

Russia / China - onshore - crude oil - 960 km / 597 miles - "ESPO- Spur line - Russia-China border to Daqing segment"

General information

Project name	ESPO- Spur line - Russia-China border to Daqing segment
Master project	ESPO - Eastern Siberia to Pacific Ocean oil pipeline
Fluid	crude oil
Onshore / offshore	onshore
Line type	transport line
Layout	regular line
Project status	project completed
Start of construction (estimated)	2010
Completion (planned)	November 2010
Geographical location	from Russia to China (Asia)
Route	from Skovorodino in Russia to Daqing in China
NPS diameter(s)	650 mm - 26 inch
Length (planned)	960 km - 597 miles
Line pipe weight (estimated)	180000 mt - 200000 US tons
Capacity (planned)	15000000 mt/y - 300000 bpd
Technical details	70-km section within Russian territory and a 960-km one in the Chinese territory. The capacity of a Chinese leg of the East Siberia-Pacific Ocean pipeline could reach 30 million tons a year,
Line pipe supplier	TMK
Cost (estimated)	1023.0 million USD
Project number	972

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Status details

Project

- November 2010** The 964 km Russia - China Oil Pipeline, which forms part of the first stage of Russia's East Siberia Oil (ESO) Pipeline, has delivered first oil to the Chinese border.
- Construction of the Russia - China Oil Pipeline, which runs from Skovorodino in Russia's Far East to China's northeastern city of Daqing, was completed in September 2010.
- The ESO Pipeline is being constructed in two stages.
- The first stage of the pipeline runs 2,757 km from Taishet, Irkutsk Region, via Yakutia to Skovorodino in the Amur Region. A 1,100 km section of the first stage was brought online in October 2008.
- The second stage of the ESO will run 2,100 km from Skovoridino to the Pacific coast. Currently the oil is transported by rail from Skovoridino to the port of Kizmino on the Pacific coast.
- Upon completion of the second stage, the ESO pipeline will traverse 4,857 km.
- In January 2010, Russian Prime Minister Vladimir Putin opened the first stage of the ESO pipeline at a ceremony held at the port of Kozmino on Russia's Pacific Coast.
- April 2010** China has finished the construction of a tunnel under the Amur River to accommodate an extension of the East Siberian Oil (ESO) Pipeline, according to China's Xinhua news agency.
- More than 80 workers have been involved in the drilling of the 1,900 m tunnel on the Russian-Chinese border since September 2009.
- Russia and China signed co-operation deals on the construction of an ESO Pipeline branch - running from Skovorodino in Russia's Far East to China's northeastern city of Daqing - in February 2009.
- The branch is expected to become operational in 2011.
- June 2009** Russia and China have sealed a \$US100 billion deal that will see China receive 300 MMt of oil from Russia over the next 20 years.
- Russian President Dmitry Medvedev said that the deal was the largest ever signed between the two countries.
- Transneft Head of Public Relations Igor Demin said that the agreement - signed during Chinese President Hu Jintao's recent visit to Russia - formalised discussions held earlier in the year, when the two parties talked about long term supplies of Russian oil.
- In February this year, China provided \$US25 billion in loans to Transneft and Rosneft for the supply of 15 MMt/a of oil for twenty years, and the extension of the East Siberian Oil Pipeline to link into the Chinese pipeline network to ship the oil.

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- 2009** Following on from the recent China-Russia deal to extend the East Siberian oil pipeline (ESO) into China's oil network, Russian Deputy Prime Minister Igor Sechin has said that construction of the 70 km spur line - for long term Russian oil supply into China - could begin in April.
- Mr Sechin said "The construction will begin as soon as China starts transferring [of the loan]. Probably in April if everything goes as scheduled."
- The head of ESO operator Transneft, Nikolai Tokarev, also confirmed that sufficient funds were available for construction to begin at that time. Transneft received \$US10 billion of Russia's \$US25 billion loan from China that is to be used for oil developments.
- The ESO is currently under construction and expected to begin pumping oil in late 2009. Once the spur line is in place, Russia will supply 15 MMt/a of oil to China for 20 years.
- November 2008** CNPC has signed with Transneft on jointly laying oil pipeline from Russia's Skovorodino to Daqing in northeastern China.
- The crude oil pipeline, as a part of ESOP pipeline, consists of a 70-km section within Russian territory and a 960-km one in the Chinese territory.
- Detailed contracts concerning the construction time and crude supply from Russia to China are expected to be sealed before the yearend.
- In return, CNPC will tie up with Rosneft in building an integrated refinery in north China port city of Tianjin. The 10 mln-t/y refinery deal will also be signed before the yearend.
- CNPC is parent of PetroChina
- June 2008** Rosneft and CNPC are finalizing a deal to build that branch of the ESPO.
- July 2007** The construction of a branch to China of the East Siberia-Pacific Ocean (ESPO) pipeline is due to begin in 2008, Russian Industry and Energy Minister Viktor Khristenko said in Beijing on Monday.
- Khristenko said construction of the Chinese spur from Skovorodino would start after the completion of the project design work. Under the contract, the design work should end 208 days after the first payment from China, which was received in June.
- July 2007** Russia's pipeline monopoly and Chinese CNPC have inked a protocol to extend a branch of East Siberia-Pacific Ocean oil pipeline (ESPO) to China, ITAR-TASS reported with reference to Deputy Industry and Energy Minister Andrey Dementiev.
- According to Dementiev, Transneft elaborated the feasibility study, all sanctions of authorities were duly collected and the document was passed to China, which undertook to fund the branch construction.
- Moreover, China expressed the will to take part in building a section of ESPO, Dementiev said, specifying that 2,000 Chinese will be employed to construct the pipeline.
- July 2007** The capacity of a Chinese leg of the East Siberia-Pacific Ocean pipeline could reach 30 million tons a year, Russia's industry and energy minister said,

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December 2006 The 2006 March Beijing Agreement (which failed to finalise the extension of Skovordino-Daqing) was a big disappointment to CNPC but Transneft could not take any risk by officially endorsing the pipeline between Skovorodino-Daqing section.

Transneft is seeking Japan's commitment for the section of Skovorodino-Perevoznayapipeline development, and any hurried announcement supporting Skovorodino-Daqingwould wipe out any role of Japan in the pipeline development. This is the reason why only the FS on Skovorodino-Daqing line was agreed during the Beijing meeting

April 2006 In Beijing, Putin declared that there was "no doubt" that a spur from ESPO line to Daqing would be built, but no timetable was given. At present, Russian oil is transported to China via an already overloaded rail system. Russia is expected to ship about 15 million tonnes of oil to China this year, nearly double last year's level.

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Master project

This project is part of the following master project:

ESPO - Eastern Siberia to Pacific Ocean oil pipeline

This master project also includes these projects :

Project name	From	To	Start	End
ESPO - 5th segment - Tynda to Skovorodino	Russia	Russia	2006	2009
ESPO - 4th segment - Aldan to Tynda	Russia	Russia	2007	2010
ESPO - 1st segment - Taishet to Ust-Kut	Russia	Russia	2007	2007
ESPO - 2nd segment - Ust-Kut to Talakanskoye Deposit	Russia	Russia	2008	2009
ESPO - 3rd segment - Talakanskoye field to Aldan	Russia	Russia	2008	2010
ESPO - Spur line - Skovorodino to Russia-China border segment	Russia	Russia	2009	2011
ESPO - 6th segment - Skovorodino to Kozmino Bay	Russia	Russia	2010	2012
ESPO - VC oil and gas processing facility to ESPO oil pipeline	Russia	Russia	2011	2012

/ VSTO (Russian acronym of ESPO)

Oil pipeline from Taishet to Nakhodka - 4185 km.
Spur line to China - 930 km

The pipeline would go from Taishet to the Perevoznaya Bay terminal in the port of Nakhodka, crossing Russia's Irkutsk, Chita, Amur, Buryat, and Primor regions. The Taishet-Nakhodka route would be some 4,130-kilometers long, and its estimated cost could exceed \$10 billion. The annual capacity of the East Siberia-Pacific pipeline system is expected to reach 80 million tons.

The First Stage will be capable of carrying 30 million metric tons of crude oil annually from the Siberian city of Taishet to Skovorodino near the Chinese border.

From there, the pipeline is expected to take two-thirds of the oil south to Daqing, while the remaining 10 million metric tons would be shipped by rail to a new port to be built on the Pacific coast near Nakhodka. The project is expected to be completed around 2008.

Putin also pledged to expand the line's capacity to 50 million metric tons a year, or roughly 1.2 million barrels per day, and to extend the line all the way to the Pacific coast at some time in the future

FIRST STAGE

- 1st segment - Taishet to Ust-Kut - 495 km - Construction started in January 2007
- 2nd segment - Ust-Kut to Talakaskoye field - 540 km - Construction started in February 2007
- 3rd segment - Talakanskoye field to Aldan - 850 km - Construction started on summer 2008
- 4th segment - Aldan to Tynda - 400 km - Construction started in February 2007
- 5 th segment - Tynda to Skovorodino - 150 km - Construction started in 2006 and was completed in 2007

April 2008

Russian Industry sources sugges that realistically the first stage of the ESPO may be completed no earlier than mid-2010

SECOND STAGE

- 6 th segment - Skovorodino to Kozmino sea port (near Nakhodka, Primorye). - 1800 km
- Spur line segment - Skovorodino to Daqing, China - 930 km

January 2009

Transneft has said that the first 2,700 km stage of its East Siberia oil pipeline (ESO) will come online by 25 December, 2009.

December 2009

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Transneft will commission the remaining portion of the first stage of its East Siberia – Pacific Ocean (ESPO) oil pipeline between 27 and 29 December 2009.

The first stage of the pipeline runs 2,757 km from Taishet, Irkutsk Region, via Yakutia to Skovorodino in the Amur Region. A 1,100 km section of the first stage was brought online in October 2008.

The second stage of the ESPO will run 2,100 km from Skovorodino to the Pacific coast. Currently the oil is transported by rail from Skovorodino to the port of Kizmino on the Pacific coast.

It is anticipated that the second stage of the ESPO will be brought online in 2014–15.

The entire ESPO pipeline will traverse 4,857 km.

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