

**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

Capitalised terms used but not otherwise defined herein shall have the meanings ascribed to them in the previous announcements issued by the Issuer and the Company.

2. UPDATE ON RESTRUCTURING PLAN

2.1 Reference is made to the announcement issued by the Issuer and the Company on 30 September 2021, which stated in paragraph 2.2 that the Group expects to present a further revised restructuring proposal on or around 1 November 2021.

2.2 The Company would like to inform Bondholders that, as the commercial discussions between the Company and the asset management company (which is an independent third party) on the restructuring terms are still underway, the Company expects to present the further revised restructuring proposal on or around 1 December 2021.

3. CONTINUED SUSPENSION OF COUPON AND PRINCIPAL PAYMENTS

The Issuer and the Company 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**

3 November 2021

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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KEEPWELL PROVIDER OFFER NO ASSURANCE THAT THEIR CREDITORS WILL GRANT ANY WAIVERS OR FORBEARANCE WITH RESPECT TO THE BONDS OR THAT ANY PART OF THEIR INDEBTEDNESS CAN BE SUCCESSFULLY RESTRUCTURED. IN ADDITION, THERE IS NO CERTAINTY OR ASSURANCE THAT ANY OF THE PROPOSED TRANSACTIONS OR INITIATIVES DISCUSSED HEREIN WILL BE COMPLETED. HOLDERS OF THE BONDS AND POTENTIAL INVESTORS IN THE ISSUER AND THE KEEPWELL PROVIDER ARE ADVISED TO EXERCISE CAUTION WHEN DEALING WITH THE ISSUER AND THE KEEPWELL PROVIDER.