

## SinoCast Energy Business Beat

### Tianwan Nuclear Power Station to Generate 11bn KWH Annually

LIANYUNGANG, October 11, SinoCast -- Tianwan Nuclear Power Station, the biggest economic cooperation between China and Russia, announces the first phase of construction is completed when two 1060MW generator sets started commercial operation.

Located in Lianyungang City of Jiangsu Province, the powerhouse is designed to

have four generators in total and is capable of accommodating another four if needed. The No. 1 and No. 2 generator units, equipped with Russia's VVER-1000 reactors, began commercial operation in May and August 2007, respectively.

Wu Xiujiang, vice general manager of the power plant, predicts that the annual output will hit 11 billion KWH. Now, the Chinese and Russian sides have kicked off new

negotiations on the expansion of Tianwan Nuclear Power Station.

The fallout of the reactor accident of Russia's Chernobyl nuclear power plant raises wide concerns and worries about the safety of the power plant in China. The Russian partners of the Tianwan project declare that the possibility of a similar radioactive leak occur less than once per million years.

### BP Covets China Coal-to-Liquids Market

BEIJING, November 7, SinoCast -- BP Plc. (NYSE: BP) is seeking opportunities in China's coal-to-liquid (CTL) industry and has contacted the country's biggest coal producer Shenhua Group Corp., disclosed John Morgan, senior vice president of the global energy giant.

BP has had a desire to invest in China's CTL projects, including methanol, dimethyl ether, and diesel projects, but the related plan is still in salad days, the senior vice president said in an interview.

The company will make any investment in the CTL industry in accordance with Chinese regulations but it is hard for BP to decide whether to march into the industry before the Chinese government makes the regulations clear, he stressed.

For the moment, the Chinese government has not announced whether coal-based methanol or dimethyl ether is permitted as transportation fuel.

If the answer is yes, BP would like to

discuss upon the technology and supervision regulations with Chinese regulators, he added.

These days, the global energy giant has been negotiating with big Chinese companies like Shenhua Group on the CTL technology but not reached accord yet.

Notably, Shenhua Group is working on the world's first CTL production line in Erdos, a city in Inner Mongolia, a region ranking first nationwide by coal reserves. The production line, with a designed yearly production capacity of 3 million tons, is expected to start production in early 2008, and will mainly yield diesel oil.

Besides, the Chinese coal producer is set to start the construction of CTL projects soon in Shaanxi, Ningxia, and Xinjiang, three regions in Northwestern China.

In Ningxia, it will build a methanol plant and a dimethyl ether plant, which will be capable of yearly turning out 250,000 and 210,000 tons respectively.

By now, BP has invested about USD 4.23 billion in total in China. It has built a liquefied natural gas (LNG) terminal project in Guangdong, Southern China, a gas field project in the South Sea, and a refining and chemical project in Shanghai, Eastern China.

The company is considering whether to raise the production capacity of its Shanghai project, and will make its decision at the beginning of next year, the senior vice president told.

The production capacity will possibly be lifted by 25 to 30 percent in Shanghai SECCO Petrochemical Co., Ltd., the project's major operator.

Shanghai SECCO was set up with an investment of about USD 2.7 billion by China Petroleum and Chemical Corporation (Sinopec Corp.), Shanghai Petrochemical Company Limited (SPC) and BP East China Investment Co., Ltd. with 30, 20, 50 percent shares, respectively.