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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)

MAJOR TRANSACTION PROVISION OF LOAN TO AND ACQUISITION OF SHARES IN SHANGHAI ENERGY CORPORATION

THE TRANSACTIONS

On 21 September 2021 (after trading hours), the Board is pleased to announce that the Company, through two indirect wholly-owned subsidiaries, entered into the definitive agreements to provide a Loan to the Target Company as well as to acquire all of the shares of the Target Company for a total commitment of C\$20,000,001 (equivalent to approximately HK\$122,000,006.10), (i) NTEC (an indirect wholly-owned subsidiary of the Company) and the Target Company entered into the New Loan Agreement pursuant to which the NTEC provisionally agreed to lend C\$20,000,000 (or its US equivalent) to the Target Company for repayment of all of the indebtedness owing by the Target Company to the Vendor under the Existing Loan Agreement with the remaining balances to be paid to the Vendor as return of capital; (ii) the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor and the Target Company entered into the SPA pursuant to which the Purchaser provisionally agreed to acquire and the Vendor provisionally agreed to sell the entire issued share capital of the Target Company at a consideration of C\$1; and (iii) the Purchaser, the Company, the Vendor and the Target Company have entered into the Transaction Steps Agreement pursuant to which the parties have set out the sequence of the transaction steps of the Transactions.

Upon the Sale and Purchase Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company, and the results of the Target Group will be consolidated into the financial statements of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) exceed(s) 25% but is less than 100%, the Transactions constitute a major transaction of the Company and is therefore subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Transactions. The Company has received a written approval of the Transactions from Max Sun which holds 5,737,129,098 Shares, representing approximately 65.50% of the issued Shares as at the date of this announcement. According, no special general meeting is required to be convened for the purpose of approving the Transactions in accordance with Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, the Company is required to despatch a circular containing, among other things, the details of the Transactions, to the Shareholders within 15 business days after the publication of this announcement, which is on or before 15 October 2021. Given that additional time is required for the Company to prepare and finalise the audited financial information of the Target Company for the six months ended 30 June 2021 and the unaudited pro forma financial information of the enlarged group to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and will make further announcement(s) in relation to the despatch of the circular as and when appropriate.

On 21 September 2021 (after trading hours), (i) NTEC and the Target Company entered into the New Loan Agreement pursuant to which NTEC provisionally agreed to lend C\$20,000,000 (or equivalent amount in US\$) to the Target Company for repayment of all of the indebtedness owing by the Target Company to the Vendor under the Existing Loan Agreement; (ii) the Purchaser, the Vendor and the Target Company entered into the SPA pursuant to which the Purchaser provisionally agreed to acquire and the Vendor provisionally agreed to sell the entire issued share capital of the Target Company at a consideration of C\$1; and (iii) the Purchaser, the Company, the Vendor and the Target Company have entered into the Transaction Steps Agreement pursuant to which the parties have set out the sequence of the transaction steps of the Transactions.

THE NEW LOAN AGREEMENT

The Vendor had granted a loan of US\$11,000,000 to the Target Company pursuant to the Existing Loan Agreement and as at the date of this announcement, the outstanding amount under the Existing Loan Agreement is US\$9,878,489. On 21 September 2021, NTEC and the Target Company entered into the New Loan Agreement pursuant to which NTEC provisionally agreed to establish the Credit Facility in favour of the Target Company for repayment of the existing debts, liabilities and loans of the Target Company under the Existing Loan Agreement with the remaining balances to be paid to the Vendor as return of capital. Details of the principal terms of the New Loan Agreement are set out below:

Date:	21 September 2021
Parties:	NTEC as the lender The Target Company as the borrower
Credit Facility:	NTEC provisionally agreed to establish the Credit Facility in favour of the Target Company. NTEC agreed, to make one advance in an amount equal to the New Loan Amount to the Target Company on the Sale and Purchase Completion Date. The Credit Facility does not revolve, and any amount repaid or prepaid under the Credit Facility cannot be re-borrowed.
Commitment:	The principal amount of C\$20,000,000 (or equivalent amount in US\$)
Use of the Credit Facility:	The Target Company shall use the Advance to indefeasibly repay in full all the existing debts, liabilities, obligations under the Existing Loan Agreement with the remaining balances to be paid to the Vendor as return of capital (as approved by NTEC).

- Repayment:** The Target Company shall repay the full amount of the outstanding principal, together with all accrued unpaid interests and fees and all other obligations in connection with the Credit Facility on the Maturity Date.
- Prepayment:** The Target Company may prepay all or any portion of the outstanding principal at any time prior to the Maturity Date upon five days' prior written notice of such payment, without bonus or penalty, which notice shall be irrevocable and binding on the Target Company and shall specify the date of repayment, and the amount of outstanding principal to be prepaid. Upon exercise of such option, the Target Company shall pay to NTEC upon the expiry of such five day period such outstanding principal together with all accrued but unpaid interest thereon.
- Fees:** The Target Company shall pay to NTEC a loan arrangement fee in the aggregate of C\$5,000,000, which fee shall be payable on the Sale and Purchase Completion Date.
- Interests:** All obligations under the New Loan Agreement shall bear interest, as well after as before maturity, default and judgment, with interest on overdue interest, from the date of the Advance until paid in full in cash at the applicable rate which is 0%.
- Security:** Immediately following the Sale and Purchase Completion Date, the present and future obligations of the Target Company and each other Credit Party to NTEC under the Credit Documents, and all other obligations of the Target Company and each other Credit Party to NTEC, howsoever arising or incurred hereunder and under the Credit Documents will be secured by the following Security Documents:
- (a) in respect of the Target Company and each Guarantor, a demand debenture in the principal amount of C\$40,000,000 from the Target Company and each Guarantor granting a fixed and floating charge over all present and after-acquired real property and a security interest over all present and after acquired personal property; and

- (b) in respect of each Guarantor, an unlimited guarantee of all obligations of the Target Company under the New Loan Agreement; and
- (c) if requested by NTEC, such documents and instruments providing a fixed lien over the applicable Credit Party's property as NTEC in its sole and absolute discretion determines as security for then present and future obligations of the Target Company under the New Loan Agreement.

Conditions precedent of Advance:

The effectiveness of the New Loan Agreement and the obligation of NTEC to make the Advance under the New Loan Agreement on the Loan Completion Date are subject to the following conditions precedent:

- (a) NTEC has received, in form and substance satisfactory to the Lender and its counsel, certain documents as required under the New Loan Agreement, including but not limited to, the Security Documents, a full release and discharge from the lender under the Existing Loan Agreement confirming that the existing debts, liabilities and obligations under the Existing Loan Agreement have been indefeasibly repaid in full, that the Existing Loan Agreement and all other documents relating thereto or in connection therewith have been terminated and there are no further commitments or obligations thereunder;
- (b) the Target Company does not have any debt other than debt permitted by the New Loan Agreement, and the Target Company shall have received releases and discharges with respect to all liens affecting the Collateral which are not permitted liens and payout letters from creditors with respect to any debt of the Target Company not permitted under the New Loan Agreement;
- (c) the Security Documents granted by the Credit Parties shall create first ranking priority liens on the Collateral, subject to permitted liens, and all documents, instruments, financing statements and security notices shall have been properly registered, recorded and filed in all jurisdictions as NTEC may require;

- (d) the payment of all fees and expenses which are payable by the Target Company to NTEC under or in connection with the execution and delivery of the New Loan Agreement;
- (e) each of the representations and warranties of the New Loan Agreement will be true and correct with the same effect as if such representations and warranties had been made on the date of the Advance;
- (f) no default or event of default will have occurred and be continuing on the date of the Advance, or will arise as a result of the making of the Advance;
- (g) the Advance will not violate any applicable law, judgment or order; and
- (h) there has not occurred any material adverse change in the business of the Target Company, operations, property, profits or prospects of any of the Credit Parties that has, or could be reasonably expected to have, a material adverse effect.

THE SPA

On 21 September 2021 (after trading hours), the Purchaser, the Vendor and the Target Company entered into the SPA pursuant to which the Purchaser provisionally agreed to acquire and the Vendor provisionally agreed to sell the entire issued share capital of the Target Company at a consideration of C\$1. Details of the principal terms of the SPA are set out below:

Date: 21 September 2021

Parties: The Purchaser

The Vendor

The Target Company

To the best of the knowledge, information and belief of the Directors, each of the Vendor and its ultimate beneficial owner and the Receivers is Independent Third Parties.

Assets to be acquired: The entire issued share capital of the Target Company

Consideration: C\$1

Conditions precedent: Completion of the SPA is conditional upon the following conditions being fulfilled and remaining satisfied as at Sale and Purchase Completion (or, where applicable, waived by the Vendor or the Purchaser):

- (a) the payment of the Canadian Bank Funds to the Escrow Agent from the Company's Canadian bank account to hold in escrow for the return of paid up capital;
- (b) the Company having satisfied the shareholders' approval requirements in respect of the SPA and the transactions contemplated hereunder in accordance with the Listing Rules;
- (c) the warranties of the Vendor provided under the SPA remaining true, accurate and not misleading in all respects as of the Sale and Purchase Completion Date by reference to the facts and circumstances subsisting as at the Sale and Purchase Completion Date;
- (d) the New Loan Agreement having been entered into between the parties thereto and (i) the conditions precedent set out in the New Loan Agreement having been fulfilled or waived (as the case may be), and (ii) the payment of the US\$ equivalent of the New Loan Amount of C\$19,000,001 having been made to the Purchaser's solicitor's client account;
- (e) the Deed of Share Pledge Release having been executed by the parties thereto to be held in escrow by the Vendor's solicitors and released on the Sale and Purchase Completion simultaneously;
- (f) the Deed of Release having been executed by the parties thereto to be held in escrow by the Vendor's solicitors and released on the Sale and Purchase Completion simultaneously; and

- (g) no action or proceeding will be pending or threatened by any person (other than the Vendor, the Purchaser or the Target Company) in any jurisdiction and no order or notice will have been made, issued or delivered by any governmental authority, seeking to enjoin restrict or prohibit or enjoining, restricting or prohibiting, on a temporary or permanent basis any of the transactions contemplated by the SPA or imposing any temporary or permanent terms or conditions on the transactions contemplated by the SPA.

The Purchaser may at its absolute discretion at any time waive in writing any of conditions (c), (e), (f) and (g) above and such waiver may be made subject to such terms and conditions as are determined by the Purchaser. The Vendor may at its absolute discretion at any time waive the conditions (a) and (d) and such waiver may be made subject to such terms and considerations as are determined by the Vendor.

Each party shall use all reasonable efforts to procure (so far as it is so able to procure) that each of the conditions is satisfied on or before the Long Stop Date or at Sale and Purchase Completion Date (as the case may be). If all the conditions are not satisfied or waived on or before the Long Stop Date (other the conditions set out in paragraphs (c), (e) and (g) above), the SPA shall lapse and cease to have effect but neither the lapsing of those provisions nor their ceasing to have effect shall affect any accrued rights or liabilities of any party in respect of damages for non-performance of any obligation under the SPA falling due for performance prior to such lapse and cessation. The Vendor shall procure that the deposit under the LOI in the amount of C\$1,000,000 be refunded by the Escrow Agent to the Purchaser.

Completion:

Subject to the satisfaction or, where applicable, waiver of the conditions, Sale and Purchase Completion shall take place simultaneously with completion of the New Loan Agreement and the Assignment Agreement on the Sale and Purchase Completion Date.

As at the date of this announcement, all conditions have been fulfilled and the Sale and Purchase Completion has taken place.

At the Sale and Purchase Completion, the Escrow Funds in the sum of C\$20,000,001 (or US\$ equivalent) held in the account of UBS AG, Singapore Branch shall be released to the Vendor which shall be deemed to be full settlement of the consideration under the SPA and the New Loan Amount under the New Loan Agreement.

Upon the Sale and Purchase Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company, and the results of the Target Group will be consolidated into the financial statements of the Group.

Return of Capital to the Vendor:

The parties also agreed that the Target Company shall reduce and return its share capital determined as C\$24,000,000 less the Existing Loan Amount (at the US\$ equivalent), such amount to be satisfied through payment of the New Loan Amount to the Vendor at Sale and Purchase Completion and the remittance of the Canadian Bank Funds to the Vendor at Sale and Purchase Completion.

TRANSACTION STEPS AGREEMENT

On 21 September 2021 (after trading hours), the Purchaser, the Company, the Vendor and the Target Company have entered into the Transaction Steps Agreement pursuant to which the parties have set out a sequence of the transaction steps of the Transactions.

INFORMATION ON THE PARTIES INVOLVED IN THE TRANSACTIONS

The Company is a limited liability company incorporated in Bermuda and the Shares of which are listed on the Main Board of the Stock Exchange. The Company is an investment holding company and the principal activities of the Company's subsidiaries are exploration, development, production and sale of natural resources; and general and commodities trading. The Purchaser is an indirect wholly-owned subsidiary of the Company which is principally engaged in commodities trading. NTEC is a direct wholly-owned subsidiary of the Purchaser and an indirect wholly-owned subsidiary of the Company which is principally engaged in investing in Canadian energy assets.

The Vendor is a company incorporated in Hong Kong which is principally engaged in investment holdings. Based on the information available to the Company, the Vendor is currently under receivership and the sole shareholder in the Target Company. On 21 October 2019, UBS AG, Singapore Branch as lender and facility agent to the syndicate of lenders for the provision of a US\$400,000,000 credit facility to the Vendor, appointed the Receivers as joint and several receivers and managers to the Vendor and over all the Shares held by the Vendor in the Target Company.

The Target Company is an oil and natural gas company headquartered in Calgary, Alberta, Canada with a focus on exploration and production in the Western Canadian Sedimentary Basin. It operates oil and gas fields across the provinces of Alberta and BC. The Target Company owns a total acreage of more than 880,000 acres (3,561.2 km²). The Target Company's core portfolio assets include Greater Sierra Area and Horn River Basin in Northeast BC and Willesden Green and Wapiti in Alberta. It owns and operates more than 800 producing wells.

The Target Group, through a wholly owned subsidiary, also owns a 1,200 acres (4.9 km²) multi-use site at Campbell River, BC, Canada providing businesses with industrial land parcels, buildings and warehouses for lease.

INFORMATION ON THE PRODUCTION AND RESERVES OF THE TARGET COMPANY

Set out below is information on the average daily production of the Target Company extracted from the Target Company's production results for the twelve months ended 31 December 2020.

Based on the Target Company's production results for the twelve months ended 31 December 2020, the average daily production was 13,828 boe per day (94.71% natural gas), average realized price was C\$14.42 per boe, and average netback was C\$3.50 per boe.

According to the GLJ Competent Persons Report dated 31 December 2020, the Target Company had proved reserves of approximately 33.0 mmboe (92.9% natural gas) and proved and probable reserves of approximately 44.0 mmboe (92.6% natural gas). NPV10 before income tax for each reserve classification was C\$49.4 million (approximately HK\$301,340,000) and C\$87.5 million (approximately HK\$533,750,000) respectively.

Below is a summary of the oil, NGL, and gas reserves of the Target Company as at 31 December 2020 extracted from the GLJ Reserve Report:

	Oil (mbbl)	NGL (mbbl)	Gas (mmcf)	Total (mboe) ¹	NPV10 (C\$ millions)
Proved					
Proved Developed Producing	33	1,358	150,077	26,403	28,327
Proved Developed Non-Producing	–	20	26,180	4,384	8,299
Proved Undeveloped	525	412	7,636	2,209	12,759
	<u>558</u>	<u>1,790</u>	<u>183,894</u>	<u>32,996</u>	<u>49,385</u>
Total Proved Reserves	<u>558</u>	<u>1,790</u>	<u>183,894</u>	<u>32,996</u>	<u>49,385</u>
Probable					
Probable Developed Producing	14	515	57,487	10,110	26,771
Probable Developed Non-Producing	–	–	445	73	1,648
Probable Undeveloped	190	178	3,303	918	9,758
	<u>204</u>	<u>691</u>	<u>61,235</u>	<u>11,101</u>	<u>38,178</u>
Total Probable Reserves	<u>204</u>	<u>691</u>	<u>61,235</u>	<u>11,101</u>	<u>38,178</u>
Total Proved and Probable Reserves²	<u>761</u>	<u>2,481</u>	<u>245,129</u>	<u>44,097</u>	<u>87,563</u>

Asset retirement obligations discounted at 10% per annum is approximately C\$51.6 million, with the majority of costs to be incurred after 2030, and has already been accounted for in the calculation of the NPV10 of the future net cash flows of the reserve classifications above.

¹ A barrel of oil equivalent conversion ratio 6 mcf to 1 bbl has been utilized and is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalent at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

² Hydrocarbon Reserves volume may be rounded to the nearest thousand cubic feet, barrels or barrels of oil equivalent denoted with “mcf”, “mbbl” or “mboe,” respectively.

Below is a summary of the proved and probable reserves³ of the Target Company by region as at 31 December 2020 extracted from the GLJ Competent Persons Report as well as average daily production in boe per day for the 2020 full year:

	Oil (m bbl)	NGL (m bbl)	Gas (mmcf)	Total (mboe) ¹	2020 daily production (boe/d)
Greater Sierra Area	–	1,044	169,157	29,237	9,483
Horn River Basin	–	–	56,091	9,349	3,355
Willesden Green	761	719	12,761	3,607	329
Wapiti	–	719	7,120	1,905	661
Total Proved and Probable Reserves	761	2,482	245,129	44,098	13,828

Set out below are the commodity price assumptions used in the GLJ Competent Persons Report dated 31 December 2020:

	Inflation %	Exchange rate (US\$/C\$)	NYMEX WTI Near Month Futures Contract (US\$/bbl)	NYMEX Henry Hub Near Month Contract (US\$/mmbtu)	AECO/NIT Spot Gas (US\$/mmbtu)
2021	0.0	0.7683	47.17	2.83	2.78
2022	1.3	0.7650	49.51	2.83	2.70
2023	2.0	0.7633	51.44	2.81	2.61
2024	2.0	0.7633	52.14	2.81	2.65
2025	2.0	0.7633	52.14	2.81	2.70
2026	2.0	0.7633	52.14	2.80	2.76
2027	2.0	0.7633	52.14	2.81	2.81
2028	2.0	0.7633	52.14	2.80	2.86
2029	2.0	0.7633	52.14	2.80	2.92
2030	2.0	0.7633	52.14	2.80	2.98
2031	2.0	0.7633	+2.0%/yr	+2.0%/yr	+2.0%/yr

³ Gross reserves being the Target Company's working interest (operated and non-operated) share before deduction of royalties and without including any royalty interests of the Target Company.

Set out below is a summary of the audited financial information for the year ended 31 December 2019 and audited financial information for the year ended 31 December 2020 of the Target Group:

	For the year ended 31 December	
	2019	2020
	(audited)	(audited)
Revenue	C\$64,004,429	C\$72,161,272
Loss before taxation	C\$ (32,421,058)	C\$ (29,915,307)
Loss after taxation	<u>C\$ (32,421,058)</u>	<u>C\$ (29,915,307)</u>
	As at 31 December	
	2019	2020
	(audited)	(audited)
Total assets	C\$176,839,241	C\$134,684,409
Net assets	<u>C\$88,716,042</u>	<u>C\$58,800,735</u>

INFORMATION ON THE MULTI-USE SITE OF THE TARGET COMPANY

The Target Group, through a wholly owned subsidiary, also owns a 1,200 acres (4.86 km²) multi-use site at Campbell River, BC, Canada. The land property offers compelling logistical support for new and existing business opportunities requiring large electrical access, buildings, shops, warehouse, land, docks, barge ramp, raw water, all in one industrial site.

Existing site infrastructure features an electrical substation that is connected to two 138KV transmission lines, providing over 200MW of power supply from BC Hydro with a rate as low as C\$0.06/kw and the opportunity to host sustainable data centers run on 100% renewable energy, a solid industrial waste landfill to handle hazardous substance disposal needs, a complimentary waste water treatment facility and a deep water port for dock usage.

REASONS AND BENEFITS OF THE TRANSACTIONS

With reference to the audited financial information for 2019 and the audited financial information for 2020 as well as the GLJ Competent Persons Report dated 31 December 2020 of the Target Group, the Board is of the view that the Transactions would enable the Company to acquire the oil and gas fields owned by the Target Company at a reasonable price.

The Target Company's net loss after tax was C\$32,421,058 and C\$29,915,307 in 2019 and 2020 respectively, however the Target Company also had one-time expenses of C\$21,923,039 and C\$30,079,916 in 2019 and 2020 respectively consisting of trading losses and impairments. If it were not for these one-time expenses, the Company would have had positive cash flow in both 2019 and 2020. All of the Target Company's trading contracts were terminated in the second quarter of 2021. With approximately 14,000 boe per day of production, the Target Company will be cash flow positive immediately upon becoming an indirect wholly owned subsidiary of the Company.

The Directors believe natural gas will serve as the bridge fuel to a low carbon economy as the world transitions away from coal and oil and towards renewables and zero emission fuels in order to satisfy the commitments set forth in the Paris Agreement. Asia's demand for LNG will continue to grow, as evidenced by record LNG prices this past winter, and by acquiring the Target Group, the Company will be well positioned to take advantage of strengthening natural gas prices in Western Canada. Western Canadian natural gas prices have rebounded in the last year from historical lows in 2019. Alberta's phase out of coal-fired electricity is projected to occur by the end of 2023, 6 years ahead of the federally mandated deadline of the end of 2029, providing price support for natural gas. The new combined-cycle natural gas fired power plants being built in Alberta will also be able to run partially on hydrogen which can be transported in the extensive pipeline network already in place in Western Canada. The Target Company's unique position in Fort Nelson, BC, where the major natural gas producing assets of Greater Sierra Area and Horn River Basin are located, provides the opportunity to produce Blue Hydrogen combined with CCUS in order to achieve zero carbon emissions.

The total commitment of the Transactions of C\$20,000,001 was determined after arm's length negotiations between the Purchaser, NTEC and the Receivers after taking into consideration of, including without limitation, financial results of the Target Company, proved developed producing reserves, proved reserves, proved plus probable reserves and the NPV10 of such reserve classifications, value of the assets, production rate and the asset retirement obligations of the Target Group.

In light of the above, the Directors consider that the terms of the New Loan Agreement, the SPA and the Transaction Steps Agreement (including the New Loan Amount and the Consideration) are on normal commercial terms, fair and reasonable and the Transactions are in the interests of the Shareholders and the Company as a whole. The total commitment of the Transactions will be funded by internal resources of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) exceed(s) 25% but is less than 100%, the Transactions constitute a major transaction of the Company and is therefore subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Transactions. The Company has received a written approval of the Transactions from Max Sun which holds 5,737,129,098 Shares, representing approximately 65.50% of the issued Shares as at the date of this announcement. According, no special general meeting is required to be convened for the purpose of approving the Transactions in accordance with Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, the Company is required to despatch a circular containing, among other things, the details of the Transactions, to the Shareholders within 15 business days after the publication of this announcement, which is on or before 15 October 2021. Given that additional time is required for the Company to prepare and finalise the audited financial information of the Target Company for the six months ended 30 June 2021 and the unaudited pro forma financial information of the enlarged group to be included in the circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules and will make further announcement(s) in relation to the despatch of the circular as and when appropriate.

DEFINITIONS

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

“Advance”	advance made by NTEC under the Credit Facility
“AECO/NIT Spot”	the daily spot price is determined by the Natural Gas Exchange Inc. (“NGX”) trading system
“Assignment Agreement”	an assignment agreement to be entered into among the Target Company and certain subsidiaries of the Target Company as assignors and the Vendor, as assignee, pursuant to which the assignors shall assign, and the Vendor shall assume, all rights, title and interests in and to an action in Alberta Court of Queen’s Bench to the Vendor
“associates”	has the meaning ascribed to it under the Listing Rules
“bbl”	barrels
“BC”	the Province of British Columbia in Canada
“Board”	the board of Directors
“boe”	barrel of oil equivalent, in this evaluation determined using 6 mcf/boe for gas, 1 bbl/boe for all liquids, and 0 boe for sulphur
“boe/d”	barrels of oil equivalent per day
“Canadian Bank Funds”	the amount equal to C\$4,000,000 to be paid from the Target Company’s Canadian bank accounts
“CCUS”	Carbon Capture, Utilization and Sequestration
“C\$”	Canadian Dollars, the lawful currency of Canada
“Collateral”	any and all assets of any Credit Party in respect of which NTEC has or is intended to have a lien pursuant to a Security Document

“Company”	New Times Energy Corporation Limited, a limited liability company incorporated in Bermuda as an exempted company and the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00166)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Credit Documents”	the New Loan Agreement, the Security Documents, and all other documents executed and delivered to NTEC by the Credit Parties from time to time in connection with the New Loan Agreement or any other Credit Document.
“Credit Facility”	the non-revolving, single advance, term loan facility in the maximum amount of the New Loan Amount to be made available under the New Loan Agreement to the Target Company by NTEC
“Credit Party(ies)”	the Target Company and the Guarantors
“Deed of Release”	the deed of release for the release of any and all rights, claims, suits, demands, actions or proceedings of the Vendor against the Target Company and its subsidiaries arising prior to the Sale and Purchase Completion Date
“Deed of Share Pledge Release”	the deed of release for the release of the share pledge agreement dated 5 April 2017 over the entire issued share capital of the Company entered into between the Vendor and UBS AG, Singapore Branch
“Director(s)”	the director(s) for the Company
“Escrow Agent”	D&P China (HK) Limited (formerly Borrelli Walsh Limited)
“Escrow Funds”	an aggregate of C\$24,000,001 (or US\$ equivalent) wired by the Escrow Agent and the Purchaser’s solicitors to the account of UBS AG, Singapore Branch
“Existing Loan Amount”	US\$9,878,489
“Existing Loan Agreement”	the loan facility agreement dated 22 October 2018 between the Target Company as borrower and the Vendor as lender

“GLJ Competent Persons Report”	the competent persons report of the Target Group dated 31 December 2020 issued by GLJ Petroleum Consultants, an oil and gas resource consulting firm located in Calgary, Canada, providing petroleum resource assessment and related services worldwide
“Group”	the Company and its subsidiaries
“Guarantor(s)”	each subsidiary of the Target Company from time to time
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Independent Third Parties”	third party(ies) independent of and not connected to the Company and any of its connected persons or any of their respective associates
“kw”	kilowatt
“KV”	kilovolt
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LNG”	Liquefied Natural Gas
“LNG Canada”	a joint venture among Shell, PETRONAS, PetroChina, Mitsubishi and KOGAS
“Loan Completion Date”	the date of satisfaction or waiver of all conditions set out the paragraph headed “The New Loan Agreement – Conditions to Advance” above and the making available of the Credit Facility, or such other date as may be agreed by the NTEC and the Target Company
“LOI”	a letter of intent dated 23 March 2021 entered into between the Receivers (in their capacity as receivers of the assets of the Vendor without personal liability), NTEC and the Company, pursuant to which, the Vendor shall sell and NTEC shall acquire the entire issued share capital of the Target Company
“Long Stop Date”	30 September 2021 (or such other date as the Purchaser and the Vendor may agree in writing)

“Maturity Date”	the later of (i) one business day following the Sale and Purchase Completion Date or (ii) 30 June 2023
“Max Sun”	Max Sun Enterprises Limited, the controlling shareholder of the Company, which holds approximately 65.50% of the issued Shares as at the date of this announcement
“mbbl”	thousand barrels
“mboe”	thousand boe
“mcf”	thousand cubic feet of gas at standard conditions
“mmboe”	million boe
“mmbtu”	million British thermal units
“mmcf”	million cubic feet of gas at standard conditions
“MW”	megawatt
“netback”	summary of all costs associated with bringing one unit of oil to the marketplace and the revenues from the sale of all the products generated from that same unit, expressed as gross profit per barrel
“NGL”	Natural Gas Liquids
“New Loan Agreement”	the new loan agreement dated 21 September 2021 entered into between the Target Company as the borrower and the NTEC as the lender
“New Loan Amount”	the principal amount of C\$20,000,000 (or equivalent amount in US\$)
“NPV10”	the net present value of the future net revenues expected to accrue to the Corporation’s interests in such Reserves during the remaining expected economic lives of such Reserves, discounted at 10% per annum
“NTEC”	New Times Energy Canada Inc., an indirect wholly-owned subsidiary of the Company

“NYMEX”	The New York Mercantile Exchange is a commodity futures exchange owned and operated by CME Group of Chicago
“NYMEX Henry Hub”	delivery point for Henry Hub Natural Gas futures
“percentage ratio(s)”	has the meanings as ascribed to it under the Listing Rules
“Purchaser”	United Oil and Resources Trading Ltd., an indirect wholly-owned subsidiary of the Company
“Receivers”	Mr. Cosimo Borelli and Mr. Tai Shaw Hoong of D&P China (HK) Limited as joint and several receivers and managers to the Vendor
“Sale and Purchase Completion”	completion of the sale and purchase of the entire issued share capital of the Target Company pursuant to the SPA
“Sale and Purchase Completion Date”	the date of the Sale and Purchase Completion, being the business days on which the last of the conditions set out in the paragraphs headed “The SPA – Conditions Precedent” above having been fulfilled or waived
“Security Documents”	the security documents described under the paragraphs headed “The New Loan Agreement – Security” above
“Share(s)”	ordinary share(s) of the Company with a par value of HK\$0.01
“Shareholders”	the holder(s) of the Share(s)
“SPA”	the share purchase agreement dated 21 September 2021 entered into between the Purchaser, the Vendor and the Target Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shanghai Energy Corporation
“Target Group”	the Target Company and its subsidiaries

“Transaction Step Agreement”	the transaction steps agreement dated 21 September 2021 entered into between the Purchaser, the Company, the Vendor and the Target Company
“Transactions”	the transactions contemplated under the SPA, the New Loan Agreement and the Transaction Steps Agreement
“US\$”	United States Dollars, the lawful currency of the United States
“Vendor”	Shanghai Sinoil Energy Holdings (Hongkong) Co., Limited
“WTI”	West Texas Intermediate
“%”	Percent.

Unless otherwise indicated, in this announcement, translation of amounts in C\$ into HK\$ have been made at the rate of HK\$6.10 to C\$1 for illustration purpose only. No representation is made that any amount in HK\$ could have been or could be converted at such respective rates or at all.

** for identification purpose only*

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

Hong Kong, 21 September 2021

At the date of this announcement, the Board comprises:

Executive Directors:

Mr. CHENG, Kam Chiu Stewart (*Chairman*)

Mr. TANG, John Wing Yan (*Chief Executive Officer*)

Non-executive Director:

Mr. LEE, Chi Hin Jacob

Independent Non-executive Directors:

Mr. YUNG, Chun Fai Dickie

Mr. CHIU, Wai On

Mr. HUANG, Victor