

**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" or the
"Company")
(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. UPDATE ON REVISED UPDATED RESTRUCTURING PROPOSAL

- 2.1 The Group is currently in discussion with their independent financial advisors to present a further revised restructuring proposal to Bondholders. The Group expects to present a further revised restructuring proposal before December 2020. The Group's independent financial advisors are conducting a financial analysis of the Group's assets as at 30 September 2020. The terms of the further revised restructuring proposal will depend on the Group's discussion with their independent financial advisors and feedback from Bondholders.
- 2.2 The Group remains committed to try and effect a consensual restructuring of their debt, and will update Bondholders on the next steps of the restructuring in a further announcement.

3. CONTINUED SUSPENSION OF COUPON AND PRINCIPAL PAYMENTS

The Issuer and the Keepwell Provider confirm that all interest and principal payments on the outstanding Bonds continue to be suspended pending further notice.

4. TRUSTEE DISCLAIMER

The Trustee takes no responsibility for the contents of this announcement.

By Order of the Boards of

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

17 November 2020

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.

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