

## **Breitling Oil in Talks on Joint Shale-Gas Exploration in China**

2011-12-08 06:39:28.109 GMT

By Bloomberg News

Dec. 8 (Bloomberg) -- Breitling Oil and Gas Corp., an independent U.S. energy producer, said it has held talks with a Chinese oil company to jointly explore for shale gas in China and to invest in the venture.

“We are eyeing a minority stake -- 25 percent will be ideal,” Chief Executive Officer Chris Faulkner said in an interview in Beijing today, declining to identify the company. Irving, Texas-based Breitling plans to list in New York within two years to help fund its global shale-gas expansion, he said.

Chinese companies are partnering with overseas explorers to look for shale gas as China, estimated to hold more natural gas trapped in the rock than the U.S., opens new areas for development. PetroChina Co.’s parent agreed in June to form a venture with Royal Dutch Shell Plc to reduce drilling time after taking 11 months to complete the nation’s first shale well.

“Chinese oil companies do not care much about money -- they want technologies in developing shale gas,” Faulkner said. “Negotiations have been going on for the entire year.”

China Petroleum & Chemical Corp. and Henan Provincial Coal Seam Gas Development and Utilization Co. won exploration rights in the country’s first auction of shale-gas blocks, the Ministry of Land and Resources said in July. China’s biggest oil producers, including Cnooc Ltd., have expressed interest in joining a second round. Overseas explorers, barred from the auctions, are in discussions to forge local ventures.

The company that the U.S. explorer has held talks with plans to participate in this month’s auction, Faulkner said. “We are interested in any shale-gas asset the company may get. We especially like Sichuan Basin.”

Breitling currently drills in Texas, Louisiana and Oklahoma. A stake in a shale-gas project in China would help deepen the company’s operations, Faulkner said.

It may take a decade before China sees meaningful shale gas output as time is needed to gather geological data and gain practical drilling experience, according to Faulkner. Chinese companies don’t appear to be rushing the process, he said.

For Related News and Information:

Top energy stories: [ETOP <GO>](#)

Top stories on China: [TOP CHINA <GO>](#)

China Energy Data: [ENST CHINA <GO>](#)

--Guo Aibing. Editors: Ryan Woo, Amit Prakash.

To contact the reporter on this story:

Aibing Guo in Beijing at +852-2977-4623 or [aguo10@bloomberg.net](mailto:aguo10@bloomberg.net)

To contact the editor responsible for this story:

Amit Prakash at +65-6212-1167 or [aprakash1@bloomberg.net](mailto:aprakash1@bloomberg.net).