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**MIE HOLDINGS CORPORATION**

**MI 能源控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1555)**

**ANNOUNCEMENT  
OIL AND GAS RESERVES AND RESOURCES  
AT YEAR END 2016**

MIE Holdings Corporation (the “Company”, together with the subsidiaries, the “Group”) is pleased to announce that our independent consultants have completed a review of our oil and gas reserves and resources as of yearend 2016. These reviews were performed in accordance with the standards set in the SPE/WPC/AAPG/SPEE Petroleum Resources Management System (“SPE-PRMS”), as prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE); reviewed and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG); and the Society of Petroleum Evaluation Engineers (SPEE). By their very nature reserves and resources are forward-looking estimates subject to change and revision.

The following reserve/resource consultants issued reports covering in total all of the Group’s oil and gas properties: Ryder Scott Company, Chapman Petroleum Engineering Ltd., GLJ Petroleum Consultants Limited and South Texas Reservoir Alliance LLC (STXRA). We have combined and consolidated data from these reports to present the net reserves and resources including our wholly-owned subsidiaries, and our net portion of entitlements in associates (using equity accounting method under IFRS) by country and petroleum basin.

Overall, the results of the Group's net reserves and resources review for yearend 2016 show lower volumes than last year, mainly reflecting asset sales as well as a reduced drilling program in the low oil price environment. Details are provided below and in the accompanying tables. Key points of the results include:

1. Comparing with yearend 2015, the Group total net Proved ("1P") oil and gas reserves as of yearend 2016 decreased by 28% to 37.0 million barrels of oil equivalents ("BOE", where 1 BOE = 6,000 cubic feet gas), while total net Proved + Probable ("2P") oil and gas reserves decreased 45% to 75.1 million BOE, and total net Proved + Probable + Possible ("3P") oil and gas reserves decreased 48% to 93.5 million BOE.
2. The Group net 1P oil reserves for 2016 decreased 35% to 29.1 million barrels, while 2P net oil reserves decreased 49% to 62.1 million barrels and 3P net oil reserves decreased 51% to 78.9 million barrels respectively. The decrease in 1P net oil reserves, which is 16.02 million barrels, reflects the combined impact of the Group's 2016 total net oil production of 3.27 million barrels, plus the divestment of 60% interest in Emir-Oil, and the Group's greatly reduced drilling program in 2016 for the China oilfields and Emir-Oil.
3. Decreases in reserves are partially offset by the Group's acquisition during 2016 of a 37.4% stake in Journey Energy Inc. ("Journey"), a Canadian exploration and production company. Journey has gross 1P oil and gas reserves as of yearend 2016 of 30.1 million BOE, and gross 2P oil and gas reserves of 47.8 million BOE. On this basis, the Group's net share of reserves in Journey is 11.3 million BOE for 1P oil and gas reserves and 17.9 million BOE for 2P oil and gas reserves, respectively.
4. Based on the yearend 2016 reserves estimates reviewed by the independent consultants, the net present value, before tax and discounted at 10% ("NPV10"), of the Group Net 2P oil and gas reserves is approximately US\$881 million, which represents a 46% decrease from the NPV10 of US\$1.64 billion reported at yearend 2015. This decrease is in line with the continued low oil price environment and strategic asset sales completed by the Group.

During FY2016, the Group's net production was 3.27 million barrels of oil and 1.89 billion cubic feet ("BCF") (0.05 billion cubic meters ("BCM")) of gas. Based on these production rates and the yearend 2016 Reserves, for 1P Reserves our Reserve Life Indices for oil and gas are 9 years and 25 years, respectively; and for 2P Reserves the corresponding indices are 19 years and 41 years.

The Prospective and Contingent Resources of the Group at yearend 2016 are summarized in Table 2. Our net, un-risked, best-estimate Prospective Resources are 120.8 million barrels of oil, and our mid-case, 2C, Contingent Resources are 10.1 million barrels of oil.

The pricing assumptions used in determining yearend Reserves and Resources are listed in Table 3. Oil and gas prices are based on price projections published by Moody's Analytics for the Group's China oil projects, Emir-Oil and Condor, and the average price projections published by the Canadian petroleum engineering consultancies GLJ Petroleum Consultants Ltd., Sproule Associates Ltd. and McDaniel & Associates Consultants Ltd. for Journey.

# Table 1 The Group Net Reserves

Thousands of Barrels for Oil  
Millions of SCF for Gas

		2015			2016			Change 2016-2015			BOE % Change
		Oil	Gas	BOE (Note 1)	Oil	Gas	BOE	Oil	Gas	BOE	
1P:PROVED											
China Oil Properties	Songliao/Jiayi	12,440	43	12,447	10,552	62	10,562	(1,888)	19	(1,885)	-15.1%
Kazakhstan-Emir-Oil	Mangistau	32,525	36,006	38,526	12,611	14,373	15,007	(19,914)	(21,633)	(23,519)	-61.0%
US-Condor	Niobrara	198	213	233	116	93	132	(81)	(120)	(101)	-43.5%
Canada-Journey	Western Canadian	—	—	—	5,868	32,323	11,255	5,868	32,323	11,255	—
Total 1P		45,163	36,262	51,206	29,148	46,851	36,956	(16,015)	10,588	(14,250)	-27.8%
2P:PROVED+PROBABLE											
China Oil Properties	Songliao/Jiayi	24,416	129	24,438	18,893	187	18,924	(5,523)	58	(5,513)	-22.6%
Kazakhstan-Emir-Oil	Mangistau	96,150	92,381	111,547	32,457	29,773	37,419	(63,693)	(62,608)	(74,128)	-66.5%
US-Condor	Niobrara	409	541	499	664	1,169	859	255	629	360	72.1%
Canada-Journey	Western Canadian	—	—	—	10,087	46,635	17,860	10,087	46,635	17,860	—
Total 2P		120,975	93,051	136,483	62,100	77,765	75,061	(58,874)	(15,286)	(61,422)	-45.0%
3P:PROVED+PROBABLE+POSSIBLE											
China Oil Properties	Songliao/Jiayi	34,088	237	34,128	26,487	352	26,546	(7,601)	115	(7,582)	-22.2%
Kazakhstan-Emir-Oil	Mangistau	124,952	120,439	145,025	40,454	37,381	46,684	(84,498)	(83,058)	(98,341)	-67.8%
US-Condor	Niobrara	1,364	1,406	1,599	1,832	3,477	2,412	468	2,071	813	50.9%
Canada-Journey (Note 2)	Western Canadian	—	—	—	10,087	46,635	17,860	10,087	46,635	17,860	—
Total 3P		160,404	122,082	180,751	78,860	87,844	93,501	(81,544)	(34,237)	(87,250)	-48.3%

Note 1: BOE is based on conversion rate of 6,000 SCF per barrel

Note 2: Journey does not disclose Possible Reserves

**Table 2 The Group Net Resources***Thousands of Barrels for Oil**Millions of SCF for Gas*

		<b>Oil</b>	<b>2016 Gas</b>	<b>BOE (Note 1)</b>
<b>Prospective Resources, Best Estimate, Unrisked</b>				
<b>China Oil Properties</b> <i>(Note 2)</i>	Songliao/Jiayi	19,287	—	19,287
<b>Kazakhstan-Emir-Oil</b>	Mangistau	101,473	—	101,473
<b>US-Condor</b>	Niobrara	—	—	—
<b>Canada-Journey</b> <i>(Note 3)</i>	Western Canadian	—	—	—
<b>Total Best Estimate Prospective Resources</b>		<b>120,760</b>	<b>—</b>	<b>120,760</b>
<b>Contingent Resources, 2C (mid case)</b>				
<b>China Oil Properties</b> <i>(Note 2)</i>	Songliao/Jiayi	9,797	—	9,797
<b>Kazakhstan-Emir-Oil</b>	Mangistau	—	—	—
<b>US-Condor</b>	Niobrara	288	676	401
<b>Canada-Journey</b> <i>(Note 3)</i>	Western Canadian	—	—	—
<b>Total 2C Contingent Resources</b>		<b>10,085</b>	<b>676</b>	<b>10,198</b>

*Note 1:* BOE is based on conversion rate of 6,000 SCF per barrel*Note 2:* Only includes Daan and Moliqing projects*Note 3:* Journey does not disclose Resources numbers

**Table 3 Prices Used in Reserves and Resources Determination at Yearend 2016****China**

China Oil Properties	Songliao/Jiayi	Escalated price profile based on price projections published by Moody's Analytics for WTI Crude. An average differential for 2016 between WTI Cushing Spot and Daqing of -\$5.94 was used. The differential is assumed to remain constant in the future. Gas price for Moliqing is set by CNPC and is assumed to not be escalated.
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**Kazakhstan**

Emir-Oil	Mangistau	Export oil at escalated price profile based on price projections published by Moody's Analytics for Brent Crude which has been estimated to be \$58.00/Stock Tank Barrel in 2017. Domestic oil price reduced by VAT 12% resulting in \$17.98/Stock Tank Barrel in 2017. The price is forecast to gradually increase related to Brent price. Domestic gas price \$0.77/MSCF has been utilized for solution gas sales and assumed to be constant throughout the report.
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**USA**

Condor	Niobrara	Escalated price profile based on price projections published by Moody's Analytics. Appropriate oil and gas price offsets were determined by examining Condor's current oil and gas sales contracts and comparing them to historical prices Condor has actually received. The realized price is estimated to be \$48.46/Stock Tank Barrel in 2017.
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**Canada**

Journey	Western Canadian	Forecast pricing used is the average of the published price forecasts for GLJ Petroleum Consultants Ltd., Sproule Associates Ltd. and McDaniel & Associates Consultants Ltd. as at December 31, 2016. It is estimated to be \$55.00/Stock Tank Barrel WTI Cushing Oklahoma in 2017.
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## **Notice about risk and uncertainty inherent in reserve and resource forecasting**

Based on reserve and resource definitions in SPE/PRMS standards, these estimates include various levels of risk and uncertainty, and are based on continuation of existing economic conditions regarding pricing, costs, legal and regulatory framework, etc. In addition, even with the same data and conditions different professional experts will estimate different numbers for reserves and resources based on their experience and interpretation of the data they review, and may categorize them differently. The Group employs qualified independent third party professionals to determine these numbers in accordance with existing standards and industry practice; however, we have limited or no control over many of the factors affecting reserve and resource numbers. Actual future results will differ from the estimates presented herein.

By order of the Board of  
**MIE Holdings Corporation**  
**Mr. Zhang Ruilin**  
*Chairman*

Hong Kong, 17 March 2017

*As at the date of this announcement, the Board comprises (1) the executive directors namely Mr. Zhang Ruilin, Mr. Zhao Jiangwei, Mr. Andrew Sherwood Harper and Mr. Tian Hongtao; (2) the non-executive director namely Ms. Xie Na; and (3) the independent non-executive directors namely Mr. Mei Jianping, Mr. Jeffrey Willard Miller and Mr. Guo Yanjun.*