

CHANGES IN SHARE CAPITAL AND INFORMATION ON SHAREHOLDERS

1. Changes in Shareholdings

Unit: Shares

	Pre-movement		Increase/decrease (+/-)					Post-movement	
	Numbers of shares	Percentage (%)	New Issue	Bonus Issue	Conversion from Reserves	Others	Sub-total	Numbers of shares	Percentage (%)
I Shares with selling restrictions	157,922,077,818	88.21	+1,000,000,000	-	-	-	+1,000,000,000	158,922,077,818	86.83
1. State-owned shares	157,922,077,818	88.21	-	-	-	-	-	157,922,077,818	86.29
2. Shares held by state-owned companies	-	-	-	-	-	-	-	-	-
3. Shares held by other domestic investors	-	-	+1,000,000,000	-	-	-	+1,000,000,000	1,000,000,000	0.54
of which:									
Shares held by companies other than state-owned companies	-	-	+1,000,000,000	-	-	-	+1,000,000,000	1,000,000,000	0.54
Shares held by domestic natural persons	-	-	-	-	-	-	-	-	-
4. Shares held by foreign investors	-	-	-	-	-	-	-	-	-
II Shares without selling restrictions	21,098,900,000	11.79	+3,000,000,000	-	-	-	+3,000,000,000	24,098,900,000	13.17
1. RMB-denominated ordinary shares	-	-	+3,000,000,000	-	-	-	+3,000,000,000	3,000,000,000	1.64
2. Shares traded in non-RMB currencies and listed domestically	-	-	-	-	-	-	-	-	-
3. Shares listed overseas	21,098,900,000	11.79	-	-	-	-	-	21,098,900,000	11.53
4. Others	-	-	-	-	-	-	-	-	-
III Total Shares	179,020,977,818	100.00	+4,000,000,000	-	-	-	+4,000,000,000	183,020,977,818	100.00

2. Changes in Shares with Selling Restrictions

Unit: Shares

Name of Shareholders	Number of shares with selling restrictions at the beginning of 2007	Number of shares with selling restrictions expired in 2007	Number of additional shares with selling restrictions in 2007	Number of shares with selling restrictions at the end of 2007	Reasons for selling restrictions	Expiry date of selling restrictions
CNPC	157,922,077,818	0	0	157,922,077,818	In October 2007, the Company offered its RMB-denominated ordinary shares (A shares) to the public for the first time. At that time, CNPC undertook that "for a period of 36 months commencing from the date of listing of the A shares of the Company on the Shanghai Stock Exchange, it will not transfer or entrust others for the management of the A shares which it holds, or allow such shares to be repurchased by the Company. However, certain shares held by CNPC, which may be subsequently listed on overseas stock exchanges after obtaining necessary approvals in the PRC, are not subject to the restriction of the 36-month lock-up period."	November 5, 2010
Shares placed off-line	0	0	1,000,000,000	1,000,000,000	In October 2007, the Company offered its RMB-denominated ordinary shares (A shares) to the public for the first time. Shares that have been placed with target places off-line are subject to a lock-up period of three months from the date of listing of the shares on the Shanghai Stock Exchange.	February 5, 2008
Total	157,922,077,818	0	1,000,000,000	158,922,077,818	-	-

3. Issue and Listing of Securities:

(1) Issue of shares in the past three years

In September 2005, the Company issued 3,196,801,818 new H shares at the price of HK\$6.00 per share. Concurrently, CNPC sold 319,680,182 state-owned shares. An aggregate of 3,516,482,000 shares were issued and sold. Upon completion of the issue, the total share capital of the Company amounted to 179,020,977,818 shares, of which 157,922,077,818 shares were held by CNPC, representing approximately 88.21% of the total share capital of the Company, and 21,098,900,000 shares were held by holders of H shares, representing approximately 11.79% of the total share capital of the Company.

In October 2007, the Company issued 4 billion A shares at an issue price of RMB16.7 per share. The shares were listed on the Shanghai Stock Exchange on November 5, 2007. Upon completion of the issue, the total share capital of the Company amounted to 183,020,977,818 shares, of which 157,922,077,818 shares were held by CNPC, representing approximately 86.29% of the total share capital of the Company, and 25,098,900,000 shares were held by public investors, representing approximately 13.71% of the total share capital of the Company. Of the shares held by public investors, 4,000,000,000 shares were held by holders of A shares, representing approximately 2.18% of the total share capital of the Company, and 21,098,900,000 shares were held by holders of H shares, representing approximately 11.53% of the total share capital of the Company.

(2) Changes in the Total Number of Shares and the Shareholding Structure of the Company

During the reporting period, the Company issued 4 billion A shares. Upon completion of the issue and listing of the A shares, the total share capital of the Company increased from 179,020,977,818 shares to 183,020,977,818 shares.

(3) Shares held by Employees

During the reporting period, no shares for employees of the Company were in issue.

4. Number of shares held by the top ten shareholders of shares with selling restrictions and the selling restrictions

Unit: Shares

Number	Name of shareholders of shares with selling restrictions	Number of shares with selling restrictions held	Date of listing and trading	Number of additional shares that can be listed and traded	Lock-up period
1	CNPC ⁽¹⁾	157,922,077,818	November 5, 2010	0	36 months
2	China Life Insurance Company Limited-Dividends- Group Dividends-005L-FH001 Shanghai	25,069,000	February 5, 2008	0	3 months
3	China Life Insurance Company Limited-Dividends- Personal Dividends-005L-FH002 Shanghai	25,069,000	February 5, 2008	0	3 months
4	China Life Insurance Company Limited-Traditional-Ordinary Insurance Product-005L-CT001 Shanghai	25,069,000	February 5, 2008	0	3 months
5	China Life Insurance (Group) Company-Traditional-Ordinary Insurance Product	25,069,000	February 5, 2008	0	3 months
6	Ping An Life Insurance Company of China, Ltd.-Proprietary Funds	25,069,000	February 5, 2008	0	3 months
7	New China Life Insurance Company Limited-Dividends-Group Dividends-018LFH001 Shanghai	25,069,000	February 5, 2008	0	3 months
8	Ping An Life Insurance Company of China, Ltd.-Dividends-Personal Insurance Dividends	25,069,000	February 5, 2008	0	3 months
9	Ping An Life Insurance Company of China, Ltd.-Traditional-Ordinary Insurance Products	25,069,000	February 5, 2008	0	3 months
10	Ping An Life Insurance Company of China, Ltd.-Universal-Personal Universal	25,018,864	February 5, 2008	0	3 months

Note 1: Shares held by CNPC, which may be listed on overseas stock exchanges after obtaining necessary approvals in the PRC, are not subject to the 36-month lock-up period.

5. Number of Shareholders and Their Shareholdings

The number of shareholders of the Company as at December 31, 2007 was 1,883,990, including 1,879,207 holders of A shares and 4,783 holders of H shares (including holders of the American Depositary Shares). The public float of the Company satisfied the requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

(1) Shareholdings of the top ten shareholders

Unit: Shares

Name of shareholders	Nature of shares	Percentage of shareholding (%)	Number of shares held	Number of shares with selling restrictions	Number of shares pledged or subject to lock-ups
CNPC ⁽¹⁾	State-owned shares	86.29	157,922,077,818	157,922,077,818	0
HKSCC Nominees Limited ⁽²⁾	H shares	11.44	20,937,754,152	0	0
China Life Insurance (Group) Company-Traditional- Ordinary Insurance Product ⁽³⁾	A shares	0.031	56,797,000	25,069,000	0
China Life Insurance Company Limited - Dividends - Personal Dividends - 005L -FH002 Shanghai ⁽³⁾	A shares	0.016	30,238,570	25,069,000	0
China Life Insurance Company Limited - Traditional - Ordinary Insurance Product - 005L - CT001 Shanghai ⁽³⁾	A shares	0.014	25,069,000	25,069,000	0
China Life Insurance Company Limited - Dividends - Group Dividends - 005L -FH001 Shanghai ⁽³⁾	A shares	0.014	25,069,000	25,069,000	0
Ping An Life Insurance Company of China, Ltd. - Traditional - Ordinary Insurance Products ⁽³⁾	A shares	0.014	25,069,000	25,069,000	0
New China Life Insurance Company Limited-Dividends-Group Dividends-018L FH001 Shanghai ⁽³⁾	A shares	0.014	25,069,000	25,069,000	0
Ping An Life Insurance Company of China, Ltd. - Proprietary Funds ⁽³⁾	A shares	0.014	25,069,000	25,069,000	0
Ping An Life Insurance Company of China, Ltd.-Dividends-Personal Insurance Dividends ⁽³⁾	A shares	0.014	25,069,000	25,069,000	0

Notes:

1. CNPC is a substantial shareholder within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "Securities and Futures Ordinance") whose interest is recorded in the register of interests in shares and short positions kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance.
2. HKSCC Nominees Limited is a subsidiary of the Hong Kong Stock Exchange and its principal business is to act as nominee on behalf of shareholders.
3. Placees placed with A shares of the Company off-line who became one of the top ten shareholders of the Company shall not trade or transfer the shares held by them within three months commencing from November 5, 2007.

(2) Shareholdings of top ten shareholders of shares without selling restrictions

Unit: Shares

Number	Name of shareholders	Number of shares held	Types of shares
1	HKSCC Nominees Limited	20,937,754,152	H shares
2	China Life Insurance (Group) Company - Traditional - Ordinary Insurance Products	31,728,000	A shares
3	Bank of China-Shanghai and Shenzhen 300 Index Jiashi Securities Investment Fund	14,035,426	A shares
4	China Construction Bank-Boshi Yufu Securities Investment Fund	12,626,642	A shares
5	China Pacific Insurance (Group) Co., Ltd.-Group Level-Proprietary Funds -012G-ZY001 Shanghai	7,387,982	A shares
6	Ling Foo Sang and Wong Ngar Kum	6,912,000	H shares
7	Tongde Securities Investment Fund	6,906,951	A shares
8	Baosteel Co., Ltd.	6,440,000	A shares
9	Sinochem Corporation	5,819,000	A shares
10	China Life Insurance Company Limited-Dividends-Personal Dividends -005L-FH002 Shanghai	5,169,570	A shares

Statement on the connection or activities acting in concert among the above-mentioned shareholders:

Except for China Life Insurance (Group) Company - Traditional - Ordinary Insurance Products, China Life Insurance Company Limited - Dividends - Personal Dividends -005L-FH002 Shanghai, China Life Insurance Company Limited-Traditional-Ordinary Insurance Product-005L-CT001 Shanghai and China Life Insurance Company Limited-Group Dividends-005L-FH001 Shanghai, all of which are under the management of China Life Insurance Asset Management Co., Ltd and Ping An Life Insurance Company of China, Ltd.-Traditional-Ordinary Insurance Products, Ping An Life Insurance Company of China, Ltd.-Proprietary Funds and Ping An Life Insurance Company of China, Ltd.-Dividends-Personal Insurance Dividends, all of which are under the management of Ping An Life Insurance Asset Management Co. Ltd., the Company is not aware of any connection among or between the top ten shareholders and top ten shareholders of shares without selling restrictions or that they are persons acting in concert as provided for in the Measures for the Administration of Acquisitions by Listed Companies.

(3) Shareholdings of Substantial Shareholders of H Shares

As at December 31, 2007, according to the register of interests in shares and short positions kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance, the person in the following table and note has an interest or short position in the H shares of the Company:

Name of shareholder	Number of shares	Percentage of such shares in the same class of the issued share capital (%)	Percentage of total share capital (%)
UBS AG (Note)	1,089,453,631 (L)	5.16 (L)	0.60
	414,468,390 (S)	1.96 (S)	0.23

Note : UBS AG, through various wholly-owned subsidiaries, has an interest in 1,089,453,631 H shares of the Company.

As at December 31, 2007, save as disclosed above, no person (other than a Director, Supervisor or senior management of the Company) has an interest or short position in the H shares of the Company according to the register of interests in shares and short positions kept by the Company pursuant to Section 336 of the Securities and Futures Ordinance.

6. Information on Controlling Shareholder and the Ultimate Controller

There was no change in the controlling shareholder or the ultimate controller during the reporting period.

(1) Controlling shareholder

The controlling shareholder of the Company is CNPC which was established in July 1998. CNPC is a petroleum and petrochemical conglomerate that was formed in the wake of the restructuring launched by the State Council to restructure the predecessor of CNPC, China National Petroleum Company (中國石油天然氣總公司). CNPC is also a state-authorized investment corporation and state-owned enterprise and its registered capital is RMB240,440.02 million. Its legal representative is Mr Jiang Jiemin. CNPC is an integrated energy corporation with businesses covering oil and gas exploration and development, refining and petrochemical, oil product marketing, oil and gas storage and transportation, oil trading, engineering and technical services and petroleum equipment manufacturing.

(2) Except for HKSCC Nominees Limited and CNPC, no other legal person holds 10% or more of the shares in the Company.

(3) Ultimate controller

CNPC is the ultimate controller of the Company.

(4) The equity interest structure and controlling relationship between the Company and the ultimate controller

