

China's Natural Gas Market Review and Outlook

April, 2025





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2024 China's Market Review

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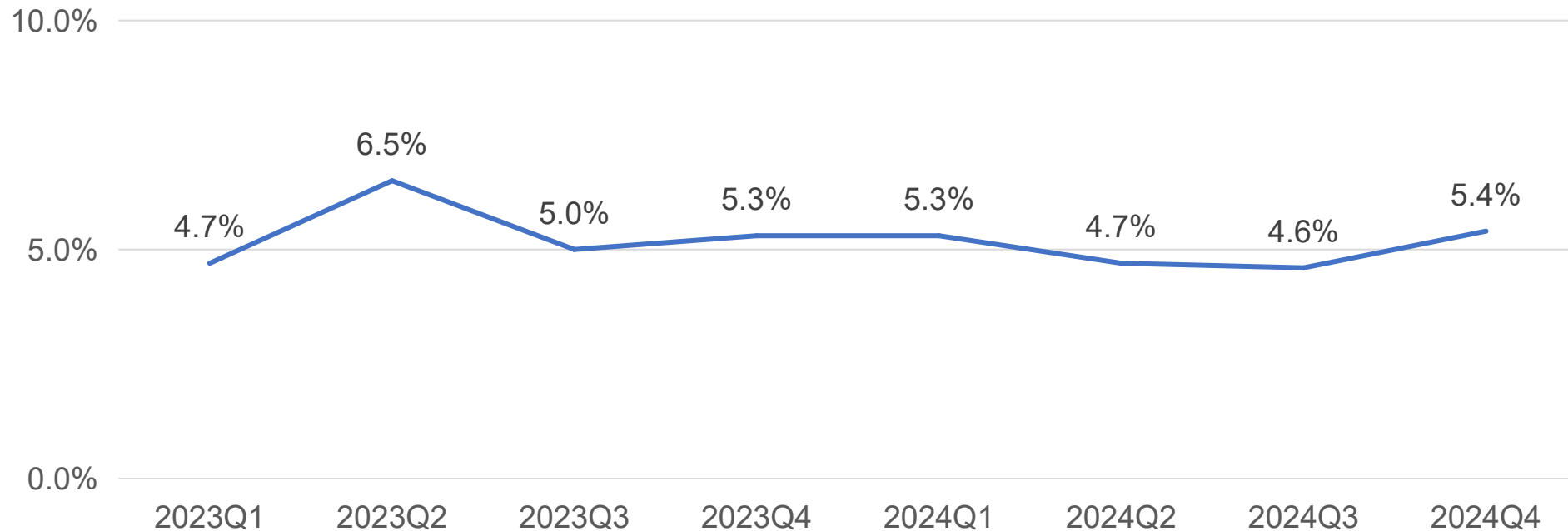
2025 China's Market Outlook



China's Economic Performance was Generally Stable in 2024

- ❑ In 2024, China's economy was generally stable, with annual GDP growth of 5.0% year-on-year to 134.9 trillion yuan (\$18.7 trillion), in line with the economic growth target. The secondary industry experienced the most rapid growth, at 5.3%.
- ❑ In the fourth quarter, a package of incremental policies was deployed, contributing to an effective boost in social confidence and a marked economic rebound.

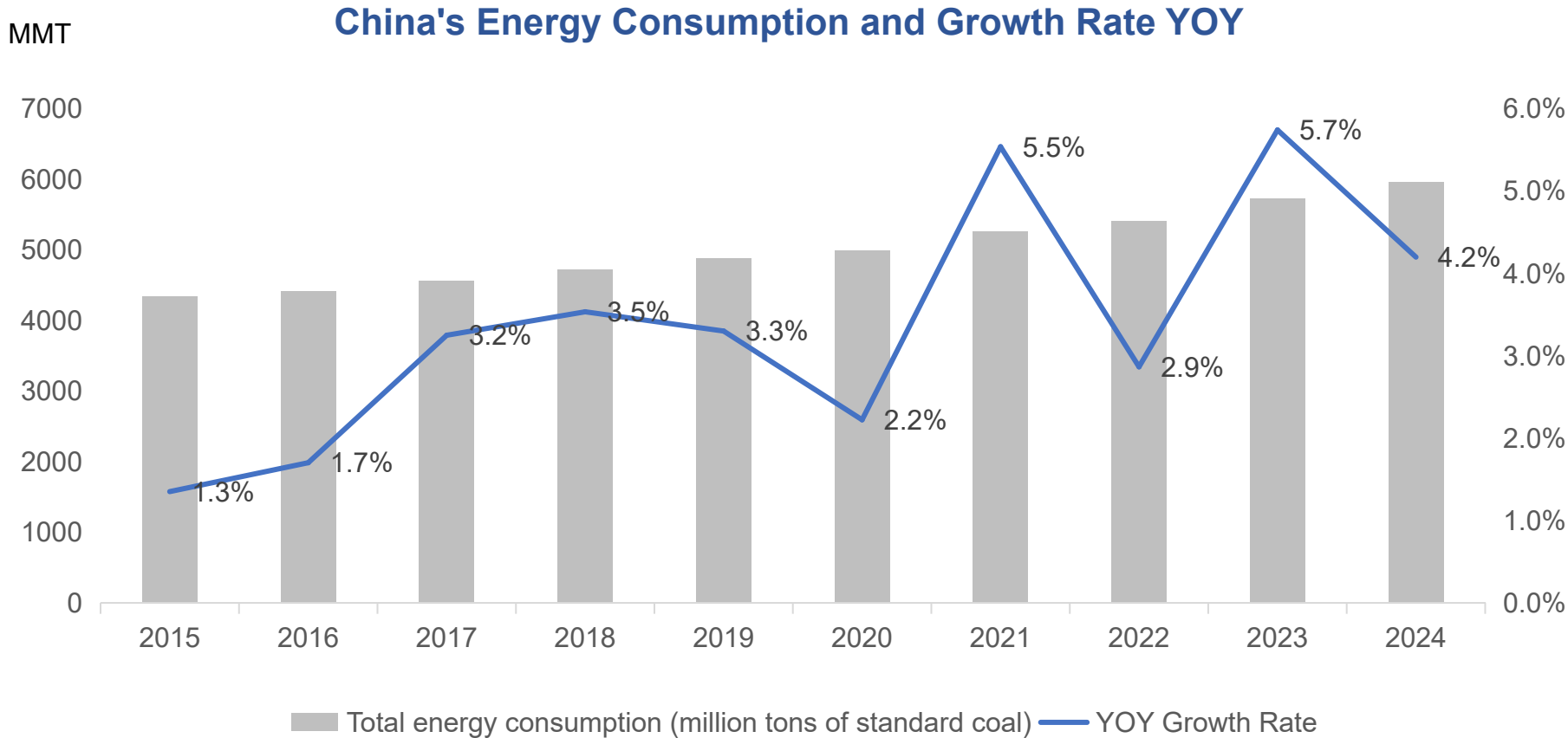
China's GDP Growth by Quarter





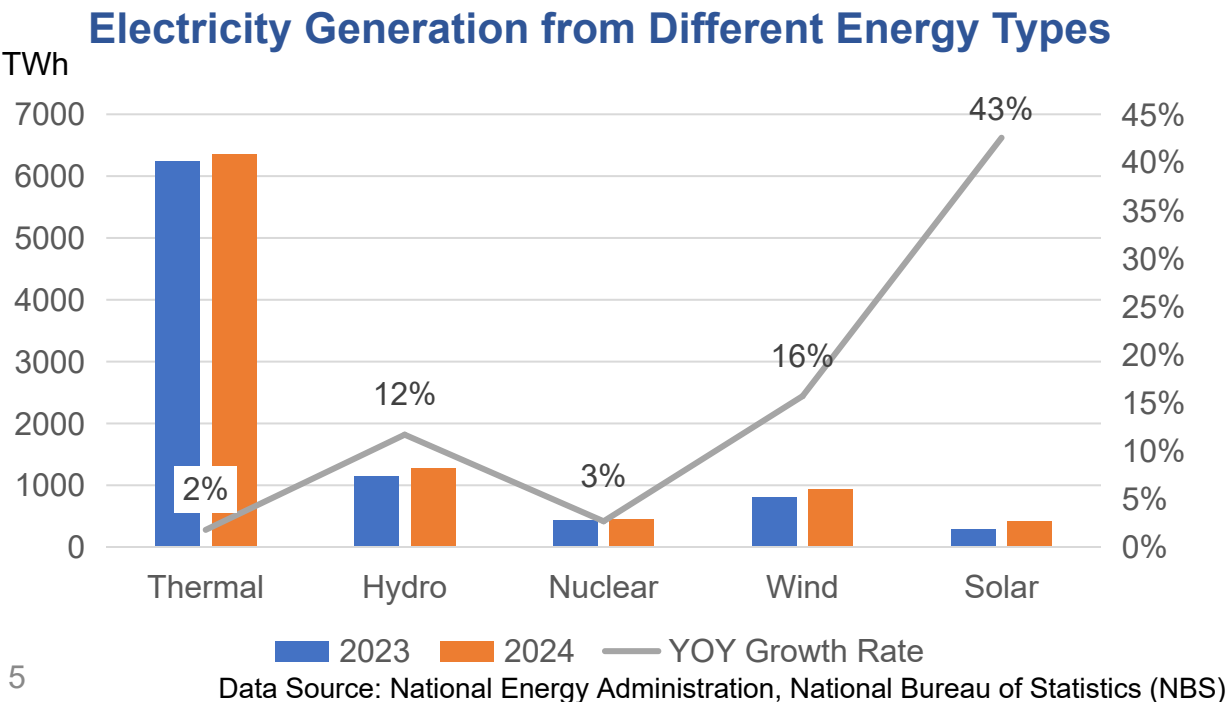
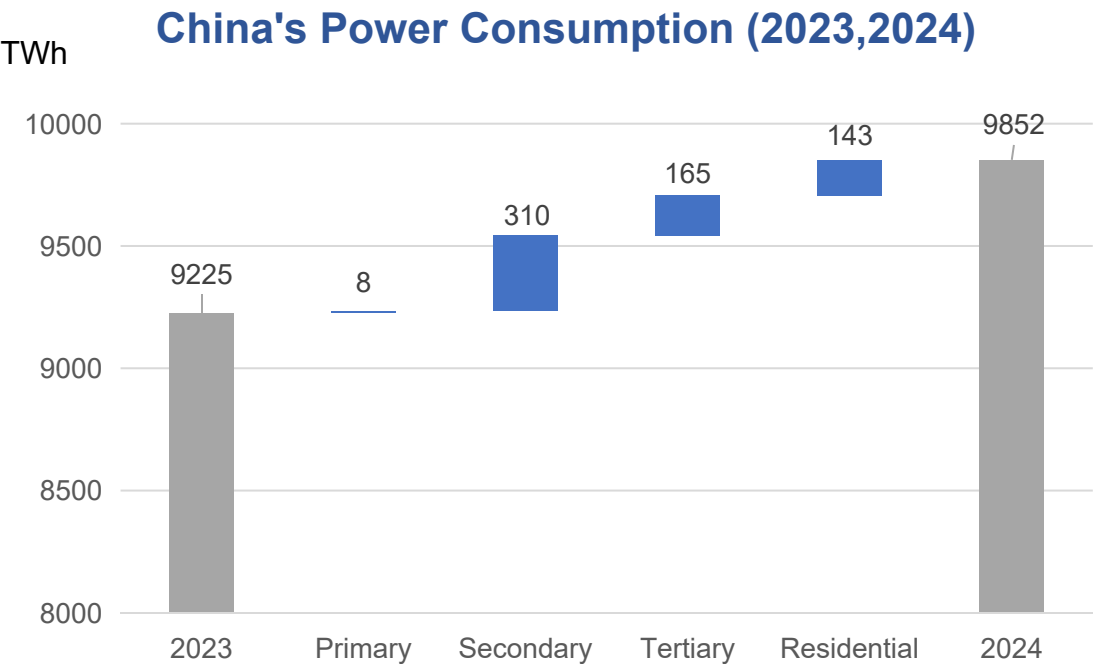
China's Energy Consumption Continues to Grow in 2024

- ❑ In 2024, China's energy consumption grew steadily, increasing by 4.2% YOY.
- ❑ The structure of China's energy consumption continued to improve and become cleaner, with coal accounting for 53.2% of total energy consumption, a decrease of 2.1% from the previous year.



China's Power Consumption Increased Driven by Industrial Sector

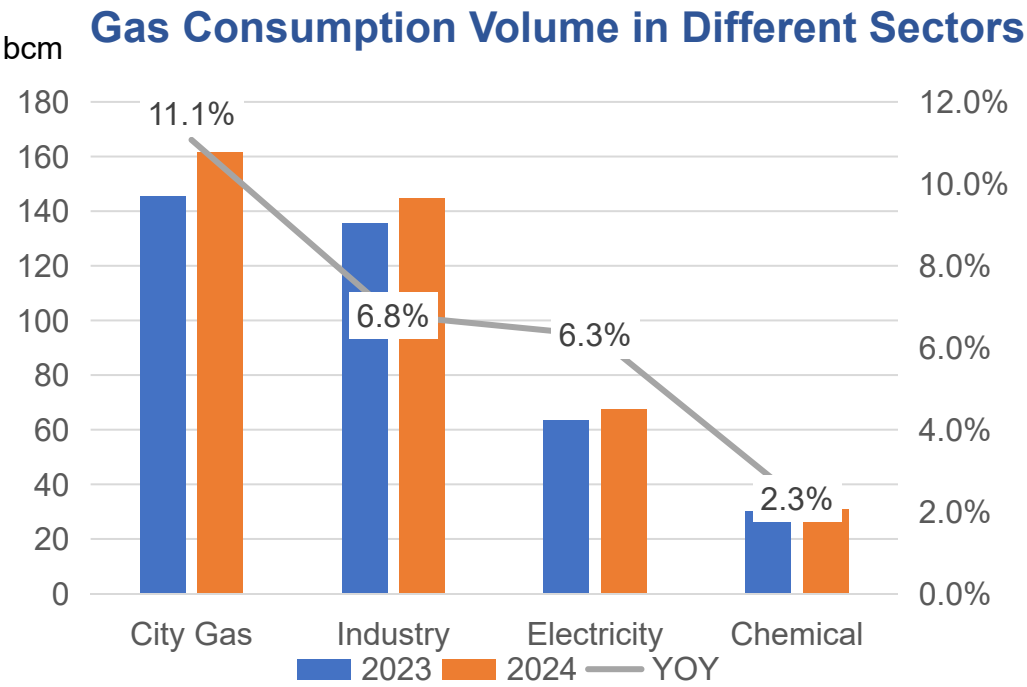
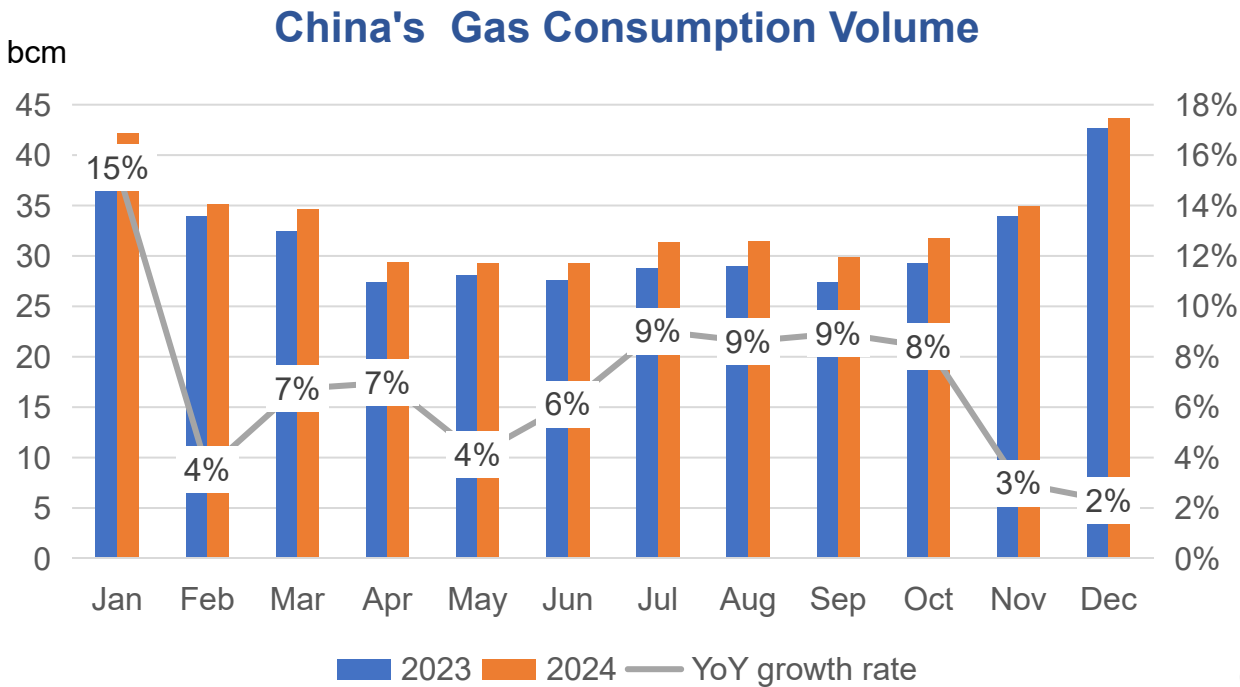
- In 2024, China's electricity consumption grew by 6.8% YOY to 9,852 TWh. Driven by advancements in manufacturing, the industrial sector contributed the most to the surge, accounting for 49% of the growth in electricity consumption.
- China's non-fossil energy power generation is growing rapidly, with non-fossil sources contributing 78% of the total increase in power generation. As of 2024, the installed capacity of non-fossil energy power generation was 1.9 TW, a yoy increase of 24%.



China's Gas Consumption Increased with City Gas Showing Largest Growth



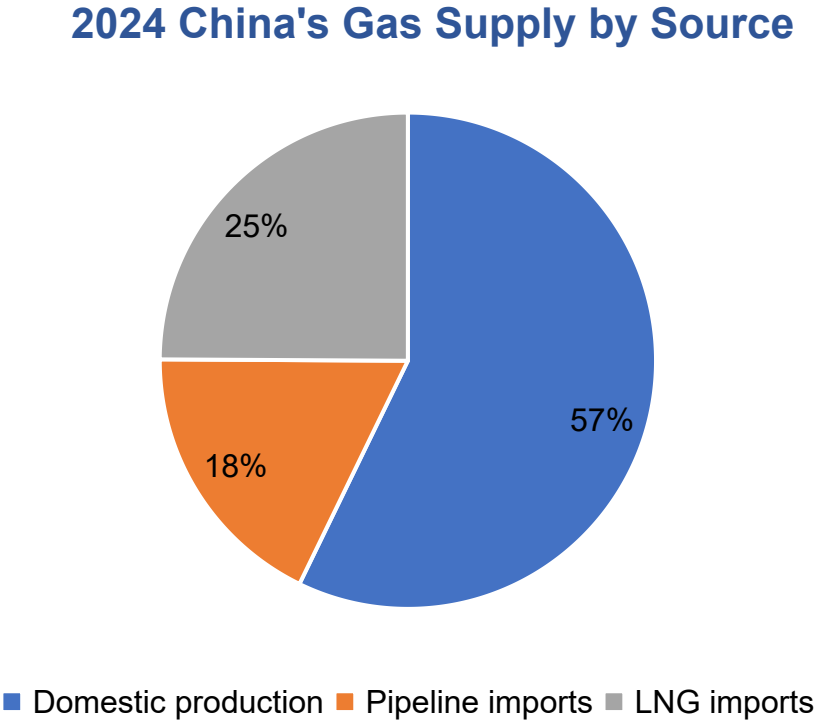
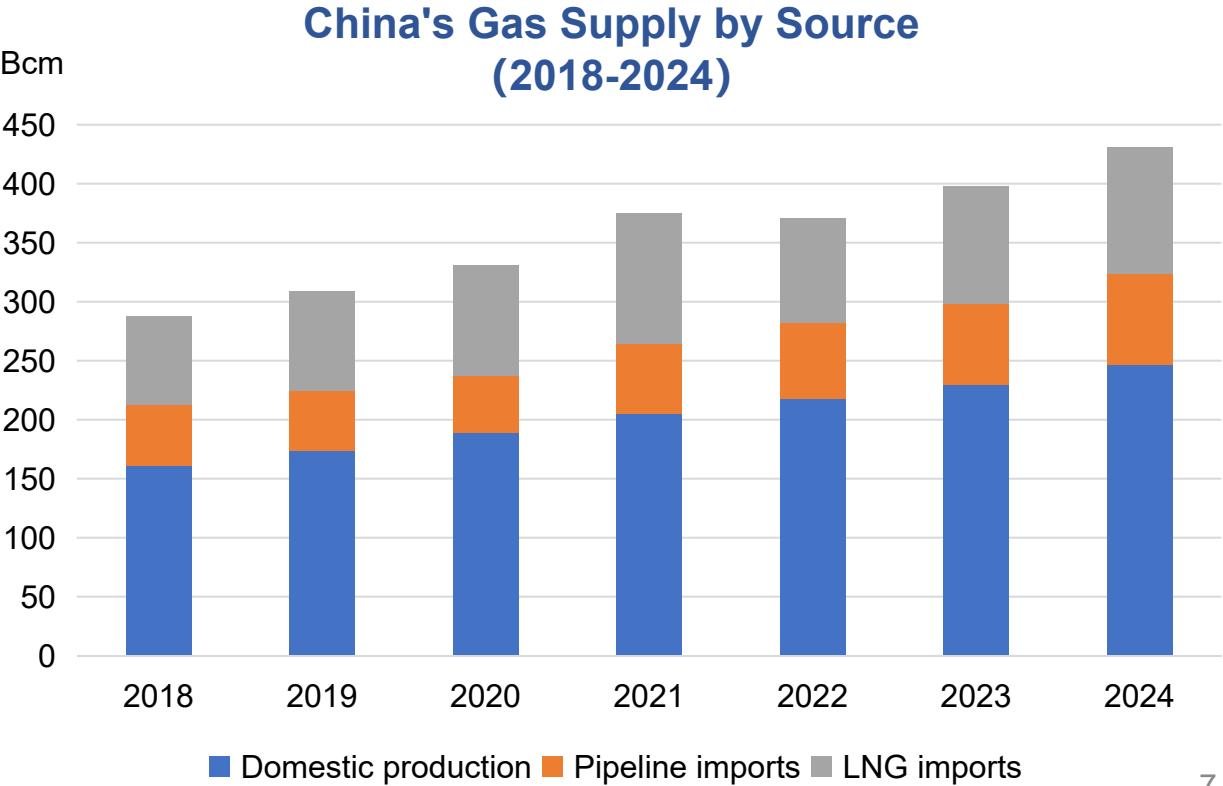
- ❑ In 2024, China's gas consumption rose by 8% YoY, reaching a total of 405 bcm.
- ❑ Driven by economic recovery, city gas accounted for the largest incremental volume, increasing by 11%. Traditional industry sectors like ceramics declined due to weak real estate market, while the "new trio" (lithium batteries, solar products, EVs) drove rapid growth, powering overall growth of 6.8% YoY. Gas power capacity continued steady growth, driving electricity demand up 6.3% YoY. Chemical edged up marginally, with an increase of 2.3% YoY.





Both Domestic and Imported Gas Supplies Increased Year-on-year

- ❑ In 2024, China's total natural gas supply increased by 33 bcm YOY to 431 bcm.
- ❑ Domestic gas remained the primary source of natural gas supply, totaling 246 bcm, showing a 7% increase, and constituting 57% of total supply. Imported LNG, increasing by 8% to 107 bcm, was the second largest source. Pipeline gas imports grew the fastest, rising by 13% to reach 77 bcm.





CNOOC Bonded LNG Storage: Pioneering Efficiency in China

- While China's LNG receiving terminals have expanded significantly in recent years, bonded storage services remain a nascent sector. As the undisputed leader in this field, CNOOC has established the industry benchmark through the integrated tax-free storage, flexible reloading, and cool-down solutions.



Simplified Business Scheme: Provide with customer-friendly contract and pricing

LNG Receiving Terminal: Mature, Experienced and Technology-advanced

Geo: Regional hub to Asian LNG markets, Proximity to shipyards facilitates gas-up and cool-down



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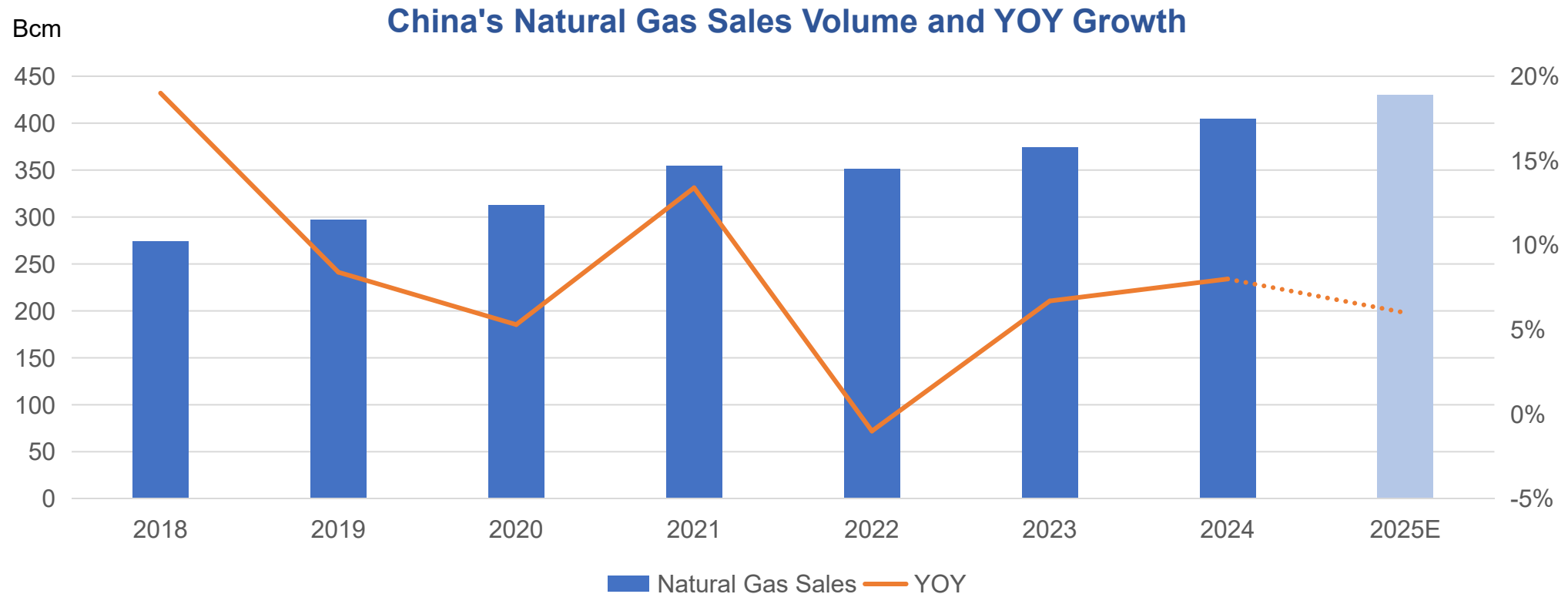
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2025 China's Market Outlook



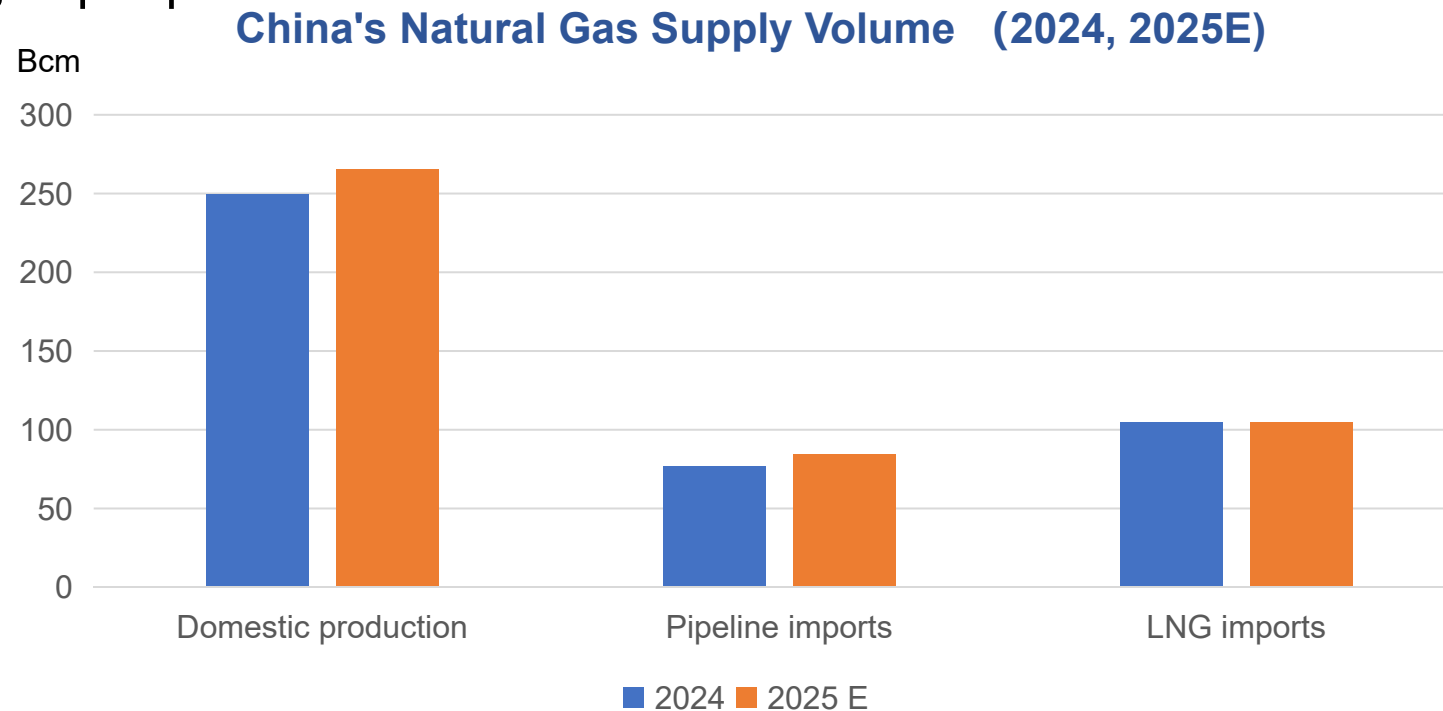
China's Gas Consumption Expected to Grow at around 6-7% in 2025

- ❑ In 2025, China's gas consumption is expected to reach 430 bcm, up 6%-7% yoy. Key drivers include economic development and continuous expansion of gas-fired power capacity.
- ❑ Downside risks and uncertainties arise from weak demand in real estate-linked sectors (e.g., steel and ceramics), geopolitical turbulence impacting exports, and the potential impacts of temperature variability and gas price sensitivity on gas consumption needs.



China's Natural Gas Supply is Expected to be Adequate in 2025

- ❑ By 2025, China's natural gas supply is expected to remain robust. The domestic natural gas production will continue to grow, exceeding 260 BCM, with a yoy increase of 16.2 BCM (+6.5%).
- ❑ Supported by incremental Russian gas supplies, pipeline imports will further rise to 84.6 BCM in 2025, marking a yoy growth of 8 BCM (+10.4%). While China's LNG import capacity has been further enhanced, the growth in China's LNG spot demand faces challenges and uncertainties due to the current high spot prices.





Policy: China Emphasizes Supply-side Energy Security

- ❑ In alignment with carbon peaking and neutrality goals, and in the spirit of the 20th National Congress of the CPC, China's relevant regulatory bodies have actively issued numerous policies, regulations, and decrees in the energy sector.
- ❑ Based on the *Guidance on energy work in 2025*, China's natural gas sector will focus on accelerating domestic production growth, expanding storage infrastructure, and fostering strategic partnerships with key regions to secure stable supply chains.

● May 23 2024

State Council of China—*Action Program for Energy Efficiency and Carbon Reduction 2024-2025*

国务院关于印发《2024—2025年
节能降碳行动方案》的通知

国发〔2024〕12号

● May 27 2024

Special Action Plan for Energy Conservation and Carbon Reduction in Iron and Steel, Cement, Ammonia and Oil Refining Industries

国家发展改革委等部门关于印发《钢铁行业节能降碳专项行动计划》的通知

发改环资〔2024〕730号

● June 3 2024

National Development and Reform Commission—*Measures for the Administration of Natural Gas Utilization*

天然气利用管理办法

(2024年5月29日经国家发展改革委第12次委务会审议通过 2024年6月

3日国家发展改革委令21号公布 自2024年8月1日起施行)

● July 15-18 2024

Third Plenary Session of the 20th CPC Central Committee—“We must make concerted efforts to cut carbon emissions, reduce pollution, pursue green development, and boost economic growth”

中国共产党第二十届中央委员会第三次全体会议公报

(2024年7月18日中国共产党第二十届中央委员会第三次全体会议通过)

● Feb 27 2025

National Energy Administration—*Guidance on energy work in 2025*

国家能源局关于印发《2025年能源工作指导意见》的通知

国能发规划〔2025〕16号



THANKS

谢谢