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**DELAY IN DESPATCH OF CIRCULAR
REGARDING
A VERY SUBSTANTIAL ACQUISITION**

The Company has made an application to the Stock Exchange for an extension of time for despatch of the Circular to on or before 27 August 2007.

Reference is made to the announcement made by the Company dated 26 June 2007 in relation to the acquisition of 60% equity interest in Zhuhai Zhonghuan Petroleum Limited (the "Announcement"). Terms defined in the Announcement shall have the same meanings when used herein unless the context requires otherwise.

Pursuant to Rule 14.38 of the Listing Rules, the Company is required to despatch to the Shareholders a circular (the "Circular") within 21 days after publication of the Announcement, which should be on or before 17 July 2007. However, due to the delay of the Acquiree in providing its financial information, the reporting accountants are still in the process of preparing the accountants' report and pro forma financial statements for inclusion in the Circular. Furthermore, additional time is required by the valuer to prepare the valuation report for inclusion in the Circular. Accordingly, an application has been made by the Company to the Stock Exchange for an extension of the time limit for despatch of the Circular to on or before 27 August 2007.

By Order of the Board
Sino Union Petroleum & Chemical International Limited
Chui Say Hoe
Executive Director

Hong Kong, 17 July 2007

As at the date of this announcement, the Board comprises six executive directors, namely Dr. Wang Tao, Dr. Hui Chi Ming, Dr. Chui Say Hoe, Mr. Tsang Kwok Man, Mr. Cheung Shing and Mr. Cui Yeng Xu; one non-executive director, namely Mr. Chow Charn Ki Kenneth; and three independent non-executive directors, namely Mr. Chan Wai Dune, Dr. Yu Sun Say and Mr. Ng Wing Ka.

** For identification purposes only*