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The First Foreign-Owned LNG Power Plant in China Starts Construction

On 21st December 2006, Xiamen LNG Power Plant officially started construction.

Hong Disheng, Vice Mayor of Xiamen Municipal Government; Ling Guohui, Secretary of Xiang'an District Committee of the CPC; management of East Asia Power (Xiamen) Co. Ltd and other officials attended the commencement ceremony.

Xiamen LNG Power Plant is the first LNG power plant wholly-owned by a foreign enterprise in China. East Asia Power (Xiamen) Co Ltd, a wholly-owned subsidiary of Pacific Oil & Gas Limited (PO&G) will construct and operate the combined cycle gas turbine power plant in Xiamen City, as one of the major sub-projects under the Fujian LNG Project. The project will have an installed capacity of four units of combined cycle gas turbines of 390 MW each and will have a total generating capacity of 1,560 MW. In Phase One, two units of 390 MW each will be installed with a total investment cost of RMB 2.76 billion.

Xiamen LNG Power Plant obtained approval from NDRC on December 2005. An 18-year project finance loan of RMB 2.1 billion from China Development Bank (CDB) was signed on 24 November 2006. Commercial operation of the power plant is expected in April 2009. Fueled by re-gasified LNG imported from Tangguh in Indonesia through the Fujian LNG Receiving Terminal, the plant will supply clean and efficient electricity to support the development of Xiamen economy.

Pacific Oil & Gas Limited (PO&G), a member of RGM International Group, is an independent energy resource development company. PO&G specializes in developing competitive energy projects throughout the energy supply chain, from upstream exploration and investment to the development, investment and operation of downstream projects such as LNG receiving terminals and CCGT power plants. The Xiamen LNG project is the first power plant investment in China by PO&G, and a significant milestone for PO&G's energy development plan in China.