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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)

**CONNECTED TRANSACTIONS
ACQUISITION OF VESSELS**

On 14 August 2014, Subsidiary 639 entered into the First MOA with Zhejiang Brightoil Shipping, pursuant to which Zhejiang Brightoil Shipping has agreed to sell, and Subsidiary 639 has agreed to purchase Vessel 639 for a total cash consideration of US\$9,000,000 (equivalent approximately to HK\$ 69,750,000).

On 14 August 2014, Subsidiary 666 entered into the Second MOA with Shenzhen Brightoil Shipping, pursuant to which Shenzhen Brightoil Shipping has agreed to sell, and Subsidiary 666 has agreed to purchase Vessel 666 for a total cash consideration of US\$9,000,000 (equivalent approximately to HK\$69,750,000).

Both Zhejiang Brightoil Shipping and Shenzhen Brightoil Shipping are connected persons of the Company under the Listing Rules. As such, the entering into the First MOA and the Second MOA with Zhejiang Brightoil Shipping and Shenzhen Brightoil Shipping respectively constitutes connected transactions for the Company.

As the applicable percentage ratios in respect of the aggregated transactions contemplated under the First MOA and the Second MOA exceed 0.1% but are less than 5%, such aggregated transactions are subject to the reporting and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

On 14 August 2014, Subsidiary 639 entered into the First MOA with Zhejiang Brightoil Shipping, pursuant to which Zhejiang Brightoil Shipping has agreed to sell, and Subsidiary 639 has agreed to purchase Vessel 639 for a total cash consideration of US\$9,000,000 (equivalent approximately to HK\$69,750,000).

On 14 August 2014, Subsidiary 666 entered into the Second MOA with Shenzhen Brightoil Shipping, pursuant to which Shenzhen Brightoil Shipping has agreed to sell, and Subsidiary 666 has agreed to purchase Vessel 666 for a total cash consideration of US\$9,000,000 (equivalent approximately to HK\$69,750,000).

Vessel 639 and Vessel 666 are both built by Haidong Shipyard, and both vessels are presently at Haidong Shipyard where final preparatory steps for delivery to Zhejiang Brightoil Shipping and Shenzheng Brightoil Shipping are being undertaken.

Both Zhejiang Brightoil Shipping and Shenzhen Brightoil Shipping are ultimately and beneficially controlled by Dr. Sit, who is an executive Director, the chairman of the Company and a controlling Shareholder indirectly interested in approximately 74.83% of the issued share capital of the Company as at the date of this announcement. Zhejiang Brightoil Shipping and Shenzhen Brightoil Shipping are therefore connected persons of the Company under the Listing Rules. As such, the entering into the First MOA and the Second MOA with Zhejiang Brightoil Shipping and Shenzhen Brightoil Shipping respectively constitutes connected transactions for the Company.

THE FIRST MOA AND THE SECOND MOA

The First MOA and the Second MOA are legally binding, of broadly similar terms and conditions in the form as per the Norwegian Shipbrokers' Association's Memorandum of Agreement for sale and purchase of ships (adopted by The Baltic and International Maritime Council (BIMCO) in 1956).

1. First MOA dated 14 August 2014

1.1 Parties

Zhejiang Brightoil Shipping as seller
Subsidiary 639 as buyer

1.2 Asset to be acquired

Vessel 639

1.3 Consideration

US\$9,000,000 (equivalent approximately to HK\$69,750,000), which shall be payable in full to Zhejiang Brightoil Shipping within 30 days of the delivery of Vessel 639, subject to the satisfactory documentary closing.

The consideration is determined after arm's length negotiation between the parties with reference to a third party valuation report dated 14 August 2014, with an open market value of US\$10,000,000 (equivalent approximately to HK\$77,500,000)of Vessel 639.

It is intended that payment of the consideration of Vessel 639 will be satisfied entirely in cash by way of bank loans and internal funds.

1.4 Completion and delivery

Pursuant to the First MOA, the delivery of Vessel 639 is expected to take place on 2 September 2014 in the PRC or such other place as the parties may mutually agree. The cancellation date for completion (the last day available for completion) is 30 September 2014.

2. Second MOA dated 14 August 2014

2.1 Parties

Shenzhen Brightoil Shipping as seller
Subsidiary 666 as buyer

2.2 Asset to be acquired

Vessel 666

2.3 Consideration

US\$9,000,000 (equivalent approximately to HK\$69,750,000), which shall be payable in full to Shenzhen Brightoil Shipping within 30 days of the delivery of Vessel 666, subject to the satisfactory documentary closing.

The consideration is determined after arm's length negotiation between the parties with reference to a third party valuation report dated 14 August 2014, with an open market value of US\$10,000,000 (equivalent approximately to HK\$77,500,000)of Vessel 666.

It is intended that payment of the consideration of Vessel 666 will be satisfied entirely in cash by way of bank loans and internal funds.

2.4 Completion and delivery

Pursuant to the Second MOA, the delivery of Vessel 666 is expected to take place on 2 September 2014 in the PRC or such other place as the parties may mutually agree. The cancellation date for completion (the last date available for completion) is 30 September 2014.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Having established itself as one of the leading suppliers of marine bunkers in Singapore, the Group considers that the purchase of these two bunker barges will (i) enhance the competitive strength in the bunkering business of the Group by expanding the operating fleet, (ii) bring in additional revenue to the Group through increased marine bunker sales volumes.

The entering into the First MOA and the Second MOA is not expected to have a material impact on the Group's asset/liabilities ratio and liquidity.

The Directors (including the independent non-executive Directors) are of the view that the terms of the First MOA and the Second MOA were determined after arm's length negotiations, and are on normal commercial terms in the ordinary and usual course of business of the Group, which are fair and reasonable and in the interests of the Group and its Shareholders as a whole.

Dr. Sit has a material interest in the transaction contemplated under each of the First MOA and the Second MOA, and therefore has abstained from voting in the relevant board resolution.

GENERAL INFORMATION

Information on the Group

The Group is principally engaged in exploration, exploitation and production of oil and gas fields, international trading and bunkering, marine transportation as well as oil storage and terminal facilities businesses.

Information on Shenzhen Brightoil Shipping

Shenzhen Brightoil Shipping is a limited liability company established under the laws of the People's Republic of China and beneficially owned by Dr. Sit. Shenzhen Brightoil Shipping engages in the business of providing marine transportation services for hazardous cargo, whole sale of petroleum products, ship management (technical and commercial), ship repair, ship maintenance and related services in the People's Republic of China.

Information on Zhejiang Brightoil Shipping

Zhejiang Brightoil Shipping is a limited liability company established under the laws of the People's Republic of China and beneficially owned by Dr. Sit. Zhejiang Brightoil Shipping engages in the business of providing marine transportation services in the coastal waters of the People's Republic of China and the middle and lower section of the Yangtze river for general cargo as well as petroleum products.

Information on Subsidiary 639

Subsidiary 639 is a limited liability company incorporated in Singapore and a wholly owned subsidiary of the Company. Subsidiary 639 engages in the ownership of vessel in Singapore.

Information on Subsidiary 666

Subsidiary 666 is a limited liability company incorporated in Singapore and a wholly owned subsidiary of the Company. Subsidiary 666 engages in the ownership of vessel in Singapore.

IMPLICATION ON LISTING RULES

As the applicable percentage ratios in respect of the aggregated transactions contemplated under the First MOA and the Second MOA exceed 0.1% but are less than 5%, such aggregated transactions are subject to the reporting and announcement requirements but are exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Brightoil Petroleum (Holdings) Limited, an exempted company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under Rule 14A.06(7) of the Listing Rules

“Director(s)”	director(s) of the Company
“Dr. Sit”	Dr. Sit Kwong Lam, an executive Director and the chairman of the Company
“First MOA”	the Memorandum of Agreement for the sale and purchase of Vessel 639 entered into between Zhejiang Brightoil Shipping and Subsidiary 639 on 14 August 2014
“Group”	the Company and its subsidiaries
“Haidong Shipyard”	浙江台州國營海東造船廠 (Haidong Shipyard Taizhou Zhejiang, China*)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Second MOA”	the Memorandum of Agreement for the sale and purchase of Vessel 666 entered into between Shenzhen Brightoil Shipping and Subsidiary 666 on 14 August 2014
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Shenzhen Brightoil Shipping”	深圳光滙石油海運集團有限公司 (Shenzhen Brightoil Shipping Group Co.,

	Ltd.*), a company established in the PRC with limited liability, which is ultimately and beneficially controlled by Dr. Sit.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary 639”	Brightoil 639 Oil Tanker Pte Ltd, a wholly-owned subsidiary of the Company incorporated under the Laws of Singapore
“Subsidiary 666”	Brightoil 666 Oil Tanker Pte Ltd, a wholly-owned subsidiary of the Company incorporated under the Laws of Singapore
“Zhejiang Brightoil Shipping”	浙江光滙海運有限公司(Zhejiang Brightoil Shipping Co., Ltd*), a company established in the PRC with limited liability, which is ultimately and beneficially controlled by Dr. Sit.
“US\$”	United States dollars, the lawful currency of the United States of America
“Vessel 639”	An oil tanker with Vessel Name: 光滙 639 / Chinese Flag / Chinese Classification Society / Registration Number: 070314000029 / GRT/NRT: 4374/2449
“Vessel 666”	An oil tanker with Vessel Name: 光滙666 / Chinese Flag / Chinese Classification Society / Registration Number: 140014000007 / GRT/NRT: 4374/1988
“%”	per cent.

Translation of amounts in US\$ into HK\$ has been made at the rate of US\$=HK\$7.7500 in this announcement for illustration purpose only. No representation is made that any amount in HK\$ has been, could have been or may be converted at such rate or at all.

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

Hong Kong, 14 August 2014

As at the date of this announcement, the Board comprises (i) five executive Directors, namely Dr. Sit Kwong Lam, Dr. Yung Pak Keung Bruce, Mr. Tang Bo, Mr. Tan Yih Lin and Mr. Mr. Justin Sawdon Stewart Murphy; (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*