



新闻稿  
Press Release

中国石油天然气股份有限公司  
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**PETROCHINA'S 2005 NET PROFIT RISES 28.4% YEAR-ON-YEAR  
TO A RECORD HIGH OF RMB133.36 BILLION**

20 March 2006, Beijing – PetroChina Company Limited ("PetroChina" or the "Company," SEHK stock code 0857; NYSE symbol PTR) announced today it recorded a net profit of RMB133.36 billion for the year ended December 31, 2005, representing an increase of 28.4 percent from the previous year. This marks yet another record high in the Company's earnings since its initial public offering.

For the year ended December 31, 2005, the Company's turnover reached RMB552.23 billion, representing an increase of 39 percent from 2004. The basic and diluted earnings per share was RMB0.75, representing an increase of approximately RMB0.16 from 2004. The Company's Board of Directors recommended a final dividend of RMB0.180325 per share for 2005. Including the interim dividend of RMB0.157719 per share, the dividend for 2005 will be RMB0.338044 per share.

Mr. Chen Geng, Chairman of PetroChina said, "2005 was filled with

opportunities and challenges. Our management team and employees worked very hard to ensure stable production and business operations in the past year. Combined with enhanced management and a series of M&A initiatives, our efforts led to a strong growth in earnings, which was the highest since our listing, and laid a solid foundation for the Company's long-term development.”

## **Exploration and Production**

In 2005, the Company continued to place exploration a priority, increasing investments in both oil and gas exploration. The Company reached strategic milestones in exploring seven areas, including the Jidong tidal and shallow water areas in the Bohai Bay Basin, Xujiaweizi in the northern Songliao Basin, Changling in the southern Songliao Basin, Jiyuan in the Erdos Basin, Tazhong in the Tarim Basin, Chuanzhong in the Sichuan Basin, and the northwestern rim of the Junggar Basin. According to independent reserves assessment, the Company added 864 million barrels to its crude oil reserves, and 4,200 billion cubic feet to its natural gas reserves in 2005. The Company realized a replacement ratio of 1.04 for crude oil reserves, 3.14 for natural gas reserves, and 1.49 for oil and gas reserves in 2005.

In 2005, the Company's domestic crude oil output recorded the highest growth in recent years, and its natural gas output maintained rapid growth. Its overseas oil and gas output also grew rapidly. Last year, PetroChina saw its domestic and overseas oil and gas output reached

an aggregate 1.01 billion barrels of oil equivalent, an increase of 5.1 percent from 2004. Crude oil output reached 823 million barrels, representing an increase of 1.1 percent from a year earlier. Output of marketable natural gas reached 1,120 billion cubic feet, representing a rise of 27.8 percent from 2004.

In 2005, the Company's exploration and production segment recorded an operating profit of RMB208.08 billion, representing an increase of RMB77.87 billion, or 59.8 percent, from the previous year. The increase in operating profit was mainly due to higher oil and gas prices and increased sales volumes.

### **Refining and Marketing**

In 2005, the growth of the Company's crude oil refining volume and refined products output were above the industry average due to optimal resources allocation and strong management of its refining business. The Company processed 752.3 million barrels of crude oil, representing an increase of 6 percent from 2004.

Responding to market changes in 2005, the Company boosted its quality efforts in marketing and expanded its retail market share. It sold 75.981 million tons of refined products, representing a rise of 13.4 percent, among which 38.12 million tons were retail sales. The number of service stations totaled 18,164 units last year, representing an increase of 4.4 percent from 2004. Among the total, the number of

service stations owned by the Company increased 1,869 units, or 13.3 percent from the previous year.

In 2005, the Company's refining and marketing segment recorded an operating loss of RMB19.81 billion due to the control of refined products prices by government authorities.

### **Chemicals and Marketing**

In 2005, the Company ran its major chemicals facilities at full capacity as it seized market opportunities and optimized its product mix. The Company produced 13.15 million tons of chemical products, representing a rise of 3.3 percent from 2004. It produced 1.89 million tons of ethylene, 2.76 million tons of synthetic resin, 0.28 million tons of synthetic rubber, and 3.58 million tons of urea in 2005. The sales volume of chemical products amounted to 14.27 million tons, representing an increase of 9.6 percent from 2004.

In 2005, the chemical and marketing segment recorded an operating profit of RMB3.28 billion, RMB4.38 billion lower than a year earlier. Changes in raw material prices drove the profit lower by RMB3.176 billion, while an increase in depreciation and depletion expenses also pulled down the profit.

## **Natural Gas and Pipeline**

In 2005, the construction of major oil and gas pipelines proceeded smoothly. The Second Shaanxi-Beijing Pipeline was put into operation, lifting substantially the Company's capacity to supply natural gas to Beijing and the northern China region. The Company completed the construction of the Hunan Xiangtan branch of the Zhongxian-Wuhan Pipeline, marking the full operation of the Zhongxian-Wuhan Pipeline, which comprises one trunk and three branches. In addition, construction on the trunk line of the Jining connection line was finished, linking the West-East Gas Pipeline with the Second Shaanxi-Beijing Pipeline. This gas pipeline is nearly ready for commercial operation and will help balance distribution between the Second Shaanxi-Beijing Pipeline and the West-East Gas Pipeline, ensuring a stable supply to the market. By the end of 2005, the crude oil pipeline between Alashankou and Dushanzi has been completed.

In 2005, the natural gas and pipeline business recorded an operating profit of RMB3.18 billion, representing an increase of 25.6 percent from 2004, lifted by growth in natural gas sales volume and prices.

## **Capital Market Operations**

In 2005, the Company made achievements in the capital market operations. In June 2005, the Company announced that it had signed an Acquisition and Transfer Agreement with its parent China National

Petroleum Corporation, paying RMB20.7 billion to acquire certain overseas assets. Through establishing a joint venture with its parent company, the Company will steadily increase the scope and potential of its overseas oil and natural gas resources and further enhance corporate value. In September 2005, the Company completed its first ever H share placement after its listing in 2000, raising net proceeds of HKD18.9 billion to fund corporate development. In October 2005, the Company began to acquire the outstanding shares of Jilin Chemical, Jinzhou Petrochemical and Liaohe Jinma, with an aim to delist its three listed subsidiaries. The acquisitions, which have been completed, are significant to optimizing the Company's management, fully implementing the Company's business strategy as well as reducing and regulating the connected transactions.

### **Future Prospects for 2006**

Looking ahead, the Company anticipates a positive business environment in 2006 as global crude oil prices are expected to remain high while domestic demand for oil, gas and petrochemical products stay strong. Nevertheless, uncertainties may exist and unforeseeable factors may have an impact on the Company. In the new year, the Company will actively respond to market changes and make efforts to bolster its reserves by enhancing domestic exploration. It will push forward the construction of key refining and chemical projects to widen its business scale, while increasing quality marketing efforts and improving operational efficiencies to expand market share. It will also

adhere to its international strategy by further developing overseas operations, while cooperating more extensively with foreign companies in domestic projects and growing its foreign trade volume. In addition, it will enhance health, safety and environmental protection efforts, and continue to uphold its corporate social responsibility. The Company management will endeavor to achieve sustainable, effective and rapid growth for the long term.

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Additional information on PetroChina is available at the Company's website:  
<http://www.petrochina.com.cn>

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