

28 SEPTEMBER 2006



**FORTUNE OIL PLC**  
(“Fortune Oil” or “the Company”)

**Announcement of Interim Results for 6 Months Ended 30 June 2006**

***Fortune Oil focuses on oil and gas supply and infrastructure projects in China. Fortune Oil is quoted on the full list of the London Stock Exchange and has its headquarters in Hong Kong.***

**KEY POINTS**

- Revenues including share of joint ventures increased by 48 per cent to £94.9 million (2005: £64.2 million).
- Profit before tax increased by 5 per cent to £3.3 million (2005: £3.2 million) and earnings per share steady at 0.08p.
- Gas supply business now in profit as sales volume increased by 240 per cent to 38 million cubic metres, with operating profit of £0.5 million (2005: loss of £0.2 million).
- First half profits were affected by a lower operating margin and jet fuel pricing disparity at Bluesky; the government has initiated a compensation mechanism which has restored the Bluesky margin from the second quarter onwards.
- Fortune Oil entered the upstream gas business by acquiring control of the Liulin coal bed methane block, with all approvals now in place for the PSC transfer. Pilot drilling will commence in late 2006.
- High Court approval obtained in July 2006 to cancel the surplus in the share premium account, thereby enabling the Company to pay dividends in the future.

Mr Qian Benyuan, Chairman of Fortune Oil, commented:

***“Excellent performance in the gas business was offset by a pricing disparity in the first quarter at Bluesky. We welcome the new government pricing policies which assure Bluesky’s future margin, with end-users paying for changes in the price of imported jet fuel. The strong growth in natural gas sales reflects the increasing demand for clean energy in China. With the recent investment in coal bed methane, Fortune Oil is now making exciting and crucial steps in becoming an integrated gas company.”***

**ENQUIRIES:**

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