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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)

ANNOUNCEMENT

EXPECTED TIMING FOR PUBLICATION OF INTERIM FINANCIAL RESULTS, PROGRESS OF PREVIOUSLY ANNOUNCED PROJECTS AND EXPIRY OF OPTION HELD BY STRATEGIC SHAREHOLDER

The board of directors of Hans Energy Company Limited (the "Company") announces the expected timing for the publication of its interim financial results, the progress of previously announced projects, and the expiry of an option held by its strategic shareholder.

In order to better inform the market during the period between the publication of the Company's annual financial results for the year ended 31 December 2004 and its interim financial results for the six-month period ending 30 June 2005, and to facilitate communication between its management and its shareholders, the board of directors of the Company (the "Board") wishes to announce the following:

Expected time of publication of interim financial results

The Company has adopted the international best practice for publication of financial results and intends to publish its interim financial results for the six-month period ending 30 June 2005 within two months from the end of such period (rather than within three months as allowed under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")). The Board believes that this will allow shareholders to make more informed assessment concerning the Company's position at an earlier stage. Since the Company's current interim period will conclude on 30 June 2005, it is expected that the interim results announcement will be published prior to 31 August 2005. Similarly, for the annual financial results announcement, which according to the Listing Rules can be released as late as the last business day in April 2006, the Company intends to release the results prior to the end of March 2006. It is the Company's policy and plan to continue this practice in the future.

In the unlikely event that the Company cannot meet the above expected timing for the publication of its financial results, a further announcement will be made.

Progress of previously announced projects

The previously announced projects on which the Company is working are proceeding according to schedule.

In the case of the **Pearl River Project** (as defined and announced in the Company's announcement dated 24 February 2005 (the "Announcement")), final approvals necessary to commence work on this project are being obtained and we believe that such approvals are likely to be issued within one to two months from the date hereof. In the meantime, the Company has established a project management team to commence work on various planning and associated aspects of the project so that it can commence construction quickly once the necessary approvals have been obtained. The Board expects the cost of the project will still be as previously announced, that is, in the range of RMB500 million to RMB600 million, and is of the view that, based on the Company's financial position as set out in its annual report for the year ended 31 December 2004, the Company has the financial resources to complete this project from its currently available resources. Early commissioning of certain aspects of the terminal is expected within the second half of 2006, with related revenues commencing at the same time. On full operation, the advent of new Terminal will result in a tripling of the Company's storage capacity with profit margins broadly similar to current.

In the case of the **Pipeline Project** (as defined and announced in the Announcement), negotiations are underway with the aim of finalising the necessary contractual arrangements prior to the end of June 2005 as stated in the Announcement. Such negotiations involve a number of parties and if they are finalised according to the Board's current expectations, the Board expects revenue from the project to begin to flow to the Company during the third or fourth quarter of 2005, without the need for any additional capital expenditure as the Pipeline Project involves a lease and sublease arrangement (as described in the Announcement). The Board expects that any such revenues will be largely accretive to earnings, as the costs to the Company are expected to be minimal since the pipeline facilities will be operated by the lessor/owner.

As at the date hereof, no binding contract has been entered into by the Company in respect of the Pearl River Project and the Pipeline Project. There is no assurance that any of the plans and/or transactions described above in relation to the Pearl River Project and/or the Pipeline Project will proceed as planned or at all. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company. The Company will make such further announcements in relation to the above projects as and when required under the Listing Rules and comply with the requirements under the Listing Rules in relation to notifiable transactions if and when applicable.

Current terminal operations

The Company's current terminal operations at Xiao Hu Island, Panyu are operating normally and as outlined in the Company's annual report published on 25 April 2005.

Expiry of an option held by strategic shareholder

The Board refers to recent articles in the press alleging a disposal by the Company's strategic shareholder, Glencore Finance (Bermuda) Ltd. ("Glencore"), of shares in the Company and wishes to clarify the relevant information.

Glencore has disclosed on 31 May 2005 pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") with respect to its right to acquire 60,000,000 shares in the Company under an option (the "Option") under the Agreement (as defined and announced in the Announcement) that the Option expired on 31 May 2005 without being exercised by Glencore prior to such expiry. Since the amount of shares under the Option was required to be disclosed as Glencore's interest in the Company's shares under the SFO at the time of the entry into the Agreement, at its expiry, Glencore's discloseable interest in (as distinct from holding of) the Company's shares under the SFO was reduced by the amount of shares under the Option, that is, 60,000,000 shares. As disclosed in the Announcement, with respect to the 100 million shares in the Company that Glencore is actually holding, Glencore has agreed not to dispose of such shares within six months from the date of completion of the Agreement. Further,

following discussions with Glencore, the Board believes that Glencore has no present intention of selling the shares it is currently holding. As disclosed in the Announcement, a second option was granted to Glencore under the Agreement giving it the right to acquire an additional 59,450,000 shares in the Company by 31 August 2005. Thus, contrary to the articles in the press, there has been no disposal of any shareholdings in the Company by Glencore.

The shareholding structure of the Company, following the expiry of the Option, remains identical to its structure prior to such expiry. The Company continues to cooperate with Glencore on various business opportunities of mutual interest and benefit.

There are no untoward events or other reasons known to the Company, the Board or its management which would suggest that the Company's prospects are any different than those which were set out in the Company's annual report for the year ended 31 December 2004 or at the time of the Placing (as defined and announced in the Company's announcement dated 11 March 2005). As progress is made in achieving the goals outlined in the Company's announcements and annual report, the Board and the Company's management remain confident that such goals will be achieved within the broad timeframe outlined, and that the Company will be able to grow its businesses in a way which is conducive to the maximisation of shareholder value.

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

Hong Kong, 7 June 2005

As at the date of this announcement, the executive directors are Mr. David An, Ms. Feng Ya Lei, Mr. Zhou Nan Zheng and Mr. Liu Wei and the independent non-executive directors are Mr. Li Wai Keung, Mr. Liu Jian and Mr. Chan Chun Wai, Tony.

*Please also refer to the published version of this announcement in the (**The Standard**)*