



Upstream Operations

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Exploration and Production

Launching cooperation

Entering the green energy field

Exploration and Production

Taiwan has limited indigenous energy resources; therefore, it depends on imports for most of its fossil fuel needs. As a result, CPC has cooperated with the government's "furthering energy supply security mechanism and forging international energy cooperation" policy. CPC is dedicated to the improvement of its performance in new energy development, the expansion of upstream operations and the increase of overseas production, to stabilize the supply of crude oil and natural gas to the domestic market and alleviate the impact brought by oil price fluctuation.

In order to improve overall strategic planning, and on the basis of active expansion and focus, CPC has adopted exploration and production strategies which aim to expand overseas operations and exploiting domestic operations, simultaneously undertaking mergers and acquisitions and exploration and production, as well as the training of talent for new breakthroughs, in the hope of gradually increasing the ratio of self-owned energy reserves within its full sourcing range.

The development of geothermal energy in line with policy

Currently, the CPC's onshore producing oil and gas wells are located in and around Mt. Tiezhen, Jinshui, and Guantian. In 2021, they yielded 110 million cubic meters of natural gas and 5,763 kiloliters of condensate. In 2021, CPC carried on domestic onshore oil

and gas resources exploration projects and completed a 32.78 km 2D seismic survey of geological structures on the Pingtung Plain and at Guanmiao, Tainan. Seventy-two square kilometer surface geologic surveys in the Chuhuangkeng field and Shangtao area in Miaoli were also conducted. In order to implement national energy policy and fully participate in the development of the green energy industry, CPC has also completed the production test of Tuchang No. 14 and No.15 geothermal wells in the Tuchang area of Yilan and cautiously evaluated their potential for 1.2MW geothermal power generation. Based on the potential evaluation, CPC plans to complete Tuchang No. 16, 17 and 18 geothermal wells and operate a Tuchang 5MW geothermal power plant bids in 2022, with the expectation of generating electricity and supplying the grid in August 2023.

Sea area cooperation & Independent potential research

CPC, Total E&P Chine (TOTAL, the Operator), and China National Offshore Oil Corporation (CNOOC) signed a Petroleum Contract of Taiyang Block on May 3, 2017. Approximately 8,131.6 km 2D seismic survey data have been processed in 2021. A 2,500 square kilometers 3D seismic commitment will be completed in 2022.

CPC has also worked with Husky Energy International Corporation to search for oil and gas in deep-water areas in the Tainan basin. The joint venture completed 2D and 3D seismic survey data acquisition, and completed data processing and data explaining as of 2021. The joint research for common risk segment (CRS) mapping is expected to finish in 2022.

CPC is also evaluating the upside hydrocarbon potential of Taihsi and Tainan basins in Taiwan, viewing potential exploration and extraction subjects and sites suitable for carbon storage sequestration; and it is integrating resources with the Exploration & Development Research Institute to achieve development objectives.

Overseas cooperation: Two new mining concessions obtained

In 2021, CPC was engaged in oil and gas exploration and production joint-ventures with international oil companies, participating in ten projects in eight countries. According to the proportion of working interest, 5.48 million barrels of crude oil, 507 million cubic meters of natural gas and 114.5 thousand barrels of LPG were allocated to CPC. The oil

and gas were from the development and operation of fields in Ecuador, Niger, Australia, and Chad.

CPC is continuously making progress toward the goal of increasing domestic sources and the stability of energy supply. Its important achievements in this regard include committing to the Niger development plan with the aim of exporting its crude oil as soon as possible. The Ichthys Project in Australia has continued with the Phase 2 development plan and maintains stable production, which has promising prospects. The Prelude Project in Australia has reached a record high of LNG production in November 2021. The Chad block, which CPC has operated since 2006, entered the production stage in February 2020. The first cargo of crude oil produced from the Oryx Field arrived in Taiwan at the end of November 2020. The Oryx Field produced crude oil stably and two more cargoes were shipped back to Taiwan in 2021. Two new mining concessions were obtained in 2021, namely, Pirity in Paraguay and SL10B/13 in Somaliland, both with oil and gas potential.

CPC's upstream business was launched in 1959. Today, it comprises exploration and production in both onshore and offshore oil and gas fields, both in Taiwan and overseas. To date, CPC has yielded a value of over TWD179 billion in upstream business. Looking to the future, CPC will actively enhance the value of producing asset and plans M&A activities that is focused on exploration and raising its level of ownership over core oil and gas reserves. CPC will endeavor to acquire assets with appreciable upside potential, and above all, those with low risk by industry standards. In parallel with this, CPC will develop diversity in the company's scope of business and become a player in the green energy industries, aiming to become one of the world's valuable international oil and gas exploration and production business entities.

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Head office : NO.2, TSO-NAN RD., NAN-TZU DIST., KAOHSIUNG, TAIWAN 81126 R.O.C / Tel:886-7-5824141 / Fax:886-7-5834228

Taipei office : No.3, Songren Rd., Sinyi District, Taipei City, Taiwan 11010 R.O.C. / Tel:886-2-87898989 / Fax:886-2-87899041

Toll free number: 1912