



MIE Holdings Corporation

FY2015 Results Investor Presentation
March 2016



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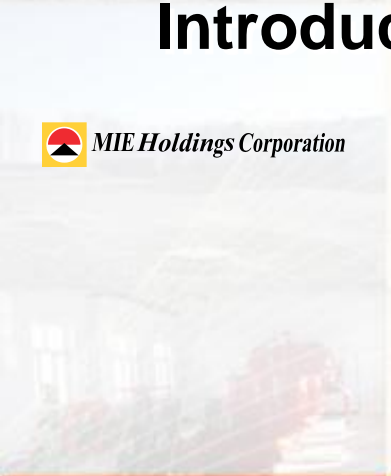
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Introduction to MIE

 *MIE Holdings Corporation*



Introduction to MIE

MIE group assets overview

Independent upstream oil and gas company with operations in China, Kazakhstan and USA

Significant growth prospects

Emir-Oil (ADEK contract area) (100%, operator)
Aksaz, Dolinnoe, Emir, Kariman, and prospects

- Net production of 3,412 BOPD in 2015 (34.4% decrease from 2014) due to shutting-in of lower efficiency wells
- 111 mmboe of 2P reserves as of year end 2015
- High reserves upgrade potential from prospective resources

Major cash flow contributor

Oilfields in Jilin (90%, operator)
Daan PSC, Moliqing PSC

- Net production of 6,687 BOPD in 2015 (33.3% decrease from 2014) due to strategic capex scale back with no new wells drilled in 2015
- 24 mmboe of 2P reserves as of year end 2015
- Attractive fiscal regime under PSC structure provides good cash flows



Diversification into China unconventional gas assets

Sino Gas & Energy ("SGE") (51%, operator)
Linxing PSC (SGE holds 64.75%), Sanjiaobei PSC (SGE holds 49%)

- Gross production of 3,702 MSCF/day in 2015 (>8x increase from 2014)
- 574 BCF (96 mmboe) of 2P reserves as of year end 2015
- Large resource base with 2C & prospective resources of 1.5 Tcf
- Clear path to commercial production - existing drilling campaign leading to China Reserve Report ("CRR") and ODP preparation

Access to unconventional technology

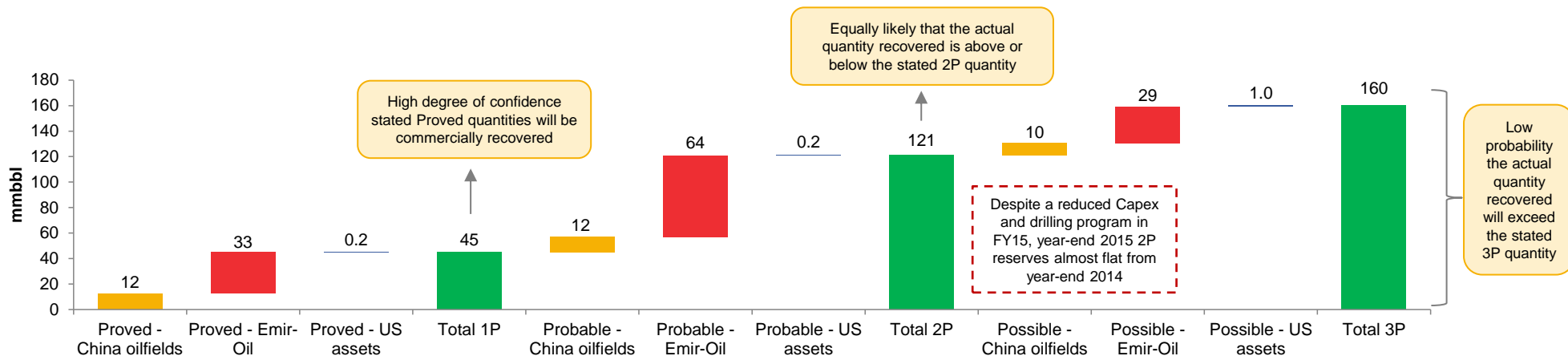
Condor Energy (100%, operator)
Condor Energy: 61.25%-100% working interest covering 6,285 net acres in the Niobrara Shale oil trend, Colorado

- Oil and gas production, with access to horizontal drilling and fracturing technologies used in developing shale oil and gas
- Condor has a total of 5 horizontal wells with lateral lengths 4,000-8,100ft and 16-33 frac stages

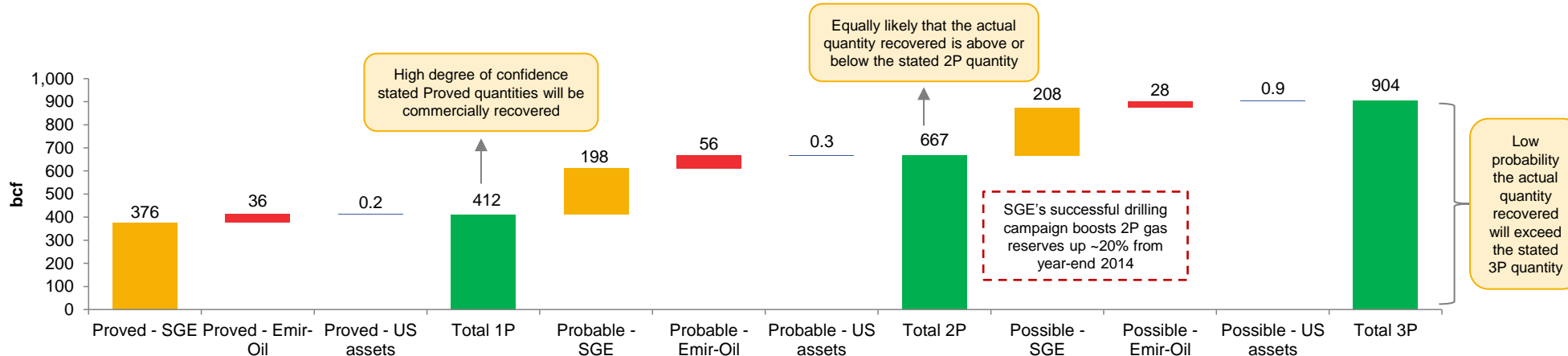
Introduction to MIE

Significant reserve base

Total oil reserves breakdown (as of Dec 2015)



Total gas reserves breakdown (as of Dec 2015)

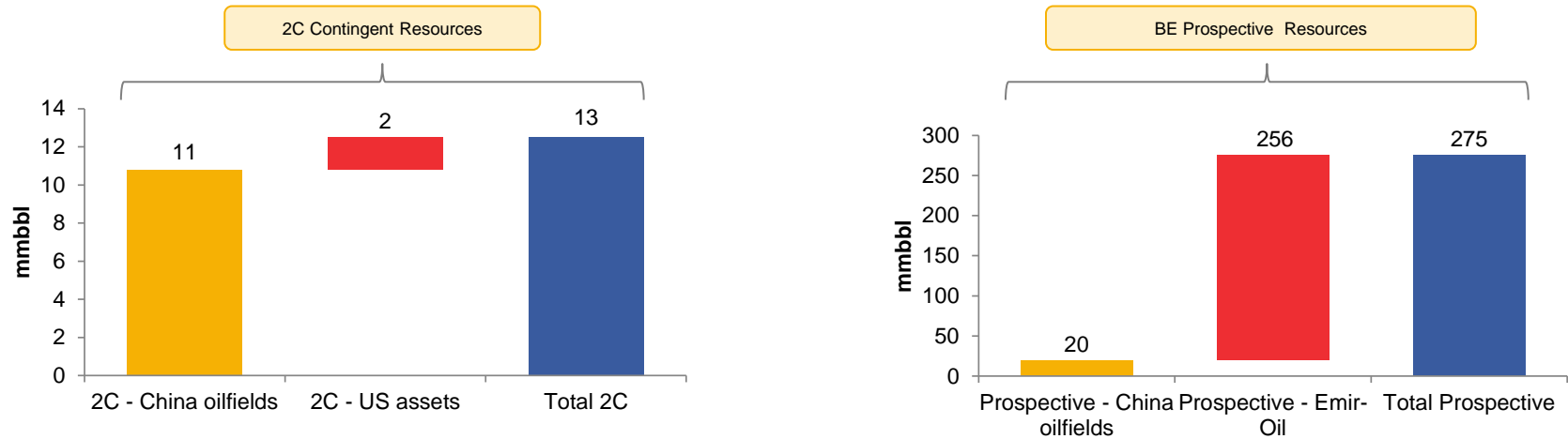


Based on the yearend 2015 reserves estimates reviewed by the independent consultants, NPV10 of the Group's Net 2P Oil & Gas reserves is approximately US\$3.0 billion. China Oilfields NPV10: US\$0.5 billion; SGE net share NPV10: US\$1.3 billion; Emir-Oil NPV10: US\$1.1 billion

Introduction to MIE

Large resource inventory provides significant upside to existing reserves

Total oil resources breakdown (as of Dec 2015)



Total gas resources breakdown (as of Dec 2015)

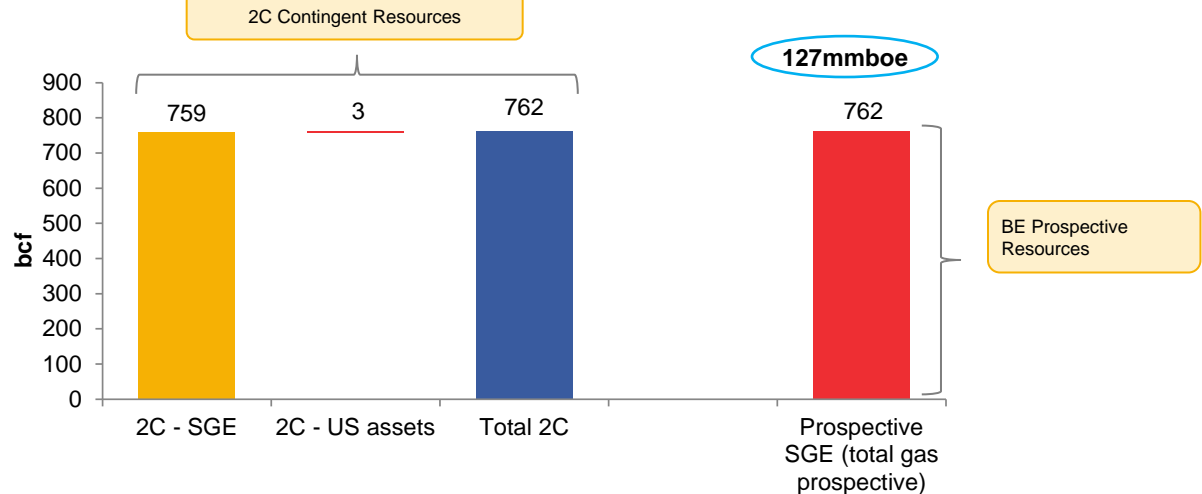
PRMS Resources

Contingent: Quantities estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies

Prospective: Quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.

Uncertainty Range

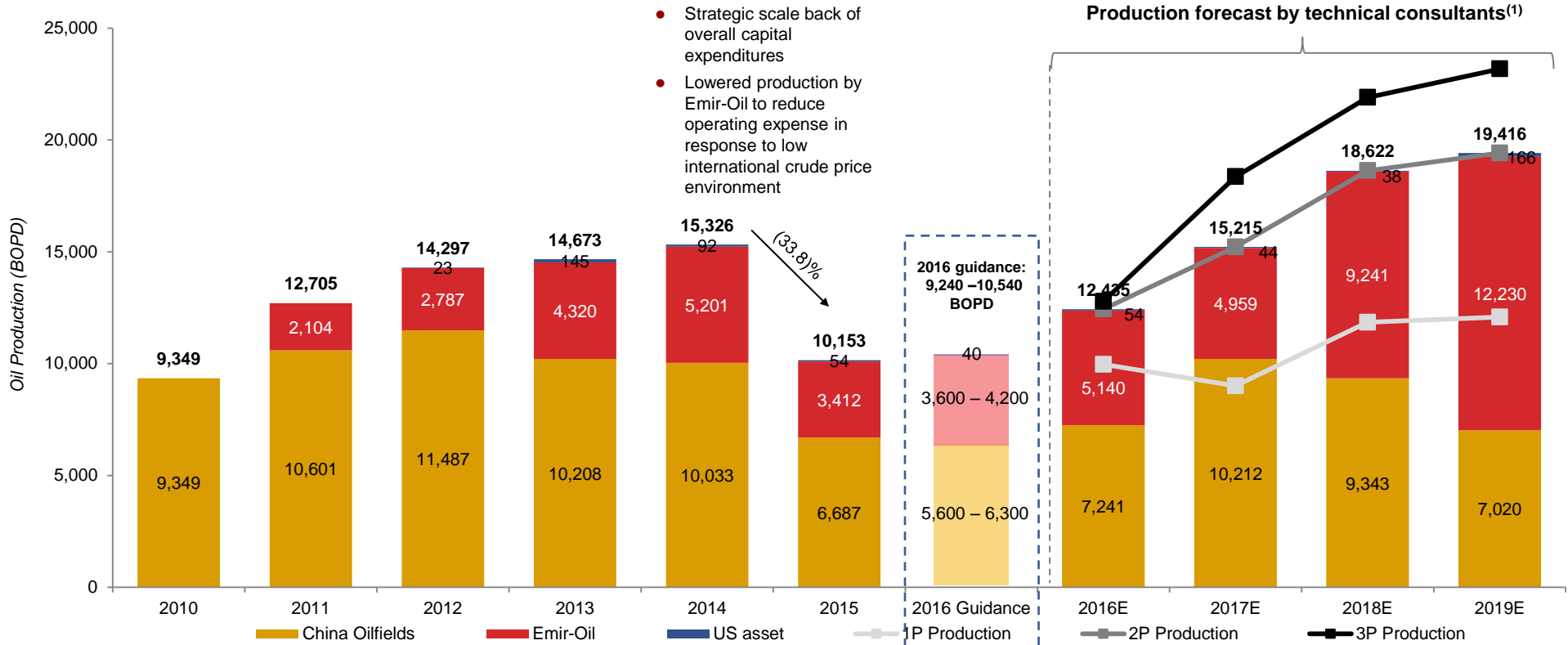
Case	Low Estimate	Best Estimate	High Estimate
Contingent	1C	2C	3C
Prospective	LE	BE	HE



Source: Company announcements

Introduction to MIE

Further production growth potential from existing asset base



Gross wells drilled (forecast wells drilled based on 2P reserves)

	2010	2011	2012	2013	2014	2015	2016 Guidance	2016E	2017E	2018E	2019E
China oilfields	200	466	431	102	151	0	--	58	168	88	37
Emir-Oil	--	--	8	10	6	3	2	3	1	13	12
US assets	--	--	3	2	0	0	--	--	--	--	7
Total	200	466	442	114	165	3	2	61	169	101	56

(1) Production forecast (2016E-2019E) is the forecast of independent technical consultants as of 2015 year end, and does not necessarily represent management forecast

(2) Production for China oilfields excludes PCR and Miao 3 starting from 2015

Introduction to MIE

Company strategy



Optimize development of two new growth assets

Emir-Oil

- Reduce operation cost and enhance economic margins
- Complete new Central Processing Facility to remove gas market bottleneck

SGE

- Undertake pilot production gas sales
- Exploration & Development drilling and well testing
- Reservoir Assessment
- Reserve & Resource Additions
- Expedite CRR and ODP



Optimize existing mature assets

- Leverage favorable PSC terms – reallocate free cash flow amongst Group's assets
- Extend production plateau through advanced technical application
- Divest mature non-core assets with good valuations



Expand operational & technological capability

- Evident in our new projects globally
- Substantial advancement since 2010 IPO, when we were a pure oil developer in China
- Horizontal well drilling and multi-stage fracturing
- Significant enhancement in the Group's total net 2P reserves and NPV



Upgrade current portfolio

- Secured partnership with Reach Energy Berhad to enhance future ramp-up of Emir-Oil; attractive valuation realized for 60% farm-out stake
- Solicit producing, cash-flow generating assets in stable environment (e.g. North America) with significant 2P reserves and attractive valuations

Introduction to MIE

2016 operational guidance

	# Gross Wells		Net Capex (US\$M)		Net Production		Commentary
	2015 Actual	2016 Guidance	2015 Actual	2016 Guidance	2015 Actual	2016 Guidance	
China Oilfields	-	-	5	5	6,687 BOPD	5,600 – 6,300 BOPD	<ul style="list-style-type: none"> Represents certain producer-injector conversions, reservoir re-fracturing, new equipment, surface engineering
SGE	20	21	22	20 ⁽¹⁾	1,491 MCFD ⁽²⁾	5,000 MCFD ⁽²⁾	<ul style="list-style-type: none"> Based on the 2016 Capex Budget of US\$45m approved by the SGE Board on 100% basis
Emir-Oil	3	2	56	30	3,412 BOPD 5,893 MCFD	3,600 – 4,200 BOPD 6,000 – 7,000 MCFD	<ul style="list-style-type: none"> Comprises of the final US\$14m investment in CPF and drilling of 2 exploration wells
USA	-	-	-	-	54 BOPD 109 MCFD	40 BOPD 100 MCFD	
MIE Total	23	23	83	55	Total: 11,402 BOED Oil: 10,153 BOPD Gas: 7,493 MCFD	Total: 11,090 – 12,557 BOED Oil: 9,240 – 10,540 BOPD Gas: 11,100 – 12,100 MCFD	

(1) Represents cash-call from SGE

(2) Production numbers only reflects Linxing's production

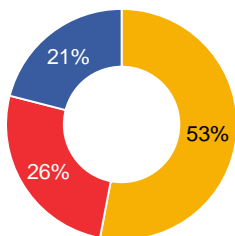
Introduction to MIE

Efficient allocation of resources

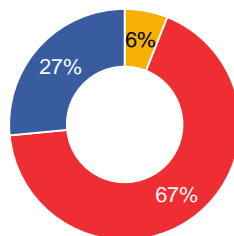
FY2014 capex: US\$205m

FY2015 capex: US\$83m

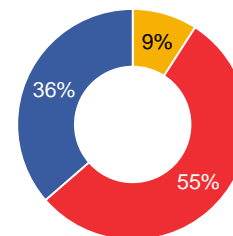
FY2016 capex guidance: US\$55m⁽¹⁾



■ China oilfields ■ Emir-Oil ■ SGE



■ China oilfields ■ Emir-Oil ■ SGE



■ China oilfields ■ Emir-Oil ■ SGE

China oilfields

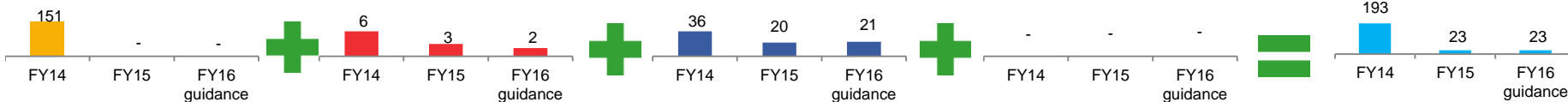
Emir-Oil

SGE

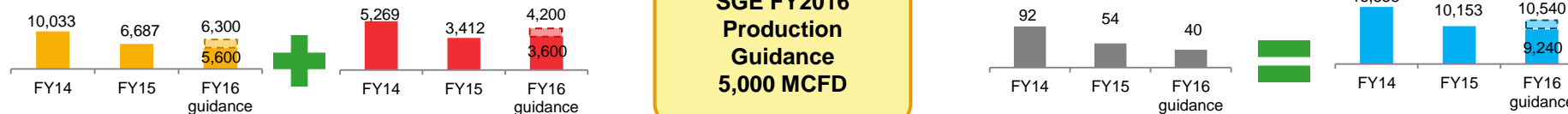
US asset

Group

Wells drilled



Production (BOPD)



SGE FY2016 Production Guidance 5,000 MCFD

Adj. EBITDA (US\$m)



(1) Represents management guidance; SGE figures reflect anticipated MIE's cash-call
 Note: Adj. EBITDA refers to EBITDA adjusted to exclude non-cash items such as share-based compensation expense, loss on impairment, withholding tax from intercompany loans, and any other non-recurring items such as disposal gains and losses, acquisition expense, and geological and geophysical expenses, etc.



China Oilfields (Daan & Moliqing)

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China Oilfields (Daan & Moliqing)

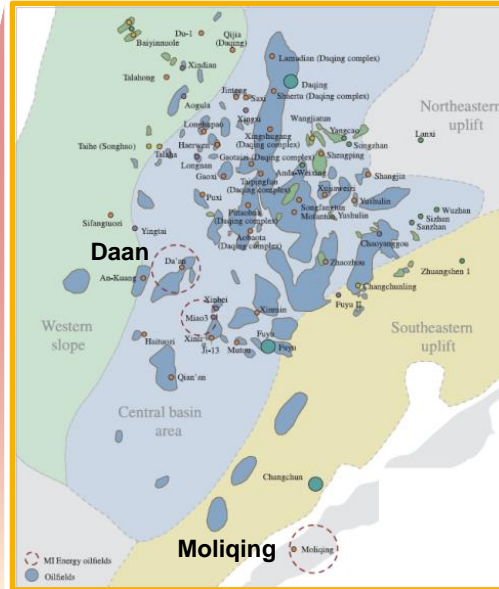
Overview

China Oilfields (Daan, Moliqing)

Ownership	90%
Total wells drilled in 2015	-
Gross wells	2,609
Total area	
Daan	253km ²
Moliqing	72km ²
PSC terms expiry	
Daan	2024
Moliqing	2028

Reserves & Resources (as of Dec 2015)

<i>(mmbbl)</i>	
1P reserves	12.4
2P reserves	24.4
3P reserves	34.1
2C resources	10.8
Prospective resources	--
Total reserves & resources⁽¹⁾	35.2



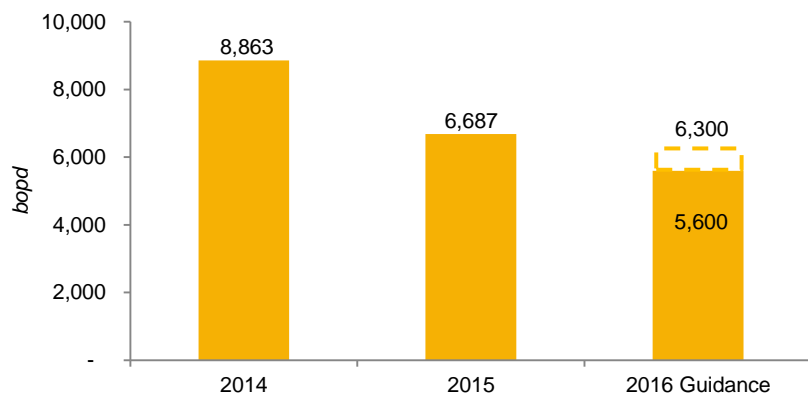
- Located in Jilin Province and situated in the Songliao Basin, China's most prolific oil-producing basin
- 90% participating interest in the foreign contractors' entitlement and obligations under two separate PSCs
- Favourable PSC structure with effective recovery of capex and operating costs
- Cost effective operations supported by advanced technologies and experienced management and technical team
- Significant reserve base with long production track record
- Group's major cash flow contributor

(1) Total 2P Reserves+2C Contingent Resources+ Prospective Resources

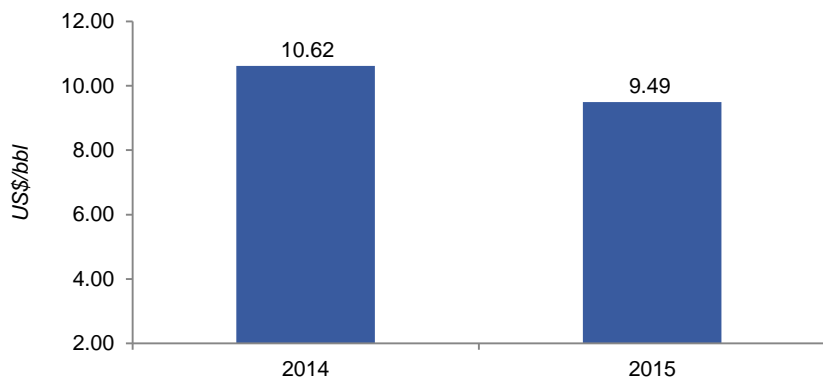
China Oilfields (Daan & Moliqing)

Operation & Financial Update

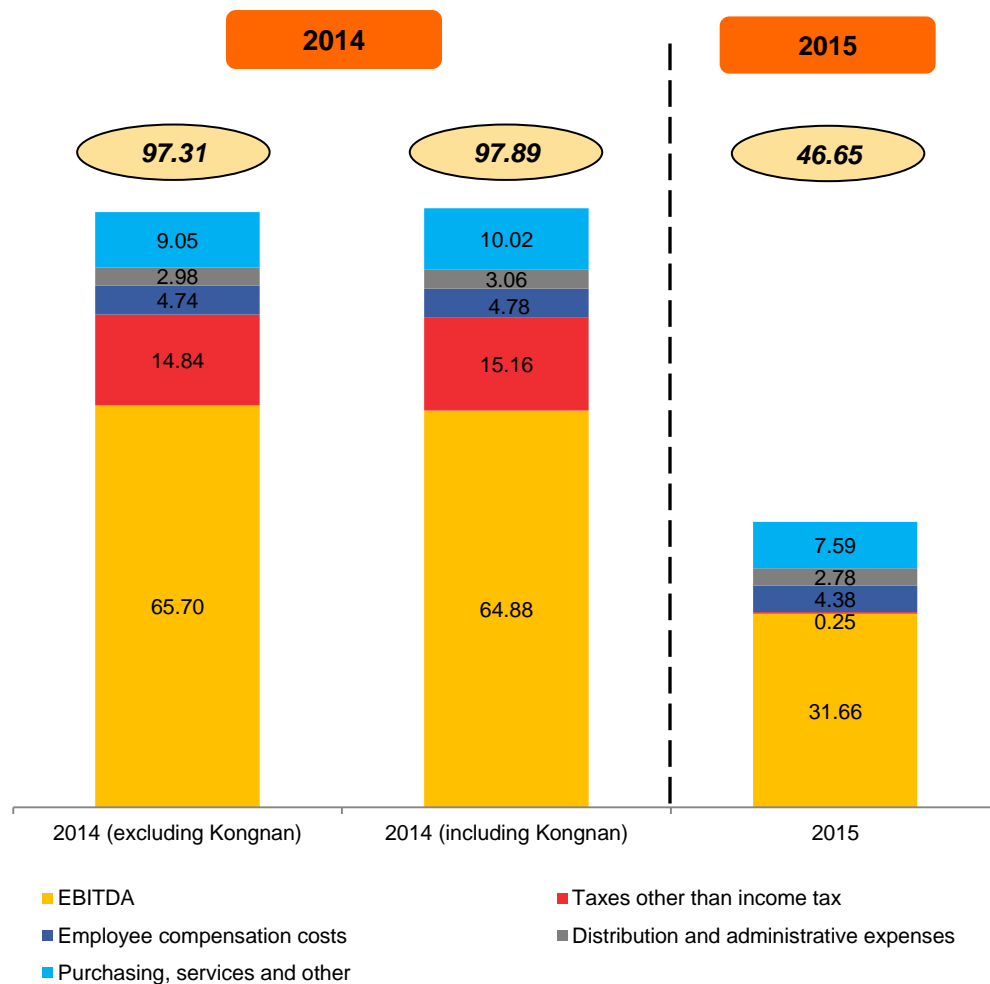
Net oil production



Lifting costs



EBITDA Breakdown (US\$/bbl)





China Gas Project (Sino Gas & Energy)

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China Gas Project (Sino Gas & Energy) Overview

SGE Assets (Linxing, Sanjiaobei)

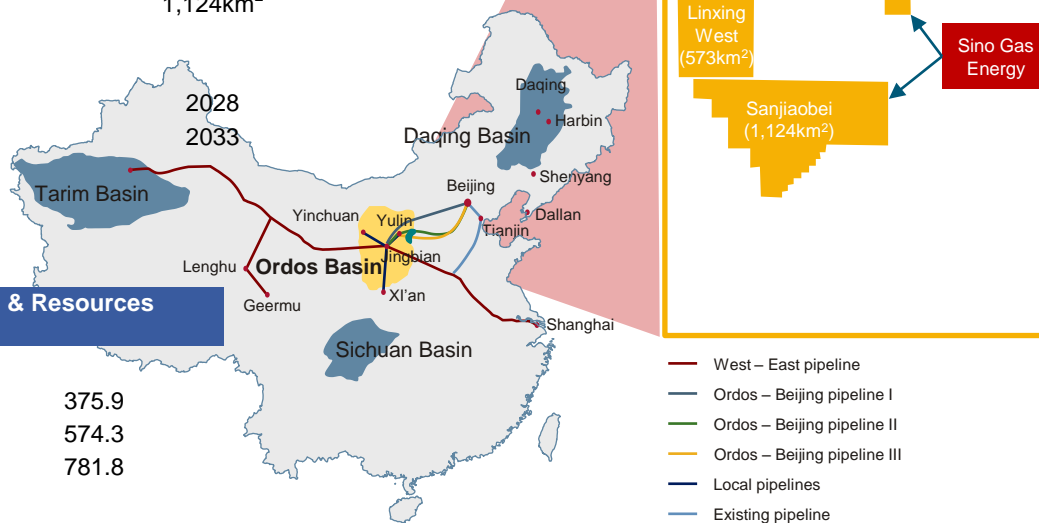
Ownership (through SGE)	Linxing: 64.75%
	Sanjiaobei: 49%
Total wells drilled in 2015	20
Gross wells	106
Total area	
Linxing East	1,301km ²
Linxing West	573km ²
Sanjiaobei	1,124km ²

PSC terms expiry

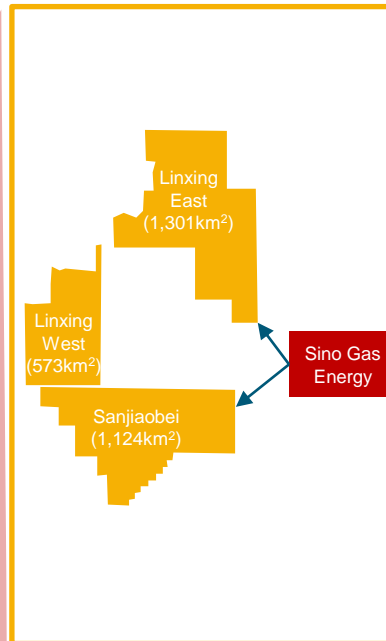
Linxing	2028
Sanjiaobei	2033

Net Share of Reserves & Resources (as of Dec 2015)

<i>(bcf)</i>	
1P reserves	375.9
2P reserves	574.3
3P reserves	781.8
2C resources	758.9
Prospective resources	762.5
Total reserves & resources⁽¹⁾	2,095.6
	(~350mmboe)



- West – East pipeline
- Ordos – Beijing pipeline I
- Ordos – Beijing pipeline II
- Ordos – Beijing pipeline III
- Local pipelines
- Existing pipeline

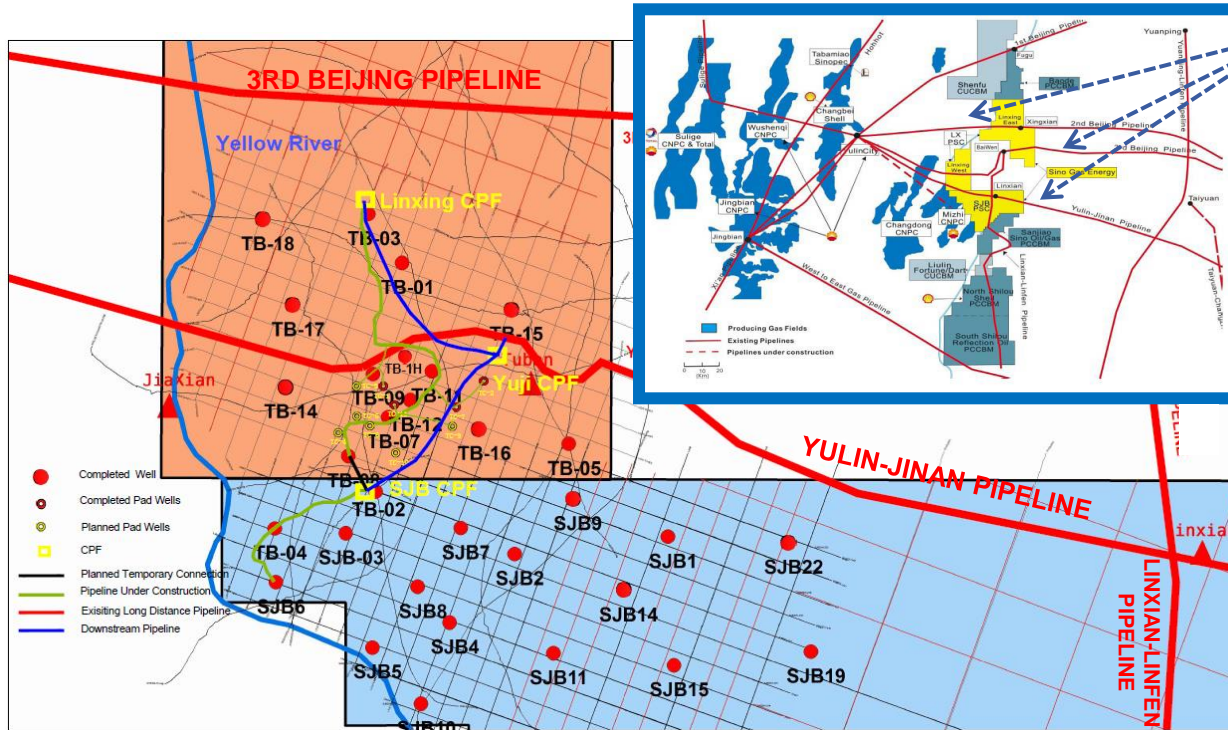


- Acquired 51% stake in SGE in 2012
- Located in Shanxi Province and situated in the Ordos Basin, the second largest onshore oil and gas producing basin in China
- Unconventional natural gas projects
- Participating interest in the foreign contractors' entitlement and obligations under two separate PSCs
- Total gas gathering capacity of 24 mmcf/day through Linxing and Sanjiaobei CGS
- Significant reserve base
- Provides diversification into gas assets with strong growth potential
- Region has mature field developments with an established pipeline infrastructure to major markets

(1) Total 2P Reserves+2C Contingent Resources+ Prospective Resources

China Gas Project (Sino Gas & Energy)

Well-established Infrastructure



Multiple gas pipelines with existing tie-in points will provide market access for SGE's pipeline quality gas



Linxing CGS



Sanjiaobei CGS

- Key transcontinental gas transport hub
- Above ground infrastructure with ample spare capacity
- Existing and planned demand far exceeds supply
- Shanxi Province alone (population ~ 35 million) underpins demand

China Gas Project (Sino Gas & Energy)

Operation Update

Operation update

- Total gas gathering capacity of 24mmcf/day
 - Linxing CGS: 17mmcf/day (completed in Oct 2015)
 - Sanjiaobei CGS: 7mmcf/day (completed in Nov 2014)
- 2015 Drilling Program: 20 wells drilled
 - Third horizontal well TB-3H finished with lateral length 1,051m
 - Fourth horizontal well TB-4H finished with lateral length 1,184m
- 2015 Testing Program: 26 wells tested
 - Well test rates 240 – 1,500+ mcf/day
 - Average absolute open flow of 734mcf/day, 33% higher than 2014
 - Linxing West well TB-27 flowed 1,800mcf/day on test

Pilot Production Sale Agreements

- Sanjiaobei: RMB1.63/m3 (~US\$7.10/mcf) with Shanxi Guoxin Energy (effective Nov 2015)
- Linxing: RMB1.615/m3 (~US\$7.04/mcf) with Shanxi Guohua Energy Limited Company (effective Nov 2015)

Clear path to commercial production

	Development timeline	Status
1	CRR for Linxing East	Approved
2	Updated independent reserves and reserves assessment (2015)	Completed in Mar 2016
3	Pilot pipeline gas sales	Commenced in Nov 2014
4	2016 drilling program	In Progress
5	Preparation of ODP (Linxing East)	To be completed in 2016
6	CRR (Linxing West, Sanjiaobei)	To be approved in 2016
7	ODP preparation & submission (Linxing West, Sanjiaobei)	Commence after CRR

MIE value add

- Operational experience in China
- ODP and contract process experience
- Horizontal drilling experience in US

Commercial production



Kazakhstan Project (Emir-Oil)

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Kazakhstan Project (Emir-Oil)

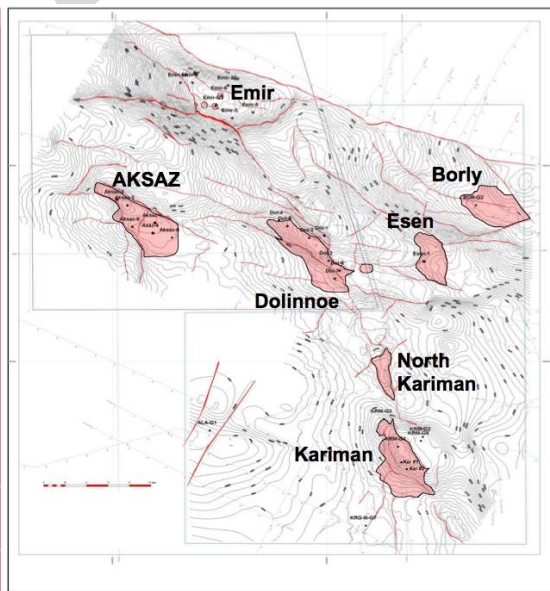
Overview

Emir-Oil (Aksaz, Dolinnoe, Emir, Kariman)

Ownership	100%
Total wells drilled in 2015	
Gross wells	48
Contract area	850km ²
Exploration license expiry	Jan 2017
Production license expiry	
Aksaz	2036
Dolinnoe	2036
Emir	2030
Kariman	2036

Reserves & Resources (as of Dec 2015)

	Oil (mmbbl)	Gas (bcf)
1P reserves	32.5	36.0
2P reserves	96.2	92.4
3P reserves	125.0	120.4
2C resources	--	--
Prospective resources	255.7	--
Total reserves & resources⁽¹⁾	351.9	92.4
	(367.3mmboe)	



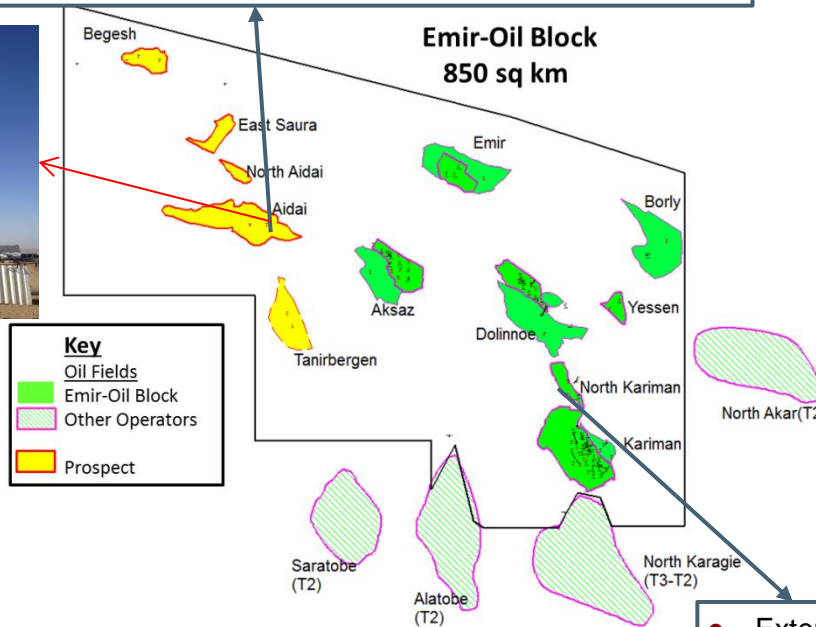
- Acquired 100% shares in Emir-Oil in 2011
- First successful international acquisition
- Located in the Mangistau Oblast in the southwestern region of Kazakhstan
- Owns four production contracts (Aksaz, Dolinnoe, Emir and Kariman) and one exploration contract
- Balanced portfolio of O&G fields covering the wider spectrum of upstream O&G production, development and exploration activities
- High reserves upgrade potential from prospective resources

(1) Total 2P Reserves + 2C Contingent Resources + Prospective Resources

Kazakhstan Project (Emir-Oil) Operation Update

Exploration activities

- Exploration well Aidai-1 finished drilling in June 2015 at total depth of 5,080m. The well has oil shows in reservoir objective Triassic units and with testing to be completed in 2016



- YE2015 Reserve Report estimated the following Resources
 - Unrisked Prospective Resources: 255.7 mmbbl (Best Estimate)
- Interpretation of merged 3D seismic data covering entire exploration block and producing fields completed
- Data from North Kariman and Kariman wells indicate that the oil-water contact of North Kariman and Kariman could be continuous, making the integration of the North Kariman block into the Kariman production license more realistic, significantly increasing the oil bearing area and reserves

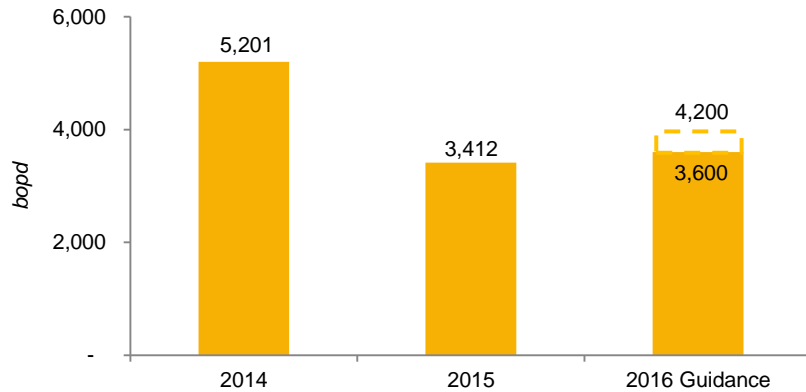
- Extended pilot production permit for North Kariman-2 to YE2016
- North Kariman-1 appraisal well produced about 830 cubic meters of oil during the first 82 hours of testing (~1,520 BOPD)
- North Kariman 2P reserves increased 55% to 7.5mmbbl

Extended the ADEK exploration contract to Jan 2017

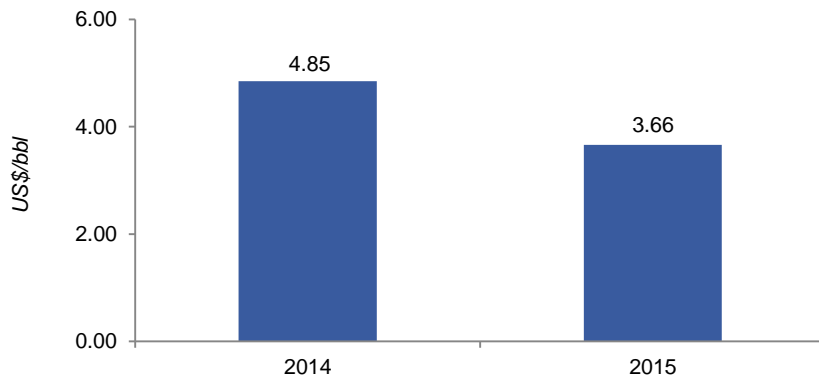
Kazakhstan Project (Emir-Oil)

Operation & Financial Update

Net oil production



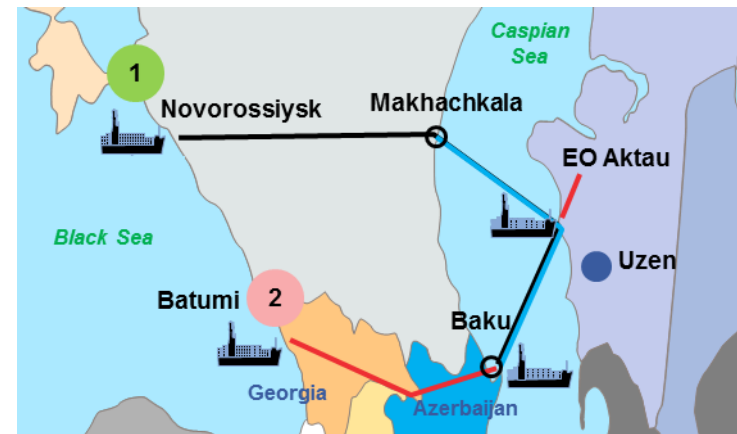
Lifting costs



New Export Sales Contract

	FY2014	FY2015	2016 Pro-forma
Benchmark Oil⁽¹⁾	Brent	Urals (RCMB)	Brent
Benchmark Price	US\$90.70	US\$53.97	--
Discount	US\$20.98	US\$5.56	~US\$8
Net Realized Price	US\$69.72	US\$48.41	--
Distribution Expenses	--	US\$11.55	~US\$9
Total Discount and Distribution Expenses	US\$20.98	US\$17.11	~US\$17
YoY Net Savings/bbl	--	~US\$2	~US\$2 - 3

Note: Brent historically trades at a premium of US\$2-3 to Urals



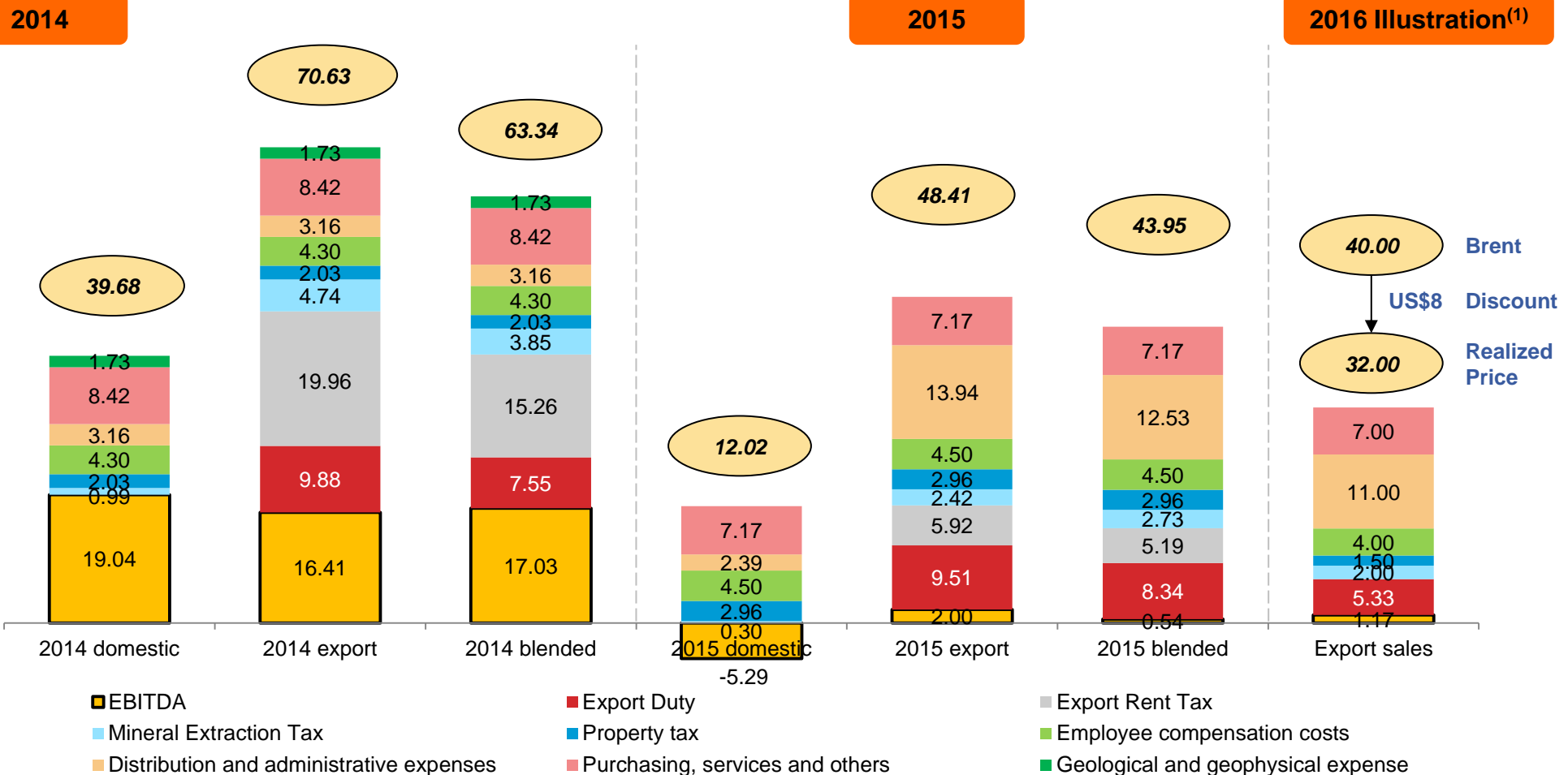
— Pipeline — Railway — Shipping

- 1 2015/16 route: Aktau Port - Makhachkala Port (Russia) – Novorossiysk (Russia)
- 2 2014 route: Aktau Port - Baku Port (Azerbaijan) – Batumi Port (Georgia)

Kazakhstan Project (Emir-Oil)

Operation & Financial Update

EBITDA Breakdown (US\$/bbl)



(1) Figures are estimates based on the assumption of US\$40 Brent, the new sales contract for 2016 and the current Kazakhstan tax regime



U.S. Project (Condor)

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U.S. Project (Condor) Overview

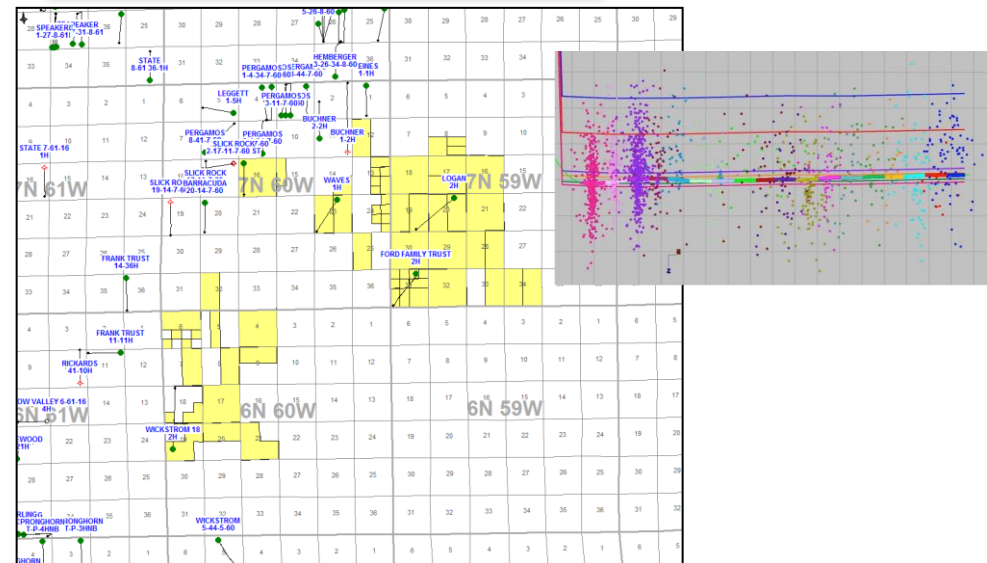
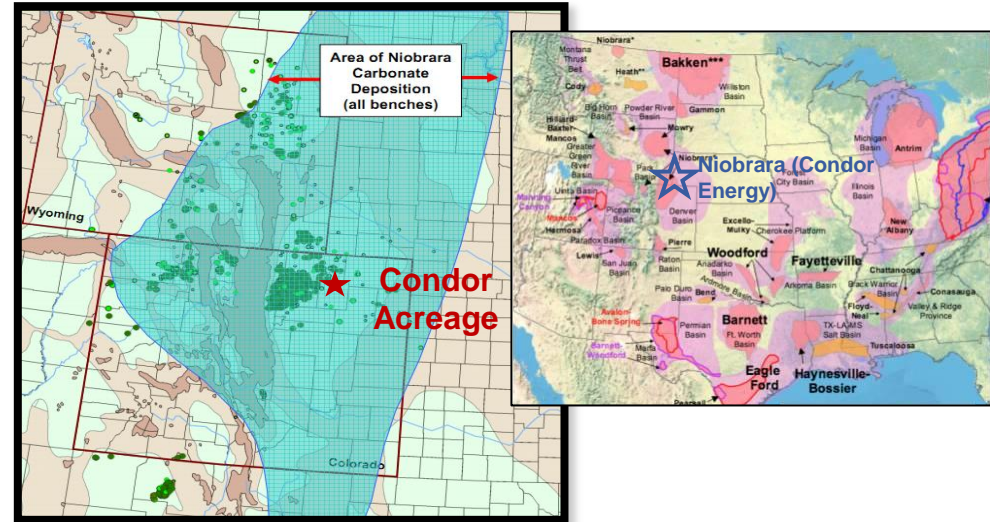
Condor Energy

Ownership	100%
Net acreage	6,285 acres
Gross wells (horizontal)	5

Operation update

Condor Energy

- Operates 5 horizontal wells in a Colorado Niobrara asset through Condor Energy
- Operational and technological expertise gained from the drilling of 5 horizontal wells applied to the Group's other existing assets
- For 2015, the average daily net oil and gas production was 54 BOPD and 136 Mcf/day respectively
- Average realized oil and gas price was US\$40.68/barrel and US\$2.61/Mcf respectively





Financial Update



Financial Update

Financial performance summary

(In US\$ million)	2014					2015				
	China	Emir-Oil	USA	Corp & Others	Total	China	Emir-Oil	USA	Corp & Others	Total
Revenue	360.8	121.5	3.2	-	485.4	114.9	49.8	0.9	-	165.5
Profit before income tax	145.1	24.0	(24.3)	(106.2)	38.5	(142.1)	(38.0)	0.8	(93.8)	(273.2)
Net profit for the year	117.4	16.8	(24.3)	(106.2)	3.7⁽²⁾	(122.6)	(28.7)	0.8	(93.8)	(244.4)
<i>Margin</i>	<i>32.6%</i>	<i>13.8%</i>	<i>-771.6%</i>	<i>n/a</i>	<i>0.8%</i>	<i>n/a</i>	<i>n/a</i>	<i>86.5%</i>	<i>n/a</i>	<i>n/a</i>
EBITDA⁽³⁾	279.6	34.3	(20.8)	(25.1)	267.9	(54.5)	(35.4)	1.6	(39.9)	(128.1)
<i>Margin</i>	<i>77.5%</i>	<i>28.2%</i>	<i>-660.4%</i>	<i>n/a</i>	<i>55.2%</i>	<i>n/a</i>	<i>n/a</i>	<i>187.2%</i>	<i>n/a</i>	<i>n/a</i>
Adjusted EBITDA⁽¹⁾	244.4	37.7	(0.3)	(22.1)	259.6	77.9	3.2	(0.4)	(21.4)	59.3
<i>Margin</i>	<i>67.7%</i>	<i>31.0%</i>	<i>-8.7%</i>	<i>n/a</i>	<i>53.5%</i>	<i>67.8%</i>	<i>6.4%</i>	<i>n/a</i>	<i>n/a</i>	<i>35.8%</i>

(1) Adj. EBITDA refers to EBITDA adjusted to exclude non-cash items such as share-based compensation expense, loss on impairment, withholding tax from intercompany loans, and any other non-recurring items such as disposal gains and losses, acquisition expense, and geological and geophysical expenses, etc

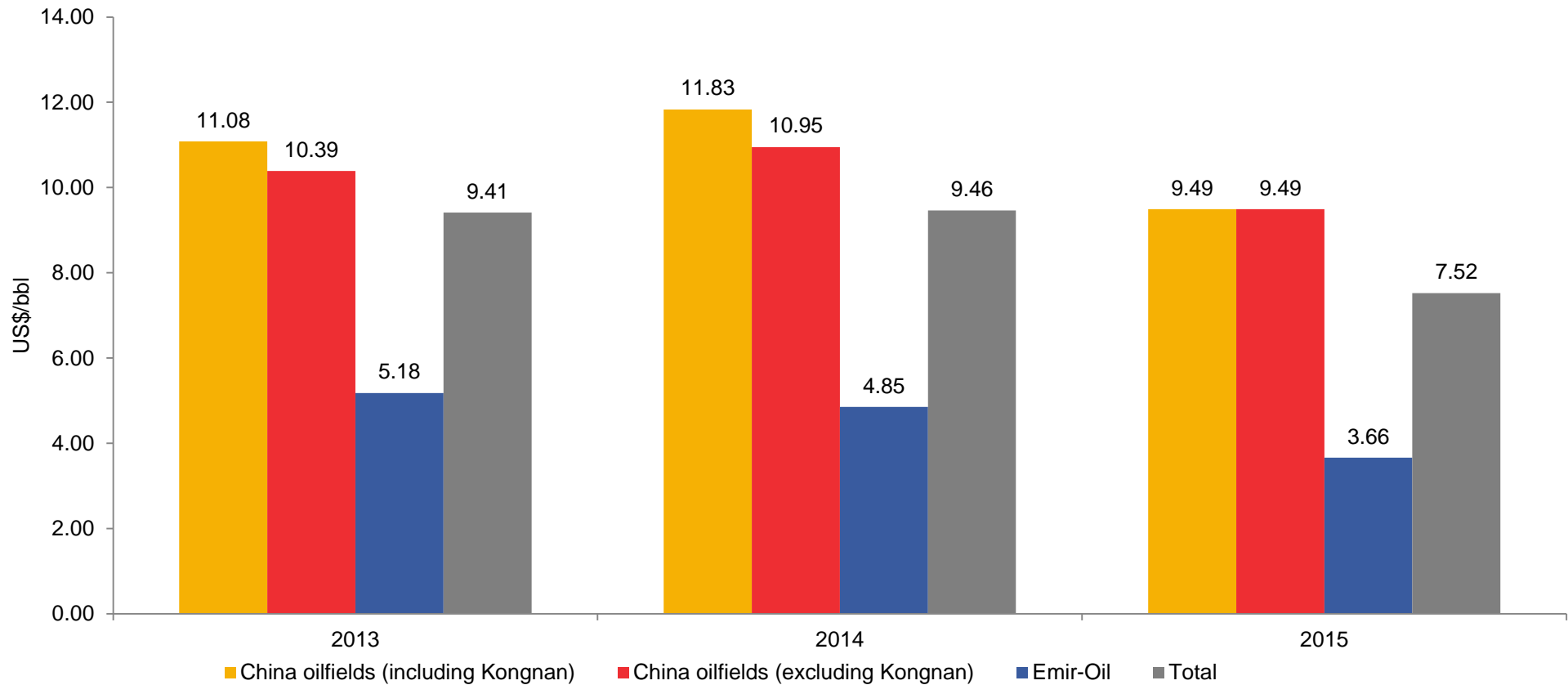
(2) Includes an one-off finance costs of RMB155mm (US\$25.2mm) regarding 2016 Notes redemption premium and certain unwinding of non-cash discounts / upfront-fees

(3) Includes one-off asset impairment charges

Financial Update

Lifting costs analysis of China assets and Emir-Oil

Lifting cost per barrel ⁽¹⁾

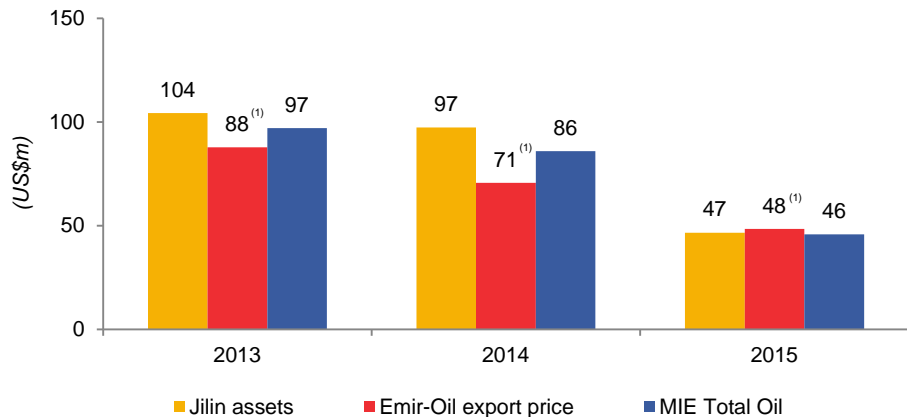


(1) Lifting costs includes directly controllable costs to produce a barrel of oil. Other production costs such as safety fee, environment expenses, technical & research expense and overhead have not been included since they are not directly attributable to the production of a barrel of oil

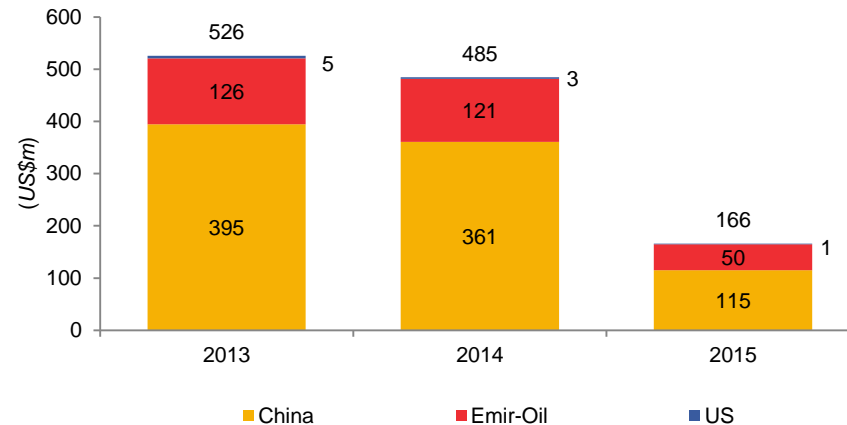
Financial Update

Key sales related statistics

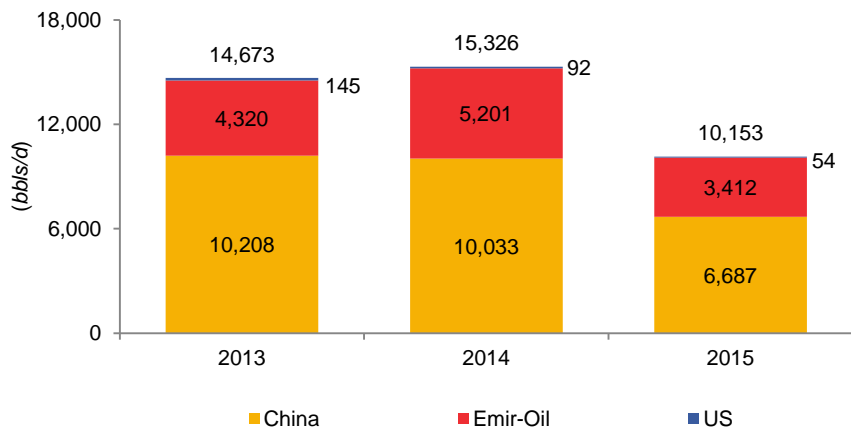
Average realized oil price



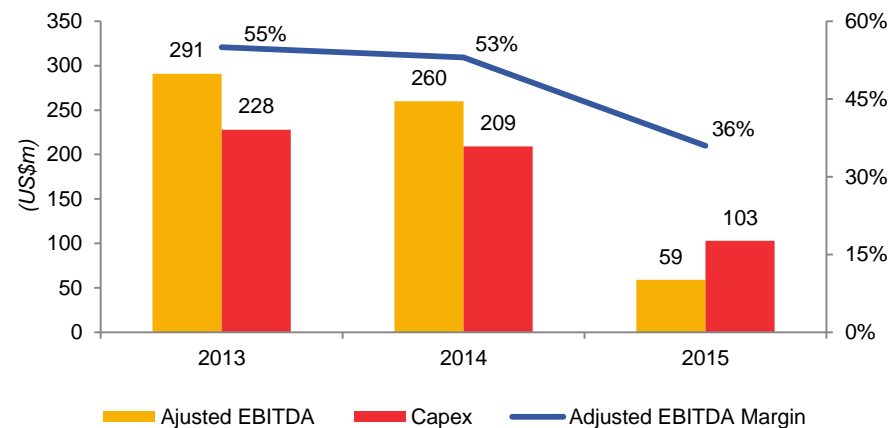
Revenue breakdown by region



Average daily net oil production breakdown by region



Adj. EBITDA and Capex⁽²⁾



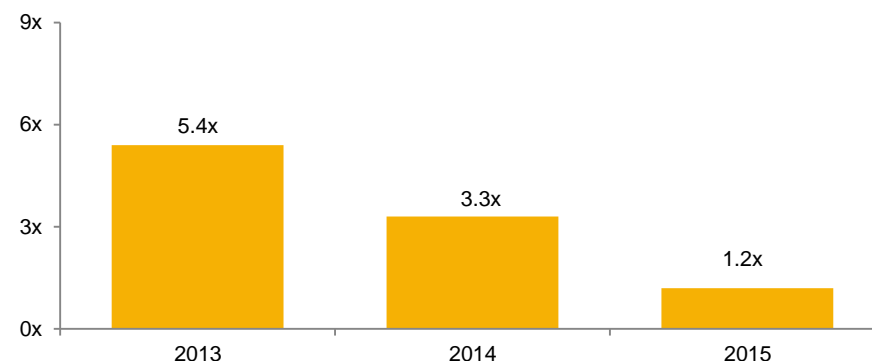
(1) Emir-Oil average realized export oil price after deducting sales and marketing commissions
 (2) Capex for this charts refers to the cash used for purchase of PPE in the cashflow statement

Financial Update

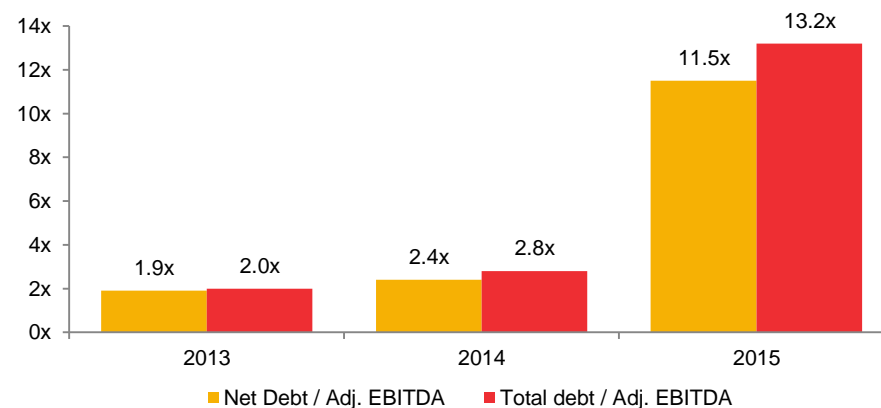
Cash flow statement and key credit statistics

(In US\$ million)	FY2015	FY2014
Cash Flow Statement		
Cash generated from operations	108	270
Interest paid	(54)	(53)
Income tax paid	(2)	(25)
Net cash generated from operations	52	192
Purchase of PP&E	(103)	(214)
Cash call by SGE	(30)	(71)
Disposal of M3 and PCR	7	94
Purchase of AFS Securities	5	(12)
Others	(59)	(8) ⁽¹⁾
Net cash used in investing activities	(180)	(213)
Proceeds from borrowings/bonds	82	553
Repayments of borrowings/bonds	(58)	(422)
Issuance of shares	32	--
Others	(9)	(43)
Net cash from financing activities	48	88
Net increase/(decrease) in cash	(80)	67
Capitalization Table		
Total Cash	102	135
Short-term Debt	82	55
Long-term Debt	700	700
Total Debt	782	755
Net Debt	680	620
Total Equity	340	580
Total Capitalization	1,020	1,200

Adj. EBITDA / net interest expense⁽¹⁾



Net Debt and total debt / Adj. EBITDA



(1) FY2014 net interest expenses includes one-off finance expenses of approximately RMB120 millions call premium for the early redemption of the US\$400 millions 9.75% senior notes due 2016, and also approximately RMB35M unamortized issuance costs of the 2016 Notes charged to profit and loss account as a result of the redemption as an one-off expense

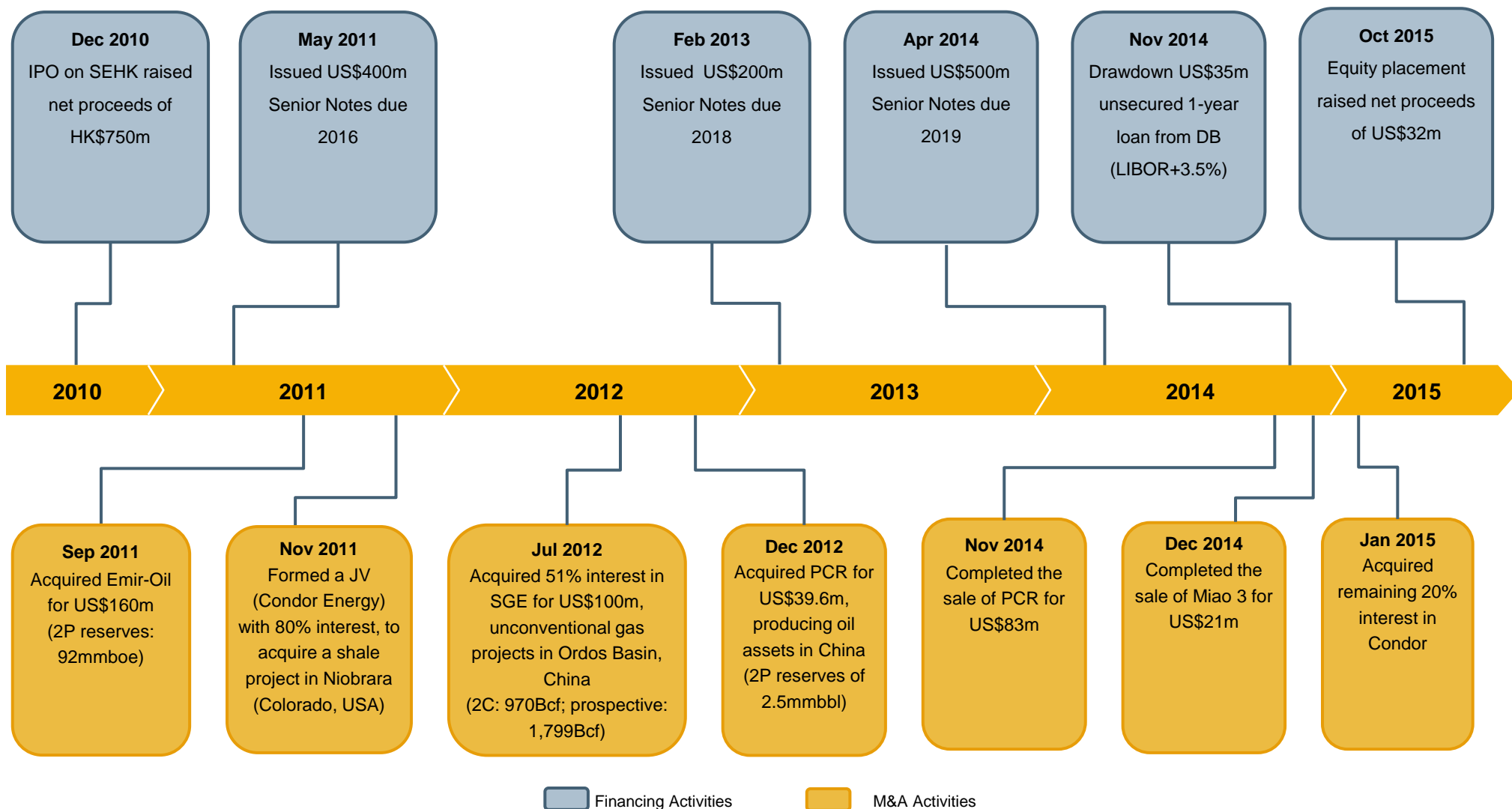


Appendix

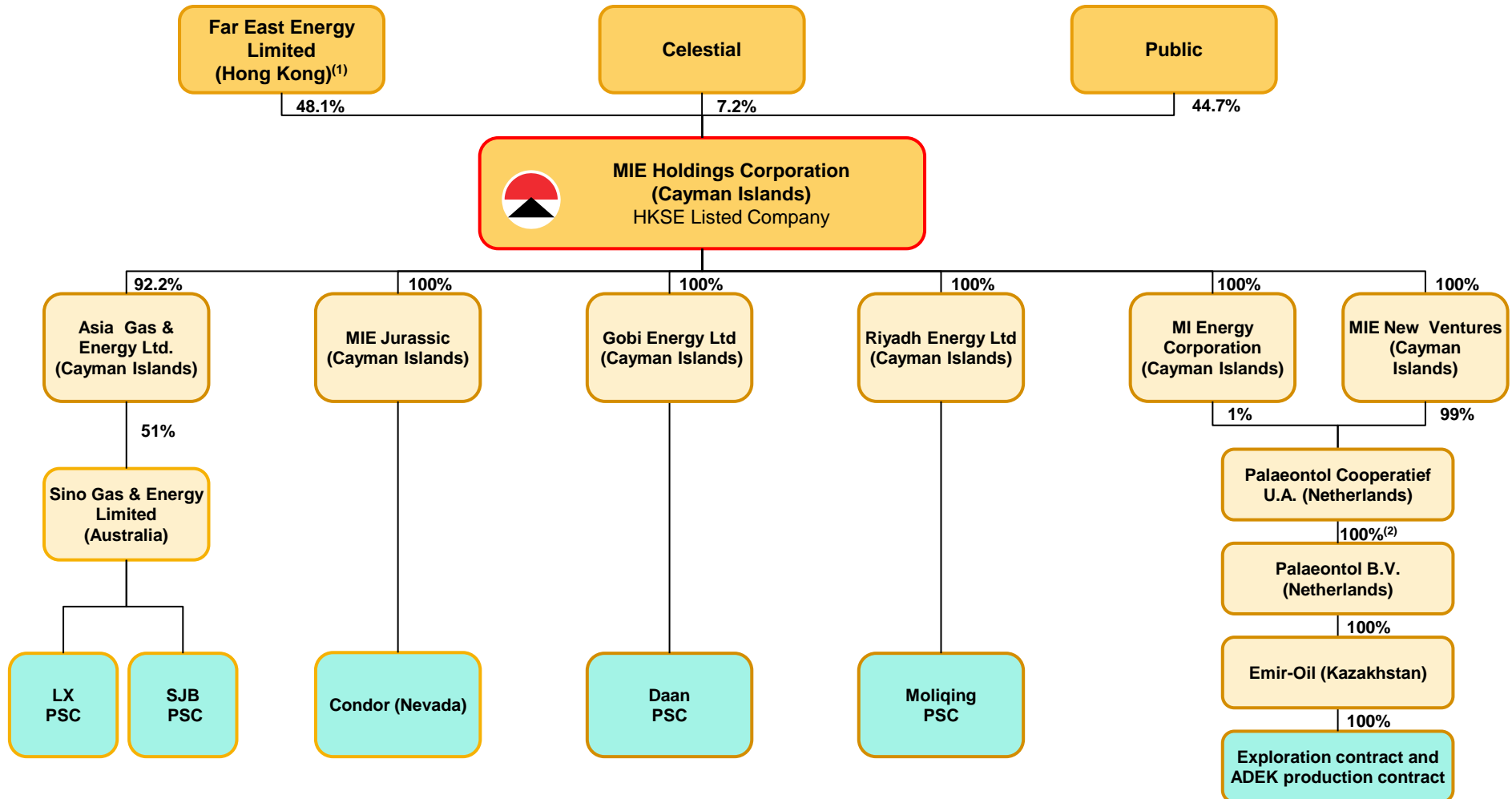
 *MIE Holdings Corporation*



Key milestones



Key corporate and shareholding structure (March 2016)



(1) FEEL is held by Zhao Jiangbo ("Mrs. Zhang"), Zhang Ruilin ("Mr. Zhang"), Zhao Jiangwei ("Mr. Zhao") and Shang Zhiguo as to 80%, 9.99%, 10% and 0.01% respectively. FEEL holds 48.1% interests in MIEH through its wholly owned subsidiaries. Mr. Zhang, MIEH's executive director, chairman and chief executive officer, Mr. Zhao, MIEH's executive director and senior vice president and Mrs. Zhang are the controlling shareholders of FEEL

(2) Pursuant to the SPA signed on 5th March 2016, Reach Energy Berhad will acquire a 60% stake in Palaeontol B.V. from MIEH on completion which is expected in 3Q2016

Strong cash flow supported by PSC structure

Jilin assets oil allocation under PSCs



Oil produced is fully allocated to foreign contractors⁽¹⁾ (i.e. MIE) to recover ALL Opex and Capex, after which it is allocated 48% of oil production as profit-sharing oil

(1) Foreign contractors include MIE (90%) and GOC (10%)

(2) Net:Gross ratio calculated based on production volume

China Special Levy (Windfall Tax) Calculation

|<-----New Regime effective from 2015/1/1-----> |<-----Old Regime----->|

Oil Price	Threshold	Tax Rate	Windfall Tax	Effective Tax Rate	Threshold	Tax Rate	Windfall Tax	Effective Tax Rate	Saved Windfall Tax
40	65	0%	--	0.00%	55	0%	--	0.00%	--
45	65	0%	--	0.00%	55	0%	--	0.00%	--
50	65	0%	--	0.00%	55	0%	--	0.00%	--
55	65	0%	--	0.00%	55	20%	--	0.00%	--
60	65	0%	--	0.00%	55	20%	1.00	1.67%	1.00
65	65	20%	--	0.00%	55	25%	2.25	3.46%	2.25
70	65	20%	1.00	1.43%	55	30%	3.75	5.36%	2.75
75	65	25%	2.25	3.00%	55	35%	5.50	7.33%	3.25
80	65	30%	3.75	4.69%	55	40%	7.50	9.38%	3.75
85	65	35%	5.50	6.47%	55	40%	9.50	11.18%	4.00
90	65	40%	7.50	8.33%	55	40%	11.50	12.78%	4.00
100	65	40%	11.50	11.50%	55	40%	15.50	15.50%	4.00
110	65	40%	15.50	14.09%	55	40%	19.50	17.73%	4.00
120	65	40%	19.50	16.25%	55	40%	23.50	19.58%	4.00
130	65	40%	23.50	18.08%	55	40%	27.50	21.15%	4.00
140	65	40%	27.50	19.64%	55	40%	31.50	22.50%	4.00
150	65	40%	31.50	21.00%	55	40%	35.50	23.67%	4.00

Jilin assets - sales and marketing

Sole customer

- PetroChina has been MIE's sole customer. Selling to PetroChina is MIE's choice, not obligation
- MIE believes PetroChina is the best customer given they make timely payments

Process

- MIE transports all crude oil produced from oilfields through their pipelines or by truck to the delivery points designated by PetroChina

Transportation and sales costs

- US\$1.24 per barrel (RMB52/ton) as stipulated in the sales contract

Price of crude oil sold

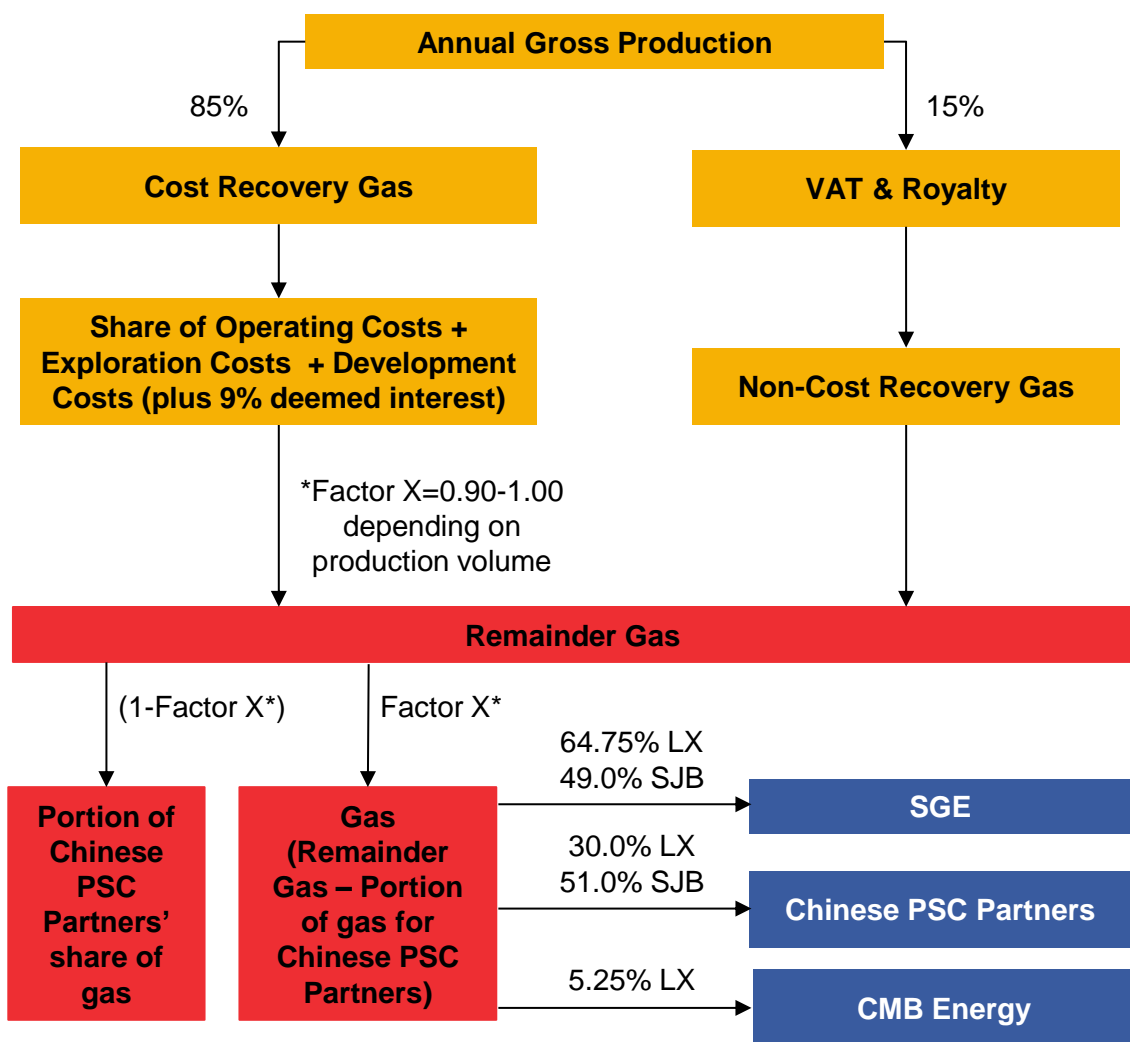
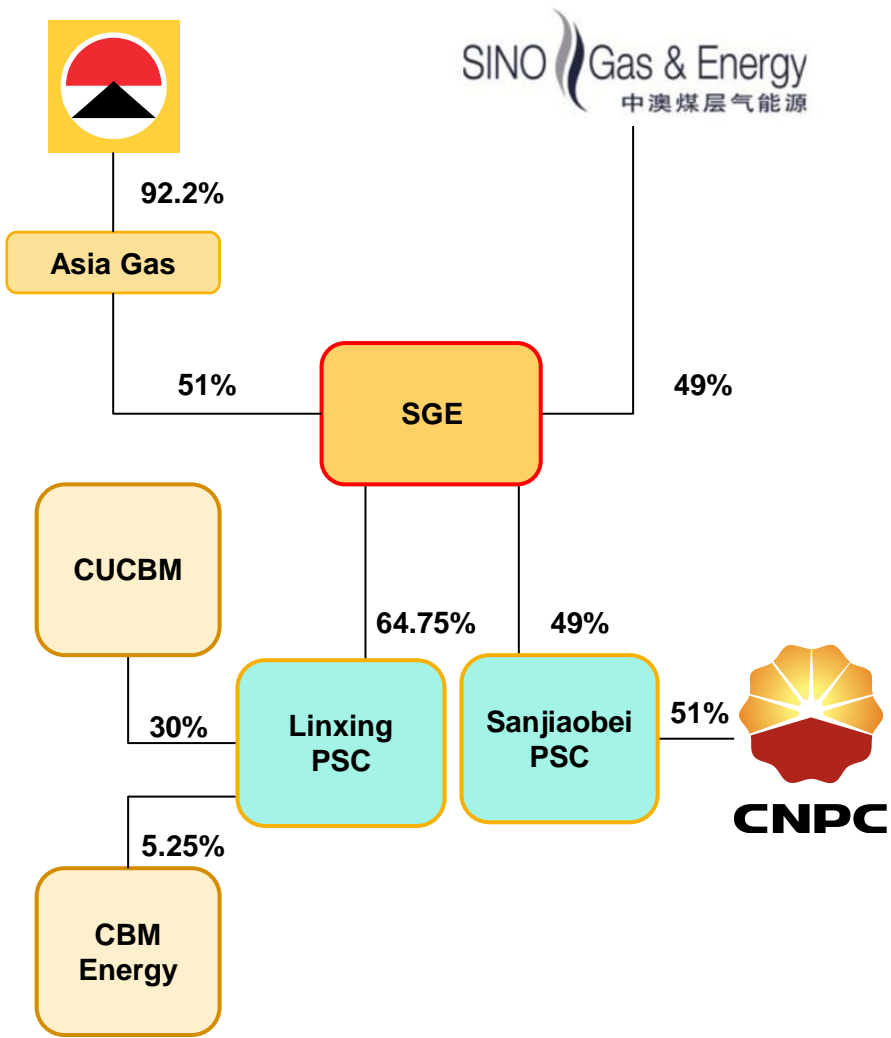
- Determined each month based on the price of Daqing crude oil published in PlattsOilgram, for the previous month
- The average sales prices per barrel of oil in 2013, 2014 and 2015 were US\$104.3, US\$97.3 and US\$46.7 respectively

Billing and payment

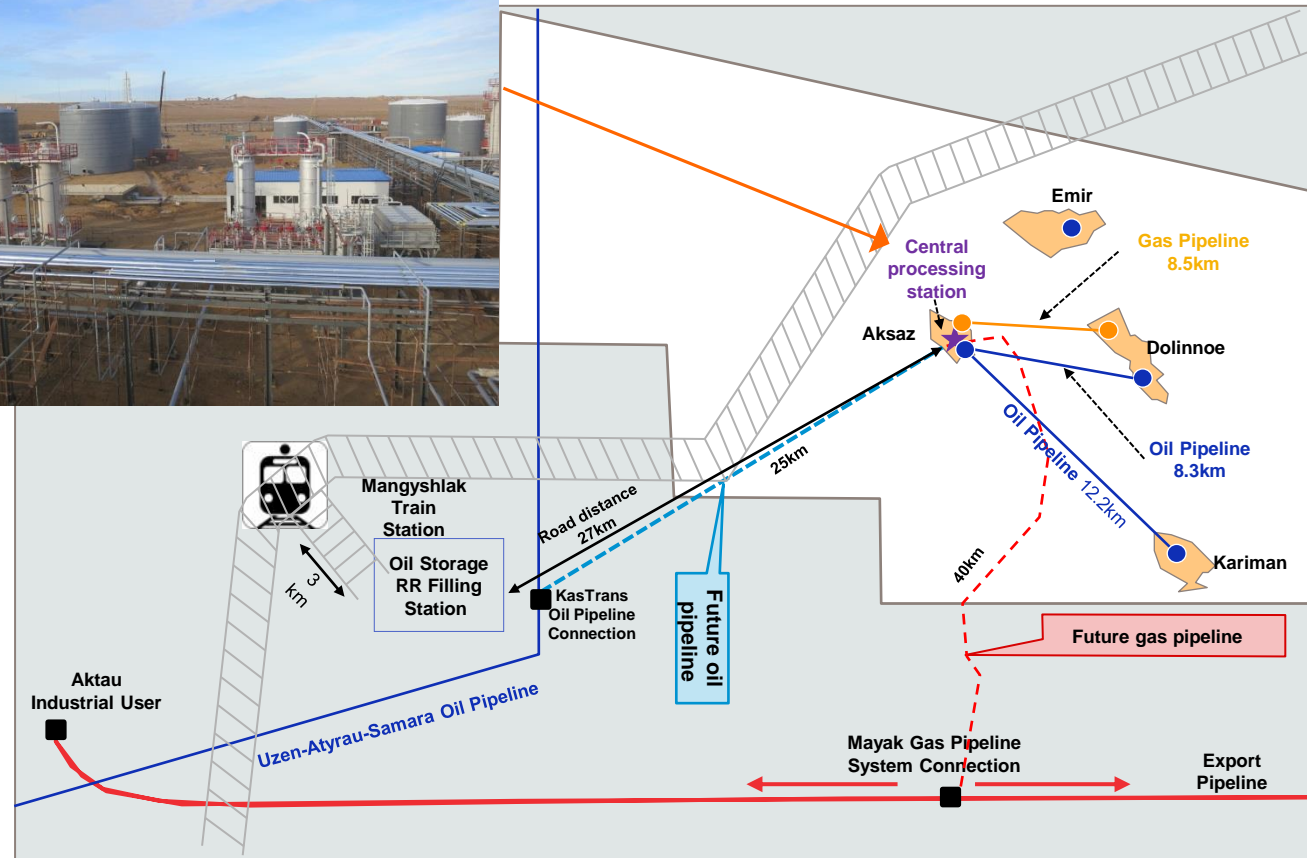
- Invoices are issued to PetroChina within 5 days after the end of each month, who pays MIE within 20 days of invoice
- Invoice amount = Daqing crude oil price x volume of crude oil attributable to foreign contractors for the month

The sales agreement and PSC structure ensures that PetroChina purchases 100% of crude oil produced each year, with no volume restraint, subject to the approval of the production amounts by the joint management committee

Sino Gas & Energy Ownership Structure



Emir-Oil O&G Infrastructure Overview



- Current oil and gas rental facility:
 - Oil: 6,480 BOPD
 - Gas: 8.83 mmcfcpd
- New oil and gas processing facility
 - Oil: 12,000 BOPD
 - Gas: 21mmcfcpd (600,000m³/d)
 - Expected to be completed in 4Q2016
- New oil pipeline
 - Specification: length of 25km, diameter of 219mm
 - Transportation capacity: 2-4.5mmbbl p.a.(5,450-12,400 BOPD)
- New gas pipeline
 - Specification: length of 35km, diameter of 219mm
 - Transportation capacity: 300,000-600,000m³/d (10.6 - 21.2 mmcfcpd)

Kazakhstan tax summary

Rent export tax

- Calculated based on the export sales price and ranges from as low as 0% if the export sales price is less than US\$40 per barrel to as high as 32% if the export sales price per barrel exceeds US\$190

Mineral extraction tax

- Depends on annual production output. The tax code currently provides for a 5% mineral extraction tax rate on production sold to the export market, and for domestic oil is calculated at 2.5% based on barrels of domestic oil multiplied by production cost per barrel multiplied by 120%

Rent export duty expenditure

- In July 2010 the government issued a resolution that reenacted the export duty for several products, including crude oil. The government has made yearly adjustments to the export duty since 2013. Most recently, the fixed rate for export duty was lowered to US\$40/ton (US\$5.33 per barrel) from US\$60/ton, effective January 2016

Excess profit tax

- EPT is applicable as soon as the ratio of annual aggregate income to annual tax deductions exceeds a ratio of 1.25. Deductibles include costs and losses. EPT is structured to encourage operators to invest/develop in oil/gas fields. Emir Oil has never had to pay EPT

Property tax

- Property tax is payable on oil and gas assets which have been granted a production license at a rate of 1.5% based on average balance of oil and gas properties

Corporate income tax

- The Tax Code set the tax rate at 20%. Prior to 2009, corporate income tax rate was 30%

Kazakhstan tax summary (continued)

1. Export Duty US\$5.33/bbl (US\$40/ton effective Jan 2016)

2. Export Rent Tax

Rate	7%	11%	14%	16%	17%	19%	21%	22%	23%	25%	26%	27%	29%	30%	32%			
Oil Price	40	50	60	70	80	90	100	110	120	130	140	150	160	170	190			
Oil Price	50	60	70	80	90	100	110	120	130	140	150	160	170	180	500			
																ERT	ERT %	
40	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	
50	3.50	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3.50	7.0%
60	--	6.60	--	--	--	--	--	--	--	--	--	--	--	--	--	--	6.60	11.0%
70	--	--	9.80	--	--	--	--	--	--	--	--	--	--	--	--	--	9.80	14.0%
80	--	--	--	12.80	--	--	--	--	--	--	--	--	--	--	--	--	12.80	16.0%
90	--	--	--	--	15.30	--	--	--	--	--	--	--	--	--	--	--	15.30	17.0%
100	--	--	--	--	--	19.00	--	--	--	--	--	--	--	--	--	--	19.00	19.0%
110	--	--	--	--	--	--	23.10	--	--	--	--	--	--	--	--	--	23.10	21.0%
120	--	--	--	--	--	--	--	26.40	--	--	--	--	--	--	--	--	26.40	22.0%
130	--	--	--	--	--	--	--	--	29.90	--	--	--	--	--	--	--	29.90	23.0%
140	--	--	--	--	--	--	--	--	--	35.00	--	--	--	--	--	--	35.00	25.0%
150	--	--	--	--	--	--	--	--	--	--	39.00	--	--	--	--	--	39.00	26.0%
160	--	--	--	--	--	--	--	--	--	--	--	43.20	--	--	--	--	43.20	27.0%
170	--	--	--	--	--	--	--	--	--	--	--	--	49.30	--	--	--	49.30	29.0%
180	--	--	--	--	--	--	--	--	--	--	--	--	--	54.00	--	--	54.00	30.0%
190	--	--	--	--	--	--	--	--	--	--	--	--	--	--	60.80	60.80	60.80	32.0%
200	--	--	--	--	--	--	--	--	--	--	--	--	--	--	64.00	64.00	64.00	32.0%

3. Mineral Extraction Tax (Export Oil)

Rate	5.0%	7.0%	8.0%	9.0%	10.0%	11.0%	12.0%	13.0%	15.0%	18.0%
Production ('000 tons)	-	250	500	1,000	2,000	3,000	4,000	5,000	7,000	10,000
Production ('000 tons)	250	500	1,000	2,000	3,000	4,000	5,000	7,000	10,000	