

INTERIM REPORT

FINANCIAL AND BUSINESS SUMMARY

Output of crude oil for the first half of 2004 was 388.5 million barrels, representing an increase of 0.54% from the first half of 2003.

Output of marketable natural gas for the first half of 2004 was 410.3 billion cubic feet, representing an increase of 17.40% from the first half of 2003.

Total output of crude oil and natural gas for the first half of 2004 was 456.9 million barrels of oil equivalent, representing an increase of 2.74% from the first half of 2003.

Consolidated turnover for the first half of 2004 was RMB179.552 billion, representing an increase of 21.35% from the first half of 2003.

Consolidated net profit for the first half of 2004 was RMB45.292 billion, representing an increase of 17.28% from the first half of 2003.

Basic and diluted earnings per share for the first half of 2004 were RMB0.26, representing an increase of RMB0.04 from the first half of 2003.

The Board of Directors has resolved to distribute an interim dividend for 2004 of RMB 0.115919 per share.