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PETROCHINA CO LTD
Form 6-K
September 20, 2007

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN ISSUER

PURSUANT TO RULE 13A-16 OR 15D-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

For the month of September 2007

PETROCHINA COMPANY LIMITED

16 ANDELU, DONGCHENG DISTRICT
BEIJING, THE PEOPLE'S REPUBLIC OF CHINA, 100011
(Address of Principal Executive Offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.)

Form 20-F Form 40-F
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(Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes No
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(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-) -----

PetroChina Company Limited (the "Registrant") is furnishing under the cover of Form 6-K the Registrant's announcement regarding its proposed A Share Issue and reconciliation of financial information from PRC GAAP to IFRS.

This announcement contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements are, by their nature, subject to significant risks and uncertainties. These forward-looking statements include, without limitation, statements relating to the Registrant's plan regarding the use of proceeds from A Share Issue.

These forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual results may differ materially from information contained in these forward-looking statements as a result of a number of factors.

We do not intend to update or otherwise revise the forward-looking statements in this announcement, whether as a result of new information, future events or otherwise. Because of these risks, uncertainties and assumptions, the

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forward-looking events and circumstances discussed in this announcement might not occur in the way we expect, or at all.

You should not place undue reliance on any of these forward-looking statements.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement. This announcement does not constitute an offer or an invitation to induce an offer by any person to acquire, subscribe for or purchase any securities.

(PETROCHINA COMPANY LOGO)
(CHINESE CHARACTER)
PETROCHINA COMPANY LIMITED
(a joint stock limited company incorporated in the People's
Republic of China with limited liability)
(STOCK CODE: 857)

PROPOSED A SHARE ISSUE
AND
RECONCILIATION OF FINANCIAL INFORMATION FROM
PRC GAAP TO IFRS

PROPOSED A SHARE ISSUE

Reference is made to the announcement and circular of the Company dated 19 June 2007 and 25 June 2007, respectively. The Company has submitted a draft of the Prospectus to the CSRC in connection with its application to proceed with the proposed A Share Issue.

The Prospectus contains financial information of the Company for the Relevant Periods and will be made available on the CSRC and Hong Kong Stock Exchange's website after close of trading on the Hong Kong Stock Exchange on 20 September 2007. To ensure the timely release of such financial information in Hong Kong and to enable Shareholders and investors to better understand the material differences between the financial information of the Company for the Relevant Periods prepared under PRC GAAP and those prepared under IFRS (the basis on which the figures in the consolidated financial statements incorporated in the Company's published annual reports for the three years ended 31 December 2004, 2005 and 2006 and the published interim report for the six months ended 30 June 2007 were prepared), this announcement presents the reconciliation of the net profit/net assets of the Company prepared under PRC GAAP to the net profit/net assets of the Company prepared under IFRS for the Relevant Periods.

This announcement also presents the consolidated financial information of the Company for the Relevant Periods prepared under PRC GAAP.

THE PROPOSED A SHARE ISSUE IS SUBJECT TO APPROVAL BY THE CSRC. THERE IS NO ASSURANCE THAT THE A SHARE ISSUE WILL PROCEED. INVESTORS ARE ADVISED TO EXERCISE CAUTION IN DEALING IN THE H SHARES. FURTHER DETAILS ABOUT THE A SHARE ISSUE WILL BE DISCLOSED BY THE COMPANY IN NEWSPAPERS IN THE PRC AND THE WEBSITES OF THE SHANGHAI STOCK EXCHANGE AND THE COMPANY WHEN THE A SHARE ISSUE MATERIALIZES AND THE RELEVANT INFORMATION WILL BE DISCLOSED BY THE COMPANY IN HONG KONG CONCURRENTLY IN ACCORDANCE WITH THE LISTING RULES.

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1. PROPOSED A SHARE ISSUE

Reference is made to the Company's announcement dated 19 June 2007 and the circular to the Shareholders dated 25 June 2007, respectively, in respect of the proposed A Share Issue. Unless otherwise indicated, capitalized terms used in this announcement shall have the same meaning as those defined in the said circular.

The Company has submitted a draft of the Prospectus to the CSRC in connection with its application to proceed with the proposed A Share Issue. The Prospectus will be made available on the CSRC and Hong Kong Stock Exchange's website after close of trading on the Hong Kong Stock Exchange on 20 September 2007.

The proposed A Share Issue will comprise the issue of not more than 4 billion A Shares to the individuals, entities and other institutions according to the PRC laws and regulations and other regulatory requirements that the Company is required to comply with, by way of public offering of new shares according to the Prospectus. The issue price for the proposed A Share Issue will be based on the indicative offer price range to be determined by the Company and the joint lead underwriters of the proposed A Share Issue in accordance with preliminary market consultation with price consultation parties, after which the issue price will be determined within the indicative price range based on offline book-build price consultation with the placing parties.

THE PROPOSED A SHARE ISSUE IS SUBJECT TO APPROVAL BY THE CSRC. THERE IS NO ASSURANCE THAT THE A SHARE ISSUE WILL PROCEED. INVESTORS ARE ADVISED TO EXERCISE CAUTION IN DEALING IN THE H SHARES. FURTHER DETAILS ABOUT THE A SHARE ISSUE WILL BE DISCLOSED BY THE COMPANY IN NEWSPAPERS IN THE PRC AND THE WEBSITES OF THE SHANGHAI STOCK EXCHANGE AND THE COMPANY WHEN THE A SHARE ISSUE MATERIALIZES AND THE RELEVANT INFORMATION WILL BE DISCLOSED BY THE COMPANY IN HONG KONG CONCURRENTLY IN ACCORDANCE WITH THE LISTING RULES.

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2. FINANCIAL INFORMATION OF THE COMPANY FOR THE RELEVANT PERIODS PREPARED UNDER PRC GAAP

CONSOLIDATED BALANCE SHEET PREPARED UNDER PRC GAAP

Amounts in RMB millions

	JUNE 30, 2007	December 31, 2006
Assets		
Current Assets		
Cash at bank and in hand	77,191	54,070
Notes receivable	4,606	2,844
Accounts receivable	16,399	8,488
Advance to suppliers	25,995	12,664
Interest receivable	65	81
Dividends receivable	690	13
Other receivables	12,828	10,515

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Inventories	84,327	76,038
Other current assets	6	4
 Total current assets	 222,107	 164,717
Non-current assets		
Available-for-sale financial assets	2,292	1,860
Long-term equity investments	29,595	30,361
Fixed assets	232,148	231,590
Oil and gas properties	262,804	270,496
Construction in progress	82,407	64,652
Construction materials	6,006	8,664
Fixed assets pending disposal	280	279
Intangible assets	16,504	16,127
Long-term prepaid expenses	11,568	11,194
Deferred tax assets	12,949	14,391
Other non-current assets	813	813
 Total non-current assets	 657,366	 650,427
 Total assets	 879,473	 815,144

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	JUNE 30, 2007	December 31, 2006
Liabilities and equity		
Current liabilities		
Short-term loans	15,833	15,156
Notes payable	856	1,045
Accounts payable	83,808	77,936
Advances from customers	10,204	11,590
Salaries and welfare payable	12,594	11,368
Taxes and levies payable	22,670	24,174
Interest payable	236	200
Dividends payable	85	95
Other payables	29,241	18,367
Provisions	114	115
Current portion of non-current liabilities	11,900	20,407
Other current liabilities	13	12
 Total current liabilities	 187,554	 180,465
Non-current liabilities		
Deferred income	17	--
Long-term loans	37,497	30,401

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Debentures payable	4,597	4,645
Long-term payables	50	50
Grants payable	675	737
Provisions	19,186	18,481
Deferred tax liabilities	11,628	12,480
Other non-current liabilities	133	290
Total non-current liabilities	73,783	67,084
Total liabilities	261,337	247,549
Equity		
Share capital	179,021	179,021
Capital surplus	59,733	59,797
Statutory common reserve fund	89,928	89,928
Retained earnings	261,443	213,255
Currency translation differences	(666)	(534)
Equity attributable to equity holders of the Company	589,459	541,467
Minority Interest	28,677	26,128
Total Equity	618,136	567,595
Total liabilities and equity	879,473	815,144

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CONSOLIDATED INCOME STATEMENT UNDER PRC GAAP

Amounts in RMB million

	SIX MONTHS ENDED JUNE 30,	
	2007	2006
1. Turnover	392,726	688,978
Less: Cost of operations	(223,140)	(362,590)
Taxes and levies on operations	(26,853)	(51,692)
Selling expenses	(19,075)	(35,050)
General and administrative expenses	(21,475)	(44,429)
Financial expenses, net	(1,656)	(1,322)
Loss of impairment on assets	2,317	(2,914)
Add: Investment income	3,090	1,344
Including: share of profit of associates and jointly		

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controlled entities	2,593	1,253
2. Operating profit	105,934	192,325
Add: Non-operating income	1,441	1,645
Less: Non-operating expenses	(1,081)	(4,180)
Including: loss on disposal of non-current assets	 (289)	 (1,962)
3. Total profit	106,294	189,790
Less: Income taxes	(25,997)	(47,043)
4. Net profit(i)	80,297	142,747
Profit attributable to equity holders of the Company	 75,882	 136,229
Minority interest	4,415	6,518
5. Earnings per share (based on the profit attributable to equity holders of the Company)		
Basic earnings per share	0.42	0.76
Diluted earnings per share	0.42	0.76

- (i) Profit of the subsidiaries acquired under common control from 1 January 2005 to the consolidation date in 2005 is RMB4,698 million.

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3. RECONCILIATION OF NET PROFIT/NET ASSETS OF THE COMPANY PREPARED UNDER PRC GAAP TO NET PROFIT/NET ASSETS OF THE COMPANY PREPARED UNDER IFRS

As part of the submission that the Company has made to the CSRC applying for approval for the A Share Issue, a draft of the Prospectus was also submitted to the CSRC which contains consolidated financial information of the Company for the Relevant Periods prepared under PRC GAAP. To ensure the timely release of the financial information as contained in the Prospectus in Hong Kong and to enable Shareholders and investors to better understand the material differences between the financial information of the Company for the Relevant Periods prepared under PRC GAAP and those prepared under IFRS (the basis on which the figures in the consolidated financial statements incorporated in the Company's published annual reports for the three years ended 31 December 2004, 2005 and 2006 and the published interim report for the six months ended 30 June 2007 were prepared), this announcement presents a reconciliation of the net profit/net assets of the Company prepared under PRC GAAP to the net profit/net assets of the Company prepared under IFRS for the Relevant Periods.

RECONCILIATION OF THE NET PROFIT/NET ASSETS OF THE COMPANY AS PER FINANCIAL STATEMENTS FOR THE A SHARE ISSUE PURPOSE PREPARED UNDER PRC GAAP AND THE FINANCIAL STATEMENTS PREPARED UNDER IFRS

The major differences between the financial statements for the A Share Issue purpose prepared under PRC GAAP and the financial statements prepared under IFRS are as follows:

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(The financial statements for the three years ended 31 December 2004, 2005 and 2006 prepared under IFRS were audited by PricewaterhouseCoopers. The financial statements for the six months ended 30 June 2007 prepared under IFRS were not audited.)

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RECONCILIATION OF NET PROFIT BETWEEN PRC GAAP AND IFRS

	Note	SIX MONTHS ENDED 30 JUNE 2007	Year e 31 Dece
Net profit under PRC GAAP		80,297	142
Reconciliation items:			
Depletion charges on oil and gas properties	(1)	3,899	9
Amortization charges on assets other than fixed assets revalued in 1999	(2)	39	
Depreciation charges on fixed assets revalued in 2003	(3)	80	
Prohibition of reversal of long-term assets' impairment losses recognized in previous periods	(4)	--	
Acquisition of the related refinery and petrochemical businesses from Dayuan Petrochemical and Refinery and Qingyang Petrochemical and Refinery	(5)	--	
Acquisition of CNPC Exploration and Development Company Limited*	(6)	--	
Others		30	
Deferred taxation	(7)	1,971	(2)
Net profit under IFRS		86,316	149

RECONCILIATION OF NET ASSETS BETWEEN PRC GAAP AND IFRS

	Note	SIX MONTHS ENDED 30 JUNE 2007	Year e 31 Dece
Net assets under PRC GAAP		618,136	
Reconciliation items:			
Depletion of oil and gas properties	(1)	76,098	
Amortization of assets other than fixed assets revalued in 1999	(2)	(827)	
Depreciation of fixed assets revalued in 2003	(3)	(419)	

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Prohibition of reversal of long-term assets' impairment loss recognized in previous periods	(4)	234
Acquisition of the related refinery and petrochemical businesses from Dayuan Petrochemical and Refinery and Qingyang Petrochemical and Refinery	(5)	--
Acquisition of CNPC Exploration and Development Company Limited*	(6)	--
Others		(494)
Deferred taxation	(7)	(19,364)
 Currency translation differences		 723
 Net assets under IFRS		 674,087

The basis and explanations for the reconciliation items between the Company's financial

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statements prepared under PRC GAAP and that under IFRS are as follows:

Note (1): Oil and gas properties are depleted using unit of production method under IFRS but using straight-line method under PRC GAAP.

Note (2): The assets and liabilities transferred to the Company by CNPC during the restructuring of CNPC in 1999 were appraised as at 30 June 1999 by China Enterprise Appraisals Co., Ltd*. All revaluation results were recorded under PRC GAAP, but under IFRS, only fixed assets were measured at revalued amounts, thus the revaluation results of assets other than fixed assets were not recorded.

Note (3): Since the fixed assets were measured at revalued amounts under IFRS, revaluations are required to be performed by independent qualified valuers periodically. In order to meet this requirement under IFRS, as at 30 September 2003, a revaluation of the Company and its subsidiaries' refinery and chemical production facilities was undertaken by China United Assets Appraiser Co., Ltd*, a firm of independent valuers registered in the PRC, on a depreciated replacement cost basis. The revaluation results were recorded under IFRS, but under PRC GAAP, fixed assets were measured at historical cost, thus the revaluation results were not recorded.

Note (4): Under PRC GAAP, the impairment losses recognized for long-term assets such as fixed assets, oil and gas properties, intangible assets and long-term investments in previous periods can not be reversed. But under IFRS, if there is any indication that the factors which caused the impairment losses may have changed, and the recoverable amounts of the long-term assets exceed the carrying amounts, the impairment losses recognized in previous periods can be reversed.

Note (5): The Company acquired 100% interests in Ningxia Dayuan Refinery and Petrochemical Company Limited* ("DAYUAN PETROCHEMICAL AND REFINERY") and Qingyang Refinery and Petrochemical Company Limited* ("QINGYANG PETROCHEMICAL AND REFINERY") from CNPC. The balance sheet as of 1 January 2005 and the income statement for the year 2005 have been restated as if the operations of the Company, Dayan Petrochemical and Refinery and Qingyang Petrochemical and Refinery have always been combined in previous

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accounting years, but the comparative information of 2004 is not retrospectively adjusted. Under IFRS, this acquisition was recorded in a manner similar to uniting of interests as if the operations of the Company and these refinery and petrochemical businesses have always been combined in the previous accounting years.

Note (6): The shareholders of the Company approved the acquisition in August 2005

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pursuant to which the Company agreed to acquire 50% interests in CNPC Exploration and Development Company Limited* (CHINESE CHARACTER) ("CNPC E&D"). The consolidation reference date for this transaction was 31 December 2005, the date that the Company obtained de facto control of CNPC E&D. The balance sheet as of 1 January 2005 and the income statement for the year 2005 have been restated as if the operations of the Company and CNPC E&D have always been combined in previous accounting years, but the comparative statistics of 2004 is not retrospectively adjusted. Under IFRS, this acquisition was recorded in a manner similar to uniting of interests as if the operations of the Company and CNPC E&D have always been combined in the previous accounting years.

Note (7): The impact on the Company's deferred taxation arising from the reconciliation items (1) to (6) above and other differences between accounting standards.

4. USE OF PROCEEDS

The proceeds from the A Share Issue will be invested in the following projects:

- o approximately RMB6.84 billion will be used for production capacity construction in Changqing oilfield;
- o approximately RMB5.93 billion will be used for production capacity construction in Daqing oilfield;
- o approximately RMB1.50 billion will be used for production capacity construction in Jidong oilfield;
- o approximately RMB17.50 billion will be used for oil refining of sulfur-bearing crude oil imported from Kazakhstan and ethylene technology development projects by the Company's Dushanzi Petrochemical; and
- o approximately RMB6.00 billion will be used for the ethylene development and expansion project by the Company's Daqing Petrochemical (approximately 1.2 million tons/year).

If the proceeds from the A Share Issue (after deducting the listing expenses) exceed the aggregate amount required for investments in the projects described above, the excess portion will be used for working capital purpose and general corporate purpose; if the proceeds from the A Share Issue (after deducting the listing expenses) are insufficient for the investments in the projects described above, the insufficient portion will

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be funded by other methods such as bank borrowings or the Company's internal cash resources.

5. CONVERSION OF DOMESTIC SHARES

After the listing of the Company's A Shares, the Domestic Shares of the Company held by CNPC will become A Shares. If necessary and subject to the necessary approval in the PRC, CNPC may list the Shares it holds in the Company in the overseas stock exchanges.

DEFINITIONS

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In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

"CNPC"	(CHINESE CHARACTER) (China National Petroleum Corporation*), an enterprise incorporated under the laws of the PRC, and the controlling shareholder of the Company
"IFRS"	International Financial Reporting Standards
"PRC GAAP"	the Accounting Standards for Business Enterprises issued by the Ministry of Finance on 15 February 2006
"Prospectus"	the prospectus to be issued by the Company in relation to the proposed A Share Issue, a draft of which will be available on the CSRC's website after close of trading on the Hong Kong Stock Exchange on 20 September 2007
"Relevant Periods"	the three years ended 31 December 2004, 2005 and 2006 and the six months ended 30 June 2007

By Order of the Board
PETROCHINA COMPANY LIMITED
LI HUAIQI
Secretary to the Board

Beijing, the PRC
20 September 2007

As at the date of this announcement, the Board comprises Mr. Jiang Jiemin as the Chairman; Mr. Duan Wende as the executive Director; Mr. Zheng Hu, Mr. Zhou Jiping, Mr. Wang Yilin, Mr. Zeng Yukang, Mr. Gong Huazhang and Mr. Jiang Fan as non-executive Directors; and Mr. Chee-Chen Tung, Mr. Liu Hongru and Mr. Franco Bernabe as independent non-executive Directors.

* For identification purpose only

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SIGNATURE

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PetroChina Company Limited

Dated: September 20, 2007

By: /s/ Li Huaiqi

Name: Li Huaiqi

Title: Company Secretary