

November 2, 2009
Mitsui Chemicals, Inc.
China Petroleum & Chemical Corp.

Mitsui Chemicals and Sinopec Reach Fundamental Agreement on Collaboration in Phenol and EPT

Mitsui Chemicals, Inc. (hereinafter referred to as "MCI") with its Head Office in Tokyo, Japan (Toshikazu Tanaka, President & CEO) and China Petroleum & Chemical Corp. (hereinafter referred to as "Sinopec") with its head office in Beijing, China (Wang Tianpu, President) commenced their relationship with the export of MCI's urethane material technology to Sinopec in 1986. In 1993, the two companies formed a joint venture company to sell urethane materials and resins. The two companies signed an equal investment joint-venture agreement in April 2006 to form the joint venture Shanghai Sinopec Mitsui Chemicals Co., Ltd. to produce and sell Bisphenol A (BPA) in China. The company currently produces 120,000 tons of BPA per year (January 2009 figures).

MCI and Sinopec have continued to foster their alliance over the past two decades and on April 15, 2009, the two companies signed a Memorandum of Understanding agreeing to strengthen collaboration in phenols and petrochemical derivatives by undertaking feasibility studies. The memorandum also provided for studies in forming operations of performance materials, such as EPT (ethylene, propylene, ethylene-propylene-diene terpolymer). (see "Note" below)

MCI and Sinopec announced today that they have reached a fundamental agreement with regard to phenols (attachment 1) and EPT (attachment 2). The investments for the two operations are expected to be in the vicinity of 60 billion yen.

MCI and Sinopec will continue to study collaboration feasibility in petrochemical development which will serve to strengthen the relationship of the two companies.

Note: EPT, which has good resistance to heat/cold, UV rays, and chemicals, in addition to good electric insulation and other superior properties, is widely used in automotive parts, electric cables, and in other industrial materials.

Corporate Overview

China Petroleum & Chemical Corp. (Sinopec Corp.)

- Main business: Oil and gas mining business, oil refinery business (gasoline, diesel and other fuels, lubricant, solvent, WAX, and petrochemical feedstock), Chemical business (olefin, synthetic resin and rubbers, synthetic fiber feedstock, synthetic fiber, and urea), and Engineering business (oil and gas mining, oil refining and chemical plants)
- Net sales in 2008: RMB 1,452.1 billion
- Capital stock: 18.6 billion dollars (listed on the stock exchanges of NY, London, and HK)
- Number of employees: 420,000 persons
- Head Office: 22 Chaoyangmen North Street, Chaoyang District Beijing, China

Mitsui Chemicals, Inc.

- Main business: Performance Materials (Automotive & Industrial Materials, Living & Energy Materials, Information & Electronics Materials, Polyurethane, Coatings & Engineering Materials), Advanced Chemicals (Fine & Performance Chemicals, Agrochemicals), Basic Chemicals (Feedstock, Phenols, PTA & PET, Industrial Chemicals)
- Net sales for FY2008: ¥1,487.6 billion
- Paid-in capital: ¥103,226 million
- Number of employees: 12,964 persons (consolidated)
- Head Office: Shiodome City Center, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo, Japan

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Mitsui Chemicals and Sinopec Reach Fundamental Agreement to
Form a Joint Venture in Phenol

Mitsui Chemicals, Inc. with its Head Office in Tokyo, Japan (hereinafter referred to as "MCI") (Toshikazu Tanaka, President & CEO) and China Petroleum & Chemical Corp. with its head office in Beijing, China (hereinafter referred to as "Sinopec") (Wang Tianpu, President) reached a partnership agreement for a joint venture in phenol, the raw material for production of Bisphenol A (BPA) which is currently being produced and sold by the two companies' equal investment joint-venture, Shanghai Sinopec Mitsui Chemicals Co., Ltd. (hereinafter referred to as "SSMC")

The two companies – MCI as the largest phenol producer in Asia and Sinopec as the largest phenol producer in China, in consideration of increasing international competition in this product area, have decided to form a strategic alliance to continue to as a leader in the Asian market. This "win-win" collaboration will form a top level world-class phenol alliance. The venture will accelerate establishment of a new phenol plant and conjoin Sinopec's Shanghai Gaoqiao Company phenol plant into its operations. These new operations will serve to further reinforce competitiveness of the current joint venture which commenced commercial operations in January 2009 and is scheduled to produce 120,000 tons of BPA a year.

The two companies are scheduled to submit an environmental proposal to the Ministry of Environmental Protection by the end of the current fiscal year for the planned commercial operation of the new plant in 2013.

<Outline of Phenol Joint Venture>

1. Location : Shanghai Petrochemical Area, China
2. Investment : 50:50 (same investment ratio as SSMC)
3. Production Capacity: New Plant: Phenol 250,000 tons/year
Acetone 150,000 tons/year

Note: In addition, Sinopec's Shanghai Gaoqiao Company plant (phenol 125,000 tons/year, acetone 75,000 tons/year) will be conjoined with SSMC. SSMC's total annual phenol production capacity will be 375,000 tons, acetone 225,000 tons, and BPA 120,000 tons.

4. New Plant Process (Phenol Process): Mitsui Chemicals technology
5. Commercial Operation: Second Quarter of 2013

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Mitsui Chemicals, Inc.
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Mitsui Chemicals and Sinopec Agree to Collaborate in EPT Business Area

Mitsui Chemicals, Inc. with its Head Office in Tokyo, Japan (hereinafter referred to as "MCI") (Toshikazu Tanaka, President & CEO) and China Petroleum & Chemical Corp. with its head office in Beijing, China (hereinafter referred to as "Sinopec") (Wang Tianpu, President) entered into an agreement to conduct a joint study to form a joint venture for EPT business in China.

MCI has evolved its EPT business in Asia for over 4 decades and currently holds the largest market share in the area. In May 2008, the company commenced commercial operation of the world's largest and state-of-the-art EPT plant in its Ichihara Works using metallocene catalysts and futuristic technology. EPT has wide applications especially in automotive parts (weather seals, hoses, etc.) and demand is forecasted to greatly increase generated by the rapid growth of the automotive industry in China. To take advantage of this opportunity, MCI will strengthen its cooperative relationship with Sinopec by strategically using its highly competitive raw materials, infrastructure, and highly skilled human resources to optimize the position of its operations in China and accelerate expansion of market share.

Sinopec, the largest petrochemical company in China, has continued to intensify its high functionality synthetic elastomer business. Sinopec decided to select MCI as its joint venture partner in the EPT business for MCI's world-class state-of-the-art EPT plants, highly advanced production technology, strong research and development capabilities, expansive distribution network, and other strengths.

< Outline of EPT Joint Venture >

1. Location : Shanghai Petrochemical Area, China
2. Business : Production and sales of Mitsui EPT
3. Production Capacity: 75,000 tons/year
4. Commercial Operation: Fourth Quarter of 2013