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NewOcean Energy Holdings Limited

(新海能源集團有限公司 *)

(incorporated in Bermuda with limited liability)

(Stock Code: 342)

Website: <http://www.newoceanhk.com>

VOLUNTARY ANNOUNCEMENT

PROCEEDINGS RELATING TO NEWOCEAN PETROLEUM

This is a voluntary announcement (“Announcement”) made by NewOcean Energy Holdings Limited (the “Company” and together with its subsidiaries, the “Group”).

The directors of the Company (“Directors”) noted that on 2 September 2019 a writ of summons (the “Writ”) was issued by Societe Generale, Singapore Branch (the “Plaintiff”) in the High Court of the Hong Kong Special Administrative Region against a number of defendants for different combinations of claims in different amounts. The claims included allegations of conspiracy to defraud, breach of deed of assignment, breach of trade finance facility, breach of corporate guarantee and breach of personal guarantee. On 17 September 2019, the Plaintiff amended the Writ by adding new defendants to bring the number of defendants to 10. The defendants included Pacific Dragon (Hong Kong) Energy Limited (“Pacific Dragon”), a company identified as “Daisho Microline Limited” and Madam Cheung Lai Na (“Madam Cheung”). Pacific Dragon is a trade debtor of NewOcean Petroleum Company Limited (“NewOcean Petroleum”), a wholly owned subsidiary of the Company and a trading arm of the Group dealing principally in marine fuel. Pacific Dragon’s trade debt arose from various purchases of marine fuel made under a Master Sales and Purchase Contract (the “Contract”) executed in December 2018. Daisho Microline Holdings Limited (“DMHL”), a company listed on the main board of the Stock Exchange of Hong Kong Limited, executed the Contract as guarantor and Madam Cheung was chairman of DMHL at the time DMHL executed the Contract. Additionally, pursuant to the Contract DMHL provided ship mortgages in respect of 2 bunker barges flying the Singapore flag owned directly or indirectly by DMHL. The defendant in the Writ identified as “Daisho Microline Limited” is a company having the same office address as DMHL and an almost identical name. Save for the above, the defendants in the amended Writ are to the best information and knowledge of the Company parties not connected with the Group.

On 8 October 2019 the Plaintiff re-amended the Writ to include NewOcean Petroleum as the last defendant. Service of the re-amended Writ was accepted on behalf of NewOcean Petroleum on 10 October 2019.

In the re-amended Writ, the Plaintiff seeks, among other things, a declaration that NewOcean Petroleum is liable to the Plaintiff as a constructive trustee with regard to a sum of USD20,498,997.81 received and/or dealt with wrongfully. The Company and NewOcean Petroleum strongly deny such allegation. The Directors of NewOcean Petroleum have reviewed all trading documents and records relating to transactions between Pacific Dragon and NewOcean Petroleum under the Contract, and are fully satisfied that all transactions between them are bona fide commercial sale and purchase transactions that all monies received by NewOcean Petroleum in these transactions are, or in connect with goods sold and delivered, and in no way connected with any of the matters as alleged in the Writ. The legal team of NewOcean Petroleum has taken external legal advice and are convinced that the Plaintiff's claim against NewOcean Petroleum in the re-amended Writ will fail, NewOcean Petroleum will in any event vigorously contest all the Plaintiff's claims and seek costs.

As the outstanding trade debt and overdue interest charges owed by Pacific Dragon has remained unpaid, NewOcean Petroleum will proceed against DMHL to enforce its guarantee under the Contract. Additionally, pursuant to the Contract DMHL provided ship mortgages in respect of 2 bunker barges flying the Singapore flag owned directly or indirectly by DMHL. NewOcean Petroleum has instructed its external legal adviser to immediately commence legal proceedings for recovery of the outstanding amount together with all costs.

By Order of the Board

Shum Siu Hung

Chairman

Hong Kong, 11 October 2019

As at the date of this announcement, the Board of the Company comprises Mr. Shum Siu Hung, Mr. Lawrence Shum Chun, Mr. Cen Ziniu and Mr. Brian Siu Ka Fai, being the Executive Directors, Mr. Anthony Cheung Kwan Hung, Mr. Benedict Chan Yuk Wai and Dr. Xu Mingshe being the Independent Non-executive Directors.

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