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China Top Energy Story

**Total China
Energy Information**

Xinjiang Will Become a Global Oil-and-Gas Market Powerhouse

The balance of power in the global energy market is shifting toward China, where a little-known province is perfectly situated to become a global oil-and-gas market powerhouse.

Nestled in the far northwest of China, Xinjiang is the country's largest province and the primary domestic source for oil and gas. It is sparsely populated and as big as Western Europe. The name, Xinjiang, literally means "New Frontier." And recent decisions in Beijing are going to give that translation even more meaning - transforming this province into a "new frontier" for the global energy sector.

Location

Production of oil and gas has gone on there for some time, a key reason why it accounts for more than 60% of the regional economy. Xinjiang is China's dominant domestic source of natural gas, and the now-completed West-East Gas Pipeline brings fuel directly into Shanghai and China's energy-hungry Pacific coast.

However, as important as the production is to the Chinese economy, there is another aspect to the province that is even more significant - its location. Xinjiang borders eight countries - including Russia, Kazakhstan, India and Pakistan. It has an operational oil pipeline coming from Kazakhstan and another now bringing gas from Turkmenistan. These two Central Asian former Soviet republics are currently targets of much international interest. Kazakhstan is one of the world's new major oil producers, while Turkmenistan has enormous gas reserves.

Now the Chinese Northwest is about to become an oil, gas, and petrochemical giant.

A 10-Year Energy Development Program

China National Petroleum Corp. plans to embark on a 10-year development program to elevate Xinjiang into the world's leading energy center. Xinjiang is in line to become China's most significant base in oil-and-gas production, refining, petrochemical and other chemical manufacturing, oil storage, and engineering and technology services.

New Players to Watch

A number of domestic state-run behemoths, such as China HuaNeng Group and China Guodian Group (two of the top electricity generators in the China), are rapidly expanding in the province. And new-technology and alternative-energy providers are following suit. That includes providers with technologies that are likely to be trendsetters, such as China Xinjiang SunOasis Co. (solar energy applications and research) and wind energy leaders China Longyuan Power Group Corp. and Xinjiang Goldwind Science & Technology Co. These companies are listed on the Hang Seng Exchange in Hong Kong, though they are not currently available abroad. But this will soon change. As expansion becomes necessary, American depositary receipts to become available for these companies, with possible initial public offerings (IPOs) following close behind.

Yet the Xinjiang revolution is not limited to spin-off companies or niche plays. Developing such an oil-and-gas center will provide a broad-based range of investment opportunities. As it determines the pricing of oil and gas flows, it also will drive developments elsewhere in the global energy market.

China Energy Top Digest

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Royal Dutch Shell is to build 200 oil service stations in China's northern coastal Shandong province.

Top 2

The National Development and Reform Commission (NDRC), is considering resource-dependent cities' sustainable development policy to research on the situation of the country's resource-dependent cities in the western regions.

Top 3

Top energy firms in China, including CNPC, Sinopec, CNOOC, State Grid, China South Power Grid and other 11 big names in industries of auto-making, equipment manufacture and information technology, are united to form an industrial association on the country's electric vehicles business.

Top 4

PetroChina ,may team up with a private company in Zhejiang province, east China, to jointly develop bio-fuel.

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China's coal price has kept falling for three weeks despite of the peak season.

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An alliance of new energy vehicle by 16 centrally administrated state-owned companies raised broad public concerns.

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1.China Oil

1.1 China to allow private oil firms to participate in SPR system

China's state petroleum reserve (SPR) will be open to private oil firms. PFCGCC's appeal to have 36 million metric tons (tonnes) of crude oil storage capacity held by private oil firms to serve as part of the SPR has won approval from high officials, and indicated that related policies may come out soon. China in June issued a new "36 clauses" to encourage private firms to join in

state-controlled industries like the petroleum industry. Since June, six private oil firms have been allowed to participate in the SPR.

If all private oil firms participate in SPR, private oil firms are expected to get oil sources.

1.2 China PetroChina Starts Trial Runs at Qinzhou Oil Refinery in Country's South

PetroChina Co., the nation's largest oil company, started trial operations of its refinery in Qinzhou in the southern province of Guangxi to meet domestic fuel demand. The

company had delayed the start-up of the refinery from June. The plant has an annual processing capacity of 10 million metric tons, or about 200,000 barrels a day.

1.3 Dalian's largest China crude oil dock into operation

" Mazhen " VLCC (0.3-million-ton supertanker) completed its crude oil unloading work in newly-built dock with 0.3-million-ton capacity by Dalian Port Group and it symbolized the formal operation of first largest domestic crude oil dock.

This dock' operation will fill the gap in China's capability of unloading crude oil from VLCC supertankers. This dock started from 20th, December, 2008 and finished at the end of 2009. After operation, It will enhance Dalian' s total crude oil passing capacity to 80 million tons, ranked in world first 10 professional large crude oil port.

1.4 Shell to build 200 oil service stations in China Shandong

Royal Dutch Shell is to build 200 oil service stations in China's eastern coastal Shandong province. Shell has planned to invest some 1.5-2 billion yuan in setting up the network of oil service stations through Tianjin Shell Petroleum Co., Ltd, a joint venture between the company and Tianjin Agriculture Reclamation Group.

province, as the company's regional investment, operation and training enter in China.

Shell has a refining joint venture with China National Offshore Oil Corporation (CNOOC), the parent company of CNOOC Ltd. in Huizhou of South China's Guangdong province. Shell could also supply its oil service stations by importing product oil from abroad.

The foreign oil giant is also to set up a regional headquarter in Jinan, the capital city of Shandong

1.5 Sinopec, CNOOC bid for oil blocks in Brazil

China's two oil giants, China Petroleum & Chemical Corporation (Sinopec) and China National Offshore Oil Corporation (CNOOC), are negotiating with Brazil-based OGX Petroleo e Gas Participacoes SA to bid for 20

percent stakes in the company. The two companies have visited the oil blocks and contacted with OGX, but no agreements have been signed to the moment.

1.6 CNOOC Ltd Announces Outstanding Production Performance of New Field BZ19-4

CNOOC Limited is pleased to announce that Bozhong (BZ) 19-4 (shallow formation) oil field in the Bohai Bay has commenced production recently.

This oil field is located in the southwest part of Bohai Bay. With an averaged water depth of about 21 meters, the

field is approximately 7 kilometers northwest of BZ 25-1 oilfield. The development and production operation of BZ 19-4 oil field mainly rely on the facilities of BZ 25-1/25-1S oilfield. The field is expected to hit its peak production of more than 15,600 barrels per day within the year.

1.7 PetroChina completes oil storage facility in Ningbo

PetroChina has completed the expansion of an oil product storage facility at Ningbo in east China Zhejiang province. Company sources said capacity has been increased to 470,000 cubic meters from 54,000 cubic meters. Commercial operation will start on September 5th.

PetroChina will supply gasoline and diesel from its north China refineries to the Ningbo facility for distribution in south China allowing it to challenge Sinopec market stranglehold in the region. PetroChina 3.2 million barrels per day refining capacity is situated mostly in north China, whereas 85% of Sinopec 4.85 million barrels per day capacity is in the south of the country.

2. China Gas

2.1 700 New LNG Buses to Launch in China Shenzhen

There are currently more than 400 fuel-electric hybrid power buses in operation in Shenzhen and 470 new ones will be applied. All of these buses are provided by Wuzhoulong Motor. In addition, it has purchased 300 LNG buses in last year and plans to invest 700 LNG buses in Shenzhen in 2010." said Cheng Jianzhong, the

deputy general manager of Wuzhoulong Motor. By 2012, the volume of hybrid power buses will reach 4000, LNG buses are increasing year by year and new energy vehicles as well as clean energy vehicles will account for over two-thirds of the total buses.

2.2 CNPC discovered record gas reserve in Sichuan Province

China Petrochemical Corporation yesterday announced that its subsidiary China Petroleum & Chemical Co had discovered a high yield gas well in Northeast Sichuan Province, which is capable of producing a record high of 1.26 million cubic meters natural gas daily. The No.204 well is the second gas well with daily production capacity exceeding 1 million cubic meters in Northeast Sichuan's Yuanba region, and also the largest daily output ever

recorded in the country.

As of the end of 2009, Northeast Sichuan area has a proved gas reserves of 451 million cubic meters. CNPC forecasts that the firm's production capacity will reach as much as 13 billion cubic meters this year, a big rise compared with 8 billion c m in last year.

2.3 CNPC to store gas resources in Tianjin Dagang Oil Field

China National Petroleum Corporation (CNPC) has nodded the drilling plan of its gas storage station in Tianjin Dagang Oil Field, said the company Tuesday.

According to the plan, the station will be built in two

phases, with a storage capacity of two billion cubic meters and an average daily gas disposal of eight million cubic meters. The station will guarantee the gas supply of Beijing and Tianjin areas, said the CNPC.

2.4 PetroChina Extends Pipeline Network With Telvent Real-Time IT Systems

Telvent, the IT company for a sustainable and secure world, announced that PetroChina Company Limited (PetroChina) has contracted Telvent to supply monitoring and control systems to extend its growing hydrocarbon pipeline network. Telvent's OASyS information

management infrastructure, already in use in the PetroChina pipeline network, will be added to three lateral pipelines where it will play a vital role in sustaining PetroChina's safe and secure transport of crude oil and natural gas to growing Chinese markets.

2.5 Sinopec's Northwest Oilfield supplies accumulative 1bln cu.m gas to

PetroChina's

Sinopec's Northwest Oilfield in Xinjiang of west China has supplies accumulative 1 billion cubic meters of natural gas to the PetroChina-run first West-to-East pipeline.

The supply is made under a cooperative agreement signed between Sinopec and PetroChina in 2007 on introducing gas from Sinopec's Tahe oil field into the West-to-East pipeline from March 2008.

2.6 Kunlun Energy Co., in 1.5 bln yuan gas jv

Chinese crude oil and natural gas producer Kunlun Energy Co said it had formed a 1.5 billion yuan joint venture with Tianjin Gas Group to build gas pipelines and supply gas in Tianjin.

Kunlun, formerly known as CNPC (Hong Kong), will take a 51 percent stake in the venture, with Tianjin Gas taking the rest, the company said in a statement. The company expects the joint venture will open up opportunities for it to invest in the growing natural gas market in Tianjin.

3. China Coal

3.1 China's coal price keep falling

China's coal price has kept falling for three weeks despite of the peak season. The government's policy in promoting emission reduction in high energy-consuming industries, which takes over 70 percent of total coal consumption, is expected to reduce coal consumption by

100 million tonnes in 2010. Meanwhile, greater contribution of hydropower generation since the second quarter of 2010 has also pulled down the growth of thermal power generation.

3.2 China July coal exports rise to 1.39 mln T-customs

China coal exports rose 9 percent to 1.39 million tonnes in July from June. This took the total exports for the first seven months ending July to 11.53 million

tonnes, down 10.8 percent from the same period of last year.

3.3 NE Asia coal trading center set up in Dalian

The Northeast Asia Coal Exchange Center was officially established in Dalian. A total of 15 companies have become members of the center, including Tader Coal Scm Co Ltd, a leading coal supply chain management enterprise in China, and Kailuan Group, a State-owned coal company and a Russian company.

the center will publish a coal price index, based on market-oriented coal trading there. Coal prices used to be controlled by the government. Steam coal now is the main trading product at the center.

3.4 SDIC Jingtang thermal coal prices kept stable

Prices of thermal coal traded at SDIC Jingtang port, the benchmark of Chinese market, kept stable in the week ended Aug 17 after three-week fall.

5000 Kcal/kg and 4500 Kcal/kg were 725-735 yuan/t, 625-635 yuan/t and 550-560 yuan/t respectively. And, coal stockpiled at the port hit 1.86 million tonnes in the week ended Aug 15, an increase of 63,000 tonnes or 3.5 percent compared to the previous week. In addition, the port posted a decrease of 202,000 tonnes or 27 percent rail coal transports during the week.

The ceiling FOB price of thermal coal at SDIC Jingtang port with calorific value of 5800 Kcal/kg was quoted at 770-780 yuan/t as of Aug 17, while that of 5500 Kcal/kg,

3.5 SDIC Caofeidian posts 984,000 T coal throughput last wk

Coal shipped from SDIC Caofeidian port, the benchmark of Chinese market, totaled 984,000 tonnes last week, averaging 140,000 tonnes each day, rising 8 percent from the previous week.

In particular, coal shipments from the port reached 190,000 tonnes on Aug 9, hitting the record high of the port. Meanwhile, coal transported to the port via railway dropped to 927,000 tonnes last week, falling 12.5 percent from a week earlier.

3.6 China Coal Energy May Meet Target to Double Output by 2015

China Coal Energy Co., a unit of the country's second-biggest producer of the fuel, said it still aims to meet a target of doubling production by 2015 as the world's fastest-growing major economy expands.

Output will be increased by building mines, upgrading existing ones and by acquisitions, President Yang Lieke said at a media briefing in Hong Kong today, without giving figures.

3.7 China's Shougang, Hebei Steel to invest in Canadian coal mines

Chinese steelmaker Shougang Group has agreed to invest in a subsidiary of Hebei Province-based Kailuan Energy Chemical Co. for development of Geihsen coal mine in Canada's British Columbia province,

Engineering Co., a subsidiary of Shougang Group, will sink \$31.71 million for a 25% stake in Kailuan Dehua Mining Co., a joint venture currently 51:49 owned by Kailuan Energy and Canadian Dehua International Mines Group Inc.

Under the agreement, Shougang International Trade and

3.8 SinoCoking and Coke Chemical to acquire two Henan-based coal mines

SinoCoking Coal and Coke Chemical Industries, Inc., a vertically-integrated coal and coke processor, announced on Aug 10 that its wholly controlled affiliate Pingdingshan Hongli Coal & Coke Co., Ltd. has entered material

definitive agreements to acquire 60% of equity interests of Baofeng Shuangrui Coal Co., Ltd. and Baofeng Xingsheng Coal Co., Ltd. for total consideration of approximately \$12.4 million.

3.9 China Guangxi to build first coal reserve base

State-owned Guangxi Investment Group is to build a 20mt/yr reserve center at China's port city Beihai. This will be Guangxi's first facility with coal blending functions.

The project with an estimated cost of RMB3.1bn has just

finished feasibility study, said the company. The group is also planning to launch a 4x600MW thermal power project at Beihai, but with no timetable yet. The group is Guangxi's major power investor, possessing 6GW installed capacity.

4. China Electric Power

4.1 China's electricity consumption up 13.9% in July

China's electric power consumption grew 13.9% year on year to 389,600 gigawatt hours in July, Xinhua News Agency reported, citing the National Energy

Administration figures, as saying. The figure was a 10.7% increase compared with the previous month, according to NEA

4.2 China approves 24 power plant and grid projects

China, the world largest energy user approved 24 power projects last month to help meet rising energy demand in the country less developed northern and western provinces.

the government has approved grid projects in provinces including Qinghai, Tibet, Liaoning, Inner Mongolia and Shaanxi. The economic planner didn't give any investment values.

4.3 NDRC Lowers Three Gorges electricity transmission price

The National Development and Reform Commission (NDRC) issued Notice on Adjusting Three Gorges Electricity Transmission Price and it announced to reduce the average electricity transmission price of

Three Gorges electricity transmission and transformation price to 6.4 fen/kwh from the current 7 fen/kwh, with 0.48 billion yuan for easing the electricity price contradiction among electricity generating enterprises.

4.4 State Grid plans to outward transmit 52.81 mln kw in 12th FYP

Based on the 11th Five-Year Plan (FYP), current 750 KV northwest state grid will be doubled to 52.81 mln kw outward transmission capacity during the 12th FYP, 11.8 times greater than current outward transmission capacity, citing from Power Planning and Construction Forum of Northwest Region held on August 10.

The 12th FYP will provide unprecedented opportunity for the development of northwest power grid. This period is also key to the low-carbon economic development of China. With the advantage of clean energy, booming resource exploitation and development of electricity industry in northwest region are expected.

4.5 Huaneng in talks to buy InterGen stake

The country's top power producer, China Huaneng Group, is in advanced talks to buy a 50 percent stake in power utility InterGen NV from GMR Infrastructure Ltd, an Indian builder of roads and airports.

The stake would cost Huaneng about \$1.2 billion, but give the Chinese company access to InterGen's 12 power plants in the UK, the Netherlands, Mexico, Australia and the Philippines, the report said, citing two people with knowledge of the matter.

4.6 Huadian Power International Enthusiastic over Coal Resources Acquisition

Huadian Power International Corporation Limited (hereinafter as Huadian Power International) is penetrating into coal business. The company announced on August 10 to plan to pay CNY 268 million to buy 20

percent stake in Inner Mongolia Otag Front Banner Zhengtai Trading Co., subsidiary of Inner Mongolia Huashi Xiangtai Trading Co.,Ltd.

4.7 Shaw inks China nuclear power plant support deal

The Shaw Group Inc. said on Aug 17 it has landed a contract to provide technical support for nuclear power plants in China.

The contract calls for Shaw to begin giving technical support, including engineering and design management, and other services, on the Xianning nuclear power plant project in Hubei province.

5. China New Energy

5.1 China Recycling Energy`s profits up 56% on multi-million dollar biomass renewable energy contract

China Recycling Energy Corp., an industrial waste-to-energy solution provider in China, has announced its second quarter 2010 results, posting revenue growth of 102% for the period to \$22.54 million versus the same time last year, on the back of a multi-million dollar biomass renewable energy

agreement. Net income grew 56% from \$3.32 million in Q2 2009 to \$5.04 million for the second quarter 2010, while on a fully diluted basis, earnings per share totalled \$0.10 for Q2 2010, growing 43% from last year. The news has sent the company`s shares up 6.6% today to \$3.25.

5.2 China has launched the bidding for the second batch of PV power station projects

China has launched the bidding for the second batch of PV power station projects. This round of bidding includes 13 PV projects, with 50 enterprises participating in the

tender. The lowest tender price is 0.73 yuan/kilowatt hour for the 20-MW PV project in Hami in Xinjiang.

5.3 China alternative energy plan expected in late September

An official from the National Energy Administration (NEA) said that the "Emerging Energy Industry Development Plan" covering the planning period of the next 10 years is expected to be released in late September, according to the China Securities Journal.

The long-awaited "Emerging Energy Industry Development Plan" will replace the "New Energy Development Plan" and will include the exploitation of nuclear power, wind energy, solar energy and biomass energy.

5.4 5 provinces, 8 cities selected for gas-emission cut off

As the country readies for start-off trials on low-carbon projects, eight cities and five provinces have been chosen to lead the pilot project, according to a notice on the website of China's National Development and Reform Commission (NDRC)

The five provinces: Guangdong, Liaoning, Hubei, Shaanxi and Yunnan, and the cities : Tianjin, Chongqing, Shenzhen, Xiamen, Hangzhou, Nanchang, Guiyang and Baoding, will have their carbon emissions reduced considerably in the largest-ever campaign of the kind.

5.5 Tianjin Eco-City receive huge donation to promotion green transportation

The ongoing construction of the Sino-Singapore Tianjin Eco-City will receive a donation of 6.16 million U.S. dollars from the Global Environment Fund, which was approved by the World Bank.

The donation will be used to help the eco city establish its legislative, institutional, financial, and monitoring systems. The promotion of green transportation and architecture is also listed as a focus of the donation.

5.6 State-owned companies forge alliance to develop alternative energy vehicles

Sixteen state-owned companies formed an alliance on Aug. 18 to jointly develop alternative energy vehicle

technology, state media reported the same day.

5.7 Subsidy to pump up China green car sales

In addition to the first 71 fuel-efficient models announced June 30, a list of 61 more models produced by 12 automakers have been placed on the country's green car subsidy program, the National Development and Reform Commission announced Tuesday jointly with the Ministry of Industry and Information Technology and the Ministry

of Finance.

The 61 models with engines of 1.6 liters or less consist of 27 models from four private companies including Chery and Dongfeng, and 34 models from eight joint ventures including Beijing Benz Automotive and Shanghai GM.

5.8 First Solar's rocky road to China

First Solar's challenges and pitfalls in its efforts to build a large solar plant in China .Korsec writes that Tempe-based First Solar ran into trouble finding a Chinese partner to do business with in the People's

Republic and that should provide a lesson for other solar and American companies entering that marketplace.

5.9 Business group bids 0.73 yuan/watt for Xinjiang solar plant project

A Chinese business group has submitted a bid of 0.73 yuan (US\$0.11) per watt for a 20MWp solar plant project in Hami of the Xinjiang region.

The project is part of China's National Energy Administration's tender of open bids for establishing 13

photovoltaic (PV) power-generating plants. Each plant is expected to have an installation capacity of 20-30MWp

for a total of 280MWp, in the northwestern region and Inner Mongolia.

5.10 Top energy firms to form a electric vehicle business association

Top energy firms in China, including CNPC, Sinopec, CNOOC, State Grid, China South Power Grid and other 11 big names in industries of auto-making, equipment manufacture and information technology, are united to

form an industrial association on the country's electric vehicles business. China National Petroleum Corporation, China's largest oil and gas producer, for the first time becomes involved in the EV business.

5.11 Two China new energy firms eye \$2 bln in HK IPOs

China Huaneng Group Corp and Datang Corp, the country's top power producers, plan to float shares of their renewable energy units in Hong Kong in offerings that could raise over \$2 billion, sources close to the deals .

The deals are unfolding as China aggressively develops its renewable energy sector and the nation's biggest power firms look to boost investment in the industry to drive future growth.

5.12 PetroChina Team up a private company to jointly develop bio - fuel

PetroChina, who in early August held a meeting with private sector investors in Zhejiang on possible cooperation in- and outside energy sector, may team up with a private company in Zhejiang province, east China,

to jointly develop bio-fuel. The private Holly Group is now engaged in producing cassava, a plant as a feedstock to produce ethanol bio-fuel

5.13 China Valves Expects Rising Earnings on Government Push for Clean Energy

China Valves Technology Inc. expects to boost earnings 71 percent this year as the government's push to develop cleaner sources of energy will increase demand for its components used in nuclear, solar and wind-power plants.

The construction of larger power plants to replace smaller, inefficient generators will also spur sales of industrial valves, said Wang Jianbao, general manager of the Kaifeng, Henan-based company.

5.14 LDK Solar Reports 2Q Results

LDK Solar LDK reported second-quarter results, and as expected, strong solar demand resulted in a very good quarter for the company. Sales and wafer shipments reached record levels of \$565 million and 511 megawatts (MW), both more than double the results of the year-ago period. Further, average wafer prices increased 2% to \$0.85 per watt, the first sequential increase realized

since 2008. Responding to the strong demand for solar that looks set to grow annual installations this year by anywhere from 75%-100%, LDK announced it is going to add 300 MW of additional capacity beyond previous expansion guidance by the end of 2010. This will put the company's annual production capacity figure at 2.6 gigawatts (GW), by far the largest figure in the industry.

5.15 LDK Solar announces plan for 1GW Chinese factory

Chinese solar wafer manufacturer LDK Solar announced yesterday that it is to build a 1GW solar cell manufacturing facility in east China as it looks to cement

its position as one of the country's leading solar manufacturers.

The company said it has received an invitation from the

Anhui provincial government to invest in the construction of a state-of-the-art solar cell and module facility in Hefei

High-Tech Industrial Development Zone.

5.16 China's CNPV to supply solar PV modules to Tamrag Power

China's CNPV Solar Power, manufacturer of solar PV products, will supply a total of 30MWp of PV modules to South Asia's Tamrag Power over the next two years.

The agreement stipulates that CNPV will supply 5MWp of modules during 2010, and the remaining 10MWp and

15MWp are scheduled for delivery in 2011 and 2012 respectively. The solar modules will be used for both on-grid and off-grid applications in Bangladesh and Nepal on a 50-50 ratio, Veerraju Chaudary, chief operating officer of CNPV, tells Recharge.

5.17 China's Goldwind plans to start production of 6MW turbines

China's Xinjiang Goldwind Science and Technology is planning to invest \$45.9m yuan (\$6.8m) to produce 6MW turbines, after having largely completed its preliminary research into developing 5MW turbines.

The investment is subject to approval by the board. The detailed design and components of the first 6MW direct-drive turbines are expected to be finalised by 2011. The first installation is slated for the end of June 2012.

5.18 Guangdong wind farm starts spinning

China Guangdong Nuclear Power Holding Corporation, one of the three nuclear power firms in China, said in a press release Tuesday that its Guangdong Taishan wind farm has begun to generate electricity August 14. This is the company's first wind farm in South China.

The generating capacity of the Taishan wind farm should top 85 MW annually. It would generate 239 million kWh of electricity for Guangdong Power Grid annually, saving 85,200 tons of coal. Greenhouse gas emission and water use will also be greatly reduced.

6. China Macroeconomic policy and Data

6.1 NDRC, Research on the Resource-dependent Cities in Western Region

The National Development and Reform Commission (NDRC), China's top economic planner, is considering resource-dependent cities' sustainable development policy as a joint task force has been formed by the commission and other ministries to research on the situation of the country's resource-dependent cities in the western regions.

Peng Huijun, who heads the task force, said that a string of policies would soon take shape to favor the transformation and sustainable development of 118 such cities across the country, especially 44 resource dying cities.

6.2 Index of World Market(Aug 18, 2010)

China Market		
Index	chg%	closing quotation
SSE(Shanghai) Composite Index	0.32%	2,666.30
SSE(Shenzhen) Component Index	0.31%	11,125.76
SH & SZ 300 Index	0.26%	2920.54
SSE Energy Sector Index	-0.50%	2,538.57
CSI 300 Energy Index	0.30%	3,164.51

*Source from Shanghai Securities News

6.2 Hot CNY exchange rate(Aug 18, 2010)

Hot exchange rate			
Currency	Today Price	Yesterday Price	chg%
USD-CNY	679.89	680.07	-0.03%
Euro-CNY	864.14	860.49	0.42%
JPY-CNY	7.945	7.9292	0.20%
HKD-CNY	87.45	87.42	0.03%
GBP-CNY	1058.55	1057.75	0.08%

*Source from BOC

6.3 Daily Price of Shanghai Futures Exchange Fuel Oil (Aug 18, 2010)

Species	Contract	Pre settle	Open	High	Low	Close	Settle	ch1	ch2	Volume	O.I & Change	
Fuel Oil	1009	4,380	4,358	4,450	4,357	4,450	4,370	70	-10	480	33,440 40	
	1010	4,426	4,435	4,456	4,424	4,441	4,447	15	21	33,770	47,198 -2,610	
	1011	4,474	4,483	4,511	4,475	4,496	4,498	22	24	27,206	23,698 6,968	
	1012	4,529	4,644	4,645	4,533	4,549	4,557	20	28	382	370 82	
	1101	4,577	4,588	4,617	4,576	4,614	4,600	37	23	362	1,058 34	
	1103	4,642	4,650	4,679	4,650	4,679	4,664	37	22	18	306 -2	
	1104	4,654	4,698	4,699	4,698	4,699	4,698	45	44	4	34 0	
	1105	4,708	4,750	4,779	4,726	4,738	4,747	30	39	20	162 4	
	1106	4,732	4,750	4,834	4,731	4,760	4,777	28	45	18	34 0	
	1107	4,764	4,811	4,828	4,811	4,828	4,816	64	52	8	82 -2	
	1108	4,807				4,807	4,807	0	0		14 0	
1109											0	
Total										62,268	106,396	4,514

(Source from SHFE)

*1 Price Unit :CNY/ Ton

*2 Exchange Unit: 10 Ton/ Hand

*3 Ch1= Close- Pricessettle ; Ch2= Settle- Pricessettle

6.4 Shanghai Futures Exchange Warehouse Fuel oil Stocks Daily (Aug 18, 2010)

FUEL OIL		In Tonnes	
Area	Warehouse	On Warrant	Change
Shanghai	Yangshan Shengang	1,000	0
	Bailian Oil Storage	0	0
	Subtotal	1,000	0
Guangdong	BP Nansha	5,500	0
	PetroChina Zhanjiang	82,500	0
	CMBS Zhuhai	0	0
	Xiji	10,500	0
	Subtotal	144,600	0
Zhejiang	Sinochem-Xingzhong	0	0
	Zhejiang Offshore	28,400	0
	Subtotal	28,400	0
Total		174,000	0

(Source from SHFE)

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