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EDITORIAL SUMMARY

Summary of this week's report

China's State Council released its stimulus plan for the petrochemical and refining industry for the next two years this week. The plan focused on encouraging industry consolidation and speeding up development of key refining projects now under construction. One of the government's goals is to raise China's average refining capacity to 6 million tons from the current 5.7 million tons.

The National Development and Reform Commission raised domestic jet fuel prices on May 19, which left the market and market watchers speculating that other domestic fuel price increases are in the pipeline.

China has worked hard this year to take advantage of the global economic downturn to secure long-term oil supplies from overseas. This week, China agreed to lend Brazil's state-owned oil company $10 billion in exchange for guaranteed crude oil shipments over the next 10 years.

Chinese leaders helped strike a similar deal with Russia earlier in the year, which included the expansion of a Russian oil pipeline into China. Construction began this week on the 965-kilometers section, which is expected to be able to transport up to 15 million tons of crude oil once it starts operation around the end of 2010.

Along with jet fuel, the government is also considering raising ex-works natural gas prices by the end of the month, a securities analyst told *Interfax*.

In this week's special report, some Chinese power generation companies have started to turn a profit in the first quarter of 2009 and analysts suspect that the uptrend is likely to continue throughout the remainder of the year.

If you have any questions, comments or suggestions regarding the *China Energy Weekly*, please contact: editor-energy@interfax.cn

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TOP STORY

Stimulus plan aims to consolidate Chinese refining industry

By Terry Wang

China's stimulus plan for the petrochemical and refining industry for 2009 to 2011, which was released by the State Council on May 18, will encourage industry consolidation but also speed up construction of key refining projects that are currently being built.

China intends to raise China's average refining capacity to 6 million tons, up from the current level of 5.7 million tons, according to C1 Energy.

To meet this goal, the government will eliminate small-sized companies with annual refining capacities below 1 million tons and encourage the suspension or merger of companies with annual refining capacities between 1 million and 2 million tons.

According to Shao Xiaotian, an oil analyst with Pec365.com, a large amount of refining capacity may be eliminated as many private companies that have established themselves as asphalt producers have made processing crude oil their primary business. According to C1 Energy, 9 million tons of asphalt production capacity may be eliminated. The government will also limit the approval of new asphalt projects.

As part of the three-year plan, China will help the industry to ramp up crude oil processing to 405 million tons by 2011 and increase the country's annual fuel and ethylene output by 247.50 million tons and 15.50 million tons, respectively.

To do this, the government will push for quicker construction of six refineries that will each have an annual processing capacity of more than 10 million tons when put into operation by 2011.

The government expects that by 2011, the country will have three or four large refining bases spread across the Yangtze River Delta, the Pearl River Delta and the Bohai Bay Rim, each with an annual refining capacity of more than 20 million tons.

"The plan is mainly about consolidation and concentrating refining projects in key locations," Wang Weigang, an oil analyst with Northeast Securities, told *Interfax*. "It actually involves few new projects. The six refining projects that have to be completed by 2011 are existing projects."

The government did not name the six refineries that it intends to focus on, although the table below specifies refineries that are under construction or have been put into operation in 2009.

Refineries under construction or that have been put into operation in 2009

Project	Location	Added annual refining capacity (mln tons)	Total annual refining capacity (mln tons)	Owner
Huizhou Refinery	Guangdong Province	12	12	CNOOC
Fujian Refinery (expansion)	Fujian Province	8	12	Sinopec, ExxonMobil, Saudi Arabian Oil
Changling Petrochemical (expansion)	Hunan Province	5	10	Sinopec Group
Dushanzi Petrochemical (expansion)	Xinjiang Autonomous Region	4	10	CNPC
Jilin Petrochemical (expansion)	Jilin Province	2.5	10	CNPC
Fushun Petrochemical (expansion)	Liaoning Province	8	10	CNPC
Wuhan Petrochemical (expansion)	Hubei Province	8	13	Sinopec Group
Guangxi Petrochemical	Guangxi Autonomous Region	10	10	CNPC

Source: Interfax research

Despite the government's intention to consolidate the industry, it is encouraging more cooperation between domestic refiners and foreign companies, which will supply crude oil. Under the stimulus plan, cooperation with foreign partners will result in the construction of two or three refineries in China, although the government has not revealed which projects it will support.

Wang Jiamei, an oil analyst with C1 Energy, believes that China will focus on cooperating with Russia, Venezuela, Kuwait and Qatar.

During an industry conference in Tianjin in April, a local government official said that CNPC and Russia's state-owned oil company Rosneft will start construction of a joint refinery in the second half of 2009.

Jiang Jiemin, board chairman of PetroChina Co. Ltd., revealed on May 12 that PetroChina will build two joint venture refineries with Venezuela-based Petroleo De Venezuela (PDVSA) in China to process the crude oil that PetroChina exploits in Venezuela. One of these two refineries will be located in the city of Jieyang in southern China's Guangdong Province.

According to Wang Jiamei, Sinopec Group is likely to work with Kuwait to expand its Zhanjiang Dongxing Refinery in Guangdong Province.

***Interfax* commentary:** Although little detail has been provided in the government's announcement, the China Petroleum and Chemical Industry Association (CPCIA) will release guidelines in July to explain how some of the plan's policies will be implemented. Considering that it took the government five months to offer some details about how it had implemented its fuel pricing system, we think it is likely that it might take a similar amount of time for it to elaborate on its petrochemical industry stimulus policies.

HEADLINE NEWS

China lifts jet fuel prices, further fuel hikes on the way - expert

By Victor Wang

The National Development and Reform Commission (NDRC), China's state economic planner, raised domestic jet fuel prices on May 19, state media reported on May 20, while other domestic fuel price rises are in the pipeline according to an industry expert.

According to the *Xinhua* news agency report, **Chinese airlines were informed directly of the price hike, which will see the price of jet fuel rise by RMB 460 ($67.45) per ton, or 11.53 percent, to RMB 4,450 ($652.49) per ton.**

Chinese airlines consume around 10 million tons of jet fuel a year, according to government statistics. Jet fuel expenditure accounts for 30 percent to 40 percent of the operational costs of Chinese airlines.

"The jet fuel price rise is linked to the recent spike in international crude oil prices. The NDRC is also likely to announce domestic price increases for other fuels, including gasoline and diesel, in the near future," Han Jing, an oil specialist in Beijing, told Interfax.

Previously, the NDRC announced a price hike for domestic fuel on March 25, lifting the gasoline price by RMB 290 ($45.52) per ton, and diesel prices by RMB 180 ($26.39) per ton. This price hike followed a surge of international crude oil prices to $43 a barrel from $35 a barrel over a five-week period.

At that time, the commission said it would consider readjusting the gasoline and diesel prices after 22 working days if international crude oil prices moved up or down by 4 percent from the March 25 level.

However, the NDRC has so far remained silent with regards to domestic fuel prices, even now that crude oil prices have risen to $60 a barrel.

"The NDRC's biggest concern is definitely the overall economic environment. As the economic figures for the first quarter were weak and recovery is still hesitant, the NDRC is deliberately trying to delay a domestic fuel price hike," Han said.

Nevertheless, Han said the NDRC's delay cannot last long as China is a net oil importer. The NDRC is unable to sustain a cap on the domestic fuel prices at the cost of domestic refineries' profit margins.

"The NDRC's jet fuel price hike is a signal to the market. A price increase of gasoline and diesel might come in the next few days. The state has no choice but to pass on the more expensive oil price to downstream oil consumers, even though this will hinder economic recovery," Han warned.

Zhou Dadi, the head of China's National Energy Agency, said on China's state-run CCTV last week that a fresh hike of domestic fuel prices is inevitable and just a matter of time in light of the recent growth of crude oil prices.

China inks $10 bln oil-for-loan deal with Brazil

By Victor Wang

China has agreed to lend Brazil's state-owned oil company $10 billion in exchange for guaranteed crude oil shipments over the next 10 years, state media reported on May 20.

Under the agreement that was signed on May 19**, China Development Bank will give the 10-year loan to Petrobras, which will ship 150,000 barrels of crude oil a day to China in 2009**, *Xinhua* news agency reported. P**etrobras will increase the shipments to 200,000 barrels per day from 2010 to 2019.**

In addition, Petrobras and China National Petroleum and Chemical Corp. (Sinopec) have pledged to cooperate on future oil exploration, refining and petrochemical projects.

The deal was signed during Brazilian President Luiz Inacio Lula da Silva's three-day state visit to China.

China imported 178 million tons of crude oil in 2008. The deal will ensure that Brazil supplies 10 million tons of crude oil a year to China from 2010 to 2019, which is about 5.6 percent of China's 2008 import volume.

With bilateral trade of $3.2 billion in April, China has replaced the United States as Brazil's largest trade partner.

China starts construction of Sino-Russian oil pipeline

By Victor Wang

Construction commenced on the Chinese section of the Sino-Russian oil pipeline on May 18, the pipeline's operator, China National Petroleum Corp. (CNPC), announced on May 19.

The Chinese section will span 965 kilometers across northern China's Inner Mongolia Autonomous Region and Heilongjiang Province.

When completed, the pipeline will run from the town of Skovorodino, Russia, to Daqing City in Heilongjiang.

Russia started construction on its 63.4 kilometer-long stretch of the pipeline on April 27.

The pipeline is designed with an annual oil transmission capacity of 15 million tons and is scheduled to start operation by the end of 2010.

The groundbreaking ceremony took place on May 18 in Mohe County, Heilongjiang, where it was attended by Vice Chinese Premier Wang Qishan and China's National Energy Bureau head Zhang Guobao.

"Only such serious, significant projects are capable of binding the people of Russia and China with even stronger ties of friendship and cooperation," Sergei Kudryashov, Russia's deputy energy minister, said at the ceremony.

Liao Yongyuan, deputy general director of the China National Petroleum Corp., said that the China regards the construction of the pipeline "as a good beginning for expanding cooperation in different parts of the energy sector."

China may lift natural gas prices by the end of May - analyst

By Terry Wang

China may raise ex-works natural gas prices by the end of the month, a securities analyst told *Interfax* on May 15.

The central government is considering raising the price of gas by RMB 0.40 ($0.059) per cubic meter for fertilizer producers and by RMB 0.20 ($0.029) for other industrial consumers as well as urban consumers, according to the analyst, who asked to remain anonymous.

Fertilizer producers have typically paid lower prices for gas so that agricultural costs are kept down, the source said. Urban customers currently pay the highest prices, which is why the government is considering raising prices for fertilizer producers by a larger margin, the source said.

The government is also considering a new natural gas pricing system. Another industry insider said on May 18 that China's National Development and Reform Commission (NDRC) has proposed that the government links domestic gas prices to international crude oil prices, *Shanghai Securities News* reported on May 18.

Domestic gas prices need to reflect growing costs with China gradually sourcing more of its gas from abroad at higher prices, the newspaper's source said. China's gas prices have so far remained below international prices.

China last raised natural gas prices by RMB 0.40 ($0.059) per cubic meter in November 2007, but left the price unchanged when crude oil prices grew to $147 per barrel in 2008.

At the end of April, Zhou Jiping, president of PetroChina Co. Ltd., said at a conference that **domestic natural gas prices were quite low and that the company expected a rise in the future.**

Under its five-year energy plan, China's intends for gas to account for 5.3 percent of the country's energy consumption by 2010, nearly double that of 2005.

In 2008, China produced 76.08 billion cubic meters of natural gas, up by 49.35 percent from 50.94 billion cubic meters in 2005. Meanwhile, the country imported a total of 3.34 million tons of liquefied natural gas (LNG) last year, an increase of 480,000 tons from 2005.

***Interfax* commentary:** China's LNG terminal operators will likely take in heavy losses if wholesale prices remain at their current level. Contract LNG prices have grown dramatically since the country's first LNG terminal opened in 2006. The government is keen to close the gap between domestic and international prices as China will be relying more heavily on imported LNG in the coming years, and can lean on its experience in implementing China's fuel pricing system. The natural gas price hike in May may be the first in what will likely be a series of gradual increases.

POLICIES & REGULATIONS

China to finish State IV diesel standard before July

China will finish crafting the country's State IV fuel standard for diesel before July 1, the official media of China Petrochemical Corp. (Sinopec Group) reported on May 15.

In October 2009, **Shanghai will become the second city in China after Beijing to implement the State IV emissions standard, which is equivalent to the Euro IV emissions standard**, according to China Petrochemical News Net.

Sinopec Group's two refining plants, Shanghai Petrochemical and Gaoqiao Petrochemical, are now updating their facilities to produce State IV fuel.

However, **70 percent to 80 percent of vehicles in Shanghai only comply with the State II emissions standard, so the additional supply of State IV fuel will not improve the emission problem immediately**, said Shao Xiaotian, an oil analyst with Pec365.com, told *Interfax*.

Shao noted that **Beijing, which has implemented the State IV gasoline standard only, and several Pearl River Delta cities such as Shenzhen and Guangzhou, which have implemented the State III fuel standard, are facing that very problem as most their vehicles only comply with the State II emissions standard**.

Due to the higher standard, Beijing's State IV gasoline is priced RMB 0.30 ($0.044) per liter higher than State II gasoline in other regions.

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OIL & PETROCHEMICALS

MIDDLE AND DOWNSTREAM

Environment concerns lead Sinopec Group, KPC to move site of planned refinery

China Petrochemical Corp. (Sinopec Group) and Kuwait Petroleum Corp. (KPC) will move the site of their planned refinery in Guangdong Province due to concerns about the project's environmental impact on the residents of Guangzhou City, an oil analyst told *Interfax* on May 13.

The companies will most likely move the site from Guangzhou's district of Nansha to Zhanjiang City, which is also in Guangdong, Wang Jiamei, an oil analyst with C1 Energy, said.

"The companies decided to change the site primarily because of concerns about the environmental impact that the refinery would have on the large population of Guangzhou, which is the province's capital," Wang said.

Sinopec Group already has one refinery in Zhanjiang and is planning to set up a refining base in the city as well, Wang said.

The companies are also considering the city of Maoming in Guangdong as a possible site, Wang said. A Sinopec Group refining subsidiary in the city, Maoming Petrochemical, is planning to expand its annual crude processing capacity from 13.50 million tons to 25.50 million tons by 2011.

In 2005, Sinopec Group and KPC started planning construction of a refinery with annual crude oil processing capacity of 12 million tons and annual ethylene production capacity of 1 million tons in Guangdong. At the end of 2007, the National Development and Reform Commission gave the go-ahead to start preliminary work on the project.

FINANCIAL AND COMPANY NEWS

PetroChina seeking up to $146.63 bln in new funding

PetroChina Co. Ltd, the listed arm of the country's largest oil company, China National Petroleum Corp., plans to raise up to RMB 100 billion ($146.63 billion) in 2009 to bankroll its oil, gas and refining projects, the company announced on May 13.

PetroChina plans to raise the money through debt financing as the company's debt is relatively low compared with its assets, President Zhou Jiping said at a shareholders meeting in Hong Kong**,** according to the announcement.

The company will use the additional capital to pick up the pace of its overseas expansion and develop key projects, including bolstering its oil exploration activities in the Erdos and Tarim basins in northern China, upgrading its refineries along the coast and building new oil and gas pipelines, especially ones that would link China to the oil and natural gas projects in Russia and Central Asia, according to the announcement. Zhou, however, did not breakdown how much the company plans to invest in each project.

Overseas expansion should be the company's priority, Wu Ying, an oil industry analyst from Guoyuan Securities, told *Interfax*.

"PetroChina should take advantage of relatively low oil prices at present to purchase more upstream oil and gas exploration rights overseas. Otherwise, oil prices could rise again, and inflate the cost getting in on these projects," Wu said.

Even though global crude oil prices have doubled from about $30 a barrel in late December, it is still not too late for PetroChina to expand its presence overseas. The long-term outlook for oil prices remains upbeat as oil is not a renewable energy source, making the company's other projects less urgent, Wu said.

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GAS

CNOOC signs LNG agreement with BG Group

China National Offshore Oil Corp. (CNOOC), China's third-largest oil and gas producer, signed a 20-year deal with British Gas Group (BG Group) on May 12 to buy 3.6 million tons of LNG (liquefied natural gas) each year from BG Group's Queensland Curtis LNG project in Australia, CNOOC announced on May 13.

The project development agreement will give CNOOC a 10 percent stake in one of the Queensland project's two LNG trains, which are its purification and liquefaction facilities, according to the announcement. **The project will have an annual production capacity of 7.4 million tons after it starts operation in 2014**. Under the agreement, the two companies will also establish a consortium to build two LNG tankers in China.

The consortium agreement indicates that BG Group is trying to expand its operations into shipping LNG to China, a gas industry expert with an Australian gas company told *Interfax*.

The gas expert said that the deal is a bit of a compromise as the Chinese government and CNOOC prefer to maintain full control over the LNG that is shipped to China, the expert said.

CNOOC is the largest shareholder of China's first LNG terminal, the Dapeng terminal in Shenzhen, Guangdong Province. The company is also developing other LNG terminals in Shanghai, Fujian and Zhejiang. The Shanghai LNG terminal is expected to start operation in September. In 2008, CNOOC signed agreements to import LNG from Qatargas and Oman's Qalhat LNG.

CNPC, Total plan to build new Sulige gas processing plant this year

China National Petroleum Corp. (CNPC) and Total S. A. plan to build the fourth natural gas processing plant in northwestern China's Sulige Gasfield by the end of the year, CNPC announced on May 18.

The plant will be built to process gas from the Sulige South Block, which CNPC and the French oil and gas company are jointly developing in the Ordos Basin, according to the announcement. The plant is expected to start processing gas at the end of next year.

CNPC and Total signed a cooperation pact regarding the 2,390 square-kilometer block in May 2006. T**he Sulige South Block is Total's first joint gas exploitation project in China.** The block, however, is the second joint development project that China has signed with a foreign company. The first saw CNPC and Royal Dutch Shell Plc work together to develop the Changbei Gasfield in the Ordos Basin.

CNPC is also working with Chevron Corp. on the exploitation of a gas block in western China's Sichuan Province.

Turkmenistan-China gas pipeline to deliver Uzbek gas

The gas pipeline between Uzbekistan and China, which was built to deliver natural gas from Turkmenistan to China, will be supplied by Uzbek gasfields, said Shavkat Mazhitov, the deputy head of the national holding company Uzbekneftegaz.

"Uzbek gas will be pumped into the gas pipeline between Uzbekistan and China," Mazhitov told an international oil and gas conference in Tashkent.

The Uzbek side reported earlier that no Uzbek gas exports were planned via the Uzbekistan-China pipeline.

Mazhitov did not say how much gas would be exported via the pipeline. "It would be premature to discuss this. The figures are still being negotiated," he said.

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COAL

SCCG and TISCO set up coal JV

Shanxi Coking Coal Group Co. Ltd. (SCCG) has set up a joint venture coal company with Taiyuan Iron and Steel (Group) Co. Ltd. (TISCO), TISCO announced on May 18.

The joint venture, which is named Shanxi Coal and Steel Joint Energy Development Co. Ltd., was launched on May 15 in Taiyuan City, capital of coal-rich Shanxi Province, according to a TISCO company newsletter.

SCCG holds a 60 percent stake in the company, which has registered capital of RMB 500 million ($73.31 million), while TISCO owns the remaining 40 percent, according to the newsletter.

Shanxi Coal and Steel Joint Energy Development will focus on coal exploitation, coal sales and investment in the coal industry. It will help SCCG integrate coal production and sales and ensure TISCO's coal supplies in times of shortage, according to TISCO.

SCCG currently operates 28 coalmines and has an annual raw coal output of 65.80 million tons. It is China's largest coking coal producer and supplies more than 20 percent of coking coal to the country's 18 largest steelmakers.

Shanxi govt plans to set up coal and coke futures exchange

The Shanxi provincial government is planning to establish an exchange for trading coal and coke futures, local media reported on May 17.

According to a *Taiyuan Evening News* report, **the provincial government of Shanxi aims to set up a coal and coke futures exchange in Taiyuan City of Shanxi Province** before 2012. "The Shanxi government has long considered setting up such an exchange, but there are many difficulties and complications in launching coal futures trading, as it involves a number of different industries such as power generation and chemical production," a coke trader, who wished to remain anonymous, told *Interfax* on May 19.

The trader was pessimistic about the success of coke futures trading. He said **the Shanxi government has set up a spot coal and coke trading market in Taiyuan City for local producers and traders, but few coke deals had taken place due to additional trading fees and weak demand.**

He added that although the Shanxi Coking Industry Association (SCIA) has hiked coke reference prices in May by RMB 60 ($8.79) per ton from April's prices**, his company's coke trading volume has remained very low as some domestic steel mills cannot afford to pay for the purchases**. In addition, the trading company has yet to receive any coke orders from overseas.

CORRECTION: Construction starts on coal-to-methanol plant in Inner Mongolia

The original story, published on May 12, did not attribute a source to this statement: "However, the government has delayed creating a national fuel standard for methanol because it is toxic when unfiltered and causes a lot of wear and tear on vehicle engines." A corrected version appears below.

Inner Mongolia Yidong Coal Group Co. Ltd., a large coal producer in the Inner Mongolia Autonomous Region, started building a coal-to-methanol plant on May 11, the company announced on May 12.

The RMB 9.5 billion ($1.39 billion) plant is designed to produce up to 1.2 million tons of the substitute fuel each year, according to the announcement. The plant is scheduled to start operation by the end of 2013.

Yue Guo, deputy general manager of Shenhua Coal Liquefaction Co. Ltd., said that methanol has more potential than other substitute fuels such as ethanol and dimethyl ether (DME) to become the most efficient alternative to traditional fuels.

However, **the government has delayed creating a national fuel standard for methanol because it is toxic when unfiltered and causes a lot of wear and tear on vehicle engines, according to industry experts from the China Petroleum and Chemical Industry Association (CPCIA), the China Alcohol and Ether Fuel Association (CAEFA) and some methanol fuel producers such as Shanxi Huandun Industry Co. Ltd.**

At a workshop in mid-April, the CPCIA announced that it is lobbying the central government to issue a clear standard for methanol and offer incentives to promote it as a fuel in order to reduce China's reliance on imported oil.

The CPCIA said that methanol will become an important alternative fuel in China over the next 20 to 30 years once the government creates the standard.

POWER

POWER DISTRIBUTION

China's power output sinks 3.9 pct year-on-year in first 10 days of May - report

China's power output dropped by 3.9 percent in the first 10 days of May when compared with the same period a year ago, state media reported on May 15.

Power output weakened when compared with year-on-year drop for the first 10 days of April, during which China's power output sank by 3.55 percent, according to figures from the National Bureau of Statistics.

Power output in the industrial hub of Guangdong Province in southern China over the first 10 days remained disappointing, state-run newspaper *China Securities Journal* cited State Grid Corp., China's largest power grid operator, as saying.

That said, power output in some parts of China, such as the Guangxi Zhuang Autonomous Region, Hebei Province and Henan Province, improved on an annual basis in the first 10 days of May due to the resumption of production by some local alumina smelters and steel mills.

"The statistics released today indicate that economic recovery in China has not yet taken off. Industrial production is still being affected by the global financial crisis, which is lowering power output," power industry analyst Zhang Yanbing, from Zheshang Securities, told *Interfax*.

Below is a table detailing China's power output from October 2008 to April 2009.

China's power output, October 2008 to April 2009

Month	Power output (bln kWh)	Y-o-y change
Oct 2008	264.501	-4.0
Nov 2008	254.022	-9.6
Dec 2008	273.961	-7.9
Jan - Feb 2009	488.294	-3.7
Mar 2009	283.361	-1.3
Apr 2009	274.763	-3.55

Source: National Bureau of Statistics, State Grid Corp.

THERMAL POWER

Chinese power companies to hold international coal fair

Some of China's largest power generation companies are planning to hold a coal fair for foreign coal producers on May 23 in Beijing, a power company executive told *Interfax* on May 14.

The power companies, which include China's six largest power generators, will invite at least 10 major coal suppliers from countries including Australia, Russia and Indonesia to hammer out contracts to secure additional coal supplies from abroad, said Li Xiangyang, deputy director of China Resources Power Fuel Co. Ltd., a subsidiary of one of the larger power generators.

Li said that about 60 company representatives are expected to attend the event, but declined to reveal further details.

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HYDROPOWER

Laxiwa Hydropower Plant starts operation

Laxiwa Hydropower Plant, the largest hydropower plant on the Yellow River, has started operation, the plant's owner announced on May 19.

The plant's two 700-megawatt (MW) water turbines started generating power on May 18, according to the owner, China Power Investment Corp. (CPIC). **CPIC started construction of the RMB 14.5 billion ($2.13 billion) plant in October 2001.** The plant was built on the border of Guide and Guinan counties in western China's Qinghai Province.

"The company intends to install four more 700-MW generators by the end of 2010, which will lift the plant's total installed capacity to 4,200 MW," an official with the Guide County Development and Reform Commission told *Interfax*. **"The plant's average annual power output is expected to exceed 10.22 billion kilowatt hours (kWh) after 2010."**

CPIC's total hydropower installed capacity has grown to 11,950 MW with the opening of the Laxiwa Hydropower Plant.

China to boost small-scale hydropower development in rural areas

China plans to start building small-scale hydropower plants at a faster rate to help meet the electricity demands of 1.7 million rural households that still rely on firewood for heating, state media reported on May 19.

The government plans to build hydropower plants with a combined installed capacity of 1,700 megawatts (MW) in rural areas between 2009 and 2015, *Xinhua* news agency reported. **The hydropower construction campaign aims to make more than 1,200 kilowatt hours of electricity available to each household annually**.

By 2020, the campaign aims to support 10 million rural households.

In 2003, China started building small-scale hydropower plants to reduce firewood consumption. **So far, 200,000 rural households have access to electricity generated by these plants, and 3.5 million mu (233,333 hectares) of forests have been saved.**

COMPANY NEWS

Yangtze Power to acquire $15.74 bln in assets from parent

China Yangtze Power Co. Ltd., the listed arm of China Three Gorges Project Corp. (CTGPC), announced on May 16 that it will acquire assets worth RMB 107.5 billion ($15.74 billion) from its parent, which include 18 power generators.

Yangtze Power will buy the 700-megawatt (MW) generators along with related assets including a CTGPC dam and factory, according to the announcement.

It plans to finance the acquisition by raising RMB 50 billion ($7.32 billion) in debt and by issuing 1.55 billion new shares worth RMB 20 billion ($2.93 billion) to CTGPC, which will lift CTGPC's shareholdings of Yangtze Power from 62.07 percent to 67.44 percent. Yangtze Power plans to pay the remaining RMB 37.5 billion ($5.49 billion) in cash.

The new shares will be issued at RMB 12.89 ($1.89) per share, which is the company's average ex-dividend share price 20 trading days before it suspended trading on May 8, 2008, in order to plan the acquisition of additional assets from its parent.

The proposal still requires approval from company shareholders, the China Securities Regulatory Commission (CSRC) and the State-owned Assets Supervision and Administration Commission (SASAC).

In a separate deal, CTGPC has agreed to sell Yangtze Power six underground generators that are currently under construction.

Yangtze Power's share price closed 4.11 percent higher at RMB 14.94 ($2.19) on May 18, the first day of trading following the suspension.

Xie Jun, a power industry analyst with Guangdong Development Securities, told *Interfax* that **the deal will boost Yangtze Power's stock price to about RMB 15 ($2.20) despite the additional shares being floated at RMB 12.89 ($1.89)**.

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The company expects that the asset acquisition will increase its 2009 net profit to RMB 6.3 billion ($922.40 million) from RMB 3.93 billion ($575.40 million) in 2008, if it can be completed by June 30, according to the announcement.

Based on that information, Yangtze Power's earnings per share will rise to RMB 0.57 ($0.083) in 2009 from RMB 0.417 ($0.061) in 2008.

The acquisition does not include CTGPC's four hydropower plants that are under construction on the Jinsha River, which have total installed capacity of 38,500 MW, though they may be included in future deals, according to the statement.

Yangtze Power's growth after 2011 will depend on the acquisition of the Jinsha River plants, Zou Xuyuan, a power industry analyst with Galaxy Securities, wrote in a research note on May 18.

Datang to take over Yuneng Group

China Datang Corp., one of the country's largest power generators, plans to buy a 51 percent controlling stake in Yuneng Group, a conglomerate owned by Chongqing Municipality, Datang announced on May 14.

Datang is taking over the company to preserve its status as a state-owned company under the State-owned Assets Supervision and Administration Commission (SASAC), which is planning to streamline the number of companies that it controls, a Yuneng Group employee, surnamed Yang, told *Interfax*.

"The takeover would help expand Datang's size, which would help it remain under SASAC's control," Yang said.

SASAC currently controls 138 large state-owned enterprises. It plans to reduce that number to between 80 and 100 by 2010 and has warned that smaller and less competitive companies would by absorbed by larger ones.

Datang plans to inject RMB 1.28 billion ($189 million) into Yuneng Group within the next five days as part of the takeover and help Yuneng restructure itself.

Yuneng Group has assets totaling RMB 12.7 billion ($1.86 billion). Its businesses are mainly focused on power generation, metallurgy and property development. The company's power plants have a total installed capacity of 800,000 kilowatts (kW), 520,000 kW of which is hydropower generation capacity.

"Yuneng Group is a large-sized, high-quality asset for Datang. The takeover will help Datang expand its power generation business in Chongqing and diversify its other businesses," according to company statement. "This is a deal that will benefit Datang's long-term sustainable development."

CLEAN ENERGY AND ENVIRONMENT

China's largest wind power farm up and running by late May

The second phase of the Huaneng Fuxin Wind Power Farm in northern China's Liaoning Province is scheduled to start operation by the end of the month, a local government official told *Interfax* on May 15.

The phase's 200 new turbines will be installed by May 20 and the Fuxin City-based wind farm will start full operation following a trial of several days, Fuxin Development and Reform Commission (NDRC) said. The new turbines will add 300 megawatts (MW) of installed capacity to the wind farm, which will make it China's largest.

Under the wind farm's first phase, 67 turbines with a total installed capacity of 200 MW were installed. So far, more than RMB 5 billion ($733.14 million) has been invested in the project.

"Thanks to its rich wind resources, Fuxin is striving to become a wind power hub in northeastern China. The local government has planned several new wind power farms in the city though none of them will be larger than Huaneng Fuxin," the NDRC official said.

Fuxin aims to boost its wind power installed capacity to 1,800 MW by 2010 and 3,600 MW by 2015, Fuxin's Mayor, Pan Liguo, told the local Liaoning Daily in late March.

The 50-MW Shijingao Wind Power Farm is currently under construction in the city and construction of the 200-MW Huaneng Fuxi Wind Power Farm is scheduled to start by the end this year, the mayor said.

Jilin solar plant to start operation in July

The largest solar power plant in northeastern China's Jilin Province is scheduled to start operation in July, the plant's investor, Jilin Hengpu Solar Power Co. Ltd. (JHSPC) told *Interfax* on May 14.

The RMB 130 million ($19.06 million) solar plant is designed with 1.5 megawatts (MW) of installed capacity and will be located in the Hadawan Industrial Zone of Jilin City.

The plant will be built with 9,860 polysilicon solar cells, of which 2,690 will be installed on the ground and 7,170 will be installed on building roofs.

JHSPC is still negotiating the price of the electricity that it will sell to power grid companies, an anonymous company official told *Interfax*.

According to the feasibility study of the project, the power plant could earn as much as RMB 57.76 million ($8.47 million) in profit each year.

***Interfax* commentary:** JHSPC's profit projections for the Jilin solar plant are inflated. According to local government statistics, Jilin has between 2,200 to 3,000 hours of sunlight each year during which solar cells can generate power. With 1.5 MW of installed capacity, the power plant's maximum annual power output is 4.5 million kilowatt hours (kWh). The company estimated an operating cost of RMB 3 ($0.44) per kWh. Factoring in that cost, the plant would need to sell its power for at least RMB 15.7 ($2.30) per kWh to hit the projected annual profit of RMB 57 million ($8.36 million). Such a high price might be acceptable in developed countries, but definitely not in China, where the National Development and Reform Commission has so far not approved a power tariff above RMB 4 ($0.59) per kWh for solar generated electricity.

SPECIAL REPORT

China's power industry jolts back to life in Q1

By Victor Wang

The earnings of China's power generation companies started to recover in the first quarter, with the uptrend likely continue throughout the remainder of the year, industry players and analysts predicted.

China's power firms recorded heavy losses across the board in 2008. The country's five largest state-owned power generation companies together lost about RMB 40 billion ($5.87 billion) last year due to an explosion in coal prices and government-capped electricity prices that failed to keep up with the rising costs of power generation.

Nevertheless**, the earnings of power companies began to turn around in the first quarter after coal prices plunged at the end of last year.**

"The sharp drop in coal prices in the fourth quarter of 2008 greatly improved our earnings because **coal accounts for almost 70 percent of a thermal power generator's operating costs,"** an employee surnamed Tang, from China Huaneng Group, told *Interfax*. **"We have managed to get rid of our deficit in the first quarter of this year."**

According to China Coal Trade and Development Association (CCTDA) statistics**, the price of 6,000 kcal/kg Datong premium blend coal fell to between RMB 610 ($89.31) and RMB 630 ($92.24) per ton by May 11, down from its peak of more than RMB 1,000 ($146.63) in the second half of 2008**.

Huaneng Power International Inc., the listed arm of power giant Huaneng Group, reported a net profit of RMB 550 million ($80.65 million) in the first quarter following last year's fourth quarter net loss of RMB 1.1 billion ($161.29 million).

Tang said the company's recovery will likely continue for the remainder of the year as coal prices are not expected to rise sharply under the current economic conditions.

Zhang Yanbing, a power industry analyst with Zheshang Securities, is also generally optimistic that power firms will stay in the black this year.

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Power generators have benefited from both the drop in coal prices and the two power price hikes that the National Development and Reform Commission (NDRC) implemented in the second half of last year, Zhang said.

The price hikes add up to RMB 0.045 ($0.0066) per kilowatt hour (kWh) and have already increased profit margins across the industry this year," Zhang said.

However, Zhang also warned that the recovery will be hindered by the drop in domestic power output due to the global economic downturn.

"Even though coal costs have fallen, power generators have been producing less electricity since last October due to weak domestic demand in the aftermath of the financial crisis," Zhang said.

Zhang added that China's power output might rebound after the central government's stimulus package takes effect.

The table below specifies the net earnings of major listed Chinese power companies in fourth quarter of 2008 and the first quarter of 2009.

Net earnings of major listed Chinese power companies, Q4 2008 and Q1 2009

Company	Net earnings in Q4 2008 (RMB)	Net earnings in Q1 2009 (RMB)
Huaneng Power International	-1.1 billion	550 million
Guangzhou Hengyun Enterprises	-9.13 million	36.40 million
Guangdong Shaoneng Group	-144.87 million	-11.52 million
Shanxi Zhangze Electric Power	-502.70 million	-44.88 million
Jilin Power	-301.30 million	-44.85 million
Dongfang Thermal Electric	-97.04 million	1.18 million
Changyuan Electric Power	-330.85 million	11.46 million
Henan Yuneng	-117.18 million	-19.63 million
Shanghai Electric Power	-2.58 billion	37.06 million
Huadian Power International	-1.19 billion	190.93 million
Jiulong Electric Power	-79.67 million	14.67 million
Datang Huayin Electric Power	-436.30 million	-151.71 million
Chendian International	-117.30 million	11.94 million
Xianglong Power Industry	-133.69 million	-23.72 million

Source: Shanghai, Shenzhen stock exchanges

Note: The U.S. dollar traded at RMB 6.8251 on May 19, 2009, according to the official benchmark exchange rate in China.

EMERGING COMPANY PROFILE

Jiangsu Huadong Wind Energy Technology Co. Ltd.

General information

Jiangsu Huadong Wind Energy Technology Co. Ltd., based in eastern China's Jiangsu Province, manufactures cast parts for wind power turbines. The company has RMB 250 million ($36.66 million) in registered capital.

Contact information

Sector	Energy
Address	No.368, Gucheng Road, Yushan Town, Kunshan City, Jiangsu Province, China
Telephone	+86-512-55275006
Facsimile	+86-512-57800008
Website	http://www.jshdfn.com

Source: company Web site

Core businesses

The company's core business is designing and manufacturing casting parts for wind turbines It is focused on manufacturing rotor hubs, yaw bases, cross beams, main shafts, gear case sand bearing houses for megawatt-level turbines.

Operational summary

The company, which conducts its business in China and abroad, was established in late 2007. It has been supplying cast parts to major Chinese wind power turbine makers in Jiangsu, Hunan, Guangdong and Shanghai. The company has more than 1,000 employees, 150 of which are technicians.

Listing plan

The company currently has no listing plan.

WEEKLY PRICES

SHFE fuel oil futures fall on profit taking

Shanghai Futures Exchange (SHFE) fuel oil prices dropped due to profit taking on May 20, with the most-traded August contract closing the session RMB 14 ($2.05), or 0.39 percent, lower at RMB 3,581 ($525.07) per ton.

The June crude oil delivery contract on the New York Mercantile Exchange (NYMEX) climbed to a six-month high of $60.99 a barrel before falling back to $60.10 per barrel on May 19. Expectations of increased gasoline consumption by drivers during summer and renewed fears of geopolitical tensions in the Middle East contributed to the rise in crude oil prices this week, Lu Huili from Nanhua Futures said.

Shanghai fuel oil futures prices grew by 0.84 percent on average from May 14 to May 20, tracking the rise of crude oil prices over the period.

The following table outlines fuel oil futures trade on the Shanghai Futures Exchange on May 14 and May 20.

Fuel oil futures trade on the Shanghai Futures Exchange, May 14 and May 20, 2009

Contract	Close on May 14 (RMB)	Close on May 20 (RMB)	Change (RMB)	Change (%)
fu0906	3,420	3,448	28	0.82
fu0907	3,480	3,505	25	0.72
fu0908	3,551	3,581	30	0.84
fu0909	3,613	3,641	28	0.77
fu0910	3,655	3,690	35	0.96
fu0911	3,695	3,705	10	0.27
fu0912	3,743	3,776	33	0.88
fu1001	3,785	3,807	22	0.58
fu1003	3,846	3,898	52	1.35
fu1004	3,876	3,950	74	1.91
fu1005	3,920	3,953	33	0.84

Source: Shanghai Futures Exchange

Note: The U.S. dollar traded at 6.8251 against the renminbi on May 20, 2009

Coal prices steady at Qinhuangdao Port in week ending May 18

Coal prices stood still at Qinhuangdao Port, China's largest coal trans-shipment port, from May 11 to May 18, while stockpiles continued to grow, according to China Coal Trade and Development Association (CCTDA) statistics.

Only the price of 4,500-kcal/kg general blend coal rose over the period, increasing by about RMB 2.5 ($0.37) per ton. The port's stockpiles grew from 4 million tons on May 9 to 4.05 million tons on May 16.

Analysts believe that coal prices could get a boost as the peak power consumption season of summer might begin early this year due to the recent hot weather. However, growing coal imports will help hold down domestic coal prices. In addition, ample water flow could raise hydropower output and steal market share from thermal power plants, lowering their coal demand.

Coal stockpiles at key power plants grew by 3.46 percent to 29.77 million tons from April 20 to April 29, according to CCTDA statistics. However, stockpiles in northern China fell by 4.48 percent to 7.21 million tons over the same period.

The table below specifies spot coal prices at Qinhuangdao Port on May 11 and May 18.

Spot coal prices at Qinhuangdao Port, May 11 and May 18, 2009

Coal type	Heat value (kcal/kg)	FOB price on May 11 (RMB, ton)	FOB price on May 18 (RMB, ton)
Datong premium blend	6,000	610 - 630 ($89.31 - $92.24)	610 - 630 ($89.31 - $92.24)
Shanxi premium blend	5,500	580 - 590 ($84.92 - $86.38)	580 - 590 ($84.92 - $86.38)
Shanxi blend	5,000	505 - 520 ($73.94 - $76.13)	505 - 520 ($73.94 - $76.13)
General blend	4,500	430 - 445 ($62.96 - $65.15)	435 - 445 ($63.69 - $65.15)
General blend	4,000	365 - 375 ($53.44 - $54.90)	365 - 375 ($53.44 - $54.90)

Source: China Coal Trade and Development Association

Note: FOB = free on board

Wholesale prices up, LPG prices mixed

Wholesale fuel prices continued to rise this week by between RMB 50 ($7.32) and RMB 100 ($14.64) per ton as China's state-owned oil companies are controlling supplies to traders, analysts said

LPG prices fell by between RMB 10 ($1.46) and RMB 40 ($5.86) per ton on average in northeastern and southern China, while prices increased by about RMB 30 ($4.39) per ton in the northern regions as a weeks-long discount promotion has increased the trading volume.

Domestic liquefied petroleum gas (LPG) prices (RMB/ton), May 16 to May 20

LPG Producer	Average	May 16	May 17	May 18	May 19	May 20
Daqing Petrochemical Company (Road delivery)	2600	2500	2500	2500	2400	2600
Daqing Petrochemical Company (Railway delivery)	2600	2500	2500	2500	2400	2600
Daqing Refinery Company (Road delivery)	2600	2500	2500	2500	2400	2600
Daqing Refinery Company (Railway delivery)	2600	2500	2500	2500	2400	2600
Daqing Refinery Company (propane)	3200	3200	2950	2950	2950	3200
Harbin Refinery (Road delivery)	2600	2500	2500	2500	2430	2600
Harbin Refinery (Railway delivery)	2300	2200	2200	2200	2130	2300
Harbin Refinery (Propane)	3050	3050	3050	2900	2900	3050
Daqing Fine Refinery	2850	2850	2850	2850	2750	2850
Yushutun Refinery (Road delivery)	-	-	-	-	-	-
Lamadian Refinery	2570	2500	2500	2470	2380	2570
Qianguo Refinery	-	-	-	-	-	-
Jihua Refinery	2800	2800	2800	2800	2800	2800
Shenyang Paraffin Plant	3400	3400	3400	3200	3200	3400
Shenyang Paraffin Plant (vehicle gas)	3400	3400	3400	3200	3400	3400

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LPG Producer	Average	May 16	May 17	May 18	May 19	May 20
Fushun Oil No.2 Plant (Road delivery)	-	-	-	2650	2650	-
Fushun Oil No.2 Plant (Railway delivery)	-	-	-	2650	2650	-
Liaoyang Chemical Fiber	-	-	-	-	-	-
Jinzhou Petrochemical (Road delivery)	2700	2650	2600	2550	2550	2700
Jinzhou Petrochemical (Seaway delivery)	2950	2950	2950	2950	2950	2950
Jinzhou Petrochemical (propane)	3450	3450	3450	3000	3000	3450
Jinxi Refinery	2700	2700	2650	2650	2650	2700
Liaohe Oilfield Petrochemical	2750	2650	2650	2600	2600	2750
Liaoning Panjin Heyun Group	2700	2650	2650	2650	2650	2700
Dalian Petrochemical (Road delivery)	3100	3100	3100	3100	3100	3100
Dalian Petrochemical (Seaway delivery)	3000	3000	3000	3000	3000	3000
Dalian West Pacific (Road delivery)	3100	3100	3100	3100	3100	3100
Dalian West Pacific (Seaway delivery)	3000	3000	3000	3000	3000	3000
Dalian Jinggu	3000	3000	3000	3000	3000	3000
Inner Mongolia Hohhot Refinery	2850	2850	2850	2700	2700	2850
Yanshan Petrochemical	2850	2770	2770	2800	2830	2850
Tianjin Refinery	2910	2910	2910	2910	2910	2910
Dagang Petrochemical	2750	2700	2700	2700	2730	2750
Shijiazhuang Refinery	2760	2730	2730	2780	2780	2760
Cangzhou Refinery	2730	2700	2700	2720	2720	2730
Huabei Petrochemical	2800	2730	2730	2750	2770	2800
Zhongjie Refinery	2720	2670	2670	2700	2700	2720
Jinan Refinery	3060	3060	2850	2910	2950	3060
Qingdao Petrochemical	3580	3580	3580	3580	3610	3580
Qingdao Oil Refinery	3100	3100	3000	3000	3000	3100
Gaomi Yonghui	2800	2800	2700	2750	2750	2800
Qilu Petrochemical	3250	3250	3200	3200	3200	3250
Shengli Heavy Oil Plant	2890	2800	2750	2800	2800	2890
Guangrao Petrochemical	2900	2900	2900	2900	2900	2900
Hengyuan Petrochemical	2850	2850	2850	2850	2900	2850
Shouguang Zhongxin	2760	2730	2730	2750	2750	2760
Shouguang Luqing	2780	2760	2750	2750	2750	2780
Shida Shenghua Refinery	2750	2750	2750	2720	2750	2750
Dongying Boyuan	2750	2750	2700	2700	2730	2750
Kenli Petrochemical	2730	2700	2670	2680	-	2730
Lijin Petrochemical	2770	2750	2730	2730	2750	2770
Binzhou Petrochemical	2850	2850	2800	2800	2850	2850

LPG Producer	Average	May 16	May 17	May 18	May 19	May 20
Changyi Petrochemical	-	2900	2750	2750	2750	-
Haike Petrochemical	2850	2850	2800	2800	2850	2850
Dawang Huaxing Petrochemical	2800	2780	2780	2800	2820	2800
Jingbo Petrochemical	2800	2810	2780	2870	2870	2800
Changcheng Petrochemical	2950	2920	2920	2970	2990	2950
Jincheng Petrochemical	2800	2800	2750	2800	2830	2800
Dongming Petrochemical	5000	5000	5000	5000	5000	5000
Huifeng Petrochemical	2850	2850	2700	2700	2720	2850
Huifang Hongrun	2860	2860	2860	2860	2900	2860
Qifa Petrochemical	2800	2800	2800	2800	2840	2800
Luoyang Petrochemical (Road Delivery)	2950	2920	2920	2970	2990	2950
Luoyang Petrochemical (Railway Delivery)	3050	3050	3000	3000	3000	3050
Zhongyuan Oilfield	2175	2175	2175	2175	2175	2175
Nanyang Refinery	2175	2175	2175	2175	2175	2175
Weihai	1900	1900	1900	1900	1900	1900
Yantai	2150	2150	2150	2150	2150	2150
Longkou	1900	1900	1900	1900	1900	1900
Dushanzi Petrochemical (Road Delivery)	2550	2550	2550	2550	2550	2550
Dushanzi Petrochemical (Railway Delivery)	2350	2350	2350	2350	2350	2350
Tarim Oilfield (Railway Delivery)	2700	2700	2700	2700	2700	2700
Urumqi Petrochemical (Road Delivery)	2500	2500	2500	2500	2500	2500
Urumqi Petrochemical (Railway Delivery)	2350	2350	2350	2350	2350	2350
Tuha Oilfield (Road Delivery)	2300	2300	2300	2300	2300	2300
Tuha Oilfield (Railway Delivery)	2450	2450	2450	2450	2450	2450
Lanzhou Refinery (Road Delivery)	2150	2150	2150	2150	2150	2150
Lanzhou Refinery (Railway Delivery)	2750	2750	2750	2750	-	2750
Yumen Refinery (Road Delivery)	2700	2700	2700	2700	-	2700
Yumen Refinery (Railway Delivery)	2755	2755	2755	2755	-	2755
Qinghai Oilfield (Road Delivery)	3150	3150	3150	3150	3350	3150
Qinghai Oilfield (Railway Delivery)	3200	3200	3200	3200	3400	3200
Changqing Petrochemical	2700	2650	2650	2650	2650	2700
Qingyang Petrochemical	2650	2650	2650	2650	2650	2650
Xi'an Petrochemical	2700	2700	2700	2700	2700	2700
Jingbian Refinery	2700	2700	2650	2650	2650	2700
Yongping Refinery	3250	3200	3200	3200	3200	3250
Yan'an Refinery	3200	3200	3200	3150	3150	3200

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LPG Producer	Average	May 16	May 17	May 18	May 19	May 20
Yinchuan Refinery	3350	3350	3300	3300	3300	3350
Ningxia Baota Refinery	3700	3700	3700	3700	3700	3700
NInglu Petrochemical	3700	3700	3700	3700	3700	3700
Nanchong Refinery	3700	3700	3700	3700	3700	3700
Chengdu	3700	3700	3700	3700	3700	3700
Chongqing	3020	2950	2950	2950	2980	3020
Guizhou	3070	3000	3000	3000	3030	3070
Kunming	3150	3120	3090	3090	3150	3150
Guizhou Panva Gas	3120	3120	3060	2990	-	3120
Yunnan Panva Gas	3630	3630	3550	3550	3550	3630
Jingmen Petrochemical (Road Delivery)	3630	3630	3550	3550	3550	3630
Jingmen Petrochemical (Railway Delivery)	3380	3380	3300	3300	3300	3380
Wuhan Petrochemical	3170	3120	3120	3120	-	3170
Hubei Jing'ao	3170	3120	3120	3120	-	3170
Yueyang Petrochemical (Road Delivery)	3120	3070	3070	3070	3070	3120
Changling Refinery (Road Delivery)	3150	3150	3150	3150	3150	3150
Hunan	3010	3010	3010	3010	3010	3010
Jiujiang Petrochemical	3060	3060	3010	3010	3010	3060
Jiujiang	2950	2950	2900	2950	2950	2950
Anhui Anqing (Road Delivery)	3030	3030	3010	3030	3010	3030
Wuhu	2950	2950	2900	3000	3000	2950
Yangtze Petrochemical Panva Gas	3060	3060	3010	3030	3030	3060
Nanjing Refinery (Road Delivery)	3350	3350	3350	3350	3350	3350
Qingjiang Petrochemical	6000	6000	6000	6000	6000	6000
Taizhou Petrochemical	3120	3120	3120	3120	3120	3120
Yancheng Petrochemical	3030	3030	3030	3030	3030	3030
Yangzhou Petrochemical	3020	3020	3020	3020	3020	3020
Zhenhai BP (domestic Gas)	3200	3200	3100	3200	3200	3200
Zhenhai BP (Imported Gas)	3900	3900	3900	3900	3700	3900
Hangzhou Refinery	3900	3900	3900	3900	3700	3900
Shanghai Petrochemical	3400	3400	3400	3100	3100	3400
Shanghai Gaoqiao	4000	4000	4000	3800	3800	4000
Fujian Refinery (Road Delivery)	3700	3700	3700	3700	3700	3700
Donghua Unocal (High propane ratio)	3700	3700	3700	3700	3700	3700
Suzhou BP (High propane ratio)	3350	3350	3350	3350	3350	3350
Jiangsu Zhongyou (domestic gas)	8000	8000	8000	8000	8000	8000
Jiangsu Zhongyou (imported gas)	3350	3350	3350	3350	3350	3350

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LPG Producer	Average	May 16	May 17	May 18	May 19	May 20
Shanghai Jindi (Low propane ratio)	7200	7200	7200	7200	7200	7200
Shanghai Jindi (High propane ratio)	5350	5350	5350	5350	5350	5350
Wenzhou Huadian	3110	3110	3060	3060	3060	3110
Wenzhou Huadian (High propane ratio)	3110	3110	3060	3060	3060	3110
Haiyan Huadian	4900	4900	4900	4900	4900	4900
Fujian Huaxing (Low propane ratio)	3150	3150	3150	3150	3150	3150
Jiangyin	3200	3200	3200	3200	3200	3200
Zhenjiang	3200	3200	3200	3200	3200	3200
Taizhou	3720	3720	3720	3720	3720	3720
Nantong	3200	3200	3200	3200	3200	3200
Wenzhou	3200	3200	3200	3200	3200	3200
Quanzhou	3900	3900	3900	3900	3900	3900
Fuzhou	3440	3440	3440	3440	-	3440
Fuzhou BP	3900	3900	3900	3900	3900	3900
Huadian Hengyuan	3420	3380	3390	3290	3280	3420
Huadian Weitou	3900	3900	3900	3900	3900	3900
Shenzhen Hua'an	3900	3900	3900	3900	3900	3900
Huizhou Longpeng	3900	3900	3900	3900	3900	3900
CNOOC Huizhou	3300	3300	3300	3200	-	3300
Guangzhou Huakai	3330	3330	3300	3250	-	3330
Guangzhou Zhongsui Gas	3280	3280	3250	3200	-	3280
Zhuhai BP	3300	3300	3300	3200	-	3300
Zhuhai Xinhai	3380	3380	3380	3350	-	3380
Zhuhai Coal Gas	4850	4850	4850	4850	4850	4850
Yangjiang Haiyang	4450	4450	4450	4450	4450	4450
Maoming Petrochemical (Road Delivery)	3720	3720	3720	3720	3720	3720
Maoming Petrochemical (Railway Delivery)	3380	3380	3380	3330	-	3380
Zhanjiang Dongxing	7300	7300	7300	7300	7300	7300
CNOOC Qinzhou	4850	4850	4850	4850	4850	4850
Guangxi Zhongyou	3800	3800	3800	3800	3800	3800
Guangxi Tiansheng (for industrial consumer)	3800	3800	3800	3800	3800	3800
Guangxi Tiansheng (for civil consumer)	3420	3380	3390	3290	3280	3420
Qinzhou Guoxing	3750	3750	3750	3750	3750	3750
Qingzhou Dongyou	3330	3330	3330	3280	3180	3330
Hainan Shihua	3600	3600	3600	3600	3600	3600
Shantou Caltex	3330	3330	3280	3180	-	3330
Chaozhou Huafeng	3300	3300	3300	3200	-	3300

LPG Producer	Average	May 16	May 17	May 18	May 19	May 20
Shandou Longpeng	3380	3380	3380	3330	-	3380
Shenzhen	3350	3300	3300	3250	3250	3350
Guangzhou (domestic)	3400	3350	3350	3300	3300	3400
Guangzhou (imported)	2600	2500	2500	2500	2400	2600
Zhuhai (domestic)	2600	2500	2500	2500	2400	2600
Zhuhai (imported)	2600	2500	2500	2500	2400	2600
Maoming	2600	2500	2500	2500	2400	2600
Zhanjiang	3200	3200	2950	2950	2950	3200
Guangxi	2600	2500	2500	2500	2430	2600
Chaozhou and Shantou (domestic)	2300	2200	2200	2200	2130	2300
Chaozhou and Shantou (imported)	3050	3050	3050	2900	2900	3050

Source: Pec365

EVENTS

5th Annual China Nuclear Energy Congress

The conference will feature more than 250 high level participants, including government authorities, nuclear power companies, nuclear power equipment manufactures, front-end fuel producer and more. It will be the most informative and cohesive platform for global nuclear industry players to familiarize themselves with the latest developments in China's nuclear projects, share viewpoints, exchange information and make contacts.

Time: May 19 to May 21, 2009

Location: Kempinski Hotel, Beijing Lufthansa Center, Beijing, China

Web site: www.chinadecisionmakers.com/alt-power/nuclear/index.asp

China Industrial Water Forum

China is making an effort to reduce the impact of the global financial crisis through environmental infrastructure upgrades. One of the biggest investment projects in China, with a projected budget of RMB 400 billion, has been planned and a special focus has been placed on water treatment. Consequently, it is no surprise that China has much to offer in the areas of investment, technology, research and development, and leadership for this vital industry.

China Industrial Wastewater Forum is the one and only platform in Asia Pacific that brings together policymakers, industry leaders, experts and practitioners to address investment challenges, showcase technologies, discover commercial opportunities and celebrate achievements.

Key Topics:

Theme A: Safe and Sustainable Water Supply from Source to Tap

Theme B: Water Economics, Finance and Investment

Theme C: Wastewater Utilities Asset Management: Collection, Treatment And Disposal

Theme D: Urban Water Pipeline Integrity Management

Time: June 1 to June 2, 2009

Location: Shenyang Kempinski Hotel, China

Web site: http://www.noppen.com.cn/Old_Corporate_Website/HTML/2ndwater/home.html

Contact: Alan Shen

Tel: +86-21-86051000 ext. 201

Fax: +86-21-61921908

E-mail: alans@noppen.com.cn

4th Annual Coal Chemical Summit

The continuous decrease in the oil price presents unprecedented challenges and opportunities for the coal chemical industry, which is searching for ways to guarantee healthy margins and profits. Coal, now the world's fastest growing fuel, has strongly contributed not only to the world's energy needs, but also to those of China. As an affordable and accessible fuel, coal has become tremendously important to China.

At the 4th China Advanced Coal Chemical Summit, senior directors from China's coal and related state-owned industries will discuss China's newest industrial policies, source technology solutions for their plants.

Session One: Policy and Market Forecasts

Session Two: Project Focus - Examining the Progress of China Coal Chemical Projects

Session Three: Technologies - How to Guarantee Cost Effective and Pollution Reducing Process While Offering the Most Updated Solutions at the Highest Quality

Session Four: Energy Saving and Emissions Reduction - Water Recycling and Conservation Solutions and Co2 Emissions Reduction Solutions

Session Five: Equipments and Services - Improve Chine's Coal Chemical Industry through Quality Equipment and Services

Time: June 10 to June 11, 2009

Location: Shangri-La Hotel, Baotou, Inner Mongolia, China

Web site: http://www.noppen.com.cn/Old_Corporate_Website/HTML/coalchem4/home.html

Contact: Alan Shen

Tel: +86-21-86051000 ext. 201

Fax: +86-21-61921908

E-mail: alans@noppen.com.cn

PV Summit Asia 2009

The conference, organized by Merisis-Asia and endorsed by ISES, will focus on the Asia PV market. It will attract officials from governments, associations, electricity groups, investment banks, research centers and policy institutes from all over the world.

More than 150 industry elites will come to Shanghai to discuss the industry's hottest topics, such as PV Projects' Platform, Investment & Financing, Advanced Solar Cells and Materials Technology, Market analysis of Global Solar Photovoltaic Industry, PV Systems / BIPV.

Time: June 17 to June 19, 2009

Location: Plaza Royale Oriental Shanghai

Hosting Organization: Merisis, endorsed by ISES

Web site: www.merisis-asia.com/pv

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Shanghai International Congress and Exhibition on Renewable Energy 2009

Shanghai International Congress and Exhibition on Renewable Energy 2009 (RECE) is aimed at realizing sustainable development of the economy through:

- Advancing the exploitation and utilization of renewable energy
- Enhancing energy supply and improving energy structure
- Ensuring energy security and protecting the environment

RECE, with a distinctive character of internationalization, high level, large-scale system and commonweal, will be held annually.

Time: Oct. 22 to Oct. 24, 2009

Location: Shanghai International Exhibition Center (No. 88 Lou Shan Guan Road, Shanghai, P. R. China)

Hosting Organization: Shanghai Centre for Scientific and Technological Exchange with Foreign Countries (SSTEC), Chinese Renewable Energy Society (CRES), Shanghai Worldwide Exhibition Service Co., Ltd (WES)

Cooperation partner: Cleantech Group LLC (the United States) and Shanghai Clean Energy Research and Industry Promotion Center (SCEC)

Web site: http://re.sstec.com.cn

Contact: Mr. Tang Yaohua (SSTEC)

Tel: (86-21)64712269 64311988

Fax: (86-21)64712001

E-mail: yhtang@sstec.com.cn

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Tel:(86-21)52287055 52287030
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