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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)

BUSINESS UPDATE

For the five months ended 31 May 2015, the Group achieved net sales of approximately 1,531,878 barrels of oil and 860,442,979 cubic feet of gas with an average realized oil price of approximately US\$51.31/barrel and average realized gas price of approximately US\$1.18/Mcf. As of 30 June 2015, the Group has indebtedness comprising the US\$200mm and US\$500mm Senior Notes, the US\$35mm Deutsche Bank facility, the US\$56.8mm bank deposit secured facility from Bank of Communications (pledged with restricted cash deposit (“Restricted Cash”) of US\$61mm) and the US\$5.76mm China Construction Bank facility and notes. The Group has cash and cash equivalent balance of approximately US\$60mm (exclusive of Restricted Cash in relation to its Bank of Communications facility) and committed unutilized banking facilities of approximately US\$81mm.

International crude oil prices have bounced back from their lows in 1Q2015 and are trading within a tighter range. This may provide a different perspective for global oil producers to revisit their strategic plans. That being said, our Group believes that until the global oil market outlook stabilizes at about US\$70 or above, our management is committed to exercise due care and diligence when pursuing our business plans, including pursuing potential divestments or investments related to our business, and accordingly have no intention to adjust our near term minimal drilling plans.

As per management's 2015 guidance released in March 2015, we are maintaining a reduced work program and have scaled back on the drilling of new development wells for both China and Kazakhstan oil operations. Under the current oil price environment, our existing wells in Northeast China continue to provide strong free cash flow to support the Group's overall operations. The Group will provide further guidance for the 2Q2015 operations update by segment in August 2015.

By order of the Board of
MIE HOLDINGS CORPORATION
Zhang Ruilin
Chairman

Hong Kong, 2 July 2015

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 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.