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## No plan to buy oil firms during crisis - China CNOOC

*Tuesday, 21 Apr, 2009*

Reuters citing Mr Fu Chengyu chairman of China's offshore oil specialist CNOOC as saying that the company has no plan to buy oil firms abroad during the global financial crisis, and will look instead for foreign partners to make joint investments. Awash with capital and facing strong domestic demand for fuel, Chinese energy firms have been encouraged by Beijing to take advantage of the financial crisis to make overseas acquisitions.

Mr Fu said that due to the ever-intensifying protectionism and the lack of understanding about Chinese companies, CNOOC had to adjust its overseas expansion strategy. He said that "Our company will not engage in any deals of acquiring other firms in the next couple of years. Instead, we will seek partners who need to make investments and form joint ventures with them. He added that this is our future strategy. At least during the financial crisis, we will not buy other firms."

Mr Fu said that the slumping raw material prices and economic downturn offered a good chance for his company to make investments to get ready for the next economic boom. He said that now investment costs are the lowest. Prices will surge again when the economy picks up and inflation rises. He added that it's a good chance for us to invest, both in the upstream and downstream sectors as our construction cycle is about 3 to 5 years. When the crisis leaves us in 3 to 5 years, we will be in a more positive position."

CNOOC has said it aims to increase total investments in 2009 to USD 16.5 billion up by 26% from a year earlier, despite oil price declines that have forced some foreign firms to cut spending plans. It also said that the company also plans to produce 48.05 million tonnes of oil equivalent this year 14% more than in 2008.

(Sourced from Reuters)

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