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新奥能源控股有限公司 **ENN Energy Holdings Limited**

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2688)

US\$750 million 6% Senior Notes Due 2021

On May 6, 2011, the Company entered into the Purchase Agreement with Citi, BOC International, Barclays Capital and RBS in connection with the issue of US\$750 million 6% senior notes due 2021.

The estimated net proceeds of the Notes Issue, after deduction of expenses, will amount to approximately US\$737.4 million and the Company intends to use the net proceeds to refinance the 2012 Guaranteed Notes, to pay off certain short-term loans of its PRC subsidiary, Xinao (China) Gas Investment Company Limited, and project loans of certain of its project companies, for business expansion and the acquisition of new projects, to finance its capital expenditures and for general corporate purposes.

Approval in-principle has been received from the SGX-ST, for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission of the Notes to the Official List of, and quotation of the Notes on, the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes.

Reference is made to the announcement of the Company dated April 29, 2011 in respect of the Notes Issue. The Board is pleased to announce that on May 6, 2011, the Company entered into the Purchase Agreement with Citi, BOC International, Barclays Capital and RBS in connection with the issue of US\$750 million 6% senior notes due 2021.

THE PURCHASE AGREEMENT

Date: May 6, 2011

Parties to the Purchase Agreement

- (a) the Company as the issuer;
- (b) Citi;
- (c) BOC International;
- (d) Barclays Capital; and
- (e) RBS

Citi and BOC International, as joint global coordinators, and Citi, BOC International, Barclays Capital and RBS, as the joint lead managers and joint bookrunners, are the initial purchasers of the Notes. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, each of Citi, BOC International, Barclays Capital and RBS is an independent third party and not a connected person of the Company.

The Notes have not been, and will not be, registered under the Securities Act. The Notes will only be offered (1) to qualified institutional buyers in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (2) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act. None of the Notes will be offered to the public in Hong Kong and none of the Notes will be placed to any connected persons of the Company.

Principal terms of the Notes

Notes Offered

The Company will issue the Notes in the aggregate principal amount of US\$750 million which will mature on May 13, 2021, unless earlier redeemed pursuant to the terms thereof.

Offering Price

The offering price of the Notes will be 99.274% of the aggregate principal amount of the Notes.

Interest

The Notes will bear interest from and including May 13, 2011 at the rate of 6% per annum, payable semi-annually in arrears on May 13 and November 13 of each year.

Other terms of the Notes

Ranking of the Notes

The Notes will (1) be unsecured; (2) be effectively junior to the secured debt of the Company to the extent of the value of the assets securing such debt; (3) rank equally in right of payment with all of the existing and future unsecured unsubordinated debt of the Company; (4) rank senior in right of payment to all the existing and future subordinated debt of the Company; and (5) be effectively subordinated to all existing and future debt of the subsidiaries of the Company.

Events of default

The events of default under the Notes include, among others: (a) default in any payment of interest on any Note when due, continued for 30 days; (b) default in the payment of principal of, or premium, if any, on any Note when due at its stated maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise; (c) failure by the Company to comply with certain of its obligations; (d) failure by the Company to comply, for 30 days after written notice by the holders of 25% or more of the aggregate principal amount of the outstanding Notes, with its other agreements contained in the Indenture; (e) default under any indebtedness of the Company or any of its Subsidiaries (or the payment of which is guaranteed by the Company or any of its subsidiaries), whether such indebtedness or guarantee now exists, or is created after the date of the Indenture, which default: (i) is caused by a failure to pay principal of, or interest or premium, if any, on such indebtedness prior to the expiration of the grace period provided in such indebtedness; or (ii) results in the acceleration of such indebtedness prior to its maturity; and, in each case, the principal amount of any such indebtedness, together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been so accelerated, aggregates US\$20 million or equivalent or more; (f) certain events of bankruptcy, insolvency or reorganization of the Company or its significant subsidiaries as provided for in the Indenture; or (g) failure by the Company or any subsidiary to pay one or more final judgments from a court of competent jurisdiction aggregating in excess of US\$20 million, which judgments are not paid, discharged or stayed for a period of 60 days.

If an event of default (other than an event of default described in clause (f) above) occurs and is continuing, the trustee or the holders of at least 25% in aggregate principal amount of the outstanding Notes may declare the principal of, premium, if any, and accrued and unpaid interest, if any, on all the Notes to be due and payable.

Covenants

The Notes and the Indenture will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) create liens;
- (b) enter into mergers or consolidations; and
- (c) enter into sale and leaseback transactions.

Redemption

At any time, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date.

The Notes will be redeemable at the option of the Company, in whole but not in part, at any time, at their principal amount, together with accrued and unpaid interest, if any, to the date of redemption, upon certain changes in the tax laws of any relevant tax jurisdiction becoming effective that would impose withholding taxes or other deductions on the payments on the Notes.

Reason for the Notes Issue

The Group is a one of the largest privately-owned piped gas operators in China. The Group's principal business is the investment in, and the construction, operation and management of, gas pipeline infrastructure, the sale and distribution of piped gas and bottled LPG and the operation of vehicle refueling stations in China. The Group is also involved in the sale of gas appliances and equipment, the production of stored value card gas meters, the provision of repair, maintenance and other services in connection with gas supply and energy management services that assist its customers in optimizing energy usage.

The Group commenced its operations in 1993 and has since developed into one of the leading privately owned gas operators in the PRC piped gas industry. As of the date of this announcement, the Group had a total of 90 operational locations.

The Group intends to grow organically by increasing the penetration rates and the number of connected customers for its 90 existing operational locations while continuing to acquire new projects, with a particular focus on the commercial and industry zones of emerging cities.

The Group intends to maintain its position as a leading piped gas operator in China by focusing on the development of its core business of distributing piped natural gas while growing its vehicle refueling station business and energy management services.

The Notes Issue is being undertaken by the Company to refinance the 2012 Guaranteed Notes, to pay off certain short-term loans of its PRC subsidiary, Xinao (China) Gas Investment Company Limited, and project loans of certain of its project companies, for business expansion and the acquisition of new projects, to finance its capital expenditures and for general corporate purposes.

Listing and rating

Approval in-principle has been received from the SGX-ST, for the listing and quotation of the Notes on the Official List of the SGX-ST. Admission of the Notes to the Official List of, and the quotation of the Notes on, the SGX-ST is not to be taken as an indication of the merits of the Company or the Notes.

The Notes are expected to be rated "BBB-" by Standard and Poor's Ratings Group, "BBB" by Fitch Ratings Ltd. and "Baa3" by Moody's Investors Service, Inc..

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

"Barclays Capital"	Barclays Bank PLC, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
"Board"	the board of Directors

“BOC International”	BOCI Asia Limited, a joint global coordinator and one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Citi”	Citigroup Global Markets Inc., a joint global coordinator and one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Company”	ENN Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indenture”	the written agreement between the Company and Citicorp International Limited, as trustee that specifies the terms and conditions of the Notes including the covenants, events of default, interest rate of the Notes and the maturity date
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notes”	the senior notes to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“PRC”	the People’s Republic of China
“Purchase Agreement”	the agreement dated May 6, 2011 entered into between, among others, the Company, Citi, BOC International, Barclays Capital and RBS in relation to the Notes Issue
“RBS”	The Royal Bank of Scotland plc, one of the joint lead managers and joint bookrunners in respect of the offer and sale of the Notes
“Securities Act”	the United States Securities Act of 1933, as amended
“SGX-ST”	Singapore Exchange Securities Trading Limited

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“US\$”

United States dollars

By Order of the Board
ENN ENERGY HOLDINGS LIMITED
Cheng Chak Ngok
Executive Director and Company Secretary

Hong Kong, May 8, 2011

As at the date of this announcement, the board of directors of the Company comprises nine executive directors, namely Mr. WANG Yusuo (Chairman), Mr. CHEUNG Yip Sang (Chief Executive Officer), Mr. ZHAO Jinfeng, Mr. YU Jianchao, Mr. CHENG Chak Ngok, Mr. LIANG Zhiwei, Ms. ZHAI Xiaoqin, Mr. ZHAO Shengli and Mr. WANG Dongzhi; two non-executive directors, namely Ms. ZHAO Baoju and Mr. JIN Yongsheng; and three independent non-executive directors, namely Mr. WANG Guangtian, Ms. YIEN Yu Yu, Catherine and Mr. KONG Chung Kau.