



Level 7, 10 Eagle St.,
(GPO Box 1315),
Brisbane, QLD 4001

Telephone: (07) 3229 0800
Facsimile: (07) 3229 6800

ABN: 60 076 157 045
ACN: 076 157 045

OIL PRICES READY FOR ANOTHER TAKE OFF

Herald Sun, Saturday 13 August 2005

WORLD crude oil prices are tipped to climb again next week after surging through \$US66 a barrel yesterday for the first time.

Pumped up by serious worldwide supply concerns as increased fuel demand cuts into stockpiles, crude oil traded yesterday at up to \$US66.11 – prompting some analysts to predict a move above \$US70 in coming weeks.

Analysts yesterday said oil would continue to climb for the fifth straight week, its longest run of gains since March.

Transport-related companies listed on the Australian Stock Exchange again suffered on the news yesterdays, while energy stocks had another solid day.

While Qantas, Virgin Blue and Patrick Corp all lost some value, Oil Search and Origin Energy marched higher.

The oil price helped shield Santos after it announced "disappointing" preliminary results from a well at its Indonesian Jeruk oil field, with the stock off just 1 at close of trade. But Woodside Petroleum suffered at the hands of profit-takers after its record-breaking week, shedding 10 to \$33.14.

Oil prices are now more than 45 per cent higher than a year ago, having gained 36 per cent in the past three months.

But even the psychological \$US70 a barrel mark would still be \$US20 below the all-time inflation-adjusted peak price for crude oil set in 1980.

Analysts said yesterday that the major reason for yesterday's price spike was not concern about terrorist attacks in Saudi Arabia or worry about Iran's nuclear program.

Rather, traders were punting on a belief that US oil refiners would strain to meet domestic petrol demand in coming weeks while also storing enough heating fuel for the northern hemisphere winter.

News of a fire at a major US pipeline broke overnight on Thursday as the Energy Department there revealed that its petrol inventories were 2.5 per cent lower than a year ago.