

IPCO INTERNATIONAL LIMITED

Company Registration No. 199202747M

CONCESSION AGREEMENT WITH WEIHAI, SHANDONG PROVINCE, NANHAI NEW DISTRICT REGULATORY COMMISSION

IpcO International Limited ("IpcO"), through its wholly-owned subsidiary China Environmental Energy Protection Investment Limited ("China Environmental"), has signed a Concession Agreement with Weihai, Shandong Province, Nanhai New District Regulatory Commission for the exclusive gas supply to China Power International New Energy Holding Ltd for a 30-year natural gas supply concession in Weihai City, Shandong Province, People's Republic of China ("PRC"). Weihai is a major seaport located on the northeastern coastline of Shandong Province and has a population of approximately three million.

About China Power International New Energy Holdings Co., Ltd.

China Power International New Energy Holdings Co., Ltd. was established in Shanghai in December 2006. Its parent company is China Power International Limited, the flagship enterprise of the China Power Investment Corporation, one of the five major power generation groups in the PRC. China Power International New Energy Holdings Co., Ltd. is mainly engaged in solar power, wind power, small and medium-scale hydropower, biomass and other renewable energy development, investment, construction and operations.

As construction is expected to commence in the second half of 2015, there should be no significant impact in the current financial year. The total investment cost is estimated at Rmb120 million.

The Concession Agreement broadens the expansion of China Environmental's natural gas operations to Shandong Province. Shandong is one of the most populous, affluent and industrialized provinces in China, with the Shandong Peninsula being one of the wealthiest areas of the province. This is the second concession agreement that China Environmental has secured in Shandong Province. A Framework Agreement with Haiyang City Housing & Construction Planning Authority was previously announced on 6 December 2013.

China Environmental's track record as a successful operator of four natural gas distribution concessions in Hubei Province has positioned it for further expansion in terms of operating, financial and regulatory synergies, as IpcO continues to seek new energy concessions in Shandong, as well as in other provinces in the PRC.

BY ORDER OF THE BOARD

Carlson Clark Smith

Executive Director and Chief Financial Officer

17 December 2014