

PETRO  TECH

CHINA PETROTECH HOLDINGS LTD

2Q07 Results Briefing

15 Aug 2007

2Q07 Results

Financial Review

PROFIT & LOSS STATEMENT

(RMB million)	2Q07	2Q06	Chg
Revenue	5.0	22.3	-77%
Cost of Sales	2.0	3.4	-39%
Gross Profit	3.0	18.9	-84%
Other Income	0.5	0	N.M
R&D, Selling, Admin Expenses	4.9	6.1	-20%
Other Operating Expenses	0.4	0.2	+111%
Net Finance Income	0.3	0.1	+269%
Profit/(Loss) Before Tax	(1.7)	12.7	N.M
Net Profit Attrib. to Shareholders	(2.0)	12.5	N.M
EPS (RMB cents)	(0.7)	5.0	N.M.

REVENUE ANALYSIS - SEGMENTAL BREAKDOWN

(RMB million)	2Q07	2Q06	Chg
Oilfield & other services	5.0	20.0	-75%
Software & related services	-	2.3	-101%
Others	-	-	-
Total	5.0	22.3	-77

(RMB million)	1H07	1H06	Chg
Oilfield & other services	6.7	33.2	-80
Software & related services	8.1	7.9	-
Others	-	0.6	-
Total	14.8	41.7	-65

REVENUE ANALYSIS - KEY POINTS

Recorded 77% Lower Revenue in 2Q07

- Internal control and monitoring measures to halt services to customers who has long outstanding receivables
- Lower contribution from mud logging services from Ta Zhi Oil field in Xinjiang as customers drilled less wells during the period
- No contribution from Shaanxi Long Top and software sales
- Re-allocation of resources to Shaanbei



COST ANALYSIS- KEY POINTS

Total Operating expenses was 16% lower at RMB5.3 m versus RMB6.3m in 1Q07

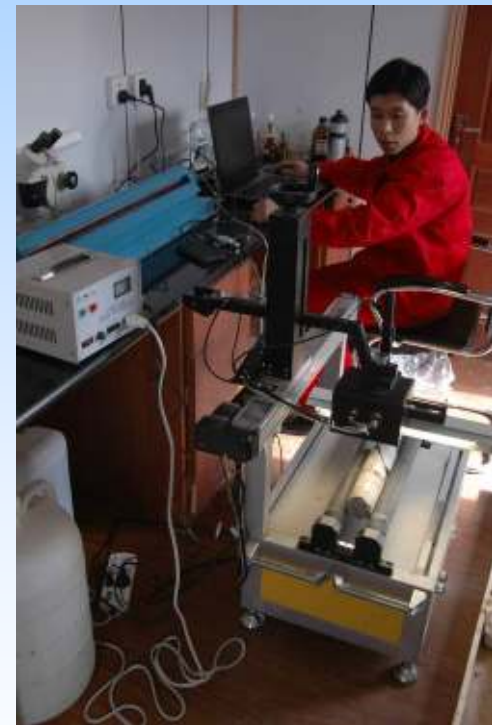
- Selling & distribution costs fell, in line with the Group's restrained activities in software segment and lower contribution from mud logging activities
- R&D costs fell as a result of a decrease in new software development activities as most of the major software series pursued was completed in 1Q07
- Admin expenses increased 22% in 2Q07 due to one time expense from ESOS. Excluding this, admin expense would be -13%



PROFIT ANALYSIS- KEY POINTS

Recorded a Loss of RMB2.0m in 2Q07

- 2Q loss due to significantly lower revenue
- 1H07 profit attributable to shareholders at RMB1.3m



BALANCE SHEET

(RMB million)	June 07	Mar 07	Dec 06
Fixed Assets	4.7	4.8	4.8
Intangible Assets	179.0	183.5	156.3
Cash & Cash Equivalents	99.5	99.7	100.8
Other Receivables	12.5	4.3	0.9
Trade Receivables	63.7	79.1	74.8
Other Current Assets	2.6	2.6	2.5
Deferred Liabilities	41.2	41.2	41.2
Current Liabilities	23.5	29.6	37.1
Total Equity	301.9	303.2	261.9
Total Equity & Liabilities	366.5	374.0	340.1
NAV per share (RMB cents)	93.6	95.1	86.2
Net cash per share (RMB cents)	37.3	37.4	41.2

BALANCE SHEET – KEY POINTS

- Intangible assets of RMB179.0 million attributable to exploration and production rights in Cambodia Offshore Block D PSC
- Net cash holding of RMB99.5 million or RMB 37 cents per share
- Total assets stood at RMB366.5 million
- Trade receivables was lower at RMB63.7 million versus RMB79.1 million at end March 2007 due to partial collection and lower sales
- Some receivables have been more than 12 months due and some write-offs would be expected but collection efforts are still continuing



Business Update

OILFIELD SERVICES AND SOFTWARE BUSINESS

Contribution in 2007 Expected to be Muted

- Software platform has been reorganized and packaged to focus only on quality customers
- Credit control policy is also being drawn up to control receivable problems and improve collection visibility
- Oilfield services revenue from core sample scanning, digitization of logging charts and mud logging business expected to be muted in 2007 as logging teams are not fully utilised
- Expected lower revenue from mud logging services due to less number of wells drilled by customers and due to the effect of our credit control policy



OILFIELD SERVICES AND SOFTWARE BUSINESS

Disposal of Non-Core Business: SLT

- Various options considered for ERP business in Shaanxi Long Top
- Business decision to dispose due to highly competitive business and long projects timeline as well as bad receivables history
- Best options available to management is to effect a transfer agreement with minority shareholder who will take over the ERP business, current and fixed assets, liabilities and staff welfare and all related obligations, excluding cash and bank balances
- Effect is to clean-up and exit ERP business

SHAANBEI - INTEGRATED OILFIELD SERVICES

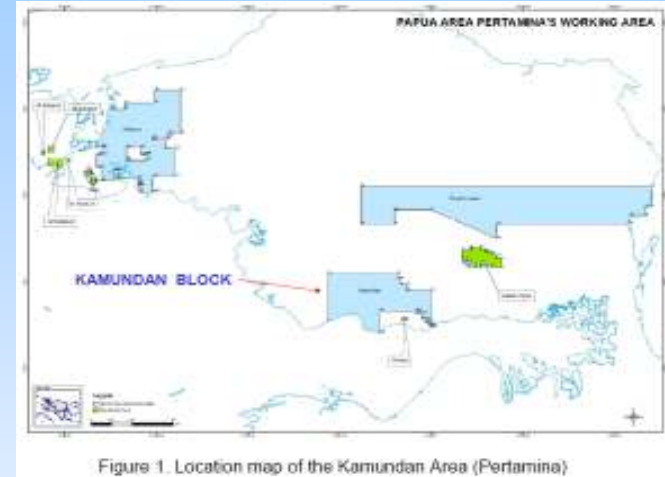
- Mid May: 2 wells started production
- Mid August: 15 wells in production; 14 well completed drilling and preparing for production, 4 wells currently being drilled
- Estimated production volume per well per day is 1.5 tons
- Average well depth is 1000 metres
- Average drilling cost per well is RMB1 million



E&P PROJECT: INDONESIA KAMUNDAN BLOCK

KSO: Technical Assistance Contract

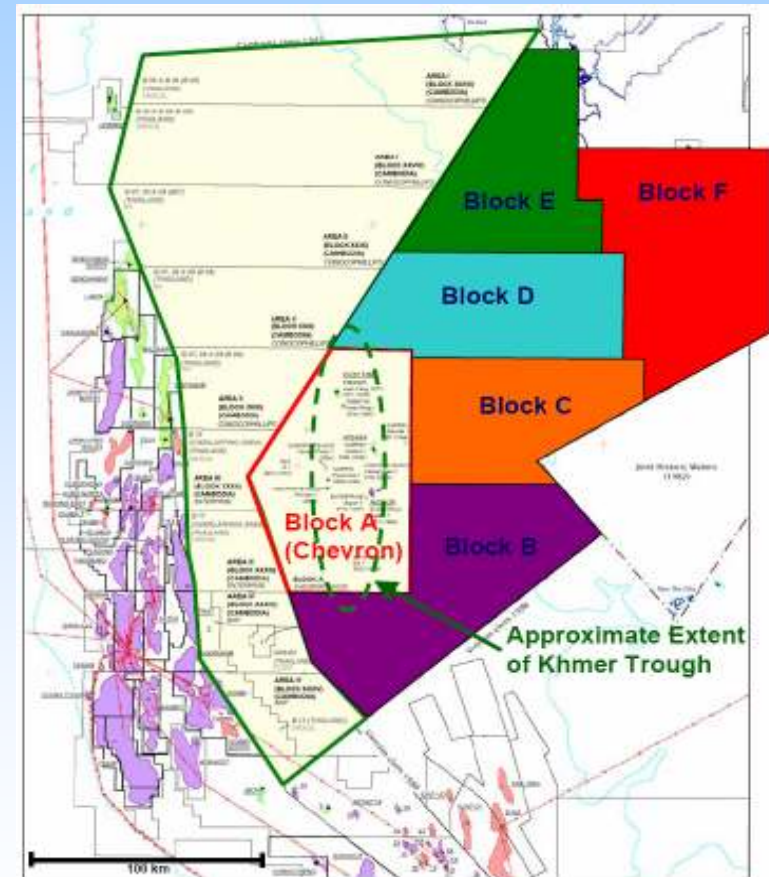
- Agreement signed on 25 April 2007
- 20 years exploration and production rights
- Gas reserves of 6,667 BCF (equiv. to 1.4 billion barrels of oil)
- CPHL owns 42% interests
- Area known to be rich in oil and gas resources



E&P PROJECT: CAMBODIA BLOCK D

30 Years Exploration and Production Rights

- 3-D seismic data acquisition & evaluation program on 360 sq km completed in late Dec 2006
- 3-D seismic results show estimated reserve (P50) of 227 MMBL oil & 496 BCF gas
- Exploratory well planning ongoing
- Expect to drill first exploratory well by end of March 2008



Thank You