



10 February 2011

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

Joint Venture Agreement Supplying LNG to Public Transport

Highlights

- Supply LNG to up to 6,000 public buses in Liaoning Province exclusively using the LNG stations operated by Fortune Liaoning.
- First provincial level pilot project approved by the Ministry of China National Transportation with a view to securing an exclusive operating license in Liaoning Province.
- Strong partnership forged with Liaoning Provincial government with potential to supply LNG to its other public transit vehicles not limited to buses.
- This investment is in line with China's position (party to the United Nations Framework Convention on Climate Change (UNFCCC) and its Kyoto Protocol) to tackle climate change by promoting the use of clean energy.
- Expanding the application of LNG across China's vast transportation industry: shipping, public buses, automobiles, etc.

Mr. Qian Benyuan, Chairman of Fortune Oil, commented:

"We are extremely pleased with this new partnership with Shenyang Development and Liaoning Provincial government. As I stated when we completed the Everthriving Energy Technology acquisition, Fortune Oil will continue to leverage its relationships with local governments to secure commercially attractive investment opportunities by promoting the use of clean energy. We look forward to securing similar agreements with other local governments in 2011."

Fortune Oil, a company listed on the London Stock Exchange Main Market focusing on oil, natural gas and resource supply operations and investments in China, is pleased to announce that it has entered into a joint venture agreement with Shenyang Zhonglian Enterprise Development Co., Ltd ("Shenyang Development") and Able Field International Limited ("Able Limited") to provide Liquefied Natural Gas ("LNG") to public transit vehicles in Liaoning Province, China. Shenyang Development is a privately-owned enterprise, and one of the market leaders in providing transportation services, with strong government relationships within Liaoning Province, China.

The joint venture will be effected via a newly incorporated entity, Liaoning Fortune New Energy Company Limited ("Fortune Liaoning"). Fortune Gas Investment

Holdings Co, Ltd (a subsidiary of Fortune Oil) will purchase 60% of the equity interest for RMB 18 million (£1.7 million) with 10% of the equity interest purchased by Shenyang Development for RMB 3 million (£0.28 million) and the 30% of the equity interest purchased by Able Limited for RMB 9 million (£0.85 million). Additional funding required by Fortune Liaoning will be obtained via local banks or from Fortune Oil through shareholder loan(s).

The initial capital of RMB 30 million (£2.9 million) will be used to acquire/lease land use rights and construct 3 LNG re-fuelling stations which in turn will support 200 LNG public buses. Shenyang Development owns and operates the buses and under this joint venture agreement the buses will exclusively use the LNG re-fuelling stations operated by Fortune Liaoning for the supply of LNG. Concurrently, Shenyang Development will secure additional agreements with other bus operating companies to exclusively use the LNG re-fuelling stations operated by Fortune Liaoning. As a result, Shenyang Development will be responsible for providing an additional 2,000 buses to use LNG which will require construction of an additional 20 LNG re-fuelling stations. The long term plan is to add 6,000 LNG buses supported by 60 LNG re-fuelling stations.

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Notes to Editors

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 17 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 is listed on the Main Market in London with its operational headquarters in Hong Kong.