



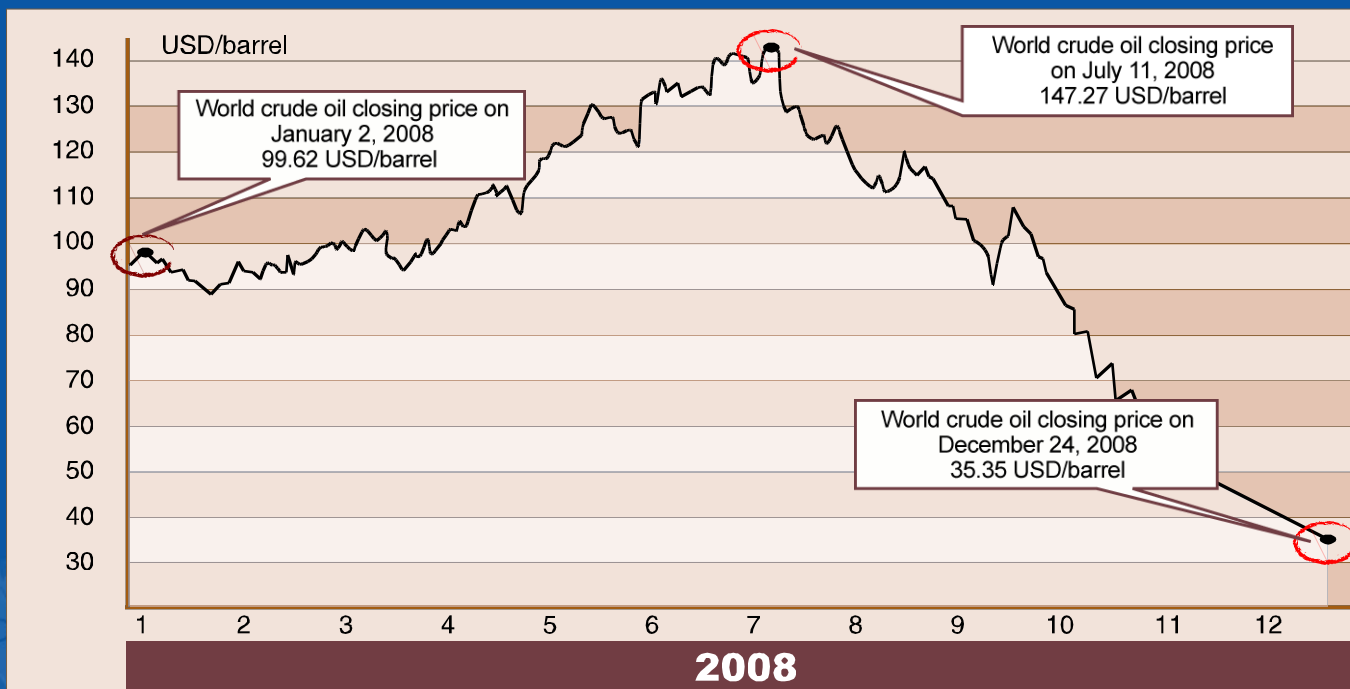
Facilitating Cooperation between NOCs and IOCs to Reduce Oil Investment Uncertainties

Pei Ying

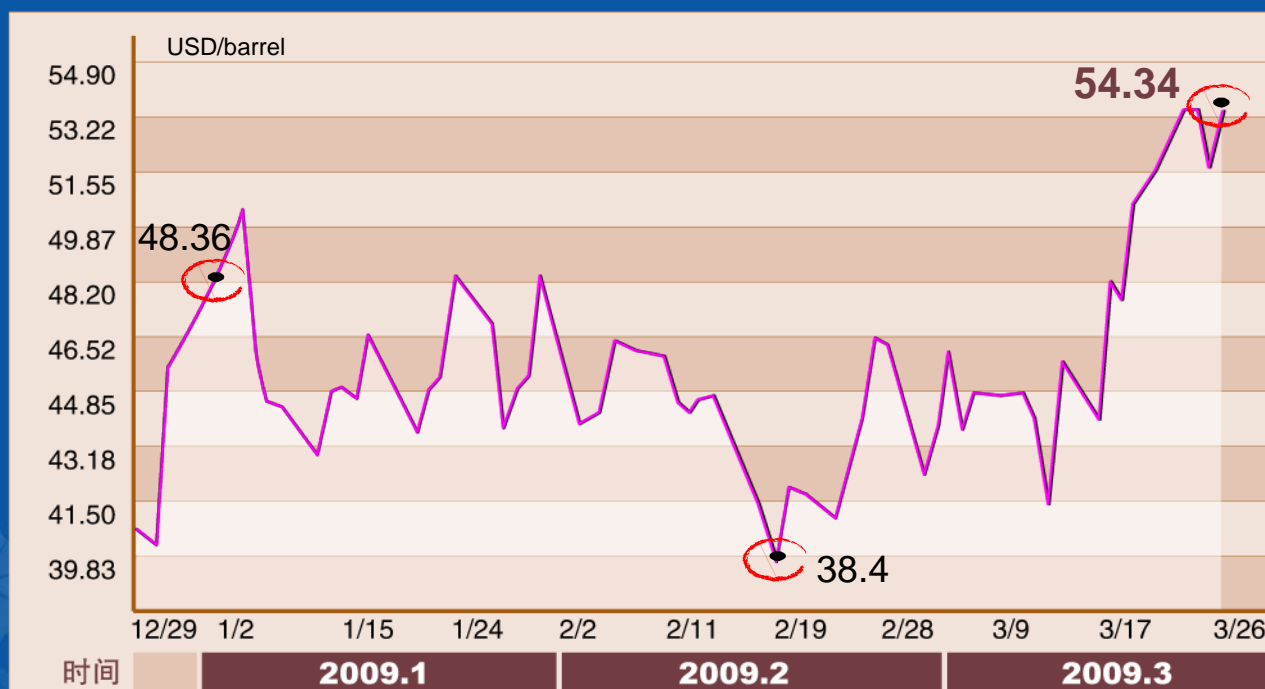
Deputy Director-General, International Dept.
China National Petroleum Corporation (CNPC)
March 30th, 2009 Kuwait



World Oil Price Fluctuations

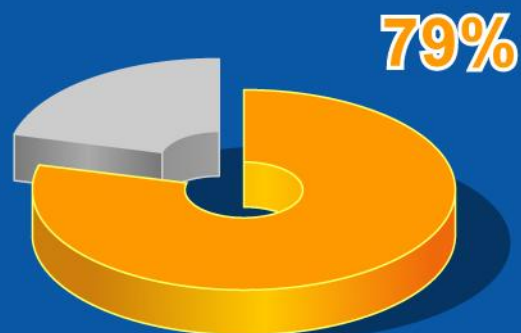


Oil Price Remained at around 40 USD/barrel after 2009

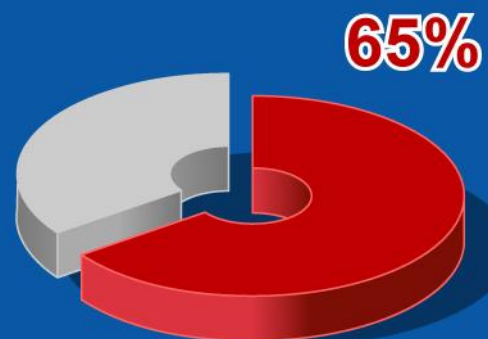


Global Discoveries in 2008

ODIP: 48.2 billion BOE



Offshore Discoveries:
37.8 billion BOE



Deep Water Discoveries:
31.3 billion BOE

CERA's Analysis:



7.6 million barrels growth potential in daily production may be postponed or even cancelled from 2009 to 2014, accounting for roughly **52%** of total production growth in 2014.



Nobuo Tanaka

Low oil prices will discourage investments, impede new production capacity from building up and place uncertainties in supply, which is unfavorable to consumers in the long run.

NOCs and IOCs must take actions together to lower uncertainties in the oil industry.



To confront the challenges facing us, companies need to:



Adjust investment structures



Cut off high-cost investments

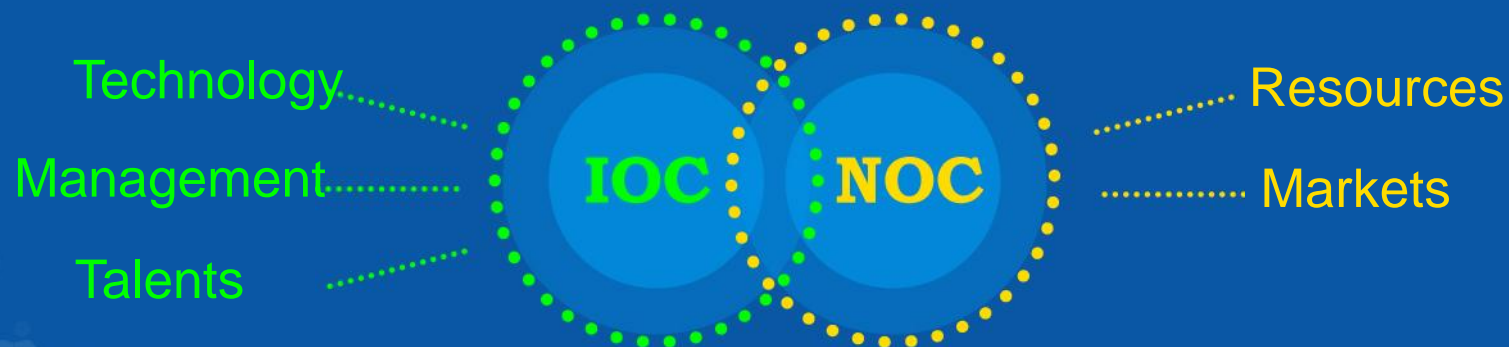


Apply advanced technologies and effective management



Reduce operational cost

Integration of NOCs and IOCs Synergy





CNPC is willing to enhance cooperation with NOCs and IOCs to jointly combat the challenges ahead of us and to develop collaborative relations based on mutual benefit.



Thank you!