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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)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review on the unaudited management accounts of the Group for the year ended 31 December 2020 and information currently available to the Board, it is expected that the Group will record a significant decrease in profit attributable to owners of the Company of not less than 80% as compared to the last corresponding period in 2019. This was attributable by the one-off impairment of the oil and gas assets in Canada of the Group of approximately HK$600,000,000 due to the large fluctuations in international oil prices and other one-off profit or loss adjustments for the year. Nevertheless, the city pipeline natural gas business in Mainland China of the Group will record a significant net increase of approximately of 33% for the year. The Group will record a profit attributable to owners of the Company of approximately HK$600,000,000 for the year ended 31 December 2020 by excluding the impairment on oil and gas assets in Canada and other one-off profit or loss adjustments (subject to the finalisation of the valuation report by the valuer). The Group wishes to emphasise that the expenditure for the impairment on oil and gas assets is a non-cash and one-off item that will not affect the Group's cash flow, operations and liquidity.

Shareholders 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 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review on the unaudited management accounts of the Group for the year ended 31 December 2020 and the information currently available to the Board, it is expected that the Group will record a significant decrease in profit attributable to owners of the Company of not less than 80% as compared to the last corresponding period in 2019 . This was attributable by the one-off impairment of the oil and gas assets in Canada of the Group of approximately HK$600,000,000 due to the large fluctuations in international oil prices and other one-off profit or loss adjustments for the year. Nevertheless, the city pipeline natural gas business in Mainland China of the Group will record a significant net increase of approximately of 33% for the year. The Group will record a profit attributable to owners of the Company of approximately HK$600,000,000 for the year ended 31 December 2020 by excluding the impairment on oil and gas assets in Canada and other one-off profit or loss adjustments (subject to the finalisation of the valuation report by the valuer). The Group wishes to emphasise that the expenditure for the impairment on oil and gas assets is a non-cash and one-off item that will not affect the Group’s cash flow, operations and liquidity.

As the Company is still in the process of finalizing the consolidated results of the Group for the year ended 31 December 2020, the information contained in this announcement is only based on the preliminary review and assessment by the Board based on the unaudited management accounts of the Group and information currently available, which have neither been audited by the auditors nor reviewed by the audit committee of the Company. The above information may be subject to further adjustments upon further review. Shareholders and potential investors are advised to read carefully the announcement of the annual results of the Group for the year ended 31 December 2020 which is expected to be published in March 2021.

Shareholders 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, 15 March 2021

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Xu Tie-liang (Chairman and Chief Executive Officer), Ms. Guan Yijun and Mr. Liu Chunsun; and three independent non-executive Directors, namely Mr. Li Yunlong, Mr. Wang Guangtian and Mr. Yang Jie.

** for identification purposes only*