

19th December 2011



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

Significant expansion in Aviation refuelling business

Fortune Oil (LSE: FTO.L) focuses on oil, natural gas and resource supply operations and investments, primarily in China. Fortune Oil is listed on the Main Market of the London Stock Exchange.

Fortune Oil is pleased to announce the following developments relating to further progress in the company’s oil business.

Expansion of the Bluesky aviation refuelling business

South China Bluesky Aviation (“Bluesky”) has entered into an agreement with China National Aviation Fuels Ltd to expand Bluesky’s jet fuel business in Central and Southern China covering Guangdong, Guangxi, Hubei, Hunan and Henan provinces. This will effectively double the number of airports currently operated by Bluesky from fifteen to thirty within the next five years.

The agreement provides Bluesky with the opportunity to develop its aviation refuelling business at fifteen new airports to be built across Central and Southern China. This includes the development, operation and management of the fuel storage, supply and logistic operations.

Under the agreement, Bluesky will receive a management fee for overseeing the jet fuel operations at each of these new airports. In addition, it has the opportunity to invest directly into the airport refuelling infrastructure. Two of the airports are currently under construction, ten are under planning in China’s 12th Five Year Plan and three others are planned for China’s 13th Five Year Plan.

China needs new airports to meet the projected rapid growth in air travel with China-wide passenger numbers projected to increase from 300 million in 2011 to 450 million passengers by 2015 and 700 million passengers in 2020. Fortune Oil is well positioned to benefit from the growth in this market through its partnership with China National Aviation Fuel Company and ownership of the aviation refuelling services in the existing fifteen major airports. This new agreement will strengthen further this position.

West Zhuhai part of Petrochina’s national strategic oil products reserve facilities

Agreement has also been reached for the West Zhuhai Oil Products Terminal to be part of Petrochina’s “Strategic Oil Products Reserve facilities”. As part of the strategic plan for the current storage expansion, the facility will store and supply oil products for Petrochina’s downstream requirement in South China and supply petrochemical products to other customers in the region.

The new arrangement underlines the strategic importance of the company’s unique storage facility in South China. This strategic positioning will help to limit the possibility of oil products supply disruption in South China. More importantly this will help to generate new revenue streams from the recently expanded facilities at West Zhuhai.

Mr. Tee Kiam Poon, Chief Executive of Fortune Oil, commented:

“We are extremely pleased with the progress we have made on Bluesky which continues to be a cornerstone of our Oil business. The addition of fifteen new airports in Southern and Central China will strengthen our strategic position in Aviation fuel business and establish the jet fuel business as one of our key businesses generating cash for the Group.

“In addition, West Zhuhai’s inclusion as part of Petrochina’s Strategic Oil Products Reserve facilities is expected to create new income streams for our oil business.”

Background on Fortune Oil

Fortune Oil is a leading independent energy company engaged in the investment and operations of oil and natural gas supply projects in China. With over 20 years of operating history in China, Fortune Oil has acquired a unique portfolio of high quality oil and natural gas projects across the country and has formed a strong partnership with domestic and international market leaders. Fortune Oil recently started an expansion outside China securing resource projects. Fortune Oil is listed on the Main Market of the London Stock Exchange with its operational headquarters in Hong Kong.

Bluesky owns and operates the entire aviation fuel storage terminals, pipelines and aviation refuelling services for fifteen major airports in central and southern China. Fortune Oil holds 24.5% in the Bluesky joint venture with BP holding 24.5% and CNAFC holding 51%

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