

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



東方明珠石油有限公司*
Pearl Oriental Oil Limited

(the “Company”)

(Incorporated in Bermuda with limited liability)

(Stock Code: 632)

UPDATE ON SETTLEMENT AGREEMENT

Reference is made to the Company’s announcements dated 2 August 2010, 24 February 2011 and 13 July 2011 in relation to a settlement agreement dated 31 July 2010 and the disposal of equity interests in China Coal Energy Holdings Limited.

The Board is pleased to announce that on 12 March 2012, the Group entered into a Supplemental Settlement Agreement with Mr. Zhang. Pursuant to the Supplemental Settlement Agreement, Mr. Zhang and the Group agreed to amend the payment dates for the Fourth and the Fifth instalments.

UPDATE ON SETTLEMENT AGREEMENT

Reference is made to the Company’s announcements dated 2 August 2010, 24 February 2011 and 13 July 2011 in relation to a settlement agreement dated 31 July 2010 and the disposal of equity interests in China Coal Energy Holdings Limited.

The board of directors of the Company (the “Board”) is pleased to announce that on 12 March 2012, the Company and its subsidiaries (collectively, the “Group”) entered into a supplemental settlement agreement (“Supplemental Settlement Agreement”) with Mr. Zhang Jingyuan (“Mr. Zhang”). Pursuant to the Supplemental Settlement Agreement, Mr. Zhang and the Group agreed to amend the payment dates for the Fourth and the Fifth instalments.

SUPPLEMENTAL SETTLEMENT AGREEMENT

Date: 12 March 2012

Parties: The Group and Mr. Zhang

Major amended terms: The timetable of the consideration payable by Mr. Zhang to the Group would be amended as follows:

Fourth instalment: payment date for HK\$29,100,000 to be changed from 27 February 2012 to 10 May 2012

Fifth instalment: payment date for HK\$29,100,000 to be changed from 27 August 2012 to 10 May 2012

In other words, the Group expects to receive a total sum of HK\$58,200,000 on or before 10 May 2012 pursuant to the Supplemental Settlement Agreement. The payment of the total sum of HK\$58,200,000 will be guaranteed by an independent individual, Mr. Zhang Jian Jun. It is expected that the net proceeds of HK\$50,925,000 (after third parties' interest) will be reflected in and beneficial to the financial results of the Group for the year 2012.

Other terms and conditions in the Settlement Agreement remains unchanged and enforceable.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL SETTLEMENT AGREEMENT

The Board believes that with entering into the Supplemental Settlement Agreement, the Group expect to receive the Fifth instalment earlier than the timetable agreed in the Settlement Agreement and of which the proceeds will be used in the further development of our core business in oil and gas which will be in the best interest of the Company and its shareholders as a whole.

As at the date hereof, the Board comprises three executive directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Dr. Lew Mon Hung and Mr. Cheung Kwok Yu; two non-executive directors, namely Mr. Baiseitov Bakhytbek and Mr. Chen Ping; and three independent non-executive directors, namely Mr. Wang Tong Sai, Mr. Yu Jianmeng and Mr. Lam Ka Wai, Graham.

By Order of the Board
Pearl Oriental Oil Limited
Cheung Kwok Yu
Executive Director and Company Secretary

Hong Kong, 13 March 2012

** For identification purposes only*