



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 on Receiving an One-off Compensation

China Petroleum & Chemical Corporation and its subsidiaries have received an one-off compensation of RMB 5 billion

Since the beginning of 2006, international crude oil prices had been continuously climbing and repeatedly broken historical records. Although prices have eased recently, they remain to stand at a high level. Due to the strict control over refined oil prices in the PRC, this created a distortion to the correlation of the refined oil prices and crude oil prices. This resulted in serious losses of many oil & refinery enterprises. Recently, China Petroleum & Chemical Corporation and its subsidiaries (the "Company") have obtained an one-off compensation of RMB 5 billion, which will be calculated in the total profits (before tax) of the Company in 2006 and corporate income tax will be levied according to the relevant stipulations.

This announcement is issued pursuant to Rule 13.09 of the Hong Kong Listing Rules and the Listing Rules of Shanghai Stock Exchange.

For and on behalf of the Board of Directors
China Petroleum & Chemical Corporation
Chen Ge

Secretary to the Board of Directors

Beijing, PRC, 26 December 2006

As at the date of this Announcement, the directors of Sinopec Corp are Messrs. Chen Tonghai, Zhou Yuan*, Wang Tianpu#, Zhang Jianhua#, Wang Zhigang#, Dai Houliang#, Fan Yifei*, Yao Zhongmin*, Shi Wanpeng+, Liu Zhongli+ and Li Deshui+.*

Executive Directors
* *Non-executive Directors*
+ *Independent Non-executive Directors*