On the morning of August 28th, a Foundation Stone Laying Ceremony for Yangjiang LNG Peak-shaving Storage Project was held. Wen Zhanbin, Mayor of Yangjiang, Chen Ji, Vice-mayor of Yangjiang, Li Zhuoxian, Chairman of Guangdong Energy Group Co., Ltd. and Sukanto Tanoto, Chairman of RGE Group attended the ceremony.

The Yangjiang LNG Peak-shaving Storage Project was jointly established by PO&G and Guangdong Yudean Natural Gas Co., Ltd. (under a 50/50 partnership). The project is located in Jishu Port District, Yangjiang Port, Yangjiang City. Plans include one LNG jetty with a capacity of 10,000-217,000 m³, two LNG storage tanks of 160,000 m³ each and other auxiliary facilities. The annual processing capacity of LNG is expected to be 2.8 million tons. Its capacity will ultimately reach 6 million tons/year.

As a key project of Guangdong Province, a prioritized project in the Belt and Road Initiatives, and a major infrastructure project of the supply side structural reform, the Yangjiang LNG
Peak-shaving Storage Project has attracted considerable attention and received great support from officials at all government levels since it started preliminary work in 2013. At present, all the procedures required for project approval have been completed. The Foundation Stone Laying Ceremony indicated the official start of construction and the project is expected to be completed and operational in 2024.

For a long time, there has been no stable supply of LNG in western Guangdong. The completion and operation of this project will provide natural gas for western Guangdong, and guarantee the peak-shaving, storage, accident emergency and gas supply safety of natural gas systems in Guangdong Province. The project aims to be a green, low-carbon, energy-saving and economically sustainable development model. It will promote energy conservation, emission reduction and supply-side structural reforms in western Guangdong and even in Guangdong Province.

Once the construction begins, the company will focus on safety, quality and schedule management. It adheres to the philosophy of “protecting the environment, creating value for customers, and being beneficial to the community, the host country, and the business sector”.

Profiles of shareholders:

**PO&G**

PO&G is an independent energy resources development company under RGE focusing on helping meet the increasing energy requirements of growing Asian economies. It invests, develops, builds, owns and operates projects throughout the energy supply chain.

In the upstream sector, PO&G owns Pacific Canbriam Energy Limited (natural gas producer) and the upcoming Woodfibre natural gas liquefaction and export project with an annual capacity of 2.1 million tons of LNG; and owns a number of oil and gas blocks in Indonesia for exploration, development and production. In the midstream, PO&G focuses on building LNG receiving terminals, introducing quality and reliable LNG resources and mitigating the pressure on natural gas supply. PO&G is the second largest shareholder of Jiangsu LNG Receiving Terminal. It owns several projects under construction including Yangjiang LNG Peak-shaving Storage Project and Cangzhou LNG Receiving Terminal Project. Downstream, PO&G actively deploys gas-fired power plants, LNG bunkering business for inland water transportation and other natural gas
utilization projects in China. Projects in downstream that have been put into operation include Xiamen CCGT Power Plant, Wuxi CCGT Power Plant, and Jiangsu Hongyun Bunkering.

**Guangdong Yudean Natural Gas Co., Ltd.**

Guangdong Yudean Natural Gas Co., Ltd. (hereinafter referred to as “Natural Gas Company”) is a wholly-owned subsidiary of Guangdong Energy Group Co., Ltd. (hereinafter referred to as “Guangdong Energy Group”). The company was established in July 2014 with a registered capital of 100 million yuan.

The Natural Gas Company is responsible for the integration and management of the existing natural gas-related assets of Guangdong Energy Group, as well as for the investment, construction, operation and management of the subsequent natural gas business. The business includes the investment, construction and operation of the receiving, storage and transportation of natural gas (including LNG). It also includes the procurement, import, transportation, storage, regasification, and sales of natural gas (including LNG).

The Natural Gas Company focuses on the business of natural gas procurement in the upstream sector, natural gas sales in the downstream sector, and investment, construction, operation and management of LNG receiving terminals and natural gas pipelines.

The Natural Gas Company is committed to becoming a specialized platform with whole industry chains including resource procurement, LNG receiving, pipeline transportation and market development.