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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)
(Stock code: 3983)

CLARIFICATION ANNOUNCEMENT

The Board refers to the Articles in relation to the Company and CNCCC and would like to clarify the contents of the Articles.

The Board refers to the Articles in relation to the Company and CNCCC after CNOOC acquires the equity interests in CNCCC and would like to clarify the contents of the Articles. Notwithstanding anything contained in the Articles, the Board confirms that it will, on the basis of the Company's development strategies and financial position, evaluate the opportunity of acquiring the fertilizer business of CNCCC or cooperating with CNCCC after CNOOC has acquired the equity interests in CNCCC. However, the Board confirms that there are currently no negotiations or agreements relating to any acquisition of, or cooperation with, CNCCC and the Board is not aware of any other matter discloseable under the requirements of Rule 13.09 or Rule 13.23 of the Listing Rules or any matter which is or may be of a price-sensitive nature.

Definitions

In this announcement, the following words and expressions shall, unless the context otherwise requires, have the following respective meanings:

- "Articles" the news articles published by the Oriental Daily (東方日報), Ming Pao (明報) and the Standard on 24 October 2006 in relation to the possible relationship between the Company and CNCCC after CNOOC acquires the equity interests in CNCCC;
- "Board" the board of directors of the Company;
- "CNCCC" China National Chemical Construction Corporation (中國化工建設總公司);
- "CNOOC" China National Offshore Oil Corporation (中國海洋石油總公司), the controlling shareholder of the Company;
- "Company" China BlueChemical Ltd.; and
- "Listing Rules" the Rules Governing the Listing of Securities on The Hong Kong Stock Exchange.

By order of the Board
China BlueChemical Ltd.
Meng Jun
Company Secretary

Haikou, the PRC
24 October 2006

Shareholders and investors of the Company are reminded that they should exercise caution in dealing in the securities of the Company as the above-mentioned opportunity may or may not be realised.

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 Xinzhì, Mr. Wu Xiaohua and Mr. Tsui Yiu Wa, Alec.

* for identification only