

## Domestic gas production

China is rich in natural gas resources. A recent evaluation of oil and gas resources shows that China has conventional natural gas reserves of 55.89 trillion m<sup>3</sup>, geological reserves of 3.8 billion m<sup>3</sup> and recoverable reserves of 25 trillion m<sup>3</sup>. Gas deposits are located in the Tarim basin (Southern Xinjiang), Sichuan, Ordos (Inner Mongolia) and the Qaidam basin (Tibet) which contain 8 oil and gas bearing basins containing over 80% of China's oil and gas resources.

Over recent years, conventional natural gas production has seen rapid growth with 93.6 billion m<sup>3</sup> of gas being produced in 2010, a 3.1 fold increase on the amount produced in 2000 and a 1.9 fold increase in the

amount produced in 2005. The growth rate of coal bed methane production is also relatively fast and China has set out definite plans for the rapid development of coal bed methane production. Shale gas production is still in the early stages in China, but as China is rich in shale gas reserves it has relatively great potential.

### *Trajectory 1*

In this scenario, in 2050 conventional natural gas production is 150 billion m<sup>3</sup>, coal bed methane production is 8 billion m<sup>3</sup> and shale gas production is 2 billion m<sup>3</sup>.

### *Trajectory 2*

In this scenario, in 2050 conventional natural gas production is 195 billion m<sup>3</sup>, coal bed methane production is 20 billion m<sup>3</sup> and shale gas production is 5 billion m<sup>3</sup>.

### *Trajectory 3*

In this scenario, in 2050, conventional natural gas production is 275 billion m<sup>3</sup>, coal bed methane production is 40 billion m<sup>3</sup> and shale gas production is 15 billion m<sup>3</sup>.

### *Trajectory 4*

In this scenario, in 2050, conventional natural gas production is 350 billion m<sup>3</sup>, coal bed methane production is 60 billion m<sup>3</sup> and shale gas production is 40 billion m<sup>3</sup>.