NewOcean Energy Holdings Limited

(新海能源集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 342)

LAPSE OF SHARE TRANSFER AND OPTION AGREEMENT

This announcement is made pursuant to Rule 14.36 of the Listing Rules.

On 14 April 2010 the Company received formally confirmation from Caltex that the Share Transfer and Option Agreement has lapsed and ceases to take effect. Lapse of the Share Transfer and Option Agreement allows the Company to revise its plan for the Oil Terminal project to better fit the future business development programme of the Company.

BACKGROUND

Reference is made to the announcement and the circular of NewOcean Energy Holdings Limited (the "Company", together with its subsidiaries, the "Group") dated respectively 21 June 2006 and 12 July 2006 relating to an agreement dated 20 June 2006 (the "Share Transfer and Option Agreement") entered into with Caltex South China Investment Limited ("Caltex"). The Share Transfer and Option Agreement provided for the sale, subject to certain conditions, by the Company to Caltex of an initial 10% interest (the "Initial Shares") in NewOcean Energy (Hong Kong) Limited (the "Vehicle"), a wholly owned subsidiary of the Company. Under this agreement Caltex has a put option and a call option which enable it either to require the Company to repurchase the Initial Shares, or subject to certain additional conditions, to purchase the remaining 90% interest in the Vehicle.

The Vehicle was incorporated by the Company for the purpose of setting up a Chinese-foreign equity joint venture corporation in Zhuhai (the "JV Company") which would build and operate a 80,000 ton capacity depot with loading and unloading facilities to be constructed on the jetty (the "Oil Terminal") for the import and sales of certain types of petroleum products commonly known

* *for identification purposes only*

as refined petroleum oil in China. Under the Company's plan for the project, the Oil Terminal would be built on a piece of unutilized land inside the Group's sea terminal and depot in Golan Harbour, Zhuhai. It was intended that funding for the construction of the Oil Terminal would be provided by the Vehicle contributing cash for the capital of the JV Company. Through the capital contribution, the Vehicle would pay up its 65% equity in the JV Company, with the remaining 35% being held by a wholly owned subsidiary of the Company in Zhuhai.

Construction and operation of the Oil Terminal require approvals from a variety of government authorities, including a formal filing with the Ministry of Commerce of the Peoples Republic of China ("MOFCOM"). As one of the conditions to completion of the sale of the Initial Shares, all government approvals required for the construction, management and operation under the Oil Termination project, and the storage and warehousing of Class A/B/C petroleum products, have to be obtained by the JV Company on or before the expiry of six months from the date of the Share Transfer and Option Agreement, or such other date as Caltex and the Company may agree. Such condition may be waived at the option of Caltex.

Import, storage and sale of refined petroleum oil are heavily regulated businesses in China. After the signing of the Share Transfer and Option Agreement, it was found that much longer time than expected was required to obtain the grant of all relevant government approvals. Therefore Caltex and the Company agreed from time to time to extend the time limit for fulfillment of the conditions under the agreement. The last occasion of such extension was on 16 January 2008, when Caltex and the Company agreed in writing to extend the time limit for fulfillment of the conditions for a further period of 24 months to 15 January 2010.

LAPSE OF THE SHARE TRANSFER AND OPTION AGREEMENT

Due mainly to practical difficulties to effect a MOFCOM filing in the manner contemplated under the Share Transfer and Option Agreement, among the conditions for completion of the sale of the Initial Share under the agreement, the condition for government approvals was not regarded to be wholly fulfilled by the extended time limit of 15 January 2010. Due to a change in the business intentions of both Caltex and the Company during the interim period, neither party has indicated an intention to extend the time limit for fulfillment of the condition in question beyond 15 January 2010, and Caltex has not indicated an intention to waive the condition. On 12 April 2010 the Company wrote to Caltex on the subject of lapsing of the Share Transfer and Option Agreement. On 14 April 2010 written confirmation was received from Caltex that the Share Transfer and Option Agreement has lapsed and will not take any further effect.

The lapsing of the Transfer and Option Agreement allows the Company to revise its plan for the Oil Terminal project to achieve better synergies with new developments in the Golan Harbour sea terminal in the last two years, and to better fit the future business development programme of the Company.

By Order of the Board
Shum Siu Hung
Chairman

Hong Kong, 16 April 2010

As at the date of this announcement, the Board of the Company comprises Mr. Shum Siu Hung, Mr. Lawrence Shum Chun, Mr. Raymond Chiu Sing Chung, Mr. Cen Ziniu, Mr. Siu Ka Fai, Brian, Mr. Cai Xikun and Mr. Wang Jian, being the Executive Directors, Mr. Wu Hong Cho being the Non-executive Director, Mr. Anthony Cheung Kwan Hung, Mr. Benedict Chan Yuk Wai and Dr. Xu Mingshe being the Independent Non-executive Directors.