HALLENGES, DEVELOPMENTS AND OPPORTUNITIES FACING CHINA'S GAS INDUSTR

DAY ONE 24 FEBRUARY 2005, THURSDAY

.00 Registration and Morning Coffee

.00 **CHAIRPERSON' S WELCOME AND OPENING REMARKS**
Russell Wilkinson
Energy Executive
Jones Day Power Infrastructure Team, Hong Kong

.15 **REGULATORY FRAMEWORK AND STRUCTURE FOR THE CHINA GAS INDUSTRY**
- Chinese government economic planning and energy policy reform
- Granting of license for the exploration, production, operations and optimization of natural resources
- Gas policies and how they benefit foreign and local investments
- Incentives for investors in the production, transportation and consumption of natural gas
- Policy reform, macro-economic policy impact on the gas industry's supply, demand and prices

Warren Huang
CEO
OSA Global Strategic Management, USA

0.15 Morning Refreshment

0.45 **CHALLENGES AND OPPORTUNITIES FACING DOWNSTREAM GAS SUPPLIERS IN CHINA**
- Policies governing gas distribution sector in China
- Potential of gas distribution in different markets
- Trends of retailers entering into gas distribution sector
- Competition in China's natural gas distribution market
- Key success factors for the development of the Chinese gas distribution

Giuseppe (Joseph) Jacobelli
Head of AsiaPac Utilities Research - Energy Group
Vice President - Equity Research
Merrill Lynch (Asia Pacific), Hong Kong

11.30 **BUILDING EFFECTIVE DISPUTE RESOLUTION PROVISIONS INTO INTERNATIONAL GAS CONTRACTS TO CHINA**
Contracting parties are inevitably faced with choosing dispute resolution provisions that will enable them to deal with any dispute efficiently and fairly. Selecting an inappropriate provision can lead to disproportionate cost and delay and run the risk of damaging valuable commercial relationships.

This presentation will examine each of the five main dispute resolution mechanisms available to contracting parties. Each mechanism will be considered, in particular their pros and cons. Points covered will include:
- Dispute Resolution
  - Introduction
  - Dispute resolution mechanism: mediation, expert determination, arbitration, litigation and negotiation
  - Enforcement
- Fuel Contracts
  - Shipping Terms
  - Allocation of Risk
  - Force Majeure

Richard Wilmot
Partner
Holman, Fenwick & Willan, Hong Kong

12.15 Lunch

1.30 **CHINESE GAS-FIRED POWER GENERATION**
- Legal issues
- Recent Developments

Russell Wilkinson
Energy Executive
Jones Day Infrastructure Team, Hong Kong

2.15 **PROJECT DEVELOPMENT AND FINANCE IN CHINA'S GAS SECTOR**
- Historical assessment in China project development and finance
- Current risks and issues in China gas financing
- Measuring and mitigating risks for both lenders and borrowers
- Recent key developments affecting the financing of projects in China
- Future outlook and direction

Rajeev Kannan
First Vice President
Sumitomo Mitsui Banking Corporation, Singapore

3.00 Afternoon Refreshment

3.15 **DEVELOPMENT PLAN AND STRATEGY OF NATURAL GAS IN CHINA**
- Demand forecast for China's natural gas
- Penetration of natural gas in Chinese cities
  - Satisfying new demand
  - Improving the environment
- Pipeline development plans for natural gas in China
- Future prospect of Natural gas growth in China and new markets

Jeremy Bowden
Midstream Consultant, Asia
IHS Energy / CERA, Singapore

4.00 **CHALLENGES, OPPORTUNITIES, RISKS AND RETURNS IN CHINA NATURAL GAS, LNG, LPG INVESTMENTS**
- China economic plan and its energy policies
- Macro-economic impact on natural gas, LNG, LPG in relation to the demand, supply market forces and price mechanism
- China gas exploration, production, LNG terminal, LPG production and operations optimization analysis
- China natural gas, LNG, LPG supply chain logistics cost reduction and de-bottleneck
- Major China market domestic players (CNOOC, SINOPEC, PetroChina) and foreign multinational oil and gas players profit margin, joint ventures risks, returns, stock listing IPO and M/A performance
- China natural gas, LNG, LPG upstream/ downstream investment return and risks management

Warren Huang
CEO
OSA Global Strategic Management, USA

5.00 End of Day one

DAY TWO 25 FEBRUARY 2005, FRIDAY

8.30 Morning Coffee

9.00 **CHAIRPERSON' S WELCOME AND OPENING REMARKS**
Dave Ernsberger
Editorial Director, Asia
Platts, Singapore

9.15 **DEVELOPING REGIONAL GAS MARKETS IN ASIA**
- Review of the current situation - China in the regional context
- New infrastructure for the region - A joined up world
- Pricing in the regional context
- Regulation and it's impact on markets
- A view of the future

Graham Hartnell
Principal
Nexant, UK

10.00 **WEST-EAST GAS PIPELINE PROJECT AND THE DEVELOPMENT OF GAS INDUSTRY IN CHINA**
- Overview of West-East gas pipeline project
- Recent developments and updates
- Development of gas industry in China based on the project
- Difficulties faced and policies proposed

Li Huaqi
Vice Chief Geologist
PetroChina

10.45 Morning Refreshment

11.15 **MITIGATING POLITICAL RISKS IN THE ENERGY BUSINESS IN CHINA**
- The political risks of energy production
- Political risk in the gas business
- The China factor
- Risk mitigation measures

Daniel Wagner
Senior Cofinancing Specialist (Guarantees)
Asian Development Bank, Philippines

12.00 **DEVELOPMENTS OF THE GUANGDONG LNG PROJECT**
- Project updates & lessons learnt

Guangdong Dapeng LNG Company (Invited)

12.45 Lunch

1.45 **CHINA LNG SUPPLY AND MARKET DEVELOPMENT**
- Policies developments for China LNG market
- LNG developments in key provinces
- Increasing demand for LNG - Implications to China
- Market and pricing implications of LNG usage in China
- Infrastructure and supply issues

Dave Ernsberger
Editorial Director, Asia
Platts, Singapore

2.15 **THE POSITION OF GAS IN ENERGY DEMAND AND ITS SUPPLY SECURITY IN CHINA**
- Short-term outlook for China's gas demand: LPG versus LNG versus Natural Gas
- Opportunities for gas supply in China
- Key issues impacting the market growth in China's gas industry
- China's regulatory direction for LPG, LNG and Natural gas in ensuring supply security
- Outlook of the world's demand and supply for oil and gas

Leo Drollas
Deputy Executive Director and Chief Economist
Centre for Global Energy Studies, UK

3.00 Afternoon Refreshment

3.30 **COMPETITIVE LPG PRICING IN CHINA**
- Argus Far East Index versus Contract Price
- Main players and new international players
- Pricing methods and examples
- LPG pricing for end users: Retail price
- LPG pricing practices in China
- Potential for change in the regional price structure
- Assessing price risks

Gao Hua
China Chief Representative
Argus Media

4.15 **CHINA LPG SUPPLY AND MARKET DEVELOPMENT**
- Policies development for China LPG market
- Role of LPG in the evolving gas market
- Current situation and outlook for China pipeline gas supply and its influence on LPG market
- Guangdong's long term plans for Natural gas/ LNG/ LPG development

Wu Qingbiao
Secretary General
Guangdong Oil & Gas Association

5.00 End of Conference

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