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SPT Energy Group Inc.

華油能源集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1251)

VOLUNTARY ANNOUNCEMENT IN RELATION TO THE SIGNING OF COOPERATION AGREEMENT

This is a voluntary announcement made by SPT Energy Group Inc. (the “**Company**”).

The board of directors of the Company (the “**Board**”) is pleased to announce that Petrotech (Xinjiang) Engineering Co., Ltd. (新疆華油油氣工程有限公司) (“**Petrotech (Xinjiang Engineering)**”), a subsidiary of the Company, has recently signed a cooperation agreement (the “**Agreement**”) with Xinjiang Energy (Group) Petroleum & Natural Gas Co., Ltd. (新疆能源(集團)石油天然氣有限責任公司) (“**Xinjiang Energy Petroleum & Natural Gas**”). According to the Agreement, both parties agreed to establish a cooperative company (the “**Cooperative Company**”). The Cooperative Company will be positioned to carry out engineering technology services and oilfield operation and maintenance services covering geotherm, coalbed methane and oil and gas field and expand its network to the entire Xinjiang region and even other oil and gas fields in China, by targeting the block general contracting service for market expansion, with its main business of integrated engineering technology services.

The registered capital of the Cooperative Company is RMB50.00 million, of which Xinjiang Energy Petroleum & Natural Gas shall contribute RMB25.50 million, accounting for 51% of the registered capital, and Petrotech (Xinjiang) Engineering shall contribute RMB24.50 million, accounting for 49% of the registered capital. The registered capital has been determined after arm’s length negotiations between both parties based on the expected capital requirements of the Cooperative Company.

In recent years, the integrated engineering technology services turnkey has become a contract model more and more widely used in the oil and gas field service industry at home and abroad. The Company is one of the leading non-state-owned oil and gas field service companies in China and has top service performance and service capabilities in the Xinjiang region, particularly its extensive experience in integrated services, while Xinjiang Energy Petroleum & Natural Gas is a wholly state-owned oil and gas platform company in Xinjiang with solid strength. The establishment of the Cooperative Company by both parties can fully realize advantages complement and resources integration, for the benefit of further enhancing the competitiveness of both parties, thus promoting the rapid development of engineering technology service turnkey business of the Company in the domestic market, so as to achieve a win-win partnership.

By Order of the Board
SPT Energy Group Inc.
Mr. Wang Guoqiang
Chairman

Hong Kong, 25 June 2018

As at the date of this announcement, the executive directors are Mr. Wang Guoqiang, Mr. Ethan Wu, Mr. Liu Ruoyan and Mr. Li Qiang; the non-executive directors are Mr. Lin Yang and Ms. Chen Chunhua; the independent non-executive directors are Ms. Zhang Yujuan, Mr. Wu Kwok Keung Andrew and Mr. Wan Kah Ming.

* *For identification purposes only*