Rating: Buy S&P 500: 1550

PetroChina Company Ltd. Raise NPV to \$166 a Share

Symbol	PTR	Ebitda Twelve Months ending 6/30/08 (US\$mm)	41,000
Rating	Buy	North American Natural Gas/Ebitda (%)	0
Price (US\$/sh)	156.51	Natural Gas and Oil Production/Ebitda (%)	90
Pricing Date	7/16/07	Adjusted Reserves/Production NTM	15.0
Shares (mm)	1810	EV/Ebitda	7.4
Market Capitalization (US\$mm)	283,000	PV/Ebitda	7.8
Debt (US\$mm)	17,000	Undeveloped Reserves (%)	37
Enterprise Value (EV) (US\$mm)	301,000	Natural Gas and Oil Ebitda (US\$/boe)	33.05
Present Value (PV) (US\$mm)	318,000	Present Value Proven Reserves(US\$/boe)	13.99
Net Present Value (US\$/share)	166	Present Value Proven Reserves(US\$/mcfe)	2.33
Debt/Present Value	0.05	Earnings Next Twelve Months (US\$/sh)	10.51
McDep Ratio - EV/PV	0.95	Price/Earnings Next Twelve Months	15
Dividend Yield (%/year)	3.0	Indicated Annual Dividend (US\$/sh)	4.72

Note: Estimated cash flow and earnings tied to one-year futures prices for oil.

 $Reported\ results\ may\ vary\ widely\ from\ estimates.\ Estimated\ present\ value\ per\ share\ revised\ only\ infrequently.$

The Peoples Republic of China holds 90% of the outstanding shares.

Estimated present value presumes a long-term price for oil of US\$66 a barrel and natural gas, \$11 a million btu.

For historical analysis of PTR since 2001 see www.mcdep.com/3ptr.htm

Summary and Recommendation

Estimated net present value (NPV) for buy-recommended **PetroChina Company Ltd.** (**PTR**) increased to \$166 a share from \$150 on May 29 when we raised our long-term oil price assumption to \$66 a barrel from \$60. Meanwhile second quarter 2007 operating results, reported on July 16, notched natural gas volume 19% above the same quarter the previous year. Multiplying ten times in ten years or less counting reinvested dividends, PTR stock reached ten-bagger status in the six years ended June 30, according to Bloomberg calculations. There remains further potential beyond NPV indicated by a current long-term oil quote of \$73 a barrel, PTR natural gas price a third the U.S. level, and the eventual relaxation of price controls on refined products. Growth investors might be impressed by a favorable exploration record with the recent billion barrel Jidong Nanpu discovery (see *Stock Idea*, PTR, May 7, 2007). PTR's prospects justify a continued full weighting in the illustrative McDep Energy Portfolio of buy recommendations concentrated on real assets that promise a high return providing clean fuel for global growth.

Kurt H. Wulff, CFA

PetroChina Company Limited Quarterly Operations

	Q2 6/30/06	Year 2006	Q1 3/31/07	Q2 6/30/07	Q3E 9/30/07	Q4E 12/31/07	Year 2007E	Twelve Months E 6/30/08
Volume	0/30/00	2000	3/31/07	0/30/07	2/30/07	12/31/07	2007E	0/30/00
Natural gas (bcf)	325	1,382	411	387	385	448	1,631	1,631
Natural Gas (mmcfd)	3,566	3,787	4,562	4,257	4,184	4,870	4,468	4,468
Days	91	365	90	91	92	92	365	365
Oil (mmb)	211	830	209	211	213	213	845	844
Oil (mbd)	2,323	2,273	2,324	2,313	2,313	2,313	2,316	2,313
Total gas & oil (mmb)	265	1,060	278	275	277	287	1,117	1,116
Total gas & oil (mbd))	2,917	2,904	3,085	3,023	3,010	3,125	3,061	3,058
Price	2,717	2,204	3,003	3,023	3,010	3,123	3,001	3,030
Natural gas (\$/mcf)								
Henry Hub (\$/mmbtu)	6.81	7.23	6.81	7.56	6.62	7.49	7.12	7.58
Company	2.43	2.46	2.52	2.56	2.56	2.56	2.55	2.56
Oil (\$/bbl)	2.43	2.40	2.52	2.30	2.30	2.30	2.55	2.50
WTI Cushing	70.47	66.05	58.08	64.91	72.33	72.87	67.05	72.99
Company	62.71	59.77	53.84	61.46	68.49	69.00	63.24	69.10
1 2	52.71	49.98		50.64		55.07	51.58	56.02
Total gas & oil (\$/bbl) Revenue (\$mm)	54.91	47.70	44.30	50.04	56.18	55.07	31.30	30.02
Natural Gas	789	2 401	1,035	992	986	1,148	A 170	4 177
		3,401					4,160	4,177
Oil	13,257	49,583	11,263	12,937	14,575	14,683	53,458	58,344
Total	14,046	52,984	12,298	13,929	15,560	15,831	57,618	62,521
Total(RMB)	116,080	426,079	95,433	106,973	118,414	120,473	441,293	475,788
RMB/\$US	8.01	8.04	7.76	7.68	7.61	7.61	7.66	7.61
	H1 6/30/06		Year		H2E	Year 2007F	H1E	Twelve Months
NY Harbor 3-2-1 (\$/bbl)	6/30/06	12/31/06	2006	6/30/07	12/31/07	2007E	6/30/08	Months 6/30/08
NY Harbor 3-2-1 (\$/bbl) Revenue (RMB)								Months
Revenue (RMB)	6/30/06	9.61	2006 10.50	6/30/07 18.32	12/31/07 18.71	2007E 18.52	6/30/08 16.56	Months 6/30/08 17.63
Revenue (RMB) Upstream (from quarterly table	6/30/06 11.39) 215,275	9.61 210,804	2006 10.50 426,079	6/30/07 18.32 202,406	12/31/07 18.71 238,887	2007E 18.52 441,293	6/30/08 16.56 236,901	Months 6/30/08 17.63 475,788
Revenue (RMB) Upstream (from quarterly table Downstream Value Added	6/30/06 11.39) 215,275 111,270	9.61 210,804 151,629	2006 10.50 426,079 262,899	6/30/07 18.32 202,406 151,629	12/31/07 18.71 238,887 151,629	2007E 18.52 441,293 303,258	6/30/08 16.56 236,901 151,629	Months 6/30/08 17.63 475,788 303,258
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total	6/30/06 11.39) 215,275 111,270 326,545	9.61 210,804 151,629 362,433	2006 10.50 426,079 262,899 688,978	6/30/07 18.32 202,406 151,629 354,035	12/31/07 18.71 238,887 151,629 390,516	2007E 18.52 441,293 303,258 744,551	6/30/08 16.56 236,901 151,629 388,530	Months 6/30/08 17.63 475,788 303,258 779,047
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense	6/30/06 11.39) 215,275 111,270	9.61 210,804 151,629 362,433	2006 10.50 426,079 262,899	6/30/07 18.32 202,406 151,629	12/31/07 18.71 238,887 151,629	2007E 18.52 441,293 303,258	6/30/08 16.56 236,901 151,629	Months 6/30/08 17.63 475,788 303,258
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB)	6/30/06 11.39) 215,275 111,270 326,545 175,640	9.61 210,804 151,629 362,433 237,908	2006 10.50 426,079 262,899 688,978 413,548	6/30/07 18.32 202,406 151,629 354,035 224,940	12/31/07 18.71 238,887 151,629 390,516 234,533	2007E 18.52 441,293 303,258 744,551 459,473	6/30/08 16.56 236,901 151,629 388,530 233,739	Months 6/30/08 17.63 475,788 303,258 779,047 468,271
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense	6/30/06 11.39) 215,275 111,270 326,545 175,640 148,156	9.61 210,804 151,629 362,433 237,908 118,222	2006 10.50 426,079 262,899 688,978 413,548 266,378	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984	2007E 18.52 441,293 303,258 744,551 459,473 260,078	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775
Revenue (RMB) Upstream (from quarterly table) Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production	6/30/06 11.39) 215,275 111,270 326,545 175,640 148,156 2,749	9.61 210,804 151,629 362,433 237,908 118,222 6,303	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000
Revenue (RMB) Upstream (from quarterly table) Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total	6/30/06 11.39) 215,275 111,270 326,545 175,640 148,156 2,749 150,905	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total Exploration	6/30/06 11.39) 215,275 111,270 326,545 175,640 148,156 2,749 150,905 8,750	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525 10,072	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430 18,822	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095 10,072	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984 10,072	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078 20,144	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792 10,072	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775 20,144
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total Exploration Deprec., Deplet., & Amort.	6/30/06 11.39) 215,275 111,270 326,545 175,640 148,156 2,749 150,905	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525 10,072	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total Exploration Deprec., Deplet., & Amort. Other non cash	6/30/06 11.39) 215,275 111,270 326,545 175,640 148,156 2,749 150,905 8,750 29,910	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525 10,072 31,478	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430 18,822 61,388	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095 10,072 31,478	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984 10,072 31,478	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078 20,144 62,956	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792 10,072 31,478	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775 20,144 62,956
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total Exploration Deprec., Deplet., & Amort. Other non cash	6/30/06 11.39) 215,275 111,270 326,545 175,640 148,156 2,749 150,905 8,750 29,910 112,245	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525 10,072 31,478 82,975	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430 18,822 61,388 195,220	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095 10,072 31,478 87,545	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984 10,072 31,478	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078 20,144 62,956 201,978	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792 10,072 31,478 113,242	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775 20,144 62,956 227,675
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total Exploration Deprec., Deplet., & Amort. Other non cash Ebit Interest	6/30/06 11.39) 215,275 111,270 326,545 175,640 148,156 2,749 150,905 8,750 29,910 112,245 889	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525 10,072 31,478 82,975 2,331	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430 18,822 61,388 195,220 3,220	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095 10,072 31,478 87,545 2,331	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984 10,072 31,478 114,434 2,331	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078 20,144 62,956 201,978 4,662	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792 10,072 31,478 113,242 2,331	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775 20,144 62,956 227,675 4,662
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total Exploration Deprec., Deplet., & Amort. Other non cash Ebit Interest Ebt	6/30/06 11.39) 215,275 111,270 326,545 175,640 148,156 2,749 150,905 8,750 29,910 112,245 889 111,356	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525 10,072 31,478 82,975 2,331 80,644	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430 18,822 61,388 195,220 3,220 192,000	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095 10,072 31,478 87,545 2,331 85,214	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984 10,072 31,478 114,434 2,331 112,103	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078 20,144 62,956 201,978 4,662 197,316	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792 10,072 31,478 113,242 2,331 110,911	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775 20,144 62,956 227,675 4,662 223,013
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total Exploration Deprec., Deplet., & Amort. Other non cash Ebit Interest Ebt Income Tax	6/30/06 11.39) 215,275 111,270 326,545 175,640 148,156 2,749 150,905 8,750 29,910 112,245 889	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525 10,072 31,478 82,975 2,331 80,644	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430 18,822 61,388 195,220 3,220	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095 10,072 31,478 87,545 2,331	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984 10,072 31,478 114,434 2,331	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078 20,144 62,956 201,978 4,662	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792 10,072 31,478 113,242 2,331	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775 20,144 62,956 227,675 4,662
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total Exploration Deprec., Deplet., & Amort. Other non cash Ebit Interest Ebt Income Tax Net Income (RMB)	6/30/06 11.39) 215,275 111,270 326,545 175,640 148,156 2,749 150,905 8,750 29,910 112,245 889 111,356 30,675	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525 10,072 31,478 82,975 2,331 80,644 19,101	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430 18,822 61,388 195,220 3,220 192,000 49,776	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095 10,072 31,478 87,545 2,331 85,214	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984 10,072 31,478 114,434 2,331 112,103	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078 20,144 62,956 201,978 4,662 197,316	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792 10,072 31,478 113,242 2,331 110,911	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775 20,144 62,956 227,675 4,662 223,013
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total Exploration Deprec., Deplet., & Amort. Other non cash Ebit Interest Ebt Income Tax Net Income (RMB) Exploration and Production	6/30/06 11.39) 215,275 111,270 326,545 175,640 148,156 2,749 150,905 8,750 29,910 112,245 889 111,356 30,675	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525 10,072 31,478 82,975 2,331 80,644 19,101	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430 18,822 61,388 195,220 3,220 192,000 49,776	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095 10,072 31,478 87,545 2,331 85,214 29,825	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984 10,072 31,478 114,434 2,331 112,103	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078 20,144 62,956 201,978 4,662 197,316	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792 10,072 31,478 113,242 2,331 110,911	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775 20,144 62,956 227,675 4,662 223,013
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total Exploration Deprec., Deplet., & Amort. Other non cash Ebit Interest Ebt Income Tax Net Income (RMB) Exploration and Production Other	6/30/06 11.39 215,275 111,270 326,545 175,640 148,156 2,749 150,905 8,750 29,910 112,245 889 111,356 30,675 124,452 (9,159)	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525 10,072 31,478 82,975 2,331 80,644 19,101 95,408 0 (5,961)	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430 18,822 61,388 195,220 3,220 192,000 49,776 219,860 (15,120)	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095 10,072 31,478 87,545 2,331 85,214 29,825	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984 10,072 31,478 114,434 2,331 112,103	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078 20,144 62,956 201,978 4,662 197,316	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792 10,072 31,478 113,242 2,331 110,911	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775 20,144 62,956 227,675 4,662 223,013
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total Exploration Deprec., Deplet., & Amort. Other non cash Ebit Interest Ebt Income Tax Net Income (RMB) Exploration and Production Other Unallocated	6/30/06 11.39 215,275 111,270 326,545 175,640 148,156 2,749 150,905 8,750 29,910 112,245 889 111,356 30,675 124,452 (9,159) (34,612)	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525 10,072 31,478 82,975 2,331 80,644 19,101 95,408 0 (5,961) 0 (27,904)	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430 18,822 61,388 195,220 3,220 192,000 49,776 219,860 (15,120) (62,516)	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095 10,072 31,478 87,545 2,331 85,214 29,825	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984 10,072 31,478 114,434 2,331 112,103 39,236	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078 20,144 62,956 201,978 4,662 197,316 69,061	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792 10,072 31,478 113,242 2,331 110,911 38,819	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775 20,144 62,956 227,675 4,662 223,013 78,055
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total Exploration Deprec., Deplet., & Amort. Other non cash Ebit Interest Ebt Income Tax Net Income (RMB) Exploration and Production Other Unallocated Total	6/30/06 11.39 215,275 111,270 326,545 175,640 148,156 2,749 150,905 8,750 29,910 112,245 889 111,356 30,675 124,452 (9,159) (34,612) 80,681	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525 10,072 31,478 82,975 2,331 80,644 19,101 95,408 0 (5,961) 0 (27,904) 61,543	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430 18,822 61,388 195,220 3,220 192,000 49,776 219,860 (15,120) (62,516) 142,224	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095 10,072 31,478 87,545 2,331 85,214 29,825	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984 10,072 31,478 114,434 2,331 112,103 39,236	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078 20,144 62,956 201,978 4,662 197,316 69,061	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792 10,072 31,478 113,242 2,331 110,911 38,819 72,092	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775 20,144 62,956 227,675 4,662 223,013 78,055
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total Exploration Deprec., Deplet., & Amort. Other non cash Ebit Interest Ebt Income Tax Net Income (RMB) Exploration and Production Other Unallocated Total Shares (millions)	6/30/06 11.39) 215,275 111,270 326,545 175,640 148,156 2,749 150,905 8,750 29,910 112,245 889 111,356 30,675 124,452 (9,159) (34,612) 80,681 1,793	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525 10,072 31,478 82,975 2,331 80,644 19,101 95,408 0 (5,961) 0 (27,904) 61,543 1,810	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430 18,822 61,388 195,220 3,220 192,000 49,776 219,860 (15,120) (62,516) 142,224 1,800	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095 10,072 31,478 87,545 2,331 85,214 29,825 55,389 1,810	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984 10,072 31,478 114,434 2,331 112,103 39,236	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078 20,144 62,956 201,978 4,662 197,316 69,061 128,256 1,810	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792 10,072 31,478 113,242 2,331 110,911 38,819 72,092 1,810	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775 20,144 62,956 227,675 4,662 223,013 78,055
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total Exploration Deprec., Deplet., & Amort. Other non cash Ebit Interest Ebt Income Tax Net Income (RMB) Exploration and Production Other Unallocated Total Shares (millions) Earnings per share (RMB)	6/30/06 11.39) 215,275 111,270 326,545 175,640 148,156 2,749 150,905 8,750 29,910 112,245 889 111,356 30,675 124,452 (9,159) (34,612) 80,681 1,793 45.00	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525 10,072 31,478 82,975 2,331 80,644 19,101 95,408 0 (5,961) 0 (27,904) 61,543 1,810 34.00	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430 18,822 61,388 195,220 3,220 192,000 49,776 219,860 (15,120) (62,516) 142,224 1,800 79.00	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095 10,072 31,478 87,545 2,331 85,214 29,825 55,389 1,810 30.60	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984 10,072 31,478 114,434 2,331 112,103 39,236 72,867 1,810 40.26	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078 20,144 62,956 201,978 4,662 197,316 69,061 128,256 1,810 70.86	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792 10,072 31,478 113,242 2,331 110,911 38,819 72,092 1,810 39.83	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775 20,144 62,956 227,675 4,662 223,013 78,055 144,959 1,810 80.08
Revenue (RMB) Upstream (from quarterly table Downstream Value Added Total Expense Ebitda (RMB) Exploration and Production Other Total Exploration Deprec., Deplet., & Amort. Other non cash Ebit Interest Ebt Income Tax Net Income (RMB) Exploration and Production Other Unallocated Total Shares (millions)	6/30/06 11.39) 215,275 111,270 326,545 175,640 148,156 2,749 150,905 8,750 29,910 112,245 889 111,356 30,675 124,452 (9,159) (34,612) 80,681 1,793	9.61 210,804 151,629 362,433 237,908 118,222 6,303 124,525 10,072 31,478 82,975 2,331 80,644 19,101 95,408 0 (5,961) 0 (27,904) 61,543 1,810 34.00 56%	2006 10.50 426,079 262,899 688,978 413,548 266,378 9,052 275,430 18,822 61,388 195,220 3,220 192,000 49,776 219,860 (15,120) (62,516) 142,224 1,800 79.00 63%	6/30/07 18.32 202,406 151,629 354,035 224,940 119,095 10,000 129,095 10,072 31,478 87,545 2,331 85,214 29,825 55,389 1,810 30.60 59%	12/31/07 18.71 238,887 151,629 390,516 234,533 140,984 15,000 155,984 10,072 31,478 114,434 2,331 112,103 39,236	2007E 18.52 441,293 303,258 744,551 459,473 260,078 25,000 285,078 20,144 62,956 201,978 4,662 197,316 69,061 128,256 1,810	6/30/08 16.56 236,901 151,629 388,530 233,739 139,792 15,000 154,792 10,072 31,478 113,242 2,331 110,911 38,819 72,092 1,810	Months 6/30/08 17.63 475,788 303,258 779,047 468,271 280,775 30,000 310,775 20,144 62,956 227,675 4,662 223,013 78,055

Please see disclosures on the final page.

PetroChina Functional Cash Flow and Present Value

				Present			
	NTM Ebitda	Adjusted	PV/	Value			
	(US\$mm)	<u>R/P</u>	<u>Ebitda</u>	(US\$mm)			
V . 16	2.500	22.2	0.4	21 000	7 0/		
Natural Gas	2,500	23.3	8.4	21,000	7%		
Oil	34,400	12.3	7.9	273,000	86%		
Downstream	3,900		5.9	23,000	7%		
	40,800	15.0	7.8	317,000	100%		
Debt (US\$mm)					17,000		
Net Present Value (US\$mm)					300,000		
Shares (mm)					1,810		
Net Present Value - Standard Estimate (US\$/sh)							
Net Present Value - Approximation by C	orrelation (US\$/	/sh)			167		

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