Oil and gas are very important energy minerals and strategic resources. The exploration and production of petroleum is the core business of China Petrochemical Corporation. We attach great importance to the development of petroleum industry.
• China Petrochemical Corporation (SINOPEC Group), the largest energy and chemical company in China, is a super-large petroleum and petrochemical enterprise group incorporated in July 1998 on the basis of the former China National Petrochemical Corporation.

SINOPEC Group’s key business activities

- Industrial investment and portfolio management
- Import and export of crude oil and petrochemicals
- Petroleum exploration, development, production and trade
- Petroleum refining and production, trade, transportation, distribution and marketing of petroleum products
- Production, distribution and trade of petrochemical products
- Business of joint venture and cooperation
SINOPEC Group ranked the 54th in the Fortune Global 500 in 2003

- SINOPEC Group’s total assets: 620.3 billion
- Revenue of its core business in 2004: 634.3 billion
- The total amount of taxes and profits: 94.2 billion
- Profit: 43.2 billion

China Petroleum & Chemical Corporation (SINOPEC Corp), is a stock company solely initiated by SINOPEC Group.

- It was successfully listed in Hong Kong, New York and London in October 2000 and was also listed in Shanghai through issuing A-shares in August 2001.
SINOPEC Group, China’s 2nd largest crude oil and natural gas producer, with 15 subsidiary and branches in upstream, has large potential oil and gas fields.

- SINOPEC Group's exploration areas are distributed in the main oil and gas bearing basins in China, involving over 20 provinces and autonomous regions.

- By the end of 2004, total exploration area covered about 1.05 million square kilometer. According to the third petroleum resources assessment, Sinopec’s total oil resources in place reached 26.7 billion tons, and natural gas resources 17.4 trillion cubic meters.
By the end of 2004, cumulative proved oil reserves in-place had reached 6.35 billion tons, proved gas reserves 792.1 billion cubic meters.

At exploration areas, the average reserve-resource ratio was 21%, while that of gas is only 3.1%, indicating a large development potential.
In 2004, we produced crude oil 38.61 million tons, and natural gas 5.86 billion cubic meters.

- SINOPEC Group has a very long petroleum exploration history and huge technical force.

- In about 50 years' petroleum exploration, it has successively carried out systematic prospecting in 76 basins of China, of which 35 basins have been discovered with industrial oil and gas flows and oil and gas fields. We have made ourselves pioneer contributing to the discovery of many large- and middle- size oilfields, such as Daqing, Shengli, Liaohe, Zhongyuan, South China Sea, East China Sea and Tarim.
Our group’s specialized technical service teams, such as seismic, logging and drilling companies, have excellent equipments, advanced technologies, rich exploration and production experiences, can provide completely technical support for petroleum exploration and development.

- Sinopec is the largest producer and dealer of refined products in China, and the fourth largest producer and distributor of oil products in the world.

- By the end of 2004, its primary oil refining capacity was 3.33 million b/d, ranking the 4th in the world and accounting for 51.6% of the total in China.
➢ Our crude throughput stood at 141.4 million tons, accounting for 51.8% of the total in China.

➢ All the 5 largest refiners of more than 10 million tons capacity in China belong to Sinopec Group.

Sinopec holds China’s biggest and most integrated marketing network of refined oil products, which is perfect, highly effective and low cost.

➢ The overall sales volume was 94.60 million tons in 2004, accounting for 60.2% of the total in China.
The proportion of retail volume in the total sale volume increased from 19% in 1999 to 56.3% in 2004.

By the end of 2004, Sinopec totally had 26,581 gas stations, in addition to the 3,482 franchised gas stations.
Sinopec’s famous brands have relatively large popularity and good service reputation.

In October 2004, Sinopec made an agreement with Beijing Olympic Committee, which made Sinopec Group the partner of the 2008 Olympic Games.

Sinopec Group is the largest producer and distributor of petrochemical products in the Asia and the 6th largest in the world.
In 2004, it produced ethylene 4.26 million tons, accounting for 68% of the total in China;
- synthetic resin 7.12 million tons, accounted for 40% the total in China;
- synthetic fibre 3.62 million tons, accounted for 57% the total in China;
- synthetic rubber 780,000 tons, accounting for 53% the total in China.

Unit: million tons

Sinopec Group actively pushes international cooperation and joint ventures both at home and abroad.

The scale has been growing, the amount of investment has been increasing, the technical contents have been increasing and cooperation scopes have been enlarging.
The Shanghai Saikou Ethylene Program, 900,000 tons, a joint venture between Sinopec Group and BP, and the YangBa integrated petrochemical infrastructure project, a joint venture between Sinopec Group and BASF of Germany will be completed soon.

Fujian-Exxon/Saudi Aramco integrated refining & petrochemical project and Dongting coal gasification project jointly invested by Sinopec Group and Shell have been progressing smoothly.

Now there are 33 oversea exploration and production investment projects that are in operation, agreement or bids.

Sinopec Group has been rewarded many large projects in Middle East, Africa, Southeast Asia and Australia, such as gas exploration in Block B in Saudi and acquisition of Kazakhstan FIOC company.
Sinopec Group has scientific research institutes and talents with internationally advanced levels in upstream, middle-stream and downstream of petroleum industry, and have developed a series of patented technologies with its own intellectual property. They have provided strong technical support for business development and opening up of market in upstream, middle-stream and downstream of petroleum industry.

There are 6 directly subordinated research institutes, including exploration and production, petroleum refining, petrochemical and HSE etc in Sinopec.

We have 5092 patents authorized at home or abroad, 6 core technologies and 25 proprietary technologies.
Researches on continental petroleum geology theories are at international leading level.

The self-developed catalytic cracking technologies and hydrodesulfurization techniques of heavy oil have reached international level.

A batch of petrochemical supporting technologies has been self-developed and jointly developed, such as large ethylene cracking furnace, grommet polypropylene technologies.

Many oil refining and chemical catalysts have reached international levels and some have been exported to oversea markets.
In recent years, we have strengthened oil and gas exploration and production and have made remarkable achievements.

- The eastern mature oilfields have realized reserve-production balance and stable oil production.
- Exploration and development in the western frontiers have been made great progress, with reserves and production increasing steadily.
- Gas production has entered a rapidly increasing stage.
We will continuously implement our fixed strategy in petroleum exploration and development, i.e.

- “Stabilizing production in the eastern oilfield,
- speeding up E&P in the western frontiers,
- preparing for E&P in the south,
- laying equal stress on oil and gas,
- opening up oversea market,
- relying on science and technology,
- lowering cost and improving benefits”.

We will make increasing discoveries and adding reserves of high quality and try our best to stabilize and increase oil production and speed up development of natural gas.
In 2001-2020, adding oil reserves 5.07 billion tons, equal to the total in the previous 40 years.

Adding gas reserves 2.46 TCM (trillion cubic meters), equal to 7 times of the total in previous 40 years.

Annual oil production is to reach 4.2-4.5 million tons in 2010, which will be kept stable till 2020.

Annual gas production is to reach 13-15 billion cubic meters in 2010 and 20 billion cubic meters in 2020.
Oversea annual equity of oil is to be over 10 million tons in 2010 and reach 20 million tons in 2020 through actively opening up oversea E&P markets.

Looking to the future, we will seize the opportunity to deepen reform, adjust structure, speed up development, and try to develop Sinopec Group into an international integrated energy and chemical company with outstanding major business, excellent assets, innovative technologies, scientific management, strict financial management and internationally competitive power.
Thank you