

Sinopec Corp's Net Profit for 9M 2018 Surges 52.7% Y-o-Y to RMB 60.1 billion

Improved Performance in Four Core Business Segments with Remarkable Cost Savings and Efficiency Enhancement

(30 October 2018, Beijing, China) **China Petroleum & Chemical Corporation** (7aUb YW7 & RPB Y 7 a Ub / HKEX: 386; SSE: 600028; NYSE: SNP) today announced its unaudited results for the nine months ended 30 September 2018.

Financial Highlights :

- In accordance with the International Financial Reporting Standards (IFRS), the 7 a Ub operating profit was RMB 85.865 billion, up 54.0% year-on-year; net profit attributable to equity shareholders of the Company was RMB 60.155 billion, up 52.7%

expansion, structural adjustment, reform implementation and management reinforcement. Through these efforts, it delivered solid operating results.

Exploration and Production:

Exploration and Production: With the recovery of crude oil price, the Company pursued efficient exploration and effective production to increase proved reserves. Our continuing efforts in exploration paid off with new oil and gas discoveries in Sichuan Bas b HU a 6U b MbY 6U b UbX Yb G b U 6U b b development, we adopted a profit-oriented approach to speed up the crude oil new production. We also accelerated natural gas development by enhancing production-supply-storage-marketing system building to realise synergy along the entire value chain. In the first three quarters, oil and gas production of the Company was 335.34 million barrels of oil equivalent, of which domestic crude oil production increased by 0.2% while natural gas grew by 5.9%. The Exploration and Production GY a Yb YU b bU YX V FA6 &) ((& V b FA6 % , %V b compared with same period last year.

Exploration and Production	Unit	For nine-month period ended 30 September		Changes
		2018	2017	(%)
Oil and gas production ¹	million boe	335.34	332.63	0.8
Crude oil production	million barrels	216.49	220.21	(1.7)
China	million barrels	186.50	186.09	0.2
Overseas	million barrels	29.82	34.12	(12.6)
Natural gas production	billion cubic feet	713.77	674.15	5.9
Realised crude oil price	USD/barrel	65.12	47.05	38.4
Realised natural gas price	USD/thousand cubic feet	5.91	5.23	13.0

Note 1: Conversion: for domestic production of crude oil, 1 tonne = 7.10 barrels. For overseas production of crude oil in 2017 1 tonne = 7.21 barrels, in 2018 1 tonne=7.20 barrels. For production of natural gas, 1 cubic meter = 35.31 cubic feet. 1 barrel of oil equivalent=6,000 cubic feet.

Refining:

With the market-oriented approach, we optimised product mix to produce more gasoline and jet fuel, and the diesel-to-gasoline ratio further decreased. The GB VI refined oil products quality upgrading was constantly pushed forward. We allocated domestic and overseas resources as a whole and export of refined oil products was increased to help maintain high utilisation of refining facilities. Crude oil sourcing optimisation continued to lower our feedstock cost. We comprehensively optimised our production plans to ensure safe and reliable operations. The advantage of centralised marketing was given full play, and profitability of LPG, asphalt, and sulphur maintained at a high level. In the first three quarters, refinery throughput increased by 3.0% compared with the same period last year. Refined oil products production increased by 3.5%, among which gasoline up by 7.0%, kerosene up by 9.0% and diesel down by 1.8% compared with the same period last year. The Refining Segment realised an operating profit of RMB 54.680 billion, up by 24.7% compared with the same period last year.

Unit: stations

As of 30 September 2018	As of 31 December 2017	Changes from the end of last year to the end of the reporting period (%)
30,643	30,633	0.03

Capital expenditures for the marketing and distribution segment were RMB 9.712 billion, mainly for constructing refined oil products depots, pipelines and service stations and revamping of underground oil tanks, as well as other safety and environmental protection hazard removal projects. Capital expenditures for the chemicals segment were RMB 6.304 billion, mainly for integrated refining and basic chemical projects of Zhongke, Gulei, high-efficiency and environment-friendly aromatics project in Hainan, Zhongsha PC, Yangzi EVA and Yizheng high-performance fibre. Capital expenditures for corporate and others were RMB 2.546 billion, mainly for R&D facilities and information technology application projects.

Appendix

Principal financial data and indicators

Principal financial data and indicators prepared in accordance with China Accounting Standards for Business Enterprises (ASBE)

Units: RMB million

Items	As of 30 September 2018	As of 31 December 2017	Changes from the end of last year to the end of the reporting period (%)
Total assets	1,662,760	1,595,504	4.2
Total equity attributable to equity shareholders of the Company	722,317	727,244	(0.7)

Items	Nine Months		Changes compare with the same period last year (%)
	2018	2017	
Net cash flow from operating activities	137,919	111,193	24.0
Operating income	2,072,970	1,744,955	18.8
Net profit attributable to equity shareholders of the Company	59,980	38,373	56.3
Net profit attributable to equity shareholders of the Company excluding extraordinary gains and losses	57,150	36,718	55.6
Weighted average return on net assets (%)	8.28	5.37	2.91 percentage points
Basic earnings per share (RMB)	0.495	0.317	56.3
Diluted earnings per share (RMB)	0.495	0.317	56.3

Principal financial data and indicators prepared in accordance with International Financial Reporting standards (IFRS)

Units: RMB million

Total assets	1,662,760	1,595,504	4.2
Equity attributable to equity shareholders of the Company	721,261	726,120	(0.7)

Operating profit	85,865	55,757	54.0
Net profit attributable to equity shareholders of the Company	60,155	39,404	52.7
Basic earnings per share (RMB)	0.497	0.325	52.7
Diluted earnings per share (RMB)	0.497	0.325	52.7

About Sinopec Corp.

Sinopec Corp. is one of the largest integrated energy and chemical companies in China. Its principal operations include the exploration and production, pipeline transportation and sale of petroleum and natural gas; the sale, storage and transportation of petroleum products, petrochemical products, coal chemical products, synthetic fibre and other chemical products; the import and export, including an import and export agency business, of petroleum, natural gas, petroleum products, petrochemical and chemical products, and other commodities and technologies; and research, development and application of technologies and information.

Sinopec Corp. has always adhered to the corporate philosophy of "responsibility, integrity, precision, innovation and win-win", and pursues strategies of value-orientation, innovation-driven development, integrated resource allocation, open cooperation, and green and low-carbon growth, and strives to achieve its corporate vision of building a world-leading energy and chemical company with solid and healthy foundation.

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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