



HANS ENERGY COMPANY LIMITED

漢思能源有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 554)

ANNOUNCEMENT IN RELATION TO INCREASE IN SHARE PRICE & VOLUME MOVEMENTS

The Board has noted the recent increases in price and trading volume of the Shares.

The Board wishes to announce that the Group is still negotiating with the Sinopec subsidiary regarding, among other things, the possible provision of services.

The Board wishes to emphasise that no binding agreement in relation to the final terms and conditions and structure of the proposed transactions stated herein has been entered into as at the date hereof. Accordingly, there is no assurance that such proposed transactions will proceed as planned or at all. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares. Further announcement(s) will be made as and when necessary.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Board**”) of Hans Energy Company Limited (the “**Company**”, together with its subsidiaries “**Group**”) has noted the recent increases in price and trading volume of the shares of the Company (the “**Shares**”).

As disclosed in the announcement of the Company dated 13 December 2006, the Company entered into a memorandum of understanding with a subsidiary of the Sinopec Group (the “**Sinopec subsidiary**”) regarding the possible provision of services to the Sinopec subsidiary. The Board wishes to announce that the Company is still in the course of negotiation with the Sinopec subsidiary on the possible further terms thereof. However, as at the date hereof, no legally binding agreement in relation thereto has been entered into.

Save as aforesaid and disclosed in the announcement of the Company dated 30 March 2007 in relation to, among other things, the entering into a framework agreement with the People’s Government of Taishan City for the proposed development, the Board is not aware of any reasons for such increases.

Save as aforesaid, the Board wishes to state that it is not aware of any reasons for such increases in price and trading volume of the Shares and further confirms that it is not aware of any matter discloseable under the general obligation imposed by rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), which is or may be of a price-sensitive nature and there are no negotiations or agreements relating to intended acquisitions or realisations which are discloseable under rule 13.23 of the Listing Rules.

The Board wishes to emphasise that no binding agreement in relation to the final terms and conditions and structure of the proposed transactions stated herein has been entered into as at the date hereof. Accordingly, there is no assurance that such proposed transactions will proceed as planned or at all. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares. Further announcement(s) will be made as and when necessary.

This announcement is made by the order of the Board, the directors of which individually and jointly accept responsibility for the accuracy of this announcement.

As at the date of this announcement, the Board comprises three executive directors, namely Mr. David An (Chairman), Mr. Fung Chi Kwan, Nicholas and Ms. Liu Zhijun and three independent non-executive directors, namely Mr. Li Wai Keung, Mr. Liu Jian and Mr. Chan Chun Wai, Tony.

By order of the board
Hans Energy Company Limited
David An
Chairman

Hong Kong, 31 May 2007

Please also refer to the published version of this announcement in The Standard.