



Major Events

..... January

Jan. 18 CNPC signs an agreement on strategic cooperation with Beijing Public Transportation Holdings, Ltd. With this long-term strategic partnership, CNPC becomes the largest oil and gas supplier for the Group.

..... February

Feb. 6 CNPC and the Industrial and Commercial Bank of China (ICBC) jointly launch Peony- PetroChina Card, which can be used across the country. CNPC's over 8000 gas stations in China will also provide credit card payment service.

Feb. 28 The groundbreaking ceremony for an ethylene project is held in Chengdu, Sichuan Province. With a total investment of RMB 21 billion and an annual capacity of 800,000 metric tons, it will be the largest ever of its kind in the southwestern part of China. The project, which is expected to be completed before 2010, is a joint venture of CNPC and Chengdu Petrochemical Co. Ltd, with 51 and 49 percent ownership respectively.

Feb. 28 CNPC and the Shougang Group sign an agreement on strategic cooperation. The two parties will intensify their cooperation in such areas as petrochemicals and establish a strategic partnership, ensuring that they become each other's reliable supplier and draw on each other's resources for future development.

..... March

Mar. 2 CNPC and Total sign Natural Gas Development and Production Contract and MOU of Natural Gas Sale and Purchase Agreement of South Sulige Block. In 2002, Total and PetroChina conducted a joint research into the natural gas reserves in the Block, which resulted in an agreement between the two companies to develop the natural gas resources there.

Mar. 21 CNPC signs a MOU on Supplying Natural Gas from Russia to China, Agreement on the Basic Principles for the Establishment of Joint Ventures in China and Russia for Strengthened Oil Cooperation and Minute on CNPC-

Transneft Meeting with Gazprom, Rosneft and Transneft respectively. These documents mark a new phase in oil and gas cooperation between CNPC and its Russian counterparts.

..... April

Apr. 28 CNPC Services and Engineering Co., Ltd. (CNPCE) and Shell sign a MOU on Wellbore-related Service between CNPC Services and Engineering Co. Ltd and Shell International Exploration and Production B.V. and Cooperation Framework Agreement on Wellbore Technological Service. These documents mark a new phase in the cooperation of oil and gas exploration and wellbore-related services between these two companies.

..... May

May 31 The State Environmental Protection Administration of China grants the West-East Gas Pipeline project the title of National Environment Friendly Project, which is the highest level award for construction projects in China.

..... June

Jun. 28 CNPC Petrochemical Research Institute is established. This important move will promote CNPC's petrochemical business by integrating refining R&D resources and building refining R&D capabilities.

Jun. 30 The expansion project (Phase II) in Khartoum Refinery goes into production. The newly added facilities include a delayed coking unit with an annual capacity of 1.2 million metric tons, a continuous reforming unit with an annual capacity of 400,000 metric tons and a diesel oil hydro-refining unit with an annual capacity of 1.2 million metric tons. With this effort, the Refinery reaches an annual refining capacity of 5 million metric tons.

..... July

Jul. 5 CNPC and KazMunaiGaz sign the stock transfer agreement, which enables KazMunaiGaz to acquire 33% equity of PK.



- Jul. 6** CNPC and Reliance sign an agreement to cooperatively construct India's East-West Pipeline. Starting from Baroch in the east and ending at Pondichery in the west, it will transport the natural gas in the Bay of Bengal to the cities in the western part of the country. The 1380km-long gas pipeline, invested as a major national project of India, is expected to be completed by December 31, 2007. China Petroleum Pipeline Bureau (CPPLB), one of CNPC's subsidiaries, has won six bidding sections out of eight, aggregating a length of 1,088 kilometers.
- Jul. 12** Nine blocks for risk exploration in the Tarim Basin are open to international oil companies. With a total area of 110,000 square kilometers, these blocks are concentrated in the southwestern, central and eastern parts of the Tarim Basin.
- Jul. 19** Through its wholly-owned subsidiary, CNPC International, CNPC has purchased 66.2252 million listed shares of Rosneft for 500 million US dollars at 7.55 US dollars per share.
- Jul. 25** The 10Mt/a project at Block 3/7 in Sudan goes into production. In addition, a 1376km-long pipeline is also put into use, which provides a solution to transportation of crude oil with high acid level, high calcium content and high viscosity and will secure a long distance and safe transportation of high pour point crude oil. CNPC has spent over two years completing the above two projects.
- Jul. 26** CNPC and Tianjin Pipe Group Co. Ltd sign a strategic agreement for an increasing cooperation on information, technology and business affairs under the principle of equality, mutual trust, reciprocity and mutual benefit.
- Jul. 29** The crude oil, delivered through the Kazakhstan-China Oil Pipeline, arrives at the tank farm of Dushanzi Petrochemical via Alashankou-Dushanzi Oil Pipeline in China. China's first transnational oil pipeline is officially put into commercial operation.
- **August**
- Aug. 5** A new atmospheric and vacuum device with an annual capacity of 10 million metric tons is put into operation at Dalian Petrochemical. With a primary crude processing capacity of 20.5 million metric tons, the company will be China's largest refinery.
- Aug. 16** CNPC and Chinese Academy of Sciences (CAS) sign a technical cooperation agreement, under which they would establish a long-term cooperative relationship in innovative oil and gas exploration theories and methodologies, EOR, new catalysts and processes for refining, novel polymer materials, natural gas conversion technology, new energy, high-tech R&D and application. In addition, their respective laboratories will be open to each other; technological intelligence will be shared; academic exchange will be made; and a postdoctoral research center will be built as a human capital reserve.
- Aug. 16** CNPC and Baosteel Group Corporation sign a strategic cooperation framework agreement to strengthen their cooperation in the supply of natural gas, oil products, steel products and basic services concerning high-quality steel.
- Aug. 18** The refining and ethylene projects at Fushun Petrochemical start to construct, with a total of thirteen major units, including a 8 million-metric-ton atmospheric and vacuum device and a 800,000 metric-ton ethylene production unit. This will help CNPC optimize the allocation of crude oil resources in the northeastern part of China and redistribute and restructure its refining business.
- Aug. 18** As a national basic research project jointly undertaken by CNPC and other parties, Scientific Research Well No.1 in Songliao Basin, well Song Ke-1, begins to be drilled for a thorough research into major geological events in the earth surface system and greenhouse climate change in the Cretaceous Period. Through this process, important data would be collected for better prediction of global climate change in the future. In addition, this effort will also help uncover the mystery of Cretaceous geological structure and gain better understanding on the oil and gas resources in the Songliao Basin.



Aug. 19 The groundbreaking ceremony for the Tarim Fertilizer Project is held. With the designed annual capacity of 450,000 metric tons of synthetic ammonia and 800,000 metric tons of urea, the project will be one of China's largest fertilizer production facilities in terms of per-unit capacity. The Project, which is located in the city of Korla, Xinjiang Uygur Autonomous Region, will get an abundant gas supply from the Tarim Basin.

Aug. 23 Uzbekistani President Islam Karimov signs a Presidential Directive on CNPC's five onshore exploration blocks in Uzbekistan. It marks the first oil and gas exploration agreement goes into effect, which was signed by CNPC and Uzbekneftgaz in Beijing on Jun. 8 this year .

Aug. 24 CNPC and the Venezuelan Ministry of Energy and Mines sign the Agreement between China National Petroleum Corporation and Petroleos de Venezuela S.A. for joint exploration of the Sumano Oilfield and Framework Agreement on joint venture between China National Petroleum Corporation and Petroleos de Venezuela S.A. for joint exploration of the Orinoco Heavy Oil Belt's Junin-4 Block. At the fifth meeting of China-Venezuela high-level mixed committee, CNPC and PVSA sign six cooperation agreements concerning oil engineering and technological services and oil trade, including the Agreement on Operation Contract to Joint Venture at Intercampo and Caracoles Oilfields, Driller Procurement Contract between Petroleos de Venezuela S.A. and China Petroleum Technology and Development Corporation, MOU between CNPC Services and Engineering Ltd. and Petroleos de Venezuela S.A. on the Establishment of a Well Engineering Service Joint Venture, and MOU between China Petroleum Technology and Development Corporation and Petroleos de Venezuela S.A. on Joint Driller Production.

Aug. 30 The Aral Sea Oil and Gas Development Consortium of Investors, which composed of CNPC, Uzbekneftgaz, Lukoil Overseas Holding, Petronas Carigali Overseas and Korea National Oil Corporation, signs the Production Sharing Agreement with the Government

of the Republic of Uzbekistan for the activities involving the exploration and development projects in the Uzbek section of the Aral Sea.

..... **September**

Sept. 15 CNPC and United Petroleum Natural Gas Investments Limited sign the contract on EOR for Gaosheng Block of the Bohai Bay Basin, PRC. Under which the two companies will jointly develop oil and gas resources in the Gaosheng Block of the Bohai Bay Basin. The area being developed is 29 square kilometers, with 77.07 million metric tons of OOIP and 16.7 million metric tons of recoverable reserves. The contract duration is 25 years, of which the first two years is designated as an experimental period.

Sept. 25 The Western Products Pipeline has completed its test operation. The first shipment of oil products arrived from Urumqi to Lanzhou successfully. The Western Crude Pipeline and Products Pipeline, which were launched on August 31, 2004, start from Urumqi, through twenty-eight cities and counties in Xinjiang and Gansu, and end at Lanzhou. The two parallel pipelines (one for crude oil and the other for oil products) have a total length of 1,842 km. The Western Products Pipeline is designed to transport 10 million metric tons of oil products per year.

Sept. 30 CNPC Drilling Research Institute is established in Beijing. This is CNPC's important move to ensure sustainable exploration and development of oil and gas by optimizing drilling technological resources, enhancing the capabilities of drilling technology innovation and R&D and increasing core competence concerning engineering services.

..... **October**

Oct. 16 CNPC and Rosneft sign an Agreement on the Establishment of Oriental Energy Company Ltd for oil and gas exploration bidding in Russia. The agreement means an important step forward in energy cooperation by both sides.



Oct. 26 Construction of the 457.5km-long Lanzhou-Yinchuan Pipeline begins, which has a designed deliverability of 3.5 billion cubic meters per year. The pipeline will link Se-Ning-Lan Gas Pipeline and the West-East Gas Pipeline, and further north, be connected to Chang-Ning Gas Pipeline at Yinchuan. The three major gasfields—Qinghai, Tarim and Changqing—will also be connected via this pipeline, ensuring the safe and reliable supply of natural gas.

..... November

Nov. 8 CNPC and Sichuan Provincial People's Government sign a framework agreement of cooperation on bioenergy development. Under which sweet potatoes and *Jatropha curcas* are used to produce fuel ethanol and bio-diesel oil, and a bioenergy R&D base will be established in Sichuan.

Nov.12 The first World Heavy Oil Conference, sponsored by CNPC and the Government of Alberta Province, Canada, is held in Beijing. This conference has received mighty support from the Chinese Government and active response from heavy oil rich countries and heavy oil consumers, related oil companies and technical service providers. The conference will help reinforce partnership among heavy oil producers, strengthen cooperation between heavy oil producers and consumers, and develop non-conventional oil resources in a more appropriate way.

Nov.18 CNPC starts to construct the 78km-long Daqing-Harbin Pipeline, which is designed with an annual gas deliverability of 5 billion cubic meters. This marks the launching of the gas pipeline network projects in the northeastern part of China. The project will link all the major northeastern cities, including Daqing, Qiqihaer, Harbin, Changchun, Shenyang and Dalian, and will reach to Beijing when completed.

Nov.20 The reconstruction and expansion of the 700kt/a ethylene project is put into operation at Lanzhou Petrochemical. Together with an annual refining capacity of 10 million metric tons, the company

will become a large-scale refining base. With successful operation of the new facilities, the company will have an added production capacity of 460,000 metric tons of ethylene and 800,000 metric tons of synthetic resin per year.

Nov. 22 The projects with a gas productivity of 1.5 billion cubic meters and a gas field framework of 3 billion cubic meters have been networked and put into operation in Sulige Gasfield, supplying natural gas to Beijing, Tianjin and their surrounding areas.

..... December

Dec. 3 Oil and gas equivalent production of Sichuan Oil and Gas Field reaches over 10 million metric tons, making it CNPC's sixth 10-million-ton grade field.

Dec. 11 Crude oil output in Changqing Oilfield reaches over 10 million metric tons, making it CNPC's seventh 10-million-ton grade oilfield.

Dec. 14 The main parts of ground facilities, with a gas productivity of 3 billion cubic meters per year, are completed and put into operation in Changbei Gasfield, supplying gas for the second Shaan-Jing Pipeline.

Dec. 16 The Huaiyang-Wuhan Pipeline, which links West-East Gas Pipeline and Zhongxian-Wuhan Pipeline, is put into operation. The 475km-long pipeline starts from Huaiyang city, Henan Province and ends at Wuhan city, Hubei Province. It is designed with an annual gas deliverability of 1.5 billion cubic meters. As an important part of the efforts to connect CNPC's major gas pipelines, this project will ensure safety and reliability of the company's gas supply.

Dec. 18 U.S. Petroleum Intelligence Weekly publishes the ranking of the world's largest 50 oil companies for 2005. CNPC has ranked among the top 10 for the sixth consecutive years, rising from the 9th in 2004 to 7th in 2005, based on the six indices of oil and gas reserves, production, crude processing capacity, and sales of refined oil products and so on.



- Dec. 18** BGP, one of CNPC's holding subsidiaries, launches its first 3D seismic exploration vessel, "BGP Pioneer", in Singapore. The ship is equipped with the most advanced geophysical prospecting and data acquisition equipment in the world and is expected to serve in deep sea.
- Dec. 30** CNPC lays the foundation of the 10-million-metric-ton refining project at Guangxi Petrochemical in Qinzhou city, Guangxi Zhuang Autonomous Region. As CNPC's first giant refinery in the southern part of China, it will have ten major production units including a atmospheric and vacuum device with an annual capacity of 10 million metric tons, and supporting facilities, such as docks and tank farms. Once the project is completed, the refinery will be able to supply 7.6 million metric tons of refined products to markets in the southwestern part of China per year.