
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).

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



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)

**GENERAL MANDATE TO ISSUE DOMESTIC SHARES AND
OVERSEAS LISTED FOREIGN SHARES (H SHARES)
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting (the "AGM") to be held at Liuying Hotel, No. 6, Qing Po Qiao He Xia, Nanshan Road, Hangzhou, Zhejiang Province, the PRC on Friday, 3 June 2011 at 10:00 a.m. is set out on pages 5 to 8 of this circular.

A reply slip and a form of proxy for use at the AGM (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 AGM shall complete and return the reply slip in accordance with the instructions printed thereon before Saturday, 14 May 2011. Whether or not you are able to attend the AGM, 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 Room 1707, Kaikang CNOOC Mansion, No. 15, Sanqu, Anzhenxili, Chaoyang District, Beijing, the PRC or the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares), at 17M 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 AGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM (or any adjournment thereof) should you so wish.

* *For identification purpose only*

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	2
NOTICE OF ANNUAL GENERAL MEETING	5

DEFINITIONS

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

“AGM”	the 2010 annual general meeting of the Company which is scheduled to be held at Liuying Hotel, No. 6, Qing Po Qiao He Xia, Nanshan Road, Hangzhou, Zhejiang Province, the PRC on Friday, 3 June 2011 at 10:00 a.m.;
“Articles of Association”	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;
“Company”	中海石油化學股份有限公司 (China BlueChemical Ltd.*) (stock code: 3983), a company established in the PRC and the H Shares of which are listed on the Main Board of the Stock Exchange;
“Director(s)”	the director(s) of the Company;
“General Mandate”	a general and unconditional mandate proposed to be granted to the Board at the AGM to exercise the power of the Company to separately or concurrently issue, allot and/or deal with additional domestic shares and overseas listed foreign shares (H Shares) of the Company, and to make or grant offers, agreements or options in respect thereof, up to the limit of 20% of each of its existing domestic shares and overseas listed foreign shares (H shares) of the Company as at the date of passing the General Mandate Resolution;
“General Mandate Resolution”	the special resolution to be proposed to the Shareholders at the AGM in relation to the granting of the General Mandate to the Board;
“Group”	the Company and its subsidiaries from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Share(s)”	domestic shares, overseas listed foreign shares (H Shares) and unlisted foreign shares of the Company;
“Shareholders”	registered holders of the Shares; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

* For identification purpose only



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. Gu Zongqin

Registered Office:

No. 1 Zhu Jiang South Street
Dongfang City
Hainan Province
The PRC

*Principal place of business
in Hong Kong:*

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

18 April 2011

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATE TO ISSUE DOMESTIC SHARES AND
OVERSEAS LISTED FOREIGN SHARES (H SHARES)
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purposes of this circular are to give you notice of the AGM and provide you with the information, amongst others, in respect of the grant of General Mandate to the Board to enable you to make a decision on whether to vote for or against the relevant resolutions at the forthcoming AGM.

**GENERAL MANDATE TO ISSUE DOMESTIC SHARES AND OVERSEAS LISTED
FOREIGN SHARES (H SHARES)**

In order to provide the Board with flexibility and discretion to issue new domestic shares and overseas listed foreign shares (H Shares) in the event that it becomes desirable to issue any such shares, approval is being sought from the Shareholders at the AGM to grant a general and unconditional mandate to the Board to separately or concurrently issue, allot

* For identification purpose only

LETTER FROM THE BOARD

and/or deal with additional domestic shares and overseas listed foreign shares (H Shares), and to make or grant offers, agreements or options which would or might require domestic shares and overseas listed foreign shares (H Shares) to be issued, allotted and/or dealt with, up to the limit of 20% of each of its existing domestic shares and overseas listed foreign shares (H shares) of the Company as at the date of passing the General Mandate Resolution at the AGM.

The General Mandate, if approved, shall be effective until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of the General Mandate Resolution;
- (ii) the expiration of the 12-month period following the passing of the General Mandate Resolution; or
- (iii) the date on which the authority granted to the Board as set out in the General Mandate Resolution is revoked or varied by a special resolution of the Shareholders in a general meeting.

The obtaining of the General Mandate is in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of government and regulatory bodies of the PRC. The proposed General Mandate Resolution is set out as resolution 7 in the Notice of Annual General Meeting which is appended to this circular.

The Board will only exercise its power under the General Mandate in accordance with the Listing Rules, and the applicable laws, rules and regulations of government and regulatory bodies of the PRC and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC authorities are obtained.

ANNUAL GENERAL MEETING

The notice of the AGM to be held at 10:00 a.m. on Friday, 3 June 2011 at Liuying Hotel, No. 6, Qing Po Qiao He Xia, Nanshan Road, Hangzhou, Zhejiang Province, the PRC is set out on pages 5 to 8 of this circular. A reply slip and a form of proxy for use at the AGM are also enclosed.

Whether or not you are able to attend the AGM, 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 Room 1707, Kaikang CNOOC Mansion, No. 15, Sanqu, Anzhenxili, Chaoyang District, Beijing, the PRC or the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited (for holders of H Shares), at 17M 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 AGM (or any adjournment thereof). Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM (or any adjournment thereof) should you so wish.

LETTER FROM THE BOARD

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 AGM, shall be passed by way of a poll.

RECOMMENDATION

The Directors consider that the grant of the General Mandate is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

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

Beijing, the PRC

As at the date of this circular, 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. Zhang Xinzhi, Mr. Tsui Yiu Wa, Alec and Mr. Gu Zongqin.

* *For identification purpose only*



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 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting of China BlueChemical Ltd. (the “**Company**”) (“**2010 AGM**”) will be held at Liuying Hotel, No. 6, Qing Po Qiao He Xia, Nanshan Road, Hangzhou, Zhejiang Province, the PRC, on Friday, 3 June 2011 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

By way of ordinary resolutions:

1. To consider and approve the report of the board of the directors of the Company (the “**Board**”) for the year ended 31 December 2010.
2. To consider and approve the report of the supervisory committee of the Company for the year ended 31 December 2010.
3. To consider and approve the audited financial statements and the auditors’ report of the Company for the year ended 31 December 2010.
4. To consider and approve the proposal for distribution of profit of the Company for the year ended 31 December 2010 and the declaration of the Company’s final dividend for the year ended 31 December 2010.
5. To consider and approve the budget proposals of the Company for the year 2011.
6. To consider and approve the re-appointments of Ernst & Young Hua Ming and Ernst & Young as the domestic and international auditors of the Company for a term until the conclusion of the next annual general meeting of the Company and to authorise the audit committee of the **Board** to determine their remuneration.

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

By way of special resolution:

7. To consider and to authorise the granting of a general mandate to the Board to issue domestic shares and overseas listed foreign shares (H Shares):

“THAT:

(a) The Board be and is hereby granted, during the Relevant Period (as defined below), a general and unconditional mandate to separately or concurrently issue, allot and/or deal with additional domestic shares and overseas listed foreign shares (H Shares) of the Company, and to make or grant offers, agreements or options which would or might require domestic shares and overseas listed foreign shares (H Shares) to be issued, allotted and/or dealt with, subject to the following conditions:

- (i) such mandate shall not extend beyond the Relevant Period save that the Board may during the Relevant Period make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period;
- (ii) the number of the domestic shares and overseas listed foreign shares (H Shares) to be issued, allotted and/or dealt with or agreed conditionally or unconditionally to be issued, allotted and/or dealt with by the Board shall not exceed 20% of each of its existing domestic shares and overseas listed foreign shares (H Shares) of the Company; and
- (iii) the Board will only exercise its power under such mandate in accordance with the Company Law of the PRC and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time) or applicable laws, rules and regulations of other government or regulatory bodies and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities are obtained.

(b) For the purposes of this special resolution:

“Relevant Period” means the period from the passing of this special resolution until the earliest of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this special resolution;
- (ii) the expiration of the 12-month period following the passing of this special resolution; or
- (iii) the date on which the authority granted to the Board as set out in this special resolution is revoked or varied by a special resolution of the Shareholders of the Company in a general meeting.

NOTICE OF ANNUAL GENERAL MEETING

- (c) Contingent on the Board resolving to separately or concurrently issue domestic shares and overseas listed foreign shares (H Shares) pursuant to paragraph (a) of this special resolution, the Board be authorised to increase the registered capital of the Company to reflect the number of such shares authorised to be issued by the Company pursuant to paragraph (a) of this special resolution and to make such appropriate and necessary amendments to the Articles of Association of the Company as they think fit to reflect such increases in the registered capital of the Company and to take any other action and complete any formality required to effect the separate or concurrent issuance of domestic shares and overseas listed foreign shares (H Shares) pursuant to paragraph (a) of this special resolution and the increase in the registered capital of the Company.”

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

Beijing, the PRC

18 April 2011

As at the date of this circular, 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. Zhang Xinzhi, Mr. Tsui Yiu Wa, Alec and Mr. Gu Zongqin.

Notes:

1. In order to determine the list of shareholders who are entitled to attend the 2010 AGM and to receive the final dividend for the year ended 31 December 2010, the registers of members will be closed from Wednesday, 4 May 2011 to Friday, 3 June 2011, 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 on Friday, 3 June 2011 are entitled to attend the meeting and to receive the final dividend for the year ended 31 December 2010.

In order to qualify for the final dividend and to attend and vote at the meeting, 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 Tuesday, 3 May 2011. 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.

The final dividend for the year ended 31 December 2010 is expected to be paid on or about Thursday, 30 June 2011 to the shareholders whose names appear on the registers of members of the Company on Friday, 3 June 2011.

* *For identification purpose only*

NOTICE OF ANNUAL GENERAL MEETING

2. A shareholder entitled to attend and vote at the meeting 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 meeting, 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 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: Room 1707, Kaikang CNOOC Mansion, No. 15, Sanqu, Anzhenxili, Chaoyang District, Beijing, 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 17M 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) on or before Saturday, 14 May 2011. The address of the Company's Secretary Office of the Board in China is Room 1707, Kaikang CNOOC Mansion, No. 15, Sanqu, Anzhenxili, Chaoyang District, Beijing, the PRC (Tel: 0086-10-84527250, Fax: 0086-10-84527254, Post code: 100029). The address of Computershare Hong Kong Investor Services Limited is 17M 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 annual general meeting. 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 annual general meeting is expected to last not more than one day. Shareholders or proxies attending the annual general meeting are responsible for their own transportation and accommodation expenses.