies pulled the weight, which were laggards, and what trends can investors look forward to next year?

[China buys oil, minerals with reserves](#)

China will take advantage of its massive foreign exchange reserves to expand its stock of strategic resources such as oil and minerals, state media reported Wednesday, citing a top economic official.

Vice Prime Minister Zeng Peiyan told leaders of the national legislature that the government plans to step up exploration for key resources such as oil, gas and coal. It also intends to use the opportunity afforded by the country's more than \$1 trillion in foreign reserves to improve strategic resource bases, the state-run newspaper China Business News and other reports said.

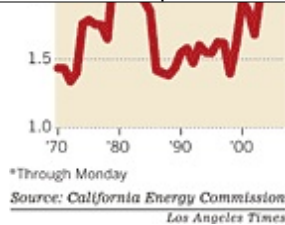
[California: Pinch at the pump worst in 25 years](#)

New peak

Yearly average price per gallon of gasoline in California, adjusted for inflation



The state's motorists paid an average of nearly \$2.81 a gallon for gasoline this year, eclipsing a 25-year inflation-adjusted record, the California Energy Commission said Tuesday. And experts



predicted more price pressures at the pump in 2007.

[EU Commission open to use of nuclear energy](#)

PARIS - The European Commission is open to increasing the use of nuclear energy as a way for member states to cut carbon emissions and avoid volatile energy prices, French newspaper Les Echos reported on Tuesday.

[German Energy Giant Reopens Debate on Nuclear Phase-out Plan](#)

One of Germany's leading energy companies wants to extend the lifetime of one of its nuclear plants in a move that anti-nuclear campaigners describe as an attack on plans to phase out nuclear energy in Germany.

[Securing energy needs](#)

Seemingly unrelated events of last week suggest considerable trouble ahead for U.S. vital interests. As President Bush puts the finishing touches on his plans for a new strategy for waging the War for the Free World, he had best make sure he focuses not only on Iraq and Iran (as recommended in this space last week) but on energy security, as well.

[How coal may soon be keeping jets in air](#)

Already the United States Air Force has carried out tests flying a B-52 Stratofortress with a coal-based fuel.

And JetBlue Airways is supporting a bill in the US Congress that would extend tax credits for alternative fuels, pushing technology to produce jet fuel for the equivalent of \$40 (£20.50) a barrel - way below current oil prices.

[Team ready to keep toxic gas underground](#)

An international research team is heading to the southeast corner of Saskatchewan to check on millions of tonnes of carbon dioxide buried beneath the frozen fields. They want to ensure the notorious greenhouse gas stays more than a kilometre underground in perpetuity and doesn't leak out of oil wells that have turned the Canadian prairies into a geological pincushion.

[The ripening](#)

I have a hankering for a creamy ripe avocado but the one facing me on the kitchen counter is as hard as the seed that sits at its core. No matter what trick I apply in ripening the fruit, it resists my persistence and growing impatience.

And so it is with the ripening of 'peak oil.' We analyze the data, we cajole, we organize conferences, we give presentations, we rant, we blog, we reanalyze, we give up and then come back for more. To some degree, our emotional state runs from full octane to running on fumes depending upon the news or events of the day. And like the avocado, we run the risk of bruising when we are probed and then passed over for the riper issue of the day.

[Venezuela Generators to Nicaragua](#)

Managua - The first Venezuelan generators will arrive in Nicaragua in two days and will start working in a couple of weeks to palliate the energy crisis in this country, reported a source of construction.

Uganda: [Bujagali environment impact study finished](#). Bujagali is 250MW private hydro-electric power plant. Uganda hopes it will help their energy problems. But even hydro-power is somewhat oil dependent:

Bujagali Energy is a joint venture between US-based Sithe Global LLC and Industrial Promotion Services of Kenya, who proposed a high budget for the project due to high oil and metal prices.

[World's First Affordable Diesel Hybrid Powertrain](#)

A British firm has developed a low-cost, high-efficiency hybrid-electric drivetrain as an

alternative to expensive proprietary systems.

[Statoil's Hydro Buy-Up Could Be Bad for NCS](#)

The proposed merger of Statoil and Norsk Hydro's oil and gas arm has been widely hailed as a success for the two companies, but could spell trouble for the Norwegian oil and gas industry's future prosperity.

[London-on-Sea: the future of a city in decay](#)

This map reveals how Westminster Abbey, the Houses of Parliament and Canary Wharf will be among the areas at risk of flooding according to a new estimate of rising sea levels.

The need for new defences is underlined by a study that concludes that levels may rise more quickly in the coming decades than previously thought - by as much as an additional metre (39in) over the next century, according to Prof Stefan Rahmstorf, a leading climate expert at the Potsdam Institute for Climate Impact Research.

[GOM Producers Can Terminate Royalty Deals if Others Get Better Terms](#)

The five oil companies that signed agreements with the government last week to begin paying royalties on some Gulf of Mexico oil and gas production can terminate those deals, if other operators negotiate more favorable terms.

The Interior Department, trying to redo botched contracts that already have cost American taxpayers nearly \$2 billion, reworked these deals with Shell Oil, BP, ConocoPhillips, Marathon Oil Co., and Walter Oil and Gas Corp.

[Belarus warns Russia over gas transit to Europe](#)

MINSK/MOSCOW - Belarus issued an implicit threat that it could stop Russian gas deliveries through its pipelines to western Europe unless Russia's gas monopoly Gazprom relented on demands Minsk pay steep price increases in 2007.

The threat is likely to revive unpleasant memories of gas cuts to Europe last year when Russia was locked in a similar pricing row with Ukraine. But Belarus ships smaller volumes of gas to Europe via its territory and Russia said Europe was safe as Gazprom had stockpiled extra gas in Germany.

"We are inter-dependent. If I don't have a domestic gas supply contract, Gazprom won't have a transit deal," Belarus's Deputy Prime Minister Vladimir Semashko said at Minsk airport late on Tuesday after his return from failed talks in Moscow.

[Nigerian health workers disinfect pipeline blaze site, search for victims](#)

Local television stations speculated Wednesday that a petrol shortage that has plagued much of Lagos for the past ten days or so may have pushed the thieves to tap the pipeline in the hope of making big profits by re-selling fuel on the black market.

[Democrats eye oil money for conservation](#)

WASHINGTON - House Democrats in the first weeks of the new Congress plan to establish a dedicated fund to promote renewable energy and conservation, using money from oil companies. That's only one legislative hit the oil industry is expected to take next year as a Congress run by Democrats is likely to show little sympathy to the cash-rich, high-profile business.

[2007 energy outlook: costs up](#)

NEW YORK – Remember this? Motorists complaining at the pump as the price of gasoline rises. Airlines bumping up airfares to cover expensive jet fuel. And delivery services tacking on surcharges, reflecting a record price for a barrel of oil.

But it's not just a description of this past spring. It's also the forecast for next year, probably just when school lets out for the summer and motorists are starting to put more miles on the odometer.

[China fears disasters, grain cut from global warming](#)

BEIJING - Global warming threatens to intensify natural disasters and water shortages across China, driving down the country's food output, the Chinese government has warned, even as it seeks to tame energy consumption.

[Algeria increases the price of oil](#)

But there is a significantly more troubling consequence. This trend implies consumer nations will never be able to reach a long term contractual relationship with producer nations for the allocation of earth's remaining oil and natural gas resources. Producer nations will continue to pursue pricing and production decisions based on their selfish best interest.

[GE to supply gas turbines](#)

GE Oil & Gas has agreed to supply gas turbines to Saudi Aramco's oil field expansion projects at the Ghawar and Khurais fields. GE will deliver 12 mechanical drive packages, including seven driven by MS5002C gas turbines and five by MS5002D gas turbines. Saudi Aramco wants to increase crude output from the fields.

[Ledesma: Oil firms are tools of Imperial Manila](#)

Even the petroleum companies are rubbing it in. They announced a P2.00-rollback but the beneficiaries are only Metro Manila and Cebu. Beat that? The decision makers of corporate giants in Metro Manila are just as imperious as the lawmakers in the Senate. They think only of Imperial Manila forgetting that we Mindanaons are just as eager to have some relief from the high cost of fuel.



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