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PETROCHINA COMPANY LIMITED

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

Announcement

Reference is made to the announcement of PetroChina dated 4 July 2002 regarding the Joint Venture Framework Agreement relating to the West-East Pipeline Project. Terms defined in the said announcement shall have the same meanings when used herein.

Following discussions with all parties to the Joint Venture Framework Agreement, PetroChina served a notice to terminate the Joint Venture Framework Agreement on 2 August 2004 in relation to the West-East Pipeline Project.

Reference is made to the announcement of PetroChina Company Limited ("**PetroChina**") dated 4 July 2002 regarding the Joint Venture Framework Agreement ("**JVFA**") relating to the West-East Pipeline Project. Terms defined in the said announcement shall have the same meanings when used herein.

The Board of Directors of PetroChina announces that following good faith discussions with all parties to the JVFA, the parties have not been able to reach an agreement on the West-East Pipeline Project. On 2 August 2004, PetroChina served a termination notice to the parties to the JVFA, and the parties to the JVFA have agreed, to terminate the JVFA. The obligations of all parties to the JVFA have ceased and no party has any outstanding claims and obligations against each other save for antecedent breaches following its termination.

All parties to the JVFA look forward to future co-operation opportunities.

The West-East Pipeline Project is in progress as normal. It is not expected that the termination of the JVFA will give rise to any adverse impact on PetroChina. The eastern section of the West-East Pipeline Project at Jingbian, Shaanxi commenced infusion of natural gas on 1 October 2003 and the commercial supply of natural gas to Shanghai has commenced since 1 January 2004.

The western section of the West-East Pipeline Project (which extends from Lunnan, Xinjiang to Jingbian, Shaanxi) has now been linked up. It is expected that the full line trial operation will commence on 1 October, 2004 and the full line commercial supply of natural gas for the West-East Pipeline Project will commence on 1 January 2005.

As at the date of this announcement, the Board of Directors comprises Mr. Chen Geng as the Chairman, Mr. Jiang Jiemin and Mr. Ren Chuanjun as Vice Chairmen, Mr. Su Shulin, Mr. Duan Wende and Mr. Wang Fucheng, as executive directors, Mr. Zheng Hu, Mr. Zhou Jiping, Mr. Gong Huazhang and Mr. Zou Haifeng as non-executive directors and Mr. Chee-Chen Tung, Mr. Liu Hongru and Mr. Franco Bernabè as independent non-executive directors.

By order of the Board
PetroChina Company Limited
Li Huaqi
Company Secretary

Beijing, PRC
4 August 2004