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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 BUSINESS OPERATIONS

This announcement is made by Brightoil Petroleum (Holdings) Limited (the “**Company**” and together with its subsidiaries, collectively 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 (the “**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, 28 September 2018, 31 October 2018, 21 November 2018, 28 December 2018, 18 January 2019, 31 January 2019, 1 February 2019, 16 April 2019, 6 May 2019, 11 June 2019, 28 June 2019, 17 July 2019, 22 July 2019, 30 July 2019, 9 August 2019, 1 November 2019, 15 November 2019, 23 January 2020, 31 January 2020, 4 February 2020 and 28 February 2020 (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 an update of the Company’s actions taken on the business operations of the Group for the first quarter of 2020.

UPDATE ON BUSINESS

(1) Upstream business

The outbreak of the new coronavirus ("**Coronavirus**") has severely damaged global economic activity and caused great uncertainty in the current business environment. With the suspension of global trade, demand for crude oil and other products has plummeted, global oil prices have fallen, and crude oil futures have experienced negative oil prices. The oil industry is facing a difficult period. However, the production of the Group's oil fields, oil wells and natural fields was not affected.

As of 31 March 2020, the daily output of Caofeidian Oilfield was 49,000 barrels. From January to March 2020, crude oil output reached 3.9 million barrels, 21% of the annual plan. Since the implementation of the comprehensive adjustment project, all related facilities have been operating normally. 36 new wells has been put into production, including 28 oil wells and 8 water wells. The current daily oil production is 13,000 barrels.

As of 31 March 2020, the total daily natural gas output of the onshore Dina 1 and Tuzi gas field was 3.038 million cubic meter. The construction of the booster station in the Tuzi gas field was officially started on 19 March 2020 and various work on the construction of Dina 1-4 new wells in the Dina 1 gas field has also been carried out. It is expected that the booster station will be completed in October 2020, achieving further production increase targets.

(2) Marine Transportation

Since the last update, the BRIGHTOIL GEM has since been sold by the Haikou Maritime Court of PRC for RMB403.3 million. The first tranche of the net proceeds from sale of the BRIGHTOIL GEM has now been received and applied by the Company to settling the debts of the Company and its subsidiaries.

In Singapore, the final hearing for the Determination of Priorities for our 3 series vessels namely, BRIGHTOIL 319, BRIGHTOIL 326 AND BRIGHTOIL 329 was fixed for 31 March 2020 and the matter was concluded with the recording of a Consent Order. After having applied the proceeds for repayment of the immediate liabilities attached to the relevant vessels by the Court, the Company is expected to receive a reimbursement in the sum of SGD469,834.93 being crew wages and USD114,015.64 being bunker charges incurred by the Company in relation to the arrest of the 3 series vessels.

Due to the recent outbreak of Coronavirus, the governments of Singapore and Hong Kong have adopted comprehensive emergency prevention and control measures to suppress the spread of coronavirus. The courts of both places are currently in a status of limited service, therefore the sale proceeds (which are in the custody of the respect Courts) of the twelve vessels have not yet been distributed and the surplus (after the respective Courts have applied the proceeds for repayment of the liabilities attached directly to the relevant vessels) is expected to be received by the Company gradually in May through to July this year.

Following the judicial sales of BRIGHTOIL GALAXY, BRIGHTOIL LEGEND, BRIGHTOIL LEAGUE and BRIGHTOIL LUCKY, the Hong Kong Courts upon receiving submissions from the relevant parties on 7 April 2020, did on 16 April 2020 make an Order for Determination of Priority without the usual requirement of a court hearing. The court took recognition that any further delay in the proceedings would prejudice the Company tremendously in terms of the interests incurred daily. Payment out of the net proceeds after repayment of the liabilities attached to the relevant vessels by the Court is currently being processed as well although it would take longer than the usual court process.

(3) Intended sale of Zhoushan Oil Storage and Terminal Facilities

Reference is made to the Company's announcement on 30 July 2018, in relation to, among other things, the Company's engagement in preliminary commercial negotiations with potential investors for the intended sale of the assets and/or shareholding of Zhoushan Oil Storage and Terminal Facilities. The Company has been negotiating with various potential buyers in respect of the sale of all or part of the interests of the Company in Zhoushan Oil Storage and Terminal Facilities. On 7 January 2020, the Company signed a non-binding "Zhoushan Project Cooperation Framework Agreement" with one of the potential buyers.

After the completion of Zhoushan Project, the Company would have held 100% equity of the storage company and 55% equity of the terminal company in which the fair market value would have been around RMB6 billion. The sale price for the proposed sale of its 90% interest. The Company will remain responsible to complete all the remaining construction and the buyer will pay the sale price by instalments according to the progress of the construction.

The Company is currently working closely with the buyer and targets to sign a binding agreement in the near future and will make further announcement as and when appropriate.

UPDATE ON POTENTIAL DEBT RESTRUCTURING

With reference to the announcement of the Company dated 4 February 2020, as a major cooperative partner, China Huarong Overseas Investment Holding Co., Ltd. through its subsidiary (the "**Lender**") had provided a total amount of approximately USD362,000,000 in re-financing for various facilities of the Company's wholly owned subsidiaries for a period of five to twelve years for acquiring and restructuring certain of the Company's debts. By the end of April 2020, the Company expects to have arranged further loan facilities from the Lender to support the operations of the Company.

UPDATED ON WINDING-UP PETITIONS

Reference is made to the announcement of the Company dated 4 February 2020, the update of winding-up petitions of the Company are as following:

Singapore

At the hearing before the High Court of Singapore on 23 March 2020, the claims moratoria in favour of the Company and its subsidiary, Brightoil Petroleum (S'pore) Pte. Ltd. had been further extended.

The Company has made good progress in reaching legally binding settlements with major trade creditors. We believe that the continuing moratoria would provide the Group with the necessary protection against any effort to frustrate its ongoing debt restructuring efforts. With the High Court of Singapore also taking into consideration of the impact of the outbreak of Coronavirus on the Company, the moratoria had been extended to 10 July 2020 in the meantime.

Hong Kong

As stated in the announcement of the Company dated 4 February 2020, the consent to adjourn the winding up petition hearing was achieved through the Company's continuous negotiations with more creditors up to now which have resulted in settlement agreements having been entered into between the Company and several creditors including between (1) Toyota Tsusho Corporation, the Company and certain subsidiaries of the Company on 17 March 2020; (2) Broad Action Limited, Dr. Sit Kwong Lam and the Company on 31 March 2020; and (3) Luso International Banking Ltd. and the Company in April 2020. The Company and its relevant subsidiary have also entered into a loan restructuring agreement with Bank of China Limited Shenzhen Branch on 1 April 2020.

The Company has made significant progress with its debt restructuring by entering into settlement / loan restructuring agreements with key creditors mentioned above recently, and obtaining commitment letters from several creditors showing support for the Company's debt restructuring efforts. Further, the Company has made instalment payments pursuant to the settlement agreements that have already been concluded. The Company will continue to negotiate with its key creditors with a view to resolving the petitions 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 Outstanding Financial Results, 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
Tang Bo
Chairman

Hong Kong, 29 April 2020

As at the date of this announcement, the Board comprises (i) one Executive Director, namely Mr. Tang Bo; (ii) two Non-executive Directors, namely Mr. Dai Zhujiang and Mr. Zhao Liguo; and (iii) three Independent Non-executive Directors, namely Dr. Lo Wing Yan William, JP; Mr. Wang Tian and Mr. Chan Wai Leung.

** For identification purposes only*