

CNPC launches operations on WEP-2 trunk line



Second West-East Natural Gas Pipeline Crosses TWE's Liuhaunggou PSC Area

The main trunk route of China's second West-East Pipeline (WEP-2) has gone into operation, China National Petroleum Corp. (CNPC) has said.

The line will carry gas from both Central Asia and China's far northwest Xinjiang region across China.

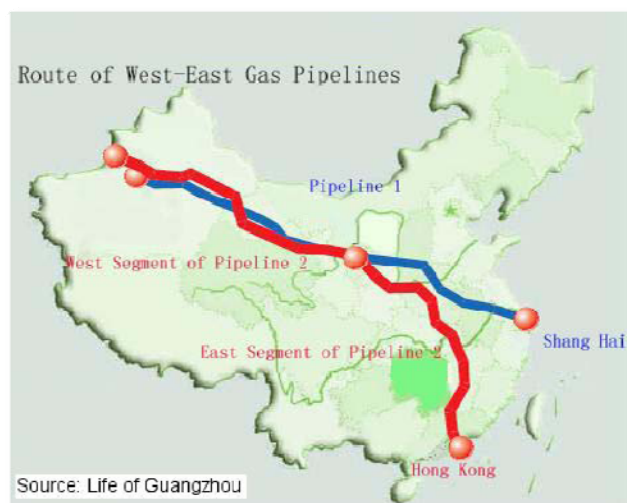
Eight branch lines, which still have to be constructed, will move gas all the way down to Guangdong Province on the south coast and also to Hong Kong.

The branch routes are to be completed by June 2012, said official state media quoting CNPC's vice president, Liao Yongyuan, last week.

CNPC did not say how much gas the pipeline would carry this year, but when fully completed it will have a 30 billion cubic metre per year capacity, said the China Daily newspaper. It will connect 15 provinces, notably industrial Guangdong, which leads the way nationally in switching power plants from coal and oil to gas fuel operation.

One of the branch lines will feed 10 bcm per year to Guangdong and another 2 bcm will go to Hong Kong, said Xinhua quoting Liao.

CNPC said the total length of the second



mammoth pipeline, with all the branch lines, would be 8,653 km and would cost nearly US\$22 billion.

China's first West-East Pipeline (WEP-1), linking Xinjiang with the east coast provinces and including Shanghai, carries about 12 bcm per year. It began operating in 2004.

Demand for gas in China has grown dramatically and far exceeds domestic production as the central government bids to try to reduce the country's consumption of coal and to curb urban pollution.

Over its 30-year lifespan, the pipeline will save 77 million tonnes of coal and reduce carbon dioxide emissions by 130 million tonnes, Xinhua quoted CNPC as saying.

CNPC plans to build a third such pipeline with an annual capacity of 20 bcm, said Liao, and there has also been discussion of a fourth and fifth duct.

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