

**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. DELAY IN PUBLICATION OF TERMS AND CONDITIONS OF REVISED UPDATED RESTRUCTURING PROPOSAL

- 2.1 Reference is made to the announcement dated 17 November 2020 informing Bondholders about the publication of a further revised restructuring proposal before December 2020.
- 2.2 In light of the wide range of feedback from Bondholders and discussion with the Group's independent financial advisers, the Group will need to make further changes to the further revised restructuring proposal. The Group expects to present the further revised restructuring proposal in January 2021 or thereabouts.
- 2.3 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**

10 December 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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