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EDITORIAL SUMMARY -----	2
SUMMARY OF THIS WEEK'S REPORT-----	2
TOP STORY -----	2
SINOPEC GROUP LIFTS CRUDE OIL PROCESSING VOLUME IN APRIL-----	2
HEADLINE NEWS -----	3
CHINA'S CRUDE OIL AND FUEL EXPORTS GROW IN Q1-----	3
CHINA'S POWER CONSUMPTION DROPS 4.02 PCT YEAR-ON-YEAR IN Q1-----	4
CHINESE HYDROPOWER GENERATORS FARING BETTER THAN COMPETITORS - ANALYST-----	4
CHINA UNLIKELY TO HIKE RETAIL FUEL PRICES - EXPERT-----	5
OIL & PETROCHEMICALS -----	5
UPSTREAM EXPLORATION & PRODUCTION -----	5
SHELL IN TALKS WITH CHINESE OIL COMPANIES REGARDING IRAQI OILFIELD BID-----	5
SINOPEC GROUP RESUMES FUEL PROCUREMENT IN APRIL - ANALYST-----	6
PRICE FOR RUSSIAN OIL TO CHINA TIED TO MARKET PRICE AT PRIMORSK-----	6
TRANSNEFT, ROSNEFT SIGN BILATERAL AGREEMENT ON OIL DELIVERIES TO CHINA-----	6
TRANSPORTATION AND STORAGE -----	7
STABILITY OF OIL SUPPLIES TO CHINA VIA ESPO BRANCH GUARANTEED - PUTIN-----	7
MIDDLE AND DOWNSTREAM -----	7
CNPC LIFTS CRUDE OIL PROCESSING VOLUME TO 9.3 MLN TONS IN APRIL-----	7
OIL GIANTS LIFT RETAIL FUEL PRICES IN SOUTHERN CHINA - ANALYST-----	7
CNPC AND ROSNEFT TO START CONSTRUCTION ON TIANJIN REFINERY IN Q2-----	7
CHINA READY TO BUILD OIL REFINERY IN KAZAKHSTAN-----	8
CNPC'S PENGZHOU REFINERY TO START CONSTRUCTION THIS MONTH-----	8
FINANCIAL AND COMPANY NEWS -----	8
PETROCHINA EARNS \$586 MLN IN PROFIT FROM REFINING BUSINESS IN MARCH-----	8
PETROCHEMICALS -----	9
HAINAN, QATARI COMPANY TO DEVELOP ETHYLENE PROJECT - REPORT-----	9
COAL -----	9
SHENHUA GROUP STARTS SNG PROJECT CONSTRUCTION IN INNER MONGOLIA-----	9
XINJIANG DISCOVERS NEW COALFIELD WITH RESERVES OF 3 BLN TONS-----	10
POWER -----	10
POWER DISTRIBUTION -----	10
HENAN TO SPEND \$10 BLN ON COAL, OIL AND POWER INDUSTRIES IN 2009-----	10
CSG BOOSTS GRID INVESTMENT TO \$1.82 BLN IN Q1-----	11
HPI'S POWER OUTPUT FALLS BY 9.28 PCT YEAR-ON-YEAR IN Q1-----	11
THERMAL POWER -----	11
CHINESE POWER GIANTS SECURE 8 MLN TONS OF OVERSEAS COAL-----	11
COMPANY NEWS -----	12
SHANGHAI ELECTRIC POWER EXPECTS NET PROFIT TO HIT \$5.5 MLN IN Q1-----	12
GUEST COLUMN -----	12
WHAT DOES APRIL HOLD FOR NORTHERN CHINA'S FUEL MARKET?-----	12
SPECIAL REPORT -----	13
FLOOD OF PETROCHEMICALS FROM MIDDLE EAST THREATENS MARKET SHARE OF CHINESE PRODUCERS-----	13
EMERGING COMPANY PROFILE -----	15
CHINT SOLAR CO. LTD.-----	15

WEEKLY PRICES -----	15
SHFE FUEL OIL FUTURES SPIKE DESPITE FALLING CRUDE OIL-----	15
COAL PRICES CONTINUE GROWING AT QINHUANGDAO PORT-----	16
WHOLESALE DIESEL PRICES GET A BUMP, LPG PRICES MIXED-----	16
EVENTS -----	19
THE 4TH RENEWABLE ENERGY FINANCE FORUM - CHINA-----	19
5TH ANNUAL CHINA NUCLEAR ENERGY CONGRESS-----	20
PV SUMMIT ASIA 2009-----	20
WEEKLY MONITORS – CHINA -----	21
WEEKLY MONITORS – CHINA-----	21
INDUSTRY REPORTS - CHINA -----	21
INDUSTRY-SPECIFIC REPORTS-----	21
RESEARCH SERVICES -----	21
CUSTOM RESEARCH-----	21

EDITORIAL SUMMARY

Summary of this week's report

In this week's top story, China Petrochemical Corp. (Sinopec Group), China's largest fuel producer, raised its monthly crude oil processing target by 1.95 percent over that of March. Both Sinopec Group and its rival China National Petroleum Corp. (CNPC) were able to reduce their inventories in March by meeting their fuel sales targets for the month, which now allows them to produce more fuel. The news was a strong sign that domestic fuel demand is beginning to recover. In another such sign, Chinese crude oil and oil product exports climbed to 1.52 million tons and 4.17 million tons respectively in the first quarter of 2009.

The power industry is still having some trouble, however. China's power consumption in the first quarter fell by 4.02 percent year-on-year to 780.99 billion kilowatt hours (kWh) due to waning electricity usage in the secondary sector. Still, it wasn't all bad news as power consumption in the primary and the tertiary sectors grew over the same period. Hydropower was one of the few bright spots in the industry as it managed to show growth in power output. Hydropower plants are not experiencing the same drop in electricity output during the economic downturn as other power generators.

At the bottom of the headline news section, *Interfax* explores why China probably won't raise retail fuel prices in the near future even though the government's own criteria for a price hike was met earlier this week.

In this week's energy special report, Terry Wang examines the threat Middle Eastern ethylene derivatives pose to the domestic market share of Chinese petrochemical producers.

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

TOP STORY

Sinopec Group lifts crude oil processing volume in April

By Terry Wang

China Petrochemical Corp. (Sinopec Group), China's largest fuel producer, has raised its crude oil processing target for April by 1.95 percent over last month's target, a domestic oil portal reported on April 15.

Sinopec Group aims to process 14.62 million tons of crude oil in April and increase its daily processing target by 5.35 percent month-on-month to 490,000 tons, according to C1 Energy.

The company's refining profit margin is large enough to justify raising the target, Jin Long, an oil analyst with Oriental Oil and Gas Net, told *Interfax*.

Meanwhile, **China National Petroleum Corp. (CNPC)** has also increased its April crude oil processing target by **1.09 percent from March to 9.3 million tons**, according to C1 Energy.

Both companies were able to reduce their inventories by meeting their fuel sales targets in March, which now allows them to produce a bit more fuel this month, Liao Kaishun, an oil analyst with C1 Energy, told *Interfax*.

The following table specifies Sinopec Group's crude oil processing targets for March and April 2009.

Sinopec Group's crude oil processing targets, March and April 2009

Refinery	April crude processing target (ton)	April daily crude processing target (ton)	March crude processing target (ton)	March daily crude processing target (ton)	Daily processing target change (%)
Yanshan Petrochemical	820,000	27,333	870,000	28,065	-2.61
Tianjin Refinery	420,000	14,000	300,000	9,677	44.67
Qilu Petrochemical	670,000	22,333	890,000	28,710	-22.21
Shijiazhuang Refinery	60,000	2,000	120,000	8,387	-76.15
Jinan Refinery	330,000	11,000	335,000	10,806	1.79
Shengli Refinery	110,000	3,667	110,000	3,548	3.33
Cangzhou Refinery	220,000	7,333	220,000	7,097	3.33
Luoyang Petrochemical	520,000	17,333	400,000	12,903	34.33
Qingdao Refinery	700,000	23,333	700,000	22,581	3.33
Jinlin Petrochemical	1,060,000	35,333	980,000	31,613	11.77
Yangzi Petrochemical	700,000	23,333	700,000	22,581	3.33
Changling Petrochemical	370,000	12,333	370,000	11,935	3.33
Jiujiang Petrochemical	342,000	11,400	340,000	10,968	3.94
Anqing Refinery	310,000	10,333	310,000	10,000	3.33
Jingmen Petrochemical	390,000	13,000	320,000	10,323	25.94
Wuhan Petrochemical	370,000	12,333	380,000	12,258	0.61
Gaoqiao Petrochemical	850,000	28,333	820,000	26,452	7.11
Shanghai Petrochemical	800,000	26,667	720,000	23,226	14.81
Zhenhai Refinery	1,700,000	56,667	1,720,000	55,484	2.13
Maoming Petrochemical	1,100,000	36,667	970,000	31,290	17.18
Guangzhou Petrochemical	900,000	30,000	950,000	30,645	-2.11
Fujian Refinery	250,000	8,333	250,000	8,065	3.33
Zhanjiang Dongxing Refinery	300,000	10,000	310,000	10,000	0.00
Hainan Refinery	600,000	20,000	580,000	18,710	6.90
Other refineries	728,000	24,267	675,000	17,258	40.61
Total	14,620,000	487,333	14,340,000	462,581	5.35

Source: C1 Energy

HEADLINE NEWS

China's crude oil and fuel exports grow in Q1

By Hou Jie

Chinese crude oil and oil product exports climbed to 1.52 million tons and 4.17 million tons respectively in the first quarter of 2009, according to statistics released by China Customs on April 10.

From January to March, crude oil exports shot up by 134.1 percent year-on-year due to the rising global crude oil prices, Shao Xiaotian, an oil analyst with Shanghai-based Pec365, told *Interfax*.

In March alone, China exported 470,000 tons of crude oil, according to China Customs.

Meanwhile, **Chinese oil product exports grew by 15.7 percent year-on-year in the first quarter** and China exported 1.55 million tons of oil products in March.

Shao attributed the growth in exports to excess fuel inventories that have now been sold off.

China's crude oil imports fell by 10.2 percent year-on-year to 40.89 million tons in the first quarter, while oil product imports dropped by 3.5 percent year-on-year to 8.96 million tons, according to China Customs.

"China's oil companies had to reduce imports during the first quarter due to weak domestic demand and its large fuel inventory," Shao said.

China Customs also released China's coal export figures in the first quarter, which fell by 27.6 percent year-on-year to 7.38 million tons.

Interfax commentary: China will not be able to sustain such a large volume of crude oil exports through the third quarter.

The growth of exports over the first quarter is a result of the drop off in demand from refineries after oil product sales started to slip in the fourth quarter of last year. Since then, refineries have been cutting back production and clearing their inventories.

But the tide appears to be turning. The country's oil giants, CNPC and Sinopec Group, each exceeded their March sales targets while raising their wholesale fuel prices. These factors indicate that they have succeeded in reducing their fuel inventories. There also seasonal factors at work. The spring farming season and the peak summer driving season will also spur fuel demand in the second and third quarters. As such, operating rates will rise this quarter and domestic crude oil consumption will go up.

China's power consumption drops 4.02 pct year-on-year in Q1

By Victor Wang

China's power consumption in the first quarter of this year fell by 4.02 percent year-on-year to 780.99 billion kilowatt hours (kWh) due to waning electricity usage in the secondary sector, according to China Electricity Council (CEC) statistics released on April 14.

The sector's power consumption, which includes that of construction and manufacturing, shrunk by 8.21 percent from the same period a year ago to 559.08 billion kWh.

However, power consumption in the primary and the tertiary sectors expanded in the first quarter. Primary sector consumption grew by 5.12 percent year-on-year to 17.46 billion kWh, while that of the tertiary sector rose by 7.41 percent to 92.06 billion kWh, according to the CEC. Residential power consumption for the first quarter increased by 9.88 percent year-on-year to 112.39 billion kWh.

China's power consumption will be shaped by the secondary sector in 2009 as it accounts for about 70 percent of the country's total electricity usage, power analyst Zhang Yanbing, from Zhejiang Securities, said.

According to Zhang, industrial production is likely to recover in the second quarter, which will boost electricity consumption.

In addition, State Power Grid Corp. predicted on April 14 that China's annual power consumption would grow between 3 percent and 5 percent year-on-year in 2009. The company estimated that China would have a surplus of electricity this year as generation capacity is currently more than enough to meet demand.

Chinese hydropower generators faring better than competitors - analyst

By Victor Wang

Chinese power companies with hydropower plants are not experiencing the same drop in electricity output during the economic downturn as other power generators, an industry analyst told *Interfax* on April 9.

"Hydropower is regarded as a cleaner source of energy than thermal power and has priority on the country's power grids. As a result, hydropower generators have been less affected by the sluggish economy," power analyst Chang Gefei, from Guoyan Securities, said.

China Yangtze Power Corp., which has a partial stake in the Three Gorges Power Plant, reported on April 9 that its electricity output grew by 10.76 percent year-on-year to 6.22 billion kilowatt hours (kWh) in the first quarter of this year.

Three Gorges contributed 3.54 billion kWh of electricity to the company's total output in the first quarter, which is an increase of 7.32 percent over the same period a year ago, according to a company statement. Yangtze Power's other hydropower plant, the Gezhouba Power Plant, recorded a 15.67 percent year-on-year increase in electricity output over the same period.

However, thermal power generator GD Power Corp.'s electricity output fell by 9.92 percent year-on-year to 13.61 billion kWh in the first quarter, the company announced on April 9.

Interfax commentary: Chinese hydropower generators might fare better than their thermal power counterparts for now, but will not be able to maintain their output growth all year. Rain usually accompanies the start of spring, but so far, the season has been relatively dry. In addition, the country will enter a high electricity consumption period as summer approaches. As such, we will see a reversal in the performance of hydropower and thermal power generators in the next quarter.

China unlikely to hike retail fuel prices - expert

By Victor Wang

China probably will not adjust retail fuel prices upwards in the next few days, even though the criteria for a price hike was met earlier this week, an oil expert told *Interfax* on April 14.

The National Development and Reform Commission (NDRC), China's state economic planner, said in late March that it would consider adjusting retail fuel prices when the price of international crude oil rises or falls by more than 4 percent over a 20-day period.

Crude oil prices grew by more than 4 percent over the 20 days following the government's last price increase on March 25. However, the price has since fallen below the 4 percent threshold, Shao Xiaotain, a oil expert with energy portal PEC365, said.

"The NDRC may not raise retail fuel prices immediately after 20 days. The commission did not say domestic fuel prices would strictly track crude prices," Shao said. "Rather, it only promised to consider an adjustment every 20 days when crude fluctuates by more than 4 percent."

The NDRC is charged with setting the cap on retail fuel prices and has the flexibility to maintain prices even if crude starts climbing again.

"A new government increase in retail fuel prices is unlikely considering the recent drop in international crude oil prices and the absence of an obvious economic recovery in China," Shao said.

OIL & PETROCHEMICALS

UPSTREAM EXPLORATION & PRODUCTION

Shell in talks with Chinese oil companies regarding Iraqi oilfield bid

Royal Dutch Shell Plc. is in discussions with China's state-owned oil companies to jointly bid for the right to develop an oilfield in northern Iraq, a Shell employee said on April 14.

Shell is discussing the bidding process with Chinese companies, which will end in June or July, Shell's chief executive officer, Jeroen van der Veer, said at a press conference in Beijing.

Van der Veer declined to name which Chinese companies Shell is talking to or give details about the bid. He did say that a consortium of oil companies from different countries would probably win the tender.

In addition, **Shell has decided to postpone the coal-to-liquids (CTL) project that it was developing with Shenhua Group Corp. in the Ningxia Hui Autonomous Region,** Lim Haw-Kuang, head of Shell's China unit, said at the press conference.

Lim said the project is not a priority for the company as the economic downturn progresses.

Sinopec Group resumes fuel procurement in April - analyst

China Petrochemical Corp. (Sinopec Group), China's largest fuel producer, resumed buying fuel from other companies in April, an oil analyst told *Interfax* on April 13.

Sinopec Group previously suspended fuel procurement in March due to the slow market. **The company now aims to buy 220,000 tons of diesel from other companies this month**, Liao Kaishun, an oil analyst with *C1 Energy*, said.

The company is burdened with less inventory than in March, which has allowed them to resume buying fuel, Liao said.

In March, Sinopec Group boosted its monthly wholesale sales volume, offloading some of its inventory to fuel traders, Liao said. **The company hopes to use its purchasing power to continue to drive up fuel prices.**

The following table shows Sinopec Group's diesel procurement plan for April.

Sinopec Group's diesel procurement plan, April 2009

Region	Procurement plan (tons)
Guangdong	30,000
Jiangsu	50,000
Zhejiang	50,000
Northern China	80,000
Central China	10,000
Total	220,000

Source: C1 Energy

Price for Russian oil to China tied to market price at Primorsk

The price formula for the Russian oil to be shipped to China will be tied to the market price at the time the oil is shipped at Port Primorsk in the Leningrad region, Russia's deputy energy minister Anatoly Yanovsky announced.

"The price formula is absolutely transparent, and will be as if this oil were sold at Primorsk at an open price," he said.

Russia and China signed an agreement in Beijing on Feb. 17 on credits for Rosneft and Transneft worth \$25 billion in exchange for long-term oil shipments from Russia to China via a branch of the East Siberia - Pacific Ocean pipeline system (ESPO). Under the agreement, Rosneft will get \$15 billion in exchange for shipping 15 million tons of oil each year for 20 years, and Transneft will get \$10 billion.

Transneft, Rosneft sign bilateral agreement on oil deliveries to China

Russian oil pipeline operator Transneft and oil major Rosneft have signed a bilateral cooperation agreement covering oil deliveries to China, Transneft said in a statement.

The agreement, signed on April 10, is one of a set of documents governing Russian oil deliveries to China in line with the agreement between the Russian and Chinese governments on oil cooperation.

The agreement between Transneft and Rosneft was concluded according to the agreed schedule, the statement said.

Russia and China signed documents in Beijing on February 17 this year covering \$25 billion in loans to Rosneft and Transneft in exchange for oil deliveries to China on a spur of the Eastern Siberia-Pacific Ocean pipeline (ESPO) pipeline. Rosneft will receive \$15 billion in exchange for delivery of 15 million tons of oil a year for 20 years. Transneft will receive \$10 billion. Under the trade contract, Rosneft will sell oil to Transneft or a subsidiary for delivery to China National Petroleum Corp.

Oil shipment on the ESPO spur is scheduled to begin in 2011.

TRANSPORTATION AND STORAGE

Stability of oil supplies to China via ESPO branch guaranteed - Putin

The construction of a branch to China from the East Siberia - Pacific Ocean pipeline will help create a stable and reliable market of oil from East Siberian oil fields, Russian Prime Minister Vladimir Putin said.

Putin was speaking at a meeting of the Cabinet presidium, which is expected to debate a draft intergovernmental agreement with China to build the branch.

"As you know, the first phase of the East Siberia - Pacific Ocean oil pipeline, between Taishet in the Irkutsk region and Skovorodino in the Amur region, will be commissioned very soon," Putin said.

Transneft and Rosneft have reached an agreement with the Chinese partners to build a branch from the ESPO pipeline to the border with China, according to Putin.

"This will expand our export capabilities by 15 million tons each year, and create a stable and reliable market of oil from East Siberian oil fields in the eastward direction," Putin said.

MIDDLE AND DOWNSTREAM

CNPC lifts crude oil processing volume to 9.3 mln tons in April

China National Petroleum Corp. (CNPC) aims to process 9.3 million tons of crude oil in April, up 1.09 percent when compared with March's volume, an oil analyst told *Interfax* on April 14.

CNPC also aims to increase daily crude oil output by 4.49 percent month-on-month to 310,000 tons in April, Wang Jiamei, an oil analyst with Shanghai-based C1 Energy, said.

The company has raised its processing target to take advantage of current refining profit margins, Wang said. **CNPC's refineries earn about RMB 600 (\$87.85) for every ton of crude oil that they process.**

However, because the company's primary aim is to support fuel prices, it decided to increase its processing volume by only a small percentage, Wang said.

Oil giants lift retail fuel prices in southern China - analyst

China's two state-owned oil giants have raised retail fuel prices between RMB 0.10 (\$0.01) and RMB 0.30 (\$0.04) per liter at their service stations in southern China, an oil analyst told *Interfax* on April 9.

Retail fuel prices now range between RMB 5 (\$0.73) and RMB 5.30 (\$0.78) per liter for gasoline and between RMB 4.85 (\$0.71) and RMB 5.10 (\$0.75) per liter for diesel at state-owned service stations, according to Liao Kaishun, an oil analyst with Shanghai-based C1 Energy.

"China National Petroleum Corp. (CNPC) and China Petrochemical Corp. (Sinopec Group) raised retail prices to bring them more in line with rising wholesale fuel prices," he said.

In Guangdong, retail fuel prices remain below the government-set cap of RMB 5.16 (\$0.76) per liter for diesel and RMB 5.9 (\$0.86) per liter for gasoline, the analyst said.

The companies raised wholesale fuel prices on March 20 to better reflect growing global crude oil prices.

"If wholesale prices keep going up, these two companies will likely continue to raise retail prices, since they remain below the maximums set by the government," the analyst said.

CNPC and Rosneft to start construction on Tianjin refinery in Q2

Dongfang Petrochemical, a joint venture between China National Petroleum Corp. (CNPC) and state-owned Russian oil company Rosneft, will start construction on a refinery in Tianjin Municipality in the second half of this year, governmental and company officials told *Interfax* on April 9.

The RMB 21 billion (\$3.07 billion) refinery, which will be built in the Tianjin Harbor Industrial Park (THIP), will have an annual crude oil processing capacity of 10 million tons, said Zhang Dongsheng, a senior official with the Tianjin Development and Reform Commission, at Lnoppen's 4th Annual Petrochemical Summit in Tianjin. Zhang did not say when construction would be completed.

Hu Jie, head engineer with CNPC's listed arm PetroChina Co. Ltd., said that the refinery will source its crude oil from Kazakhstan.

CNPC controls a 51 percent stake in the joint venture, while Rosneft owns the remaining 49 percent, according to CNPC.

China ready to build oil refinery in Kazakhstan

China is ready to build an oil refinery in Kazakhstan, near the Chinese border, according to media reports on April 14.

"We have discussed the project for the construction of a refinery in the border region, where the Kazakhstan-China oil pipeline ends. Originally, we had discussed the option of building the refinery in China, however, the Kazakh side decided it wanted the refinery to be on its own territory," Qing Gopin, China's Ambassador to Kazakhstan, told the Liter newspaper.

He added that the issue is still under discussion.

"Other projects to develop the Kazakh sector of the Caspian Sea are also being discussed," he said stressing that "the cooperation between the two countries in the oil and gas sector is rapidly developing."

CNPC's Pengzhou refinery to start construction this month

China National Petroleum Corp. (CNPC) will start construction of a new refinery in Sichuan Province's Pengzhou City in April, a company engineer told *Interfax* on April 9.

The RMB 38 billion (\$5.56 billion) refinery will be able to process 10 million tons of crude oil and produce 800,000 tons of ethylene each year when completed in 2011, Hu Jie, head engineer of CNPC's listed arm PetroChina Co. Ltd., said at Lnoppen's 4th Annual Petrochemical Summit in Tianjin.

Construction was supposed to begin last year but was postponed after the Sichuan earthquake hit in May, Hu said.

FINANCIAL AND COMPANY NEWS

PetroChina earns \$586 mln in profit from refining business in March

PetroChina Co. Ltd., the listed arm of China National Petroleum Corp. (CNPC), earned more than RMB 4 billion (\$586 million) in profit from its refining business in March, a company executive told *Interfax* on April 9 at an industry forum.

PetroChina's refineries owe their good performance to the country's new fuel pricing system, which the government implemented last December, Hu Jie, chief engineer of PetroChina Refining & Chemicals Co. Ltd., told *Interfax* at Lnoppen's 4th Annual Petrochemical Summit in Tianjin.

The refineries were also helped by fuel demand that rebounded in March, Hu said. In 2008, PetroChina's refining sector posted a net operating loss of RMB 12.70 billion (\$1.86 billion).

China's oil refining and coking industries earned combined profits of RMB 11.7 billion (\$1.71 billion) in the first two months of 2009, compared with RMB 19.4 billion (\$2.84 billion) of losses over the same period in 2008, according to the National Bureau of Statistics.

Despite increased refining profitability in China, fuel demand still trails that of last year. Hu said that CNPC has cut its oil exploitation investment for this year to compensate, though not at its most productive oilfields, Daqing and Changqing.

As a result, CNPC will produce less crude oil this year than it did in 2008, Hu said.

Interfax commentary: State-owned oil refineries will remain profitable throughout the year even though fuel consumption is not expected to exceed last year's volume.

Under the country's new pricing system, the government now sets the maximum price of oil products in such a manner that guarantees at least some profit for the country's refineries. Although there have been concerns about whether the central government will be able to stick to the new system, the latest hike in retail fuel prices demonstrates Beijing's commitment.

PetroChina and its rival, China Petroleum & Chemical Corp. (Sinopec), have also implemented a more flexible marketing strategy. Both companies have been using the tactic of temporary, regional discounts to boost their sales volumes when the market is slow, which should help maximize profits.

Refining profits will also get a boost from another nationwide price hike that the government is expected to announce in the second quarter, when global crude oil prices typically rise.

PETROCHEMICALS

Hainan, Qatari company to develop ethylene project - report

Hainan Province in southern China plans to cooperate with a Qatari company to develop a large ethylene plant on the island, state media reported on April 14.

The project's investors include the Hainan provincial government, the Hainan Yangpu Economic Development Zone, a large private Chinese company and a liquefied petroleum gas (LPG) company from Qatar, according to *Shanghai Securities News*.

The Hainan Yangpu Economic Development Zone is conducting a preliminary feasibility study of **the project, which is designed to be the largest ethylene plant in China in terms of production capacity,** an anonymous economic development zone official told the paper.

Currently, China's largest ethylene project is a 900,000-ton plant jointly developed by BP, China Petrochemical Corp. (Sinopec Group) and Shanghai Petrochemical Co. Ltd.

COAL

Shenhua Group starts SNG project construction in Inner Mongolia

Shenhua Group Corp., China's largest coal producer, started construction on a substitute natural gas (SNG) project in Ordos in the Inner Mongolia Autonomous Region on April 8, which will convert local coal resources to SNG via a gasification process, the State-owned Assets Supervision and Administration Commission (SASAC) reported on its Web site on April 14.

According to the statement, **the project will have an annual SNG production capacity of 2 billion cubic meters and supply northern Chinese regions such as Beijing and Tianjin municipalities and Hebei Province.** It is scheduled to be put into operation by 2012.

According to ASIACHEM Consulting, **there are around 10 SNG projects in China that are in various planning stages, three of which are being supported by the country's petrochemical industry stimulus plan.** Two of the three projects belong to China Datang Corp., which will each have an annual production capacity of 4 billion cubic meters and will be located in Inner Mongolia and Liaoning Province. The other 1.6 billion-cubic meter project will be developed by Inner Mongolia Huineng Group in Inner Mongolia.

Hu Jie, chief engineer of PetroChina Refining & Chemicals Co. Ltd., told *Interfax* on April 8 at an industry forum that PetroChina is also planning to build an SNG project in northwestern China's Xinjiang Uyghur Autonomous Region.

"Xinjiang has huge coal reserves, although it is hard to ship them outside the region due to the lack of transportation," Hu said. **"However, this project will allow PetroChina to use the West-East Gas Pipeline (WEP) to its advantage to deliver the gas product to other parts of China."**

Xinjiang discovers new coalfield with reserves of 3 bln tons

A new coalfield has been discovered in China's western Xinjiang Uyghur Autonomous with preliminary estimates putting reserves at more than 3 billion tons, state media reported on April 9.

"This is one of the biggest coalfields that we have discovered in recent years," an official surnamed Zhang from the Xinjiang Coalfield Geology Bureau told *Interfax*.

The bureau, which is charged with exploring for coal reserves in the region, is still trying to determine the exact size of the coalfield's reserves, *Xinhua* news agency reported. The coalfield is located close to Aiding Lake, which is 30 kilometers outside Tulufan City.

"Judging by past experience, the regions adjacent to Aiding Lake might also have large coal reserves that equal or even surpass the 3 billion tons we just discovered," Zhang said.

Total coal reserves found around Aiding Lake might exceed 27 billion tons, *Xinhua* reported.

"Exploration around Aiding Lake has not been completed yet. We also don't know when development will start on the new coalfield," Zhang said.

The coalfield is about 16 km long and 10 km wide, and is about 10 to 22 meters thick, according to *Xinhua*.

Interfax commentary: Aiding Lake may have some of the region's biggest coal reserves, but coal does not do much for anyone while it remains underground, which is where it is likely to stay for the time being. The Xinjiang government is unlikely to invest in the massive exploitation projects that a coalfield this size would require considering the region's current circumstances.

Prior to the discovery, China's government had issued exploration licenses for more than 500 billion tons of reserves that are still waiting to be exploited. Considering China consumed about 2.71 billion tons of coal in 2008, and in light of the lackluster economy that has curbed domestic demand, existing coal reserves will be sufficient for many years.

More locally, coal-rich Xinjiang remains challenged by oversupply due to a lack of local industrial coal consumers. The local government wants to export some of its excess supply to neighboring provinces, but is unable to transport the coal in sufficient volumes until construction is finished on new railways that connect Xinjiang to its potential customers in the east.

POWER

POWER DISTRIBUTION

Henan to spend \$10 bln on coal, oil and power industries in 2009

Henan Province in central China plans to invest RMB 69 billion (\$10.10 billion) on its coal, oil and power industries in 2009, the local government announced on April 10.

Investing in the energy sector will help boost the province's development during the economic downturn, Pei Zhiyang, head of the Henan Energy Plan and Development Bureau, was cited as saying on the local government's Web site.

The province plans to invest RMB 8.3 billion (\$1.22 billion) in updating its medium and large-sized coalmines. The investment will also help the province's Zhaogu No. 1 and Yi'an coalmines start production this year.

Henan plans to invest RMB 10.6 billion (\$1.55 billion) in its oil and gas sector, including the construction of 1,000 kilometers of new oil and gas pipelines, according to the announcement. The investment will also help accelerate the preliminary construction of China National Petroleum Corp.'s Shangqiu Refinery, which is designed to process 10 million tons of crude oil a year.

The local government will work with CNPC and China National Petroleum & Chemical Corp. (Sinopec) to put the Lanzhou-Zhengzhou-Changsha and Zhengzhou-Anyang oil product pipelines into operation within the year.

In the power industry, Henan will invest more than RMB 49 billion (\$7.17 billion) in building new power plants and upgrading local power grids, according to the announcement. The government aims to start preliminary construction on the site of the Nanyang Nuclear Power Plant by the end of this year. It also intends to begin a feasibility study on two other nuclear power plants to be built in the province.

CSG boosts grid investment to \$1.82 bln in Q1

China Southern Power Grid Corp. (CSG) invested RMB 12.4 billion (\$1.82 billion) in power grid construction and equipment during the first quarter of 2009, up 56 percent year-on-year, the company announced on April 14.

CSG spent RMB 4.5 billion (\$658.86 million) on new power grid equipment and the remaining \$7.9 billion (\$1.15 billion) on grid construction in an effort to improve the company's grid network and support southern China's economy, according to the announcement. The company's first quarter purchases included 130,000 tons of steel products, 30,000 tons of aluminum products and 190,000 tons of cement.

CSG maintains and operates the power grids of Guangdong, Yunnan, Guizhou and Hainan provinces as well as the Guangxi Zhuang Autonomous Region. These five areas span about 1 million square kilometers and have a combined population of 230 million.

The company aims to invest RMB 88 billion (\$12.88 billion) in 2009, RMB 62.1 billion (\$9.09 billion) of which will be spent on updating urban and rural power grids in the five regions.

HPI's power output falls by 9.28 pct year-on-year in Q1

Huaneng Power International Inc.'s (HPI) power output in the first quarter of this year fell by 9.28 percent year-on-year to 41.82 million megawatt hours (MWh) due to weak domestic power demand, the company announced on April 15.

HPI's first quarter performance illustrates the impact of the economic downturn on China's power industry, according to the announcement.

Another listed subsidiary of a major Chinese power generator, **Datang International Power Generation Co. Ltd., announced on April 10 that its first quarter power output fell by 5.08 percent year-on-year to 27.82 million MWh.**

HPI, which is the listed arm of power giant China Huaneng Group, posted a net loss of RMB 3.94 billion (\$576.63 million) in 2008 due to skyrocketing coal prices during the first half of the year. The company's power output was 184.6 million MWh in 2008.

THERMAL POWER

Chinese power giants secure 8 mln tons of overseas coal

China's six largest power companies have signed contracts to buy 8 million tons of coal from foreign suppliers, an executive with one of the power companies told *Interfax* on April 14.

Australian coalmines will supply most of the 8 million tons, according to Li Xiangyang, deputy director of China Resources Power Fuel Co. Ltd., a subsidiary of one of the power companies.

The CIF (cost, insurance and freight) price of the coal with a heat value of 5,800 kilocalories per kilogram (kcal/kg) is RMB 510 (\$74.67) per ton, Li said.

Meanwhile, the spot price of 5,800-kcal/kg Datong premium blend coal remains about 18 percent higher at RMB 600 (\$87.85) per ton on the domestic market, according to the China Coal Trade and Development Association (CCTDA).

Li expected that the six power giants will sign more contracts with overseas producers for another 8 million to 10 million tons in the near future.

China's coal imports in the first quarter of 2009 grew by 20.1 percent year-on-year to 13.59 million tons, according to China Customs statistics. In March alone, imports grew to 5.72 million tons, up by 37.4 percent year-on-year.

China's six largest power companies are China Huaneng Group, China Datang Corp., China Guodian Corp., China Huadian Corp., China Power Investment Corp. and China Resources Power Holdings Co. Ltd.

Interfax commentary: China's largest power companies are unlikely to seek a solution to the ongoing dispute with the country's top coal producers over annual contract coal prices. The rise in spot coal prices over the last three weeks now bolsters the argument of coal producers that contract prices should be higher than those of last year. At present, power generators do not see the need to negotiate from a weakened position and will either wait for coal prices to drop or for the government to step in and mediate a deal. Although power generators cannot depend on foreign producers for their entire coal supply, the cheaper coal allows them to bide their time until their bargaining position improves.

COMPANY NEWS

Shanghai Electric Power expects net profit to hit \$5.5 mln in Q1

Shanghai Electric Power Corp. (SEP), a large thermal power generator, estimates its net profit for the first quarter of 2009 to reach RMB 38 million (\$5.56 million), following last year's net loss of RMB 1.5 billion (\$220.64 million), the company announced on April 10.

SEP blames last year's net losses on coal prices that skyrocketed in the first half of the year, according to the announcement. **The company earned RMB 9.26 billion (\$1.36 billion) in total revenue in 2008.**

A drop in coal prices combined with two increases in domestic power prices in the latter half of 2008 helped the company's bottom line in the first quarter of this year.

With sufficient thermal coal supplies and stable coal prices expected for the rest of the year, SEP should be able to stay profitable in 2009, according to a research report from Shenying & Wanguo Securities.

Other Chinese thermal power generators also reported heavy losses in 2008 due to high coal prices. Huaneng Power International Corp. generated a net loss of RMB 3.7 billion (541.73 million) in 2008 and Huadian Power International Corp. incurred a net loss of RMB 2.5 billion (\$366.03 million).

GUEST COLUMN

What does April hold for northern China's fuel market?

By Wang Fangping

In the latest Interfax energy guest column, analyst Wang Fangping of Pec365 examines the near-term outlook for the fuel market in northern China. Translated from the original Chinese by Hou Jie

Retail fuel prices in northern China have been rising since mid-March following wholesale price increases by China's two largest oil companies, China National Petroleum Corp. (CNPC) and China Petrochemical Corp. (Sinopec Group).

As of April 3, wholesale 90# gasoline, 93# gasoline and diesel prices in northern China had grown to RMB 5,850 (\$855.93), RMB 6,200 (\$907.14) and RMB 5,200 (\$760.82) per ton, respectively.

It seems that the two companies will continue to lift wholesale prices in April. According to market rumors, **the companies aim to raise the wholesale price of diesel to RMB 5,500 (\$804.72) per ton.**

In addition, global crude oil prices continued to rise in March, which led to the National Development and Reform Commission's (NDRC) March 25 nationwide retail price hike. However, retail fuel prices in the Chinese market are not in a definite uptrend. As no one is certain whether crude oil prices will keep going up, traders in the Chinese market must exert caution as a drop in global crude oil prices will likely lead to a corresponding decline in fuel prices.

Over the past few weeks, northern China's fuel supply has turned out to be just enough to meet the region's demand - or maybe slightly less in some areas - following several months of oversupply.

As such, fuel traders, who had previously not been optimistic about a recovery, are anticipating that prices will continue climbing, and are now buying more fuel from the oil giants, which has lowered their large fuel inventories.

However, despite speculation among fuel traders, downstream demand remains relatively weak this month, especially from consumers in the industrial sector. In this context, the two oil giants may not be able to keep fuel prices at a high level over the long term.

But it is not all bad news. Fuel demand should start to pick up this month due to the beginning of the spring planting season in the agricultural sector. **As long as crude oil prices do not take a sudden plunge, and agricultural demand picks up as expected, the market will likely turn around by April's end.** Otherwise, northern China's retail fuel prices could slip back down.

The above is a personal opinion piece by the author. Its publication in no way implies that *Interfax* shares the views expressed in the article.

SPECIAL REPORT

Flood of petrochemicals from Middle East threatens market share of Chinese producers

By Terry Wang

Long seen as the center of the world's crude oil production, the Middle East is now emerging as a petrochemical powerhouse that is encroaching on several key Chinese markets.

The buildup of ethylene production capacity in the Middle East that is scheduled to start operation in 2009 and 2010 will lead to the flooding of China's market with downstream petrochemicals, Hu Jie, chief engineer of PetroChina Refining & Chemicals Co. Ltd., told *Interfax* at Lnoppen's 4th Annual Petrochemical Summit on April 9.

Petrochemicals made from ethylene primarily include polyethylene (PE), a polymer used to make plastic bags, and ethylene glycol, a chemical used as a coolant.

Middle Eastern refineries will raise their annual production capacity of three major types of PE from 6.04 million tons in 2007 to 14.81 million tons in 2012.

"The Middle East has already exported several hundred thousand tons of PE products to the Chinese market in the first quarter of this year, but most of it is of low quality," Hu said.

He said that a much larger volume of higher quality products will enter the Chinese market in the second half of this year once the new refineries start production.

The next few months will be a very challenging time for China's petrochemical producers as they are trying to clear their inventories amid an influx of Middle Eastern PE products into the Chinese market, Hu said.

China's petrochemical companies will also have trouble beating the prices of Middle Eastern petrochemical companies, which have lower production costs due to abundant local oil reserves, state-of-art technology and sound management, Hu said.

He said that Chinese companies must leverage their knowledge of the domestic market to fend off their competitors. "The first thing we should do is improve our logistics system and the national sales network," he said.

Middle Eastern companies don't have much of a chance of establishing as comprehensive a sales network as CNPC, he added.

Hu also said that CNPC is working to help its larger customers realize group sourcing, as well as improve its quality standards and its overall customer service.

Threat stems from increased ethylene production in the Middle East

The number of ethylene plants slated to start operation in the Middle East and Asia-Pacific regions in the next two years will increase production capacity beyond the demand in those regions, Xu Yongfa, president of China National Petroleum Corp.'s Research Institute of Economics and Technology, said. In 2009 alone, **Middle Eastern refineries plan to increase annual ethylene production capacity by 5.9 million tons, resulting in plentiful raw material supply for downstream petrochemical production.**

Although most of that capacity has not yet come on stream, CNPC has postponed starting operations at some of its ethylene plants to avoid oversupplying the market in 2010.

"We decided in 2007 to slow down the construction of some ethylene projects in order to avoid competing with Middle Eastern ethylene suppliers before 2010. Instead, we will strive to control the domestic market after 2012," Hu said.

Hu believes that it will take two years for domestic demand to catch up with supply after the Middle East's new ethylene plants start operation.

Chinese refineries produce about 47.6 percent of the 21 million tons of ethylene consumed in the country each year. Although no detailed figures are available about the value of this market in China, 21 million tons of ethylene is worth about \$14.7 billion on the international market at present-day prices.

The following table specifies ethylene production capacity scheduled to start operation in the Middle East in 2009.

Ethylene production capacity scheduled to start operation in the Middle East, 2009

Country	Company	Annual production capacity ('000 tons)	Completion date
Saudi Arabia	Petro-Rabigh	1,250	Jan 2009
Saudi Arabia	Yanbu National Petrochemical	1,300	Mar 2009
Qatar	Ras Laffan Olefins Company	1,300	Jun 2009
Kuwait	Kuwait National Petroleum	850	H1 2009
Saudi Arabia	SHARQ	1,200	H2 2009

Source: CNPC

The following table specifies CNPC's ethylene projects that are scheduled to start operation by 2012.

CNPC's ethylene projects to start operation by 2012

Project	Location	Annual production capacity ('000 tons)	Completion time
Dushanzi Petrochemical	Xinjiang	1,000	2009
Fushun Petrochemical	Liaoning	800	2011
Sichuan Petrochemical	Sichuan	800	2011
Daqing Petrochemical	Heilongjiang	600	2012

Source: CNPC

EMERGING COMPANY PROFILE**CHINT Solar Co. Ltd.****General information**

CHINT Solar Co. Ltd. (Astronergy), based in Hangzhou City, Zhejiang Province, designs and manufactures thin-film solar cells. The company has RMB 205 million (\$30 million) in registered capital.

Contact information

Sector	Energy
Address	No. 211, Jiangling Road, Binjiang District, Hangzhou City, Zhejiang Province
Telephone	+86-0571-86688877;
Facsimile	+86-0571-86621316;
Website	http://www.chintsolar.com/

Source: CHINT Solar's Web site

Core businesses

The company's core business is designing and manufacturing thin-film solar cells with an annual production capacity of 30 megawatts.

Operational summary

The company, which was established in 2006, saw its revenue hit RMB 1.2 billion (\$175 million) in 2008. The company expects its revenue in 2009 to reach RMB 3.2 billion (\$468 million).

Listing plan

The company currently has no listing plan.

WEEKLY PRICES**SHFE fuel oil futures spike despite falling crude oil**

Shanghai Futures Exchange (SHFE) fuel oil prices rose on April 15, with the most-traded July contract closing the session RMB 115 (\$16.84), or 3.40 percent, higher at RMB 3,501 (\$512.59) per ton.

The May crude oil delivery contract on the New York Mercantile Exchange (NYMEX) closed 1.28 percent lower at \$49.41 per barrel on April 14. Crude prices slipped overnight on news that the U.S. government lowered its forecast for domestic oil demand in 2009.

Shanghai fuel oil futures prices rose by 4.82 percent on average from April 9 to April 15 as Chinese fuel oil traders bet that the fall in crude oil prices earlier in the week was only temporary and would eventually rise to \$60 per barrel, fuel oil analyst Wu Mengzhou said.

The following table outlines fuel oil futures trade on the Shanghai Futures Exchange on April 9 and April 15, 2009.

Fuel oil futures trade on the Shanghai Futures Exchange, April 9 and April 15, 2009

Contract	Close on Apr 9 (RMB)	Close on Apr 15 (RMB)	Change (RMB)	Change (%)
fu0905	3,180	3,354	174	5.47
fu0906	3,252	3,423	171	6.78
fu0907	3,326	3,501	175	5.26

Contract	Close on Apr 9 (RMB)	Close on Apr 15 (RMB)	Change (RMB)	Change (%)
fu0908	3,390	3,566	176	5.19
fu0909	3,452	3,636	184	5.33
fu0910	3,539	3,685	146	4.13
fu0911	3,560	3,740	180	5.06
fu0912	3,588	3,794	206	5.74
fu1001	3,665	3,836	171	4.67
fu1003	3,740	3,927	187	5.00

Source: Shanghai Futures Exchange

Note: The U.S. dollar traded at 6.8293 against the renminbi on April 15, 2009

Coal prices continue growing at Qinhuangdao Port

Coal prices extended their rally from April 7 to April 13 at Qinhuangdao Port, China's largest coal trans-shipment port, while stockpiles continued to shrink, according to China Coal Trade and Development Association (CCTDA) statistics.

The prices of all kinds of coal grew between RMB 5 (\$0.73) and RMB 10 (\$1.46) per ton over the period, according to CCTDA statistics. Meanwhile, the port's stockpiles dropped from 4.47 million tons on April 3 to 3.54 million tons on April 11, which is about half the volume at the beginning of March.

It marked the third straight week that coal prices have risen at the port, indicating that demand for thermal coal is growing.

In addition, many mines in Shanxi Province, China's largest coal producer, are still undergoing safety inspections, which has reduced the province's coal output.

Shriving stockpiles at Qinhuangdao Port will support coal prices in the short term, Li Xuegang, general manager of the Qinhuangdao Coal Trading Center, wrote in a research note on April 10.

The table below specifies coal prices on April 7 and April 13 at Qinhuangdao Port.

Spot coal prices at Qinhuangdao Port, April 7 and April 13, 2009

Coal type	Heat value (Kcal/KG)	FOB price on Apr 7 (RMB, ton)	FOB price on Apr 13 (RMB, ton)
Datong premium blend	6,000	585 - 600 (\$86.26 - \$87.72)	590 - 610 (\$86.38 - \$89.31)
Shanxi premium blend	5,500	555 - 565 (\$81.26 - \$82.60)	565 - 575 (\$82.72 - \$84.19)
Shanxi blend	5,000	475 - 490 (\$69.55 - \$71.74)	485 - 500 (\$71.01 - \$73.21)
General blend	4,500	420 - 435 (\$61.49 - \$63.69)	430 - 445 (\$62.96 - \$65.15)
General blend	4,000	350 - 365 (\$51.24 - \$53.44)	365 - 380 (\$53.44 - \$55.64)

Source: China Coal Trade and Development Association

Note: FOB = free on board

Wholesale diesel prices get a bump, LPG prices mixed

Wholesale gasoline prices stayed stable this week in China, while wholesale diesel prices rose on average by RMB 50 (\$7.32) per ton. Domestic diesel prices will likely keep going up next week as state-owned oil companies aim to push prices to RMB 5500 (\$805.35) per ton.

LPG prices rose in northern and northeastern China this week on rising demand, while southern and western China saw prices fall by between RMB 20 (\$2.93) and RMB 100 (\$14.64) per ton due to weak demand.

Domestic liquefied petroleum gas (LPG) prices (RMB/ton), April 11 to April 15

LPG Producer	Average	April 11	April 12	April 13	April 14	April 15
Daqing Petrochemical Company (Road delivery)	2,850.00	2850	2850	2850	2850	2850
Daqing Petrochemical Company (Railway delivery)	2,850.00	2850	2850	2850	2850	2850
Daqing Refinery Company (Road delivery)	2,850.00	2850	2850	2850	2850	2850
Daqing Refinery Company (Railway delivery)	2,850.00	2850	2850	2850	2850	2850
Daqing Refinery Company (propane)	3,600.00	3600	3600	3600	3600	3600

LPG Producer	Average	April 11	April 12	April 13	April 14	April 15
Harbin Refinery (Road delivery)	2,890.00	2850	2900	2900	2900	2900
Harbin Refinery (Railway delivery)	2,640.00	2600	2650	2650	2650	2650
Harbin Refinery (Propane)	3,630.00	3630	3630	3630	3630	3630
Daging Fine Refinery	3,300.00	3300	3300	3300	3300	3300
Yushutun Refinery (Road delivery)	-	-	-	-	-	-
Lamadian Refinery	2,826.00	2850	2820	2820	2820	2820
Qianguo Refinery	-	-	-	-	-	-
Jihua Refinery	3,025.00	3000	3000	3000	3100	3100
Shenyang Paraffin Plant	3,800.00	3800	3800	3800	3800	3800
Shenyang Paraffin Plant (vehicle gas)	3,700.00	3700	3700	3700	3700	3700
Fushun Oil No.2 Plant (Road delivery)	2,950.00	2950	2950	2950	2950	2950
Fushun Oil No.2 Plant (Railway delivery)	2,950.00	2950	2950	2950	2950	2950
Liaoyang Chemical Fiber	3,300.00	3300	3300	3300	3300	3300
Jinzhou Petrochemical (Road delivery)	3,160.00	3160	3160	3160	3160	3160
Jinzhou Petrochemical (Seaway delivery)	3,200.00	3200	3200	3200	3200	3200
Jinzhou Petrochemical (propane)	-	-	-	-	-	-
Jinxi Refinery	3,260.00	3300	3250	3250	3250	3250
Liaohu Oilfield Petrochemical	-	-	-	-	-	-
Liaoning Panjin Heyun Group	3,116.00	3150	3100	3100	3100	3130
Dalian Petrochemical (Road delivery)	3,350.00	3350	3350	3350	3350	3350
Dalian Petrochemical (Seaway delivery)	3,100.00	3100	3100	3100	3100	3100
Dalian West Pacific (Road delivery)	3,400.00	3400	3400	3400	3400	3400
Dalian West Pacific (Seaway delivery)	3,100.00	3100	3100	3100	3100	3100
Dalian Jinggu	3,300.00	3300	3300	3300	3300	3300
Inner Mongolia Hohhot Refinery	3,240.00	3300	3300	3200	3200	3200
Yanshan Petrochemical	3,300.00	3350	3280	3270	3300	3300
Tianjin Refinery	3,236.00	3250	3250	3200	3230	3250
Dagang Petrochemical	3,220.00	3200	3200	3200	3250	3250
Shijiazhuang Refinery	3,500.00	3500	3500	3500	3500	3500
Cangzhou Refinery	3,194.00	3210	3180	3150	3200	3230
Huabei Petrochemical	3,277.50	3300	3250	-	3280	3280
Zhongjie Refinery	3,206.00	3200	3200	3200	3200	3230
Jinan Refinery	3,410.00	3450	3400	3400	3400	3400
Qingdao Petrochemical	3,892.00	3910	3860	3860	3890	3940
Qingdao Oil Refinery	3,390.00	3450	3350	3350	3400	3400
Gaomi Yonghui	3,160.00	3200	3150	3150	3150	3150
Qilu Petrochemical	3,810.00	3810	3810	3810	3810	3810
Shengli Heavy Oil Plant	3,200.00	3200	3200	3200	3200	3200
Guangrao Petrochemical	3,300.00	3300	3300	3300	3300	-
Hengyuan Petrochemical	3,400.00	3400	3400	3400	3400	3400
Shouguang Zhongxin	3,140.00	3120	3160	3120	3150	3150
Shouguang Luqing	3,160.00	3150	3200	3150	3150	3150
Shida Shenghua Refinery	3,200.00	3200	3200	3200	3200	3200
Dongying Boyuan	3,200.00	3200	3200	3200	3200	3200
Kenli Petrochemical	-	-	-	-	-	-
Lijin Petrochemical	3,176.00	3200	3170	3140	3170	3200
Binzhou Petrochemical	3,125.00	3200	3100	3100	3100	-
Changyi Petrochemical	3,400.00	3400	3400	3400	3400	3400
Haikuo Petrochemical	-	-	-	-	-	-
Dawang Huaxing Petrochemical	3,200.00	3250	3250	3200	3150	3150
Jingbo Petrochemical	3,200.00	3200	3200	3200	3200	3200
Changcheng Petrochemical	-	-	-	-	-	-
Jincheng Petrochemical	3,178.00	3200	3160	3190	3150	3190
Dongming Petrochemical	3,428.00	3450	3410	3410	3410	3460
Huifeng Petrochemical	3,192.00	3200	3200	3200	3160	3200
Huifang Hongrun	5,050.00	-	5050	5050	5050	5050
Qifa Petrochemical	3,216.00	3280	3200	3200	3200	3200
Luoyang Petrochemical (Road Delivery)	3,352.00	3380	3330	3330	3360	3360
Luoyang Petrochemical (Railway Delivery)	3,292.00	3320	3270	3270	3300	3300
Zhongyuan Oilfield	3,428.00	3450	3410	3410	3410	3460
Nanyang Refinery	3,445.00	3440	3440	3440	3440	3470

LPG Producer	Average	April 11	April 12	April 13	April 14	April 15
Weihai		-	-	-	-	-
Yantai		-	-	-	-	-
Longkou		-	-	-	-	-
Dushanzi Petrochemical (Road Delivery)	2,525.00	2525	2525	2525	2525	2525
Dushanzi Petrochemical (Railway Delivery)	2,525.00	2525	2525	2525	2525	2525
Tarim Oilfield (Railway Delivery)	2,300.00	2300	2300	2300	2300	2300
Urumqi Petrochemical (Road Delivery)	2,800.00	2800	2800	2800	2800	2800
Urumqi Petrochemical (Railway Delivery)	2,450.00	2450	2450	2450	2450	2450
Tuha Oilfield (Road Delivery)	2,400.00	2400	2400	2400	2400	2400
Tuha Oilfield (Railway Delivery)	3,000.00	3000	3000	3000	3000	3000
Lanzhou Refinery (Road Delivery)	3,000.00	3000	3000	3000	3000	3000
Lanzhou Refinery (Railway Delivery)	2,800.00	2800	2800	2800	2800	2800
Yumen Refinery (Road Delivery)	2,720.00	2750	2750	2750	2750	2600
Yumen Refinery (Railway Delivery)	2,630.00	2650	2650	2650	2650	2550
Qinghai Oilfield (Road Delivery)	3,000.00	3000	3000	3000	3000	3000
Qinghai Oilfield (Railway Delivery)	2,300.00	2300	2300	2300	2300	2300
Changqing Petrochemical		-	-	-	-	-
Qingyang Petrochemical	2,950.00	2950	2950	2950	2950	2950
Xi'an Petrochemical	3,150.00	3150	3150	3150	3150	3150
Jingbian Refinery	4,400.00	4400	4400	4400	4400	4400
Yongping Refinery	4,400.00	4400	4400	4400	4400	4400
Yan'an Refinery	3,020.00	3000	3000	3000	3050	3050
Yinchuan Refinery	3,130.00	3130	3130	3130	3130	3130
Ningxia Baota Refinery	3,220.00	3200	3200	3200	3250	3250
Ninglu Petrochemical	3,200.00	3200	3200	3200	-	-
Nanchong Refinery	3,626.00	3750	3650	3650	3600	3480
Chengdu	3,690.00	3750	3650	3650	3700	3700
Chongqing	3,750.00	3850	3700	3700	3750	3750
Guizhou	4,000.00	4000	4000	4000	4000	4000
Kunming	3,800.00	3800	3800	3800	3800	3800
Guizhou Panva Gas	4,000.00	4000	4000	4000	4000	4000
Yunnan Panva Gas	3,800.00	3800	3800	3800	3800	3800
Jingmen Petrochemical (Road Delivery)	3,346.00	3350	3350	3330	3330	3370
Jingmen Petrochemical (Railway Delivery)	3,404.00	3420	3420	3380	3380	3420
Wuhan Petrochemical	3,382.00	3400	3400	3350	3370	3390
Hubei Jing'ao	3,380.00	3370	3370	3370	3370	3420
Yueyang Petrochemical (Road Delivery)	3,600.00	3600	3600	3600	3600	3600
Changling Refinery (Road Delivery)	3,600.00	3600	3600	3600	3600	3600
Hunan	3,442.00	3430	3430	3450	3450	3450
Jiujiang Petrochemical	3,470.00	3470	3470	3470	3470	3470
Jiujiang	3,470.00	3470	3470	3470	3470	3470
Anhui Anqing (Road Delivery)	3,388.00	3400	3400	3370	3370	3400
Wuhu	3,460.00	3500	3500	3500	3400	3400
Yangtze Petrochemical Panva Gas	3,330.00	3360	3360	3310	3310	3310
Nanjing Refinery (Road Delivery)	3,330.00	3360	3360	3310	3310	3310
Qingjiang Petrochemical	3,320.00	3350	3350	3350	3300	3250
Taizhou Petrochemical	3,324.00	3360	3360	3310	3280	3310
Yancheng Petrochemical	3,298.00	3350	3320	3320	3250	3250
Yangzhou Petrochemical	3,380.00	3410	3410	3360	3360	3360
Zhenhai BP (domestic Gas)	3,530.00	3550	3550	3500	3500	3550
Zhenhai BP (Imported Gas)	6,000.00	6000	6000	6000	6000	6000
Hangzhou Refinery	3,480.00	3480	3480	3480	3480	3480
Shanghai Petrochemical	3,430.00	3430	3430	3430	3430	3430
Shanghai Gaoqiao	3,310.00	3360	3360	3260	3260	3310
Fujian Refinery (Road Delivery)	3,580.00	3550	3550	3600	3600	3600
Donghua Unocal (High propane ratio)	4,500.00	4500	4500	4500	4500	4500
Suzhou BP (High propane ratio)	4,600.00	4600	4600	4600	4600	4600
Jiangsu Zhongyou (domestic gas)	3,450.00	3450	3450	3450	3450	3450
Jiangsu Zhongyou (imported gas)	4,000.00	4000	4000	4000	4000	4000
Shanghai Jindi (Low propane ratio)	4,500.00	4500	4500	4500	4500	4500
Shanghai Jindi (High propane ratio)	4,500.00	4500	4500	4500	4500	4500
Wenzhou Huadian	3,540.00	3550	3550	3550	3500	3550

LPG Producer	Average	April 11	April 12	April 13	April 14	April 15
Wenzhou Huadian (High propane ratio)	8,000.00	8000	8000	8000	8000	8000
Haiyan Huadian	3,550.00	3550	3550	3550	3550	3550
Fujian Huaxing (Low propane ratio)	-	-	-	-	-	-
Jiangyin	-	-	-	-	-	-
Zhenjiang	3,400.00	3460	3460	3360	3360	3360
Taizhou	3,400.00	3460	3460	3360	3360	3360
Nantong	-	-	-	-	-	-
Wenzhou	3,406.00	3460	3460	3460	3300	3350
Quanzhou	3,580.00	3550	3550	3600	3600	3600
Fuzhou	3,580.00	3550	3550	3600	3600	3600
Fuzhou BP	3,720.00	3720	3720	3720	3720	3720
Huadian Hengyuan	3,560.00	3500	3500	3600	3600	3600
Huadian Weitou	3,560.00	3500	3500	3600	3600	3600
Shenzhen Hua'an	4,000.00	4000	4000	4000	4000	4000
Huizhou Longpeng	3,660.00	3700	3700	3700	3600	3600
CNOOC Huizhou	-	-	-	-	-	-
Guangzhou Huakai	4,000.00	4000	4000	4000	4000	4000
Guangzhou Zhongsui Gas	3,636.00	3630	3630	3650	3650	3620
Zhuhai BP	4,000.00	4000	4000	4000	4000	4000
Zhuhai Xinhai	4,000.00	4000	4000	4000	4000	4000
Zhuhai Coal Gas	4,000.00	4000	4000	4000	4000	4000
Yangjiang Haiyang	3,558.00	3570	3570	3550	3550	3550
Maoming Petrochemical (Road Delivery)	3,650.00	3650	3650	3650	3650	3650
Maoming Petrochemical (Railway Delivery)	3,600.00	3600	3600	3600	3600	3600
Zhanjiang Dongxing	3,664.00	3670	3670	3660	3660	3660
CNOOC Qinzhou	-	-	-	-	-	-
Guangxi Zhongyou	3,630.00	3630	3630	3630	3630	3630
Guangxi Tiansheng (for industrial consumer)	4,850.00	4850	4850	4850	4850	4850
Guangxi Tiansheng (for civil consumer)	4,450.00	4450	4450	4450	4450	4450
Qinzhou Guoxing	3,720.00	3720	3720	3720	3720	3720
Qingzhou Dongyou	3,670.00	3670	3670	3670	3670	3670
Hainan Shihua	-	-	-	-	-	-
Shantou Caltex	7,300.00	7300	7300	7300	7300	7300
Chaozhou Huafeng	4,850.00	4850	4850	4850	4850	4850
Shandou Longpeng	3,800.00	3800	3800	3800	3800	3800
Shenzhen	3,920.00	4000	3900	3900	3900	3900
Guangzhou (domestic)	3,594.00	3600	3600	3600	3600	3570
Guangzhou (imported)	3,800.00	3800	3800	3800	3800	3800
Zhuhai (domestic)	3,462.00	3420	3450	3480	3480	3480
Zhuhai (imported)	3,700.00	3700	3700	3700	3700	3700
Maoming	3,600.00	3600	3600	3600	3600	3600
Zhanjiang	3,664.00	3670	3670	3660	3660	3660
Guangxi	3,630.00	3630	3630	3630	3630	3630
Chaozhou and Shantou (domestic)	3,450.00	3450	3450	3450	3450	3450
Chaozhou and Shantou (imported)	3,550.00	3550	3550	3550	3550	3550

Source: Pec365

EVENTS

The 4th Renewable Energy Finance Forum - China

The two-day event, organized by Euromoney Energy Events and CREIA, offers you an outstanding opportunity to make contacts with financiers, policy shapers, project developers and technology manufacturers. This year's topics include:

- How will the global downturn impact China's renewable energy market?
- Has demand replaced supply as the key challenge for the solar PV market?
- What opportunities are available for further technology transfer into China?
- How will domestic financial stimulus help expand project development?

Key speakers include:

- Liang Zhipeng, division chief, National Energy Bureau, National Development and Reform Commission
- Dr. Stephen Green, head of research in China, Standard Chartered Bank
- Jotdeep Singh, head of renewable energy and carbon credits in Asia, Rabobank
- Joseph Jacobelli, group director, Carbon Ventures, CLP Group
- Sunil Gupta, head of cleantech/technology, Morgan Stanley
- Paulo Fernando Soares, chief executive officer, Suzlon China
- Don Ye, founder and managing partner, China Environment Fund
- Gaël de Barmon, president, Natixis Private Equity Asia

Please note to take advantage of the early bird discount when you book before March 27.

Time: May 12 to May 13, 2009

Location: The Ritz-Carlton, Beijing

Hosting Organization: Euromoney Energy Events and CREIA

Web site: www.reff-china.com

Contact: Mr. Stephen Brown,

Tel: +85 22 8426995

Fax: +85 22 111 0494

E-mail: energyevents@euromoneyplc.com

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

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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