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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)

**(1) VERY SUBSTANTIAL ACQUISITION
IN RELATION TO
THE ACQUISITION OF INTEREST IN, AND WARRANTS ISSUED BY,
LONG RUN EXPLORATION LTD. UNDER THE AMENDED
INVESTMENT AGREEMENT
AND
THE JOINT VENTURE ARRANGEMENTS
AND
(2) RESUMPTION OF TRADING**

Reference is made to the First Announcement in relation to the acquisition by the Investor of certain interest in, and warrants issued by, the Target Company pursuant to the Original Investment Agreement.

JOINT VENTURE ARRANGEMENTS

As disclosed in the First Announcement, the Group intended to finance the consideration for the acquisition by the Investor pursuant to the Original Investment Agreement by way of various financing options including co-investment by strategic partner(s) at the level of the Investor or any of its intermediate holding company(ies).

In this regard, the Board is pleased to announce that on November 8, 2015, the Company, MIE Maple (a wholly-owned subsidiary of the Company), the JV Partner, Asia Maple (a wholly-owned subsidiary of the Company immediately before completion of the Asia Maple Subscription and the holding company of the Investor) and the Guarantor entered into the Subscription Agreement, pursuant to which, among other things: (a) MIE Maple and the JV Partner have subscribed for new Asia Maple Shares such that Asia Maple is, as at the date of this announcement, owned as to 40% by MIE Maple and 60% by the JV Partner; (b) MIE Maple and the JV Partner agreed to provide funds to Asia Maple for the purpose of funding the Long Run Acquisition in proportion to their respective shareholdings in Asia Maple; (c) the JV Partner agreed to grant to MIE Maple the Call Option, and MIE Maple agreed to grant to the JV Partner the Put Options, in respect of Asia Maple Shares, both on the Second Funding Date; and (d) MIE Maple agreed to procure the Company to grant, on the Second Funding Date, the Share Charge in favour of the JV Partner to secure the payment obligations of MIE Maple in respect of the Put Options.

At completion of the Asia Maple Subscription on November 8, 2015, MIE Maple, the JV Partner and the Guarantor entered into the Shareholders' Agreement.

AMENDED INVESTMENT AGREEMENT

After signing of the Subscription Agreement and the Shareholders' Agreement by the relevant parties. On November 8, 2015 Calgary time, the Target Company, the Investor and the Company entered into the Amended Investment Agreement to amend certain terms of the Long Run Acquisition under the Original Investment Agreement, including but not limited to the number of Target Company Shares and Warrants to be subscribed for and purchased by the Investor, the total consideration payable by the Investor for the Long Run Acquisition and the total consideration payable by the Investor for the exercise of the Warrants.

Immediately after completion of the Long Run Acquisition, the Investor will hold approximately 38.7% of the total Target Company Shares in issue as enlarged by the issue of the 125,000,000 Target Company Shares pursuant to the Amended Investment Agreement (and the 4,614,000 Target Company Shares issuable to certain existing employees, subject to and on Long Run Completion, in settlement of the outstanding restricted awards granted by the Target Company to those employees under its incentive plan).

EFFECT OF THE JOINT VENTURE ARRANGEMENTS ON THE LONG RUN ACQUISITION

Upon completion of the Long Run Acquisition, the Investor will become the single largest shareholder of the Target Company based on the number of Target Company Shares in issue as at the date of this announcement. Due to the de facto control as stipulated in IFRS which the Investor may exercise with respect to the Target Company after completion of the Long Run Acquisition, the Target Company will, upon completion of the Long Run Acquisition, be treated as a subsidiary of the Investor.

Notwithstanding the foregoing, as a result of the completion of the Asia Maple Subscription, both Asia Maple and the Investor have ceased to be subsidiaries of the Company. Hence, the Target Company will not become a subsidiary of the Company upon completion of the Long Run Acquisition and its financial results will not be consolidated into the financial statements of the Group.

In the event that (a) the Call Option is exercised in full by MIE Maple (whether or not the Accelerated Put Option is exercised by the JV Partner); or (b) the Final Put Option is exercised in full by the JV Partner, Asia Maple will, upon completion of the transfer of the relevant Asia Maple Shares pursuant to the exercise of such option, become a subsidiary of the Company and as a result, the Investor and the Target Company will then become subsidiaries of the Company and their financial results will be consolidated into the financial statements of the Group.

IMPLICATIONS UNDER THE LISTING RULES

As one of the business objectives of the establishment of the Joint Venture Arrangements by MIE Maple with the JV Partner is to finance the Long Run Acquisition, the Joint Venture Arrangements under the Subscription Agreement, the Shareholders' Agreement, the Option Agreement and the Share Charge Deed (including the MIE Maple Funding, the Call Option, the Put Options and the Share Charge) and the Long Run Acquisition pursuant to the Amended Investment Agreement are, therefore, inter-related and aggregated for the purpose of determining the classification of those transactions, as a whole, under Chapter 14 of the Listing Rules. Hence, the Company will, at the EGM, seek the approval by the Shareholders of the transactions contemplated under the Subscription Agreement, the Shareholders' Agreement, the Option Agreement and the Share Charge Deed, together with the transactions contemplated under the Amended Investment Agreement, as a very substantial acquisition for the Company under Chapter 14 of the Listing Rules.

EGM

The Company will convene the EGM at which ordinary resolution(s) will be proposed to approve, among other things, the entry into and performance by MIE Maple (and, with respect to the Subscription Agreement, the Company) of its/their respective obligations under the Subscription Agreement, the Shareholders' Agreement and the Option Agreement (including the Final Put Option), the entry into and performance by the Company of its obligations under the Share Charge Deed, and the entry into and performance by the Investor and the Company of their respective obligations under the Amended Investment Agreement and the Escrow Agreement in connection with the Long Run Acquisition.

GENERAL

Pursuant to the requirements applicable to a very substantial acquisition under Chapter 14 of the Listing Rules, the Company will despatch to the Shareholders the Circular containing further details of the Subscription Agreement, the Shareholders' Agreement, the Option Agreement, the Share Charge Deed, the Amended Investment Agreement, the Escrow Agreement and the notice of the EGM. Since, upon the exercise of the Final Put Option in full by the JV Partner, Asia Maple and the Target Company will become subsidiaries of the Company and their financial results will be consolidated into the financial statements of the Group, the Circular will also contain, among other things, financial information and information on the oil and gas reserves of the Target Company prepared pursuant to the Waivers, the unaudited pro forma financial information of the Group and the Target Company and a valuation report on the mineral assets of the Target Company prepared in accordance with Chapter 18 of the Listing Rules. As it will take time to prepare the foregoing information for inclusion in the Circular, the Circular is expected to be despatched to the Shareholders on or before December 31, 2015.

Completion of the Long Run Acquisition is subject to the Long Run Acquisition Conditions, which may or may not be fulfilled. The transactions contemplated under the Amended Investment Agreement, as well as those contemplated under the Subscription Agreement, the Shareholders' Agreement, the Option Agreement and the Share Charge Deed, 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.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on November 9, 2015 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on November 11, 2015.

INTRODUCTION

Reference is made to the First Announcement in relation to the acquisition by the Investor of certain interest in, and warrants issued by, the Target Company pursuant to the Original Investment Agreement.

Joint Venture Arrangements

As disclosed in the First Announcement, the Group intended to finance the consideration for the acquisition by the Investor pursuant to the Original Investment Agreement by way of various financing options including co-investment by strategic partner(s) at the level of the Investor or any of its intermediate holding company(ies).

In this regard, the Board is pleased to announce that on November 8, 2015, the Company, MIE Maple (a wholly-owned subsidiary of the Company), the JV Partner, Asia Maple (a wholly-owned subsidiary of the Company immediately before completion of the Asia Maple Subscription and the holding company of the Investor) and the Guarantor entered into the Subscription Agreement, pursuant to which, among other things: (a) MIE Maple and the JV Partner have subscribed for new Asia Maple Shares such that Asia Maple is, as at the date of this announcement, owned as to 40% by MIE Maple and 60% by the JV Partner; (b) MIE Maple and the JV Partner agreed to provide funds to Asia Maple for the purpose of funding the Long Run Acquisition in proportion to their respective shareholdings in Asia Maple; (c) the JV Partner agreed to grant to MIE Maple the Call Option, and MIE Maple agreed to grant to the JV Partner the Put Options, in respect of Asia Maple Shares, both on the Second Funding Date; and (d) MIE Maple agreed to procure the Company to grant, on the Second Funding Date, the Share Charge in favour of the JV Partner to secure the payment obligations of MIE Maple in respect of the Put Options.

At completion of the Asia Maple Subscription on November 8, 2015, MIE Maple, the JV Partner and the Guarantor entered into the Shareholders' Agreement.

Amended Investment Agreement

After signing of the Subscription Agreement and the Shareholders' Agreement by the relevant parties, on November 8, 2015 Calgary time, the Target Company, the Investor and the Company entered into the Amended Investment Agreement to amend certain terms of the Long Run Acquisition under the Original Investment Agreement, including but not limited to the following:

- (a) the number of Target Company Shares to be subscribed for by the Investor has been reduced from 155,000,000 to 125,000,000;
- (b) instead of purchasing two batches of warrants entitling holder(s) thereof to purchase an aggregate of 62,000,000 Target Company Shares with different exercise periods of 18 months and 24 months, respectively from the Long Run Completion Date, the Investor will, on and subject to the terms of the Amended Investment Agreement, purchase the Warrants, being 91,000,000 warrants entitling the holder thereof to purchase an aggregate of 91,000,000 Target Company Shares within 12 months from the Long Run Completion Date;
- (c) the total consideration payable by the Investor at completion of the Long Run Acquisition has been reduced from C\$201,500,000 (equivalent to approximately HK\$1,172,730,000) to C\$100,000,000 (equivalent to approximately HK\$582,000,000); and
- (d) the total consideration payable by the Investor for the exercise of the Warrants in full will be C\$100,100,000 (equivalent to approximately HK\$582,582,000).

Further details of the above amendments and other amended terms under the Amended Investment Agreement are set out in the section headed "The Amended Investment Agreement" in this announcement.

Effect of the Joint Venture Arrangements on the Long Run Acquisition

Upon completion of the Long Run Acquisition, the Investor will become the single largest shareholder of the Target Company based on the number of Target Company Shares in issue as at the date of this announcement. Due to the de facto control as stipulated in IFRS which the Investor may exercise with respect to the Target Company after completion of the Long Run Acquisition, the Target Company will, upon completion of the Long Run Acquisition, be treated as a subsidiary of the Investor.

Notwithstanding the foregoing, as a result of the completion of the Asia Maple Subscription, both Asia Maple and the Investor have ceased to be subsidiaries of the Company. Hence, the Target Company will not become a subsidiary of the Company upon completion of the Long Run Acquisition and its financial results will not be consolidated into the financial statements of the Group.

In the event that (a) the Call Option is exercised by MIE Maple in full (whether or not the Accelerated Put Option is exercised by the JV Partner); or (b) the Final Put Option is exercised in full by the JV Partner, Asia Maple will, upon completion of the transfer of the relevant Asia Maple Shares pursuant to the exercise of such option, become a subsidiary of

the Company and as a result, the Investor and the Target Company will then become subsidiaries of the Company and their financial results will be consolidated into the financial statements of the Group.

THE SUBSCRIPTION AGREEMENT

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

Date

November 8, 2015

Parties

- (1) Asia Maple (as issuer)
- (2) MIE Maple (as subscriber)
- (3) JV Partner (as subscriber)
- (4) The Guarantor (as guarantor of the performance by the JV Partner of its obligations)
- (5) The Company (as guarantor of the performance by MIE Maple of certain of its obligations)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the JV Partner, the Guarantor and the ultimate beneficial owner(s) of the JV Partner are third parties independent of the Company and its connected person(s).

Number of Asia Maple Shares subscribed

- (a) The MIE Maple Subscription Shares, being 300 new Asia Maple Shares, subscribed for by MIE Maple; and
- (b) The JV Partner Subscription Shares, being 600 new Asia Maple Shares, subscribed for by the JV Partner.

Subscription price

The subscription price paid by MIE Maple in respect of the MIE Maple Subscription Shares is US\$300 (equivalent to approximately HK\$2,325).

The subscription price paid by the JV Partner in respect of the JV Partner Subscription Shares is US\$600 (equivalent to approximately HK\$4,650).

Ranking of the Subscription Shares

The Subscription Shares rank *pari passu* in all respects with the Asia Maple Shares in issue as at the date of the allotment and issue of the Subscription Shares.

Completion of the Asia Maple Subscription

Completion of the Asia Maple Subscription has taken place immediately after signing of the Subscription Agreement.

Immediately before completion of the Asia Maple Subscription, MIE Maple held 100 Asia Maple Shares, being all the Asia Maple Shares in issue at the time. Immediately upon completion of the Asia Maple Subscription and as at the date of this announcement, Asia Maple is owned as to 40% by MIE Maple and 60% by the JV Partner. Hence, Asia Maple and the Investor, the wholly-owned subsidiary of Asia Maple, have ceased to be subsidiaries of the Company.

Funding for the Long Run Acquisition

First Funding

On or before the First Funding Date, MIE Maple and the JV Partner shall provide to Asia Maple the MIE Maple First Funding of C\$4,000,000 (equivalent to approximately HK\$23,280,000) and the JV Partner First Funding of C\$6,000,000 (equivalent to approximately HK\$34,920,000), respectively, by way of loan, subscription of new Asia Maple Shares and/or other manner as MIE Maple and the JV Partner may agree in accordance with the terms of the Subscription Agreement. Asia Maple shall provide the amount of the First Funding received to the Investor for the purpose of enabling the Investor to deposit the Escrow Amount in accordance with the terms of the Amended Investment Agreement (see the section headed “The Amended Investment Agreement” in this announcement).

The obligation on MIE Maple and the JV Partner to provide the First Funding is not subject to any conditions.

If MIE Maple or the JV Partner fails to comply with its funding obligation with respect to the First Funding: (a) the non-defaulting party shall have no right or obligation to provide any part of the First Funding not provided by the defaulting party; (b) Asia Maple shall return the amount of the First Funding provided by the non-defaulting party without interest; (c) the Subscription Agreement shall terminate forthwith; (d) MIE Maple and the JV Partner shall procure Asia Maple to be wound up as soon as practicable; and (e) the defaulting party shall be liable for, and shall indemnify the non-defaulting party and (where the defaulting party is the JV Partner) the Company against, any liability, claim, loss, damage and expenses that may arise from or in connection with the failure of the Investor to deposit the Escrow Amount in accordance with the terms of the Amended Investment Agreement.

Second Funding

Subject to the satisfaction of the Second Funding Conditions, on the Second Funding Date:

- (a) MIE Maple and the JV Partner shall provide to Asia Maple the MIE Maple Second Funding of C\$36,000,000 (equivalent to approximately HK\$209,520,000) and the JV Partner Second Funding of C\$54,000,000 (equivalent to approximately

HK\$314,280,000), respectively, by way of loan, subscription of new Asia Maple Shares and/or other manner as MIE Maple and the JV Partner may agree in accordance with the terms of the Subscription Agreement;

- (b) Asia Maple shall provide the amount of the Second Funding received to the Investor for the purpose of enabling the Investor to complete the Long Run Acquisition in accordance with the terms of the Amended Investment Agreement; and
- (c) MIE Maple, the JV Partner and the Guarantor shall execute and deliver to the other parties the Option Agreement and MIE Maple shall procure the Company to execute and deliver the Share Charge Deed to the JV Partner.

The Second Funding Conditions are:

- (i) the Long Run Acquisition Conditions having been fulfilled (or, if applicable, waived) in accordance with the terms of the Amended Investment Agreement; and
- (ii) the Amended Investment Agreement not having been terminated in accordance with its terms.

If any of the Second Funding Conditions has not been satisfied by February 29, 2016:

- (1) the Subscription Agreement shall terminate forthwith;
- (2) MIE Maple and the JV Partner shall procure Asia Maple to be wound up as soon as practicable;
- (3) if, pursuant to the Amended Investment Agreement, any amount has been released to the Investor (including the Escrow Amount), any amount has been refunded by the Target Company to the Investor or any penalty or reimbursement has been paid by the Target Company to the Investor, Asia Maple shall procure the Investor to pay such amount(s) over (without interest) to MIE Maple and the JV Partner in proportion to their respective shareholdings in Asia Maple;
- (4) if the non-satisfaction of any of the Second Funding Conditions is due to the default of either MIE Maple or the JV Partner, then the defaulting party shall indemnify and hold the non-defaulting party and (where the defaulting party is the JV Partner) the Company harmless against any liability, claim, loss, damage and expenses that may arise from or in connection with the failure of the Investor to complete the Long Run Acquisition in accordance with the term of the Amended Investment Agreement. In particular, if the Escrow Amount has been released to the Target Company pursuant to the Amended Investment Agreement, the defaulting party shall compensate and pay the non-defaulting party the aggregate amount of the part of the First Funding provided by the non-defaulting party; and
- (5) (only where the Second Funding Condition set out in paragraph (i) above is not satisfied due to the failure on the Company to obtain Shareholders' approval of the Long Run Acquisition in accordance with the terms of the Amended Investment Agreement) MIE Maple shall indemnify and hold the JV Partner harmless against any

liability, claim, loss, damage and expenses that may arise from or in connection with the failure of the Investor to complete the Long Run Acquisition in accordance with the terms of the Amended Investment Agreement.

If, after the Second Funding Conditions have been satisfied, MIE Maple or the JV Partner fails to comply with its funding obligation with respect to the Second Funding: (A) the non-defaulting party shall have no right or obligation to provide any part of the Second Funding not provided by the defaulting party; (B) Asia Maple shall return the amount of the Second Funding provided by the non-defaulting party without interest; (C) the Subscription Agreement shall terminate forthwith; (D) MIE Maple and the JV Partner shall procure Asia Maple to be wound up as soon as practicable; and (E) the defaulting party shall indemnify and hold the non-defaulting party and (where the defaulting party is the JV Partner) the Company harmless against any liability, claim, loss, damage and expenses that may arise from or in connection with the failure of the Investor to complete the Long Run Acquisition in accordance with the terms of the Amended Investment Agreement, and shall compensate and pay the non-defaulting party the aggregate amount of the part of the First Funding provided by the non-defaulting party to Asia Maple pursuant to the terms of the Subscription Agreement.

Non-completion of the Long Run Acquisition

If, after the Second Funding has been provided by MIE Maple and the JV Partner in accordance with the Subscription Agreement, completion of the Long Run Acquisition does not take place on or before February 29, 2016 and as a result, the Amended Investment Agreement is terminated in accordance with its terms, MIE Maple and the JV Partner agreed that:

- (a) they shall cooperate to cause the amount of the Second Funding not utilized for the purpose of the Long Run Acquisition to be returned to MIE Maple and the JV Partner without interest;
- (b) if, pursuant to the Amended Investment Agreement, any amount has been released to the Investor (including any Escrow Amount), any amount has been refunded by the Target Company to the Investor or any penalty or reimbursement has been paid by the Target Company to the Investor, Asia Maple shall procure the Investor to pay such amount(s) over (without interest) to MIE Maple and the JV Partner in proportion to their respective shareholdings in Asia Maple;
- (c) if the Long Run Completion does not take place (and as a result, the Amended Investment Agreement is terminated) due to the default of MIE Maple or the JV Partner, the defaulting party shall indemnify and hold the non-defaulting party and (where the defaulting party is the JV Partner) the Company harmless against any liability, claim, loss, damage and expenses that may arise from or in connection with the Long Run Completion not taking place and the Amended Investment Agreement being terminated as a consequence. In particular, if the Escrow Amount has been released to the Target Company pursuant to the Amended Investment Agreement, the defaulting party shall compensate and pay the non-defaulting party the aggregate amount of the part of the First Funding provided by the non-defaulting party; and
- (d) they shall cause Asia Maple to be wound up.

Structuring Fee to the JV Partner

In consideration of the JV Partner's participation in, and the strategic advice given by it in respect of, the Long Run Acquisition, MIE Maple has agreed to pay the JV Partner a structuring fee (the "**Structuring Fee**") under any one of the following circumstances:

- (a) If the Long Run Acquisition has been completed, MIE Maple shall pay the JV Partner a structuring fee of 1.5% of the aggregate amount of C\$200,100,000 (being the aggregate of the total consideration for the Long Run Acquisition payable by the Investor pursuant to the Amended Investment Agreement and the total price payable for the exercise of the Warrants in full under the Long Run Acquisition), the amount of which is equivalent to approximately HK\$17,468,730 or US\$2.28 million, within ten days from the date on which the Long Run Acquisition is completed; or
- (b) If the Amended Investment Agreement is terminated other than as a result of the JV Partner failing to comply with its obligations under the Subscription Agreement and the Investor being unable to complete the Long Run Acquisition as a consequence, MIE Maple shall pay the JV Partner a structuring fee of US\$1.25 million (equivalent to approximately HK\$9,687,500) within ten days from the date on which the Amended Investment Agreement is terminated or by February 29, 2016 (whichever date is earlier); or
- (c) If MIE Maple fails to provide the MIE Maple First Funding or the MIE Maple Second Funding, MIE Maple shall pay the JV Partner a structuring fee of US\$1.25 million (equivalent to approximately HK\$9,687,500) within (i) ten days from the First Funding Date or the Second Funding Date (as the case may be) or (ii) by February 29, 2016 (whichever date is earlier).

Performance guarantee by the Company

The Company has irrevocably and unconditionally guaranteed to the JV Partner the punctual performance by MIE Maple of certain obligations on MIE Maple to indemnify and/or compensate the JV Partner under the Subscription Agreement for up to C\$25 million (equivalent to approximately HK\$145,500,000) in aggregate.

THE SHAREHOLDERS' AGREEMENT

At completion of the Asia Maple Subscription, MIE Maple, the JV Partner and the Guarantor entered into the Shareholders' Agreement, the principal terms of which are set out below:

Date

November 8, 2015

Parties

- (1) MIE Maple
- (2) The JV Partner

(3) The Guarantor (as guarantor of the performance by the JV Partner of its obligations)

Business of Asia Maple

The business of Asia Maple shall include (a) the holding of shares or other securities in the Investor and in the Target Company (whether through the Investor or otherwise); (b) investment in or operation of other projects involving, or holding of shares or interests in other entities engaged in, the exploration and/or production of oil and gas in any part of the world, provided that such other project or entities will not or are unlikely to result in Asia Maple or any of the JV Subsidiaries, directly or indirectly, competing with the business of or having any conflict of interests with either MIE Maple or the JV Partner; and (c) such other business as may be agreed by the Asia Maple Shareholders.

Composition of Asia Maple Board and boards of directors of JV Subsidiaries

Immediately after completion of the Asia Maple Subscription, there are three (3) directors on the Asia Maple Board. MIE Maple will have the right to appoint, retain, remove and replace one (1) Asia Maple Director, whereas the JV Partner will have the right to appoint, retain, remove and replace two (2) Asia Maple Directors, subject to the following:

- (a) if at any time the JV Partner, together with its Group Transferees (if any), holds 20% or more but less than 50% of the total Asia Maple Shares in issue, it will have the right to appoint, retain, remove and replace only one (1) Asia Maple Director, and MIE Maple will have the right to appoint, retain, remove and replace two (2) Asia Maple Directors; and
- (b) if at any time the JV Partner, together with its Group Transferees (if any), holds less than 20% of the total Asia Maple Shares in issue, it will cease to have any right to appoint, retain, remove and replace any Asia Maple Director, and MIE Maple will have the right to appoint, retain, remove and replace all three (3) Asia Maple Directors.

Each of MIE Maple and the JV Partner shall procure that the board of directors of each of the JV Subsidiaries will be of the same size as the Asia Maple Board and will include directors nominated by each of MIE Maple and the JV Partner in the same proportion as each of them is represented on the Asia Maple Board, and in particular, the directors of the Investor shall be the same as the Asia Maple Directors.

Nomination of Target Company Directors

For so long as the Investor has the right pursuant to the terms of the Governance Agreement:

- (a) to nominate three (3) or more Target Company Directors, (i) each of the JV Partner and MIE Maple will have right to designate one (1) nominee to be nominated by the Investor to the Target Company Board; and (ii) the JV Partner and MIE Maple will jointly designate the remaining nominee(s) to be nominated by the Investor to the Target Company Board;

- (b) to nominate two (2) Target Company Directors, each of the JV Partner and MIE Maple will have the right to designate one (1) nominee to be nominated by the Investor to the Target Company Board; and
- (c) to nominate one (1) Target Company Director, the JV Partner and MIE Maple will jointly designate the nominee to be nominated by the Investor to the Target Company Board.

The right of the JV Partner to designate, whether on its own or jointly with MIE Maple, nominee(s) to be nominated by the Investor to the Target Company Board shall cease if the JV Partner no longer has the right to appoint any Asia Maple Director pursuant to the Shareholders' Agreement, in which case MIE Maple shall have the right to designate all the nominees to be nominated by the Investor to the Target Company Board.

Reserved matters

As long as the JV Partner has the right to appoint at least one (1) Asia Maple Director pursuant to the Shareholders' Agreement, none of Asia Maple or any of the JV Subsidiaries shall, without the prior written approval of at least one (1) Asia Maple Director appointed by MIE Maple and one (1) Asia Maple Director appointed by the JV Partner, take any action or make any decision in relation to certain reserved matters, including (without limitation) the following: allotting or issuing any shares, loan capital or other securities or declaring any dividend or other distribution (except for the purpose of implementing the terms of the Subscription Agreement); amending the constitutional documents; the Investor disposing of any share or other securities in the Target Company or determining how to exercise any voting or other rights attached to the Target Company Shares held by it or deciding whether to exercise the Warrants; the Asia Maple Board resolving on any material matter relating to the Target Company.

Proceedings of Asia Maple Directors

Subject to the approval of the reserved matters in accordance with the terms of the Shareholders' Agreement, resolutions of the Asia Maple Directors shall be decided by a simple majority of the votes cast and each Asia Maple Director will have one (1) vote.

The quorum at any meeting of the Asia Maple Board shall be at least one (1) Asia Maple Director appointed by MIE Maple and one (1) Asia Maple Director appointed by the JV Partner. If a quorum is not present at a meeting of the Asia Maple Board, the required quorum at the adjourned meeting shall be any two Asia Maple Directors.

Additional funding

Save as expressly provided for in the Subscription Agreement, the Asia Maple Shareholders shall not be obliged to provide any further funding to Asia Maple or any of the JV Subsidiaries or to participate in any guarantee or similar undertaking in relation to Asia Maple or any of the JV Subsidiaries.

Share transfers

Restrictions on share transfers

From the date of the Shareholders' Agreement to (and including) the Second Funding Date, the JV Partner and MIE Maple (and their respective Group Transferees) shall not, without the prior written consent of the other, sell, transfer, assign, grant any encumbrance or declare any trust over, grant any right or interest in or otherwise dispose of any Asia Maple Shares held by it to any party.

The JV Partner and its Group Transferees shall not, during the Call Option Period, sell, transfer, assign, grant any encumbrance or declare any trust over, grant any right or interest in or otherwise dispose of any of the Call Option Shares to any party other than MIE Maple (or its nominee(s)) unless:

- (a) MIE Maple has given its prior consent in writing to such disposal;
- (b) such disposal falls within the ambit of a permitted transfer under the Shareholders' Agreement; or
- (c) such disposal is being made pursuant to any exercise by MIE Maple of its drag-along right under the Shareholders' Agreement.

Permitted transfers

Any Asia Maple Shareholder may at any time transfer any Asia Maple Shares to its Group Transferee, provided the Group Transferee first enters into a deed of adherence and that the transferor shall have notified the other Asia Maple Shareholder(s) and Asia Maple of the proposed transfer at least ten days before its completion.

Right of pre-emption and tag-along right

Each of the JV Partner and MIE Maple may transfer some or all of their Asia Maple Shares to any third party purchaser (not being a transfer to a Group Transferee) provided that, before entering into any agreement with a third party purchaser, the selling party shall offer to the other party the Asia Maple Shares proposed to be sold to the third party purchaser in accordance with the terms of the Shareholders' Agreement. The non-selling party shall have the right either (a) to purchase all the Asia Maple Shares proposed to be sold on the same terms offered by the third party purchaser; or (b) to require the third party purchaser to purchase up to the pro rata portion of the Asia Maple Shares held by it (and its Group Transferee(s)).

The Company will comply with the applicable requirements under the Listing Rules at the time of exercise of the above right of pre-emption or tag-along right.

Drag-along right

If, on commencement of the Call Option Period and thereafter, MIE Maple receives an offer for the arm's length sale to a third party purchaser of all of the Asia Maple Shares in issue at the time, it shall have the right to require the JV Partner to sell (or procure the sale of) all of the Asia Maple Shares held by the JV Partner and its Group Transferee(s) at the time to the

third party purchaser in accordance with the terms of the Shareholders' Agreement, provided that the offer price payable by the third party purchaser is (a) no less than the Accelerated Put Option Consideration and (b) equal to or exceeds (i) the sum of (1) the amount of the JV Partner Funding provided by the JV Partner to Asia Maple pursuant to the Subscription Agreement multiplied by the percentage that the total number of the Asia Maple Shares held by the JV Partner and its Group Transferee(s) at the time bears to 600 Asia Maple Shares; and (2) the premium at the rate of 18% per annum accrued on such amount from (including) the date of the Subscription Agreement to (and including) the date of transfer, less (ii) the amount of all dividends and the value of all other distributions resolved or declared to be paid by Asia Maple in respect of the Asia Maple Shares held by the JV Partner and its Group Transferee(s) at the time by reference to a record date which falls on or before the date of transfer.

THE OPTION AGREEMENT

Pursuant to the terms of the Subscription Agreement, MIE Maple, the JV Partner and the Guarantor will enter into the Option Agreement on the Second Funding Date.

The principal terms of the Option Agreement are set out below:

Parties

- (1) MIE Maple
- (2) The JV Partner
- (3) The Guarantor (as guarantor of the performance by the JV Partner of its obligations)

Call Option

The JV Partner will grant to MIE Maple an option to purchase up to 360 Asia Maple Shares at the Call Option Consideration at any time (or times) during the Call Option Period on the terms, and subject to the conditions, of the Option Agreement.

Call Option Consideration

The Call Option Consideration shall be (a) the sum of (i) the amount of the JV Partner Funding provided by the JV Partner to Asia Maple pursuant to the Subscription Agreement, multiplied by the percentage that the total number of Relevant Call Option Shares bears to 600 Asia Maple Shares and (ii) the premium at the rate of 15% per annum accrued on the amount set out in foregoing paragraph (i) from (and including) the date of the Subscription Agreement to (and including) the Call Option Completion Date, less (b) the amount of all dividends and the value of all other distributions resolved or declared to be paid by Asia Maple in respect of the Relevant Call Option Shares by reference to a record date which falls on or before the Call Option Completion Date.

The Call Option Consideration was determined after arm's length's negotiation between MIE Maple and the JV Partner with reference to (1) the market premium for similar call option product; (2) the Final Put Option premium of 13% per annum as described below; and (3)

the maximum number of 360 Asia Maple Shares which MIE Maple will be entitled to purchase under the Call Option. The Directors consider that the Call Option Consideration is fair and reasonable.

Call Option Period

The Call Option may be exercised by MIE Maple in whole or in part(s), by serving a six-month notice to the JV Partner, at any time (or times) during the period commencing on (and including) the first day of the 7th month falling after the Long Run Completion Date and ending on (and including) the last day of the 30th month falling after the Long Run Completion Date, failing which the Call Option shall lapse.

Call Option Completion

Call Option Completion shall take place on:

- (a) the day falling immediately after the expiry of six months from the date on which the exercise notice is served by MIE Maple to the JV Partner;
- (b) (where the relevant exercise of the Call Option by MIE Maple is subject to the approval of the Shareholders and/or any regulatory approval pursuant to applicable laws, rules and regulations (including but not limited to the Listing Rules)) the tenth day from the date on which the last of such approval(s) is obtained by MIE Maple or the day falling immediately after the expiry of six months from the date of the relevant exercise notice, whichever date is the later;
- (c) (where MIE Maple receives an offer from a third party to acquire its Asia Maple Shares and it chooses to exercise the Call Option with respect to all or some of the Call Option Shares) (i) the tenth day from the date of the exercise notice of the Call Option or (ii) if the exercise of the Call Option is subject to the approval of the Shareholders and/or any regulatory approval pursuant to applicable laws, rules and regulations (including but not limited to the Listing Rules) the tenth day from the date on which the last of such approval(s) is obtained; or
- (d) such other date (which shall fall after the expiry of twelve months following the Long Run Completion Date) as MIE Maple and the JV Partner may agree in writing.

At Call Option Completion, against payment of the Call Option Consideration with respect to the Relevant Call Option Shares by MIE Maple to the JV Partner in cash, the JV Partner shall transfer to MIE Maple the Relevant Call Option Shares and assign to MIE Maple the corresponding amount of loan provided by the JV Partner to Asia Maple as part of the JV Partner Funding.

Accelerated Put Option

MIE Maple will grant to the JV Partner an option to require MIE Maple to purchase, on each occasion when MIE Maple exercises the Call Option, up to such number of Asia Maple Shares held by the JV Partner (and its Group Transferee(s)) at the time as is equal to the maximum number of Accelerated Put Option Shares, at the Accelerated Put Option Consideration on the terms, and subject to the conditions, of the Option Agreement.

On each occasion when MIE Maple exercises the Call Option, the JV Partner may, within 30 days from the date of the exercise notice of the Call Option, exercise the Accelerated Put Option once only and in respect of all or some only of the Accelerated Put Option Shares, failing which such Accelerated Put Option shall lapse.

Accelerated Put Option Shares

The maximum number of Accelerated Put Option Shares with respect to each occasion when MIE Maple exercises the Call Option shall be calculated in accordance with the following formula:

$$\text{Maximum number of Accelerated Put Option Shares} = (G - H) \times \frac{I}{H}$$

where

G is 600 Asia Maple Shares;

H is 360 Asia Maple Shares; and

I is the number of Relevant Call Option Shares in respect of which the Call Option is being exercised by MIE Maple on such occasion.

Accelerated Put Option Consideration

The Accelerated Put Option Consideration shall be the multiples of:

- (a) the volume weighted average price per share of the common shares of the Target Company traded on the TSX over the period of 30 trading days immediately preceding the date of the exercise notice of the Accelerated Put Option as quoted on Bloomberg, multiplied by the number of common shares of the Target Company held by Asia Maple through the Investor at the time;
- (b) the number of Relevant Accelerated Put Option Shares in respect of which the Accelerated Put Option is being exercised by the JV Partner on such occasion, divided by the number of Asia Maple Shares in issue; and
- (c) 0.85,

provided that if the Accelerated Put Option Consideration with respect to any Relevant Accelerated Put Option Shares calculated is less than the Benchmark Amount, the Accelerated Put Option Consideration shall be the Benchmark Amount.

The Benchmark Amount shall be (i) the sum of (x) the amount of the JV Partner Funding provided by the JV Partner to Asia Maple pursuant to the Subscription Agreement, multiplied by the percentage that the total number of Relevant Accelerated Put Option Shares bears to 600 Asia Maple Shares and (y) the premium at the rate of 15% per annum accrued on the amount set out in the foregoing paragraph (x) from (and including) the date of the Subscription Agreement to (and including) the Accelerated Put Option Completion Date, less (ii) the amount of all dividends and the value of all other distributions resolved or

declared to be paid or made by Asia Maple in respect of the Relevant Accelerated Put Option Shares by reference to a record date which falls on or before the Accelerated Put Option Completion Date.

The Accelerated Put Option Consideration was determined after arm's length's negotiation between MIE Maple and the JV Partner with reference to the potential upside of the JV Partner's indirect investment in the Target Company at the time of the Call Option being exercised by MIE Maple as well as the general secondary market discount of 15% to the average market price of the Target Company in the event the JV Partner shall conduct an equity placement to monetize such investment in the Target Company. The Directors consider that the Accelerated Put Option Consideration is fair and reasonable.

Accelerated Put Option Completion

Accelerated Put Option Completion shall take place on the next day immediately following the Call Option Completion Date (or such other date as MIE Maple and the JV Partner may agree in writing).

At Accelerated Put Option Completion, against payment of the Accelerated Put Option Consideration with respect to the Relevant Accelerated Put Option Shares by MIE Maple to the JV Partner in cash, the JV Partner shall transfer to MIE Maple the Relevant Accelerated Put Option Shares and assign to MIE Maple the corresponding amount of loan provided by the JV Partner to Asia Maple as part of the JV Partner Funding.

Final Put Option

MIE Maple will grant to the JV Partner an option to require MIE Maple to purchase up to the number of Asia Maple Shares held by the JV Partner and its Group Transferee(s), if any as at the date of the exercise notice of the Final Put Option (excluding any Asia Maple Shares held by the JV Partner and its Group Transferee(s), if any in respect of which the Call Option has been exercised (in whole or in part) by MIE Maple (irrespective of whether Call Option Completion has occurred)) at the Final Put Option Consideration once only during the Final Put Option Period on the terms, and subject to the conditions, of the Option Agreement.

Final Put Option Consideration

The Final Put Option Consideration shall be (a) the sum of (i) the amount of the JV Partner Funding provided by the JV Partner to Asia Maple pursuant to the Subscription Agreement, multiplied by the percentage that the total number of Relevant Final Put Option Shares bears to 600 Asia Maple Shares and (ii) the premium at the rate of 13% per annum accrued on the amount set out in the foregoing paragraph (i) from (and including) the date of the Subscription Agreement to (and including) the Final Put Option Completion Date, less (b) the amount of all dividends and the value of all other distributions resolved or declared to be paid or made by Asia Maple in respect of the Relevant Final Put Option Shares by reference to a record date which falls on or before the Final Put Option Completion Date.

The Final Put Option Consideration was determined after arm's length's negotiation between MIE Maple and the JV Partner with reference to (1) the cost of financing the Joint Venture Arrangements and thus the indirect investment in the Target Company for the JV Partner;

(2) the general equity and debt market for the oil and gas industry; and (3) the Share Charge taken as a whole. The Directors consider that the Final Put Option Consideration is fair and reasonable.

Final Put Option Period

The Final Put Option may be exercised by the JV Partner once only and in respect of all or some only of the Final Put Option Shares during the period commencing on (and including) the first day of the 36th month falling after the Long Run Completion Date and ending on (and including) the last day of the 36th month falling after the Long Run Completion Date, failing which the Final Put Option shall lapse.

Final Put Option Completion

Final Put Option Completion shall take place on the thirtieth day after the date of the exercise notice of the Final Put Option to be given by the JV Partner to MIE Maple (or such other date as MIE Maple and the JV Partner may agree in writing).

At Final Put Option Completion, against payment of the Final Put Option Consideration with respect to the Relevant Final Put Option Shares by MIE Maple to the JV Partner in cash, the JV Partner shall transfer to MIE Maple the Relevant Final Put Option Shares and assign to MIE Maple the corresponding amount of loan provided by the JV Partner to Asia Maple as part of the JV Partner Funding.

Share Charge

As security for its payment obligations in respect of the Final Put Option and the Accelerated Put Option, MIE Maple will procure the Company to grant, in favour of the JV Partner, a charge over the Company's interests in Asia Gas (representing approximately 92.18% of the issued share capital of Asia Gas as at the date of this announcement).

Asia Gas is an investment holding company and holds a 51% stake in Sino Gas & Energy Limited. Sino Gas & Energy Limited holds a portfolio of unconventional gas assets in China through a number of production sharing contracts, including a 64.75% interest in the Linxing production sharing contract, partnered with China United Coalbed Methane Corporation Limited (a subsidiary of China National Offshore Oil Corporation (CNOOC)) and a 49% interest in the Sanjiaobei production sharing contract, partnered with PetroChina Coalbed Methane Company Limited (a subsidiary of China National Petroleum Corporation). The gas assets under the above production sharing contracts are located in the Ordos Basin and cover an area of approximately 3,000km².

Replacement of security

Subject to certain terms and conditions specified in the Option Agreement, MIE Maple may, by written notice to and with the prior written consent of the JV Partner (which consent shall not be unreasonably withheld), replace the Share Charge with any alternative security (or replace any such alternative security with any other alternative security) in favour of the JV Partner over any asset(s) of the Company or its subsidiaries of an aggregate value of (a) (where the JV Partner and/or its Group Transferee(s) hold(s) 600 Asia Maple Shares) not less than US\$80,000,000 (equivalent to approximately HK\$620,000,000); or (b) (where the

JV Partner and/or its Group Transferee(s) hold(s) less than 600 Asia Maple Shares) not less than such amount as is equal to US\$80,000,000 multiplied by the percentage that the total number of Asia Maple Shares held by the JV Partner and/or its Group Transferee(s) bears to 600 Asia Maple Shares.

Release of security

On each occasion at which any part of the Call Option or the Accelerated Put Option is exercised, the JV Partner shall, on and subject to certain terms and conditions specified in the Option Agreement, release such part of the Share Charge or any alternative security as is necessary:

- (a) (in the case of the Share Charge) to reduce the percentage of shares in Asia Gas charged under the Share Charge to such percentage as is equal to 92.18% multiplied by the percentage that the total number of Asia Maple Shares held by the JV Partner and/or its Group Transferee(s) immediately after the JV Partner has received in full the Call Option Consideration or the Accelerated Put Option Consideration (as the case may be) bears to 600 Asia Maple Shares;
- (b) (in the case of other security) to reduce the value of the asset(s) charged under the alternative security to no less than such amount as is equal to US\$80,000,000 multiplied by the percentage that the total number of Asia Maple Shares held by the JV Partner and/or its Group Transferee(s) immediately after the JV Partner has received in full the Call Option Consideration or the Accelerated Put Option Consideration (as the case may be) bears to 600 Asia Maple Shares.

The Share Charge or any alternative security shall be deemed to be released automatically immediately after the earliest of: (i) (where any of the Final Put Option and the Accelerated Put Option has been exercised) the date on which all principal sums of money and liabilities payable by MIE Maple to the JV Partner in respect of the Final Put Option and the Accelerated Put Option under the Option Agreement has been paid in full; (ii) (where neither the Final Put Option nor the Accelerated Put Option has been exercised) immediately upon the lapse of the Final Put Option; (iii) the date on which the JV Partner or any of its Group Transferee(s), if any, ceases to own any Asia Maple Share; and (iv) the termination of the Option Agreement in accordance with its terms.

GUARANTEE BY THE GUARANTOR

The Guarantor has guaranteed or will guarantee the punctual performance by the JV Partner of all of its obligations under each of the Subscription Agreement, the Shareholders' Agreement and the Option Agreement.

THE AMENDED INVESTMENT AGREEMENT

The principal terms of the Amended Investment Agreement are set out below:

Date

November 8, 2015

Parties

- (1) The Target Company (as issuer and seller)
- (2) The Investor (as subscriber and purchaser)
- (3) The Company (as covenantor with respect to certain covenants and guarantor of the performance by the Investor of its obligations)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Target Company and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Assets to be acquired

The Sale Interests, which comprise, in aggregate, (a) 125,000,000 Target Company Shares and (b) the Warrants.

The Sale Interests represent:

- (i) (assuming none of the Warrants has been exercised) approximately 64.6% of the total Target Company Shares in issue as at the date of this announcement and approximately 38.7% of the total Target Company Shares in issue as enlarged by the issue of the 125,000,000 Target Company Shares pursuant to the Amended Investment Agreement (and the 4,614,000 Target Company Shares issuable to certain existing employees, subject to and on Long Run Completion, in settlement of the outstanding restricted awards granted by the Target Company to those employees under its incentive plan); and
- (ii) (assuming the Warrants have been fully exercised) approximately 111.6% of the total Target Company Shares in issue as at the date of this announcement and approximately 52.2% of the total Target Company Shares in issue as enlarged by the issue of the 125,000,000 Target Company Shares and the 91,000,000 Warrants Shares (and the 4,614,000 Target Company Shares issuable to certain existing employees, subject to and on Long Run Completion, in settlement of the outstanding restricted awards granted by the Target Company to those employees under its incentive plan).

The 125,000,000 Target Company Shares and the Warrants Shares to be issued pursuant to the Amended Investment Agreement will be listed on the TSX.

The Long Run Acquisition will not trigger an obligation on the Investor to make a general offer for the securities of the Target Company under the relevant securities laws in Canada.

Long Run Consideration

The Long Run Consideration in respect of the Long Run Acquisition is C\$100,000,000 (equivalent to approximately HK\$582,000,000), which is payable in cash by the Investor at Long Run Completion.

The Long Run Consideration as stipulated in the Amended Investment Agreement was determined after arm's length negotiation between the Investor and the Target Company with reference to numerous factors, including without limitation, historical and future cash flows (EBITDA and netback) analysis, acreage (developed and undeveloped), proved plus probable reserves and the NPV of such reserves, value of the assets, production rate and the condition of the most recent global commodity market as well as the oil and gas industry in which the Target Company operates as a whole. The Directors consider that the Long Run Consideration is fair and reasonable.

Long Run Acquisition Conditions

Completion of the Long Run Acquisition is conditional upon the satisfaction (or, if applicable, waiver) of the Long Run Acquisition Conditions, being the Mutual Conditions, the Investor Conditions and the Target Company Conditions.

Mutual Conditions

The respective obligations of the parties to the Amended Investment Agreement to consummate the transactions contemplated thereby are subject to the satisfaction, on or before Long Run Completion or such other time specified, of the following Mutual Conditions:

- (a) the approval by the holders of the Target Company Shares of the issuance of the Sale Interests pursuant to the Long Run Acquisition having been obtained on or before the Outside Date;
- (b) the approval, if required, by the Shareholders of the Long Run Acquisition and the transactions contemplated thereunder in accordance with the Listing Rules and other applicable law having been obtained on or before the Outside Date;
- (c) the issuance, listing and posting for trading on the TSX of the Target Company Shares to be issued pursuant to the Amended Investment Agreement and the Warrants Shares having been conditionally approved by the TSX;
- (d) the Long Run Completion Date being on or before the Outside Date;
- (e) the relevant certificate(s), notification(s), ruling(s), waiver(s) and/or order(s) under the Competition Act and the Investment Canada Act in connection with the transactions contemplated under the Amended Investment Agreement having been made, given or obtained on terms and conditions satisfactory to each of the Target Company and the Investor, acting reasonably, on or before the Outside Date;
- (f) the consent of the lenders under certain credit agreement between the Target Company (as borrower) and a syndicate of lenders to (i) the transactions contemplated under the Amended Investment Agreement; and (ii) the making of an offer to holders of certain convertible debentures of the Company, if required, pursuant to its terms upon a change of control occurring as a result of the exercise of the Warrants and the payment for the convertible debentures pursuant to such offer, having been made, given or obtained on terms and conditions satisfactory to each of the Target Company and the Investor, acting reasonably, on or before the Outside Date; and

- (g) no action having been taken under any applicable law, nor any statute, regulation or order having been enacted, enforced or issued after the date of the Amended Investment Agreement by any governmental authority that (i) makes illegal or otherwise prohibits the Long Run Acquisition or any transaction contemplated under the Amended Investment Agreement, or (ii) results in a judgment or assessment of material damages relating to the transactions contemplated under the Amended Investment Agreement.

The Mutual Conditions are for the mutual benefit of the parties to the Amended Investment Agreement and may, to the extent permitted by applicable laws, rules and regulations, be waived by any party (with respect to such party) in its sole discretion, in whole or in part, at any time and time to time without prejudice to any other rights that such party may have.

Investor Conditions

The obligation of the Investor to consummate the transactions contemplated by the Amended Investment Agreement is subject to the satisfaction, on or before Long Run Completion or such other time specified, of the following Investor Conditions:

- (a) the Target Company having complied in all material respects with its covenants in the Amended Investment Agreement;
- (b) the representations and warranties of the Target Company set forth in the Amended Investment Agreement being true and correct as of the Long Run Completion Date;
- (c) the Target Company having furnished the Investor with certified copies of the resolutions passed by the Target Company Board and the holders of the Target Company Shares approving the Amended Investment Agreement and the transactions contemplated thereunder and a legal opinion on various matters in respect of the Target Company;
- (d) no material adverse change in respect of the Target Company having occurred on or after the date of the Amended Investment Agreement and prior to Long Run Completion;
- (e) no action or opposition having been commenced or threatened against the Target Company before or by any domestic or foreign court, tribunal or governmental authority or any private person in Canada or elsewhere, and no law, regulation, policy, judgment, decision, order, ruling or directive having been enacted, amended or applied, which in the sole judgment of the Investor, acting reasonably, in either case, has had, or if the Long Run Acquisition was consummated, would result in a material adverse change or have a material adverse effect in respect of the Target Company;
- (f) immediately prior to Long Run Completion, the Investor being satisfied that there shall not be more than a fixed number of Target Company Shares outstanding and that upon Long Run Completion, no person shall have any option, or any right or privilege capable of becoming an agreement or option for the purchase, subscription, allotment or issuance of any issued or unissued Target Company Shares other than pursuant to the currently outstanding options, incentive awards and convertible debentures issued by the Target Company; and

- (g) the information circular and proxy statement in relation to the issuance of Sale Interests pursuant to the Long Run Acquisition having been mailed to the holders of the Target Company Shares on or before December 21, 2015.

The Investor Conditions are for the exclusive benefit of the Investor and may be waived by the Investor in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Investor may have.

Target Company Conditions

The obligation of the Target Company to consummate the transactions contemplated by the Amended Investment Agreement is subject to the satisfaction, on or before Long Run Completion or such other time specified, of the following Target Company Conditions:

- (a) the Investor having complied in all material respects with its covenants in the Amended Investment Agreement;
- (b) the representations and warranties of the Investor set forth in the Amended Investment Agreement being true and correct as of the Long Run Completion Date;
- (c) the Circular having been mailed on or before December 31, 2015;
- (d) the Investor having deposited the Escrow Amount with the escrow agent appointed under the Escrow Agreement on or before November 30, 2015; and
- (e) the Investor having furnished the Target Company with certified copies of the resolutions passed by the board of directors of the Investor and the Board approving the performance of their respective obligations under the Amended Investment Agreement and the transactions contemplated thereunder.

The Target Company Conditions are for the exclusive benefit of the Target Company and may be waived by the Target Company in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Target Company may have.

If any of the Long Run Acquisition Conditions is not satisfied or, if applicable, waived on or before the date required for the satisfaction thereof, then the party for whose benefit the Long Run Acquisition Condition is provided may terminate the Amended Investment Agreement in accordance with the terms thereof.

Obligations on the Company with respect to the Circular and the EGM

The Company has agreed, among other things, to despatch the Circular to its shareholders by no later than December 31, 2015 and to convene the EGM by no later than January 20, 2016.

Obligations on the Target Company with respect to its information circular and proxy statement and its shareholders' meeting

The Target Company has agreed, among other things, to mail its information circular and proxy statement in relation to the issuance of Sale Interests by no later than December 21, 2015 and to convene its shareholders' meeting to approve the issuance of Sale Interests by no later than January 22, 2016.

Long Run Completion

Long Run Completion shall take place on the date that is the later of (a) January 25, 2016; and (b) five business days following the day on which all of the Long Run Acquisition Conditions have been satisfied or waived or such other date as may be agreed in writing by the Investor and the Target Company, but in any event not later than the Outside Date.

Termination

Termination Events

The Amended Investment Agreement may be terminated at any time prior to Long Run Completion under the following circumstances:

- (a) by mutual written consent of the Target Company and the Investor;
- (b) by the Target Company or the Investor if Long Run Completion has not occurred on or prior to the Outside Date, except that such right to terminate the Amended Investment Agreement shall not be available to any party whose failure to fulfil any of its obligations or breach of any of its representations or warranties under the Amended Investment Agreement has been the cause of, or resulted in, the failure of Long Run Completion occurring by the Outside Date;
- (c) by the Target Company, the Investor or the Company as entitled to do so pursuant to the terms of the Amended Investment Agreement where any Long Run Acquisition Condition is not satisfied or waived on or before the date required for the satisfaction thereof, provided that the failure to satisfy such Long Run Acquisition Condition did not occur as a result of a breach of the party seeking to rely on the Long Run Acquisition Condition or any of its covenants or obligations under the Amended Investment Agreement;
- (d) by the Investor if the Target Company Board has withdrawn, modified, qualified or changed any of its recommendations or determinations in respect of the Long Run Acquisition in a manner adverse to the Investor or shall have resolved to do so prior to the Long Run Completion Date, or has failed to publicly reconfirm such recommendation if and as required under the Amended Investment Agreement (unless the Investor is then in material breach of its obligations under the Amended Investment Agreement and such withdrawal, modification, qualification or change relates to such breach);

- (e) by the Target Company to accept, recommend, approve or enter into an agreement to implement an acquisition proposal (as more particularly described in the Amended Investment Agreement) by any person (other than the Investor) to the Target Company or holders of the Target Company Shares to acquire the securities of the Target Company or to merge with or take over the Target Company, provided that the Target Company has complied with its obligations regarding non-solicitation of any acquisition proposal or offer under the Amended Investment Agreement and concurrently pays the required Target Company Termination Fee;
- (f) by the Investor or the Target Company if: (i) holders of the Target Company Shares fail to approve the issuance of Sale Interests at the meeting of holders of the Target Company Shares; or (ii) approval, by the Shareholders of the Long Run Acquisition and the transactions contemplated thereunder in accordance with the Listing Rules and other applicable law is not obtained by the date on which meeting of the Shareholders is required to be held, or if not required to be held by the Listing Rules, applicable law or a governmental authority, by January 20, 2016;
- (g) by the Target Company in order to agree to or complete a sale, pledge, disposal or encumbrance of assets that has not been consented to by the Investor pursuant to the terms of the Amended Investment Agreement; or
- (h) by the Target Company in the event that the Investor has not deposited or caused to be deposited the Escrow Amount with the escrow agent appointed under the Escrow Agreement on or before November 30, 2015.

Target Company Termination Fee

If the Amended Investment Agreement is terminated:

- (a) by the Investor pursuant to the Termination Event set out in paragraph (d) under the sub-section headed "Termination Events" above;
- (b) by the Investor or the Target Company pursuant to the Termination Event set out in paragraph (b), (c) or (f)(i) under the sub-section headed "Termination Events" above, after the holders of the Target Company Shares fail to approve the issuance of Sale Interests pursuant to the Long Run Acquisition if, prior to the relevant shareholders' meeting of the Target Company, an acquisition proposal (as more particularly described in the Amended Investment Agreement) by any person (other than the Investor) to the Target Company or holders of the Target Company Shares to acquire the securities of the Target Company or to merge with or take over the Target Company is publicly announced and after such acquisition proposal has been publicly announced, the holders of the Target Company Shares do not approve the issuance of the Sale Interests and such acquisition proposal (or any other acquisition proposal) relating to the Target Company is entered into within 12 months of the date on which the first acquisition proposal is publicly announced (provided that the acquisition proposal or an amended version thereof must be subsequently completed); or
- (c) by the Target Company pursuant to the Termination Event set out in paragraph (e) under the sub-section headed "Termination Events" above,

then the Target Company shall pay the Target Company Termination Fee of C\$5 million (equivalent to approximately HK\$29,100,000) to the Investor as liquidated damages.

Reimbursement payable by the Target Company

If the Amended Investment Agreement is terminated:

- (a) by the Investor or the Target Company, as applicable, pursuant to the Termination Event set out in paragraph (b), (c) or (f)(i) under the sub-section headed “Termination Events” above following the holders of the Target Company Shares not approving the issuance of Sale Interests; or
- (b) by the Investor pursuant to the Termination Event set out in paragraph (b) or (c) under the sub-section headed “Termination Events” above where the Target Company may fail to comply with its covenants in the Amended Investment Agreement in any material respect or where the representations or warranties of the Target Company set forth in the Amended Investment Agreement may not be true or correct as of the Long Run Completion Date,

then the Target Company shall pay the Investor an amount equal to C\$2 million (the “**Target Company Reimbursement Fee**”) as reimbursement for the out-of-pocket expenses incurred by the Investor in connection with the Long Run Acquisition, provided that (i) the Investor is not in material breach of its obligations under the Amended Investment Agreement and (ii) no Target Company Termination Fee has been paid.

If the Amended Investment Agreement is terminated by the Target Company pursuant to the Termination Event set out in paragraph (g) under the sub-section headed “Termination Events” above, then the Target Company shall reimburse the Investor for its reasonable out-of-expenses in connection with the Long Run Acquisition from the date of the Amended Investment Agreement to the date of its termination up to a maximum of C\$2 million, provided that (x) the Investor is not in material breach of its obligations under the Amended Investment Agreement and (y) no Target Company Termination Fee or Target Company Reimbursement Fee has been paid.

Reimbursement payable by the Investor

If the Amended Investment Agreement is terminated:

- (a) by the Investor or the Target Company, as applicable, pursuant to the Termination Event set out in paragraph (b), (c) or (f)(ii) under the sub-section headed “Termination Events” above following the Shareholders not approving the Long Run Acquisition;
- (b) by the Target Company pursuant to the Termination Event set out in paragraph (b) or (c) under the sub-section headed “Termination Events” above where the Investor may fail to comply with its covenants in the Amended Investment Agreement in any material respect or where the representations or warranties of the Investor set forth in the Amended Investment Agreement may not be true or correct as of the Long Run Completion Date; or

(c) by the Target Company pursuant to the Termination Event set out in paragraph (h) under the sub-section headed “Termination Events” above,

then the Investor shall pay the Target Company an amount equal to C\$2 million (the “**Investor Reimbursement Fee**”) from the Escrow Amount (if deposited) and from the general funds of the Investor (if the Escrow Amount is not deposited), as reimbursement for the out-of-pocket expenses incurred by the Target Company in connection with the issuance of the Sale Interests pursuant to the Amended Investment Agreement, provided that (i) the Target Company is not in material breach of its obligations under the Amended Investment Agreement and (ii) no amount equal to or greater than the Investor Reimbursement Fee has been released to the Target Company pursuant to the Escrow Agreement.

Investor Performance Guarantee by the Company

The Company has irrevocably and unconditionally agreed to guarantee the timely and complete performance by the Investor of its obligations under the Amended Investment Agreement prior to Long Run Completion, under which the maximum aggregate liability of the Company to the Target Company in respect of the Amended Investment Agreement shall not exceed C\$25,000,000 (equivalent to approximately HK\$145,500,000).

THE WARRANTS

The following is a summary of the principal terms of the Warrants:

| | |
|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of warrants to be issued: | 91,000,000 |
| Number of Target Company Shares issuable upon exercise of the warrants: | 91,000,000 |
| Exercise period: | 12 months from the issue date of the warrants |
| Exercise price: | C\$1.10 per Target Company Share, subject to customary anti-dilutive adjustments |
| Transferability: | The Warrants are transferable. |
| Ranking of the Warrants Shares: | The Warrants Shares, when issued and fully paid, will rank <i>pari passu</i> in all respects with the existing Target Company Shares in issue as at the issue date of the Warrants Shares. |
| Voting Rights: | Holder(s) of the Warrants will not have any right to attend or vote at any meeting of holders of the Target Company Shares by reason only of being a holder of the Warrants. |

THE ESCROW AGREEMENT

Pursuant to the terms of the Escrow Agreement, executed by the Investor, the Target Company and the escrow agent on November 8, 2015, all or any part of the Escrow Amount shall be released in the following manner:

- (a) from time to time and at any time upon receipt of, and in accordance with, a joint written instruction signed by the Investor and the Target Company;
- (b) if the Amended Investment Agreement is terminated:
 - (i) by the Investor or the Target Company pursuant to the Termination Event set out in paragraphs (b), (c) or (f)(ii) under the section headed “The Amended Investment Agreement — Termination — Termination Events” in this announcement following the Shareholders not approving the Long Run Acquisition;
 - (ii) by the Target Company pursuant to the Termination Event set out in paragraphs (b) or (c) under the section headed “The Amended Investment Agreement — Termination — Termination Events” in this announcement where the Investor may fail to comply with its covenants in the Amended Investment Agreement in any material respect or where the representations or warranties of the Investor set forth in the Amended Investment Agreement may not be true or correct as of the Long Run Completion Date; or
 - (iii) the Target Company pursuant to the Termination Event set out in paragraph (h) under the section headed “The Amended Investment Agreement — Termination — Termination Events” in this announcement,

then C\$2,000,000 (equivalent to approximately HK\$11,640,000) of the Escrow Amount plus interest if any (representing the Investor Reimbursement Fee) shall be released to the Target Company and the balance of the Escrow Amount plus interest (if any) shall be released to the Investor, in each case following termination of the Amended Investment Agreement;

- (c) if the Amended Investment Agreement is terminated for any reason other than as set forth in the forgoing paragraph (b), the Escrow Amount shall be released to the Investor following date of the termination of the Amended Investment Agreement; and
- (d) if Long Run Completion has not occurred on or prior to the Outside Date, following the Outside Date, the Escrow Amount shall be released to the Investor, provided that the Escrow Amount is not otherwise required to be released to the Target Company under the Escrow Agreement.

THE GOVERNANCE AGREEMENT

The Target Company, the Investor and the Company will, at Long Run Completion, enter into the Governance Agreement to regulate certain matters in respect of the Target Company. The principal terms of the Governance Agreement are set out below:

Parties

- (1) The Target Company
- (2) The Investor
- (3) The Company

Size and Composition of the Target Company Board

For so long as the Investor beneficially owns:

- (a) more than 10% but less than 20% of the total outstanding Target Company Shares, the Investor shall have the right to nominate one (1) Target Company Director and the aggregate number of Target Company Directors shall not exceed seven (7);
- (b) 20% or more but less than 35% of the total outstanding Target Company Shares, the Investor shall have the right to nominate two (2) Target Company Directors and the aggregate number of Target Company Directors shall not exceed seven (7);
- (c) 35% or more but less than 40% of the total outstanding Target Company Shares, the Investor shall have the right to nominate three (3) Target Company Directors and the aggregate number of Target Company Directors shall not exceed eight (8); and
- (d) 40% or more of the total outstanding Target Company Shares, the Investor shall have the right to nominate four (4) Target Company Directors and the aggregate number of Target Company Directors shall not exceed nine (9),

and any increase or decrease in the size of the Target Company Board in accordance with the terms of the Governance Agreement will require the approval of the Target Company Board by resolution passed by a simple majority of the Target Company Directors.

If the Target Company Directors resolve to increase the size of the Target Company Board, subject to the thresholds specified in paragraphs (a), (b), (c) and (d) above, for each Target Company Director who is not nominated by the Investor and added to the Target Company Board, one additional Target Company Director nominated by the Investor will also be added to the Target Company Board (and vice versa), and the number of Target Company Directors the Investor is thereafter entitled to nominate shall be increased on a corresponding basis and shall subsequently be reduced on the same basis if the number of Target Company Directors is subsequently decreased, provided that no such reduction shall reduce the number of Target Company Directors the Investor is entitled to nominate to a number of Target Company Directors that is less than the thresholds specified in paragraphs (a), (b), (c) and (d) above as at the date of the Governance Agreement.

The Target Company Directors nominated to fill any vacancies arising as a result of an increase in the size of the Target Company Board, other than in respect of Target Company Directors that the Investor is entitled to nominate pursuant to the terms of the Governance Agreement, shall be independent and jointly determined by the independent directors of the Target Company Board and the Investor, acting reasonably and shall be subject to the confirmation by the corporate governance committee of the Target Company Board.

Quorum of meetings of the Target Company Board

For so long as the Investor beneficially owns not less than 20% of the total outstanding Target Company Shares, a quorum for a meeting of the Target Company Board shall require at least one (1) director nominated by the Investor. The foregoing requirement shall not apply to a subsequent meeting of the Target Company Board reconvened by any two (2) Target Company Directors as a result of the failure to achieve a quorum which satisfies the foregoing requirement for the initial meeting of the Target Company Board.

Restriction on transfer of Target Company Shares

Each of the Investor and the Company has undertaken to the Target Company that prior to the date that is six months following the date of the Governance Agreement, it will not, directly or indirectly, sell, transfer, assign or otherwise dispose of the beneficial interest in any of the Target Company Shares or the Warrants acquired by it pursuant to the Amended Investment Agreement (including any Warrants Shares), except for:

- (a) such sale, transfer, assignment or disposal which does not result, to the knowledge of the Investor or the Company (as applicable), in any one person holding, directly or indirectly, more than 5% of the outstanding Target Company Shares; or
- (b) such sale, transfer, assignment or disposal which is conducted by way of deposit under any formal take-over bid that may be made for the Target Company Shares by an person or in connection with a statutory arrangement or other business combination of the Target Company or the entering into of a lock-up agreement or support agreement in connection with any such transaction and in each case provided such transaction has been approved by a majority of the Target Company Board.

Any sale of securities in the Investor by the Company or such shareholder of the Investor is also restricted pursuant to the Governance Agreement until the date that is six months following the date of the Governance Agreement except with the prior written consent of the Target Company (which is not to be unreasonably withheld or delayed).

Restriction on acquisition of Target Company Shares

Without the prior written consent of the Target Company, each of the Investor and the Company shall not acquire (nor permit any person acting jointly or in concert with any of them to acquire) ownership of, or voting control or direction over, more than 50% of the issued and outstanding Target Company Shares other than pursuant to the exercise of the Warrants.

Term of the Governance Agreement

The Governance Agreement will continue in force until the earlier of (a) the date on which it is terminated by written agreement of the parties to the Governance Agreement; and (b) such time when the Investor beneficially owns less than 10% of the outstanding Target Company Shares.

REASONS FOR AND BENEFITS OF THE JOINT VENTURE ARRANGEMENTS AND THE AMENDMENT OF CERTAIN TERMS OF THE LONG RUN ACQUISITION AS A WHOLE

The Directors believe the revised terms of the Long Run Acquisition under the Amended Investment Agreement fairly reflect the most recent changes in commodity prices as well as the global oil and gas business environment that the Target Company operates since the execution of the Original Investment Agreement.

Based on the amended Long Run Consideration in the aggregate amount of C\$100 million (equivalent to approximately HK\$590 million), the Long Run Acquisition represents multiples of C\$5.62 (enterprise value/proved and probable reserves of the Target Company), C\$27,848 (enterprise value/production of the Target Company in the second quarter of 2015) and 3.6x (enterprise value/EBITDA), compared to C\$6.80, C\$33,672 and 4.4x respectively under the Original Investment Agreement.

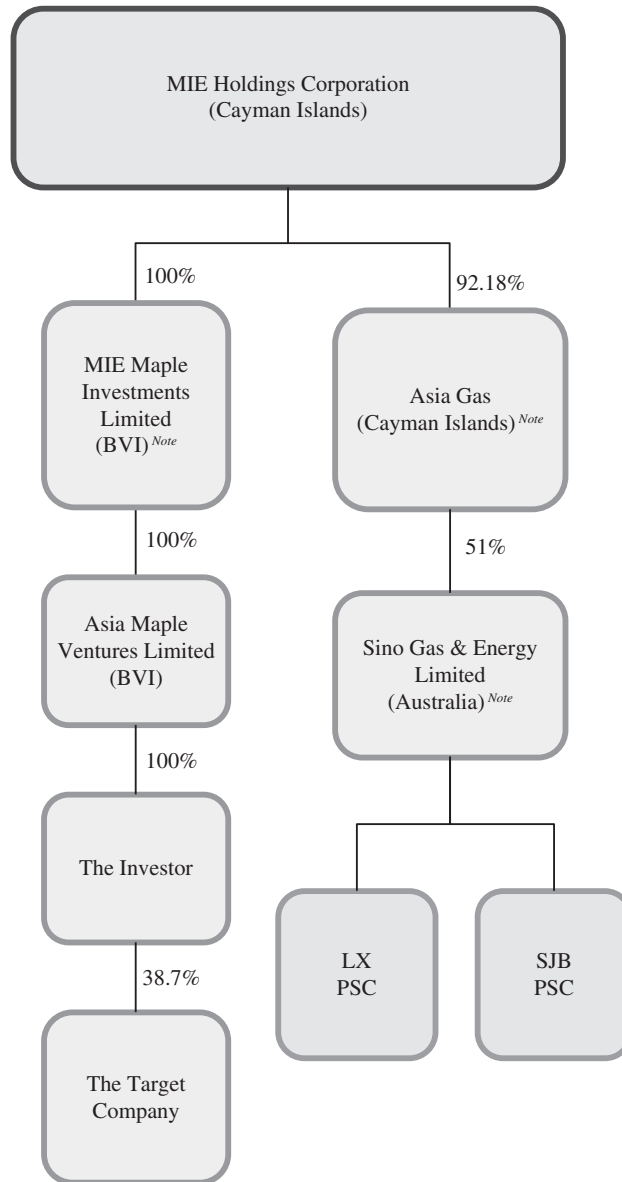
Established in 2013, the JV Partner is a wholly-owned subsidiary of the Guarantor which, in turn, is a private investment company based in Hong Kong with solid financial standing and a wealth of experience investing in the energy sector. By establishing the joint venture with the JV Partner at Asia Maple, the Group will not only be able to leverage on the experience and financial strength of the JV Partner in the Long Run Acquisition but may also benefit from future potential partnerships.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Amended Investment Agreement, the Escrow Agreement, the Subscription Agreement, the Shareholders' Agreement, the Option Agreement and the Share Charge Deed are fair and reasonable and the transactions contemplated under those agreements are in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

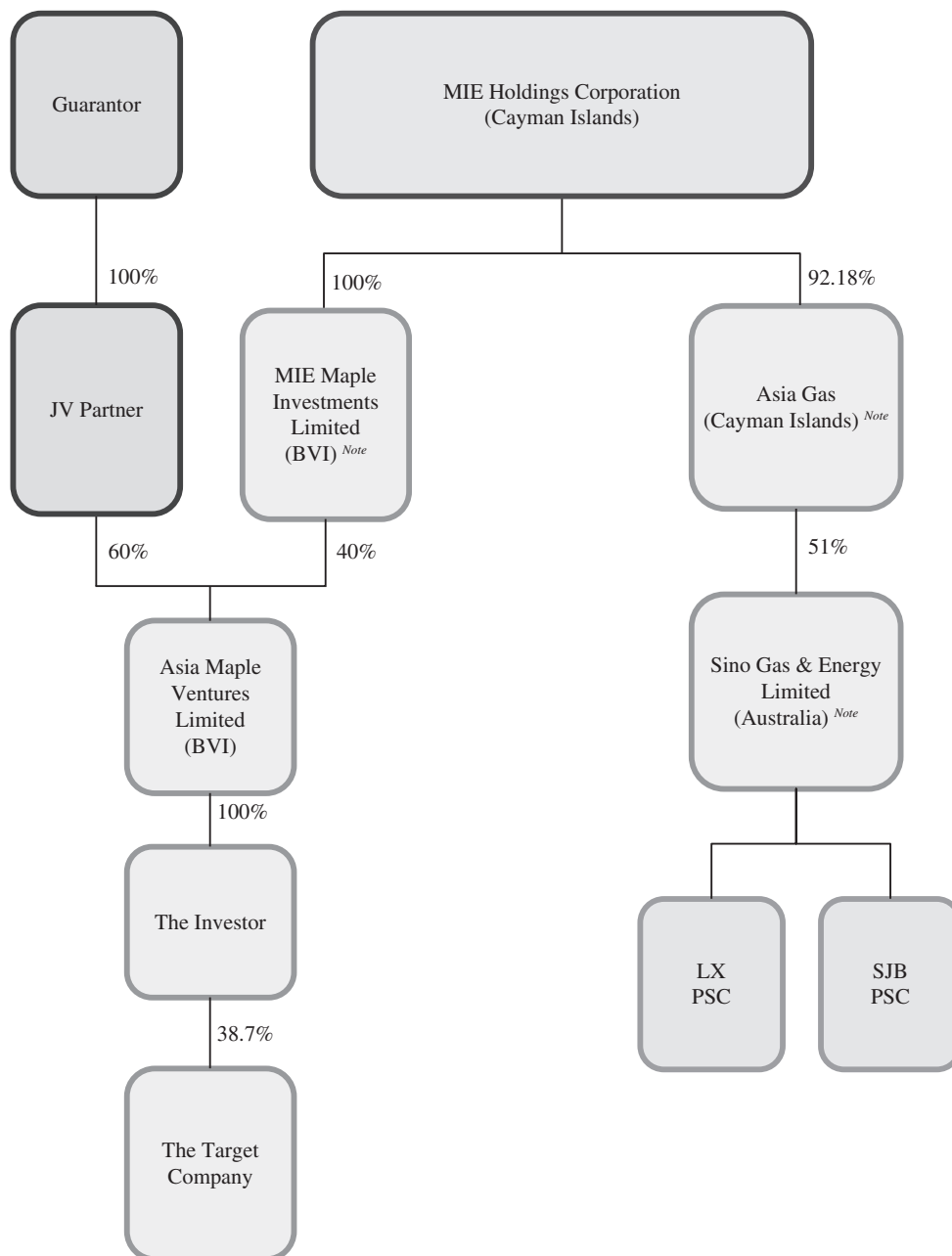
The Group is an independent oil and gas group engaged in the exploration and production of oil and gas in China, Kazakhstan and USA. The Group operates the Daan, and Moliqing oilfields in the Songliao Basin under various separate production sharing contracts with PetroChina Company Limited, the largest oil company in China; the Group holds a 51% stake in Sino Gas & Energy Limited that operates Linxing and Sanjiaobei unconventional gas assets located in the Ordos Basin under two separate production sharing contracts. 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 following structure chart shows the shareholding structure of the Investor and the major subsidiaries and assets of the Group immediately before completion of the Asia Maple Subscription:



Note: MIE Maple, Asia Gas and Sino Gas & Energy Limited are subsidiaries of the Company that have been designated as “unrestricted subsidiaries” under the indentures of the Company’s outstanding senior notes due 2018 and senior notes due 2019 and are therefore not subject to the covenants in the indentures.

The following structure chart shows the shareholding structure of the Investor and the major subsidiaries and assets of the Group immediately after completion of the Asia Maple Subscription:



Note: MIE Maple, Asia Gas and Sino Gas & Energy Limited are subsidiaries of the Company that have been designated as “unrestricted subsidiaries” under the indentures of the Company’s outstanding senior notes due 2018 and senior notes due 2019 and are therefore not subject to the covenants in the indentures.

INFORMATION ON MIE MAPLE

MIE Maple is an investment holding company newly established for the purpose of the Long Run Acquisition and is wholly-owned by the Company as at the date of this announcement.

INFORMATION ON ASIA MAPLE

Asia Maple is an investment holding company newly established for the purpose of the Long Run Acquisition and is owned as to 40% by MIE Maple and 60% by the JV Partner as at the date of this announcement. The net asset value of Asia Maple as at the date of this announcement is US\$1,000. Incorporated in 2015, Asia Maple did not record any profits or loss for the two years ended December 31, 2013 and December 31, 2014. There is no gain or loss expected to accrue to the Company as a result of the Asia Maple Subscription.

It is the current intention of the Company that if neither of the Call Option nor the Final Put Option is exercised within the Call Option Period or the Final Put Option Period (as the case may be) pursuant to the terms of the Option Agreement, the Company will continue to hold a minority interest in Asia Maple.

INFORMATION ON THE INVESTOR

The Investor is an investment holding company newly established for the purpose of the Long Run Acquisition. As at the date of this announcement, the Investor is a wholly-owned subsidiary of Asia Maple.

INFORMATION ON THE JV PARTNER AND THE GUARANTOR

The JV Partner is an investment holding company. It is a wholly-owned subsidiary of the Guarantor.

The Guarantor is a private investment company focusing on the energy, technology and real estate sector. Its current investment portfolio covers Greater China and North America.

INFORMATION ON THE TARGET COMPANY

The Target Company is an intermediate oil and natural gas company headquartered in Calgary, Alberta, Canada with a focus on development, exploration and production in the Western Canadian Sedimentary Basin. The Target Company Shares are listed on the TSX under the ticker "LRE". The Target Company has no subsidiaries as at the date of this announcement.

Please refer to the First Announcement for further information on the production and reserves of the Target Company, financial position and senior management of the Company.

The board of directors and management team of the Target Company have initiated a formal asset disposition process of both core and non-core assets from the Target Company's diversified asset base to address the Target Company's non-revolving syndicated facility which is due by May 29, 2016. The Target Company expects that during 2015, it will apply part of its funds flow from operations in excess of net capital expenditures to repay a portion of its non-revolving syndicated facility. On completion of the Long Run Acquisition, the proceeds will be used by the Target Company to further reduce indebtedness under the Target Company's non-revolving syndicated facility. The Target Company intends to repay the remaining balance on the non-revolving syndicated facility through the additional asset dispositions contemplated by the strategic asset rationalization process.

EFFECTS OF THE LONG RUN ACQUISITION ON THE SHAREHOLDING STRUCTURE OF THE TARGET COMPANY

The following table sets out, for illustrative purpose only, the effects of the Long Run Acquisition on the shareholding structure of the Target Company (a) as at the date of this announcement; (b) immediately after completion of the Long Run Acquisition ^(Notes 1&2); and (c) immediately after the Warrants have been exercised in full ^(Note 2):

| | As at the date of this announcement | | Immediately after completion of the Long Run Acquisition ^(Notes 1&2) | | Immediately after the Warrants have been exercised in full ^(Note 2) | |
|--------------------------------------------------------------|----------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------------------|--------------------------------------------------------------|--------------------------------------------------------------------------------|--------------------------------------------------------------|
| | <i>Number of Target Company Shares</i> | <i>Approximate % of total Target Company Shares in issue</i> | <i>Number of Target Company Shares</i> | <i>Approximate % of total Target Company Shares in issue</i> | <i>Number of Target Company Shares</i> | <i>Approximate % of total Target Company Shares in issue</i> |
| The Investor | — | — | 125,000,000 | 38.68% | 216,000,000 | 52.15% |
| The Group | — | — | — | — | — | — |
| The JV Partner | — | — | — | — | — | — |
| Other shareholders of the Target Company ^(Note 3) | <u>193,498,465</u> | <u>100.00%</u> | <u>198,182,459</u> | <u>61.32%</u> | <u>198,182,459</u> | <u>47.85%</u> |
| Total | <u>198,498,465</u> | <u>100.00%</u> | <u>323,182,459</u> | <u>100.00%</u> | <u>414,182,459</u> | <u>100.00%</u> |

Notes:

1. Subject to and on Long Run Completion, 4,614,000 Target Company Shares will be issued to certain existing employees in settlement of the outstanding restricted awards granted by the Target Company to those employees under its incentive plan.
2. Assuming no other change in the number of Target Company Shares in issue.
3. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no connected person of the Company holds any Target Company Shares as at the date of this announcement. For the purpose of this table, it is assumed that no connected person of the Target Company will hold any Target Company Shares immediately after completion of the Long Run Acquisition and immediately after the Warrants have been exercised in full.

IMPLICATIONS UNDER THE LISTING RULES

Amended Investment Agreement

Long Run Acquisition

As the Investor is no longer a subsidiary of the Company, the Long Run Acquisition, on its own, no longer constitutes a notifiable transaction for the Company and is therefore not subject to any of the notification, announcement or shareholders' approval requirements under Chapter 14 of the Listing Rules.

Investor Performance Guarantee by the Company

As one or more of the Relevant Ratios in respect of the provision of the Investor Performance Guarantee by the Company under the Amended Investment Agreement is more than 5% but all of them are less than 25%, the provision of the Investor Performance Guarantee, on its own, constitutes a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Joint Venture Arrangements

Asia Maple Subscription

Pursuant to Rule 14.29 of the Listing Rules, the Asia Maple Subscription constituted a deemed disposal by the Company of its indirect interest in Asia Maple. As each of the Relevant Ratios in respect of the Asia Maple Subscription is less than 5%, the Asia Maple Subscription is not subject to any of the notification, announcement or shareholders' approval requirements under Chapter 14 of the Listing Rules.

MIE Maple First Funding (for funding part of the Escrow Amount)

As each of the Relevant Ratios in respect of the obligation on MIE Maple to provide the MIE Maple First Funding pursuant to the Subscription Agreement is less than 5%, the obligation on MIE Maple to provide the MIE Maple First Funding, on its own, is not subject to any of the notification, announcement or shareholders' approval requirements under Chapter 14 of the Listing Rules.

MIE Maple Second Funding

As one or more of the Relevant Ratios in respect of the obligation on MIE Maple to provide the MIE Maple Second Funding pursuant to the Subscription Agreement, when aggregated with the obligation to provide the MIE Maple First Funding, is more than 5% but all of them are less than 25%, the obligation on MIE Maple to provide the MIE Maple Second Funding, when aggregated only with the obligation to provide the MIE Maple First Funding, constitute a discloseable transaction for the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

Final Put Option

As the Final Put Option is exercisable at the discretion of the JV Partner, pursuant to Rule 14.74(1) of the Listing Rules, the Final Put Option will be classified as if it had been exercised at the time of grant.

As none of the actual value or the highest possible value of the underlying Asia Maple Shares or the profits or revenue attributable to such shares can be ascertained at the time of grant, pursuant to Rule 14.76(1) of the Listing Rules, the Final Put Option will be classified as at least a major transaction (acquisition) for the Company under Chapter 14 of the Listing Rules. The Company will, at the EGM, seek the approval by the Shareholders of the Final Put Option as a very substantial acquisition for the Company under Chapter 14 of the Listing Rules.

Call Option and Accelerated Put Option

Since the Call Option is exercisable at the discretion of MIE Maple, the acquisition of the Call Option by MIE Maple at no cost will, pursuant to Rule 14.75(1) of the Listing Rules, be exempt from the notification, announcement and shareholders' approval requirements of Chapter 14 of the Listing Rules.

Since the Accelerated Put Option will only become exercisable by the JV Partner as a result of the exercise of the Call Option by MIE Maple at its discretion, the Accelerated Put Option is aggregated with, and classified in the same way as, the Call Option. Hence, the grant of the Accelerated Put Option by MIE Maple will be exempt from the notification, announcement and shareholders' approval requirements of Chapter 14 of the Listing Rules.

The Company will comply with the relevant requirements under Chapter 14 of the Listing Rules when MIE Maple exercises the Call Option, which may trigger the exercise of the Accelerated Put Option by the JV Partner.

Structuring Fee

As each of the Relevant Ratios in respect of the obligation on MIE Maple to pay the Structuring Fee pursuant to the Subscription Agreement is less than 5%, the obligation on MIE Maple to pay the Structuring Fee, on its own, is not subject to any of the notification, announcement or shareholders' approval requirements under Chapter 14 of the Listing Rules.

Aggregation

As one of the business objectives of the establishment of the Joint Venture Arrangements by MIE Maple with the JV Partner is to finance the Long Run Acquisition, the Joint Venture Arrangements under the Subscription Agreement, the Shareholders' Agreement, the Option Agreement and the Share Charge Deed (including the MIE Maple Funding, the Call Option, the Put Options and the Share Charge) and the Long Run Acquisition pursuant to the Amended Investment Agreement are, therefore, inter-related and aggregated for the purpose of determining the classification of those transactions, as a whole, under Chapter 14 of the Listing Rules. Hence, the Company will, at the EGM, seek the approval by the Shareholders of the transactions contemplated under the Subscription Agreement, the Shareholders'

Agreement, the Option Agreement and the Share Charge Deed, together with the transactions contemplated under the Amended Investment Agreement and the Escrow Agreement, as a very substantial acquisition for the Company under Chapter 14 of the Listing Rules.

EGM

The Company will convene the EGM at which ordinary resolution(s) will be proposed to approve, among other things, the entry into and performance by MIE Maple and (with respect to the Subscription Agreement) the Company of its/their respective obligations under the Subscription Agreement, the Shareholders' Agreement and the Option Agreement (including the Final Put Option), the entry into and performance by the Company of its obligations under the Share Charge Deed, and the entry into and performance by the Investor and the Company of their respective obligations under the Amended Investment Agreement and the Escrow Agreement in connection with the Long Run Acquisition.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the transactions to be approved at the EGM and no Shareholder is therefore required to abstain from voting on the relevant resolution(s) at the EGM.

Far East Energy Limited, the ultimate holding company of the Company, has undertaken to the Target Company that it will vote (or caused to be voted) all the Shares in which it is interested in favour of the resolution approving the Long Run Acquisition and the transactions contemplated by the Amended Investment Agreement.

GENERAL

Pursuant to the requirements applicable to a very substantial acquisition under Chapter 14 of the Listing Rules, the Company will despatch to the Shareholders the Circular containing further details of the Subscription Agreement, the Shareholders' Agreement, the Option Agreement, the Share Charge Deed, the Amended Investment Agreement, the Escrow Agreement and the notice of the EGM. Since, upon the exercise of the Final Put Option in full by the JV Partner, Asia Maple and the Target Company will become subsidiaries of the Company and their financial results will be consolidated into the financial statements of the Group, the Circular will also contain, among other things, financial information and information on the oil and gas reserves of the Target Company prepared pursuant to the Waivers, the unaudited pro forma financial information of the Group and the Target Company and a valuation report on the mineral assets of the Target Company prepared in accordance with Chapter 18 of the Listing Rules. As it will take time to prepare the foregoing information for inclusion in the Circular, the Circular is expected to be despatched to the Shareholders on or before December 31, 2015.

Completion of the Long Run Acquisition is subject to the Long Run Acquisition Conditions, which may or may not be fulfilled. The transactions contemplated under the Amended Investment Agreement, as well as those contemplated under the Subscription Agreement, the Shareholders' Agreement, the Option Agreement and the Share Charge Deed, 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.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on November 9, 2015 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on November 11, 2015.

DEFINITIONS

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

| | |
|------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Accelerated Put Option” | the put option to be granted by MIE Maple to the JV Partner to require MIE Maple to purchase certain Asia Maple Shares held by the JV Partner on each occasion when the Call Option is exercised on the terms and subject to the conditions of the Option Agreement, as described in the section headed “The Option Agreement — Accelerated Put Option” in this announcement |
| “Accelerated Put Option Completion” | completion of the sale and purchase of any Relevant Accelerated Put Option Shares |
| “Accelerated Put Option Completion Date” | the date on which Accelerated Put Option Completion takes place pursuant to the terms of the Option Agreement |
| “Accelerated Put Option Consideration” | with respect to any Relevant Accelerated Put Option Shares, the purchase price payable for such Relevant Accelerated Put Option Shares |
| “Accelerated Put Option Shares” | the Asia Maple Shares which are subject to the Accelerated Put Option, as described in the section headed “The Option Agreement — Accelerated Put Option — Accelerated Put Option Shares” in this announcement |
| “Amended Investment Agreement” | the amended and restated investment agreement dated November 8, 2015 and entered into between the Target Company, the Investor and the Company amending certain terms of the Original Investment Agreement |
| “Asia Gas” | Asia Gas & Energy Ltd., a company incorporated under the laws of the Cayman Islands with limited liability and a subsidiary of the Company |
| “Asia Maple” | Asia Maple Ventures Limited, a company incorporated in the British Virgin Islands with limited liability |
| “Asia Maple Board” | the board of the Asia Maple Directors |
| “Asia Maple Director(s)” | the director(s) of Asia Maple |

| | |
|-------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Asia Maple Share(s)” | share(s) of Asia Maple with a par value of US\$1 each |
| “Asia Maple Shareholder(s)” | holder(s) of the Asia Maple Shares |
| “Asia Maple Subscription” | the subscription by MIE Maple of the MIE Maple Subscription Shares and the subscription by the JV Partner of the JV Partner Subscription Shares pursuant to the terms of the Subscription Agreement |
| “Benchmark Amount” | the amount by reference to which the Accelerated Put Option Consideration shall be determined, as described in the section headed “The Option Agreement — Accelerated Put Option — Accelerated Put Option Consideration” in this announcement |
| “Board” | the board of Directors |
| “C\$” | Canadian Dollars, the lawful currency of Canada |
| “Call Option” | the call option to be granted by the JV Partner to MIE Maple to purchase up to 360 Asia Maple Shares on the terms and subject to the conditions of the Option Agreement, as described in the section headed “The Option Agreement — Call Option” in this announcement |
| “Call Option Completion” | completion of the sale and purchase of any Relevant Call Option Shares |
| “Call Option Completion Date” | the date on which Call Option Completion takes place pursuant to the terms of the Option Agreement |
| “Call Option Consideration” | with respect to any Relevant Call Option Shares, the purchase price payable for such Relevant Call Option Shares |
| “Call Option Period” | the period during which the Call Option may be exercised pursuant to the terms of the Option Agreement, as described in the section headed “The Option Agreement — Call Option — Call Option Period” in this announcement |
| “Call Option Shares” | the Asia Maple Shares which are subject to the Call Option, as described in the section headed “The Option Agreement — Call Option” in this announcement |
| “Circular” | the circular to be issued by the Company in accordance with the Listing Rules in respect of, among other things, the Long Run Acquisition and the Joint Venture Arrangements |

| | |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “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 |
| “EBITDA” | earnings before interest, taxes, exploration expenses, and all non-cash items including depletion and depreciation, unrealized gain/loss on derivatives, gain/loss on sale of assets, accretion and share based compensation |
| “EGM” | the extraordinary general meeting of the Company to be convened to consider, and if thought fit, approve, among other things, the Long Run Acquisition and the Joint Venture Arrangements |
| “Escrow Agreement” | the escrow agreement dated November 8, 2015 and entered into between the Investor, the Target Company and the escrow agent in relation to the Escrow Amount |
| “Escrow Amount” | C\$10,000,000 (equivalent to approximately HK\$58,200,000) |
| “Final Put Option” | the put option to be granted by MIE Maple to the JV Partner to require MIE Maple to purchase the Asia Maple Shares held by the JV Partner on the terms and subject to the conditions of the Option Agreement, as described in the section headed “The Option Agreement — Final Put Option” in this announcement |
| “Final Put Option Completion” | completion of the sale and purchase of any Relevant Final Put Option Shares |
| “Final Put Option Completion Date” | the date on which Final Put Option Completion takes place pursuant to the terms of the Option Agreement |
| “Final Put Option Consideration” | with respect to any Relevant Final Put Option Shares, the purchase price payable for such Relevant Final Put Option Shares |
| “Final Put Option Period” | the period during which the Final Put Option may be exercised pursuant to the terms of the Option Agreement, as described in the section headed “The Option Agreement — Final Put Option — Final Put Option Period” in this announcement |

| | |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Final Put Option Shares” | the Asia Maple Shares which are subject to the Final Put Option, as described in the section headed “The Option Agreement — Final Put Option” in this announcement |
| “First Announcement” | the announcement of the Company dated August 5, 2015 in relation to the acquisition by the Investor of certain interest in, and warrants issued by, the Target Company pursuant to the Original Investment Agreement |
| “First Funding” | the aggregate of the MIE Maple First Funding and the JV Partner First Funding |
| “First Funding Date” | November 26, 2015 or such other date as MIE Maple and the JV Partner may agree in writing |
| “Governance Agreement” | the governance agreement to be entered into between the Target Company, the Investor and the Company at Long Run Completion |
| “Group” | the Company and its subsidiaries as at the date of this announcement |
| “Group Transferee(s)” | in relation to any person, its subsidiaries, its holding company(ies) and all other subsidiaries of such holding company(ies) |
| “Guarantor” | Hammer Capital Group Limited, a limited liability company incorporated under the laws of the British Virgin Islands |
| “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 |
| “IFRS” | the International Financial Reporting Standards |
| “Investor” | Maple Marathon Investments Limited, a company incorporated in Hong Kong with limited liability |
| “Investor Conditions” | the conditions to which the obligation of the Investor to consummate the transactions contemplated under the Amended Investment Agreement are subject, as set out in the section headed “The Amended Investment Agreement — Long Run Acquisition Conditions — Investor Conditions” in this announcement |

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| “Investor Performance Guarantee” | the guarantee for the performance by the Investor of its obligations under the Amended Investment Agreement prior to Long Run Completion given by the Company in favour of the Target Company pursuant to the Amended Investment Agreement |
| “Investor Reimbursement Fee” | the fee for the reimbursement of out-of-pocket expenses payable by the Investor to the Target Company under the Amended Investment Agreement in the circumstances set out in the section headed “The Amended Investment Agreement — Termination — Reimbursement payable by the Investor” in this announcement |
| “Joint Venture Arrangements” | the joint venture arrangements between MIE Maple and the JV Partner in respect of Asia Maple pursuant to the Subscription Agreement, the Shareholders’ Agreement and the Option Agreement |
| “JV Partner” | Hammer Capital SP3 Limited, a limited liability company incorporated under the laws of the British Virgin Islands |
| “JV Partner First Funding” | the amount of C\$6,000,000 (equivalent to approximately HK\$34,920,000) to be provided by the JV Partner to Asia Maple on or before the First Funding Date pursuant to the terms of the Subscription Agreement |
| “JV Partner Funding” | the aggregate of the JV Partner First Funding and the JV Partner Second Funding |
| “JV Partner Second Funding” | the amount of C\$54,000,000 (equivalent to approximately HK\$314,820,000) to be provided by JV Partner to Asia Maple on or before the Second Funding Date pursuant to the terms of the Subscription Agreement |
| “JV Partner Subscription Shares” | 600 Asia Maple Shares issued by Asia Maple and subscribed for by the JV Partner pursuant to the terms of the Subscription Agreement |
| “JV Subsidiaries” | the Investor and any other subsidiaries of Asia Maple from time to time, except the Target Company |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Run Acquisition” | the proposed acquisition of the Sale Interests by the Investor from the Target Company pursuant to the terms of the Amended Investment Agreement |
| “Long Run Acquisition Conditions” | the conditions to completion of the Long Run Acquisition as set out in the Amended Investment Agreement |

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| “Long Run Completion” | completion of the Long Run Acquisition |
| “Long Run Completion Date” | the date on which Long Run Completion takes place pursuant to the terms of the Amended Investment Agreement |
| “Long Run Consideration” | C\$100,000,000 (equivalent to approximately HK\$582,000,000), being the aggregate amount of consideration payable for the Sale Interests under the Amended Investment Agreement |
| “MIE Maple” | MIE Maple Investments Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company |
| “MIE Maple First Funding” | the amount of C\$4,000,000 (equivalent to approximately HK\$23,280,000) to be provided by MIE Maple to Asia Maple on or before the First Funding Date pursuant to the terms of the Subscription Agreement |
| “MIE Maple Funding” | the aggregate of the MIE Maple First Funding and the MIE Maple Second Funding |
| “MIE Maple Second Funding” | the amount of C\$36,000,000 (equivalent to approximately HK\$209,520,000) to be provided by MIE Maple to Asia Maple on or before the Second Funding Date pursuant to the terms of the Subscription Agreement |
| “MIE Maple Subscription Shares” | 300 Asia Maple Shares issued by Asia Maple and subscribed for by MIE Maple pursuant to the terms of the Subscription Agreement |
| “Mutual Conditions” | the conditions to which the respective obligations of the parties to the Amended Investment Agreement to consummate the transactions contemplated under the Amended Investment Agreement are subject, as set out in the section headed “The Amended Investment Agreement — Long Run Acquisition Conditions — Mutual Conditions” in this announcement |
| “NPV” | net present value of future net revenue |
| “Option Agreement” | the option agreement to be entered into between MIE Maple, the JV Partner and the Guarantor in relation to the Call Option and the Put Options |

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| “Original Investment Agreement” | the investment agreement dated August 2, 2015 and entered into between the Target Company, the Investor and the Company in relation to the acquisition by the Investor of certain interest in, and warrants issued by, the Target Company |
| “Outside Date” | January 31, 2016, or such other date as the Target Company and the Investor may agree in writing |
| “Put Options” | the Accelerated Put Option and the Final Put Option |
| “Relevant Accelerated Put Option Shares” | with respect to each Accelerated Put Option, the number of Asia Maple Shares in respect of which the whole or any part of such Accelerated Put Option is exercised and specified in the exercise notice of such Accelerated Put Option |
| “Relevant Call Option Shares” | the number of Asia Maple Shares in respect of which the whole or any part of the Call Option is exercised and specified in the exercise notice of the Call Option |
| “Relevant Final Put Option Shares” | the number of Asia Maple Shares in respect of which the whole or any part of the Final Put Option is exercised and specified in the exercise notice of the Final Put Option |
| “Relevant Ratios” | the five ratios set out in Rule 14.07 of the Listing Rules (where applicable) |
| “Sale Interests” | 125,000,000 units to be issued by the Target Company to the Investor pursuant to the Amended Investment Agreement, with each unit consisting of one Target Company Share and 0.728 of a Warrant |
| “Second Funding” | the aggregate of the MIE Maple Second Funding and the JV Partner Second Funding |
| “Second Funding Conditions” | conditions to which the obligations on MIE Maple and the JV Partner to provide the Second Funding under the Subscription Agreement are subject |
| “Second Funding Date” | the first business day after the date on which the Long Run Acquisition Conditions have been fulfilled (or, if applicable, waived) in accordance with the terms of the Amended Investment Agreement or such other date as MIE Maple and the JV Partner may agree in writing |
| “Share(s)” | ordinary share(s) of US\$0.001 each in the capital of the Company |

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| “Share Charge” | the charge over shares of Asia Gas to be granted by the Company in favour of the JV Partner pursuant to the Share Charge Deed |
| “Share Charge Deed” | the deed to be executed by the Company in favour of the JV Partner in relation to the Share Charge |
| “Shareholder(s)” | holder(s) of the Shares |
| “Shareholders’ Agreement” | the shareholders’ agreement dated November 8, 2015 and entered into between MIE Maple, the JV Partner and the Guarantor in relation to the management and affairs of Asia Maple |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Structuring Fee” | the structuring fee payable by MIE Maple to the JV Partner pursuant to the terms of the Subscription Agreement, as described in the section headed “The Subscription Agreement — Structuring Fee to the JV Partner” in this announcement |
| “Subscription Agreement” | the share subscription agreement dated November 8, 2015 and entered into between Asia Maple, MIE Maple, the JV Partner, the Guarantor and the Company in relation to, among other things, the Asia Maple Subscription, the MIE Maple Funding and the JV Partner Funding and the Structuring Fee |
| “Subscription Shares” | the aggregate of the MIE Maple Subscription Shares and the JV Partner Subscription Shares |
| “Target Company” | Long Run Exploration Ltd., a company governed by the Business Corporations Act (Alberta), whose common shares are listed on the TSX under the ticker “LRE” |
| “Target Company Board” | the board of the Target Company Directors |
| “Target Company Conditions” | the conditions to which the obligation of the Target Company to consummate the transactions contemplated under the Amended Investment Agreement are subject, as set out in the section headed “The Amended Investment Agreement — Long Run Acquisition Conditions — Target Company Conditions” in this announcement |
| “Target Company Director(s)” | the director(s) of the Target Company |
| “Target Company Share(s)” | the common share(s) in the capital of the Target Company |

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| “Target Company Reimbursement Fee” | the fee for the reimbursement of out-of-pocket expenses payable by the Target Company to the Investor under the Amended Investment Agreement in the circumstances set out in the section headed “The Amended Investment Agreement — Termination — Reimbursement payable by the Target Company” in this announcement |
| “Target Company Termination Fee” | the termination fee payable by the Target Company to the Investor under the Amended Investment Agreement in the circumstances set out in the section headed “The Amended Investment Agreement — Termination — Target Company Termination Fee” in this announcement |
| “Termination Event(s)” | the circumstance(s) in which the Amended Investment Agreement may be terminated under its terms, as described under the section headed “The Amended Investment Agreement — Termination — Termination Events” in this announcement |
| “TSX” | Toronto Stock Exchange |
| “US\$” | United State dollars, the lawful currency of the United States of America |
| “Waivers” | the waivers from strict compliance with Rule 14.67(6)(a)(i) and Rule 18.09(2) of the Listing Rules granted to the Company by the Stock Exchange as further described in the announcement of the Company dated October 2, 2015 |
| “Warrants” | the 91,000,000 warrants to be issued by the Target Company pursuant to the Amended Investment Agreement entitling the holder thereof to purchase an aggregate of 91,000,000 Target Company Shares during the exercise period of 12 months from Long Run Completion Date |
| “Warrants Shares” | the 91,000,000 Target Company Shares issuable upon exercise of the Warrants |
| “%” | per cent. |

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

Hong Kong, November 10, 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 C\$ and US\$ have been converted into HK\$ at an exchange rate of C\$1:HK\$5.82 and US\$1:HK\$7.75, respectively, for the purpose of illustration only. No representation is made that any amount in HK\$, C\$ or US\$ could have been or could be converted at the relevant dates at the above rate or at any other rates at all.