



China Petrotech Holdings Limited

Press Release

China Petrotech Record 38% Rise In Net Profit To RMB41.6 Million

- **Revenue in 2004 increased 46.9% to RMB 61.3 million**
- **Advanced IT solution for oil and gas exploration in China are gaining acceptance by major customers**
- **Sees possibilities in direct oil and gas development and production opportunities in China and Southeast Asia**

RMB million	FY2004	FY2003	Change %
Revenue	61.3	41.7	46.9
Net Profit	41.6	30.1	38.3
Net Margin (%)	67.8	72.0	(5.8)
Basic Earnings per share (EPS)	18.6	15.4	21.2

SINGAPORE, 24 February 2004 – China’s leading Oil & Gas industry technological solutions provider, **China Petrotech Holdings Limited** (“**China Petrotech**”), reported today its Group net profit attributable to shareholders rose to RMB41.6 million for the year ended 31 December 2004 (“FY04”) from RMB30.1 million in the previous year.

The Group’s strong performance in FY04 was due to four main factors. Firstly, The Group received higher acceptance and growing adoption of its IT solutions. In addition to securing PetroChina Group and CNOOC Group to implement its well logging data organisation system as the standard operating software in 2003, China Petrotech has also secured similar adoption by Sinopec Group in 2004.

Secondly, the Group has expanded to provide IT solutions and develop new applications such as exploration information management.

Thirdly, moving beyond IT solution, the Group has begun sale of specialized equipment such as Nuclear Magnetic Resonance (“NMR”)

Spectrometers used for on-site analysis of the geophysical properties of rock fragment from the underground layers.

Finally, China Petrotech began providing chargeable software upgrades for earlier installations. All four factors broaden China Petrotech's revenue stream and heighten its level of customer service and support.

Basic Earnings Per Share ("EPS") in FY04 increased to RMB18.6 cents from RMB15.4 cent in FY03. Net Asset Value ("NAV") per share as at 31 December 2004 was RMB63.7 cents, up from RMB22.9 cents as at 31 December 2003.

With a set of good results for FY04 and strong cash balances, the Group will consider to announce a special interim dividend on or before our results announcement for second quarter 2005.

China Petrotech's Executive Chairman, Mr William Chan, said: "I'm very pleased with the performance of the Group and the progress in our product development. Our efforts in developing and promoting use of advanced IT solution for oil and gas exploration in China are gaining recognition from the China Central Government. In December 2004, we received a government approval for a grant of RMB3 million to develop an IT application platform for oil exploration geology."

"The prospects of China Petrotech looks promising for FY05," said Mr Chan. "We have worked hard in FY03 and FY04 to lay strong foundation for growth. We will channel our efforts to promote greater use of the software products developed in FY04 and the use of specialized equipment for oil well data collection and analysis. We are planning to introduce more advanced IT applications for oil exploration, including inter-well imaging, vertical seismic survey and 3-D reservoir modelling in FY2005."

"China Petrotech is in its early stages of growth and we are enhancing our financial strength, and strengthening our domain knowledge, software products and building our pool of experienced staff from the oil and gas industry. During the year under review, China Petrotech recruited several senior management staff to strengthen its product development, technical support and product marketing. We are discovering new business

opportunities constantly and may explore direct oil development and production opportunities in China and Southeast Asia. However, it is important for fellow shareholders to note that the management stays cautious in managing the growth and focus in expanding on our core competencies,” added Mr Chan.

~ End of release ~

Issued on behalf of China Petrotech Holdings Limited by WeR1 Consultants Pte Ltd

Media Contact

WeR1 Consultants Pte Ltd

29 Scotts Road

Singapore 228224

Tel: (65) 6737 4844, Fax: (65) 6737 4944

Tan Chin Lee, tancl@wer1.net, hp: (65) 9767 9359

China Petrotech Holdings Limited

The 2F, District C,

Software Park, High-Tech Development Zone

Xi'an, China

Tel: (86) 29 8766 9631, Fax: (86) 29 8766 9637

Or

Tel: (65) 6737 4844, Fax: (65) 6737 4944

Ho Hin Dong, info@china-petrotech.com

About China Petrotech Holdings Limited

Established in 2001 by a group of experienced geologists and research engineers from the oil and gas majors, China Petrotech Holdings Limited ("China Petrotech") is a provider of technological solutions, specialised equipment and services for the upstream activities of the PRC oil and gas industry, with a focus on the exploration (onshore and offshore), development and production of oil and gas. The Group's IT solutions and services include the design and development of standardised software solutions, software customisation, and technical services for upstream exploration and development activities.

Major customers of the Group include leading oil and gas companies in the PRC, such as the subsidiaries, branches and associated companies of the PetroChina Group, the Sinopec Group and the CNOOC Group.

China Petrotech was listed on the Singapore Exchange on 9 June 2004.

For more information, please visit: www.china-petrotech.com