

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.

2. FINANCIAL ADVISOR'S REPORT

- 2.1 Bondholders are advised that FTI Consulting Inc., independent financial advisors to the Issuer and the Keepwell Provider, has finalised its review of the financial condition of the Keepwell Provider and its subsidiaries and prepared its report thereon (the "**Financial Advisor's Report**").
- 2.2 Bondholders who have previously identified themselves to Ashurst and/or D.F. King Limited (the "**Identification Agent**") and have provided proof of holdings may access the Financial Advisor's Report at the information website and using the login details previously provided to them by the Identification Agent.
- 2.3 Bondholders who have identified themselves to Ashurst or the Identification Agent but have not provided proof of holdings, or have not received login details, should provide their proof of holdings to the Identification Agent or contact the Identification Agent using the contact details below:

Identification Agent

In Hong Kong

+852 3953 7231

In London

+44 20 7920 9700

Email: cercg@dfkingltd.com

- 2.4 Bondholders who have not identified themselves to Ashurst or the Identification Agent and who wish to access the Financial Advisor's Report may do so by first disclosing their identities and holdings of Bonds at the following website:
<https://sites.dfkingltd.com/cercgdocs/Home/>
- 2.5 The Issuer and the Keepwell Provider are committed to working with Bondholders on a consensual basis in relation to a potential restructuring of the Bonds in order to preserve and protect value for all stakeholders.

- 2.6 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

17 August 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 ADVISOR.

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