

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities. Shareholders of Daqing Petroleum and Chemical Group Limited (the "Company") should read the announcement of the Company dated 22 March 2007 and the circular to be despatched on 16 April 2007 for detailed information about the bonus issue of warrants.

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DAQING PETROLEUM AND CHEMICAL GROUP LIMITED

大慶石油化工有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 362)

BONUS ISSUE OF WARRANTS

Reference is made to the announcement of the Company dated 22 March 2007. The Directors wish to inform the Shareholders that based on 3,152,310,000 Shares in issue and no Overseas Shareholders as at the Record Date, 630,462,000 Warrants will be issued to the Qualifying Shareholders pursuant to the Bonus Warrant Issue.

Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the announcement of the Company dated 22 March 2007 (the "Announcement").

ISSUE OF WARRANTS

Reference is made to the Announcement. Based on 3,152,310,000 Shares in issue as at the Record Date, and subject to the Listing Committee granting the listing of and permission to deal in the Warrants and any Shares which may fall to be issued upon the exercise of the subscription rights attaching to the Warrants, 630,462,000 Warrants will be issued to the Qualifying Shareholders whose names appear on the Register of Members on the Record Date pursuant to the Bonus Warrant Issue, entitling the holders thereof to subscribe for a maximum of 630,462,000 Shares. The Warrants may be exercised at any time commencing on the day of issue of the Warrants on 16 April 2007 and up to 15 April 2008 (if that day is not a business day, the business day immediately preceding such day), both days inclusive. Dealings in the Warrants will commence on 18 April 2007.

OVERSEAS SHAREHOLDERS

Based on the Register of Members as at the Record Date, there were no Overseas Shareholders whose addresses are outside Hong Kong. Accordingly, no Shareholders are excluded from the Bonus Warrant Issue.

DESPATCH OF CIRCULAR AND WARRANT CERTIFICATES

A circular containing further information on the Bonus Warrant Issue together with the Warrant certificates will be despatched to the Shareholders on 16 April 2007. Copies of the circular will also be available to the public at the principal place of business of the Company in Hong Kong at Room 1818, 18th Floor, Hutchison House, 10 Harcourt Road, Central, Hong Kong.

By Order of the Board

Daqing Petroleum and Chemical Group Limited

Chan Yuk Foebe

Executive Director

Hong Kong, 13 April 2007

As at the date of this announcement, Ms. Chan Yuk Foebe, Mr. Peng Zhanrong, Mr. Chiau Che Kong are the executive Directors and Mr. Ma Wing Yun Bryan and Mr. Yau Chung Hong are the independent non-executive Directors.