



Sinopec Corp. Announces 1Q 2009 Results

Beijing, People's Republic of China (PRC) — 28 April 2009 — China Petroleum & Chemical Corporation ("Sinopec Corp." or "the Company") (CH: 600028; HKEX: 386; NYSE: SNP; LSE: SNP) today announced its unaudited results for the first quarter of the year which ended on 31 March 2009.

In accordance with the PRC Accounting Standards for Business Enterprises ("ASBE"), the Company's operating income decreased by 31.2% year on year to RMB 228,585 million in the first quarter of 2009. Net profit attributed to equity shareholders of the parent company increased by 84.7% year on year to RMB 11,190 million. Earnings per share were RMB 0.129.

In accordance with International Financial Reporting Standards (IFRS), the Company's operating income and other income decreased by 31.2% year on year to RMB 228,585 million in the first quarter of 2009. Net profit for the period attributed to equity shareholders of the Company increased by 85.1% year on year to RMB 11,219 million. Earnings per share were RMB 0.129.

Dai Houliang, senior vice president and chief financial officer of Sinopec said, "In the first quarter 2009, the company achieved profits in all the segments. Under the government's new pricing mechanism for refined oil products and tax reform, we have fully utilized our advantages in production scale, cost control, structurally integrated operation and management, and turned the refining segment into a major profit generator for the company. In addition, the chemical segment has greatly improved its profitability, due to a month by month rise in domestic demand for oil and refined products on the back of the government's economic stimulus plan."

"The company optimized its debt structure and improved its cash flow in the first quarter of 2009. We will continue to respond proactively to the challenges to the macro-economic environment at home and abroad, by refining our operating strategies, enhancing our management, exploiting our potentials and improving efficiency, in an effort to achieve healthy and sustainable development in our business."

Highlights of Results

PRINCIPAL ACCOUNTING DATA AND FINANCIAL INDICATORS PREPARED IN ACCORDANCE WITH THE PRC ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES (“ASBE”)

	At 31 March 2009	At 31 December 2008	Changes from the end of the preceding year (%)
Total assets (RMB millions)	773,578	752,235	2.8
Shareholders' equity attributable to equity shareholders of the Company (RMB millions)	341,536	330,080	3.5
Net assets per share attributable to equity shareholders of the Company (RMB)	3.939	3.807	3.5
	Three-month period ended 31 March 2009	Three-month period ended 31 March 2008	Changes over the same period of the preceding year (%)
Net cash flow from operating activities (RMB millions)	55,655	5,255	959.1
Net cash flow from operating activities per share (RMB)	0.642	0.061	959.1
Net profit attributable to equity shareholders of the Company (RMB millions)	11,190	6,057	84.7
Basic earnings per share (RMB)	0.129	0.07	84.7
Diluted earnings per share (RMB)	0.129	0.043	200.0
Fully diluted return on net assets (%)	3.28	1.89	1.39 percentage points
Fully diluted return (before extraordinary gain and loss) on net assets (%)	3.30	1.87	1.43 percentage points

PRINCIPAL FINANCIAL DATA AND INDICATORS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

	At 31 March 2009	At 31 December 2008	Changes from the end of the preceding year (%)
Total assets (RMB millions)	779,285	767,827	1.5
Total equity attributable to equity shareholders of the Company (RMB millions)	340,154	328,669	3.5
Net assets per share (RMB)	3.923	3.791	3.5
Adjusted net assets per share (RMB)	3.833	3.699	3.6
	Three-month period ended 31 March 2009	Three-month period ended 31 March 2008	Changes over the same period of the preceding year (%)
Net cash generated from operating activities (RMB millions)	53,248	2,663	1,899.5
Profit attributable to the equity shareholders of the Company (RMB millions)	11,219	6,062	85.1
Basic earnings per share (RMB)	0.129	0.070	85.1
Diluted earnings per share (RMB)	0.129	0.043	200.0
Return on net assets (%)	3.30	1.89	1.41 percentage points

Operating results by segments in accordance with IFRS

	Three months ended 31 March (RMB Millions)	
	2009	2008
Operating profit / (loss)		
Exploration and Production	2,756	11,540
Refining	7,328	(20,636)
Marketing and Distribution	3,771	10,762
Chemicals	2,799	1,549
Corporate and Others	(160)	(184)
Total operating profit/(loss)	16,494	3,031

Business Review

During the first quarter of 2009, confronted with the tough economic situation at home and abroad, the Chinese government implemented a proactive fiscal policy, moderately easy monetary policy, and carried out a series of measures to expand domestic demand and facilitate economic growth, especially with reforms in the pricing of refined oil products and with tax reform. The effects of these reforms have been positive for the entire refining sector. This has enabled Sinopec's refining segment to leverage its advantages in production scale, cost control, structurally integrated operations and management, and turned the refining segment into a major profit generator for the company. In the face of such challenges as the slowing demand growth for oil and petrochemical products and intensifying market competition, Sinopec took a number of measures to adapt to the market including optimizing product structure, enlarging gross volume and focusing on production safety. The Company also implemented energy-saving and effluent reduction measures. In these ways the Company has achieved production and operational improvements.

Review of Operating Results by Segments

Exploration & Production (E&P): In the first quarter 2009, the Company enhanced cost control and realised stable growth of crude oil production. It also strengthened geological research, optimized prospecting deployment, and increased input to prospecting, especially geophysical prospecting. Sinopec also strived to enhance recovery rate and single well yield, as well as controlling exploitation and operation costs. The Sichuan-to-East China Gas Project is approaching completion and we expect to connect all lines in June. The capital expenditure in the first quarter for the E&P segment was RMB 7,778 million. Crude oil production in the first quarter increased 0.61% compared with the same period of last year. However, due to the significant drop in price of crude oil, the operating profit of the E&P segment was RMB 2,756 million, a decrease of 76.1% compared with the same period last year.

Refining: The Company optimized its production scheme in accordance with the changes in the refined product market and the chemical raw material market, while making efforts to cut costs, increase efficiency and improve profitability. The capital expenditure for the refining segment was RMB 1,574 million, mainly used in the improvement of the Dongxing refinery auxiliary facilities in Zhanjiang, and construction of a paraffin oil hydrogenation plant in Jinling with a capacity of 2.6 million tonnes per year. Meanwhile, the Company reinforced management of crude oil procurement, improved the efficiency of pipeline operations, reduced the cost of transporting imported crude and adjusted product structure. During the first quarter, the volume of crude oil processed by Sinopec decreased by 3.27%, compared with the corresponding period of last year and increased by 1.21% compared with the previous quarter ending on 31 December 2008. Meanwhile, the output of gasoline increased by 15.32% compared with the corresponding period of last year and increased by 3.25% compared with the previous quarter ending on 31 December 2008. At the end of 2008, the government

implemented a new pricing mechanism for refined oil products, which enabled Sinopec's refining segment to leverage its advantages in production scale, cost control, structurally integrated operations and management. In the first quarter 2009, the operating profit of the refining segment was RMB 7,328 million.

Marketing and Distribution: In the first quarter of 2009, domestic consumption of refined oil products decreased year on year, and the consumption of diesel registered a substantial drop. During the first quarter, the domestic sales volume of refined products declined by 12.42% compared with the corresponding period of last year, and decreased by 6.18% compared with the previous quarter ending on 31 December 2008. However, the Company adapted to the market changes and vigorously explored new market areas. It also improved service and enhanced retail sales. The capital expenditure of the marketing and distribution segment was RMB 987 million, mostly invested in the construction of gas stations and refined oil pipelines in important areas. In total 56 gas stations were added. Under the new pricing mechanism for refined oil products, the government has introduced a market-based ceiling price that takes into account the cost of crude oil and replaces the guidance band for retail fuel prices which was in use before. As a result, the profit margin for the retail sector in China decreased compared with the corresponding period last year. In the first quarter 2009, the operating profit of the Company's marketing and distribution segment was RMB 3,770 million, down substantially year on year.

Chemicals: In the first quarter of 2009, domestic demand for chemical products decreased year on year. However, the Company enhanced its competitiveness and service, and strengthened partnerships with key industries and end users. It made full use of its geographical advantages and the economies of scale arising from centralized sales. The Company also developed flexible marketing strategies to expand market opportunities. The capital expenditure of the chemical segment was RMB 4,641 million, mainly used in the construction of two 1 million tonne per year ethylene projects in Tianjin and Zhenhai. In the first quarter, the production volume of ethylene and synthetic resin declined by 12.22% and 3.30% respectively compared to the corresponding period of last year, while it increased by 3.41% and 4.52% respectively compared with the previous quarter ending on 31 December 2008. With a steady rise in demand for chemical products in the past months, both at home and abroad, the gross profits from the company's chemical products segment grew gradually. The chemical segment achieved an operating profit of RMB 2,800 million, up 80.7% year on year.

Summary of Principal Operating Results for the First Quarter

Operating Data	Unit	Three-month period ended 31st March		Changes (%)
		Year 2009	Year 2008	
Exploration and Production				
Crude oil production	10 thousand tonnes	1039.56	1033.30	0.61
Natural gas production	100 million cubic meters	19.82	20.57	(3.65)
Realised crude oil price	RMB/tonne	1599.01	3943.01	(59.45)
Realised natural gas price	RMB/thousand cubic meters	961.53	916.79	4.88
Refining				
Refinery throughput	10 thousand tonnes	4051.42	4188.53	(3.27)
Gasoline, diesel and kerosene production	10 thousand tonnes	2532.12	2553.52	(0.84)
Of which: Gasoline	10 thousand tonnes	799.18	692.99	15.32
Diesel	10 thousand tonnes	1514.73	1660.86	(8.80)
Kerosene	10 thousand tonnes	218.21	199.67	9.29
Light chemical feedstock	10 thousand tonnes	575.57	629.09	(8.51)
Light yield	%	74.98	74.45	0.53 percentage point
Refining yield	%	93.69	93.81	(0.12) percentage point
Marketing and Distribution				
Total domestic sales of refined oil products	10 thousand tonnes	2642.83	3017.70	(12.42)
Of which: Retail	10 thousand tonnes	1736.70	2027.60	(14.35)
Distribution	10 thousand tonnes	505.30	489.10	3.31
Wholesale	10 thousand tonnes	400.80	501.00	(20.00)
Total number of service stations	Stations	29338	29130	0.71
Of which: Owned and self-operated	Stations	28703	28477	0.79
Franchised	Stations	635	653	(2.76)
Throughput per station of owned and self-operated (Note 1)	Tonne/station	2420	2848	(15.03)
Chemicals (Note 2)				
Ethylene	10 thousand tonnes	148.80	169.51	(12.22)
Synthetic resins	10 thousand tonnes	239.97	248.15	(3.30)
Synthetic rubbers	10 thousand tonnes	19.83	22.62	(12.33)
Monomers and polymers for synthetic fibers	10 thousand tonnes	172.25	199.40	(13.62)
Synthetic fibers	10 thousand tonnes	31.49	35.49	(11.27)
Urea	10 thousand tonnes	36.17	28.27	27.94

Notes 1: Throughput per service station data is an annualised average;

Notes 2: Included 100% output of BASF-YPC and Shanghai Secco.

About Sinopec Corp.

Sinopec Corp. is the first Chinese company that has been listed in Hong Kong, New York, London and Shanghai. The Company is an integrated energy and chemical company with upstream, midstream and downstream operations. The principal operations of Sinopec Corp. and its subsidiaries include: exploring, developing, producing and trading crude oil and natural gas; processing crude oil into refined oil products; producing, trading, transporting, distributing and marketing refined oil products; and producing and distributing chemical products. Based on 2007 turnover, Sinopec Corp. is the largest listed company in China. The Company is one of the largest crude oil and petrochemical companies in China and Asia. It is also one of the largest gasoline, diesel and jet fuel and other major chemical products producers and distributors in China and Asia.

For additional information about Sinopec Corp., please visit the Company's website at www.sinopec.com.

Investor Inquiries:

Beijing

Tel: (8610) 64990060
Fax: (8610) 64990022
Email: ir@sinopec.com.cn

Hong Kong

Tel: (852) 28242638
Fax: (852) 28243669
Email: ir@sinopechk.com

Media Inquiries:

Tel: (8610) 59960028
Fax: (8610) 59960386
Email: media@sinopec.com

Tel: (852) 35125000
Fax: (852) 22599008
Email: sinopec@brunswickgroup.com

Disclaimer

This press release includes "forward-looking statements". All statements, other than statements of historical facts that address activities, events or developments that Sinopec Corp. expects or anticipates will or may occur in the future (including but not limited to projections, targets, reserve volume, other estimates and business plans) are forward-looking statements. Sinopec Corp.'s actual results or developments may differ materially from those indicated by these forward-looking statements as a result of various factors and uncertainties, including but not limited to the price fluctuation, possible changes in actual demand, foreign exchange rate, results of oil exploration, estimates of oil and gas reserves, market shares, competition, environmental risks, possible changes to laws, finance and regulations, conditions of the global economy and financial markets, political risks, possible delay of projects, government approval of projects, cost estimates and other factors beyond Sinopec Corp.'s control. In addition, Sinopec Corp. makes the forward-looking statements referred to herein as of today and undertakes no obligation to update these statements.