

[For immediate release]



中海石油化学股份有限公司
China BlueChemical Ltd.

**CHINA BLUECHEM'S REVENUE AND GROSS PROFIT
SURGED 43.26% AND 60.42% RESPECTIVELY IN THE FIRST HALF OF 2007**

Financial Highlights:

For the six months ended 30 June 2007 (unaudited)

- Revenue increased 43.26% to RMB 2,312.03 million
- Gross profit increased 60.42% to RMB 995.93 million
- Net profit attributable to equity holders of the parent comparing with RMB507.20 million for the same period in 2006 (after excluding the one-time gain of excess over the cost of a business combination relating to the acquisition of Tianye Chemical in 2006 of approximately RMB577.62 million) increased 62.96% to RMB826.53 million
- Basic earnings per share was RMB17.93 fen

(Hong Kong, 26 August 2007) China BlueChemical Ltd. ("China BlueChem" or the "Company"; stock code: 3983), the leading chemical fertilizer producer in China, today announced its unaudited interim results for the six months ended 30 June 2007.

During the period under review, the Company recorded revenue and gross profit of RMB2,312.03 million (2006: RMB1,613.83 million) and RMB995.93 million (2006: RMB620.82 million), representing a surge of 43.26% and 60.42%, respectively from the previous corresponding period. Net profit attributable to equity holders of the parent for the first half of 2007 was RMB826.53 million. Net profit attributable to equity holders of the parent of RMB1084.82 million for the first half of 2006 has included a one-time gain of excess over the cost of a business combination relating to the acquisition of Tianye Chemical of approximately RMB577.62 million. Without considering the impact of this special factor, the Company's net profit attributable to equity holders of the parent in the first half of 2007 would have increased by 62.96% as compared with the corresponding period. For the first half of 2007, basic earnings per share was RMB17.93 fen. The board of directors did not recommend the payment of interim dividend for the six months ended 30 June 2007.

Mr. Yang Ye Xin, CEO and President of the Company, said, "Having successfully implemented several strategic measures including corporate restructuring, the listing of the Company's H shares on the Stock Exchange of Hong Kong Limited and the acquisition of Tianye Chemical in last year, our results for the first half of 2007 have been encouraging. With Tianye Chemical's 200,000-tonne methanol plant and CNOOC Jiantao 600,000-tonne methanol plant commenced operation in April and December 2006 respectively, the plants for the first time made revenue contributions that were fully reflected in the Company's results – duly becoming key growth drivers for the first half of 2007. Accordingly, we are pleased to see that the Company continues to achieve significant milestones since our listing."

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During the period under review, the Company fully operated its three urea facilities, with average capacity utilization rate reached 105.22% and sales volume surged year-on-year by 8.03% to 972,885 tonnes. Mainly due to the increase in sales volume, the sales revenue of urea during the period reached RMB1,615.15 million, accounting for 69.86% of the Company's total revenue.

The Company's sales revenue of methanol during the period increased by 10 times to RMB604.93 million compared with the same period last year and accounted for 26.16% of the Company's total revenue. Especially the capacity utilization rate of CNOOC Jiantao reached 103.50% during its first commercial operation year.

"Being one of the nitrogenous fertilizer and methanol producers with the largest production volume and lowest energy consumption, we are well prepared to capture significant opportunities as the mineral fertilizer industry enters a consolidation period. The Company will continue to strengthen its internal management systems and accelerate development of new projects while at the same time expand operational scale by strategic acquisitions and mergers. From such efforts, we aim to enhance the Company's competitiveness and bring favourable returns for our shareholders," Mr. Yang concluded.

~End~

About China BlueChemical Ltd.

China BlueChem is one of the largest and most efficient nitrogenous fertilizer producers in China in terms of production volume and energy consumption. It is a listed company of China National Offshore Oil Corp. that engages in the production of downstream mineral fertilizers and synthetic chemical products. Currently, China BlueChem's production facilities are located in Hainan and Inner Mongolia, China, with a total designed annual production capacity of 1,840,000 tonnes of urea and 800,000 tonnes of methanol. Besides, China BlueChem has also secured long-term natural gas supply for its Hainan Plant.

For more information about China Bluechem, please visit the company's website at www.chinabluechem.com.cn.

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