



# Regent Pacific Group Limited

*(Incorporated in the Cayman Islands with Limited Liability)*

Stock Code: 0575

29 November 2011

## ANNOUNCEMENT

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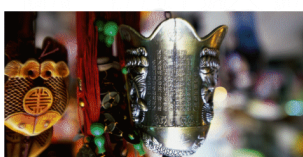
### **DISCLOSEABLE TRANSACTION: SUBSCRIPTION FOR SHARES IN TRINITY EXPLORATION & PRODUCTION LIMITED**

#### **SUMMARY**

This announcement is made by the Company in compliance with the disclosure requirements under Chapter 14 of the HK Listing Rules.

The Company is pleased to announce that on 29 November 2011 (after market close in Hong Kong), the Company executed the Placing Letter with Trinity, pursuant to which it agreed to subscribe for 1,912 new Trinity Shares being offered under the Trinity Placing at the price of US\$4,185 (or approximately HK\$32,643) per Trinity Share, for an aggregate cash consideration of US\$8,001,720 (or approximately HK\$62,413,416), representing approximately 5.75 per cent of the issued share capital of Trinity as enlarged by the Trinity Placing.

On completion of the Trinity Placing, the Company will hold 1,912 Trinity Shares, representing approximately 5.75 per cent of the issued share capital of Trinity as enlarged by the Trinity Placing.





The subscription for Trinity Shares constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

This announcement is made by the Company in compliance with the disclosure requirements under Chapter 14 of the HK Listing Rules.

### **Subscription for shares in Trinity**

The Company is pleased to announce that on 29 November 2011 (after market close in Hong Kong), the Company executed the Placing Letter with Trinity, pursuant to which it agreed to subscribe for 1,912 new Trinity Shares being offered under the Trinity Placing at the price of US\$4,185 (or approximately HK\$32,643) per Trinity Share, for an aggregate cash consideration of US\$8,001,720 (or approximately HK\$62,413,416), representing approximately 5.75 per cent of the issued share capital of Trinity as enlarged by the Trinity Placing.

It is expected that the Trinity Placing will complete and the relevant new Trinity Shares will be allotted and issued on or before 30 November 2011.

The Trinity Placing was conditional upon, and the subscription amount was not payable until, the successful completion of the Amalgamations which involve the entities that hold the assets and conduct the business further described in the paragraph entitled “Principal business activities of Trinity” below. The 2011 TDN Amalgamation was completed on 1 November 2011 and the Oilbelt Amalgamation was completed on 18 November 2011. The entity created as a result of the 2011 TDN Amalgamation retained the name of Trinity Exploration and Production (Trinidad & Tobago) Limited and became an indirect wholly owned subsidiary of Trinity.

The Long Stop Date for the allotment and issue of the new Trinity Shares to the Company and other places pursuant to the Trinity Placing is 8:00 a.m. (United Kingdom time) on 30 November 2011 (but can be extended to 8:00 a.m. (United Kingdom time) on 31 December 2011 by Trinity). If new Trinity Shares have not been allotted and issued pursuant to the Trinity Placing on or before the Long Stop Date, the Company’s participation in the Trinity Placing will not proceed (unless the Company and Trinity agree otherwise) and any payment made by the Company will be returned to the Company (with no accrued interest) as soon as practicable and within two business days of the Long Stop Date.

The new Trinity Shares allotted and issued under the Trinity Placing will, when issued, rank equally for all dividends and other distributions thereafter declared, made or paid on the ordinary shares of Trinity and otherwise rank *pari passu* in all respects with the existing issued ordinary shares of Trinity.



As Trinity is a private company incorporated in Scotland, there are restrictions under the Articles of Association of Trinity and applicable company law regarding the subsequent sale of any of the new Trinity Shares subscribed for by the Company under the Trinity Placing. The Company understands that Trinity does intend to seek a listing of its shares on one of the markets of the London Stock Exchange Plc or the TSX within twenty four (24) months of the Trinity Placing. However, until such time, the Trinity Shares held by the Company along with all other holders of Trinity Shares, which will all be in certificated form, will be largely illiquid and will be subject to rights of pre-emption, rights of first offer, tag and drag along rights as embedded within the Articles of Association of Trinity.

In addition, so as to ensure that the Trinity Placing falls within certain exemptions in the United Kingdom, under the Financial Services and Markets Act 2000 (“**FSMA**”), and also the European Union, under the EU Prospectus Directive, in respect of marketing the placing to investment professionals, the Company and the other placees have also agreed for a period of six (6) months from the allotment and issue of the Trinity Shares pursuant to the Trinity Placing, not to offer or sell any Trinity Shares to persons in the United Kingdom, unless to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom, under FSMA, or in any member state of the European Economic Area, under the EU Prospectus Directive.

Prior to the above-referenced subscription, the Company did not hold any Trinity Shares. On completion of the Trinity Placing, the Company will hold 1,912 Trinity Shares, representing approximately 5.75 per cent of the issued share capital of Trinity as enlarged by the Trinity Placing.

While the Trinity Shares are yet to be listed on a recognized exchange, the Company’s projected shareholding will be a largely passive one, without any board or management rights attaching to such subscription. The Company will not be a substantial shareholder of Trinity, ranking considerably behind management and other founding shareholders post the Trinity Placing.

In the Placing Letter the Company gave representations, warranties and acknowledgements customary for a private placing in the United Kingdom and, in return, has received comfort in respect of, *inter alia*, Trinity’s due incorporation, capacity and authority to enter into the Placing Letter, as well as comfort in respect of Trinity’s compliance with applicable laws.

The subscription for Trinity Shares constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.



## **Basis of consideration**

The subscription of 1,912 new Trinity Shares under the Trinity Placing was determined on the basis of normal commercial terms and arm's length negotiations between Trinity, on the one hand, and the Company, on the other. The valuation of the Trinity Shares to be issued under the Trinity Placing (at US\$4,185 per share) is seen by the Company to be very favourable on a cash flow multiple valuation basis when compared to similar oil producing entities.

In respect of the Company's interest in Trinity, the Company's attributable share (being approximately 5.75 per cent after the closing of the Trinity Placing) of Trinity's: (i) net profit for the financial year ended 31 December 2010 from continued operations was approximately US\$372,937 (or approximately HK\$2,908,909); and (ii) net profit for the financial year ended 31 December 2009 from continued operations was approximately US\$293,765 (or approximately HK\$2,291,367), both before taxation and extraordinary items.

In respect of the Company's interest in Trinity, the Company's attributable share (being approximately 5.75 per cent after the closing of the Trinity Placing) of Trinity's: (i) net profit for the financial year ended 31 December 2010 from continued operations was approximately US\$146,458 (or approximately HK\$1,142,372); and (ii) net profit for the financial year ended 31 December 2009 from continued operations was approximately US\$106,877 (or approximately HK\$833,641), both after taxation and extraordinary items.

The net asset value of Trinity was approximately US\$18,087,107 (or approximately HK\$141,079,435) as at 31 December 2010.

## **Principal business activities of Trinity**

Trinity intends to be principally engaged in the production of and exploration for crude oil in Trinidad & Tobago. The assets held by the companies involved in the Amalgamations are currently producing c.2,500 bbls. of oil per day and the Company believes that the enlarged Trinity will have considerable potential for production and reserve growth given its extensive undeveloped asset portfolio.

Trinity is a private limited company incorporated in Scotland, which, the Company understands, intends to seek a listing of its shares on one of the markets of the London Stock Exchange Plc or the TSX within twenty four (24) months of the Trinity Placing. Trinity recently completed the acquisition of Oilbelt Holdings Limited (and its subsidiary Oilbelt Services Limited) by way of the Oilbelt Amalgamation. It is intended that the principal business activities of Trinity will comprise predominately exploration and production of crude oil. In respect of the assets acquired by or amalgamated with Trinity pursuant to the Amalgamations, production of oil commenced in 2005



when a member of Trinity's group (the subject of the Oilbelt Amalgamation) acquired a controlling interest of another company's crude oil properties in Trinidad. Since 2005, reserves (both proved and probable) in respect of these assets have, the Company understands, grown from c.5.0 million to c.32.0 million bbls. and production has grown from c.1,000 bbls. per day to c.2,500 bbls. per day (at present).

The Company understands that Trinity has ambitions to aggressively increase production to c.10,000 bbls. per day by 2015 through a combination of drilling of its land based fields and the redevelopment of its near shore producing fields. Through the interpretation of recently acquired seismic data on its offshore Blocks, Trinity has developed a thorough understanding of the regional geologic model which will allow risk to be mitigated considerably in undertaking offshore drilling in the coming years. The Company remains optimistic that Trinity can achieve or surpass planned growth targets since it has a large number of drilling locations at its disposal, having recently negotiated title to a number of long term on-shore leases. In total, Trinity has identified approximately c.144 drilling locations (120 onshore and 24 offshore) that could provide several years of project inventory. In addition, Trinity is targeting a number of asset acquisitions that, if completed, will provide substantial additional exploration acreage. It is the Company's belief that Trinity should also benefit from up to date drilling and completion technology to enhance well productivity.

### **Use of proceeds by Trinity**

It is proposed that the net proceeds of the Trinity Placing will be used by Trinity for onshore drilling and well completions, construction of infrastructure, gathering of seismic data, debt repayment and general and administrative costs.

### **Reasons for subscription of shares in Trinity**

In addition to the investment appeal of its growth potential, it is the Company's view that Trinity is an attractive investment based on the fact that is managed by a team of highly qualified professionals that have demonstrated the ability to create substantial shareholder value in previous Trinidad and North Sea based enterprises.

Further, it is the Company's view that an investment in a producing oil company such as Trinity broadens its commodity exposure beyond iron ore, coal, base metals and gold during a period of considerable uncertainty around commodity prices and capital markets in general. The investment in Trinity is not indicative of a change to the Company's overall corporate strategy (mining focus), but rather a way of hedging risk in its existing mining portfolio by capitalizing on what the Company believes to be a period of short term weakness in oil prices and an attractive initial public offering of its shares on one of the markets of the London Stock Exchange Plc or the TSX expected to be undertaken within twenty four (24) months of the Trinity Placing.





The Company's investment in Trinity will be a largely passive one, without conferring any material rights or influence over the management or direction of Trinity. In addition, it is intended that the Company will not be represented on Trinity's board of directors. As Trinity is an exploration and development company, the Company understands that it is most unlikely that any revenue or profits earned or derived in the near to mid-term will be returned to shareholders, as Trinity is looking to grow both organically and through an aggressive acquisition programme. Consequently, while Trinity is currently in production and deriving revenue (albeit at a relatively junior level), it is unlikely that any of this current and projected revenue will translate into dividends or shareholder distributions in the foreseeable future.

This is predominately a capital growth driven investment for the Company, rather than an investment driven by an appetite for future dividends/yield.

The Directors consider the subscription to be on normal commercial terms and in the ordinary and usual course of business of the Company. They believe that the terms of the subscription referred to above are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Source of funds**

The acquisition costs in respect of the Trinity Shares were paid from the working capital of the Company.

### **Discloseable transaction**

In view of the fact that the aggregate amount of consideration payable by the Company for the subscription of 1,912 new Trinity Shares, being US\$8,001,720 (or approximately HK\$62,413,416), exceeds 5 per cent but is less than 25 per cent of the Company's market capitalization, the subscription constitutes a discloseable transaction of the Company under Chapter 14 of the HK Listing Rules.

The purpose of this announcement is to provide the Shareholders with information on the details of the subscription in accordance with the HK Listing Rules.

### **Not a connected transaction**

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Trinity and its beneficial owner(s) and associate(s) is a third party independent from the Company and is not a connected person of the Company's group.



## Principal business activities of the Company

The Company is a limited liability company incorporated under the laws of the Cayman Islands whose Shares are listed on the HK Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange. The Company is a diversified mining group focused, primarily, on the Asian region. Its principal assets are located in Yunnan Province and Inner Mongolia, China. The Company also has passive interests in a number of mining companies, including BC Iron Limited (22.65%) and Venturex Resources Limited (28.88%).

## Definitions

In this announcement, the following expressions have the following meanings unless the context require otherwise:

<b>“2011 TDN Amalgamation”</b>	the amalgamation of TDN 2011 Limited with Trinity Exploration and Production (Trinidad & Tobago) Limited (as intended to be formed by the Oilbelt Amalgamation), completed on 1 November 2011, which formed an amalgamated entity that retained the name of Trinity Exploration and Production (Trinidad & Tobago) Limited and became an indirect wholly owned subsidiary of Trinity
<b>“Amalgamations”</b>	the Oilbelt Amalgamation and the 2011 TDN Amalgamation
<b>“associate(s)”</b>	shall have the meaning defined in the HK Listing Rules
<b>“Board”</b>	the board of directors of the Company
<b>“China”</b>	Peoples’ Republic of China
<b>“Company”</b>	Regent Pacific Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the HK Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange
<b>“connected person(s)”</b>	shall have the meaning defined in Chapter 14A of the HK Listing Rules
<b>“Director(s)”</b>	the directors of the Company



<b>“FSMA”</b>	the Financial Services and Markets Act 2000 of the United Kingdom
<b>“HK Listing Rules”</b>	The Rules Governing the Listing of Securities on the HK Stock Exchange, as amended from time to time
<b>“HK Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency in Hong Kong
<b>“Long Stop Date”</b>	8:00 a.m. (United Kingdom time) on 30 November 2011 (which can be extended to 8:00 a.m. (United Kingdom time) on 31 December 2011 by Trinity), being the long stop date of the Trinity Placing
<b>“Oilbelt Amalgamation”</b>	the amalgamation of Ten Degrees North Energy Limited (and its subsidiaries) with Oilbelt Holdings Limited (and its subsidiary Oilbelt Services Limited) completed 18 November 2011, which formed an amalgamated entity called Trinity Exploration and Production (Trinidad & Tobago) Limited
<b>“Placing Letter”</b>	the placing letter executed on 29 November 2011 between Trinity and the Company in relation to the subscription of 1,912 new Trinity Shares under the Trinity Placing
<b>“Shareholder(s)”</b>	the holders of the Shares
<b>“Share(s)”</b>	the ordinary shares, with voting rights, of US\$0.01 each in the capital of the Company, which are listed on the HK Stock Exchange and are also traded on the OTC market (Freiverkehr) of the Frankfurt Stock Exchange
<b>“Trinity”</b>	Trinity Exploration & Production Limited, a private limited company incorporated in Scotland with registered number SC396945, which intends to seek a listing of its shares on one of the markets of the London Stock Exchange Plc or the TSX within twenty four (24) months of the Trinity Placing





“Trinity Placing”	the pre-IPO private placing of up to 3,390 new Trinity Shares at US\$4,185 (or approximately HK\$32,643) per Trinity Share to raise up to approximately US\$14,187,150 (or approximately HK\$110,659,770)
“Trinity Share(s)”	the ordinary shares of US\$1.00 each in the capital of Trinity
“TSX”	the Toronto Stock Exchange
“TT\$”	Trinidad & Tobago dollars, the lawful currency in Trinidad & Tobago
“US\$”	United States dollars, the lawful currency in the United States

Note: Unless otherwise specified herein, (i) amounts originally denominated in TT\$ have been translated, for the purpose of translation of Trinity’s pro forma financial statements, into US\$ using the exchange rate of TT\$1.00 = US\$0.1563; and (ii) amounts denominated in US\$ have been translated, for the purpose of illustration only, into HK\$ using the exchange rate of US\$1.00 = HK\$7.80.

On Behalf of the Board of  
**Regent Pacific Group Limited**

Jamie Gibson  
*Director*

**Directors of the Company:**

James Mellon (*Co-Chairman*)<sup>\*</sup>  
Stephen Dattels (*Co-Chairman*)<sup>\*</sup>  
Jamie Gibson (*Chief Executive Officer*)  
David Comba<sup>#</sup>  
Julie Oates<sup>#</sup>  
Mark Searle<sup>#</sup>  
Jayne Sutcliffe<sup>\*</sup>

<sup>\*</sup> *Non-Executive Directors*

<sup>#</sup> *Independent Non-Executive Directors*

Hong Kong, 29 November 2011