
PetroChina wins projects nod

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PETROCHINA has won approval to buy a stake in two Canadian oil-sands projects in its biggest North American acquisition.

China's largest oil producer will pay US\$1.8 billion to buy a 60 percent stake in MacKay River and Dover oil-sands projects of Athabasca Oil Sands Corp, Canadian Industry Minister Tony Clement said in a statement yesterday.

"To successfully compete in a globalized economy, we need to attract international investment, which can create jobs, raise our level of competition, and develop Canada's long-term economic prospects," Clement said.

It is the latest move by PetroChina to acquire overseas assets since last December after it spent over US\$3.6 billion to buy Singapore Petroleum Corp, acquired a stake in a Nippon Oil Corp plant and formed a joint venture in Kazakhstan.

Under the deal, PetroChina will pay around US\$249 million for AOSC's properties in Alberta province and increase jobs, and its experience in heavy-oil projects in northeastern China could help unlock oil trapped in Alberta sands, the Canadian firm said.

According to AOSC, the two projects contain an estimated 5 billion barrels of bitumen resource.

PetroChina originally agreed to close the transaction on October 31 after the initial agreement was reached on August 31.

PetroChina's parent, China National Petroleum, said on October 19 that PetroChina will focus on expanding exploration and boosting overseas cooperation next year as China's energy demand rises.

PetroChina has received a US\$30 billion loan from China Development Bank to fund overseas expansion.