



PREMIERE EASTERN ENERGY LIMITED

ACN 169 923 095

Level 6, 105 St Georges Terrace, Perth WA 6000, Australia
Tel: + 61 8 6558 0886 | Fax: + 61 8 6316 3337

ASX ANNOUNCEMENT

31 January 2017

31 DECEMBER 2016 QUARTERLY SHAREHOLDER UPDATE

The Directors of Premiere Eastern Energy Limited ('PEZ' or 'the Company') and its controlled entities ('the Group') hereby present Shareholders with the following update on the Group's activities for the December 2016 quarter.

During the quarter, the Group continued to focus on the wholesale distribution of petrochemical products including sourcing, storage, shipping, sales and distribution and after-sales services of petrochemical products in the People's Republic of China ('the PRC').

Subsequent to the end of the quarter, on 25 January 2017, the Company announced it had 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 and is expected to be completed by August 2017.

With a strong cash and cash equivalent position, of \$126 million, the Company looks to take advantage of the current difficult oil price environment as it continues to seek opportunities to grow revenue and create higher profit margins as a leading Refined Petroleum and Other Petrochemicals supply chain manager.

For further information please contact:

Tim Slate

Director and Company Secretary
Premiere Eastern Energy Limited
Phone: +61 8 6558 0886

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.