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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)

PROPOSED SHARE CONSOLIDATION AND PROPOSED CAPITAL REDUCTION

PROPOSED SHARE CONSOLIDATION

The Company proposes to implement the Share Consolidation of every twenty (20) issued and unissued Shares of HK\$0.10 each in the share capital of the Company into one (1) Consolidated Share of HK\$2.00.

PROPOSED CAPITAL REDUCTION

The Company proposes to implement the Capital Reduction involving the reduction of the existing share capital of the Company through a cancellation of the fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation and the paid-up capital of the Company to the extent of HK\$1.50 on each of the issued Consolidated Shares so that the nominal value of each issued Consolidated Share will be reduced from HK\$2.00 to HK\$0.50.

Immediately following the Capital Reduction becoming effective, each authorised but unissued Consolidated Share will also be sub-divided into four (4) New Shares with a par value of HK\$0.50 each.

GENERAL

The Circular setting out, among other things, (i) further details on (a) the Share Consolidation; and (b) the Capital Reduction; and (ii) a notice of the SGM, will be despatched to the Shareholders as soon as practicable.

* For identification purpose only

PROPOSED SHARE CONSOLIDATION

The Company proposes to implement the Share Consolidation of every twenty (20) issued and unissued Shares of HK\$0.10 each in the share capital of the Company into one (1) Consolidated Share of HK\$2.00. The Share Consolidation will become effective upon the fulfillment of the conditions set out in the paragraph headed “Conditions of the Share Consolidation and Capital Reduction” below.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$2,000,000,000.00 divided into 20,000,000,000 Shares of HK\$0.10 each, of which 9,089,241,759 Shares have been issued and are fully paid. On the basis of such issued share capital, there will be 454,462,087 whole Consolidated Shares in issue immediately upon the Share Consolidation becoming effective (assuming that no further Existing Shares are issued or repurchased by the Company from the date of this announcement to the effective date of the Share Consolidation).

Fractional Consolidated Shares will not be allocated to the Shareholders but will be aggregated and, if possible, sold for the benefit of the Company. The Consolidated Shares will rank *pari passu* in all respects with each other and the Share Consolidation will not result in any change in the relative rights or proportionate interests of the Shareholders.

The board lot size for trading of the Consolidated Shares on the Stock Exchange will remain unchanged at 2,000 Consolidated Shares upon the Share Consolidation becoming effective.

Implementation of the Share Consolidation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, except for the payment of the related expenses.

Reasons for the Share Consolidation

The proposed Share Consolidation will increase the nominal value of the Existing Shares and reduce the total number of Existing Shares currently in issue. It is expected to bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction costs for dealing in the Consolidated Shares. Accordingly, the Directors are of the view that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

Listing and Dealings

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Consolidated Shares arising from the Share Consolidation.

The Consolidated Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

PROPOSED CAPITAL REDUCTION

The Company proposes to implement the Capital Reduction involving the reduction of the existing share capital of the Company through a cancellation of the fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation and the paid-up capital of the Company to the extent of HK\$1.50 on each of the Consolidated Shares so that the nominal value of each Consolidated Share will be reduced from HK\$2.00 to HK\$0.50 and a sub-division of each unissued Consolidated Share into four (4) New Shares of HK\$0.50 each.

After Capital Reduction, the authorised share capital of the Company shall be HK\$2,000,000,000.00 divided into 4,000,000,000 New Shares of HK\$0.50 each.

The Capital Reduction will become effective upon the fulfillment of the conditions set out in the paragraph headed “Conditions of the Share Consolidation and Capital Reduction” below.

Effect of the Capital Reduction

As at the date of this announcement, the authorised share capital of the Company is HK\$2,000,000,000.00 divided into 20,000,000,000 Shares of HK\$0.10 each, of which 9,089,241,759 Shares have been issued and are fully paid. Upon the approval of the Share Consolidation and Capital Reduction becoming effective, the authorised share capital of the Company will be HK\$2,000,000,000.00 divided into 4,000,000,000 New Shares of HK\$0.50 each, of which 454,462,087 whole Consolidated Shares of HK\$0.50 each will be in issue.

On the assumption that no further Existing Shares will be issued or repurchased by the Company after the date of this announcement, the nominal value of the issued share capital of the Company immediately before the Capital Reduction becoming effective will be approximately HK\$908,924,175.90. A credit of approximately HK\$681,693,132.40 will arise as a result of the Capital Reduction. Such credit will be applied by the Directors to set off against the accumulated losses of the Company and the balance (if any) will be transferred to a distributable reserve called the contributed surplus account of the Company. The accumulated losses of the Company were approximately HK\$236,946,000.00 as shown in the audited financial statements of the Company for the year ended 31 December 2010.

Implementation of the Capital Reduction will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, except for the payment of the related expenses. The Directors

believe that the Capital Reduction will not have any adverse effect on the financial position of the Company and its subsidiaries and the Directors believe that on the date the Capital Reduction is to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reduction would be, unable to pay its liabilities as they become due. No capital will be lost as a result of the Capital Reduction and, except for the expenses involved in relation to the Capital Reduction which is expected to be insignificant in the context of the net asset value of the Company, the net asset value of the Company will remain unchanged before and after the Capital Reduction becoming effective. The Capital Reduction does not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any paid up capital of the Company. The Capital Reduction will not result in any change in the relative rights of the Shareholders.

Assuming there will be no change in the issued share capital of the Company from the date of this announcement up to the date on which the Share Consolidation and Capital Reduction become effective, the share capital structure of the Company will be as follows:

	As at the date of this announcement	Immediately after the Share Consolidation and Capital Reduction become effective
Amount of authorised share capital	HK\$2,000,000,000.00	HK\$2,000,000,000.00
Par value	HK\$0.10	HK\$0.50 per New Share
Number of authorised shares	20,000,000,000	4,000,000,000
Amount of issued share capital	HK\$908,924,175.90	HK\$227,231,043.50
Number of issued shares	9,089,241,759	454,462,087 New Shares
Amount of unissued share capital	HK\$1,091,075,824.10	HK\$1,772,768,956.50
Number of unissued shares	10,910,758,241	3,545,537,913 New Shares

The resulting New Shares of nominal value of HK\$0.50 each will rank *pari passu* in all respects with each other in accordance with the Company's Bye-Laws.

Reason for the Capital Reduction

The Directors consider that the Capital Reduction will give greater flexibility to the Company to raise funds through the issue of New Shares in the future and the elimination of the Company's accumulated loss will allow greater flexibility for the Company to pay dividends in the future. As such, the Directors are of the view that the Capital Reduction is in the interests of the Company and the Shareholders as a whole.

At this stage, there can be no assurance that a dividend will be declared or paid in future even if the Capital Reduction becomes effective.

CONDITIONS OF THE SHARE CONSOLIDATION AND CAPITAL REDUCTION

The Share Consolidation and Capital Reduction are conditional upon the fulfillment of the following conditions:

- (i) the passing by Shareholders of the ordinary and special resolutions at the SGM by way of poll to approve the Share Consolidation and Capital Reduction;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the New Shares in issue and to be issued upon the Share Consolidation and Capital Reduction becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under Bermuda law (where applicable) and the Listing Rules to effect the Share Consolidation and Capital Reduction.

Subject to the fulfillment of the above conditions, it is expected that the Share Consolidation and Capital Reduction will become effective on the next business day following the date of passing the relevant resolutions to approve the Share Consolidation and Capital Reduction.

FREE EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Consolidation and Capital Reduction becoming effective, Shareholders may, from Monday, 21 November 2011 to Thursday, 29 December 2011 (both dates inclusive), submit Existing Share Certificates for the Existing Shares in board lot of 2,000 Existing Shares, which is blue in color, to the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26/F Tesbury Centre 28 Queen's Road East, Wan Chai, Hong Kong in exchange for the New Share Certificates for the New Shares, at the expense of the Company, which will be purple in color. It is expected that the New Share Certificates will be available to the Shareholders for collection within 10 business days from the date of submission for the exchange. Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 or such higher amount as may from time to time be allowed by the Stock Exchange for each Existing Share Certificate of the Existing Shares cancelled or each New Share Certificate to be issued for the New Shares, whichever number of certificates cancelled/issued is higher, payable by the Shareholders to the Registrar of the Company.

Nevertheless, certificates for the Existing Shares will continue to be good evidence of legal title and will be valid for dealings, trading and settlement purpose after the Share Consolidation and Capital Reduction have become effective and may be exchanged for certificates for the New Shares at any time in accordance with the foregoing.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots of the New Shares, the Company will procure an arrangement with an agent to stand in the market to provide matching service for the odd lots of the New Shares on a best effort basis. Further details in respect of the odd lot arrangement will be set out in the Circular to be despatched to the Shareholders.

ADJUSTMENT IN RELATION TO THE OUTSTANDING CONVERTIBLE NOTES AND SHARE OPTIONS

As a result of the Share Consolidation and Capital Reduction, the conversion price of the Convertible Notes may be adjusted in accordance with the respective terms and conditions of the Convertible Notes and the Listing Rules or guidelines issued by the Stock Exchange from time to time. As at the date of this announcement, there are outstanding principal amount of HK\$10,000,000.00 Convertible Notes and 261,665,000 outstanding share options. Save for the aforesaid, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Existing Shares.

The Company will instruct its auditors or an independent financial adviser to certify the adjustments, if any, to the conversion price of the Convertible Notes and the outstanding share options and will inform the CN Holders and option holder(s) of such adjustments, if any, accordingly.

Further announcements will be made by the Company in respect of such adjustments as and when appropriate.

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Share Consolidation and Capital Reduction.

Despatch of the circular regarding the Share Consolidation and Capital Reduction	Monday, 24 October 2011
Publication of the notice of SGM	Monday, 24 October 2011
Latest time for lodging the form of proxy for the SGM.	11:00 a.m. on Wednesday, 16 November 2011
Date of SGM.	11:00 a.m. on Friday, 18 November 2011
Publication of SGM results announcement	Friday, 18 November 2011

The following event is conditional on the fulfillment of the conditions for the implementation of the Share Consolidation and Capital Reduction, the dates are therefore tentative:

Effective date of the Share Consolidation and Capital Reduction	9:00 a.m. on Monday, 21 November 2011
Commencement of dealings in New Shares	Monday, 21 November 2011

Original counter for trading in Existing Shares
in board lots of 2,000 Existing Shares
(in the form of Existing Share Certificates) closes9:00 a.m. on Monday,
21 November 2011

Temporary counter for trading in New Shares
in board lots of 100 New Shares
(in the form of Existing Share Certificates) opens9:00 a.m. on Monday,
21 November 2011

First day of free exchange of Existing Share Certificates
for New Shares Certificates Monday, 21 November 2011

First day of operation of odd lot trading facilityMonday, 5 December 2011

Original counter for trading in New Shares
in board lots of 2,000 New Shares
(in the form of New Share Certificates) reopens9:00 a.m. on Monday,
5 December 2011

Parallel trading in New Shares (in the form of
New Share Certificates and Existing Share Certificates)
commences9:00 a.m. on Monday,
5 December 2011

Temporary counter for trading in New Shares
in board lots of 100 New Shares
(in the form of Existing Share Certificates) closes4:00 p.m. on Friday,
23 December 2011

Parallel trading New Shares (in the form of
New Share Certificates and Existing Share Certificates) ends4:00 p.m. on Friday,
23 December 2011

Last day of operation of odd lot trading facility.4:00 p.m. on Friday,
23 December 2011

Last day for free exchange of Existing Share Certificates
for New Share Certificates.Thursday, 29 December 2011

All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above depends on the results of the SGM and are therefore for indicative purpose only. An announcement will be made regarding any changes to the expected timetable as and when appropriate.

GENERAL

The Circular setting out, among other things, (i) further details on (a) the Share Consolidation; and (b) the Capital Reduction; and (ii) a notice of the SGM, will be despatched to the Shareholders as soon as practicable.

DEFINITIONS

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

“Board”	the board of Directors
“Capital Reduction”	the proposed cancellation of the fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation and reduction of the nominal value of the Consolidated Shares from HK\$2.00 each to HK\$0.50 by cancelling the paid up capital to the extent of HK\$1.50 on each of the issued Consolidated Shares
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular to be despatched to the Shareholders setting out, among other things, (i) further details on (a) the Share Consolidation; and (b) the Capital Reduction; and (ii) a notice of the SGM
“CN Holder(s)”	holder(s) of the Convertible Notes
“Company”	New Times Energy Corporation Limited, a company incorporated in the Bermuda with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$2.00 each in the capital of the Company immediately after the Share Consolidation becoming effective
“Convertible Notes”	the convertible redeemable notes issued by the Company in the aggregate principal amount of HK\$160,000,000.00 maturing on 9 February 2012, of which HK\$10,000,000.00 are still outstanding
“Director(s)”	director(s) of the Company
“Existing Share Certificate(s)”	certificates for the Existing Shares in blue color
“Existing Shares”	shares of HK\$0.10 each of the Company
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong

“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“New Share Certificate(s)”	certificates for the New Shares in purple color
“New Share(s)”	share(s) of HK\$0.50 each in the share capital of the Company upon the Share Consolidation and Capital Reduction taking effect
“Registrar”	the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at 26/F Tesbury Centre 28 Queen’s Road East, Wan Chai, Hong Kong
“SGM”	a special general meeting of the Company to be convened to consider and, if thought fit, passing the relevant resolutions to approve, among other things, (a) the Share Consolidation; and (b) the Capital Reduction
“Share Consolidation”	the consolidation of every 20 issued and unissued Shares of HK\$0.10 each in the share capital of the Company into one Consolidated Share of HK\$2.00
“Shareholders”	the holder(s) of issued Existing Shares, Consolidated Shares or New Shares (as the case may be)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 13 October 2011

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