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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)

Framework Agreement for Possible Acquisition

The Board is pleased to announce that on 27 November 2013 (after trading hours), the Company and Maoming Petroleum Group entered into the Framework Agreement pursuant to which the Company intended to acquire 50% equity interest in a subsidiary of Maoming Petroleum Group.

Reference is made to the Company’s announcements dated 4 November 2013 and 14 November 2013.

The board of directors (the “Board”) of the Company is pleased to announce that, after a recent business trip to Maoming City in Guangdong Province of China led by Mr. Wong Kwan, Chairman and Executive Director of the Company together with the management team, on 27 November 2013 (after trading hours), the Company and Guangdong Maoming Petroleum Group Co. (廣東茂名石油集團公司) (“Maoming Petroleum Group”) entered into a framework agreement (the “Framework Agreement”) pursuant to which Maoming Petroleum Group intended to sell and the Company intended to acquire 50% equity interest (the “Possible Acquisition”) in a subsidiary of Maoming Petroleum Group, Maoming Dong Hai Petroleum Company Limited (茂名東海石油有限公司) (the “Target Company”).

FRAMEWORK AGREEMENT

Date:

27 November 2013

Parties:

- (i) The Company; and
- (ii) Maoming Petroleum Group, an independent third party, mainly engaged in petroleum business in China.

Information on the Target Company

The Target Company is mainly engaged in wholesale and trading of petroleum and related chemical products in China. According to information provided by the Maoming Petroleum Group (subject to due diligence), the unaudited turnover and the net profit after tax of the Target Company were over RMB 930 million and RMB 30 million respectively during the period from 1 January 2013 to 30 September 2013, and the unaudited total assets of the Target Company as at 30 September 2013 were over RMB 600 million.

TERMS OF THE FRAMEWORK AGREEMENT

The key terms of the Framework Agreement in relation to the Possible Acquisition (which is subject to the entering into of a formal sale and purchase agreement by the Parties) are as follows:-

1. Maoming Petroleum Group and the Company agreed that the Target Company will continue to operate and develop its business of sale of petroleum and related chemical products, taking advantage of Maoming Petroleum Group's powerful domestic sales network, together with the international business network established by the Company to expand the Target Company's oil import business, with a view to generating more attractive economic benefits.
2. Maoming Petroleum Group agreed to procure transfer of 50% equity interest of the Target Company to the Company. After the transfer of 50% equity interest, Maoming Petroleum Group will hold 50% equity interest of the Target Company and the Company will hold 50% equity interest of the Target Company.
3. Maoming Petroleum Group and the Company agreed to appoint a third party accounting firm to carry out asset valuation of the Target Company, by reference to which the consideration for 50% equity interest in the Target Company will be negotiated by the Parties.
4. After the Parties entered into a formal sales and purchase agreement, if approved by the relevant regulatory authorities of Hong Kong and approved by the Company's shareholders in a general meeting (if required), the Company will pay the consideration for 50% equity interest of the Target Company to Maoming Petroleum Group by cash within 15 days, or if the Parties reach a consensus, which may be settled by a combination of cash and new shares of the Company.
5. The board of directors of Target Company will comprise six (6) members, of which three (3) members will be nominated by Maoming Petroleum Group and the remaining three (3) members will be nominated by the Company, the chairman of the Target Company will be nominated by Maoming Petroleum Group, and the general manager of the Target Company will be nominated by the Company, and one of two key finance staff of the Target Company will be appointed by Maoming Petroleum Group and the other one will be appointed by the Company.

6. The Company will carry out financial, operational and legal due diligence on the Target Company as soon as possible. Maoming Petroleum Group agreed to prepare for assets and debt restructuring of the Target Company. The Parties agreed to further negotiate on terms of a formal sale and purchase agreement and will strive to sign within three months after the date of the Framework Agreement, subject to approval of the Parties' the board of directors and approval of Maoming Petroleum Group's superior authorities.

The Board believes that entering into the Framework Agreement with and obtaining supports from Maoming Petroleum Group, a major participant of petroleum business in Guangdong Province of China, is very helpful to speed up the development and expansion of the Company's business in energy and natural resources sectors and enhance the investment returns by capturing the good opportunities as China is going to open the crude oil import market. The Board also believes that the entering into the Framework Agreement is in the best interests of the Company and its shareholders as a whole.

As no formal legally-binding agreement for the Possible Acquisition has yet been entered into, therefore, the Possible Acquisition may or may not proceed. Shareholders and investors are urged to exercise caution when dealing in the securities of the Company. Further announcement in respect of the Possible Acquisition will be made by the Company in the event any formal agreement has been signed in accordance with the applicable requirements under the Listing Rules, if and when appropriate.

As at the date hereof, the Board comprises four executive directors, namely Mr. Wong Yuk Kwan (alias: Wong Kwan), Mr. Law Wing Tak, Jack, Mr. Wong Hiu Tung and Mr. Zhou Li Yang; one non-executive director, namely Mr. Baiseitov Bakhytbek; and three independent non-executive directors, namely Mr. Lam Kwan, Mr. Chan Kwan Pak and Ms. Yuen Sau Ying, Christine.

By Order of the Board
Pearl Oriental Oil Limited
Law Wing Tak, Jack
Executive Director and Chief Executive Officer

Hong Kong, 27 November 2013

* *for identification purpose only*