



## MAJOR EVENTS IN 2004

### March

- On March 12, the Company and Tianjin Gas Group entered into the “take or pay” Natural Gas Purchase and Delivery Agreement in connection with the second Shaanxi-Beijing Pipeline (the “**Second Shaanxi-Beijing Pipeline**”) in Beijing. The preliminary feasibility study report for the Second Shaanxi-Beijing Pipeline has been examined by the State Development and Reform Commission and approved by the State Council. It is scheduled to be completed and put into operation in September 2005. The designed transmission capacity is 12 billion cubic metres per year, identical to the designed capacity of the West-East Pipeline. The Pipeline runs through five provinces and cities (Beijing, Tianjin, Shanxi, Hebei and Shandong). Upon its completion, the five provinces and cities can receive natural gas as a clean source of energy pursuant to the supply agreements. The Pipeline will become another major channel of transmission of clean energy to northern and eastern China.
- On March 23, the Company held the fifth meeting of the second Board of Directors in Beijing. The following resolutions were passed in the meeting: resolution on the financial statements for the year 2003 (including the publication of annual results for the year ended December 31, 2003); resolution on the draft profit distribution plan for the year 2003; resolution on the Company’s annual report for the year 2003 (for publication in Hong Kong); resolution on the President’s Work Report for the year 2003; resolution on the amendment of the Interim Measures for Assessment of Performance of the Members of the President’s Work Team, the Assessment of Performance of the Members of the President’s Work Team for the year 2003, and the formulation of performance contract for the year 2004; resolution on authorising the Board of Directors to determine the distribution of the Company’s interim dividend for the year 2004; resolution on the code of conduct for senior management of the Company; resolution on requesting the shareholders’ general meeting to authorise the Board of Directors to issue shares of the Company; resolution on the establishment of branches selling refined products in southern and central China; and resolution on the convening of the annual general meeting for the year 2003.

### April

- Forbes published its latest ranking of the “Forbes 2000 The World’s Leading Companies”. The Company ranked first amongst companies in China and ranked 55 worldwide.
- The Company won a series of awards in the competition organised by FinanceAsia, an influential magazine in Asia Pacific capital markets. The Company won the following awards:

Best Dividend Payout Policy	1 <sup>st</sup>
Best Corporate Governance	5 <sup>th</sup>
Best Investor Relations	5 <sup>th</sup>



## May

- On May 18, the Company held its annual general meeting for 2003 in Beijing, at which resolutions on the following matters were adopted: approval of the Report of the Board of Directors for the year 2003, approval of the Report of the Supervisory Committee for the year 2003, approval of the Financial Statements for the year 2003, approval of the profit distribution plan for the year 2003, approval of the authorisation of the Board of Directors to declare interim dividends for the year 2004, approval of the appointment of PricewaterhouseCoopers, Certified Public Accountants, as the international auditors of the Company and PricewaterhouseCoopers Zhong Tian CPAs Limited Company, Certified Public Accountants, as the domestic auditors of the Company for the year 2004, approval of the re-election of Mr Chen Geng as a Director of the Company, approval of the election of Mr Jiang Jiemin as a Director of the Company, approval of the election of Mr Zhou Jiping as a Director of the Company, approval of the election of Mr Duan Wende as a Director of the Company, approval of the election of Mr Sun Xianfeng as a Supervisor of the Company, approval of Mr Xu Fengli as a Supervisor of the Company, approval of the resolution to authorise the Board of Directors to issue shares of the Company.
- On May 19, the Company held the sixth meeting of the second Board of Directors, at which resolutions on the following matters were adopted: election of the Chairman and the Vice Chairman, and appointment of the President nominated by the Chairman. Mr Chen Geng was appointed the Chairman of the Company. Mr Jiang Jiemin was appointed Vice Chairman and President of the Company.

## August

- On August 25, the Company held the seventh meeting of the second Board of Directors, at which resolutions on the following matters were adopted: the Company's Interim Financial Statements for the year 2004 (including the interim results for the six months ended June 30, 2004), interim profit distribution plan for the year 2004, adjustment of the investment plan of the Company for the year 2004.
- The Company was listed for the first time as one of the top 1,000 global firms by Business Week of the United States. The Company ranked No. 656. Among the Chinese firms on the list, PetroChina ranked No. 4.

## November

- On November 26, the Company held the eighth meeting of the second Board of Directors in Beijing, at which resolutions on the following matters were adopted: the Company's investment plan for



the year 2005, the Company's Budget Report for the year 2005, Measures for Assessment of Performance of the President's Work Team and the formulation of Performance Contract for the President's Work Team for the year 2004.

## December

- On December 26, the Company commenced using the new logo. The logo is jointly owned by the Company and CNPC. The new logo is a petal graphic equally divided by ten in red and yellow colours. The Company will use the two forms of combination of the new logo in different occasions to accommodate different needs.
- At 2 pm on December 29, the State Steering Committee for the Construction of the West-East Pipeline held the seventh working meeting in the Taiwan Hall of the People's City Hall in Beijing. In the meeting, the Company signed natural gas sales agreements with 12 users. As of that point the Company has signed natural gas sales agreements with 40 downstream clients, and all gas transmission contracts covering the designed 12-billion cubic metres annual transmission capacity of the West-East Pipeline have been signed.
- On December 30, commercial operation of the entire West-East Pipeline commenced, one full year ahead of the scheduled time. This marks the realisation of the Company's solemn promise to build a top-class natural gas transmission pipeline on Chinese soil characterised by high quality, high speed, high efficiency and high level. The West-East Pipeline is the longest gas pipeline in the country to date, with the largest pipe diameter, the best quality pipe materials, the highest level of designed pressure, the greatest transmission capacity, and the highest level of automated control. The West-East Pipeline Project is viewed as a landmark project in China's history of pipeline construction, as well as the largest project the Company has invested and constructed since its listing. The completion and operation of the West-East Pipeline Project signifies the initial completion of the Company's trunk line network in China, and that its natural gas business has entered a new era of rapid development.
- In AsiaMoney's 2004 "Annual Best-Managed Large Companies Poll", the Company was awarded the "Overall Best-Managed Large Cap Company" and "Overall Most Improved Company for Best-Management Practices" Awards.