



中国石油经济技术研究院

CNPC Economics & Technology Research Institute

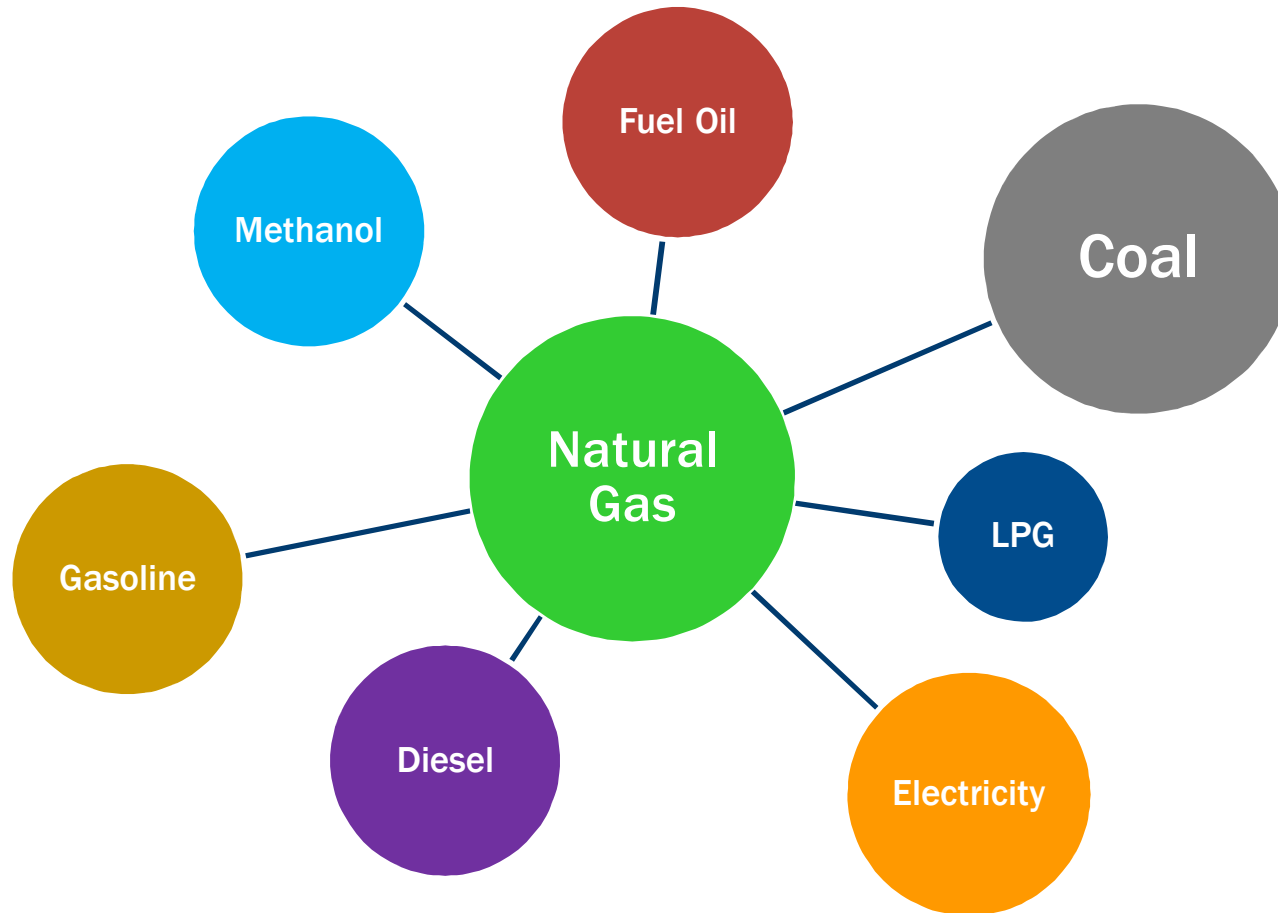
LNG Demand Outlook & Actions of China

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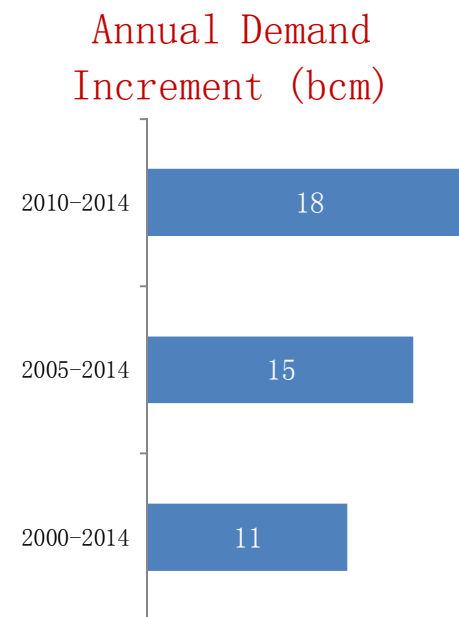
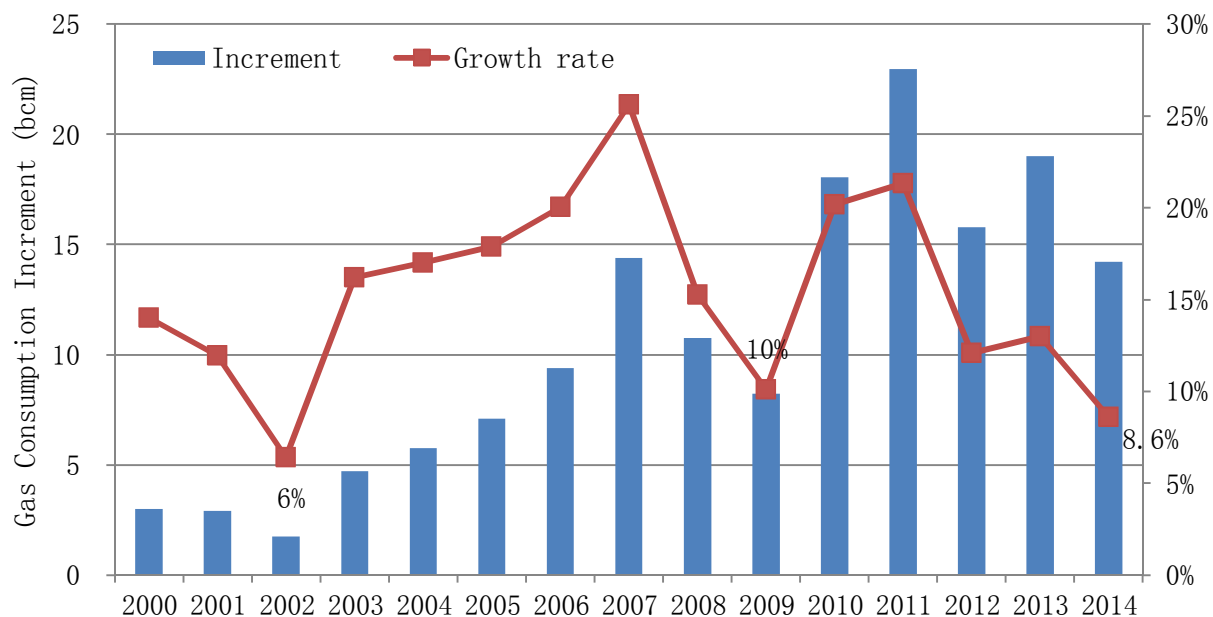
1. Status of Natural Gas in China . competition from other fuels



2. Natural Gas Demand Outlook . unexpected weak market



- According to the government's plan, China's natural gas demand will be 230 bcm in 2015 and 360 bcm in 2020. However, because of the weak economic growth, it's difficult to be 190 bcm in this year. Without strong policy support from central and local governments, it's hard to reach 300 bcm in 2020.



Increment of Natural Gas Consumption of China 2000-2014

3. Natural Gas Supply Outlook · ambitious plan



- The government also has an ambitious plan for natural gas supply capacity.
- ~~W~~ Work Plan for Air Pollution Prevention in Energy Sectorsq
- ~~S~~ Strategy Plan for Energy Development 2014-2020q

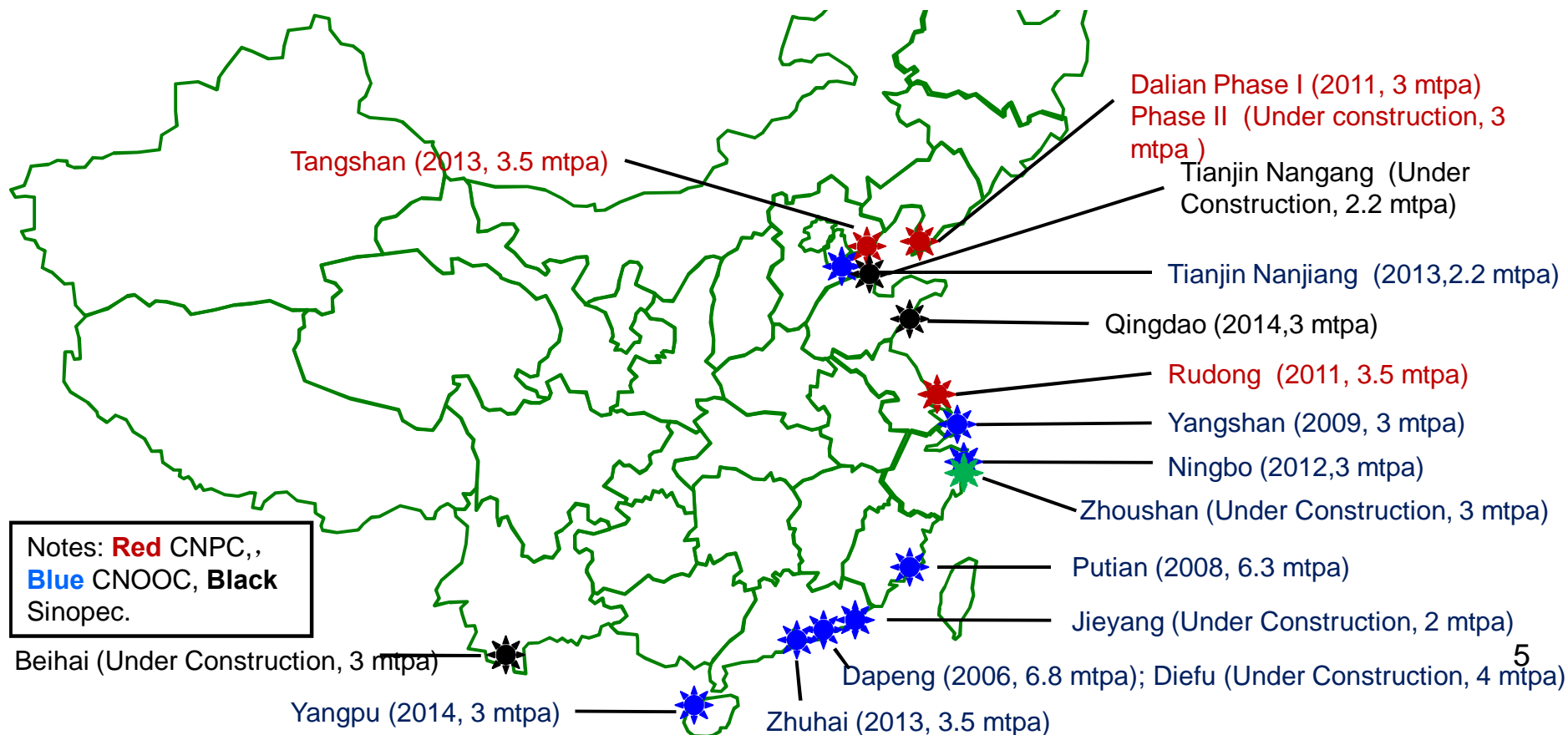
Natural Gas Supply Plan of China (bcm)

| | 2010 | 2014 | 2015 | 2017 | 2020 |
|-----------------------------|------|------|-------|------|------|
| Conventional Gas | 94.9 | 130 | 138.5 | 165 | 185 |
| Coal Bed Methane | | 3.7 | 10 | 17 | 30 |
| Shale Gas | . | 1.3 | 6.5 | 10 | 30 |
| Synthetic Natural Gas | . | 1 | 9 | 32 | 40 |
| Pipeline Import Capacity | 4.4 | 32 | 45 | 56 | 135 |
| Import LNG/Long Term (mtpa) | 12.6 | 20 | 25 | 34 | 40 |
| Total | 112 | 195 | 243 | 326 | 474 |

4. LNG Demand Outlook . sufficient capacity of LNG terminals



- By the end of 2014, the total capacity of 11 LNG terminals under operation is over 40 mtpa, while another 2 LNG terminals will be completed before December.
- The total capacity of LNG terminals will be about 60 mtpa in 2020, which is sufficient for market demand.



5. Actions of China . best chance for reform



Suppliers



- Marketing Promotion
- Cost Reduction
- Resources Portfolio

Consumers



- Supply Diversification
- Upward Integration
- Price Negotiation

Government S



- Price Reform
- Third Party Access
- Market Deregulation



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奉 献 能 源

创 造 和 谐

Many Thanks!