Press Release

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STRATEGIC COOPERATION BETWEEN CRH AND CNPC TO BENEFIT CR GAS'S GAS SUPPLY AND NEW PROJECT ACQUISITION

China Resources Gas Group Limited ("CR Gas" or the "Company", together with its subsidiaries, the "Group", stock code: 1193)'s controlling shareholder, China Resources (Holdings) Limited ("CRH") today entered into a strategic collaboration agreement with China National Petroleum Corporation ("CNPC"). Both parties agree to collaborate in areas such as natural gas, non-oil products in gas stations, petroleum products, natural gas power generation, project construction and overseas investment. With respect to natural gas, CNPC will make it a priority to supply gas to CRH's city gas projects and both parties agree to optimise their respective existing city gas markets to avoid competition. CNPC is in favour of CRH's equity participation in the construction of natural gas infrastructure facilities such as long distance natural gas primary pipelines, secondary pipelines, regional pipelines, and LNG receiving terminals of CNPC in China.

As the flagship of CRH's gas business, CR Gas has tapped into the downstream city gas distribution markets of 30 cities and 10 provinces of China. "The strategic collaboration agreement between CRH and CNPC covers many areas, and cooperation in the gas business is the most important one. According to the strategic collaboration agreement, we believe CR Gas will gain more support and advantages in securing gas supply, project acquisition, asset structure optimisation, and construction of gas stations, and both companies will gain mutual benefits and reach a win-win situation," said Mr Ma Guo'an, Chairman of CR Gas.

"CNPC is an integrated international energy company with businesses covering oil and gas exploration, refining and chemicals, sales of oil products, oil and gas storage and transportation and engineering and technology services. The CNPC has great advantages in upstream gas supply, while CR Gas is experienced and good at city gas distribution business. We believe the collaboration will bring synergy for both parties, and is of great significance in maintaining CR Gas's leadership in city gas distribution business in the PRC," Mr Ma added.

About CR Gas

CR Gas is principally engaged in downstream city gas distribution business including piped natural or petroleum gas distribution, and operating CNG (compressed natural gas) filling stations. Its piped natural gas operations are strategically located in areas of China with rich reserves of natural gas and areas which are economically more developed and densely populated. CR Gas aspires to become a respected market leader in downstream city gas distribution business in China.

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