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## FUTURE PLANS AND USE OF PROCEEDS

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### FUTURE PLANS

Please refer to the section headed “Business — Our Strategies” for a detailed description of our future plans.

### USE OF PROCEEDS

We estimate that we will receive net proceeds from the Global Offering of approximately HK\$197.2 million (assuming an Offer Price of HK\$3.40 per Share, being the mid-point of the estimated Offer Price range), after deducting the underwriting fees and commissions and estimated expenses payable by us in relation to the Global Offering.

We intend to use the net proceeds we will receive from the Global Offering for the following purposes:

- approximately 91% of the net proceeds (approximately HK\$179.5 million, assuming an Offer Price of HK\$3.40 per Share, being the mid-point of the indicative Offer Price range) will be used for the development of our Alberta Foothills gas assets and Peace River oil assets out of which we intend to allocate as follows:
  - drilling of 3 natural gas wells in Basing in 2017. . . . . approximately 52.6%;
  - drilling of 10 natural gas wells in Basing in 2018 and 2019. . . . . approximately 38.4%;
- approximately 9% of the net proceeds (approximately HK\$17.7 million, assuming an Offer Price of HK\$3.40 per Share, being the mid-point of the indicative Offer Price range) will be used for working capital and general corporate purposes.

If the Offer Price is determined at HK\$3.80 per Share, being the high-end of the indicative Offer Price range, the net proceeds to our Company would increase by approximately HK\$27.8 million. If the Offer Price is determined HK\$3.00 per Share, being the low-end of the indicative Offer Price range, the net proceeds to our Company would decrease by HK\$27.8 million. We will increase or decrease the allocation of the net proceeds to the above purposes (other than for the drilling of 3 natural gas wells in Basing in 2017) on a pro rata basis.

Assuming that Over-Allotment Option is exercised in full, the additional net proceeds to be received by us are estimated to be approximately HK\$39.7 million, HK\$35.5 million and HK\$31.3 million, respectively (based on the maximum indicative Offer Price of HK\$3.80 per Offer Share, HK\$3.40 per Offer Share, being the mid-point of the indicative Offer Price range and the minimum indicative Offer Price of HK\$3.00 per Offer Share, respectively). We intend to apply the additional amount of the net proceeds to the above purposes on a pro rata basis.

To the extent that the net proceeds of the Global Offering are not immediately used for the purposes described above they will be placed in short term demand deposits and/or money market instruments.