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**CLARIFICATION ANNOUNCEMENT
AND
RESUMPTION OF TRADING**

The Company refers to certain articles in the press published on 24 April 2008 and would like to make clarifications on the issues set out below in response to such Articles.

At the request of the Company, trading in the Shares was suspended with effect from 9:42 a.m. on 24 April 2008 pending the release of this announcement. An application has been made by the Company to The Stock Exchange of Hong Kong Limited for resumption of trading in the Shares with effect from 9:30 a.m. on 28 April 2008.

Shareholders of the Company or potential investors are reminded to exercise caution when dealing in the Shares.

Sino Union Petroleum & Chemical International Limited (the “Company”) refers to certain articles in the press (the “Articles”) published on 24 April 2008 regarding, inter alia, (i) the possible cooperation with Hong Kong and China Gas Company Limited (“HKCG”) on development of liquefied natural gas stations in the Republic of Madagascar (“Madagascar”) and investment in oilfield block 3113 in Madagascar; (ii) the possible cooperation with a petroleum company in China on exploration and exploitation of oilfield block 2104 in Madagascar; (iii) the possible investment in shares of the Company (“Shares”) by Dr. The Hon. Lee Shau Kee (“Dr. Lee”) and Mr. Hui Wing Mau (“Mr. Hui”); (iv) the possible investment in an oil refinery plant in Madagascar by the Company; and (v) the Company and its subsidiaries (the “Group”) have interests in four blocks of oilfield in Madagascar and some of the oilfields operated by the Group are in production stage.

The board of directors of the Company wishes to clarify that:

1. the possible cooperation with HKCG and the petroleum company as appeared in the Articles are at a preliminary discussion stage only and no conclusion has been made on the detailed terms of cooperation such as the total investment amount and mode of cooperation, and as to whether or not to proceed with the cooperation;

* For identification purpose only

2. the Company has not issued any new Share to Dr. Lee and Mr. Hui and the Company is neither in discussion with Dr. Lee nor Mr. Hui regarding any possible placement of new Shares. To the best of the knowledge of the directors of the Company, Dr. Hui Chi Ming (“Dr. Hui”), an executive director and a controlling shareholder of the Company, owns as to approximately 63.62% effective interest in the Company as at the date of this announcement. During the period from December 2007 to April 2008, Dr. Hui sold 220,640,000 Shares, representing approximately 4.08% of the existing issued share capital of the Company, to an associate of Dr. Lee and 172,420,000 Shares, representing approximately 3.19% of the existing issued share capital of the Company, to an associate of Mr. Hui. Dr. Hui also granted a call option for subscription of 172,420,000 Shares to an associate of Mr. Hui on 22 April 2008. Moreover, Dr. Hui, in his personal capacity, is in discussion with Dr. Lee and Mr. Hui for the possible placement of his personal stake in the Company to Dr. Lee and Mr. Hui. The discussions are at a preliminary stage and Dr. Hui intends to place less than in aggregate 30% of his interest in the Company to Dr. Lee and Mr. Hui;
3. the possible investment in oil refinery plant in Madagascar and the obtaining of the relevant government license as appeared in the Articles were related to Dr. Hui only and the Company has not obtained any government license for operating oil refinery plant in Madagascar and it has no present intention to invest in oil refinery plant in Madagascar; and
4. the Group has obtained exploration, development and exploitation rights in two oilfields in Madagascar, oilfield blocks 3113 and 2104, only and currently none of the oilfields operated by the Group is in production stage.

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By Order of the Board
Sino Union Petroleum & Chemical International Limited
Chui Say Hoe
Executive Director

Hong Kong, 25 April 2008

As at the date of this announcement, the board of directors of the Company comprises:

Executive Directors

Dr. Wang Tao
Dr. Hui Chi Ming
Mr. Cheung Shing
Dr. Chui Say Hoe
Dr. Ching Men Ky, Carl
Mr. Tsang Kwok Man
Mr. Cui Yeng Xu

Non-executive Directors

Dr. Fok Chun Wan, Ian
Mr. Chow Charn Ki, Kenneth

Independent Non-executive Directors

Dr. Yu Sun Say
Mr. Ng Wing Ka
Mr. Edmund Siu