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中国石油化工股份有限公司

CHINA PETROLEUM & CHEMICAL CORPORATION

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 0386)

**CONNECTED TRANSACTIONS
DISCLOSEABLE TRANSACTION**

Financial Advisers to China Petroleum & Chemical Corporation

**Goldman
Sachs**

 **UBS**

*Independent Financial Adviser to the
Independent Board Committee and the Independent Shareholders*

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On 26 March 2010, SHI (a wholly-owned subsidiary of Sinopec Corp.) and SOOGL (a wholly-owned subsidiary of China Petrochemical Corporation) entered into the Purchase Agreement and the Deed of Novation.

China Petrochemical Corporation is the controlling shareholder of Sinopec Corp., holding 75.84% of the issued share capital of Sinopec Corp. China Petrochemical Corporation and its associates are connected persons of the Company under the Shanghai Listing Rules and the Hong Kong Listing Rules, and the Transaction constitutes a connected transaction. Pursuant to Chapter 14A of the Hong Kong Listing Rules and the Shanghai Listing Rules, the Transaction shall be subject to the reporting, announcement and the Independent Shareholders' approval. The Transaction also constitutes a discloseable transaction of Sinopec Corp. under Chapter 14 of the Hong Kong Listing Rules.

Prior to the Transaction, a number of loans and guarantees existed between SSI and the subsidiaries of China Petrochemical Corporation. After the completion of the Transaction, SSI will be controlled by Sinopec Corp. and according to the Shanghai Listing Rules and the Hong Kong Listing Rules, the subsidiaries of China Petrochemical Corporation will become connected persons of SSI and the New Connected Transactions will constitute new continuing connected transactions between the Company and China Petrochemical Corporation (and its subsidiaries). Pursuant to the Shanghai Listing Rules, the New Connected Transactions shall comply with the requirements of reporting, announcement and approval by the Independent Shareholders. Pursuant to Rule 14A.41 of the Hong Kong Listing Rules, the New Connected Transactions shall comply with reporting and announcement requirements. Sinopec Corp. will comply in full with all applicable reporting, disclosure and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules upon any variation or renewal of any of the agreements in relation to the New Connected Transactions.

A circular containing, among other things, details of the Transaction and the New Connected Transactions, a letter from the Independent Board Committee and a letter of the Independent Financial Adviser will be dispatched to the shareholders as soon as practicable.

I. SUMMARY OF KEY INFORMATION

(I) Transaction Risks

The Transaction is conducted based on the principles of equality, fairness and openness, without concealing and deception. However, in consideration of the market system risk, market fluctuation risk and policy risk, the information below is hereby presented, and investors are advised to pay full attention.

1. *Consideration fairness risk*

In respect of the Share Acquisition, the consideration of the Target Shares is determined with reference to the reserve data in the Technical Report, and the final consideration is determined by both parties through negotiation on the basis of equality and fairness.

Due to the existence of time difference between the Valuation Date, execution date of transaction agreements and the Completion Date, as well as the uncertainty of international oil price and market fluctuation from time to time, any decrease of the international oil price or any decline of the value of relevant assets will lead to a decline in the value of the Target Shares, and adversely affect the fairness of the consideration.

2. ***Oil reserve valuation fluctuation risk***

In respect of the valuation of the oil reserves of SSI, the reserve valuer has taken internationally accepted approaches, on an independent, fair and objective standpoint. However, any drop in the international oil price, on which the valuation was based, will lead to a drop in the value of the equity interest of SSI and a decrease in the value of the Target Shares.

3. ***Profitability fluctuation risk***

After the completion of the Transaction, the Target Company will be consolidated into the financial statements of Sinopec Corp. The Transaction will improve the financial performance of Sinopec Corp. However, any negative market change may unfavorably affect the overall profitability of Sinopec Corp.

4. ***Approval and third-party consent risk***

Pursuant to the Shanghai Listing Rules and the Hong Kong Listing Rules, the Transaction shall be proposed to the Independent Shareholders of Sinopec Corp. for their review, and shall be approved with the consent of a majority of the Independent Shareholders who present at the general meeting. According to the Shanghai Listing Rules, the New Connected Transactions shall be submitted to the Independent Shareholders of Sinopec Corp. for their review, and shall be approved with the consent of a majority of the Independent Shareholders who present at the general meeting.

According to relevant regulations, upon the approval by the Independent Shareholders, the following approvals and registrations are required for the Transaction: (1) the approval of the NDRC for the outbound investment project and its changes relating to the Transaction; (2) the approval of the MOFCOM for the outbound investments relating to the Transaction; and (3) the approval and/or registration of Beijing Administration of Foreign Exchange for the foreign currencies and outgoing remittances relating to the Transaction.

In addition, the written consent from BOC Hong Kong as the agent is required for the completion of the Share Acquisition.

The Transaction shall not be completed until all the aforesaid approvals, registrations and written consents have been obtained.

5. *Asset ownership*

According to the representations and warranties made by SOOGL under the Purchase Agreement, the Target Shares are duly issued and fully paid, and are free from any major disputes on the ownership, any third party interest or other encumbrance on the transfer of the ownership. According to the terms and conditions of the Production Sharing Agreement entered into between the Target Company and its partners and other relevant legal documents, the Target Company lawfully owns certain interests in Block 18, without incurring any third party interests.

6. *Mining rights ownership and restrictions or disputes*

According to the representations and warranties made by SOOGL under the Purchase Agreement and the terms and conditions of the Production Sharing Agreement entered into between the Target Company and its partners and other relevant legal documents, SOOGL lawfully owns the rights of exploration, exploitation and production of oil in Block 18, and the relevant exploitation and production facilities will not be expropriated or nationalized by the Angolan government. Sonangol E.P. as the holder of the concession of oil blocks in Angola has consented on the Share Acquisition.

7. *Uncertainty of the value of mining rights and the rate of return on the development*

Block 18 is currently at production stage. The Technical Report issued by Ryder Scott indicates that by the end of November 2009, the remaining recoverable reserves of the net economic interests of SSI at the east zone (Greater Plutonio) of Block 18 are as follows: the total proved reserves are 102.49 million barrels (mmbbl), in which the proved developed reserves are 79.04 million barrels and the proved undeveloped reserves 23.45 million barrels; and the probable reserves are 67.24 million barrels. However, the volume of the crude oil which can be actually exploited may be below such estimates. In addition, the uncertain geological, climatic and environmental factors may increase the exploitation costs and lower the unit rate of exploitation income.

(II) Impact on Sinopec Corp.

1. *To expand the upstream scale and strengthen the upstream capacity*

Block 18 is divided into east zone and west zone. The east zone of Block 18 is one of the most large-scaled deep water oil assets in production in West Africa and even in the world, with the highest reserves and production volume standard among the project of similar type. Block 18 is now in stable production phase. After the completion of the Transaction, based on the calculation of the consolidated model, the crude oil production and reserve scale of the Company will be increased substantially, and the upstream capacity of the Company will be strengthened.

Commercial discovery was announced in west zone of Block 18 in December 2005. The West Zone is now in the development preparation phase and expected that west zone will potentially increase new crude oil production and reserves to the Company. As at 30 November 2009, the contingent reserves shared by SSI at the west zone of Block 18 are: the 1C contingent resources are 38.31 mmbbl and 2Ci contingent resources are 49.54 mmbbl.

2. *To build an overseas business platform, enhance the international operation capability and improve the international competitiveness*

Currently, Sinopec Corp. focuses its upstream operation in China. Take the Transaction as an opportunity, Sinopec Corp. set up SIPL to be a unified platform of the exploration of overseas business. The assets involved in the Transaction are located in deep water area of Angola, Africa. Angola is one of the member states of OPEC, the deep water area of which is one of the world's most rapidly developing areas in oil and gas reserves and production volume. Through the Transaction, Sinopec Corp. enters into one of the world's most promising oil and gas basins in exploration and production, which further establishes the solid basis of building a global asset portfolio with high quality. Through this overseas asset acquisition, Sinopec Corp. not only obtains a large-scaled overseas oil and gas asset, but also attains and absorbs relevant experiences in human resource, management system and business operation in overseas upstream operations. The international management standard and international competitive advantage of Sinopec Corp. will be further strengthened.

3. *To improve the profitability and long-term investment value for the shareholders*

The Transaction will help improve the financial performance of Sinopec Corp. and maximize the long-term investment value for the shareholders. The highest daily production capacity of east zone of Block 18 reaches 0.24 million barrels (mmbbl), and it is now in stable production phase. Despite the impact of production restrictions of OPEC, the annually average production volume per day of Block 18 reached 0.1591 mmbbl in 2009. The net profit of SSI for the eleven months ended 30 November 2009 amounted to RMB 1.981 billion, and the net profit ratio reached 20.9%. The Transaction plays a positive role in increasing the revenue, net profit ratio standard and cash revenue of Sinopec Corp.

4. *To reduce continuing connected transactions in respect of production and operation*

The implementation of the Transaction will reduce the continuing connected transactions under the mutual supply agreements between Sinopec Corp. and China Petrochemical Corporation. For details, see Part (VII) “Reasons for the Connected Transactions and Impact of the Connected Transactions on Sinopec Corp.- Impact on the Independency of Sinopec Corp.- Impact on the Connected Transactions of Sinopec Corp.”

(III) Transactions with the Same Connected Person

In 2008 and 2009, there were three connected transactions between the Company and China Petrochemical Corporation and its subsidiaries on 27 June 2008, 27 March 2009 and 21 August 2009 respectively; transaction amount is RMB 1,564,480,000 for acquisition, RMB 1,839,380,000 for acquisition (simultaneously RMB 157,470,000 for a disposal of assets) and RMB 3,945,810,000 for acquisition. For details, see Part (XI) “Details of Historical Connected Transactions”.

(IV) Other Issues that Require the Attention of Investors

1. All the Directors (including the independent non-executive Directors) are of the view that terms of the Transaction and the New connected Transactions were based on normal commercial terms, the Transaction and the New Connected Transactions are parts of the ordinary course of business of Sinopec Corp. and the consideration for the Transaction is fair, reasonable and in the interests of Sinopec Corp. and its Shareholders as a whole. Non-executive Directors of Sinopec Corp., Mr. Su Shulin, Mr. Zhang Yaocang, Mr. Cao Yaofeng, Mr. Li

Chunguang and Mr. Liu Yun, being connected directors by virtue of their directorship in China Petrochemical Corporation, abstained from voting at the Board meeting at which the Transaction and the New Connected Transactions was voted by the Board.

2. The financial statements prepared in respect of the Target Company for the year ended 31 December 2008 and eleven months ended 30 November 2009 comply with the “China Enterprise Accounting Rules - Basic Rules” and the 38 specific accounting rules which was issued by the Ministry of Finance on 15 February 2006, the following Guide on the Application of the China Enterprise Accounting Rules, the Explanation on the China Enterprise Accounting Rules and other related stipulations, which truly and completely reflect the financial situations, operational achievements and cash flows of the Target Company. Such financial statements have been prepared by KPMG Huazhen with an unqualified opinion.
3. Cautionary Note to U.S. Investors — The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to separately disclose proved, probable and possible reserves that a company has determined in accordance with the SEC rules. We may use certain terms in this announcement, such as contingent resources, that the SEC’s guidelines strictly prohibit us from including in filings with the SEC. U.S. Investors are urged to exercise caution in relation to, and not to place undue reliance on, any such disclosure that is not in compliance with the SEC rules.

II. BASIC INFORMATION OF THE CONNECTED TRANSACTION

(I) Basic Information of the Connected Transaction

On 26 March 2010, SHI and SOOGL entered into the Purchase Agreement and the Deed of Novation, pursuant to which SHI agreed to acquire the Target Shares and the Target Loan. As of 30 November 2009, in respect of the Target Loan, SSI had utilized USD 2.326 billion (equivalent to approximately RMB 15.885 billion), and the outstanding balance (with accrued interest) of which amounted to USD 779,119,000 (equivalent to approximately RMB 5,319,824,400). The total consideration for the Share Acquisition and Loan Acquisition is USD 2.457 billion (equivalent to approximately RMB 16.776 billion). SHI will pay the consideration by its own financial resources and bank loans.

SSI has 50% participation interest in Block 18. As at the end of November 2009, eight oil fields had been discovered in Block 18. The remaining recoverable reserves of the net economic interest of SSI at the east zone (Greater Plutonio) of Block 18 are as follows: the total proved reserves are 102.49 million barrels (mmbbl), in which the proved developed reserves are 79.04 million barrels and the proved undeveloped reserves 23.45 million barrels; and the probable reserves are 67.24 million barrels. The contingent resources shared by SSI at the west zone of Block 18 are: the 1C contingent resources are 38.31 mmbbl and 2Ci contingent resources are 49.54 mmbbl.

SHI is wholly owned by Sinopec Corp. through SIPL, and SOOGL is wholly owned by China Petrochemical Corporation through SIPC. China Petrochemical Corporation is the controlling shareholder of Sinopec Corp., as at the date of the announcement holding 75.84% of the issued share capital of Sinopec Corp. Pursuant to the Shanghai Listing Rules and the Hong Kong Listing Rules, China Petrochemical Corporation and its subsidiaries are connected persons of the Company, and the Transaction constitutes a connected transaction under the Shanghai Listing Rules and the Hong Kong Listing Rules. As at the date of the announcement, the transaction amount of the connected transactions between the Company and China Petrochemical Corporation (and its subsidiaries) during the last twelve months, including the Transaction and the New Connected Transactions, has exceed RMB 30 million and 5% of the net assets of the Company. Pursuant to the Shanghai Listing Rules, the Transaction and the New Connected Transactions shall be subject to the approval of the Independent Shareholders. Pursuant to the Hong Kong Listing Rules, as certain of the percentage ratios (as defined in the Hong Kong Listing Rules) applicable to the Transaction exceed 5%, the Transaction shall be subject to the reporting, announcement and the Independent Shareholders' approval and constitutes a discloseable transaction under Chapter 14 of the Hong Kong Listing Rules.

(II) New Connected Transactions

As at the date of the announcement, a number of loans and guarantees existed between SSI and the subsidiaries of China Petrochemical Corporation. In respect of the guarantees and loans provided by SSI as mentioned under sections 2 and 3 below, in order to protect Sinopec Corp. from potential loss, SOOGL and SHI executed the Payment Deed, pursuant to which: (1) if SSI makes any payment under or in connection with its obligations of guarantee or cash flow charge, SOOGL shall immediately pay to SHI an amount equal to 55% of the aggregate amount so paid; (2) if SSI makes any payment under or in connection with its obligation of providing loan to SSI15, SSI17 and SSI18, SOOGL shall immediately pay to SHI an amount equal to 55% of the aggregate amount so

paid; under the above basis, if SSI receives any funds from SSI15, SSI17 and SSI18 in repayment or prepayment of the above amounts that SSI paid, SHI shall immediately pay to SOOGL an amount equal to 55% of the aggregate funds so received from SSI15, SSI17 and SSI18; and (3) except otherwise required by law, all payments by SOOGL to SHI shall be made without any tax deduction. If any tax must be deducted, SOOGL shall pay and compensate SHI such additional amounts equal to the amount being deducted.

In addition, in order to protect the interest of Sinopec Corp. and its shareholders as a whole from being damaged due to any failure in performance by SOOGL of its obligations under the Payment Deed, China Petrochemical Corporation undertakes to Sinopec Corp. as follows: China Petrochemical Corporation shall indemnify Sinopec Corp. from any financial losses that Sinopec Corp. may incur as a result of the failure of SOOGL to fully perform its obligations under the Payment Deed.

Details of the New Connected Transactions are as follows:

1. ***The loan and guarantee between SSI and Century Bright***

Pursuant to the credit facility agreement dated 27 June 2008, as supplemented and amended, the syndication comprising BOC Cayman and Century Bright, has agreed to provide a USD 1.45 billion (equivalent to approximately RMB 9.901 billion) term loan facility to SSI, a wholly owned subsidiary of China Petrochemical Corporation, in which BOC Cayman makes a commitment of USD 800 million (equivalent to approximately RMB 5.462 billion) and Century Bright makes a commitment of USD 650 million (equivalent to approximately RMB 4.438 billion). The term loan facility is secured by a charge over cash flow and an assignment of contractual rights. As of 30 November 2009, the outstanding principal balance (with accrued interest) of such loan amounted to USD 787,833,300 (equivalent to approximately RMB 5,379,326,000), in which the outstanding loan of BOC Cayman amounted to USD 404,781,600 (equivalent to approximately RMB 2,763,848,800) and the outstanding loan of Century Bright amounted to USD 383,051,700 (equivalent to approximately RMB 2,615,477,200).

2. ***Guarantees from SSI to SOOGL***

SSI provides guarantee and cash flow charge to secure the loan provided by SOOGL to SSI15, SSI17 and SSI18; Simultaneously, SSI charges its cash flow to SOOGL to secure the loan provided by SOOGL to New Bright and Sonangol E.P. These two loans are detailed as follows:

(1) *The loan provided by SOOGL to SSI15, SSI17 and SSI18*

Pursuant to the shareholder loan agreement between SOOGL (as shareholder lender), SSI (as guarantor), and SSI15, SSI17 and SSI18 (as borrowers) SOOGL provides to SSI15, SSI17 and SSI18 a loan without any principal amount limit for the purpose of financing their cash calls and other amounts. As of 30 November 2009, the outstanding balance (with accrued interest) of such loan amounted to USD 22,685,700 (equivalent to approximately RMB 154,898,100). The main terms for such loan are as follows:

Interest rate: The interest rate shall equal the interest rate under the financing obtained by SOOGL from the financial market;

Repayment date: The interest shall be paid by the final working day of each month. The final maturity of the loan shall be agreed by the parties, but shall be earlier than the date that the shareholders execute an agreement winding up SSI15, SSI17 and SSI18 or such companies are terminated otherwise.

Security: SSI provides SOOGL with guarantee and charge over cash flow. New Bright and Sonangol E.P. mortgaged all their shareholdings in SSI15, SSI17 and SSI18 to SOOGL.

Other restrictions: Neither of SSI15, SSI17 and SSI18 may make any payment of dividends until all amounts payable to SOOGL have been paid or repaid in full.

(2) *The loan that SOOGL provides to New Bright and Sonangol E.P.*

Pursuant to the loan agreement between SOOGL (as lender), SSI (as guarantor), and New Bright and Sonangol E.P. (as borrowers), SOOGL agreed to provided a loan to New Bright and Sonangol E.P. The principal amount is USD 933,286,400 (equivalent to approximately RMB 6,372,479,500). As at 30 November 2009, the outstanding balance (with accrued interest) of such loan amounted to USD 938,903,400 (equivalent to approximately RMB 6,410,832,200). The main terms for such loan are as follows:

Interest rate: The interest rate shall equal the interest rate under the financing obtained by SOOGL from the financial market;

Repayment date: The interest shall be paid by the final working day of each month. The final maturity of the loan shall be agreed by the parties, but shall be earlier than the date that the shareholders execute an agreement winding up SSI15, SSI17 and SSI18 or such companies are terminated otherwise.

Security: SSI provides SOOGL with guarantee. New Bright and Sonangol E.P. mortgaged all of their shareholdings in SSI15, SSI17 and SSI18 to SOOGL.

Other restrictions: Sonangol E.P. and New Bright shall exercise their voting rights to procure each of SSI15, SSI17 and SSI18 not to make any payment of dividends until all amounts payable to SOOGL have been paid or repaid in full.

3. *The loan provided by SSI to SSI15, SSI17 and SSI18*

Pursuant to the loan agreement between SSI (as lender) and SSI15, SSI17 and SSI18 (as borrowers), SSI shall, on the condition that it has repaid its own debt and it has sufficient cash flows, provide a loan without any principal amount limit to SSI15, SSI17 and SSI18 to finance the cash calls and operational expenses of the borrowers. As at 30 November 2009, the outstanding principal balance (with accrued interest) of such loan amounted to 0. The main terms for such loan are as follows:

Interest rate: The interest rate shall equal the interest rate under the financing obtained by SSI from the financial market;

Repayment date: The interest shall be paid by the final working day of each month. The final maturity of the loan shall be agreed by the parties, but shall be earlier than the date that the shareholders execute an agreement winding up SSI15, SSI17 and SSI18 or such companies are terminated otherwise.

Security: None

Other restrictions: None of SSI15, SSI17 and SSI18 may make any payment of dividends until all amounts of the loan have been paid or repaid in full.

After the completion of the Transaction, SSI will be controlled by Sinopec Corp. and according to the Shanghai Listing Rules and the Hong Kong Listing Rules, the subsidiaries of China Petrochemical Corporation will become connected persons of SSI and the loans and guarantees described above will constitute new continuing connected transactions between Sinopec Corp. and China Petrochemical Corporation as a result of the Transaction. Pursuant to Rule 14A.41 of the Hong Kong Listing Rules, the New Connected Transactions shall comply with reporting and announcement requirements. Pursuant to the Shanghai Listing Rules, the New Connected Transactions shall comply with the requirements of reporting,

announcement and approval by the Independent Shareholders. Pursuant to Rule 14A.41 of the Hong Kong Listing Rules, the New Connected Transactions shall comply with reporting and announcement requirements. Sinopec Corp. will comply in full with all applicable reporting, disclosure and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules upon any variation or renewal of any of the agreement in relation to the New Connected Transactions.

(III) Information on the Review and Approval of the Connected Transactions by the Board

On 26 March 2010, Sinopec Corp. held the 5th Meeting of the 4th Session of the Board. All the non-connected Directors unanimously approved the Transaction and the New Connected Transactions, and approved and authorized the execution of the Purchase Agreement, the Deed of Novation and the Payment Deed. When the Board voted on the resolutions in relation to the Transaction and the New Connected Transactions, the connected Directors, including Su Shulin, Zhang Yaocang, Cao Yaofeng, Li Chunguang and Liu Yun, abstained from voting. The independent non-executive Directors, including Liu Zhongli, Ye Qing, Li Deshui, Xie Zhongyu and Chen Xiaojin, approved the Transaction and the New Connected Transactions unanimously.

(IV) Necessary Approvals and Others

The Transaction and the New Connected Transactions are subject to the approval by the Independent Shareholders, and the connected persons interested in such transactions shall abstain from voting on the resolutions on the Transaction and the New Connected Transactions at the 2009 Annual General Meeting. The Transaction will not constitute material asset reorganization under *the Measures for the Administration of Material Asset Reorganizations by Listed Companies*.

Upon the approval by the Independent Shareholders, the following approvals and registrations are required for the Transaction: (1) the approval of the NDRC for the outbound investment project and its changes relating to the Transaction; (2) the approval of the MOFCOM for the outbound investments relating to the Transaction; and (3) the approval and/or registration of Beijing Administration of Foreign Exchange for the foreign currencies and outgoing remittances relating to the Transaction.

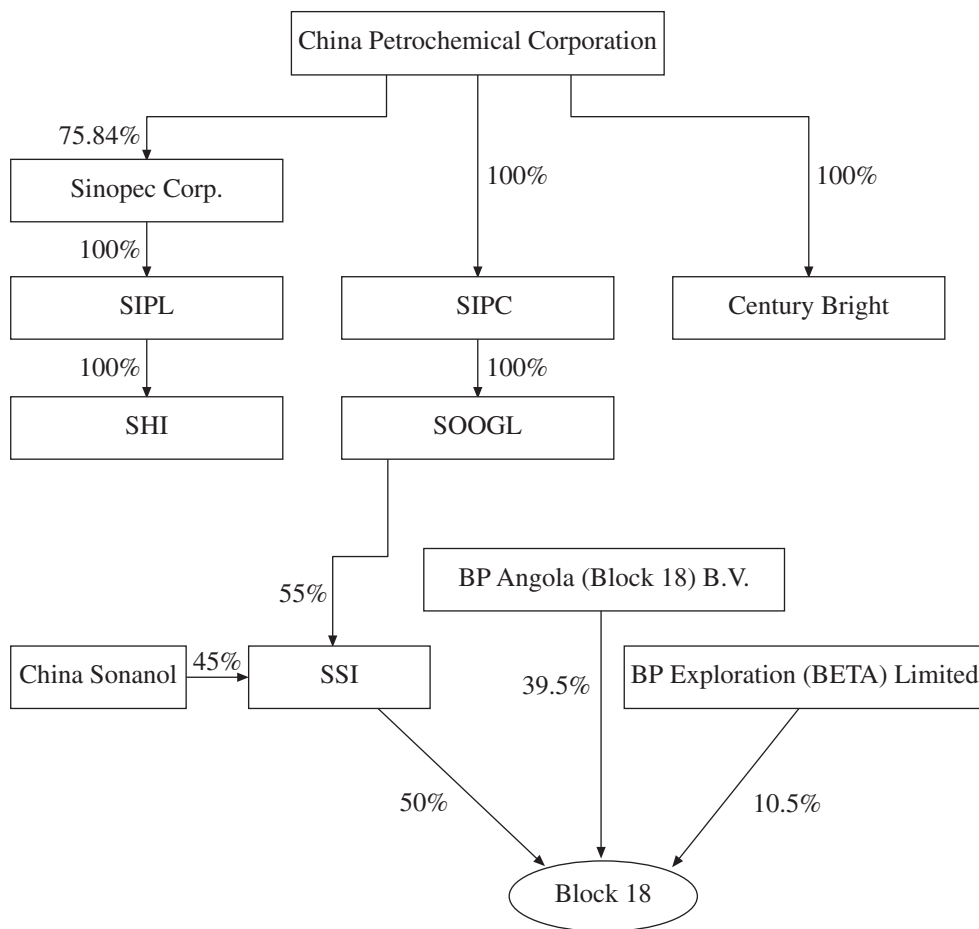
In addition, the written consent from BOC Hong Kong as the agent is required for the completion of the Share Acquisition.

The Transaction shall not be completed until all the aforesaid approvals, registrations and written consents have been obtained.

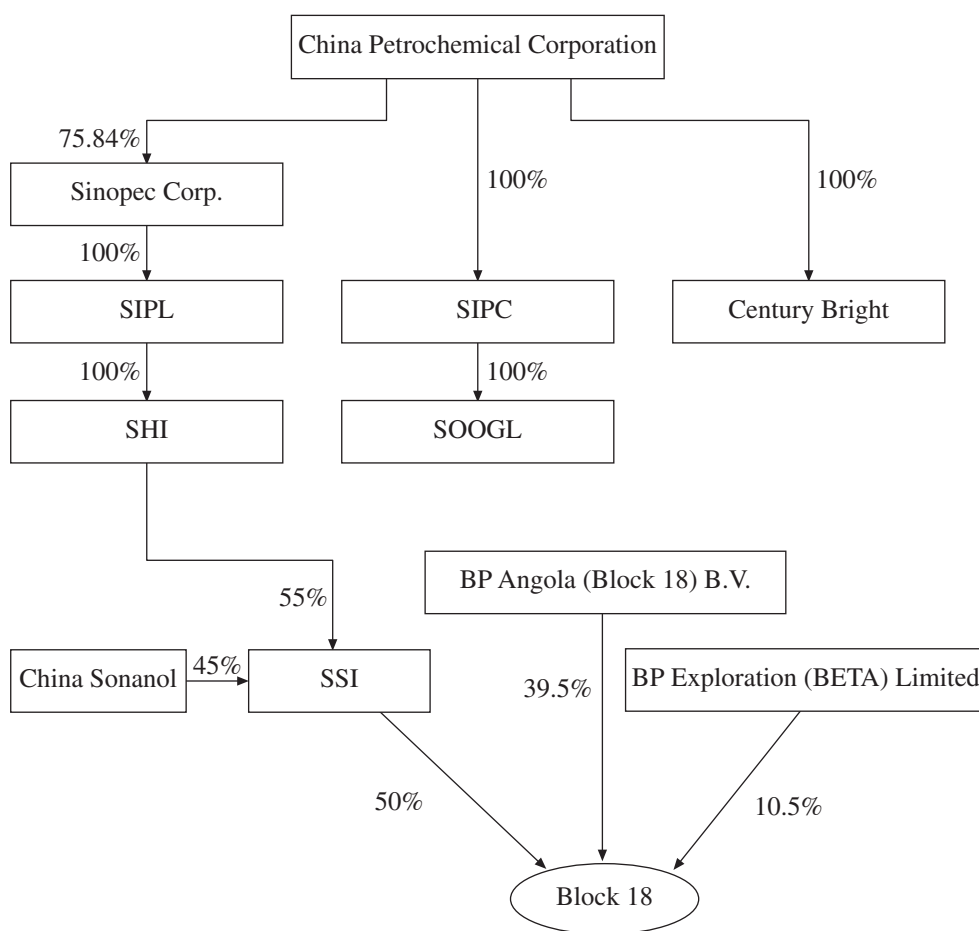
III. INFORMATION ON THE PARTIES TO THE CONNECTED TRANSACTIONS AND THEIR RELATIONSHIP

(I) Corporate Structure and Transaction Structure

As at the date of the announcement, the relationship of the parties in respect of the Transaction and the New Connected Transactions are shown in the following chart:



Upon completion of the Transaction, the relationship of the parties is shown in the following chart:



As at the date of the announcement, the transaction amount of the connected transactions between the Company and China Petrochemical Corporation (and its subsidiaries) during the last twelve months, including the Transaction and the New Connected Transactions, has exceeded RMB 30 million and 5% of the net assets of the Company. Pursuant to the Shanghai Listing Rules, the Transaction and the New Connected Transactions shall be subject to the approval of the Independent Shareholders. Pursuant to the Hong Kong Listing Rules, as certain of the percentage ratios (as defined in the Hong Kong Listing Rules) applicable to the Transaction are above 5%, the Transaction shall be subject to the reporting, announcement and the Independent Shareholders' approval, and constitutes a discloseable transaction under Chapter 14 of the Hong Kong Listing Rules.

(II) Information of the Parties to the Connected Transaction

As at the date of the announcement, the connected parties, as involved in the charts hereinabove, are as follows:

1. *Sinopec Corp.*

Name: China Petroleum & Chemical Corporation

Registered Address: 22, Chaoyangmen North Street, Chaoyang District, Beijing

Legal representative: Su Shulin

Date of Incorporation: 25 February 2000

Registered Capital: RMB 86,702,439,000

Enterprise Nature: Joint Stock Limited Liability Company (listed)

Business License No.: 100000000032985

The principal operations of Sinopec Corp. and its subsidiaries include: (1) Exploring for, developing, producing and trading of crude oil and natural gas; (2) Processing crude oil into refined oil products, producing refined oil products and trading, transporting, distributing and marketing of refined oil products; and (3) Producing, distributing and trading of chemical products.

Financial Condition: For the year ended 31 December 2009, on the basis of consolidation, the net profit of Sinopec Corp. attributed to its parent company is RMB 61.29 billion; As at 31 December 2009, total assets of Sinopec Corp. is RMB 886.48 billion, in which the net assets of RMB 377.18 billion is attributed to the parent company.

2. *SIPL*

Name: Sinopec International Petroleum Exploration & Production Limited

Registered Address: 10th Floor, Building 4, Jia No. 6 Huixin East Street, Chaoyang District, Beijing

Legal Representative: Zhang Yaocang

Date of Incorporation: 4 November 2009

Registered Capital: RMB 4.5 billion

Enterprise Nature: Limited Liability Company (sole proprietorship of legal person)

Business License No.: 110000012387608

Scope of business: investing in the exploration, development, production, sell, storage and transportation of oil and gas; investing in the production, sell, storage and transportation of oil refinery products and oil and gas (including liquefied natural gas (LNG)) chemicals; import/export of technologies and goods, and import/export brokerage; comprehensive utilization of the mineral resources associated with oil and gas; and economic and trade consultation and technical exchange.

Equity Structure: wholly owned by Sinopec Corp.

3. ***SHI***

The full name of SHI is Sinopec Corporation Hongkong International Limited. It was incorporated on 16 December 2009 and incorporated in Hong Kong. It is wholly-owned by SIPL.

4. ***China Petrochemical Corporation***

Name: China Petrochemical Corporation

Registered Address: 22 Chaoyangmen North Avenue, Chaoyang District,
Beijing

Legal Representative: Su Shulin

Registered Capital: RMB 130,645,104,000

Enterprise Nature: Enterprise owned by the Whole People

Business License No.: 100000000001244

Business scope: Organizing its subsidiaries in the exploration, exploitation, storage and transportation (including pipeline transportation), sales and comprehensive utilization of oil and gas; organizing its subsidiaries in the oil refining; organizing its subsidiaries in the wholesale and retail of product oils; organizing its subsidiaries in the production, sales, storage and transportation of petrochemical products and other chemical products; investing in industries and managing the investments; designing, constructing, building and installing explorations for petrochemical

engineering projects; checking, repairing and maintaining the oil and petrochemical equipments; manufacturing electromechanical equipment; researching, developing, applying and consulting on technologies, information and alternative energy products; and import/export.

Financial Condition: For the year ended 31 December 2008, the net profit of China Petrochemical Corporation is RMB 20.05 billion. As at 31 December 2008, the total asset of China Petrochemical Corporation is RMB 1,044.85 billion, in which the net asset is RMB 481.13 billion.

5. *SIPC*

Name: Sinopec International Petroleum Exploration & Production Corporation

Registered Address: 263 Bei Si Huan Zhong Road, Haidian District, Beijing

Legal Representative: Zhang Yaocang

Date of Incorporation: 20 January 2001

Registered Capital: RMB 24,405,904,000

Enterprise Nature: Limited Liability Company (State-owned Sole Proprietorship)

Business license No.: 100000000034918

Business scope: investing in the exploration, development, production, sales, storage and transportation of oil and gas; investing in the production, sales, storage and transportation of petroleum refining products and chemical products based on oil and gas (including natural gas liquid (NGL)); import/export; comprehensive utilization of mineral resources associated with oil and gas; consultation service on foreign economic trade and technological exchange.

Equity Structure: wholly-owned by China Petrochemical Corporation

Financial Condition: For the year ended 31 December 2008, the net profit of SIPC is RMB -1.86 billion. As at 31 December 2008, the total asset of SIPC is RMB 80.24 billion, in which the net asset is RMB 15.82 billion.

6. **SOOGL**

The full name of SOOGL is Sinopec Overseas Oil & Gas Limited. It was incorporated on 27 January 2004 and incorporated at the Cayman Islands. The business scope is general investment. It is wholly-owned by China Petrochemical Corporation. SOOGL is principally engaged in investment holding.

For the year ended 31 December 2008, the net profit of SOOGL is RMB 1.76 billion. As at 31 December 2008, the total asset of SOOGL is RMB 35.83 billion, in which the net asset is RMB 1.01 billion.

7. **SSI15, SSI17 and SSI18**

The full name of SSI15 is SSI Fifteen Limited. SOOGL holds 50% of the total issued share capital of SSI15.

The full name of SSI17 is SSI Seventeen Limited. SOOGL holds 50% of the total issued share capital of SSI17.

The full name of SSI18 is SSI Eighteen Limited. SOOGL holds 50% of the total issued share capital of SSI18.

8. **New Bright**

The full name of New Bright is New Bright International Development Limited. New Bright holds 35% of the issued share capital of SSI15, SSI17 and SSI18 each.

9. **Sonangol E.P.**

The full name of Sonangol E.P. is Sociedade Nacional de Combustíveis de Angola — Empresa Pública. Sonangol E.P. holds 15% of the issued share capital of SSI15, SSI17 and SSI18 each.

10. **Century Bright**

The full name of Century Bright is Sinopec Century Bright Capital Investment Limited. It was incorporated in March 1995 in Hong Kong. The business scope covers investing, financing and provision of financial consultation services. Century Bright is wholly-owned by China Petrochemical Corporation.

As at the date of the announcement, the Company has not provided any guarantee to the Target Company, nor authorized the Target Company to manage the financial transactions; nor allowed the Target Company to use any of the funds of the Company.

IV. DETAILED INFORMATION OF THE SUBJECT OF THE CONNECTED TRANSACTION

(I) the Target Company

Name: Sonangol Sinopec International Limited

Place of Registration: the Cayman Islands

Date of Incorporation: 15 October 2004

Equity Structure: SSI has 5,000,000 ordinary shares; SOOGL holds 55% of the total issued share capital of SSI, and China Sonangol holds 45% of the total issued share capital of SSI.

Financial Condition: the financial data of SSI for the year ended 31 December 2008 and eleven months ended 30 November 2009 audited by KPMG Huazhen in accordance with the PRC New GAAP are as follows:

Unit: RMB 1,000

	As at 30 November 2009	As at 31 December 2008
Total assets	21,651,724	21,855,520
Total liabilities	16,226,168	18,405,838
Net assets	5,425,556	3,449,682

	Eleven months ended 30 November 2009	The year ended 31 December 2008
Income	9,486,068	16,869,207
Total profit	5,042,374	11,325,892
Net profit	1,980,798	4,862,068

Main business: SSI is principally engaged in exploration, development and production of oil and gas. It owns 50% of participation interest in Block 18 (i.e. SOOGL indirectly owns 27.5% of participation interest in Block 18). The other participation interest owners of Block 18 include BP Angola (Block 18) B.V. which has 39.5% of participation interest and BP Exploration (BETA) Limited which has 10.5% of participation interest.

Reserve Valuation: Ryder Scott prepared and issued the Technical Report on the future oil reserves and incomes from the participation interests that SSI holds in Block 18, on the Valuation Date. In the Technical Report, the proven reserves comply with Rule 4-10, Part 210, Regulation S-X of the Securities and Exchange Commission (SEC) through the accounting series releases; the probable and possible reserves are qualitatively calculated and comply with the petroleum resources management system (SPE-FRMS) which has been jointly passed by the Society of Petroleum Engineers (SPE), the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG) and the Society of Petroleum Evaluation Engineers (SPEE); the oil prices as referenced in the report were valid prices on 30 November 2009. According to the report, by the end of November 2009, the remaining recoverable reserves of the net economic interests of SSI at the east zone (Greater Plutonio) of Block 18 are as follows: the total proved reserves are 102.49 million barrels (mmbbl), in which the proved developed reserves are 79.04 million barrels and the proved undeveloped reserves 23.45 million barrels; and the probable reserves are 67.24 million barrels; the contingent reserves shared by SSI at the west zone of Block 18 are: the 1C contingent resources are 38.31 mmbbl and 2Ci contingent resources are 49.54 mmbbl.

Block 18 is located at deep sea area 150 km from the seacoast, northeast to Luanda, the capital city of Angola which is in the southeast of Africa. The average water depth is 1,500m and the development area is 322.57 sq. km. The operator is BP Angola (Block 18) B. V.

Block 18 is on the furthest south end of the lower Congo Basin, at the slope of the Congo Fan Basin. It comprises mainly structural traps of salt swell or dome. The oil and gas reservoir beds are distributed mainly in the sandstones and carbonate rocks which are situated above or below the salt layer from the Cenozoic Tertiary System and the Cretaceous System. The turbidite rocks in the block are the main reservoirs.

There have been 11 exploratory wells and test wells completed in Block 18, and all of them are successful. Eight oil fields have been discovered, including Platina, Plutonio, Cobalto, Paladio, Cromio, Galio, Chumbo and Cesio. The development area is divided into the east zone and the west zone which are independent from each other. The east zone, that is the Greater Plutonio Development Zone, has six oil fields, including Plutonio, Galio, Cromio, Paladio, Cobalto and Cesio and the oil area is 111.8 sq. km. In the zone, a commercial discovery was announced in April 2002. It has entered into formal production since October 2007. It is now in the production phase. By the end of November 2009, it has had an oil-producing capacity of 240,000 barrels a day and a water-injecting capacity of 375,000 barrels a day. The west zone, that is, the Platina-Chumbo Development Zone, has two oil fields, including Platina and Chumbo and the oil area is 28.7 sq. km. In the west zone, a commercial discovery was announced in December 2005. It is now on the development preparation stage.

(II) The ownership to the Target Shares

According to the representations and warranties made by SOOGL pursuant to the Purchase Agreement, the Target Shares are free from any major disputes on the ownership, any third party interest or other encumbrance on the transfer of the ownership.

(III) The Target Loan

Pursuant to the shareholder loan agreement between SOOGL (as shareholder lender) and SSI (as borrower) signed on 7 August 2006, and the supplementary agreement signed on 12 September 2008, SOOGL has agreed to provide SSI with a maximum available facility in the amount of USD 2.465 billion (equivalent to approximately RMB 16.831 billion), to support the operation of SSI. As of 30 November 2009, SSI had utilized USD 2.326 billion (equivalent to approximately RMB 15.885 billion), and the outstanding balance (with accrued interest) of which amounted to USD 779,119,000 (equivalent to approximately RMB 5,319,824,400). For such loan, the main provisions are as follows:

Interest rate: LIBOR+2% (between the date of the agreement and 15 September 2008); LIBOR+1% (since 16 September 2008);

Repayment date: Such loan shall be repaid within 36 months of equal installments each, including the principal and interest, since 31 October 2008 to 30 September 2011;

Security: None

V. CONSIDERATION AND PRICING POLICY

The terms of the Transaction are fair, reasonable and on normal commercial terms. SHI shall pay USD 2.457 billion (equivalent to approximately RMB 16.776 billion) to SOOGL as the consideration for the Target Shares and the Target Loan. Such consideration includes:

1. The consideration and pricing policy for the Target Shares

The consideration for the Target Shares is made with reference to the reserve data as at 30 November 2009 provided in the Technical Report issued by Ryder Scott. The consideration was negotiated and determined by the parties on the arm's length basis based on the asset quality, growth potential and market condition of SSI and its future synergism with Sinopec Corp. Based on equal and fair negotiation, the parties agreed the consideration for the Target Shares was USD 1.678 billion (equivalent to approximately RMB 11.457 billion).

2. The consideration and pricing policy for the Target Loan

The consideration for the Target Loan was negotiated and determined by the parties on the arm's length basis based on the outstanding balance (with accrued interest) of the Target Loan as at 30 November 2009. Based on equal and fair negotiation, the parties agreed the consideration for the Target Loan was USD 779,119,000 (equivalent to approximately RMB 5,319,824,400).

The Board of the Directors of Sinopec Corp. is of the view that the total consideration for the Transaction and other terms and conditions contained in the agreements are fair and reasonable for Sinopec Corp. and are in the interests of the Shareholders as a whole.

VI. CONNECTED TRANSACTION AGREEMENTS

(I) The Material Terms of the Purchase Agreement

1. Parties: SOOGL as seller, and SHI as purchaser
2. Date: 26 March 2010
3. Purchase Price and Adjustment:

The consideration for the Target Shares is USD1.678 billion (equivalent to approximately RMB 11.457 billion), and the consideration for the Target Loan is USD 779,119,000 (equivalent to approximately RMB 5,319,824,400). The aggregate consideration for the Target Shares and the Target Loan is USD 2.457 billion (equivalent to approximately RMB 16.776 billion).

If at the Completion Date, an aggregate amount of the net assets value (being calculated on the basis of 55%) of the Target Company and the aggregate outstanding principal and interest of the Target Loan between 30 November 2009 and the Date of Completion is increased, SHI shall make a payment to SOOGL of a sum equal to that increase; or if at the Completion Date, an aggregate amount of the net assets value of the Target Company and the aggregate outstanding principal and interest of the Target Loan between 30 November 2009 and the Date of Completion is decreased, SOOGL shall make a payment to SHI of a sum equal to that decrease.

4. Payment and Term:

SHI shall pay SOOGL the consideration at the Completion Date or any later date as agreed by SOOGL. If SOOGL receives any release-of-fund from the bank for any payment under the Purchase Agreement, the above payment obligation of SHI shall be waived.

5. Conditions precedent and Term of Performance:

SHI's obligation to purchase the Target Shares and the Target Loan shall be conditional on the following conditions precedent:

- (a) the passing of the necessary resolution(s) by the Independent Shareholders at a duly convened extraordinary general meeting of Sinopec Corp. to approve, implement and effect the transactions contemplated by the Purchase Agreement and any ancillary matters as may be required under the Shanghai Listing Rules and the Hong Kong Listing Rules;

- (b) the obtaining of all licences, consents, approvals, authorisations, permissions, waivers, orders or exemptions from governmental authorities or other third parties which are necessary in connection with the execution and performance of the Purchase Agreement;
- (c) no governmental action, court order or proceeding having been taken that:
 - (i) prohibits the consummation of the transactions contemplated by the Purchase Agreement; or
 - (ii) adversely affects in any material respect the SHI's rights to exercise full rights of ownership of the Target Shares and the Target Loan under the Purchase Agreement;
- (d) nothing having occurred, and nothing having come to the attention of SHI to indicate that anything has occurred, at any time prior to completion:
 - (i) such that or as a result of which any of SOOGL's warranties is (or would if repeated at that time be) untrue, inaccurate or misleading or breached in any material respect; or
 - (ii) constituting any material breach of any other obligations of any party (other than SHI) to the Purchase Agreement or any of the other related documents;
- (e) there not having occurred, and nothing having come to the attention of SHI to indicate that there may have occurred, any material adverse change in the business or in the financial or trading position or prospects of the Target Company;
- (f) resolutions of the board of directors and/or shareholders of SOOGL, the Target Company and China Petrochemical Corporation having been duly passed to approve (among other things) the sale of the Target Shares and the Target Loan, the Deed of Payment between SOOGL and SHI and the undertaking provided by China Petrochemical Corporation and authorize an individual or individuals to execute the related documents; and

- (g) SOOGL having done or having procured to be done and having provided to SHI in form and substance satisfactory to SHI documents set out in Part 1 of the schedule headed “Pre-Completion Deliveries” in the Purchase Agreement.

SOOGL’s obligation to sell the shares and novate the loan under the Purchase Agreement and the Deed of Novation is conditional on the SHI having done or having procured to be done and having provided to SOOGL documents in form and substance set out in the schedule headed “Pre-Completion Deliveries”.

SOOGL shall use its best endeavours to procure that each of the conditions other than the approval by the Independent Shareholders is satisfied as soon as practicable following execution of the Purchase Agreement and to deliver to SHI documents set out in the schedule headed “Pre-Completion Deliveries” as soon as practicable following execution of the Purchase Agreement.

SHI may, in its sole and absolute discretion, by written notice to waive any of the conditions in whole or in part save for approval by the Independent Shareholders, and approvals from governmental authorities and other third parties.

If the conditions are not duly fulfilled (or waived), or the Purchase Agreement is terminated for any other reasons, all liabilities and obligations of SHI under the Purchase Agreement will lapse and cease to have any effect. Neither the lapsing of those liabilities and obligations nor their ceasing to have effect shall affect the rights of SHI in respect of any antecedent breach by any other party of any obligation under the Purchase Agreement or any of the other agreements and undertakings referred to in the Purchase Agreement.

6. Effective date: The Purchase Agreement will enter into effect upon being duly signed by the parties on 26 March 2010.

7. Completion:

Completion shall take place at the offices of Sinopec Corp. on the tenth Business Day from the date on which all of the conditions have been satisfied or waived by SHI or at such other time and on such other date or at such other location as SOOGL and SHI may agree from time to time. The transfer of the Target Shares shall take place and become effective at the jurisdiction of incorporation of the Target Company.

At completion, SHI shall pay the consideration to SOOGL, and SOOGL and SHI shall deliver the documents agreed in the Purchase Agreement.

8. Governing law

The Purchase Agreement is governed by and shall be construed in accordance with the laws of Hong Kong.

(II) Material terms of the Deed of Novation

1. SHI: (1) undertakes to perform, discharge and observe all obligations and liabilities on the part of SOOGL under the relevant facility agreement; (2) agrees to be bound by all the provisions of the relevant facility agreement by which SOOGL would be bound on and after the effective date; and (3) agrees that the borrower and the guarantor shall be entitled to all rights, powers, interests and benefits under the relevant facility agreement which would subsist on and after the effective date.
2. The borrower and the guarantor unconditionally releases and discharges SOOGL from all obligations and liabilities whatsoever under the relevant facility agreement which fall to be performed, discharged or observed on or after the effective date, and accepts the liability of SHI in respect of the relevant facility agreement in place of SOOGL with effect from the effective date.
3. The borrower and/or the guarantor: (1) undertakes to perform, discharge and observe all obligations and liabilities on the part of the borrow and/or the guarantor under the relevant facility agreement which would fall to be performed, discharged or observed on and after the effective date; (2) agrees to be bound by all the provisions of the relevant facility agreement by which the borrower and/or the guarantor would be bound on and after the effective date; and (3) agrees that SHI shall be entitled to all rights, powers, interests and benefits under the relevant facility agreement which would subsist on and after the effective date.
4. SOOGL unconditionally releases and discharges the borrower and/or the guarantor from all obligations and liabilities whatsoever under the relevant facility agreement which fall to be performed, discharged or observed on or after the effective date.

5. SOOGL shall indemnify in full and hold SHI harmless from all losses which SHI may suffer or incur, in any such case arising out of, based upon or in connection with, whether directly or indirectly, any act or default on the part of SOOGL in relation to the relevant facility agreement prior to the effective date.
6. The novation of the loan shall take effect at the Completion Date specified in the Purchase Agreement, and the effective date shall be the Completion Date. If the completion does not occur on or before 31 December 2010 (or any later date as agreed by SOOGL and SHI), the terms hereinabove under the Deed of Novation shall become invalid.

(III) An analysis of the performance of the obligations in respect of the Transaction by the parties

Factors which may affect SOOGL's performance of its obligations in respect of the Transaction:

1. Pursuant to the relevant joint venture contract and shareholders' agreements, the Transaction shall be subject to the consent of the other shareholders of the Target Company. China Sonangol has signed a written consent on 10 March 2010, stating that it agrees on SHI's acquisitions of the Target Shares and the Target Loan and waives its pre-emptive right to the purchase of the Target Company.
2. Pursuant to the relevant facility agreements and security agreements, the acquisition of the Target Shares shall be subject to the consent from BOC Hong Kong, the facility agent of SSI. For details, see Part (II) "Basic Information of the Connected Transaction - Necessary Approvals and Others."

Except for the stated above, no other factors exist which may affect SOOGL's performance of its obligations in respect of the Transaction.

VII. REASONS FOR THE CONNECTED TRANSACTIONS AND IMPACT OF THE CONNECTED TRANSACTIONS ON SINOPEC CORP.

(I) Reasons for the Transaction and the business and financial impact on Sinopec Corp.

1. To expand the upstream scale and strengthen the upstream capacity

Block 18 is divided into east zone and west zone. The east zone of Block 18 is one of the most large-scaled deep water oil assets in production in West Africa and even in the world, with the highest reserves and production volume standard among the project of similar type. Block 18 is now in stable production phase. After the completion of the Transaction, calculated based on consolidated model, the crude oil reserve scale of the Company will be increased substantially, and the upstream capacity of the Company will be strengthened.

	Proven reserve ¹ (mmbbl)	Oil production ² (1,000 barrel/Day)
The Company	2,820.00	825.07
SSI	102.49	72.52
Consolidated data	2,922.49	897.59
Increase (%)	3.63%	8.79%

Note :

1. The proven reserve is the data as at 31 December 2009; the proven net interest reserve of SSI is the data as at 30 November 2009
2. The daily oil production of the Company is the yearly average production volume as at 31 December 2009; the daily net interest production of SSI is the yearly average production volume as at 31 December 2009

In addition, as at 30 November 2009, the net interest contingent reserve attributed to SSI reached 67.24 mmbbl.

Commercial discovery was announced in west zone of Block 18 in December 2005. The West Zone is now in the development preparation phase. It is expected that west zone will potentially add new oil reserves to the Company. As at 30 November 2009, the contingent reserves shared by SSI at the west zone of Block 18 are: the 1C contingent resources are 38.31 mmbbl and 2Ci contingent resources are 49.54 mmbbl.

2. *To build an overseas business platform, enhance the international operation capability and improve the international competitiveness*

Currently, Sinopec Corp. focuses its upstream operation in China. Take the Transaction as opportunity, Sinopec Corp. set up SIPL to be a unified platform of the exploration of overseas business. The assets involved in the Transaction are located in deep water area, Angola, Africa. Angola is one of the member states of OPEC, the deep water area of which is one of the world's most rapidly developing areas in oil and gas reserves and production volume. Through the Transaction, Sinopec Corp. enters one of the world's most promising oil and gas basins in exploration and production, which further establishes the solid basis of building a global asset portfolio with high quality. Through this overseas asset acquisition, Sinopec Corp. not only obtains a large-scaled overseas oil and gas asset, but also attains and absorbs relevant experiences in human resource, management system and business operation in overseas upstream operations. The international management standard and international competitive advantage of Sinopec Corp. will be further strengthened.

3. *To improve the profitability and long-term investment value for the shareholders*

The Transaction will help improve the financial performance of Sinopec Corp. and maximize the long-term investment value for the shareholders. The highest daily production capacity of east zone of Block 18 reaches 240,000 barrels (mmbbl), and it is now in stable production phase. Despite the impact of production restrictions of OPEC, the annually average production volume per day of Block 18 reaches 159,100 barrels in 2009. The net profit of SSI for the eleven months ended 30 November 2009 amounted to RMB 1.981 billion, and the net profit ratio reached 20.9%. The Transaction plays a positive role in increasing the revenue, net profit ratio standard and cash revenue of Sinopec Corp.

4. *To reduce continuing connected transactions in respect of production and operation*

The implementation of the Transaction will reduce the continuing connected transactions under the mutual supply agreements between Sinopec Corp. and China Petrochemical Corporation. For details, see para (II) of this chapter "Impact on the Independency of Sinopec Corp. — Impact on the Connected Transactions of Sinopec Corp."

(II) Impact on the Independency of Sinopec Corp.

1. *Impact on the Connected Transactions of Sinopec Corp.*

The Transaction will reduce the transaction amount of the continuing connected transactions between the Company and China Petrochemical Corporation (and its subsidiaries) under the mutual supply agreement (“Mutual Supply Agreement”). Prior to the completion of the Transaction, pursuant to the Mutual Supply Agreement executed between Sinopec Corp. and China Petrochemical Corporation in June 2000 and its supplementary agreements, Sinopec Corp. has purchased crude oil from SSI on an on-going basis. The relevant connected transactions amounted to USD 340 million (equivalent to approximately RMB 2,319 million), USD 2,429 million (equivalent to approximately RMB 16,585 million) and USD 1,606 million (equivalent to approximately RMB 10,968 million) in 2007, 2008 and 2009 respectively. After the completion of the Transaction, Sinopec Corp. will continue with the aforesaid transactions, and the relevant transaction amount is primarily expected to reach USD 2,044 million (equivalent to approximately RMB 13,956 million), USD 2,190 million (equivalent to approximately RMB 14,953 million) and USD 2,190 million (equivalent to approximately RMB 14,953 million) in 2010, 2011 and 2012 respectively. After the completion of the Transaction, according to the Shanghai Listing Rules and the Hong Kong Listing Rules, the Target Company will be controlled by Sinopec Corp. and consolidated into the financial statements of Sinopec Corp. The aforesaid continuing transactions will no longer constitute continuing connected transactions between the Company and China Petrochemical Corporation (and its subsidiaries).

Prior to the Transaction, a number of loans and guarantees existed between SSI and the subsidiaries of China Petrochemical Corporation. In order to protect Sinopec Corp. from potential loss, SOOGL and SHI entered into a Payment Deed, pursuant to which: (1) if SSI makes any payment under or in connection with its obligations of guarantee or cash flow charge, SOOGL shall immediately pay to SHI an amount equal to 55% of the aggregate amount so paid; (2) if SSI makes any payment under or in connection with its obligation of providing loan to SSI15, SSI17 and SSI18, SOOGL shall immediately pay to SHI an amount equal to 55% of the aggregate amount so paid; under the above basis, if SSI receives any funds from SSI15, SSI17 and SSI18 in repayment or prepayment of the above amounts that SSI paid, SHI shall immediately pay to SOOGL an amount equal to 55% of the aggregate funds so received from SSI15, SSI17 and SSI18; and (3) except otherwise required by law, all payments by SOOGL to SHI shall be made without any tax deduction. If any tax must be deducted, SOOGL shall pay and compensate SHI such additional amounts equal to the amount being

deducted. The New Connected Transactions include (1) Century Bright, as one of the lenders in the syndication, provides SSI with a loan of not more than USD 650 million (equivalent to approximately RMB 4,438 million), for which SSI provides charge over cash flow and assigned contractual right as security. As at 30 November 2009, the outstanding balance (with accrued interest) of such loan amounted to USD 383,051,700 (equivalent to approximately RMB 2,615,477,200); (2) SSI provides SOOGL with a guarantee and/or a charge over cash flow, as a security for the loan provided by SOOGL to SSI15, SSI17 and SSI18, without any principal amount limited. As of 30 November 2009, the outstanding balance (with accrued interest) of the loan provided by SOOGL to SSI15, SSI17 and SSI18 amounted to USD 22.6857 million (equivalent to approximately RMB 154,898,100); SSI provides SOOGL with a charge over its cash flow as a security for the loan provided by SOOGL to New Bright and Sonangol E.P., the principal amount being USD 933,286,400 (equivalent to approximately RMB 6,372,479,500). As of 30 November 2010, the outstanding balance (with accrued interest) of the loan provides by SOOGL to New Bright and Sonangol E.P. amounted to USD 938,903,400 (equivalent to approximately RMB 6,410,832,200); and (3) SSI provides SSI15, SSI17 and SSI18 with a loan, without any principal amount limit; As at 30 November 2009, the outstanding balance (with accrued interest) of such loan amounted to USD 0. After the completion of the Transaction, SSI will be controlled by Sinopec Corp. According to the Shanghai Listing Rules and the Hong Kong Listing Rules, the subsidiaries of China Petrochemical Corporation will become connected persons of SSI, and the aforesaid loans and guarantees will constitute new continuing connected transactions between Sinopec Corp. and China Petrochemical Corporation as a result of the Transaction. Pursuant to Rule 14A.41 of the Hong Kong Listing Rules, the New Connected Transactions shall comply with reporting and announcement requirements. Pursuant to the Shanghai Listing Rules, the New Connected Transactions shall comply with the requirements of reporting, announcement and approval by the Independent Shareholders. For details, see Part (II) “ Basic Information of the Connected Transaction - New Connected Transactions”.

2. Impact on the Non-Competition

Pursuant to the Non-competition Agreement executed by China Petrochemical Corporation and Sinopec Corp. in June 2000, China Petrochemical Corporation undertakes that without the prior written consent from Sinopec Corp., China Petrochemical Corporation, either individually or jointly with any other person or company or as an agent of any other person or company, will not develop, operate or assist in operating, or participate in or engage itself in the main businesses of Sinopec Corp., unless in accordance with the following terms and

conditions: China Petrochemical Corporation irrevocably provides Sinopec Corp. with an option to purchase any business of China Petrochemical Corporation in accordance with the Non-competition Agreement or any other new businesses, projects, products or technologies that China Petrochemical Corporation develops, invests or authorizes to develop or operate outside restrictions of the Non-competition Agreement, which competes with the main businesses of Sinopec Corp. Sinopec Corp. may exercise its option to purchase such new business within (5) years after China Petrochemical Corporation developed, invested or authorized to develop or operate.

Prior to the Transaction, overseas oil and gas has been explored, developed and produced by China Petrochemical Corporation, and Sinopec Corp. has not engaged in such operations. Now, in accordance with the Non-competition Agreement, Sinopec Corp. acquires such overseas business of China Petrochemical Corporation, which, in the long run, will help reduce the competition between the Company and China Petrochemical Corporation (and its subsidiaries).

VIII. OPINIONS OF THE INDEPENDENT DIRECTORS

Mr. Liu Zhongli, Mr. Ye Qing, Mr. Li Deshui, Mr. Xie Zhongyu and Mr. Chen Xiaojin, being the independent non-executive Directors of Sinopec Corp., issued their independent views in respect of the Transaction and the New Connected Transactions. The independent non-executive Directors are of the view that the Transaction and the New Connected Transaction were conducted on normal commercial terms in the ordinary course of business of Sinopec Corp. through fair and equitable negotiations. The considerations for the Transaction is fair and reasonable for Sinopec Corp. and its Shareholders as a whole. Mr. Su Shulin, Mr. Zhang Yaocang, Mr. Cao Yaofeng, Mr. Li Chunguang and Mr. Liu Yun, being the connected directors have abstained from voting for the relevant connected transactions at the Board meeting at which relevant connected transactions were considered and approved. The voting procedures comply with the provisions of the applicable domestic and overseas laws and regulations, the regulatory documents and the articles of associations of Sinopec Corp.

XI. DETAILS OF HISTORICAL CONNECTED TRANSACTIONS

1. In 2008, Sinopec Corp. acquired certain assets from six legal entities under the controlling shareholder, which is detailed as follows:

(1) Connected persons

(i) Name: Six entities, i.e., Sinopec Shengli Petroleum Administrative Bureau, Sinopec Jiangnan Petroleum Administrative Bureau, Sinopec Zhongyuan Petroleum Exploration Bureau (Zhongyuan Petroleum), Sinopec Henan Petroleum Exploration Bureau, Sinopec Jiangsu Petroleum Exploration Bureau and Sinopec East China Petroleum Bureau.

(ii) Connected relationship with Sinopec Corp.

The above six entities are the legal entities under Sinopec Corp.'s controlling shareholder, China Petrochemical Corporation.

(iii) Connected directors: Su Shulin, Zhou Yuan

(2) Details of connected transactions

(i) Type of transaction: Asset acquisition.

Subject of transaction: Including down-hole operation assets and operations of maintenance nature and related liabilities owned by Shengli Petroleum Administrative Bureau, Jiangnan Petroleum Administrative Bureau, Zhongyuan Petroleum Exploration Bureau, Henan Petroleum Exploration Bureau, Jiangsu Petroleum Exploration Bureau and East China Petroleum Bureau.

(iii) Amount: The consideration is RMB 1,564.48 million (about HKD 1,670.71 million).

(iv) Transaction date: 30 June 2008.

(v) Fulfilment of transaction: completed.

(vi) Effects on financial position and operating results of Sinopec Corp.: The target assets acquired are closely associated with the daily production and operation of the oil field of Sinopec Corp., implementation of the acquisition can further meet the demand for down-hole operation of the oil recovery plants under Sinopec Corp., keep daily production steady and in order, reduce the operation number,

improve the operation quality, decrease the operation costs, rationalize the oil field operation management system, enhance the business synergy of oil recovery operation with down-hole operation system, improve the production efficiency, and further reduce connected transactions in production business; in the long run, with timely satisfaction of the demand for down-hole operation of the oil recovery plant, rationalization of oil field operation management system, synergic effect of oil recovery business with down-hole operation system business, gradual integration of domestic product oil price with the international price, earning potential of the target assets acquired will be enhanced, and accretive effect of profits per share of Sinopec Corp. will be gradually developed.

2. In 2009, there were two connected transaction between the Company and the controlling shareholder and its subsidiaries

A. In 2009, Sinopec Corp. acquired certain assets (including property rights, equity interests and assets) from the controlling shareholder and its subordinate entities, and disposed certain assets to the subordinate entities of the controlling shareholder, which is detailed as follows:

(1) Connected persons

(ii) Name: China Petrochemical Corporation, Asset Management Company, Sinopec Sales & Industrial Co., Ltd., Shengli Oil Field Shengli Petroleum & Chemical Construction Corporation.

(ii) Connected relationship with Sinopec Corp.:

China Petrochemical Corporation is the controlling shareholder of this Company.

Asset Management Company is the wholly-owned subsidiary of

China Petrochemical Corporation, which is the controlling shareholder of Sinopec Corp..

Sinopec Sales & Industrial Co., Ltd. is the wholly-owned subsidiary of Asset Management Company.

Shengli Oil Field Shengli Petroleum & Chemical Construction Corporation is the holding subsidiary of Shengli Petroleum Administrative Bureau which is a legal entity under China Petrochemical Corporation.

(iii) Connected directors: Su Shulin, Zhou Yuan.

(2) Details of connected transactions

(i) Type of transaction: Acquisition of property rights of the eight oil product pipeline project divisions, equity interests in two companies, submarine pipeline and cable testing and maintenance devices and partial assets of Shijiazhuang Branch Company; sale of fertilizer devices of Jinling Branch of the Company.

(ii) Subject of transaction:

Subject of acquisition: Property rights of the eight oil product pipeline project divisions owned by Sinopec Sales & Industrial Co., Ltd., 100% state-owned equity interests held by China Petrochemical Corporation in Qingdao Petrochemical Co., Ltd., 41.99% state-owned equity interests held by Asset Management Company in Shijiazhuang Chemical Fiber Co., Ltd., submarine pipeline and cable testing and maintenance devices owned by Shengli Oil Field Shengli Petroleum & Chemical Construction Corporation and partial assets of Shijiazhuang Branch Company. Assets mainly include transportation and storage assets in relation to oil refining (including oil products, loading/unloading oil, grouping stations, oil pipeline, etc.), certain electric instruments, fire control, environment supervision devices, one water source, congruence, 4-n-Octylphenol, roads and paths in the plant area, warehouse, etc.; office buildings and related office equipment; construction in process; 45 pieces of related land; telecommunication station equipment; security office equipment; employee training center equipment; newspaper office equipment.

Subject of sales: Fertilizer devices of Jinling Branch Company of the Company, mainly including four parts, i.e., integrated fertilizer workshop, purification and chemical combination work area, finished product work area and urea work area.

(iii) Amount of transaction:

The consideration for acquisition: RMB 1,839.38 million (about HKD 2,078.50 million).

The consideration for disposal: RMB 157.47 million (about HKD 177.94 million).

(iv) Transaction date: 31 March 2009.

(v) Fulfilment of transaction: completed.

(vi) Effects on financial position and operating results of Sinopec Corp.:
Through the transaction, Sinopec Corp. further expands operation scale and enhances core business competitiveness. The oil product pipelines acquired under this transaction are the most essential and competitive in the entire marketing mechanism of oil products, and are of vital significance to the competitiveness of Sinopec Corp.'s service stations located in the middle and eastern regions of China with the most rigorously developing economies, and to perfection of industry chain. The acquisition of Qingdao Petrochemical is critical to the consolidation and enhancement of Sinopec Corp's competitiveness at Bo Hai Gulf, and to the optimization of industrial structuring. Qingdao Petrochemical's earning potential can be further developed after the acquisition accompanying the pricing reform of oil products. The acquisition of other equity interests and assets is a critical step in our business strategies, which are important to the elevation of the overall strength of the Company and its ability to respond to the development cycles of the industry.

B. In August, 2009, Sinopec Corp. acquired certain assets (including property rights, equity interests and assets) from China Petrochemical Corporation, which is detailed as follows:

(1) Connected persons

(iii) Name: China Petrochemical Corporation, Asset Management Company.

(ii) Connected relationship with Sinopec Corp.:

China Petrochemical Corporation is the controlling shareholder of this Company.

Asset Management Company is the wholly-owned subsidiary of China Petrochemical Corporation, which is the controlling shareholder of Sinopec Corp.

(iii) Connected directors: Su Shulin, Zhang Yaocang, Cao Yaofeng, Li Chunguang and Liu Yun

(2) Details of connected transactions

(i) Type of transaction:

Acquisition of assets of six scientific research institutes and equity interests of five companies under Asset Management Company

(ii) Subject of transaction:

Subject of acquisition: all of the assets Asset Management Company holds in Petroleum Exploration & Production Research Institute of Sinopec

Asset Management Company, Research Institute of Petroleum Processing of Sinopec Asset

Management Company, Beijing Chemical Institute, Shanghai Research Institute of Petrochemical Technology, Fushun Petrochemical Institute and Qingdao Safety Research Institute, and 100% equity interests Asset Management Company holds in Xingpu Company, Beijing Petrochemical Design Institute of Beijing Chemical Institute, Qingdao Sinosun Certification Center, Fushun Huanke Company and Material Equipment Company.

(iii) Amount of transaction:

The consideration for acquisition: RMB 3,945,809,300 (approximately HKD 4,477,309,800).

(iv) Transaction date: 31 August 2009.

(v) Fulfilment of transaction: completed.

(vi) Effects on financial position and operating results of Sinopec Corp.:

Six scientific research institutes in the subjects of the Acquisition, corresponding to six scientific research institutes of Sinopec Corp., undertake the function of business support, and meanwhile have powerful scientific research strength.

Function of business support is concentrated on scientific research pilot test, logistic support, and personnel trainings, etc.; scientific research ability of six institutes and their national accredited qualifications are indispensable to the scientific research system of Sinopec Corp.

Material Equipment Company in the subjects of the Acquisition was originally integrated with the material equipment business of Sinopec Corp. After completion of the Acquisition, material equipment supply system of Sinopec Corp. will be perfected, and the existing material equipment supply system of Sinopec Corp. will be further improved, in materials storage and reserves, particularly. Simultaneously, the existing business system of Material Equipment Company to be acquired also perfects and prolongs the supply chain of Sinopec Corp., and enhances the materials safeguarding ability of Sinopec Corp.

(III) Regular Continuing Connected Transactions

The continuing connected transactions in the daily course of business between the Company and China Petrochemical Corporation and its subsidiaries for the years ended 31 December 2008 and 31 December 2009, as audited by KPMG Huazhen (according to the auditors' report KPMG-AH(2010)AR No.0005), are as follows:

Unit: million RMB

Items	The Company		Sinopec Corp.	
	2009	2008	2009	2008
(i) Sales of goods	162,671	186,381	72,924	95,732
(ii) Purchases	75,521	56,516	44,665	35,951
(iii) Transportation and storage	1,251	1,206	1,115	1,047
(iv) Exploration and development services	31,343	33,034	29,936	31,462
(v) Production related services	17,603	14,133	16,036	12,703
(vi) Ancillary and social services	3,329	1,611	3,254	1,592
(vii) Operating lease charges	4,866	4,897	4,703	4,698
(viii) Agency commission income	45	78	6	—
(ix) Interest received	38	19	20	109
(x) Interest paid	1,045	1,725	657	937
(xi) Net deposits (placed with)/withdrawn from related parties	(4,640)	(353)	(2,274)	83
(xii) Net loans (repaid to)/obtained from related parties	(19,657)	10,754	(12,195)	(2,544)

Notes:

- (i) Sales of goods represent the sale of crude oil, intermediate petrochemical products, petroleum products and ancillary materials.
- (ii) Purchases represent the purchase of material and utility supplies directly related to the Company's operations such as the procurement of raw and ancillary materials and related services, supply of water, electricity and gas.
- (iii) Transportation and storage represent the cost for the use of railway, road and marine transportation services, pipelines, loading, unloading and storage facilities.
- (iv) Exploration and development services comprise direct costs incurred in the exploration and development of crude oil such as geophysical, drilling, well testing and well measurement services.
- (v) Production related services represent ancillary services rendered in relation to the Company's operations such as equipment repair and general maintenance, insurance premium, technical research, communications, fire fighting, security, product quality testing and analysis, information technology, design and engineering, construction which includes the construction of oilfield ground facilities, refineries and chemical plants, manufacture of replacement parts and machinery, installation, project management and environmental protection.
- (vi) Ancillary and social services represent expenditures for social welfare and support services such as educational facilities, media communication services, sanitation, accommodation, canteens, property maintenance and management services.
- (vii) Operating lease charges represent the rental paid to China Petrochemical Corporation for operating leases in respect of land, buildings and equipment.
- (viii) Agency commission income represents commission earned for acting as an agent in respect of sales of products and purchase of materials for certain entities owned by China Petrochemical Corporation.
- (ix) Interest received represents interest received from deposits placed with Sinopec Finance Company Limited and Sinopec Century Bright Capital Investment Limited, finance companies controlled by China Petrochemical Corporation. The applicable interest rate is determined in accordance with the market interest rate.
- (x) Interest paid represents interest charges on the loans and advances obtained from China Petrochemical Corporation and Sinopec Finance Company Limited.
- (xi) Deposits placed with/ withdraw from related parties represent net deposits placed with/ withdraw from Sinopec Finance Company Limited and Sinopec Century Bright Capital Investment Limited.

- (xii) The Group obtained or repaid loans from or to China Petrochemical Corporation and fellow subsidiaries. The calculated periodic balance of average loan for year ended 31 December 2009, which is based on monthly average balances, was RMB 51,934 million (2008: RMB 60,121 million).

X. OPINIONS OF INDEPENDENT FINANCIAL ADVISOR

Sinopec Corp. has engaged ING Bank N.V. as the Independent Financial Advisor to the Transaction and advise the Independent Board Committee and the Independent Shareholders on the fairness of the consideration of the Transaction. Sinopec Corp. will include the opinions of the Independent Financial Advisor in the circular to the holders of H shares, and will also disclose such circular including such opinions of the Independent Financial Advisor on the website of SSE. The holders of A shares shall pay attention to the announcements on the website.

XI. CHECKLIST OF DOCUMENTS FOR INSPECTION

1. Resolutions of the 5th Meeting of the 4th Session of the Board
2. Opinions of the independent Directors
3. Resolutions of the 4th Meeting of the 4th Session of the Board of Supervisors
4. Purchase Agreement
5. Deed of Novation
6. Payment Deed
7. Undertaking issued by China Petrochemical Corporation to Sinopec Corp.
8. Financial statements for SSI
9. Independent Valuation Reports
10. Technical Report
11. Letter of Independent Financial Advisor

XII DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following expressions have the meaning set out below:

“1C”	low estimate scenario of contingent resources
“2Ci”	best estimate scenario of contingent resources or volumes incremental to 1C
“associates”	has the meaning ascribed thereto under the Hong Kong Listing Rules
“BOC Cayman”	Bank of China Limited, Grand Cayman Branch
“BOC Hong Kong”	Bank of China (Hong Kong) Limited
“Block 18”	the crude oil block numbered 18 at the Lower Congo Basin on the seacoast of Angola, 50% participation interest of which is held by SSI
“Board”	the board of Directors of Sinopec Corp.
“Business Day”	any day (excluding Saturdays and Sundays) on which banks generally open for business in Hong Kong and the PRC
“Century Bright”	Sinopec Century Bright Capital Investment Limited, a company which is incorporated in Hong Kong
“China Petrochemical Corporation”	China Petrochemical Corporation, being the controlling shareholder of Sinopec Corp.
“China Sonangol”	China Sonangol International Holding Limited, a company which is incorporated in Hong Kong
“Company”	Sinopec Corp. and its subsidiaries
“Completion Date”	the completion date agreed in the Purchase Agreement, which is the fifth business day from the date on which all of the conditions precedent in respect of the Transaction have been satisfied or waived
“Deed of Novation”	the Deed of Novation concerning the Target Loan executed between SHI, SOOGL and SSI on 26 March 2010

“Directors”	the directors of Sinopec Corp.
“Hong Kong”	the Hong Kong Special Administrative Region
“Hong Kong Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Independent Board Committee”	an independent board committee of the Board comprising all the independent non-executive Directors, namely Liu Zhongli, Ye Qing, Li Deshui, Xie Zhongyu, Chen Xiaojin
“Independent Financial Adviser”	ING Bank N.V. a registered institute under the Hong Kong Securities and Future Ordinance, registered to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Connected Transactions
“Independent Shareholders”	Shareholders of Sinopec Corp. other than China Petrochemical Corporation and its associates
“Independent Valuation Reports”	the reports that China Enterprise Appraisals Co., Ltd. issues with November 30 2009 as the Valuation Date, in accordance with the relevant requirements for valuation of state-owned assets, including <i>the Asset Valuation Report on the Proposed Transfer of the SSI Equity from SOOGL to SHI (ZQHPBZ [2010] No. 82-1)</i> and <i>the Asset Valuation Report on the Proposed Transfer of Part of the Loan from SOOGL to SHI (ZQHPBZ [2010] No. 82-2)</i>
“Loan Acquisition”	an acquisition by SHI of the Target Loan
“KPMG Huazhen”	KPMG Huazhen Certified Public Accountants
“MOFCOM”	the Ministry of Commerce of the PRC
“NDRC”	the National Development and Reform Commission of the PRC
“New Bright”	New Bright International Development Limited, a company which is incorporation in Hong Kong

“New Connected Transactions”	the new connected transactions which arise between SSI and the subsidiaries of China Petrochemical Corporation after the completion of the Transaction, including: (1) the loan provided by Century Bright as one of the lenders in the syndication to SSI with the principal amount not more than USD 650 million with charge over cash flow and contractual right assignment provided by SSI to Century Bright; (2) the guarantee and cash flow charge provided by SSI to SOOGL as a security for the loan provided by SOOGL to SSI15, SSI17 and SSI18 with the principal uncapped; simultaneously, the cash flow charge provided by SSI as a security for the loan provided by SOOGL to New Bright and Sonangol E.P.; and (3) the loan provided by SSI to SSI15, SSI17 and SSI18 without any principal amount limit. The Payment Deed was executed between SHI and SOOGL for the loans and guarantees provided by SSI as described under items (2) and (3) above.
“Ryder Scott”	Ryder Scott Company, L.P., an oil reserve valuation company
“Payment Deed”	the Payment Deed executed by SHI and SOOGL on 26 March 2010
“PRC”	the People’s Republic of China
“Purchase Agreement”	the sale and purchase agreement in respect of the Share Acquisition and the Loan Acquisition entered into between SHI and SOOGL on 26 March 2010
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“SEHK”	The Stock Exchange of Hong Kong Limited
“Share Acquisition”	an acquisition by SHI of the Target Shares
“SHI”	Sinopec Corporation Hongkong International Limited, a company which is incorporated in Hong Kong
“Shanghai Listing Rules”	the Listing Rules of Shanghai Stock Exchange

“Shareholder(s)”	the registered holder(s) of Sinopec Corp.
“Sinopec Corp.”	China Petroleum & Chemical Corporation, a joint stock limited company incorporated in the PRC with limited liability
“SIPC”	Sinopec International Petroleum Exploration & Production Corporation, a company which is established in Beijing
“SIPL”	Sinopec International Petroleum Exploration & Production Limited, which is registered in Beijing
“SOOGL”	Sinopec Overseas Oil & Gas Limited, a company which is incorporated in the Cayman Islands
“SSE”	Shanghai Stock Exchange
“SSI”	Sonangol Sinopec International Limited, a company which is incorporated in the Cayman Islands
“SSI15”	SSI Fifteen Limited
“SSI17”	SSI Seventeen Limited
“SSI18”	SSI Eighteen Limited
“Sonangol E.P.”	Sociedade Nacional de Combustíveis de Angola — Empresa Pública
“Target Company”	SSI
“Target Loan”	the shareholder’s loan provided by SOOGL to SSI with a cap of USD 2.465 billion (equivalent to approximately RMB 16.831 billion). As of 30 November 2009, SSI had utilized USD 2.326 billion (equivalent to approximately RMB 15.885 billion), and the outstanding principal balance (with accrued interest) of which amounted to USD 779,119,900 (equivalent to approximately RMB 5,319,824,400)
“Target Shares”	55% of the total issued share capital of the Target Company

“Technical Report”	<i>the Report on the Estimation of Future Reserves and Incomes Related to the Interests that SSI Holds in Angolan Block 18</i> prepared by Ryder Scott with the Valuation Date
“Transaction”	an acquisition by SHI of the Target Shares and the Target Loan
“USD”	United States Dollars, the lawful currency of the United States of America
“Valuation Date”	30 November 2009

In this announcement, the data audited by KPMG Huazhen are extracted from financial statements issued by it, the other numbers involving the translation of USD amounts into RMB has been made at the rate of USD100 to RMB682.8, and the final numbers are rounded up. The data in the relevant agreements for inspection, financial statements and the Independent Valuation Reports shall prevail.

By Order of the Board
China Petroleum & Chemical Corporation
Chen Ge
Secretary to the Board of Directors

Beijing, PRC, 26 March 2009

As at the date of this announcement, the non-executive directors are Messrs. Su Shulin, Zhang Yaocang, Cao Yaofeng, Li Chunguang and Liu Yun; the executive directors of Sinopec Corp. are Messrs. Wang Tianpu, Zhang Jianhua, Wang Zhigang, Cai Xiyou, Dai Houliang; the independent non-executive directors are Messrs. Liu Zhongli, Ye Qing, Li Deshui, Xie Zhongyu, Chen Xiaojin.