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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)

SUPPLEMENTAL AGREEMENT AND COMPLETION AND CLARIFICATION CONCERNING DISCLOSEABLE TRANSACTION IN RELATION TO THE PROPOSED ACQUISITION OF PROPERTIES IN THE UNITED STATES INVOLVING ISSUE OF CONSIDERATION SHARES UNDER THE GENERAL MANDATE

Reference is made to the announcement (the “**Announcement**”) of New Times Energy Corporation Limited (the “**Company**”) dated 16 July 2014 in relation to the discloseable transaction regarding the proposed acquisition of Properties in the United States involving the issue of Consideration Shares under the General Mandate.

Unless otherwise stated, terms used herein shall have the same meanings as those defined in the Announcement.

SUPPLEMENTAL AGREEMENT

On 26 August 2014 (after trading hours), the Purchaser and the Vendor entered into a supplemental agreement to the Sale and Purchase Agreement (the “**Supplemental Agreement**”).

* For identification purpose only

Pursuant to the Supplemental Agreement:

- (i) the Purchaser and the Vendor agreed that the definition of the Properties shall be amended as “all rights, title, estate and interest in Property A and Property C, including without limitation, all the Leases and the Rights”; the definition of Property A shall be amended as “5,100 gross acres and 2,279 net acres of oil and gas leases located in Duchesne County and Uintah County in the State of Utah in the United States, including without limitation, all pipelines, facilities, equipment and materials related thereto; and the definition of Property C shall be amended as “440 gross acres of oil and gas leases located in Duchesne County in the State of Utah of the United States, which provides a non-operating interest in proposed wells”;
- (ii) subject to the fulfillment of the Conditions Precedent and the relevant terms and conditions contained in the Sale and Purchase Agreement (and as amended by the Supplemental Agreement), the Purchaser agreed to purchase and the Vendor agreed to sell and assign to the Purchaser the Properties which consist of Property A and Property C only. For avoidance of doubt, the Purchaser and the Vendor mutually agreed that the Purchaser will not purchase and the Vendor will not sell and assign to the Purchaser the Property B;
- (iii) the Purchaser agreed to waive condition precedent (iii) as set out in the subsection headed “Conditions Precedent” in the Announcement concerning technical report and/or valuation report in relation to the Property C;
- (iv) the Purchaser and the Vendor agreed that the payment manner of the 138,840,000 Consideration Shares shall be amended as follows:
 - (a) 46,280,000 Consideration Shares shall be issued and allotted by the Company to the Vendor or its nominee(s) (as it may direct in writing) within 20 days from the date of the fulfillment (or waiver) of all the Conditions Precedents and all relevant obligations under the Sale and Purchase Agreement or such other date as the Vendor and the Purchaser may agree in writing (the “**First Batch Consideration Shares**”);
 - (b) an additional of 46,280,000 Consideration Shares shall be issued by the Company to the Vendor or its nominee(s) (as it may direct in writing) within 60 days from the date of the fulfillment (or waiver) of all the Conditions Precedents and all relevant obligations under the Sale and Purchase Agreement or such other date as the Vendor and the Purchaser may agree in writing (the “**Second Batch Consideration Shares**”); and
 - (c) an additional of 46,280,000 Consideration Shares shall be issued by the Company to the Vendor or its nominee(s) (as it may direct in writing) within 120 days from the date of the fulfillment (or waiver) of all the Conditions Precedents and all relevant obligations under the Sale and Purchase Agreement or such other date as the Vendor and the Purchaser may agree in writing (the “**Third Batch Consideration Shares**”).

In the event that the Conditions Precedent set out in the Sale and Purchase Agreement (save and except condition precedent (iv) as set out in the subsection headed “Conditions Precedent” in the Announcement) has been satisfied (or, as the case maybe, waived by the Purchaser) on or before the Long Stop Date, the Purchaser may, in its absolute discretion, proceed to Completion and procure the Company to issue and allot the First Batch Consideration Shares to the Vendor or its nominee(s) (as it may direct in writing).

In any event, the Second Batch Consideration Shares and the Third Batch Consideration Shares shall only be issued and allotted upon the fulfillment (or, as the case maybe, waived by the Purchaser) of all the Conditions Precedent set out in the Sale and Purchase Agreement.

Save as amended by the Supplemental Agreement, all other terms and conditions of the Sale and Purchase Agreement remain unchanged.

COMPLETION

The Board is pleased to announce that, on 26 August 2014, save as condition precedent (iv) as set out in the subsection headed “Conditions Precedent” in the Announcement and those conditions precedent waived by the Purchaser pursuant to the Supplemental Agreement, all the Conditions Precedent had been fulfilled and the Completion took place on the even date.

Upon Completion, the Vendor had, pursuant to the Sale and Purchase Agreement and the Supplemental Agreement, executed and delivered to the Purchaser the Assignment in relation to the Leases.

The Company shall, pursuant to the Sale and Purchase Agreement and the Supplemental Agreement, issue and allot to the Vendor or its nominee(s):

- (i) the First Batch Consideration Shares within 20 days from the Completion Date or such other date as the Vendor and the Purchaser may agree in writing;
- (ii) the Second Batch Consideration Shares within 60 days from the date of fulfilment (or waiver) of all the Conditions Precedent and all relevant obligations under the Sale and Purchase Agreement or such other date as the Vendor and the Purchaser may agree in writing; and
- (iii) the Third Batch Consideration Shares within 120 days from the date of fulfilment (or waiver) of all the Conditions Precedent and all relevant obligations under the Sale and Purchase Agreement or such other date as the Vendor and the Purchaser may agree in writing.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Vendor’s nominee(s) and their respective ultimate beneficial owner(s) are third parties independent of and not connected persons and/or associates (as defined in the Listing Rules) to the Purchaser and the Company and their associates.

CLARIFICATION

The Board wishes to clarify that the appraised value of the rights, title, estate and interest in and to the Property A, including without limitation, all the Leases and Rights in relation to Property A under the Reserve and Economic Evaluation of Oil Property dated 23 July 2014 prepared by Chapman Petroleum Engineering Ltd (“**Chapman**”) and commissioned by the Company (the “**Evaluation**”) as at 31 May 2014 was approximately US\$11,362,000 (equivalent to approximately HK\$88,623,600). The Evaluation was prepared using the income approach based on the discounted cash flow method. As a result, such valuation constitutes a profit forecast under Rule 14.61 of the Listing Rules and the Announcement was subject to the requirements under Rule 14.60A and Rule 14.62 of the Listing Rules in relation to a profit forecast.

As required under Rule 14.62(1) of the Listing Rules, details of the key assumptions used in determining the value of the rights, title, estate and interest in and to the Properties, including without limitation, all the Leases and the Rights upon which the Evaluation was issued are set out below:

1. Reserve definitions

The majority of reserves estimates are prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

2. Sources of information

Sources of the data used in the preparation of the Evaluation are as follows:

- (i) ownership and burdens have been derived from the Company’s land records and other information from the Company as required for clarification;
- (ii) production data is acquired from public data sources, except for very recent data or certain wells which are provided directly by the Company;
- (iii) well data is accessed from the Company’s well files and from public data sources;
- (iv) operating costs are based on actual revenue and expense statements provided by the Company for established properties or from discussions between Chapman and the Company and Chapman’s experience in the area for new or non-producing properties;
- (v) price differentials are derived from revenue statements, compared to actual posted prices for the appropriate benchmark price over a period of several months for established properties or from discussions between Chapman and the Company and Chapman’s experience in the area for new or non-producing properties;
- (vi) timing of development plans and capital estimates are normally determined by discussions between Chapman and the Company together with Chapman’s experience and judgment.

3. Product price

Based on historical data, current conditions and Chapman's view of the relevant political and economic trends, Chapman independently prepared oil, gas and by-product product forecasts including predictions for the near term (first few years) with escalation thereafter for a maximum of 15 years, after which prices are held constant.

In establishing the forecasts, Chapman also considered the input from operating companies, consulting firms, oil and gas marketing companies and financial institutions.

The reference gas price is the price at Henry Hub, Louisiana.

The prices are fully adjusted prices for crude quality, transportation, gas heating value and specific contractual arrangements.

4. Royalties

Freehold royalties, mineral taxes, gross overriding royalties and any other burdens have been accounted for.

5. Capital expenditure and operating costs

Capital expenditures and operating costs are based on historical experience and analogy where necessary and are expressed in current year U.S. Dollars.

6. Income tax

The Company is expected to be taxable in Nevada, USA where there is no state corporate income tax. Only federal corporate income tax will be payable.

Future capital expenditures anticipated for the report are predominantly development costs, and have been included as tangible or intangible costs.

7. Abandonment and restoration

Abandonment and restoration costs, net of salvage, have been taken into accounts for the final event of any particular well. The abandonment cost does not impact the economic limit and is included in the final year of production. For marginal wells nearing the end of their economic life, these costs may result in a negative net present value.

Chapman has utilized Directive 011 from the Alberta Energy Regulator which has been made available to the public to estimate liability for well abandonment and site restoration, unless the Company has provided the information from its experience.

The directive accounts for the general areas, number of zones to be abandoned, well depth and presence of tubing and rods, etc. Separate amounts are determined for abandonment and lease restoration. The abandonment cost determined is net of salvage.

In the Evaluation, Chapman has accounted for these costs only for the wells which are being evaluated and has not included other shut-in or suspended wells in the Company's inventory or their facilities and pipelines.

For the purpose of this announcement, unless otherwise specified, conversion of U.S. Dollars into Hong Kong Dollars is based on the approximate exchange rate of US\$1.00 to HK\$7.80.

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

Hong Kong, 26 August 2014

As at the date of this announcement, the Board comprises seven Directors, of whom two are executive Directors, namely Mr. Cheng Kam Chiu, Stewart and Mr. Cheng Ming Kit; one is a non-executive Director, namely Mr. Heffner, Paul Lincoln; and four are independent non-executive Directors, namely Mr. Wong Man Kong, Peter, Mr. Chan Chi Yuen, Mr. Yung Chun Fai, Dickie and Mr. Chiu Wai On.