

PetroChina plans to boost capex to \$45bn this year



Reuters /Beijing

PetroChina, Asia's largest oil and gas producer, plans to boost capital spending to 300bn yuan (\$45bn) in 2019, up 17% from last year, a company filing to the Hong Kong Stock Exchange showed.

The surge in expenditure to a near-record level came as PetroChina pledged to ramp up oil and gas production and reserves to answer Beijing's call for greater energy security. The group expects crude oil output this year at 905.9mn barrels and gas output of 3,811.0bn cubic feet, it said in its earnings statement, with the total oil and gas equivalent of 1,541.2mn barrels.

Its crude oil processing output will reach 1,170mn barrels, it said, up from 1,123mn barrels last year.

But growth in crude runs slowed, reflecting competition from upcoming refineries.

PetroChina's fourth-quarter net earnings fell 18% from the same period the previous year to 4.46bn yuan, making it the

worst quarterly performance since the third quarter of 2016, Reuters calculations showed.

Over the fourth quarter, global benchmark Brent crude futures lost nearly 35%.

The Chinese producer's fourth-quarter revenue, meanwhile, rose to 644bn yuan, compared to 558bn yuan a year earlier.

Brent prices touched four-year highs in October at nearly \$87 a barrel, before plunging to just below \$50 towards the end of 2018.

The values, though, were still much higher overall than a \$56-\$64 range for the last quarter of 2017.

PetroChina also plans to buy high-end chemical products and technical equipment from the United States, in addition to liquefied natural gas (LNG) imports already underway, and increase collaboration on oil and gas investment, company president Hou Qijun told reporters yesterday.

"The two countries can further improve the trade structure, and especially with the progress in Sino-US trade negotiations, we have full confidence in expanding cooperation," Hou said.

For the whole of 2018, PetroChina's net earnings more than doubled to 52.6bn yuan, the best since 2014.

Revenue expanded to 2.35tn yuan, up 17% from 2017.