

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.**

If you have sold or otherwise transferred all of your Ordinary Shares, please send this document (excluding the personalised Form of Proxy) as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. However, this document should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction.

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# **FORTUNE OIL PLC**

*(Incorporated in England and Wales under the Companies Act 1985 with registered No. 2173279)*

## **Proposed Disposal of 51% of Henan Fortune Green Energy Development Co Ltd and Notice of General Meeting**

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This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 5 to 8 of this document and which contains the unanimous recommendation of the Fortune Oil PLC Directors that you vote in favour of the Resolution to be proposed at the General Meeting referred to below.

Notice of the General Meeting to be held at the offices of Reed Smith LLP, The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS, United Kingdom at 11 a.m. on 31 March 2011 is set out at the end of this document and a Form of Proxy for use is enclosed. Whether or not you intend to attend the General Meeting in person, Shareholders are requested to complete and return the enclosed Form of Proxy in accordance with the instructions printed on it as soon as possible, but in any event so as to be received by the Company's registrars not later than 11 a.m. on 29 March 2011. Shareholders should return the Form of Proxy to Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU. The completion and return of a Form of Proxy will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof, if you so wish and are so entitled.

If you hold your Shares in CREST you may appoint a proxy by completing and transmitting a CREST Proxy Instruction to Capita Registrars (CREST participant ID RA10), so that it is received by no later than 11 a.m. on 29 March 2011. The completion and return of a CREST Proxy Instruction will not preclude you from attending and voting in person at the General Meeting or any adjournment thereof, if you so wish and are so entitled.

Oriel Securities, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting for Fortune Oil PLC as financial adviser in relation to the Transaction and is not advising any other person and accordingly will not be responsible to any person other than Fortune Oil PLC for providing the protections afforded to the clients of Oriel Securities or for providing advice in relation to the matters described in this document.

A copy of this notice, and other information required by Section 311A of the Companies Act 2006, can be found at [www.fortune-oil.com](http://www.fortune-oil.com).

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### EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Latest date and time for receipt of Form of Proxy	11 a.m. on 29 March 2011
General Meeting	11 a.m. on 31 March 2011

## DEFINITIONS

The following definitions apply throughout this document and the accompanying Form of Proxy unless the context otherwise requires:

<b>“Act” or “Companies Act”</b>	the UK Companies Act 2006, as amended, modified or re-enacted from time to time
<b>“Agreement”</b>	the Framework Agreement dated 29 November 2010 (as amended by a Supplementary Agreement dated 6 December 2010) between the Fortune Companies and Green Energy Group for the sale of the Fortune Interest and the assignment of the Inter-Group Loan to the Green Energy Group, further described in Paragraph 4 of Part II of, and in the Appendix to, this document
<b>“Board” or “Directors”</b>	the directors of Fortune Oil whose names appear on page 5 of this document
<b>“Circular” or “this document”</b>	means this document dated 2 March 2011, comprising a shareholder circular for the purposes of Chapter 13 of the Listing Rules (together with any supplements or amendments thereto)
<b>“Company” or “Fortune Oil”</b>	Fortune Oil PLC
<b>“CREST”</b>	the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001/3755)) in respect of which Euroclear is the operator
<b>“CREST Proxy Instruction”</b>	the form of appointment of proxy to vote through the CREST system
<b>“Form of Proxy”</b>	the form of proxy accompanying this document for use in connection with the General Meeting
<b>“Fortune Companies”</b>	Fortune Gas Investment Company Limited, Beijing Fu Hua Green Energy Co Ltd and Beijing Jin Yuan Wan Xun Technology Co Ltd, which together directly own the Fortune Interest. Each of the Fortune Companies is a wholly owned subsidiary of Fortune Gas Investment Holdings Limited, which is, in turn, owned by Fortune Oil (85% shareholding) and Wilmar International Limited (15% shareholding)
<b>“Fortune Interest”</b>	a 51% equity interest in HFGE registered in the names of the Fortune Companies
<b>“General Meeting” or “GM”</b>	the general meeting of the Company to be held at 11 a.m. on 31 March 2011 at the offices of Reed Smith LLP, The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS, notice of which is set out at the end of this document
<b>“Green Energy Group”</b>	Henan Green Energy Group Holding Company Ltd
<b>“Group”</b>	the Company and its subsidiaries
<b>“HFGE”</b>	Henan Fortune Green Energy Development Co Ltd

<b>“Inter-Company Loan”</b>	the inter-group loan between Fortune Gas Investment Company Limited as lender and HFGE as borrower, with an outstanding balance (including accrued interest) as at 31 October 2010 of RMB 96,137,176.74
<b>“Listing Rules”</b>	the listing rules and regulations of the UKLA made pursuant to section 73 of the Financial Services and Markets Act 2000, as amended from time to time
<b>“Ordinary Shares” or “Shares”</b>	the ordinary shares of 1p each in the share capital of the Company
<b>“Oriental Securities”</b>	Oriental Securities Limited, 125 Wood Street, London EC2V 7AN
<b>“Related Party”</b>	a person or company meeting the definition of a related party in the Listing Rules
<b>“Resolution”</b>	the ordinary resolution to be proposed at the General Meeting and set out in the notice of General Meeting at the end of this document
<b>“RMB”</b>	the lawful currency of the People’s Republic of China
<b>“Shareholders”</b>	holders of Ordinary Shares in the capital of the Company
<b>“subsidiary”</b>	has the meaning given in section 1159 of the Companies Act
<b>“Transaction”</b>	the sale of the Fortune Interest and the assignment of the Inter-Company Loan by the Fortune Companies to Green Energy Group on the terms of the Agreement
<b>“UKLA”</b>	the Financial Services Authority acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000

## PART I

### Letter from the Chairman of Fortune Oil

# FORTUNE OIL PLC

(Registered in England and Wales no. 2173279)

*Directors:*

QIAN Benyuan – *Non Executive Chairman*  
Daniel CHIU – *Executive Vice Chairman*  
TEE Kiam Poon – *Chief Executive*  
LI Ching – *Executive Director*  
Frank ATTWOOD – *Senior Independent Director*  
Dennis CHIU – *Non-Executive Director*  
Louisa HO – *Non-Executive Director*  
LIN Xizhong – *Non-Executive Director*  
MAO Tong – *Non-Executive Director*  
Ian TAYLOR – *Non-Executive Director*  
WANG Jinjun – *Non-Executive Director*  
ZHI Yulin – *Non Executive Director*

*Registered Office:*

6/F., Belgrave House  
76 Buckingham Palace Road  
London SW1W 9TQ  
United Kingdom

*Head Office:*

Suite 2307, Office Tower  
Convention Plaza  
1 Harbour Road, Wanchai  
Hong Kong SAR

2 March 2011

*To the holders of Ordinary Shares and, for information only, to the holders of options*

Dear Shareholder,

### **Proposed sale of the 51% equity interest in HFGE owned by the Group**

#### **1. Introduction**

On 23 December 2010, the Board of Fortune Oil announced that the Company had agreed, subject to Shareholder approval, to sell the Group's 51% interest in HFGE, together with the benefit of the Inter-Company Loan, to Green Energy Group for RMB 250 million. Green Energy Group owns the remaining 49% of the issued shares of HFGE and therefore, as a substantial shareholder in a subsidiary undertaking of the Company, Green Energy is considered a Related Party for the purposes of the Listing Rules and the Transaction is a Related Party transaction. Consequently, the Transaction is subject to and conditional upon the approval of the Shareholders and this Circular is being sent to all Shareholders to convene a General Meeting in order to seek this approval.

#### **2. Background to and reasons for the Transaction**

Fortune Oil is in the process of restructuring and rationalising its natural gas business to drive financial performance with the aim of increasing Shareholder value. The Company believes that the best way to achieve this is to invest in new and existing businesses in which Fortune Oil retains a degree of control and flexibility over the future direction such that the development of each business fits with the wider Group strategy. Following the launch of the new corporate strategy announced in November 2010, Fortune Oil has undertaken a review of its existing businesses and relationships and identified HFGE as a business that no longer meets these criteria for driving Shareholder value. The Company therefore entered into discussions with Green Energy Group regarding the disposal of the Group's 51% holding in HFGE. The Company remains committed to the development of its natural gas business.

There is a risk that, in the event the Company does not receive shareholder approval for the Transaction, the status quo will remain and Shareholder returns may not be maximized over time.

In the short term, the Company will look to identify new contractors in order to ensure it has the LNG processing capabilities to meet demands pursuant to existing supply contracts. The Company is already in active discussions with a number of suitable parties and hence does not foresee any capacity issues, even in the short term. Furthermore, the Company is also considering a number of active opportunities to provide long term LNG processing within the Group.

The Company has invested a total of RMB 71.4 million in the equity of HFGE in July 2007. The sales proceeds of approximately RMB 154 million represents a total 115.7% gain on investment (part of which has been recognised in prior years for accounting purposes) over this time.

The net proceeds from the sale will be held in cash, to be reinvested in the natural gas business in due course, including additional natural gas assets where the Company is actively considering opportunities.

### **3. Information on HFGE**

HFGE purchases natural gas from both China Petroleum & Chemical Corporation (Sinopec) and PetroChina Co Ltd. The natural gas is then processed at the LNG plant and re-sold to third parties such as motorists and industrial end users. Alternatively, the natural gas purchased can also be compressed and re-sold to CNG retail stations.

In July 2007, Fortune Oil invested RMB 71.4 million in new equity in return for a 51% equity interest in HFGE. In addition Fortune Oil provided a shareholder loan in the amount of RMB 74.3 million. In January 2009, Fortune Oil contributed additional capital in the form of a further shareholder loan in the amount of RMB 20 million.

Collectively, the Group's total investment in the form of debt and equity contributions amounts to approximately RMB 165 million.

Fortune Oil's equity interest in HFGE is held through three Group companies as follows:

- a) Fortune Gas Investment Company Limited (9.5%);
- b) Beijing Fu Hua Green Energy Co Ltd (36.5%); and
- c) Beijing Jin Yuan Wan Xun Technology Co Ltd (5.0%).

The balance of the 49% equity interest in HFGE is owned by the Green Energy Group.

HFGE had gross assets of RMB 449 million (£42.1 million) as at 31 December 2009 and generated a profit before tax of RMB 40 million (£3.8 million) for the year ended 31 December 2009.

### **4. Terms of the Transaction**

Fortune Oil has agreed, subject to Shareholder approval, to sell its 51% equity interest in HFGE owned by the Fortune Companies to Green Energy Group. In addition Green Energy Group will assume the Inter-Company Loan of approximately RMB 96 million. Green Energy Group has therefore agreed to pay the Fortune Companies a total consideration of RMB 250 million. This represents a pre-tax gain on disposal of approximately RMB 45 million.

The consideration is payable to the Fortune Companies as follows:

- a) Beijing Fu Hua Green Energy Co. Ltd – RMB 61,320,000
- b) Fortune Gas Investment Company Limited – RMB 84,142,823
- c) Beijing Jin Yuan Wan Xun Technology Co Ltd – RMB 8,400,000

The payments have been structured to maximise the after tax returns to the Group. The payment in relation to Inter-Company Loan is to Fortune Gas Investment Company Limited, as the entity holding the loan.

The Agreement states that in the event Green Energy Group fails to make the payment of RMB 250 million (£23.9 million) by 31 March 2011, Fortune Oil has an option to purchase Green Energy Group's 49% equity interest for the same consideration as offered for the Fortune Interest under the Agreement. On 29 December 2010, Fortune Oil received the final payment (held by Fortune Oil subject to Shareholder approval) from Green Energy Group, such that the Company has now received total payments of RMB 250 million. Therefore the option to acquire Green Energy Group's 49% equity interest will not become exercisable.

In the event Shareholder approval is not received, the Group would return all funds advanced to it by Green Energy Group pursuant to the Agreement.

Further details of the Transaction are set out in Paragraph 4 of Part II of, and in the Appendix to, this document.

## **5. General Meeting**

Since the Transaction is between Related Parties, it is a requirement of the Listing Rules that a circular be sent to Shareholders and that the Transaction is subject to the prior approval of Shareholders. Accordingly, we are seeking such approval.

A notice convening a General Meeting to be held at the offices of Reed Smith LLP, The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS on 31 March 2011 at 11 a.m. is set out at the end of this document at which the Resolution will be proposed to approve the Transaction.

## **6. Further information**

Your attention is drawn to Part II of, and the Appendix to, this document which provides additional information on the Company and the Transaction.

## **7. Action to be taken**

A Form of Proxy for use in connection with the General Meeting is enclosed. Whether or not you intend to be present at the General Meeting you are requested to complete and return the Form of Proxy to the Company's registrars, Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU in accordance with the instructions printed on the Form of Proxy as soon as possible and in any event, so that it is received not later than 11 a.m. on 29 March 2011. The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person if you so wish and are so entitled.

## **8. Recommendation**

The Board, having been so advised by Oriel Securities, consider the Transaction to be fair and reasonable so far as the Shareholders are concerned and therefore recommend that Shareholders vote in favour of the Resolution to be proposed at the General Meeting. In giving its advice Oriel Securities has taken into account the commercial assessment of the Directors.

The Board also considers that the Resolution is in the best interests of the Company and the Shareholders as a whole and unanimously recommend that Shareholders vote in favour of the

Resolution. The Directors intend to vote in favour of the Resolution in respect of their own beneficial shareholdings amounting, in aggregate, to 749,306,065 Ordinary Shares, representing approximately 37.70% of the issued share capital of the Company.

Yours faithfully

**QIAN Benyuan**

*Non-executive Chairman*

## PART II

### Additional Information

#### 1. Company information

The Company was incorporated and registered in England and Wales under the Companies Act 1985 on 2 October 1987 with registered number 2173279. The Company's registered office is at 6/F Belgrave House, 76 Buckingham Palace Road, London SW1W 9TQ, United Kingdom and its head office is at Suite 2307, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong SAR. The telephone number of the registered office is +44 (0) 20 7824 8411.

The principal legislation under which the Company operates is the Act.

#### 2. Major Shareholders

In so far as is known to the Company as at 1 March 2011 (being the last practicable date prior to the publication of this document) each of the following persons has, directly or indirectly, an interest in 3% or more of the issued Ordinary Shares in the capital of the Company:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage</i>
First Level Holdings Limited <sup>(1)</sup>	647,244,897	32.57
Goldman Sachs Securities (Nominees) Limited <sup>(2)</sup>	78,397,715	3.94
HSBC Global Custody Nominee (UK) Limited <sup>(3)</sup>	89,828,800	4.52
JTC Trustees Limited <sup>(4)</sup>	89,810,919	4.52
Barclayshare Nominees Limited	60,279,526	3.03
Vidacos Nominees Limited <sup>(5)</sup>	124,480,162	6.26

<sup>(1)</sup> First Level Holdings Limited is a company in which the majority of shares are owned by Daniel Chiu and the remainder by Dennis Chiu

<sup>(2)</sup> First Level Holdings Limited has the beneficial interest in 78,390,715 Ordinary Shares held by Goldman Sachs Securities (Nominees) Limited.

<sup>(3)</sup> Kerry Holdings Limited, the main investment holding company of the Kuok Group in Hong Kong, has the ultimate beneficial interest in these Shares. The Kuok Group is a strategic investor in Fortune Oil. Wilmar International Limited, in which the Kuok Group also has interests, also invested US\$36 million (£22.3 million) and owns 15% in Fortune Gas Investment Holdings Limited.

<sup>(4)</sup> JTC Trustees Limited is the trustee for the Company's Employee Benefit Trust under the Senior Executive Incentive Plan.

<sup>(5)</sup> Vitol Energy (Bermuda) Limited has the beneficial interest in Vidacos Nominees Limited.

#### 3. Significant change

There has been no significant change to the trading or financial position of the Group since 30 June 2010, the date to which the latest interim financial information of the Group were published.

#### 4. Transaction documents

On 29 November 2010, the Fortune Companies and Green Energy Group entered a Framework Agreement for the transfer of the Fortune Interest and the assignment of the Inter-Company Loan from the relevant members of the Fortune Companies to Green Energy Group. On 6 December 2010, the parties entered into a Supplementary Agreement amending the terms of the Framework Agreement.

Pursuant to the terms of the Framework Agreement, as amended (the "**Agreement**"), the Fortune Companies agreed to transfer their respective interests in the Fortune Interest to Green Energy Group for a total consideration of RMB 153,862,823. In addition, Fortune Gas

Investment Company Limited, one of the Fortune Companies, agreed to assign the benefit of the Inter-Company Loan to HFGE for RMB 96,137,177.

Pursuant to the terms of the Agreement, the consideration is payable in three separate tranches as follows:

- a. within 5 working days after signing the Agreement – RMB 10 million;
- b. within 7 working days after signing certain ancillary documents necessary to perfect the transfers – RMB 65 million; and
- c. not later than 31 March 2011, the balance of RMB 175 million.

Green Energy Group has granted the Fortune Companies an option to acquire Green Energy Group's remaining 49% equity interest in HFGE for the same consideration as offered for the Fortune Interest under the Agreement in the event Green Energy Group fails to make payments totalling RMB 250 million by 31 March 2011. As set out in Paragraph 4 of Part I, this option will not become exercisable.

Completion of the Agreement is conditional upon approval of the Shareholders of Fortune Oil to the Transaction.

A more detailed summary of the Transaction documents is set out in the Appendix.

## 5. Material Contracts

Save as set out below and disclosed in paragraph 4 above and in the Appendix, there are no material contracts, other than contracts entered into in the ordinary course of business, that have been entered into by any member of the Group during the period beginning two years immediately preceding the publication of this document which, in the Directors' opinion, need be disclosed to allow Shareholders to make a properly informed assessment on how to vote with respect to the Resolution.

- (a) An acquisition agreement between the Company and Molopo Energy Limited ("**Molopo**") dated 15 November 2009 pursuant to which the Company acquired a 26.1% minority interest in Fortune Liulin Gas Company Limited ("**FLG**") held by Molopo for a consideration of US\$6 million (£3.6 million), of which US\$4 million was payable in cash and US\$2 million satisfied by the issue of 14,314,047 new Shares to Molopo.
- (b) A sale and purchase agreement ("**SPA**") and a subscription and shareholders agreement ("**SSA**") both dated 18 December 2009 between Fortune Green Energy Ltd ("**FGE**") and Arrow Energy (FLG) Pte Ltd ("**Arrow**"), a special purpose company owned 100% by Arrow Energy International. Pursuant to the SSA, Arrow invested US\$6 million into FLG in return for new FLG shares representing 8.9% of the enlarged capital of FLG. Pursuant to the SPA, Arrow paid US\$2 million to FGE as deposit for acquiring existing FLG shares representing an additional 26.1% of FLG for a total consideration of US\$7.3 million. The balance of US\$5.3 million was paid on 25 March 2010.

The SSA and SPA further provided that if the production sharing contract was extended by 30 June 2010, Arrow would then be able to exercise a series of 3 options to increase its shareholding in FLG.

On 17 December 2010 Arrow exercised its first option to increase its equity stake in FLG to 45% for US\$8.7m payable in two equal tranches, the first paid upon exercise and the 2nd tranche being payable on or before 30 March 2011. In addition, FLG will receive a reserve bonus payment from Arrow computed with reference to FLG's 2P reserve position on 30 June 2011. Details of the remaining options are as follows:

- (i) exercisable within 6 months from 30 June 2011 or a date when an overall development plan has been approved for part of the block (whichever earlier), under which Arrow can invest US\$4 million for new shares representing a further 5% of the enlarged issued share capital of FLG; and
- (ii) exercisable within 3 years from the date that the first overall development plan approval is obtained and in any case only up until 31 December 2014, under which Arrow has the right to acquire from FGE a 25% interest in FLG for payment of US\$40 million, which would increase Arrow's holding to 75%.

In addition Fortune Oil Group and Arrow must have co-invested in at least two other coal bed methane production sharing contracts in which Fortune Oil Group holds a minimum interest of 25%.

- (c) A subscription and acquisition agreement between the Company and Everthiving Investment Group ("**Everthiving Investment**") dated 1 September 2010 pursuant to which the Company agreed to acquire interests of 65% in the share capital of 3 of Everthiving Investment's subsidiaries. The initial acquisition consideration, payable in cash, will be 65% of the net asset value for each entity as at the following dates; for Beijing Everthiving Energy Technology Co., Ltd. ("**Everthiving Energy Technology**") on 31 July 2010; for Jinzhou Everthiving Logistics Co., Ltd. ("**Everthiving Logistics**") on 30 September 2010; and for Jilin Everthiving Carbon Dioxide Plastic Technology Co., Ltd ("**Everthiving Plastics Technology**") on 31 March 2011. The estimated initial considerations were Everthiving Energy Technology RMB 37.1 million (£3.44 million); Everthiving Logistics RMB 65 million (£6.04 million); and Everthiving Plastics Technology RMB 2.5 million (£0.23 million). The maximum initial combined consideration is RMB 108.6 million (£10.1 million).

In addition to the net asset payments a further payment of RMB 50 million (£4.64 million) is payable, 50% in cash and 50% in cash or ordinary shares in a Group company identified to be listed at that time, but not in the Company's Shares. The additional payment of RMB 50 million (£4.64 million) is payable upon Everthiving Energy Technology meeting certain material and long term milestones including but not limited to refitting 500 vessels with marine diesel oil-LNG dual fuel technology and constructing six LNG refuelling stations along the Yangtze River.

Fortune Oil paid a deposit of HKD 11.50 million (£0.95 million) to Everthiving Investment that will convert as part of the initial consideration for the subscription of shares in Everthiving Energy Technology.

Upon completion the Company will be entitled to 65% of the profits and capital of all 3 companies and will be entitled to appoint a majority of the board of directors and general managers. In each case the acquisition is subject to relevant Chinese approvals, satisfactory due diligence by Fortune Oil and the parties entering into formal acquisition documents, including joint venture agreements formally setting out the parties obligations with respect to each subsidiary following completion.

On 30 November 2010 the Joint Venture Agreement, Joint Venture Articles of Association and Share Subscription Agreement between Fortune Oil and Everthiving Investment Group with regards to the subscription for 65% of the issued share capital of Everthiving Energy Technology were approved by the relevant Chinese authorities and the transaction completed.

- (d) A joint venture agreement dated 7 October 2010 between Giant Global Development Ltd ("**GGD**") (a wholly owned subsidiary of the Company) and Bounty International Holding Limited, Caspian Resources Limited, Bounty Resources Armenia Limited ("**BRAL**"),

Caspian Bounty Steel Limited (“**CBSL**”) and Haidong Li pursuant to which GGD had an option to invest in BRAL. The investment is in stages such that for a total investment of US\$24 million GGD will receive a 35% equity interest in BRAL and for a further US\$16 million GGD acquires a further 15% of BRAL.

On 12 January 2011 GGL had exercised options so that it acquired the first 35% interest in BRAL. Pursuant to a separate sale and purchase agreement GGD also acquired on 12 January 2011 a 16.7% minority shareholding in CBSL for US\$2 million.

There are no other contracts, not being a contract entered into in the ordinary course of business, that has been entered into by any member of the Group as at the date of this Circular which contains provisions under which any member of the Group has any obligation or entitlement which is material to the Group and which, in the Directors’ opinion, need be disclosed to allow Shareholders to make a properly informed assessment on how to vote with respect to the Resolution.

## **6. Consents**

Oriel Securities has given and not withdrawn its written consent to the issue of this document with the inclusion herein of its name and references thereto in the form and context in which they are included.

## **7. Documents on Display**

Copies of the following documents will be available for inspection at the registered office of the Company during normal business hours on any weekday (excluding bank holidays) up to and including the day of the General Meeting:

- (a) the articles of association of the Company;
- (b) the written consent from Oriel Securities referred to at paragraph 6 above;
- (c) the consolidated audited accounts of the Group for the years ended 31 December 2008 and 2009 and the interim financial accounts for the period ending 30 June 2010; and
- (d) this document.

Dated: 2 March 2011

## APPENDIX

### Summary of Transaction documents

**1. Date of Agreements:**

- Framework Agreement – 29 November 2010
- Supplementary Agreement – 6 December 2010

**2. Parties to Agreements:**

- Beijing Fu Hua Green Energy Co. Ltd (**Transferor 1**)
- Fortune Gas Investment Company Limited (**Transferor 2**)
- Beijing Jin Yuan Wan Xun Technology Co Ltd (**Transferor 3**)
- Henan Green Energy Group Holding Company Ltd (**Transferee**)

**3. Fortune Interest being acquired:**

- 51% interest in HFGE

**4. Inter-Company Loan being assigned:**

- Loan from Transferor 2 to Transferee with a balance of RMB 96,137,176.74 (being capital plus interest up to 31 October 2010)

**5. Current holdings of Fortune Interest:**

- Transferor 1      36.5% interest in HFGE
- Transferor 2      9.5% interest in HFGE
- Transferor 3      5% interest in HFGE
- Total              51% interest in HFGE

**6. Purchase Price for Fortune Interest:**

- RMB 250,000,000 allocated as follows:
  - Transferor 1 – RMB 61,320,000 with respect to its holding of the Fortune Interest.
  - Transferor 2 – RMB 84,142,823 with respect to its holding of the Fortune Interest.
  - Transferor 3 – RMB 8,400,000 with respect to its holding of the Fortune Interest.
  - Transferor 2 – RMB 96,137,177 with respect to the Inter-Company Loan.

**7. Conditions:**

- Conditional upon Shareholder approval of Fortune Oil.

**8. Key terms:**

- Transferee entitled to benefit of any distribution of income from the date the Framework Agreement was entered into.
- Transferee entitled to the benefit of all interest on the Inter-Company Loan from the date the Framework Agreement was entered into.
- Within 30 days after signing the Framework Agreement, Agreements of Transfer of Shareholdings, Agreement of Transfer of Loan Claim, board minutes and various ancillary documents to be signed (**Ancillary Documents**).
- If Transferee fails to pay consideration in accordance with paragraph 9 below, the Transferors have option to acquire the remaining 49% interest from Transferee at the same price payable by the Transferee.
- The Transferor and Transferee shall each cooperate and supervise HFGE until the sale is complete.
- The Transferee may use the Fortune Interest as security to raise funds to acquire the Fortune Interest.
- Upon receipt of full payment of consideration, all approvals for the sale of the Fortune Interest shall be sought from the relevant Chinese authorities. These approvals have now been obtained.

**9. Payment of consideration:**

- Within 5 working days after signing agreement – RMB 10,000,000
- Within 7 working days after signing Ancillary Documents – RMB 65,000,000 (this must be completed by 31 December 2010).
- Balance of RMB 175,000,000 to be paid by 31 March 2011.

# FORTUNE OIL PLC

## NOTICE OF GENERAL MEETING

NOTICE IS HEREBY GIVEN that a General Meeting of Fortune Oil PLC ("**Fortune Oil**" or the "**Company**") will be held at 11 a.m. on 31 March 2011 at the offices of Reed Smith LLP, The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution:

### ORDINARY RESOLUTION

That the Transaction, on the terms set out in the Agreement, (both terms as defined in the circular to shareholders dated 2 March 2011) be and is hereby approved and the directors of the Company (or a committee of the directors) be and are hereby authorised to waive, amend, vary or extend any of the terms of the Agreement (provided that any such waivers, amendments, variations or extensions are not of a material nature) and to do all things as they may consider necessary or desirable to implement and give effect to, or otherwise in connection with, the Transaction and any matters incidental to the Transaction.

By Order of the Board

Sandi Choi  
*Company Secretary*

*Registered Office:*  
6/F., Belgrave House  
76 Buckingham Palace Road  
London SW1W 9TQ  
United Kingdom

Dated 2 March 2011

#### Notes

- (a) A shareholder entitled to attend and vote is entitled to appoint one or more proxies to attend, speak and vote on his or her behalf at the meeting. A shareholder may appoint more than one proxy provided that each proxy is appointed to exercise the rights attached to different shares. A shareholder may not appoint more than one proxy to exercise rights attached to any one share. A proxy need not be a shareholder of the Company.
- (b) A proxy form for use by shareholders in connection with the General Meeting is enclosed with this document. To be valid, the proxy form should be completed and signed and, together with the power of attorney or other authority, if any, under which it is signed or a duly certified copy thereof, then sent or delivered so as to reach Capita Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, no later than 11 a.m. (UK time) on 29 March 2011. Shareholders may also lodge their proxy form electronically through CREST in accordance with notes (c) and (d) below or vote online through the website of our registrar, Capita Registrars at [www.capitashareportal.com](http://www.capitashareportal.com). Whether or not you intend to attend the General Meeting in person, please complete and return the enclosed proxy form, other proxy instrument or any CREST Proxy Instruction (as described in paragraph (d) below). If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Capita Registrars on 0871 664 0300 (calls cost 10p per minute plus network extras. Lines are open from 9am to 5.30pm, Monday-Friday).
- (c) Registered shareholders who are CREST members who are entitled to attend and vote at the meeting and who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available at [www.euroclear.com](http://www.euroclear.com)). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (d) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Capita Registrars (CREST participant ID RA10) by 11 a.m. on 29 March 2011. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Capita Registrars is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (e) CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings

and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

- (f) Fortune Oil may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- (g) The return of a completed proxy form, other such instrument or any CREST Proxy Instruction will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so.
- (h) Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001 (as amended) and for the purposes of section 360 of the Companies Act 2006, Fortune Oil specifies that in order to be entitled to attend and vote at the General Meeting (and for the purpose of the determination by Fortune Oil of the votes they may cast), shareholders must be registered in the Register of Members of Fortune Oil at 11 a.m. on 29 March 2011 (or, in the event of any adjournment, 11 a.m. on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members made after 11 a.m. on 29 March 2011 (or, in the event of any adjournment, 11 a.m. on the date which is two days before the time of the adjourned meeting), shall be disregarded in determining the rights of any person to attend and vote at the meeting.
- (i) Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the nominating shareholder as to the exercise of voting rights.
- (j) The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs (a) to (g) inclusive above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of Fortune Oil.
- (k) Any corporation which is a member can appoint one or more corporate representatives who may exercise on that member's behalf all of its powers as a member provided that they do not do so in relation to the same shares.
- (l) In order to facilitate voting by corporate representatives at the meeting, arrangements will be put in place at the meeting so that:
  - (i) if a corporate shareholder has appointed the chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting, then on a poll those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and
  - (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above.
- (m) Any member attending the meeting has the right to ask questions. Fortune Oil must cause to be answered any question relating to the business being dealt with at the meeting put by a member or duly appointed proxy attending the meeting. However, members should note that no answer will be given in the following circumstances:
  - (i) if to do so would interfere unduly with the meeting or would involve a disclosure of confidential information;
  - (ii) if the answer has already been given on a website in the form of an answer to a question; or
  - (iii) if it is undesirable in the interests of Fortune Oil or the good order of the meeting that the question be answered.
- (n) If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subjects of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in Fortune Oil securities already held by the Chairman, result in the Chairman holding such number of voting rights that he has a notifiable obligation under the Disclosure and Transparency Rules, the Chairman will make the necessary notifications to Fortune Oil and the Financial Services Authority. As a result, any member holding 3% or more of the voting rights Fortune Oil who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure and Transparency Rules, need not make a separate notification to Fortune Oil and the Financial Services Authority.
- (o) As at 1 March 2011 (being the latest practicable Business Day prior to the publication of this Notice) Fortune Oil's issued share capital consisted of 1,987,466,715 ordinary shares of 1p each, carrying one vote each. Therefore, the total voting rights in Fortune Oil as at 1 March 2011 were 1,987,466,715.
- (p) You may not use any electronic address (within the meaning of Section 333(4) of the Act) provided in this Notice of General Meeting (or in any related documents including the Chairman's letter and proxy form) to communicate with the Company for any purposes other than those expressly stated.