



# China Petroleum & Chemical Corporation Q1 2007 Results Announcement

16 April, 2007



# Market Environment in 1Q 2007

- Chinese economy maintained rapid growth
- Domestic consumption of refined oil products and chemicals increased steadily
- International crude prices declined but remained high and volatile
- Chemical product prices remained high



## Significant Growth in Profit

RMB million	1Q 2006	1Q 2007	Change%
Turnover and other revenues	227,195	279,639	23.1
EBITDA	23,511	39,304	67.2
EBIT	15,409	29,453	91.1
Profit attributable to equity shareholders of the Parent	9,547	19,444	103.7
EPS (RMB)	0.110	0.224	103.7



# Financial Performance

RMB million	Dec. 31, 2006	Mar. 31 2007
Short-term debt	53,359	56,730
Long-term debt	69,970	64,262
Equity attributable to equity shareholders of the Parent	262,845	282,289

RMB million	1Q 2006	1Q 2007
Cash from operating activities	1,369	30,206
Cash from investment activities	-15,268	-16,125
Cash from finance activities	12,165	-4,558



# Exploration and Production

	1Q 2006	1Q 2007	Change%
Crude oil production (mm bbls)	69.57	70.96	2.0
Natural gas production (bcf)	64.02	70.48	10.1
Crude oil realized price (RMB/tonne)	3,112.81	2,582.70	-17.0
Natural gas realized price (RMB/mcm)	745.10	799.27	7.3
Lifting cost (RMB/tonne)	436.27	475.83	9.1
EBIT (RMB million)	17,178	11,654	-32.2

Note: 1 tonne = 7.1 barrel, 1 cubic meter = 35.31 cubic feet



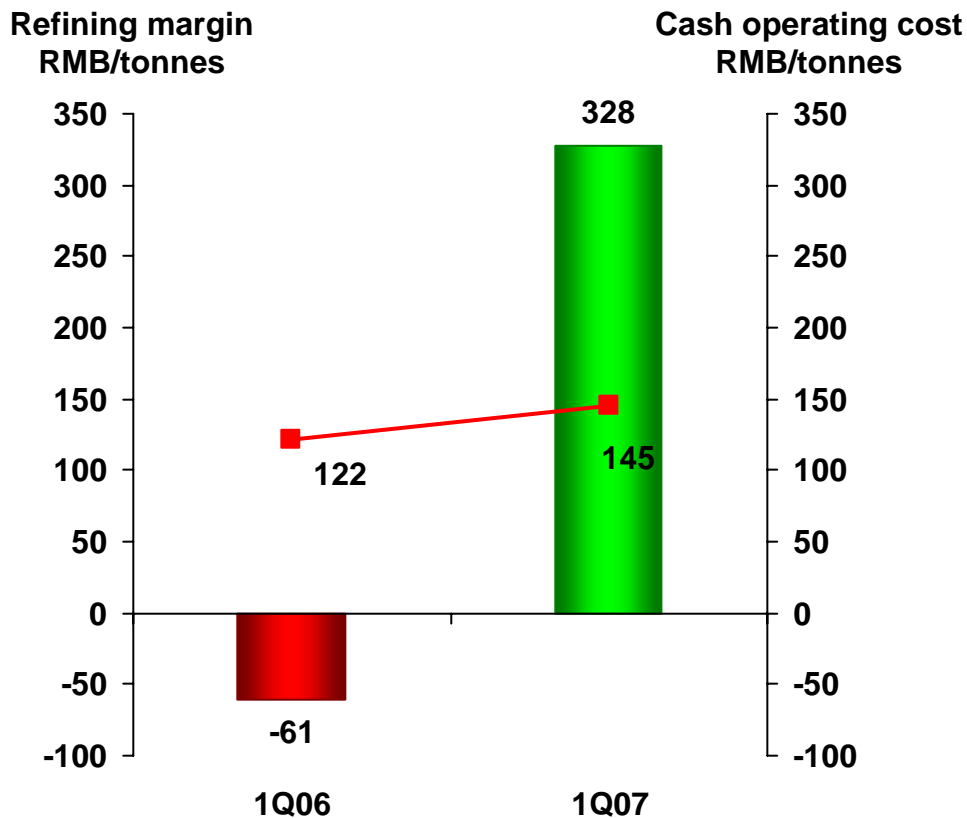
# Refining – Operating Results

Million tonnes	1Q 2006	1Q 2007	Change%
Refinery throughput	35.17	36.91	4.9
Gasoline production	5.53	5.87	6.1
Diesel production	13.82	13.91	0.7
Kerosene incl. jet fuel production	1.54	1.87	21.4
Light chemical feedstock production	5.77	6.09	5.5
Light stream yield(%)	74.81	74.31	-50bps
Refining yield(%)	93.64	93.38	-26bps

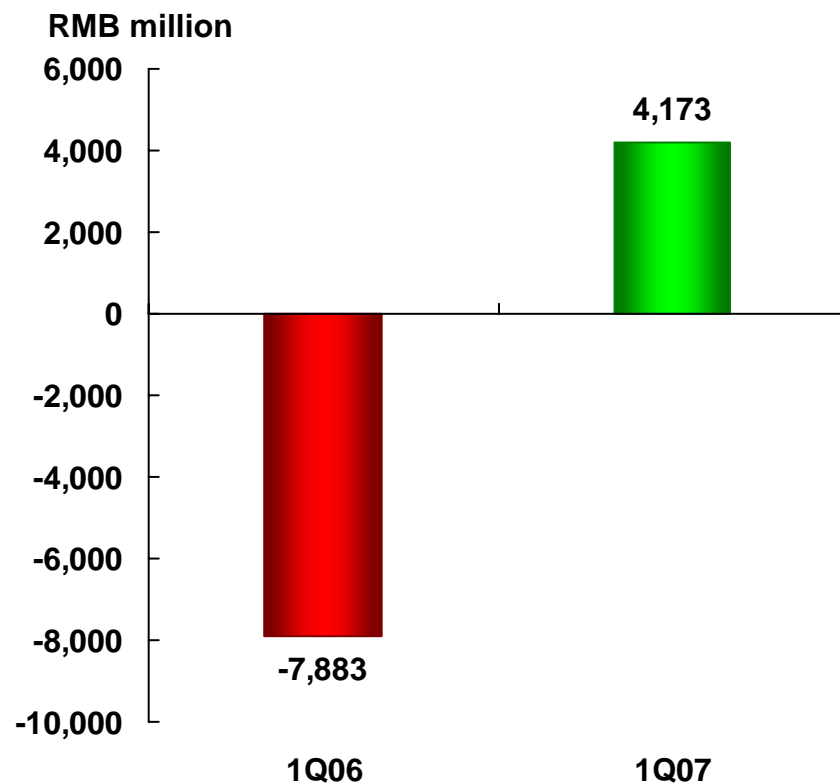


# Refining – Performance

## Refining Margin/ Cash Operating Cost



## EBIT of Refining Segment



■ Refining margin ■ Cash operating cost



# Marketing – Operating Results

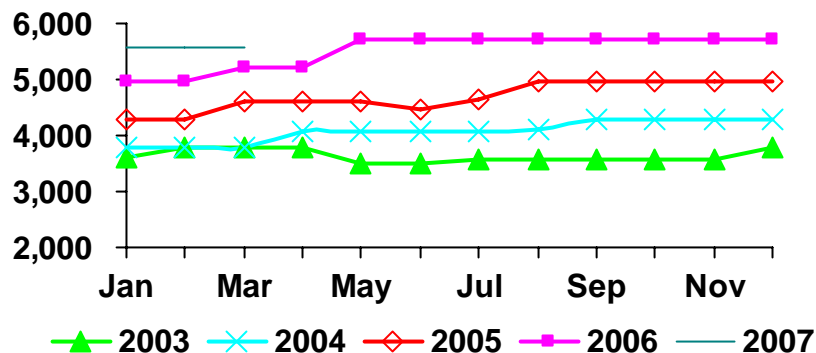
	1Q 2006	1Q 2007	Change%
<b>Domestic sales of refined oil products (mm tonnes)</b>	<b>26.03</b>	<b>27.47</b>	<b>5.5</b>
<b>Incl. Retail (mm tonnes)</b>	<b>16.67</b>	<b>17.24</b>	<b>3.4</b>
<b>Direct sales (mm tonnes)</b>	<b>4.91</b>	<b>4.70</b>	<b>-4.3</b>
<b>Whole sales (mm tonnes)</b>	<b>4.45</b>	<b>5.52</b>	<b>24.0</b>
<b>Total numbers of service stations (unit)</b>	<b>29,744</b>	<b>28,885</b>	<b>-2.9</b>
<b>Incl. Company-operated</b>	<b>27,464</b>	<b>28,075</b>	<b>2.2</b>
<b>Franchised</b>	<b>2,280</b>	<b>810</b>	<b>-64.5</b>
<b>Annual average pump volume per station (tonnes)</b>	<b>2,428</b>	<b>2,457</b>	<b>1.2</b>



# Marketing - Performance

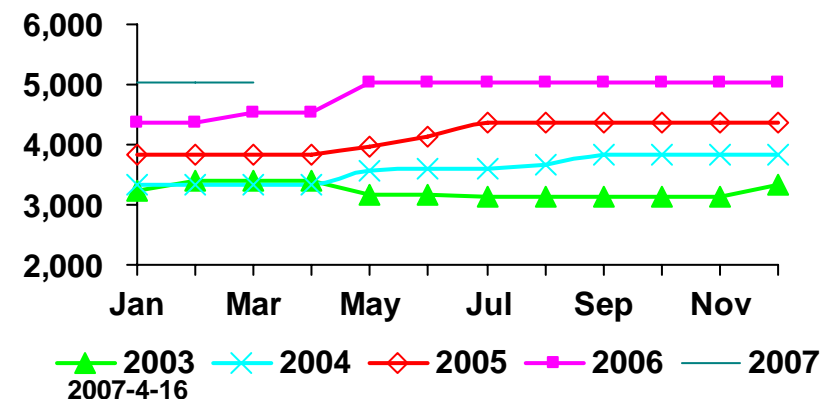
## RON #90 Gasoline Retail Guidance Price

RMB/tonne



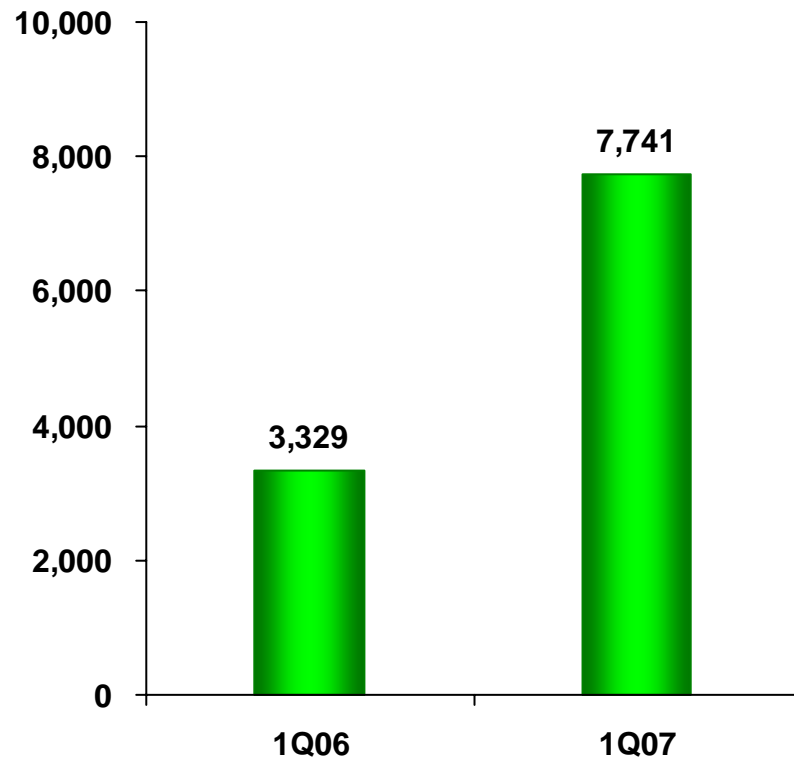
## #0 Diesel Retail Guidance Price

RMB/ tonne



## EBIT of Marketing Segment

RMB million





# Chemicals – Operating Results

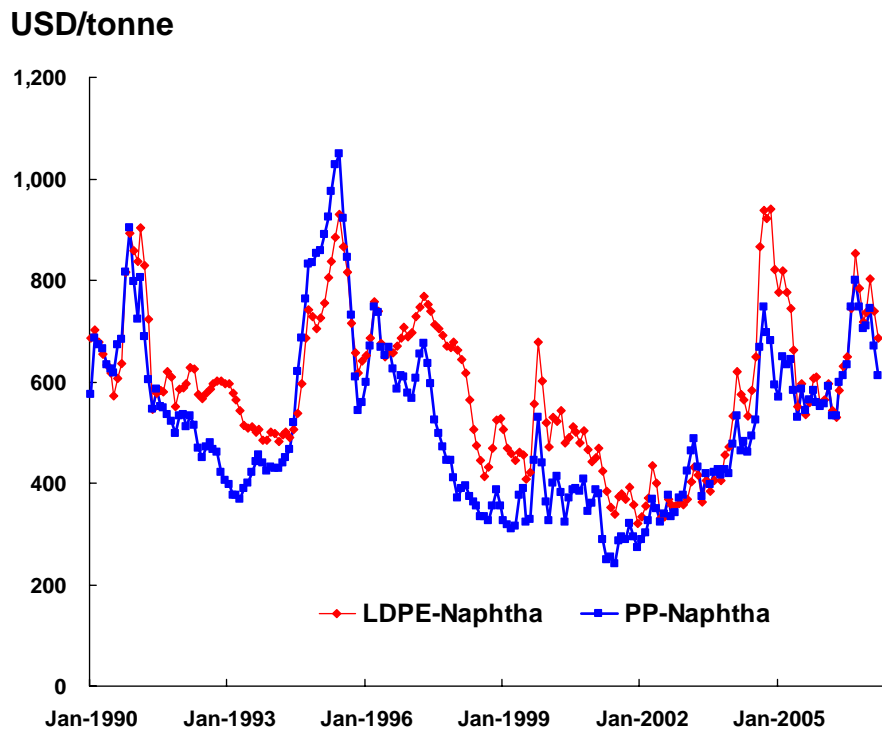
1,000 tonnes	1Q 2006	1Q 2007	Change%
<b>Ethylene</b>	<b>1,514</b>	<b>1,632</b>	<b>7.8</b>
<b>Synthetic resins</b>	<b>2,075</b>	<b>2,364</b>	<b>13.9</b>
<b>Synthetic rubbers</b>	<b>161</b>	<b>189</b>	<b>17.4</b>
<b>Monomers and polymers for synthetic fibers</b>	<b>1,782</b>	<b>1,910</b>	<b>7.2</b>
<b>Synthetic fibers</b>	<b>390</b>	<b>355</b>	<b>-9.0</b>
<b>Urea</b>	<b>441</b>	<b>366</b>	<b>-17.0</b>

Note: the above operating data includes all production of Yangzi-BASF and Shanghai Secco JVs

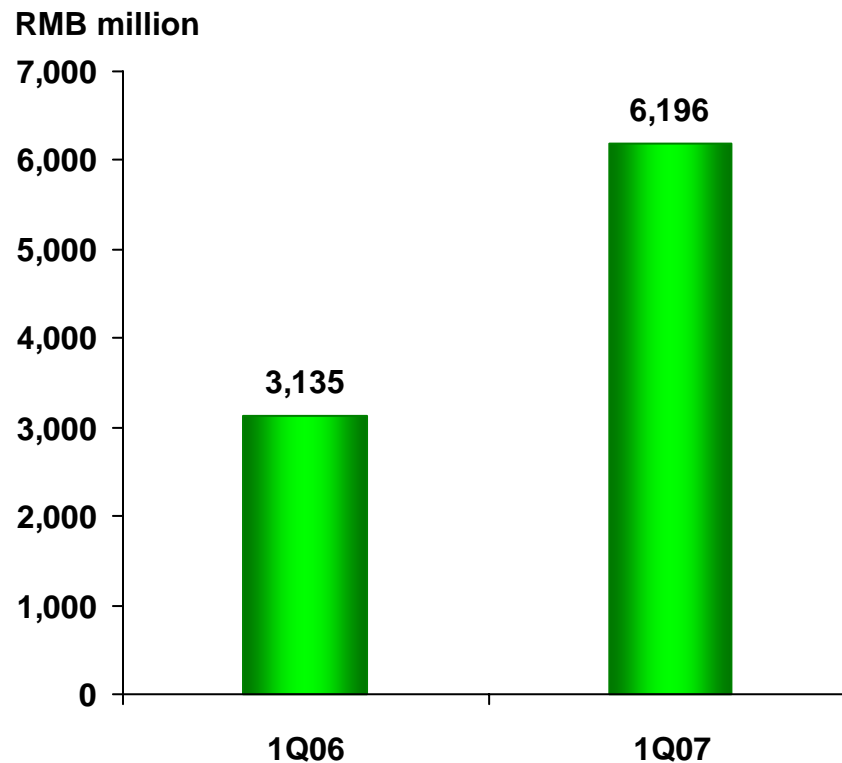


# Chemicals – Performance

## Chemical Price Spread (1990 – March 2007)



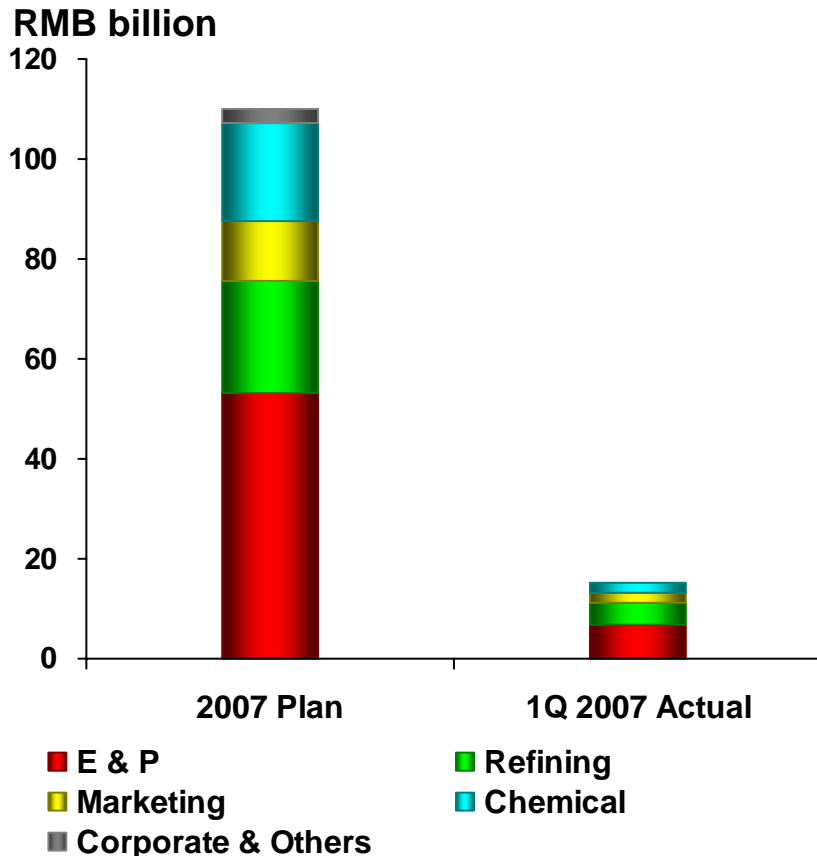
## EBIT of Chemical Segment





# Capital Expenditure

**Total Capex in 1Q 2007: RMB 15.150 bn**



E&P: RMB6.927bn. Preparation activities for Sichuan-East China Gas Project progressed smoothly. Newly added 0.88 million tonne/annum of crude capacity and 2.69 bcm/annum gas capacity

- Refining: RMB4.377bn for investment in crude oil wharves and pipelines, construction of Qiangao refinery and revamping of Yanshan, Guangzhou and Gaoqiao refineries
- Chemicals: RMB1.729bn. LDPE unit in Maoming and EG project in Shanghai completed. Started construction of Tianjin and Zhenhai Ethylene and Jinling PX
- Marketing: 1.970bn. Newly added 74 stations. Progress also made in building product pipelines.
- Corporate and others: RMB 0.147bn.



# For Further Information



<http://www.sinopec.com>

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