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BRIGHTOIL PETROLEUM (HOLDINGS) LIMITED

光滙石油(控股)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 933)

**UPDATE ON SUSPENSION OF TRADING
AND BUSINESS OPERATIONS**

This announcement is made by Brightoil Petroleum (Holdings) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

Reference is made to the announcements of the Company dated 26 September 2017, 3 October 2017, 10 November 2017, 28 December 2017, 15 February 2018, 28 February 2018, 3 April 2018, 21 May 2018, 13 July 2018 and 30 July 2018 (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

PROGRESS ON THE REVIEW

As stated in the Announcements, the Board has requested the Audit Committee to conduct the Review, and the Audit Committee has engaged the Independent Adviser to assist with the Review.

The auditor of the Company is currently awaiting the result of the independent investigation so as to resume the audit work.

RESUMPTION PLAN

The resumption plan is for the Audit Committee to complete the Review first, followed by the completion of the audit and publication of the 2017 Annual Results and the 2018 Interim Results. As this time, as the Review has not been completed, there is not enough information for the Company to set down a time schedule for the completion of relevant audit.

UPDATE ON BUSINESS

(1) Upstream business

Save as already disclosed in the Announcements, the Group entered into an agreement with China National Offshore Oil Corporation (“CNOOC”) for the implementation of the overall development adjustment plan (“ODAP”) for the Caofeidian project on 31 March 2017. Pursuant to the agreement, two central platforms, a subsea cable of 17.5 km will be installed for the project, and eighty-nine new wells will be drilled. It is expected that peak oil production could reach 51,000 bbl/d upon completion of the development, the work of which has commenced.

ODP production capacity constructions of onshore projects Dina 1 and Tuzi gas fields have almost been finished and are coming into commercial production period. The annual gas production for the 2017 financial year reached a record at approximately 1.0 billion cubic meters, and the annual gas production is expected to reach approximately 1.2 billion cubic meters for the 2018 financial year.

(2) International Trading and Bunkering

International Trading and Bunkering Unit (“ITB”) is actively merging the traditional business with e-commerce platform to achieve intelligent, transparent and light-asset operations. The trading sector has exited the oil terminal facilities business outside China and is actively researching, developing and promoting the bunkering online platform. Two e-commerce versions are expected to be launched in the financial year of 2019. In addition, in response to IMO’s new low-sulfur regulations effective from 2020, ITB team is in active discussion with international oil majors, Chinese national oil companies and regional refineries to seek responding solutions and to prepare for the new low-sulfur era.

(3) Marine Transportation

Save as already disclosed in the Announcements, current marine transportation businesses are in normal condition. The overall freight market is seeing a trend of going down due to the oversupply of old vessels in the market. The average TD3C index for the first six months of this year is 43.11, drops by 32% compared with the same period of last year and has hit historical lows. The fuel price has been rising due to the going up of crude oil prices, resulting in a negative impact on shipping revenue. 380CST Platts average for the past six months is USD 401.75/MT with an increase of 29.4% compared with the same period of last year. Notwithstanding the market conditions, the Group, in reliance on its Chinese major oil companies as counterparts with stable cargoes, has maintained the vessels’ operation rate at above 95%, and the usage period is from January to June 2018. The planning flexibility with combination of long and short voyages enables the Group to increase its revenue. Meanwhile, with diligent cost control strategy, the Group was able to secure its fuel costs at USD300/MT in January and February 2018 and in other period (April to June 2018) at USD415/MT. At the same time, the Group has made use of the low freight rate period to complete the last two VLCCs’ dry docking inspections so as to reduce the impact on profit efficiency in the future. Ships materials procurement has been benefited from working with the shipping e-commerce team to achieve good quality with low costs.

(4) Zhoushan Oil Storage and Terminal Facilities

Save as already disclosed in the Announcements, the Zhoushan Oil Storage facilities carry a total capacity of approximately 3.16 million cubic meters in which phase 1 offers capacities of approximately 1.94 million cubic meters, and phase 2 offers capacities of approximately 1.22 million cubic meters. The facilities provide storage services for

petroleum products including crude oil, gas oil, diesel, aviation kerosene, fuel oil and petrochemicals.

The terminal facilities are equipped with 13 berths capable of handling vessels from 3,000 to 300,000 DWT. The terminal's competitiveness has been enhanced with the ability to accommodate vessels of up to 300,000 DWT, by reducing freight costs associated with importing fuel oil.

The terminal and phase 1 of the storage facilities are expected to be completed and put into operation by end-2018 or early 2019, while phase 2 is expected to be completed and put into operation by mid-to-end 2019. The construction project encountered delays from its initial schedule due to innate unpredictable factors, including that the construction is on outlying islands, and that the topography and geological factors are relatively complex. However, the various departments of the Company have expedited the construction work; it is expected the project will be completed and commence operation as soon as practicable.

CONTINUED SUSPENSION OF TRADING

Trading in the Company's shares on the Stock Exchange has been suspended since 3 October 2017 pending the publication of the Results Announcements, and will remain suspended until further notice. The Company will make further announcement(s) as and when appropriate.

By Order of the Board
Brightoil Petroleum (Holdings) Limited
Sit Kwong Lam
Chairman

Hong Kong, 1 August 2018

As at the date of this announcement, the Board comprises (i) three Executive Directors, namely Dr. Sit Kwong Lam, Mr. Tang Bo and Mr. Tan Yih Lin; (ii) one Non-executive Director, namely Mr. Dai Zhujiang; and (iii) three Independent Non-executive Directors, namely Mr. Kwong Chan Lam, Mr. Lau Hon Chuen and Professor Chang Hsin Kang.

** For identification purpose only*