

The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



POLYARD PETROLEUM INTERNATIONAL GROUP LIMITED
百田石油國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8011)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that the business segment of pulp and paper trading did not generate any turnover for the three months ended 31 March 2008 due to the intense competition and weak operational performance in the pulp and paper products industry.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

This announcement is made by Polyard Petroleum International Group Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM Listing Rules”).

The board (the “Board”) of directors of the Company wishes to inform the shareholders of the Company and potential investors that the business segment of pulp and paper trading did not generate any turnover for the three months ended 31 March 2008 due to the intense competition and weak operational performance in the pulp and paper products industry.

As stated in the annual report of the Company for the year ended 31 December 2007, the Company considered that it is necessary to streamline the Group’s pulp and paper trading business and redeploy its resources in a more productive manner in view of the intense competition and weak operational performance in the pulp and paper products industry.

As at the date of this announcement, the Group is principally engaged in (i) the exploration of oil and natural gas business; (ii) trading of petroleum products (diesel and gasoline) in the People’s Republic of China (“PRC”); and (iii) the research and development of paper filling material and the manufacture and sale of pulp and paper.

THE EXPLORATION OF OIL AND NATURAL GAS BUSINESS

After the completion of the corporate restructuring as announced on 19 February 2008, the Company currently holds 21% participating interest in the oil project in Block M, Belait Reservoir in Brunei (the “Oil Project”). The Board expects that the exploration work in the Oil Project will commence in the third quarter of 2008 and the production work in the Oil Project will commence in the first quarter of 2009.

TRADING OF THE PETROLEUM PRODUCTS (DIESEL AND GASOLINE) IN THE PRC

On 5 February 2008, the Company announced that it has entered into the co-operative agreement with North Petroleum & Chemical Group Co., Ltd. (“北方石油化工(集團)有限公司”) on 31 January 2008 for the establishment of new company which is principally engaged in the trading of petroleum products (diesel and gasoline) in the PRC. The new company will be owned as to 51% interest by the Company. The new company has commenced business on 1 May 2008.

OTHER BUSINESS DEVELOPMENTS

At present, the Board is actively identifying business opportunities in the energy sector in South Asia. Although negotiations in the aspect have positively progressed, no formal agreement has been made up to the date of this announcement. Appropriate announcement will be made to the shareholders of the Company once these business opportunities become crystallized.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

On behalf of the Board
POLYARD PETROLEUM INTERNATIONAL GROUP LIMITED
Kuai Wei
Chairman

Hong Kong, 5 May 2008

At the date of this announcement, the Board is comprised of Mr. Kuai Wei, Mr. Lin Zhang and Mr. Cao Xuejun as executive directors, and Mr. Wang Yanhui, Mr. Chan Kin Cheong and Mr. Zhang Xiaobao as independent non-executive directors.

This announcement, for which the Directors, including all independent non-executive Directors, collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief:

(1) the information contained in this announcement is accurate and complete in all material respects and not misleading;

- (2) *there are no other matters the omission of which would make any statement in this announcement misleading; and*
- (3) *all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

This announcement will remain on the “Latest Company Announcement” page of the GEM website (www.hkgem.com) for at least 7 days from its date of publication and the Company’s website at www.hklistco.com/8011.