



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)

ANNOUNCEMENT

Pre-IPO Profit

The Board announces that an aggregate amount of approximately RMB302.1 million will be distributed to the five Promoters of the Company as Pre-IPO Profit.

As mentioned in the prospectus of the Company dated 18 September 2006, the five Promoters unanimously resolved on 25 April 2006 that they will be entitled to, in the same proportion as their respective shareholdings in the Company as at the date of the resolution, all of the undistributed profit of the Company generated during the period from 25 April 2006 (the date on which the Company was established and restructured to be a joint stock limited company) to the last day of the month immediately preceding the listing date of the Company (the "Pre-IPO Profit"). The Company was listed on The Stock Exchange of Hong Kong Limited on 29 September 2006, and therefore the above-mentioned period ends on 31 August 2006. The Pre-IPO Profit is to be determined in accordance with the PRC Accounting Standards for Business Enterprises and PRC Accounting System for Business Enterprises (中國企業會計準則和企業會計制度) and its supplementary regulations.

The audit for determining the amount of the Pre-IPO Profit has been completed. The Board resolved on 30 December, 2006 that an aggregate amount of approximately RMB302.1 million will be distributed to the five Promoters of the Company as Pre-IPO Profit, out of which China National Offshore Oil Corporation will be entitled to approximately RMB292.1 million and each of the other four Promoters will be entitled to approximately RMB2.5 million.

The payment of the Pre-IPO Profit to the five Promoters will be made from cash and cash equivalents generated from the Company's operating activities and, if necessary, bank borrowings.

Definitions

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

- "Board" the board of directors of the Company;
- "Company" China BlueChemical Ltd.;
- "PRC" the People's Republic of China; and
- "Promoters" the promoters of the Company, namely, China National Offshore Oil Corporation (中國海洋石油總公司), Guangdong Agricultural Means of Production Corporation (廣東省農業生產資料總公司), Shanghai Municipal Agricultural Means of Production Corporation (上海市農業生產資料公司), Zhejiang AMP Incorporation (浙江農資集團有限公司) and Transammonia Inc.

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

Haikou, the PRC
30 December, 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 Xinzhi, Mr. Wu Xiaohua and Mr. Tsui Yiu Wa, Alec.