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中油燃氣集團有限公司*

CHINA OIL AND GAS GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 603)

**COMPLETION OF REDEMPTION OF SENIOR NOTES DUE 2018
(STOCK CODE: 5931)**

Reference is made to the announcement of China Oil And Gas Group Limited (the “**Company**”) dated 21 April 2017 (the “**Announcement**”) in relation to the Company informing the Trustee and holders of the 2018 Notes of its intention to redeem all of the outstanding 2018 Notes on 22 May 2017. Unless otherwise defined, capitalized terms used herein shall have the same meanings as defined in the Announcement.

The Company has redeemed an aggregate principal amount of US\$350,000,000 of all of the outstanding 2018 Notes on the Redemption Date (the “**Redemption**”) at the redemption price equal to 101.3125% of the principal amount thereof, being US\$354,593,750, plus accrued and unpaid interest of US\$1,327,077.51 to the Redemption Date. The total redemption price paid by the Company on the Redemption Date is US\$355,920,827.51. There are no outstanding 2018 Notes in issue after the Redemption.

The Company considers that there will be no material impact on its financial position as a result of the Redemption. The Company has applied to The Stock Exchange of Hong Kong Limited for the withdrawal of the listing of the 2018 Notes. Such withdrawal of listing is expected to become effective upon the close of business on 29 May 2017.

On behalf of the Board
China Oil And Gas Group Limited
Xu Tie-liang
Chairman

Hong Kong, 23 May 2017

* *For identification only*

As at the date of this announcement, the Board comprises four executive Directors, namely Mr. Xu Tieliang (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. Yang Jie and Mr. Wang Guangtian.