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NEW TIMES ENERGY CORPORATION LIMITED

新時代能源有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00166)

DISCLOSEABLE AND CONNECTED TRANSACTION

DISPOSALS OF SUBSIDIARIES

THE DISPOSALS

The Board is pleased to announce that on 30 December 2016, Total Belief (a wholly-owned subsidiary of the Company) entered into the Agreement with Buyer, pursuant to which Total Belief has conditionally agreed to sell to Buyer the Sale Shares for an aggregate consideration of US\$10,750,000 (equivalent to approximately HK\$83,420,000).

LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios under the Listing Rules in respect of the Disposals are more than 5% and less than 25%, the Disposals constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Since Mr. Kevin Sylla, who occupies the position of director of TEO and TEPI (being Target Companies and subsidiaries of the Company prior to Closing), is a substantial shareholder of Buyer Parent (which indirectly wholly-owns Buyer), Mr. Kevin Sylla and Buyer (being his associate) are connected persons of the Company at the subsidiary level. Accordingly, the Disposals constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. On 30 December 2016, the Board (including the independent non-executive Directors) has approved the Disposals and the independent non-executive Directors have also confirmed that the terms of the Disposals are fair and reasonable, the Disposals are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. By virtue of Rule 14A.101 of the Listing Rules, the Disposals are only subject to the reporting and announcement requirements, and are exempt from the circular, independent financial advice and shareholders' approval requirements.

* For identification purpose only

INTRODUCTION

The Board is pleased to announce that on 30 December 2016, Total Belief (a wholly-owned subsidiary of the Company) entered into the Agreement with Buyer, pursuant to which Total Belief has conditionally agreed to sell to Buyer the Sale Shares for an aggregate consideration of US\$10,750,000 (equivalent to approximately HK\$83,420,000).

THE AGREEMENT

A summary of the salient terms of the Agreement is set out below:

Date

30 December 2016

Parties

- (i) Total Belief (as seller)
- (ii) Buyer (as buyer)

Subject matter

Pursuant to the Agreement, Total Belief has conditionally agreed to sell to Buyer the Sale Shares (comprising (i) the CEH Sale Shares (ii) the PSH Sale Shares and (iii) the VTI Sale Shares) (together, the “**Disposals**”).

The CEH Sale Shares, PSH Sale Shares and VTI Sale Shares represent the entire issued share capital of CEH, PSH and VTI, respectively. Please refer to the section headed “Information on the Target Group” in this announcement below for details of the Target Group.

Consideration and basis of determination of Consideration

The consideration (“**Consideration**”) for the Disposals is US\$10,750,000 (equivalent to approximately HK\$83,420,000) to be settled as follows:

- (i) (a) as to US\$75,000 (equivalent to approximately HK\$582,000) to be paid at Closing by wire transfer of promptly available funds;
- (b) as to US\$675,000 (equivalent to approximately HK\$5,238,000) to be paid following the execution of the Agreement but not later than 10 Business Days following the Closing Date by wire transfer of promptly available funds;

- (ii) as to US\$4,000,000 (equivalent to approximately HK\$31,040,000) to be settled not later than 10 Business Days following the Closing Date in the form of 2,083,334 shares (“**Common Stock**”) to be issued by Buyer Parent (the quantity of the Common Stock was determined based on a mutually-agreed market price per share of the Common Stock of US\$1.92); and
- (iii) as to US\$6,000,000 (equivalent to approximately HK\$46,560,000) to be settled by the issue of a promissory note by Buyer to Total Belief at Closing. The said promissory note shall accrue no interest and have a term of 18 months from the Closing Date and shall be due and payable upon maturity. Buyer shall acquire the Sale Companies subject to their respective debt obligations (excluding certain debt due by GGL to the Group in the principal amount of US\$3,422,353 (equivalent to approximately HK\$26,557,460), which shall be deemed discharged as to GGL upon delivery of the said promissory note).

The amount of Consideration was arrived at after arm’s length negotiations between the Company and Buyer taking into account, among others, (i) the historical financial performance, (ii) the unaudited consolidated net asset value of the Target Group (after excluding the debts due to the Group by Target Group) as at 30 September 2016 and, (iii) the business development and future prospects of the Target Group.

Conditions precedent

Pursuant to the Agreement, the Closing is subject to the fulfilment (or waiver) of the following conditions (“**Conditions**”):

- (i) unless waived in writing by Total Belief, Total Belief’s obligation to perform and complete the Disposals shall be subject to Buyer performing, on or before the Closing Date, all acts required of Buyer, and shall be further subject to the material accuracy of the representations and warranties of Buyer contained in the Agreement, and to the further condition that Buyer shall deliver to Total Belief, on the Closing Date:
 - (a) a certificate from an officer of Buyer to the effect that the representations and warranties of Buyer contained in the Agreement are true and correct in all material respects as of the Closing Date; and
 - (b) Buyer will have obtained at least US\$2,250,000 (equivalent to approximately HK\$17,460,000) in financing on or within 10 Business Days following the Closing Date.

- (ii) unless waived in writing by Buyer, Buyer's obligation to perform and complete the Disposals shall be subject to Total Belief performing, on or before the Closing Date, all acts required of Total Belief, and shall be further subject to the material accuracy and correctness of the representations and warranties of Total Belief contained in the Agreement, and to the further conditions that:
 - (a) on or before the Closing Date, Total Belief shall have caused the resignation of all of the officers and directors of the Target Group (as required by Buyer);
 - (b) Total Belief shall deliver to Buyer, on the Closing Date, a certificate from an officer of Total Belief to the effect that the representations and warranties of Total Belief contained in the Agreement are true and correct in all material respects as of the Closing Date;
 - (c) Total Belief shall deliver, in form and substance in a manner acceptable to Buyer and its counsel, all original instruments and certificates of ownership, and transfer documents, that will assure full and complete title and control of the Target Group (as required by Buyer), and their tangible and intangible properties, cash accounts and receivables wherever held, and business operations to Buyer; and
 - (d) Buyer will have obtained at least US\$2,250,000 (equivalent to approximately HK\$17,460,000) in financing on or within 10 Business Days following the Closing Date.

Closing

Closing shall take place in Denver, the United States as soon as practicable after all of the Conditions have been satisfied ("**Closing Date**") or at such other place and time as agreed by the parties.

Other terms

The Common Stock (being "restricted securities" within the meaning of the federal securities laws that have not been registered under the Securities Act of 1933, as amended) shall be subject to a lock up period of 12 months from the date of issuance, during which the Common Stock may not be sold or, except as otherwise permitted by law, rule or regulation, transferred.

The Common Stock shall be designated as voting stock, but Total Belief shall, to the fullest extent permitted under applicable law and the corporate governance documents of Buyer Parent, grant its proxy to Buyer for all votes to Total Belief would be entitled as a result of its ownership of the Common Stock.

INFORMATION ON THE TARGET GROUP

The Target Group

Each of CEH, PSH and VTI are wholly-owned subsidiaries of Total Belief as at the date of this announcement.

CEH wholly-owns GGL, which in turn wholly-owns NTE-Utah, which in turn wholly-owns TEO, which wholly-owns TEMPL. GGL also owns TEPI as to 75%, the remaining 25% of which is held by an independent third party to the Group.

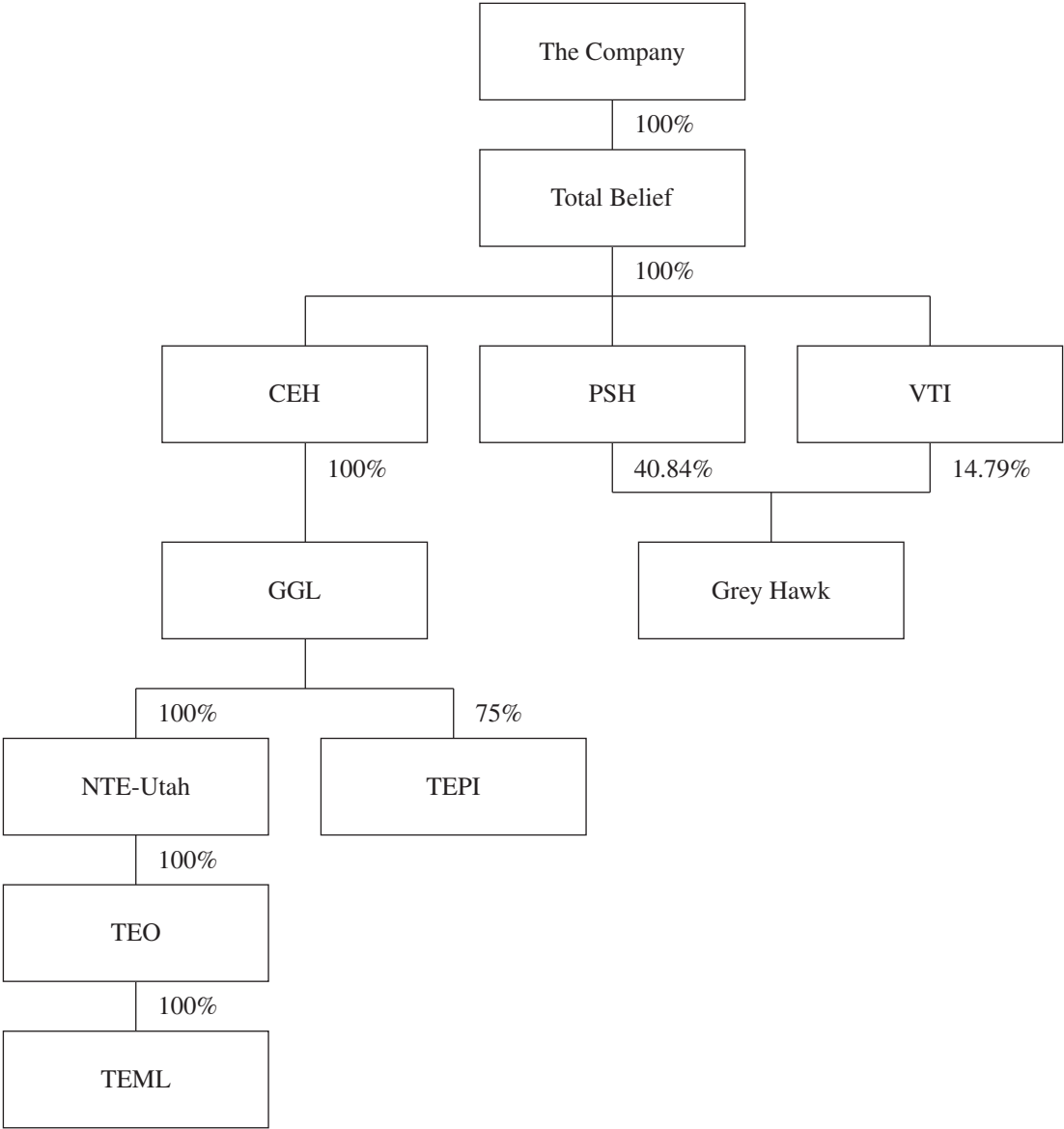
PSH and VTI owns Grey Hawk as to approximately 40.84% and 14.79%, respectively. The remaining equity ownership in Grey Hawk (save approximately 3.59% in which Mr. Kevin Sylla is indirectly interested), which is not accounted for nor consolidated in the consolidated accounts for the Company as a subsidiary, is owned by certain independent third party(ies) to the Group.

Each of CEH, PSH, VTI, GGL and NTE-Utah are investment holding companies.

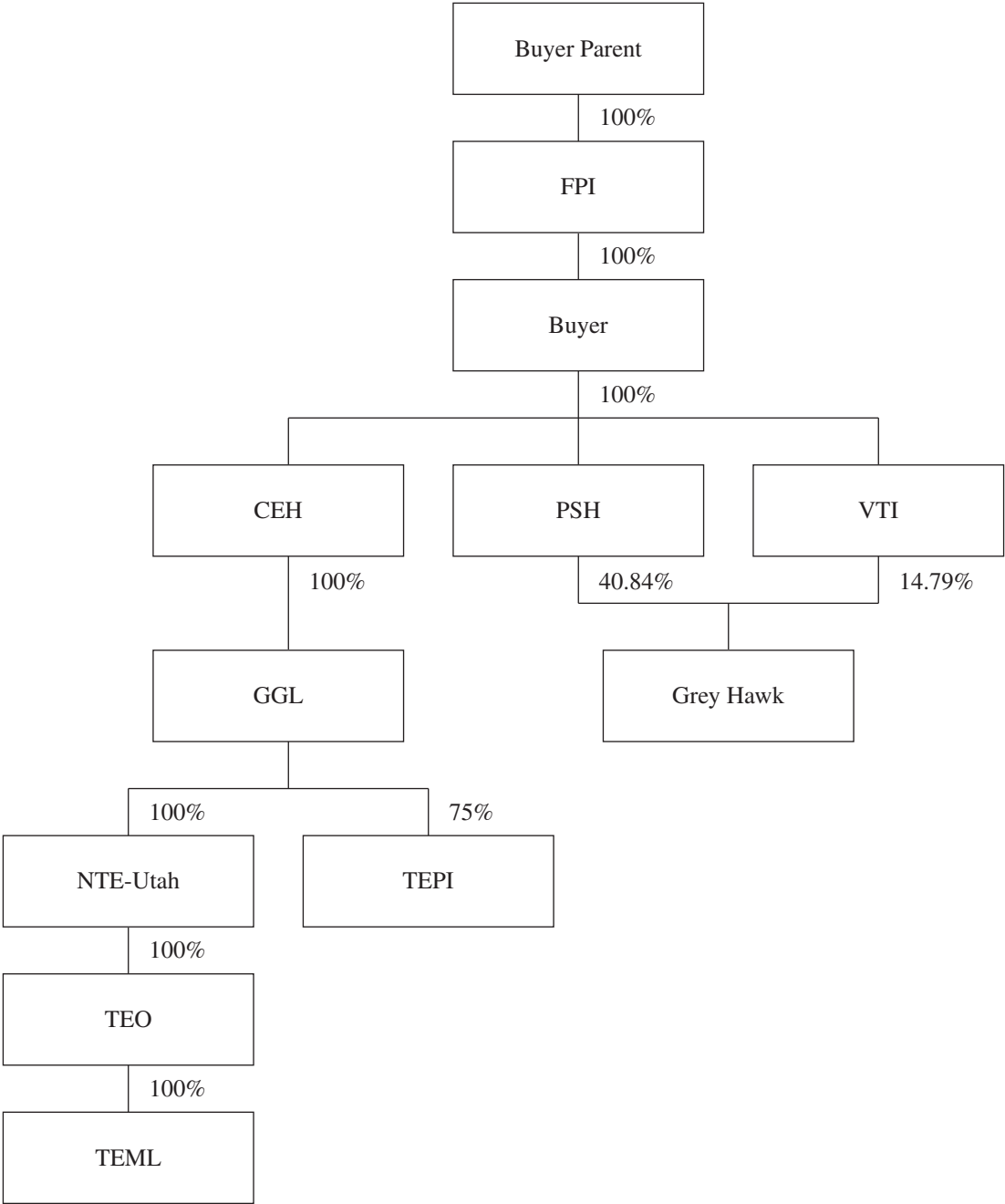
TEPI, TEO and TEMPL are principally engaged in developing oil and gas properties in the United States and their principal assets comprise certain oil and gas leases in Natural Buttes and Altamont-Bluebell in the Uinta Basin, the United States.

The Company understands that Grey Hawk is principally engaged in exploration and development of oil and gas concessions, and owns certain oil and gas properties in Uinta Basin, the United States.

The shareholding structure of the Target Group as at the date of this announcement is set out below for illustrative purpose:



The shareholding structure of the Target Group immediately after Closing is set out below for illustrative purpose:



After Closing, each of the Sale Companies (and their respective subsidiaries) will cease to be subsidiaries of the Company.

Financial information of the Target Group

Set out below is certain unaudited consolidated financial information of the Target Group (prepared in accordance with the HK GAAP and on the basis of the existing shareholding structure of the Target Group), for each of the financial years ended 31 December 2014 and 31 December 2015, respectively.

	For the year ended 31 December 2014 HK\$'000	For the year ended 31 December 2015 HK\$'000
Loss before taxation	(24,201)	(196,562)
Loss after taxation	(24,203)	(157,906)

As at 30 September 2016, the unaudited consolidated net liabilities of the Target Group is HK\$183,546,000 (prepared in accordance with the HK GAAP and on the basis of the existing shareholding structure of the Target Group).

REASONS FOR THE DISPOSALS

The Target Group are engaged in the Group's upstream business in the United States and represents the Group's investments in the Uinta Basin, the United States. As disclosed in the Company's annual report for the year of 2015, the Group was seeking opportunities to sell its investments in the Uinta Basin if the terms of the sale are reasonable and in the best interests of the Company and its shareholders as a whole. The Directors believe that, in view of the recent international oil price having slightly rebounded from the floor, the Disposals represent a good opportunity for the Group to realize the value of the Target Group and carve out its loss making business segment. It will also allow the Group to concentrate on its upstream oil and gas business in Argentina and provide additional funding to the Group for investment as and when suitable opportunities arise.

Subject to audit, the Group expects to record a net gain of approximately HK\$38,193,000 arising from the Disposals based on the difference between (i) the Consideration and (ii) the unaudited consolidated net asset value of the Target Group in the amount of approximately HK\$45,227,000 (after excluding the debts due to the Group by Target Group in the amount of approximately HK\$228,773,000) as at 30 September 2016. The Group expects that the net gain to be recognised in the statement of profit or loss will be different from the net gain as disclosed above due to the fair value accounting under HK GAAP pertaining to the Common Stock and promissory note to be received at Closing.

The Group intends to use the proceeds of the Disposals as general working capital of the Group and for investment as and when suitable opportunities arise.

The Directors (including the independent non-executive Directors) are of the view that the Disposals are fair and reasonable, on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the Disposals and have abstained from voting on the resolution(s) passed by the Board in respect of the Disposals.

INFORMATION ON THE GROUP

The Group is principally engaged in the exploration, development, production and sale of natural resources. Total Belief is a direct wholly-owned subsidiary of the Company principally engaged in investment holding.

INFORMATION ON BUYER

The Company understands that Buyer is a company incorporated in the State of Nevada, the United States and is principally engaged in the acquisition and development of oil and gas properties in the Rockies and Gulf Coast of the United States.

Since Mr. Kevin Sylla, who occupies the position of director of TEO and TEPI (being Target Companies and subsidiaries of the Company prior to Closing), is a substantial shareholder of Buyer Parent (which indirectly wholly-owns Buyer), Mr. Kevin Sylla and Buyer (being his associate) are connected persons of the Company at the subsidiary level.

LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios under the Listing Rules in respect of the Disposals are more than 5% and less than 25%, the Disposals constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Since Mr. Kevin Sylla, who occupies the position of director of TEO and TEPI (being Target Companies and subsidiaries of the Company prior to Closing), is a substantial shareholder of Buyer Parent (which indirectly wholly-owns Buyer), Mr. Kevin Sylla and Buyer (being his associate) are connected persons of the Company at the subsidiary level. Accordingly, the Disposals constitute a connected transaction of the Company under Chapter 14A of the Listing Rules. On 30 December 2016, the Board (including the independent non-executive Directors) has approved the Disposals and the independent non-executive Directors have also confirmed that the terms of the Disposals are fair and reasonable, the Disposals are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. By virtue of Rule 14A.101 of the Listing Rules, the Disposals are only subject to the reporting and announcement requirements, but are exempt from the circular, independent financial advice and shareholders' approval requirements.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Agreement”	the purchase and sale agreement dated 30 December 2016 between Total Belief and Buyer in respect of the Disposals
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day other than a Saturday, Sunday, legal holiday in the State of Colorado or day on which banking institutions in the State of Colorado are authorized or obligated by law to close
“Buyer”	Foothills Exploration Operating, Inc., a company incorporated in the State of Nevada, the United States and a connected person of the Company
“Buyer Parent”	Foothills Exploration, Inc. (OTC.QB: FTXP), a publicly-traded company incorporated in the State of Delaware, the United States and the holding company of FPI and indirect holding company of Buyer
“BVI”	the British Virgin Islands
“CEH”	Clear Elite Holdings Limited, a company incorporated in BVI with limited liability and a Target Company
“CEH Sale Shares”	100 shares of CEH, representing 100% of the issued share capital of CEH
“Closing”	closing of the Disposals pursuant to the terms and conditions of the Agreement
“Closing Date”	has the meaning ascribed to it under the section headed “The Agreement – Closing” in this announcement

“Common Stock”	has the meaning ascribed to it under the section headed “The Agreement – Consideration and basis of determination of Consideration” in this announcement
“Company”	New Times Energy Corporation Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Conditions”	has the meaning ascribed to it under the section headed “The Agreement – Conditions precedent” in this announcement
“Consideration”	has the meaning ascribed to it under the section headed “The Agreement – Consideration and basis of determination of Consideration” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposals”	has the meaning ascribed to it under the section headed “The Agreement – Subject matter” in this announcement
“FPI”	Foothills Petroleum Inc., a company incorporated in the State of Nevada, the United States and the direct holding company of Buyer
“GGL”	Golden Giants Limited, a company incorporated in BVI with limited liability and a Target Company
“Grey Hawk”	Grey Hawk Exploration, Inc., a company incorporated under the laws of the province of British Columbia, Canada
“Group”	the Company and its subsidiaries
“HK GAAP”	the generally accepted accounting principles, standards and practices in Hong Kong (including all applicable Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PSH”	Prominent Sino Holdings Limited, a company incorporated in BVI with limited liability and a Target Company
“PSH Sale Shares”	100 shares of PSH, representing 100% of the issued share capital of PSH
“NTE-Utah”	NTE-Utah, LLC, a corporation with limited liability organized under the law of Delaware, the United States and a Target Company
“Sale Companies”	CEH, PSH and VTI; and “Sale Company” means any one of them
“Sale Shares”	the CEH Sale Shares, the PSH Sale Shares and the VTI Sale Shares
“Share(s)”	ordinary shares of HK\$0.01 in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	CEH, PSH, VTI, GGL, NTE-Utah, TEO, TEMPL and TEPI; and “Target Company” means any one of them
“TEMPL”	Tiger Energy Mineral Leasing, LLC, a corporation with limited liability organized under the law of Nevada, the United States and a Target Company
“TEO”	Tiger Energy Operating, LLC, a corporation with limited liability organized under the law of Nevada, the United States and a Target Company
“TEPI”	Tiger Energy Partners International, LLC, a corporation with limited liability organized under the law of Nevada, the United States and a Target Company

“Total Belief”	Total Belief Limited, a company incorporated in BVI and a wholly-owned subsidiary of the Company
“United States”	The United States of America
“US\$”	United States dollar
“VTI”	Value Train Investments Limited, a company incorporated in BVI with limited liability and a Target Company
“VTI Sale Shares”	100 shares of VTI, representing 100% of the issued share capital of VTI
%	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of US\$1.00=HK\$7.76 has been used, where applicable, for purpose of illustration only and it does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.

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

Hong Kong, 30 December 2016

As at the date of this announcement, the Board comprises seven directors, of whom three are executive directors, namely Mr. Cheng Kam Chiu, Stewart, Mr. Cheng Ming Kit and Mr. Zhang Kun; 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.