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The Stock Exchange of Hong Kong Limited (the "Hong Kong Stock Exchange") and Hong Kong Securities Clearing Company Limited ("HKSCC") take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

In connection with the Global Offering, UBS, as stabilising manager (the "Stabilising Manager") or any person acting for it, may over-allocate or effect any other transactions with a view to supporting the market price of the H Shares at a level higher than that which might otherwise prevail for a limited period commencing from the day on which the H Shares commence trading on the Hong Kong Stock Exchange. However, there is no obligation on the Stabilising Manager or any person acting for it to do this. Such stabilisation action, if taken, may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including the Securities and Futures (Price Stabilising) Rules made under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong). Such stabilisation, if commenced, will be conducted at the absolute discretion of the Stabilising Manager or any person acting for it and may be discontinued at any time, and must be brought to an end after a limited period. The details of the intended stabilisation and how it will be regulated under the Securities and Futures Ordinance are contained in the prospectus of the Company dated 18 September, 2006 (the "Prospectus"). The number of H Shares being offered in the Global Offering may be increased by up to and not more than an aggregate of 210,000,000 additional H Shares through the exercise of the Over-allotment Option granted to the International Purchasers by the Company exercisable by the Joint Global Coordinators on behalf of the International Purchasers to, amongst other things, cover over-allocations (if any) in the International Offering, which option is exercisable at any time from the date of the International Purchase Agreement until 30 days after the last day for lodging applications under the Hong Kong Public Offering. In the event that such Over-allotment Option is exercised, a press announcement will be made.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement may be terminated by notice in writing from the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) to the Company if any of the events set out under the paragraph headed "Grounds for termination" in the section headed "Underwriting" of the Prospectus occurs at any time prior to 8:00 a.m. on the day on which dealings in the H Shares commence on the Hong Kong Stock Exchange.

Unless otherwise defined in this announcement, terms defined in the Prospectus have the same meanings when used in this announcement.



# 中海石油化学股份有限公司 China BlueChemical Ltd.\*

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

## GLOBAL OFFERING

Number of Offer Shares : 1,400,000,000 H Shares  
(subject to adjustment and the Over-allotment Option)  
Number of Hong Kong Public Offer Shares : 140,000,000 H Shares (subject to adjustment)  
Number of International Offer Shares : 1,260,000,000 H Shares  
(subject to adjustment and Over-allotment Option)  
Maximum offer price : HK\$1.90 per Offer Share  
(payable in full on application and subject to refund)  
Nominal value : RMB1.00 per Share  
Stock code : 3983

Joint Global Coordinators and Joint Bookrunners  
(in alphabetical order)



Joint Sponsors and Joint Lead Managers  
(in alphabetical order)



Application has been made to the Listing Committee of the Hong Kong Stock Exchange for the granting of the listing of, and permission to deal in, the H Shares offered in the Global Offering (including any H Shares which may be issued by the Company pursuant to the exercise of the Over-allotment Option, as described in the Prospectus). Dealings in the H Shares on the Hong Kong Stock Exchange are expected to commence on Friday, 29 September, 2006. Applications for the H Shares will only be considered on the basis of the terms and conditions set out in the Prospectus and in the white or yellow Application Forms. It should be noted that multiple applications or suspected multiple applications or any application for more than 70,000,000 H Shares, being 50% of the H Shares initially being offered for public subscription under the Hong Kong Public Offering will be rejected. Only one application on a white or yellow Application Form or by way of giving electronic application instructions to HKSCC may be made for the benefit of any person. Applicants for any H Shares under the Hong Kong Public Offering are required to undertake and confirm that they or the relevant beneficial owner(s) have not applied for or taken up or indicated an interest for, and will not apply for or take up, or indicate an interest for, any other H Shares under the International Offering. Subject to the granting of the listing of, and permission to deal in, the H Shares on the Hong Kong Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the H Shares on the Hong Kong Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Hong Kong Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The Company is initially offering 140,000,000 H Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 10% of the total number of H Shares initially available under the Global Offering. The allocation of the H Shares between the Hong Kong Public Offering and the International Offering is subject to adjustment as stated in the paragraph headed "The Hong Kong Public Offering — Reallocation" under the section in the Prospectus entitled "Structure of the Global Offering."

Acceptance of all applications for the H Shares pursuant to the Hong Kong Public Offering is conditional on the conditions as stated in the paragraph headed "Conditions of the Hong Kong Public Offering" in the section entitled "Structure of the Global Offering" in the Prospectus. The Offer Price is expected to be fixed by agreement between the Joint Global Coordinators, on behalf of the Underwriters, and the Company on or around Friday, 22 September, 2006 and, in any event, not later than Wednesday, 27 September, 2006. Investors applying for H Shares under the Hong Kong Public Offering must pay, on application, the maximum offer price of HK\$1.90 for each H Share together with a brokerage of 1%, SFC transaction levy of 0.005% and Hong Kong Stock Exchange trading fee of 0.005%. The Joint Global Coordinators, on behalf of the Underwriters, may with the consent of the Company, reduce the number of H Shares offered under the Global Offering and/or the indicative offer price range below that stated in the Prospectus (which is HK\$1.38 to HK\$1.90 per H Share) at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, notices of the reduction in the number of H Shares offered under the Global Offering and/or the indicative offer price range will be published in the South China Morning Post and the Hong Kong Economic Times not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. If applications pursuant to the Hong Kong Public Offering have been submitted prior to the day which is the last day for lodging applications under the Hong Kong Public Offering, then even if the number of H Shares offered under the Global Offering and/or the offer price range is so reduced, such applications cannot be subsequently withdrawn. If, for any reason, the Offer Price is not agreed between the Company and the Joint Global Coordinators (on behalf of the Underwriters), the Global Offering (including the Hong Kong Public Offering) will not proceed.

If the Global Offering does not become unconditional, all application monies received from applicants under the Hong Kong Public Offering will be refunded, without interest, on the terms set out under the paragraph headed "7. Refund of Application Monies" in the section entitled "How to apply for Hong Kong Public Offer Shares" in the Prospectus. Refund will be made in respect of wholly or partially successful applications in the event that the Offer Price is less than the offer price per H Share initially paid and in respect of wholly or partially unsuccessful applications. Applicants for 1,000,000 H Shares or more and who have elected to collect their refund cheque(s) and/or H Share certificate(s) (as relevant) in person may do so from the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong from 9:00 a.m. to 1:00 p.m. on Thursday, 28 September, 2006 or such other date notified by the Company in the newspapers as the date of collection/despatch of refund cheques and/or H Share certificates. Applicants being individuals who opt for personal collection must not authorize any other person to make collection on their behalf. You must show identification documents (which must be acceptable to Computershare Hong Kong Investor Services Limited) to collect your (where applicable) refund cheque(s) and/or (where applicable) H Share certificate(s). Applicants being corporations must attend by their authorized representatives each bearing a letter of authorization from such corporation stamped with the corporation's chop. Both individuals and authorized representatives (if applicable) must produce at the time of collection evidence of identity acceptable to Computershare Hong Kong Investor Services Limited. Uncollected H Share certificate(s) and/or refund cheque(s) will be despatched promptly thereafter by ordinary post at the applicants' own risk to the addresses specified in the relevant Application Forms. For enquiries, please call the hotline of Computershare Hong Kong Investor Services Limited at (852)-2862-8555.

In relation to applicants who have applied for less than 1,000,000 H Shares, or applicants who have applied for 1,000,000 or more H Shares but have not elected to collect their (where applicable) refund cheque(s) and/or (where applicable) H Share certificate(s) in person, their refund cheque(s) (where applicable) and/or H Share certificate(s) (where applicable) will be sent by ordinary post at the applicants' own risk to the addresses specified in the relevant Application Forms on or before Thursday, 28 September, 2006.

Applicants who would like to be allotted H Shares in their own names should complete and sign the white Application Forms. Applicants who would like to have the allotted H Shares issued in the name of HKSCC Nominees Limited and deposited directly into CCASS for credit to their CCASS Investor Participant stock accounts or the stock accounts of their designated CCASS Participants maintained in CCASS should either (i) complete and sign the yellow Application Forms, copies of which, together with the Prospectus, may be obtained during normal business hours from 9:00 a.m. on Monday, 18 September, 2006 until 12:00 noon on Thursday, 21 September, 2006 at the Depository Counter of HKSCC at 2/F, Viewood Plaza, 199 Des Voeux Road Central, Hong Kong or the Customer Service Centre of HKSCC at Upper Ground Floor, V-Heun Building, 128-140 Queen's Road Central, Hong Kong; or (ii) give electronic application instructions to HKSCC via CCASS.

Copies of the Prospectus, together with the white Application Forms, may be obtained during business hours in the same period from:

1. J.P. Morgan Securities (Asia Pacific) Limited, 27th Floor, Chater House, 8 Connaught Road, Central, Hong Kong;
2. UBS AG, 52nd Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong;
3. BOCI Asia Limited, 26/F, Bank of China Tower, 1 Garden Road, Hong Kong;
4. First Shanghai Securities Limited, 19/F, Wing On House, 71 Des Voeux Road Central, Hong Kong;
5. Guotai Junan Securities (Hong Kong) Limited, 27/F, Low Block, Grand Millennium Plaza, 181 Queen's Road Central, Hong Kong;
6. Oriental Patron Asia Limited, 27/F., Two Exchange Square, 8 Connaught Place, Central, Hong Kong; or
7. any one of the following branches or sub-branches of Bank of Communications Co., Ltd. Hong Kong Branch:

Branch Name	Address
<b>Hong Kong Island:</b>	
Hong Kong Branch	20 Pedder Street, Central, Hong Kong
Central District Sub-Branch	G/F., 123-125A Des Voeux Road, Central
King's Road Sub-Branch	67-71 King's Road, North Point
Taikoo Shing Sub-Branch	Shop 38, G/F., City Plaza 2, 18 Taikoo Shing Road
Chaiwan Sub-Branch	121-121A Wan Tsui Road, Chaiwan
<b>Kowloon:</b>	
Hunghom Sub-Branch	1-3A Tak Man Street, Whampoa Estate, Hunghom, Kowloon
Kowloon Sub-Branch	563 Nathan Road
Cheung Sha Wan Plaza Sub-Branch	Unit G04, Cheung Sha Wan Plaza, 833 Cheung Sha Wan Road
Wong Tai Sin Sub-Branch	Shops 127-129, 1/F Lung Cheung Mall, 136 Lung Cheung Road, Wong Tai Sin
Ngau Tau Kok Sub-Branch	Shop G1, G/F., Phase I, Amoy Plaza, 77 Ngau Tau Kok Road
Kwun Tong Sub-Branch	Shop A on G/F. & 1/F., 55 Hong Ning Road, Kwun Tong
<b>New Territories:</b>	
Tsuen Wan Sub-Branch	Shop G10-11, Pacific Commercial Plaza, Bo Shek Mansion, 328 Sha Tsui Road
Shatin Sub-Branch	Shop No. 193, Level 3, Lucky Plaza, 1-15 Wang Pok Street, Shatin
Ma On Shan Sub-Branch	Shop 3038A, Level 3, Sunshine Plaza, Ma On Shan
Sheung Shui Sub-Branch	Shops 1010-1014, G/F., Sheung Shui Centre Shopping Arcade, Sheung Shui

8. or any one of the following branches of Standard Chartered Bank (Hong Kong) Limited:

Branch Name	Address
<b>Hong Kong Island:</b>	
88 Des Voeux Road Branch	88 Des Voeux Road Central, Central, Hong Kong
Des Voeux Road Branch	Standard Chartered Bank Building, 4-4A, Des Voeux Road Central, Central
Central Branch	Shop No. 16, G/F and Lower G/F, New World Tower, 16-18 Queen's Road Central, Central, Hong Kong
Hennessy Road Branch	399 Hennessy Road, Wanchai, Hong Kong
Aberdeen Branch	Shop 4A, G/F, Aberdeen Centre, No. 6 Nam Ning Street, Aberdeen, Hong Kong
North Point Centre Branch	North Point Centre, 284 King's Road, North Point, Hong Kong
Quarry Bay Branch	G/F, Westlands Gardens, 1027 King's Road, Quarry Bay
<b>Kowloon:</b>	
Tsim Sha Tsui Branch	G/F, 10 Granville Road, Tsimshatsui, Kowloon
Mongkok Branch	Shop B, G/F, 1/F & 2/F, 617-623 Nathan Road, Mongkok, Kowloon
Mei Foo Stage 1 Branch	G/F, 1C Broadway, Mei Foo Sun Chuen Stage 1, Lai Chi Kok
Telford Gardens Branch	Shop P9-12, Telford Centre, Telford Gardens, Tai Yip Street, Kowloon
Kwun Tong Branch	88-90 Fu Yan Street, Kwun Tong, Kowloon
<b>New Territories:</b>	
Metroplaza Branch	Shop Nos. 186-188, Level 1, Metroplaza, 223 Hing Fong Road, Kwai Chung
Yuen Long Branch	140, Yuen Long Main Road, Yuen Long, New Territories
Tuen Mun Town Plaza Branch	Shop No. G047-G052, Tuen Mun Tower Plaza Phase I, Tuen Mun

Both white and yellow Application Forms completed in all respects (to which cheques or banker's cashier orders should be securely stapled) should be deposited in the special collection boxes provided at one of the branches of Bank of Communications Co., Ltd. Hong Kong Branch or Standard Chartered Bank (Hong Kong) Limited referred to above at the following times on the following dates:

Monday, 18 September, 2006	—	9:00 a.m. to 5:00 p.m.
Tuesday, 19 September, 2006	—	9:00 a.m. to 5:00 p.m.
Wednesday, 20 September, 2006	—	9:00 a.m. to 5:00 p.m.
Thursday, 21 September, 2006	—	9:00 a.m. to 12:00 noon

Applications by giving electronic application instructions to HKSCC

Investors can apply for H Shares by giving electronic application instructions to HKSCC as follows:

1. CCASS Investor Participants can give electronic application instructions to HKSCC through the CCASS Phone System by calling 2979 7888 or through the CCASS Internet System (<https://ip.ccass.com>) (using the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time). HKSCC can also input electronic application instructions on behalf of CCASS Investor Participants if they go to the Customer Service Centre of HKSCC at Upper Ground Floor, V-Heun Building, 128-140 Queen's Road Central, Hong Kong and complete an input request form. Prospectuses are also available for collection at the Customer Service Centre of HKSCC; and
2. those who are not CCASS Investor Participants can instruct their brokers or custodians who are CCASS Broker Participants or CCASS Custodian Participants to give electronic application instructions to HKSCC via CCASS terminals to apply for H Shares on their behalf.

CCASS Broker/Custodian Participants can input electronic application instructions at the following times on the following dates:

Monday, 18 September, 2006	—	9:00 a.m. to 8:30 p.m. <sup>(1)</sup>
Tuesday, 19 September, 2006	—	8:00 a.m. to 8:30 p.m. <sup>(1)</sup>
Wednesday, 20 September, 2006	—	8:00 a.m. to 8:30 p.m. <sup>(1)</sup>
Thursday, 21 September, 2006	—	8:00 a.m. <sup>(1)</sup> to 12:00 noon

<sup>(1)</sup> The above time is subject to change as HKSCC may determine from time to time with prior notification to CCASS Broker/Custodian Participants.

CCASS Investor Participants can input electronic application instructions from 9:00 a.m. on Monday, 18 September, 2006 until 12:00 noon on Thursday, 21 September, 2006 (24 hours daily, except the last application date).

Subject to the terms and conditions set out in the Prospectus and the Application Forms relating thereto, applications must be received no later than 12:00 noon on Thursday, 21 September, 2006 (or if the application lists are not open on that day, then by 12:00 noon on the next business day the lists are open). Please see the section entitled "How to apply for Hong Kong Public Offer Shares" in the Prospectus for further details. No temporary documents or evidence of title will be issued. No receipt will be issued for application monies. H Share certificates will only become valid certificates of title at 8:00 a.m. on Friday, 29 September, 2006 provided that the Hong Kong Public Offering has become unconditional in all respects and the right of termination described in the paragraphs headed "Grounds for termination" in the section headed "Underwriting" of the Prospectus has not been exercised.

If an applicant applies for H Shares on a yellow Application Form or by giving electronic application instructions to HKSCC and the applicant's application is wholly or partially successful, the applicant's H Share certificate(s) will be issued in the name of HKSCC Nominees Limited and deposited into CCASS for credit to the applicant's CCASS Investor Participant stock account or the applicant's designated CCASS Participant's stock account as instructed by the applicant at the close of business on Thursday, 28 September, 2006 or under contingent situation, on any other date as shall be determined by HKSCC or HKSCC Nominees Limited. Applicants applying through designated CCASS Participants (other than CCASS Investor Participants) should check the number of H Shares allocated to them, or an amount of refund to them (if applying by giving electronic application instructions to HKSCC) with their respective designated CCASS Participants. Applicants applying by giving electronic application instructions to HKSCC and applicants applying as CCASS Investor Participants should check the announcement to be published on Thursday, 28 September, 2006 and report any discrepancies to HKSCC before 5:00 p.m. on Thursday, 28 September, 2006 or such other date as shall be determined by HKSCC or HKSCC Nominees Limited. Applicants applying as CCASS Investor Participants may check their new stock balances (for CCASS Investor Participants applying by giving electronic application instructions to HKSCC, they can also check the amount of refund monies credited to their designated bank accounts) via the CCASS Phone System and the CCASS Internet System. Immediately after the credit of the Hong Kong Public Offer Shares to their account and the amount of refund money credited to their designated bank account (if any), HKSCC will also make available to each of such applicants an activity statement showing the number of H Shares credited to the applicant's CCASS Investor Participant stock account and the amount of refund money.

The total number of H Shares being offered under the Hong Kong Public Offering (after taking account of any reallocation) is to be divided into two pools for allocation purposes: 70,000,000 H Shares for pool A and 70,000,000 H Shares for pool B. The H Shares in pool A will be allocated on an equitable basis to applicants who have applied for H Shares with an aggregate price of HK\$5 million (excluding the brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee payable) or less. The H Shares in pool B will be allocated on an equitable basis to applicants who have applied for H Shares with an aggregate price of more than HK\$5 million (excluding the brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee payable) up to the total value of H Shares in pool B. Investors should be aware that applications in pool A and applications in pool B receive different allocation ratios. H Shares in one (but not both) of the two pools will be allocated accordingly. For the purpose of this paragraph only, the "price" of H Shares means the price payable on application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of H Shares from either pool A or pool B but not from both pools.

It is expected that the level of indication of interest in the International Offering, the Offer Price, the results of applications and the basis of allocation of the Hong Kong Public Offer Shares will be published on or about Thursday, 28 September, 2006 in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese).

By order of the Board  
China BlueChemical Ltd.  
Wu Mengfei  
Chairman

Hong Kong, 18 September, 2006

\* for identification only

As at the date of this announcement, the executive Directors are Mr. Yang Yexin, Mr. Fang Yong and Mr. Chen Kai, the non-executive Director is Mr. Wu Mengfei, and the independent non-executive Directors are Mr. Wang Wenshan, Mr. Zhang Xinchi, Mr. Wu Xiaohua and Mr. Tsui, Yu Wu, Alec.