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 IN RELATION TO THE DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF ASIA GAS & ENERGY LTD

THE DISPOSAL

The Board is pleased to announce that on 26 April 2016 (after trading hours), 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 the Target Company, and the Shareholder's Loan, at a total Consideration of the sum of US$220 million (approximately HK$1,716 million) (subject to adjustment) and US$60,000 (approximately HK$468,000) per month for the period after 31 December 2015 until the Completion Date.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company will convene the EGM at which ordinary resolution(s) will be proposed to approve, among other things, the Disposal.

GENERAL

Pursuant to the requirements applicable to a major transaction under Chapter 14 of the Listing Rules, a circular containing, among other things, further details of the Disposal and a notice of the EGM shall be dispatched to the Shareholders within 15 business days after the publication of this announcement, i.e. on or before 19 May 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 Circular is expected to be dispatched by the Company to the Shareholders on or before 30 June 2016. Further announcement(s) will be made by the Company as and when appropriate.

Completion of the Disposal is subject to the Conditions, including the approval of the Disposal by Shareholders at the EGM. Accordingly, the Disposal may or may not proceed and Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company.

INTRODUCTION

The Board is pleased to announce that on 26 April 2016 (after trading hours), 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 the Target Company, and the Shareholder's Loan, at a total Consideration of the sum of US$220 million (approximately HK$1,716 million) (subject to adjustment) and US$60,000 (approximately HK$468,000) per month for the period after 31 December 2015 until the Completion Date.

THE AGREEMENT

The principal terms of the Agreement are as follows:

Date

26 April 2016

Parties

(a) the Company; and

(b) the Purchaser.

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

Subject matter of the Disposal

(a) the Sale Shares, representing the entire issued share capital of the Target Company; and

(b) the Shareholder's Loan.

Consideration and basis of determination

The Consideration under the Agreement comprises (a) the Purchase Price (subject to adjustment); and (b) the Management Fee.

(a) Purchase Price

The Purchaser shall pay US$220 million (approximately HK$1,716 million) (subject to adjustment) (the "**Purchase Price**") in cash to the Company according to the following schedule:

(i) on the date of the Agreement, US$88 million (approximately HK$686.4 million), being 40% of the Purchase Price (the "**Initial Payment**");

(ii) at Completion, the balance of the Purchase Price, as adjusted pursuant to the paragraph headed "*Completion Adjustment of Purchase Price*" below; and

(iii) if there is any further revision to the adjustment amount to the Purchase Price pursuant to the paragraph headed "*Post-Completion Adjustment of Purchase Price*" below, such amount shall be settled by the Company or the Purchaser (as the case may be) within 10 business days after such amount has been agreed by them (or otherwise determined pursuant to the Agreement).

The Initial Payment is refundable if Completion does not take place on or before the Long-stop Date, other than by virtue of any breach of the Agreement by the Purchaser.

Completion Adjustment of Purchase Price

At Completion, the Purchase Price shall be adjusted as follows:

(i) if the difference between the current assets and the current liabilities of SGE (excluding accounts receivable from or accounts payable to SGEH and/or the Target Company) as at 31 December 2015 (the "**Net Working Capital of SGE**") is positive, the Purchase Price shall be increased by an amount equal 51% of the Net Working Capital of SGE; and if the Net Working Capital of SGE is negative, the Purchase Price shall be decreased by an amount equal to 51% of the Net Working Capital of SGE;

(ii) if the difference between the current assets and current liabilities of the Target Company (excluding accounts receivable from or accounts payable to SGE and/or the Group) as at 31 December 2015 (the "**Net Working Capital of the Target Company**") is positive, the Purchase Price shall be increased by an amount equal to the Net Working Capital of the Target Company; and if such amount is negative, the Purchase Price shall be decreased by an amount equal to the Net Working Capital of the Target Company;

(iii) if the aggregate of all payments made by the Group to, on behalf of or for the benefit of, the Target Company less the payments made by the Target Company to the Group (including any distribution of profits generated after 31 December 2015 to the Company) (the "**Net Contribution Amount**") after 31 December 2015 until the Completion Date is positive, the Purchase Price shall be increased by an amount equal to the Net Contribution Amount; and if the Net Contribution Amount is negative, the Purchase Price shall be decreased by an amount equal to the Net Contribution Amount; and

(iv) if there is any revenue generated or accrued by SGE from sales of Hydrocarbon Gas produced on or before 31 December 2015 or if there is any allocation made to or accrued by SGE with respect to production or pilot production under the PSCs produced on or before 31 December 2015, and such respective amounts are not reflected in the Net Working Capital of SGE, the Purchase Price shall be increased by an amount equal to 51% of such respective amounts.

Post-completion Adjustment of Purchase Price

On or before the 50th day following the Completion Date, the Purchaser shall notify the Company if any revision on the adjustment amount of the Purchase Price (the "**Post-Completion Adjustment Amount**") is necessary. The Company shall within a period of 30 days indicate whether it agrees to the Post-Completion Adjustment Amount as notified by the Purchaser, failing which the Company shall be deemed to have accepted the amount as notified by the Purchaser. If the Company and the Purchaser fail to agree on the Post-Completion Adjustment Amount after a further period of 30 days, they should jointly engage one of the "Big Four" accounting firms to make a final decision on the Post-Completion Adjustment Amount.

(b) Management Fee

At Completion, the Purchaser shall pay a management fee for the Company's management of SGE's operations and activities in relation to Hydrocarbon Gas exploration, appraisal, development and production under the PSCs in the amount of US$60,000 (approximately HK$468,000) per month for the period after 31 December 2015 until the Completion Date (the "**Management Fee**").

Whilst the final Consideration amount will be subject to the above adjustments to the Purchase Price to be finalised at or after Completion, based on an estimation of the adjusted Purchase Price as at the date of this announcement, the Board currently estimates that the applicable percentage ratio with reference to the consideration test under the Listing Rules will exceed 25% but will be below 75%.

The Consideration was determined on normal commercial terms after arm's length negotiations between the Company and the Purchaser with reference to a number of factors, including but not limited to the 2P Reserves stated in the independent technical reserve reports for both Linxing PSC and Sanjiaobei PSC as at 31 December 2015, the latest production/flow rate, gas sales volume, gas price, existing infrastructure, financial information of the Target Company and the strategic value of the assets under the macro China natural gas environment.

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

Conditions

Completion is conditional on the following conditions (the "**Conditions**") being satisfied or waived (if applicable):

(a) all of the requirements under the Listing Rules (including, without limitation, the shareholders' approval requirements under Chapter 14 of the Listing Rules), which are applicable to the transactions contemplated under the Agreement, have been satisfied;

(b) the charge over the Sale Shares in favour of an independent third party has been released; and

(c) no material adverse event, namely the termination of either or both of the PSCs by the relevant counterparties to the PSCs (except if such termination is caused by any act or omission to act of the Purchaser, its holding company or their respective subsidiaries, or of any third party acting in accordance with the instructions of the Purchaser, its holding company or their respective subsidiaries), has occurred.

Save and except for Condition (c) above (which may be waived at the discretion of the Purchaser), none of the Conditions can be waived.

Completion

Completion shall take place on the Completion Date.

Upon Completion, the Target Company will cease to be a wholly-owned subsidiary of the Group.

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 the PRC, Kazakhstan and the USA. The Group operates the Daan and Moliqing oilfields in the Songliao Basins under various separate production sharing contracts with PetroChina Company Limited, the largest oil company in the PRC. The Group also holds an exploration contract and four production contracts that allow the Group to conduct exploration and production activities in the Mangistau province in the southwestern region of Kazakhstan. In addition, the Group pursues other oil and gas exploration, development and production opportunities internationally, both independently and in partnership with other major and independent oil companies.

The Purchaser

The Purchaser is a private company incorporated under the laws of Hong Kong with a focus on the exploration, development and production of oil and gas fields. The Purchaser's management team comprises of industry veterans with extensive exploration and development experience of operating on-shore oil and gas fields in the PRC, the Republic of Indonesia, Kazakhstan and other international oil and gas joint ventures during their tenors with China National Petroleum Corporation and other companies listed on the Main

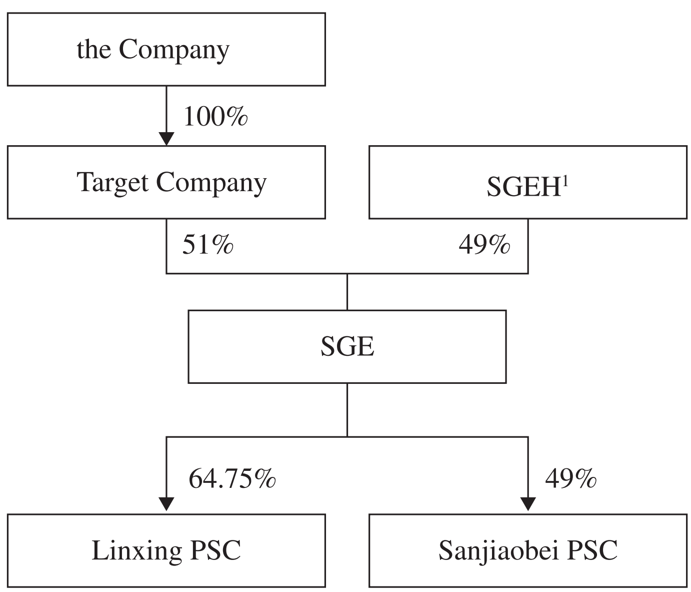
Board of the Stock Exchange or on other stock exchanges, such as CNOOC Limited (NYSE: CEO; HKEx: 883; ADR: CNU), Sinopec Corp. (SSE: 600028; HKEx: 386; ADR: SNP) and CITIC Resources Holding Limited (HKEx: 1205).

INFORMATION ABOUT THE TARGET COMPANY

The Target Company is an exempted company incorporated under the laws of the Cayman Islands with limited liability. As at the date of this announcement, the Target Company is wholly owned by the Company.

The Target Company is an investment holding company. The Target Company holds 51% equity interest in SGE, which has a 64.75% and 49% interest in the Linxing PSC and Sanjiaobei PSC, respectively. The PSCs are located in Shanxi province, North China, in the Ordos Basin and cover an area of over 3,000 km^2 and are prospective for coal bed methane and tight gas. During 2015, the total gross operated production of SGE was 3,702 Mscf/day. For the period since the Company's acquisition of the Target Company in 2012 until 31 December 2015, the Company has contributed a total of approximately US$148.8 million (approximately HK$1,160.64 million) (by way of equity and shareholder's' loan) in the Target Company.

A simplified chart illustrating the shareholding structure of the Target Company and SGE as at the date of this announcement is set out below:



Note (1): To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, save for the Company's and SGEH's joint investment in SGE as shown in the chart above, SGEH and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected person(s) as at the date of this announcement.

Financial Information of the Target Company and Financial Effects of the Disposal

The table below sets forth the financial information of the Target Company:

	For the financial year ended 31 December	
	2014	**2015**
	(unaudited)	(unaudited)
	US$	*US$*
EBITDA (negative)	(9,240,720)	(4,274,634)
Net (loss)	(9,252,879)	(4,274,764)

	As at 31 December 2014	**As at 31 December 2015**
	(unaudited)	(unaudited)
	US$	*US$*
Net asset	46,885,649	42,610,885

Upon Completion, the Group is expected to record an unaudited gain of approximately US$50.8 million (approximately HK$396.1 million) from the Disposal, calculated on the basis of (i) the estimated Purchase Price of US$220.0 million (approximately HK$1,716 million) and the estimated Management Fee of US$0.3 million (approximately HK$2.3 million); (ii) the unaudited net asset value of and shareholder's loan to the Target Company as at 31 December 2015 of US$42.6 million (approximately HK$332.3 million) and US$87.8 million (approximately HK$684.8 million), respectively; and (iii) the acquisition consideration of previous minority shareholders' stake in the Target Company based on the same Purchase Price of US$220.0 million (approximately HK$1,716 million) (before adjustment); and (iv) the transaction expenses in connection with the Disposal.

REASONS FOR AND BENEFITS OF THE DISPOSAL

In view of the prolonged volatility of crude prices in the global commodities market, the Disposal opportunity shall further enhance the financial strength and liquidity of the Group. The Disposal will allow the Group to realign resources and provide greater flexibilities in balancing between (i) capitalizing on any new acquisition opportunities that may provide more long-term strategic value to the Group and (ii) managing the various liabilities on the Group's balance sheet as the global oil and gas industry recovers in the foreseeable future.

Further, based on the Target Company's consolidated financial statements (prepared under the relevant international accounting standards adopted by the Group) for the years ended 31 December 2014 and 31 December 2015, the Target Company recorded (i) net losses of RMB55.4 million (approximately HK$66.5 million) and RMB26.6 million (approximately HK$31.9 million), respectively; and (ii) negative EBITDA of RMB55.4 million (approximately HK$66.5 million) and RMB26.6 million (approximately HK$31.9 million), respectively. The Disposal will attribute potential gains of RMB330.3 million (approximately HK$396.1 million) to the Group upon Completion, and enhances the financial strength and liquidity of the Company in the current low oil price environment.

In addition, as the Group accounts for its investment in SGE by way of equity accounting and does not consolidate the balance sheet and income statement of SGE into the Group's consolidated financial statements, the Disposal is not expected to have any material impact on the Group's financial following Completion.

Accordingly, the Directors believe that the Consideration represents a fair valuation on the Target Company and a reasonable return to the Group. The Board concludes that the terms and conditions of the Disposal are fair and reasonable and in the best of interests 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 as mentioned above are estimated to be US$203.5 million (approximately HK$1,587.1 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 the highest applicable percentage ratio in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company will convene the EGM at which ordinary resolution(s) will be proposed to approve, among other things, the Disposal.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has any material interest in the Disposal as at the date of this announcement, and as such, no Shareholder is required to abstain from voting on the resolution(s) 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, a circular containing, among other things, further details of the Disposal and a notice of the EGM shall be dispatched to the Shareholders within 15 business days after the publication of this announcement, i.e. on or before 19 May 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 Circular is expected to be dispatched by the Company to the Shareholders on or before 30 June 2016. Further announcement(s) will be made by the Company as and when appropriate.

Completion of the Disposal is subject to the Conditions, including the approval of the Disposal by Shareholders at the EGM. Accordingly, the Disposal may or may not proceed and Shareholders and potential investors of the Company are advised to exercise caution when 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:

"Agreement"	the sale and purchase agreement dated 26 April 2016 between the Company and the Purchaser in relation to the Disposal
"Board"	the board of Directors
"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
"Completion"	completion of the Disposal in accordance with the terms and conditions of the Agreement
"Completion Date"	the fifth business day following the day on which the parties to the Agreement notified each other that all Conditions have been satisfied or waived (if applicable) or such later date as the parties to the Agreement may agree in writing
"Conditions"	conditions precedent to the Completion, details of which are set out in the paragraph headed "*Conditions*" in this announcement
"connected person(s)" and "percentage ratio(s)"	each has the meaning ascribed to it under the Listing Rules
"Consideration"	the total consideration payable by the Purchaser pursuant to the Agreement, details of which are set out in the paragraph headed "*Consideration and basis of determination*" in this announcement
"Director(s)"	the director(s) of the Company
"Disposal"	the disposal of the Sale Shares and the Shareholder's Loan pursuant to the terms and conditions of the Agreement
"EBITDA"	earnings before interest, tax, depreciation and amortization

"EGM"	the extraordinary general meeting of the Company to be convened to consider, and if thought fit, approve, among other things, the Disposal
"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 People's Republic of China
"Hydrocarbon Gas"	any gas mainly consisting of methane and hydrocarbon liquids that are covered by the PSCs
"Initial Payment"	as defined in the paragraph headed "*Consideration and basis of determination — (a) Purchase Price*" in this announcement
"Linxing PSC"	the production sharing contract between SGE and China United Coal Bed Methane Corporation dated 29 June 1998 and as amended in respect of a tenement area of approximately 1,874 km^2 (as adjusted from time to time) in the Linxian and Xingxian Counties, Shanxi Province, the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long-stop Date"	the 120th day after the date of the Agreement or such other date as the parties to the Agreement may agree in writing
"Management Fee"	as defined in the paragraph headed "*Consideration and basis of determination — (b) Management Fee*" in this announcement
"Mscf/d"	thousand standard cubic feet per day, a common measure for volume of gas
"Net Contribution Amount"	as defined in the paragraph headed "*Consideration and basis of determination — (a) Purchase Price — Completion Adjustment of Purchase Price*" in this announcement
"Net Working Capital of the Target Company"	as defined in the paragraph headed "*Consideration and basis of determination — (a) Purchase Price — Completion Adjustment of Purchase Price*" in this announcement
"Net Working Capital of SGE"	as defined in the paragraph headed "*Consideration and basis of determination — (a) Purchase Price — Completion Adjustment of Purchase Price*" in this announcement

"Post-Completion Adjustment Amount"	as defined in the paragraph headed "*Consideration and basis of determination — (a) Purchase Price — Post-completion Adjustment of Purchase Price*" in this announcement
"PRC"	the People's Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
"PSCs"	the Linxing PSC and the Sanjiaobei PSC
"Purchase Price"	as defined in the paragraph headed "*Consideration and basis of determination — (a) Purchase Price*" in this announcement
"Purchaser"	China New Energy Mining Limited, a company incorporated under the laws of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"Sale Shares"	4,990,000,000 shares of US$0.001 each in the Target Company, representing the entire issued share capital of the Target Company
"Sanjiaobei PSC"	the production sharing contract between the SGE and China National Petroleum Corporation dated 29 June 1998 and as amended in respect of a tenement area of approximately 1,126 km^2 (as adjusted from time to time) in Sanjiaobei Area, Shanxi Province, the PRC
"SGE"	Sino Gas & Energy Limited, a company incorporated under the laws of Australia
"SGEH"	Sino Gas & Energy Holdings Limited, a company incorporated under the laws of Australia
"Share(s)"	ordinary share(s) of US$0.001 each in the capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"Shareholder's Loan"	all of the amounts owed by the Target Company to the Company as at the Completion Date. For illustration purpose, the amount of the Shareholder's Loan was US$87.8 million (approximately HK$684.8 million) as at 31 December 2015
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	Asia Gas & Energy Ltd, an exempted company incorporated under the laws of the Cayman Islands with limited liability, and as at the date of this announcement, a wholly-owned subsidiary of the Company
"USA"	United States of America
"US$"	United State dollars, the lawful currency of the USA
"%"	per cent

For the purpose of this announcement and for illustrative purpose only, US$ is converted into HK$ at the rate of HK$7.80:US$1.00, RMB is converted into HK$ at the rate of HK$1.20:RMB1.00. No representation is made that any amounts in US$ 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, 27 April 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.