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(Stock Code: 7)

COMPLETION OF THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF MADAGASCAR NORTHERN PETROLEUM COMPANY LIMITED

Reference is made to the announcement of Hoifu Energy Group Limited dated 28 June 2013 (the “Announcement”) regarding the acquisition of the entire issued share capital of Madagascar Northern Petroleum Company Limited, which owns 100% of the exploration, exploitation and operations rights as well as the Profit Sharing Right of Madagascar Oilfield Block 2101. Capitalized terms used herein shall have the same meanings as those defined in the Announcement unless otherwise stated.

The Board is pleased to announce that all the conditions precedent under the Agreement have been fulfilled and the completion of the Acquisition took place on 22 July 2013. Following the completion of the Acquisition, the Target becomes a wholly-owned subsidiary of the Company.

The Target is a company incorporated in the British Virgin Islands with limited liability and is an investment holding company. On 12 October 2006, the Target entered into the Exploration, Exploitation and Oil and Gas Production Sharing Contract with OMNIS in respect of Madagascar Oilfield Block 2101, an onshore site with total area of 10,400 square kilometers in the northern part of Madagascar. Pursuant to the Exploration, Exploitation and Oil and Gas Production Sharing Contract, the Target is vested with the relevant rights to engage in oil and gas exploration for 8 years (with possible extensions of 2 years and 5 years for oil and gas respectively) and exploitation and operation of oil for 25 years (with possible extension of 5 years) and gas for 35 years (with possible extension of 10 years) at Madagascar Oilfield Block 2101. Depending on the rate of liquid petroleum production of Madagascar Oilfield Block 2101, the Target will share the remaining petroleum profit after government royalty and recovery of petroleum costs according to the sharing ratios in the range of 40% to 72.5% as set out in the Exploration, Exploitation and Oil and Gas Production Sharing Contract. The Target owns 100% of the exploration, exploitation and operations rights as well as the Profit Sharing Right of Madagascar Oilfield Block 2101.

As at the date of this announcement, no exploration works have been carried out at Oilfield Block 2101 by the Target. However, five exploration wells have been drilled by other parties at surrounding areas of Madagascar Oilfield Block 2101, of which one was completed in 1964 with depth of 3,000 meters, two were completed in 1971 with depth of 5,211 meters and 3,000 meters respectively, one was completed in 1972 with depth of 3,025 meters and one was completed in 1992 with depth of 4,075 meters. Since those wells were drilled in early years with legacy technology and equipment, signs of oil and gas were found on drilling testings but without any commercial oil and gas stream. In recent years, several international reputable oil and gas companies own the equity interests and oil and gas sharing rights in oilfield blocks in Madagascar through acquisition. A few of these oilfield blocks in Madagascar discovered and obtained substantial volume of commercial oil and gas. The Madagascar oilfield block 3102, which is controlled by Total S.A., and the Madagascar oilfield block 3104, which is controlled by Madagascar Oil Limited, have already drilled more than 200 wells and entered into cooperative well drilling and exploitation phase. The Madagascar oilfield block 3112, which is controlled by Madagascar Southern Petroleum Company Limited, a company owned by Dr. Hui Chi Ming, the Chairman of the Group and an executive Director, has also discovered and obtained significant oil and gas reserves and entered into the trial production stage. Therefore, the Group is optimistic about the prospects of the exploration, exploitation and operation of Madagascar Oilfield Block 2101.

In view of the continuous growing global demand on oil and gas, the Board is optimistic about the development of the Madagascar Oilfield Block 2101 and considers that the Acquisition shall create synergy to the existing business of the Group and enhance the Group's future oil and gas reserves. It will also further improve the Group's financial growth potential. Dr. Hui Chi Ming, the Chairman of the Board, is the National Economic Adviser of the Government of Madagascar and the Honorary Consulate of Madagascar in Hong Kong. It is believed that Dr. Hui's extensive network and connections in Madagascar and excellent leadership will play an active role, and create positive effect, on the Group's development of energy business in Madagascar.

After completion of the Acquisition, the Group will appoint professional institution(s) to commence the relevant works for the exploration, exploitation and operations of the Madagascar Oilfield Block 2101.

By order of the Board
Hoifu Energy Group Limited
Dr. Hui Chi Ming, G.B.S., J.P.
Chairman

Hong Kong, 22 July 2013

As at the date of this announcement, the Honorary Chairman and Senior Consultant of the Company is Dr. Yukio Hatoyama; the Board comprises five executive Directors, namely, Dr. Hui Chi Ming, G.B.S., J.P., Mr. Neil Bush, Dr. Chui Say Hoe, Mr. Lam Kwok Hing and Mr. Nam Kwok Lun; and three independent non-executive Directors, namely, Mr. Chen Weiming, Eric, Mr. Kwan Wang Wai, Alan and Mr. Ng Chi Kin, David.