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JILIN CHEMICAL INDUSTRIAL COMPANY LIMITED

吉林化學工業股份有限公司

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

(Stock Code: 368)

ANNOUNCEMENT

The Board wishes to announce that an Independent Board Committee comprising all of the independent non-executive directors of the Company has been established to advise the Independent Shareholders in respect of the A Share Takeover Offer and the H Share Takeover Offer. CICC has been appointed as the PRC domestic independent financial adviser and Platinum has been appointed as the Hong Kong independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the A Share Takeover Offer and the H Share Takeover Offer, respectively.

Reference is made to the joint announcement on the possible takeover offer of Jilin Chemical Industrial Company Limited (the "Company") jointly published by PetroChina Company Limited ("PetroChina"), the Controlling Shareholder of the Company, and the Company on 28 October 2005.

The Company wishes to announce that in relation to: (i) the possible voluntary conditional offer ("A Share Takeover Offer") by PetroChina to acquire all of the outstanding A shares of the Company not already owned by PetroChina and parties acting in concert with it; and (ii) the possible voluntary conditional offer ("H Share Takeover Offer") by Citigroup Global Markets Asia Limited on behalf of PetroChina to acquire all of the outstanding H shares, including all of the H shares represented by American depositary shares, of the Company not already owned by PetroChina and parties acting in concert with it, an independent board committee comprising all of the independent non-executive directors of the Company has been established to advise the independent shareholders of the Company ("Independent Shareholders") in respect of the A Share Takeover Offer and the H Share Takeover Offer. Each of China International Capital Corporation Limited ("CICC") and Platinum Securities Company Limited ("Platinum") has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the A Share Takeover Offer and the H Share Takeover Offer, respectively.

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

As of the date hereof, the Board comprises of:

Executive Directors: Yu Li, Zhang Xingfu, Li Chongjie

Non-executive Directors: Yang Dongyan, Ni Muhua, Jiang Jixiang, Xiang Ze

Independent Non-executive Directors: Lü Yanfeng, Zhou Henglong, Wang Peirong, Fanny Li

By order of the Board of Directors

Zhang Li Yan

Company Secretary

7 November 2005

"Please also refer to the published version of this announcement in South China Morning Post."