COSCO SHIPPING ENERGY TRANSPORTATION CO., LTD.*

中遠海運能源運輸股份有限公司

(a joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1138)

Positive Profit Alert

This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board is pleased to inform the shareholders of the Company and potential investors that based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2016, the Group expects its net profit attributable to the equity holders of the Company for the year ended 31 December 2016 to be in the range of approximately RMB1.8 billion (equivalent to approximately HK$2.036 billion) to approximately RMB2.1 billion (equivalent to approximately HK$2.375 billion), representing an increase of approximately 48% to 72% as compared to the net profit attributable to the equity holders of the Company for the year ended 31 December 2015 of approximately RMB1.218 billion (equivalent to approximately HK$1.378 billion).

The information contained in this announcement is only a preliminary assessment based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2016 currently available to the Company, which have not been reviewed or confirmed by the Company's audit committee, and have not been reviewed or audited by the Company's auditors.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and read carefully the annual results announcement of the Company for the year ended 31 December 2016 which is expected to be announced in March 2017.

This announcement is made pursuant to the Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) (the "**SFO**") and Rule 13.09(2)(a) of the Listing Rules.

The board (the "**Board**") of directors (the "**Directors**") of COSCO SHIPPING Energy Transportation Co., Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to inform the shareholders of the Company and potential investors that based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the year ended 31 December 2016, the Group expects its net profit attributable to the equity holders of the Company for the year ended 31 December 2016 to be in the range of approximately RMB1.8 billion (equivalent to approximately HK$2.036 billion) to approximately RMB2.1 billion (equivalent to approximately HK$2.375 billion), representing an increase of approximately 48% to 72% as compared to the net profit attributable to the equity holders of the Company for the year ended 31 December 2015 of approximately RMB1.218 billion (equivalent to approximately HK$1.378 billion).

The net profit attributable to the equity holders of the Company for the year ended 31 December 2015 was approximately RMB417 million (equivalent to approximately HK$472 million) before adjustment. In light of the major asset restructuring of the Group in the first six months of 2016, whereby the Group acquired a wholly-owned subsidiary (Dalian Ocean Shipping Company Limited ("**Dalian Ocean**")) of the Company's ultimate controlling shareholder (further details of which are set out in the Company's circular dated 22 April 2016), applicable adjustments were made to the Group's net profit attributable to the equity holders of the Company for the year ended 31 December 2015 (the adjusted figure of the same being approximately RMB1.218 billion (equivalent to approximately HK$1.378 billion)). Dalian Ocean's contribution to the net profit attributable to the equity holders of the Company for the year ended 31 December 2015 was approximately RMB804 million (equivalent to approximately HK$909 million), and the adjusted basic earnings per share of the Company for the same period was approximately RMB0.3056 (equivalent to approximately HK$0.3456).

The improvement in the Group's profitability is mainly attributable to the following factors: (1) the proceeds of sale of the Company's wholly-owned subsidiary, China Shipping Bulk Carrier Co., Limited, which specializes in dry bulk shipping; (2) the Group's enhanced cost control measures, in particular its effective control over fuel costs; and (3) the abovementioned estimated net profit attributable to the equity holders of the Company for the year ended 31 December 2016 having taken into account items such as the special subsidies received during the year ended 31 December 2016 for scrapping old vessels and building new ones, the profit or loss arising from the disposal of vessels and the provision for liabilities in respect of estimated losses on long-term chartering contracts which is subject to the approval by the shareholders of the Company (please refer to the announcement of the Company in relation to provision for liabilities in respect of estimated losses on long-term chatering contracts dated 25 January 2017 for details).

The information in this announcement is only a preliminary assessment by the Board based on the unaudited consolidated management accounts of the Group for the year ended 31 December 2016 currently available to the Company, which have not been reviewed or confirmed by the Company's audit committee, and have not been reviewed or audited by the Company's auditors. Further details of the Group's performance will be disclosed in the Group's annual results for the year ended 31 December 2016 to be published by the Company.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company and read carefully the annual results announcement of the Company for the year ended 31 December 2016 which is expected to be announced in March 2017.

This announcement is made pursuant to the Inside Information Provisions under PartXIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules. The Company's A Shares are listed on the Shanghai Stock Exchange, and it has been requested by the Shanghai Stock Exchange to make an announcement similar to this announcement.

By Order of the Board
COSCO SHIPPING Energy Transportation Co., Ltd.
Yao Qiaohong
Company Secretary

Shanghai, the People's Republic of China
25 January 2017

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Sun Jiakang, Mr. Liu Hanbo and Mr. Lu Junshan as executive Directors, Mr. Feng Boming, Mr. Zhang Wei and Ms. Lin Honghua as non-executive Directors, Mr. Wang Wusheng, Mr. Ruan Yongping, Mr. Ip Sing Chi, Mr. Rui Meng and Mr. Teo Siong Seng as independent non-executive Directors.

The exchange rate adopted in this announcement for illustration purposes only is HK$1.00=RMB0.8843. Such conversions are for reference only and should not be construed as representations that the RMB amount could be converted into HK$ at that or any other rates.

** for identification purpose only*