



10 JANUARY 2008

FORTUNE OIL PLC

Liulin CBM Developments

Fortune Liulin Gas has recently installed larger water pumps in the pilot production wells EP1 and EP2 so as to increase the dewatering rate, and the water level is now falling more quickly in the wells. Currently the gas production is small but is expected to increase once the water level pressure falls below the desorption pressure over the next month. Three other pilot production wells are in progress. Production data from these wells will provide supporting evidence along with the substantial body of geology data for certification of reserves.

On 9 January 2008 Verona Development Corp, a company listed on the TSX Venture Exchange, announced that it had sold to Royal Dutch Shell the majority equity position in a production sharing contract for CBM exploration in the North Shilou block. This block adjoins the southern border of the Liulin block. The North Shilou and Liulin blocks are 150 km south-east of the Changbei field where Shell is already producing natural gas in a production sharing contract with PetroChina. Shell's intention to explore the region neighbouring Liulin highlights the potential for gas extraction in this part of Shanxi Province.

Enquiries:

Fortune Oil PLC

John Pexton – Deputy Chief Executive Tel: 00 852 2583 3113 (Hong Kong)

Pelham Public Relations

Archie Berens Tel: 020 7743 6679 or 07802 442 486
Robert Koh Tel. 020 3170 7444