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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)

PROPOSED ISSUE OF USD DENOMINATED SENIOR NOTES

The Company proposes to conduct an international offering of USD denominated senior notes and will commence a series of presentations to institutional investors.

* For identification only

The pricing of the Notes, including the aggregate principal amount, the Offer Price and the interest rate, will be determined through a book building exercise to be conducted by HSBC and Morgan Stanley as the joint global coordinators, joint bookrunners and joint lead managers of the Proposed Notes Issue. Upon finalising the terms of the Notes, it is expected that the Company, the Subsidiary Guarantors, HSBC and Morgan Stanley will enter into the Purchase Agreement.

The Company intends to use the proceeds of the Proposed Notes Issue to repay certain existing indebtedness, including the 2017 Notes, and for general corporate purposes.

Approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the SGX-ST. Approval in-principle from, admission to the Official List of, and the listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Company or the Notes. The SGX-ST assumes no responsibility for the contents of this announcement. No listing of the Notes has been sought in Hong Kong.

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

THE PROPOSED NOTES ISSUE

Introduction

The Company proposes to conduct an international offering of USD denominated senior notes and will commence a series of presentations to institutional investors.

The pricing of the Notes, including the aggregate principal amount, the Offer Price and the interest rate, will be determined through a book building exercise to be conducted by HSBC and Morgan Stanley as the joint global coordinators, joint bookrunners and joint lead managers of the Proposed Notes Issue. As at the date of this announcement, the terms and conditions of the Proposed Notes Issue are still being determined and are proposed to include guarantees to be provided by the Subsidiary Guarantors. Upon finalising the terms of the Notes, it is expected that the Company, the Subsidiary Guarantors, HSBC and Morgan Stanley will enter into the Purchase Agreement, pursuant to which HSBC and Morgan Stanley will be the initial purchasers of the Notes. The Company will make a further announcement in respect of the Proposed Notes Issue upon the execution of the Purchase Agreement.

No PRIIPs key information document (KID) has been prepared as distribution to retail is prohibited in the European Economic Area.

No PRIIPs key information document (KID) has been prepared as not available to retail in the United Kingdom.

The Notes have not been, and will not be, registered under the U.S. Securities Act. The Notes will only be offered outside the United States in compliance with Regulation S under the U.S. Securities Act. None of the Notes will be offered to the public in Hong Kong.

Reasons for the Proposed Notes Issue

The Company intends to use the proceeds from the Proposed Notes Issue to repay certain existing indebtedness, including the 2017 Notes, and for general corporate purposes.

Listing and rating

Approval in-principle has been received from the SGX-ST for the listing and quotation of the Notes on the SGX-ST. Approval in-principle from, admission to the Official List of, and the listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Company or the Notes. The SGX-ST assumes no responsibility for the contents of this announcement. No listing of the Notes has been sought in Hong Kong.

The Notes are expected to be rated “Ba2” by Moody’s Investors Services, Inc. and “BB” by Standard & Poor’s Ratings Group. A credit rating is not a recommendation to buy, sell or hold securities and maybe subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialize. Investors and shareholders of the Company are urged to exercise caution when dealing in the securities of the Company. A further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement be signed.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“2017 Notes”	4.625% senior notes due 2022 issued by the Company on 20 April 2017
“Board”	the board of Directors
“Company”	China Oil And Gas Group Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Morgan Stanley”	Morgan Stanley & Co. International plc
“Notes”	the USD senior notes proposed to be issued by the Company subject to the terms and conditions of the Purchase Agreement
“Offer Price”	the final price at which the Notes will be sold
“PRC” or “China”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement
“Proposed Notes Issue”	the proposed issue of the Notes by the Company
“Purchase Agreement”	the agreement proposed to be entered into by and among the Company, the Subsidiary Guarantors, HSBC and Morgan Stanley in relation to the Proposed Notes Issue
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subsidiary Guarantors”	certain existing subsidiaries of the Company which guarantee the Notes
“United States”	the United States of America
“USD” or “US\$”	United States dollar(s)
“U.S. Securities Act”	the United States Securities Act of 1933, as amended

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

Hong Kong, 21 June 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. Gao Falian; and three independent non-executive Directors, namely Mr. Wang Wenhua, Mr. Wang Guangtian and Mr. Yang Jie.