Yanchang Petroleum International’s
Two Ordinary Resolutions Passed by Shareholders

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Canadian Business Arm Novus Receives US$35 Million Loan from Controlling Shareholder
New Supply Agreement Fosters Long-Term Development

(19 December 2019 – Hong Kong) Yanchang Petroleum International Limited (“Yanchang Petroleum International” or the “Company”; stock code: 00346) is pleased to announce that two ordinary resolutions it proposed were duly passed by shareholders at the Special General Meeting.

Yanchang Petroleum Hong Kong (“Yanchang Petroleum HK”) conditionally agreed to provide a 3-year secured loan in the amount of US$35,000,000 to the Company’s wholly-owned subsidiary Novus Energy Inc. (“Novus”) at an interest rate of 4.8 per annum. The loan will be applied to the repayment of the outstanding amount drawn under an existing credit facility, and used as general working capital for operating Novus. In addition, 陝西延長石油(集団)有限責任公司 (Shaanxi Yanchang Petroleum (Group) Co., Limited) (“Yanchang Petroleum Group”) and 河南延長石油銷售有限公司 (Henan Yanchang Petroleum Sales Co., Limited) (“Henan Yanchang”) entered into a New Supply Agreement, pursuant to which Yanchang Petroleum Group will continuously supply refined oil to Henan Yanchang for the three years ending 31 December 2022. The aggregate purchase amount will not exceed RMB4,020 million.

Mr. Li Yi, Chairman of Yanchang Petroleum International, said, “The loan to Novus demonstrates the support from our parent group Yanchang Petroleum Group, and will renew the momentum of our upstream oil producing business in Canada. The New Supply Agreement not only ensures that we receive a stable supply of refined oil, but the relatively favourable price of refined oil provided by Yanchang Petroleum Group would also enhance the profitability of our refined oil business. The two agreements foster a solid foundation for our long-term development.”
Novus, a wholly owned subsidiary of Yanchang Petroleum International, engages in the business of exploration, exploitation and production of oil and natural gas in Western Canada.

Henan Yanchang, an indirect non wholly-owned subsidiary of Yanchang Petroleum International, is principally engaged in the wholesale, retail, storage and transportation of refined oil (gasoline, diesel oil, paraffin fuel oil, lubricating oil, grease and asphalt).

Yanchang Petroleum Group, a substantial Shareholder of Yanchang Petroleum International, is principally engaged in oil and gas exploration, exploitation, processing, pipeline transportation and the sale of oil and gas; chemical engineering of oil, gas and coal, machinery manufacturing, project construction and oil and gas research and development. Yanchang Petroleum Group owns the right for exploration, exploitation and operation of oil and natural gas resources, has refining facilities in the PRC, and owns oil and natural gas resource assets in the PRC and abroad.

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About Yanchang Petroleum International (stock code: 00346)
Yanchang Petroleum International is principally engaged in the following activities (i) exploration, exploitation and operation of oil and gas; and (ii) fuel oil trading and distribution. In its upstream operations, Yanchang Petroleum International possesses operating oilfields in Saskatchewan and Alberta, Canada, through its wholly owned subsidiary Novus, a Canadian enterprise. Novus engages in the business of acquiring, exploring for, developing and producing crude oil and natural gas. In its downstream operations, Yanchang Petroleum International is principally engaged in wholesale, retail, storage and transportation of oil products through its 70% owned subsidiary, Henan Yanchang Petroleum Sales Co., Limited, and which has been granted valid licenses for distribution and sales of oil products in China.

For details, please refer to http://www.yanchanginternational.com

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