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## LARGE NATURAL GASFIELD DISCOVERED OFFSHORE CHINA

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Canada's Husky Energy Inc has announced that it has discovered a significant deepwater gas reserve with its Chinese partner in the South China Sea near Hong Kong.

Based on preliminary analysis of drilling results, the discovery could contain a potential recoverable resource of four to six trillion cubic feet (120 billion to 180 billion cubic meters) of natural gas, the energy company said in a statement seen Friday.

"We are very pleased with our exploration results and this discovery confirms our confidence in the significant undiscovered hydrocarbon potential in the South China Sea," John Lau, Husky CEO and president said.

"We look forward to evaluating this discovery and continuing our exploration efforts in China."

State-owned China National Offshore Oil Corp (CNOOC), the Chinese partner in the venture, has the right to participate in the development of any discovery for up to 51 percent working interest, Husky said.

The Hong Kong-listed unit of CNOOC, CNOOC Ltd, confirmed the discovery, with an official saying that if the estimated recoverable reserves were confirmed, the block could be the "largest gas find in offshore China."

The discovery was made in the mouth of the Pearl River about 250 kilometers (150 miles) south of Hong Kong, it added.

The well will be sidetracked for further evaluation of the pay zone, Husky said, adding there were plans for a three-dimensional seismic survey to assess a number of similar structures which have been identified from other seismic data.

Earlier this month, CNOOC signed two production sharing contracts with Britain's BG Group PLC covering two deep water blocks in the South China Sea.

To date, CNOOC has signed four deep water production contracts with foreign partners.