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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF SANYANG LPG

On 25 June 2008 the Purchaser, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendors. Pursuant to the Acquisition Agreement, the Purchaser agreed to acquire 100% equity interest in Sanyang LPG at the consideration of RMB28,000,000 (approximately HK\$31,360,000). The Acquisition Agreement will be completed in 3 stages, the completion of each stage will be conditional on fulfilment of the conditions precedent stipulated in the Acquisition Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors and all other equity owners of Sanyang LPG are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

Under Rule 14.06(2) of the Listing Rules, the transaction under the Acquisition Agreement constitutes a discloseable transaction for the Company. A circular containing further details of the acquisition will be dispatched to the shareholders as soon as practicable.

1. THE ACQUISITION AGREEMENT

1.1 Date

25 June 2008.

** for identification purposes only*

1.2 Parties

- (a) The Purchaser, a wholly-owned subsidiary of the Company incorporated in the PRC; and
- (b) The Vendors, acting on their own behalf and on behalf of all other equity owners of Sanyang LPG.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors and all other equity owners of Sanyang LPG are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

1.3 Assets to be Acquired and Consideration

Subject to the terms and conditions of the Acquisition Agreement the Vendors shall transfer or procure the transfer of 100% of the registered capital of Sanyang LPG to the Purchaser at the consideration of RMB28,000,000 (approximately HK\$31,360,000).

The consideration was arrived at after arm's length negotiation between the parties and was based on the prospective value of the total assets of Sanyang LPG on completion of the acquisition. Pursuant to the Acquisition Agreement, as explain in the item headed "Effect of the Conditions" in paragraph 1.4 below upon fulfilment of the conditions precedent required for completion Sanyang LPG shall have assets (including the Maoming Site) with a total value of not less than RMB28,000,000.

The Purchaser will prior to completion of the acquisition obtain an independent professional valuation of the Maoming Site. Based on an internal assessment conducted during negotiation with the Vendors the Directors are of the view that, subject to the aforesaid independent professional valuation, the fair value of the assets of Sanyang LPG and the Maoming Site taken together are in the sum of RMB28,000,000.

The consideration will be satisfied in cash from internal resources of the Group.

1.4 Conditions Precedent to the Acquisition Agreement and Completion thereof

The transfer of the registered capital of Sanyang LPG under the Acquisition Agreement will take place in 3 stages subject to the fulfilment of the conditions precedents attached to each stage:

Stage 1:

The Vendors shall transfer or procure the transfer of 25% of the registered capital of Sanyang LPG to the Purchaser and the Purchaser shall pay to the Vendors the sum of RMB5,000,000 (approximately HK\$5,600,000).

Performance of the parties' obligation under Stage 1 is conditional upon the Purchaser completing a due diligence investigation on Sanyang LPG's legal status, financial position, business and clientele, and the receipt of a satisfactory report thereon.

The transactions contemplated under stage 1 shall be completed on or before 30 June 2008.

Stage 2:

The Vendors shall transfer or procure the transfer of a further 15% of the registered capital of Sanyang LPG to the Purchaser and the Purchaser shall pay to the Vendors the sum of RMB3,000,000 (approximately HK\$3,360,000).

Performance of the parties' obligations under Stage 2 is conditional upon the Vendors procuring all outstanding formalities in respect of the acquisition of the Maoming Site by the original property owner (茂名市燃料发展有限公司, formerly the holding company of Sanyang LPG) being completed at the cost of the Vendors.

The transactions contemplated under stage 2 shall be completed on or before 30 September 2008.

Stage 3:

The Vendors shall transfer or procure the transfer of the remaining 60% of the registered capital of Sanyang LPG to the Purchaser so as to constitute the Purchase the 100% equity owner of Sanyang LPG, and the Purchaser shall pay to the Vendors the balance of the consideration in the sum of RMB20,000,000 (approximately HK\$2,22,400,000).

Performance of the parties' obligations under Stage 3 is conditional upon:

- (a) the Vendors procuring the original owner of the Maoming Site to transfer title to the site to Sanyang LPG so as to constitute Sanyang LPG the registered owner thereof;
- (b) all formalities in relation to the transfer of 100% registered capital in Sanyang LPG to the Purchaser being completed;
- (c) all directors appointed by the Vendors resigning from the board of Sanyang LPG.

The transactions contemplated under Stage 3 shall be completed at a date (the "Final Completion Date") not later than 2 months from completion of Stage 2.

Further Conditions:

As further conditions to the Acquisition Agreement, the Vendors shall undertake that:

- (a) The Vendors will assume all the liabilities of Sanyang LPG prior to the Final Completion Date, and the assets of Sanyang LPG after the assumption of liabilities by the Vendors will have a total value not less than RMB28,000,000; and
- (b) The pipeline system leading from the Maoming Site to Maoming Petrochemical Corporation will remain in a normal serviceable condition after the Final Completion Date.

Effect of the Conditions:

A effect of the Conditions Precedent and the Further Conditions is that, prior to the Final Completion Date (i) Sanyang LPG will have no outstanding liabilities and (ii) the Maoming Site will be transferred to Sanyang LPG and become part of its assets. Under the Acquisition Agreement the Vendors shall undertake that at that point of time the assets of Sanyang LPG will have a total value not less than RMB28,000,000.

With regard to Stage 1, the condition precedent attached thereto has been fulfilled prior to the issue of this announcement and the amount of RMB5,000,000 has been paid to the Vendors in accordance with the Acquisition Agreement.

With regard to Stage 2 and Stage 3, in the event any of the conditions precedent attached thereto is not fulfilled, the Purchaser shall have the right to terminate the Acquisition Agreement thereupon the Vendors shall return to the Purchaser all payments received together with 10% thereon as liquidated damages. It is presently intended that, if despite the performance of the relevant matters by the Vendors, the value of the total assets of Sanyang LPG is still materially below RMB28,000,000, the Purchaser will terminate the Acquisition Agreement.

2. INFORMATION ON SANYANG LPG

Sanyang LPG is a private business entity incorporated with limited liability in Maoming, Guangdong, the PRC. The principle business of Sanyang LPG is the wholesale and retail of LPG conducted in the city of Maoming. The registered capital of Sanyang LPG is currently owned as to 88.528% by the Vendors, the remaining 11.472% is owned by a number of employees of Sanyang LPG or their associates, for whom the Vendors have been authorized to act.

The LPG facilities of Sanyang LPG are located at the Maoming Site, which lies at the edge of the city district in Maoming. These facilities comprise a 3,300 cubic metres LPG storage depot, related LPG equipment, and a composite office-workshop building. The Maoming site is directly connected by a 7 km long pipeline system to one of the largest petrochemical production bases in China, the Maoming Petrochemical Corporation.

Brief financial information relating to Sanyang LPG based on its unaudited financial statements for the two years ended 31 December 2007 are as follows:

	Year ended 31 December	
	<u>2006</u> <i>RMB'000</i>	<u>2007</u> <i>RMB'000</i>
Turnover	293,857	116,611
Net Profit/(Loss)	(1,276)	313
Total Assets	8,396	10,447
Total Liabilities	4,696	6,439
Net Assets	3,700	4,008

Note:

The unaudited accounts of Sanyang LPG has been prepared under the account reporting requirements for business corporations in the PRC (“PRC GAAP”). In the case of the unaudited accounts in question the effect of the difference between PRC GAAP and HK GAAP lies mainly in the treatment of depreciation and deferred assets. Based on information obtained from the Vendors, the reconciliation required for the unaudited accounts to conform to HK GAAP is considered immaterial.

In the year 2006, the PRC government occasionally imposed strong administrative measures to curb the rise in retail prices of LPG and other petroleum products. These measures adversely affected the profits of LPG operators generally and Sanyang LPG recorded a loss for the year. These strong measures were less frequently imposed in 2007, and Sanyang LPG benefited from a better overall gross margin in its sales during the year.

Turnover for Sanyang LPG decreased by approximately 60% in 2007 in comparison with that of 2006. The main reason for the decrease is the drop in sales volume due to spiraling LPG prices and market competition. In the opinion of the Directors, the situation has stabilized in 2007.

3. INFORMATION ON THE GROUP

The principal activities of the Group are the sale and distribution of LPG and the sale of electronic products. With a business infrastructure that includes a 50,000 ton class sea terminal, a network of 14 LPG local depots with retail outlets spreading over Guangdong and Guangxi, and a logistics arm for land and sea transport of LPG, the Group is one of the largest LPG distributors and retailers and a major LPG importer in China.

4. REASONS FOR AND BENEFITS OF THE ACQUISITION

The acquisition will further enlarge the business network and profit base of the Group. Since the Group acquired the Zhuhai Terminal in 2003, it has made a series of acquisitions of local LPG depots and in each case succeeded in the business turn-around of the depots. Despite the reported net loss of Sanyang LPG for 2006 and its low profit for 2007, this company has an average annual turnover exceeding RMB200 million during these two years. The Directors expect that, by combining the strong business resources of the Group and the local advantage enjoyed by Sanyang LPG, its profitability will improve after the acquisition.

The acquisition marks another business penetration of the Group in the Guangdong and Guangxi border region. Sanyang LPG is located close to the Guangdong-Guangxi border and is closely linked to the Maoming Petrochemical Corporation. Therefore Sanyang LPG will be able to play a significant role in monitoring the Guangdong and Guangxi markets.

The Directors consider that the transaction under the Acquisition Agreement is fair and reasonable and in the interest of the Company and its shareholders as a whole.

5. GENERAL

As the applicable percentage ratios for the acquisition are more than 5% but less than 25% under Rule 14.06(2) of the Listing Rules, the acquisition constitutes a discloseable transaction for the Company. A circular will be despatched as soon as practicable to shareholders of the Company.

6. DEFINITIONS

“Acquisition Agreement”	the agreement dated 25 June 2008 entered into between (1) the Purchaser and (2) the Vendors in relation to the acquisition by the Purchaser of 100% equity interest in Sanyang LPG
“Company”	NewOcean Energy Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“connected persons”	has the same meaning as defined in the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK GAAP”	generally accepted accounting principles in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“LPG”	liquefied petroleum gas
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhang”	Mr. Zhang Xiaofan (張小帆), a PRC national
“Mr. Ye”	Mr. Ye Yongxiong (葉永雄), a PRC national
“Maoming Site”	a land plot with an area of approximately 43,700 square metres located in the city of Maoming and presently occupied by Sanyang LPG for its business
“Purchaser”	珠海新海能源科技有限公司 (Zhuhai NewOcean Energy Technology Company Limited), an indirect wholly-owned subsidiary of the Company incorporated in Zhuhai, Guangdong, the PRC
“Sanyang LPG”	茂名市三洋燃氣有限公司 (Maoming City Sanyang LPG Company Limited), an entity incorporated with limited liability in Maoming, Guangdong, the PRC

“Vendors”	Mr. Zhang and Mr. Ye, acting for themselves and on the behalf of all other owners of the registered capital of Sanyang LPG
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of Hong Kong
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
Shum Siu Hung
Chairman

Hong Kong, 30 June, 2008

For the purpose of this announcement, the conversion of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 = HK\$1.12. Such conversion should not be construed as a representation that the amount in question has been, could have been or could be converted at such particular rate or at all.

As at the date of this announcement, the Board comprises of Mr. Shum Siu Hung, Mr. Chiu Sing Chung, Raymond, Mr. Cen Ziniu and Mr. Lawrence Shum Chun, being the executive Directors, Mr. Wu Hong Cho being the non-executive director, Mr. Anthony Cheung Kwan Hung, Mr. Benedict Chan Yuk Wai and Mr Xu Mingshe being the independent non-executive Directors.