

IMPORTANT ANNOUNCEMENT TO THE BONDHOLDERS OF THE

**US\$400,000,000 6.125% Bonds due 2019 issued by
China Energy Reserve and Chemicals Group International Company Limited (the
"Issuer") with the benefit of a keepwell deed and a deed of equity interest purchase and
investment undertaking provided by China Energy Reserve and Chemicals Group
Company Limited (中國國儲能源化工集團股份公司) (the "Keepwell Provider")
(ISIN: XS1328315723 Common Code: 132831572)
(the "Bonds")**

1. DEFINITIONS AND INTRODUCTION

- 1.1 This announcement is made by the Issuer and the Keepwell Provider.
- 1.2 In this announcement, "**Bondholders**" means the holders of the Bonds.
- 1.3 In this announcement, the "**Group**" means the Keepwell Provider and its consolidated subsidiaries, taken as a whole.

2. PUBLICATION OF THE KEEPWELL PROVIDER'S ANNUAL CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

- 2.1 Reference is made to the announcement dated 12 July 2019 informing Bondholders on the expected timing of the publication of the Group's annual consolidated financial statements for the year ended 31 December 2018 (the "**Group Financial Statements**"). The Keepwell Provider further informs that the auditors have completed their audit of the Group Financial Statements.
- 2.2 Bondholders who have previously identified themselves to D.F. King Limited (the "**Identification Agent**") and have provided proof of holdings may access the Group Financial Statements at the information website (<https://sites.dfkingltd.com/cercgdocs/Home/>) and using the login details previously provided to them by the Identification Agent. Bondholders who have not identified themselves to the Identification Agent are asked to do so together with their proof of holdings to the Identification Agent using the contact details below.
- 2.3 Parties who have not completed the bondholder identification process or otherwise satisfied any requirements under the documentation for the relevant Bonds for access thereto will not be able to access the Group Financial Statements or other information in relation to the ongoing restructuring.

Identification Agent

In Hong Kong
+852 3953 7231

Email: cercg@dfkingltd.com

In London
+44 20 7920 9700

3. NEXT STEPS

- 3.1 The Keepwell Provider has instructed FTI Consulting Inc. to update the restructuring proposal based on the Group Financial Statements and will revert with an updated restructuring proposal (the "**Updated Restructuring Proposal**"). The Keepwell Provider expects to publish the Updated Restructuring Proposal in September 2019.
- 3.2 Bondholders are invited to submit to FTI Consulting Inc. or Ashurst by 31 August 2019 any questions or feedback which they would like the Keepwell Provider to consider when preparing the Updated Restructuring Proposal.

- 3.3 The Issuer and the Keepwell Provider remain committed to taking a collaborative and constructive approach with all Bondholders to facilitate a consensual restructuring of their debt.
- 3.4 Should Bondholders require any further information, please contact our advisors using the contact details below:

Company's advisors

Ashurst

Email: cercg@ashurst.com

FTI Consulting Inc.

Email: cercg@fticonsulting.com

By Order of the Boards of

China Energy Reserve and Chemicals Group International Company Limited
China Energy Reserve and Chemicals Group Company Limited

15 August 2019

THIS ANNOUNCEMENT IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF BONDHOLDERS. IF BONDHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL AND LEGAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, IMMEDIATELY FROM THEIR STOCKBROKER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL OR LEGAL ADVISOR.

THIS ANNOUNCEMENT IS PROVIDED BY THE ISSUER AND THE KEEPWELL PROVIDER. THE TRUSTEE ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS ANNOUNCEMENT OR THE INFORMATION CONTAINED IN IT.

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