

1 FEBRUARY 2007



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

Business Developments

Fortune Oil is pleased to announce the following business developments:

Natural Gas Supply

Sales of natural gas continue to grow strongly and there have been no supply interruptions during the winter. Throughput at the Tongzhou CNG station is currently averaging 260,000 cubic metres per day compared to 180,000 cubic metres per day one year ago.

Approval was recently obtained from the Ministry of Commerce to establish Fortune Gas Investment Company Limited, a 100%-owned holding company to be registered in China. This holding company will help implement the Company’s strategy of creating an integrated gas business.

Bluesky Aviation Refuelling Joint Venture

The Bluesky business continues to perform well and the government-mandated compensation mechanism remains in force, as expected. The rebate paid by domestic airlines to Bluesky in the fourth quarter 2006 was RMB 320 (US\$41) per tonne. The first quarter 2007 rebate is lower at RMB 140 (US\$18) per tonne, reflecting the decrease in international jet fuel prices which are now closer to domestic jet fuel prices. Rebates in respect of periods prior to the second quarter 2006 are still under investigation by the government.

Oil Products Supply

In December 2006 the West Zhuhai Oil Products Terminal was granted a licence to store bonded-status products. Discussions are now in progress with third parties to use the terminal for supplying gasoil to destinations such as Hong Kong and Macau. The new licence will also enhance the Company’s own trading operations in China, which currently include the import of bitumen and base oil and the export of chemicals, primarily on a low-risk agency basis.

The Company will provide further information when the preliminary results are announced for the year ended 31 December 2006 in April 2007.

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