



## New Times Energy Announces 2013 Annual Results

### Highlights

- Turnover of the Group increased 150.3% to HK\$322.86 million
- Positive change on financial performance and recorded a profit attributable to owners of HK\$3.77 million (31 December 2012: loss of HK\$39.92 million) and earnings per share of HK0.43 cents (31 December 2012: loss per share of HK7.12 cents)
- Enhanced asset base by increasing its 2P reserves, prospective resources and acreages in the U.S and Argentina through acquisition of new projects (i.e. Altamont-Bluebell project) and increasing stakes in existing investments (i.e. Tartagal Oriental & Morillo concessions)
- As at 31 December 2013, total net prospective resources and net 2P reserves amount to 269.69 million barrels of oil equivalent and 1.87 million barrels of oil equivalent, respectively

### Financial Highlights

HK\$'000	For the year ended 31 Dec		
	2013	2012	Change (%)
Turnover	322,855	129,007	150.3%
Gross Profit/(loss)	2,597	(3,539)	-
Profit/(loss) for the year attributable to owners of the Company	3,771	(39,917)	-
Earnings/(loss) per share (HK cents)	0.43	(7.12)	-

(Hong Kong, 31 March 2014) – **New Times Energy Corporation Limited** (“New Times Energy” or “the Company”, together with its subsidiaries, the “Group”, HKSE stock code: 166) announced its audited consolidated annual results and financial position for the year ended 31 December 2013. During the reporting period, the Group recorded turnover of HK\$322.86 million (31 December 2012: HK\$129.01 million), representing an increase of 150.3%. Profit attributable to owners of the Company amounted to HK\$3.77 million (31 December 2012: loss of HK\$39.92 million). The Board recommends no final dividend for this financial year (31 December 2012: nil).

## **Business Review**

### **Argentina**

During the year, New Times Energy completed the acquisition of an additional 9.25% interest in the Tartagal Oriental and Morillo concession, increasing its overall interest from 60% to 69.25%. Prospective resources grew by 35.18 million barrels of oil equivalent as a result of the increase in stake. In addition, the Group completed interpretation of the 260 km<sup>2</sup> 3D seismic survey shot in the southern part of the Morillo block and has identified several prospective drilling locations where the Group plans to drill 2 exploration wells in 2H2014.

Upon completion of the seismic interpretation program, the Group has engaged Netherland, Sewell & Associates, Inc. ("NSAI"), an international independent qualified technical advisor, to update the technical report for the Tartagal Oriental and Morillo concessions. According to the report, the estimated total undiscovered original hydrocarbons-in-place and unrisks gross (100%) prospective resources in the concessions have increased to 389.45 million barrels of oil equivalent.

### **U.S**

#### **Uinta basin, State of Utah**

##### **Altamont-Bluebell project**

During the year, the Group completed the acquisition of the Altamont-Bluebell project, therefore holds (i) 75% working interest in the 80% net revenue interest of 30 well bores and the surrounding 2,300 acres of tribal and fee land and (ii) the right to lease, explore, exploit and develop the option acreage of prospective oil and gas leases adjacent to these assets.

The Group recognized a gain on bargain purchase of HK\$25.19 million from this acquisition and has worked over several wells with aims to increase production in 2014.

##### **Natural Buttes project**

The Group recorded an average daily production of 10 barrels of oil per day for its Natural Buttes project and generated revenue of HK\$2.34 million (31 December 2012: HK\$nil) from the sale of approximately 3,600 barrels of oil at an average price of US\$84.97 per barrel. The Group plans to continue to ramp up production to 40 to 50 barrels of oil per day in 2014 through working over these wells.

## **Downstream Natural Gas Business**

In 2013, New Times Energy completed the acquisition of 100% interest in Guizhou Kunyu Trading Company Limited and Guizhou Shunyao Energy Investment Company Limited, therefore further strengthening the Group's role as an integrated natural gas provider and distributor with focus in liquefied natural gas/compressed natural gas stations and gas provision to industrial park and residential community projects. The Group currently owns two operating gas stations in Liupanshui city and Liuzhi special district in Guizhou province and has established a joint venture entity with a subsidiary of China National Petroleum Corporation ("CNPC") to further develop its integrated natural gas utilization projects.

In order to streamline the Group's corporate structure and solidify its upstream asset base, the Group will continue to negotiate with China Print Power Group Limited (stock code: 06828) with regards to the disposal of the entire downstream natural gas business of the Group. As the long stop date expired on 31 December 2013, on 30 December 2013, the Group and China Print Power Group Limited agreed to extend the long stop date to 30 September 2014 to give both parties sufficient time to negotiate a final agreement.

## **Trading Business**

In 2013, the Group continued to operate its resources-related trading business. During the year, the Group recorded sales of approximately HK\$318.41 million (31 December 2012: HK\$124.09 million), with a gross profit of approximately HK\$5.86 million (31 December 2012: HK\$2.13 million), representing a 156.6% increase in sales. New Times Energy will direct more efforts to foster relations with both existing and potential partners and customers to diversify its revenue sources as well as to unlock growth potential of the business.

## **Significant Investments**

### **BCM Energy Partners, Inc ("BCM")**

In 2013, the Group restructured its investment in the U.S through a number of acquisitions and disposals of oil and gas assets in east Texas and Louisiana. In June 2013, the Group disposed all oil and gas properties located in Louisiana, U.S to BCM in exchange for US\$5.20 million (equivalent to HK\$40.32 million) convertible notes. Through the disposal of assets in Texas and Louisiana, the Group recorded a gain of HK\$19.51 million for the year.

### **NordAq Energy, Inc ("NordAq")**

During the year, the Group increased its stake in NordAq from 7% to 12.33%. NordAq is an independent oil and gas company based in Anchorage, Alaska and is engaged in the exploration and development of hydrocarbon reserves. Its portfolios include prospects and resources in the Kenai Peninsula on the Cook Inlet and Smith Bay on the North Slope, covering approximately 560,000 net acres

**Mr. Stewart Cheng, Chairman and Executive Director of New Times Energy**, said, “New Times Energy saw important progress in 2013 and has achieved a series of milestones in building a lucrative and balanced oil and gas portfolio through acquisition of new projects and enhancing its asset base. We will continue to optimize our portfolios in the state of Utah, the U.S and Argentina while seeking for strategic cooperation and M&A opportunities, thus enabling us to grow long-term development as projects are delivered.”

**Mr. Tommy Cheng, Chief Executive Officer and Executive Director of New Times Energy** said, “2013 was a pivotal year for New Times Energy where we have made substantial development in achieving operational success in growing our acreage, reserves and production across core operations. We look forward to deliver long term growth and will continue to build upon our strategies to solidify and streamline our upstream oil and gas business to optimize value creation and achieve operational efficiency.”

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#### **About New Times Energy Corporation Limited**

New Times Energy Corporation Limited (HKSE stock code: 166) is an integrated natural resources company engaged in the development and operation of oil & gas projects in Argentina and the USA. The Group's upstream oil & gas projects are located in geologically favorable regions in the Noroeste basin in the province of Salta, Argentina and in the states of Utah, Texas, Louisiana and Alaska, the USA. The Group is also engaged in downstream LNG projects in China including LNG/CNG stations, gas provision to industrial parks and residential households. The Group will continue to enrich its oil & gas portfolio through strategic mergers and acquisitions and actively look for opportunities to broaden and strengthen its income streams, aiming to deliver significant growth in cash flow and reserves to its shareholders.

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