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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Sino Union Petroleum & Chemical International Limited, you should at once hand this circular to the purchaser or transferee or the bank, licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

SUNPEC
中聯石化

SINO UNION PETROLEUM & CHEMICAL INTERNATIONAL LIMITED
中聯石油化工國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 346)

PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES AND RE-ELECTION OF DIRECTORS AND NOTICE OF 2008 ANNUAL GENERAL MEETING

A letter from the board of directors of the Company is set out on page 3 to 9 of this circular (the "Circular"). A notice convening the annual general meeting (the "AGM") of the Company to be held at Units 10-12, 19th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong on 25 September 2008 at 10:30 a.m. is set out on pages 14 to 18 of this Circular. Whether or not you are able to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's brand share registrar in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

3 September 2008

* *For identification purpose only*

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"AGM"	the 2008 annual general meeting of the Company to be held at Units 10-12, 19th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong on 25 September 2008 at 10:30 a.m. notice of which is set out on pages 14 to 18;
"Board"/"Directors"	the directors of the Company;
"Bye-laws"	the bye-laws of the Company as may be amended from time to time;
"Company"	Sino Union Petroleum & Chemical International Limited, a company incorporated in the Bermuda with limited liability, the shares of which are listed on the Stock Exchange;
"Group"	the Company and its subsidiaries;
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China;
"Latest Practicable Date"	1 September 2008, being the latest practicable date prior to the printing of this circular for inclusion of certain information herein;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"SFO"	the Securities and Future Ordinance (Chapter 571 of the laws of Hong Kong);
"Share(s)"	share(s) of nominal value of HK$0.02 each in the share capital of the Company;
"Share Repurchase Rules"	the relevant rules set out in the Listing Rules to regulate the repurchase by companies with primary listing on the Stock Exchange of their own securities on the Stock Exchange;

"Shareholder(s)"	holder(s) of the Shares(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Takeovers Code"	the Hong Kong code on Takeovers and Mergers; and
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong.

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SINO UNION PETROLEUM & CHEMICAL INTERNATIONAL LIMITED
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(Stock Code: 346)

Executive Directors:
Dr. Wang Tao
Dr. Hui Chi Ming
Mr. Cheung Shing
Mr. Tsang Kwok Man
Dr. Chui Say Hoe
Mr. Cui Yeng Xu
Dr. Ching Men Ky Carl

Non-Executive Directors:
Dr. Fok Chun Wan Ian
Mr. Chow Charn Ki, Kenneth

Independent Non-Executive Directors:
Dr. Yu Sun Say
Mr. Ng Wing Ka
Mr. Edmund Siu

Registered Office:
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Principal place of business in Hong Kong:
Units 10-12, 19th Floor
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan, Hong Kong

3 September 2008

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE SHARES AND REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS
AND
NOTICE OF 2008 ANNUAL GENERAL MEETING**

1. INTRODUCTION

The Company's existing general mandates to issue shares and to repurchase shares were approved by the Company's shareholders at the annual general meeting on 25 October 2007. Unless otherwise renewed, the existing general mandates to issue shares and to repurchase shares will lapse at the conclusion of the AGM.

* *For identification purpose only*

In order to ensure flexibility when it is desirable to allot additional shares or to repurchase shares, the Directors will seek the approval of shareholders to grant new general mandates to issue shares and to repurchase shares at the AGM.

The purpose of this circular is to, inter alia, provide you with information on (i) the proposed renewal of the general mandates to issue shares, to repurchase shares and the extension of Issue Mandate; (ii) the director to be re-elected at the AGM and (iii) notice of AGM, for consideration on the related resolutions to be put forward at the AGM.

2. GENERAL MANDATE TO ISSUE SHARE (THE "ISSUE MANDATE")

Two ordinary resolutions, as set out in the notice of the AGM, will be proposed for the following purpose:

Ordinary resolution no. 4 — to grant to the Directors a general mandate to issue new shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution; and

Ordinary resolution no. 6 — to increase the aggregate nominal amount of share capital of the Company which the Directors may issue under the general mandate if given in the Ordinary Resolution no. 4 by the aggregate nominal amount of share capital of the Company repurchased under the general mandate if given in the ordinary resolution no. 5.

The Company had in issue an aggregate of 5,702,463,649 shares of HK$0.02 each as at the Latest Practicable Date. Subject to the passing of the aforesaid ordinary resolution no. 4 and in accordance with the terms therein, the Company would be allowed to issue additional shares up to the aggregate nominal amount of a maximum of 1,140,492,729 shares on the basis that no further shares will be issued or repurchased prior to the AGM.

3. GENERAL MANDATE TO REPURCHASE SHARES (THE "REPURCHASE MANDATE")

The ordinary resolution no. 5 as set out in the notice of the AGM will be proposed to grant to the Directors a general mandate to exercise the powers of the Company to repurchase the Company's fully paid up shares representing up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution.

The Listing Rules contain provisions to regulate the repurchase by companies with primary listings on the Stock Exchange of their own securities on the Stock Exchange.

In accordance with the Listing Rules, the appendix to this Circular serves as the explanatory statement to provide you with the requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the ordinary resolutions for granting of the Repurchase Mandate.

4. ACTION TO BE TAKEN

The notice convening the AGM is set out on page 14 to 18 in the Circular.

A form of proxy for the AGM is also enclosed in the Circular. If you do not intend to attend the AGM, you are requested to complete the form of proxy and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the AGM or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from subsequently attending and voting at the AGM or any adjournment thereof if you so wish.

5. PROCEDURES FOR DEMANDING A POLL

For your further information as required by the Listing Rules, set forth below are the procedures for demanding a poll at general meeting of the Company. Pursuant to the Bye-laws 66 of the Company, every resolution put to the vote of a general meeting shall be decided on a show of hands unless (before or on the declaration of the results of the show of hands or on the withdrawal of any other demand for a poll) a poll is duly demand:

(a) by the chairman of such meeting; or

(b) by at least three members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy for the time being entitled to vote at the meeting; or

(c) by a member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or

(d) by a member or members present in person or in the case of a member being a corporation by its duly authorized representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right.

A poll which is duly demanded shall be then held in such manner prescribed by the Bye-laws of the Company.

6. INFORMATION OF DIRECTOR TO BE RE-ELECTED AT THE 2008 ANNUAL GENERAL MEETING

In accordance with the Company's Bye-laws article 87, Dr. Fok Chun Wan, Ian, Dr. Ching Men Ky, Carl, Mr. Edmund Siu and Mr. Tsang Kwok Man, will retire by rotation and, being eligible, will offer themselves for re-election at the AGM. For your further information, we set out below the relevant details of the retiring director proposed to be re-elected at the AGM:

(i) **Dr. Fok Chun Wan, Ian**, aged 59, is the Managing Director of Henry Y T Fok Group, Henry Fok Estates Ltd, Yau Wing Co Ltd and National Investment Ltd. Dr. Fok obtained Bachelor of Science and MBA from the University of British Columbia in Canada and was awarded with an Honorable Doctorate Degree from Western Alabama University. He is the Chairman of The Chinese General Chamber of Commerce, Deputy, the 11th National People's Congress of the People's Republic of China, the Member of Standing Committee of the 10th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference and the Vice Chairman of All-China Federation of Industry and Commerce. He is also the Member of The Greater Pearl River Delta Business Council, the Vice Chairman of China Overseas Friendship Association, the Council Member of Hong Kong Trade Development Council, and the Councilor of China Council for The Promotion of Peaceful National Reunification. In recognition of the contributions to the community of Dr. Fok, he was awarded the Silver Bauhinia Star in 2005 and was appointed as a Justice of Peace by the Hong Kong Special Administrative Region Government on 1 July 2003.

Dr. Fok did not hold any directorship in other listed public company in the last three years.

As at the Latest Practicable Date, Dr. Fok holds approximately 1.89% of the issued share capital of the Company within the meaning of Part XV of the Securities and Futures Ordinance. Dr. Fok is not connected with any director, senior management, substantial or controlling shareholders of the Company. Apart from being a non-executive director, Dr. Fok does not hold any position in other members of the Group.

Dr. Fok was not appointed for a specific term but shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election at that meeting in accordance with the bye-laws of the Company. Between 1 April 2007 and 31 March 2008, Dr. Fok has received a total sum of HK$522,580 director's fee from the Company. Dr. Fok's emoluments are determined by the Board with reference to the market practices.

(ii) **Dr. Ching Men Ky, Carl**, aged 64, graduated from Tak Ming College with a Bachelor Degree in Business and was awarded with an Honorable Doctorate Degree from Beijing International Business School in the PRC. Dr. Ching has years of experience in business management. He has also been participating in various social activities and has been acting as the executive director of United World Chinese Association and the President of Asian Basketball Association. In recognition of the contributions to the community of Dr. Ching, he was awarded the Peace Messenger from the United Nation of International Week of Science and Peace in 2000.

Dr. Ching is currently an independent non-executive director of Greater China Holdings Limited which is listed on the Main Board of the Stock Exchange of Hong Kong Limited.

As at the Latest Practicable Date, Dr. Ching holds approximately 1.13% of the issued share capital of the Company. Dr. Ching is not connected with any director, senior management, substantial or controlling shareholders of the Company. Apart from being an independent non-executive director, Dr. Ching does not hold any position in other members of the Group.

Dr. Ching has a service contract with the Company which does not have a specific term and can be terminated by the either party giving three month's notice in writing to the other party. Between 1 April 2007 and 31 March 2008, Dr. Ching has received a total sum of HK$261,290 director's fee from the Company. Dr. Ching's emoluments are determined by the Board with reference to the Company's performance.

(iii) **Mr. Edmund Siu**, age 36, is a member of the Hong Kong Institute of Certified Public Accountants. He has over 10 years of experience in accounting and auditing. Mr. Siu had been Executive Director of Grandtop International Holdings Limited, which is listed on the main board of the Stock Exchange of Hong Kong Limited and has resigned on 12 July 2006.

As at the Latest Practicable Date, Mr. Siu does not have any interest in shares of the Company within the meaning of Part XV of the SFO. Mr. Siu is not connected with any director, senior management, substantial or controlling shareholders of the Company. Apart from being an independent non-executive director, Mr. Siu does not hold any position in other members of the Group.

Mr. Siu has a service contract with the Company but not have a specific term but shall hold office only until the next following annual general meeting of the Company and shall then be eligible for rotation and re-election at that meeting in accordance with the bye-laws of the Company. Between 1 April 2007 and 31 March 2008, Mr. Siu has received a total sum of HK$5,806 director's fee from the Company. Mr. Siu's emoluments are determined by the Board with reference to market practices.

(iv) **Mr. Tsang Kwok Man**, aged 63 was appointed as an executive Director on 23 February 2005. He has been the deputy general manager of the Company since November 2004. He is also the finance manager of Gahood Holding Co. Ltd. and Join Wisdom Group International Ltd. Since September 2004.Mr. Tsang has about 28 years of experiences in the banking industry and was the manager in commercial and corporate banking for the last few years of his career in the banking industry.

Mr. Tsang did not hold any directorship in other listed public company in the last three years.

As at the Latest Practicable Date, Mr. Tsang holds approximately 0.1% of the issued share capital of the Company. Mr. Tsang is not connected with any director, senior management, substantial or controlling shareholders of the Company.

Mr. Tsang has a service contract with the Company which does not have a specific term and can be terminated by the either party giving two months' notice in writing to the other party. Between 1 April 2007 and 31 March 2008, Mr. Tsang has received a total sum of HK$750,000 director's fee from the Company. Mr. Tsang's emoluments are determined by the Board with reference to the Company's performance.

Save as disclosed herein, the Board of Directors is not aware of any matters which are required to be disclosed pursuant to paragraphs (h) to (v) of Rules 13.51(2) of the Listing Rules, or any other matters that need to be brought to the attention of the Shareholders in relation to all four aforesaid retiring directors.

7. RECOMMENDATION

As information required by the Listing Rules, the Company, to the extent it is aware having made all reasonable enquires, is not aware that any shareholder is required to abstain from voting in the proposals to be put forward at the AGM.

The Directors believe that the granting of the Issue Mandate, the extension of Issue Mandate referred to in ordinary resolution no. 6 in the Notice of AGM, the Repurchase Mandate and the re-election of rotating directors are in the best interests of the Company and its shareholders as a whole. Moreover, the necessary information for seeking shareholders' approval on the aforesaid matters are already set out herein for consideration. The Directors recommend that all shareholders should vote in favour of the related ordinary and special resolutions to be proposed at the AGM.

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

This appendix serves an explanatory statement, as required by the Share Repurchase Rules, to provide requisite information to shareholders of the Company for their consideration as to whether to vote for or against the ordinary resolution to be proposed at the AGM for granting the Repurchase Mandate.

This explanatory statement contains all the information required pursuant to rule 10.06 of the Listing Rules which is set out as follows:

SHARE CAPITAL

As at the Latest Practicable Date, the Company had in issue an aggregate of 5,702,463,649 shares of HK$0.02 each which are fully paid.

Subject to the passing of the ordinary resolution no. 5 as set out in the notice of AGM and in accordance with the terms therein, the Company would be allowed under the Repurchase Mandate to repurchase fully paid shares up to the aggregate nominal amount of a maximum of 570,246,364 shares on the basis that no further shares will be issued or repurchased prior to the AGM.

REASONS FOR SHARE REPURCHASE

Although the Directors have no present intention of repurchasing any Shares of the Company, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and its shareholders. Trading conditions on the Stock Exchange have sometimes been volatile. At any time in the future when Shares trading at a discount to their underlying value, the ability of the Company to repurchase Shares will be beneficial to those shareholders who retain their investment in the Company since their interests in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company and thereby resulting in an increase in net asset value and/or earnings per share of the Company. Such repurchases will only be made when the Directors believe that the repurchases will benefit the Company and its shareholders as a whole.

FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Bye-laws of the Company and the applicable laws and regulations of the Bermuda. Shares may only be repurchased out of the profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose of repurchase. The premium, if any, payable on repurchase must have been provided for out of the profits of the Company or out of the Company's share premium account before or at the time the Shares are repurchased. The Company may not purchase Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

SHARE PRICES

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest prices at which shares have been traded were as follows:

	Price per share of the Company	
	Highest	**Lowest**
	HK$	*HK$*
2007		
September	1.680	1.180
October	1.660	1.090
November	1.500	1.200
December	1.800	1.270
2008		
January	1.480	0.800
February	1.330	0.790
March	1.500	1.090
April	2.070	1.250
May	1.840	1.330
June	1.900	1.440
July	1.610	1.160
August	1.280	0.700
September (up to the Latest Practicable Date)	1.150	1.110

REPURCHASES MADE BY THE COMPANY

Neither the Company nor any of its subsidiaries has purchased any of the Company's shares during the six months immediately preceding the Latest Practicable Date.

POSSIBLE MATERIAL ADVERSE IMPACT

There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements for the year ended 31 March 2008) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the Company's working capital requirements or the gearing levels. The number of shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

DIRECTORS' UNDERTAKING

The Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchase under the Repurchase Mandate in accordance with the Listing Rules and laws of Bermuda and in accordance with the regulations set out in the Bye-laws of the Company.

EFFECT OF THE TAKEOVERS CODES

If as a result of share repurchase by the Company, a substantial shareholder's proportionate interest in voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a shareholder, or group of shareholders acting in concert, could, depending on the level of increase of the shareholding, obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date and to the best of knowledge and belief of the Company, the following persons were directly or indirectly interested in 5% of more of the nominal value of the issued ordinary shares that carry a right to vote in all circumstances at general meetings of the Company:

Name	**Capacity**	**Number of Issued shares held**	**Approximate Percentage of Shareholding**
Golden Nova Holdings Limited *(Note)*	Beneficial Owner	2,215,026,666	38.84%
Sukapeak Holdings Limited *(Note)*	Beneficial Owner	760,416,666	13.33%
Dr. Hui Chi Ming	Interest of Controlled Corporations	3,426,912,221	60.09%

Note:

Golden Nova Holdings Limited and Sukapeak Holdings Limited, are wholly-owned by Dr. Hui Chi Ming.

Assuming that none of the outstanding options are exercised prior to the AGM, in the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of Dr. Hui Chi Ming would be increased to approximately 66.77% of the issued share capital of the Company. The Directors consider that such increase would not give rise to an obligation on the part of Dr. Hui Chi Ming to make a mandatory offer under Rule 26 of the Code and reduce the amount of Shares held by the public to less than 25%. The Directors will exercise the powers conferred by the Repurchase Mandate to repurchase Shares in circumstances which they deemed appropriate for the benefits of the Company and the Shareholders as a whole. However, the Directors have no intention to repurchase Shares to such an extent which will result in the amount of Shares held by the public being reduced to less than 25%.

DIRECTORS' DEALINGS

None of the Directors nor, to the best of their knowledge having made all reasonable enquires, any of their associates presently intends to sell Shares to the Company under the Repurchase Mandate in the event that such mandate as proposed in the ordinary resolution no. 5 is approved by the Shareholders of the Company.

CONNECTED PERSONS

The Company has not been notified by any connected persons of the Company (as defined in the Listing Rules) that they have a present intention to sell any shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Repurchase Mandate as proposed in the ordinary resolution no. 5 is approved by the Shareholders of the Company.

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SINO UNION PETROLEUM & CHEMICAL INTERNATIONAL LIMITED
中聯石油化工國際有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 346)

NOTICE IS HEREBY GIVEN that the AGM of members of Sino Union Petroleum & Chemical International Limited (the "Company") will be held at Units 10-12, 19th Floor, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong on Thursday, 25 September 2008 at 10:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and of the auditors for the year ended 31 March 2008;

2. To re-elect the following director and to authorise the board of directors to fix directors' remuneration;

   2.1 Dr. Fok Chun Wan, Ian

   2.2 Dr. Ching Men Ky, Carl

   2.3 Mr. Edmund Siu

   2.4 Mr. Tsang Kwok Man

3. To appoint auditors and to authorise the board of directors to fix their remuneration.

4. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

   "**THAT**

   (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and otherwise deal with additional shares ("Shares") in the capital of the Company or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make, grant, sign or execute offers, agreements or options, deeds and other documents which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and it is hereby generally and unconditionally approved;

* *For identification purpose only*

(b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make, grant, sign or execute offers, agreements or options, deeds and other documents which would or might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in this resolution, otherwise than pursuant to:

(i) a rights issue (as defined below); or

(ii) the exercise of rights of subscription or conversion attaching to any warrants of the Company or any securities which are convertible into Shares; or

(iii) the exercise of any option under the share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares of the Company; or

(iv) scrip dividends or under similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Bye-laws of the Company in force from time to time; and

(v) a specific authority granted by the shareholders of the Company,

shall not exceed 20 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly;

(d) for the purpose of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the applicable laws of Bermuda to be held; or

(iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting; and

"rights issue" means the allotment, issue or grant of Shares pursuant to an offer of shares open for a period fixed by the Directors to the holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company)."

5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

"**THAT**

(a) subject to paragraphs (b) and (c) of this resolution, the exercise by the Directors of the Company during the Relevant Period (as defined below) of all powers of the Company to purchase shares ("Shares") in the capital of the Company on The Stock Exchange of Hong Kong Limited ("Stock Exchange") or on any other exchange on which the securities of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose ("Recognised Stock Exchange"), subject to and in accordance with the applicable laws of Bermuda and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or those of any other Recognised Stock Exchange as amended from time to time, be and the same is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) of this resolution during the Relevant Period shall not exceed 10 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution as at the date of passing of this resolution and the approval pursuant to paragraph (a) of this resolution be limited accordingly;

(c) for the purpose of this resolution, "Relevant Period" means the period from the date of passing of this resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the applicable laws of Bermuda to be held; or

(iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting."

6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

"**THAT** subject to the passing of the resolutions numbered 4 and 5 as set out in the notice (the "Notice") convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with shares ("Shares") in the capital of the Company pursuant to the resolution numbered 4 as set out in the Notice be and the same is hereby extended by the addition to the aggregate nominal amount of share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company purchased by the Company under the authority granted pursuant to the resolution numbered 5 as set out in the Notice provided that such amount shall not exceed 10 percent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution."

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

Hong Kong, 3 September 2008

As at the date of this Circular, the board of directors comprise of the following:

Executive Directors:
Dr. Wang Tao
Dr. Hui Chi Ming
Mr. Cheung Shing
Dr. Chui Say Hoe
Dr. Ching Men Ky Carl
Mr. Tsang Kwok Man
Mr. Cui Yeng Xu

Non-Executive Directors:
Dr. Fok Chun Wan Ian
Mr. Chow Charn Ki Kenneth

Independent Non-Executive Directors:
Dr. Yu Sun Say
Mr. Ng Wing Ka
Mr. Edmund Siu

Head office and principal place of business in Hong Kong:
Units 10-12, 19th Floor
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Sheung Wan, Hong Kong

Notes:

(1) A member of the Company entitled to attend and vote at the aforesaid meeting is entitled to appoint one or (if holding two or more shares) more proxies to attend and vote in his stead. A proxy need not be a member of the Company.

(2) To be valid, the form of proxy together with any power of attorney or other authority under which it is signed or a certified copy of that power of attorney or authority must be deposited with the Hong Kong branch share registrars of the Company, Tricor Tengis at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time fixed for holding the meeting or any adjournment thereof.

(3) Completion and return of the form of proxy will not preclude members from attending and voting at the aforesaid meeting.

(4) The Chinese translation of this notice (including the contents of the proposed resolutions set out therein) is for reference only. In case of inconsistency, the English version shall prevail.