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NEW TIMES ENERGY CORPORATION LIMITED

新時代能源有限公司*

(incorporated in Bermuda with limited liability)

(Stock Code: 00166)

DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF EACH OF NEW CHOICE GROUP LIMITED AND GLORY BRIGHTNESS LTD. INVOLVING A PROPOSED ISSUE OF CONVERTIBLE NOTES UNDER GENERAL MANDATE

THE ACQUISITION AGREEMENT

The Board is pleased to announce that on 15 May 2012, the Company, the Purchaser, the Vendor, Target Company A and Target Company B entered into the Acquisition Agreement, pursuant to which the Purchaser conditionally agreed to acquire and the Vendor conditionally agreed to sell the Sale Interests through acquisition of Sale Shares, representing the entire issued share capital of each of Target Company A and Target Company B at the Consideration of HK\$116,000,000. The Consideration shall be satisfied by the Purchaser as to (i) HK\$25,000,000 in cash being refundable deposits; (ii) HK\$80,000,000 by way of issue of the Convertible Notes to the Vendor and/or its nominee(s) upon Completion A; (iii) HK\$10,000,000 by way of issue of the Promissory Note to the Vendor and/or its nominee(s) upon Completion A; and (iv) HK\$1,000,000 by way of issue of the Convertible Notes to the Vendor and/or its nominee(s) upon Completion B.

LISTING RULES IMPLICATIONS

As the relevant percentage ratio calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

* For identification purpose only

The Directors intended that the Convertible Notes will be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 14 May 2012 under which the maximum number of Shares which may be allotted and issued under the General Mandate is 108,892,417 Shares. Application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Conversion Shares to be allotted and issued upon exercise of the conversion rights under the Convertible Notes.

In the event that the General Mandate has been utilised to an extent that the Specific Mandate is required for the issue of the Convertible Notes, the Company will seek the Specific Mandate from the Shareholders at the SGM for approval of the same.

Where the Specific Mandate is required, a circular containing, among other things, (i) details of the Acquisition; (ii) details of the Convertible Notes; (iii) other information as required under the Listing Rules; and (iv) the notice of the SGM together with the proxy form will be sent to the Shareholders as and when appropriate. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution to be proposed at the SGM in relation to the Specific Mandate.

Reference is made to the announcement of the Company dated 26 February 2012 in relation to the entering into of the MOU by the Company and the Vendor in respect of the Acquisition. On 15 May 2012, the Company, the Purchaser, the Vendor and the Target Companies entered into the Acquisition Agreement, details of which are set out below in this announcement.

THE ACQUISITION AGREEMENT

Date: 15 May 2012

Parties:

- (i) Issuer: The Company;
- (ii) Purchaser: Total Belief Limited;
- (iii) Vendor: Principle Petroleum Limited;
- (iv) Target Company A: New Choice Group Limited; and
- (v) Target Company B: Glory Brightness Ltd.

The Purchaser is a wholly-owned subsidiary of the Company incorporated in the BVI with limited liability and is an investment holding company. The Target Companies are investment holding companies incorporated in the BVI with limited liability, which together holds the Sale Interests. The Vendor is an investment holding company and holds the entire issued share capital of the Target Companies. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner and the Target Companies are Independent Third Parties.

The Acquisition Agreement does not provide for any of the Vendor's and its associates' representatives to be appointed as a Director. The Company confirmed that as at the date of this announcement, it has no intention to appoint any of the Vendor's and its associates' representatives as a Director upon Completion.

Assets to be acquired

Pursuant to the Acquisition Agreement, the Purchaser conditionally agreed to acquire, and the Vendor conditionally agreed to sell, the Sale Interests through acquisition of the Sale Shares, representing the entire issued share capital of each of the Target Company A and the Target Company B, at a total consideration of HK\$116,000,000.

Consideration

The Consideration of HK\$116,000,000 shall be satisfied in the following manner:

- (i) the Deposit of HK\$15,000,000 was paid by the Purchaser to the Vendor upon signing of the MOU as part payment of the Consideration;
- (ii) a Further Deposit of HK\$10,000,000 was paid by the Purchaser to the Vendor upon signing of the Acquisition Agreement;
- (iii) HK\$80,000,000 shall be satisfied by way of the issue of the Convertible Notes by the Company to the Vendor and/or its nominee(s) upon Completion A;
- (iv) HK\$10,000,000 shall be satisfied by way of the issue of the Promissory Note by the Company to the Vendor and/or its nominee(s) upon Completion A; and
- (v) HK\$1,000,000 shall be satisfied by way of the issue of the Convertible Notes by the Company to the Vendor and/or its nominee(s) upon Completion B.

The Consideration has been determined after arm's length negotiations among the parties to the Acquisition Agreement, having taken into account, among other things, (i) the estimated value of the Concessions based on the preliminary seismic data locally available in Argentina and the expected valuation of the Concessions not less than the Consideration payable by the Company; and (ii) the prospects of the oil and gas exploration and exploitation business as demonstrated by the increase in average oil price from US\$61.06 per barrel in 2009 to US\$111.83 per barrel in May 2012 as quoted on the website of the Organization of the Petroleum Exporting Countries.

Share Charges

The Vendor executed two deeds of share charge to charge its interest in each of the Target Company A and the Target Company B (collectively, the "Share Charges") in favour of the Purchaser on the date of the Acquisition Agreement, pursuant to which the Vendor created a first ranking fixed charge over Sale Share A and Sale Share B respectively, to secure the refund of the Deposit and the Further Deposit by the Vendor in the event that Completion A does not occur and the Acquisition Agreement is terminated in accordance with its terms.

Conditions precedent

Completion is subject to the following conditions being fulfilled or waived (as the case may be):

Conditions precedent to Completion A

Completion A is subject to the following conditions precedent being fulfilled:

- (i) The Company matters:
 - a. the Company having obtained (where and to the extent required) the approval by the shareholders of the Company of the Acquisition Agreement and the transactions contemplated thereunder (including but not limited to (i) the purchase of the Sale Shares, (ii) the issue of the Convertible Notes to the Vendor and/or its nominee(s), (iii) the allotment and issue of the Conversion Shares upon the exercise of the conversion rights under the Convertible Notes as required by the Listing Rules and (iv) the issue of the Promissory Note in favour of the Vendor and/or its nominee(s);
 - b. the Company having complied to the satisfaction of the Stock Exchange and where applicable, the SFC with all applicable requirements under the Listing Rules and, where applicable, the Takeovers Code in relation to the issue of the Convertible Notes and the issue and allotment of the Conversion Shares upon the exercise of the conversion rights under the Convertible Notes and other transactions contemplated herein;
 - c. the Shares remaining listed and traded on the Main Board of the Stock Exchange at all times from the date hereof up to (and including) Completion A, save for any temporary suspension not exceeding twelve consecutive business days (as defined in the Listing Rules), or such longer period as may be required by the SFC or the Stock Exchange in connection with the review and approval of the documents relating to the Acquisition Agreement by the SFC or the Stock Exchange prior to their release or publication, and no indication being received prior to Completion A from the SFC or the Stock Exchange to the effect that the listing of the Shares on the Main Board of the Stock Exchange shall or may be withdrawn or objected to;
 - d. the Company having obtained any necessary waiver, consent, approval, licence, authorization, permission, order and exemption (if required) from the relevant governmental or regulatory authorities or other third parties which are necessary in connection with the execution and performance of the Acquisition Agreement and any of the transactions contemplated under the Acquisition Agreement, including but not limited to (where required) the Bermuda Monetary Authority granting its permission to the issue of the Convertible Notes, the issue and allotment of the Conversion Shares upon the exercise of the conversion rights under the Convertible Notes and the issue of the Promissory Note;

- e. the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Conversion Shares (in each case, either unconditionally or subject only to conditions which the Vendor have no reasonable objection) approved, where required, the issuance of the Convertible Notes;
- (ii) the Vendor having delivered a certified copy of each of the Reviewed Accounts A and the Reviewed Accounts B to the Purchaser on or before 31 July 2012;
- (iii) the Vendor having delivered to the Purchaser two legal opinion at the cost of the Vendor each in a form and substance acceptable to the Company prepared by a BVI legal adviser and a Hong Kong legal adviser respectively, confirming the shareholding structure of Target Company A as set out in the Acquisition Agreement and the due existence and good standing of each of the relevant companies;
- (iv) the Company having obtained an official valuation report at the cost of the Purchaser in a form and substance acceptable to the Company prepared and issued by a firm of independent valuers nominated by the Company showing the value of the Valle de Lerma Concession and the Selva Maria Concession being not less than the Consideration or its equivalent in other foreign currency;
- (v) the Completion Accounts A showing as at the day immediately prior to the Completion Date A no material adverse deviation from the Reviewed Accounts A, and the Target Group A having a positive net asset value;
- (vi) the Purchaser having obtained a legal opinion at the cost of the Purchaser in a form and substance acceptable to the Purchaser prepared by an Argentine legal adviser acceptable to the Purchaser on the legality, validity and enforceability of the Rights in relation to the Valle de Lerma Concession including but not limited to the ownership of 29.4% interests in the Valle de Lerma Concession, the related, potential exploration and/or exploitation rights as that set out in the Acquisition Agreement;
- (vii) the Purchaser having obtained a legal opinion at the cost of the Purchaser in a form and substance acceptable to the Purchaser prepared by an Argentine legal adviser acceptable to the Purchaser on the legality, validity and enforceability of the Rights in relation to the Selva Maria Concession including but not limited to the ownership of 35% interests in the Selva Maria Concession, the related, potential exploration and/or exploitation rights as that set out in the Acquisition Agreement;
- (viii) the Purchaser having obtained a technical report at the cost of the Purchaser in a form and substance acceptable to the Company having been prepared and issued by a firm of independent technical consultants showing that the total crude oil and natural gas reserves in the Valle de Lerma Concession and the Selva Maria Concession with no material adverse deviation to the valuation report referred to in the condition set out in (iv) above;
- (ix) the Purchaser or its nominee(s) having signed a Companies' Temporary Association Agreement ("UTE A") for the jointly-controlled operation of the Valle de Lerma Concession and Selva Maria Concession, reflecting the direct interest of the Purchaser or its nominee(s) in each of the Valle de Lerma Concession and Selva Maria

Concession as that interest holding structure as set out in the Acquisition Agreement, and such UTE A has been duly registered and recognised as effective and enforceable with the relevant authority in Argentina;

- (x) the respective exploitation permits for each of the Valle de Lerma Concession and the Selva Maria Concession issued by relevant authority in Argentina granting the exclusive rights to exploit solid, liquid and gaseous hydrocarbon deposits or otherwise in certain hydrocarbons areas in each of the Valle de Lerma Concession and the Selva Maria Concession;
- (xi) the Vendor's warranties being true and correct in all material respects as at Completion A by reference to the facts and circumstances subsisting at that date; and
- (xii) the Purchaser being satisfied with the results of its legal and financial due diligence in respect of the Target Group A by notifying the Vendor in writing.

The Company may waive the conditions precedent set out in (ii), (v), (ix) and (x) above by notice in writing to other parties to the Acquisition Agreement.

If any of the above conditions has not been fulfilled or waived (as the case may be) on or before 31 December 2012 or such other dates as may be agreed by the parties to the Acquisition Agreement in writing (except that the condition set out in (ii) above be fulfilled on 31 July 2012 or waived (as the case may be) and the conditions precedent set out in (v) and (xi) above be fulfilled or waived at or before Completion A (as the case may be)), the Acquisition Agreement shall be terminated as detailed in the paragraph headed "Termination — Target Company A" below.

Completion — Target Company A

Subject to the fulfilment or waiver of the conditions precedent as described above, Completion A shall take place at or before 5:00 p.m. (or such other time as the parties to the Acquisition Agreement may agree not less than one Business Day prior to the Completion Date A in writing) on Completion Date A.

Upon Completion A, the Target Company A will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group A will be consolidated into the financial statements of the Group.

Termination — Target Company A

In the event that Completion A does not occur and the Acquisition Agreement is terminated in accordance with its terms, (i) where the Vendor failed to perform, if not waived, any of its obligations at Completion A; or the Purchaser or the Company comes to know any material inconsistency under any of the Vendor's undertakings or any of the warranties given by the Vendor being incorrect or misleading in any material aspect prior to Completion A, the Deposit and the Further Deposit paid by the Purchaser shall be returned to the Purchaser without interest in full within five Business Days from the day of such termination, failing which default interest at the rate of 3% per annum shall be payable by the Vendor to the Purchaser; or (ii) where the Purchaser failed to perform, if not waived, any of its obligations at Completion A, the Deposit and the Further Deposit paid by the

Purchaser shall not be refunded to the Purchaser and shall be forfeited by the Vendor in full as the Vendor's liquidated damages but not as penalty; or (iii) where any of the conditions precedents as set out in (i) to (xii) above not being fulfilled or waived or the Vendor comes to know any material inconsistency under any of the Purchaser's undertakings or any warranties given by the Vendor being incorrect or misleading in any material aspect prior to Completion A, the Deposit and the Further Deposit minus a sum of HK\$1,000,000 shall be returned to the Purchaser without interest in full within 5 Business Day from the day of such termination failing which default interest shall be paid at the rate of 3% per annum shall be payable by the Vendor to the Purchaser and the sum of HK\$1,000,000 retained by the Vendor and not refunded to the Purchaser shall be forfeited by the Vendor in full as the Vendor's liquidated damages but not as penalty. Other than the repayment and forfeiture of the appropriate amount of the Deposit and the Further Deposit as set above, as the case may be, none of the parties shall be under any liability under the Acquisition Agreement and none of them may make any claim whatsoever against any of the other parties to the Acquisition Agreement whether for the non-fulfilment of any of the relevant obligations or undertakings or any breach of the Vendor's warranties or the Company's warranties (as the case may be) or otherwise in respect of such matters.

Conditions precedent to Completion B

Completion B is subject to the following conditions precedent being fulfilled:

- (1) The Company matters:
 - a. the Shares remaining listed and traded on the Main Board of the Stock Exchange at all times from the date hereof up to (and including) the Completion B, save for any temporary suspension not exceeding twelve consecutive business days (as defined in the Listing Rules), or such longer period as may be required by the SFC or the Stock Exchange in connection with the review and approval of the documents relating to the Acquisition Agreement by the SFC or the Stock Exchange prior to their release or publication, and no indication being received prior to Completion B from the SFC or the Stock Exchange to the effect that the listing of the Listed Shares on the Main Board of the Stock Exchange shall or may be withdrawn or objected to;
 - b. the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Conversion Shares (in each case, either unconditionally or subject only to conditions which the Vendor have no reasonable objection) where required, approved the issuance of the Convertible Notes;
- (2) the Vendor having delivered to the Purchaser two legal opinion at the cost of the Vendor each in a form and substance acceptable to the Company prepared by a BVI legal adviser and a Hong Kong legal adviser in respect of the Hong Kong company respectively, confirming the shareholding structure of Target Company B as set out in the Acquisition Agreement and the due existence and good standing of each of the relevant companies;

- (3) the Company having obtained an official valuation report at the cost of the Purchaser in a form and substance acceptable to the Company prepared and issued by a firm of independent valuers nominated by the Company showing the value of the San Salvador Concession and Libertador Concession being not less than HK\$1,000,000 or its equivalent in other foreign currency;
- (4) the Completion Accounts B showing as at the day immediately prior to the Completion Date B no material adverse deviation from the Reviewed Accounts B, and the Target Group B having a positive net asset value;
- (5) the Purchaser having obtained a legal opinion in a form and substance acceptable to the Purchaser prepared by an Argentine legal adviser acceptable to the Purchaser on the legality, validity and enforceability of the Rights in relation to the San Salvador Concession including but not limited to the ownership of 35% interests in the San Salvador Concession and the related and potential exploration and/or exploitation rights as that set out in the Acquisition Agreement;
- (6) the Purchaser having obtained a legal opinion in a form and substance acceptable to the Purchaser prepared by an Argentine legal adviser acceptable to the Purchaser on the legality, validity and enforceability of the Rights in relation to the Libertador Concession including but not limited to the ownership of 35% interests in the Libertador Concession and the related and potential exploration and/or exploitation rights as that set out in the Acquisition Agreement;
- (7) the Purchaser having obtained a technical report at the cost of the Purchaser in a form and substance acceptable to the Company having been prepared and issued by a firm of independent technical consultants showing that the total crude oil and natural gas reserves in San Salvador Concession and Libertador Concession with no material adverse deviation to the valuation report referred to in the condition set out in (3) above;
- (8) the Purchaser or its nominee(s) having signed a Companies' Temporary Association Agreement ("UTE B") for the jointly-controlled operation of the San Salvador Concession and Libertador Concession, reflecting the direct interest of the Purchaser or its nominee(s) in each of the San Salvador Concession and Libertador Concession as that interest holding structure as set out in the Acquisition Agreement, and such UTE B has been duly registered and recognised as effective and enforceable with the relevant authority in Argentina;
- (9) the respective exploitation permit for each of the San Salvador Concession and Libertador Concession issued by relevant authority in Argentina granting the exclusive rights to exploit solid, liquid and gaseous hydrocarbon deposits or otherwise in certain hydrocarbons areas in each of the San Salvador Concession and Libertador Concession;
- (10) Completion A having taken place;
- (11) the Vendor's warranties being true and correct in all material respects as at Completion B by reference to the facts and circumstances subsisting at that date; and

(12) the Purchaser being satisfied with the results of its legal and financial due diligence in respect of the Target Group B by notifying the Vendor in writing.

The Company may waive the conditions precedent set out in (4), (8) and (9) above by notice in writing to other parties to the Acquisition Agreement.

If any of the above conditions has not been fulfilled or waived (as the case may be) on or before 31 December 2012 or such other dates as may be agreed by the parties to the Acquisition Agreement in writing (except that the conditions precedent set out in (4) and (11) above be fulfilled or waived at or before Completion B (as the case may be), the Acquisition Agreement shall be terminated as detailed in the paragraph headed “Termination — Target Company B” below.

Completion — Target Company B

Subject to the fulfilment or waiver of the conditions precedent as described above, Completion B shall take place at or before 5:00 p.m. (or such other time as the parties to the Acquisition Agreement may agree not less than one Business Day prior to the Completion Date B in writing) on Completion Date B.

Upon Completion B, the Target Company B will become an indirect wholly-owned subsidiary of the Company and the financial results of the Target Group B will be consolidated into the financial statements of the Group.

Termination — Target Company B

In any event that Completion B does not occur but Completion A has already taken place and the Acquisition Agreement is terminated in accordance with its terms, the consideration for the Sale Interest A shall be deemed to be HK\$115,000,000 and payment made to the Vendor at Completion A shall be full and final settlement thereof and none of the parties shall be under any liability under the Acquisition Agreement and none of them may make any claim whatsoever against any of the other parties to the Acquisition Agreement whether for the non-fulfilment of any of the relevant obligations or undertakings or any breach of the Vendor’s warranties or the Company’s warranties (as the case may be) or otherwise in respect of such matters.

Convertible Notes

The principal terms of the Convertible Notes are summarised below:

Issuer:	The Company
Principal amount:	HK\$81,000,000
Denomination:	In the denomination of HK\$5,000,000 each (save for the Convertible Note to be issued for Completion B to be HK\$1,000,000)
Interest:	Non-interest bearing
Maturity date:	2 years from the date of issue
Security:	Unsecured

Conversion Shares:	Based on the initial Conversion Price of HK\$0.85 per Conversion Share, the Convertible Notes are convertible into 95,294,117 Conversion Shares, which represent approximately (i) 17.50% of the existing issued share capital of the Company; and (ii) 14.90% of the issued share capital of the Company as enlarged by the allotment and issue of the Conversion Shares upon full conversion of the Convertible Notes at the Conversion Price.
Ranking:	The Conversion Shares will rank pari passu in all respects with all the Shares in issue at the date on which the conversion rights attaching to the Convertible Notes are exercised.
Conversion right:	The holder of the Convertible Notes will have the right to convert the whole but not part of the principal amount of each of the Convertible Notes into Conversion Shares at any time and from time to time, from the date of the issue of the Convertible Notes and up to and inclusive of the maturity date, during which the Convertible Note remains outstanding.
Conversion restriction:	The holder of the Convertible Notes shall not have the right to convert the whole or part of the principal amount of the Convertible Notes into Shares to the extent that immediately after such conversion, (i) the holder of the Convertible Notes together with parties acting in concert with it or deemed to be so with it, taken together will, directly and indirectly, control or be interested in 20% or more of the voting rights of the Company or such other percentage specified in the Takeovers Code which the holder of the Convertible Notes and/or parties acting in concert with it would be obliged to make a general offer or be deemed to be an “Associated company” as defined under the Takeovers Code or deemed to be acting in concert under Takeovers Code in force from time to time whichever shall be the lowest; or (ii) there will not be sufficient public float of the Shares as required under the Listing Rules.
Conversion Price and adjustments:	HK\$0.85 per Conversion Share, subject to anti-dilutive adjustments upon the occurrence of, among others, subdivision or consolidation or reclassification of Shares, capitalization of profits or reserves, capital distribution, rights issues or grant of options, warrants or other rights to subscribe for Shares, issue of Shares or convertible or exchangeable securities or modification of rights attaching thereto at less than a certain rate of the then current market price of the Shares.

- Conversion period: 2 years
- Redemption: Unless conversion notice shall have previously been given by the holder of the Convertible Notes to the Company, the Company shall have the right at any time after the issue of the Convertible Notes and up to and inclusive of the maturity date to redeem the whole or part of the outstanding Convertible Notes (other than that part of the outstanding Convertible Notes to which the conversion notice relates) at the redemption amount provided that (a) the Company shall have given to the holder of the Convertible Notes not less than 1 Business Day's prior irrevocable notice of its intention to make such redemption, specifying the amount to be redeemed and the date of such redemption provided that such date of redemption must be a Business Day; and (b) any redemption shall be made in an amount of not less than an integral multiple of HK\$1,000,000.
- Listing: No application will be made for the listing of the Convertible Notes on the Stock Exchange or any other stock exchange. Application will be made by the Company to the Stock Exchange for the approval of the listing and permission to deal in the Conversion Shares.
- Transferability: The Convertible Notes may be assigned or transferred with the prior consent of the Company (whose consent shall not be unreasonably withheld or delayed) and (if required) that of Stock Exchange, to any party, and the Company shall use all reasonable endeavours to facilitate any such assignment or transfer of the Convertible Notes, including making any necessary applications to the Stock Exchange for approval (if required). Transfer of the Convertible Notes shall be subject to the other provisions herein provided that the whole principal amount of each Convertible Note (but not part only) may be assigned and transferred.
- Voting: The Convertible Notes shall not carry any voting rights
- The initial Conversion Price of HK\$0.85 per Conversion Share represents:
- (i) a discount of 4.5% to the closing price of HK\$0.89 per Share as quoted on the Stock Exchange on the Last Trading Day;
 - (ii) a discount of 5.1% to the average of the closing price of the Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$0.896 per Share;

- (iii) a discount of 7.6% to the average of the closing price of the Shares as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day of approximately HK\$0.92 per Share; and
- (iv) a discount of 89.6% to the audited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$8.17 as at 31 December 2011.

The Conversion Price of HK\$0.85 per Conversion Share was determined after arm's length negotiations between the Company and the Vendor with reference to the prevailing market prices of the Shares. The Directors consider that the Conversion Price is fair and reasonable.

Promissory Note

The principal terms of the Promissory Note are summarised below:

Issuer:	The Company
Principal amount:	HK\$10,000,000
Interest:	3% per annum
Maturity:	2 years
Security:	Unsecured
Repayment:	The Company is entitled to repay any outstanding amount of the principal amount under any Promissory Note prior to the maturity date
Transferability:	Assignable with 7 days advance written notice
Issue date:	The Completion Date A

It is expected that the Promissory Note will be repaid from the Group's internal resources and/or funds raised through equity and/or debt financing.

INFORMATION ON THE TARGET COMPANIES

Target Company A

Target Company A is an investment holding company incorporated in the BVI with limited liability with an issued share capital of US\$1 as at the date of the Acquisition Agreement. The principal asset of Target Company A is the 100% equity interest in Able Vision Limited, which has a potential 29.4% interest in the Valle de Lerma Concession and a potential 35% interest in the Selva Maria Concession. Further details of the Valle de Lerma Concession and the Selva Maria Concession are set out in the paragraph headed “Information on the Concessions” below.

Financial information of the Target Company A

Based on the unaudited financial statements provided by the Vendor, Target Company A did not undergo any business activities. It recorded a net asset value of HK\$8 as at 14 May 2012 as prepared in accordance with the Hong Kong Financial Reporting Standards.

Target Company B

Target Company B is an investment holding company incorporated in the BVI with limited liability with an issued share capital of US\$1 as at the date of the Acquisition Agreement. The principal asset of Target Company B is the 100% equity interest in King Creative Limited, which has a potential 35% interest in the San Salvador Concession and a potential 35% interest in the Libertador Concession. Further details of the San Salvador Concession and the Libertador Concession are set out in the paragraph headed “Information on the Concessions” below.

Financial information of the Target Company B

Based on the unaudited financial statements provided by the Vendor, Target Company B did not undergo any business activities. It recorded a net asset value of HK\$8 as at 14 May 2012 as prepared in accordance with the Hong Kong Financial Reporting Standards.

INFORMATION ON THE CONCESSIONS

The Concessions

Based on the information provided by the Vendor, to the best knowledge of the Directors, information on the Concessions are as follows:

(1) *Valle de Lerma Concession*

The Valle de Lerma Concession is situated in the province of Salta in Argentina and located in the Eastern Mountain Range area which is accessible through with national highways. It covers an area of approximately 5,259 square kilometers as described in the Gauss Kruger Coordinates as set out below:

VALLE DE LERMA AREA **Gauss Kruger Coordinates**

Corner	x	y
1	Salta-Jujuy Border	3,590,000
2	7,207,000	3,590,000
3	7,207,000	3,575,000
4	7,175,000	3,575,000
5	7,175,000	3,540,000
6	7,292,300	3,540,000

Approximate surface area: 5,259 km²

(2) *Selva Maria Concession*

The Selva Maria Concession is situated in the province of Formosa in Argentina and located in a part of the zones corresponding to the Northwest Cretaceous Basin, which is accessible by land transport. It covers an area of approximately 3,500 square kilometers as described in the Gauss Kruger Coordinates as set out below:

SELVA MARÍA AREA **Gauss Kruger Coordinates**

Corner	x	y
1	4,598,000	7,466,000
2	4,592,000	7,466,000
3	4,592,000	7,458,500
4	4,595,000	7,458,500
5	4,595,000	7,460,000
6	4,595,500	7,460,000

Approximate surface area: 3,500 km²

(3) San Salvador Concession

The San Salvador Concession is situated in the province of Jujuy in Argentina and located in the Eastern Mountain Range area, which is accessible through with national highways. It covers an area of approximately 4,270.9 square kilometers as described in the Gauss Kruger Coordinates as set out below:

**SAN SALVADOR AREA
Gauss Kruger Coordinates**

Corner	x	y
1	7,350,000	3,620,000
2	Lim. Salta-Jujuy	3,620,000
3	Lim. Salta-Jujuy	3,550,000
4	7,350,000	3,550,000

Approximate surface area: 4,270.9 km²

(4) Libertador Concession

The Libertador Concession is situated in the province of Jujuy in Argentina and located in the Eastern Mountain Range area, which is accessible through with national highways. It covers an area of approximately 2,567.9 square kilometers as described in the Gauss Kruger Coordinates as set out below:

**LIBERTADOR GENERAL SAN MARTÍN AREA
Gauss Kruger Coordinates**

Corner	x	y
1	Jujuy-Jujuy border	3,650,000
2	7,350,000	Lim. Salta-Jujuy
3	7,350,000	3,620,000
4	7,385,000	3,620,000
5	7,385,000	3,635,000
6	7,375,000	3,635,000
7	7,375,000	3,650,000

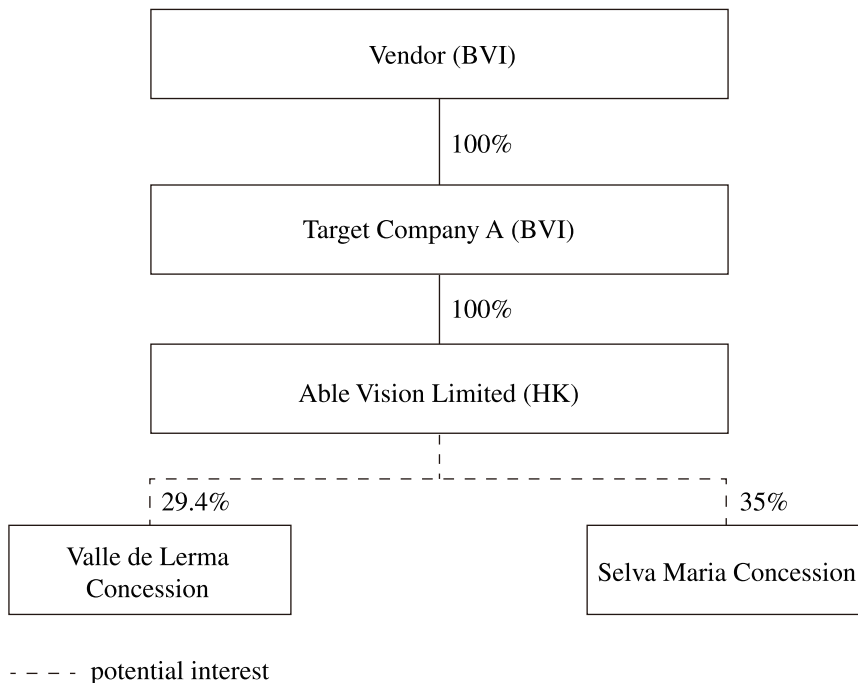
Approximate surface area: 2,567.9 km²

Shareholding structure of the Concessions

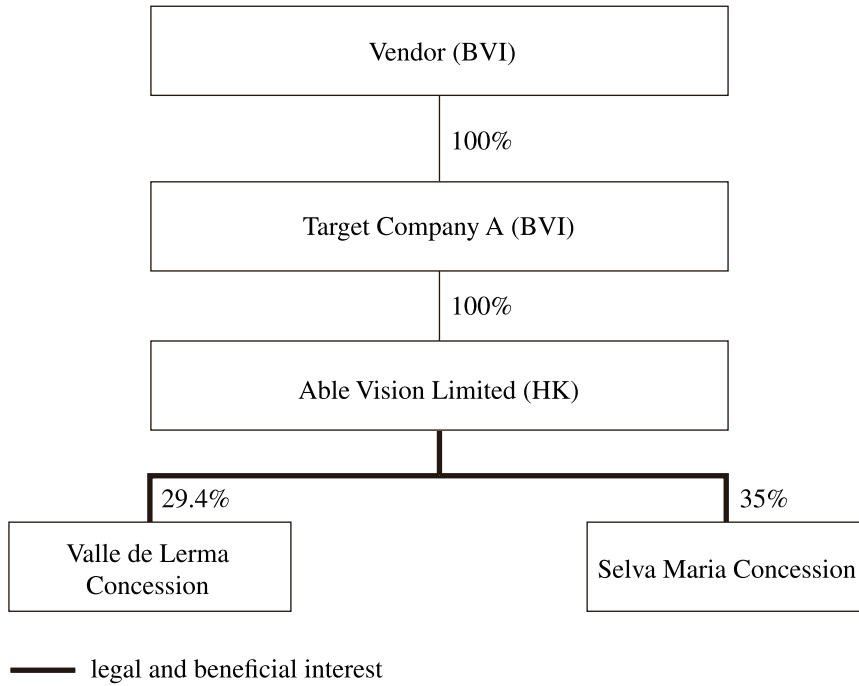
To the best knowledge of the Directors, set out below is the shareholding structure of the Target Companies as at the date of this announcement and immediately after Completion:

(i) As at the date of this announcement:

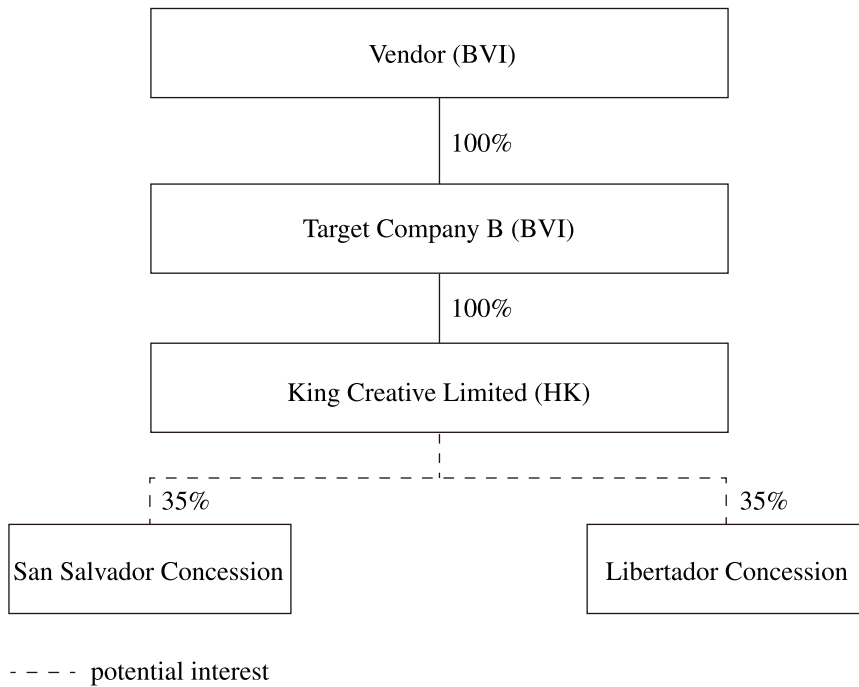
Target Group A corporate structure chart (as at the date of the Acquisition Agreement)



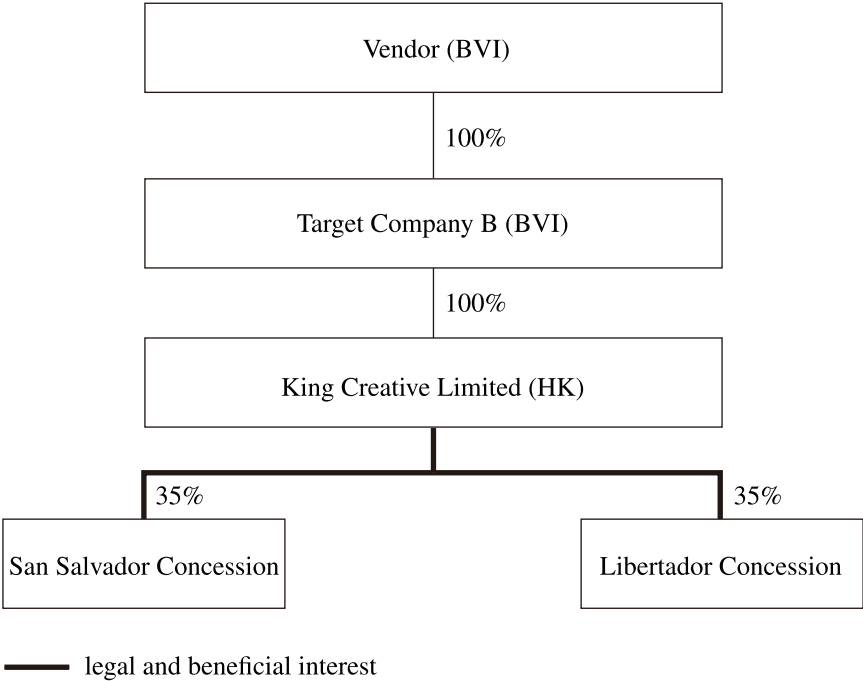
Target Group A corporate structure chart (as at the date immediately prior to Completion A)



Target Group B corporate structure chart (as at the date of the Acquisition Agreement)

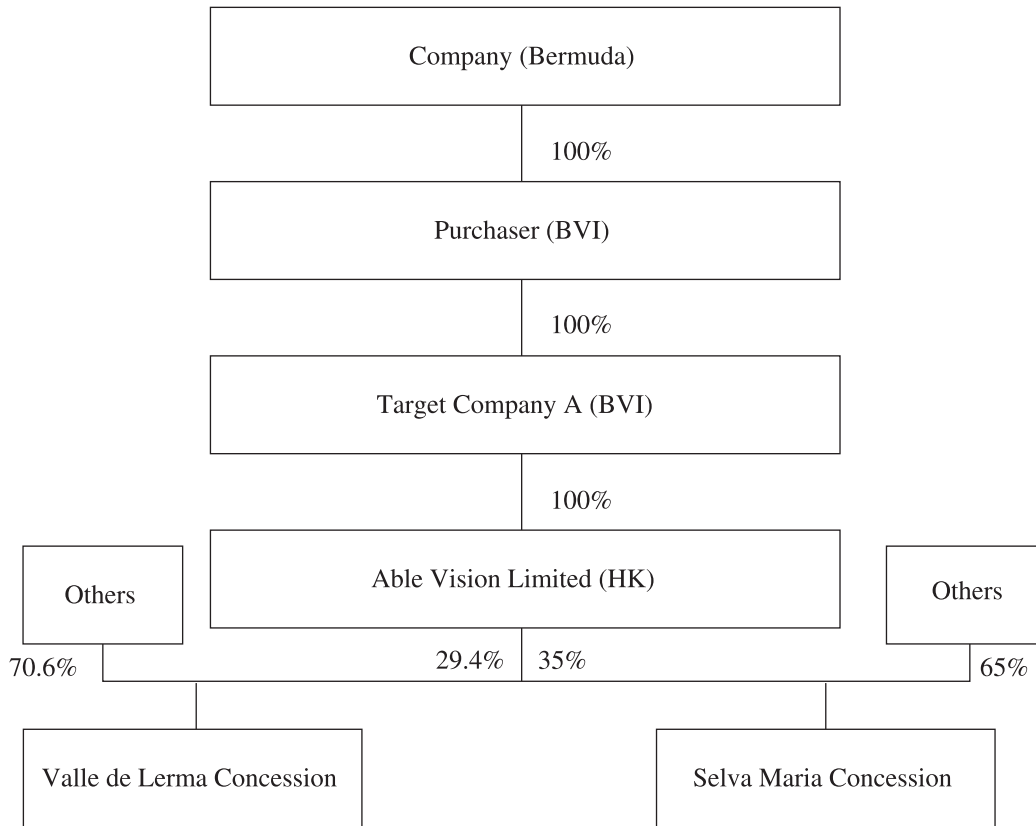


Target Group B corporate structure chart (as at the date immediately prior to Completion B)



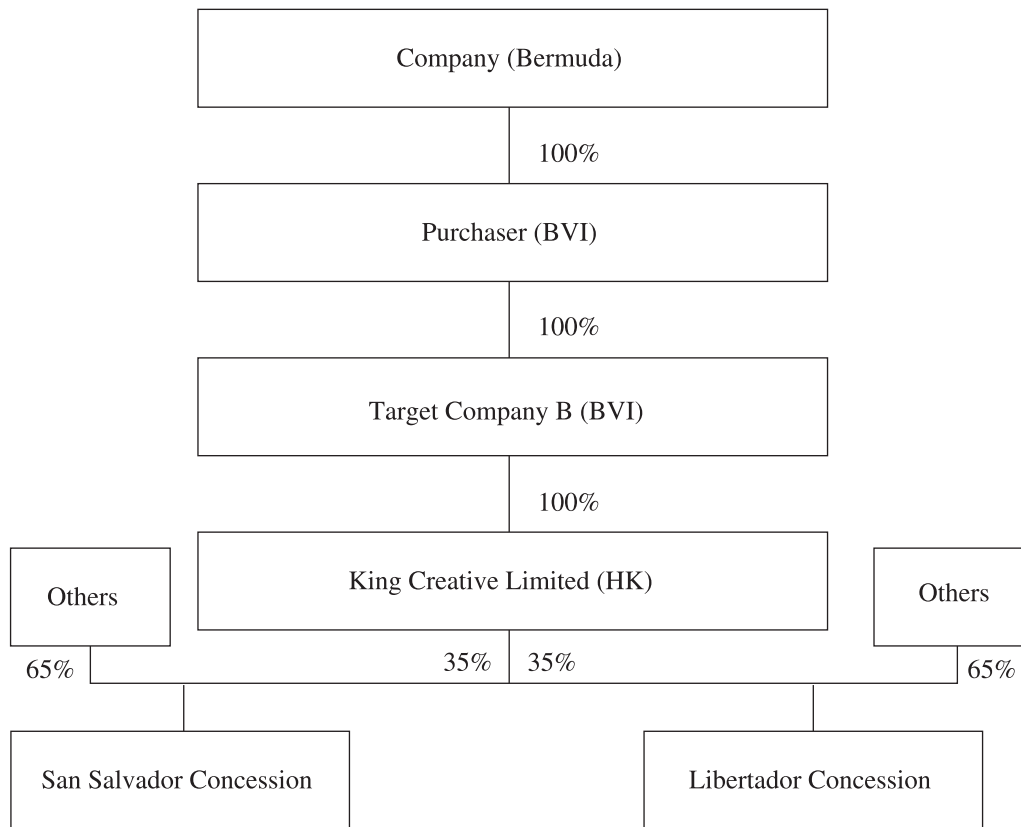
(ii) Immediately after Completion A

Corporate structure of the interest holding parties over the Valle de Lerma Concession and the Selva Maria Concession upon Completion A



(iii) Immediately after Completion B

Corporate structure of the interest holding parties over the San Salvador Concession and Libertador Concession upon Completion B



REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal activity of the Company is investment holding, and its subsidiaries are mainly engaged in general trading, oil exploration and exploitation, energy and natural resources related business.

The Company intends to further enhance its investment portfolio in the energy and natural resources related business and therefore intends to acquire the Sale Interest through the Purchaser. The Group will also continue to conduct due diligence exercise on the Concessions which will include further geological studies on the Concessions and will design the exploitation plan based on the results of the geological studies. The Company is optimistic about the business prospects and development potential of the Concessions. In light of the increasing trend in the oil price in the international market, the Directors believe that the Acquisition will provide an opportunity for the Company to increase its investment in the Concessions with a view to enhancing future returns to the Group.

In view of the above, the Board considers that the terms and conditions of the Acquisition Agreement are fair and reasonable and the Acquisition is in the interest of the Company and the Shareholders as a whole.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the Conversion Shares, assuming there is no other changes in the shareholding structure of the Company after the date of this announcement:

	As at the date of this announcement		Immediately after the allotment and issue of the Conversion Shares upon full conversion of the Convertible Notes	
	Number of Shares	%	Number of Shares	%
Max Sun Enterprises Limited (<i>Note 1</i>)	60,430,276	11.10	60,430,276	9.45
Mr. Cheng Ming Kit (<i>Note 2</i>)	1,000	0.00	1,000	0.00
Mr. Fung Siu To, Clement (<i>Note 2</i>)	30,000	0.00	30,000	0.00
The Vendor	—	—	95,294,117	14.90
Public Shareholders	<u>484,000,811</u>	<u>88.90</u>	<u>484,000,811</u>	<u>75.65</u>
Total	<u>544,462,087</u>	<u>100.00</u>	<u>639,756,204</u>	<u>100.00</u>

Notes:

1. Max Sun Enterprises Limited is a wholly-owned subsidiary of Chow Tai Fook Nominee Limited. So far as known to the Directors, Chow Tai Fook Nominee Limited is in turn controlled by Dato' Dr. Cheng Yu Tung.
2. Mr. Cheng Ming Kit and Mr. Fung Siu To, Clement are executive Directors.

LISTING RULES IMPLICATIONS

As the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

The Directors intended that the Convertible Notes will be issued under a general mandate (the "General Mandate") granted to the Directors at the annual general meeting of the Company held on 14 May 2012 under which the maximum number of Shares which may be allotted and issued under the General Mandate is 108,892,417 Shares. Application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Conversion Shares to be allotted and issued upon exercise of the conversion rights under the Convertible Notes.

In the event that the General Mandate has been utilised to an extent that the Specific Mandate is required for the issue of the Convertible Notes, the Company will seek the Specific Mandate from the Shareholders at the SGM for approval of the same.

Where the Specific Mandate is required, a circular containing, among other things, (i) details of the Acquisition; (ii) details of the Convertible Notes; (iii) other information as required under the Listing Rules; and (iv) the notice of the SGM together with the proxy form will be sent to the Shareholders as and when appropriate. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution to be proposed at the SGM in relation to the Specific Mandate.

DEFINITIONS

In this announcement, the following terms have the following meanings:

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the terms and conditions of the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 15 May 2012 entered into between the Company, the Purchaser, the Target Companies and the Vendor in respect of the Acquisition
“Argentina”	the Argentine Republic
“Business Day”	a day (other than Saturday) on which banks in Hong Kong are open to conduct business generally throughout their normal business hours and Business Days shall be construed accordingly
“BVI”	British Virgin Islands
“Company”	New Times Energy Corporation Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00166)
“Completion”	Completion A or, as the case may be, Completion B
“Completion A”	the completion of the sale and purchase of the Sale Share A
“Completion Accounts”	the Completion Accounts A and the Completion Accounts B
“Completion Accounts A”	the unaudited consolidated profit and loss account and balance sheet of the Target Company A for the period from the date of its incorporation to the date which is one day before the Completion Date A to be furnished by the Vendor to the Purchaser at or before Completion A
“Completion B”	the completion of the sale and purchase of the Sale Share B

“Completion Accounts B”	the unaudited consolidated profit and loss account and balance sheet of the Target Company B for the period from the date of its incorporation to the date which is one day before the Completion Date B to be furnished by the Vendor to the Purchaser at or before Completion B
“Completion Date”	Completion Date A, or as the case may be, Completion Date B
“Completion Date A”	the third Business Day following the date on which the last of the conditions precedent to Completion A (except the conditions precedent set out in (v) and (xi) above which shall be fulfilled at Completion A) has been fulfilled or such other date as the Parties may agree in writing on which this Completion Date A shall take place
“Completion Date B”	the third Business Day following the date on which the last of the conditions precedent to Completion B (except the conditions precedent set out in (4) and (11) above which shall be fulfilled at Completion B) has been fulfilled or such other date as the Parties may agree in writing on which this Completion Date B shall take place
“Concessions”	(1) Valle de Lerma Concession; (2) Selva Maria Concession; (3) San Salvador Concession and (4) Libertador Concession
“Consideration”	the total consideration in the amount of HK\$116,000,000 payable by the Purchaser to the Vendor for the Acquisition
“Conversion Price”	the initial conversion price of HK\$0.85 per Conversion Share for the Convertible Notes
“Conversion Shares”	the 95,294,117 new Shares to be issued and allotted by the Company upon the exercise in full by the holders of the Convertible Notes of the conversion rights thereunder at the Conversion Price
“Convertible Notes”	the convertible notes in the aggregate principal amount of HK\$81,000,000 to be issued by the Company in favour of the Vendor and/or its nominee(s)
“Deposit”	the sum of HK\$15,000,000 which was paid by the Purchaser to the Vendor as refundable deposit pursuant to the MOU and as part payment of the Consideration pursuant to the Acquisition Agreement
“Director(s)”	director(s) of the Company

“Further Deposit”	the sum of HK\$10,000,000 which will be paid by the Purchaser to the Vendor as refundable deposit pursuant to the Acquisition Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) who is/are independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
“Last Trading Day”	15 May 2012, being the last trading day of the Shares prior to the date of the Acquisition Agreement
“Libertador Concession”	the concession in the Libertador General San Martin area located in the province of Jujuy in Argentina covering a surface area of approximately 2,567.9 square kilometres as described in the Gauss Kruger Coordinates through a private initiative submitted to the Governor of the Province of Jujuy dated 12 September 2011
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	memorandum of understanding dated 25 February 2012 entered into between the Purchaser and the Vendor in respect of the Acquisition
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administration Region of the PRC and Taiwan for the purpose of this announcement
“Promissory Note”	the promissory note to be issued by the Company in the principal amount of HK\$10,000,000 to the Vendor or its nominee(s)
“Purchaser”	Total Belief Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Reviewed Accounts”	Reviewed Accounts A and Reviewed Accounts B
“Reviewed Accounts A”	the audited consolidated profit and loss account and consolidated balance sheet of the Target Company A for the period from the date of incorporation of the Target Company A to the Reviewed Accounts Date and the balance sheet of the Target Company A as at the Reviewed Accounts Date, certified copies of which are to be provided to the Purchaser on or before 31 July 2012

“Reviewed Accounts B”	the audited consolidated profit and loss account and consolidated balance sheet of the Target Company B for the period from the date of incorporation of the Target Company B to the Reviewed Accounts Date and the balance sheet of the Target Company B as at the Reviewed Accounts Date, certified copies of which are to be provided to the Purchaser on or before 31 July 2012
“Reviewed Accounts Date”	30 June 2012
“Rights”	exclusive rights, or where appropriate, prospective exclusive rights to explore and exploit solid, liquid and gaseous hydrocarbon deposits or otherwise in certain hydrocarbons areas in the province of Salta, Jujuy and Formosa in Argentina, the particulars of which are set out in the Acquisition Agreement
“Sale Interest A”	29.4% interests in the Rights in the Valle de Lerma Concession in the province of Salta and 35% interests in the Rights in the Selva Maria Concession in the province of Formosa
“Sale Interest B”	35% interests in the Rights in the San Salvador Concession in the province of Jujuy and 35% interests in the Rights in the Libertador Concession in the province of Jujuy
“Sale Interests”	Sale Interest A and Sale Interest B
“Sale Share A”	the one share in the issued share capital of Target Company A currently owned by the Vendor representing 100% of the issued share capital of the Target Company A as at Completion A
“Sale Share B”	the one share in the issued share capital of Target Company B currently owned by the Vendor representing 100% of the issued share capital of the Target Company B as at Completion B
“Sale Shares”	Sale Share A and Sale Share B
“SFC”	the Securities and Futures Commission of Hong Kong
“SGM”	the special general meeting of the Company to be convened to approve the Specific Mandate

“San Salvador Concession”	the concession in the San Salvador area located in the province of Jujuy in Argentina covering a surface area of approximately 4,270.9 square kilometres as described in the Gauss Kruger Coordinates; through a private initiative submitted to the Governor of the Province of Jujuy dated 19 September 2011
“Selva Maria Concession”	the concession in the Selva Maria area located in the province of Formosa in Argentina covering a surface area of approximately 3,500 square kilometres as described in the Gauss Kruger Coordinates through a private initiative submitted to the Governor of the Province of Formosa dated 12 September 2011
“Share(s)”	ordinary share(s) of HK\$0.5 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	a specific mandate to be sought from the Shareholders at the SGM in relation to the allotment and issue of the Conversion Shares upon conversion of the Convertible Notes
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Target Companies”	collectively Target Company A and Target Company B
“Target Company A”	New Choice Group Limited, a company incorporated with limited liability under the laws of the British Virgin Islands on 24 February 2012 with registered office at Akara Bldg., 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands
“Target Company B”	Glory Brightness Ltd., a company incorporated with limited liability under the laws of the British Virgin Islands on 29 March 2012 with registered office at Akara Bldg., 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands
“Target Group A”	the Target Company A and its subsidiaries
“Target Group B”	the Target Company B and its subsidiaries
“Target Groups”	the Target Group and its subsidiaries (if any)

“Valle de Lerma Concession”	the concessions of exploration permit, potential exploration permit and development of hydrocarbons granted by the Government of the Province of Salta in relation to the Valle de Lerma area located in the province of Salta in Argentina covering a surface area of approximately 5,259 square kilometres as described in the Gauss Kruger Coordinates through a Provincial Government Decree No. 4519, dated 25 October 2011
“Vendor”	Principle Petroleum Limited who owns the Target Companies and is an Independent Third Party
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

By order of the Board
New Times Energy Corporation Limited
Cheng Kam Chiu, Stewart
Chairman

Hong Kong, 15 May 2012

As at the date of this announcement, the board of Directors comprises eight Directors, of which three are executive Directors, namely Mr. Cheng Kam Chiu, Stewart, Mr. Cheng Ming Kit and Mr. Sun Jiang Tian; two are non-executive Directors, namely Mr. Wong Man Kong, Peter and Mr. Chan Chi Yuen; and three are independent non-executive Directors, namely Mr. Fung Chi Kin, Mr. Fung Siu To, Clement and Mr. Chiu Wai On.