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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 RESERVE AND RESOURCES AT YEAREND 2014**

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 2014. 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, L.P, Chapman Petroleum Engineering Ltd., South Texas Reservoir Alliance LLC (STXRA) and RISC Operations Pty Ltd. 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 joint ventures (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 2014 are positive, as detailed below and in the accompanying tables. Highlights of the results include:

1. Based on the yearend 2014 reserves estimates reviewed by the independent consultants, the net present value, before tax and discounted at 10% (“NPV 10”), of the Group Net Proved + Probable (“2P”) oil and gas reserves is approximately US\$4.0 billion, which represents a 14.3% increase above the NPV 10 of US\$3.5 billion reported at yearend 2013.

2. Comparing with yearend 2013, the Group total net Proved (“1P”) oil and gas reserves as of yearend 2014 increased 40.3% to 116.8 million barrels of oil equivalents (“BOE”, where 1 BOE = 6,000 cubic feet gas), while total net Proved + Probable (“2P”) oil and gas reserves increased 13.6% to 218.7 million BOE, total net Proved + Probable + Possible (“3P”) oil and gas reserves was about flat at 289.8 million BOE.
3. The Group net reserves still comprise mainly oil, in particular for 2P and 3P reserve. At yearend 2014, on a BOE basis, our reserves were 42%, 57% and 59% oil for 1P, 2P and 3P, respectively. The strong growth in gas reserves from the successful drilling campaign at our Sino Gas & Energy Limited (“Sino Gas & Energy”) properties in China’s Ordos Basin has significantly increased the gas component of our reserves. Compared to yearend 2013, on a BOE basis, the gas portion of the Group’s total net reserves has increased for 1P, 2P and 3P by 24%, 9% and 4%, respectively. The demand and sales price for natural gas remains high in China, despite the current global low oil price, and so we are very pleased with the strong growth of the China gas component of our Group’s total net reserves.
4. The Group net 1P, 2P and 3P gas reserves at yearend 2014 were 408.3 billion cubic feet (“BCF”) (or 11.6 billion cubic meters, “BCM”, where 1 cubic meter=35.314 cubic feet), 563.9 BCF (16.0 BCM) and 711.8 BCF (20.2 BCM), respectively, which correspond to 68.0 million BOE, 94.0 million BOE and 118.6 million BOE, respectively. The Group net gas reserves increased by 234.0 BCF (6.6 BCM), 165.2 BCF (4.7 BCM) and 71.8 BCF (2.0 BCM) for 1P, 2P and 3P, respectively. With these increases, the Company’s 1P, 2P and 3P net gas reserves increased by 134%, 41% and 11% respectively. The increases are attributable in large part to the increases of 230.1 BCF (6.5 BCM), 164.1 BCF (4.6 BCM) and 80.5 BCF (2.3 BCM) for 1P, 2P and 3P of net gas reserves, respectively in our Sino Gas & Energy Ordos Basin properties.
5. The comparison of 2013 and 2014 yearend crude oil reserves is impacted by the divestment of the Pan China Resources Limited (“PCR”) and Miao Three Energy Limited (“Miao 3”) during FY2014. Table1-A includes PCR and Miao 3 reserves for 2013, and Table1-B excludes the PCR and Miao 3 reserves from the 2013 totals. When PCR and Miao 3 reserves are included for FY2013, the Group net 1P oil reserves for 2014 decreased 10% to 48.7 million barrels, while 2P net oil reserves decreased 1% to 124.7 million barrels and 3P net oil reserves decreased 7% to 171.2 million barrels respectively. When PCR and Miao 3 reserves are excluded from the 2013 totals, a comparison shows that the Group 1P net oil reserves for 2014 decreased only 5%, mainly due to production, while 2P net oil reserves increased 4%.

During FY2014, the Group’s net production was 5.59 million barrels of oil and 2.2 BCF (0.06 BCM) of gas. Based on these production rates and yearend 2014 reserves, for 1P Reserves our reserve life indices for oil and gas are approximately 9 years and 185 years, respectively; and for 2P Reserves the corresponding indices are 22 years and 256 years. The reserve replacement ratio measures the amount of Proved Reserves added to a company’s reserve base during the year relative to the amount of oil and gas produced. During FY2014 the Group added 33.6 million BOE and produced 5.96 million BOE, for a reserve replacement ratio of 5.6, indicating significant additional potential in our reserve base.

The Prospective and Contingent Resources of the Group at yearend 2014 are summarized in Table 2. Our net, un-risked, best-estimate Prospective Resources are 245.1 million barrels of oil and 675.8 BCF (19.1 BCM) of gas, which corresponds to overall oil and gas un-risked, best-estimate Prospective Resources of 357.7 million BOE. Our mid-case, 2C, Contingent Resources are 11.5 million barrels of oil and 684.1 BCF (19.4 BCM) of gas, which corresponds to overall oil and gas 2C Contingent Resources of 125.5 million BOE. For oil, these resources are mostly represented by two northeast China oilfields and Emir-Oil, and for gas, they are predominately in Sino Gas & Energy Ordos Basin properties.

The Group is pleased with the reserves additions accomplished during 2014 in our growth projects, Emir-Oil and Sino Gas & Energy. In Kazakhstan, Emir-Oil's 2P Reserves for oil increased by 12.0% to 97.9 million barrels, and in our Sino Gas & Energy Ordos Basin China properties, 2P Reserves increased by 54.1% to 466.7 BCF(13.2BCM) of gas. We are particularly excited about progress of the Sino Gas & Energy project, where, based on 2P Gas Reserves, the Group's net share NPV 10 is estimated at about US\$1.6 billion. In the current global low oil price scenario, the price and demand for natural gas in China has remained strong, and Sino Gas & Energy currently sells gas at US\$9.50 per mscf. With huge net contingent and prospective resources totaling more than 2,660 BCF (75.3BCM, Best Estimate Prospective Resources + 2C Contingent Resources) in a large project area of about 3,000 square kilometers, Sino Gas & Energy still has significant growth potential. We anticipate that our Sino Gas & Energy project will experience strong future growth and profitability. At the same time, the Group believes that our Northeast China oil base properties will continue to produce well and provide stable cash flow in the current low oil price environment.

The pricing assumptions used in determining yearend Reserves and Resources are listed in Table 3. Prices are based on 2014 averages or, in the case of Sino Gas & Energy, it is based on current gas sales agreements.

**Table 1-A The Group Net Reserves (including PCR & Miao 3 for FY2013)**

Thousands of Barrels for Oil

Millions of SCF for Gas

		2013			2014			Change 2014–2013			BOE %
		Oil	Gas	BOE	Oil	Gas	BOE	Oil	Gas	BOE	Change
		(Note 1)									
<b>1P: PROVED</b>											
<b>China</b>											
China Oil Properties (Note 2)	Songliao/Jiayi/ Huanghua	20,409	—	20,409	14,495	65	14,506	(5,914)	65	(5,903)	-28.9%
China Gas Properties (Note 3)	Ordos	—	134,069	22,345	—	364,140	60,690	—	230,071	38,345	171.6%
	China Subtotal	20,409	134,069	42,754	14,495	364,205	75,196	(5,914)	230,136	32,442	75.9%
<b>Kazakhstan — Emir-Oil</b>	Mangistau	32,497	37,541	38,754	33,799	43,232	41,005	1,302	5,691	2,251	5.8%
<b>US — Condor</b>	Niobrara	1,271	2,637	1,711	448	850	590	(823)	(1,787)	(1,121)	-65.5%
<b>Total 1P</b>		<u>54,177</u>	<u>174,247</u>	<u>83,219</u>	<u>48,742</u>	<u>408,287</u>	<u>116,790</u>	<u>(5,435)</u>	<u>234,040</u>	<u>33,571</u>	<u>40.3%</u>
<b>2P: PROVED + PROBABLE</b>											
<b>China</b>											
China Oil Properties (Note 2)	Songliao/Jiayi/ Huanghua	35,998	—	35,998	25,831	125	25,852	(10,167)	125	(10,146)	-28.2%
China Gas Properties (Note 3)	Ordos	—	302,582	50,430	—	466,650	77,775	—	164,068	27,345	54.2%
	China Subtotal	35,998	302,582	86,428	25,831	466,775	103,627	(10,167)	164,193	17,199	19.9%
<b>Kazakhstan — Emir-Oil</b>	Mangistau	87,374	90,416	102,443	97,864	95,111	113,717	10,490	4,695	11,274	11.0%
<b>US — Condor</b>	Niobrara	2,735	5,674	3,680	1,029	2,013	1,365	(1,706)	(3,661)	(2,315)	-62.9%
<b>Total 2P</b>		<u>126,107</u>	<u>398,672</u>	<u>192,551</u>	<u>124,725</u>	<u>563,899</u>	<u>218,709</u>	<u>(1,382)</u>	<u>165,227</u>	<u>26,158</u>	<u>13.6%</u>
<b>3P: PROVED + PROBABLE + POSSIBLE</b>											
<b>China</b>											
China Oil Properties (Note 2)	Songliao/Jiayi/ Huanghua	51,617	—	51,617	36,248	226	36,286	(15,369)	226	(15,331)	-29.7%
China Gas Properties (Note 3)	Ordos	—	499,321	83,220	—	579,870	96,645	—	80,549	13,425	16.1%
	China Subtotal	51,617	499,321	134,837	36,248	580,096	132,931	(15,369)	80,775	(1,906)	-1.4%
<b>Kazakhstan — Emir-Oil</b>	Mangistau	128,547	132,653	150,656	130,203	122,219	150,574	1,656	(10,434)	(82)	-0.1%
<b>US — Condor</b>	Niobrara	3,827	7,939	5,150	4,738	9,435	6,311	911	1,496	1,161	22.5%
<b>Total 3P</b>		<u>183,991</u>	<u>639,913</u>	<u>290,643</u>	<u>171,189</u>	<u>711,750</u>	<u>289,816</u>	<u>(12,802)</u>	<u>71,837</u>	<u>(827)</u>	<u>-0.3%</u>

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

Note 2: China Oil Properties include Daan, Moliqing, Miao 3 and Kongnan.

Note 3: China Gas Properties include 51% of SGE's entitlement under its two production contracts in China's Ordos Basin.

**Table 1-B The Group Net Reserves (excluding PCR & Miao 3 for FY2013)**

Thousands of Barrels for Oil

Millions of SCF for Gas

		2013			2014			Change 2014-2013			BOE %
		Oil	Gas	BOE	Oil	Gas	BOE	Oil	Gas	BOE	Change
		(Note 1)									
<b>1P: PROVED</b>											
<b>China</b>											
China Oil Properties (Note 2)	Songliao/Jiayi	17,403	—	17,403	14,495	65	14,506	(2,908)	65	(2,897)	-16.6%
China Gas Properties (Note 3)	Ordos	—	134,069	22,345	—	364,140	60,690	—	230,071	38,345	171.6%
	China Subtotal	17,403	134,069	39,748	14,495	364,205	75,196	(2,908)	230,136	35,448	89.2%
<b>Kazakhstan — Emir-Oil</b>	Mangistau	32,497	37,541	38,754	33,799	43,232	41,005	1,302	5,691	2,251	5.8%
<b>US — Condor</b>	Niobrara	1,271	2,637	1,711	448	850	590	(823)	(1,787)	(1,121)	-65.5%
<b>Total 1P</b>		51,171	174,247	80,213	48,742	408,287	116,790	(2,429)	234,040	36,577	45.6%
<b>2P: PROVED + PROBABLE</b>											
<b>China</b>											
China Oil Properties (Note 2)	Songliao/Jiayi	30,365	—	30,365	25,831	125	25,852	(4,533)	125	(4,513)	-14.9%
China Gas Properties (Note 3)	Ordos	—	302,582	50,430	—	466,650	77,775	—	164,068	27,345	54.2%
	China Subtotal	30,365	302,582	80,795	25,831	466,775	103,627	(4,533)	164,193	22,832	28.3%
<b>Kazakhstan — Emir-Oil</b>	Mangistau	87,374	90,416	102,443	97,864	95,111	113,717	10,490	4,695	11,274	11.0%
<b>US — Condor</b>	Niobrara	2,735	5,674	3,680	1,029	2,013	1,365	(1,706)	(3,661)	(2,315)	-62.9%
<b>Total 2P</b>		120,474	398,672	186,918	124,725	563,899	218,709	4,251	165,227	31,791	17.0%
<b>3P: PROVED + PROBABLE + POSSIBLE</b>											
<b>China</b>											
China Oil Properties (Note 2)	Songliao/Jiayi	42,837	—	42,837	36,248	226	36,286	(6,589)	226	(6,551)	-15.3%
China Gas Properties (Note 3)	Ordos	—	499,321	83,220	—	579,870	96,645	—	80,549	13,425	16.1%
	China Subtotal	42,837	499,321	126,057	36,248	580,096	132,931	(6,589)	80,775	6,874	5.5%
<b>Kazakhstan — Emir-Oil</b>	Mangistau	128,547	132,653	150,656	130,203	122,219	150,574	1,656	(10,434)	(82)	-0.1%
<b>US — Condor</b>	Niobrara	3,827	7,939	5,150	4,738	9,435	6,311	911	1,496	1,161	22.5%
<b>Total 3P</b>		175,211	639,913	281,863	171,189	711,750	289,816	(4,022)	71,837	7,952	2.8%

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

Note 2: China Oil Properties include Daan, Moliqing.

Note 3: China Gas Properties include 51% of SGE's entitlement under its two production contracts in China's Ordos Basin.

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

		<b>Oil</b>	<b>2014 Gas</b>	<b>BOE</b> <i>(Note 1)</i>
<b>Prospective Resources, Best Estimate, Unrisked</b>				
<b>China</b>				
China Oil Properties <i>(Note 2)</i>	Songliao/Jiayi	22,176	—	22,176
China Gas Properties <i>(Note 3)</i>	Ordos	<u>—</u>	<u>675,750</u>	<u>112,625</u>
	China Subtotal	22,176	675,750	134,801
<b>Kazakhstan — Emir-Oil</b>	Mangistau	222,937	—	222,937
<b>US — Condor</b>	Niobrara	<u>—</u>	<u>—</u>	<u>—</u>
<b>Total Best Estimate Prospective Resources</b>		<u>245,113</u>	<u>675,750</u>	<u>357,738</u>
<b>Contingent Resources, 2C (mid case)</b>				
<b>China</b>				
China Oil Properties <i>(Note 2)</i>	Songliao/Jiayi	10,190	—	10,190
China Gas Properties <i>(Note 3)</i>	Ordos	<u>—</u>	<u>680,850</u>	<u>113,475</u>
	China Subtotal	10,190	680,850	123,665
<b>Kazakhstan — Emir-Oil</b>	Mangistau	—	—	—
<b>US — Condor</b>	Niobrara	<u>1,304</u>	<u>3,260</u>	<u>1,847</u>
<b>Total 2C Contingent Resources</b>		<u>11,494</u>	<u>684,110</u>	<u>125,512</u>

*Note 1:* BOE is based on conversion rate of 6,000 SCF per barrel.*Note 2:* China Oil Properties include Daan, Moliqing.*Note 3:* China Gas Properties include 51% of SGE's entitlement under its two production contracts in China's Ordos Basin.

### Table 3 Prices Used in Reserves and Resources Determination at Yearend 2014

#### China

China Oil Properties (Note 1)	Songliao/ Jiayi	Constant oil price of US\$96.05 per barrel (average of 2014), and gas price 13.25 \$/Mcf, unescalated
China Gas Properties (Note 2)	Ordos	Low, Medium and High gas prices of US\$8.30, US\$9.76 and US\$11.23 per MCF respectively (equivalent to 1.76, 2.11 and 2.43 RMB per cubic meter at 6.12 RMB/US\$), escalating at 3.75% per annum

#### Kazakhstan — Emir-Oil

Mangistau	2014 average, constant prices, unescalated: export oil at US\$80.10 per barrel (US\$101.21 per barrel Dated Brent price less US\$21.11 per barrel for marketing and transportation discount), domestic oil at US\$39.06 before VAT per barrel and gas at US\$1.13 per MCF
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#### US — Condor

Niobrara	Constant prices, unescalated: US\$82.68 per barrel, US\$6.47 per MCF(both are realized prices)
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Note 1: China Oil Properties include Daan, Moliqing.

Note 2: China Gas Properties include 51% of SGE's entitlement under its two production contracts in China's Ordos Basin

#### 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 Company 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, 10 March 2015

*As at the date of this announcement, the Board comprises (1) the executive directors namely Mr. Zhang Ruilin, Mr. Zhao Jiangwei, Mr. Tak Yin Dexter Tao, Mr. Tian Hongtao and Mr. Andrew Harper; (2) the non-executive director namely Mr. Wang Sing (Mr. Hung Leung is alternate to Mr. Wang Sing); and (3) the independent non-executive directors namely Mr. Mei Jianping, Mr. Jeffrey W. Miller and Mr. Cai Rucheng.*