延長石油國際有限公司
YANCHANG PETROLEUM INTERNATIONAL LIMITED

(Incorporated in Bermuda with limited liability)
(Stock Code: 00346)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The board (the "**Board**") of directors (the "**Director(s)**") of Yanchang Petroleum International Limited (the "**Company**") announces that on 1 June 2017 (the "**Date of Grant**"), the Company offered to grant 63,000,000 share options (the "**Share Options**") to subscribe for an aggregate of 63,000,000 ordinary shares of HK$0.02 each (the "**Share(s)**") in the capital of the Company, to Mr. Bruno Deruyck ("**Mr. Deruyck**"), an executive Director and chief executive officer of the Company, under the share option scheme approved and adopted by the shareholders of the Company on 25 May 2012, subject to the acceptance of Mr. Deruyck. Details of the Share Options granted are as follows:

Date of Grant	:	1 June 2017
Exercise Price of the Share Options granted	:	HK$0.1842 per Share (which is higher of (i) the closing price of HK$0.1720 per Share as stated in the Stock Exchange's daily quotation sheets on the Date of Grant; (ii) the average closing price of HK$0.1842 per Share as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Date of Grant; and (iii) the nominal value of the Share)
Total number of Share Options granted	:	63,000,000 (each Share Option shall entitle the holder thereof to subscribe for one Share)
Closing price of the Shares on the Date of Grant	:	HK$0.1720 Per Share
Validity period of the Share Options	:	From 1 June 2017 to 30 September 2026

Vesting Date and Exercisable Period of the Share Options :	The 63,000,000 Share Options shall be vested and exercisable as follows: i) 13,000,000 share options shall be vested on 1 October 2017 and exercisable from 1 October 2017 to 30 September 2026 or for a period of six months after the termination date as executive Director and chief executive officer of the Company, whichever is earlier; ii) 25,000,000 share options shall be vested on 1 October 2018 and exercisable from 1 October 2018 to 30 September 2026 or for a period of six months after the termination date as executive Director and chief executive officer of the Company, whichever is earlier; and iii) 25,000,000 share options shall be vested on 1 October 2019 and exercisable from 1 October 2019 to 30 September 2026 or for a period of six months after the termination date as executive Director and chief executive officer of the Company, whichever is earlier.

The granting of the 63,000,000 Share Options to Mr. Deruyck has been approved by the independent non-executive Directors pursuant to Rule 17.04(1) of the Listing Rules.

By Order of the Board
Yanchang Petroleum International Limited
Li Yi
Chairman

Hong Kong, 1 June 2017

Executive Directors:
Mr. Li Yi *(Chairman)*
Mr. Bruno Deruyck *(Chief Executive Officer)*
Mr. Shen Hao
Ms. Sha Chunzhi
Mr. Li Jun
Mr. Tan Meng Seng

Independent Non-Executive Directors:
Mr. Ng Wing Ka
Mr. Leung Ting Yuk
Mr. Sun Liming
Dr. Mu Guodong