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(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock code: 3983)

ANNOUNCEMENT ON SUBSCRIPTION OF NEWLY ISSUED SHARES OF WESTERN POTASH CORP. IN CANADA

The Board is pleased to announce that, on 1 June 2013, CBC Canada, a subsidiary controlled by the Company, entered into an agreement with Western Potash under which CBC Canada will subscribe for 45,040,876 newly issued common shares of Western Potash at a price of CAD 0.71 (equivalent to HK\$5.35*) per share. After completion of the transaction, CBC Canada will hold 19.9% of all issued and outstanding common shares in Western Potash as at the date of the agreement.

The agreement also provides that CBC Canada or an entity designated by it will purchase annually from the Milestone Project the lower of (1) 30% of its KCl production volume during a calendar year, or (2) one million tones of KCl, for 20 years from the commencement of commercial production of the Milestone Project of Western Potash.

Western Potash is a company listed on the Toronto Stock Exchange in Canada (stock code: WPX) focusing on exploration and development of the Milestone Project.

CBC Canada is a company jointly established in Canada by the Company, as a controlling shareholder, holding 60% equity interests of CBC Canada, and Benewood Holdings, holding 40% equity interests thereof.

Benewood Holdings is a wholly owned subsidiary of GUOXIN International. GUOXIN International is mainly engaged in financial investment business and it is an independent third party to the Company.

Closing of the transaction is subject to customary closing conditions including the approval of the Toronto Stock Exchange. It is anticipated that the closing will take place on or about June 14, 2013.

The transaction does not constitute a discloseable transaction under Chapter 14 of the Listing Rules, as all of the applicable percentage ratios are less than 5%.

* *The exchange rate used in this announcement is CAD1.00 = HK\$7.5358.*

DEFINITIONS

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

“Benewood Holdings”	Benewood Holdings Corporation Limited (美森控股有限公司*);
“Board”	the board of Directors of the Company;
“CBC Canada”	CBC (Canada) Holding Corp.;
“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 of Hong Kong Limited;
“GUOXIN International”	GUOXIN International Investment Corporation Limited* (國新國際投資有限公司);
“KCl”	the potassium chloride having a K ₂ O content equaling or exceeding 60%
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Milestone Project”	the milestone potash project located in southern Saskatchewan, Canada;
“Western Potash”	Western Potash Corp. (西部鉀肥公司*)

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

Beijing, the PRC
2 June 2013

As at the date of this announcement, the executive Director is Mr. Yang Yexin; the non-executive Directors are Mr. Li Hui, Mr. Yang Shubo and Mr. Zhu Lei; the independent non-executive Directors are Mr. Gu Zongqin, Ms. Lee Kit Ying and Mr. Lee Kwan Hung.

* For identification purpose only