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ASIA ENERGY LOGISTICS GROUP LIMITED

亞洲能源物流集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 351)

**SUPPLEMENTAL AGREEMENT
IN RELATION TO THE PLACING OF NEW SHARES
WITH UNLISTED WARRANTS ATTACHED
UNDER GENERAL MANDATE**

Placing Agent



VC BROKERAGE LIMITED
滙盈證券有限公司

Reference is made to the Announcement of the Company in relation to, amongst other things, the placing of new shares with unlisted warrants attached under general mandate.

The Company wishes to inform the Shareholders and potential investors of the Company that after trading hours on 5 September 2013, the Company entered into the Supplemental Agreement with the Placing Agent to amend and supplement certain terms of the Placing Agreement, details of which are set out in this announcement.

The Company also wishes to provide further information relating to the Placing, in particular, (i) the basis for determining the Share Placing Price, the Warrant Placing Price and the Subscription Price, (ii) the events that would trigger adjustments to the Subscription Price and (iii) further details on the intended use of proceeds from the Placing.

The Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

Reference is made to the announcement dated 28 August 2013 (the “**Announcement**”) of Asia Energy Logistics Group Limited (the “**Company**”) in relation to, amongst other things, the placing of new shares with unlisted warrants attached under general mandate. Unless otherwise specified, terms used herein shall have the same meanings as defined in the Announcement.

SUPPLEMENTAL AGREEMENT

The Company wishes to inform the Shareholders and potential investors of the Company that in view of the market response received by the Placing Agent since the date of the Placing Agreement, the Placing Agent has further negotiated with the Company to explore the possibility of revising the terms of the Placing Agreement in order to increase the attractiveness of the terms of the Placing to the potential investors. After trading hours on 5 September 2013, the Company entered into a supplemental agreement (the “**Supplemental Agreement**”) with the Placing Agent to amend and supplement certain terms of the Placing Agreement.

Pursuant to the Supplemental Agreement, the Placing Agent undertakes during the placing period to procure, on a best effort basis, not less than six Placees for the Placing Shares at the Share Placing Price and/or the Warrants at the Warrant Placing Price (together with such brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable by the Placees). For the avoidance of doubt, (a) the Placing Agent shall, on a best effort basis, procure the Placee(s) to subscribe for both the Placing Shares and the Warrants, (b) without prejudice to (a) above, the Placee(s) shall have the discretion to subscribe for both the Placing Shares and the Warrants, or subscribe for either the Placing Shares or the Warrants only, (c) the Placing Agent shall, on a best effort basis, procure other Placee(s) to subscribe for the surplus Warrant(s) not taken up by any Placee, and (d) the Placing Agent shall under no circumstances be liable or obligated to take up any Placing Shares and Warrants which are not successfully placed under the Placing.

In view of the above revision of the terms of the Placing, the Company and the Placing Agent have also agreed to shorten the long stop period for fulfillment of the conditions precedent under the Placing Agreement from three months after the date of the Placing Agreement (or such later date as may be agreed by the Company and the Placing Agent in writing) to two months after the date of the Placing Agreement.

Save for the abovementioned amendments, all other terms and conditions of the Placing Agreement remain in full force and legal effect.

Having considered the nature of the amendments to the Placing Agreement as stipulated under the Supplemental Agreement, in particular that the Supplemental Agreement would increase the chance of achieving full subscription of the Placing Shares and the Warrants by potential investors to facilitate the expansion plan of the Company, the Directors are of the view that the terms of the Supplemental Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole and the entering into of the Supplemental Agreement is beneficial to the Company.

FURTHER INFORMATION ABOUT THE PLACING

The Company also wishes to provide further information relating to the Placing, in particular, (i) the basis for determining the Share Placing Price, the Warrant Placing Price and the Subscription Price, (ii) the events that would trigger adjustments to the Subscription Price and (iii) further details on the intended use of proceeds from the Placing.

The Share Placing Price, the Warrant Placing Price and the Subscription Price were determined after arm's length negotiations between the Company and the Placing Agent and with reference to the prevailing market sentiment and condition and the share performance, financial results and business plans of the Company.

According to the terms of the Warrant Instrument, apart from share consolidation and subdivision, other events which may lead to an adjustment in the Subscription Price, which are in line with the market practice, include but not limited to (a) the issue by the Company of Shares by way of capitalization of profits or reserves, (b) the making by the Company of capital distribution (whether on a reduction of capital or otherwise) to the Shareholders or granting to the Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries, (c) the rights issues or grant of options or warrants to subscribe new Shares where the price per new Share is less than 90% of the market price at the date of the relevant announcement, (d) the issue of convertible or exchangeable securities by the Company where the initial exercise price per new Share to be issued upon exercise of the convertible or exchangeable right is less than 90% of the market price at the date of the relevant announcement, (e) the issue of new Shares by the Company for cash at a price per Share which is less than 90% of the market price of each Share at the date of the relevant announcement and (f) the repurchase of Shares by the Company where the Directors consider that an adjustment should be made to the Subscription Price.

As disclosed in the Announcement, in addition to the Company's existing shipping business conducted by the JV Company, the Company is exploring the possibility of expanding the scope of its shipping business operations. Initially, the Company plans to acquire a vessel to operate ocean-going transportation in order to expand its geographical coverage in the shipping and logistics business. Based on the recent market information obtained by the Company, the acquisition price of a vessel under the desired loading capacity is estimated to be between approximately HK\$66 million and approximately HK\$105 million and will be financed by the net proceeds from the Placing. Depending on the results of the operation of the first vessel, the Company may acquire another vessel using the proceeds from the exercise of the Warrants (if the Warrants are exercised) or hire vessels instead and use the proceeds as working capital to support this mode of business operation. No agreement or arrangement with any party has been made as at the date of this announcement.

The Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By Order of the Board
Asia Energy Logistics Group Limited
Liang Jun
Executive Director

Hong Kong, 5 September 2013

As at the date of this announcement, the executive directors of the Company are Mr. Liang Jun, Mr. Fung Ka Keung, David and Ms. Yu Sau Lai; the non-executive directors of the Company are Mr. Yu Baodong (Chairman), Mr. Tse On Kin and Ms. Sun Wei; and the independent non-executive directors of the Company are Mr. Chan Chi Yuen, Mr. Zhang Xi and Prof. Sit Fung Shuen, Victor.