

NEWSLETTER

OIL & GAS

29 June – 5 July 2026



Sinopec Forecasts 4.9% Drop in China's Oil Consumption by 2026

A report by the CNPC Economics & Technology Research Institute on June 19 projects that in 2026, China's oil consumption will reach 753 million tons (a year-on-year decrease of 4.9%, compared to a 3.6% increase in 2025), with crude oil production at 217 million tons (+0.5%), refined oil product consumption at 324 million tons (-6.4%) and natural gas consumption at 440-445 billion cubic meters (+1.3% - 2.5%). (chem.jgvogel.cn)

China's Seaborne Crude Oil Imports Fell to a 10-year Low in May 2026

In May 2026, China's daily seaborne crude imports hit 6.36 million barrels, down from April's figure and half February's pre-war 11.39 million barrels per day, its lowest since Oct 2016. Middle East and Russian supply cuts amid the Iraq War and Hormuz crisis, plus soaring oil prices, drove the drop. Refineries drew down stockpiles and curbed exports for domestic demand, which may alter future imports, refining runs. ([Sohu Finance](#))

CNOOC Ensures Gas Supply Amid Nationwide Heatwaves

Amid nationwide heatwaves, China National Offshore Oil Corporation arranged cross-regional gas supply. South China boosted gas output and steady LPG supplies; Jiaming Power Plant ran at full load with peak daily output over 34 million kWh. North China adopted refined gas field management for stable supply. China United Gas unclogged pipelines, with headquarters coordinating to secure summer residential gas. ([China Chemical Daily](#))

World's Lowest-Elevation Ultra-Deep Heavy Oilfield Output Tops 10 million tons

On June 29, the Lukeqin Oilfield - located beneath the Flaming Mountains in Turpan, Xinjiang, and recognized as the world's lowest-elevation, ultra-deep, extra-heavy oilfield - surpassed a cumulative oil production of 10 million tons. This milestone of reaching the 10-million-ton mark signifies the continued maturation of indigenous extraction technologies. ([CCTV](#))

Southwest Oil & Gas Field Company's Oil and Gas Equivalent Output Surpasses 20 million Tons

On June 29, Sinopec's Southwest Oil & Gas Field output peaked at 20 million tons, targeting 40 million tons this year. Meanwhile, high-yield results were achieved in the deep fields of Western Sichuan and the deep zones of the Central Sichuan paleo-uplift; additionally, the Nanchong Shunqing field (the basin's first tight oil field) and the Chongqing Fuxing field (the first shale-system oil field) have both passed official review. ([Sichuan Economic Network](#))