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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)

LETTER OF INTENT

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

On 3 June 2010 the Company entered into the Letter of Intent with the Vendors for the proposed acquisition of the entire registered capital of Lianxin Energy together with certain business arrangements in relation to the Acquisition. The Letter of Intent which is non-legally binding may or may not lead to the entering into of a binding agreement, and the transactions contemplated thereunder may or may not proceed.

In the event that a definitive and binding agreement materializes, the transactions as proposed in the Letter of Intent may constitute notifiable transactions for the Company under the Listing Rules. Further announcements will be made in respect thereof as and when required by the Listing Rules.

The transactions as proposed in the Letter of Intent may or may not proceed. Shareholders of the Company and potential investors are therefore advised to exercise caution when dealing in shares of the Company.

GENERAL

The Board of NewOcean Energy Holdings Limited (the “**Company**”) announces that on 3 June 2010 the Company and the Vendors entered into the Letter of Intent, which is non-legally binding, for the proposed acquisition of the entire registered capital of Lianxin Energy by a wholly owned subsidiary of the Company together with certain related business arrangements. To the best of the Directors’ knowledge and belief, the Vendors are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

* *for identification purposes only*

MAJOR TERMS OF THE LETTER OF INTENT

1. The proposed Acquisition

The Company will, through a wholly-owned subsidiary to be incorporated in the PRC, acquire from the Vendors the entire registered capital of Lianxin Energy at the consideration of RMB60,000,000 (approximately HK\$68,400,000) in cash.

2. Conditions to the Acquisition

The Acquisition will be conditional on:

- (a) the Company being satisfied with the results of a due diligence investigation on the ownership, assets, licences and operating permits of Lianxin Energy, and its business, books of accounts and financial position; and
- (b) all approvals and requirements under the applicable laws and regulations and the Listing Rules relating to the Acquisition being obtained or fulfilled.

3. Related Business Arrangements

Details of the following business arrangements related to the Acquisition are being negotiated. The amounts involved will be subject to verification during the due diligence investigation referred to in item (a) of sub-paragraph 2 headed “Conditions to the Acquisition” above:

- (a) The Group will provide funding for an arrangement(s) to be made between the First Vendor, Lianxin Energy and its lending bank(s) to restructure its existing bank loans into inter-company borrowings between Lianxin Energy and an entity nominated by the First Vendor. The First Vendor will provide guarantee for the final settlement of the funding provided by the Group with interest.
- (b) There will be a transitional period of one year (which may be extended by a further year) during which period arrangements will be made for the management rights and obligations to be transferred to the Group at the end of the period.

4. Legal Effect of the Letter of Intent

The Letter of Intent shall serve only as the basis for further negotiation between the parties and shall not confer any right nor impose any obligation on any party.

INFORMATION ON LIANXIN ENERGY

As informed by the Vendors, Lianxin Energy was incorporated in the PRC with a registered capital of RMB60,000,000 which is owned as to 95% by the First Vendor and 5% by the Second Vendor. Lianxin Energy has since 1996 been licensed to carry out vehicular LPG business. It currently owns and operates a chain of 17 LPG filling stations in various districts in Guangzhou City serving LPG fueled taxis and public buses. According to preliminary financial information supplied by the Vendors which is subject to verification, for the year ended 31 December 2009 Lianxin Energy recorded a business turnover of approximately RMB1.27 billion.

The transactions as proposed in the Letter of Intent may or may not proceed. Shareholders of the Company and potential investors are therefore advised to exercise caution when dealing in shares of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the acquisition of the entire registered capital of Lianxin Energy contemplated under the Letter of Intent
“Company”	NewOcean Energy Holdings Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the Stock Exchange
“Directors”	directors of the Company
“Group”	the Company together with its subsidiaries and jointly controlled entities
“HK\$”	Hong Kong Dollars, the lawful currency of the Hong Kong SAR
“LPG”	liquefied petroleum gas
“Letter of Intent”	the letter of intent dated 3 June 2010 executed by the First Vendor, the Second Vendor and the Company
“Lianxin Energy”	Lianxin Energy Development Company Limited (聯新能源發展有限公司), a limited company incorporated in the PRC
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, which, for the purposes of this announcement, excludes Hong Kong and Macau
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	Zhuhai Wangtong Shipping Company Limited (珠海市旺通船務有限公司) (the “ First Vendor ”) and Guangzhou Senneng LPG Company Limited (廣州市森能燃氣有限公司) (the “ Second Vendor ”), both being limited companies incorporated in the PRC

By Order of the Board
Shum Siu Hung
Chairman

Hong Kong, 3 June 2010

As at the date of this announcement, the Board of the Company comprises Mr. Shum Siu Hung, Mr. Lawrence Shum Chun, Mr. Cai Xikun, Mr. Cen Ziniu, Mr. Raymond Chiu Sing Chung, Mr. Siu Ka Fai, Brian, 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.

In this announcement, RMB has been converted to HK\$ at the rate of RMB1 = HK\$1.14 for illustration purpose only and no representation is made that any amounts could be converted at the above rate or any other rates at all.