

MAJOR EVENTS IN 2006

I February

- On February 14, the Company began to accept payments made through cards issued by banks at more than 8,000 gas stations throughout China. Meanwhile, the Company and the Industrial and Commercial Bank of China jointly launched the Peony PetroChina Card nationwide. With raising customers' satisfaction as the Company's objective in respect of its retailing of refined products, the launch of this credit card was expected to further improve the service standard at gas stations of the Company.
- On February 28, a foundation laying ceremony in respect of an ethylene project of PetroChina Sichuan with an annual production capacity of 800,000 tons was held in Chengdu, Sichuan Province. The project was approved by the State Council of China and the formal approval notice was issued by the National Development and Reform Commission of China on December 13, 2005. The project was the first large-scale ethylene project ever in the southwest China and represented a major breakthrough of the petrochemical industry in the southwestern region as ethylene production was determined to form the core operations in the region. The project, which was jointly developed by the Company and Chengdu Petrochemical Co., Ltd. in the shareholding structure of 51% and 49% respectively with the total investment of approximately RMB21,000 million, was expected to be completed during the period of implementation of the Eleventh Five-Year Plan of China.

I March

- On March 2, the Company and Total, the French oil and gas company, jointly held a signing ceremony at Diaoyutai State Guest House in Beijing, on which the two companies signed a Contract for the Exploration and Production of Natural Gas Resources of the South Sulige Block of Erdos Basin and also a Memorandum of Understanding on the sale and purchase of natural gas. Mr Jiang Jiemin, President of the Company, Mr Christophe de Margerie, currently the Chief Executive Officer of Total Group (previously the Executive Vice President and President of Exploration and Production), Mr Philippe Guelluy, French Ambassador to China, and other relevant Chinese government officials attended the ceremony. Mr Yan Cunzhang, President of the Foreign Cooperation Administration Department of the Company, Mr Tang Yali, Vice President of PetroChina Natural Gas & Pipeline Company and Mr Charles Mattenet, Senior Vice-President of Total's Exploration and Production (Asia and Far East) signed the Contract for Exploration and Production

of Natural Gas Resources at the South Sulige Block of Erdos Basin and the Memorandum of Understanding for the Sale and Purchase of Natural Gas on behalf of their respective companies.

Exploration efforts have confirmed that there is geologic reserve of natural gas of over 100 billion cubic metres in the South Sulige Block, offering reliable availability of natural gas resources. Owing to the proximity of the cooperative production site to the Shaanxi-Beijing Pipeline and the West-East Gas Pipeline trunk, the natural gas produced can be conveniently transmitted and the market prospects are optimistic. Through the cooperation with Total and by well capitalising on both companies' competitive advantages, the Company aims at exploring the natural gas reserve at the South Sulige Block and achieving large scale production as soon as possible.

- On March 20, the Company held the second meeting of the Third Term of its Board of Directors in Beijing, during which the following resolutions were passed: resolution on the Company's Financial Statements for year 2005 (including the publication of annual results for the year ended December 31, 2005); resolution on the draft plan of distribution of dividends for year 2005; resolution on the Company's annual report for year 2005 (for publication in Hong Kong); resolution on the President's Work Report for year 2005; resolution on the report on assessment of the completion of performance targets by the President's Work Team for year 2005 and the formulation of performance contract for year 2006; resolution on the proposal to request the Company's general meeting to authorise the Board of Directors to determine the distribution of the Company's interim dividends for year 2006; resolution on the proposal to request the Company's general meeting to authorise the Board of Directors to arrange for the issue of new shares by the Company and for their listing; resolution on the proposal to set up an ad hoc Board of Directors' committee regarding the application for issue of new shares by the Company and their listing and on the proposal to authorise such ad hoc committee to deal with related matters; and resolution on convening the annual general meeting for year 2005.

I April

- On April 5, Forbes published its latest ranking of the "World's Largest 2,000 Public Companies" for year 2006 on its website. Citigroup ranked the first, followed by General Electric and then the Bank of America. The Company ranked first amongst all 105 Chinese enterprises on the list and ranked No. 52 worldwide. The other top two Chinese enterprises were China Construction Bank which ranked No. 65 and Sinopec which ranked No. 77 worldwide.

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| May

- On May 26, the Company held its annual general meeting for year 2005 in Beijing. The following resolutions were passed at the meeting: approval of the Report of the Board of Directors for year 2005; approval of the Report of the Board of Supervisors for year 2005; approval of the Company's Financial Statements for year 2005; approval of the plan of distribution of dividends for year 2005; approval of the proposal to authorise the Board of Directors to determine the distribution of the Company's interim dividends for year 2006; approval of the appointment of PricewaterhouseCoopers Zhong Tian CPAs Company Limited and PricewaterhouseCoopers as domestic auditors and international auditors of the Company respectively for year 2006 and authorising the Board of Directors to determine the remuneration for the auditors; approval of the proposal to elect the Company's directors; and approval of the proposal to authorise the Board of Directors to arrange for the issue of new shares by the Company and for their listing.

| June

- On June 6, the Company convened an extraordinary Board of Directors' meeting. The resolution on the approval and authorisation of the Secretary of Board of Directors to sign the Form 20-F for the year 2005 was passed by circulation of written resolution.
- On June 24, the Company held the third meeting of the Third Term of its Board of Directors in Beijing, during which the following resolutions were passed: resolution on development plans of the Company during the implementation of the Eleventh Five-Year Plan of China; resolution on strengthening safety and environmental infrastructure of the Company; and resolution on authorisation of approval limits in connection with short-term investments for year 2006. Two reports, namely, the special report on assessment of oil and natural gas reserves of the Company for year 2005 and the internal control report of the Company, were received and reviewed at the meeting.

| July

- On July 29, crude oil imported through the China-Kazakhstan Crude Oil Pipeline successfully passed through Alashankou-Dushanzi Crude Oil Pipeline in China at 5 pm that day and reached

the crude oil tank field of PetroChina Dushanzi Petrochemical Company, marking the full linking-up and formal commencement of commercial operation of China's first transnational crude oil pipeline. The China-Kazakhstan Crude Oil Pipeline and the Alashankou-Dushanzi Crude Oil Pipeline have a total length of over 1,200 kilometres. It originates from Atasu, Kazakhstan and enters China at Alashankou, a port at the Sino-Kazakhstan border, and finishes at PetroChina Dushanzi Petrochemical Company. The pipeline runs 962 kilometres outside of China and 246 km within the Chinese territory, having a designed annual carrying capacity of 10 million tons.

| August

- On August 18, foundation was laid for an over 10 million tons oil refining and over one million tons ethylene production facility of the Fushun Petrochemical Company, which is the prime project of the Group in eastern China. Development of this project benefits the optimised allocation of crude oil resources of the Company in northeastern China, facilitates the optimisation and reorganisation of the Company's refining operations, speeds up the pace of implementation of combined strategies of resources, market orientation and internationalisation strategies of the Company to enhance the Company's competitiveness as a whole.

The new complex of oil refining and ethylene production plant of the Fushun Petrochemical Company comprises 13 large scale main production facilities including an 8-million ton atmospheric and vacuum distillation facility and a 0.8 million ton ethylene production facility. In accordance with the overall development plan, the timetable for completion of the construction of the production facilities and commencement of production for the major oil refining facilities, the other oil refining facilities and the petrochemical facilities are scheduled to be in September 2008, June 2009 and June 2010, respectively. Upon completion, Fushun Petrochemical Company will have capacity for producing six million tons of high-end gasoline and diesel and an additional 1.8 million tons petrochemical products every year.

After commencement of production of the aforesaid project, Fushun Petrochemical Company will have large-scale oil refining operations, large-scale petrochemical operations and a large-scale production site, making it the largest integrated oil refining/petrochemical production base in northeastern China. Also, the construction and future production of the project will effectively drive the development of related industries in Fushun City and the whole Liaoning Province and promote the local economy and social development.

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- On August 19, foundation was laid for the Tarim chemical fertilizer production project of the Company. The project is designed to have an annual production capacity of 0.45 million tons of synthetic ammonia and 0.8 million tons of urea. Equipped with the most advanced fertilizer production technology, the project will become one of the largest single-unit chemical fertilizer making facilities in China.

The Tarim chemical fertilizer production plant will primarily include a synthetic ammonia facility with a daily production capacity of 1,500 tons, and a melt urea production with a daily production capacity of 2,640 tons and a coarse grain granulation facility. The various environmental standards for its discharging of industrial waste gases and water are higher than the national standards. The plant already received approval from the State Environmental Protection Administration of China and further obtained environmental risk clearance from the relevant authorities for chemical and petrochemical projects in June 2006.

Located at Korla, the capital of Bayin'guoleng Mongolia Autonomous Prefecture in the Xinjiang Uygur Autonomous Region, the Tarim chemical fertilizer production plant utilises the rich natural gas resources in Tarim Basin. Successful development of the project will bear important significance to the Company in terms of business growth of its downstream operations. The project would also provide momentum to propel the utilisation of the rich natural gas resources in Tarim Basin, meeting the agricultural development needs and enhancing local economic development of the region.

- On August 23, the Company held the fourth meeting of the Third Term of its Board of Directors in Beijing, during which the following resolutions were passed: resolution on the Company's Interim Financial Statements for year 2006 (including the publication of interim results for the six months ended June 30, 2006); resolution on the plan for distribution of interim dividends for year 2006; resolution on adjustment of the investment plan for year 2006; resolution on acquisition by the Company of equity interests in PetroKazakhstan Inc. ("**PKZ**") and resolution on new caps for continuing connected transactions in relation thereto; resolution on making an application to the HKSE for new caps for continuing connected transactions for the years 2006 to 2008; resolution on amending the articles of association of the Company; resolution on the bond issue of the Company in year 2006; and resolution on convening the extraordinary general meeting of the Company in year 2006.
- On August 23, the Company announced that it has acquired, through CNPC Exploration and

Development Company Limited ("CNPC E&D"), a joint venture of the Company and CNPC, the entire interest held by CNPC in PKZ representing a 67% equity interests in PKZ for a consideration of approximately US\$2.735 billion (equivalent to approximately RMB21.9 billion) as part of the Company's efforts to further increase the potential of continuous growth of its overseas oil and natural gas resources and to enhance corporate value. After completion of the transaction, CNPC E&D and KazMunaiGas, Kazakhstan's state-owned oil company, will hold 67% and 33% equity interests in PKZ respectively. PKZ's operations include exploration and development, oil and natural gas production, oil refining and marketing as well as related operations. All of PKZ's exploration and production operations are located in the 80,000 sq.km. South Turgai Basin in the southern-central of Kazakhstan.

| September

- On September 15, Platts, an authority in the global energy sector, published the Top 250 Global Energy Companies for 2006. The Company ranked No. 6, immediately following Exxon Mobil Corp., Royal Dutch Shell plc, BP plc, Total and ConocoPhillips which were the top 5 ranking companies. Sinopec ranked No. 14. Among the Asian/Pacific Rim Companies 2006, the Company ranked No. 1 for the fifth consecutive year, while Sinopec ranked No. 2.
- On September 18, BusinessWeek published its 2006 Asian 50 Companies. Among 17 Chinese companies on the list, the Company, which ranked No. 2 in 2005, leaped into No. 1 in 2006. Sinopec ranked No. 25.

| October

- On October 24, Jonathan Hirst, Managing Director & Publisher of FinanceAsia, presented the following awards to the Company in Beijing: Most Profit-making Companies in Asia (No. 1), Best Management Companies in Asia (No. 3), Best Corporate Governance Companies in Asia (No. 3), Best Investor Relations Companies in Asia (No. 3) and Best Companies in Guaranteeing Dividend Payment in Asia (No. 1).
- On October 26, the PetroChina Cup of China-ASEAN International Auto Rally, themed as a "Harmony Trip" by the Company, was successfully completed in Nanning, Guangxi Zhuang Autonomous

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Region. The Company was designated as the sole provider of fuel oil and lubricants for the rally. This Auto Rally is the first large transnational auto match ever joined by China and ASEAN countries. It is important in terms of expanding and deepening co-operation in sports and culture, communication between people and economic exchange between China and each ASEAN country, strengthening the emotional ties between people in the region and further enhancing ASEAN countries' understanding of China.

- On October 27, the signing ceremony in respect of the contract for the Tarim chemical fertilizer project was held in Kunlun Hotel in Beijing. Duan Wende, Senior Vice President of the Company, attended the ceremony.

Denmark-based Haldor Topsoe A/S, Italian Snamprogetti and Japanese Toyo Engineering, three of the world's well-known patent holders and engineering companies, are the parties to a technology transfer agreement for the Tarim chemical fertilizer project.

I November

- On November 1, the Company convened the extraordinary shareholders' general meeting for 2006. The following resolutions were passed in the meeting: approval of the new continuing connected transactions arising as a result of the acquisition of a 67% equity interest in PKZ and new caps for 2006 to 2008 in relation thereto; approval for the increase of the annual caps in respect of certain continuing connected transactions for 2006 to 2008; and approval of amendment of the Company's Articles of Association.
- On November 10, the Company renewed the US\$10 million Directors', Supervisors' and Officers' liability insurance contract with AIU Insurance Company, Guangzhou Branch. This is an important protective measure for the purpose of eliminating effectively any personal financial risk and legal risk that may be assumed by the Directors, Supervisors and senior management staff of the Company in the performance of their duties.
- On November 24, the Company convened the fifth meeting of the Third Term of the Board of Directors in Beijing. The following resolutions were passed in the meeting: resolution on the Company's budget for the year 2007; resolution on the investment plan of the Company for the

year 2007. The opinion of the Audit Committee of the Company of Directors was presented at the meeting.

- On November 24, the Company announced that Mr Su Shulin resigned from his office as executive Director, Senior Vice President and Authorised Representative of the Company due to his taking up new designation with the provincial government of Liaoning Province of the PRC.

I December

- On December 16, the Huaiyang-Wuhan Connection Line, which links the West-East Gas Pipeline with the Zhongxian-Wuhan Gas Pipeline, started its trial operation. This signifies new advancement in the development of the Company's main gas transmission pipeline network. It will increase the capability of the Company in providing safe and stable supply of natural gas. The 475 km Huaiyang-Wuhan Connection Line runs from Huaiyang, Henan Province to Wuhan, Hubei Province. Its designed annual transmission capacity is 1.5 billion cubic metres. The connection line connects the West-East Gas Pipeline and the Zhongxian-Wuhan Gas Pipeline. Its operation will enhance safe supply of natural gas in Hunan Province and Hubei Province.
- On December 18, US-based Petroleum Intelligence Weekly announced the ranking of the Global Top 50 Oil Companies for 2005. This is the 20th consecutive year in which the publication announced this ranking. The crude oil reserves and natural gas reserves of the top 50 oil companies represent 85% and 64% respectively of the total world reserves, while the oil and natural gas output of those companies represent 81% and 68% respectively of the global output. Saudi Aramco continued to rank the first in the latest ranking. Among the oil companies in the world, the Company ranks No. 12 in crude oil reserves, No. 14 in natural gas reserves, No. 8 in crude oil output, No. 12 in natural gas output, No. 10 in refining capability, No. 12 in sales volume of oil products. Overall, the Company ranks No. 7 in the top 50 oil companies. This is the 6th consecutive year in which the Company ranks among the top 10 oil companies.
- On December 28, the Company completed the acquisition of a 67% equity interest in PetroKazakhstan Inc. for a consideration of RMB21,376 million, which was paid on the same date.
- On December 30, the foundation was laid for a refining project of the Guangxi Petrochemical

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Company with a 10 million tons capacity in Qinzhou City in Guangxi Zhuang Autonomous Region. The Guangxi 10-million tons refining project is the first large-scale refining project implemented by the Company in southern China. It is also a strategically important step of the Company to fully implement the development of western China. The smooth implementation of the project will benefit the full utilization of overseas crude oil resources by the Company, further mitigate the tight supply of refined oil in western and southern China and enable stable market supply. With a single-unit configuration, the 10-million tons Guangxi refining project includes 10 sets of main installations (including a 10 million tons per year atmospheric vacuum unit), oil wharf and tank farm and other utilities. The main installations are the largest in scale currently in China. Upon completion, the new plant will provide 7.6 million tons of refined oil, LPG, polypropylene and other petrochemicals to markets in the southern and western parts of China each year and thereby create economic and social benefits.