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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 632)**

## **PROFIT ALERT**

This announcement is made by CHK Oil Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (“**Shareholders**”) and potential investors that based on its preliminary assessment of the Company and its subsidiaries’ (the “**Group**”) unaudited consolidated management accounts for the year ended 31 December 2020, it is expected that there will be a significant improvement of the financial performance of the Group for the financial year ended 31 December 2020 (the “**FY2020**”) as compared with the net loss attributable to owners of the Company of approximately HK\$269.0 million for the financial year ended 31 December 2019 (the “**FY2019**”).

The turnaround in the results of FY2020 was mainly attributable to (i) in FY2020 the absence of an one-off expenditure on settlement of indebtedness of approximately HK\$210.6 million, resulting from the difference in the fair value of the new shares issued on 8 July 2019 and the amount of settlement of unsecured loans of the Company. For details, please refer to note 33 to the Company’s audited consolidated financial statements of FY2019 of the Company; (ii) the significant increase in the revenue of the Group in FY2020 to not less than HK\$700 million (FY2019: approximately HK\$175.5 million); and (iii) the increase in gross profit of the Group from approximately HK\$28,000 in FY2019 to not less than HK\$40 million in FY2020 as a result of the improvement in the business operations of the trading of oil and oil-related products.

In respect of the net profits of the Group for FY2020, it is still subject to the results of the assessment on the impairment of the receivables and the cash-generating unit (including oil and gas properties and intangible assets) of the oil and gas segment.

\* *For identification purpose only*

As the Company is still in the process of finalising the financial results for FY2020, the information contained in this announcement is solely based on the preliminary assessment by the management of the Company with reference to the unaudited consolidated management accounts of the Group for FY2020 and the information currently available, and is not based on any figures or information reviewed by the Company's audit committee and/or audited by the independent auditors of the Company. Shareholders and potential investors of the Company are advised to refer to the details of the Group's annual results announcement for FY2020, which is expected to be published on or before 31 March 2021 in accordance with the Listing Rules.

**Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**CHK Oil Limited**  
**Liu Gui Feng**  
*Chairlady and Executive Director*

Hong Kong, 26 February 2021

*As at the date hereof, the Board comprises five executive Directors, namely Ms. Liu Gui Feng, Mr. Yu Jiyuan, Mr. Lin Qing Yu, Ms. Chen Junyan and Mr. Li Songtao, one non-executive Director, Mr. Yu Zhibo; and three independent non-executive Directors, namely Ms. Zhong Bifeng, Ms. Yang Yuyan and Mr. Pang Jun.*