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HANS ENERGY COMPANY LIMITED

漢思能源有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 554)

DISPOSAL OF SHARES BY CONTROLLING SHAREHOLDER

The Company has been informed by one of its controlling shareholders, Vand Petro, that it has entered into an agreement to sell 370,000,000 Shares (representing approximately 9.91% of the enlarged issued share capital of the Company upon full conversion of the Convertible Note) to Pony HK World, for a consideration of HK\$1.10 per Share. The Share Sale is expected to be completed on or about 13 July 2007 or such later date as agreed between the parties.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Disposal of Shares

Hans Energy Company Limited (the “**Company**”) has been informed by one of its controlling shareholders, Vand Petro-Chemicals (BVI) Company Ltd (“**Vand Petro**”), a company wholly-owned by Mr. David An (“**Mr. An**”), a director of the Company, that it has, on 12 July 2007, entered into an agreement to sell 370,000,000 shares of HK\$0.10 each in the share capital of the Company (“**Shares**”) (representing approximately 9.91% of the enlarged issued share capital of the Company upon full conversion of the Convertible Note (defined below)) to Pony HK World (the “**Purchaser**”), for a consideration of HK\$1.10 per Share (the “**Share Sale**”). The Share Sale is expected to be completed on or about 13 July 2007 or such later date as agreed between the parties.

Subject to requirements of the Listing Rules and the Stock Exchange and all other applicable laws, the Vendor has agreed to use its best endeavours after completion of the Share Sale to procure the Company to grant a right to the Purchaser to appoint an observer on the board of directors and the audit committee of the Company.

Conversion of Convertible Note

As detailed in the Company’s circular dated 7 December 2004, Vand Petro holds a convertible note (the “**Convertible Note**”) in the amount of HK\$681,000,000, of which HK\$510,000,000 has been converted as at the date of this announcement and HK\$171,000,000 remains outstanding.

On or immediately prior to the completion of the Share Sale, Vand Petro will convert the entire outstanding balance of the Convertible Note into 570,000,000 Shares (the “**Conversion**”).

Shareholding Structure

The shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Share Sale and the Conversion is as follows:

Name	Number of Shares held as at the date of this announcement	Approximate percentage of total issued Shares	Number of Shares held immediately after completion of the Share Sale and the Conversion	Approximate percentage of total issued Shares
Mr. An and his associates (as defined under the Listing Rules)	2,343,659,980 <i>(Note)</i>	74.10%	2,543,659,980	68.15%
The Purchaser	0	0.00%	370,000,000	9.91%
Public shareholders	818,978,020	25.90%	818,978,020	21.94%
Total	3,162,638,000	100.00%	3,732,638,000	100.00%

Note: These Shares are held directly as to 2,133,886,000 Shares by Vand Petro and 209,773,980 Shares by Extreme Wise Investments Limited, a company wholly-owned by Mr. An. Vand Petro also holds the Convertible Note.

Reason for the Share Sale

The directors of the Company believe that having the Purchaser as a shareholder of the Company will enhance its international profile and expansion opportunities both in the PRC and around the world.

Information on the Purchaser

The Purchaser is a wholly-owned subsidiary of Istithmar PJSC (“**Istithmar**”), a private equity and alternative investment house headquartered in Dubai, the United Arab Emirates, with offices in Shanghai and New York. Established in 2003, Istithmar is 100% owned by Dubai World which in turn is wholly owned by the Government of Dubai. In the three years since its inception, in the consumer, industrial and financial services sectors, Istithmar has invested in over 30 companies and has deployed approximately US\$2.0 billion in equity capital.

By Order of the Board
Hans Energy Company Limited
David An
Chairman

Hong Kong, 12 July 2007

As at the date of this announcement, the board of directors of the Company 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.