

China Petroleum & Chemical Corporation

By: /s/ Chen Ge

Name: Chen Ge

Title: Secretary to the Board of Directors

Date: July 15, 2004

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(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 386)

Indicative announcement on the increase of the results of the first half of 2004

Summary

The board of the Company is pleased to announce, at present, the Company estimates on a preliminary basis that, based on the People's Republic of China Accounting Rules and Regulations, its net profit for the first half of 2004 has increased by more than 50% compared to that in the same period of last year.

As audited financial information may be different from the information contained in this announcement, potential investors and shareholders of the Company should exercise caution when dealing in the shares of the Company.

The board of the Company is pleased to announce that in the first half of 2004, prices of crude oil in the world market generally remained at a high level. There was a strong increase in the domestic demand for refined oil and the global chemical industry boom cycle continued. The domestic demand for chemical products maintained its strong growing momentum. Having taken advantage of the opportunities, the Company had formulated and implemented a series of effective and efficient measures, and its production and operation were in good conditions.

At present, the Company estimates that, based on the People's Republic of China Accounting Rules and Regulations and according to unaudited data of the Company, its net profit for the first half of 2004 is likely to record an increase of more than 50% compared to that in the same period of last year. Audited financial information of the Company will be disclosed in the 2004 interim results announcement and 2004 Interim Report of the Company which results announcement is expected to be published on 30 August 2004. As such audited financial information may be different from the information contained in this announcement, potential investors and shareholders of the Company should exercise caution when dealing in the shares of the Company.

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By Order of the Board
Chen Ge
Secretary to the Board of Directors

Beijing, the PRC, 15 July 2004

As at the date of this announcement, the directors of the Company are: Messrs. Chen Tonghai, Wang Jiming, Mou Shuling, Zhang Jiaren, Cao Xianghong, Liu Genyuan, Gao Jian and Fan Yifei; the independent directors are: Messrs. Chen Qingtai, Ho Tsu Kwok Charles, Shi Wanpeng and Zhang Youcai; and the employee representative director is: Mr. Cao Yaofeng.