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中油燃氣集團有限公司*

CHINA OIL AND GAS GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 603)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY given that the Special General Meeting (the “SGM”) of the Company will be held at World Trade Centre Club Hong Kong, 38/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong at 10:30 a.m. on Wednesday, 23 November 2011 for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

“THAT:

1. the proposed revised annual caps and the annual cap for the three years ending 31 December 2013 of the Qingyun Contract (as defined in the circular of the Company dated 7 November 2011 (the “**Circular**”) and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
2. the proposed revised annual caps and the annual cap for the three years ending 31 December 2013 of the Liling Contract (as defined in the Circular) and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
3. the proposed revised annual caps and the annual cap for the three years ending 31 December 2013 of the Huimin Contract (as defined in the Circular) and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
4. the proposed revised annual caps and the annual cap for the three years ending 31 December 2013 of the Xining Contract (as defined in the Circular) and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
5. the proposed revised annual caps and the annual cap for the three years ending 31 December 2013 of the Binzhou Contract) and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;

* *For identification purposes only*

6. the proposed revised annual caps and the annual cap for the three year ending 31 December 2013 of the Anhui Contract (as defined in the Circular), the entering into the Anhui Supplemental Contract and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
7. the proposed revised annual caps and the annual cap for the three years ending 31 December 2013 of the Jiangdu Contract (as defined in the Circular) and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
8. the Taizhou Contract (as defined in the Circular, a copy of which has been produced to the SGM marked “1” and signed by the chairman of the SGM for the purpose of identification), and the terms and conditions thereof and its proposed cap amounts and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
9. the Nantong Contract (as defined in the Circular, a copy of which has been produced to the SGM marked “2” and signed by the chairman of the SGM for the purpose of identification), and the terms and conditions thereof and its proposed cap amounts and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
10. the Xiantao Contract (as defined in the Circular, a copy of which has been produced to the SGM marked “3” and signed by the chairman of the SGM for the purpose of identification), and the terms and conditions thereof and its proposed cap amounts and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
11. the Wuhan East Letter of Intent (as defined in the Circular, a copy of which has been produced to the SGM marked “4” and signed by the chairman of the SGM for the purpose of identification), and the terms and conditions thereof and its proposed cap amounts and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
12. the Yinchuan Contract (as defined in the Circular, a copy of which has been produced to the SGM marked “5” and signed by the chairman of the SGM for the purpose of identification), and the terms and conditions thereof and its proposed cap amounts and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
13. the Finance Lease Agreement (as defined in the Circular, a copy of which has been produced to the SGM marked “6” and signed by the chairman of the SGM for the purpose of identification), and the terms and conditions thereof and its proposed cap amounts and the transaction contemplated thereunder and the implementation thereof be and are hereby approved and confirmed;
14. any one of the directors be authorised for and on behalf of the Company, among other things, to sign, execute, perfect, deliver or to authorise the signing, executing, perfecting and delivering all such documents and deeds, to do or authorise doing all such acts, matters and things as the may in their discretion consider necessary, expedient or desirable to give effect to and implement the Anhui Supplemental Contract, the Jiangdu Contract, the Taizhou Contract, the Nantong Contract, the Xiantao Contract, the Wuhan East Letter of Intent, the Yinchuan Contract and the Finance

Lease Agreement (together the “**Agreements**”) and to waive compliance from or make and agree such variations of a non-material nature to any of the terms of the Agreements as they may in their discretion consider to be desirable and in the interests of the Company and all the directors’ acts as aforesaid be hereby approved, ratified and confirmed.

15. conditional upon The Stock Exchange of Hong Kong Limited granting approval of the listing of and permission to deal in the shares falling to be issued pursuant to the exercise of any options granted under the share option scheme referred to in the circular dispatched to the shareholders of the Company on the same day as this notice, the terms of which are set out in the printed document marked “7” now produced to the Meeting and signed by the chairman of the SGM for the purpose of identification (“**Share Option Scheme**”), the Share Option Scheme be approved and adopted to be the Share Option Scheme for the Company and that the Directors be authorised to grant options thereunder and to allot and issue Shares pursuant to the Share Option Scheme and take all such steps as may be necessary or desirable to implement such Share Option Scheme and with effect from the date of the Share Option Scheme becoming unconditional and coming into effect, the existing share option scheme of the Company which was adopted by the Company on 31 January 2002 be terminated with effect from the date on which such resolution shall become unconditional.”

By Order of the Board
China Oil And Gas Group Limited
Xu Tie-liang
Chairman

Hong Kong, 7 November 2011

Head office and principal place of business in Hong Kong:

Suite 2805, 28th Floor
Sino Plaza
255-257 Gloucester Road
Causeway Bay
Hong Kong

Notes:

1. Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A proxy needs not be a member.
2. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.
3. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

4. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any share any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
6. As at the date of this notice, the board of directors of the Company comprises four executive Directors, namely Mr. Xu Tie-liang (Chairman and Chief Executive Officer), Mr. Zhu Yuan, Ms. Guan Yijun and Mr. Cheung Shing; and three independent non-executive Directors, namely Mr. Li Yunlong, Mr. Shi Xun-zhi and Mr. Wang Guangtian.