MIE HOLDINGS CORPORATION
MI 能 源 控 股 有 限 公 司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1555)

MAJOR TRANSACTION
DISPOSAL OF 60% EQUITY INTEREST IN PALAEONTOL B.V.

DISPOSAL

The Board announces that on 5 March 2016, the Company, the Seller (an indirectly wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement in relation to the disposal of the Sale Shares in the Target Company by the Seller to the Purchaser (or the SPV as the Purchaser may direct) and the assignment and transfer of the Shareholder Loans in proportion to the Relevant Percentage by the Company to the Purchaser (or the SPV as the Purchaser may direct).

Immediately after Completion, the Target Company will cease to be an indirectly wholly owned subsidiary of the Group and the Group will hold 40% of the issued share capital of the Target Company.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the Relevant Ratios in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under the Listing Rules and is therefore subject to approval of the Shareholders at the EGM. The Company will convene the EGM at which ordinary resolution(s) will be proposed to approve, among other things, the Sale and Purchase Agreement. As no Shareholders has a material interest in the Disposal, no Shareholders is required to abstain from voting on the resolution to be proposed at the EGM to approve the Disposal.

GENERAL

Pursuant to the requirements applicable to a major transaction under Chapter 14 of the Listing Rules, the Company will despatch to the Shareholders the Circular containing further details of the Sale and Purchase Agreement and the notice of the EGM within 15 business days after publication of this announcement, i.e. on or before 29 March 2016. Since the Circular will also contain, among other things, a Competent Person's Report to be prepared in accordance with Chapter 18 of the Listing Rules and it will take time to prepare the foregoing information for inclusion in the Circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules. Subject to granting of such waiver by the Stock Exchange, the Circular is expected to be despatched to the Shareholders on or before 31 May 2016. Further announcement(s) will be made by the Company as and when appropriate.

Completion of the Disposal is subject to the Conditions, which may or may not be fulfilled. The transactions contemplated under the Sale and Purchase Agreement may or may not proceed. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Shares and other securities of the Company.

INTRODUCTION

The Board announces that on 5 March 2016, the Company, the Seller (an indirectly wholly-owned subsidiary of the Company) and the Purchaser entered into the Sale and Purchase Agreement in relation to the disposal of the Sale Shares in the Target Company by the Seller to the Purchaser (or the SPV as the Purchaser may direct) and the assignment and transfer of the Shareholder Loans in proportion to the Relevant Percentage by the Company to the Purchaser (or the SPV as the Purchaser may direct).

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are as follows:

Date

5 March 2016

Parties

(1) the Company;

(2) Palaeontol Cooperatief U.A., an indirectly wholly-owned subsidiary of the Company, as the Seller; and

(3) Reach Energy Berhad, as the Purchaser. The Purchaser shall be entitled to designate the SPV to receive the transfer of the Sale Shares and the Relevant Percentage of the Shareholder Loan.

To the best of Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser (or the SPV as the Purchaser may direct) and its respective ultimate beneficial owners are Independent Third Parties.

Subject matter of the Disposal

Pursuant to the Sale and Purchase Agreement, the Seller agreed to sell the Sale Shares to the Purchaser (or the SPV as the Purchaser may direct) free from all Encumbrances and together with all rights, title and benefits attaching thereto including without limitation, all bonuses, rights, dividends and other distributions declared, paid or made in respect of the Sale Shares on or after the Completion Date.

At Completion, the Company shall assign and the Purchaser (or the SPV as the Purchaser may direct) shall accept the assignment and transfer of the Shareholder Loans in proportion to the Relevant Percentage simultaneously with the sale and transfer of the Sale Shares from the Seller to the Purchaser (or to the SPV).

The Sale Shares represent sixty per cent (60%) of the issued share capital of the Target Company.

Consideration and basis of determination

(a) The Parties have agreed that the enterprise value of one hundred per cent. (100%) (before adjustment of the Net Working Capital) of the Target Group is US$308,000,000 as at the Effective Date ("**Enterprise Value**") which translates to US$184,800,000 based on the Relevant Percentage of the Enterprise Value.

(b) Subject to the adjustment mechanism described below, the aggregate consideration for the Sale Shares and the assignment of the Shareholder Loans in proportion to the Relevant Percentage less the deficiency of the Net Working Capital of US$29,911,000 (based on unaudited consolidated management accounts of the Target Group as at the Effective Date) is US$154,889,000 ("**Transaction Consideration**").

(c) At Completion, the Transaction Consideration shall be adjusted as follows:

either

(i) increased by an amount equal to the Net Contribution Amount which shall not exceed an aggregate amount of US$21,000,000, if such amount is positive; or

(ii) decreased by an amount equal to the Net Contribution Amount if such amount is negative; and

increased by the Relevant Percentage any amounts recovered from Aral Petroleum Capital LLP prior to the Completion Date in connection with the Aral Loan (the "**Adjusted Transaction Consideration**"), provided always that the Adjusted Transaction Consideration shall not be greater than US$175,889,000 (unless otherwise agreed by the Company and Purchaser in the case of exceptional or extra items of expenditure for the Target Company).

(d) The Adjusted Transaction Consideration shall comprise of:

(i) the purchase price of US$1.00 in respect of the sale and purchase of the Sale Shares (“**Purchase Price**”); and

(ii) the shareholders loan consideration shall be the Adjusted Transaction Consideration less the Purchase Price (“**Shareholder Loan Consideration**”), in respect of the assignment and transfer of the Shareholder Loans in proportion to the Relevant Percentage.

(e) At Completion, eighty five per cent. (85%) of the Adjusted Transaction Consideration shall be payable on the Completion Date and the Deferred Consideration shall be paid to the Company as follows:

(i) within twenty-four (24) months after the Completion Date; and

(ii) if the Deferred Consideration is not paid, on the date which is twenty-four (24) months after the Completion Date and until full payment of the Deferred Consideration:

(A) the Company, the Purchaser and their respective Affiliates shall ensure that the Target Group defers any discretionary capital expenditure (“**CAPEX**”) (except for CAPEX required for the committed work obligations under the Contracts) such that the Target Group shall be able to free its cash flow for the purposes of cash distribution (either by way of dividends, repayment of shareholders loan or other means) to its shareholders;

(B) any cash distributions by the Target Group to the Purchaser (or its Affiliates) shall first be used to ensure that the Purchaser Cash Position is not less than US$10,000,000 and thereafter the remaining cash distribution shall be used for repayment of the Deferred Consideration; and

(C) the Purchaser shall use its best efforts to raise the maximum amount of funds (whether that be by way of debt or equity fund raising) for repayment of the Deferred Consideration provided that (1) if the net proceeds raised is less than US$1,000,000 then such amount shall not be used for repayment of the Deferred Consideration; and (2) the net proceeds raised shall first be used to ensure that the Purchaser Cash Position is no less than US$10,000,000 and thereafter the remaining net proceeds raised (over and above the Purchaser Cash Position of US$10,000,000) shall be used for repayment of the Deferred Consideration.

(f) Within five (5) days of satisfaction of the Conditions to be observed on the part of the Purchaser, the Purchaser has a right to defer payment of part of the 85% of the Adjusted Transaction Consideration such that at Completion, the Purchaser shall pay the sum (A) US$120,000,000; and (B) 25% of the amount in the Trust Account (net of taxes) on the Completion Date less the Dissenting Shareholders Payback Amount, but not more than 85% of the Adjusted Transaction Consideration ("**Completion Payment**"). The Remaining Completion Amount shall be paid to the Company as follows:

   (i) within six (6) months after the Completion Date; and

   (ii) if the Remaining Completion Amount is not paid on the date which is six (6) months after the Completion Date and until full payment of the Remaining Completion Amount:

      (A) the Company, the Purchaser and their respective Affiliates shall ensure that the Target Group defers any CAPEX (except for CAPEX required for the committed work obligations under the Contracts) such that the Target Group shall be able to free its cash flow for the purposes of cash distribution (either by way of dividends, repayment of shareholders loan or other means) to its shareholders;

      (B) any cash distributions by the Target Group to the Purchaser (or its Affiliates) shall first be used to ensure that the Purchaser Cash Position is not less than US$10,000,000 and thereafter the remaining cash distribution shall be used for repayment of the Remaining Completion Amount; and

      (C) the Purchaser shall use its best efforts to raise the maximum amount of funds (whether that be by way of debt or equity fund raising) for repayment of the Remaining Completion Amount provided that (1) if the net proceeds raised is less than US$1,000,000 then such amount shall not be used for repayment of the Remaining Completion Amount; and (2) the net proceeds raised shall first be used to ensure that the Purchaser Cash Position is no less than US$10,000,000 and thereafter the remaining net proceeds raised (over and above the Purchaser Cash Position of US$10,000,000) shall be used for repayment of the Remaining Completion Amount.

   Before full payment of the Deferred Consideration (or, as the case may be, the Remaining Completion Amount), in the case the Purchaser (or its Affiliate) transfers any of the Sale Shares to any third party, the Purchaser undertakes to immediately pay to the Company a sum equal to the outstanding Deferred Consideration (or, as the case may be, the Remaining Completion Amount) (including interest thereon) owing to the Company by the Purchaser from the amount received by the Purchaser (or its Affiliate) from the transfer of such Sale Shares for the purposes of full settlement of the Deferred Consideration (or, as the case may be, the Remaining Completion Amount).

   For the avoidance of doubt, the Deferred Consideration (or, as the case may be, the Remaining Completion Amount) can be repaid at any time after Completion.

The considerations arising out of the Transaction set out above were determined after arm's length negotiations between the Company and the Purchaser with reference to a number of factors, including but not limited to the latest independent technical reserve reports and internal reserve team reserve estimates, internal cash flow and EBITDA (earnings before interest, taxes, depreciation and amortization) as well as forecasts analysis of the 2P reserves value of the underlying assets of the Target Company as at the Effective Date.

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

Conditions precedent

Completion is conditional on the following conditions (the "**Conditions**") being satisfied on or before the Longstop Date:

(1) the Company:

(A) having procured the approval of the Competent Body for the indirect transfer of subsoil use rights under the Contracts through sale and transfer of the Sale Shares;

(B) having procured either (i) official waiver by the Competent Body of all its pre-emption rights in connection with the indirect transfer of subsoil use rights under the Contracts through sale and purchase to the Purchaser or the SPV (as the case may be) of the Sale Shares or (ii) an official response from the Competent Body that a waiver of all its pre-emption rights in connection with the indirect transfer of subsoil use rights under the Contracts through sale and transfer to the Purchaser or the SPV (as the case may be) of the Sale Shares is not required; and

(C) having received (i) approval from shareholders of the Company at a general meeting, and (ii) to the extent required, consents, waivers, permissions and approvals in relation to the Transaction from the Stock Exchange and the Securities and Futures Commission of Hong Kong;

(2) the Purchaser:

(A) having received the approval of the Securities Commission Malaysia for the purchase of the Sale Shares and the assignment and transfer of the Shareholder Loans in proportion to the Relevant Percentage pursuant to the Sale and Purchase Agreement;

(B) having procured the passing at a general meeting of the Purchaser of a resolution approving the purchase of the Sale Shares and the assignment and transfer of the Shareholder Loans in proportion to the Relevant Percentage pursuant to the Sale and Purchase Agreement; and

(C) having received the approval from the Committee of the Republic Kazakhstan for Regulation of Natural Monopolies and Competition Protection for the acquisition of the Sale Shares on the terms of the Sale and Purchase Agreement;

None of the above Conditions are waivable unless such Condition(s) is/are capable of being waived by applicable Law or the applicable rules and regulations of a stock exchange and agreed to by both Parties.

If one or more of the Conditions:

(1) remains un-satisfied on the Longstop Date and has not been waived on or before that date; or

(2) becomes impossible to satisfy on or before the Longstop Date and, if it is a Condition which can be waived, has not been waived within five (5) days of such Condition becoming impossible to satisfy. In such case, such Party shall immediately inform the other Party the occurrence of such impossibility and in such case the other Party shall not be required to fulfill the Conditions which the other Party is responsible to satisfy on or before the Longstop Date;

either Party may give notice to the other Party that it wishes to terminate the Sale and Purchase Agreement:

(a) if it is a termination pursuant to (1) above, the Party who has failed to satisfy all or any of the Conditions which such Party is responsible to satisfy by the Longstop Date shall pay to the other Party the Break Fee provided that the other Party has satisfied the Conditions which the other Party is responsible to satisfy by the Longstop Date; and

(b) if it is a termination pursuant to (2) above, the Party who has failed to satisfy all or any of the Conditions which such Party is responsible to satisfy because it becomes impossible to satisfy on or before the Longstop Date, such Party shall pay to the other Party the Break Fee and the other Party shall not be required to fulfill any of the remaining Conditions which the other Party is responsible to satisfy,

provided that no Break Fee is payable for a failure to satisfy the Condition set out in (2)(C) above.

If, following satisfaction or waiver of all the Conditions, any of the completion obligations of the Company and the Seller are not complied with by the Company on or before the Completion Date and the Purchaser chooses to terminate the Sale and Purchase Agreement, the Purchaser shall have the right to claim against the Company any loss or damage suffered by the Purchaser provided that the maximum aggregate liability of the Company shall not exceed US$8,000,000.

If, following satisfaction or waiver of all the Conditions, any of the completion obligations of the Company and the Purchaser are not complied with by the Purchaser on or before the Completion Date and the Company chooses to terminate the Sale and Purchase Agreement, the Company shall have the right to immediately draw on the Bank Guarantee and to the Purchaser any loss or damage suffered by the Company provided that the maximum aggregate liability of the Purchaser shall not exceed US$8,000,000.

The Purchaser will provide to the Company the Bank Guarantee within 7 Business Days from the date of the Sale and Purchase Agreement. The Bank Guarantee shall be used to satisfy in full the Break Fee and/or in part any payment, liability or obligation of the

Purchaser in the case of a termination by the Company for a failure by the Purchaser to comply with the completion obligations after satisfaction or waiver of all the Conditions under the Sale and Purchase Agreement. Failure by the Purchaser to provide the Bank Guarantee within the time specified shall be an event of default entitling the Company to terminate the Sale and Purchase Agreement if such default is not remedied within 7 Business Days of written notification by the Company.

Completion

Completion shall take place on the tenth (10th) day following the satisfaction or waiver of all the Conditions or at such other time as the Company and the Purchaser shall agree or at such other time as the Company and the Purchaser shall agree ("**Completion Date**"). If the tenth (10th) day is not a Business Day, then Completion shall be on the next day which is a Business Day.

Immediately after Completion, the Target Company will cease to be an indirectly wholly owned subsidiary of the Group and the Group will hold 40% of the issued share capital of the Target Company.

SHAREHOLDERS' AGREEMENT

To make provision for the management and administration of the Target Company's affairs and business, the Parties including the SPV and the Target Company shall sign the Shareholders' Agreement within seven (7) days of the date of the SPV is duly incorporated and no later than on the Completion Date, subject to the Shareholders' Agreement coming into effect on the Completion Date.

Major terms and conditions of the Shareholders' Agreement are as follows:

Business of the Target Company

The objective of the Target Company's business, through Emir-Oil, is the exploration, production and exploitation of hydrocarbon resources in Kazakhstan, including but not limited to the business of production of oil under the Aksaz Production Contract, Dolinnoe Production Contract, Emir Production Contract and Kariman Production Contract and exploration of hydrocarbon materials under the Aksaz-Dolinnoe-Emir Exploration Contract.

Board and management

The Board of the Target Company shall have five (5) directors. The SPV will have the right to nominate three (3) directors, whereas the Seller will have right to nominate two (2) directors. In the case where the shareholders of the Target Company agree that the Board of the Target Company shall have three (3) directors, the SPV will have the right to nominate two (2) directors, whereas the Seller will have right to nominate one (1) director. Directors of the Target Company can only be removed by the Target Company's general meeting at the request of the appointing shareholders. The board of directors of the Target Company shall have one chairman, who shall be a director elected from the directors appointed at the nomination of the SPV. The chairman shall not have a casting vote.

Management of Emir-Oil

The shareholders of the Target Company and the Target Company shall procure that the composition of the management board of Emir-Oil shall be in proportion to the respective shareholding percentage of the SPV and the Seller (and any other shareholder subsequent to the Completion Date) in the Target Company. The management board of Emir-Oil shall have five (5) members, among which, three (3) shall be appointed by the SPV, and two (2) shall be appointed by the Seller. The management board of Emir-Oil shall have one (1) chairman, who shall be elected from the members appointed by the SPV. The chairman shall not have a casting vote.

Appointment of key personnel

The SPV shall have the right to appoint the general director of Emir-Oil ("**General Director**") so long as the SPV remains the single largest shareholder in the Target Company and the SPV has obtained the approval of the management board of Emir-Oil before such appointment (whose approval shall not be unreasonably withheld).

The Seller shall have the right to appoint the finance and commercial manager of Emir-Oil ("**Finance and Commercial Manager**") who shall be in charge of finance and commercial matters subject to the Seller being the second largest shareholder in the Target Company; and provided such Finance and Commercial Manager is not a member of the management board of Emir-Oil, the approval of the management board of Emir-Oil (whose approval shall not be unreasonably withheld). The Finance and Commercial Manager shall report to the General Director.

Reserved Matters

Certain matters require the approval of shareholders holding at least seventy-five per cent. (75%) of the shares in the Target Company ("**Reserved Matters**"), include: approving and changing budgets and work plans which results in the incurring of any CAPEX exceeding by ten per cent (10%) over the amount for that item in the approved budget or work plan; entering into oil and gas sales arrangements; cancelling, extending or transferring hydrocarbon licenses or applying for new licenses; submitting reserve report or development plan to the government or releasing for listing compliance purpose; entering into major contract, liability or commitment which exceeds certain monetary thresholds; amending constitutional documents; amending the Shareholders' Agreement; paying dividends to shareholders or the granting or repaying shareholders' loans or interests; proposing for winding-up or liquidation; and transferring shares of Emir-Oil.

Deadlock

If shareholders of the Target Company fail to agree on the Reserved Matters, they may refer the matter to the respective chief executive officers (the "**CEOs**") of the Purchaser and the Company. If the dispute is not resolved by the CEOs within 3 months, the shareholders shall agree to engage an independent expert to render an opinion in relation to such dispute. If the shareholders cannot agree on which expert to engage, the SPV shall be entitled to appoint an independent expert from a list of two (2) experts provided by the Company; if the SPV fails to choose the expert, the Company is entitled to appoint an expert from the same list.

Where any independent expert has rendered his opinion, but the shareholders are still unable to resolve the dispute, the SPV may, at its sole discretion, elect to either to submit the matter to arbitration at the Singapore International Arbitration Centre or serve a notice in writing on the Seller requiring the Seller to sell all the shares in the Target Company held by the Seller at the sale price to be determined in accordance with the provisions of the Shareholders' Agreement.

Budgets, work plans and account

Annual budgets and work plans

Annual budget and work plan of Emir-Oil shall be first approved by the board of the Target Company and once approved by the board of the Target Company the annual budget and work plan shall then be tabled before shareholders of the Target Company for approval. Certain expenditures (in relation to drilling, facility expansion, construction of pipelines and workover exceeding US$3 million) are subject to the approval of the management board of Emir-Oil.

Funding of the Target Company

Funding additional to the budgets and work plans shall be determined jointly by the General Director and the Finance and Commercial Manager after consultation with the board of directors of the Target Company. Shareholders shall advance funds in proportionate to their shareholding in the Target Company if the funding proposal is approved by the board of directors of the Target Company.

Transfer of shares

Restriction on share transfers

Shareholders of the Target Company shall not, other than in accordance with the provisions of the articles of the Target Company, the Shareholders' Agreement and other relevant agreements, sell, assign, transfer, create or permit to subsist any trust, confer any option, right or interest, enter into any agreement, arrangement or understanding in respect of the voting rights or dividends or other rights or payments, create, transfer or decrease any economic interest in or otherwise dispose of any shares or any interest in or rights attaching to any shares of the Target Company.

Permitted transfers

Any shareholder of the Target Company may at any time transfer shares of the Target Company to its Affiliates, provided that the transferee first enters into a deed of accession.

Right of pre-emption and tag-along rights

Each shareholder of the Target Company may transfer some or all of their shares to any third party purchaser (not being a transfer to an Affiliate) provided that the transferor shall offer to all other shareholders the shares proposed to be sold to the third party purchaser in accordance with the terms of the Shareholders' Agreement. The non-selling shareholder(s) shall have the right either (a) to purchase all the shares (or the number of shares in proportionate to their existing shareholding if more than one existing shareholders are to accept the offer) proposed to be sold on the same terms offered by the third party purchaser or at the price determined in accordance with the Shareholders' Agreement; or (b) to require the third party purchaser to purchase up to the pro rata portion of the shares held by it.

Default and termination

Events of Default

Events of default ("**Events of Default**") include the failure to provide funding and other shareholder duly gives notice that it wishes the failure to be an Event of Default; insolvency of the shareholder; material breach of the Shareholders' Agreement; events otherwise stipulated to be an Event of Default in the articles of the Target Company or in the Shareholders' Agreement; a change of control of a shareholder of the Target Company other than in the case of the Purchaser or the Company. The defaulting shareholder shall be deemed to offer to all other shareholders all of its shares in the Target Company at a price determined in accordance with the Shareholders' Agreement.

Termination events

The Shareholders' Agreement may be terminated until the earlier of the following:

(a) dissolution of the Target Company;

(b) holding by one shareholder of one hundred per cent. (100%) of the shares of the Target Company; or

(c) the agreement of all the parties to the Shareholders' Agreement that it be terminated.

INFORMATION ABOUT THE PARTIES

The Group

The Group is an independent oil and gas group engaged in the exploration and production of oil and gas in PRC, Kazakhstan and the United States of America.

The Seller

The Seller is an indirectly wholly-owned subsidiary of the Company and is the investment holding company of the Target Company.

The Purchaser

The Purchaser is an oil and gas special purpose acquisition company listed on the Main Market of Bursa Malaysia Securities Berhad. The Purchaser's management team comprises of E&P veterans with practical and technical field experiences and track record encompassing the entire value chain of the E&P sector from companies such as Exxon, Shell and Petronas. As of 29 February 2016, the Purchaser has RM755,297,965 (raised from its initial public offering in August 2014) in its trust account for use in its qualifying acquisition.

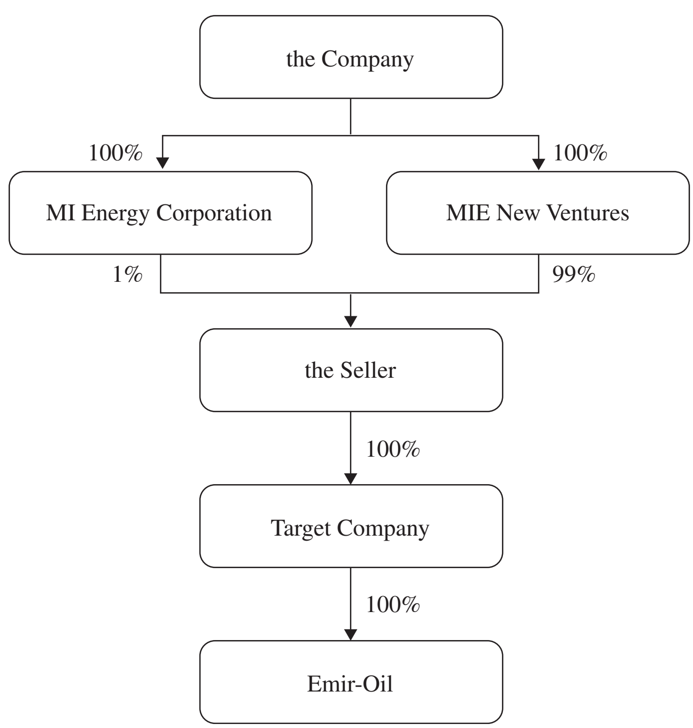
INFORMATION ABOUT THE TARGET GROUP

The Target Company is a company organized and existing under the laws of Netherlands. The Target Company is the investment holding company of Emir-Oil which is primarily engaged in the exploration, production and exploitation of hydrocarbon resources in Kazakhstan, including but not limited to the business of production of oil under the Aksaz Production Contract, Dolinnoe Production Contract, Emir Production Contract and Kariman Production Contract and exploration of hydrocarbon materials under the Aksaz-Dolinnoe-Emir Exploration Contract.

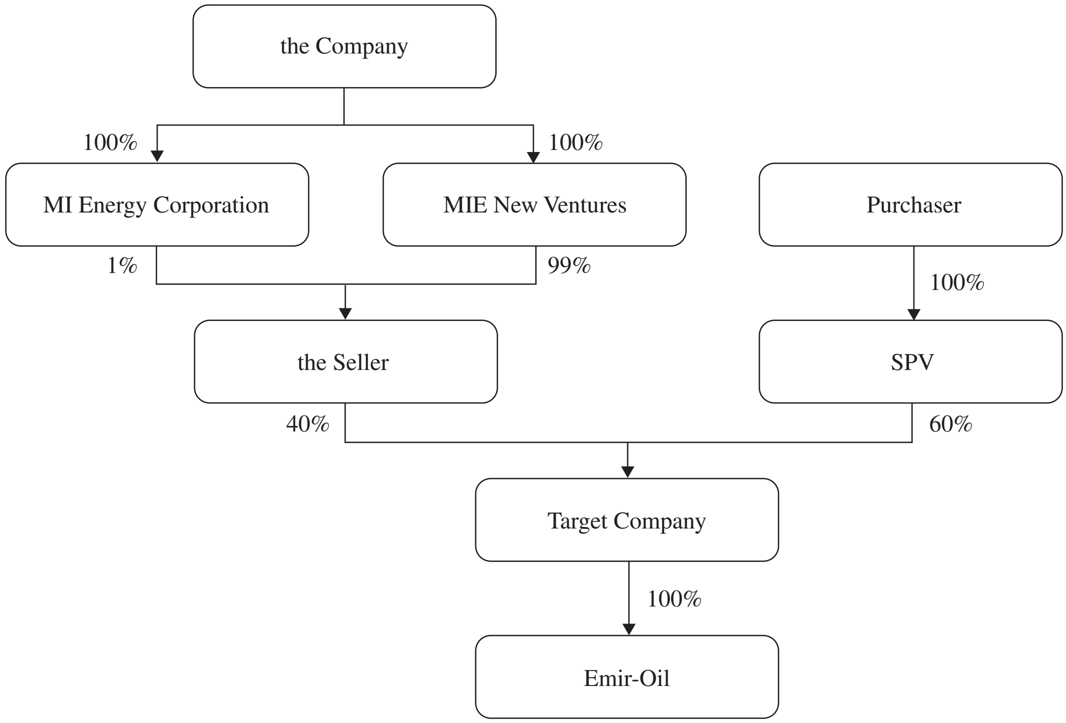
As at 31 December 2015, Emir-Oil operated a total 48 wells. For the full year 2015, Emir-Oil's average daily oil production and average daily gas production was 3,412 BOPD and 5,893 MSCF/day respectively. The overall average realized oil price for Emir-Oil was US$43.09/barrel with export sales comprising 89% of total sales volumes. The average realized export price (after deducting export sales and marketing commission of US$5.35/barrel) was US$47.10/barrel, and the average domestic price was US$12.02/barrel. Average realized gas price was US$0.95/MSCF.

Corporate Structure of the Target Group before and after Completion

Before Completion



After Completion



FINANCIAL INFORMATION AND IMPACT OF THE DISPOSAL

As at 30 September 2015, the Target Group had unaudited combined total assets and net assets of approximately US$518.9 million and US$115.1 million, respectively. Selected combined financial information of the Target Group is set out below:

	For the financial year ended 31 December			For the 9-month period ended 30 September
	[1]2012	2013	2014	2015
	(unaudited)	(audited)	(audited)	(unaudited)
	US$'000	*US$'000*	*US$'000*	*US$'000*
Revenue	88,279	126,443	121,452	41,108
Operating profit/(loss)	3,524	24,696	17,668	(8,567)
Profit/(loss) before taxation	3,794	14,797	13,705	(4,305)
Income tax (expenses)/credit	(3,544)	2,449	(7,202)	(3,406)
Profit/(loss) after taxation	250	17,246	6,503	(7,711)
Operating profit/(loss) margin (%)	3.99	19.53	14.55	(20.84)
Profit/(loss) after taxation margin (%)	0.28	13.64	5.35	(18.76)
Shareholder's funds/NA	86,225	103,393	98,118	115,094
Total borrowings	200,956	232,211	273,590	285,537
Number of shares in issue	18,000	18,000	18,000	18,000
Shareholder's fund per share	4.79	5.74	5.45	6.39
Gearing ratio (times)[2]	2.33	2.25	2.79	2.48

Notes:

(1) The financial information is extracted from the audited consolidated financial statements of the Target Company for the financial year ended 31 December 2013 which include comparative information as required by International Accounting Standards 1, "Presentation of Financial Statements" in accordance with IFRS issued by the International Accounting Standards Board ("**IFRS 1**"). Such comparative information for the year ended 31 December 2012 is unaudited as prior to the financial year ended 31 December 2013, the Target Group did not prepare a complete set of financial statements as defined in IFRS 1. The Target Group prepared its consolidated financial statements in accordance with IFRS starting 2013. Accordingly, 1 January 2013 represents the first IFRS reporting date of the Target Group in accordance with IFRS 1, "First-time adoption of IFRS".

(2) Computer based on total borrowings divided by shareholders' funds.

Based on the unaudited book value of Sale Shares and the Relevant Percentage of the Shareholder Loans of approximately US$236.6 million (as at 30 September 2015), and assuming Net Contribution of US$21 million, the expected net proceeds from the Disposal will be US$173.8 million; accordingly, it is estimated that the Group will record a loss of approximately US$83.8 million at Completion.

Upon Completion, the Target Company will cease to be an indirectly wholly owned subsidiary of the Group and the accounts of the Target Company will no longer be consolidated in the financial statements of the Group thereafter.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Since the acquisition of Emir-Oil in 2011, the Group has contributed tremendous expertise and resources that has led to many remarkable operational milestones of Emir-Oil, which include the increased production from approximately 2,170 barrels per day to a peak of above 5,000 barrels per day in 2014 as well as horizontal well drilling. The Group considers it is now our best interests and optimal timing to team up a strong strategic partner to maximize the growth and economic value of Emir-Oil with such prolific 2P reserves and high potential of further reserves/resources upgrade. In addition, this divestment opportunity enhances the financial strength and liquidity of the Group under current volatile oil price environment while allowing the Group to maintain a stake in an attractive asset. The Company and Emir-Oil is confident that the experienced management team of the Purchaser will bring significant value to the assets and create synergy for the Target Group. Being listed on the Main Market of Bursa Malaysia Securities Berhad, the Purchaser also opens up an additional source of capital raising for the Target Company, thereby further preparing Emir-Oil to be able to capitalize on the rapid expansion and growth once oil price recovers.

In view of the above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Disposal are fair and reasonable and on normal commercial terms and that the entering of the Sale and Purchase Agreement and the Transaction are in the interest of the Company and the shareholders as a whole.

USE OF PROCEEDS

The net proceeds from the Disposal after deducting related transaction costs and expenses are estimated to be US$173.8 million. The Group intends to apply the net proceeds from the Disposal for general working capital of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the Relevant Ratios in respect of the Disposal are more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under the Listing Rules and is therefore subject to approval of the Shareholders at the EGM. The Company will convene the EGM at which ordinary resolution(s) will be proposed to approve, among other things, the Sale and Purchase Agreement. As no Shareholders has a material interest in the Disposal, no Shareholders is required to abstain from voting on the resolution to be proposed at the EGM to approve the Disposal.

GENERAL

Pursuant to the requirements applicable to a major transaction under Chapter 14 of the Listing Rules, the Company will despatch to the Shareholders the Circular containing further details of the Sale and Purchase Agreement and the notice of the EGM within 15 business days after publication of this announcement, i.e. on or before 29 March 2016. Since the Circular will also contain, among other things, a Competent Person's Report to be prepared in accordance with Chapter 18 of the Listing Rules and it will take time to prepare the foregoing information for inclusion in the Circular, the Company will apply to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules. Subject to granting of such waiver by the Stock Exchange, the Circular is expected to be despatched to the Shareholders on or before 31 May 2016. Further announcement(s) will be made by the Company as and when appropriate.

Completion of the Disposal is subject to the Conditions, which may or may not be fulfilled. The transactions contemplated under the Sale and Purchase Agreement may or may not proceed. Shareholders and potential investors of the Company should exercise caution when they deal or contemplate dealing in the Shares and other securities of the Company.

DEFINITIONS

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

"Affiliate"	means in relation to any person, any other person directly or indirectly Controlled by, or Controlling of, or under common Control with, that person and, in the case of a trust, any trustee or beneficiary (actual or potential) of that trust. The SPV shall be deemed to be an Affiliate of the Purchaser
"Aral Loan"	means the following loans provided by Emir-Oil to Aral Petroleum Capital LLP (which being a debtor of the Target Group and an Independent Third Party): (a) the loan dated 21 April 2015 for a principal amount of Kazakhstan Tenge 148,000,000;

(b) the loan dated 22 July 2015 for a principal amount of Kazakhstan Tenge 42,000,000;

(c) the loan dated 23 July 2015 for a principal amount of Kazakhstan Tenge 14,000,000; and

(d) the loan dated 13 August 2015 for a principal amount of Kazakhstan Tenge 37,000,000

"Audited Accounts"	means the audited accounts of the Target Group for each of the financial years ending 31 December 2013, 2014 and 2015 and in respect of the audited accounts prepared for the financial year ending 31 December 2015, duly conformed with the IFRS and prepared for the purpose of approval of the Transaction (the Purchaser's current intention is to appoint PwC Malaysia). The audited accounts of the Target Group for the financial year ending 31 December 2015 shall also include a statement of Net Working Capital as at the Effective Date for the sole purpose of preparing the Final Reconciliation
"Bank Guarantee"	means the on demand bank guarantee to be provided by the Purchaser to the Company by Hong Leong Islamic Bank Berhad, Malaysia in the form agreed by the Company and the Purchaser for the amount of US$1,500,000
"Board"	the board of Directors
"Break Fee"	means a fixed amount of US$1,500,000 only as liquidated damages being a genuine pre-estimate of the other Party's expenses and costs arising from or in connection with the Sale and Purchase Agreement or the Transaction payable no later than seven (7) days after the date of the termination notice pursuant to the Sale and Purchase Agreement
"Business Day"	means a day (other than a Saturday or Sunday) on which banks are open for general business in Beijing (the People's Republic of China), Hong Kong (the People's Republic of China), Astana (the Republic of Kazakhstan), Kuala Lumpur (Malaysia), Amsterdam (Netherlands) and the Cayman Islands
"Circular"	the circular to be issued by the Company in accordance with the Listing Rules in respect of, among other things, the Disposal
"Company"	MIE Holdings Corporation (stock code: 1555), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange

"Competent Body"	means the Ministry of Energy of the Republic of Kazakhstan carrying out on behalf of the Republic of Kazakhstan the rights, connected to execution and implementation of the subsoil use contracts in the oil and gas sphere, with the competencies for the oil and gas and petrochemicals industries, and transportation of raw hydrocarbons, or its legal successor
"Completion"	completion of the sale and purchase of the Sale Shares and the transfer and assignment of the Relevant Percentage of the Shareholder Loans in accordance with Sale and Purchase Agreement
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Contracts"	collectively, means: a. the Hydrocarbon Production Contract for the Aksaz field within blocks XXXV-10-C (partially), XXXV-11-A (partially), D (partially) of the Munailinsky District of the Mangystau Oblast between the Republic of Kazakhstan and Emir-Oil (Registration Number 3737-UVS dated 9 September 2011) ("**Aksaz Production Contract**"); b. the Hydrocarbon Production Contract for Dolinnoe field within blocks XXXV-11-A (partially), D (partially) of the Munailinsky District of the Mangystau Oblast between the Republic of Kazakhstan and Emir-Oil (Registration Number 3735-UVS dated 9 September 2011) ("**Dolinnoe Production Contract**") c. the Hydrocarbon Extraction Contract for the Emir Field XXXV-11-A (partially) blocks of Emir Field of Munailinsky District of the Mangystau Oblast between the Republic of Kazakhstan and Emir-Oil (Registration Number 3890-UVS dated 1 March 2013) ("**Emir Production Contract**") d. the Hydrocarbon Production Contract for Kariman field within blocks XXXV-11-D (partially), E (partially) of the Munailinsky District of the Mangystau Oblast between the Republic of Kazakhstan and Emir-Oil (Registration Number 3736-UVS dated 9 September 2011) ("**Kariman Production Contract**")

e. the Contract on Exploration for Hydrocarbon Raw Materials on the Site of "Aksaz-Dolinnoe-Emir" located in the Tyubkaragan District of the Mangystau Oblast between the Republic of Kazakhstan and Emir-Oil (Registration Number 482 dated 9 June 2000), and the amendments thereof ("**Aksaz-Dolinnoe-Emir Exploration Contract**")

"Control" means the power of a person to secure, directly or indirectly, (whether by the holding of shares, possession of voting rights or by virtue of any other power conferred by the articles of association, constitution, partnership deed or other documents regulating another person or otherwise) that the affairs of such other person are conducted in accordance with his or its wishes and "**Controlled**"and "**Controlling**"shall be construed accordingly

"Deferred Consideration" means the amount equal to:

(A) 15% of the Adjusted Transaction Consideration; and

(B) interest on the amounts set out in paragraph (A) above in accordance with the following interest schedule: (i) if payment is made within twelve (12) months of the Completion Date, no interest is payable; (ii) if payment is made twelve (12) months after the Completion Date but before twenty-four (24) months after the Completion Date, the rate of ten per cent. (10%) per annum from the period of twelve (12) months after the Completion Date until the payment date; and (iii) if payment is made twenty-four (24) months after the Completion Date, the rate of ten per cent. (10%) per annum for the period of twelve (12) months after the Completion Date until twenty-four (24) months after the Completion Date, then the rate of fourteen per cent. (14%) per annum from the period of twenty-four (24) months after the Completion Date until the payment date

"Director(s)" the director(s) of the Company

"Disposal" the proposed disposal of the Sale Shares in the Target Company by the Seller to the Purchaser (or the SPV as the Purchaser may direct) and the assignment and transfer of the Shareholder Loan in proportion of the Relevant Percentage by the Company to the Purchaser (or the SPV as the Purchaser may direct) as contemplated under the Sale and Purchase Agreement

"Dissenting Shareholders Payback Amount"	means the amount from the Trust Account which will be required to be paid out to holders of voting securities of the Purchaser who vote against the resolution approving the Transaction at the general meeting of the Purchaser and have requested that the Purchaser repurchase their voting securities
"Effective Date"	means 30 September 2015
"EGM"	the extraordinary general meeting of the Company to be convened to consider, and if thought fit, approve, among other things, the Disposal
"Emir-Oil"	Emir-Oil LLP, a company incorporated in the Republic of Kazakhstan
"Group"	the Company and its subsidiaries as at the date of this announcement
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"IFRS"	the International Financial Reporting Standards
"Independent Third Party(ies)"	means party(ies) who is/are independent and not connected with the Company and its connected persons
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Longstop Date"	5 September 2016, being six (6) months from the date of the Sale and Purchase Agreement, or such later date as the Parties to the Sale and Purchase Agreement may agree

"Net Contribution Amount" means the amount equal to the Relevant Percentage of:

(a) (positive) the aggregate of all payments made by the Company (or its Affiliates, but excluding the Target Group) to the Target Group for the purpose of funding the Target Group's capital expenditures and operational expenditures, all payments made by the Company (or its Affiliates, but excluding the Target Group) to any third persons on behalf of, or for the benefit of, the Target Group within the Target Group's ordinary course of business, and all payments made by the Company (or its Affiliates, but excluding the Target Group) to any third persons for the purpose of settling liabilities on behalf of, or for the benefit, of the Target Group. This shall exclude the settlement amount to ACAP Limited (which being a creditor of the Target Group and an Independent Third Party) (whether in shares of the Company or in cash), plus

(b) (positive) interest on the amounts in paragraph (a) above from the date of payment until the Completion Date at the interest rate set out in the Shareholder Loan agreements, less

(c) (negative) the aggregate of all payments outside the ordinary course of business made by the Target Group to the Company (or its Affiliates, but excluding the Target Group), including any and all distributions, dividends, repayment of shareholder loans or other payments declared, made or paid in respect of any of the issued shares of the Company and for the avoidance of doubt, payments made by the Target Group related to the settlement of the payables to ACAP Limited are deemed outside the ordinary course of business;

in each case, after the Effective Date and on or prior to the Completion Date

"Net Working Capital" means the amount equal to the Relevant Percentage of the sum of the following items as on the Effective Date:

(a) Inventories (+)

(b) Trade receivables (+)

(c) Current portion of prepayment and other receivables (+)

(d) Trade payables (-)

(e) Current portion of accruals and other payables (-)

	(f) Cash and cash equivalents (+) Receivables related to the Aral Loan and payables to ACAP Limited are excluded from the Net Working Capital
"Party" or "Parties"	means a party or the parties to the Sale and Purchase Agreement
"Purchaser"	Reach Energy Berhad, a company organised and existing under the laws of Malaysia
"Purchaser Cash Position"	means the cash and cash equivalent in the accounts of the Purchaser as set out in the then most recent quarterly balance sheet as announced by the Purchaser
"Relevant Percentage"	means sixty per cent (60%)
"Relevant Ratios"	the five ratios set out in Rule 14.07 of the Listing Rules (where applicable)
"Remaining Completion Amount"	means: (A) an amount equal to (i) 85% of the Adjusted Transaction Consideration; less (ii) the Completion Payment; and (B) interest on the amount set out in paragraph (A) above in accordance with the following interest schedule: (i) if payment is made within six (6) months of the Completion Date, no interest is payable; (ii) if payment is made six (6) months after the Completion Date but before eighteen (18) months after the Completion Date, the rate of ten per cent. (10%) per annum from the period of six (6) months after the Completion Date until the payment date; and (iii) if payment is made eighteen (18) months after the Completion Date, the rate of ten per cent. (10%) per annum for the period of six (6) months after the Completion Date until eighteen (18) months after the Completion Date, then the rate of fourteen per cent. (14%) per annum from the period of eighteen (18) months after the Completion Date until the payment date
"RM"	Ringgit Malaysia, the lawful currency of the Malaysia
"Sale and Purchase Agreement"	the conditional sale and purchase agreement dated 5 March 2016 entered into between the Parties in relation to the Disposal

"Sale Shares"	means 10,800 ordinary shares constituting sixty per cent 60% of the equity interest in the issued and paid-up capital in the Target Company
"Seller"	Palaeontol Cooperatief U.A., a company organised and existing under the laws of the Netherlands
"Share(s)"	ordinary share(s) of US$0.001 each in the capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Shareholders' Agreement"	the shareholders' agreement, in agreed terms, to be signed between the Parties, the SPV and the Target Company
"Shareholder Loans"	means outstanding loans from the Company as lender to the Target Company as borrower comprising of principal loan amounts and accrued interest as at the Completion Date
"SPV"	means the special purpose vehicle to be incorporated by the Purchaser to receive the transfer of the Sale Shares and Relevant Percentage of the Shareholder Loan
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Palaeontol B.V., a company incorporated in the Netherlands
"Target Group"	Target Company and Emir-Oil
"Transaction"	the transactions contemplated by the Sale and Purchase Agreement and any matters arising out thereof
"Trust Account"	means the trust account maintained by the custodian, Amanah Raya Trustees Berhad to hold and deal with part of the trust proceeds raised from the initial public offering of the Purchaser (being 94.75% of the gross proceeds raised by the Purchaser pursuant to its initial public offering, including and accrued interest to date) on behalf of the Company
"US$"	United State dollars, the lawful currency of the United States of America
"%"	per cent.

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

Hong Kong, 7 March 2016

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, Mr. Tao Tak Yin Dexter 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 W. Miller and Mr. Guo Yanjun.