

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 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)**

(ISIN: XS1328315723 Common Code: 132831572)

(the "Bonds")

1. DEFINITIONS AND INTRODUCTION

1.1 This announcement is made by the Issuer and the Keepwell Provider (each as defined below).

1.2 In this announcement:

"Bondholders" means the holders of the Bonds;

"Issuer" means China Energy Reserve and Chemicals Group International Company Limited; and

"Keepwell Provider" means China Energy Reserve and Chemicals Group Company Limited (中國國儲能源化工集團股份公司).

2. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISOR AND IDENTIFICATION AGENT

2.1 The Issuer and the Keepwell Provider have appointed:

(a) FTI Consulting Inc. as their independent financial advisor to assist them in evaluating their options and to work towards a consensual solution in relation to the potential restructuring of the Bonds; and

(b) D.F. King Limited (the **"Identification Agent"**), a subsidiary of Orient Capital Pty Ltd, to assist with the identification of, and engagement with, the Bondholders.

3. REQUEST FOR DISCLOSURE OF SECURITY HOLDINGS INFORMATION

3.1 To facilitate such engagement with the Bondholders, to the extent that Bondholders have not already identified themselves to the Issuer's and the Keepwell Provider's legal advisor, Ashurst, the Issuer and the Keepwell Provider request Bondholders to disclose their identities and their holdings of the Bonds (the **"Information"**) to the Identification Agent.

3.2 Bondholders are invited to respond to this request and disclose their Information either:

(a) via their custodian bank to Euroclear or Clearstream (as appropriate) by means of the disclosure event in place by no later than the deadline imposed by Euroclear or Clearstream; or

(b) directly to the Identification Agent via the website at:
<https://sites.dfkingltd.com/cercg>

3.3 Bondholders that have previously disclosed their Information to Ashurst need not now do so to the Identification Agent again, unless their Information has since changed.

- 3.4 The Issuer and the Keepwell Provider are committed to taking a collaborative, constructive approach with Bondholders in relation to this process and have already engaged with some of them.
- 3.5 Bondholders with any questions regarding the Bondholder identification process can contact the Identification Agent using the contact details below:

Identification Agent

In Hong Kong

Ken Abela

+852 3953 7230

In London

Laurent Muzard

+44 207 920 6918

Email: cercg@dfkingltd.com

- 3.6 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

Hong Kong
12 June 2018

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 ADVISER.

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