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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)

**QUARTERLY UPDATE ANNOUNCEMENT ON RESUMPTION PROGRESS
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, 30 July 2018, 1 August 2018, 4 September 2018 and 28 September 2018 (the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

This announcement sets out the update on satisfying the resumption conditions and implementation of the resumption plan by the Company and the business operations of the Group for the third quarter of 2018.

RESUMPTION CONDITIONS IMPOSED BY THE STOCK EXCHANGE

As disclosed in the announcement of the Company dated 28 December 2017, the Stock Exchange imposed the following conditions (the “**Resumption Conditions**”) for the resumption of trading in the shares of the Company:

- (a) disclose the findings of the forensic investigation, assess the impact on the Company’s financial and operational position, and take appropriate remedial actions;
- (b) publish all outstanding financial results and address any audit qualifications; and
- (c) inform the market of all material information for the shareholders and investors to appraise the Company’s position.

The Stock Exchange may modify the above Resumption Conditions and/or impose further conditions if the situation changes.

PROGRESS ON THE REVIEW

The Board has been informed by the Audit Committee that a meeting attended by the Auditor, the Independent Adviser and the Audit Committee was held in the mid October 2018 to update the Auditor about the work performed by the Independent Adviser, and the Audit Committee intends to have a further meeting with the Auditor after seeking legal advice on the updated findings made by the Independent Adviser.

The Board has also been informed by the Audit Committee that the next stages of work to be performed by the Independent Adviser, which involve more detailed analysis into the background and commercial rationales for conducting and continuing the Transactions, and analysis of the relevant transactional records, documents and communications, and computer forensic work, as proposed by the Independent Adviser, have not been commenced, because the Audit Committee is in the course of engaging a further professional adviser for a preliminary review on the approach and methodology of the Review proposed by the Independent Adviser and its estimated costs. The Audit Committee will give instructions to the Independent Adviser regarding further steps of the Review, after considering the recommendations of the further professional adviser to be engaged by the Audit Committee. The estimated time frame of the further steps of the Review depends on the recommendations to be provided by the further professional adviser.

Whilst the Audit Committee is aware of the importance of time management of the Review, the Audit Committee considers those recommendations from the further professional adviser necessary in light of the substantial costs which have already been incurred and the staggering amount of the present costs estimate.

RESUMPTION PLAN

As stated above, the Audit Committee, based on the recommendations to be provided by a further professional adviser, will give instructions to the Independent Adviser for the further steps of the Review. As soon as the Review is completed, the Audit Committee will report to the Board about the findings of the forensic investigation and the results of the Review. It is expected that the Company will then make further announcement(s) about the findings and any appropriate remedial measures, and liaise with the Auditor to complete the audit of the Company's financial statements and publish all outstanding financial results.

As at the date of this announcement, the Review has not been completed. the Company will make further announcement(s) regarding a timetable for its fulfilment of the Resumption Conditions as and when appropriate.

UPDATE ON BUSINESS

(1) Upstream business

For the quarter ended 30 September 2018, the daily oil production of Caofeidian oilfield was 28,000 barrels. The implementation of the ODAP for the Caofeidian project was at 20% completion, and the work has been proceeding as planned; the oil production under the ODAP is expected to start in October 2019.

For the quarter ended 30 September 2018, the daily natural gas production of Dina 1 and Tuzi gas field was 109.47MMcf. The preparatory work for booster station construction of Tuzi gas field has begun, and the booster station is expected to come into production in June 2019.

(2) International Trading and Bunkering

As disclosed in the announcement of the Company dated 1 August 2018, International Trading and Bunkering Unit (“**ITB**”) has been actively merging the traditional business with e-commerce platform to achieve intelligent, transparent and light-asset operations. The Group is upgrading the e-commerce platform for marine bunkering which was launched in January 2016, and the upgraded version is expected to be launched in the financial year of 2019.

Other businesses maintain normal operations.

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, 31 October 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*