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中石化煉化工程(集團)股份有限公司
SINOPEC Engineering (Group) Co., Ltd.*

(a joint stock limited liability company incorporated in the People's Republic of China)

(Stock Code: 2386)

Announcement
EPC Contract with KPI Company

This announcement is made by SINOPEC Engineering (Group) Co., Ltd. (the “**Company**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the “**Board**”) of the Company is pleased to announce that, on June 10, 2013, the Company entered into an EPC contract with Kazakhstan Petrochemical Industries (the “**KPI Company**”), an independent third party. The project is located in the region of Karabatan, Atyrau State, Kazakhstan. Our scope of work under the contract includes the general contracting of engineering, procurement, construction, commissioning and performance assessment (EPCC) for a 500,000 tons / year propane dehydrogenation unit (PDH) and polypropylene unit (PP) as well as the public utilities required by the two units above and the supporting infrastructures outside the plant. The project will be implemented upon satisfaction of certain conditions. The contract term is expected to be 36 months, with a total contract value of approximately US\$1.85 billion (approximately RMB11.4 billion).

Prior to its reorganization, the Group entered into an EPC framework agreement with KPI Company in 2010 in respect of the Integrated Petrochemical Complex and Infrastructure Project (the “KPI IPCI Project”) in Kazakhstan. For related disclosures, please refer to the prospectus of the Company dated May 10, 2013 and, in particular, pages 254 and 255. Currently, our Group has completed some preliminary design work during the OBE (open book estimate) phase of the project. This contract is the formal contract signed on the basis of such framework agreement.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
SINOPEC Engineering (Group) Co., Ltd.
SANG Jinghua
Secretary to the Board of Directors

Beijing, the PRC
June 10, 2013

As at the date of this announcement, the Non-Executive Directors are CAI Xiyou, ZHANG Kehua, LEI Dianwu, LING Yiqun and CHANG Zhenyong; the Executive Director is YAN Shaochun; and the Independent Non-Executive Directors are HUI Chiu Chung, Stephen, JIN Yong and YE Zheng.

* *For identification purposes only*