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## CLP Power Brings New Natural Gas Supply to Hong Kong

CLP Power Hong Kong Limited (CLP Power), operator of Castle Peak Power Company Limited (CAPCO), announced a contract signed between CAPCO and CNOOC Limited yesterday (4 February) to bring in natural gas from the Wenchang Gas Field in the South China Sea using the existing Yacheng pipeline. The gas is expected to reach Hong Kong from 2018 onwards, providing a medium term supply of natural gas to CLP Power.

CNOOC Limited will build a 33-kilometre pipeline to connect the Wenchang Gas Field to the existing gas pipeline which links the Yacheng Gas Field to the Black Point Power Station. The existing gas receiving facility at the Black Point Power Station is compatible with Wenchang gas, meaning no additional facilities are required.

The terms of the gas supply are competitive and consistent with the industry practice in Asia Pacific market. Furthermore, the cost of bringing in this new gas supply has been kept low because CLP Power does not need to build any additional infrastructure.

CLP Power attaches great importance to fuel supply security and has been exploring new gas sources to ensure a reliable power supply for customers. To this end, CLP Power started importing natural gas from Yacheng for power generation since 20 years ago. With the gradual depletion of the Yacheng Gas Field, CLP Power has imported natural gas from a small gas field near Yacheng since 2012, and introduced in 2013 natural gas from the Second West-East Gas Pipeline, one of the three new gas sources specified in the Memorandum of Understanding on energy cooperation signed between the Hong Kong SAR Government and the Central Government. This will be followed by the Wenchang gas supply in 2018.

In the longer term, CLP Power is committed to continue to look for other competitive gas sources to support the government's policy to use more clean energy for power generation while keeping tariffs at a reasonable level.

### **About Castle Peak Power Company Ltd. (CAPCO)**

Castle Peak Power Company Ltd. (CAPCO) is a joint venture of CLP Power Hong Kong Ltd. (CLP Power) and China Southern Power Grid International (HK) Co., Ltd. (CSG HK), a wholly-owned subsidiary of China Southern Power Grid Co. Ltd (CSG HK), under a 70/30 partnership. CAPCO currently owns three power stations, Castle Peak Power Station, Black Point Power Station and Penny's Bay Power Station, which are all operated by CLP Power.

**About CLP Power Hong Kong Limited**

CLP Power Hong Kong Limited ("CLP Power") is the Hong Kong utility subsidiary wholly owned by CLP Holdings Limited, a company listed on the Hong Kong Stock Exchange and one of the largest investor-owned power businesses in Asia. CLP Power operates a vertically integrated electricity supply business in Hong Kong, and provides a highly reliable supply of electricity and excellent customer service to 5.9 million people in its supply area.

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