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IDG Energy

IDG ENERGY INVESTMENT GROUP LIMITED

IDG 能源投資集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 650)

ANNOUNCEMENT

- (1) AMENDMENTS TO THE CREDIT AGREEMENT;**
- (2) CLOSING OF MAJOR TRANSACTION; AND**
- (3) DISTRIBUTION OF THE CONTINUING ESCROW FUND**

Reference is made to the announcement of IDG Energy Investment Group Limited (the “**Company**”) dated 15 August 2017 (the “**Announcement**”) in relation to, among other things, the entering into of the credit agreement (the “**Credit Agreement**”), pursuant to which, the Company and Think Excel have conditionally agreed to grant the term loan to Stonehold (the “**Term Loan**”) and the delay of distribution of the Continuing Escrow Fund. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

AMENDMENTS TO THE CREDIT AGREEMENT

On 26 September 2017 (local time in Houston, Texas), the Company and Think Excel entered into an amendment agreement with Stonehold to amend the Credit Agreement, pursuant to which, prior to the second anniversary of the closing date of the transaction under the Credit Agreement, (26 September 2017, local time in Texas) (the “**Closing Date**”), all prepayments of the Term Loan, other than those made in connection with the incurrence of Senior Debt, shall be accompanied by a premium in an amount equal to (1) prior to the first anniversary of the Closing Date, the product of 100% of the principal amount of the loans prepaid times 2.00% and (2) on and after the first anniversary of the Closing Date and prior to the second anniversary of the Closing Date, the product of 100% of the principal amount of the loans prepaid times 1.00% (the “**Amendments**”). The Board is of the view that the Amendments will not impose any additional obligation on the Company and Think Excel.

* *For identification purposes only*

CLOSING OF MAJOR TRANSACTION

The Board is pleased to announce that all the conditions precedent of the Term Loan have been satisfied, and that the initial payment of the Term Loan with an amount of US\$165.0 million (approximately HK\$1,291.1 million) under the Credit Agreement has been released to Stonehold on 26 September 2017 (local time in Houston, Texas). Substantially concurrently with the utilization of the initial payment of the Term Loan, the acquisition of Target Assets by Stonehold from Stonegate has also been consummated in accordance with the terms of the Acquisition Agreement on 26 September 2017 (local time in Houston, Texas).

DISTRIBUTION OF THE CONTINUING ESCROW FUND

Contemporaneous with the closing of the Acquisition on 26 September 2017 (local time in Houston, Texas), the Continuing Escrow Fund of the amount of US\$26.4 million (approximately HK\$204.9 million) has been released to the Company.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of US\$1.00 = HK\$7.8250 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or any other rate or at all on the date or dates in question or any other date.

By order of the Board
IDG Energy Investment Group Limited
WANG Jingbo
Chairman and Chief Executive Officer

Hong Kong, 27 September 2017

As at the date hereof, the Board comprises seven Directors, of whom two are executive Directors, namely Mr. Wang Jingbo (Chairman and Chief Executive Officer), and Mr. Lee Khay Kok; two are non-executive Directors, namely Mr. Lin Dongliang and Mr. Shong Hugo; and three are independent non-executive Directors, namely Prof. Chen Zhiwu, Mr. Shi Cen, and Mr. Chau Shing Yim David.