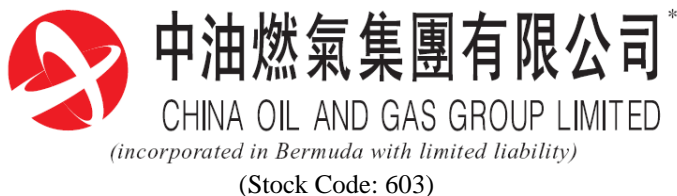


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JOINT ANNOUNCEMENT

This joint announcement is made by COG and MIE pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board of COG and the Board of MIE are pleased to announce that on 16 December 2014, COG and MIE entered into a Cooperation Framework Agreement, pursuant to which the parties agreed to leverage their respective business competitive advantages to cooperate in the development of Shanxin Linxing Block Coalbed Methane Integrated Utilization Project which aims to coordinate development of upstream, midstream and downstream business of CBM and natural gas.

Through entering into the Cooperation Framework Agreement, COG Group and MIE Group will further develop the domestic energy market, strengthen and expand their respective market share of domestic energy business.

This joint announcement is made by China Oil And Gas Group Limited (the “**COG**”, together with its subsidiaries, the “**COG Group**”) and MIE Holdings Corporation (the “**MIE**”, together with its subsidiaries, the “**MIE Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”).

COOPERATION FRAMEWORK AGREEMENT

The board of directors of COG (the “**Board of COG**”) and the board of directors of MIE (the “**Board of MIE**”) are pleased to announce that on 16 December 2014, COG and MIE entered into a Cooperation Framework Agreement (the “**Cooperation Framework Agreement**”), pursuant to which the parties agreed to leverage their respective business competitive advantages to cooperate in the development of Shanxin Linxing Block Coalbed Methane (“**CBM**”) Integrated Utilization Project (the “**Project**”) which aims to coordinate the development of upstream, midstream and downstream business of CBM and natural gas.

COG and MIE plan to jointly invest in LNG/CNG related business, including construction of refueling station(s), and carrying the business of terminal sales of gas in order to further realize the integrated utilization of CBM, the details include:

1. to utilize the CBM project from Linxing Block invested by MIE in Shanxi Province, to extend LNG/CNG related midstream and downstream business and to unlock the value in the resources;
2. to develop the LNG/CNG refueling stations markets in Shanxi Province and the surrounding areas and to implement the integrated operation of upstream production as well as the midstream and downstream utilization of LNG/CNG;
3. to leverage on the existing gas projects and gas transmission pipelines of COG in Shanxi Province for CBM distribution, to compliment with each other's resources in order to enhance mutual benefit and achieve "win-win";
4. to utilize the boundary CBM wells of in Linxing Block, to conduct scattered gas collection business so as to maximize economic return; and
5. to jointly develop and cooperate international oil and gas trading business with both parties' overseas strength.

Pursuant to the terms of the Cooperation Framework Agreement, the parties will establish a joint venture ("JV") for the construction and operation of the Project. The registered capital of the JV will be RMB100,000,000. COG will hold 51% equity interest and MIE will hold 49% equity interest in the JV.

GENERAL

COG Group is principally engaged in natural gas investment and energy related business, and has invested and set up 109 gas projects in 14 different provinces and autonomous region in China and holds 62 city-gas exclusive concession rights, natural gas sales volume in 2013 reached 2.2 billion m³ and transmission and transportation volume reached 500 million m³.

COG Group's main business is distribution of natural gas, it controls downstream markets. COG Group invested in 6 city gas projects and 6 LNG/CNG refueling stations in Shanxi Province with annual sales of 250 million m³ of natural gas and therefore provides stable gas demand and supply measures. COG Group has natural gas resources and network advantages, institutional mechanisms and financial advantages, integrated deployment and logistical advantages, technical and engineering personnel advantages, project integration and partnership advantages, energy management and organizational advantages, etc.

The principal business of MIE Group is engaged in oil and gas exploration, development, production and sale under production sharing contracts and other similar arrangements. MIE Group owns several oil and gas blocks in China, Kazakhstan and the United States of America. MIE Group has specialized in oil and gas exploration, development team, strong technical strength, comprehensive oil and gas field management experience, has several oil and gas block inside and outside China, and has strong financial strength.

With its main business being oil and gas exploration and development, MIE Group has influence in upstream oil and gas industry in China and abroad. Via its investment in the Shanxi Province, the invested company of MIE Group is the operator of over 3,000 km² CBM blocks in Shanxin Province and has drilled two horizontal wells and more than 90 vertical wells. The project is equipped with a dehydration station, another station currently under construction. The project has internal pipelines of more than 40 kilometers. Once the dehydration stations under construction are put into operation, the scale of the project will continue to increase.

COG Group and MIE Group through cooperation can combine and extend to the upstream and downstream business, and realize integrated development to get better economic value and return on investment. Furthermore, through the cooperation and leveraging on their business competitive advantages, COG Group and MIE Group will further develop the domestic energy market, strengthen and enhance the respective market share of COG Group and MIE Group in the domestic energy market. Both of the Board of COG and the Board of MIE consider that the entering into the Cooperation Framework Agreement is a major step forward to the energy market in China.

By Order of the Board
China Oil And Gas Group Limited
Chan Yuen Ying Stella
Company Secretary

By Order of the Board
MIE Holdings Corporation
Wong Sau Mei
Company Secretary

Hong Kong, 16 December 2014

As at the date of this joint announcement, the Board of COG comprises four executive directors, namely Mr. Xu Tie-liang (Chairman and Chief Executive Officer), Mr. Zhu Yuan, Ms. Guan Yijun and Mr. Cheung Shing; and three independent non-executive directors, namely Mr. Li Yunlong, Mr. Shi Xun-zhi and Mr. Wang Guangtian.

As at the date of this joint announcement, the Board of MIE comprises (1) the executive directors namely Mr. Zhang Ruilin, Mr. Zhao Jiangwei, Mr. Tak Yin Dexter Tao, Mr. Andrew Sherwood Harper 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.

** for identification purposes only*