



PREMIERE EASTERN ENERGY LIMITED

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ASX ANNOUNCEMENT

28 April 2017

31 MARCH 2017 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 March 2017 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').

On 22 March 2017, the Company advised Mr David Wheeler provided notice of his intention to resign from the position of Independent Non-Executive Deputy Chairman effective 30 April 2017.

Subsequent to the end of the quarter, the Company was suspended from Official Quotation from 3 April 2017, following failure to lodge its Full Year Accounts for the period ended 31 December 2016. Due to circumstances beyond its control, the Company remains in a position to be unable to provide audited Full Year Accounts. On 21 April 2017, the Company advised it had applied to the Australian Securities and Investments Commission (ASIC) for an extension of time to hold its Annual General Meeting on or before 31 August 2017.

Furthermore, on 24 April 2017, the Company announced it has received a letter of termination and demand from Magic Carpet Fund III, Skyven Growth Opportunities Fund Pte Ltd, Venstar Investments Ltd and Fortune Technology Fund Ltd (together, 'the Bondholders'), who are the holders of the unconvertible debt ('Bonds') owed by the Company ('Letter of termination and demand').

Pursuant to the Letter of termination and demand, the Bondholders:

- a) Terminate the Agreement;
- b) Declare that, as at 15 February 2017, S\$ 9,887,670 was due and payable by the Company ('Outstanding Amount'); and
- c) Demand the Company pay the Outstanding Amount by 28 April 2017.

The Company is currently seeking legal advice on this matter and will update the market accordingly.

With a strong cash and cash equivalent position, of \$122 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:

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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.