SINOPEC

China Petroleum & Chemical Corporation

Q1 2018 Results Announcement

April 27, 2018

SINOPEC CORP.

中国石油化工股份有限公司

Cautionary Statement

Financial data of the first quarter contained in the presentation and presentation materials are unaudited.

This presentation and the presentation materials distributed herein include 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, 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 price fluctuations, actual demand, exchange rate fluctuations, exploration and development outcomes, estimates of proven reserves, competition, environmental risks, changes in legal, financial and regulatory frameworks, international economic and financial market conditions, political risks, project delay, project approval, cost estimates and other risks and factors beyond our control. In addition, Sinopec Corp. makes the forward-looking statements referred to herein as of today and undertakes no obligation to update these statements.

Market Environment in 1Q 2018

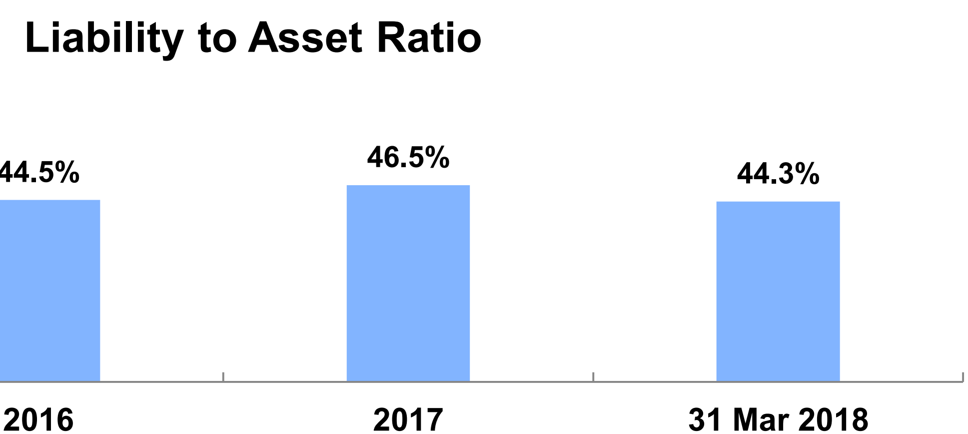
- China's GDP grew by 6.8% YoY in the first quarter
- International crude oil price fluctuated in a narrow range with a slight increase
- Domestic demand for refined oil products and petrochemicals sustained growth
  - Domestic consumption of refined oil products grew by 6.2% YoY
  - Domestic consumption of ethylene equivalent increased by 3.3% YoY

Strong Profit Growth

RMB million	1-3'17	1-3'18	YoY Change %
Turnover and Other Operating Revenues	582,185	621,251	6.7
EBIT	29,379	32,575	10.9
Profit Attributable to owners of the Company	17,199	19,306	12.3
EPS(RMB)	0.142	0.159	12.0

Solid Financial Position

RMB million	As of Dec. 31, 2017	As of Mar. 31, 2018	Change %
Total Assets	1,595,504	1,572,527	(1.4)
Short-term Interest-bearing Debt	80,649	84,513	4.8
Long-term Interest-bearing Debt	63,564	67,108	5.6
Total Equity Attributable to owners of the Company	726,120	744,688	2.6



Cash Flow

RMB million	1-3’17	1-3’18	YoY Change %
Net Cash from Operating Activities	13,276	12,052	(9.2)
Net Cash from Investing Activities	(21,574)	(1,488)	-
Net Cash from Financing Activities	(5,131)	6,461	-

RMB million	As of Dec. 31, 2017	As of Mar. 31, 2018	Change %
Cash and Cash Equivalents (Incl. Time Deposits)	165,004	173,640	5.2

Upstream – Focus on High-Efficiency Exploration and Profit-Oriented Development

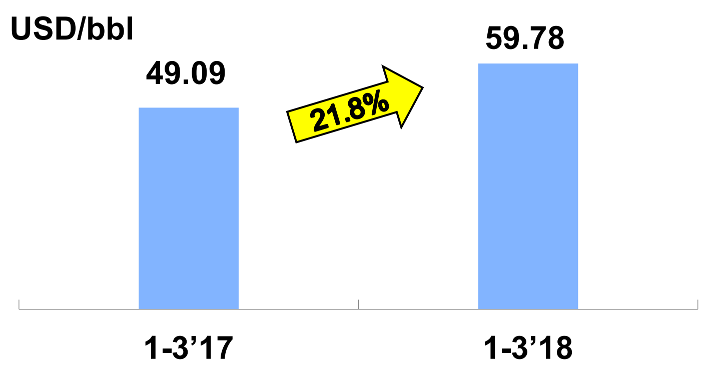
- Sustained high-efficiency exploration with new discoveries in Wei Rong shale gas field
- Adopted profit-oriented development and enhanced cost discipline

	1-3'17	1-3'18	YoY Change %
Oil and Gas Production(mmboe)	111.93	111.33	(0.5)
Crude Oil Production(mmbbl)	72.08	71.35	(1.0)
China	60.67	61.43	1.3
Overseas	11.41	9.92	(13.1)
Natural Gas Production(bcf)	238.35	239.83	0.6

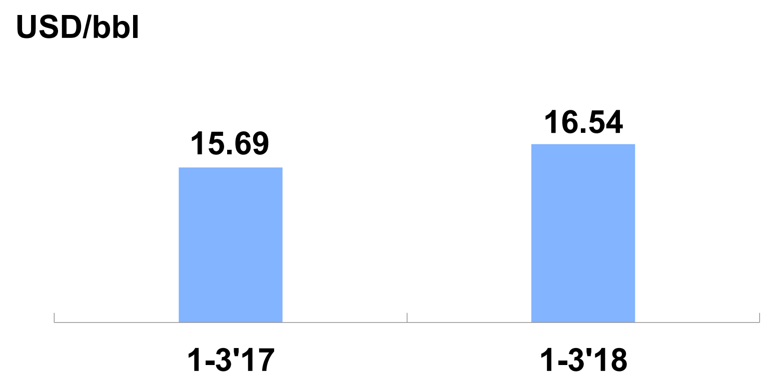
* 1 cubic meter=35.31 cubic feet for natural gas production.

Upstream – Made Turnaround in Profit

Realised Price of Crude Oil

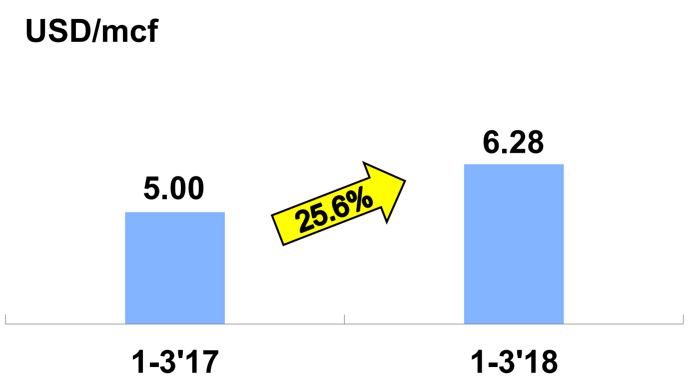


Lifting Cost

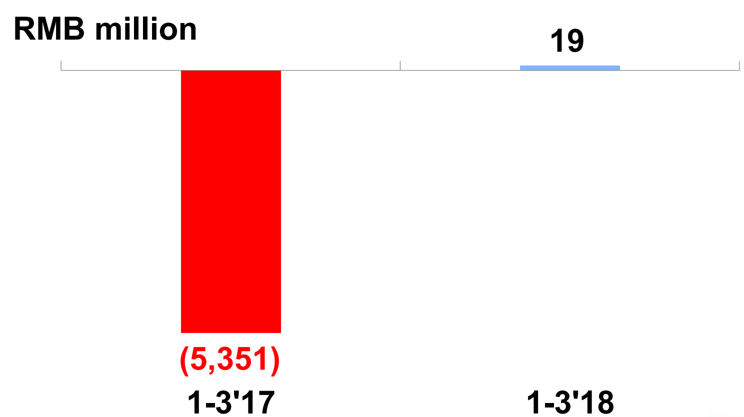


* Lifting cost would decrease by 2.6% if calculated in RMB

Realised Price of Natural Gas



EBIT of Upstream



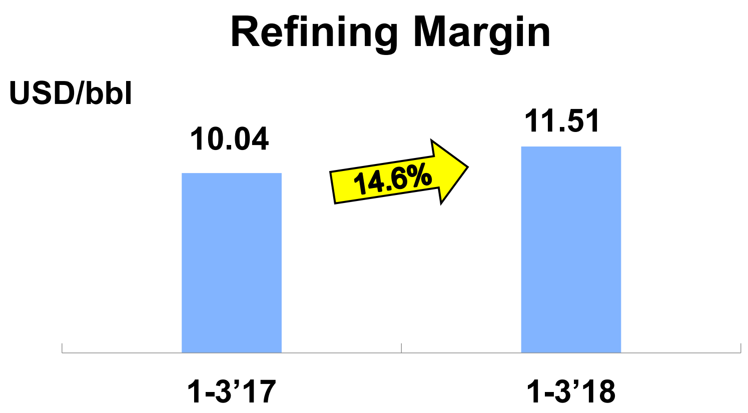
Refining – Continued Optimisation of Product Mix

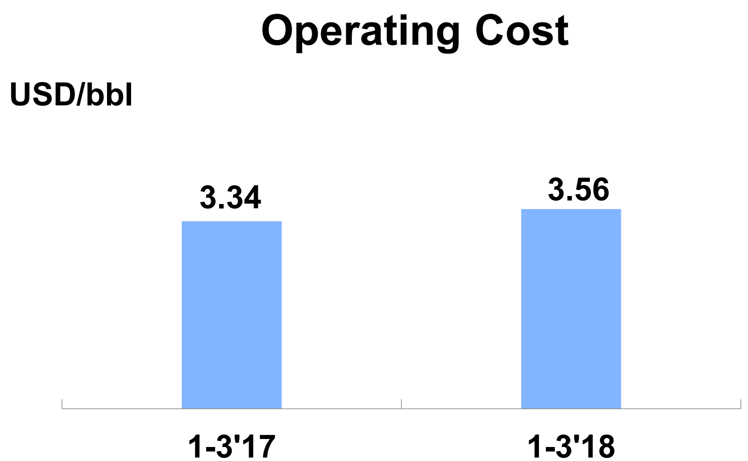
- Optimised product mix and increased gasoline and jet fuel production
- Promoted quality upgrading of refined oil products
- Maintained high utilization rate of refining facilities

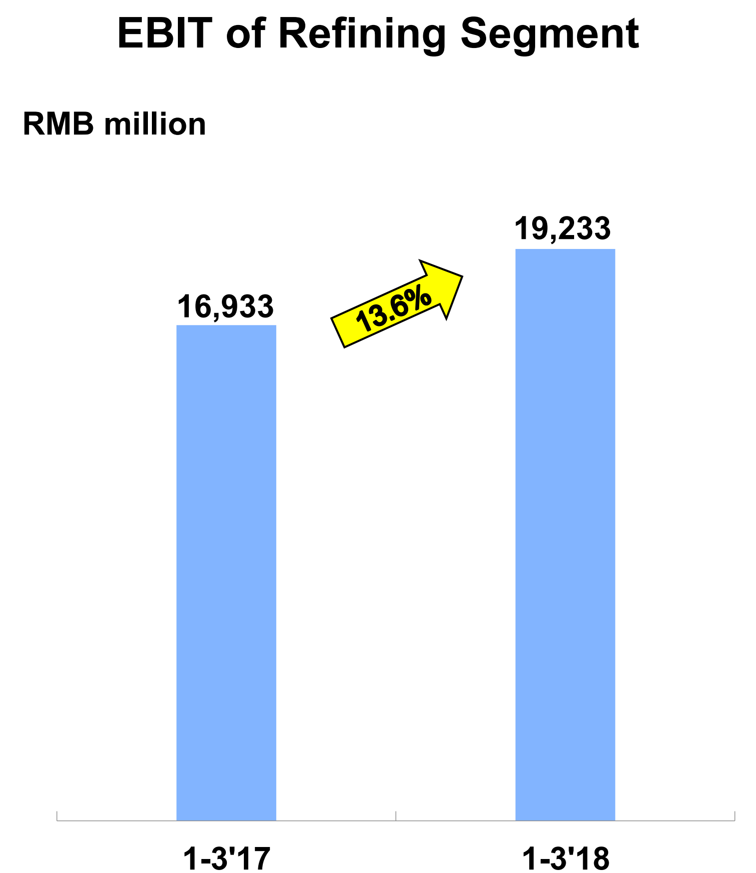
(mm tonnes)	1-3'17	1-3'18	YoY Change %
Refinery Throughout	58.95	60.16	2.1
Gasoline, Diesel and Kerosene Production	37.03	37.98	2.6
Gasoline Production	14.31	14.98	4.7
Diesel Production	16.21	15.93	(1.7)
Kerosene Production	6.51	7.07	8.6
Light Chemical Feedstock Production	9.97	9.94	(0.3)

* Refinery throughput is calculated based on 1 tonne= 7.35 bbls
100% production of domestic JVs included

Refining – Refining Margin Kept growth







* Operating cost would decrease by 1.3% if calculated in RMB

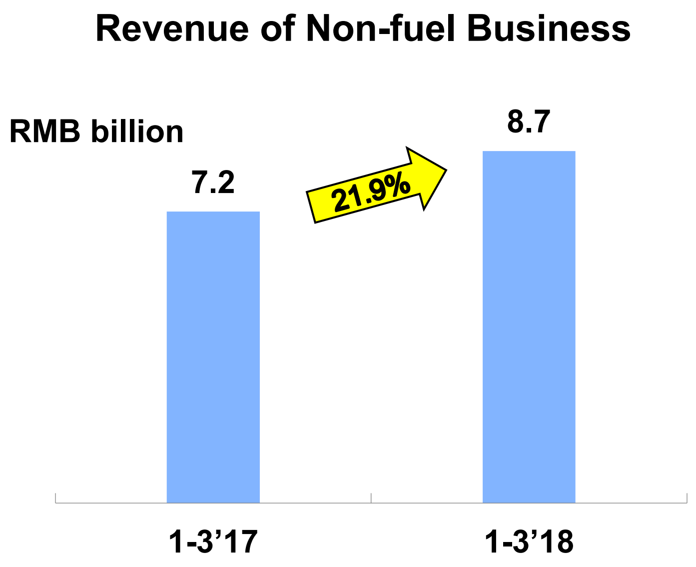
Marketing – Sustained Growth in Sales Volume with Integrated Business Model

- Domestic sales volume and retail volume kept growth
- Improved marketing network and optimised the layout of service stations and refined oil product pipelines

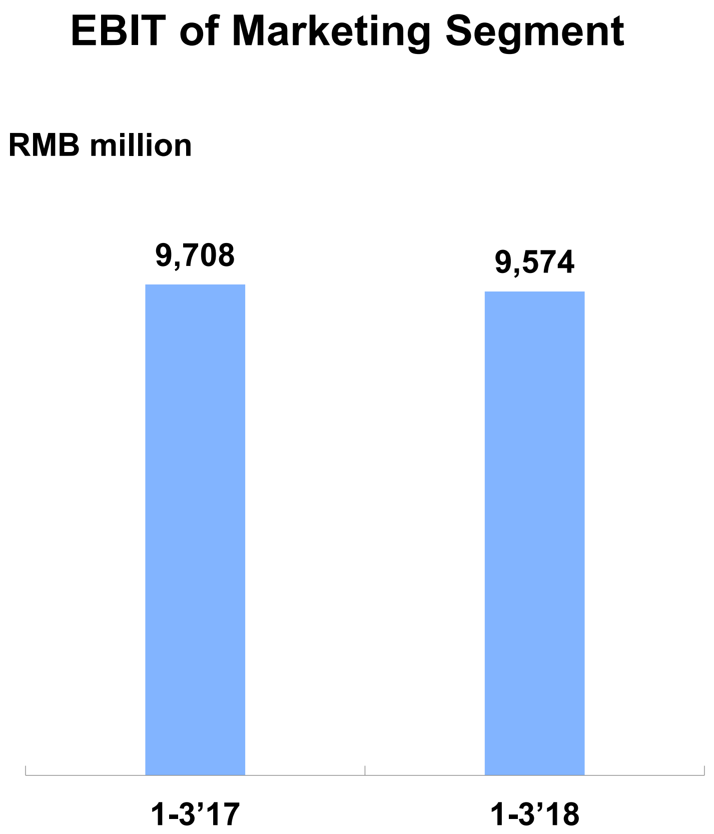
(mm tonnes)	1-3'17	1-3'18	YoY Change %
Total Sales Volume of Refined Oil Products	47.44	47.21	(0.5)
Domestic Sales Volume of Refined Oil Products	41.94	43.35	3.4
Retail	28.63	29.46	2.9
Wholesale and Distribution	13.31	13.89	4.4
Annualised Average Throughput per Station (tonne/station)	3,725	3,846	3.2

	As of Dec. 31 2017	As of Mar.31 2018	Change %
Number of Sinopec-Branded Service Stations	30,633	30,648	0.0

Marketing – Rapid Growth in Non-fuel Business



RMB/tonne	1-3’17	1-3’18
Cash Operating Cost	194.86	199.79



Chemicals – Strengthen Structural Adjustment

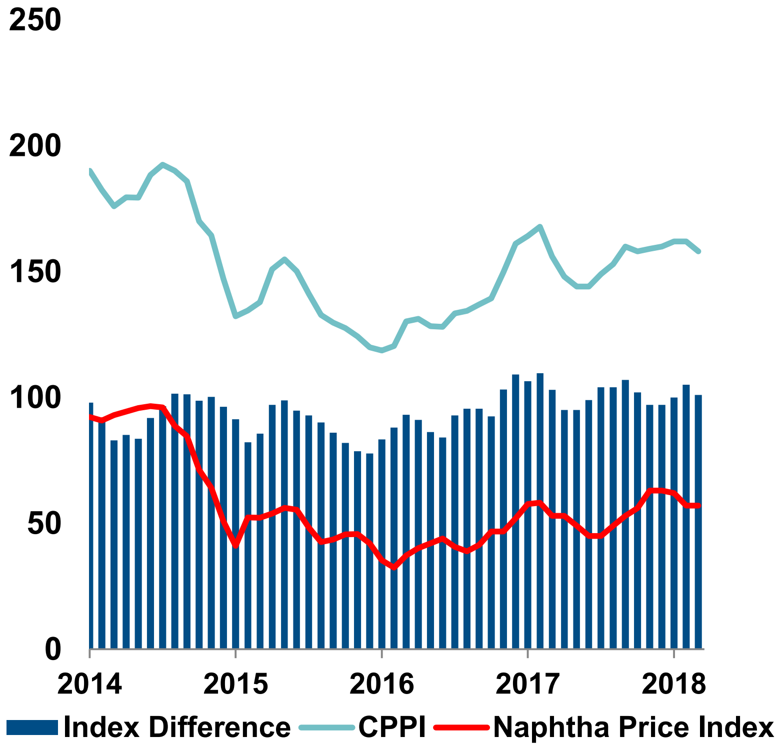
- Adjusted product mix to increase the production of high value-added products
- Adjusted feedstock mix to further reduce costs
- Optimized production and facilities utilization
- Total sales volume of chemical products increased by 10% YoY

’000 tonnes	1-3’17	1-3’18	YoY Change %
Ethylene Production	2,941	2,995	1.8
Synthetic Resin Production	4,074	4,117	1.1
Synthetic Rubber Production	227	199	(12.3)
Synthetic Fiber Monomers & Polymers Production	2,424	2,246	(7.3)
Synthetic Fiber Production	308	296	(3.9)

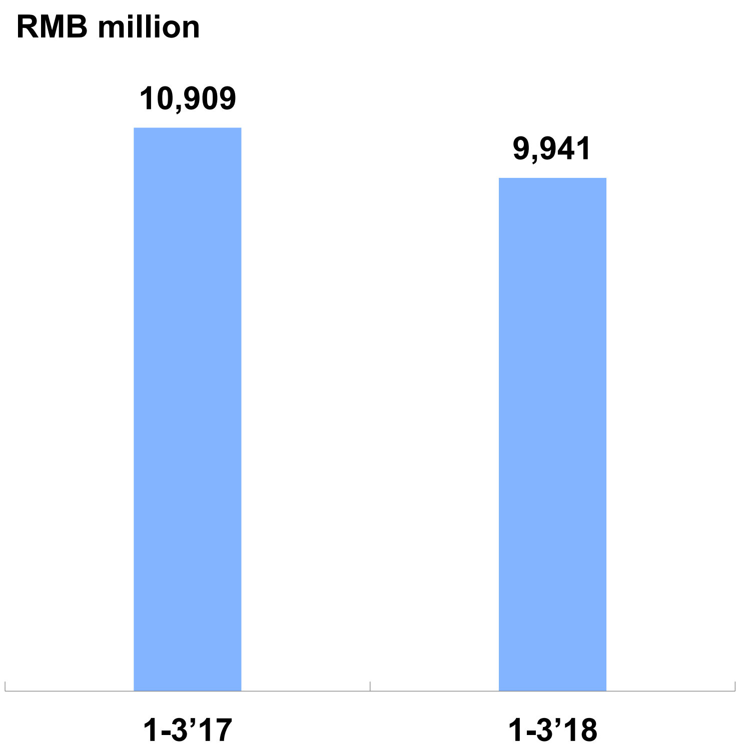
* 100% production domestic of JVs included

Chemicals – Sustained Strong Results

Chemical Products Price Index (CPPI)

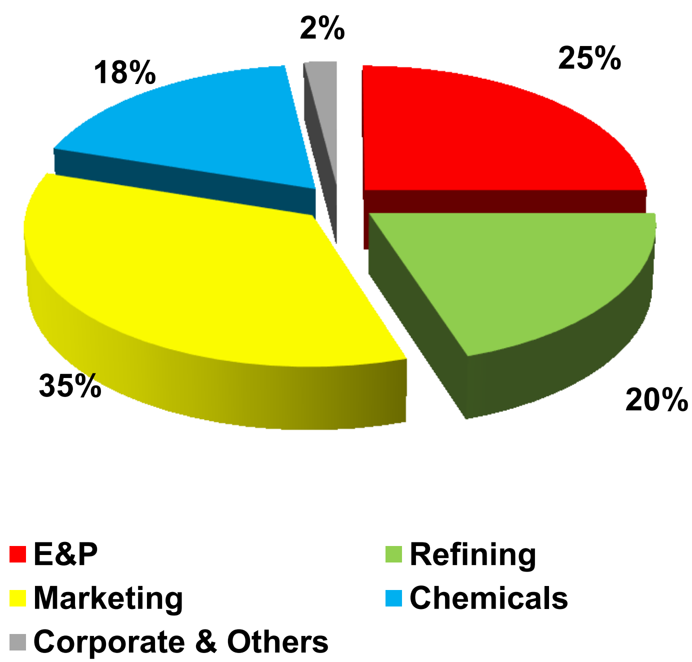


EBIT of Chemical Segment



Capital Expenditure

- Capital expenditure in Q1 was RMB 6.4 billion



- E&P: RMB 1.60Bn
  - Oil & Gas production capacity, gas storage, natural gas pipeline construction
- Refining: RMB 1.27Bn
  - Construction of Zhongke project, quality upgrading of refined oil products and adjustment of product mix
- Marketing: RMB 2.27Bn
  - Revamping of service stations and construction of refined oil product pipelines and storage facilities
- Chemicals: RMB 1.16Bn
  - Construction of Zhongke project, structural improvement of facilities, feedstock and product slate
- R&D and IT facilities: RMB 0.12Bn

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