

PetroChina, Sinopec to making bullish shale gas targets

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By Bloomberg

PetroChina Co. and China Petroleum & Chemical Corp., the nation's top two energy producers, have announced shale gas production targets for next year that would exceed the government's forecast.

PetroChina Co., the nation's largest energy producer, will seek to achieve an output of 2.6 billion cubic meters by 2015 by using 28 new platforms, the official Xinhua News Agency reported today, citing Sun Longde, the company's vice president. The company also targets 11 billion cubic meters of shale gas in 2020, Xinhua said.

China Petroleum, the biggest Asian refiner, known as Sinopec, has also made shale gas development its priority this year and targeted production of 5 billion cubic meters by 2015 from its Fuling project in the nation's southwest region, Chairman Fu Chengyu told reporters in Hong Kong on March 24.

China, which holds the world's biggest shale gas reserves, has set a national output goal of 6.5 billion cubic meters by 2015, a target that Zhang Yousheng, a researcher with the National Development and Reform Commission, said on Oct. 16 will be difficult to reach.

China's annual shale gas production surged more than fivefold in 2013 to 200 million cubic meters a year, according to the Ministry of Land and Resources. The country consumed 169 billion cubic meters of gas in 2013, with about one-third coming from imports.

PetroChina's Changning and Weiyuan blocks will produce one billion cubic meters each, the Zhaotong block will deliver 500 million cubic meters and projects with foreign ventures will yield 100 million cubic meters, Xinhua reported.

China holds 25.08 trillion cubic meters of exploitable onshore shale-gas reserves, the Land and Resources Ministry said in March 2012. The US has 13.65 trillion cubic meters of technically recoverable gas from shale formations, its Energy Information Administration said in January that year.

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