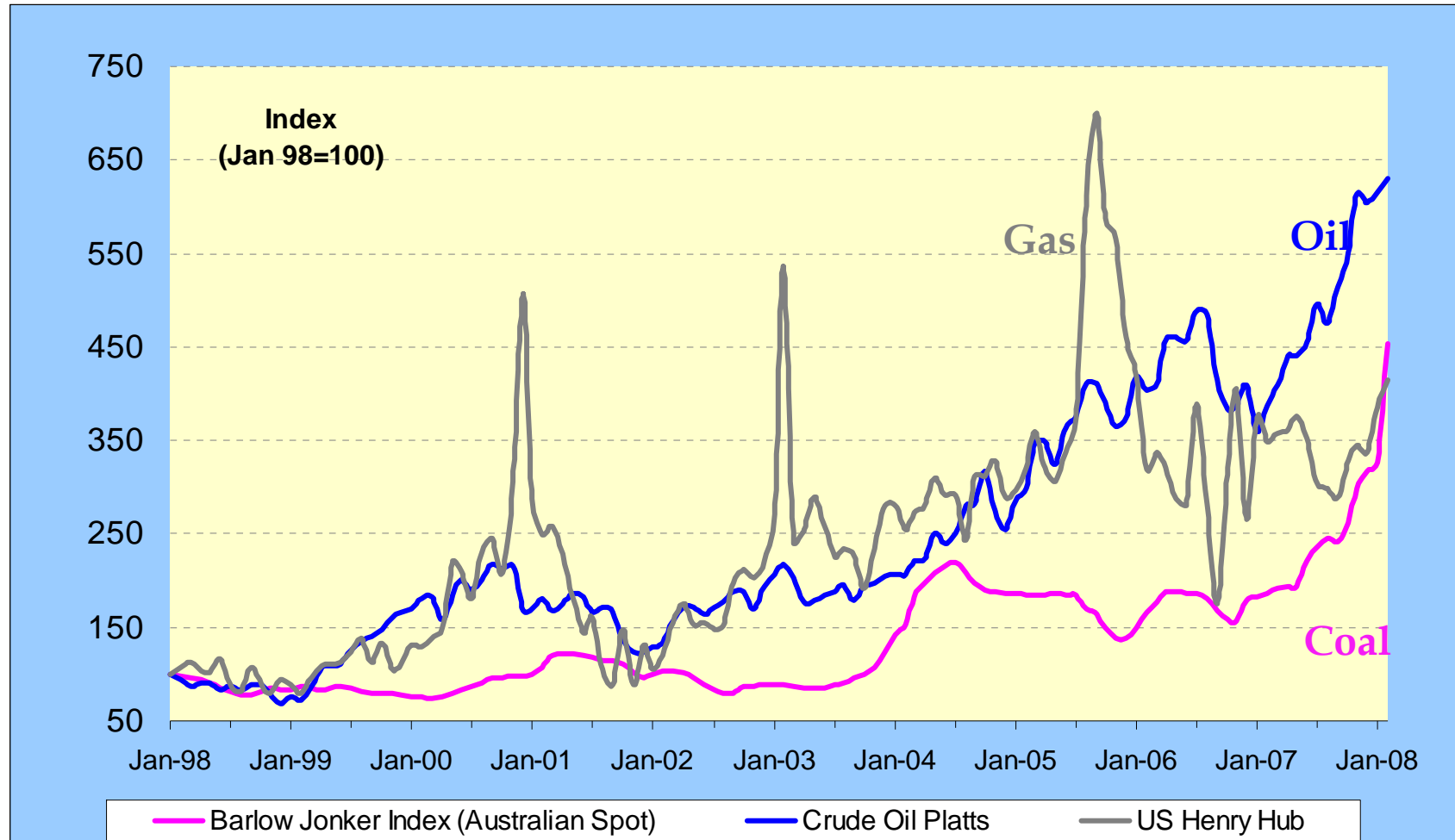


Challenges of Energy and Environment to Business in the New Century

Hong Kong Directors' Conference
9 April 2008

Pressure on Energy Costs



Source: CLP compilation based on various statistical indices

Human Activities and the Environment

Impact

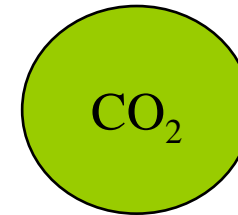
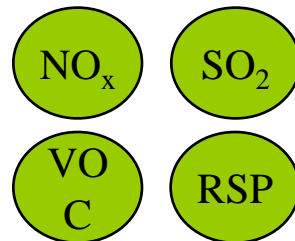


Air Quality



Climate Change

Pollutants



Major Pollution Sources



Air, water &
Road
Transport



Aerosol Products



Paint



Refineries/
Chemical Plants



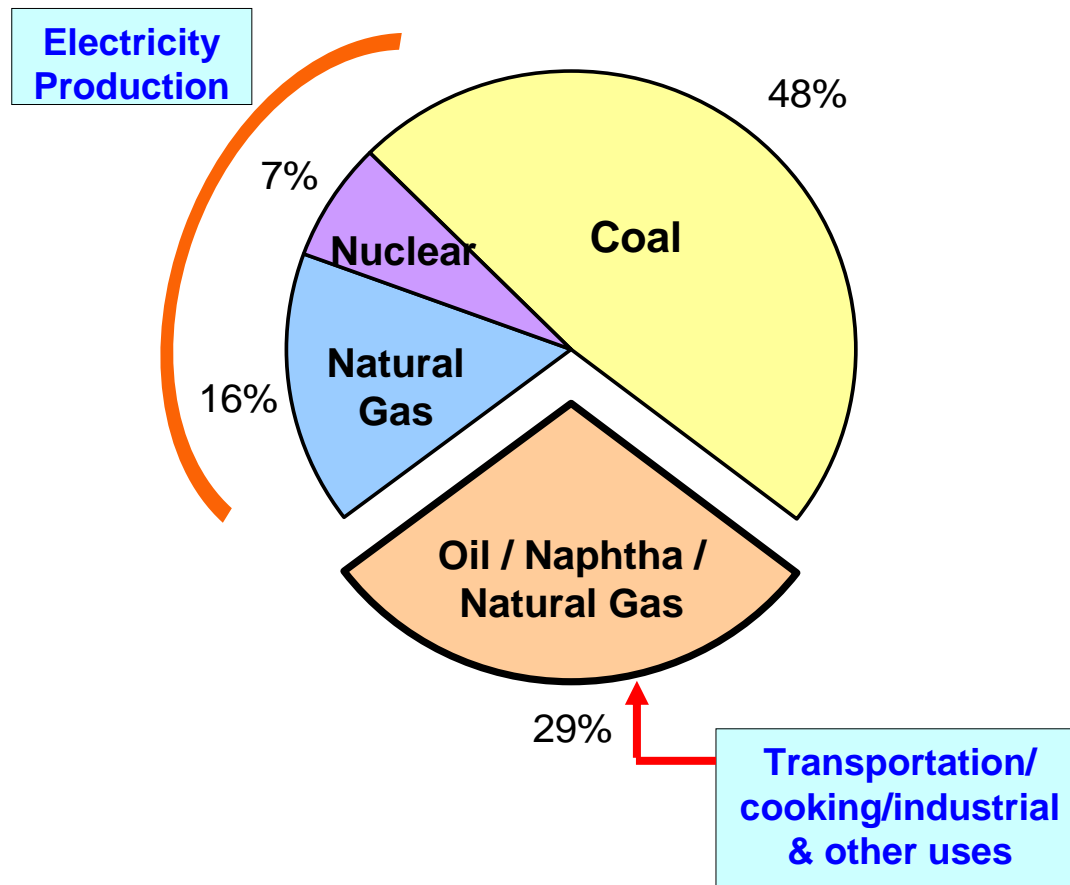
Power Sector



Factories

Electricity is the largest sector contributor (40%) of CO2 emissions

Hong Kong's Primary Energy Requirements



The Economist

Highest Net Energy Importers

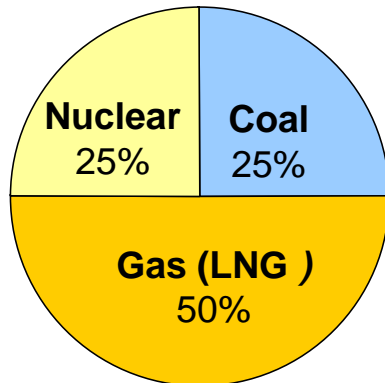
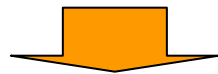
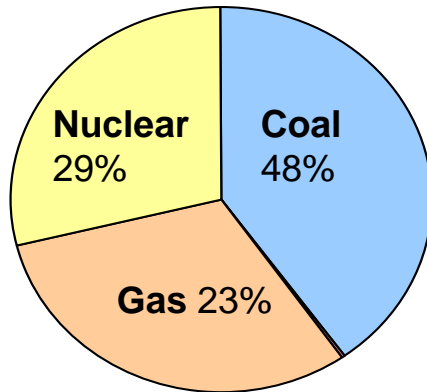
% of commercial energy use, 2001

1	Hong Kong	100
	Singapore	100
3	Cyprus	98
	Israel	98
	Luxembourg	98
	Moldova	98
7	Lebanon	97
8	Jordan	95
	Morocco	95
10	Ireland	88
	Jamaica	88
12	Belarus	86
	Portugal	86
14	Italy	85
15	South Korea	82
16	Dominican Republic	81
17	Japan	80
18	Panama	79
19	Belgium	78
20	Namibia	75

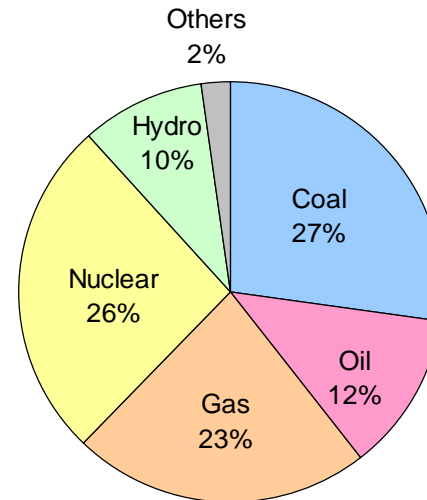
Hong Kong is 100% dependent on imported energy

Energy Security

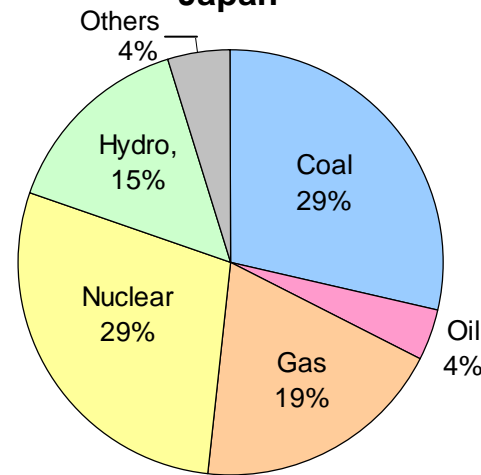
CLP (2007)



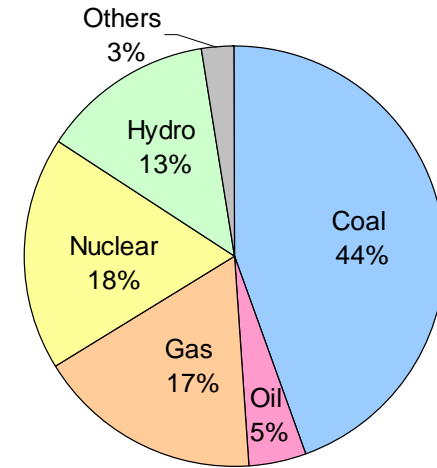
(Upon LNG Terminal Completion)



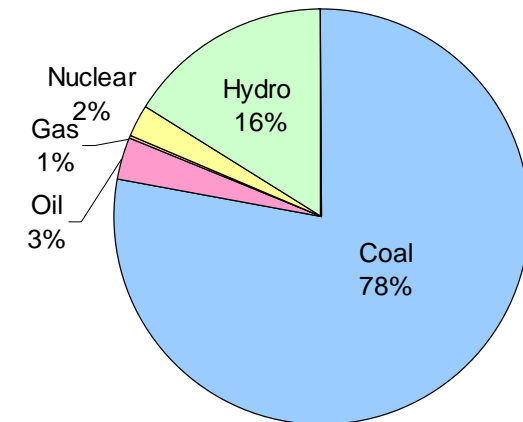
Japan*



Europe*



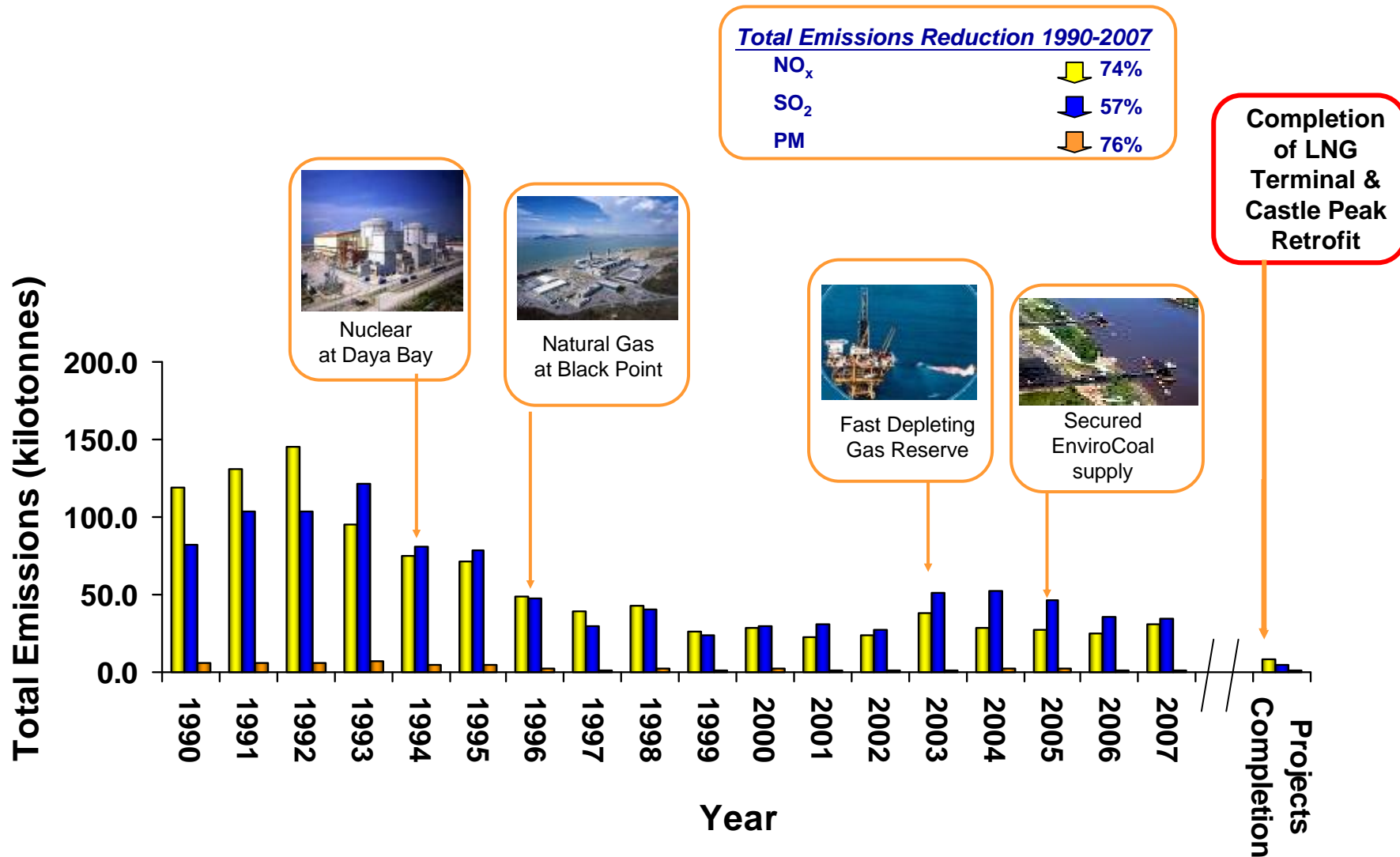
North America*



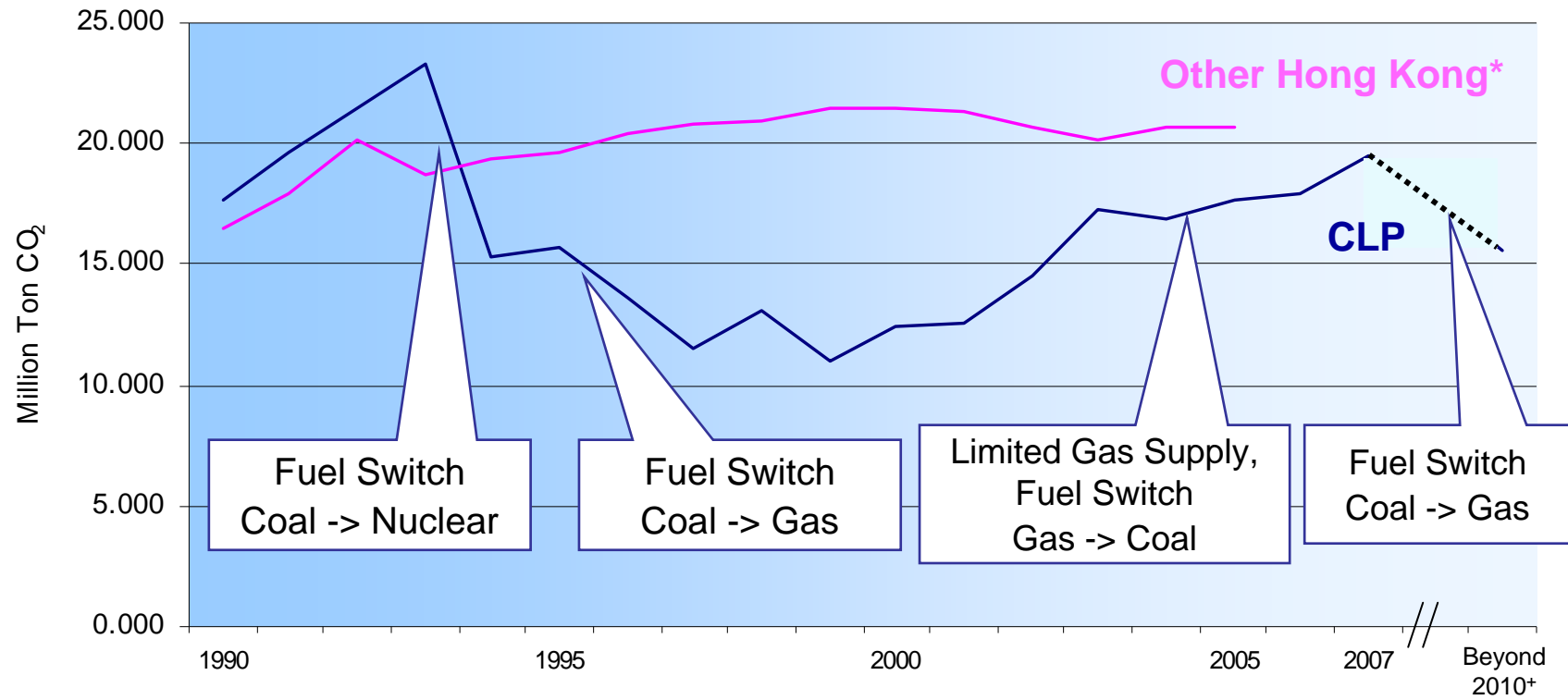
Mainland China*

* Percentages quoted for fuel combination are 2004 figures
Source: International Energy Agency

CLP's Emissions Reduction in Hong Kong



Stabilising CLP's CO₂ Emissions



Remarks: * CO₂ from other Hong Kong sector reported by EPD was updated to 2005 only
 + For data beyond 2010, emission factor of 2007 is used for reference and the gas consumption in fuel mix is assumed to be 50%

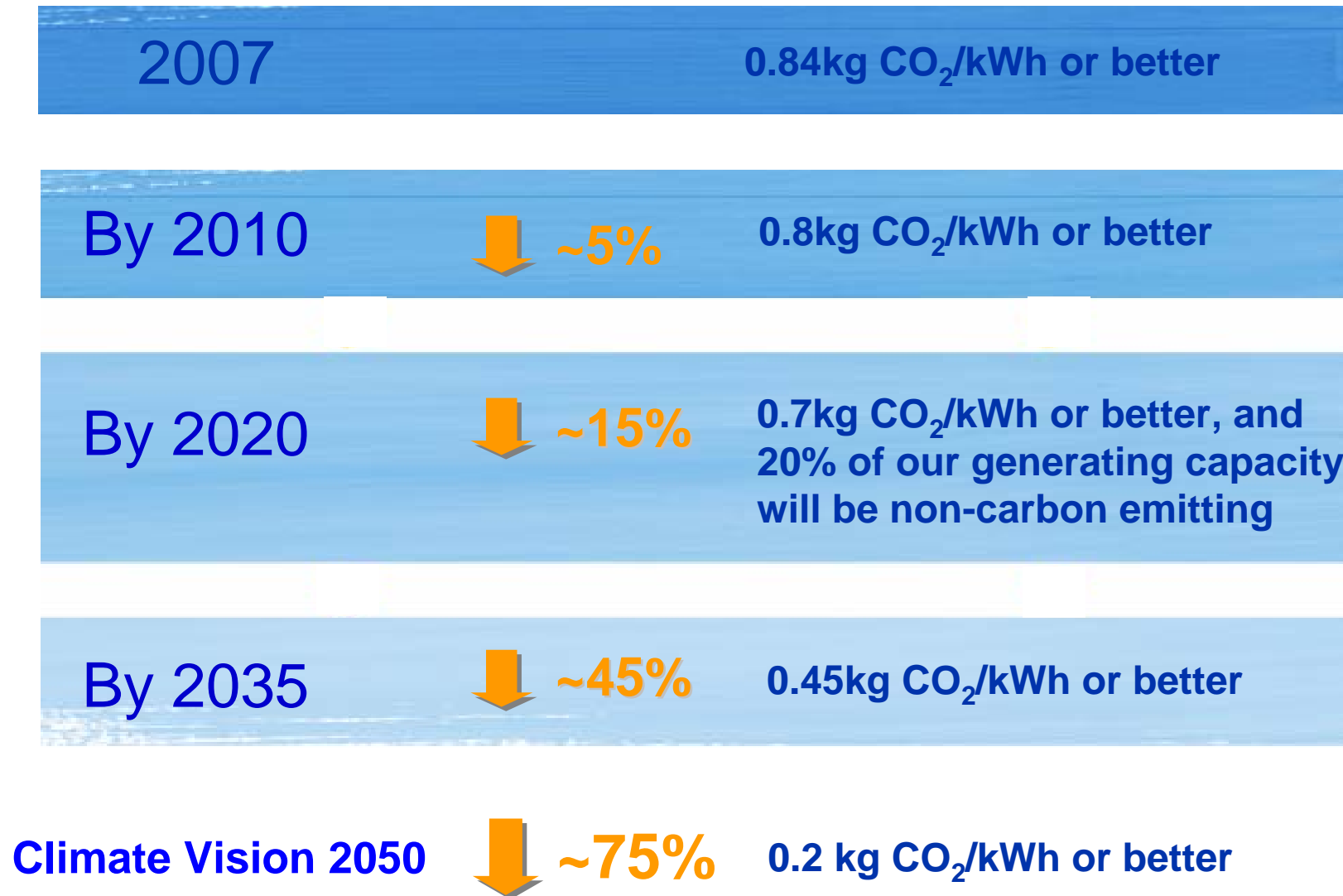
Data Source: EPD and Company data

Climate Change – A Global Challenge



Climate Change threatens the basic elements of life – access to water, food production, health and use of land and the environment.

CLP's Climate Vision



Our New Way of Doing Business

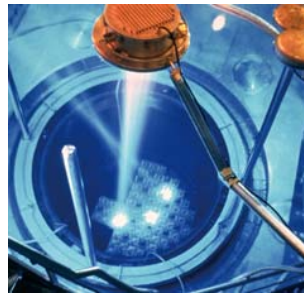
Energy Efficiency
& Conservation



Renewable
Energy



Nuclear



Natural Gas



Clean Coal



CLP is committed to a host of initiatives to achieve Vision 2050

Nuclear – A Non Carbon-Emitting Generation



**Nuclear Power
“readjusted” to 5%
of nation’s total
energy mix by 2020**



China Daily 24 Mar 2008

CLP has participated in China’s nuclear development since 1970s

CLP Renewable Energy Portfolio

Wind



Mainland China
(11 wind farms - 608MW)

Australia
(3 wind farms - 206MW)

India
(3 wind farms - 234MW)

Hong Kong
(offshore wind feasibility study –
150MW)

Hydro



Guangdong Huaiji, 125.2MW
Sichuan Jiangbian, 330MW

Biomass



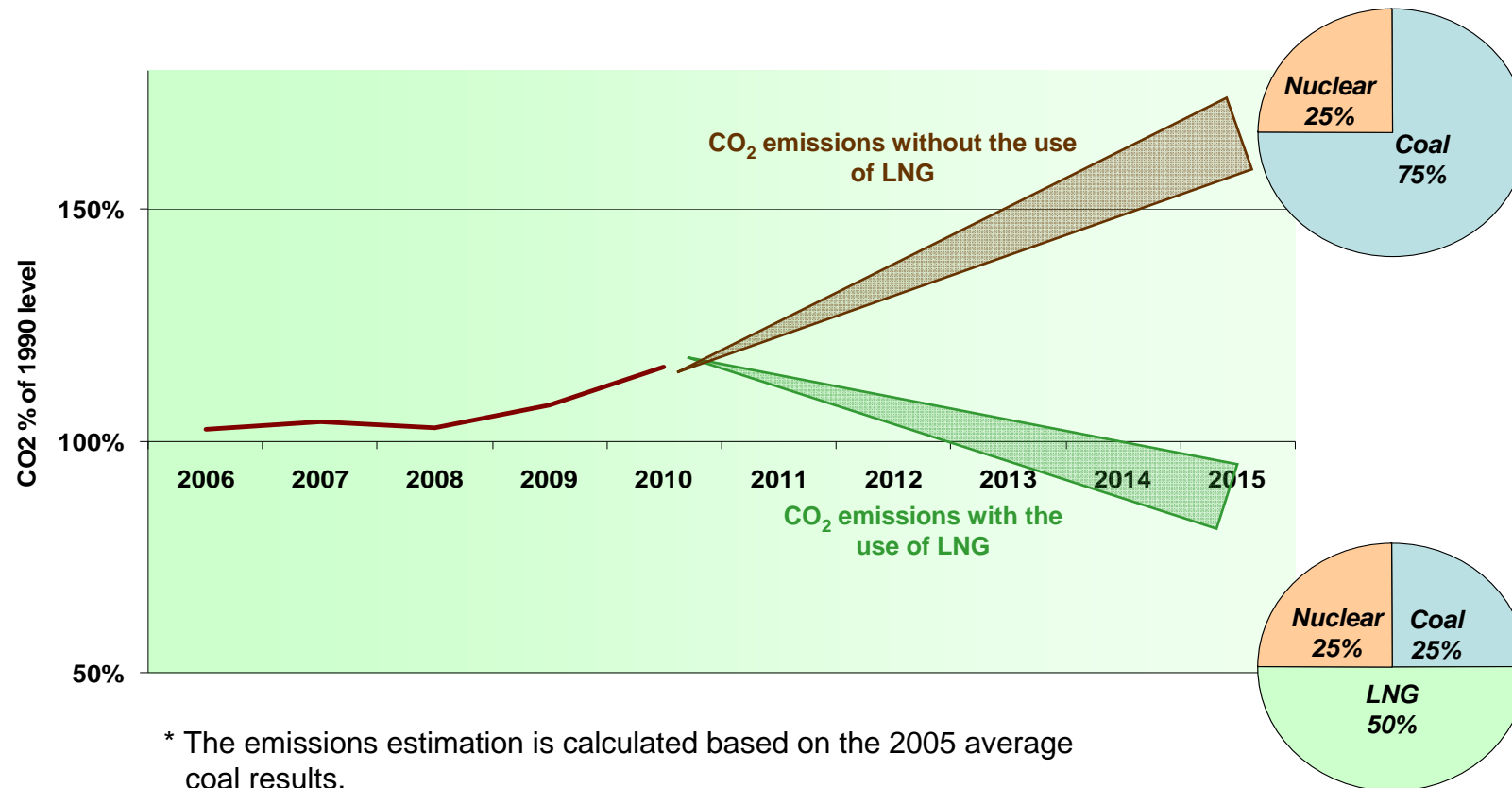
Shangdong Boxing, equivalent to 14MW

Solar



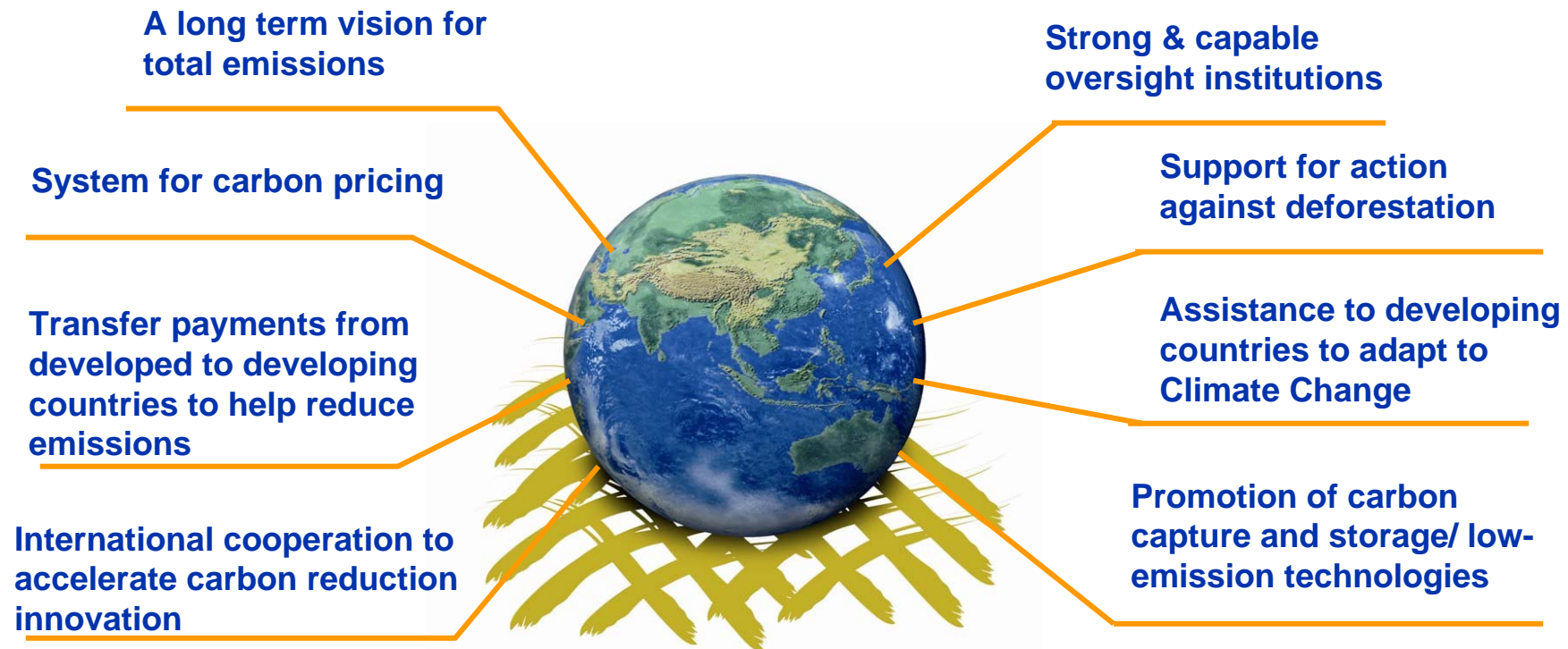
Australia concentrated solar photovoltaic pilot, 2MW

LNG – A Low Carbon Fuel



In Hong Kong, LNG is the fastest and most economic way to significantly reduce CO₂ emission.

A “New Kyoto”



A new international framework will provide a context in which the efforts of CLP and others to mitigate carbon emissions can move forward.

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