



**China Petroleum & Chemical Corporation Announces
2011 Third Quarter Results
Improvement of First Three Quarters' Results and Overall Performance
through Integrated Business Strategy**

Beijing, People's Republic of China (PRC) – 27 October, 2011 – China Petroleum & Chemical Corporation (“Sinopec” or “the Company”) (CH: 600028; HKEX: 386; NYSE: SNP; LSE: SNP) today announced its results for the first nine months ended 30 September, 2011.

Financial Highlights:

- In accordance with the PRC Accounting Standards for Business Enterprises (“ASBE”), in the first three quarters of 2011, the Company's operating income was RMB1,875.1 billion, up 31.3% from the same period in 2010. Net profit attributable to equity holders of the company was RMB59.96 billion and basic earnings per share was RMB0.692, both up 6.3% over the same period of last year.
- In accordance with the International Financial Reporting Standards (IFRS), in the first three quarters of 2011, the Company's turnover, other operating revenues and other income amounted to RMB1,875.1 billion, up 31.3% from the same period in 2010. Net profit attributable to equity holders of the Company and basic earnings per share were RMB61.4 billion and RMB0.708 respectively, both up 8.8% over the same period of last year.

Business Highlights:

- In the first three quarters of 2011, the oil and gas production was 303.27 million barrels of oil equivalent, an increase of 0.8% year-on-year. Domestic crude oil production increased by 0.5% year-on-year while overseas production of crude oil dropped significantly due to the impact of overhaul. Nevertheless, overseas production has been resumed in the third quarter. The Company produced 382.25 billion cubic feet of natural gas, representing a year-on-year increase of 22.1%.
- Refinery throughput of crude oil recorded a year-on-year increase of 3.6% to 4,370 thousand barrels per day in the first three quarters of 2011.
- Total sales volume of refined oil products reached 121.58 million tonnes, representing a year-on-year increase of 10.3%.
- Production of ethylene was 7,356 thousand tonnes, increased by 11.3% from the same period last year.
- Total capital expenditure was RMB57.028 billion for the first three quarters of 2011.

In the first three quarters of 2011, the Chinese economy continued to grow rapidly, domestic demand for refined oil and chemical products grew steadily. Sinopec has implemented resources, marketing, integration, internationalization, differentiation and low-carbon strategies, achieving continuous growth of production and operation. The exploration and production segment has increased domestic oil and gas output; the oil refining segment has been at high utilization rate to increase refined oil output; the marketing segment has raised the total volume of distribution; the volume of production and sales of chemical products have increased steadily.

In the first three quarters, the Company has witnessed a steady improvement of the overall performance by leveraging advantages of the integration of upstream, mid-stream and downstream businesses, and overcoming the impact of refining loss caused by the controlled domestic price of oil products.

BUSINESS REVIEW AND PROSPECTS

Exploration and Production Segment

Sinopec achieved excellent results in applying new technologies for exploration and production, made significant progress in conducting staged fracturing tests for horizontal wells in tight sandstone reservoirs. In oil exploration, the Company made new discoveries in the matured fields in eastern China, the Tuofutai area of the Tahe oil field in western China, and the northern margin of the Junggar Basin. The Company made new discoveries in deep marine facies and middle and shallow strata of the Yuanba area in northeastern Sichuan and in the shallow strata of the western Sichuan Basin. Meanwhile, the Company has accelerated the exploration and development of unconventional oil and gas. In oil-field development and production, Sinopec has made advances in improving the reserve development ratio, oil recovery rate and unit well productivity, maintained stable production of eastern oilfields and speeded up the building of the production capacity of western oilfields. Domestically, the Company produced 226.81 million barrels of crude oil and 382.3 billion cubic feet of natural gas in the first three quarters, a year-on-year increase of 0.5% and 22.1% respectively. Overseas production of crude oil dropped sharply due to the impact of overhaul, nevertheless production has been resumed in the third quarter. The exploration and production segment realized an operation income of RMB55.3 billion, representing a year-on-year increase of 35.3%.

The capital expenditure for the exploration and production segment was RMB23.266 billion, which were mainly for the exploration and development in Shengli Beach Oilfield, northwest Tahe Oilfield, natural gas exploration and development in northeastern Sichuan and the Shandong LNG project. Newly-built crude oil and natural gas production capacity reached 2.67 million tonnes per year and 951 million cubic meters per year respectively.

Refining Segment

Sinopec maintained its refining operations at high utilization rate and made great efforts to increase the production of refined oil products and light chemical feedstock production to ensure a stable supply to both the market and Sinopec's own chemical business. Sinopec implemented plans to revamp and expand the refineries in an effort to upgrade the quality of oil products. By optimizing the procurement and transportation of crude oil, the Company reduced the costs and improved our profitability. The Company also strengthened the marketing of products such as asphalt, LPG, petroleum coke and solvent oil. In the first three quarters, the Company processed 4.37 million barrels of crude oil daily, representing a year-on-year growth of 3.6%. The refining segment recorded an operating loss of RMB23.1 billion, representing a year-on-year decrease of RMB31.6 billion. The capital expenditure for the oil refining segment was RMB 8.538 billion, mainly for diesel quality upgrading, refinery revamping projects in Beihai and Changling as well as for the construction of Rizhao-Yizheng crude oil pipeline.

Marketing and Distribution Segment

Sinopec has continued to improve the service quality, strengthen quality management for outsourced oil products so as to upgrade the service level to customers. The Company strengthened the procurement and logistics in response to market change to ensure timely supply to the market. In addition, the Company increased the distribution of high-grade products to encourage the consumption of clean and green products and proactively expanded non-fuel business, further improved the marketing network, with 1,063 service stations built or acquired over the period. In the first three quarters, the total sales volume of refined oil amounted to 121.58 million tonnes, representing a year-on-year growth of 10.3%. The marketing and

distribution segment recorded an operating profit of RMB31.9 billion, representing a year-on-year increase of 36.8%. The capital expenditure for the marketing and distribution segment amounted to RMB 17.489 billion.

Chemicals Segment

Sinopec adjusted plant loads according to supply and demand based on market conditions and adjusted the product mix by increasing the proportion of high-end products. The Company also fine-tuned the marketing strategy and leveraged the advantage of an effective system built among production, sales and research to increase customer satisfaction. In the first three quarters, the production of ethylene was 7.356 million tonnes, increased by 11.3% year-on-year, and the production of synthetic resin was 10.067 million tonnes, increased 5.6% year-on-year. The chemicals segment realized an operating profit of RMB23.7 billion, representing a year-on-year increase of 128%. The capital expenditure for the chemical segment accounted for RMB 6.801 billion, mainly for the construction of an 800,000 tonne ethylene plant in Wuhan and the revamping of production facilities in line with feedstock shift in an MTO plant in Zhongyuan.

Summary of Principal Operating Results for the First Three Quarters

Operating Data	Unit	Nine-month period ended September 30		Changes over the same period of the preceding year (%)
		2011	2010	
Exploration and Production				
Crude oil production	Million barrels	239.56	248.54	(3.6)
China	Million barrels	226.81	225.65	0.5
Overseas	Million barrels	12.75	22.89	(44.3)
Natural gas production	Billion cubic feet	382.25	313.18	22.1
Oil and gas production	Million barrels of oil equivalent	303.27	300.73	0.8
Realized crude oil price	USD / barrel	98.23	70.57	39.2
Realized natural gas price	USD / thousand cubic feet	5.47	4.71	16.1
Refining (note 1)				
Refinery throughput	Thousand barrels / day	4,370	4,218	3.6
Gasoline, diesel and kerosene production	Million tonnes	95.45	92.25	3.5
Gasoline	Million tonnes	27.59	26.89	2.6
Diesel oil	Million tonnes	57.63	55.99	2.9
Kerosene	Million tonnes	10.23	9.37	9.2
Light chemical feedstock production	Million tonnes	27.37	25.86	5.8
Light yield	%	76.18	75.71	0.47 percentage points
Refining yield	%	95.20	94.78	0.42 percentage points
Marketing and Distribution				
Total sales volume of oil products	Million tonnes	121.58	110.24	10.3
Total domestic sales volume of oil products	Million tonnes	113.57	104.35	8.8
Retail	Million tonnes	75.55	64.14	17.8
Direct sales	Million tonnes	24.12	24.43	(1.3)
Wholesale	Million tonnes	13.90	15.78	(11.9)
Total number of service stations (note 2)				
Total number of service stations	Stations	30,103	30,116	0
Including: Company-operated	Stations	30,073	29,601	1.6
Franchised	Stations	30	515	(94.2)
Annualized average throughput per station (Note 3)	Tonne/station	3,348	2,960	13.1
Chemicals (Note 1)				
Ethylene	Thousand tonnes	7,356	6,610	11.3
Synthetic resin	Thousand tonnes	10,067	9,532	5.6
Synthetic rubber	Thousand tonnes	746	719	3.8
Synthetic fiber monomer and polymer	Thousand tonnes	7,086	6,524	8.6
Synthetic fiber	Thousand tonnes	1,044	1,030	1.4
Urea	Thousand tonnes	680	1,128	(39.7)

- Note:
- 1 Including 100% throughput of Joint Ventures;
 - 2 Service station data in 2010 (unit: Station) is as of December 31, 2010;
 - 3 Annualized average throughput per station is an annualized average of company-operated stations.

APPENDIX

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

	At 30 September 2011	At 31 December 2010	Changes from the end of last year (%)			
Total assets (RMB millions)	1,081,931	985,389	9.8			
Total equity attributable to shareholders of the Company (RMB millions)	466,575	421,127	10.8			
Net assets per share attributable to shareholders of the Company (RMB)	5.381	4.857	10.8			
	Nine-month period ended 30 September (January - September)					
	2011		2010		Changes over the same period of the preceding year (%)	
Net cash flow from operating activities (RMB millions)	78,449		95,240		(17.6)	
Net cash flow from operating activities per share (RMB)	0.905		1.098		(17.6)	
	Three-month period ended 30 September (July - September)			Nine-month period ended 30 September (January - September)		
	2011	2010	Changes over the same period of the preceding year (%)	2011	2010	Changes over the same period of the preceding year (%)
Net profit attributable to shareholders of the Company (RMB millions)	19,721	19,621	0.5	59,960	56,397	6.3
Basic earnings per share (RMB)	0.228	0.226	0.5	0.692	0.650	6.3
Diluted earnings per share (RMB)	0.220	0.224	(1.8)	0.672	0.642	4.7
Basic earnings per share (before extraordinary gain and loss) (RMB)	0.228	0.221	3.2	0.687	0.625	9.9
Weighted average return on net assets (%)	4.27	4.71	(0.44) percentage points	13.36	13.94	(0.58) percentage points
Weighted average return (before extraordinary gain and loss) on net assets (%)	4.26	4.65	(0.39) percentage points	13.26	13.49	(0.23) percentage points

FINANCIAL INFORMATION EXTRACTED FROM THE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (“IFRS”)

	At 30 September 2011	At 31 December 2010	Changes from the end of last year (%)			
Total assets (RMB millions)	1,091,513	995,822	9.6			
Total equity attributable to equity shareholders of the Company (RMB millions)	464,488	419,604	10.7			
Net assets per share (RMB)	5.357	4.840	10.7			
Adjusted net assets per share (RMB)	5.257	4.747	10.7			
	Nine-month period ended 30 September (January - September)					
	2011		2010		Changes over the same period of the preceding year (%)	
Net cash generated from operating activities (RMB millions)	78,074		94,958		(17.78)	
	Three-month period ended 30 September (July - September)			Nine-month period ended 30 September (January - September)		
	2011	2010	Changes over the same period of the preceding year (%)	2011	2010	Changes over the same period of the preceding year (%)
Profit attributable to equity shareholders of the Company (RMB millions)	20,222	19,633	3.0	61,396	56,431	8.8
Basic earnings per share (RMB)	0.233	0.226	3.0	0.708	0.651	8.8
Diluted earnings per share (RMB)	0.226	0.224	0.9	0.688	0.643	7.0
Return on net assets (%)	4.35	4.84	(0.49) percentage points	13.22	13.92	(0.70) percentage points

About Sinopec Corp.

Sinopec Corp. is a large scale integrated energy and chemical company with upstream, midstream and downstream operations. Its principal business includes: exploration, development, production and trading of crude oil and natural gas; production, storage, transportation and distribution, and marketing of petroleum products, petrochemical products, synthetic fiber, fertilizers and other chemical products. Sinopec Corp. is China's largest manufacturer and supplier of petroleum products and major petrochemical products. It is the second largest producer of oil and gas in China. Its refining capacity and ethylene capacity rank No.2 and No.4 globally. The Company has the largest sales and distribution network of oil products and chemical products, and it is ranked No. 2 in the world by number of service stations it operates.

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.

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