



24 June 2008

FORTUNE OIL PLC
("Fortune Oil" or "the Company")

Potential Placing and AGM Notification

Proposed Investment in Fortune Oil by Kerry Holdings

Fortune Oil is pleased to announce that a conditional agreement was signed today with a wholly owned subsidiary of Kerry Holdings Limited ("Kerry Investco") for a subscription for 91,816,800 new ordinary shares of 1 pence each in the capital of the Company ("Ordinary Shares") at 10.73 pence per share on or before 4 July 2008. This is a 4 per cent discount to the mid-market closing price for the 5 business days ending 23 June 2008. Under the agreement Kerry Investco has certain termination rights including where prior to the closing date the Company's share trading on the London Stock Exchange Official List is cancelled or suspended or there is a material adverse change in the Company's business or the global oil and gas market. The closing of this subscription would result in Kerry Investco holding approximately 4.74 per cent of Fortune Oil's fully diluted share capital.

Kerry Holdings Limited is the main investment holding company of the Kuok Group in Hong Kong. The Kuok Group's principal businesses include commodities trading, property development and investment, warehouse and logistics operations, hotel ownership and management and media. Kerry Holdings Limited is a substantial shareholder (as defined under the Hong Kong listing rules) of three listed companies in Hong Kong, namely Kerry Properties Limited, Shangri-la Asia Limited and SCMP Group Limited (the South China Morning Post newspaper group).

The Board of Fortune Oil welcomes the Kuok Group as a potential strategic investor and intends to leverage their significant experience in developing businesses in China. The Board proposes to use the proceeds from the subscription for working capital purposes.

Fortune Oil Gas Business

Fortune Oil also announces that it has entered into discussions with a number of parties, including Kerry Investco, over the possibility of equity participation directly into Fortune Oil's gas business, comprising the Company's upstream, wholesale and retail gas businesses in China. This equity participation would assist in financing the further growth of this gas business and would be for minority positions, likely to total up to 30 per cent, with Fortune Oil retaining control. Fortune Oil has entered into a non-binding Letter of Intent with Kerry Investco with regard to a certain proportion of such a minority interest in the gas business.

Extension of Liulin Production Sharing Contract

Fortune Oil is pleased to announce that the Ministry of Commerce has formally approved the extension of the Production Sharing Contract for the Liulin CBM block for the two years from April 2008.

Annual General Meeting

Fortune Oil's Annual General Meeting will be held tomorrow, 25 June, at 11 am at The Oriental Club, Stratford Place, London W1C 1ES. This will include a presentation on the Company's business and strategy.

Enquiries:

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