
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Oil And Gas Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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PROPOSALS FOR (1) GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES; (2) RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting (“AGM”) of China Oil And Gas Group Limited (the “Company”) to be held at World Trade Centre Club Hong Kong, 38/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 16 June 2020 at 10:30 a.m., at which the above proposals will be considered, is set out on pages 12 to 16 of this circular.

Whether or not you intend to attend and/or vote at the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

In compliance with the Hong Kong Government’s directive on social distancing, personal and environmental hygiene, and the guidelines issued by the Centre for Health Protection of the Department of Health on the prevention of coronavirus disease 2019 (“COVID-19”), the Company will implement the following precautionary measures at the Annual General Meeting including, without limitation:

- compulsory body temperature screening;
- wearing of surgical face masks;
- no distribution of corporate gift or refreshment;
- mandatory health declaration — anyone subject to the Hong Kong Government’s prescribed quarantine or who has travelled overseas within 14 days immediately before the date of the Annual General Meeting will be denied entry into the Annual General Meeting venue; and
- appropriate seating arrangement in line with the guidance from the Hong Kong Government will be made.

The Company strongly advises Shareholders to appoint the chairman of the AGM as their proxy to vote on the relevant resolution(s) as an alternative to attending the AGM in person. Shareholders are advised to read page (ii) of this circular for further details and monitor the development of COVID-19. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.

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PRECAUTIONARY MEASURES FOR THE AGM

In compliance with the Hong Kong Government's directive on social distancing, personal and environmental hygiene, and the guidelines issued by the Centre for Health Protection of the Department of Health ("CHP") on the prevention of coronavirus disease 2019 ("COVID-19"), the Company will implement precautionary measures at the AGM in the interests of the health and safety of our shareholders, investors, directors, staff and other participants of the AGM (the "Stakeholders") which include without limitation:

- (1) Every attendee **will be required to wear a surgical face mask** throughout the AGM and inside the AGM venue. Attendees are advised to maintain appropriate social distance with each other at all times when attending the AGM.
- (2) There will be **compulsory body temperature screening** for all persons before entering the AGM venue. Any person with a body temperature of 37.3 degrees Celsius or above or any person which exhibits any flu-like symptoms may be denied entry to the AGM venue or be required to promptly leave the AGM venue.
- (3) **No refreshment will be served, and there will be no corporate gift.**
- (4) Attendees may be asked (i) if he/she has travelled outside of Hong Kong within 14 days immediately before the AGM; AND (ii) if he/she is subject to any Hong Kong Government prescribed quarantine requirement. Any person who responds positively to any of these questions will be denied entry into the AGM venue.
- (5) Anyone attending the AGM is reminded to observe good personal hygiene at all times.
- (6) Appropriate seating arrangement at the AGM venue in line with the guidance from the Hong Kong Government will be made.
- (7) **In light of the continuing risks posed by the COVID-19 pandemic, and in the interests of protecting the Stakeholders, the Company is supportive of the precautionary measures being adopted and reminds Shareholders that physical attendance in the AGM is not necessary for the purpose of exercising voting rights. The Company strongly advises Shareholders to appoint the chairman of the AGM as their proxy to vote on the relevant resolution(s) as an alternative to attending the AGM in person.**
- (8) **Shareholders are advised to monitor the development of COVID-19. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.**
- (9) Health education materials and up-to-date development on COVID-19 can be found on the CHP website (www.chp.gov.hk) and the website of the Hong Kong Government on COVID-19 (www.coronavirus.gov.hk).

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“AGM”	the annual general meeting of the Company to be convened and held at World Trade Centre Club Hong Kong, 38/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 16 June 2020 at 10:30 a.m.
“Board”	the board of Directors
“Bye-Laws”	the bye-laws of the Company, as amended from time to time
“Company”	China Oil And Gas Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general unconditional mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares in the capital of the Company of up to 20% of the aggregate number of the issued Shares of the Company as at the date of passing of the relevant resolution granting such mandate and adding thereto any Shares representing the aggregate number of the Shares repurchased by the Company pursuant to the authority granted under the Repurchase Mandate
“Latest Practicable Date”	21 April 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“PRC”	the People’s Republic of China
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the AGM to repurchase such number of issued and fully paid Shares of up to 10% of the aggregate number of the issued Shares of the Company as at the date of passing of the relevant resolution granting such mandate
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. XU Tie-liang

(Chairman and Chief Executive Officer)

Ms. GUAN Yijun

Mr. LIU Chunsun

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

Independent Non-Executive Directors:

Mr. LI Yunlong

Mr. WANG Guangtian

Mr. YANG Jie

Head Office and Principal Place of

Business in Hong Kong:

Suite 2805, 28th Floor

Sino Plaza

255-257 Gloucester Road

Causeway Bay

Hong Kong

27 April 2020

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
(1) GENERAL MANDATES TO ISSUE SHARES
AND TO REPURCHASE SHARES
AND
(2) RE-ELECTION OF DIRECTORS**

INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed to seek approval of the Shareholders at the AGM in respect of (i) the ordinary resolutions for granting to the Directors the Issue Mandate and the Repurchase Mandate; and (ii) the ordinary resolution for re-election of the retiring Directors.

* For identification purposes only

LETTER FROM THE BOARD

GENERAL MANDATES

At the annual general meeting of the Company held on 29 May 2019, the Directors were granted by the then Shareholders (i) a general unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the then aggregate number of issued Shares as at the date of passing such resolution; (ii) a general unconditional mandate to repurchase Shares not exceeding 10% of the then aggregate number of issued Shares as at the date of passing such resolution; and (iii) to extend the general mandate mentioned in (i) above by the aggregate number of the securities of the Company repurchased by the Company pursuant to the mandate to repurchase securities referred to (ii) above.

As at the Latest Practicable Date, the number of issued Shares was 5,767,043,834 Shares, assuming no further Shares are to be issued or repurchased prior to the AGM, the Issue Mandate will grant to the Directors an authority to issue up to 1,153,408,766 Shares.

The above general mandates will lapse at the conclusion of the AGM. It is therefore proposed to seek your approval by way of ordinary resolutions to be proposed at the AGM to approve the Issue Mandate and the Repurchase Mandate. The Directors wish to state that they have no immediate plan to issue any Shares or repurchase any Shares pursuant thereto. Please refer to resolutions numbered 5 to 7 set out in the notice of AGM on pages 12 to 16 of this circular for details of the proposed Issue Mandate and Repurchase Mandate.

EXPLANATORY STATEMENT

An explanatory statement containing all relevant information relating to the proposed Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement is to provide you with information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolution to grant to the Directors the Repurchase Mandate at the AGM.

RE-ELECTION OF DIRECTORS

The Board currently consists of six Directors, namely Mr. Xu Tie-liang, Ms. Guan Yijun, Mr. Liu Chunsun, Mr. Li Yunlong, Mr. Wang Guangtian and Mr. Yang Jie.

Pursuant to Bye-law 87(1) of the Bye-Laws, Mr. Xu Tie-liang (“Mr. Xu”) and Mr. Yang Jie (“Mr. Yang”) shall retire from office as Directors by rotation at the AGM and being eligible, offer themselves for re-election at the AGM.

LETTER FROM THE BOARD

Details of the above-mentioned retiring Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

The Nomination Committee of the Company (the “Nomination Committee”) has reviewed the biographical information of the retiring Directors, and considered that the re-election of Mr. Yang as an independent non-executive Director would be in the best interests of the Company and its Shareholders as a whole by taking into account that Mr. Yang has extensive experience in finance and investment aspects and Mr. Yang has extensive experience in mining investment and capital operation, his working profile and other experience and factors as set out in Appendix II to this circular. His depth of knowledge and experience can support his roles and he actively participated in the Group’s board meetings and board committee meetings, and made valuable contributions to the Group. Particular attention was given to reviewing the independence of Mr. Yang. Mr. Yang are not involved in the daily management of the Company nor in any relationships which would interfere with the exercise of their respective independent judgement. The Nomination Committee is satisfied that Mr. Yang has the required character, integrity and experience to continuously fulfil his role as an independent non-executive Director effectively.

The Nomination Committee has also assessed the independence of Mr. Yang based on reviewing his annual written confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules and confirmed that he remains independent.

Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that all the retiring Directors stand for re-election as Directors at the AGM.

ANNUAL GENERAL MEETING

Set out on pages 12 to 16 of this circular is a notice convening the AGM to consider and, if appropriate, to approve the ordinary resolutions relating to the proposals for the general mandates to issue Shares and to repurchase Shares and re-election of Directors.

A form of proxy for use at the AGM is enclosed herewith. Whether or not you are able to attend and/or vote at the AGM in person, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

Pursuant to Rule 13.49(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, all the resolutions set out in the notice of AGM will be voted by poll.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of the shareholders to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 10 June 2020 to Tuesday, 16 June 2020, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 9 June 2020.

RECOMMENDATION

The Board considers that the ordinary resolutions in relation to the Issue Mandate, the Repurchase Mandate and the re-election of Directors to be proposed at the AGM are in the best interests of the Company and the Shareholders.

Accordingly, the Board recommends the Shareholders to vote in favour of such resolutions at the AGM.

GENERAL

Your attention is also drawn to the appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

By Order of the Board
China Oil And Gas Group Limited
Xu Tie-liang
Chairman

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution at the AGM to approve the Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital comprised 5,767,043,834 Shares. Subject to the passing of the resolution for repurchase of Shares and on the basis of no further Shares will be issued or repurchased up to the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 576,704,383 Shares, representing approximately 10% of the issued Shares.

3. REASONS FOR REPURCHASES

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or the earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and Bye-Laws, the laws of Bermuda and any other applicable laws, including capital paid upon the Shares to be repurchased, profits otherwise available for distribution and sums standing to either the share premium account or contributed surplus account of the Company.

5. GENERAL

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited financial statements of the Company for the year ended 31 December 2019 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve months and up to the Latest Practicable Date were as follows:—

	Shares	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2019		
April	0.530	0.470
May	0.480	0.370
June	0.420	0.370
July	0.425	0.350
August	0.355	0.248
September	0.300	0.235
October	0.360	0.270
November	0.355	0.225
December	0.325	0.270
2020		
January	0.320	0.260
February	0.325	0.255
March	0.300	0.212
April (up to the Latest Practicable Date)	0.265	0.228

7. UNDERTAKING

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Repurchase Mandate if the same is approved by the Shareholders.

APPENDIX I EXPLANATORY STATEMENT ON REPURCHASE MANDATE

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate pursuant to the proposed resolution in accordance with the Listing Rules and the applicable laws of Bermuda.

8. CORE CONNECTED PERSON

No core connected person (as defined in the Listing Rules) has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

9. TAKEOVERS CODE

If on exercise of the powers of repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code.

As a result, a Shareholder or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Mr. Xu Tie-liang through Sino Advance Holdings Limited and Sino Vantage Management Limited, both being indirectly wholly and beneficially owned by Mr. Xu Tie-liang, holds 1,494,634,130 Shares (representing approximately 25.92% of the total issued Shares as at the Latest Practicable Date). In the event that the Directors exercise in full the power to repurchase Shares under the Repurchase Mandate, then the attributable interest of Mr. Xu Tie-liang would be increased from approximately 25.92% to approximately 28.80% of the issued Shares. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate. The Company has no present intention to repurchase Shares to such extent as to result in the amount of Shares held by the public being reduced to less than 25%.

10. SHARE PURCHASE MADE BY THE COMPANY

The Company has not repurchased any of the Shares (whether on the Stock Exchange or otherwise) during the six months preceding the Latest Practicable Date.

The following set out the details of Directors who will retire and, being eligible, offer themselves for re-election at the AGM pursuant to the Bye-Laws.

EXECUTIVE DIRECTOR

Mr. Xu Tie-liang, aged 56, was appointed as an executive Director and the Chairman of the Board of the Company on 30 August 2006. He was also appointed as the Chief Executive Officer of the Company on 4 November 2009. Mr. Xu is the chairman of the Corporate Governance Committee of the Company (the “CG Committee”), also the chairman of China Oil and Gas Investment Group Co., Ltd, China City Natural Gas Investment Group Co., Ltd and Baccalieu Energy Inc. Canada and a director of certain subsidiaries of the Company. Mr. Xu is also a Honorary Life Chairman of Cross-Strait Peaceful Development Federation; vice chairman of Hong Kong Energy, Mining and Commodities Association; Honorary Chairman of The Hong Kong Chinese Enterprises Association (Shandong). Mr. Xu graduated from Xi’an Shiyou University (西安石油大學) and postgraduate from the University of International Business and Economics (對外經濟貿易大學), and completed a doctorate course in law, postgraduate from the School of Economics and Management of EMBA Tsinghua University (清華大學經管學院). He is also a senior PRC lawyer and a certified public accountant. Mr. Xu has more than 30 years’ experience in management, investments, legal and finance. Mr. Xu did not hold any directorship in other listed public companies in the past three years.

Mr. Xu entered into a service contract with the Company on 10 April 2017 for a term of three years commencing from 10 April 2017. The appointment of Mr. Xu can be terminated by six months’ advance notice in writing by either party. He is subject to retirement by rotation at least once every three years in accordance with the Bye-Laws. Mr. Xu is entitled to a fixed director’s remuneration of HK\$5,000,000 per annum and discretionary bonus, which is fixed by the Board with reference to the recommendation of the Remuneration Committee of the Company (the “Remuneration Committee”), the performance of the Group and the prevailing market conditions.

Sino Advance Holdings Limited (“Sino Advance”) holds 353,120,130 Shares and an amount of US\$1,500,000 of the US\$350,000,000 4.625% senior notes of the Company due 2022, Sino Vantage Management Limited (“Sino Vantage”) holds 1,141,514,000 Shares and an amount of US\$3,540,000 of the US\$320,000,000 5.5% senior notes of the Company due 2023, both Sino Advance and Sino Vantage are wholly-owned by Sino Best International Group Limited, which is wholly and beneficially owned by Mr. Xu. Moral High Limited, which is owned by Mr. Xu and Ms. Guan Yijun, an executive Director and spouse of Mr. Xu, 50% each, holds an amount of US\$2,000,000 of the US\$350,000,000 4.625% senior notes of the Company due 2022.

Save as disclosed above, Mr. Xu does not have any relationship with any other Director, senior management, substantial Shareholders (as defined in the Listing Rules, or controlling Shareholders (as defined in the Listing Rules).

INDEPENDENT NON-EXECUTIVE DIRECTOR

Mr. Yang Jie, aged 56, was appointed as an independent non-executive Director of the Company on 18 May 2017. He is a member of the audit committee of the Company. Mr. Yang holds a bachelor degree at University of International Business Economics. Mr. Yang is currently serving as executive director and chief executive officer of MEC Advisory Limited which is the sole advisor of Can-China Global Resource Fund, and executive director of EMC Financial Limited, the general partner of Can-China Global Resource Fund. Mr. Yang has more than 20 years of experience in mining investment and capital operation. He served as a board member of several Canadian listed mining companies and senior adviser of several Chinese companies for their overseas investment. He served as vice chairman of Greater China Mining Group, a director and an executive vice president of Continental Mineral Corp. and senior vice president and partner in Hunter Dickinson Inc. He has participated in corporate financing, mergers and acquisitions for numerous Canadian mining companies. Save as disclosed above, Mr. Yang did not hold any directorships in any other listed public companies in the past three years.

There is no service contract between the Company and Mr. Yang and he was not appointed for a specific length of service but he will be subject to retirement at the next general meeting after his appointment and thereafter subject to retirement by rotation at least once every three years at the annual general meeting of the Company in accordance with the Bye-laws of the Company. Mr. Yang is entitled to a director's fee at HK\$120,000 per annum which is recommended by the Remuneration Committee of the Company and determined by the Board with reference to the prevailing market conditions.

As at the Latest Practicable Date, Mr. Yang does not have any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Yang does not have any relationship with any Directors, senior management, substantial Shareholders (as defined in the Listing Rules) or controlling Shareholders (as defined in the Listing Rules) of the Company.

Save as disclosed above, there is no information required to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (v) of the Listing Rules and there are no other matters that need to be brought to the attention of the Shareholders in relation to the re-election of the above Directors.

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN THAT an Annual General Meeting of China Oil And Gas Group Limited (the “Company”) will be held at World Trade Centre Club Hong Kong, 38/F., World Trade Centre, 280 Gloucester Road, Causeway Bay, Hong Kong on Tuesday, 16 June 2020 at 10:30 a.m. for the following purposes:

1. To receive and consider the Audited Financial Statements and the Reports of the Directors and the Auditor of the Company and its subsidiaries for the year ended 31 December 2019.
2. (a) To re-elect Mr. Xu Tie-liang as a Director.

(b) To re-elect Mr. Yang Jie as a Director.

(c) To authorize the Directors to fix the Directors’ remuneration.
3. To re-appoint PricewaterhouseCoopers as Auditor and to authorize the Directors to fix its remuneration.

As special businesses, to consider and if thought fit, pass with or without modifications, the following resolutions as ordinary resolutions:

4. **“THAT:**
 - (a) subject to the following provisions of this resolution, the exercise by the directors of the Company (“Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the share capital of the Company (the “Shares”), and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

* For identification purpose only

NOTICE OF ANNUAL GENERAL MEETING

- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of the conversion rights attaching to any convertible securities issued by the Company; (iii) the exercise of warrants to subscribe for Shares; (iv) the exercise of options granted under any share option scheme or similar arrangement for the time being adopted by the Company; or (v) an issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws of the Company (“Bye-laws”); shall not exceed 20% of the aggregate number of issued Shares as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law of Bermuda to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company (the “Shareholders”) in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

5. “THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) or those of any other recognised stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate number of Shares to be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate number of issued Shares as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable law of Bermuda to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional upon resolutions numbered 4 and 5 above being passed, the unconditional general mandate granted to the Directors to allot, issue and deal with additional shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution numbered 4 above be and is hereby extended by the additional thereto of an amount representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to resolution numbered 4 above, provided that such amount shall not exceed 10% of the aggregate number of issued Shares as at the date of passing the resolution.”

By Order of the Board
China Oil And Gas Group Limited
Chan Yuen Ying Stella
Company Secretary

Hong Kong, 27 April 2020

Notes:

1. Any member of the Company entitled to attend and vote at the meeting convened by this notice shall be entitled to appoint proxy to attend and vote in his stead in accordance with the Bye-laws. A proxy need not be a member of the Company but must be present in person to represent the member.
2. A form of proxy for use at the above meeting is enclosed.
3. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a certified copy thereof, must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting. Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or any adjournment a thereof should they so wish.
4. For determining the identity of the Shareholders to attend and vote at the meeting, the register of members of the Company will be closed from Wednesday, 10 June 2020 to Tuesday, 16 June 2020 (both days inclusive) during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the meeting, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 9 June 2020.
5. With respect to resolution no. 2 of this notice, Mr. Xu Tie-liang and Mr. Yang Jie shall retire from the office of directorship and offer themselves for re-election in accordance with the Bye-laws. Details of their information which are required to be disclosed under the Listing Rules are set out in the circular of the Company dated 27 April 2020.
6. As at the date of this notice, 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.

NOTICE OF ANNUAL GENERAL MEETING

7. In compliance with the Hong Kong Government's directive on social distancing, personal and environmental hygiene, and the guidelines issued by the Centre for Health Protection of the Department of Health on the prevention of coronavirus disease 2019 ("COVID-19"), the Company will implement precautionary measures at the Meeting. Shareholders are advised to read page (ii) of this circular for details of the precautionary measures and monitor the development of COVID-19. Subject to the development of COVID-19, the Company may implement further changes and precautionary measures and may issue further announcement on such measures as appropriate.
8. In light of the continuing risks posed by the COVID-19 pandemic, the Company strongly advises Shareholders to appoint the chairman of the Meeting as their proxy to vote on the relevant resolution(s) as an alternative to attending the Meeting in person.
9. In case the venue is being closed on the date of Meeting due to COVID-19, the meeting shall stand adjourned to the same day in the next week or at such other time and place as the chairman of the Meeting may determine. The Company will post an announcement on the Stock Exchange and the Company's website notifying Shareholders of the date, time and place of the adjourned meeting.