



The Bullroarer - Monday 18 February 2008

Posted by [Big Gav](#) on February 18, 2008 - 6:42am in [The Oil Drum: Australia/New Zealand](#)

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The Australian - [Minemakers on fertile ground with phosphate](#)

NOT many mining companies target the rural press as a key place to promote themselves to investors, but junior explorer Minemakers has a special appeal for canny farming types. While the gold price has been soaring as investors seek a hedge against inflation and share market jitters, farmers have been on the look out for hedges against rising fertiliser prices and, for some at least, Minemakers' Wonarah rock phosphate project near Tennant Creek in the Northern Territory fits the bill. ... Minemakers shares have gone on a stellar run since January when, after finally realising the extent of the market opportunity in fertiliser, the company put out a release reminding the market that global rock phosphate prices had soared from just \$US50 a tonne a year ago to around \$US200 a tonne.

Bloomberg - [Newcastle Coal Rises to Record on Australian Floods](#)

Thermal coal prices rose to a record for a fourth week at Australia's Newcastle port, a benchmark for Asia, as floods cut deliveries in Queensland, adding to supply disruptions in China and South Africa. Power-station coal prices at the New South Wales port gained \$13.68, or 11 percent, to \$139.16 a metric ton in the week ended Feb. 15, according to the global COAL NEWC Index. The price rose 73 percent in 2007. The increase comes as mine owners and fuel buyers are set to negotiate annual contract prices to take effect April 1.

Xstrata Plc, the world's biggest exporter of thermal coal, last week advised customers of delays to deliveries from two mines in Queensland, including the Newlands mine that produces the type of the fuel burned in power plants. China, with coal deliveries disrupted by the heaviest snowstorms in 50 years, has halted exports until April, while power cuts in South Africa have reduced mine production. ``It's clearly a supply issue, it's just one problem after another," said Mark Pervan, a senior commodity strategist at Australia & New Zealand Banking Group Ltd. in Melbourne. ``It still looks as if we've got some heavy wet weather coming through Queensland and I think the market is going to remain very tight until the whole thing passes."

ABC - [Rains hamper Rio Tinto coal exports](#)

Bloomberg - [Australian Town a Disaster Zone After Heaviest Rain in 90 Years](#)

The Australian coastal town of Mackay in the country's northeast was declared a disaster zone as residents were evacuated from their homes due to flooding following the heaviest rain in 90 years. ... John Hall, a spokesman for Emergency Management Queensland, said in a telephone interview from Brisbane "It is still raining up there but the floodwaters around Mackay are receding". Reports of crocodiles swimming in floodwaters in the town are unconfirmed although "it is not beyond the realms of possibility" Hall said.

MoneyWeb - [Eskom in talks to buy export-quality coal to fill gap](#)

The Australian - [Platinum prepared for power shortfall](#)

ELECTRICITY shortages in South Africa have led Platinum Australia to install its own generation capacity to brace for potential shortfalls, the company's managing director says. Power shortages brought South Africa's existing gold, platinum and diamond mines to a standstill for five days last month, when state utility Eskom could no longer guarantee electricity supply.

Eskom also asked major industrial projects to be put off until 2013, calling into question new mine developments and smelting operations.

The Perth-based company expects to start production at its Smokey Hills project in July and is in the final stages of a bankable feasibility study for its Kalplats project. "We expect to have our temporary power in the next month (at Smokey Hills), with a full permanent supply due in June or July. The installation of standby generating capacity will allow us to run at full production. However, if we have to supply 10 per cent or 20 per cent of our own power, it will push up our power costs," managing director John Lewins said.

South Africa produces nearly 80 per cent of global platinum, a metal used in cars' catalytic converters and in jewellery. The country has been suffering from rolling blackouts for a while but since the power crisis intensified in January, spot platinum prices have soared more than 30 per cent to a record \$US2034 an ounce.

The Australian - [Cyclone halts BHP oil work](#)

BHP Billiton has halted operations at its Stybarrow and Griffin offshore oil fields as tropical cyclone Nicholas is set to hit the West Australian coast in the next two days. BHP is monitoring the cyclone's path from its Port Hedland iron ore operation, spokeswoman Samantha Evans said. "Meanwhile, we've disconnected the Stybarrow and Griffin projects while we wait and see," Ms Evans said. ... Woodside Petroleum, Australia's second-largest oil and gas producer, on Friday halted production at the Cossack Pioneer oil venture because of the cyclone.

The West Australian - [Chevron shuts Australian oil fields](#)

The Australian - [Deal close on how 'off spec' gas is transported](#)

BHP Billiton and Dampier Bunbury Pipeline, the company that operates that nation's largest gas transmission infrastructure system, are understood to be close to agreement on how "off spec" gas can be transported.

Agreement would clear the way for early development of the Macedon gas field about 50km northwest of Exmouth and 30km south-east of BHP Billiton's Stybarrow oilfield in the Carnarvon Basin, a great performer since commissioning late last year. It could lead to cheaper domestic gas. Macedon, estimated to contain at least 1.2trillion cubic feet of gas, is not slated for development before 2013. It will probably cost BHP Billiton about \$500 million to bring into production at a projected rate of about 150 terajoules a day.

Since 2006, when domestic gas prices began to rise in Western Australia, offshore field developments have been dusted off as possible contributors to overcome a domestic gas shortage estimated to last until 2011-2012. It was the mistaken assessment that the looming shortage was caused by gas molecules escaping Western Australia as export LNG to fuel Japanese households that led the Carpenter Government to impose its much-criticised domestic gas reservation policy that penalises promoters of LNG projects using land-based processing facilities by requiring them to preserve 15 per cent of their reserves for possible future domestic use.

What is now clear is that the domestic gas shortage is the product of domestic prices not being high enough to justify investment in new fields. That has changed mainly as a result of the long-run crude oil price, staying around \$US90-100 a barrel, having a flow-on effect on gas prices globally, not only for LNG. Until now Macedon gas has not been deemed suitable because, being dry, it does not meet the quality specifications for the Dampier-to-Bunbury natural gas pipeline. But it is understood that what is being negotiated by BHP Billiton and DBP is an arrangement by which Macedon gas would be co-mingled with gas meeting the specifications with the suppliers of "spec" gas getting a benefit. The outcome for most customers would be insignificant, considering volumes involved.

SMH - [NAB forecasts big wheat crop](#)

Australia can expect a bumper wheat harvest this year following good rain in the past three months, according to National Australia Bank, which expects the the crop to increase to at least 23 million tonnes. That would be up 74% from a drought-affected return in the latest harvest, the bank said in an agribusiness outlook for 2008/09, the first forecast for the wheat crop so far.

NZ Herald - [Balancing act to keep NZ switched on](#)

Peak Energy - [EfficienCity](#)

Peak Energy - [The door to Iraq's oil opens](#)



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