



Sinopec Corp. Announces 2010 Third Quarter Results

Beijing, People's Republic of China (PRC) — October 28, 2010 — 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 nine months ending September 30, 2010.

Financial Highlights:

- In accordance with the PRC Accounting Standards for Business Enterprises (“ASBE”), the Company’s turnover in the first nine months of 2010 was RMB 1,427.622 billion, up 59.8% over the same period in 2009. Net profit attributed to equity shareholders of the Company was RMB 56.397 billion, representing an increase of 11.6% over the previous year. Basic earnings per share was RMB 0.650, rising by 11.6% year-on-year.
- In accordance with the International Financial Reporting Standards (“IFRS”), the Company’s turnover, other operating revenues and other income amounted to RMB 1,427.622 billion, representing an increase of 59.8%. Net profit attributable to equity shareholders of the Company was RMB 56.445 billion, up by 11.5% compared to the same period last year. Basic earnings per share was RMB 0.651, up by 11.5% year-on-year.
- Capital expenditure for the first three quarters was RMB 55.822 billion.

Business Highlights

- The Exploration and Production Segment recorded an operating profit of RMB 40.838 billion for the first nine months, up 140.7% compared to the same period last year. The Company produced 34.93 million barrels of crude oil and 8.87 billion cubic meters of natural gas representing an increase of 1.9% and 45.0% respectively, over the same period of last year.
- The Refining Segment generated an operating profit of RMB 8.491 billion, representing a decrease of 60.6% from the same period of last year. The refinery throughput of crude recorded a year-on-year increase of 14.4% to 154 million tonnes.
- The Marketing and Distribution Segment recorded an operating profit of RMB 23.306 billion, representing a year-on-year increase of 4.2%. The total domestic sales of refined oil products and the sales through retail channels amounted to 104.35 million tonnes and 64.14 million tonnes, representing a year-on-year increase of 16.5% and 11.2% respectively.
- The Chemicals Segment reported an operating profit of RMB 10.393 billion, a decrease of 27.3% from the

same period of last year. The output of ethylene and synthetic resin reached 6.61 million tonnes and 9.532 million tonnes, up 39.4% and 28.7% respectively.

Mr. Wang Xinhua, Chief Finance Officer of Sinopec Corp. commented: “In the first three quarters of 2010, China’s economy continued to grow rapidly. Domestic demand for oil products and chemical products has grown steadily. The Company has achieved continuous growth and economic gains by seizing the opportunity to further expand, optimizing production operations, exploring growth potential and enhancing efficiency.”

Highlights of Results

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

(Unit: RMB millions)

	At September 30, 2010	At December 31, 2009		Changes from the end of last year (%)		
Total assets (RMB millions)	939,609	886,896		5.9		
Total equity attributable to equity shareholders of the Company (RMB millions)	406,266	379,593		7.0		
Net assets per share attributable to equity shareholders of the Company (RMB)	4.686	4.378		7.0		
	Nine-month period ended September 30 (January ~ September)					
	2010	2009		Changes over the same period of the preceding year (%)		
Net cash flow from operating activities (RMB millions)	95,240	109,164		(12.8)		
Net cash flow from operating activities per share (RMB)	1.098	1.259		(12.8)		
	Three-month period ended September 30 (July ~ September)			Nine-month period ended September 30 (January ~ September)		
	2010	2009	Changes over the same period of the preceding year (%)	2010	2009	Changes over the same period of the preceding year (%)
Net profit attributable to equity shareholders of the Company (RMB millions)	19,621	17,091	14.8	56,397	50,555	11.6
Basic earnings per share (RMB)	0.226	0.197	14.8	0.650	0.583	11.6
Diluted earnings per share (RMB)	0.224	0.197	13.7	0.642	0.580	10.7
Basic earnings per share (before extraordinary gain and loss) (RMB)	0.221	0.191	15.7	0.625	0.575	8.7
Fully diluted return on net assets (%)	4.83	4.66	0.17 percentage	13.88	13.78	0.10 percentage
Weighted average return on net assets (%)	4.71	4.69	0.02 percentage points	13.94	14.32	(0.38) percentage points
Weighted average return (before extraordinary gain and loss) on net assets (%)	4.65	4.56	0.09 percentage points	13.49	14.17	(0.68) percentage points

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

	At September 30 2010	At December 31 2009	Changes from the end of last year (%)			
Total assets (RMB millions)	952,085	898,263	6.0			
Total equity attributable to equity shareholders of the Company (RMB millions)	404,793	378,072	7.1			
Net assets per share (RMB)	4.669	4.361	7.1			
Adjusted net assets per share (RMB)	4.584	4.282	7.1			
	Nine-month period ended September 30 (January ~ September)					
	2010		2009		Changes over the same period of the preceding year (%)	
Net cash flow generated from operating activities (RMB millions)	94,958		108,771		(12.7)	
	Three-month period ended September 30 (July ~ September)			Nine-month period ended September 30 (January ~ September)		
	2010	2009	Changes over the same period of the preceding year (%)	2010	2009	Changes over the same period of the preceding year (%)
Profit attributable to equity shareholders of the Company (RMB millions)	19,638	17,118	14.7	56,445	50,638	11.5
Basic earnings per share (RMB)	0.226	0.197	14.7	0.651	0.584	11.5
Diluted earnings per share (RMB)	0.224	0.197	13.7	0.643	0.581	10.7
Return on net assets (%)	4.85	4.68	0.17 percentage points	13.94	13.86	0.08 percentage points

BUSINESS REVIEW

Exploration & Production Segment: Over the first three quarters of 2010, management sought to optimize exploration activity, and enhance the reserve development rate, the rate of oilfield recovery and single well oil production. Commencing the commercial operation of the Sichuan-Eastern China Gas Project was a key priority, alongside efforts to improve coordination between the production and marketing of natural gas, and ensure a safe and stable gas supply. In the first three quarters, the Company recorded an operating profit of RMB 40.838 billion for the first nine months, up 140.7% compared to the same period last year. The output of crude oil and natural gas amounted to 34.93 million tonnes and 8.87 billion cubic meters, respectively, representing year-on-year growth of 1.9% and 45.0%, respectively.

Refining Segment: During the first three quarters, efforts were made to ensure the safety of the high-load operations of oil refining, increase refinery throughput, enhance the product mix, and increase the production of jet fuel, diesel oil and chemical light oil. In addition, the Company enhanced marketing efforts around non-regulated products with high added value. In the first three quarters, the Company generated an operating profit of RMB 8.491 billion, representing a decrease of 60.6% from the same period of last year. The Company processed 154 million tonnes of crude oil, representing year-on-year growth of 14.4%.

Marketing and Distribution Segment: The Company optimized its operating structure to expand terminal sales, accelerate the development of newly-built service stations and further develop the non-fuel business. In the first three quarters, the Company recorded an operating profit of RMB 23.306 billion, representing a year-on-year increase of 4.2%. Domestic distribution and retail of oil products amounted to 104.35 million tonnes and 64.14 million tonnes, respectively, representing year-on-year growth of 16.5% and 11.2%, respectively.

Chemicals Segment: The Company ensured that the Tianjin and Zhenhai ethylene plants were brought on stream smoothly and have continued to operate safely, and oversaw increased output of chemical products. The Company also expanded the market for its chemical products and reinforced the integration of production, sales and research, and sold all the products produced. In the first three quarters, the Company reported an operating profit of RMB 10.393 billion, a decrease of 27.3% from the same period of last year. Ethylene output reached 6.61 million tonnes, representing year-on-year growth of 39.4%, while the output of synthetic resin reached 9.532 million tonnes, representing year-on-year growth of 28.7%.

Summary of Principal Operating Results for the First Nine Months

Operating Data	Unit	Nine-month period ended September 30		Changes over the same period of the preceding year (%)
		2010	2009	
Exploration and Production				
Crude oil production <i>(Note 1)</i>	Ten thousand tonnes	3,493	3,427	1.93
Natural gas production	Hundred million cubic meters	88.70	61.17	45.00
Crude oil price realized <i>(Note 1)</i>	RMB / tonne	3,411	2,239	52.34
Natural gas price realized	RMB / thousand cubic meters	1,132	960	17.92
Refining				
Refinery throughput	Ten thousand tonnes	15,376	13,439	14.41
Gasoline, diesel oil and kerosene production	Ten thousand tonnes	9,225	8,363	10.31
Including: Gasoline	Ten thousand tonnes	2,689	2,557	5.16
Diesel oil	Ten thousand tonnes	5,599	5,056	10.74
Kerosene	Ten thousand tonnes	937	750	24.93
Light chemical feedstock production	Ten thousand tonnes	2,586	1,931	33.92
Light products yield	%	75.71%	75.30%	0.41 percentage
Refinery yield	%	94.78%	94.28%	0.50 percentage
Marketing and Distribution				
Total domestic sales volume of oil products	Ten thousand tonnes	10,435	8,957	16.50
Including: Retail volume	Ten thousand tonnes	6,414	5,767	11.22
Direct sales volume	Ten thousand tonnes	2,443	1,751	39.52
Wholesale volume	Ten thousand tonnes	1,578	1,439	9.66
Total number of service stations	Stations	30,050	29,522	1.79
Including: company-operated	Stations	29,467	28,874	2.05
franchised	Stations	583	648	(10.03)
Annualized pumped volume per station <i>(Note 2)</i>	Ton/station	2,901	2,663	8.94
Chemicals <i>(Note 3)</i>				
Ethylene	Ten thousand tonnes	661.0	474.1	39.42
Synthetic resin	Ten thousand tonnes	953.2	740.8	28.67
Synthetic rubber	Ten thousand tonnes	71.9	64.0	12.34
Synthetic fiber monomer and polymer	Ten thousand tonnes	652.4	572.8	13.90
Synthetic fiber	Ten thousand tonnes	103.0	96.7	6.51
Urea	Ten thousand tonnes	112.8	140.2	(19.54)

Note 1: Data regarding crude oil production and the realized price for 2009 were restated upon the acquisition of Sinopec Group Angola's upstream assets

Note 2: Pumped volume per station data is an annualized average;

Note 3: Including 100% outputs of Joint Ventures.

Capital expenditure:

In the first three quarters of 2010, the Company's accumulated capital expenditure amounted to RMB 55.822 billion.

Of that, capital expenditure in the Exploration and Production Segment amounted to RMB 25.572 billion. Notable achievements included the successful completion of the Sichuan-to-Eastern China Gas Project, which went into commercial operation. Newly-built crude oil production capacity and newly-built natural gas production capacity reached 3.83 million tonnes per year and 561 million cubic meters per year, respectively.

Capital expenditure in the Oil Refining Segment amounted to RMB 8.787 billion with special focus on upgrading oil product quality. A low-grade crude oil adaptive-processing reconstruction project and a storage and pipeline construction project have been launched smoothly and on schedule.

Capital expenditure in the Chemical Segment amounted to RMB 7.145 billion, with ethylene projects in Tianjin and Zhenhai commencing commercial production on schedule.

Capital expenditure in the Marketing and Distribution Segment amounted to RMB 13.326 billion, with notable achievements made in the construction and acquisition of service stations in key areas. 1,282 service stations have now been developed.

Headquarters and other capital expenditures amounted to RMB 992 million.

About Sinopec Corp.

Sinopec Corp. is a 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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