



DAQING PETROLEUM AND CHEMICAL GROUP LIMITED

大慶石油化工集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 362)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an annual general meeting of Daqing Petroleum and Chemical Group Limited (the "Company") will be held at The Ritz-Carlton, Hong Kong, 3 Connaught Road, Central, Hong Kong on 7 December 2006, Thursday at 4:30 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:

ORDINARY RESOLUTIONS

1. to receive and consider the audited consolidated financial statements and the reports of the directors of the Company (the "Directors") and the auditors for the year ended 30 June 2006;
2. (a) to re-elect the following persons as Directors:
 - (i) Mr Peng Zhanrong
 - (ii) Mr Chiau Che Kong
- (b) to authorise the board of directors of the Company (the "Board") to fix the Directors' remuneration;
3. to re-appoint Messrs. RSM Nelson Wheeler as auditors of the Company for the ensuing year and to authorise the Board to fix their remuneration;
4. as special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

A. "THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers, after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:

 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders in general meeting.";

B. "THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase shares of HK\$0.01 each in the capital of the Company be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, "Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; or
 - (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders in general meeting.";

- C. "THAT the general mandate granted to the Directors pursuant to resolutions nos. 4A and 4B as above and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers referred to in resolution no. 4A be and is hereby extended by the total nominal amount of shares in the capital of the Company repurchased by the Company since the granting of such general mandate pursuant to the exercise by the Directors of the powers of the Company to purchase such shares pursuant to resolution no. 4B, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution";
- D. "THAT the existing scheme limit under the share option scheme adopted by a resolution of the shareholders of the Company on 18 November 2002 ("Share Option Scheme") be refreshed so that the aggregate nominal amount of the shares of the Company to be allotted and issued pursuant to the grant or exercise of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under the Share Option Scheme) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution ("Refreshed Scheme Limit") and that the Directors be and are hereby authorised, subject to compliance with the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time), to grant options under the Share Option Scheme up to the Refreshed Scheme Limit and to exercise all the powers of the Company to allot, issue and deal with shares of the Company pursuant to the exercise of such options";

5. as special business, to consider and, if thought fit, pass with or without amendments, the following resolutions as special resolutions:

SPECIAL RESOLUTIONS

"THAT:

the articles of association of the Company be and are hereby amended in the following manner:

- (a) by replacing "a Special Resolution" with "an Ordinary Resolution" in paragraph(vii) of Article 105 so that this paragraph becomes:

(vii) if he shall be removed from office by an Ordinary Resolution of the Company under Article 114.
- (b) by replacing "Special Resolution" with "Ordinary Resolution" in Article 114 so that this article becomes:

114. The Company may by Ordinary Resolution remove any Director (including a Managing Director or other Executive Directors) before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may elect another person in his stead. Any person so elected shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election, but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such meeting."

By Order of the Board
TSANG CHIU HUNG
Secretary

Hong Kong, 26 October 2006

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

Notes:

- (a) A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- (b) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or other authority, must be lodged with the Company's branch share registrar in Hong Kong, Tengis Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Hong Kong not less than 48 hours before the time fixed for holding the meeting or at any adjournment thereof.
- (c) A circular containing an explanatory statement regarding items (4A) to (4D) and 5 above will be sent to members of the Company together with the 2006 Annual Report.