

29 December 2011

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



Strategic investment

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 strategic investment.

Further to the Company’s announcement on 28 December 2011 that it had acquired 94,040,000 shares, representing an interest of 2.15%, in China Gas Holdings Ltd (“CGH”; 0384.HK), a company listed on the Hong Kong Stock Exchange, Fortune Oil is pleased to announce that it has entered into an agreement with Mr. LIU Minghui to form a newly incorporated 50/50 joint venture company, China Gas Group Limited.

LIU Minghui is presently a substantial shareholder in CGH, with many years of experience of developing gas businesses in China. Mr. LIU will inject 200,000,000 shares of CGH into the JV valuing his shares at HK\$ 3.50 per share as his contribution while Fortune Oil will contribute its shareholding in CGH plus cash injection amounting to a total of HK\$ 700,000,000 into the joint venture. China Gas Group Limited, together with Mr. LIU’s personal shareholding in CGH, will be the single largest combined shareholding in CGH. At its incorporation, the joint venture will have no assets other than the cash and shares in CGH detailed above.

CGH is the largest independent natural gas company in China in terms of city network, serving gas to over 150 cities. It engages principally in the investment, operation and management of city gas pipeline infrastructure, the distribution of natural gas and LPG to residential, commercial and industrial users, construction and operation of oil stations and gas stations, and development and application of natural gas and LPG related technologies in China.

The strategic objectives for Fortune Oil to invest in CGH and to form this joint venture with LIU Minghui are to combine its strengths with those of LIU Minghui and to explore opportunities to grow Fortune Oil’s natural gas business in China. More importantly Mr. LIU’s vast experience in China’s natural gas industry is expected to accelerate the growth of Fortune Oil’s natural gas business.

This joint venture is a unique strategic investment and will explore synergistic opportunities, cost efficiency, sharing of best practices, applying fuel to gas conversion technologies and performance optimization to grow the Company’s natural gas business in China.

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

“We are excited with this strategic investment and being able to form this joint venture with LIU Minghui. This provides an excellent platform by combining the strengths of both parties to grow our gas business and to develop Fortune Oil into a significant player in the fast expanding China gas market”

For further details:

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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.