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CHINA TO ALLOW FOREIGN EXPLORATION IN KEY OIL, GAS BLOCKS

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China will allow foreign companies a rare chance to conduct exploration for oil and gas in parts of the resource-rich Tarim Basin in the northwest of the country, the country's top energy company said Friday.

The China National Petroleum Corp (CNPC), the nation's largest oil and gas producer, said it will invite bids from foreign companies for exploration in nine potential oil and gas blocks in the basin.

"We're inviting foreign partners to jointly explore the largest gas and oil basin in the Chinese mainland," CNPC, the parent of PetroChina, said in a statement on its website.

It said several foreign oil companies had already expressed an interest in participating in projects in the Tarim Basin but provided no names.

The statement suggested that a major motive of permitting foreign participation was to attract technological know-how from overseas.

"CNPC plans to introduce the latest exploration concepts and advanced technology to raise the level of proven reserves," it said.

The nine blocks now opened to foreign exploration involve a total area of 110,000 square kilometers (44,000 square miles), the CNPC statement said.

The CNPC did not provide the exact location of the blocks but said they were located in the southwest, the center and the east of the basin, located in the vast Xinjiang region.

The basin is considered key in China's efforts to boost its energy security in the coming years and as a possible replacement of oil fields such as Daqing in northeast China, which are approaching exhaustion.

CNPC is an active participant in China's efforts to secure enough energy for the future and is cooperating with several large foreign majors.

It is expected to reach a consensus with Gazprom, Russia's state-owned natural gas

monopoly, by the end of the year for the import of gas through two cross-border pipelines, the China Daily newspaper reported Friday.

The two companies have reached an initial agreement to build two pipelines to transport up to 68 billion cubic meters (2.4 trillion cubic feet) of Russian gas to China annually, according to the newspaper.

"We are in very detailed negotiations about the project and pricing is currently the biggest hurdle, as the seller is always asking for more in the current bullish global market," a CNPC official told the China Daily.

"We expect to reach a final accord over the price by the end of this year," he said.

The westernmost of the two pipelines will carry Siberian gas to the Xinjiang region, where it will connect with the West-East Gas Pipeline bringing energy to China's prosperous and densely populated east coast.

China has traditionally limited foreign access to its onshore oil and gas resources but as demand for energy to power its booming economy has grown, it has opened the door and in March Petrochina signed a deal with Total of France on exploration in the Erdos Basin.