

**IN THE MATTER OF THE
COMPANIES ACT 1981
(the “Act”)**

AND

**IN THE MATTER OF
CHINA OIL AND GAS
GROUP LIMITED
(the “Company”)**

**NOTICE OF REDUCTION OF
SHARE PREMIUM**

NOTICE IS HEREBY GIVEN, pursuant to Section 46(2)(a) of the Act, that the Company proposes to cancel an amount standing to the credit of its share premium account so that the amount of the share premium of the Company will be reduced from HK\$ 1,964,143,000 by HK\$ 400,000,000 to HK\$1,564,143,000 (the “Share Premium Reduction”). It is intended that the Share Premium Reduction will take effect on or about 10 May, 2012.

Conyers Dill & Pearman
Attorneys to the Company

Dated this 11th day of April, 2012