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**FURTHER DELAY IN DESPATCH OF CIRCULAR
AND
ENTERING INTO A SUPPLEMENTAL AGREEMENT**

The Company has made an application to the Stock Exchange for an extension of time for despatch of the Circular to a date no later than 14 March 2008.

A Supplemental Agreement was entered into between the Company and the Vendor to extend the long stop date of the Agreement to 30 April 2008 and to assign the shareholder's loan of MPIL from the Vendor to the Company.

Reference is made to the announcements made by the Company dated 9 November 2007, 30 November 2007 and 17 January 2008 in relation to the acquisition of the entire issued share capital of Better Step (the "Announcements"). Terms defined in the Announcements shall have the same meanings when used herein unless the context requires otherwise.

Pursuant to the previous extension granted by the Stock Exchange, the Circular should have been despatched to Shareholders on or before 29 February 2008. Due to the unexpected delay in completion of the technical report by the technical adviser, the completion of the valuation report and accountants' reports, which rely on the results of the technical assessment carried out by the technical adviser, was further delayed. As a result, the independent financial adviser also requires additional time to finalise their letter of advice. Furthermore, subsequent to the signing of the Supplemental Agreement as detailed below, the independent financial adviser needs more time to finalise their letter of advice to reflect the changes in the terms of the Agreement. Accordingly, an application has been made by the Company to the Stock Exchange for a waiver from strict compliance with the requirements under Rules 14.38 and 14A.49 of the Listing Rules and an extension of time for the despatch of the Circular to a date no later than 14 March 2008.

* For identification purpose only

As additional time is required to fulfill the conditions for the Completion, the Company and the Vendor entered into a supplemental agreement (the “Supplemental Agreement”) on 28 February 2008 to extend the long stop date of the Agreement from 28 February 2008 to 30 April 2008. In addition, the Directors consider that the existence of a loan to third parties may impede the future financing capabilities of MPIL. In order to facilitate the future financing plan of MPIL, the Vendor agreed to assign the shareholder’s loan of MPIL to the Company at nil consideration, which was determined after arm’s length negotiation between the Vendor and the Purchaser. The Directors consider that the terms of the assignment are fair and reasonable and such arrangement is in the interests of the Company and the Shareholders as a whole. As at 30 November 2007, the shareholder’s loan amounted to approximately HK\$482.4 million.

The Supplemental Agreement forms part of the Agreement and subjects to the conditions precedent of the Agreement, details of which are set out in the Company’s announcement dated 9 November 2007. Save as stated above, all other terms and conditions of the Agreement remain unchanged.

Made by the order of the Board
Sino Union Petroleum & Chemical International Limited
Chui Say Hoe
Executive Director

Hong Kong, 29 February 2008

As at the date of this announcement, the Board comprises seven executive Directors, namely Dr. Wang Tao, Dr. Hui Chi Ming, Mr. Cheung Shing, Dr. Chui Say Hoe, Dr. Ching Men Ky Carl, Mr. Tsang Kwok Man and Mr. Cui Yeng Xu; two non-executive Directors, namely Dr. Fok Chun Wan Ian and Mr. Chow Charn Ki Kenneth; and three independent non-executive Directors, namely Dr. Yu Sun Say, Mr. Ng Wing Ka and Mr. Edmund Siu.