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KUNLUN ENERGY COMPANY LIMITED
(incorporated in Bermuda with limited liability)
昆 侖 能 源 有 限 公 司

(Stock Code: 00135)

NOTICE OF THE SGM

NOTICE IS HEREBY GIVEN that the SGM of Kunlun Energy Company Limited (the “**Company**”) will be convened at the Harbour View Room III, 3/F., The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on 1 December 2011, Thursday at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions.

Unless otherwise indicated, capitalized terms used in this notice and the following resolutions shall have the same meanings as those defined in the circular of the Company dated 16 November 2011 relating to, amongst other things, the Fourth Supplemental Agreement and the Proposed Annual Caps (the “**Circular**”).

1. “**THAT:**

- (a) the entering into of the Fourth Supplemental Agreement and the transactions contemplated thereunder, details of which are more particularly described in the Circular, be and is hereby approved, ratified and confirmed; and
- (b) the Board be and is hereby authorised to implement the transactions under the Fourth Supplemental Agreement.

2. (a) the Continuing Connected Transactions under Categories (a), (b), (d) and (e) as set out in the “Letter from the Board” in the Circular be and are hereby approved; and
- (b) the Proposed Annual Caps for the Continuing Connected Transactions under Categories (a), (b), (d) and (e) for the three financial years commencing on 1 January 2012 to 31 December 2014 as set out in the “Letter from the Board” in the Circular be and are hereby approved; and

(c) any one director (if execution under the common seal of the Company is required, any two directors) of the Company be and is/are hereby authorised for and on behalf of the Company to sign, and where required, to affix the common seal of the Company to any documents, instruments or agreements, and to do any acts and things deemed by him to be necessary or expedient in order to give effect to and implement the Continuing Connected Transaction under Categories (a), (b), (d) and (e) and the Proposed Annual Caps for the Continuing Connected Transactions under Categories (a), (b), (d) and (e) for the three financial years commencing from 1 January 2012 to 31 December 2014.

By Order of the Board
Lau Hak Woon
Company Secretary

Hong Kong, 16 November 2011

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. Completion and return of the proxy form will not preclude a member from attending and voting in person at the meeting or any adjourned meeting should he so wish.
2. To be valid, the proxy form, together with a power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's principal office at 39th Floor, 118 Connaught Road West, Hong Kong not less than 48 hours before the time appointed for holding the meeting or adjourned meeting (as the case may be). The proxy form must be completed strictly in accordance with the instructions set out therein.
3. CNPC and its associates (including PetroChina) will abstain from voting in respect of all the resolutions set out above.
4. Unless otherwise defined, terms used in this notice shall have the same meanings as those defined in the Circular.

As at the date of this notice, the board of directors of the Company comprises Mr. Li Hualin as the Chairman and Executive Director, Mr. Zhang Bowen as the President and Executive Director and Mr. Cheng Cheng as the Senior Vice President and Executive Director, and Dr. Lau Wah Sum, Mr. Li Kwok Sing Aubrey and Dr. Liu Xiao Feng as Independent Non-Executive Directors.