

NEWSLETTER

OIL & GAS

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China's first national-level continental shale oil demonstration zone has been fully completed

On Dec 9, 2025, China's first national onshore shale oil demo zone (Jimsar, Xinjiang, eastern Junggar Basin) hit its 1.7 million tons annual crude target, marking full construction completion. Covering 1,278 square kilometers with over 1 billion tons of resources, it tackled multiple technical hurdles, boosted single-well output, and offered a replicable development paradigm. **(China Petroleum News Center)**

Natural gas production grew 6.2% in 2025

Data from National Bureau of Statistics showed that in December 2026, natural gas production by industrial enterprises above designated size reached 23 billion cubic meters, a year-on-year increase of 5.1%. The average daily output was 740 million cubic meters. From January to December, natural gas production by industrial enterprises above designated size totaled 261.9 billion cubic meters, +6.2% YoY. **(Sina Finance)**

Shale gas expansion to boost resources

China's energy sector reported progress in the complex formation areas of western Hubei province. Two shale gas wells have reached industrial production standards, hitting daily volumes of 50,600 and 10,700 cubic meters. Success in Hubei is a strategic win, as it proves that shale gas - previously concentrated in the Sichuan Basin - can be extracted from more geologically challenging regions across the country. **(China Daily)**

The second Sichuan-to-East Gas Pipeline project enters fast track

The second Sichuan-to-East Gas Pipeline is approximately 4,269 kilometers long and will increase gas transmission capacity by about 14 billion cubic meters annually after completion and commissioning. Construction is expected to accelerate significantly in 2026, with over 1,000 kilometers of pipeline welding anticipated to be completed that year. **(People's Daily)**

Southwest China's first 50 billion cubic meter gas region completed

On Dec 31, 2025, CNPC's Southwest Oil and Gas Field set new records with annual natural gas output over 50 billion cubic meters and oil-gas equivalent exceeding 40 million tons. This completes southwest China's first 50-billion-cubic-meter gas production zone, boosting the Sichuan-Chongqing national 100-billion-cubic-meter gas base construction. **(Xinhua News Agency)**