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**BRIGHTOIL PETROLEUM (HOLDINGS) LIMITED**

光滙石油(控股)有限公司\*

*(Incorporated in Bermuda with limited liability)*

(Stock Code: 933)

**PROFIT WARNING AND**

**BREACHES OF LOAN AGREEMENTS**

This announcement is made by the Company pursuant to the Inside Information Provisions (as defined in the Listing Rules) and Rule 13.19 of the Listing Rules.

**PROFIT WARNING**

The Board wishes to inform Shareholders and potential investors that based on preliminary review by the Group's management of the unaudited consolidated management accounts for the six months ended 31 December 2012, the Group is expected to record a material loss for the six months ended 31 December 2012 as compared to a profit for the corresponding period of the previous year.

**BREACHES OF LOAN AGREEMENTS**

Based on the unaudited consolidated management accounts of the Group for the six months ended 31 December 2012, the Company and certain subsidiaries have failed to satisfy a financial covenant, namely preservation of the interest coverage ratio, as contained in certain loan facilities. This breach of the interest coverage ratio covenant entitles the Lender under at least one Facility to declare the outstanding principal amount, accrued interest and all other sums payable under the relevant Facility immediately due and payable and/or terminate the Facility. Moreover, this default may trigger cross default provisions in other Facilities. The Group is in the process of applying for relevant waivers from the Lenders as necessary.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Brightoil Petroleum (Holdings) Limited (the "Company" and together with its subsidiaries, the "Group") pursuant to the Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) (the "Listing Rules") and Rule 13.19 of the Listing Rules.

## **PROFIT WARNING**

The board of directors (the “**Board**”) wishes to inform shareholders of the Company (the “**Shareholders**”) and potential investors that based on preliminary review by the Group’s management of the unaudited consolidated management accounts for the six months ended 31 December 2012, that the Group is expected to record a material loss for the six months ended 31 December 2012 (“**2013 Interim Result**”) as compared to a profit in the corresponding period of the previous year.

Based on the information currently available to the Group, the Board considers that the loss reflected in the 2013 Interim Result was mainly due to the depressed market conditions in the shipping industry and decreasing bunker margins. As a result, the Group’s International Trading and Bunkering business has experienced a lower profit margin and suffered an adjusted gross loss (i.e. gross profit/loss plus fair value change of derivative financial instruments).

## **BREACHES OF LOAN AGREEMENTS**

Pursuant to various agreements entered into between the Group and its lending banks (“**Lenders**”) in respect of loan facilities (“**Facilities**”) relating to vessel financing, revolving trade facilities and working capital, the Group is required to satisfy various financial covenants, including but not limited to maintaining a minimum interest coverage ratio, a maximum gearing ratio and a minimum consolidated tangible net worth. Pursuant to at least one such Facility, failure to perform or comply with any of these financial covenants entitles the Lenders thereunder to declare the outstanding principal amount, accrued interest and all other sums payable under the relevant Facility immediately due and payable and/or terminate the Facility.

Based on the unaudited consolidated management accounts of the Group for the six months ended 31 December 2012, the Company and certain subsidiaries have failed to fulfil one of the financial covenants, namely the interest coverage ratio. This default may trigger cross default provisions in other loan agreements entered into between the Group and other Lenders as regards other Facilities.

The Group is in the process of applying for relevant waivers from the Lenders. In the meantime, the Group is in the process of seeking to determine what proportion of its long-term portion of vessel financing may need to be reclassified from non-current liabilities to current liabilities in the 2013 Interim Result.

## **GENERAL**

The Company is still in the process of finalizing the 2013 Interim Result. The information contained in this announcement is only a preliminary assessment by the Company’s management in accordance with the information currently available and the unaudited consolidated management account of the Group for the six months ended 31 December 2012, which are subject to finalization and are not based on any figures or information reviewed or audited by the Company’s auditors. Shareholders and potential investors should read the 2013 Interim Result announcement carefully, which is expected to be published before the end of February 2013. In the meantime, any material developments as regards the Facilities will be the subject of further announcements as and when appropriate.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Brightoil Petroleum (Holdings) Limited**  
**Sit Kwong Lam**  
*Chairman*

Hong Kong, 16 January, 2013

*As at the date of this announcement, the Board comprises (i) four executive Directors, namely Dr. Sit Kwong Lam, Mr. Tang Bo, Mr. Tan Yih Lin and Mr. Per Wistoft Kristiansen; (ii) one non-executive Director, namely Mr. Dai Zhujiang; and (iii) three independent non-executive Directors, namely Mr. Kwong Chan Lam, Mr. Lau Hon Chuen and Professor Chang Hsin Kang.*

*\* For identification purpose only*