

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.
- 1.3 In this announcement, the "**Group**" means the Guarantor and its consolidated subsidiaries, taken as a whole.

2. CHANGES TO THE BOARD OF DIRECTORS OF THE KEEPWELL PROVIDER

- 2.1 As at the date of this notice, the directors of the Keepwell Provider are:

- (i) CHEN Yihe (陈义和);
- (ii) TU Youcheng (涂佑诚);
- (iii) ZHU Ning (朱宁);
- (iv) GONG Hongyan (宫洪岩);
- (v) YU Xue (于雪);
- (vi) HUA Huiliang (滑会亮); and
- (vii) ZHAO Guoxi (赵国习).

- 2.2 Due to an internal reorganisation, Mr ZHU Ning has stepped down as the legal representative (法人) of the Keepwell Provider and Mr HUA Huiliang has been appointed as the new legal representative of the Keepwell Provider. Mr ZHU Ning remains authorised by the board of directors of the Keepwell Provider and China National Friend Industry Corporation (中国富莱德实业公司), the largest shareholder of the Keepwell Provider, to represent the Keepwell Provider and to discuss and effect the restructuring of the Bonds.

3. AUDIT OF KEEPWELL PROVIDER FINANCIALS

The auditors of the Keepwell Provider are currently auditing the Keepwell Provider's annual financial statements for the year ended 31 December 2018. The Keepwell Provider expects the audit to be substantially complete by the end of April 2019 and for the audited consolidated financial statements to be published in early May 2019. The Issuer and the Keepwell Provider will update Bondholders once the audited consolidated financial statements of the Group can be made available.

4. COUPON PAYMENTS

- 4.1 Despite the coupon payment made on or about 20 December 2018 in respect of the Bonds, the Issuer and the Keepwell Provider propose that all interest payments on the outstanding Bonds continue to be suspended pending further notice.
- 4.2 The Issuer and the Keepwell Provider remain committed to taking a collaborative and constructive approach with all Bondholders to facilitate a consensual restructuring of their debt. The Keepwell Provider will further engage with Bondholders once the Group's annual financial statements are available in order to discuss an updated restructuring proposal.
- 4.3 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

10 April 2019

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.

THIS ANNOUNCEMENT IS PROVIDED BY THE ISSUER AND THE KEEPWELL PROVIDER. THE TRUSTEE ACCEPTS NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS ANNOUNCEMENT OR THE INFORMATION CONTAINED IN IT.

THERE CAN BE NO ASSURANCE THAT ANY DISCUSSIONS WITH THE ISSUER'S AND THE KEEPWELL PROVIDER'S CREDITORS WILL LEAD TO A PROPOSAL ACCEPTABLE TO THE CREDITORS GENERALLY OR THAT DISCUSSIONS WITH THE CREDITORS CAN BE PROGRESSED TO ANY POSITIVE CONCLUSION. ACCORDINGLY, THE ISSUER AND THE 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.