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China, India to Cooperate in Oil Hunt

By JOE McDONALD, Associated Press Writer *Fri Jan 13, 10:22 AM ET*

China and India have agreed to share information on what they're paying for foreign oil and gas to fuel their energy-hungry economies as they try to tone down a rivalry that was driving up asset prices abroad, the Chinese government announced.

The agreement was among five energy cooperation deals signed Thursday during a visit to Beijing by Indian Petroleum and Natural Gas Minister Mani Shankar Aiyar, the government said.

Beijing and New Delhi promised to exchange information when bidding for oil resources abroad.

"Unbridled rivalry between Indian and Chinese companies is only to the advantage of the seller," China's official Xinhua News Agency quoted Aiyar as saying.

Chinese companies have been bidding aggressively for foreign oil and gas in areas as far-flung as Africa and South America as Beijing tries to secure energy supplies.

India's effort is on a smaller scale, but its energy demands are expected to soar in coming years as its economy grows.

In December, the biggest state-owned oil companies of the two countries — China National Petroleum Corp. and India's Oil & Natural Gas Corp. — agreed to jointly acquire oil production rights in Syria in their first collaborative venture.

That came after the Chinese company won a bidding war with its Indian rival for an oil producer in the central Asian republic of Kazakhstan.

CNPC agreed to pay \$4.2 billion for Canada-based PetroKazakhstan Inc. in China's biggest foreign corporate acquisition to date.

This week, another Chinese state-controlled oil firm announced it was buying rights to an oil field in Nigeria after India's Cabinet blocked ONGC's attempt to buy it.

Other agreements signed Thursday call for Chinese-Indian cooperation in exploration and refining, laying cross-border oil and gas pipelines, research and the development of energy efficiency programs, Xinhua said.

They also promised to work together on alternative fuels such as vegetable oils blending with diesel and ethanol blending with gasoline, the report said.

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