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

Bluesky Jet Fuel Price Compensation

The PRC government has issued new regulations that will allow aviation refuelling companies to be compensated for price differences between imported and domestically refined jet fuel. Since late 2005 Bluesky has been selling some jet fuel at domestic jet fuel prices for domestic flights using higher-priced imports, which potentially affects the operating margin. As detailed in our announcement on 21 June 2006 we believed this affect to be temporary and these new regulations confirm that this pricing disparity risk has now been removed. In addition there will be compensation paid for pricing disparities earlier this year.

Under the new regulations, an extra tariff will be charged for jet fuel sales to domestic airlines for domestic flights. This will be calculated based on the actual average price difference between imported and domestically sourced jet fuel for the preceding quarter, weighted by the amount actually sold for domestic flights. The extra tariff to be paid in the 3rd quarter in 2006 is RMB 290 per tonne (US\$ 36 per tonne) based on the average price difference for the 2nd quarter in 2006. The domestic airlines will fund this additional tariff by charging higher fares to customers, for example through a fuel price surcharge. The volume of jet fuel sales by Bluesky in the 2nd quarter of 2006 that would have attracted the rebate, had it been in place in that period, was 293,000 tonnes.

The Company welcomes these new regulations. They confirm that aviation refuelling companies such as Bluesky should not be taking direct fuel price risk and they enable future changes in international jet fuel prices to be passed through to end-users without affecting Bluesky's operating margin. We believe that the consequent rise in fares will not significantly impact the growing demand for air travel in China. Some compensation sharing mechanisms and historical compensation formulae have still to be decided by the PRC authorities but the overall impact will be beneficial for Bluesky in 2006. Once the extent of such historical compensation is determined a further announcement will be made.

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