MIE HOLDINGS CORPORATION
MI 能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1555)

DISCLOSEABLE TRANSACTION
DISPOSAL OF RIYADH ENERGY LIMITED

On 1 December 2017, the Company and the Purchaser entered into the Agreement, pursuant to which the Company agreed to sell and the Purchaser agreed to purchase the Sale Shares, representing the entire issued share capital of Riyadh Energy at the Consideration of US$45,000,000 (approximately HK$348,750,000) (subject to adjustment and post completion readjustment).

As the applicable percentage ratios exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company pursuant to the Listing Rules and is subject to the announcement requirement under the Listing Rules.

Shareholders and potential investors should note that the Disposal of Riyadh Energy is subject to Condition which may or may not be fulfilled. Shareholders and potential investors are reminded to exercise cautions when dealing in the securities of the Company.

THE AGREEMENT

Date

1 December 2017

Parties

(i) the Company as vendor; and

(ii) the Purchaser as purchaser.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons.

Assets to be disposed of

The Sale Shares, representing the entire issued share capital of Riyadh Energy.

Consideration

The Consideration of US$45,000,000 (approximately HK$348,750,000) (subject to adjustment and post completion readjustment pursuant to the paragraphs headed "Adjustment of Consideration" and "Post-Completion Readjustment" below) shall be paid by the Purchaser in cash at Completion.

The Consideration will be secured by a charge over the Sale Shares, Riyadh Energy's rights and interest with respect to the Moliqing oil sale proceeds and proceeds account, a personal guarantee to be given by the ultimate beneficial owner of the Purchaser, a corporate guarantee and indemnity from a subsidiary of the Purchaser and an amount of cash in RMB equal to the US$ amount of the Consideration to be given by the Purchaser, all in favor of the Company.

Adjustment of Consideration

At Completion, if the difference between certain assets items and certain liabilities items (as specified in the Agreement) of Riyadh Energy as at 30 September 2017 (the "**Net Assets**") is positive, the Consideration should be increased by such amount; and if the Net Assets amount is negative, the Consideration should be decreased by such amount.

Post-Completion Readjustment

On or before the Post-Completion Adjustment Date, the Consideration may be further adjusted for all changes to the Net Assets and the adjusted Consideration, including changes required to reflect errors or omissions and adjustments to audits and accruals which related to any period on or prior to 30 September 2017.

Whilst the final Consideration amount will be subject to the above adjustment to be finalised at Completion and post-completion readjustment, it is currently estimated that the applicable percentage ratio with reference to consideration test under the Listing Rules will exceed 5% but will be below 25%. The Consideration was determined after arm's length negotiations between the Company and the Purchaser with reference to numerous factors, including but not limited to the current production rate, cash flow, available independent reserve reports, and the financial information on Riyadh Energy.

The Directors consider the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Condition

Completion is subject to the following conditions:

(a) the Company having obtained the applicable regulatory consent to the transactions contemplated in the Agreement with respect to the Moliqing PSC; and

(b) all of the requirements under the Listing Rules which are applicable to the transactions contemplated under the Agreement having been satisfied.

Completion

Completion shall take place after all the conditions precedent have been satisfied or waived and the Purchaser has deposited no less than US$9,000,000 (equivalent to approximately HK$69,750,000) into the bank account of Riyadh Energy within 3 Business Days after the date of the Agreement to fund Riyadh Energy's working capital needs.

If Completion does not occur on or before the Long-stop Date:

(i) due to reasons attributable to the Purchaser (except for due to willful conduct of the Company), the Company is entitled to terminate the Agreement and the Purchaser shall pay liquidated damages in the amount of 10% of the Consideration to the Company within 30 days of the termination of the Agreement; and

(ii) due to reasons attributable to the Company (except for due to willful conduct of the Purchaser), the Purchaser is entitled to terminate the Agreement and the Company shall pay liquidated damages in the amount of 10% of the Consideration to the Purchaser within 30 days of the termination of the Agreement.

INFORMATION ON THE GROUP

The Group is principally engaged in the exploration, development, production and sale of oil, gas and other petroleum products. The Group currently has two production sharing contracts producing oil in the PRC, a diverse producing, resource and infrastructure oil and gas asset throughout Western Canada and a working interest in the Niobrara shale oil and gas assets in the United States of America. The Group also participates as associates in the exploration, development and production of petroleum assets located in the Republic of Kazakhstan, Canada and the northern part of the South China Sea in the PRC.

INFORMATION ON RIYADH ENERGY

Riyadh Energy is a company incorporated in the Cayman Islands and a wholly owned subsidiary of the Company as at the date of this announcement.

The principal business activity of Riyadh Energy is oil and gas development operations in China pursuant to the Moliqing PSC. Riyadh Energy holds 90% of the participating interest in the foreign contractor's entitlement and obligations covering Moliqing block within Jilin oilfield and is the sole operator. The Moliqing PSC currently has a contracted area of 71.5 km^2 and has been in commercial production phase since 1 December 2008. Riyadh

Energy conducts oil development and production operations in the contracted area and shares in the production of the crude oil with PetroChina after the successful development of oil reserves.

Based on the unaudited management accounts of Riyadh Energy, the net assets of Riyadh Energy as at 30 September 2017 were approximately RMB340.0 million (approximately HK$402.0 million). The audited net loss (before taxation and extraordinary items) of Riyadh Energy for the year ended 31 December 2016 was approximately RMB71.0 million (approximately HK$83.9 million) and the audited net loss (before taxation and extraordinary items) of Riyadh Energy for the year ended 31 December 2015 were approximately RMB327.8 million (approximately HK$387.6 million). The audited net loss (after taxation and extraordinary items) of Riyadh Energy for the year ended 31 December 2016 was approximately RMB117.9 million (approximately HK$139.4 million) and the audited net loss (after taxation and extraordinary items) of Riyadh Energy for the year ended 31 December 2015 were approximately RMB360.5 million (approximately HK$426.2 million).

Based on the above mentioned adjustment mechanism of the Consideration and the unaudited carrying value of Riyadh Energy as of 30 September 2017, the Company estimates the net potential accounting gain (after intercompany adjustment) on the disposal to be approximately US$6.2 million (equivalent to approximately HK$48.1 million). However, the Company also estimates the disposal will generate potential tax loss given the tax base of Oil and Gas properties. The sale proceeds are intended for general corporate purposes.

Upon Completion, Riyadh Energy will cease to be a subsidiary of the Company and the accounts of Riyadh Energy will no longer be consolidated in the financial statements of the Company thereafter.

REASONS FOR AND BENEFIT OF THE DISPOSAL

The Moliqing PSC has been in its commercial production phase since 1 December 2008 and is expiring in 30 November 2028. According to the independent reserve consultant Ryder Scott report as of year-end 2016, the net proved and probable ("**2P**") reserve of Moliqing PSC was approximately 4,323 thousand barrels of oil equivalent, net proved, probable and possible ("**3P**") reserve was approximately 7,575 thousand barrels of oil equivalent. Moliqing PSC's reserve represented only about 5.7% of the Group's total net 2P reserve of barrels of oil equivalent as of 31 December 2016. Compared to 2016 year end, the Group has increased its reserves significantly since its recent acquisition of the natural gas assets in Western Canada. Considering the relatively small reserves contribution from Moliqing PSC and the Group's financial position, the Directors believe that the Consideration represents a fair valuation on Riyadh. In addition, the proceeds from this strategic disposal of the Group's non-core assets will improve its cash position in a sluggish oil and gas market and to focus on our core assets.

The Directors are of the view that the terms and conditions of the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PURCHASER

The Purchaser is a company incorporated in Seychelles and is an investment holding company.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios exceed 5% but are less than 25%, the Disposal constitutes a discloseable transaction for the Company pursuant to the Listing Rules and is subject to the announcement requirement under the Listing Rules.

Shareholders and potential investors should note that the Disposal of Riyadh Energy is subject to Condition which may or may not be fulfilled. Shareholders and potential investors are reminded to exercise cautions when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

"Agreement"	the sale and purchase agreement dated 1 December 2017 between the Company and the Purchaser in relation to the Disposal
"Board"	the board of Directors
"Business Day"	a day (not being a Saturday or Sunday) when banks are not required by law to close in Hong Kong or Beijing
"Company"	MIE Holdings Corporation, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"Completion"	completion of the Disposal in accordance with the terms and conditions of the Agreement
"Condition"	condition precedent to the Completion as set out in the Agreement
"connected person(s)", "percentage ratio(s)"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the consideration payable by the Purchaser pursuant to the Agreement
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Shares pursuant to the Agreement
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Listing Rules"	Rules Governing the Listing of Securities on the Stock Exchange
"Long-stop Date"	the 60th day after the date of the Agreement or such other date as the Company and the Purchaser may agree in writing
"Moliqing PSC"	the Petroleum Contract for Development and Production of the Moliqing Oil Field of Jilin Province of the PRC, dated 25 September 1998 and as amended from time to time
"PRC"	the People's Republic of China, and for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Post-Completion Adjustment Date"	the 30th day (if not a Business Day, then the immediate following Business Day) following the date of Completion
"Purchaser"	Pacific Energy Development (Asia) Co. Corp. (太平洋能源發展(亞洲)有限公司), an international business company incorporated in Seychelles
"Riyadh Energy"	Riyadh Energy Limited, a company incorporated in the Cayman Islands
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	100 shares of US$1.00 each in Riyadh Energy, representing the entire issued share capital of Riyadh Energy as at the date of this announcement
"Share(s)"	ordinary share(s) of US$0.001 each in the capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"US$"	United State dollars, the lawful currency of the United States of America
"%"	per cent

For the purpose of this announcement and for illustrative purpose only, US$ and RMB are converted into HK$ at the rate of HK$7.75:US$1.00 and HK$1.1823:RMB1.00, respectively. No representation is made that any amounts in US$ or RMB has been or could be converted at the above rates or at any other rates.

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

Hong Kong, 4 December 2017

As at the date of this announcement, the Board comprises (1) the executive directors namely Mr. Zhang Ruilin and Mr. Zhao Jiangwei; (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.