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**SPT Energy Group Inc.**

**華油能源集團有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1251)**

## **DISSOLUTION OF JOINT VENTURE**

This announcement is made by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 25 August 2016, the shareholders of Xinjiang HDTD Oilfield Services Co., Ltd., the Joint Venture of the Company, passed the resolution regarding the dissolution of the Joint Venture and the application for the dissolution of the Joint Venture will be submitted to the original examination authority.

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

This announcement is made by SPT Energy Group Inc. (the “Company”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 25 August 2016, the shareholders of Xinjiang HDTD Oilfield Services Co., Ltd., a joint venture of the Company (the “Joint Venture”), passed the resolution regarding the dissolution of the Joint Venture and the application for the dissolution of the Joint Venture will be submitted to the original examination authority.

On 17 April 2014, Petrotech (Xinjiang) Engineering Co., Ltd. (“Petrotech (Xinjiang) Engineering”), a subsidiary of the Company and Halliburton B.V. entered into an agreement, pursuant to which, both parties agreed to establish the Joint Venture – Xinjiang HDTD Oilfield Services Co., Ltd., a fracture stimulation services company in Xinjiang Uygur Autonomous Region of China. The Joint Venture has a registered capital of US\$34,000,000 (equivalent to approximately HK\$263.6 million), which shall be contributed as to US\$17,340,000 (representing 51% of the registered capital) by Petrotech (Xinjiang) Engineering and US\$16,660,000 (representing 49% of the registered capital) by Halliburton B.V., respectively. The registered capital was determined by both parties based on the estimated capital of the Joint Venture after arm’s length negotiation. The board of directors of the Joint Venture shall consist of four directors and each shareholder shall be entitled to nominate two directors. Please refer to the announcement of the Company dated 21 April 2014 for details.

## **REASONS FOR DISSOLUTION**

Given the sluggish global crude oil price, upstream customers have substantially reduced their expenditure on exploration and development. In particular, the high-end gas well fracturing service workload has shown a decreasing trend. Both the shareholders of the Joint Venture consider it prudent to dissolve the Joint Venture to keep the operating costs of the enterprise under control and optimise asset structure.

Since both the shareholders of the Joint Venture intend to repurchase the major assets and equipment of the Joint Venture at their net assets value, it is expected that no substantial loss arising from the dissolution of the Joint Venture will be recorded by the Company. The detailed dissolution plan of the Joint Venture is still subject to negotiation and agreement among the shareholders of the Joint Venture. Further announcement will be made by the Company when the dissolution plan has been finalised.

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By order of the board of directors  
**SPT Energy Group Inc.**  
**Mr. Wang Guoqiang**  
*Chairman*

Hong Kong, 26 August 2016

*As at the date of this announcement, the executive directors are Mr. Wang Guoqiang, Mr. Wu Dongfang, Mr. Liu Ruoyan and Mr. Jin Shumao, the non-executive directors are Mr. Lin Yang and Ms. Chen Chunhua, and the independent non-executive directors are Ms. Zhang Yujuan, Mr. Wu Kwok Keung Andrew and Mr. Wan Kah Ming.*

\* *for identification purpose only*