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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)

**Announcement regarding the increased shareholdings in Sinopec Corp.
by the controlling shareholder**

This announcement is made pursuant to Rules 13.09(1) and 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

On 9 January 2012, China Petroleum & Chemical Corporation (“**Sinopec Corp.**”) received a notification from its controlling shareholder, China Petrochemical Corporation, that China Petrochemical Corporation had increased its shareholdings in A Shares and H Shares of Sinopec Corp. (the “**Shareholding Increase**”) through the trading system at the Shanghai Stock Exchange and the secondary market in Hong Kong, respectively. Details of the Shareholding Increase are as follow:

I. Shareholding Increase

Up to 9 January 2012, China Petrochemical Corporation had increased its shareholding in A Shares of Sinopec Corp. by acquiring 39,083,199 A Shares through the trading system at the Shanghai Stock Exchange, and in H Shares of Sinopec Corp. through acquiring 425,500,000 H Shares by Sinopec Century Bright Capital Investment Limited, a wholly owned subsidiary of China Petrochemical Corporation, through the secondary market in Hong Kong. Immediately before the Shareholding Increase, China Petrochemical Corporation held 65,758,044,493 shares of Sinopec Corp., representing approximately 75.84% of the total issued share capital of Sinopec Corp. Immediately after the Shareholding Increase, China Petrochemical Corporation, directly and indirectly, holds 66,222,627,692 shares of Sinopec Corp., representing approximately 76.38% of the total issued share capital of Sinopec Corp.

II. Subsequent Increase Proposal

China Petrochemical Corporation proposes to continue to increase its shareholdings in Sinopec Corp. through acquisitions at the secondary market in its own name or through other concerted party(ies) within the following twelve months (starting from 9 January 2012). The aggregate of such acquisition(s) will not exceed 2% (inclusive of the shares acquired this time) of the issued share capital of Sinopec Corp.. Sinopec Corp. will continue to oversee the increase of shareholding in Sinopec Corp. by its controlling shareholder, and comply with the disclosure obligations under relevant rules and regulations.

By Order of the Board

Chen Ge

Secretary to the Board of Directors

Beijing, PRC, 9 January 2012

As of the date of this announcement, directors of Sinopec Corp. are: Fu Chengyu, Wang Tianpu#, Zhang Yaocang*, Zhang Jianhua#, Wang Zhigang#, Cai Xiyu#, Cao Yaofeng*, Li Chunguang*, Dai Houliang#, Liu Yun*, Li Deshui+, Xie Zhongyu+, Chen Xiaojin+, Ma Weihua+ and Wu Xiaogen+.*

Executive Director

** Non-executive Director*

+ Independent Non-executive Director