
China and Brazil overtake oil multinationals

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Financial Times

updated 3:10 a.m. ET Jan. 23, 2008

National oil companies from China and Brazil continued their relentless rise to power last year, pushing the likes of Exxon, Shell and Total down the PFC Energy 50 rankings of the world's largest listed energy companies.

The annual PFC rankings, due to be released today, reinforce the perception that international oil companies are losing access to global resources and their futures are not as definite as the growing state-owned competition.

The top share price performer of the year was PetroChina, which rose 181 per cent, surpassing ExxonMobil to become the world's largest energy company by market capitalisation.

PetroChina's market capitalisation on the basis of its Shanghai stock exchange listing, was \$723.2bn, versus \$511.9bn for Exxon, whose share price rose only 22 per cent over the year.

PetroChina is worth far less if the value of its Hong Kong listed shares is extrapolated into a market capitalisation, and Exxon remains the largest listed group in terms of oil production.

Fellow Chinese group Sinopec, whose shares rose 157 per cent, was the highest riser, now ranked fifth and displacing BP, which slipped to seventh position.

Petrobras, the Brazilian company with two big finds to its name in recent months, rose from eleventh to sixth, with a 93 per cent rise in its share price, replacing Total, which slipped to eighth, after just 4 per cent share price growth.

Supermajor Chevron fell from seventh to 10th place, with a 27 per cent share price rise. ConocoPhillips lost its place in the top 10 line-up, with a fall to 12th place, from ninth last year, as did ENI, which slipped from eighth to 11th.

Robin West, chairman of PFC Energy, the consultancy that did the ranking, said: "In spite of their enormous profits, the capital markets are saying the international oil companies have to offer a new vision for growth."

Prospects for international oil companies have declined since the 1970s, when they controlled 85 per cent of the world's oil reserves. Today, national oil companies control 80 per cent of those reserves.

In this year's PFC Energy 50, national oil companies were valued at an average 20 times earnings for the 12 months to September 30 2007, compared with a 12 times average multiple for the international oil companies, indicating financial markets believe the growth potential of the national oil companies more than offsets emerging market risk, said Antonia Bullard, a PFC director.

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