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POSITIVE PROFIT ALERT

This announcement is made by the Company pursuant to Rule 13.09(1) of the Listing Rules and Inside Information Provisions under Part XIVA of the SFO.

The Board hereby informs the shareholders of the Company and potential investors that the Group is expected to record a significant increase in profit for the year ended 31 December 2012 as compared with those for the year ended 31 December 2011. The significant increase in profit was mainly attributable to the growth of sales and distribution of natural gas and related products, and gains on other investments.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made by China Oil And Gas Group 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**”) and Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the “**SFO**”).

The board (the “**Board**”) of directors (“**Director(s)**”) of the Company hereby informs the shareholders of the Company and potential investors that the Group is expected to record a significant increase in profit for the year ended 31 December 2012 as compared with those for the year ended 31 December 2011. The significant increase in profit was mainly attributable to the growth of sales and distribution of natural gas and related products, and gains on other investments.

The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the management accounts of the Group which have not been audited by the auditor of the Company, and that the actual results for the Group may be different from what is disclosed in this announcement. Further details of the Group’s performance will be disclosed in the annual results announcement of the Company for the year ended 31 December 2012 which is scheduled to be published in March 2013.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
China Oil And Gas Group Limited
Chan Yuen Ying, Stella
Company Secretary

Hong Kong, 1 February 2013

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Xu Tie-liang (Chairman and Chief Executive Officer), Mr. Zhu Yuan, Ms. Guan Yijun and Mr. Cheung Shing; and three independent non-executive Directors, namely Mr. Li Yunlong, Mr. Shi Xun-zhi and Mr. Wang Guangtian.

** for identification purposes only*