

C1 China Natural Gas Market (2008/2009)

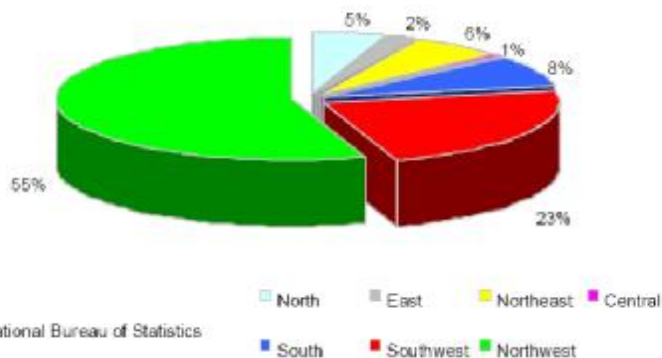
What's in the report?

- Ø A comprehensive and up-to-date review on China's natural gas market for Year 2008
- Ø Demands & imports review for Year 2004-2008 and forecast for Year 2009-2013
- Ø Domestic ex-field/retail prices trend and margins analysis for term/spot imports
- Ø Briefing on major state-run, private, foreign and JV players
- Ø Distribution of natural gas pipelines & LNG terminals
- Ø Import qualifications, tax barriers and gas pricing mechanism
- Ø Status quo of coal-bed methane reserve, exploitation and production outlook
- Ø Detail statistical data

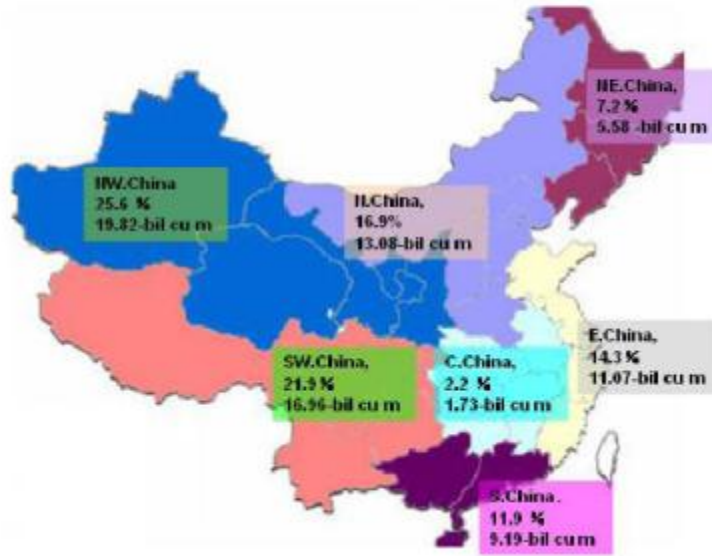
Consumption and Production

- Ø China 2008 apparent consumption reached 77.44-bil cubic meters (cu m), a 12% increase over 2007
- Ø Traditional production and sales powers including the Southwestern, Northwestern and Northern China
- Ø Eastern and Southern consumption shares, yet are far from natural gas production bases, are relatively low but have grown rapidly

Chart: China's Natural Gas Production by Region in 2008



Map: China's Natural Gas Consumption by Regions in 2008

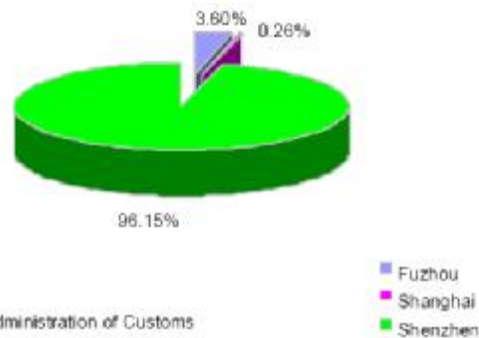


- Ø Natural gas production increased 12.3% year-on-year to 76.1-bil cu m in 2008
- Ø China's Northwestern and Southwestern regions are national leading producers with a combined 78.8% of total domestic production

LNG Imports

- Ø China's LNG imports reached 3.37-mil mt in 2008, up 14.35% year-on-year
- Ø Australia supplied over 2.72-mil mt or 81.47% of the total
- Ø African countries like Nigeria and Algeria provided the remaining

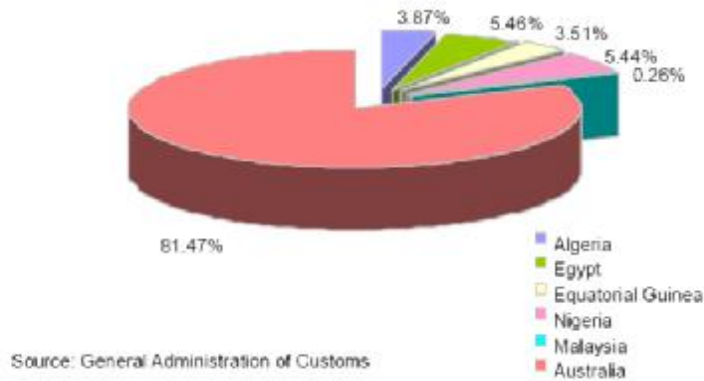
Chart: China's Natural Gas Imports – By Customs



Source: General Administration of Customs

- Ø Great progress in China's 2008 LNG terminal construction has been made
- Ø Two such terminals under operation, four under construction, one under preliminary evaluation and five under preliminary feasibility study

Chart: China's Natural Gas Imports by Origin in 2008



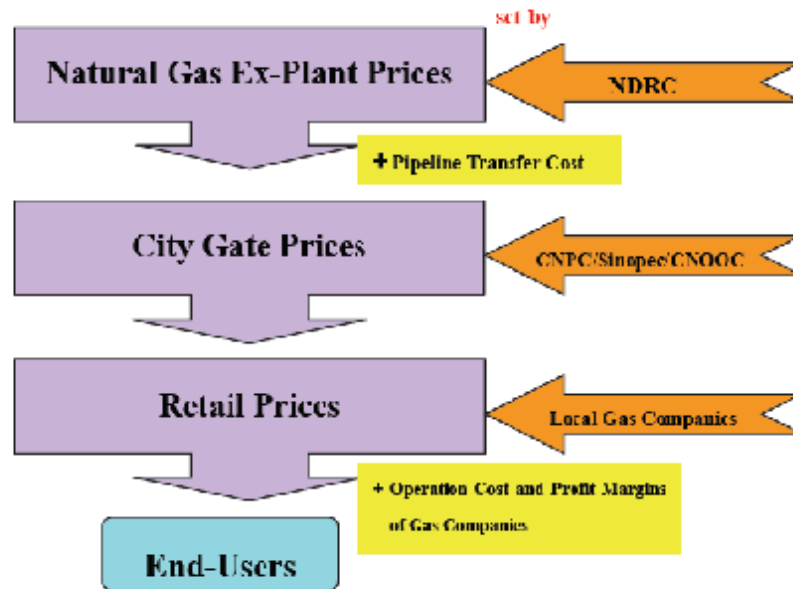
- Ø Around 96% of the total was processed by Shenzhen Customs where Dapeng LNG terminal is based
- Ø Fujian's LNG and Shanghai's LNG took the remaining

Map: Layout of China's LNG Terminals



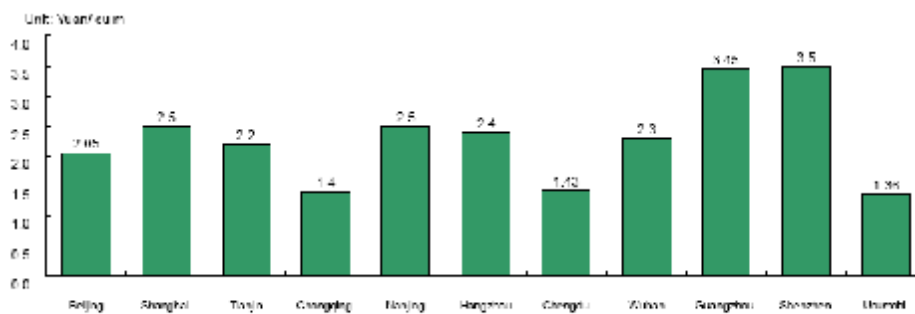
Natural Gas Pricing Mechanism

Chart: China's Natural Gas Pricing Mechanism



Source: CI

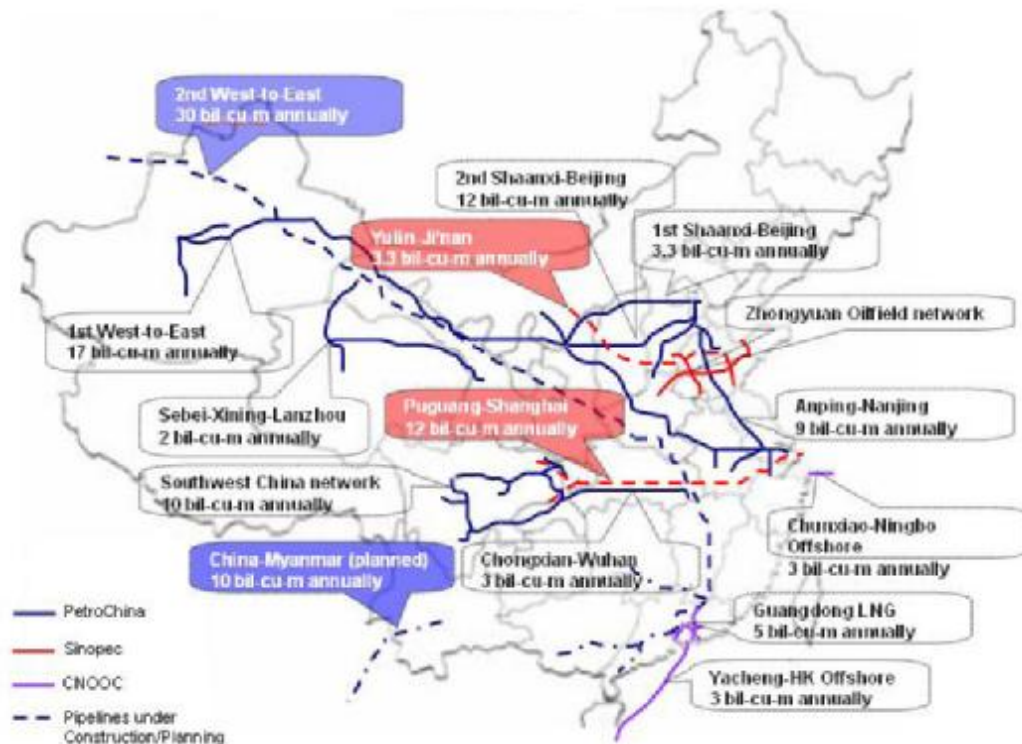
Chart: Natural Gas Retail Prices for Residents in Major Cities (2008)



Source: CI

Natural Gas Pipelines

Map: Layout of Major Natural Gas Pipelines in China



- ∅ China didn't launch any new gas pipelines in 2008 but pipeline constructions peaked in the year
- ∅ The under-constructing Second West-to-East Gas Pipeline and Puguang-Shanghai Pipeline in combine extend 6,561km long, more than 30% of the length of the big lines under operation

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Table: China's CBM Distribution

China's CBM Distribution			
Region	Geological Reserves within 2,000m depth (tri cu m)	Share	Remarks
Northern China	20.268	56.30%	mainly covered in Qinshui basin of Shanxi and Ordos basin of Inner Mongolia
Northwestern China	10.116	28.10%	mainly covered in Jungar, Tarim, Tianshan, Hailar and Tuha of Xinjiang, and Shaanxi
Southern China	5.148	14.30%	mainly covered in Sichuan basin, Yunnan and Guizhou
Northeastern China	0.468	1.30%	
Total	36	100%	

Source: National Development & Reform Commission

Table: China's Natural Gas Utilization Policy

China's Natural Gas Utilization Policy	
Type	Contents
Guaranteed Usage	1. City households' cooking and water heating
	2. Public facilities, including airports, governmental units, kindergartens, schools, hotels, restaurants, shopping malls, office buildings
	3. NG fuelled vehicles
	4. CHP (combined heat and power) and CCHP (combined cold, heat and power) systems
Allowed Usage	City-gas
	1. centralized heating facilities (heart area of central downtown)
Limit Usage	1. Construction of NG-fired power projects in non-key power generation areas
Banning Usage	1. NG fired power plants in coal rich areas, including Shaanxi, Inner Mongolia, Anhui and Shanxi

If you want to know China Natural Gas and LNG market, this is a handbook you cannot miss.

For more detail information, please contact us

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