Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

NEW TIMES ENERGY CORPORATION LIMITED
新 時 代 能 源 有 限 公 司 *

(incorporated in Bermuda with limited liability)

(Stock Code: 00166)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2014

FINANCIAL HIGHLIGHTS

	Financial Year 2014 *HK$'000*	Financial Year 2013 *HK$'000* (Restated – note 5)	**Change** *in %*
Turnover	**81,105**	321,770	(74.79)
Gross profit	**18,305**	2,563	614.20
Loss before taxation from continuing operations	**(88,254)**	(14,119)	525.07
(Loss)/profit attributable to owners of the Company	**(120,448)**	3,771	N/A
Basic (loss)/earnings per share (HK cent)	**(9.83)**	0.43	N/A

	As at 31 December 2014 *HK$'000*	As at 31 December 2013 *HK$'000*	**Change** *in %*
Total assets	**4,507,116**	4,411,958	2.16
Total equity	**3,820,975**	3,950,899	(3.29)
Debt ratio(1)	**15.22%**	10.45%	4.77
Gearing ratio(2)	**11.83%**	7.28%	4.55
Net asset value per share(3) (HK$)	**2.76**	3.38	(18.34)

Remarks:

(1) Debt ratio: Total liabilities divided by total assets

(2) Gearing ratio: Interest bearing borrowings divided by total equity

(3) Net asset value per share: Net Assets divided by number of issued shares

* *For identification purposes only*

The board of directors (the "**Board**") of New Times Energy Corporation Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 December 2014, together with the comparative figures for the previous year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014
(Expressed in Hong Kong dollars)

	Note	**2014** *HK$'000*	2013 *HK$'000* (Restated – note 5)
Continuing operations:			
Turnover	*4*	**81,105**	321,770
Cost of sales		**(62,800)**	(319,207)
Gross profit		**18,305**	2,563
Other revenue	*6*	**10,853**	8,981
Other net income	*6*	**47,638**	73,230
Administrative expenses		**(135,497)**	(94,910)
Other net operating (expenses)/income		**(2,247)**	12,480
(Loss)/profit from operations		**(60,948)**	2,344
Finance costs	*7(a)*	**(26,346)**	(16,231)
Share of losses of joint ventures		**(960)**	(232)
Loss before taxation from continuing operations		**(88,254)**	(14,119)
Income tax	*8*	**(6,352)**	(400)
Loss from continuing operations		**(94,606)**	(14,519)
Discontinued operation:			
Loss from discontinued operation, net of tax	*5(a)*	**(27,517)**	(17,304)
Loss for the year		**(122,123)**	(31,823)

	Note	2014 HK$'000	2013 HK$'000 (Restated – note 5)
Attributable to:			
Owners of the Company:			
(Loss)/profit for the year from continuing operations		**(94,268)**	20,043
Loss for the year from discontinued operation	*5(a)*	**(26,180)**	(16,272)
(Loss)/profit for the year attributable to owners of the Company		**(120,448)**	3,771
Non-controlling interests:			
Loss for the year from continuing operations		**(338)**	(34,562)
Loss for the year from discontinued operation	*5(a)*	**(1,337)**	(1,032)
Loss for the year attributable to non-controlling interests		**(1,675)**	(35,594)
Loss for the year		**(122,123)**	(31,823)
(Loss)/earnings per share	*9(a)*		
Basic *(HK cent)*		**(9.83)**	0.43
Diluted *(HK cent)*		**(9.83)**	0.43
(Loss)/earnings per share – continuing operations	*9(b)*		
Basic *(HK cent)*		**(7.70)**	2.28
Diluted *(HK cent)*		**(7.70)**	2.28

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014
(Expressed in Hong Kong dollars)

	2014	2013
	HK$'000	*HK$'000*
Loss for the year	**(122,123)**	(31,823)
Other comprehensive income for the year (after tax and reclassification adjustments):		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of financial statements of overseas and PRC subsidiaries	**(87,429)**	(94,070)
Available-for-sale investments: net movement in the fair value reserve	**726**	8,680
Other comprehensive income for the year	**(86,703)**	(85,390)
Total comprehensive income for the year	**(208,826)**	(117,213)
Attributable to:		
Owners of the Company	**(219,627)**	(95,475)
Non-controlling interests	**10,801**	(21,738)
Total comprehensive income for the year	**(208,826)**	(117,213)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 December 2014
(Expressed in Hong Kong dollars)

	Note	2014 HK$'000	2013 HK$'000
Non-current assets			
Exploration and evaluation assets	11	**3,474,804**	3,523,992
Property, plant and equipment		**96,982**	44,246
Lease prepayments		**–**	3,384
Intangible assets		**211,015**	222,692
Goodwill		**512**	33,620
Interest in associates		**–**	15,225
Interest in joint ventures		**55,419**	2,681
Convertible notes receivables		**9,395**	53,922
Available-for-sale investments		**110,476**	105,988
Prepayments, deposits and other receivables	12	**56,034**	204,249
Deferred tax assets		**1,301**	–
		4,015,938	4,209,999
Current assets			
Inventories		**9,282**	2,517
Lease prepayments		**–**	146
Trade and other receivables	12	**97,304**	92,678
Convertible notes receivables		**53,688**	–
Current tax recoverable		**6,153**	483
Pledged bank deposits		**–**	19,031
Cash and cash equivalents		**21,693**	87,104
Assets held for sale	5(b)	**303,058**	–
		491,178	201,959
Current liabilities			
Trade and other payables	13	**58,774**	57,441
Bank and other borrowings		**73,410**	175,731
Promissory notes payables		**–**	47,697
Convertible notes payables		**82,774**	16,718
Obligations under finance leases		**–**	79
Current tax payable		**–**	358
Liabilities held for sale	5(b)	**83,726**	–
		298,684	298,024
Net current assets/(liabilities)		**192,494**	(96,065)
Total assets less current liabilities		**4,208,432**	4,113,934

	2014	2013
	HK$'000	*HK$'000*
Non-current liabilities		
Bank and other borrowings	**297,203**	15,286
Promissory notes payables	**30,579**	–
Convertible notes payables	**–**	79,767
Obligations under finance leases	**–**	261
Deferred tax liabilities	**47,322**	64,348
Provisions	**12,353**	3,373
Total non-current liabilities	**387,457**	163,035
NET ASSETS	**3,820,975**	3,950,899
CAPITAL AND RESERVES		
Share capital	**13,850**	584,999
Reserves	**3,831,171**	3,400,747
Total equity attributable to owners of the Company	**3,845,021**	3,985,746
Non-controlling interests	**(24,046)**	(34,847)
TOTAL EQUITY	**3,820,975**	3,950,899

1 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance, which for this financial year and the comparative period continue to be those of the predecessor Hong Kong Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the new Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 to that Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

2 BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the year ended 31 December 2014 comprise the Company and its subsidiaries and the Group's interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

– Financial instruments classified as available-for-sale; and

– Derivative financial instruments.

Non-current assets and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

For the year ended 31 December 2014, the Group incurred a net loss of HK$94,606,000 from continuing operations. As at 31 December 2014, the Group had net current assets of HK$192,494,000 (2013: net current liabilities of HK$96,065,000), which included net assets from disposal group held for sale of HK$219,332,000 (see note 5). The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations and sufficient financing to meet its financial obligations as and when they fall due and to meet its committed future capital expenditures.

In determining the appropriate basis of preparation of the financial statements, the directors of the Company have reviewed the Group's cash flow projections, which cover a period of twelve months from the reporting period end date. They are of the opinion that, taking into account the following measures, the Group will have sufficient working capital to meet its financial obligations when they fall due and committed future capital expenditures within the next twelve months from the reporting period end date:

(i) In January 2015, the Company completed an open offer of 692,511,997 shares at a price of HK$0.17 per share and received the net proceeds of approximately HK$113,900,000;

(ii) The subscription and Transaction I relating to the disposal of Shine Great Investments Limited (see note 5 for details) were completed on 24 February 2015. The Group received convertible bonds issued by Blue Sky Power Holdings Limited for principal amount of HK$77,805,000;

(iii) In March 2015, the Group has received confirmations from several lenders of the Group in aggregate principal of HK$15,000,000 to extend certain debts, which to be matured within the next twelve months from the reporting period end date for a period of not less than twelve months upon request by the Company;

(iv) In March 2015, the Group has obtained facilities from existing lenders for an aggregate of approximately HK$130,823,000; and

(v) The Group would plan to obtain additional financing to fulfill obligations of the Group, including but not limited to (i) considering raising funds from existing and potential investors for any proposed financial arrangements; (ii) obtaining additional borrowings from the existing and potential lenders; and/or (iii) minimising capital expenditures and general and administrative expenses, when necessary.

As a result, the directors have concluded that the combination of these circumstances no longer represents a material uncertainty which may cast significant doubt upon the Company's and the Group's ability to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

Changes in presentation

Effective on 1 March 2014, as a result of acquisition of 38.15% participating interest in Palmar Largo block (see note 10), the Group has re-aligned its presentation on reportable segments by combining the "Exploration of natural resources" segment and "Oil exploration and production" segment into a new "Upstream" segment, which is further evaluated on a geographical basis at its activities carried in. The management considers the current presentation is more appropriate and consistent with the internal reporting provided to the Group's most senior executive management. The comparative information has been restated to conform to the current year presentation of segment information.

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs and one new Interpretation that are first effective for the current accounting period of the Group and the Company:

- Amendments to HKFRS 10, HKFRS 12 and HKAS 27, *Investment entities*
- Amendments to HKAS 32, *Offsetting financial assets and financial liabilities*
- Amendments to HKAS 36, *Recoverable amount disclosures for non-financial assets*
- Amendments to HKAS 39, *Novation of derivatives and continuation of hedge accounting*
- HK(IFRIC) 21, *Levies*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period with the exception of the Amendments to HKFRS 11, *Accounting for Acquisitions of Interests in Joint Operations*, which provide guidance on the accounting for acquisitions of interest in joint operations in which the activity constitutes a business. These amendments requires the acquirer of an interest in a joint operation in which the activity constitutes a business, as defined in HKFRS 3 *Business Combination*, to apply all of the principles on business combinations accounting and disclose all information required in HKFRS 3. To the extent of the early adoption of these amendments, the Group has accounted for the acquisition of interest in joint operation as a business combination and has provided those disclosures in note 10. Impacts of the adoption of other new or amended HKFRSs are discussed below:

Amendments to HKFRS 10, HKFRS 12 and HKAS 27, Investment entities

The amendments provide consolidation relief to those parents which qualify to be an investment entity as defined in the amended HKFRS 10. Investment entities are required to measure their subsidiaries at fair value through profit or loss. These amendments do not have an impact on these financial statements as the Company does not qualify to be an investment entity.

Amendments to HKAS 32, Offsetting financial assets and financial liabilities

The amendments to HKAS 32 clarify the offsetting criteria in HKAS 32. The amendments do not have an impact on these financial statements as they are consistent with the policies already adopted by the Group.

Amendments to HKAS 36, Recoverable amount disclosures for non-financial assets

The amendments to HKAS 36 modify the disclosure requirements for impaired non-financial assets. Among them, the amendments expand the disclosures required for an impaired asset or cash-generating unit whose recoverable amount is based on fair value less costs of disposal. The adoption of the amendments does not have an impact on these financial statements as the Group has not recognised or reversed any impairment loss for non-financial assets during the year.

Amendments to HKAS 39, Novation of derivatives and continuation of hedge accounting

The amendments to HKAS 39 provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The amendments do not have an impact on these financial statements as the Group has not novated any of its derivatives.

HK(IFRIC) 21, Levies

The Interpretation provides guidance on when a liability to pay a levy imposed by a government should be recognised. The amendments do not have an impact on these financial statements as the guidance is consistent with the Group's existing accounting policies.

4 TURNOVER AND SEGMENT REPORTING

(a) Turnover

The principal activities of the Group are (i) trading of oil products and (ii) exploration, exploitation, production and sale of natural resources.

Turnover represents the sales value of goods supplied to customers. The amount of each significant category of revenue recognised in turnover during the year is as follows:

Continuing operations

	2014	2013
	HK$'000	*HK$'000*
		(Restated) – note 5)
Sale from trading of oil products	**–**	318,410
Sale of oil products under oil exploration and production	**81,105**	3,360
	81,105	321,770

The Group's customer base includes three (2013: two) customers with whom transactions have exceeded 10% of the Group's revenues. The amounts of individual customer are disclosed as follows:

	2014	2013
	HK$'000	*HK$'000*
Customer 1	**42,487**	–
Customer 2	**19,471**	–
Customer 3	**11,339**	–
Customer 4	**–**	175,785
Customer 5	**–**	142,625

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

Details of the Group's reportable segments as follows:

- General trading: This segment includes trading of oil products and non-ferrous metal. Currently the Group's activities in this regard are carried out in Hong Kong and the People's Republic of China ("PRC").

- Upstream: This segment is engaged in the exploration, exploitation, production and sale of crude oil. It is further evaluated on a geographic basis. Currently the Group's activities in this regard are carried out in Argentina and the United States ("US").

- Distribution of natural gas (classified as a discontinued operation (see note 5)): This segment is engaged in the sales and the transmission of natural gas in PRC.

(i) ***Segment results, assets and liabilities***

For the purposes of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of interests in associates and joint ventures, available-for-sale investments, deferred tax assets and unallocated corporate assets. Segment liabilities include all the liabilities with the exception of convertible notes payables, promissory notes payables, obligations under finance leases and unallocated corporate liabilities.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment revenue and expenses included the Group's share of revenue and expense arising from the activities of the Group's joint operations.

Segment profit/(loss) represents the profit earned/loss resulted by each segment without allocation of share of losses of associates and joint ventures, unallocated interest expenses and other net expenses in corporate head office. This is the measure reported to the Group's most senior executive management for the purpose of resources allocation and assessment of segment performance.

Information regarding the Group's reportable segments as provided to the Group's most senior executives management for the purposes of resource allocation and assessment of segment performance for the year is set out below:

	General trading		Upstream						Distribution of natural gas (Discontinued operation)		Total	
			Argentina		United States		Sub-total					
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Reportable segment revenue *(note)*	**–**	318,410	**80,040**	–	**1,065**	3,360	**81,105**	3,360	**7,633**	1,085	**88,738**	322,855
Reportable segment (loss)/profit	**(10)**	765	**2,444**	10,339	**(18,438)**	50,379	**(15,994)**	60,718	**(26,884)**	(17,304)	**(42,888)**	44,179
Depreciation and amortisation	**–**	4	**17,078**	205	**221**	161	**17,299**	366	**9,866**	2,203	**27,165**	2,573
Interest income	**–**	4	**169**	–	**4,924**	3,801	**5,093**	3,801	**57**	620	**5,150**	4,425
Interest expense	**–**	790	**55**	–	**–**	70	**55**	70	**6,900**	708	**6,955**	1,568
Impairment loss of												
– trade and other receivables	**–**	–	**–**	31	**–**	–	**–**	31	**1**	2,559	**1**	2,590
– property, plant and equipment	**–**	–	**–**	–	**–**	–	**–**	–	**–**	18	**–**	18
Reportable segment assets	**1,268**	6,096	**3,658,020**	3,582,000	**310,083**	221,527	**3,968,103**	3,803,527	**290,703**	265,181	**4,260,074**	4,074,804
Additions to non-current segment assets during the year	**–**	–	**3,244**	2,808	**68,889**	157,602	**72,133**	160,410	**49,609**	105,523	**121,742**	265,933
Reportable segment liabilities	**–**	(358)	**(35,240)**	(7,208)	**(58,083)**	(58,049)	**(93,323)**	(65,257)	**(83,465)**	(96,317)	**(176,788)**	(161,932)

Note: Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during both the current and prior year.

(ii) ***Reconciliations of reportable segment revenues, profit or loss, assets and liabilities***

	2014	2013
	HK$'000	*HK$'000*
		(Restated – note 5)
Revenue		
Reportable segment revenue	**88,738**	322,855
Less: discontinued operation	**(7,633)**	(1,085)
Consolidated turnover	**81,105**	321,770
(Loss)/profit		
Reportable segment (loss)/profit	**(42,888)**	44,179
Unallocated interest expenses	**(26,291)**	(15,372)
Other net expense in corporate head office	**(44,999)**	(59,998)
Share of post-tax losses of joint ventures	**(960)**	(232)
Share of post-tax losses of associates	**(2,773)**	–
Less: loss before taxation from discontinued operation	**29,657**	17,304
Consolidated loss before taxation from continuing operations	**(88,254)**	(14,119)

	2014	2013
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	**4,260,074**	4,074,804
Interest in joint ventures	**55,419**	2,681
Interest in associates	**12,355**	15,225
Available-for-sale investments	**110,476**	105,988
Deferred tax assets	**1,301**	–
Unallocated corporate assets		
– Cash and cash equivalents	**8,214**	78,175
– Other receivables	**48,740**	129,493
– Convertible notes receivables	**9,729**	5,548
– Others	**808**	44
Consolidated total assets	**4,507,116**	4,411,958

	2014	2013
	HK$'000	*HK$'000*
Liabilities		
Reportable segment liabilities	**(176,788)**	(161,932)
Convertible notes payables	**(82,774)**	(96,485)
Promissory notes payables	**(30,579)**	(47,697)
Obligation under finance lease	**(261)**	(340)
Unallocated corporate liabilities		
– Bank and others borrowings	**(370,614)**	(144,374)
– Others	**(25,125)**	(10,231)
Consolidated total liabilities	**(686,141)**	(461,059)

(iii) Geographical information

The Group's operations are located in Hong Kong (place of domicile), PRC, Argentina and US.

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets other than convertible notes receivables, deferred tax assets and available-for-sale investments ("specified non-current assets"). The geographical location of customers is based on the location at which the goods delivered. The geographical location of the specified non-current assets is based on (i) the physical location of the asset, in the case of lease prepayments, property, plant and equipment and exploration and evaluation assets; and (ii) the location of the operation to which they are allocated, in the case of intangible assets, goodwill and prepayments and deposits. In the case of interests in associates and joint ventures, it is based on the location of the operation of such associates and joint ventures.

	Revenues from external customers		**Specified non-current assets**	
	2014	2013	**2014**	2013
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
Hong Kong	**–**	–	**17,764**	448
Mainland China	**7,633**	319,495	**53,489**	215,700
Argentina	**80,040**	–	**3,584,068**	3,660,587
United States	**1,065**	3,360	**237,470**	170,751
Australia	**–**	–	**1,975**	2,603
	88,738	322,855	**3,894,766**	4,050,089

5 DISPOSAL GROUP HELD FOR SALE AND DISCONTINUED OPERATION

On 7 October 2014, Shine Great Investments Limited ("Shine Great"), an indirect wholly-owned subsidiary of the Company and Goldlink Capital Limited ("Goldlink"), a direct wholly owned subsidiary of Blue Sky Power Holdings Limited ("Blue Sky") entered into a subscription agreement pursuant to which a total of 1,453,790 subscription shares of Shine Great representing approximately 14.54% of the enlarged issued share capital of 10,000,000 shares shall be subscribed by Goldlink at a cash consideration of HK$37,800,000 ("Subscription").

On 7 October 2014, Total Belief Limited ("Total Belief"), a direct wholly owned subsidiary of the Company and the parent company of Shine Great, and Goldlink entered into a sale and purchase agreement ("Shine Great Agreement") pursuant to which Goldlink conditionally agreed to acquire and Total Belief conditionally agreed to sell the entire equity interest in Shine Great ("Disposal"). The Disposal will be completed in two transactions as follows:

Transaction I: sale of 36.46% of 10,000,000 enlarged shares of Shine Great to Goldlink

Transaction II: sale of 49.00% of 10,000,000 enlarged shares of Shine Great to Goldlink

The consideration for Transaction I shall be satisfied by the issue of convertible bonds by Blue Sky to Total Belief in the principal amount of HK$77,805,000 upon the fulfillment of certain conditions precedent.

The consideration for Transaction II shall be satisfied by the issue of convertible bonds by Blue Sky to Total Belief in the principal amount of HK$135,240,000 upon the fulfillment of certain conditions precedent. The principal amount of convertible bonds in Transaction II will be adjusted in case of any shortfall between (i) revenue guarantee as defined in the Shine Great Agreement ("Revenue Guarantee") and the actual consolidated revenue of Shine Great for the year ending 31 December 2015 ("Actual Revenue"), and/or (ii) profit guarantee as defined in the Shine Great Agreement ("Profit Guarantee") and the actual consolidated profit of Shine Great for the year ending 31 December 2015 ("Actual Profit"). The principal amount of the convertible bonds will be adjusted from HK$135,240,000 to HK$133,888,000 if the shortfall is within 20%. Otherwise, the principal amount of the convertible bonds will be adjusted from HK$135,240,000 to HK$132,535,000.

The consideration for Transaction II shall be satisfied by Blue Sky within 10 business days after (i) the fulfillment of the conditions precedent, and (ii) an independent auditor having reviewed the Actual Revenue and Actual Profit on or before 30 June 2016. The consideration for Transaction II may be amended from time to time.

The Subscription and Transaction I were completed on 24 February 2015.

Shine Great and its subsidiaries ("Shine Great Operation") carried out the Group's operation in distribution of natural gas business segment. On 22 December 2014, the Disposal was approved by the shareholders of the Company. Accordingly, the Shine Great Operation has been presented as a discontinued operation in the consolidated statement of profit or loss and the assets and liabilities in connection with the Shine Great Operation have been classified as a disposal group held for sale since 22 December 2014. The comparative consolidated statement of profit or loss has been restated to show the discontinued operation separately from continuing operations.

(a) Results of discontinued operation

	2014 *HK$'000*	2013 *HK$'000*
Revenue	**7,633**	1,085
Expenses	**(37,290)**	(18,389)
Results from operating activities	**(29,657)**	(17,304)
Income tax	**2,140**	–
Results from operating activities, net of tax/loss for the year	**(27,517)**	(17,304)
Attributable to:		
Owners of the Company	**(26,180)**	(16,272)
Non-controlling interests	**(1,337)**	(1,032)
Loss per share		
Basic (HK cent)	**(2.13)**	(1.85)
Diluted (HK cent)	**(2.13)**	(1.85)

(b) Effect of disposal on the financial position of the Group

	2014
	HK$'000
Property, plant and equipment	54,707
Lease prepayments	5,635
Intangible assets	58,222
Goodwill	33,619
Interest in associates	12,355
Inventories	124
Trade and other receivables	134,530
Cash and cash equivalents	3,866
Assets held for sale	303,058
Bank and other loans	(7,559)
Trade and other payables	(61,070)
Obligations under finance lease	(261)
Deferred tax liabilities	(14,836)
Liabilities held for sale	(83,726)
Net assets	219,332
Net cash outflow-cash and cash equivalents disposed of	(3,866)

(c) Cumulative income or expense included in other comprehensive income

	2014	2013
	HK$'000	*HK$'000*
Cumulative income or expense relating to discontinued operation included in other comprehensive income – foreign currency translation gains	**1,142**	922

6 OTHER REVENUE AND NET INCOME

Continuing operations

	2014	2013
	HK$'000	*HK$'000*
		(Restated – note 5)
Other revenue		
Bank interest income	**170**	6
Other interest income	**503**	723
Interest income on convertible notes receivables	**5,431**	4,391
Total interest income on financial assets not at fair value through profit or loss	**6,104**	5,120
Dividend income	**–**	3,500
Consultancy service income*	**4,696**	–
Others	**53**	361
	10,853	8,981
Other net income		
Net foreign exchange gain	**22,414**	27,329
Gain on bargain purchase	**16,861**	25,188
Net fair value gain on derivative financial instruments	**8,328**	1,234
Gain on disposal of property, plant and equipment	**35**	2,728
Gain on disposal of intangible assets	**–**	16,780
Others	**–**	(29)
	47,638	73,230

* Consultancy service income during the year ended 31 December 2014 represents the income from the provision of consultancy service to BCM Energy Partners, Inc. ("BCM"), which was satisfied by the issue of 566,000 shares of BCM, equivalent to 3.81% equity interest of the enlarged share capital of BCM, to the Company. No consultancy service was provided during the year ended 31 December 2013.

7 LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

(a) Finance costs

Continuing operations

	2014	2013
	HK$'000	*HK$'000* (Restated – note 5)
Interest on bank and other borrowings wholly repayable within five years	**3,968**	3,937
Interest on other loans	**8,289**	–
Interest on promissory notes payables	**1,928**	4,267
Interest on convertible notes payables	**12,161**	8,027
Total interest expenses on financial liabilities not at fair value through profit or loss	**26,346**	16,231

(b) Staff costs (including directors' emoluments)

Continuing operations

	2014	2013
	HK$'000	*HK$'000* (Restated – note 5)
Salaries, wages and other benefits	**29,846**	17,970
Contributions to defined contribution retirement plan	**3,333**	1,335
Equity-settled share-based payment expenses	**–**	3,809
	33,179	23,114

(c) Other items

Continuing operations

	2014	2013
	HK$'000	*HK$'000*
		(Restated – note 5)
Amortisation of intangible assets	**7,370**	–
Depreciation for property, plant and equipment	**10,143**	402
Impairment losses/(reversal)		
– trade and other receivables	**–**	2,590
– convertible notes receivables	**–**	(15,456)
– available-for-sale investments	**934**	2,646
Operating leases charges: minimum lease payments – leasehold land and buildings	**2,518**	2,601
Auditor's remuneration		
– audit services	**4,300**	3,002
– tax services	**–**	707
– other services	**240**	673
Cost of inventories *(note)*	**62,800**	319,207

Note:

Cost of inventories includes HK$16,539,000 (2013: HK$430,000) relating to staff costs and depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above or in note 7(b) for each of these types of expenses.

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(a) Taxation in the consolidated statement of profit or loss represents:

Continuing operations

	2014	2013
	HK$'000	*HK$'000*
		(Restated – note 5)
Current tax – Hong Kong Profits Tax		
Provision for the year	**–**	400
Over-provision in respect of prior years	**(10)**	(9)
	(10)	391
Current tax – Overseas		
Provision for the year	**1**	–
Under-provision in respect of prior years	**11,261**	9
	11,262	9
Deferred tax		
Origination and reversal of temporary difference	**(4,900)**	–
	6,352	400

Pursuant to the rules and regulations of the Bermuda and the British Virgin Islands ("BVI"), the Company and its subsidiaries incorporated in Bermuda and BVI are not subject to any income tax in the Bermuda and the BVI during both the current and prior year.

Provision for Hong Kong profits tax for 2014 is calculated at 16.5% (2013: 16.5%) of the estimated assessable profits for the year.

Subsidiaries of the Group in PRC are subject to PRC enterprise income tax at 25% (2013: 25%).

Subsidiaries of the Group in Argentina are subject to Argentina corporate income tax ("CIT") at 35% (2013: 35%) and minimum presumed income tax ("MPIT"). MPIT is supplementary to CIT and is chargeable at the applicable tax rate of 1% on the tax basis of certain assets. The tax liabilities of subsidiaries of the Group in Argentina are the higher of CIT and MPIT.

Subsidiaries of the Group operated in Louisiana, US are subject to federal and Louisiana income taxes. As the subsidiaries have adequate accumulated losses brought forward from previous years to offset the taxable income for the year, no provision has been provided in the consolidated financial statements.

Subsidiaries of the Group operated in Utah, US are subject to federal and Utah income taxes. As the subsidiaries have no taxable income during the current and prior years, the income taxes paid would be limited to US$100 which is the minimum fee to be charged regardless of income.

(b) Reconciliation between tax expense and accounting loss at applicable tax rates:

Continuing operations

	2014	2013
	HK$'000	*HK$'000*
		(Restated – note 5)
Loss before taxation	**(88,254)**	(14,119)
Notional tax on loss before taxation, calculated at the rates applicable to loss in the jurisdictions concerned	**(18,014)**	(5,641)
Tax effect of non-taxable income	**(6,929)**	(5,063)
Tax effect of non-deductible expenses	**13,699**	7,975
Tax effect of tax losses not recognised	**7,375**	3,133
Tax effect of taxable temporary differences not recognised	**(1,030)**	(4)
Under-provision in respect of prior years	**11,251**	–
Actual tax expense	**6,352**	400

9 (LOSS)/EARNINGS PER SHARE

(a) From continuing and discontinued operations

(i) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to owners of the Company of HK$120,448,000 (2013: profit of HK$3,771,000) and the weighted average number of 1,225,024,000 ordinary shares (2013: 879,771,000 ordinary shares) in issue during the year, calculated as follows:

Weighted average number of ordinary shares (basic)

	2014	2013
	'000	*'000*
Issued ordinary shares at 1 January	**1,169,998**	676,416
Effect of issue of consideration shares	**54,254**	12,752
Effect of share options exercised	**772**	19,279
Effect of shares issued under acquisition of subsidiaries	**–**	2,238
Effect of shares issued upon conversion of convertible notes	**–**	80,264
Effect of shares issued under placements	**–**	66,685
Effect of subscription of new shares	**–**	22,137
Weighted average number of ordinary shares (basic) at 31 December	**1,225,024**	879,771

(ii) Diluted (loss)/earnings per share

The calculation of diluted (loss)/earnings per share for the current year is based on the loss attributable to owners of the Company of HK$120,448,000 (2013: profit of HK$3,771,000) and the weighted average number of ordinary shares of 1,225,024,000 shares (2013: 880,955,000 shares), calculated as follows:

Weighted average number of ordinary shares (diluted)

	2014	2013
	'000	*'000*
Weighted average number of ordinary shares at 31 December	**1,225,024**	879,771
Effect of exercise of warrants	**–**	1,184
Weighted average number of ordinary shares (diluted) at 31 December	**1,225,024**	880,955

For the year ended 31 December 2014, diluted loss per share was the same as the basic loss per share as the potential ordinary shares outstanding during the year had an anti-dilutive effect on the basic loss per share.

(b) **From continuing operations**

(i) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share from continuing operations is based on the loss from continuing operations attributable to owners of the Company of HK$94,268,000 (2013: profit of HK$20,043,000) and the weighted average number of 1,225,024,000 ordinary shares (2013: 879,771,000 ordinary shares) in issue during the year.

(ii) Diluted (loss)/earnings per share

The calculation of diluted (loss)/earnings per share from continuing operations for the current year is based on the loss from continuing operations attributable to owners of the Company of HK$94,268,000 (2013: profit of HK$20,043,000) and the weighted average number of ordinary shares of 1,225,024,000 shares (2013: 880,955,000 shares).

10 BUSINESS COMBINATION

On 26 February 2014, the Group acquired 38.15% participating interest in Palmar Largo Union of Temporary Enterprise (the "Palmar Largo UTE Interest"), and an aggregate consideration of AR$105,425,000 (equivalent to approximately HK$103,866,000) was paid by the Group fully in cash. The Palmar Largo UTE Interest consists of (i) rights and obligations arising from the joint venture contract that aims at the exploration, development and exploitation of hydrocarbons in the Palmar Largo concession area and (ii) interest in the production equipment and facilities required to perform and execute the exploitation work. Palmar Largo UTE Interest is engaged in the exploration, development and exploitation of hydrocarbons in Palmar Largo block and Balbuena Este block located in Noroeste Basin of Argentina.

The acquisition provided the Group operational synergy as well as to boost the business performance of the Group. Also, the acquisition has further strengthened the Group's asset portfolio and enhanced operational cost efficiency in Argentina.

For the period from 26 February 2014 (date of completion) to 31 December 2014, Palmar Largo UTE Interest contributed revenue of HK$80,040,000 and profit of HK$18,052,000 to the Group's results. If the acquisition had occurred on 1 January 2014, management estimates that consolidated revenue and profit would have been HK$96,048,000 and HK$21,662,000 respectively. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2014.

(a) **Consideration transferred**

The following table summarises the fair value of each major class of consideration transferred at the acquisition date.

	HK$'000
Consideration transferred by cash	103,866
Consideration adjustment*	(17,955)
	85,911

* Pursuant to the sales and purchase agreement, the consideration for the acquisition of Palmar Largo UTE Interest would be adjusted by an amount equivalent to the net operating results of Palmar Largo UTE Interest during the period from 1 July 2013 to the date of completion on 26 February 2014.

(b) Acquisition-related costs

The Group incurred acquisition-related costs of HK$381,000 on legal fees and due diligence costs. These costs have been included in administrative expenses.

(c) Identifiable assets acquired and liabilities assumed

	HK$'000
Property, plant and equipment	27,465
Intangible assets	65,261
Inventories	7,191
Trade and other receivables	143
Cash and cash equivalents	248
Trade and other payables	(2,857)
Current tax payable	(284)
Deferred tax liabilities	(4,030)
Provisions	(7,777)
	85,360

The fair value of the identifiable assets acquired and liabilities assumed at the acquisition date was determined by the directors with reference to a valuation report issued by ROMA Appraisal Limited.

(d) Goodwill

	HK$'000
Consideration transferred	85,911
Less: Fair value of identifiable net assets	(85,360)
Goodwill	551

The goodwill is attributable mainly to the benefit of skills and technical talent of the acquired business work force and the synergies expected to be achieved from integrating the Palmar Largo UTE Interest into the Group's existing business in Argentina. None of the goodwill recognised is expected to be deductible for income tax purposes.

11 EXPLORATION AND EVALUATION ASSETS

	Exploration rights *HK$'000*	Exploratory drilling *HK$'000*	Geological studies *HK$'000*	Others *HK$'000*	Total *HK$'000*
Cost					
At 1 January 2013	3,235,986	67,898	275,219	43,064	3,622,167
Additions	1,281	360	847	–	2,488
Effect of foreign currency exchange differences	(3,848)	(11,329)	(60,498)	(3,040)	(78,715)
At 31 December 2013	3,233,419	56,929	215,568	40,024	3,545,940
At 1 January 2014	3,233,419	56,929	215,568	40,024	3,545,940
Additions	975	410	278	–	1,663
Effect of foreign currency exchange differences	(2,963)	(8,067)	(42,722)	(2,141)	(55,893)
At 31 December 2014	3,231,431	49,272	173,124	37,883	3,491,710
Accumulated impairment					
At 1 January 2013	–	29,108	–	–	29,108
Effect of foreign currency exchange differences	–	(7,160)	–	–	(7,160)
At 31 December 2013	–	21,948	–	–	21,948
At 1 January 2014	–	21,948	–	–	21,948
Effect of foreign currency exchange differences	–	(5,042)	–	–	(5,042)
At 31 December 2014	–	16,906	–	–	16,906
Carrying amount					
At 31 December 2014	3,231,431	32,366	173,124	37,883	3,474,804
At 31 December 2013	3,233,419	34,981	215,568	40,024	3,523,992

12 TRADE AND OTHER RECEIVABLES

	2014	2013
	HK$'000	*HK$'000*
Trade receivables *(note)*	**5,652**	506
Other receivables	**18,070**	30,414
Less: Allowable for doubtful debts	**(30)**	(2,640)
	18,040	27,774
Loan receivables	**–**	6,453
Amounts due from associates	**6,507**	6,316
Amount due from a joint venture	**–**	2
Amount due from a related company	**–**	6,852
Amounts due from non-controlling shareholders	**1,048**	19,162
Loans and receivables	**31,247**	67,065
VAT recoverable	**35,623**	46,410
Other tax recoverable	**8,610**	4,766
Deposits paid for potential investment	**17,000**	89,652
Prepayment and deposits	**60,858**	89,034
	153,338	296,927
Analysed as:		
Non-current	**56,034**	204,249
Current	**97,304**	92,678

Note:

The following is an analysis of trade receivables by age, presented based on the invoice date, which approximates the respective revenue recognition dates:

	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**5,650**	506
31 – 60 days	**–**	–
61 – 90 days	**–**	–
Over 90 days	**2**	–
	5,652	506

Trade receivables are due within 30 days (2013: 30 days) from the date of billing.

13 TRADE AND OTHER PAYABLES

	2014	2013
	HK$'000	*HK$'000*
Trade payables *(note)*	**4,563**	6,418
Accrued expenses	**28,789**	31,763
Deposit received from a related party	**17,000**	–
Amount due to a joint venture	**–**	35
Amount due to a director	**–**	634
Others	**8,422**	18,591
Financial liabilities measured at amortised cost	**58,774**	57,441

All of the trade and other payables are expected to be settled within one year or are repayable on demand.

Note:

The following is an analysis of the trade payables by age presented based on the invoice date at the end of the reporting period:

	2014	2013
	HK$'000	*HK$'000*
0 – 30 days	**2,610**	6,418
31 – 60 days	**1,199**	–
61 – 90 days	**10**	–
Over 90 days	**744**	–
	4,563	6,418

MANAGEMENT DISCUSSION AND ANALYSIS

GENERAL REVIEW

The Group's strategy is still at looking around the world, especially in America, for undervalued yet high-potential oil and gas assets. During the year, the Group (i) acquired 38.15% participating interest in Palmar Largo block in Argentina; (ii) 42.1% equity interest of Full Charming Limited, which indirectly owned 95% equity interest of an oil service company in China; and (iii) purchased two land lease interests in Utah, US with 2,279 net acres and 440 gross acres respectively. These transactions increased the Group's 1P Reserves and 2P Reserves for approximately 1,322 MBBL and 2,500 MBBL respectively and promised the availability of drilling rig for the 2015 Morillo drilling program. Upon the completion of the Palmar Largo acquisition, it brought an immediate net production of approximately 375 BOPD to the Group, which provides the Group steady and reliable revenue, profit and operational cash inflows.

Consolidated turnover of the Group from continuing operations for the year ended 31 December 2014 was HK$81.11 million (2013 (restated): HK$321.77 million), representing a decrease of 74.79%, which mainly due to the absence of resources-related trading transactions concluded during the year. However, as a result of the completion of Palmar Largo acquisition, the gross profit for the year ended 31 December 2014 from continuing operations has been improved by HK$15.74 million, representing an increase of 614.20% to last year. For the year, the Group recorded a loss attributable to owners of the Company of HK$120.45 million (2013: profit attributable to owners of the Company of HK$3.77 million). The adverse change was mainly due to (i) the absence of extraordinary items of net gain on disposal of oil properties and reversal of impairment losses for the year; (ii) the increase in administrative expenses and finance costs of the Group; and (iii) the under-provision of Argentina corporate income tax for prior year.

Administrative expenses of the Group from continuing operations for the year amounted to HK$135.50 million (2013 (restated): HK$94.91 million), representing an increase of HK$40.59 million in compare with previous year. Staff costs, legal and professional expenses and consultancy fees continue acting as the key components of administrative expenses of the Group.

Finance costs of the Group from continuing operations for the year amounted to HK$26.35 million (2013 (restated): HK$16.23 million), representing an increase of HK$10.12 million in compare with previous year. The increase was in line with the increase in interest bearing debts of the Group concluded during the year.

Loss per share for the year was HK9.83 cents (2013: earnings per share of HK0.43 cents). The Board does not recommend any final dividend for this financial year (2013: Nil).

REVIEW OF BUSINESS OPERATIONS

Oilfield Exploration and Exploitation Business

Tartagal Oriental and Morillo Concessions

The Tartagal Oriental concession and the Morillo concession (collectively the "**T&M Concessions**"), located in the province of Salta in northern Argentina, covering a total surface area of approximately 7,065 km^2 and 3,518 km^2 respectively, remain the core assets and business of the Group. Through the increase in its stake in last year, the Group now has 69.25% interests in the T&M Concessions.

Exploration, Development and Production in T&M Concessions

During the year, the Group mainly focused on preparatory work for exploratory drillings planned in the Morillo Block and continuing in performing geochemical surveys in the T&M Concessions areas. The T&M Concessions are still in exploration stage, and there has been no development or production activity performed during the year. Development and production activities will commence once drilling supported by exploration data from the T&M Concessions areas suggest that there are commercially viable reserves.

Expenditures incurred for exploration activities during the year are as follows:

Nature of expenditure	**Amount**
	HK$'000
Exploration rights	975
Geological and geochemical studies	1,605
Remediation	633
Others	1,059
Total	4,272

Resources update

The following table sets out the best estimates of the Group's net interest in prospective resources in the T&M Concessions areas for the year:

	Oil	**Gas**
	(in MMBBL)	(in BCF)
Prospective resources		
As at 1 January 2014	81.99	1,088.13
Technical adjustments	5.61	4.70
As at 31 December 2014	87.60	1,092.83

Details of the unrisked gross (100 percent) prospective oil and gas resources for the T&M Concessions are as follows:

Prospect [1]	Oil						Gas					
	Low Estimate		High Estimate		High Estimate		Low Estimate		High Estimate		High Estimate	
	(New)[3]	(Last)[4]	(New)[3]	(Last)[4]	(New)[3]	(Last)[4]	(New)[3]	(Last)[4]	(New)[3]	(Last)[4]	(New)[3]	(Last)[4]
	(MMBBL)						(BCF)					
EM Deep 1	**1.5**	1.5	**4.3**	4.3	**12.7**	12.7	**75.1**	75.1	**213.7**	213.7	**632.1**	632.1
EM Deep 2	**4.1**	4.1	**15.2**	15.2	**59.4**	59.4	**204.3**	204.3	**770.1**	770.1	**2,990.7**	2,990.7
EM Deep 3	**1.1**	1.1	**3.3**	3.3	**10.3**	10.3	**55.8**	55.8	**167.2**	167.2	**520.5**	520.5
EM Deep 4	**2.3**	2.3	**5.7**	5.7	**14.0**	14.0	**115.0**	115.0	**285.8**	285.8	**696.6**	696.6
PET North	**0.1**	0.1	**0.3**	0.3	**0.8**	0.8	**5.2**	5.2	**14.8**	14.8	**41.8**	41.8
Morillo Deep	**0.3**	0.3	**0.9**	0.9	**2.4**	2.4	**16.7**	16.7	**44.5**	44.5	**119.3**	119.3
ZH South	**27.5**	27.5	**56.6**	56.6	**110.6**	110.6	**23.5**	23.5	**47.8**	47.8	**96.7**	96.7
Tordillo Undip	**5.4**	5.4	**10.8**	10.8	**21.9**	21.9	**4.5**	4.5	**9.3**	9.3	**19.3**	19.3
Los Blancos Southwest	**–**	1.1	**–**	3.2	**–**	9.2	**–**	0.9	**–**	2.7	**–**	8.1
Tordillo Northwest	**–**	4.1	**–**	10.1	**–**	24.2	**–**	3.5	**–**	8.6	**–**	21.5
Los Blancos Northwest	**1.3**	1.3	**3.3**	3.3	**8.2**	8.2	**1.1**	1.1	**2.8**	2.8	**7.1**	7.1
Los Blancos North	**2.3**	2.3	**4.7**	4.7	**9.7**	9.7	**1.9**	1.9	**4.0**	4.0	**8.6**	8.6
Buried Hill 1	**0.6**	–	**1.6**	–	**3.2**	–	**0.5**	–	**1.4**	–	**2.8**	–
Buried Hill 2	**1.0**	–	**2.1**	–	**3.9**	–	**0.8**	–	**1.8**	–	**3.4**	–
Buried Hill 3	**1.3**	–	**3.0**	–	**5.6**	–	**1.1**	–	**2.6**	–	**4.9**	–
Yacoraite Onlap 1A	**1.7**	–	**5.6**	–	**18.6**	–	**1.4**	–	**4.8**	–	**16.2**	–
Yacoraite Onlap 1B	**1.6**	–	**4.9**	–	**15.0**	–	**1.3**	–	**4.2**	–	**13.4**	–
Yacoraite Onlap 1C	**0.8**	–	**4.1**	–	**20.8**	–	**0.7**	–	**3.5**	–	**17.9**	–
Total [2]	**52.9**	51.1	**126.5**	118.4	**316.9**	283.4	**508.9**	507.5	**1,578.1**	1,571.3	**5,191.3**	5,162.2

Notes:

(1) The estimates in the technical report have been prepared in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers. PRMS defines a prospect as a project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target. The chance of geologic success for the sixteen identified prospects ranges from 1 to 21 percent, which equals 79 to 99 percent chance of failure and therefore represents moderate risk to very high risk exploration.

(2) Total are the arithmetic sum of multiple probability distributions and may not add because of rounding.

(3) The technical report was prepared and updated by Netherland, Sewell & Associates, Inc. ("**NSAI**"), an international independent qualified technical adviser, as of 28 February 2014. As at 31 December 2014, no material change have occurred in our oil and gas prospective resources since the effective date of the NSAI report mentioned and as disclosed in the table above.

(4) The technical report was prepared by NSAI as of 31 October 2012.

(5) The prospective resources shown above have been estimated using probabilistic methods and are dependent on a petroleum discovery being made. Unrisked prospective resources are estimated ranges of recoverable oil and gas volumes assuming their discovery and development and are based on estimated ranges of undiscovered in-place volumes. Geologic risking of prospective resources addresses the probability of success for the discovery of a significant quantity of potentially moveable petroleum; this risk analysis is conducted independent of estimations of petroleum volumes and without regard to the chance of development. Principal geologic risk elements of the petroleum system including (1) trap and seal

characteristics; (2) reservoir presence and quality; (3) source rock capacity, quality, and maturity; and (4) timing, migration, and preservation of petroleum in relation to trap and seal formation. Risk assessment is a highly subjective process dependent upon the experience and judgment of the evaluators and is subject to revision with further data acquisition or interpretation. There was no material change on the assumptions adopted in the updated report in compare with the previous report.

(6) Seismic data available for use in the study of the Tartagal and Morillo license areas includes 749 km^2 of 3D seismic data and a total of 253 2D seismic lines totaling approximately 8,187 line kilometers.

Palmar Largo Concession

The Palmar Largo Concession (the "**PL Concession**") is located in Argentina's Noroeste Basin. The PL Concession includes two blocks. The first is the Palmar Largo block, located mainly in the Province of Formosa, covering an area of 1,221.1 km^2. This block holds the most important fields within the PL Concession. The second is the Balbuena Este block located further west in the Province of Salta, covering an area of 161 km^2 and containing the Balbuena Este oilfield. The PL Concession has a term of 25 years from 23 December 1992 to 23 December 2017, and is conditionally extendible for 10 years up to 23 December 2027, and can apply for a further extension of 10 years up to 23 December 2037 after the first extension.

On 26 February 2014, the Group completed its acquisition of 38.15% participating interest of Palmar Largo UTE ("**PL Participating Interest**"), and also become the UTE's operating partner. This acquisition contributed 954 MBBL of 1P Reserves and 1,104 MBBL of 2P Reserves to the Group.

During the year since our acquisition completed, the Group shared from the Palmar Largo UTE around 115 MBBL with an average daily production at around 375 BOPD regarding its PL Participating Interest. The sales of these shared crude oils contributed revenue of HK$80.04 million (2013: HK$Nil) at average selling price of US$77.76 per barrel.

Exploration, Development and Production in PL Concession

Upon completion of the acquisition of PL Participating Interest, after consideration of the geological, geophysical, mechanical and production data from the wells, as well as the proposed workover program from the previous operator of the Oilfield, and received the approval from the Palmar Largo UTE Operating Committee, a workover program for seven wells began in the second quarter of 2014. The workover program was mainly completed in October 2014 and reach daily production high at around 1,210 BOPD for 100% interest of Palmar Largo UTE. Unfortunately, in late 2014, three of the twelve production wells were either reducing or stopped production due to corrosion generating damages to the well casing and some technical issue occurred after the workover program, and resulted in a temporary decrease in daily production to around 829 BOPD as at 31 December 2014. The Group is fixing these problems and hope the production can be resumed soon.

As the PL Concession is a mature area, there is no currently planned activity for further exploration and development although there are a number of interesting prospective locations which are under study for future drilling. The Palmar Largo UTE will still focus on enhance and improve the current production level.

Expenditures incurred from the production activities during the year regarding the Group's PL Participating Interest are as follows:

Nature of expenditure	**Amount**
	HK$'000
Acquisition costs	103,866
Capital expenditures	3,526
Workover	13,025
Production costs	15,717
Total	136,134

Resources update

The following table sets out the best estimates of the Group's net interest in 2P Reserves in the PL Concession for the year:

	Volume to the end of PL Concession		**Volume to the end of field life**	
	Oil	**Gas**	**Oil**	**Gas**
	(in MBBL)	(in MMCF)	(in MBBL)	(in MMCF)
2P Reserves				
As at 1 January 2014	**–**	–	**–**	–
Acquisition	**523**	875	**1,104**	1,853
Production/Consumption	**(115)**	(233)	**(115)**	(233)
Discoveries & revisions	**62**	99	**122**	212
As at 31 December 2014	**470**	741	**1,111**	1,832

Notes:

1. The technical report was prepared by MGA Petróleo y Gas S.A., an independent qualified technical consultant, as of 31 December 2014 in accordance with Resolution 324/06 of the National Secretary of Energy (Argentina), which conforms to the definition and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers.

2. The volume to the end of the PL Concession and volume to the end of field life has been estimated based on the assumptions that Palmar Largo UTE will be able to extend the concession period for 10 years up to 23 December 2027 beyond its current expiry date (i.e., 23 December 2017) and will continue to operate the PL Concession to the end of the field life. It is estimated that the 2P Reserves can be produced economically until 2025.

Investment in Oil and Gas Properties in Utah, United States

The Uinta basin is a structural basin located in eastern Utah, east of the Wasatch Mountains and south of the Uinta Mountains, where commercial oil and gas production is available. Currently, the Group has the following investments in the Uinta basin, state of Utah, US:

Natural Buttes project

During the year, Natural Buttes project had production with an average daily output of 4 barrels (2013: 10 barrels) for the year. There was no exploration and development activities performed during the year. The Group generated a revenue of HK$1.07 million (2013: HK$2.34 million) from the sale of crude oil of 1.8 MBBL (2013: 3.6 MBBL) at an average price of US$77.27 (2013: US$84.97) per barrel. The Group believes, by devoting further capital expenditure to workover these wells, the aggregate production volume from these wells could increase, which may reach approximately 40 to 50 BOPD.

Altamont-Bluebell project

In September 2014, the Group acquired two land lease interests in the Uinta basin with 2,279 net acres and 440 gross acres respectively for a consideration of HK$66.66 million. The purchase of these new acres brought into the Group an additional 368 MBBL 1P Reserves and 1,396 MBBL 2P Reserves.

During the year, the Group is still reworking some wells to achieve for production, and there was no other exploratory, development and production activities performed. The Group will devote more resources and efforts and monitor closely on the rework to get this project starting production in the earliest future.

The following table sets out the estimates of the Group's net interest reserves (2P) in the Utah projects:

	Natural Buttes project(1) (in MBBL)	**Altamont-Bluebell project**(2) (in MBBL)
2P Reserves		
As at 1 January 2014	273	1,599
Acquisition (3)	–	1,396
Production	(2)	–
Discoveries & revisions	2	–
As at 31 December 2014	273	2,995

Notes:

(1) The technical report was updated by Chapman Petroleum Engineering Limited ("**Chapman**"), an independent qualified technical adviser, as of 31 December 2014 in accordance with the guidelines of Regulation S-X, Rule 4-10(a) of the Securities Exchange Act with respect to the classification of reserves, which conforms to the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers. The report had indicated that a net present value ("**NPV**") analysis had been conducted by them for the purpose of determining the fair value of the Natural Buttes field as of 31 December 2014. The interest of NPV discounted by 10% per annum (PV10) of Natural Buttes field (after income tax) entitled to the Group amounted US$4.72 million (equivalent to HK$36.57 million) (31 December 2013: US$4.87 million (equivalent to HK$37.76 million)). As at 31 December 2014, the carrying amount of the oil and gas properties of the Group in Natural Buttes field was approximately HK$9.93 million (31 December 2013: HK$10.15 million).

(2) The technical reports were updated by Chapman as of 31 December 2013 in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook ("COGEM") prepared jointly by the society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy and Petroleum (Petroleum Society), which conforms to the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers. The reports had indicated that NPV analysis had been conducted by them for the purpose of determining the fair value of the Altamont-Bluebell field as of 31 December 2013. The interest of NPV discounted by 10% per annum (PV10) of Altamont-Bluebell field (after income tax) entitled to the Group amounted US$27.66 million (equivalent to HK$214.52 million). As at 31 December 2014, no material change have been occurred to the 2P Reserves since the effective date of the Chapman reports as mentioned above and in note (3) below.

As at 31 December 2014, the carrying amount of the oil and gas properties of the Group in Altamont-Bluebell field was approximately HK$223.89 million (31 December 2013: HK$156.96 million).

(3) The acquisition was completed on 25 September 2014. As at completion, a technical report was prepared by Chapman as of 31 May 2014 in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook ("COGEM") prepared jointly by the society of Petroleum Evaluation Engineers (Calgary Chapter) and the Canadian Institute of Mining, Metallurgy and Petroleum (Petroleum Society), which conforms to the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers, indicated that NPV analysis had been conducted by them for the purpose of determining the fair value of the Altamont-Bluebell field as of 31 May 2014 and the interest of NPV discounted by 10% per annum (PV10) of 2,279 net acres interest located in Altamont-Bluebell area (after income tax) entitled to the Group amounted US$11.36 million (equivalent to HK$88.19 million).

During the year, the Group made the following expenditures in relation to its acquisition, development and production activities performed in Utah, US:

Nature of expenditure	**Natural Buttes project** *HK$'000*	**Altamont-Bluebell project** *HK$'000*	**Total** *HK$'000*
Acquisition costs	–	66,663	66,663
Capital expenditures	–	271	271
Development costs	–	3,004	3,004
Production costs	1,875	–	1,875
	1,875	69,938	71,813

Grey Hawk Investment

Grey Hawk Exploration Inc. ("**Grey Hawk**") is a company incorporated under the laws of the province of British Columbia and is engaged in the acquisition, exploration and development of oil and gas properties located in US. As at 31 December 2014, the Group owned 55.63% (31 December 2013: 55.63%) interest in Grey Hawk. The Group plays a role as a pure investor of Grey Hawk and does not involve in any of Grey Hawk's operations. The sole purpose of the Group in this investment is to seek capital appreciation from the successful development of Grey Hawk. As such, the Group classified its Grey Hawk investment as "Available-for-sale investments" and accounted for at cost less impairment losses.

As at 31 December 2014, the carrying value of Grey Hawk investment was HK$4.18 million (31 December 2013: HK$5.11 million). The Group believes that its investment in Grey Hawk could maximise returns to its shareholders.

Downstream Natural Gas Business

In order to streamline the Group's corporate structure and cement its upstream asset base, the Group finally concluded into agreements with the Blue Sky Power Holdings Limited (formerly known as "**China Print Power Group Limited**") (stock code: 06828) in November 2014 regarding the disposal of entire equity interest of Shine Great Investments Limited ("**Shine Great**"), which indirectly holds the entire downstream LNG/CNG business of the Group in China. The first stage of the Disposal (i.e., the enlarged 51% equity interest of Shine Great) was completed on 24 February 2015, and Shine Great and its subsidiaries are ceased to be subsidiaries of the Group and will be deconsolidated from the Group since that date. Both parties are working on the conditions precedent for the second stage (i.e., the remaining 49% equity interest of Shine Great) of the disposal, and look forward to close it once the conditions precedent are satisfied.

During the year, the Group recorded sales of HK$7.63 million (2013: HK$1.09 million) from the downstream natural gas business, with gross profit of HK$1.18 million (2013: HK$0.03 million) and has been included in the loss from discontinued operation.

Trading Business

Year 2014 was a very challenging and difficult year for the Group regarding our resource-related trading business. The frequent change in oil commodities market and significant fluctuation of market oil prices, especially the oil price slump in late 2014, lead us to a very challenging position and increased our difficulties in concluding trading contracts with our suppliers and customers. During the year, the Group has devoted lot of efforts in restoring the business, especially through introduction of new business partners to broaden our existing customers and suppliers bases. Although the management of the Group has tried their best to restore the business from the difficult and challenging environments, it is unfortunately that the Group still did not record any sales (2013: HK$318.41 million) and gross profit (2013: HK$5.86 million) in the trading business during the year.

Looking forward, although the decision of the Organisation of the Petroleum Exporting Countries ("OPEC") to maintain the existing daily crude oil production level at 30 million BOPD leads the West Texas Intermediate ("WTI") oil price tumbles to a five-year low of around US$54 per barrel by end of December 2014 since topping around US$107 per barrel in June 2014, we expect the oil price will rebound and growth steadily in a medium to long term. Also, even the global demand is expected to go downward in 2015 based on weaker global economic growth prospects for next year, we still feel positive that the upcoming changes will create a favorable environment and criteria for us to restore and unlock the growth potential of our trading business, and look forward our trading business would be back as normal in the future.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The Group mainly financed its operations from its own working capital, short-term borrowings and issue of long-term debt securities for the year ended 31 December 2014.

As at 31 December 2014, the Group's total cash and bank balances (including pledged bank deposits) were approximately HK$21.69 million (31 December 2013: HK$106.14 million), representing a decrease of HK$84.45 million compared with 2013. The decrease was mainly resulted in the net cash outflow from operations and cash considerations paid for acquisitions during the year.

As at 31 December 2014, the total equity of the Group was HK$3,820.98 million (31 December 2013: HK$3,950.90 million) and the net asset value per share was HK$2.76 (31 December 2013: HK$3.38). The debt ratio, calculated by total liabilities divided by total assets, was 15.22% as at 31 December 2014 (31 December 2013: 10.45%).

As at 31 December 2014, the total asset value and net current asset value of the Group were approximately HK$4,507.12 million (31 December 2013: HK$4,411.96 million) and HK$192.49 million (31 December 2013: net current liability value of HK$96.07 million) respectively.

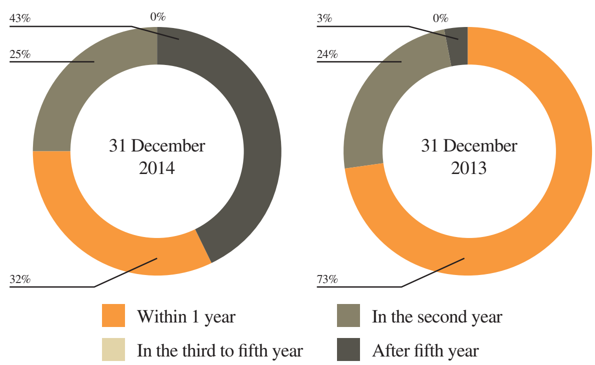
Fund raising activities during the year

On 21 November 2014, the Company proposed an open offer on the basis of one offer share for every two shares held on the 31 December 2014 at the subscription price of HK$0.17 per offer share. The open offer was closed on 30 January 2015 and the closing market price on this date was HK$0.206 per share. Net proceeds of approximately HK$113.90 million (equivalent to HK$0.16 per share) were received and is intended to be used, as to approximately HK$35.90 million, for the general working capital and, as to approximately HK$78.00 million, to strengthen the business in Argentina and/or other jurisdiction and to prepare for acquisitions and drillings in Argentina when the suitable opportunities arise.

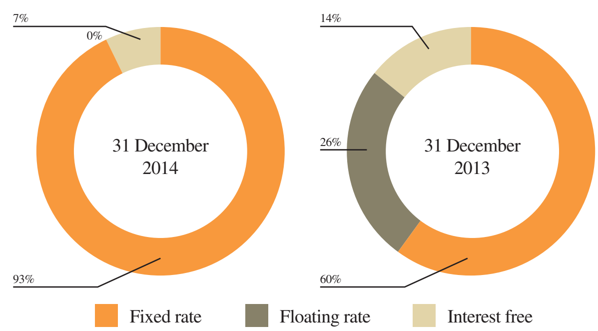
Borrowings

Total borrowings outstanding at 31 December 2014 were HK$483.97 million (31 December 2013: HK$335.54 million), comprising bank and other borrowings, debt securities in issue and obligation under finance lease. The profile of the Group's borrowings as at 31 December 2014 is set out in the tables below:

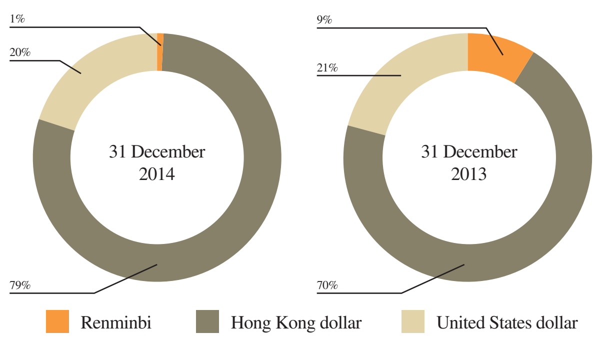
Debt Profile by Maturity



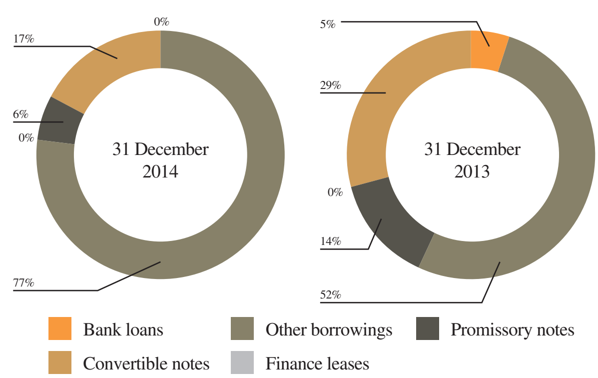
Debt Profile by Interest Rate Structure



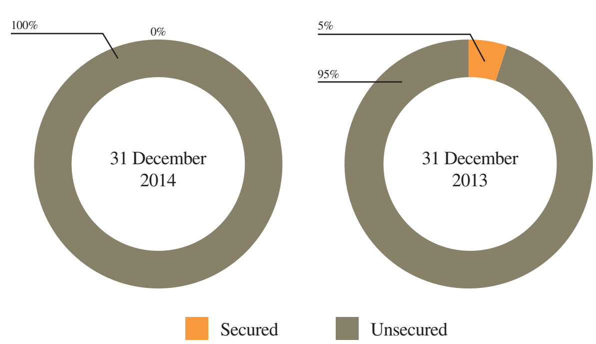
Debt Profile by Currencies



Debt Profile by Types of Borrowings



Debt Profile by Security Nature



Gearing ratio

As at 31 December 2014, the gearing ratio, calculated on the basis of interest bearing borrowings divided by total equity, was 11.83% (31 December 2013: 7.28%).

Charge on Assets

As at 31 December 2014, the Group did not have any charge on its assets. (31 December 2013: Bank deposit of HK$19.03 million was pledged to a bank to secure for a revolving banking borrowing facilities.)

Contingent Liabilities

As at 31 December 2014, the Group did not have any material contingent liabilities (31 December 2013: nil).

Capital Commitments

Details of the capital commitments of the Group as at 31 December 2014 are set out in note to the consolidated financial statements.

Foreign Exchange Exposure

Assets and liabilities of the Group are mainly denominated in Hong Kong dollar, Renminbi, United States dollar and Argentine peso. Most of these assets and liabilities are in functional currency of the operations to which the transactions relate. The currencies give rise to the foreign exchange risk is primarily United States dollars and Renminbi. As Hong Kong dollars was pegged to United States dollars and the fluctuation of Renminbi during the period under review is moderate, the Group had minimal exposures to foreign exchange fluctuations. Thus, the Group currently does not have a foreign currency hedging policy. However, the management will monitor the Group's foreign exchange exposure on an ongoing basis and will consider hedging significant foreign currency exposure should the need arise.

Employees

As at 31 December 2014, the Group employed a total of 109 (31 December 2013: 120) permanent employees in Hong Kong, PRC, United States and Argentina. Total employee remuneration (including directors' emoluments and benefits) for the year ended 31 December 2014 amounted to HK$38.68 million (2013: HK$27.91 million) representing HK$33.18 million (31 December 2013: HK$23.11 million) from continuing operations and HK$5.50 million (31 December 2013: HK$4.80 million) from discontinued operation. The Group provides its employees with competitive remuneration packages which were determined by their personal performance, qualifications, experience, and relevant market conditions in the respective geographical locations and businesses in which the Group operates.

MATERIAL ACQUISITION AND DISPOSALS

Save as disclosed in notes to the consolidated financial statements, the Group did not have any material acquisitions and disposals of subsidiaries and associated companies during the year.

SIGNIFICANT INVESTMENTS

(i) Nordaq Energy, Inc.

Nordaq Energy Inc. ("**Nordaq**") is an independent oil and gas company based in Anchorage, Alaska. Nordaq is mainly engaged in explore, appraise and develop hydrocarbon reserves in the State of Alaska. Its portfolio includes prospects and resources in the Cook Inlet Basin and North Slope Province.

Upon the successfully bid for several leases during the year, the acreage position of Nordaq increased to approximately 660,000 gross acres by end of year 2014. During the year, Nordaq has also been significantly recapitalised, which increased its options to explore and develop its Cook Inlet Basin assets and allowed it to expand its North Slope acreage. The management of Nordaq believes the North Slope holds significant opportunities as new play types in this world-class petroleum system emerge and become commercial.

The investment was classified as "Available-for-sale investments" and was accounted for at its fair value.

During the year, Nordaq has completed several private placements for consideration at US$15.00 per new shares, and hence, our interest in Nordaq has been diluted from 12.33% as at 31 December 2013 to 10.11% as at 31 December 2014. As at 31 December 2014, the carrying value of this investment was HK$100.88 million (31 December 2013: HK$100.88 million).

(ii) BCM Energy Partners, Inc ("BCM")

During the year, BCM sold its entire interests in the asset known as University Field to Essex Energy LLC in a private transaction valued at approximately US$2.4 million (equivalent to HK$18.60 million) including the assumption of all liabilities associated with the asset, As a result of this transaction, BCM has regained 100% of the membership interest in BCM Louisiana and will record a non-cash gain of approximately US$113,000 (equivalent to HK$876,000).

In addition, the Group through provision of advisory services to BCM received 566,000 BCM shares as remuneration during the year, which representing 3.81% interest of BCM.

As at 31 December 2014, the Group in aggregate held US$7.75 million (equivalent to HK$60.14 million) (31 December 2013: US$6.95 million (equivalent to HK$53.92 million)) BCM's convertible bonds and 566,000 BCM shares for an aggregate carrying value of HK$68.51 million.

The Group believes that, upon successful development of these companies, our investments can bring lucrative returns to our shareholders.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Corporate Governance Code

The Group strives to attain and maintain high standards of corporate governance best suited to the needs of its businesses and the best interests of its stakeholders as the Board believes that effective corporate governance is essential to the maintenance of the Group's competitiveness and to its healthy growth. The Company has adopted and applied the principles of the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

In the opinion of the directors of the Company (the "**Directors**"), the Company was in compliance with the applicable code provisions in the CG Code for the year ended 31 December 2014 and, where appropriate, the applicable recommended best practices of the CG Code, save and except for the following deviation:

Code Provision A.4.1

Under Code Provision A.4.1, non-executive directors should be appointed for a specific term and subject to re-election. During the year, all Non-executive Directors and Independent Non-executive Directors are not appointed for a specific term. They are, however, subject to the requirement of retirement and re-election at least once every three years at the annual general meetings of the Company in accordance with the relevant provisions of the Company's bye-laws. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the code provisions of the CG Code.

Code Provision A.6.7

Under Code Provision A.6.7, independent non-executive directors and other non-executive directors, as equal board members, should attend general meetings. During the year, certain Non-executive Director and Independent Non-executive Directors were unable to attend the general meetings of the Company as they were out of town or had other engagements.

Review of Annual Results

The annual results of the Group for the year ended 31 December 2014 have been reviewed by the Audit Committee of the Company.

Purchase, Sale and Redemption of Listed Securities

During the year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's securities listed on The Stock Exchange of Hong Kong Limited.

Closure of register of members

The register of members will be closed on Monday, 29 June 2015, for the purpose of determining shareholders' entitlement to attend and vote at the annual general meeting, during which day no transfers of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 26 June 2015.

Publication of annual results and annual report

This annual results announcement is published on the websites of the Company (www.nt-energy.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The annual report of the Company for the year ended 31 December 2014 containing all the information required by the Listing Rules shall be despatched to the shareholders of the Company and made available on the abovementioned websites in due course.

GLOSSARY

"BBL"	Barrel
"BCF"	Billion cubic feet
"BOPD"	Barrels of oil per day
"km^2"	Square kilometers
"MBBL"	Thousand barrels of oil
"MMBBL"	Million barrels of oil
"MMCF"	Million cubic feet
"1P Reserves"	Proved reserves
"2P Reserves"	Proved reserves + probable reserves

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

Hong Kong, 25 March 2015

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.