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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)

GAS CONCESSION RIGHT IN XINING COMPREHENSIVE BONDED ZONE

The board (the “**Board**”) of directors (the “**Directors**”) of China Oil and Gas Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that in March 2022, CNPC Gas Xining Co., Ltd.* 西寧中油燃氣有限責任公司 (“**Xining Company**”), a subsidiary of the Group, entered into a concession agreement (the “**Concession Agreement**”) on urban piped gas with the management committee of Xining Comprehensive Bonded Zone (“**XCBZ Management Committee**”), pursuant to which XCBZ Management Committee agreed to grant Xining Company the concession for supply of gas for a term of 30 years. Pursuant to the Concession Agreement, Xining Company is licensed to sell natural gas within the current jurisdiction of the XCBZ Management Committee (the “**Concession Area**”), including the supply of natural gas and liquefied natural gas to users in the form of pipeline transportation, and the provision of services related to piped gas facilities, such as project construction, maintenance, operation and emergency rush repair.

GENERAL INFORMATION

The Group is principally engaged in investments in natural gas and energy related businesses. It has invested in and established more than 100 gas companies in 16 provinces, autonomous regions and municipalities in China, and has 71 urban gas concessions.

Xining Comprehensive Bonded Zone, a special customs supervision area, was established under the strategy of the Belt and Road Initiative and the development of Lanzhou-Xining (Lan-Xi) urban agglomeration. The zone was approved by the State Council on 20 December 2019. Located in Datong Hui and Tu Autonomous County, Xining Comprehensive Bonded Zone, covering an area of 0.92 sq. km. (approximately 1,386 mu), extends to Xining-Datong Railway to the east, the provincial Highway 102 to the south, the national Highway 227 rerouted to the west and Yangjiazhai Village to the north.

The pre-construction project of Xining Comprehensive Bonded Zone was approved by Xining Municipal Development and Reform Commission in September 2019. The project costs a total of RMB1.08 billion, with a total construction area of 58,000 sq.m. and roads and green spaces of 248,000 sq.m. It mainly built checkpoints, fences, patrol roads, an inspection centre, a comprehensive service hall, a comprehensive office building, fumigation rooms, medical device storehouses, waste incineration rooms, an information platform, as well as supporting roads, green spaces, boiler rooms, switching stations and other ancillary facilities.

The construction of gas pipelines in Xining Comprehensive Bonded Zone will help promote the use of gas energy in the zone.

Moreover, the Group further explores the domestic gas market to increase its market share in the domestic gas business, thereby enhancing its market position in China. The Board believes that the Concession Agreement will enable the Group to take another big step forward in the gas market in China.

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

Hong Kong, 29 April 2022

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

* *For identification purpose only*