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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: 00386)

Progress Update Announcement

This announcement is made by China Petroleum & Chemical Corporation (the “**Company**”) on voluntary basis pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Reference is made to the voluntary announcement of the Company dated 27 December 2018 in relation to the unusual price movement. The Company has discovered in its regular supervision that there were unusual financial data in the hedging business of China International United Petroleum and Chemical Company Limited (the “**Unipecc**”), a subsidiary of the Company. There were some losses during certain crude oil transactions of Unipecc due to the oil price drop. The Company is currently in the process of evaluating the details of such circumstance.

As at the date of this announcement, the independent annual auditor of the Company has started its on-site auditing. The Company and Unipecc are under normal production and operation.

The shareholders of the Company and potential investors should exercise caution when investing in or dealing in the securities of the Company.

By Order of the Board
China Petroleum & Chemical Corporation
Huang Wensheng
Vice President and Secretary to the Board of Directors

Beijing, the PRC,
4 January 2019

As of the date of this announcement, directors of the Company are: Dai Houliang, Li Yunpeng*, Yu Baocai*, Ma Yongsheng#, Ling Yiqun#, Liu Zhongyun#, Li Yong*, Tang Min+, Fan Gang+, Cai Hongbin+, Ng, Kar Ling Johnny+*

Executive Director

** Non-executive Director*

+ Independent Non-executive Director