



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 SUBSIDY

China Petroleum & Chemical Corporation and all members of its board of directors warrant the authenticity, accuracy and completeness of the information contained in this announcement, and jointly and severally accepts full responsibility for any misrepresentation, misleading statements or material omissions contained in this announcement.

In recent years international crude oil prices remained at a high level and were volatile. In particular, since the second half of 2007, international crude oil prices had increased significantly. 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 has seriously affected the operation of many local oil refinery enterprises due to the losses they suffered and some of them even ceased their business production. Together with the increased consumption of diesel oil in winter, this result in a shortage of supply of refined oil in certain areas. To ensure the stability of the refined oil market, China Petroleum and Chemical Corporation and its subsidiaries together (the "Company") have adopted various measures, including purchasing refined oil product from local refineries at a high price while increasing the production volume of refined oil to guarantee the domestic supply of refined oil. This measure was successful but resulted in serious losses to the Company. Recently, the Company has received subsidy of RMB 12.3 billion, among which RMB4.9 billion will be recorded as subsidy income of the Company for 2007, and RMB7.4 billion will be recorded as subsidy income of the Company for the first quarter of 2008.

This announcement is issued pursuant to Rule 13.09 of the Hong Kong Listing Rules and Rule 11.8.3 of the Listing Rules of Shanghai Stock Exchange.

By Order of the Board
China Petroleum & Chemical Corporation
Chen Ge
Secretary to the Board of Directors

Beijing, the PRC, 19 March 2008

As at the date of this Announcement, the directors of Sinopec Corp are Messrs. Su Shulin, 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