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)

VOLUNTARY ANNOUNCEMENT REGARDING SIGNING OF A MEMORANDUM OF UNDERSTANDING FOR A POSSIBLE ACQUISITION AND COOPERATION

The Board announces that SCHL, a wholly-owned subsidiary of the Company, entered into a MOU with SG in relation to the Possible Acquisition and Cooperation of the South Sumatra Coal Mine on 17 July 2009.

INTRODUCTION

The board of directors (the "Board") of Sino Union Petroleum & Chemical International Limited (the "Company") is pleased to announce that Sino Compass Holdings Limited ("SCHL"), a wholly-owned subsidiary of the Company, entered into a memorandum of understanding ("MOU") with PT Sugico Graha ("SG") regarding a possible acquisition of, and cooperation with, SG (the "Possible Acquisition and Cooperation") on 17 July 2009.

SG, a company incorporated in Indonesia, has obtained the exploration, exploitation and operation rights of a coal mine in South Sumatra, Indonesia with a coal reserve of approximately 2 billion tons (the "South Sumatra Coal Mine"). To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, SG and its associates are not connected persons of the Company and are independent third parties not connected with the Company and its connected persons.

MAJOR TERMS OF THE MOU

Pursuant to the MOU, subject to the joint due diligence to be conducted by SCHL and SG for ascertaining the coal reserves of the South Sumatra Coal Mine, SCHL shall acquire 51% equity interest in SG. Furthermore, SCHL may cooperate with SG to co-develop the South Sumatra Coal

* *For identification purpose only*

Mine in either of the following manner: (i) SG shall explore, exploit and operate the South Sumatra Coal Mine and then share its profit to SCHL in an agreed proportion; or (ii) SG shall appoint SCHL as the sole contractor for exploration, exploitation and operation of the South Sumatra Coal Mine and share the profit of SCHL in an agreed proportion. Detailed terms of the Possible Acquisition and Cooperation are subject to further negotiation and signing of a formal agreement between the parties.

REASONS FOR THE POSSIBLE ACQUISITION AND COOPERATION

The Group is principally engaged in oil exploration, exploitation and operation in the Republic of Madagascar as well as the sale and distribution of petroleum products and polyurethane materials in the PRC. The Board considers that the Possible Acquisition and Cooperation provides a good opportunity for the Company to acquire prime assets in Indonesia and to broaden its scope of business in the energy sector.

GENERAL

The MOU does not constitute a legally-binding commitment in respect of the Possible Acquisition and Cooperation, which is subject to the execution and completion of a formal agreement. If the Possible Acquisition and Cooperation materializes, it may constitute a notifiable transaction for the Company pursuant to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited. Further announcement in respect of the Possible Acquisition and Cooperation will be made by the Company in the event any formal agreement is signed.

The Board wishes to emphasize that no legally binding agreement in relation to the Possible Acquisition and Cooperation has been entered into as at the date of this announcement. As such, the Possible Acquisition and Cooperation may or may not proceed. Investors are urged to exercise caution when dealing in the securities of the Company.

Made by the order of the Board, the directors of which individually and jointly accept full responsibility for the accuracy of this announcement.

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

Hong Kong, 21 July 2009

As at the date of this announcement, the Board comprises:

Executive Directors
Dr. Wang Tao
Dr. Hui Chi Ming
Mr. Cheung Shing
Dr. Chui Say Hoe
Dr. Ching Men Ky, Carl
Mr. Cui Yeng Xu
Ms. Ohei Fibiolla Irianni

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