



Energy

PetroChina lines up \$60b to boost overseas oil, gas output

By Wan Zhihong (China Daily)
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BEIJING - PetroChina Co, the nation's largest oil and gas producer, will invest \$60 billion to increase its overseas oil and gas output to 200 million tons every year, Chairman Jiang Jiemin said on Thursday.

Jiang told reporters that the company's overseas oil and gas cooperation areas would be focused on Central Asia, the Middle East, Africa, the Americas, and the Asia-Pacific.

The chairman, however, did not indicate the time frame of the \$60 billion investment. Earlier media reports said the investment would be made over the next decade.

Jiang said PetroChina is also planning to acquire most of the overseas assets of its parent, China National Petroleum Corp (CNPC), except those in politically sensitive areas.

CNPC has overseas investment in 29 countries, while its overseas projects and technology services business has presence in 39 countries.

Chinese oil companies led by CNPC and Sinopec have quickened their overseas expansion pace in recent years, a move analysts said was necessary to cope with the rising domestic energy demand.

CNPC agreed on Wednesday to acquire a 35 percent stake in Royal Dutch Shell's oil and gas unit in Syria. The company also plans to build a refinery in Syria that can process 5 million tons of crude every year, said Jiang.

The company recently completed a deal to develop oil sands in Canada. CNPC will work to achieve 20 million tons of heavy oil production capacity via the deal, said Jiang.

"China's oil imports will continue to see robust increase in the future, as domestic production cannot keep pace with rising consumption," said Zhou Dadi, an analyst with the Energy Research Institute (ERI) under the National Development and Reform Commission (NDRC).

The nation's net oil imports are expected to reach 210 million tons this year, according to Huang Li, an official with National Energy Administration (NEA).

The volume would be about 11 million tons, or 5.5 percent, higher than last year, she said.

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According to the China Petroleum and Chemical Industry Association, the country imported about 203.8 million tons of oil in 2009, while exports totaled about 5.16 million tons.

According to a report by the Chinese Academy of Social Sciences, 64.5 percent of China's oil consumption is likely to be met by imports in 2020, due to the gap in domestic consumption and production.

Jiang also said on Thursday that PetroChina plans to increase its natural gas production to half of the company's total oil and gas output in 10 years.

At present natural gas accounts for 3.8 percent in the country's total energy consumption, compared with 10 percent in Asia and 24 percent worldwide.