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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)

POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the shareholders and potential investors of the Company that the Group is expected to record a material increase in the consolidated revenue and consolidated net profit for the year ended 31 December 2011 as compared to 2010.

The above material increase in the consolidated revenue and consolidated net profit is projected from and based on unaudited financial information, shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by Kunlun Energy Company Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform the shareholders and potential investors of the Company that as a result of the completion of the acquisition of 60% equity interest in PetroChina Beijing Gas Pipeline Co., Ltd. in December 2011 (whose results are consolidated into the Group on a merger basis), the Group is expected to record a material increase in the consolidated revenue and consolidated net profit for the year ended 31 December 2011 as compared to 2010. Further information of PetroChina Beijing Gas Pipeline Co., Ltd. including historical financial information, is contained in the announcement and circular of the Company dated 31 December 2010 and 19 February 2011 respectively.

The information contained in this announcement is based on information currently available to the Group and after review and assessment of the unaudited management accounts of the Group by the management of the Company but has not yet been confirmed or audited by the Company’s auditor or audit committee of the Company. It remains subject to finalization and necessary adjustments (if required). Details of the financial data of the Group will be disclosed in the Group’s annual results announcement for the year ended 31 December 2011 which is expected to be released on 29 March 2012.

The above material increase in the consolidated revenue and consolidated net profit is projected from and based on unaudited financial information, shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Kunlun Energy Company Limited
Lau Hak Woon
Company Secretary

Hong Kong, 13 March 2012

As at the date of this announcement, 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.