



PREMIERE EASTERN ENERGY LIMITED

ACN 169 923 095

22 LINDSAY STREET, PERTH WA 6000

Tel: +61 8 9200 3457 Fax: +61 8 9227 6390

ASX ANNOUNCEMENT

27 July 2016

30 JUNE 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 June 2016 quarter.

CHINESE RETAIL PETROL STATION ACQUISITION

During the quarter, PEZ's wholly owned subsidiary, Guangzhou King-Win Enterprise Management & Services Co Ltd ('King-Win'), entered into binding agreements to purchase 100% of retail petrol station business Guangzhou Ba Da Petrol Station Co Ltd ('GBD Petrol Station') and Guangzhou You Yi Convenience Stores Co Ltd ('YY Convenience Stores') for RMB35,200,000 (approximately AUD7,040,000) cash consideration.

GBD Petrol Station operates one retail petrol station located beside the Guangshan Road of Tianhe District, Guangzhou City and has an existing team with expertise in management services, branding, marketing and IT, who will become part of the overall PEZ team responsible for the management of the petrol station and associated retail site business as it expands.

LEASE OF SECOND OPERATING PETROL STATION

During the quarter, the Company also signed a lease agreement for the operation of a petrol station in Foshan City, Guangdong Province until May 2025.

Historical data and management estimates for the petrol station forecast sales volume of 32,000 litres per day and daily sales value of approximately RMB180,000 (AUD36,000) per day. By December 2016, management forecasts indicate gradual sales volume growth to approximately 58,000 litres per day.

FUNDING AGREEMENT

During the quarter, King-Win entered in to a Cooperation Framework Agreement with Guangzhou SAIF HEYIN Asset Management Co Ltd ('SAIF HEYIN') which sets out the in-principle framework for a long term strategic partnership focused on continued expansion into 'one stop' retail fuel outlets.

Under the Cooperation Framework Agreement, SAIF HEYIN will assist in sourcing funding of up to RMB300,000,000 (approximately AUD60,000,000) for King-Win to expand its retail petrol station business.

For further information please contact:

Jack James

Director and Company Secretary

Premiere Eastern Energy Limited

Phone: +61 8 9200 3457

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.