



## The Bullroarer - Sunday 27 July 2008

Posted by [Big Gav](#) on July 27, 2008 - 7:48am in [The Oil Drum: Australia/New Zealand](#)

Topic: [Miscellaneous](#)

The West Australian - [Oil group warns against attack on Iran](#)

A peak-oil lobby group has warned against an attack on Iran, saying it could cripple Australian transport. ... "A conflagration in the Persian Gulf could make a 30 per cent reduction in petrol and diesel supplies, similar to Western Australia's gas shortage, but with much more severe and widespread consequences," the Australian Association for the Study of Peak Oil and Gas said in a statement. Foreign Minister Stephen Smith should warn US Secretary of State Condoleezza Rice against an attack on Iran during her short stop in Perth today, the association said. "We are not well prepared to handle a sudden petrol shortage.

The Australian - [Rudd vows to help power industry cope with shake-up](#)

Resources Minister Martin Ferguson, in Melbourne at the opening of a Bass Strait oil and gas field, said the Government's priorities were "not only to reduce CO2 emissions, it's also about guaranteeing energy security". "The carbon pollution reduction scheme is premised on energy security," he said. "In no way are we going to endanger energy security."

For those investing in clean energy generation, such as wind, solar, combined cycle gas turbines and geothermal, the ESAA modelling quantified enormous economic opportunities. Rob Jackson of the Clean Energy Council said: "The clean energy industry alone stands ready to invest a minimum of \$20 billion in zero-emission, renewable power required to meet the target and to ensure a diverse and secure energy supply for Australia."

Carl McCamish of Origin Energy said the new generation capacity required new transmission networks. The ESAA modelling predicted at least \$4.5 billion in new transmission lines to remote locations, where wind and geothermal is often generated, would be needed.

The Australian - [Turrum will boost east coast gas supply: Nolan](#)

EXXONMOBIL has confirmed that it and Bass Strait partner BHP Billiton have approved the \$1.4 billion Turrum gas project in the Bass Strait to feed an expected

increase in east coast gas demand. Turrum, whose approval was flagged by The Australian last month, was expected to start producing oil in 2011 and gas from 2015, Exxon said.

The project, and the neighbouring Kipper gas development approved in January, had been held back to some extent because of low domestic gas prices, but ExxonMobil Australia chairman Mark Nolan said there was now "unprecedented demand for our gas". He also said demand for Bass Strait gas could increase as emissions trading schemes spurred demand for cleaner energy and if Gladstone LNG projects were successful.

frogblog - [Save Rotuma from fossil fuel dependency](#)

I have become used to daily reports in the press about fuel shortages all around the world. Asia in particular is suffering from acute diesel shortages in part because their electricity systems are inadequate and everyone is relying on generators to do business. This article, however, made me cringe.

It seems the tiny Pacific island of Rotuma has no running water because of a fuel shortage on the island. Rotuma who? That's what I thought. Their own website is here and a respectable Wikipedia article here.

Why should this matter to us? Because these are our neighbours. When the basics of water for drinking and hygiene are not available, it's not just inconvenient, it's a major health hazard. It is insane that a basic infrastructure like this is dependent on shipments of fuel from outside, when localised alternatives are available and possibly cheaper. ...

This is the proverbial canary in the coal mine. We need to wake up and make sure that our nearest Pacific neighbours are ready for the shocks associated with peak oil.

Business Spectator - [ACCC cautions BG, Origin merger](#)

A successful takeover by Bg Group of Origin Energy could mean the majority of Queensland's coal seam methane reserves are owned by the aligned companies, according to concerns brought up by the Australian Competition and Consumer Commission (ACCC), reported The Australian newspaper. The ACCC said it was concerned about how the combined companies would affect east coast gas prices and gas marketing.

Herald Sun - [Origin Energy steps on the gas](#)

ORIGIN Energy shares enjoyed a sharp rise yesterday on rumours Chinese investment giant Citic would offer as much as \$US10 billion (\$A10.41 billion) for the energy retailer's coal seam gas assets. Unnamed sources quoted in a Chinese newspaper said Citic was among those interested in Origin's gas reserves and tipped the proposed deal to be worth between \$US6 billion and \$US10 billion. However, sources later denied Citic was eyeing Origin's resources.

Platts - [AJ Lucas buys Australian coal seam gas driller for \\$146 million](#)

Australian drilling services company AJ Lucas has agreed to acquire Mitchell Drilling Corporation for A\$150 million (\$146 million), in a move designed to capitalize on the booming activity in the east coast coal seam gas sector.

The Age - [Upgrade lifts Metgasco's gas reserves](#)

Metgasco Ltd has increased its gas reserves in New South Wales' Clarence Moreton basin, giving it the largest gas reserve position in the state, and says the area is going to play a significant role in east coast gas supply. The company has upgraded its gas reserves in the 2P category - or "proved and probable" reserves under Australia's oil and gas reporting code - from 247 petajoules (PJ) to 298 PJ. Its net interest in the reserves is 264 PJ.

In the 3P or "proved, probable and possible" category, its reserves are now 1,538 PJ, up from 1,389 PJ, with Metgasco's net interest being 1,419 PJ. Managing director David Johnston said the company continued to build its coal seam gas (CSG) reserve position, which had been independently certified as the largest in the state, to meet its previously stated 2P target of 640 PJ.

SMH - [Santos swells revenue even as production dwindles](#)

THE recent blast at the Varanus Island gas facility, coupled with the sale of a 40 per cent stake in a planned LNG project, will continue to drag down Santos' production this year, the oil and gas company said yesterday. In its second quarter report Santos said output would dwindle from 56 to 58 million barrels of oil equivalent (boe) to between 54 and 56 million boe this year. The forecasts came as production in the first half fell 8 per cent, from 30.1 million boe to 27.6 million boe. Despite the production falls, Santos revenue grew 18 per cent in the quarter to \$749 million.

SMH - [Turrum drillers pledge more power, less carbon](#)

A \$1.4 BILLION project to extract oil and gas from Bass Strait will help Australia through the challenges of curbing carbon emissions and protecting energy security, its backers say. ... A new platform will be built at the site, about 40 kilometres off Ninety Mile Beach in East Gippsland, and will be linked by a bridge to the existing Marlin A platform. Oil will be processed at the platform, while gas will be piped to Esso's plant at Longford. Esso and BHP have an equal stake in the joint venture, and Esso operates the field.

Mark Nolan, the chairman of Esso's parent company, ExxonMobil Australia, said the 1 trillion cubic feet of gas and 110 million barrels of oil and gas liquids in the Turrum field would shore up eastern Australia's long-term energy needs. "Bass Strait has a strong long-term future," he said. "We estimate there is still around 7 trillion cubic feet of gas to be produced, and we're confident that means we have over 30 years of gas remaining."

## SMH - [Introduction to a planetary market](#)

As the Minister for Climate Change and Water, Penny Wong, was at pains to emphasise in her speech to the Australian Business Economists this week, the centrepiece of the Rudd Government's economic reform agenda is its carbon pollution reduction scheme.

(This is the new and more descriptive name for the emissions trading scheme. It's better because the trading of emissions permits isn't central to the scheme, whereas the reduction of carbon emissions is. And "pollution" is more clearly bad in people's minds than are "emissions".) ...

As Senator Wong acknowledged, successfully implementing the scheme will be a test of the Government's economic leadership. She said it was determined to pass that test - which is good to hear because, should it fail the test, history is unlikely to be kind to it.

If you're in any doubt that tackling climate change is an economic issue, let me explain. Putting "the environment" and "the economy" in separate boxes makes no sense because the economy exists within the natural environment. No environment, no economy.

## The Australian - [Rio and BHP upstaging each other in global potash dash](#)

RIO Tinto and BHP Billiton are both eyeing big investments to tap growing global food and biofuel demand, with Rio yesterday revealing plans to spend \$US3.5 billion (\$3.6 billion) developing an Argentine potash deposit. The announcement comes less than a month after BHP chief executive Marius Kloppers said his company could spend \$US10 billion on its Canadian potash assets. Rio is looking to tap growing Brazilian demand for fertilisers, which are the main market for the high-margin potash.

## John Quiggin - [How to get an ETS through the Senate](#)

After the contortions of the last few weeks, I think it's pretty safe to draw the following conclusions

- (i) The Liberal Party is all over the shop on climate change and is going to stay that way, at least as long as Brendan Nelson remains leader
- (ii) Whatever legislative proposal the government comes up with, the Opposition will oppose it

The first is pretty obvious. While the outright delusionists kept quiet in the leadup to the election, and for a few months afterwards, they're getting louder again, and Nelson is already pandering to them. On the other hand, the small but important group who actually want to do something, most notably Hunt and Turnbull, have nothing to lose by saying so. The great mass whose instinct is to do nothing, but who can see the political risks of this approach (of whom Nelson is a prime example) are swinging from one side to the other.

Here is a better way forward. Let's raise the regulated price cap to final consumers by 20 percent over the next few years. In return for that, retailers will have to put in smart meters into households. The twin effect of that will get some behavioural changes at the user end. But the short-run effect will be to see more money available in the electricity sector and so a big incentive to move quickly on new investment. And what new investment will that be: ones that economise on emissions in the long-term.

The West Australian - [Rio plans to ramp up coal production](#)

Rio Tinto says it plans to double Australian thermal coal output by 2015 as it ramps up production at its Hunter Valley operations and removes infrastructure constraints. The mining giant, which is fending off a takeover proposal by BHP Billiton, also plans to aggressively increase production at its Rossing uranium mine in Namibia.

Rio Tinto wants to increase coal production to meet global demand, particularly from China, which is shifting to become a large net importer rather than exporter of thermal coal. "We think we can double production from our Australian thermal coal operations by 2015," Rio Tinto Energy and Minerals chief executive Preston Chiaro told reporters in Sydney. The Anglo-Australian miner also forecast hard coking coal production to double by 2015.

The West Australian - [Toro doubles uranium resource at NT project](#)

The Australian - [Rio Tinto's ERA uranium goes to China](#)

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