



PREMIERE EASTERN ENERGY LIMITED
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ASX Announcement/Media Release

UPGRADE OF LONGKOU STORAGE FACILITY

Premiere Eastern Energy Limited (ASX: PEZ, 'the Company') is pleased to announce it has taken the decision to commence construction work to upgrade its Longkou Storage Facility ('Longkou Facility') located at Longkou City, Shandong Province, China in February 2017.

The forecast cost of the construction work is approximately RMB45 million, which is equivalent to A\$9 million. The construction work will enhance the Longkou Facility as to meet, and comply with, national environmental protection standards as approved by the Ministry of Housing and Urban-Rural Development of the People's Republic of China ("MOHURD"), namely:

1. Code for design of petroleum storage depot (Code No.: GB 50737-2011); and
2. Code for design of fire dike in storage tank farm (Code No.: 50351-2014).

The construction work is expected to be completed by August 2017.

Yours faithfully

Tim Slate
Company Secretary

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About Premiere Eastern Energy Limited

Premiere Eastern Energy Limited is a leading integrated supply chain manager of petrochemical products in the PRC based in the Guangdong Province, PRC. As an integrated supply chain manager, it engaged in the wholesale distribution of petrochemical products including sourcing, storage, shipping, sales and distribution and after-sales services of petrochemical products in the PRC.

The Group's products can be grouped into 2 major classes of product; namely Refined Petroleum and Other Petrochemicals. Refined Petroleum comprised mainly the various grades of gasoline and diesel oil used mainly by automobiles. The Group's Other Petrochemicals comprised of mixed aromatics, C5 non aromatics, fuel oil, naphtha and MBTE, used mainly for gasoline blending.

The Group procures its supply of Refined Petroleum and Other Petrochemicals mainly from petroleum refineries and their authorised distributors in the resource-rich northern regions of the PRC. It distributes these products to the more economically developed southern coastal cities in the PRC, which has huge demands for fuel and energy and rely on the petroleum resources from the northern PRC regions. The Group also aggregates orders from its customers in order to procure these products from suppliers at more favourable terms through economies of scale.

The Group beneficially owns a petroleum storage facility located in Longkou City, Shandong Province, PRC with a total petroleum storage capacity of 13,500 cubic meters (equivalent to approximately 9,000 tonnes). Beneficial ownership allows the Group to use the facilities at their own discretion and for their own purposes. The strategic location near the Longkou harbor enables it to expediently and economically store Refined Petroleum intermediately for shipment to its customers located in the southern PRC cities.

The Group holds two operating retail petrol stations under the same branding.