

Special Report

Yamal LNG Project Completed and Put into Operation

Yamal LNG Project is China's first overseas megaproject since the launch of the Belt and Road Initiative. It is also the country's largest investment project in Russia, widely hailed as a fine example of China-Russia cooperation. CNPC participates in the operation of the project throughout the entire industrial chain and has become a vital player in the international LNG industry.

Located in the Arctic Circle of the Yamal Peninsula in Russia, the Yamal project is an integrated project encompassing oil and gas exploration and development, natural gas processing, liquefaction, marketing and shipping. CNPC, China's Silk Road Fund, Novatek and Total hold 20%, 9.9%, 50.1% and 20% of the equity shares of the project, respectively.



"This project is of great significance, for it can help strengthen our economic cooperation with countries in the Asia Pacific region, particularly the People's Republic of China, one of our most important partners in the region. Meanwhile, it is a model for successful international cooperation with France, Italy, Germany and other European countries."

—Vladimir Putin, President of Russia



Reserves

60 million tons of condensate, 1.3 trillion cubic meters of natural gas



Annual capacity

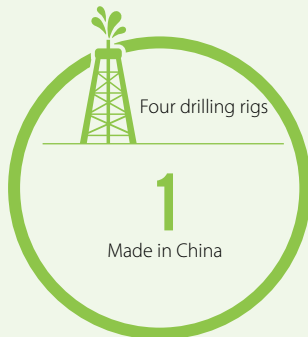
25 billion cubic meters of natural gas, 1 million tons of condensate



Funds raised

USD 19 billion, 63% of which contributed by China





Mutual Benefit and Win-win Results

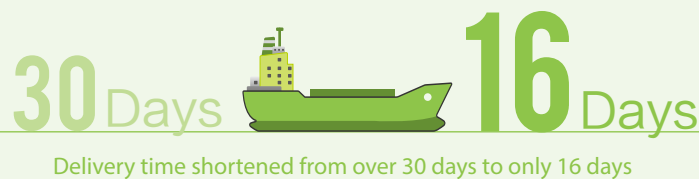
Thanks to concerted efforts of various parties, the first LNG Train of Yamal Project became operational in December 2017. This will not only drive the development of Russia's energy sector and its border areas, but will also diversify China's clean energy supply. Once completed, the project can provide 3 million tons of liquefied natural gas to China every year.

Promoting Industrial Development

Chinese enterprises have participated in project construction in an all-round way, from financing, design to construction. The construction of the Yamal project has directly promoted the technological innovation and restructuring of Chinese industrial sectors including steel, equipment, materials, construction and shipbuilding. During the construction of the project, Chinese enterprises undertook 85% of the workload for the construction of all modules, and exported products more than USD 10 billion.

Waterway Expansion

During the construction of the project, more than 60% of the modules were shipped through the Bering Strait and via the North-East Arctic Waterway, which shortened the delivery time from over 30 days via the traditional routes to only 16 days. The opening and development of the North-East Arctic Waterway not only provided convenience for Russia and China, but also facilitated logistics in Asia-Pacific, Europe and even the whole world.



Environmental Protection

Yamal LNG Project is located on the west bank of the Gulf of Ob in the north of the Arctic Circle. 60% of the surface is covered by marshes and lakes. In order to protect the ecological environment of the arctic region, dedicated equipment and systems were used to treat wastewater, waste gas and solid waste, and rational casing structure was selected to ensure high-quality well-building and protect underground resources. Additionally, engineering recovery and biological recovery were made on the land at the well sites. Since 2013, a total of 761 hectares of land has been restored, which can be used as agricultural land. In June 2017, the project was successfully certified and highly rated by the British Standards Institution HSE management system.



"We are especially grateful for the help from China during our most difficult times, which helped us smoothly advance the Yamal LNG Project. We look forward to further cooperation with CNPC, a trustworthy partner."

— Leonid Mikhelson, Chairman of Management Board of Novatek

