
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other independent professional adviser.

If you have sold or transferred all your shares in **China BlueChemical Ltd.**, you should at once hand this circular, together with the enclosed form of proxy and reply slip, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

(1) PROPOSED AMENDMENTS TO THE ARTICLES
(2) PROPOSED SUPPLY OF CORPORATE COMMUNICATIONS
THROUGH THE COMPANY'S WEBSITE
(3) PROPOSED APPROVAL OF THE ASSESSMENT RESULTS UNDER
THE H-SHARE APPRECIATION RIGHTS SCHEME
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting (the "EGM") to be held at the Conference Room, 3rd Floor, CNOOC Office Building B, No. 98 Guanhai Road, Longhua District, Haikou, Hainan Province, the People's Republic of China on 7 February 2010 at 10 a.m. is set out on pages 16 to 18 of this circular.

A reply slip and a form of proxy for use at the EGM (or any adjournment thereof) are enclosed and are also published on the website of the Stock Exchange (www.hkex.com.hk). Shareholders who intend to attend the EGM shall complete and return the reply slip in accordance with the instructions printed thereon before Monday, 18 January 2010. Whether or not you are able to attend the EGM, you are strongly advised to complete and sign the enclosed form of proxy, in accordance with the instructions printed thereon, and to lodge them with the Company's Secretary Office of the Board in China (for holders of Domestic Shares or Unlisted Foreign Shares) at No. 98 Guanhai Road, Longhua District, Haikou, Hainan Province, the PRC or the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares), at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 24 hours before the time appointed for the holding of the EGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) should you so wish.

* For identification purpose only

21 December 2009

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Articles”	the Articles of Association of the Company, as amended from time to time;
“Board”	the board of Directors of the Company;
“China” or “PRC”	the People’s Republic of China; for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Company”	中海石油化學股份有限公司 (China BlueChemical Ltd.*), a company established in the PRC and the H Shares of which are listed on the Stock Exchange;
“Corporate Communications”	any document issued or to be issued by the Company for the information or action of any holder of H Shares, including but not limited to: Directors’ reports, annual accounts with copies of auditors’ reports, interim reports, notices of meetings, listing documents, circulars and proxy forms;
“Directors”	the directors of the Company;
“Domestic Shares”	domestic share(s) of nominal value of RMB1.00 each in the capital of the Company;
“EGM”	the Extraordinary General Meeting of the Company to be held at the Conference Room, 3rd Floor, CNOOC Office Building B, No. 98 Guanhai Road, Longhua District, Haikou, Hainan Province, the PRC at 10 a.m. on 7 February 2010;
“Exercisable Periods”	the first six months of the third, fourth, fifth and sixth financial years of the Company, commencing on 2008 which was the year whereby Shareholders’ approval was obtained for the H-Share Appreciation Rights Scheme;
“Grantee(s)”	the recipient(s) of the share appreciation rights under the H-Share Appreciation Rights Scheme who will be entitled to exercise their rights in tranches during the Exercisable Periods, subject to fulfillment of certain conditions, details of which are respectively stated in the announcement and circular of the Company dated 9 January 2008 and 11 January 2008;
“H Share(s)”	overseas listed foreign shares(s) of nominal value of RMB1.00 each in the capital of the Company which are listed on the Stock Exchange;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;

* For identification purpose only

DEFINITIONS

“H-Share Appreciation Rights Scheme”	the H-Share Appreciation Rights Scheme, as approved by SASAC on 3 December 2007 and the extraordinary general meeting of the Company held on 25 February 2008, details of which are respectively set out in the announcement and circular of the Company dated 9 January 2008 and 11 January 2008;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time);
“RMB”	Renminbi, the lawful currency of the PRC;
“SASAC”	The State-owned Assets Supervision and Administration Commission of the State Council;
“Share(s)”	domestic Shares, H Shares and Unlisted Foreign Shares of the Company;
“Shareholder(s)”	registered holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Unlisted Foreign Shares”	ordinary shares in the capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and fully paid up in foreign currency by non-PRC nationals and/or non-PRC incorporated entities and are not listed on any stock exchange.



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)

Executive Directors:

Mr. Yang Yexin
Mr. Fang Yong
Mr. Chen Kai

Non-executive Director:

Mr. Wu Mengfei

Independent non-executive Directors:

Mr. Zhang Xinzhi
Mr. Tsui Yiu Wa, Alec
Mr. Li Yongwu

Registered Office:

No. 1 Zhu Jiang South Street
Dongfang City
Hainan Province
The People's Republic of China

*Principal place of business
in Hong Kong:*

65/F., Bank of China Tower
No. 1 Garden Road
Central
Hong Kong

21 December 2009

To the Shareholders:

Dear Sir or Madam,

(1) PROPOSED AMENDMENTS TO THE ARTICLES
(2) PROPOSED SUPPLY OF CORPORATE COMMUNICATIONS
THROUGH THE COMPANY'S WEBSITE
(3) PROPOSED APPROVAL OF THE ASSESSMENT RESULTS UNDER
THE H-SHARE APPRECIATION RIGHTS SCHEME
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to (1) the announcement of the Company dated 21 December 2009 in relation to (i) the proposed amendments to the Articles; (ii) the proposed supply of Corporate Communications through the Company's website; (iii) the proposed approval of the assessment results under the H-Share Appreciation Rights Scheme (the "Announcement"); and (2) the announcement and circular of the Company dated 9 January 2008 and 11 January 2008, respectively, in relation to, among other things, the H-Share Appreciation Rights Scheme. Unless otherwise specified, capitalised terms used in this circular shall have the same meanings as those defined in the Announcement.

* For identification purpose only

LETTER FROM THE BOARD

At the EGM, resolutions will be proposed to approve (1) amendments to the Articles; (2) the supply of Corporate Communications through the Company's website; and (3) the assessment results under the H-Share Appreciation Rights Scheme.

The purposes of this circular are to give you notice of the EGM and to provide you with all the information regarding the aforesaid resolutions to be proposed, and if thought fit, to be approved, at the EGM.

(1) PROPOSED AMENDMENTS TO THE ARTICLES

On 28 November 2008, the Stock Exchange made amendments to the Listing Rules, which included, among other things, use of websites for communication with holders of securities of listed issuers. Such amendments became effective from 1 January 2009. According to Rule 2.07A(2A) of the Listing Rules, corporate communications of listed issuers can be posted on the issuers' websites for their shareholders to download.

For saving of costs in printing and mailing and for environmental protection purposes as well as to improve efficiency in the Company's communications with investors, the Board has resolved to propose to amend the Articles so that, following such amendments, the Company may send or supply Corporate Communications to holders of H Shares by making them available on the Company's own website (www.chinabluechem.com.cn), upon satisfaction of certain conditions. The Board is also of the view that other amendments to the Articles are necessary. Accordingly, the Board proposes to seek the approval of the Shareholders by way of special resolution at the forthcoming EGM to amend the Articles. The proposed amendments to the Articles shall come into effect upon the later of (i) the passing of such special resolution of the Shareholders at the EGM to approve the amendments; and (ii) the Company obtaining the approval of the Ministry of Commerce of the PRC or its authorized agencies (if necessary) to such amendments.

The Articles are written in Chinese without an official English version. Therefore any English translation is for reference only. In case of inconsistency, the Chinese version shall prevail.

Details of the proposed amendments to the Articles are as follows:

(a) Article 18

The existing Article 18 of the Articles reads:

The ordinary shares issued pursuant to the first capital increase conducted by the Company subsequent to its establishment represent 1.4 billion foreign shares listed outside the People's Republic of China. If the Over-allotment Option is exercised, not more than 210 million foreign shares listed outside the People's Republic of China will be issued by the Company.

If the Over-allotment Option is not exercised, the capital structure upon the aforesaid issue of shares by way of capital increase will comprise 4.4 billion ordinary shares, among which China National Offshore Oil Corporation, a

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promoter, holds 2,759,999,512 shares representing approximately 62.727% of the ordinary shares of the Company in issue; Zhejiang AMP Incorporation, a promoter, holds 25,000,122 shares representing approximately 0.568% of the ordinary shares of the Company in issue; Guangdong Agricultural Means of Production Corporation, a promoter, holds 25,000,122 shares representing approximately 0.568% of the ordinary shares of the Company in issue; Shanghai Municipal Agricultural Means of Production Corporation, a promoter, holds 25,000,122 shares representing approximately 0.568% of the ordinary shares of the Company in issue; Transammonia Inc., a promoter, holds 25,000,122 shares representing approximately 0.568% of the ordinary shares of the Company in issue; foreign shares listed outside the People's Republic of China total 1.54 billion shares which are held by shareholders of foreign shares listed outside the People's Republic of China and represent 35% of the ordinary shares of the Company in issue.

If the Over-allotment Option is exercised in full, the capital structure of the Company will comprise 4.61 billion ordinary shares, among which China National Offshore Oil Corporation, a promoter, holds 2,738,999,512 shares representing approximately 59.414% of the ordinary shares of the Company in issue; Zhejiang AMP Incorporation, a promoter, holds 25,000,122 shares representing approximately 0.542% of the ordinary shares of the Company in issue; Guangdong Agricultural Means of Production Corporation, a promoter, holds 25,000,122 shares representing approximately 0.542% of the ordinary shares of the Company in issue; Shanghai Municipal Agricultural Means of Production Corporation, a promoter, holds 25,000,122 shares representing approximately 0.542% of the ordinary shares of the Company in issue; Transammonia Inc., a promoter, holds 25,000,122 shares representing approximately 0.542% of the ordinary shares of the Company in issue; foreign shares listed outside the People's Republic of China total 1.771 billion shares which are held by shareholders of foreign shares listed outside the People's Republic of China and represent 38.416% of the total number of ordinary shares of the Company in issue.

The Article is proposed to be deleted and substituted by the following:

The ordinary shares issued pursuant to the first capital increase conducted by the Company subsequent to its establishment represent 1.61 billion foreign shares listed outside the People's Republic of China. The capital structure upon the aforesaid issue of shares by way of capital increase will comprise 4.61 billion ordinary shares, among which China National Offshore Oil Corporation, a promoter, holds 2,738,999,512 shares (domestic shares) representing approximately 59.414% of the ordinary shares of the Company in issue; Zhejiang AMP Incorporation, a promoter, holds 25,000,122 shares (domestic shares) representing approximately 0.542% of the ordinary shares of the Company in issue; Guangdong Agricultural Means of Production Corporation, a promoter, holds 25,000,122 shares (domestic shares) representing approximately 0.542% of the ordinary shares of the Company in issue; Shanghai Municipal Agricultural Means of Production Corporation, a promoter, holds 25,000,122

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shares (domestic shares) representing approximately 0.542% of the ordinary shares of the Company in issue; Transammonia Inc., a promoter, holds 25,000,122 shares (unlisted foreign shares) representing approximately 0.542% of the ordinary shares of the Company in issue; foreign shares listed outside the People's Republic of China total 1.771 billion shares which are held by shareholders of foreign shares listed outside the People's Republic of China and represent approximately 38.416% of the ordinary shares of the Company in issue.

(b) Article 21

The existing Article 21 of the Articles reads:

Upon completion of the issue of foreign shares listed outside the People's Republic of China, if the Over-allotment Option is not exercised, the registered capital of the Company is RMB4.4 billion; and if the Over-allotment Option is exercised in full, the registered capital of the Company shall be adjusted to RMB4.61 billion.

The Article is proposed to be deleted and substituted by the following:

The registered capital of the Company is RMB4.61 billion.

(c) Article 67

The existing Article 67 of the Articles reads:

A notice of a shareholders' general meeting shall be delivered to the shareholders (whether or not they are entitled to vote thereat) by designated persons or pre-paid mail to the recipient's address shown in the register of members. For holders of domestic shares, the notice of a shareholders' general meeting may also be given by public announcement.

A "public announcement" referred to in the preceding paragraph shall be published in one or several national newspapers designated by the securities-governing authority of the State Council within forty-five days to fifty days before the date of the meeting. Upon publication of such announcement, all holders of the domestic shares shall be deemed to have received the notice of such shareholders' general meeting. The Chinese and English versions of these public announcements shall be published on a major Chinese newspaper and an English newspaper respectively in Hong Kong on the same date.

The Article is proposed to be deleted and substituted by the following:

A notice of a shareholders' general meeting shall be delivered to the shareholders (whether or not they are entitled to vote thereat) by designated persons or pre-paid mail to the recipient's address shown in the register of members. However, for holders of domestic shares and unlisted foreign shares, the notice of a shareholders' meeting may also be given by public announcement. For

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holders of foreign shares listed outside the People's Republic of China, the notice of a shareholders' meeting may, subject to laws, administrative regulations and listing rules of stock exchange(s) on which the shares of the Company may be listed, be served or provided through the Company's website or by such other means as shall be stipulated from time to time under the listing rules.

A "public announcement" referred to in the preceding paragraph shall be published in one or several national newspapers designated by the securities-governing authority of the State Council within forty-five days to fifty days before the date of the meeting. Upon publication of such announcement, all holders of the domestic shares and unlisted foreign shares shall be deemed to have received the notice of such shareholders' general meeting.

(d) Article 157

The existing Article 157 of the Articles reads:

The Company's financial reports shall be made available for shareholders' inspection at the Company twenty (20) days before the date of every annual general meeting. Each shareholder of the Company shall be entitled to obtain a copy of the financial reports mentioned herein.

The Company shall send a printed copy of the directors' report together with the balance sheet (including documents required to be attached under the laws and administrative regulations of the People's Republic of China) and income statement or profit and loss account (inclusive of the aforesaid financial reports) to each holder of H-Shares by prepaid mail at the recipient's address shown in the register of members, no later than 21 days prior to the date of the shareholders' annual general meeting.

The Article is proposed to be deleted and substituted by the following:

The Company's financial reports shall be made available for shareholders' inspection at the Company twenty (20) days before the date of every shareholders' annual general meeting. Each shareholder of the Company shall be entitled to obtain a copy of the financial reports mentioned herein.

The Company shall send by prepaid mail a copy of the directors' report together with the balance sheet (including every document required to be attached under relevant laws, administrative regulations and listing rules of stock exchange (s) on which the shares of the Company may be listed) and income statement or profit and loss account (inclusive of the aforesaid financial reports) to each holder of foreign shares listed outside the People's Republic of China at the recipient's address shown in the register of members, no later than 21 days prior to a shareholders' annual general meeting. However, for holders of foreign shares listed outside the People's Republic of China, these may, subject to laws, administrative regulations and listing rules of stock exchange(s) on which the

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shares of the Company may be listed, be served or provided through the Company's website or by such other means as shall be stipulated from time to time under the listing rules.

(e) Article 169

The existing Article 169 of the Articles reads:

Distribution of dividends and other payments by the Company to holders of foreign shares shall be in accordance with the relevant foreign exchange administration regulations of the People's Republic of China. In the absence of such regulations, the applicable conversion rate shall be the average closing rate of the relevant foreign exchange as published by the People's Bank of China for the one-week period immediately prior to the date of declaration of such dividend and other payments.

The Article is proposed to be deleted and substituted by the following:

Distribution of dividends and other payments by the Company to holders of foreign shares shall be in accordance with the relevant foreign exchange administration regulations of the People's Republic of China. In the absence of such regulations, the applicable conversion rate shall be the average mid-point rate of the relevant foreign exchange as published by the People's Bank of China on its website for the period of seven working days immediately prior to the date of declaration of such dividend and other payments.

(f) Article 170

The existing Article 170 of the Articles reads:

The Company shall withhold tax payable in respect of dividend income to be received by individual shareholders and pay such tax on behalf of such shareholders in accordance with the tax laws of the People's Republic of China.

The Article is proposed to be deleted and substituted by the following:

The Company shall withhold tax payable in respect of dividend income to be received by shareholders and pay such tax on behalf of such shareholders in accordance with the tax laws of the People's Republic of China.

(g) Third paragraph of Article 179

The existing third paragraph of Article 179 of the Articles reads:

Within fourteen (14) days upon receipt of the written notice referred to in the preceding paragraph, the Company shall send a printed copy of the notice to the relevant governing authority. If the notice contains a statement under subparagraph (2) of the preceding paragraph, a copy of such statement shall be made available at the Company for shareholders' inspection. The Company shall

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also send a copy of such statement by pre-paid mail to every holder of foreign shares listed outside the People's Republic of China at the address shown in the register of members.

The third paragraph of the Article is proposed to be deleted and substituted by the following:

Within fourteen (14) days upon receipt of the written notice referred to in the preceding paragraph, the Company shall send a printed copy of the notice to the relevant governing authority. If the notice contains a statement under subparagraph (2) of the preceding paragraph, a copy of such statement shall be made available at the Company for shareholders' inspection. The Company shall also send a copy of such statement by pre-paid mail to every holder of foreign shares listed outside the People's Republic of China at the address shown in the register of members. However, it may, subject to laws, administrative regulations and listing rules of stock exchange(s) on which the shares of the Company may be listed, be served or provided through the Company's website or by such other means as shall be stipulated from time to time under the listing rules.

(h) Article 196

The existing Article 196 of the Articles reads:

Unless otherwise required under the Articles, notices issued by the Company to holders of its foreign shares listed outside the People's Republic of China shall be published on a newspaper if issued by way of public announcements. In addition, it shall be served on each holder of foreign shares listed outside the People's Republic of China by designated persons or pre-paid mail to the recipient's address shown in the register of members, to allow for sufficient notice and time for the purpose of exercising his or her rights or acting in accordance with the terms of such notice.

In the absence of service by designated persons or pre-paid mail, a notice issued by the Company to the holders of its domestic shares shall be published by way of public announcement in one or several newspapers designated by the securities governing authority of the State Council. Upon publication of such announcement, all holders of domestic shares shall be deemed to have received such notice.

The Article is proposed to be deleted and substituted by the following:

Notices issued by the Company shall be:

- (1) delivered by designated persons;
- (2) delivered by pre-paid mail;
- (3) published on newspapers by way of public announcement;

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- (4) subject to laws, administrative regulations and listing rules of stock exchange(s) on which the shares of the Company may be listed, given through the Company's website or by such other websites as stipulated from time to time under the listing rules;
- (5) issued by such other means as shall be agreed in advance between the Company and the recipient(s) to which the notice is addressed or as shall be approved by such recipient(s) upon receipt of a notice; or
- (6) issued by such other means as shall be stipulated by laws, administrative regulations and listing rules of stock exchange(s) on which the shares of the Company may be listed or by the Articles.

(i) Article 200

The following be added as the fifth paragraph of Article 200 of the Articles:

“Notice” in the Articles shall refer to correspondence between the Company and third parties (including but not limited to Shareholders, Directors, Supervisors, regulatory bodies, creditors, accounting firms, as the case may be) amongst which, “notice” from the Company to its shareholders shall refer to any document issued or to be issued by the Company for reference by its shareholders or upon which they shall take actions. Such documents shall include but shall not be limited to notices of meetings, directors' reports, annual accounts together with auditors' reports, interim reports, listing documents, circulars and proxy forms.

(2) PROPOSED SUPPLY OF CORPORATE COMMUNICATIONS THROUGH THE COMPANY'S WEBSITE

According to the proposed amendments to the Articles, and also for cost saving and environmental protection purposes, as well as to improve communication efficiency, the Board considers that it is in the interests of the Shareholders and the Company as a whole that the holders of H Shares are given the choice on the means of receipt of Corporate Communications and the Company can send or supply Corporate Communications to the holders of H Shares by making them available on the Company's own website (www.chinabluechem.com.cn). Therefore, the Board has resolved to propose a resolution to be approved by Shareholders by way of an ordinary resolution at the forthcoming EGM that the holders of H Shares may be given the choice to receive Corporate Communications and the Company may send or supply Corporate Communications to holders of H Shares by making them available on the Company's own website (www.chinabluechem.com.cn) provided that the following conditions have been satisfied:

- (a) that each holder of H Shares has been asked individually by the Company to agree that the Company may send or supply Corporate Communications to such holder through its website; and
- (b) the Company has not received any objection from such holder of H Shares within a 28-day period beginning with the date on which the Company's request was sent.

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Holders of H Shares in relation to whom the aforesaid conditions are met are taken to have agreed that the Company may send or supply Corporate Communications through its website. The above arrangements are only available to holders of H Shares.

Holders of Domestic Shares and Unlisted Foreign Shares shall receive Corporate Communications by way of announcement or other means compliant with the Articles and the relevant laws and regulatory requirements.

(3) PROPOSED APPROVAL OF THE ASSESSMENT RESULTS UNDER THE H-SHARE APPRECIATION RIGHTS SCHEME

Pursuant to the H-Share Appreciation Rights Scheme, the effectiveness of the H-Share Appreciation Rights Scheme is subject to the fulfillment of certain conditions precedents relating to the performance of the Company and the Grantees, including, among others: (i) the audited average return on equity of the Company is not lower than 14% for the financial years 2007 and 2008; (ii) the average year-on-year increase in audited net profit of the Company being not lower than 10% for the financial years 2007 and 2008; and (iii) the satisfactory review of the performance of each Grantee.

The Board has completed the above assessments under the H-Share Appreciation Rights Scheme and is of the view that:

- (1) the audited average return on equity and the average year-on-year increase in audited net profit of the Company for the financial years 2007 and 2008 have met the specified requirements; and
- (2) the performance of each Grantee for the financial years 2007 and 2008 was satisfactory.

In accordance with the Management Rules and Procedures of the H-Share Appreciation Rights Scheme, the above assessment results are required to be approved by the Shareholders in order to give effect to the H-Share Appreciation Rights Scheme. The proposals for the Board to consider the assessment results for the years 2007 and 2008 and the summary results of appraisal of the Grantees' performance are set out in the Appendix to this circular for the Shareholders' reference.

Upon approval of such assessment results by the Shareholders, any exercise of the rights granted under the H-Share Appreciation Rights Scheme is also subject to the Company's audited return on equity for the financial year immediately prior to the proposed exercise being not lower than the average or median of the return on equity for the same industry.

LETTER FROM THE BOARD

(4) EGM AND ACTIONS TO BE TAKEN

The EGM will be convened and held at the Conference Room, 3rd Floor, CNOOC Office Building B, No. 98 Guanhai Road, Longhua District, Haikou, Hainan Province, the PRC at 10 a.m. on 7 February 2010 to consider and, if thought fit, approve the following:

- (a) the proposed amendments to the Articles;
- (b) the proposed supply of Corporate Communications through the Company's website; and
- (c) the assessment results under the H-Share Appreciation Rights Scheme.

A notice convening the EGM is set out on pages 16 to 18 of this circular. A reply slip and a proxy form for use at the EGM are enclosed. At the EGM, ordinary resolutions will be proposed to approve, among other things, items (b) and (c) above, and a special resolution will be proposed to approve item (a) above.

Whether you are able to attend the EGM, please complete and return the reply slip in accordance with the instructions printed thereon on or before Monday, 18 January 2010. Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the enclosed proxy form, in accordance with the instructions printed thereon, and to lodge them with the Company's Secretary Office of the Board in the PRC (for holders of Domestic shares or Unlisted Foreign Shares) at No. 98 Guanhai Road, Longhua District, Haikou, Hainan Province, the People's Republic of China or the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares), at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not later than 24 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending the EGM or any adjournment thereof (as the case may be) and voting in person if you so wish.

A POLL AT GENERAL MEETING

In accordance with the requirement of Rule 13.39(4) of the Listing Rules, all resolutions to be considered, and if thought fit, to be passed at the EGM, shall be passed by way of a poll.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that (1) the proposed amendments to the Articles; (2) the proposed supply of Corporate Communications through the Company's website; and (3) the proposed approval of the assessments results under the H-Share Appreciation Rights Scheme to be proposed at the EGM are in the best interests of the Shareholders and the Company as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of such resolutions to be proposed at the EGM.

By Order of the Board
China BlueChemical Ltd.*
Wu Mengfei
Chairman

* *For identification purpose only*

Proposal for Considering the Results of Appraisal in respect of the Share Appreciation Rights Scheme 2007 and 2008 of China BlueChemical Ltd.*

Dear Directors,

Under the Share Appreciation Rights Scheme of China BlueChemical Ltd.* (hereinafter referred to as the “Company”) approved by the State-owned Assets Supervision and Administration Commission of the State Council of China (the “SASAC”) on 3 December 2007 and approved on an extraordinary general meeting of the Company on 25 February 2008, the remuneration committee has reviewed the Company’s results of operations under the Share Appreciation Rights Scheme of the Company during the first period, arranged an appraisal in respect of the performance of the Grantees under the Company’s Share Appreciation Rights Scheme during the first period, and has reviewed the results of the performance appraisal. The review is hereby reported to the Directors as follows:

I. Results of the Company’s operation under the Share Appreciation Rights Scheme for the first period

(I) Conditions for giving effect to the Share Appreciation Rights

The Share Appreciation Rights Scheme becomes effective if, for the two-year appraisal period (2007 and 2008), the audited average year-on-year return on equity of the Company is not lower than 14%, and the average year-on-year increase in audited net profit of the Company is not lower than 10%.

For each exercise of rights under the Share Appreciation Rights Scheme during the Exercisable Periods, the audited return on equity of the Company for the preceding year shall not be lower than the industry-average performance level (or the median), otherwise no exercise shall take place.

(II) Result of review of the Company’s results of operations during the two-year appraisal period

According to the audited financial report of the Company, the average return on equity of the Company during the two-year appraisal period (2007 and 2008) was 19.13%, and the average increase in net profit of the Company was 27.88%, satisfying the requirements on the Company’s results of operations as stipulated under the scheme and therefore the Share Appreciation Rights Scheme shall be effective.

II. Appraisal of individual performance of Grantees of Share Appreciation Rights

(I) Principles of performance appraisal

Performance appraisal for individuals is measured in terms of three indicators, namely, strategy, efficiency and operations. Meanwhile, benchmarks are also available to serve as correction indices.

* For identification purpose only

APPENDIX

Performance appraisal follows the principles of: 1. clearly defined duties, rights and interests; 2. degree of demonstrating strategic contributions; 3. reflection of the individual's contribution towards the results of operations of the Company.

Key indicators include capital preservation and appreciation rates, return on equity, the magnitude of net profit, strategic decisions, corporate governance, risk control, organizational operations and core team building, etc.

(II) Procedures of performance appraisal

The independent non-executive Directors within the remuneration committee are responsible for appraising the performance of Mr. Wu Mengfei, the Chairman. The remuneration committee is responsible for appraising the performance of Mr. Yang Yexin, CEO and President. Mr. Yang Yexin, CEO and President, is responsible for appraising the performance of seven other Grantees. The remuneration committee reviews, assesses and adjusts the results of appraisal for the Board of Directors' consideration.

(III) Results of performance appraisal

For the first two-year appraisal period (2007 and 2008) under the Share Appreciation Rights Scheme, performance of each Grantee was appraised at grade A, satisfying the requirements under the scheme. Each Grantee is therefore qualified for being entitled to exercise his or her share appreciation rights on a 100% proportional basis during the Exercisable Periods.

The remuneration committee is of the view that Mr. Wu Mengfei and Mr. Yang Yexin have had outstanding performance and have made contributions towards the sustainable development of the Company and the return to Shareholders.

Mr. Yang Yexin is of the view that the other seven Grantees, namely Mr. Fang Yong (Executive Vice President), Mr. Chen Kai (Executive Vice President), Ms. Zhou Fan (Executive Vice President), Mr. Quan Changsheng (Chief Financial Officer, Vice President and Company Secretary), Mr. Hong Junlian (Vice President), Mr. Liang Mingchu (Vice President) and Mr. Miao Qian (Vice President) have discharged their duties in an outstanding manner. The remuneration committee agrees to the results of appraisal of the aforesaid Grantees as submitted by Mr. Yang Yexin.

NOTICE OF EGM



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)

NOTICE OF EGM

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of 2010 (“**EGM**”) of China BlueChemical Ltd.* (“**Company**”) will be held at 10 a.m. on 7 February 2010 at the Conference Room, 3rd Floor, CNOOC Office Building B, No. 98 Guanhai Road, Longhua District, Haikou, Hainan Province, the People’s Republic of China (the “**PRC**”), to consider and, if thought fit, approve the following resolutions:

SPECIAL RESOLUTION

1. “**THAT** the proposed amendments to the articles of association of the Company as set out in the circular of the Company dated 21 December 2009 be and are hereby approved, and the Board be and is hereby authorised to deal with on behalf of the Company the relevant filing and amendments (where necessary) procedures and other related issues arising from the amendments to the articles of association of the Company.”

ORDINARY RESOLUTIONS

2. “**THAT** conditional upon Resolution No. 1 as set out in the notice dated 21 December 2009 of this meeting being passed, the Company may send or supply Corporate Communications to its holders of H Shares (in relation to whom the conditions set out below are met) by making such Corporate Communications available on the Company’s own website be and is hereby approved, and the Directors be and are hereby authorized to sign all such documents and/or do all such things which the Directors may consider necessary or expedient and in the interest of the shareholders and the Company for the purpose of effecting or otherwise in connection with the Company’s proposed communication with its holders of H Shares through the Company’s website.

The supply of Corporate Communications by making such Corporate Communications available on the Company’s own website is subject to the fulfillment of the following conditions:

- (a) that each holder of H Shares has been asked individually by the Company to agree that the Company may send or supply Corporate Communications to such holder through its website; and

* *For identification purpose only*

NOTICE OF EGM

- (b) the Company has not received any objection from such holders of H Shares within a 28-day period beginning with the date on which the Company's request was sent.

For the purpose of this Resolution, "Corporate Communications" means any document issued or to be issued by the Company for the information of or actions by any holder of H Shares, including but not limited to Directors' reports, annual accounts together with copies of auditors' reports, interim reports, notices of meetings, listing documents, circulars and proxy forms."

3. "THAT the assessment results under the H-Share Appreciation Rights Scheme be and are hereby approved."

By order of the Board
China BlueChemical Ltd.*
Quan Changsheng
Company Secretary

Haikou, Hainan Province, the PRC,
21 December 2009

Notes:

1. In order to determine the list of shareholders who are entitled to attend the EGM, the registers of members of the Company will be closed from Friday, 8 January 2010 to Sunday, 7 February 2010, both days inclusive, during which period no transfer of shares will be effected. Shareholders of the Company whose names appear on the registers of members of the Company before the close of business hours on Thursday, 7 January 2010 are entitled to attend the EGM.

In order to qualify for eligibility to attend and vote at the EGM, holders of H Shares of the Company whose transfers have not been registered shall deposit the transfer documents together with the relevant share certificates at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at or before 4:30 p.m. on Thursday, 7 January 2010. The address of the transfer office of Computershare Hong Kong Investor Services Limited is Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

2. A shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote in his stead. A proxy need not be a shareholder of the Company. Where a shareholder has appointed more than one proxy to attend the EGM, such proxies may only vote on a poll.

The instrument appointing a proxy must be in writing under the hand of a shareholder or his attorney duly authorised in writing. If the shareholder is a corporation, that instrument must be either under its common seal or under the hand of its attorney or

* For identification purpose only

NOTICE OF EGM

duly authorised attorney(s). If that instrument is signed by an attorney of the shareholder, the power of attorney authorising that attorney to sign or other authorisation document must be notarised.

In order to be valid, in respect of holders of Domestic Shares or Unlisted Foreign Shares, the proxy form together with the power of attorney or other authorisation document (if any) must be deposited at the Company's Secretary Office of the Board in China (Address: No. 98 Guanhai Road, Longhua District, Haikou, Hainan Province, the PRC) not less than 24 hours before the time fixed for holding the meeting. In respect of the Company's H Shares, the said documents together must be lodged at the Company's H Share Registrar within the abovementioned period by holders of H Shares. Completion and return of the proxy form will not preclude a shareholder from attending and voting in person at the meeting if she/he so wishes. The H Share Registrar of the Company is Computershare Hong Kong Investor Services Limited, whose address is Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

3. Shareholders who intend to attend the meeting in person or by proxy should return the reply slip in person, by post or by fax to the Company's Secretary Office of the Board in China (for holders of domestic shares or unlisted foreign shares) or Computershare Hong Kong Investor Services Limited (for holders of H Shares) before Monday, 18 January 2010. The Company's Secretary Office of the Board in China is No. 98 Guanhai Road, Longhua District, Haikou, Hainan Province, the PRC (Tel: 0086-898-6852-3256, Fax: 0086-898-6852-3259, Post code: 570105. The address of Computershare Hong Kong Investor Services Limited is Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
4. Shareholders or their proxy must present proof of their identities upon attending the EGM. Should a proxy be appointed, the proxy must also present copies of his/her Proxy Form, or copies of appointing instrument and power of attorney, if applicable.
5. The EGM is expected to last not more than one day. Shareholder or proxies attending the EGM are responsible for their own transportation and accommodation expenses.