



18 November 2010

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

Launch of New Corporate Strategy

The Board of Fortune Oil plc is pleased to announce the launch of a new corporate strategy to further secure and accelerate company growth and increase shareholder value.

Fortune Oil will actively pursue overseas investment opportunities to capitalize on the demand for energy and resources in China. This will enable the Company to further diversify its revenue base and significantly increase its growth potential. Specifically, Fortune Oil will focus on high growth commodities such as oil, gas, coal, iron ore, copper and other metals, in countries which are close to China and with abundant reserves.

Fortune Oil will leverage its existing skills and relationships in China to take advantage of the economy’s ongoing growth and pursue investment opportunities in energy and resources.

For additional information refer to the presentation on our website www.fortune-oil.com

Strong Demand For Natural Resources in China

- China is the 2nd largest economy worldwide and will continue to expand in the foreseeable future.
- Access to global resources is crucial for China to further drive the economy.
- Resources such as oil, gas, coal, iron ore, copper are finite and existing suppliers are unable to satisfy current demand.
- Prices for energy and natural resources have already increased significantly and are projected to increase further.

Growth Strategy

To capture maximum value from China’s insatiable demand, Fortune Oil will create two distinct businesses, *Energy* and *Resources*.

Resources Group

- Regional country focus with close proximity to China.
- Acquire controlling interests of scalable, in-production or near-production resource assets, with a focus on under-exploited assets as a result of lack of finance, expertise or effective relationships.
- Form strategic alliances with key players and develop internal capabilities.

- Focus on high consumption commodities such as oil, natural gas, coal, and metals, with selection criteria of low cost production, scalable resource, manageable political risk and linkage to China and the ability to generate cashflows within 3 years.

Energy Group

Backed by stable cashflows from the existing oil business, the energy division will aim to accelerate the growth options available to the natural gas business.

- Enhanced operational excellence.
- Organic growth through the development of the Liulin Coal Bed Methane resource and expansion of pipeline networks including CNG refuelling stations.
- Suitable bolt-on acquisitions will be considered.
- Alongside the existing business segments, the Energy Group will create new revenue streams such as the Yangtze ship conversion and refuelling business.

Initial Progress

The Board has taken the following initial steps to implement the new strategy:

Key partnership – the Company has signed an umbrella finance agreement with China Volant Industry Company (“Volinco”), a state owned corporation for providing up to US\$1 billion of medium term export financing. The financing will be used to purchase Chinese equipment and secure Volinco’s engineering, procurement and construction services. The agreement sets out the parameters for the financing of a number of projects over the next three years. In addition, initial discussions have taken place regarding potential long-term off-take agreements for certain minerals.

Strong management - The Board is currently recruiting additional mining specialists to bolster the existing strong management team.

Project selection and screening – A number of opportunities have been identified and are under scrutiny to determine which projects best meet the selection criteria.

Tee Kiam Poon, Chief Executive commented:

“We believe that Fortune Oil is attractively placed in the energy market in China to leverage its existing strong relationships and management’s previous experience to accelerate growth and ultimately create shareholder value.”

The management team has already identified attractive opportunities and our Chinese partners are expressing strong support for Fortune Oil to pursue investment in natural resources which we believe will achieve rapid and significant success.”

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