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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)

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

PLACING AND SUBSCRIPTION

On October 16, 2015 (after trading hours), the Vendor and the Company entered into the Placing and Subscription Agreement with six Investors, pursuant to which (a) the Vendor has agreed to sell, and the Investors have agreed to purchase, in aggregate 276,300,000 Sale Shares at the Placing Price of HK\$0.90 per Share; and (b) the Vendor has conditionally agreed to subscribe as principal for, and the Company has conditionally agreed to issue and allot, 276,300,000 Subscription Shares at the Subscription Price of HK\$0.90 per Share.

The Sale Shares represent (i) approximately 10.60% of the Shares in issue as at the date of this announcement; and (ii) approximately 9.58% of the Shares in issue as enlarged by the allotment and issue of the Subscription Shares.

The aggregate gross proceeds from the Subscription will be HK\$248,670,000 and the estimated net proceeds from the Subscription (after deducting the expenses in connection with the Placing and the Subscription to be borne by the Company) will be approximately HK\$245,000,000 (equivalent to approximately US\$32 million). The Company intends to utilize the net proceeds from the Subscription as general working capital and/or for potential acquisition(s) for the Group.

GENERAL

The Subscription Shares will be allotted and issued under the General Mandate and hence, no further approval by the Shareholders will be required for the Subscription.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

INTRODUCTION

On October 16, 2015 (after trading hours), the Vendor and the Company entered into the Placing and Subscription Agreement with six Investors, pursuant to which (a) the Vendor has agreed to sell, and the Investors have agreed to purchase, in aggregate 276,300,000 Sale Shares at the Placing Price of HK\$0.90 per Share; and (b) the Vendor has conditionally agreed to subscribe as principal for, and the Company has conditionally agreed to issue and allot, 276,300,000 Subscription Shares at the Subscription Price of HK\$0.90 per Share.

THE PLACING AND SUBSCRIPTION AGREEMENT

The principal terms of the Placing and Subscription Agreement are set out below:

Date

October 16, 2015

Parties

- (1) New Sun International Energy Limited (as Vendor of the Sale Shares and subscriber of the Subscription Shares)
- (2) The Company (as issuer of the Subscription Shares)
- (3) The Investors (as purchasers of the Sale Shares)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Investors and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons. None of the Investors will become a substantial shareholder (as defined under the Listing Rules) immediately after completion of the Placing or the Subscription.

The Placing

The Vendor agreed to sell, and the Investors agreed to purchase, in aggregate the Sale Shares on the terms of the Placing and Subscription Agreement.

Sale Shares

276,300,000 Shares in aggregate.

The Sale Shares represent (i) approximately 10.60% of the Shares in issue as at the date of this announcement; and (ii) approximately 9.58% of the Shares in issue as enlarged by the allotment and issue of the Subscription Shares.

Placing Price

HK\$0.90 per Share, which represents:

- (i) a discount of approximately 2.17% to the closing price of HK\$0.92 per Share as quoted on the Stock Exchange on the date of the Placing and Subscription Agreement;
- (ii) a premium of approximately 3.45% to the average closing price of approximately HK\$0.87 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing and Subscription Agreement; and
- (iii) a discount of approximately 9.49% to the VWAP of approximately HK\$0.99 per Share for the last sixty consecutive trading days immediately preceding the date of the Placing and Subscription Agreement.

The Placing Price was determined after arm's length negotiations among the Vendor, the Company and the Investors, with reference to recent VWAP of the Shares and the prevailing market price of the Shares.

Rights of the Sale Shares

The Sale Shares will be sold by the Vendor free from all encumbrances and with all rights attaching to them on or after the Closing Date (including the right to receive all dividends, distributions or any return of capital the record date of which is on or after the Closing Date).

Completion of the Placing

Completion of the Placing will take place on the Closing Date i.e. October 22, 2015 or such other date as the Vendor and the Investors may agree in writing.

The Subscription

The Vendor has conditionally agreed to subscribe as principal for, and the Company has conditionally agreed to issue and allot, the Subscription Shares at the Subscription Price on and subject to the terms and conditions of the Placing and Subscription Agreement and the Memorandum and Articles of Association of the Company.

Subscription Shares

276,300,000 new Shares in aggregate. If completion of the sale and purchase of any Sale Shares does not occur in accordance with the terms of the Placing and Subscription Agreement, the number of Subscription Shares will be the aggregate number of Sale Shares in respect of which the sale and purchase has been completed by the Vendor and the relevant Investor(s) pursuant to the Placing.

The aggregate nominal value of the Subscription Shares is HK\$248,670,000. The aggregate market value of the Subscription Shares, based on the closing price of the Shares as at the date of the Placing and Subscription Agreement, is HK\$254,196,000.

Subscription Price

HK\$0.90 per Share, which is equivalent to the Placing Price. The Subscription Price was determined with reference to the Placing Price.

Ranking of the Subscription Shares

The Subscription Shares will, when fully paid, be free from all encumbrances and rank pari passu in all respects with other Shares in issue on the date of allotment including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment.

Conditions to completion of the Subscription

Completion of the Subscription is conditional upon the fulfillment of the following Conditions:

- (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares (and such listing and permission not being subsequently revoked prior to the delivery or deposit of definitive share certificate(s) representing the Subscription Shares under the Placing and Subscription Agreement); and
- (ii) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

If the Conditions are not fulfilled within 13 days after the date of the Placing and Subscription Agreement or such later date as may be agreed between the Company and the Vendor (subject to compliance with the Listing Rules), the obligations and liabilities of the Vendor and the Company under the Subscription will be null and void.

Completion of the Subscription

Completion of the Subscription will take place on the second Business Day after the date upon which the last of the Conditions to be satisfied shall have been so satisfied (provided that it shall take place on a date no later than a date falling 14 days after the date of the Placing and Subscription Agreement) or such other date as the Vendor and the Company may agree in writing (subject to compliance with the Listing Rules).

Pursuant to Chapter 14A of the Listing Rules, if the Subscription is not completed within 14 days after the date of the Placing and Subscription Agreement, the Subscription will be regarded as a connected transaction of the Company and in such case, the Company would need to issue a circular and convene a general meeting to seek the approval of the Subscription by the independent Shareholders before the Subscription can be proceeded.

REASONS FOR THE PLACING AND THE SUBSCRIPTION AND USE OF PROCEEDS

The aggregate gross proceeds from the Subscription will be HK\$248,670,000 and the estimated net proceeds from the Subscription (after deducting the expenses in connection with the Placing and the Subscription to be borne by the Company) will be approximately HK\$245,000,000 (equivalent to approximately US\$32 million), representing a net price of

approximately HK\$0.89 per Subscription Share. The Company intends to utilize the net proceeds from the Subscription as general working capital and/or for potential acquisition(s) for the Group.

The Directors consider that the Placing and the Subscription represent an appropriate opportunity for the Company to improve its liquidity position amid the volatile commodity price market and widen its shareholder base.

The Directors are of the view that the Placing and Subscription Agreement (including the Placing Price and the Subscription Price) are on normal commercial terms which are fair and reasonable and the Placing and the Subscription are in the interest of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out any fund raising activity by issue of equity securities during the twelve months immediately preceding the date of this announcement.

EFFECTS OF THE PLACING AND SUBSCRIPTION ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out, for illustrative purposes only, the shareholding structure of the Company (i) as of the date of this announcement; (ii) immediately after completion of the Placing but before the Subscription; and (iii) immediately after completion of both the Placing and the Subscription, in each case assuming that no new Shares are allotted and issued (including upon exercise of outstanding share options of the Company) and no Shares are repurchased after the date of this announcement and up to the date of completion of the Placing or the Subscription (as the case may be):

Shareholder	As of the date of this announcement		Immediately after completion of the Placing but before the Subscription		Immediately after completion of both the Placing and the Subscription	
	<i>Approximate % of total</i>		<i>Approximate % of total</i>		<i>Approximate % of total</i>	
	<i>Number of Shares</i>	<i>Shares in issue</i>	<i>Number of Shares</i>	<i>Shares in issue</i>	<i>Number of Shares</i>	<i>Shares in issue</i>
Celestial Energy Limited ¹	211,855,234	8.13%	211,855,234	8.13%	211,855,234	7.35%
Champion International Energy Limited ²	399,070,000	15.31%	399,070,000	15.31%	399,070,000	13.84%
Orient International Energy Limited ²	399,070,000	15.31%	399,070,000	15.31%	399,070,000	13.84%
Power International Energy Limited ²	141,460,000	5.43%	141,460,000	5.43%	141,460,000	4.91%
Vendor ²	475,000,000	18.22%	198,700,000	7.62%	475,000,000	16.48%
Investors	—	—	276,300,000	10.60%	276,300,000	9.58%
Mr. Zhang Ruilin ³	100,000	0.004%	100,000	0.004%	100,000	0.003%
Public Shareholders	980,023,559	37.60%	980,023,559	37.60%	980,023,559	33.99%
Total	2,606,578,793	100.00%	2,606,578,793	100.00%	2,882,878,793	100.00%

Notes:

- (1) Celestial Energy Limited is beneficially interested in 211,855,234 Shares. Mr. Ho Chi Sing is the sole shareholder of Celestial Energy Limited. Pursuant to the put and call option agreement dated 8 November 2014 and entered into among Far East Energy Limited, Mr. Zhang Ruilin, Mr. Zhao Jiangwei, Ms. Zhang Jiangbo and Celestial Energy Limited, (i) a put option was granted by Far East Energy Limited to Celestial Energy Limited to sell up to 211,855,234 Shares; and (ii) a call option was granted by Celestial Energy Limited to Far East Energy Limited to purchase up to 84,742,094 Shares, on and subject to the terms and conditions therein.
- (2) Each of Champion International Energy Limited, Orient International Energy Limited, Power International Energy Limited and the Vendor is a wholly-owned subsidiary of Sunrise Glory Holdings Limited, which is in turn wholly-owned by Far East Energy Limited, the ultimate holding company of the Company. Far East Energy Limited is held as to 80%, 9.99% and 10% by Ms. Zhao Jiangbo, Mr. Zhang Ruilin and Mr. Zhao Jiangwei, respectively. On May 24, 2013, Ms. Zhao Jiangbo, Mr. Zhang Ruilin and Mr. Zhao Jiangwei have entered into an agreement pursuant to which each of them has agreed to act in concert in relation to all matters that require the decisions of the shareholders of Far East Energy Limited.
- (3) Mr. Zhang Ruilin is an executive Director and is beneficially interested in 100,000 Shares.

GENERAL

The Group is an independent oil and gas group engaged in the exploration and production of oil and gas in China, Kazakhstan and USA.

The Subscription Shares will be allotted and issued under the General Mandate and hence, no further approval by the Shareholders will be required for the Subscription.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

DEFINITIONS

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

“Board”	the board of Directors
“Closing Date”	October 22, 2015, or such other date as the Vendor and the Investors may agree in writing
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“General Mandate”	the mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on May 22, 2015 to allot, issue and otherwise deal with up to 521,315,758 Shares
“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
“Investors”	six institutional and individual investors who are independent of the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placing and Subscription Agreement”	the placing and subscription agreement dated October 16, 2015 and entered into between the Vendor, the Company and the Investors in relation to the Placing and the Subscription
“Placing”	the placing by the Vendor of the Sale Shares to the Investors on the terms of the Placing and Subscription Agreement
“Placing Price”	HK\$0.90 per Share
“Sale Shares”	an aggregate of 276,300,000 Shares held by the Vendor to be sold to the Investors pursuant to the Placing
“Share(s)”	ordinary share(s) of US\$0.001 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor on the terms and subject to the conditions of the Placing and Subscription Agreement
“Subscription Price”	HK\$0.90 per Share
“Subscription Shares”	276,300,000 new Shares (subject to adjustment as described under the section headed “The Placing and Subscription Agreement — The Subscription — The Subscription Shares” in this announcement) to be allotted and issued by the Company to the Vendor pursuant to the Subscription

“US\$”	United State dollars, the lawful currency of the United States of America
“Vendor”	New Sun International Energy Limited, a company incorporated in the British Virgin Islands with limited liability
“VWAP”	volume weighted average price
“%”	per cent.

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

Hong Kong, October 16, 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.

Unless the context requires otherwise, amounts denominated in HK\$ have been converted into US\$ at an exchange rate of US\$1:HK\$7.75, for the purpose of illustration only. No representation is made that any amount in HK\$ or US\$ could have been or could be converted at the relevant dates at the above rate or at any other rates at all.