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India and China join forces to buy Canadian holdings

Posted by Yankee on December 23, 2005 - 12:08am
Topic: Supply/Production
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I'm not sure what to make of the report that China National Petroleum and Oil and Natural Gas of India are going to pay $576 million for the Syrian assets of Petro-Canada. Is this noteworthy, or totally par for the course?

> China and India have been moving recently to build closer political and commercial relations after decades of tense relations. Prime Minister Wen Jiabao of China visited New Delhi in April and signed a joint statement with his Indian counterpart, Manmohan Singh, promising to expand cooperation in promoting energy security.

And when this information is coupled with the following remark?

> Amir Arif, an energy analyst with Friedman Billings Ramsey in Virginia, said U.S. companies were not interested because of the political risk. "In terms of price, it was a little lower than we were expecting, but it's a tough asset to market with a limited audience," Arif said.

An article published in the Globe and Mail yesterday noted the following:

> The terms that Syria has set for Al Furat make each barrel of production only marginally profitable. For Petrocan, the Syrian wells accounted for just 4 per cent of its consolidated earnings from operations, but the rapidly declining rates of production dragged down the company's performance.

So if these wells are such a waste of time, why would India and China be embarking on an apparently historic partnership to get at them? Maybe they're testing out the waters? (It appears that this is the second such joint venture for India and China, after a previous one in the Sudan.)