



Sinopec Completed Cross-country Natural Gas Transmission Project

Hong Kong - March 29, 2010 – Su Shulin, chairman of China Petroleum and Chemical Corporation (“Sinopec”), announced in Hong Kong today that the project of transmitting natural gas from Sichuan to Eastern China has been completed.

As one of the key projects for the 11th five-year national development program, the project was approved by the state council on April 9, 2007 following a major breakthrough in the exploration of the Puguang gas field. The Sichuan to Eastern China gas transmission project started officially on August 31, 2007, including exploration and development of the Puguang gas field, acidic gas treatment and the transmission pipeline across eight provinces (and cities) to Shanghai. The designed annual purified natural gas transmission capacity is 12 billion cubic meters, with a total investment of RMB62.676 billion yuan.

It is a complicated system engineering project, involving a lot of difficult issues and geological complexities, for instance the gas reserve is highly toxic and pressurized with sensitive and vulnerable environment; and also we were faced with harsh working conditions and huge engineering challenges with limited access to emergency and rescue operations. It is regarded one of the most difficult subjects in the world to develop acidic gas fields with a high content of hydrogen sulfide (H₂S) in massive scale. Over the past two years, Sinopec has overcome complicated subterranean conditions, impact of the earthquake, security risks and knotty technical problems, resolving many difficulties rarely seen in the rest of the world. It is an integral super-large gas field with a high content of hydrogen sulfide. The gas purification plant, the largest of its kind in Asia, has been completed. The trunk line and three feeder lines have also been put into operation, with a planned output target of 4 billion cubic meters purified natural gas this year.

The transmission project has secured solid supply of gas resources. Applying the exploration techniques and theories innovated within Sinopec, the natural gas reserves in Puguang and neighboring areas have been further verified with major breakthroughs in the Yuanba area. New progress has also been made in the shallow strata exploration in the northeastern part of Sichuan and the exploration in the southeastern part of the province. All these have further secured the resource supply. By the end of 2009, Sinopec had verified 451.8 billion cubic meters of natural gas reserves in the northeastern part of Sichuan, with 464.8 billion cubic meters put under well control. The predicted reserves have reached 575.0 billion cubic meters. The total three-tier reserves have come to 1.49 trillion cubic meters. At present, the main part of Puguang gas field has an annual

production capacity of 10.5 billion cubic meters of mixed natural gas, offering a minimum of 20 years stable output based on current projection of reserve.

In the course of this on-going project, 51 items of technologies and safety and environmental protection standards have been developed, forming a complete technological and safety system for the development of high-acidic gas field and offering valuable experience for developing large gas fields of similar kind in China.

Since the start of the project, Sinopec has invested over RMB280 million yuan in the construction of roads, bridges and other infrastructure facilities in the region, which have not only ensured the smooth progress of project execution but also improved the local transport conditions and provided convenience to the local people. Sinopec has also offered aid to brick kiln building plants, woven-bag factories and stone materials processing yards and other labor-intensive industries and helped build hospitals, schools and deep drinking water wells in order to provide job opportunities and improve the living standards for local residents. It has also equipped the localities with fire-fighting equipment, emergency and rescue facilities and devices. All these have given a powerful impetus to the local economic and social development. Besides, with the backing of the Puguang gas field, Dazhou city of Sichuan Province has built a chemical industry park, which has attracted many Chinese and foreign enterprises, including KO YO Ecological Agrotech (GROUP) Limited from Hong Kong. Now the chemical industry park has assumed a considerable scale.

There is no smog and SO₂ emission in natural gas powered energy with a much lower CO₂ emissions vis-a-vis petroleum and coal. The completion of the gas transmission project is of great significance in optimizing China's energy provisioning structure, while it is conducive to the economic and social development in the mid-west and eastern China and the improvement on quality of living for people in regions along the transmission pipeline. The refineries, petrochemical plants and marketing businesses of Sinopec situated along the transmission pipeline are therefore offered with alternative energy and input, which is instrumental to accelerate our corporate transformation into a new development model.

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 2009 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.

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