VIETNAM OIL AND GAS GROUP
PETROVIETNAM FERTILIZER AND CHEMICAL JOINT STOCK COMPANY

SOCIALIST REPUBLIC OF VIETNAM
Independence - Freedom - Happiness

HCM City, April 05, 2008

MINUTES OF THE 2008 ANNUAL GENERAL MEETING OF SHAREHOLDERS PETROVIETNAM FERTILIZER AND CHEMICAL JOINT STOCK COMPANY

Head office: 10 Pho Quang, Tan Binh District, Ho Chi Minh City
BRC No.: 4103007696, issued by Ho Chi Minh City DOPI on August 31, 2007

I. Time and venue

- Time: 7:30 – 14:45 on April 05, 2008.
- Venue: White Palace Convention Center, 194 Hoang Van Phu, Phu Nhuan Dist., Ho Chi Minh City.

II. Contents and agenda of the meeting.

At the General Meeting, following contents were discussed and passed:

1. The 2007 Income Statement and 2008 Business Plan Targets.
2. The Statement of the Board of Directors.
3. The 2007 Statement of Remuneration, Salary, and Other Benefits of the Board of Directors, Supervisory Board and 2008 Budget Estimation.
4. The 2007 Financial Statements and Profit Distribution Proposal
5. The Report of the Supervisory Board.
6. Selection of the Auditor for the 2008 Financial Year.
7. The Development Strategy of the Company up to 2015 with Orientation toward 2025.
8. The Proposal on Transformation of the Company into the Corporation.
9. The Amendment/Supplementation to the Company's Charter.

III. Attendants and Validity of the General Meeting

1. Attendants:

- Shareholders and the proxies of PetroVietnam Fertilizer and Chemical Joint Stock Company as set out in the list maintained at the Securities Depository Center as of the last date, March 17, 2008.
- Deputies and invitees from agencies and organizations.

2. Validity of the General Meeting.

Members of Shareholder's Eligibility Verification Committee are:

+ Mr. Ngo Viet Nghia
+ Mr. Ta Anh Nghia
+ Mrs. Nguyen Thanh Ha

At 08:45, Mr. Ngo Viet Nghia, acting on behalf of Shareholders' Eligibility Verification Committee, announced the report on shareholders' eligibility verification to the General Meeting as follows:

- Total voting shares of the Company: 380,000,000 shares.
- Total invited shareholders: All of shareholders of PetroVietnam Fertilizer and Chemical Joint Stock Company as set out in the list maintained at the Securities Depository Center as of the last date, March 17, 2008.
- Total attending shareholders and the proxies: **864** people, owning and representing **296,820,283** voting shares, accounting for **78.1%** of total voting shares of the Company.
- All of attending shareholders and the proxies were eligible to attend the General Meeting.
- State capital representatives (Vietnam Oil and Gas Group): Mr. Hoang Xuan Thuy, Member of the BOD of the Company, authorizing his voting power to Mr. Phan Dinh Duc, President and Mrs. Vu Thi Chon, Member of the BOD of the Company, authorizing her voting power to Mr. Cao Tung Son, Vice President; other State capital representatives were Mr. Dinh Huu Loc and Mr. Cao Tung Son, who were attending the General Meeting.

Pursuant to the provisions of prevailing Law on Enterprises and Company's Charter, the Annual General Meeting of Shareholders of PetroVietnam Fertilizer and Chemical Joint Stock Company held on today, April 05, 2008, was valid.

IV. Chair and Secretary of the General Meeting.

1. Chair of the General Meeting:

- Mr. Dinh Huu Loc, Chairman of the BOD of the Company.

2. Presidium:

- Mr. Dinh Huu Loc - Chairman of the BOD
- Mr. Cao Tung Son - Member of the BOD
- Mr. Luu Quang Lam - Member of the BOD
- Mr. Phan Dinh Duc - President
- Mrs. Nguyen Thi Hien - Chief Supervisor

3. Secretary Board:

- Mr. Truong The Vinh
- Mrs. An Thi Kim Thanh

4. Vote-Counting Board:

- Mr. Vo Van Chuyen
- Mrs. Nguyen Thanh Ha
- Mr. Le Vinh Van

By means of voting, members of the Presidium, Secretary Board, and Vote-Counting Board were unanimously approved by the General Meeting.

V. Proceeding of the Meeting.

At 08:55, the Presidium proceeded with the meeting in accordance with the agenda.

1. The 2007 Income Statement and 2008 Business Plan Targets.

Mr. Phan Dinh Duc, President of the Company, presented the Statement before the GM.

The GM discussed and stated following main opinions:

- Why was profit target in the 2008 Business Plan lower than realized profit target in 2007 while others were either maintained or increased?

  Answer: The 2008 profit target was computed on the basis of the 2008 production plan and 2007 average selling price, to be kept at the minimum. With the fluctuation of product prices in 03 beginning months of 2008 and upcoming trend, realized profit would be likely increased. However, this was just a forecast and it wasn't certain that product selling prices would be maintained at a high level throughout the year, and performance would depend on different factors such as imported product sales, plant maintenance plan, etc. Therefore, the planned target was set at a safe level. The Company would base on actual situation to re-formulate a planned profit target that was no lower than that in 2007.

- Was gas selling price set by Vietnam Oil and Gas Group to the Company adjusted to increase in the upcoming time?

  Answer: Gas selling price set to Phu My Fertilizer Plant was approved by the Prime Minister together with the previous approval of the plant construction project of Vietnam Oil and Gas Group with a selling price pathway for the whole project life. It was subject to the Prime Minister's authorities if this price policy would be likely changed.

- It was announced that, in 2008, Phu My Fertilizer Plant would suspend its operations for maintenance and major repair for 1 month; so, was production target of 740,000 tons as planned achievable?

  Answer: Design capacity of the plant was 2,200 tons urea/day and could reach over 100% capacity, and total annual standard running days was 337. With such 1-month maintenance and major repair, the plan would run better and more stably for remaining days, so it was possible to reach annual production design.

- How did the Company's Management assess the competitiveness of Phu My Urea product with Chinese urea?

  Answer: The quality of Phu My Urea was higher than Chinese products; selling price of Phu My Urea was, in fact, higher than that of Chinese products, but farmers still preferred Phu My Urea.

At the end of the discussion, the General Meeting voted on and passed the 2007 Income Statement and following 2008 key business plan targets:

Production and consumption targets:

- Urea production : 740,000 tons
- Residual ammonia : 35,000 tons
- Residual electricity : 18,000 MWh
- NK fertilizer : 250,000 tons

Economic targets:

- Total revenue : 4,404 billion dongs
- Pre-tax profit : 1,190 billion dongs
- State budget contribution : 187 billion dongs
- Total capital construction investment and equipment procurement: 350 billion dongs.

The Board of Directors was assigned the 2008 revenue and profit targets that were no less than the 2007 realized targets.

Voting results:

Number of shares voted for: **294,534,767** shares, accounting for **99.23%** of eligible voting shares represented at the meeting.

Number of shares voted against: **2,285,516** shares, accounting for **0.77%** of eligible voting shares represented at the meeting.

Number of shares without vote: None.

2. The Statement of the Board of Directors.

Mr. Dinh Huu Loc, Chairman of the BOD, presented the 2007 Statement of the Board of Directors.

The GM discussed and voted on and passed the Statement of the Board of Directors.

Voting results:

Number of shares voted for: **294,534,767** shares, accounting for **99.09%** of eligible voting shares represented at the meeting.

Number of shares voted against: **2,701,065** shares, accounting for **0.91%** of eligible voting shares represented at the meeting.

Number of shares without vote: 0 share.

3. The 2007 Statement of Remuneration, Salary, and Other Benefits of the Board of Directors, Supervisory Board and 2008 Budget Estimation.

Mr. Le Van Quoc Viet, acting on behalf of the Board of Directors, presented the 2007 Statement of Remuneration, Salary, and Other Benefits of the Board of Directors, Supervisory Board and 2008 Budget Estimation.

The GM discussed and voted on and pass the Statement of Remuneration, Salary, and Other Benefits of the Board of Directors, Supervisory Board.

Estimation of remuneration, salary, and other benefits of the Board of Directors, Supervisory Board in 2008 was approved as follows:

- Total salary of a full-time member of the BOD (Chairman of the BOD) and part-time members of the BOD (4 members), remuneration for meetings, and management bonus (BOD and Board of Management) in 2008: **1,925,136,000 VND** (one billion nine hundred twenty-five million one hundred thirty-six thousand dongs).
- Total salary of full-time members of the SB (2 members), a part-time member of the SB (1 member), remuneration for meetings, and operating expenses in 2008: **1,176,102,000 VND** (one billion one hundred seventy-six million one hundred two thousand dongs).

  Total estimation: **3,101,238,000 VND** (three billion one hundred one million two hundred thirty-eight thousand dongs)

Voting results:

Number of shares voted for: **282,810,366** shares, accounting for **95.28%** of eligible voting shares represented at the meeting.

Number of shares voted against: **14,009,917** shares, accounting for **4.72 %** of eligible voting shares represented at the meeting.

Number of shares without vote: 0 share.

4. The 2007 Financial Statements and Profit Distribution Proposal.

Mr. Pham Thanh Vinh, Financial Vice President, acting on behalf of the Board of Directors, presented the 2007 Financial Statements to the General Meeting.

The GM discussed and stated following main opinions:

- The proceed from the sales of shares on April 21, 2007 was over 8,200 billion dongs, so why wasn't there any share premium reflected in the financial statements?

  Answer: This was the amount at which the State sold 40% of its shareholdings in PetroVietnam Fertilizer and Chemical Joint Stock Company. In accordance with provisions of the law on equitization of state enterprises, this amount was submitted to the State and the Company transferred it to the state budget (State-Enterprise Restructure and Equitization Support Funds – Ministry of Finance, via the state capital representative, Vietnam Oil and Gas Group).

- It was noted in the Auditor's Report that there was no comparative information on the financial statements, please explain why?

  Answer: This was the first accounting period of the Joint Stock Company and there was no previous period figure for comparison.

- The Company paid principal and interest in the 2007 plant construction investment loan after the transformation (27 / 54 million USD) while it had just operated as a joint stock company since September 2007, was there any loss to its shareholders? Was the finalization and hand-over of capital and assets to the JSC confirmed by any agency? why wasn't it reflected in the financial statements?

Answer: This payment of principal and interest had no influence on the interests of both the JSC and state enterprise, because the finalization and hand-over of capital between 2 companies was reflected in liability and carried out in accordance with regulations.

The finalization and hand-over of capital was approved by the competent authority, Ministry of Industry and Trade, on March 20, 2008 after the Audit Report date (March 13, 2008).

- Why were there some medium-and long-term loans converted into short-term loans in the financial statements?

  Answer: These were financial statements for the first annual period of the JSC. When the hand-over from state enterprise to the JSC was made, some medium- and long-term loans became due (less than 1 year); therefore, they were converted into short-term loans.

- What were other long-term and financial investments of the Company?

  Answer: These were capital contributions in PetroVietnam Drilling Mud Joint Stock Company (DMC) and purchase of bonds in PetroVietnam Finance Corporation. The Company didn't make any investment in securities.

- Would dividend pay-out ratio be increased in the dividend distribution proposal?

  Answer: It was planned that dividend pay-out ratio was nearly 70% of after-tax profit (rounded off to 1,000 VND/share), which was very high. In addition to dividend distribution to shareholders, the Company needed to reserve fund for purpose of reinvestment to promote profit growth in the future.

The GM voted on and passed the 2007 Financial Statements and 2007 profit distribution proposal as follows:

- <u>The 2007 profit distribution proposal:</u>

Total after-tax profit (100%):	**570,704,004,627** VND
Reserve for financial provision fund (10%):	57,070,400,463 VND
Reserve for development investment fund (15%): 85,605,600,694 VND	
Reserve for bonus and welfare fund (4.95%):	28,249,848,229 VND
Reserve for management bonus fund (0.05%):	285,352,002 VND
Dividend pay-out ratio of 1,000 VND/share (66.58%):	380,000,000,000 VND
Undistributed profit (3.42%):	19,492,803,239 VND

- <u>The 2008 profit distribution proposal:</u>

- 30% of after-tax profit was reserved for financial provision fund, development investment fund, bonus and welfare fund, and management bonus fund at similar rates as set out in the 2007 profit distribution proposal
- Distributed profit: 70% of realized after-tax profit.
- The Board of Directors was authorized to decide on the advance of dividend, provided that it would not exceed 70% of distributed profit, when results of operations for 6 beginning months of 2008 were available.

Voting results:

Number of shares voted for: **296,820,283** shares, accounting for **100%** of eligible voting shares represented at the meeting.

Number of shares voted against: 0 share.

Number of shares without vote: 0 share.

5. The Report of the Supervisory Board.

Mrs. Nguyen Thi Hien, Chief Supervisor, reported to the General Meeting.

The GM voted on and passed the Report of the Supervisory Board.

Voting results:

Number of shares voted for: **296,820,283** shares, accounting for **100%** of eligible voting shares represented at the meeting.

Number of shares voted against: 0 share.

Number of shares without vote: 0 share.

6. Selection of the Auditor for the 2008 Financial Year.

The GM voted on and passed the selection of the auditor for the 2008 financial year as proposed by the Supervisory Board:

A list of auditors for the 2008 financial year was passed, including:

- Deloitte Vietnam Co., Ltd.
- PriceWaterhouseCoopers Vietnam Co., Ltd.
- KPMG Vietnam Co., Ltd.
- Ernst & Young Vietnam Co., Ltd.

The BOD was authorized to select one of aforementioned auditors to conduct the audit of the 2008 financial statements of the Company for an audit fee of no more than 41,000 USD.

Voting results:

Number of shares voted for: **296,820,283** shares, accounting for **100%** of eligible voting shares represented at the meeting.

Number of shares voted against: 0 share.

Number of shares without vote: 0 share.

7. The Development Strategy of the Company up to 2015 with Orientation toward 2025.

Mr. Dinh Huu Loc, Chairman of the Board of Directors, reported the Development Strategy of the Company up to 2015 with Orientation toward 2025 to the General Meeting.

The GM discussed and stated following main opinions:

- The projects in the Strategy had only scale and invested capital demand described without other details such as the feasibility, revenue, or profitability. Please explain why?

Answer: These were strategically-oriented projects reported to help the General Meeting understand the development orientations of the Company. Details were not disclosed here because they were confidential and the targets of each specific project would only be determined after taking steps to research the investment in an order manner. However, the BOD considered them as feasible and profitable investment orientations in compliance with business lines and strengths of the Company, and, therefore, included them in the development strategy of the Company.

- It was stated in the Strategy that the Company would invest in fertilizer production projects in foreign countries. So, which were those projects, specifically? which were capital sources? and was there any plan for stock listing or offer in foreign markets?

  Answer: Vietnam Oil and Gas Group had a plan to purchase and investment in the exploitation of gas and oil fields in foreign countries and set a guideline to make investment in urea fertilizer plants to consume foreign supply of gas in an efficient manner and provide added value. As a member of the Group, the Company could engage in such investments together with the Group. In addition, the Company was investigating material sources and assessing the efficiency of DAP fertilizer production projects in Morocco. These projects were under initial research stage, and detailed calculations of scale, efficiency, and capital sources, etc. would only be available in the investment preparation stage.

- How did the Company assess various aspects of competitors, consumption markets, and efficiency, etc. of Melamine Project when export was the main activity?

  Answer: This Project was under research stage and the Company assessed it as very feasible in various aspects.

The GM voted on and passed the Development Strategy of the Company up to 2015 with Orientation toward 2025 under the Proposal submitted by the BOD.

Voting results:

Number of shares voted for: **296,820,283** shares, accounting for **100%** of eligible voting shares represented at the meeting.

Number of shares voted against: 0 share.

Number of shares without vote: 0 share.

8. The Proposal on Transformation of the Company into the Corporation.

Mr. Phan Dinh Duc, President, acting on behalf of the Board of Directors, presented the Proposal on Transformation of PetroVietnam Fertilizer and Chemical Joint Stock Company into PetroVietnam Fertilizer and Chemical Corporation.

- Opinion of the General Meeting: The transformation of company model into the Corporation would lead to the incorporation of subsidiaries, so did the Company consider if the Corporation and its subsidiaries would be entitled to the corporate income tax preferential policies currently applied to the Company by the state?

Answer: This was an important and very meaningful matter to the Company. The Company Management paid much attention to this matter and it was also stated in the Proposal that a principle was to maintain preferential policies to the maximum extent. Tax preferential policies of the State were first applied to Phu My Urea Plant project. In principle, all of results of operations from this project would be continually entitled to preferential treatment whether the Plant was subsequently under the Parent Corporation or any subsidiary. Certainly, subsidiaries were incorporated to perform new operating tasks and new projects wouldn't be entitled to these preferential policies.

The GM voted on and passed the Proposal on Transformation of PetroVietnam Fertilizer and Chemical Joint Stock Company into PetroVietnam Fertilizer and Chemical Corporation under the Proposal of the BOD.

Voting results:

Number of shares voted for: **296,820,283** shares, accounting for **100%** of eligible voting shares represented at the meeting.

Number of shares voted against: 0 share.

Number of shares without vote: 0 share.

9. The Amendment/Supplementation to the Company's Charter.

Mr. Truong The Vinh, Secretary of the Company, acting on behalf of the BOD, reported contents of the Proposal on amending and supplementing a number of articles of the Company's Charter to the General Meeting.

The GM voted and passed the Proposal on amending and supplementing a number of articles of the Company's Charter under the Proposal of the BOD.

Voting results:

Number of shares voted for: **296,820,283** shares, accounting for **100%** of eligible voting shares represented at the meeting.

Number of shares voted against: 0 share.

Number of shares without vote: 0 share.

10. Other opinions of the General Meeting.

In addition to aforementioned contents of the agenda of the General Meeting, attending shareholders gave other opinions to the Company Management regarding operating activities of the Company, such as: personnel and labor policy; sales and distribution system policy; marketing and brand promotion strategy; management compensation policy; setup of quick and transparent contracts with shareholders, etc. The Company Management acknowledged shareholders' opinions for consideration and application to the operation of the Company in the upcoming time. The

Company Management also received written opinions submitted by shareholders and would provide feedbacks on the Company's website in the earliest time possible.

VI. Passing of the Resolution and end of the General Meeting.

At 14:40, the General Meeting finished the discussion and voted on passing contents set out in the agenda.

Mr. Vo Ngoc Chuyen, Representative of Vote-Counting Board, announced counting results of votes on contents as aforementioned in this Minutes.

Next, Mr. Truong The Vinh, acting on behalf of the Secretary Board of the General Meeting, reported contents of the Resolution of the 2008 Annual General Meeting of Shareholders of PetroVietnam Fertilizer and Chemical Joint Stock Company with matters resolved as aforementioned in this Minute, and details of which are included in the Appendix attached herewith. Mr. Dinh Huu Loc, Chair of the General Meeting, proposed the GM to voted on and the GM unanimously agreed to pass the Resolution.

After the General Meeting voted on and passed the Resolution, Mr. Dinh Huu Loc said thank to the shareholders for their attendance at the General Meeting, and announced the end of the 2008 Annual General Meeting of Shareholders of PetroVietnam Fertilizer and Chemical Joint Stock Company at 14:45 on the same date.

This Minutes was recorded by the Secretary Board to present a fair reflection of the meeting progress in accordance with provisions of the Law on Enterprises and Charter of PetroVietnam Fertilizer and Chemical Joint Stock Company.