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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

This announcement is made by Hans Energy Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Reference is made to the announcement of the Company dated 21 March 2012 in respect of, among other things, an oil storage tanks lease agreement entered into between the Group and SINOPEC Guangdong Oil Products Company* (中國石油化工有限公司廣東石油分公司) (the “**Lessee**”), a branch company of China Petroleum & Chemical Corporation (中國石油化工有限公司)(Stock Code: 386) in 2004 (the “**Lease Agreement**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that after consultation with the Group’s counsel as to the laws of the People’s Republic of China, the Group has applied for an arbitration (“**Arbitration**”) to the Guangzhou Arbitration Commission (廣州仲裁委員會) (the “**Commission**”), requesting the Commission to rule that:

1. the Lessee shall pay the Group the outstanding basic rental of RMB86,760,000 for the period from 1 July 2011 to 30 June 2012 and the penalty for the late payment of the above basic rental which amounts to RMB5,306,900 as of 30 June 2012;
2. the Lease Agreement and a supplemental agreement to the Lease Agreement entered into between the Group and the Lessee in 2006 be terminated;
3. the Lessee shall pay the Group a default payment of RMB607,320,000;
4. the Lessee shall pay the Group a rental of RMB64,260,000 for the actual usage of the oil storage tanks by the Lessee during the period from 1 January 2005 to 30 June 2006; and
5. the arbitration fee shall be borne by the Lessee.

* For identification purpose only

The Company will make further announcement(s) to inform the shareholders of the Company and potential investors of further developments of the Arbitration as and when appropriate.

As the dispute with the Lessee is pending the outcome of the Arbitration, there is no assurance that the Group's application will be successfully awarded by the Commission and even if successful, the full amount claimed by the Group will be awarded. Shareholders of the Company and potential investors are advised to exercise caution when dealing in shares of the Company.

By Order of the Board
Hans Energy Company Limited
Fung Chi Kwan, Nicholas
Company Secretary

Hong Kong, 12 June 2012

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