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ASIA ENERGY LOGISTICS GROUP LIMITED

亞洲能源物流集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 0351)

CONVERSION OF THE TRANCHE 2 NOTES

On 23 June 2016, the Company received a conversion notice from the Subscriber in respect of the exercise of the Conversion Rights attached to the Tranche 2 Notes in the aggregate amount of HK\$500,000 held by the Subscriber at the Conversion Price of HK\$0.0437 per Conversion Share, which is the Floating Conversion Price and equals to 80% of the average of the closing price per Share on three consecutive Business Days from 17 June 2016 to 21 June 2016 of HK\$0.055. As a result of this conversion, the Company allotted and issued the Tranche 2 Conversion Shares to the Subscriber on 23 June 2016.

CONVERSION OF THE TRANCHE 2 NOTES

Reference is made to the circular of the Company dated 11 April 2016 (the “**Circular**”) and the announcement of the Company dated 1 March 2016, 3 May 2016 and 10 May 2016 (the “**Announcements**”) in relation to the issue and conversion of the Tranche 2 Notes. Capitalised terms used in this announcement shall have the same meanings as those defined in the Circular and the Announcements unless otherwise stated herein.

On 23 June 2016, the Company received a conversion notice from the Subscriber in respect of the exercise of the Conversion Rights attached to the Tranche 2 Notes in the aggregate amount of HK\$500,000 held by the Subscriber at the Conversion Price of HK\$0.0437 per Conversion Share, which is the Floating Conversion Price and equals to 80% of the average of the closing price per Share on three consecutive Business Days from 17 June 2016 to 21 June 2016 of HK\$0.055. As a result of this conversion, the Company allotted and issued a total of 11,441,647 Conversion Shares (the “**Tranche 2 Conversion Shares**”) to the Subscriber on 23 June 2016.

As disclosed in the Circular, the Conversion Price shall be the greater of the 50% of the Closing Price, which is HK\$0.027 per Conversion Share and is calculated based on 50% of the Closing Price for the Business Day immediately preceding the Conversion Date on which the Shares were traded on the Stock Exchange, or the Floating Conversion Price, which is 80% of the average of the closing prices per Share on any three consecutive Business Days as selected by the relevant Noteholder during the 45 Business Days immediately preceding the relevant Conversion Date on which Shares were traded on the Stock Exchange.

The Tranche 2 Conversion Shares will rank pari passu with all the existing Shares at the date of allotment and among themselves in all respects. The issued share capital of the Company will be increased to 14,184,215,584 Shares upon allotment and issue of the Tranche 2 Conversion Shares and the Tranche 2 Conversion Shares represent approximately 0.08073% of the issued share capital of the Company immediately before the allotment and issue of the Tranche 2 Conversion Shares and approximately 0.08067% of the issued share capital of the Company as enlarged by the allotment and issue of the Tranche 2 Conversion Shares.

By order of the Board
Asia Energy Logistics Group Limited
Liang Jun
Executive Director

23 June 2016

As at the date of this announcement, the executive directors of the Company are Mr. Liang Jun, Mr. Fung Ka Keung, David, Ms. Yu Sau Lai and Mr. Tse On Kin; the non-executive directors of the Company are Mr. Yu Baodong (Chairman) and Ms. Sun Wei; and the independent non-executive directors of the Company are Mr. Chan Chi Yuen, Mr. Zhang Xi and Professor Sit Fung Shuen, Victor.