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NEW TIMES ENERGY CORPORATION LIMITED

新 時 代 能 源 有 限 公 司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00166)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

FINANCIAL HIGHLIGHTS

	Six months ended 30 June		
	2017	2016	**Change in**
	HK$'000	*HK$'000*	*%*
		(Restated)	
Revenue	**21,692**	31,502	-31.1
Loss before taxation from continuing operations	**(223,856)**	(17,992)	+1,144.2
Loss for the period	**(222,910)**	(22,535)	+889.2
Basic loss per share *(HK cent)*	**(3.05)**	(0.83)	+267.5

	At 30 June 2017	At 31 December 2016	**Change in**
	HK$'000	*HK$'000*	*%*
Total assets	**3,560,520**	3,065,429	+16.2
Total equity	**3,162,393**	2,651,265	+19.3
Debt ratio(1)	**11.18%**	13.51%	-2.3
Gearing ratio(2)	**9.45%**	12.51%	-3.1
Net asset value per share(3) *(HK$)*	**0.36**	0.45	-20.0

Remarks:

(1) Debt ratio: Total liabilities divided by total assets

(2) Gearing ratio: Interest bearing borrowings divided by total equity

(3) Net asset value per share: Net assets divided by number of issued shares

* *For identification purpose only*

The board of directors (the "Board") of New Times Energy Corporation Limited (the "Company") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2017, together with the comparative figures for the corresponding period in 2016.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2017

		(Unaudited)	
		Six months ended 30 June	
		2017	2016
	Notes	***HK$'000***	*HK$'000*
			(Restated – note 4)
Continuing operations:			
Revenue	*3*	**21,692**	31,502
Cost of sales		**(18,241)**	(16,559)
Gross profit		**3,451**	14,943
Other income		**11,525**	(2,088)
Administrative expenses		**(25,880)**	(31,030)
Assets impairment losses	*5(c)*	**(167,986)**	(1,699)
Change in fair value of financial assets at fair value through profit or loss	*5(d)*	**(35,711)**	18,979
Gain on partial disposal of interest in a joint venture	*11*	**3,304**	–
Loss from operations		**(211,297)**	(895)
Finance costs	*5(a)*	**(10,867)**	(13,993)
Share of losses of joint ventures		**(1,692)**	(3,104)
Loss before taxation from continuing operations	*5*	**(223,856)**	(17,992)
Income tax	*6*	**946**	1,070
Loss from continuing operations		**(222,910)**	(16,922)
Discontinued operation:			
Loss from discontinued operation, net of tax	*4*	**–**	(5,613)
Loss for the period		**(222,910)**	(22,535)

		(Unaudited) Six months ended 30 June	
		2017	2016
	Notes	***HK$'000***	*HK$'000* (Restated – note 4)
Attributable to:			
Owners of the Company:			
Loss for the period from continuing operations		**(222,901)**	(16,921)
Loss for the period from discontinued operation		**–**	(4,435)
Loss for the period attributable to owners of the Company		**(222,901)**	(21,356)
Non-controlling interests:			
Loss for the period from continuing operations		**(9)**	(1)
Loss for the period from discontinued operation		**–**	(1,178)
Loss for the period attributable to non-controlling interests		**(9)**	(1,179)
Loss for the period		**(222,910)**	(22,535)
Loss per share	*8*		
Basic *(HK cent)*		**(3.05)**	(0.83)
Diluted *(HK cent)*		**(3.05)**	(0.83)
Loss per share – continuing operations	*8*		
Basic *(HK cent)*		**(3.05)**	(0.66)
Diluted *(HK cent)*		**(3.05)**	(0.66)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2017

	(Unaudited) Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Loss for the period	**(222,910)**	(22,535)
Other comprehensive (expense)/income for the period (after tax and reclassification adjustments):		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas and the People's Republic of China ("PRC") subsidiaries	**(2,582)**	(21,543)
Available-for-sale investments: net movement in the fair value reserve	**223**	–
Other comprehensive expense for the period	**(2,359)**	(21,543)
Total comprehensive expense for the period	**(225,269)**	(44,078)
Attributable to:		
Owners of the Company	**(225,260)**	(42,893)
Non-controlling interests	**(9)**	(1,185)
Total comprehensive expense for the period	**(225,269)**	(44,078)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2017

	Notes	(Unaudited) At 30 June 2017 HK$'000	(Audited) At 31 December 2016 HK$'000
Non-current assets			
Exploration and evaluation assets	*9*	**1,916,241**	2,066,901
Property, plant and equipment	*10*	**43,408**	45,478
Intangible assets		**19,784**	21,776
Goodwill		**264**	270
Interest in joint ventures		**19,741**	28,675
Promissory note receivable		**39,050**	35,786
Available-for-sale investments		**46,128**	58,429
Prepayments, deposits and other receivables	*12*	**35,848**	18,684
Deferred tax assets		**6,268**	6,240
Total non-current assets		**2,126,732**	2,282,239
Current assets			
Trading securities		**206,347**	242,281
Inventories		**17,764**	17,515
Trade and other receivables	*12*	**113,670**	124,367
Current tax recoverable		**152**	394
Cash and cash equivalents	*13*	**1,095,855**	398,633
Total current assets		**1,433,788**	783,190
Current liabilities			
Trade and other payables	*14*	**81,192**	44,278
Other borrowings	*15*	**87,456**	37,605
Total current liabilities		**168,648**	81,883
Net current assets		**1,265,140**	701,307
Total assets less current liabilities		**3,391,872**	2,983,546

	Notes	(Unaudited) At 30 June 2017 HK$'000	(Audited) At 31 December 2016 HK$'000
Non-current liabilities			
Other borrowings	*15*	**211,400**	294,154
Other non-current liabilities		**–**	21,361
Provisions		**18,079**	16,766
Total non-current liabilities		**229,479**	332,281
NET ASSETS		**3,162,393**	2,651,265
CAPITAL AND RESERVES			
Share capital	*16*	**88,655**	59,103
Reserves		**3,122,419**	2,640,834
Total equity attributable to owners of the Company		**3,211,074**	2,699,937
Non-controlling interests		**(48,681)**	(48,672)
TOTAL EQUITY		**3,162,393**	2,651,265

Notes:

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company is a limited liability company incorporated in Bermuda and its registered office and principal place of business are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and Room 1402, 14/F., New World Tower I, 16-18 Queen's Road Central, Hong Kong respectively. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange, including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue in accordance with a meeting of the Board held on 30 August 2017.

The condensed consolidated interim financial statements have been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2017 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of the condensed consolidated interim financial statements in conformity with HKAS 34 requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

These condensed consolidated interim financial statements contain selected explanatory notes. The notes include an explanation of the events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2016 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA.

The condensed consolidated interim financial statements are unaudited. The financial information relating to the financial year ended 31 December 2016 that is included in the condensed consolidated interim financial statements as being previously reported information does not constitute the Company's statutory financial statements for the financial year but is derived from those financial statements.

2. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued several amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments has had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in the condensed consolidated interim financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

Details of the Group's reportable segments as follows:

Upstream: This segment is engaged in the exploration, development, production and sale of natural resources. It is further evaluated on a geographic basis. Currently, the Group's activities in this regard are carried out in Argentina. Upstream activities carried out in the United States of America ("US") were disposed of on 30 December 2016 and were classified as a discontinued operation (see note 4).

(a) ***Information about profit or loss, assets and liabilities***

Information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and assessment of segment performance for the period is set out below:

	Upstream					
	Argentina		US (discontinued operation)		Total	
	2017	2016	**2017**	2016	**2017**	2016
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
For the six months ended 30 June						
Reportable segment revenue *(note)*	**21,692**	31,502	**–**	53	**21,692**	31,555
Reportable segment loss	**(8,402)**	(101)	**–**	(5,601)	**(8,402)**	(5,702)
Depreciation and amortisation	**3,099**	4,301	**–**	33	**3,099**	4,334
Interest income	**–**	1	**–**	–	**–**	1
Interest expense	**36**	50	**–**	–	**36**	50
Assets impairment losses						
– exploration and evaluation assets	**155,462**	–	**–**	–	**155,462**	–
At 30 June 2017 and 31 December 2016						
Reportable segment assets	**2,119,160**	2,262,827	**–**	–	**2,119,160**	2,262,827
Reportable segment liabilities	**(49,087)**	(78,905)	**–**	–	**(49,087)**	(78,905)

Note: Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during both the current and prior periods.

(b) Reconciliations of reportable segment revenue and profit or loss

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
		(Restated – note 4)
Revenue		
Reportable segment revenue	**21,692**	31,555
Less: discontinued operation	**–**	(53)
Consolidated revenue	**21,692**	31,502
Loss		
Reportable segment loss	**(8,402)**	(5,702)
Unallocated interest expense	**(10,831)**	(13,943)
Unallocated interest income	**7,654**	1
Other net expense in corporate head office	**(10,192)**	(18,125)
Share of losses of joint ventures	**(1,692)**	(3,104)
Change in fair value of financial assets at fair value through profit or loss	**(35,711)**	18,979
Assets impairment losses	**(167,986)**	(1,699)
Gain on partial disposal of interest in a joint venture	**3,304**	–
Add: reportable segment loss from discontinued operation	**–**	5,601
Consolidated loss before taxation from continuing operations	**(223,856)**	(17,992)

4. RESULTS OF DISCONTINUED OPERATION

On 30 December 2016, Total Belief Limited, a subsidiary of the Group, and Foothills Exploration Operating, Inc. entered into a sale and purchase agreement, pursuant to which the Group sold the entire equity interest in Clear Elite Holdings Limited, Prominent Sino Holdings Limited and Value Train Investments Limited, which were wholly-owned subsidiaries of Total Belief Limited, to Foothills Exploration Operating, Inc.. Details of the disposal are set out in the announcement of the Company dated 30 December 2016.

The results of discontinued operation for the six months ended 30 June 2016 are presented as follows:

	HK$'000
Revenue	53
Expenses	(5,654)
Loss before taxation	(5,601)
Income tax	(12)
Loss for the period	(5,613)
Attributable to:	
Owners of the Company	(4,435)
Non-controlling interests	(1,178)
	(5,613)
Loss per share (see note 8)	
Basic *(HK cent)*	(0.17)
Diluted *(HK cent)*	(0.17)

The comparative consolidated statement of profit or loss has been restated to show the discontinued operation of upstream activities carried out in US separately from continuing operations.

5. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging (crediting):

(a) Finance costs

Continuing operations

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Interest on other borrowings	**10,831**	13,195
Interest on promissory note payable	**–**	748
Other interest	**36**	50
	10,867	13,993

(b) Staff costs (including directors' remuneration)

Continuing operations

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Salaries, wages and other benefits	**9,371**	7,632
Contributions to defined contribution retirement plan	**2,409**	1,802
	11,780	9,434

(c) Assets impairment losses

Continuing operations

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
Assets impairment losses		
Impairment losses:		
– exploration and evaluation assets (see note 9)	**155,462**	–
– available-for-sales investments *(note)*	**12,524**	1,699
	167,986	1,699

Note: Amount represented impairment loss on the unlisted equity investment held by the Group for both periods.

(d) Other items

Continuing operations

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
		(Restated)
Amortisation of intangible assets	**1,496**	2,058
Depreciation of property, plant and equipment	**1,711**	2,346
Operating lease charges: minimum lease payments		
– leasehold land and buildings	**1,287**	1,247
Interest income	**(7,654)**	(2)
Net foreign exchange (gain)/loss	**(815)**	2,611
Change in fair value of financial assets		
at fair value through profit or loss *(note)*	**35,711**	(18,979)
Cost of inventories	**18,241**	16,559

Note: For the six months ended 30 June 2017, amount represented net realised and unrealised loss on trading securities (six months ended 30 June 2016: net realised and unrealised gain on trading securities).

6. INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Continuing operations

	Six months ended 30 June	
	2017	2016
	HK$'000	*HK$'000*
		(Restated – note 4)
Current tax		
Hong Kong	**–**	–
Overseas	**–**	–
	–	–
Deferred tax		
Origination and reversal of temporary differences	**(946)**	(1,070)
	(946)	(1,070)

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands ("BVI"), the Company and its subsidiaries incorporated in Bermuda and BVI are not subject to any income tax in these respective jurisdictions during both the current and prior periods.

Hong Kong profits tax is calculated at the rate of 16.5% on the estimated assessable profit for both periods.

No Hong Kong profits tax has been provided for in the condensed consolidated interim financial statements as the Company and its subsidiaries incorporated or operated in Hong Kong did not have any assessable profits arising in Hong Kong during both the current and prior periods.

Subsidiaries of the Group in PRC are subject to PRC enterprise income tax at 25% (2016: 25%).

Subsidiaries of the Group in Argentina are subject to Argentina corporate income tax ("CIT") at 35% (2016: 35%) and minimum presumed income tax ("MPIT"). MPIT is supplementary to CIT and is chargeable at the applicable tax rate of 1% on the tax basis of certain assets. The tax liabilities of subsidiaries of the Group in Argentina is the higher of either CIT or MPIT.

7. DIVIDENDS

The Board does not recommend the payment of any interim dividends for the six months ended 30 June 2017 (six months ended 30 June 2016: Nil).

8. LOSS PER SHARE

(a) *Basic loss per share*

(i) *Loss attributable to owners of the Company (basic)*

	Six months ended 30 June					
	2017			2016		
	Continuing operations *HK$'000*	**Discontinued operation** *HK$'000*	**Total** *HK$'000*	Continuing operations *HK$'000* (Restated – note 4)	Discontinued operation *HK$'000* (Restated – note 4)	Total *HK$'000*
Loss attributable to owners of the Company	**(222,901)**	**–**	**(222,901)**	(16,921)	(4,435)	(21,356)

(ii) *Weighted average number of ordinary shares (basic)*

	2017 *'000*	2016 *'000* (Restated)
Issued ordinary shares at 1 January	**5,910,322**	2,497,026
Effect of shares issued under open offer *(note 16(a))*	**1,322,475**	–
Effect of bonus element on shares issued under open offer	**86,911**	66,547
Effect of shares issued under share option scheme *(note 16(b))*	**–**	3,242
Weighted average number of ordinary shares (basic) at 30 June	**7,319,708**	2,566,815

Note: Comparative figures for the weighted average number of ordinary shares for 2016 have been adjusted retrospectively for the effect of the open offer made in April 2017.

(b) *Diluted loss per share*

For the six months ended 30 June 2017 and 2016, diluted loss per share was the same as the basic loss per share as the potential ordinary shares outstanding during the period had an anti-dilutive effect on the basic loss per share.

9. EXPLORATION AND EVALUATION ASSETS

	Exploration rights *HK$'000*	Exploratory drilling *HK$'000*	Geological studies *HK$'000*	Others *HK$'000*	Total *HK$'000*
Cost					
At 1 January 2016	3,229,438	105,878	123,642	35,398	3,494,356
Additions	1,870	17,733	932	–	20,535
Exchange adjustments	(1,809)	(18,022)	(18,170)	(903)	(38,904)
At 31 December 2016	3,229,499	105,589	106,404	34,495	3,475,987
At 1 January 2017	**3,229,499**	**105,589**	**106,404**	**34,495**	**3,475,987**
Additions	**905**	**6,486**	**–**	**–**	**7,391**
Exchange adjustments	**(210)**	**(2,695)**	**(1,789)**	**(88)**	**(4,782)**
At 30 June 2017	**3,230,194**	**109,380**	**104,615**	**34,407**	**3,478,596**
Accumulated impairment					
At 1 January 2016	1,159,623	16,687	123,642	35,398	1,335,350
Impairment loss *(note)*	101,762	–	932	–	102,694
Exchange adjustments	–	(9,885)	(18,170)	(903)	(28,958)
At 31 December 2016	1,261,385	6,802	106,404	34,495	1,409,086
At 1 January 2017	**1,261,385**	**6,802**	**106,404**	**34,495**	**1,409,086**
Impairment loss *(note)*	**155,462**	**–**	**–**	**–**	**155,462**
Exchange adjustments	**–**	**(316)**	**(1,789)**	**(88)**	**(2,193)**
At 30 June 2017	**1,416,847**	**6,486**	**104,615**	**34,407**	**1,562,355**
Net book value					
At 30 June 2017	**1,813,347**	**102,894**	**–**	**–**	**1,916,241**
At 31 December 2016	1,968,114	98,787	–	–	2,066,901

Notes:

(a) Status of exploration and exploitation permits

As at 30 June 2017, the Group holds 69.25% interest in the Tartagal concession and Morillo concession (collectively the "T&M concessions") which are the concessions in the province of Salta in northern Argentina, through an Union of Temporary Enterprise ("T&M UTE"). Exploration permits were granted for oil and developments of hydrocarbons in the T&M concessions for an initial period of four years starting from 29 December 2006 and additional extensions up to an aggregate of nine years may be obtained. The Group submitted applications to the Secretary of Energy of Province of Salta, Argentina ("Salta SOE") for extensions of the exploration permits and obtained the approvals in July 2010, July 2011, December 2013 and March 2016 respectively. Pursuant to the approval document issued in March 2016, the exploration permits were extended to 13 September 2017. If successful hydrocarbon discoveries are made, the exploration permits can be converted to exploitation permits for a term of 25 years with a possible extension of 10 years.

The Group has initiated the application process with Salta SOE for further extension of the current exploration permits. At the date of issuance of the interim financial information, the application is still in progress. While the legal, accounting and technical departments of Salta SOE are unanimous in granting the extension of the permits, a formal decree for the extension is still pending.

In this connection, the Group has obtained legal advice from an independent Argentinian legal counsel that it is likely that the formal decree would be granted to the Group within a reasonable period and that it is unlikely that the government will deny the extension. Based on the independent legal advice, the directors of the Company are of the view that despite the absence of the decree at the date of issuance of the interim financial information, the aforesaid extension can be obtained within a reasonable period from the relevant government authorities and that the exploration permits will be converted to exploitation permits in due course. The interim financial information has been prepared based on this view.

(b) Impairment of exploration and evaluation assets

An impairment loss on exploration and evaluation assets of HK$155,462,000 (31 December 2016: HK$102,694,000) in respect of T&M UTE has been recognised in the unaudited consolidated statement of profit or loss for the six months ended 30 June 2017 due to a lower price environment in the near term. The impairment loss was provided based on value in use calculations with reference to a valuation report issued by an independent appraisal firm, Roma Appraisals Limited. These calculations used cash flow projections based on financial forecasts prepared by management with reference to technical reports issued by Netherland, Sewell & Associates, Inc., an independent qualified technical consultant. The cash flow projections cover the remaining life of the oil fields for a 24.5-year period for Tartagal concession and a 23.5-year period for Morillo concession. Discount rates of 21.35% and 21.00% for Tartagal concession and Morillo concession respectively have been applied in the cash flow projections. The above assumptions are based on the view of the directors of the Company that the aforesaid extension and exploitation permits can be obtained from relevant government authorities. However, there is uncertainty as to the issuance of the aforementioned decree by the relevant government authorities. Depending on the future development of the application process, the Group may reconsider the recoverable amount of the exploration and evaluation assets in respect of the T&M UTE and may or may not need to recognise further impairment loss accordingly.

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2017, total additions to the cost of property, plant and equipment were approximately HK$191,000 (six months ended 30 June 2016: HK$411,000) which mainly comprised furniture, fixtures and office equipment.

11. PARTIAL DISPOSAL OF INTEREST IN A JOINT VENTURE

Partial disposal of equity interest in Full Charming Limited, a joint venture of the Group

In January 2017, Total Belief Limited, a direct wholly-owned subsidiary of the Company (the "Vendor"), entered into a sale and purchase agreement with an independent third party (the "Purchaser"), pursuant to which the Vendor agreed to dispose of, and the Purchaser agreed to acquire, the 12.18% equity interest in Full Charming Limited and the receivable due from Full Charming Limited to the Vendor (the "Partial Disposal") at a total consideration of approximately HK$21,362,000. Completion of the Partial Disposal took place in January 2017 and a gain on the Partial Disposal of approximately HK$3,304,000 was recognised in the condensed consolidated interim financial statements.

12. TRADE AND OTHER RECEIVABLES

	At 30 June 2017 HK$'000	At 31 December 2016 HK$'000
Trade receivables *(note (b))*	**7,827**	15,838
Deposits, prepayments and other receivables	**141,361**	118,952
Amounts due from joint ventures	**330**	7,524
Amounts due from non-controlling shareholders	**–**	737
	149,518	143,051
Reconciliation to the consolidated statement of financial position:		
Non-current	**35,848**	18,684
Current	**113,670**	124,367
	149,518	143,051

Notes:

(a) All of the current trade and other receivables are expected to be recorded or recognised as expense within one year.

(b) The following is an ageing analysis of trade receivables, presented based on the invoice date, which approximates the respective revenue recognition dates.

	At 30 June 2017 HK$'000	At 31 December 2016 HK$'000
0-30 days	**7,173**	7,690
31-60 days	**27**	7,797
61-90 days	**457**	1
Over 90 days	**170**	350
	7,827	15,838

Trade receivables are due within 30 days (2016: 30 days) from the date of billing.

13. CASH AND CASH EQUIVALENTS

	At 30 June 2017 *HK$'000*	At 31 December 2016 *HK$'000*
Cash at banks and in hand	**1,095,855**	398,633
Cash and cash equivalents in the consolidated statement of financial position and condensed consolidated statement of cash flows	**1,095,855**	398,633

14. TRADE AND OTHER PAYABLES

	At 30 June 2017 *HK$'000*	At 31 December 2016 *HK$'000*
Trade payables *(note (b))*	**22,771**	29,183
Other payables and accrued charges	**58,421**	15,095
Financial liabilities measured at amortised cost	**81,192**	44,278

Notes:

(a) All of the trade and other payables are expected to be settled within one year or are repayable on demand.

(b) The following is an ageing analysis of the trade payables presented based on the invoice date at the end of the reporting period:

	At 30 June 2017 *HK$'000*	At 31 December 2016 *HK$'000*
0-30 days	**12,371**	17,398
31-60 days	**3,248**	2,322
61-90 days	**6,075**	3,683
Over 90 days	**1,077**	5,780
	22,771	29,183

15. OTHER BORROWINGS

	At 30 June 2017 HK$'000	At 31 December 2016 HK$'000
Term loans due for repayment within 1 year	**87,456**	37,605
Term loans due for repayment after 1 year:		
After 1 year but within 2 years	**–**	82,754
After 2 years but within 5 years	**211,400**	208,400
After 5 years	**–**	3,000
	211,400	294,154
	298,856	331,759
Reconciliation to the consolidated statement of financial position:		
Current liabilities	**87,456**	37,605
Non-current liabilities	**211,400**	294,154
	298,856	331,759

Note:

Certain of the Group's other borrowings are subject to the fulfilment of covenants relating to the Company's assets/liabilities ratio and consolidated adjusted tangible net assets of the Group, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the other borrowings would become payable on demand. The Group regularly monitors its compliance with these covenants. As at 30 June 2017 and 31 December 2016, none of the covenants relating to other borrowings had been breached.

16. SHARE CAPITAL

Authorised and issued share capital

	2017		2016	
	No. of shares		No. of shares	
	'000	***HK$'000***	*'000*	*HK$'000*
Authorised:				
Ordinary shares of HK$0.01 each	**200,000,000**	**2,000,000**	200,000,000	2,000,000
Ordinary shares, issued and fully paid:				
At 1 January				
Ordinary shares of HK$0.01 each	**5,910,322**	**59,103**	2,497,026	24,970
Shares issued under open offer *(note (a))*	**2,955,161**	**29,552**	–	–
Shares issued under share option scheme *(note (b))*	**–**	**–**	3,296	33
Shares issued under subscription *(note (c))*	**–**	**–**	3,410,000	34,100
At 30 June 2017/31 December 2016				
Ordinary shares of HK$0.01 each	**8,865,483**	**88,655**	5,910,322	59,103

The holders of ordinary shares of the Company are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes:

(a) Shares issued under open offer

In April 2017, the Company completed an open offer of 2,955,160,996 ordinary shares of the Company at a subscription price of HK$0.25 per share for net proceeds of approximately HK$736,397,000, of which approximately HK$29,552,000 and approximately HK$706,845,000 were credited to the share capital and the share premium account respectively.

(b) ***Shares issued under share option scheme***

During the period under review, no options under the share option scheme were exercised. At 30 June 2017 and 31 December 2016, there were no options outstanding under the share option scheme (31 December 2016: Options under the share option scheme were exercised to subscribe for 3,296,000 ordinary shares of the Company at a consideration HK$1,236,000, of which HK$33,000 was credited to the share capital and the balance of HK$1,203,000 was credited to the share premium account. An amount of HK$640,000 was transferred from share-based compensation reserve to the share premium account in accordance with the Group's accounting policies).

(c) ***Shares issued under subscription***

On 20 July 2016, the Company completed a subscription and issued 2,910,000,000 ordinary shares of the Company to a subscriber, at a consideration of HK$447,233,000 of which HK$29,100,000 was credited to the share capital and the balance of HK$418,133,000 was credited to the share premium account.

On 4 November 2016, the Company completed a subscription and issued 500,000,000 ordinary shares to a subscriber, at a consideration of HK$110,000,000 of which HK$5,000,000 was credited to the share capital and the balance of HK$105,000,000 was credited to the share premium account.

17. CAPITAL COMMITMENTS

Capital commitments outstanding at 30 June 2017 not provided for in the condensed consolidated interim financial statements were as follows:

	At 30 June 2017	At 31 December 2016
	HK$'000	*HK$'000*
Authorised but not contracted for	**176,108**	174,033

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL REVIEW

During the period to June 2017, the Group's main activity was its exploration and production interests in Argentina.

As low oil prices continue to persist in Argentina and in the international markets, the Group has had to take a HK$155 million impairment charge on its Tartagal Oriental and Morillo Concessions (the "T&M Concessions"). While management has stepped up efforts to rationalize its production costs and overheads in order to minimize the impact on margins, the Group witnessed a drastic drop in operations profit in the period being reported. Though the Group is focused on managing its costs, it is also equally mindful of its duty as an oil and gas operator to health, safety and the environment.

On the exploration side, the Group's planned spudding of its first exploratory well in the T&M Concessions during Q2 2017 was beset with further delays, due to a combination of factors beyond its control, associated with the readiness of the drill site location.

With the concessions due to expire on 13 September 2017, the Group has been in advanced discussion with local regulatory authorities to secure an extension which recognizes, and compensates for the lost time as a result of their delayed processing and granting of a permit to allow construction of the access roads and the drill site to proceed for this first prospect.

In April 2017, the Company made an open offer of 2,955,160,996 offer shares on the basis of one offer share for every two shares held (the "Open Offer"). A total 84.36% of the available offer shares was subscribed, whilst the remainder 15.64% unsubscribed shares was underwritten by Max Sun Enterprises Limited ("Max Sun"), the substantial shareholder of the Company. Following the completion of the Open Offer, Max Sun's immediate ownership in the Company increased from 59.50% to 64.71%. The Company raised net proceeds of approximately HK$736.40 million in the Open Offer.

Following the period ended June 2017, the Group announced its intention to re-enter the business of commodities trading with a view to diversifying and expanding its revenue base. Potential trading partners have been identified, and the Group plans to commence trading in the second half of 2017.

REVIEW OF BUSINESS OPERATION

Northwest Basin, Argentina

Exploration, Development and Production Activities

Tartagal Oriental and Morillo Concessions

During the period under review, the Group's intention to spud before the end June 2017, its first prospect since the CAx-1002 and CA x-1 wells in 2014 in the T&M Concessions, encountered further unforeseen complications beyond the control of the Group. As a consequence, the spud date of the EP x-2001 well, located in the Tonono region of the Tartagal Oriental block, has been deferred until the second half of 2017.

As previously reported, the much delayed issuance of drill location and access road permits by the regulatory authorities in the Province of Salta, labour union interference, unseasonal weather conditions and prolonged importation clearance of own drilling equipment has hampered the Group's ambitions to spud its first prospect much sooner.

With the T&M Concessions due to expire on 13 September 2017, the Group is in advanced discussions with the regulatory authorities for a further extension of the current exploration permits. Though the formal decree for the extension is pending, the legal, accounting and technical departments of the Secretary of Energy of the Province of Salta are unanimous in granting the extension of the exploration permits. Based on legal advice obtained from an independent Argentinian legal counsel, the Group understand that it is likely that the formal decree would be granted to the Group within a reasonable period and that it is unlikely that the government will deny the extension. This extension will be required in order to allow the Group to fulfil its outstanding work commitments on these concessions.

The T&M Concessions are presently at an exploration stage with no existing development or production activities currently being performed.

Palmar Largo Concessions (the "PL Concessions")

The PL Concessions comprise of three blocks, namely the Palmar Largo block located in the Province of Formosa, together with the Balbuena Este block and the El Chorro block located in the Province of Salta. The concessions have a 25 year term which is due to expire on 23 December 2017.

Being the operator of the PL Concessions, the Group has initiated the application process with the Secretary of Energy of the Province of Formosa to extend the production permit for a further ten years. Based on written communication with the Ministry from the Province of Formosa, as late as August 2017, the Group believes that the ten year extension will be forthcoming in due course.

With respect to the Balbuena Este block and El Chorro block located in the Province of Salta, the Group was in continuing discussions with the UTE partners in order to determine the future direction and participation in these blocks.

During the period under review, the average daily production rate of the Group's 38.15% participating interest in the PL Concessions was approximately 312 barrels of oil per day ("BOPD") (2016: 371 BOPD), peaking at 376 BOPD in early January 2017. The Group's share of production for the period under review equated close to 57 thousand barrels of oil ("MBBL") (2016: 68 MBBL).

Sales of crude oils from the Group's 38.15% participating interest in the PL Concessions for the six month period, contributed revenues of HK$21.69 million (2016: HK$31.50 million). The average selling price the Group received during the period under review was US$50.48 (2016: US$58.34) per barrel.

There were no exploration and development activities in the PL Concessions during the period under review.

Chirete Concession

During the period under review, the Group made significant headway with its 50% participating partner; Pampa Energia over the future development of the Chirete Concession.

A consensus was reached for drilling of the LB x-2001 exploratory well on the same structure, approximately 2.9 kilometers from the LB x-1002 well, previously drilled in December 2015. Based on 3D seismic data analysis, a potential pay zone of approximately 100 meters was estimated.

The budget for LB x-2001 was presented to, and approved by Pampa Energia, thus confirming their commitment fund 50% of the exploratory project costs.

To date, the Group has started extensive planning for the LB x-2001 drill. An environmental impact study for our proposed exploration drill site has already been prepared, and submitted to the relevant bodies of the Salta provincial government for their review and approval.

Additionally, as the concession is due to expire on 18 November 2017; the Group has recently submitted an application for the extension of the Third Exploratory Period by a further 12 months to 18 November 2018. The Group anticipates receiving a positive decision from the local authorities in Q3 2017.

The Chirete Concession is presently at an exploration stage with no existing development or production activities currently being performed; except for oils accumulated naturally from the LB x-1002 well of approximately 5 BOPD.

Expenditures incurred

Expenditures incurred in relation to the Group's exploration and production activities in the Northwest Basin in Argentina during the period under review were as follows:

Nature of expenditure	**Tartagal Oriental and Morillo Concessions**	**Chirete Concession**	**Palmar Largo Concessions**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Exploration rights	905	–	–	905
Geological and geochemical studies	–	–	–	–
Exploratory drillings	6,165	321	–	6,486
Capital expenditures	–	–	–	–
Production costs	–	–	18,241	18,241
Total	**7,070**	**321**	**18,241**	**25,632**

USE OF PROCEEDS GENERATED FROM OPEN OFFER

The net proceeds from the Group's Open Offer in April 2017 amounted to approximately HK$736.40 million. As stated in the offering memorandum the Group dated 27 March 2017, the intended use of the proceeds raised were for general working capital requirements of the Group (including payment of overhead expenses for the Group's Hong Kong office, repayment of loan, for operational requirements in Argentina), and acquisition of suitable business opportunities.

Prior to the Open Offer, the Group had raised net proceeds of approximately HK$557.23 million in 2016 following the issue of subscription shares (the "Subscription Shares") in the months of July and November. Of the monies raised, HK$11.57 million of a HK$320.07 million amount, earmarked for Argentina operational purposes, was utilised during that year. Whilst the full amount of HK$160.07 million, intended for the repayment of loan in 2016, was consumed as planned. Of the remaining HK$77.09 million monies raised and intended for general working capital use, HK$45.63 million was used for that purpose during the year ended 2016, plus a further HK$2.98 million in early 2017. As at 31 January 2017, the Group's balance of unused net proceeds from the Group's issue of Subscription Shares was HK$336.98 million.

In respect of the total monies raised from the Group's issue of Subscription Shares, and the recent Open Offer, the usage of those total proceeds during the period 1 February 2017 to 30 June 2017 were as follows: HK$30.75 million for Argentina operational purposes, HK$33.84 million for repayment of loan, and HK$18.48 million for other general working capital requirements.

As at 30 June 2017, the Group's total unused net proceeds amounted to approximately HK$990.31 million. This comprised of HK$287.75 million balance from the Subscription Shares and HK$702.56 million balance from the Open Offer.

The Group's intended use for this remainder balance shall continue to be for the same reasons as disclosed in the above offering memorandum i.e. general working capital requirements of the Group, of which HK$110.53 million balance is available for payment of overhead expenses for the Group's Hong Kong office, HK$2.03 million balance for repayment of loan, HK$277.75 million balance for operational requirements in Argentina, and HK$600.00 million unused funds to date, intended for acquisition of suitable business opportunities.

FUTURE PROSPECTS AND DEVELOPMENTS

The objective of the Group is to maximize profitability and increase cash flows for the purpose of funding its exploration and development activities, whilst at the same time ensuring its obligations for health, safety and the environment are not compromised.

With the recent lifting of the import ban of foreign oil into Argentina by the government, the premium that Argentina oil price once commanded over the international oil price has been eroded. Taking this into consideration, together with the challenging and complex business environment of the country, Argentina is no longer as attractive and as profitable a proposition as it once was. Consequently, the Group is conscious of the need to reassess and diversify its current business portfolio and geographical coverage.

With no immediate prospect for a significant rebound in both the international and domestic Argentine oil and gas price, the business outlook in this upstream sector in the next 12 to 18 months horizon will continue to be challenging.

However, the Group is well funded as a result of 2016 subscription share issue and 2017 Open Offer. This will enable the Group to seek and capture suitable investment opportunities in the energy sector, wherever that may be in the world.

Recently, the Group announced its intention to re-enter the business of commodities trading, with a view to expanding its revenue base. The Group has valuable experiences gained in this business sector, due to its previous involvement pre-2008. Potential trading partners have been identified, and the Group plans to commence trading in the second half of 2017.

FINANCIAL REVIEW

Consolidated revenue from continuing operations of the Group for the six months ended 30 June 2017 amounted to approximately HK$21.69 million (2016 (Restated): HK$31.50 million). The decrease of approximately 31.14% was mainly due to the low oil price environment that continues to persist in Argentina and in the international market as well as a decrease in the quantity of oil sold. The average selling price the Group received during the period was approximately US$50.48 (2016: US$58.34) per barrel. As a result, the Group suffered a decrease in gross profit of approximately 76.91% to approximately HK$3.45 million as compared to approximately HK$14.94 million (as restated) in last corresponding period.

Administrative expenses of the Group for the period under review amounted to approximately HK$25.88 million (2016 (Restated): HK$31.03 million), representing a decrease of approximately HK$5.15 million as compared with the last corresponding period. The decrease in administrative expenses showed the continuous efforts of the Group's tighter cost control measures. Similar as previous corresponding period, staff costs, legal and professional expenses, and consultancy fees were the main components of administrative expenses of the Group.

Assets impairment losses of the Group represented the impairment loss on exploration and evaluation assets and the impairment loss on available-for-sale investment. During the period under review, the Group recognised an impairment loss on exploration and evaluation assets in respect of T&M UTE of approximately HK$155.46 million (2016: nil). The impairment loss was provided based on value in use calculations with reference to a valuation report issued by an independent appraisal firm, Roma Appraisals Limited. The impairment loss on available-for-sale investment of the Group during the period under review amounted to approximately HK$12.52 million (2016: HK$1.70 million).

During the period under review, the Group recognised a loss on change in fair value of financial assets at fair value through profit or loss in respect of the Group's equity securities amounted to approximately HK$35.71 million, while it was a gain on change in fair value of financial assets at fair value through profit or loss amounted to approximately HK$18.98 million in the last corresponding period.

Gain on partial disposal of interest in a joint venture of the Group amounted to approximately HK$3.30 million (2016: nil) was recognised during the period under review. The Partial Disposal was completed during the period under review and after the Partial Disposal, the Group's interest in such joint venture decreased from 42.10% to 29.92%.

Finance costs of the Group for the period under review was reduced by approximately HK$3.12 million to HK$10.87 million (2016: HK$13.99 million). The decrease in finance costs was mainly resulted from the decrease in interest expenses on other borrowings.

As a result, the Group recorded a loss attributable to owners of the Company of approximately HK$222.90 million for the period under review (2016: HK$21.36 million). Loss per share for the period under review was approximately HK3.05 cents (2016 (Restated): HK0.83 cent).

The Board does not recommend the payment of any interim dividends for this interim financial period (2016: Nil).

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

During the period under review, the Group financed its operations from a combination of working capital, short-term borrowings and proceeds from issuance of new shares of the Company. In April 2017, the open offer of issuing 2,955,160,996 offer shares of the Company (the "Offer Shares") at the subscription price of HK$0.25 per Offer Share on the basis of one Offer Share for every two Shares held was completed and the net proceeds of approximately HK$736.40 million was raised. The net proceeds from issuance of new shares of the Company was used for (i) as to approximately HK$30.75 million for Argentina operational purposes; (ii) as to approximately HK$33.84 million for the repayment of loan; and (iii) as to approximately HK$21.46 million for other general working capital requirements. As at 30 June 2017, the Company had unutilised proceeds of approximately HK$990.31 million raised from issuance of new shares of the Company, of which the unutilised proceeds will be used for the general working capital , for the repayment of loan and to strengthen and build a lucrative and balanced oil and gas portfolio of the Group when the suitable opportunities arise.

At 30 June 2017, the Group's net current assets amounted to approximately HK$1,265.14 million (31 December 2016: HK$701.31 million).

Current assets amounted to approximately HK$1,433.79 million (31 December 2016: HK$783.19 million), of which approximately HK$1,095.86 million (31 December 2016: HK$398.63 million) was cash and cash equivalents, approximately HK$206.35 million (31 December 2016: HK$242.28 million) was trading securities, approximately HK$17.76 million (31 December 2016: HK$17.52 million) was inventories, approximately HK$113.67 million (31 December 2016: HK$124.37 million) was trade and other receivables, and approximately HK$0.15 million (31 December 2016: HK$0.39 million) was current tax recoverable.

Current liabilities amounted to approximately HK$168.65 million (31 December 2016: HK$81.88 million), of which approximately HK$81.19 million (31 December 2016: HK$44.27 million) was trade and other payables and approximately HK$87.46 million (31 December 2016: HK$37.61 million) was other borrowings which are due for repayment within one year.

The cash and cash equivalents of the Group as at 30 June 2017 was mainly denominated in Hong Kong Dollars, United States Dollars and Argentina Peso.

Net cash generated by the operating activities of the Group during the period under review was approximately HK$2.46 million while it was net cash used in operating activities of approximately HK$55.95 million in the last corresponding period.

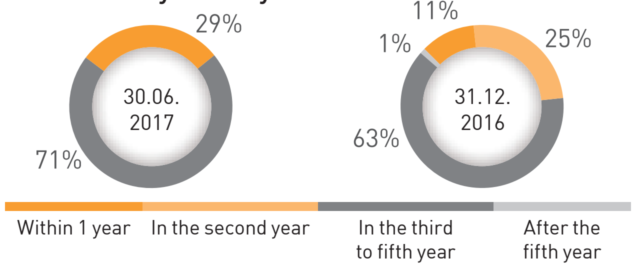
At 30 June 2017, the total equity of the Group was approximately HK$3,162.39 million (31 December 2016: HK$2,651.27 million) and the net asset value per share was approximately HK$0.36 (31 December 2016: HK$0.45). The debt ratio, calculated by total liabilities divided by total assets, was approximately 11.18% as at 30 June 2017 (31 December 2016: 13.51%).

Borrowings

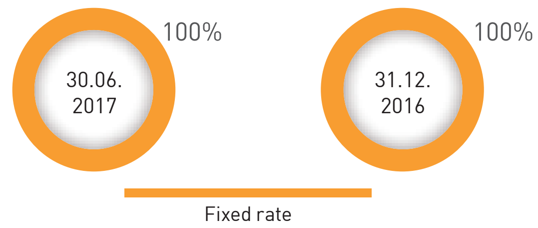
Total borrowings outstanding as at 30 June 2017 was approximately HK$298.86 million (31 December 2016: HK$331.76 million), comprised of other borrowings and debt securities in issue.

The debt profile of the Group as at 30 June 2017 is detailed below:

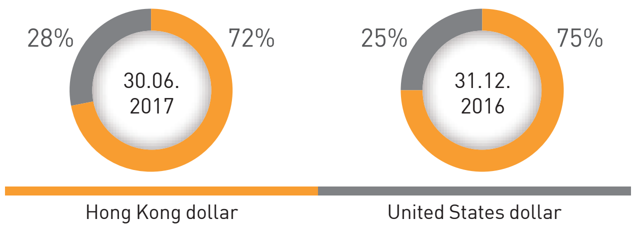
Debt Profile by Maturity



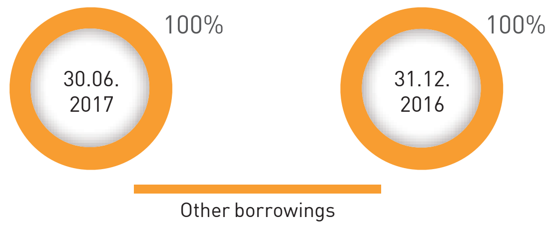
Debt Profile by Interest Rate Structure



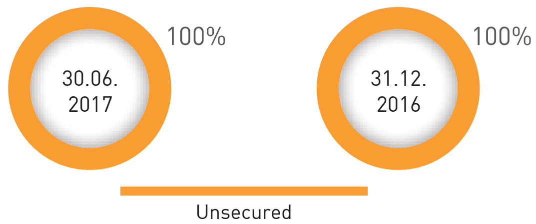
Debt Profile by Currencies



Debt Profile by Types of Borrowings



Debt Profile by Security Nature



Financial covenants

HK$54.40 million (31 December 2016: HK$54.40 million) of the Group's other borrowings are subject to fulfillment of covenants relating to the Company's assets/liabilities ratio and consolidated adjusted tangible net assets of the Group, as are commonly found in lending arrangements with financial institutions. If the Group were to breach the covenants, the other borrowings would become payable on demand. As at 30 June 2017 and 31 December 2016, none of the financial covenants relating to the other borrowings were breached.

Gearing ratio

At 30 June 2017, the gearing ratio, calculated on the basis of interest bearing borrowings divided by total equity, was approximately 9.45% (31 December 2016: 12.51%).

Charge on Assets

At 30 June 2017, the Group did not have any charge on its assets (31 December 2016: Nil).

Contingent Liabilities

At 30 June 2017, the Group did not have any material contingent liabilities (31 December 2016: Nil).

Capital Commitments

Details of the capital commitments of the Group as at 30 June 2017 are set out in note 17 to this announcement.

Foreign Exchange Exposure

Assets and liabilities of the Group are mainly denominated in Hong Kong Dollar, United States Dollar and Argentine Peso. Most of these assets and liabilities are in the functional currency of the operations to which the transactions relate. The currencies giving rise to the foreign exchange risk is primarily arising from our exploration activities in Argentina and investments in foreign companies. The Group currently does not have a foreign currency hedging policy. However, the management will monitor the Group's foreign exchange exposure on an ongoing basis and will consider hedging instruments should the need arise.

Employees

At 30 June 2017, the Group employed a total of 53 (31 December 2016: 55) permanent employees in Hong Kong and Argentina. Total employee remuneration from continuing operations (including directors' remuneration and benefits) for the six months ended 30 June 2017 amounted to approximately HK$11.78 million (2016: HK$9.43 million). The Group provides its employees with competitive remuneration packages which were commensurate to their personal performance, qualifications, experience, and relevant market conditions in the respective geographical locations and businesses in which the Group operates.

Material Acquisition and Disposals

The Group did not have material acquisitions or disposals of subsidiary, associated company and joint venture, which would have been required to be disclosed under the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") during the period under review.

Significant Investments

The Group did not have significant investment which would have been required to be disclosed under the Listing Rules during the period under review.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Code on Corporate Governance Practices

The Company has complied with all the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 14 of the Listing Rules for the six months ended 30 June 2017, save and except for the following deviations.

Code Provision A.2.1

Pursuant to code provision A.2.1 of the CG Code, the roles of Chairman and Chief Executive Officers ("CEO") should be separate and should not be performed by the same individual. Given the corporate structure of the Board, Mr. CHENG Kam Chiu, Stewart, being the Chairman and an Executive Director of the Company, was assuming the role of CEO of the Company, responsible for the strategic planning and day-to-day management of the Group during the period under review.

For the purpose of complying with code provision A.2.1 of the CG Code, the Board has appointed Mr. TANG John Wing Yan as an Executive Director and CEO of the Company with effect from 30 June 2017. The Board considers that, given the current Board structure, a clear division of responsibilities between the Chairman and the CEO has been achieved to ensure effective running of the Board and the day-to-day management of the businesses of the Group.

Code Provision A.4.1

Under code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term and subject to re-election. During the period under review, all Non-executive Director and Independent Non-executive Directors were not appointed for a specific term. They were, however, subject to the requirements of retirement and re-election at least once every three years at the annual general meetings of the Company in accordance with the relevant provisions of the Company's bye-laws (the "Bye-laws") and code provision A.4.2 of the CG Code. As such, the Company considers that sufficient measures were taken to ensure that the Company's corporate governance practices were no less exacting than those in the code provisions of the CG Code.

Code Provision A.6.7

Under code provision A.6.7 of the CG Code, independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings. During the period under review, an Independent Non-executive Director was unable to attend the general meeting of the Company as he had other business engagements.

Code Provision C.1.2

Under code provision C.1.2 of the CG Code, management should provide all members of the Board with monthly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules. During the period under review, the management of the Company did not provide monthly updates to all members of the Board as required by the code provision C.1.2 of the CG Code, as all the Executive Directors were involved in the daily operations of the Group and were fully aware of the performance, position and prospects of the Company, and the management of the Company has provided to all Directors (including Independent Non-executive Directors) of the Board quarterly updates giving a balanced and understandable assessment of the Company's performance, position and prospects in sufficient details prior to the regular board meetings of the Company. In addition, the management of the Company has provided all members of the Board, in a timely manner, updates on any material changes to the performance, position and prospects of the Company and sufficient background or explanatory information for matters brought before the Board.

MODEL CODE FOR DIRECTOR'S SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

Specific enquiry has been made to all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the six months ended 30 June 2017.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the six months ended 30 June 2017, neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities listed on the Stock Exchange.

EXTRACT OF REPORT ON REVIEW OF INTERIM FINANCIAL REPORT

The following is the extract of the Report on Review of Interim Financial Report of the Company for the six months ended 30 June 2017 from the auditor of the Company, Messrs. KPMG:

"**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2017 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, Interim financial reporting.

Emphasis of matter

Without qualifying our conclusion, we draw your attention to note 9 to the interim financial report which describes the uncertainties related to the extension of the Group's exploration permits in the Tartagal concession and the Morillo concession. The interim financial report is prepared on the basis that the aforesaid extension can be obtained within a reasonable period from the relevant government authorities."

For details of the above-mentioned note 9 to the interim financial report, please refer to note 9 of this announcement.

REVIEW OF INTERIM RESULTS

The Audit Committee of the Company has reviewed the unaudited condensed consolidated financial statements of the Group and the interim report of the Company for the six months ended 30 June 2017.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement of interim results of the Group for the six months ended 30 June 2017 is published on the websites of the Company (www.nt-energy.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The interim report of the Company for the six months ended 30 June 2017 containing all the information required by the Listing Rules shall be despatched to the shareholders of the Company and made available on the abovementioned websites in due course.

By order of the Board
New Times Energy Corporation Limited
CHENG Kam Chiu, Stewart
Chairman

Hong Kong, 30 August 2017

Executive Directors:
Mr. CHENG Kam Chiu, Stewart
Mr. ZHANG Kun
Mr. TANG, John Wing Yan

Non-executive Director:
Mr. CHENG Ming Kit

Independent Non-executive Directors:
Mr. WONG Man Kong, Peter
Mr. CHAN Chi Yuen
Mr. YUNG Chun Fai, Dickie
Mr. CHIU Wai On