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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 PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

PLACING AGENT



中国平安證券(香港)
PING AN OF CHINA SECURITIES (HONG KONG)

**Ping An of China Securities (Hong Kong)
Company Limited**

CO-PLACING AGENT



東方滙財證券有限公司
ORIENT SECURITIES LIMITED

Orient Securities Limited

On 30 August 2012 (after trading hours), the Company entered into the Placing Agreement with the Placing Agents, pursuant to which the Company has conditionally agreed to place through the Placing Agents, on a best effort basis, severally (and not jointly nor on a joint and several basis) up to 300,000,000 Placing Shares to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties at the Placing Price not less than 90% of the average closing price per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the Completion Date and in any event not less than the Minimum Placing Price. The maximum number of 300,000,000 Placing Shares to be placed under the Placing Agreement will be allotted and issued under the Specific Mandate to be granted to the Directors by the Shareholders at the SGM.

The maximum number of 300,000,000 Placing Shares represents (i) approximately 52.41% of the total issued share capital of the Company of 572,462,087 Shares as at the date of this announcement; and (ii) approximately 34.39% of the total issued share capital of the Company as enlarged by the allotment and issue of the 300,000,000 Placing Shares.

* For identification purpose only

Completion is subject to the conditions precedent as set out in the section headed “Conditions precedent of the Placing” below.

Assuming all 300,000,000 Placing Shares are placed in full at or above the Minimum Placing Price of HK\$0.90 by the Placing Agents, the minimum gross proceeds from the Placing to be received by the Company will be HK\$270,000,000. The minimum net proceeds from the Placing, after taking into account the estimated expenses in relation to the Placing, will be approximately HK\$258,000,000. The net proceeds from the Placing are intended to be used for general working capital purpose and for financing future investment opportunities which are expected to improve the profitability and/or broaden the revenue streams of the Group, including but not limited to (i) financing the exploration and conducting test drillings of the Tartagal Oriental and Morillo concessions; (ii) financing the possible acquisition of 29.4% interest in the Valle de Lerma concession, 35% interest in the Selva Maria concession, 35% interest in the San Salvador concession and 35% interest in the Libertador concession as announced by the Company on 15 May 2012 and 31 July 2012; and (iii) financing the liquefied natural gas and related business in the PRC.

Shareholders and potential investors should note that the Placing is subject to fulfillment of the conditions precedent as set out in the section headed “Conditions precedent of the Placing” below and under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

THE PLACING AGREEMENT

Date

30 August 2012

Parties

Issuer : The Company

Placing Agents : 1. Ping An of China Securities (Hong Kong) Company Limited; and
2. Orient Securities Limited

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Placing Agents and their respective ultimate beneficial owner(s) are independent of, not connected with and not acting in concert (as defined in the Takeovers Code) with the Company or any promoter, director, chief executive, substantial shareholder (as defined in the Listing Rules) or connected persons of the Company or any of their respective subsidiaries or any of their respective associates (as defined in the Listing Rules).

The Placing

Pursuant to the Placing Agreement, the Placing Agents have conditionally agreed to procure Placees, on a best efforts basis, severally (and not jointly nor on a joint and several basis) to subscribe for up to a maximum of 300,000,000 Placing Shares at the Placing Price not less than 90% of the average closing price per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the Completion Date and in any event not less than the Minimum Placing Price.

Placees

The Placing Shares will be placed to not less than six (6) Placees. The Placing Agents and any selling agents procured by the Placing Agents shall use all reasonable endeavours to ensure that the Placees they procure respectively and their ultimate beneficial owners shall be Independent Third Parties and independent institutional investors and/or professional or private investors. All Placees will be independent of and not connected with one another. Before Completion, none of the Placees nor any persons acting in concert with them holds, directly or indirectly any Shares.

Pursuant to the terms and conditions of the Placing Agreement, the Placing Agents and any selling agents procured by the Placing Agents shall use all reasonable endeavours to ensure that upon Completion, (i) none of the Placees they procure respectively shall become a substantial Shareholder (as defined in the Listing Rules); and (ii) each Placee they procure respectively and their respective beneficial owners, together with parties acting in concert with any of them, shall not hold 30% or more of the total issued share capital of the Company.

In the event that the total number of Placees under the Placing falls below six, information of the Placees will be disclosed in a further announcement of the Company in accordance with the Listing Rules.

Number of Placing Shares

The maximum number of 300,000,000 Placing Shares represents (i) approximately 52.41% of the total issued share capital of the Company of 572,462,087 Shares as at the date of this announcement; and (ii) approximately 34.39% of the total issued share capital of the Company as enlarged by the allotment and issue of 300,000,000 Placing Shares. The aggregate nominal value of the maximum number of 300,000,000 Placing Shares is HK\$150,000,000.

The allocation of the number of Placing Shares and the selection of the Placees to be placed by each of the Placing Agents shall be at the sole and absolute discretion of the Company.

Placing Price

The Placing Price shall be not less than 90% of the average closing price per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the Completion Date and in any event not less than the Minimum Placing Price.

The Placing Price shall not in any event be less than the Minimum Placing Price of HK\$0.90, which represents:

- (i) a discount of approximately 2.17% to the closing price of HK\$0.920 per Share as quoted on the Stock Exchange, being the date of signing of the Placing Agreement;
- (ii) a discount of approximately 3.23% to the average closing price of HK\$0.930 per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the date of signing of the Placing Agreement; and
- (iii) a discount of approximately 2.60% to the average closing price of HK\$0.924 per Share as quoted on the Stock Exchange for the last ten trading days immediately prior to the date of signing of the Placing Agreement.

The Minimum Placing Price was determined with reference to the current market conditions and prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agents. The Directors hold the view that the terms of the Placing Agreement, including the Placing Price and the Minimum Placing Price, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Placing commission

In consideration of the services of the Placing Agents in connection with the Placing, the Company shall pay the Placing Agents a placing commission of 4.30% of the amount equal to the Placing Price multiplied by the total number of the Placing Shares successfully placed by the Placing Agents in accordance with the Placing Agreement.

The placing commission was negotiated on an arm's length basis between the Company and the Placing Agents and determined with reference to, amongst other things, the market rate and the price performance of the Shares.

The Directors consider that the terms of the Placing Agreement, including the placing commission, are fair and reasonable based on the current market conditions and prevailing market price of the Shares, and the Placing is in the interests of the Company and the Shareholders as a whole.

Specific Mandate to issue Placing Shares

The Placing Shares will be allotted and issued under the Specific Mandate to be granted to the Directors by the Shareholders at the SGM.

Ranking of Placing Shares

The Placing Shares, when allotted and issued, shall rank *pari passu* in all respects among themselves and with the existing issued Shares on the date of allotment and issue of the Placing Shares.

Rights of the Placing Shares

The Placing Shares shall on allotment and issue be free from all liens, charges and encumbrances, and together with all rights attaching thereto as at the date of the Placing Agreement, including the right to receive all dividends and other distributions which may be declared, made or paid on or after the date of the Placing Agreement.

Conditions precedent of the Placing

The Placing is conditional upon:

- (i) the passing of the relevant resolution(s) by the Shareholders (other than those who are required to abstain from voting, if any) to approve the Placing Agreement and the transactions contemplated thereunder, including the allotment and issue of the Placing Shares under the Specific Mandate at the SGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Placing Shares under the Placing;
- (iii) if necessary, the Bermuda Monetary Authority granting consent to the allotment and issue of the Placing Shares under the Placing; and
- (iv) any other approval as may be required for the Placing.

If any of the above conditions precedent cannot be fulfilled on or before 30 November 2012 or such later date to be agreed between the Company and the Placing Agents in writing, the Placing Agreement will be terminated and the Placing will not proceed and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties thereto shall have any claim against any other in respect of the Placing.

Each of the parties thereto undertake to the other parties that it will use its respective best endeavours to the extent it is within their power to do so to ensure that the conditions precedent specified above are fulfilled on or before 30 November 2012 or such later date as may mutually be agreed by the Company and the Placing Agents in writing.

Termination

The Placing Agreement may be terminated prior to Completion, if, in the opinion of either the Company or any of the Placing Agents, the success of the Placing or the business or financial prospects of the Group would or is likely to be materially and adversely affected by:

- (i) any material breach of any of the warranties set out in the Placing Agreement;
- (ii) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of more than 20 trading days (other than in connection with the Placing);
- (iii) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof;

- (iv) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Placing Agreement and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not *sui generis* with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions;
- (v) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise;
- (vi) a change or development involving a prospective change in taxation in Hong Kong, Bermuda or the PRC or the implementation of exchange controls which shall or might materially and adversely affect the Group or its present or prospective shareholders in their capacity as such; or
- (vii) any change or deterioration in the conditions of local, national or international securities markets.

In the event that the Company or any of the Placing Agents terminate the Placing Agreement in accordance with the above-mentioned provisions, all obligations of each of the parties thereto under the Placing Agreement shall cease and determine and no party thereto shall have any claim against any other parties in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

Completion

Completion of the Placing shall take place on the third (3rd) Business Day after all conditions precedent of the Placing are fulfilled, or such later date as may be mutually agreed by the Company and the Placing Agents in writing.

Application for listing

The Company will apply to the Listing Committee for the granting of the listing of, and permission to deal in, the Placing Shares.

EFFECTS ON 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 Completion, assuming none of the subscription rights attaching to the Warrants are exercised and a maximum of 300,000,000 Placing Shares are successfully placed by the Placing Agents; and (iii) immediately after Completion, assuming full exercise of all subscription rights attaching to the Warrants and a maximum of 300,000,000 Placing Shares are successfully placed by the Placing Agents.

	As at the date of this announcement		Immediately after the Completion assuming none of the subscription rights attaching to the Warrants are exercised		Immediately after Completion assuming full exercise of all subscription rights attaching to the Warrants	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Substantial Shareholder						
Max Sun Enterprises Limited (Note 1)	66,030,276	11.53%	66,030,276	7.57%	166,030,276	17.07%
Directors' Interests						
Mr. Cheng Ming Kit (Note 2)	1,000	0.0002%	1,000	0.0001%	1,000	0.0001%
Mr. Fung Siu To, Clement (Note 2)	30,000	0.0052%	30,000	0.0034%	30,000	0.0031%
Existing Public Shareholders						
Placees (Note 3)	—	—	300,000,000	34.39%	300,000,000	30.85%
Other Shareholders	<u>506,400,811</u>	<u>88.46%</u>	<u>506,400,811</u>	<u>58.04%</u>	<u>506,400,811</u>	<u>52.07%</u>
Total	<u>572,462,087</u>	<u>100.00%</u>	<u>872,462,087</u>	<u>100.00%</u>	<u>972,462,087</u>	<u>100.00%</u>

Note:

1. Max Sun Enterprises Limited is a wholly-owned subsidiary of Chow Tai Fook Nominee Limited, which is in turn controlled by Dato' Dr. Cheng Yu Tung. As such, Chow Tai Fook Nominee Limited and Dato' Dr. Cheng Yu-Tung were deemed to have interest in the shares held by Max Sun Enterprises Limited for the purposes of Securities and Futures Ordinance.
2. Mr. Cheng Ming Kit is an executive Director and Mr. Fung Siu To, Clement is an independent non-executive Director.
3. All Placees are independent institutional investors and/or professional or private investors, and who and whose ultimate beneficial owners are Independent Third Parties. All Placees will be independent of and not connected with one another.

Pursuant to the terms and conditions of the Placing Agreement, the Placing Agents and any selling agents procured by the Placing Agents shall use all reasonable endeavours to ensure that upon Completion, (i) none of the Placees they procure respectively will become a substantial Shareholder (as defined in the Listing Rules); and (ii) each Placee they procure respectively and their respective beneficial owners, together with parties acting in concert with any of them, will not hold 30% or more of the total issued share capital of the Company.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months before the date of this announcement.

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds as announced	Actual use of proceeds
29 May 2012	Subscription of unlisted Warrants under the specific mandate	HK\$1.7 million	For general working capital of the Group	Not yet utilised
20 January 2012	Placing of new shares under general mandate	HK\$47.2 million	For the payment of exploration works in Argentina, to finance potential new projects and future investment opportunities	For the payment of exploration works in Argentina and deposits for the possible acquisitions as announced by the Company on 15 May 2012 and 31 July 2012
7 September 2011 (Note)	Placing of unlisted warrants under general mandate	N/A	For the payment of exploration works in Argentina, to finance potential new projects and future investment opportunities	N/A

Note: The placing has been lapsed, details of which have been set out in the announcement of the Company dated 30 September 2011.

REASONS FOR AND BENEFIT OF THE PLACING AND USE OF PROCEEDS

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 Directors hold the view that the Placing can provide an opportunity to strengthen the capital base of the Group and the financial position of the Group's future business developments.

Assuming all 300,000,000 Placing Shares are placed in full at or above the Minimum Placing Price of HK\$0.90 by the Placing Agents, the minimum gross proceeds from the Placing to be received by the Company will be HK\$270,000,000. The minimum net proceeds from the Placing, after taking into account the estimated expenses in relation to the Placing, will be approximately HK\$258,000,000. As a result, the minimum net price per Placing Share will be approximately HK\$0.86.

The Company intends to apply the net proceeds of the Placing for general working capital purpose and for financing future investment opportunities which are expected to improve the profitability and/or broaden the revenue streams of the Group, including but not limited to (i) financing the exploration and conducting test drillings of the Tartagal Oriental and Morillo concessions; (ii) financing the possible acquisition of 29.4% interest in the Valle de Lerma concession, 35% interest in the Selva Maria concession, 35% interest in the San Salvador concession and 35% interest in the Libertador concession as announced by the Company on 15 May 2012 and 31 July 2012; and (iii) financing the liquefied natural gas and related business in the PRC.

The Directors hold the view that the terms of the Placing Agreement are on normal commercial terms and are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

GENERAL

The Placing under the Specific Mandate is subject to the Shareholders' approval at the SGM.

The SGM will be convened and held to consider and, if thought fit, approve, among other matters, (i) the Placing Agreement and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate for the allotment and issue of the Placing Shares.

To the best knowledge of the Directors, none of the Shareholders has a material interest in the transactions contemplated under the Placing Agreement as at the date of this announcement. Accordingly, none of the Shareholders will be required to abstain from voting at the SGM in respect of the relevant resolution(s) relating to the Placing and the Specific Mandate.

A circular containing, among other things, (i) further details relating to the Placing, the Placing Agreement and the transactions contemplated thereunder; and (ii) a notice convening the SGM will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules.

Shareholders and potential investors should note that Completion is subject to fulfillment of the conditions precedent as set out in the section headed "Conditions precedent of the Placing" above and under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday and a public holiday) on which licensed banks in Hong Kong are open to the general public for business
“Co-Placing Agent”	Orient Securities Limited, a licensed corporation to carry on type 1 (dealing in securities) and type 4 (advising on securities) of the regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“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
“Completion”	the completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Completion Date”	the third (3rd) Business Day following the date on which all the conditions precedent as set out in the section headed “Conditions precedent of the Placing” are fulfilled or at such other time as the Company and the Placing Agents may mutually agree in writing
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of, not connected with and not acting in concert (as defined in the Takeovers Code) with (i) the Company and its connected persons (as defined in the Listing Rules); and (ii) one another
“Listing Committee”	the listing committee of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Minimum Placing Price”	HK\$0.90 per Placing Share
“Placee(s)”	any investor who is an Independent Third Party and is an institutional investor and/or a professional or private investor, whom the Placing Agents and any selling agents procured by the Placing Agents have procured respectively to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the proposed placing of a maximum of 300,000,000 Placing Shares by the Placing Agents, on a best effort basis, pursuant to the terms and conditions of the Placing Agreement
“Placing Agent”	Ping An of China Securities (Hong Kong) Company Limited, a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) of the regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agents”	the Placing Agent and the Co-Placing Agent collectively
“Placing Agreement”	the conditional placing agreement dated 30 August 2012 entered into between the Company and the Placing Agents in relation to the Placing
“Placing Price”	the placing price shall not be less than 90% of the average closing price per Share as quoted on the Stock Exchange for the last five trading days immediately prior to the Completion Date and in any event not less than the Minimum Placing Price
“Placing Shares”	up to a maximum of 300,000,000 new Shares to be placed under the Placing
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“SGM”	special general meeting of the Company to be convened and held to consider and, if thought fit, approve, among other matters, (i) the Placing Agreement and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate for the allotment and issue of the Placing Shares

“Share(s)”	ordinary share(s) of HK\$0.50 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Specific Mandate”	the specific mandate for the allotment and issue of the Placing Shares to be granted to the Directors by the Shareholders at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases issued by the Securities and Futures Commission of Hong Kong
“Warrants”	100,000,000 unlisted transferable warrants issued by the Company on 29 May 2012 conferring rights entitling its holder(s) to subscribe for up to 100,000,000 new Shares at the initial exercise price of HK\$1.05 (subject to adjustment)
“%”	per cent.

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

Hong Kong, 30 August 2012

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