

SCHEDULE 1
CONVERSION NOTICE

CHINA PETROLEUM & CHEMICAL CORPORATION
HK\$11,700,000,000
Zero Coupon Convertible Bonds due 2014 (the *Bonds*)

(Please read the notes overleaf before completing this Notice.)

Name: Date:

Address: Tel No:.....

*Euroclear/Clearstream, Luxembourg Account No:..... Fax No:.....

Bond conversion identification code: / China Petroleum & Chemical Corporation Convertible Bond due 2014 /

(*delete as appropriate)

Signature¹:

.....

To: Conversion Agent

Fax: +44 207 508 3866

Cc: Principal Agent

Fax: +852 2868 8048

Cc: China Petroleum & Chemical Corporation (the *Issuer*)

Fax: +8610 6499 9091

Attention: the Company Secretary

¹ Where the Bonds to be converted are evidenced by the Global Certificate, the Conversion Notice need not be signed. In such a case, delivery of the Conversion Notice will constitute confirmation by the beneficial owner of the Bonds to be converted that the information in the Conversion Notice is true and accurate on delivery. If applicable, a corporation should sign under hand by an authorised official who must state his/her capacity and print the name of the relevant corporation.

I/We, being the holders of the Bonds specified below, hereby irrevocably elect to convert such Bonds into fully-paid H shares of the Issuer (the *Shares*) with a par value of RMB1.00 each in accordance with the terms and conditions of the Bonds.

[I/We further elect to deposit the Shares issued on conversion of the Bonds with Citibank N.A. as depositary for issuance of American Depositary Shares, subject to the conditions, and on the terms of the Deposit Agreement among the Issuer, Citibank N.A. and holders and beneficial owners of the American Depositary Shares dated 19 October 2000.]

1. Total principal amount, number and identifying numbers of Bonds to be converted:

Total principal amount:

Total number of Bonds:

Identifying numbers of Bonds (if relevant)*:

Identifying numbers of Certificates deposited in respect of Bonds to be converted (if relevant)*:

N.B. If necessary, the identifying numbers of Bonds and Certificates can be attached separately.

* Not required for Bonds represented by a Global Certificate

2. Name(s) and address(es) of person(s) in whose name(s) the Shares required to be delivered on conversion are to be registered:

Name:

Address:

.....

Telephone Number:

Fax Number:

[In the case of Shares to be delivered through the Central Clearing and Settlement System of Hong Kong (CCASS), we attach a duly completed Delivery Instruction in the form correctly prescribed by CCASS.]

3. I/We certify that I/we have paid/will pay directly to the relevant authorities or party the amount of (if any) stamp, issue, documentary, transfer, excise, registration or other similar taxes and duties (*Duties*) or any other amounts required to be paid by the Bondholders pursuant to the Conditions and the Trust Deed in any applicable jurisdiction arising on conversion, including without limitation:

(i) Duties arising upon exercise of the Conversion Right in the country in which such Conversion Rights are exercised is:

Amount:

Country in which Conversion Rights are exercised:

and/or

(ii) Duties payable in any jurisdiction consequent upon the issue or transfer of Shares to or to the order of a person other than the exercising Bondholder is:

Amount:

Country in which Duties are payable:.....

4. I/We hereby request that the certificates for the Shares (unless delivered through CCASS pursuant to the attached Delivery Instruction) together with any other securities, property or cash, including any HK Dollar cheque in respect of payment of an Equivalent Amount pursuant to Condition 5.2.3 required to be delivered upon conversion, be despatched (at my/our risk and expense) to the person whose name, contact person, telephone numbers, fax number and address is given below and in the manner specified below:

Name:

Contact Person:

Address:

.....

.....

Account Bank/SWIFT:

Account No.:

Account Name:

Telephone Number/Fax Number:

Manner of despatch:

The Certificate in respect of the Bonds converted hereby accompanies this Conversion Notice.*

Name:

Address:

.....

.....
*** Not required for the Global Certificate.**

5. The Issuer has notified the Conversion Agents that the Issuer's register of shareholders will be closed on the following dates:

.....
.....

6. We/I hereby acknowledge that this Conversion Notice may not be withdrawn without the written consent of the Issuer.

N.B.

- (i) This Conversion Notice will be void unless the introductory details and Sections 1 to 4 are completed.
- (ii) Your attention is drawn to Condition 5.2.2 of the Bonds with respect to the conditions precedent which must be fulfilled before the Bonds specified above will be treated as effectively eligible for conversion.
- (iii) Despatch of share certificates or other securities or property will be made at the risk and expense of the converting Bondholder and the converting Bondholder will be required to submit any necessary documents required in order to effect despatch in the manner specified.
- (iv) If a retroactive adjustment contemplated by the terms and conditions of the Bonds is required in respect of a conversion of Bonds, certificates for the additional Shares deliverable pursuant to such retroactive adjustment (together with any other securities, property or cash) will be delivered or despatched in the same manner as the Shares, other securities, property and cash or, as the case may be, Equivalent Amount previously issued pursuant to the relevant Conversion Notice.

For Agent's use only:

- 1. (A) Bond conversion identification reference: [] China Petroleum & Chemical Corporation Convertible Bonds due 2014 / []
(B) Deposit Date:
- (C) Conversion Date:
- 2. (A) Aggregate principal amount of Bonds in respect of which Certificates have been deposited for conversion:
(B) Conversion Price on Conversion Date:
(C) Number of Shares issuable:

3 (if applicable) amount of cash payment due to converting Bondholder under Condition 5.1.2 in respect of fractions of Shares:

The Conversion Agent must complete items 1, 2 and (if applicable) 3.