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MIE HOLDINGS CORPORATION

MI 能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1555)

ANNOUNCEMENT

FOURTH QUARTER 2012

BUSINESS UPDATE

This announcement is made by the Company on a voluntary basis. The Company wishes to provide its fourth quarter 2012 operations update to our shareholders and potential investors.

The Group's (including its net interest entitlement in White Hawk and excluding Pan-China Resources ("PCR")) daily net oil production in the 4Q2012 was 14,857 barrels of oil per day ("BOPD"). Together with the daily net oil production of 15,590 BOPD in 3Q2012, the daily net oil production for the second half of 2012 was 15,223 BOPD, an increase of 1,854 BOPD or 13.9% over the first half of 2012 average oil production of 13,369 BOPD. The increase in the second half of 2012 was mostly from our Emir-Oil LLC ("Emir") properties in Kazakhstan, which increased 1,343 BOPD or 63.6% to 3,455 BOPD in the second half of 2012.

In 4Q2012, realized oil price was US\$102.12 per barrel compared with US\$102.17 per barrel for 3Q2012 and US\$114.61 per barrel in first half of 2012. For the full year, the average realized oil price was US\$108.02 per barrel compared to US\$108.80 per barrel for the prior year.

Net sales of gas in 4Q2012 averaged 4,042 Mscf/day. Together with the daily net sales of gas of 3,960 Mscf/day in 3Q2012, the daily net sales of gas for the second half of 2012 averaged 4,006 Mscf/day, a decrease of 364 Mscf/day or 8.3% over the first half of 2012. Realized gas price in 4Q2012 was US\$1.32 per Mscf, compared with US\$1.14 per Mscf in 3Q2012 and US\$1.15 per Mscf in the first half of 2012. Gas revenue accounts for less than 1% of Group's revenues.

For the year of 2012, the Group drilled 455 gross (403.6 net) wells with no dry hole, including 18 gross (10.7 net) exploration wells and 8 gross (5.24 net) horizontal wells.

On December 14, 2012, the Company completed the acquisition of Pan-China Resources Ltd from Sunwing Energy Ltd for a total purchase price of US\$39.6m after adjustment. As at 31 December 2011, PCR has proved reserves and probable reserves of 1,711 mbbls and 841 mbbls, respectively. For the nine months ended September 30, 2012, PCR produced 243,999 barrels (net) of oil or an average daily net oil production of 888 BOPD.

NORTHEAST CHINA OPERATIONS

During 4Q2012, our daily net production from the Daan, Moliqing and Miao 3 oil fields was 11,243 BOPD. Together with the 3Q2012, our daily net production for second half of 2012 was 11,715 BOPD, an increase of 458 BOPD or 4.1% over the first half of 2012.

Average realized oil price for 4Q2012 was US\$108.76 per barrel. Together with the 3Q2012 average realized oil price of US\$106.29 per barrel, the average realized oil price for second half of 2012 was US\$107.43 per barrel, a decrease of US\$12.18 per barrel compared to US\$119.61 per barrel for first half of 2012.

During the 4Q2012, we drilled 62 gross (56 net) wells in our northeast China oilfields.

NORTHWEST CHINA OPERATIONS

During 4Q2012, 8 wells were drilled on SanJiaoBei and LinXing PSCs. Together with the 4 wells drilled in 3Q2012, a total of 3 and 9 wells have been drilled on each of SanJiaoBei and LinXing , respectively.

KAZAKHSTAN OPERATIONS

During 4Q2012, Emir's production continued to increase. Average daily production of oil for 4Q2012 was 3,576 BOPD. Together with the average daily production of oil of 3,334 BOPD for 3Q2012, Emir's average daily production of oil was approximately 3,455 BOPD for the second half of 2012, an increase of 1,343 BOPD or 63.6% over the first half of 2012.

Average realized oil price was US\$82.39 per barrel for 4Q2012. Together with the 3Q2012 average realized oil price of US\$87.96 per barrel, the average realized oil price for the second half of 2012 was US\$85.12 per barrel, a decrease of US\$2.69 per barrel compared to US\$87.81 per barrel for first half of 2012.

Average export oil price for 4Q2012 was US\$87.49 per barrel (after deducting an average of US\$20.17 per barrel transportation-related expenses paid for the exporting oil). Average export oil price for the second half of 2012 was US\$90.83 per barrel (after deducting an average of US\$19.76 per barrel for transportation-related expenses paid for the exporting oil), an increase of US\$1.19 per barrel over the first half of 2012.

Average domestic oil price for 4Q2012 was US\$49.68 per barrel. Average domestic oil price for the second half of 2012 was US\$49.94 per barrel, a decrease of US\$3.93 per barrel over the first half of 2012.

As at December 31, 2012, the total completed well counts were 30 wells comprising 3 exploration wells and 27 production wells in ADEK block of which 20 were in production and 7 were waiting on repairs, work-overs or completion after finishing drilling.

During 2012, 3 exploration wells have been drilled and completed, one on each of North Kariman (NK-2), Borly (Borly-1) and Yessen (Yessen-1). All of the 3 exploration wells have good oil show and NK-2 and Borly-1 are now being tested in each prospectively productive zone. Yessen-1, an exploration well which was spudded in 3Q2012 finished drilling in October 2012 and the test plan has been submitted to test each prospectively productive zone and is awaiting approval. Aksaz-106, a development well, also finished drilling in 4Q2012 and will be put into production soon. At the end of 2012, 3 development wells, namely D-112, D-110, K-120 are being drilled. During the 4Q2012, we also completed acid-fracs on 3 wells.

USA OIL OPERATIONS

Operations in the USA consist of our 80% share of Condor Energy Technology LLC (“Condor”), operating in the Niobrara Shale; and the Group’s 50% share of White Hawk Petroleum LLC (“White Hawk”), which has a 7.94% non-operating working interest (131 net acres) in an Eagle Ford Shale project.

Condor drilled 2 horizontal Niobrara wells in 4Q2012. None were drilled in 3Q2012. The Waves 1H well was drilled to a total depth of 11,114 feet, with a lateral length of 4,340 feet. The Logan 2H well was drilled to a total depth of 12,911 feet, with a lateral length of 6,342 feet. Both wells are being frac’d and completed during 1Q2013.

Condor operated one horizontal well, being Ford Family Trust 2H, drilled in 2Q2012. This well’s net production averaged 27 BOPD (65 gross BOPD) during 4Q2012. Average realized oil price for 4Q2012 was US\$79.52 per barrel.

White Hawk’s non-operating interest in 3 producing wells in 4Q2012 resulted in average net production of 11 BOPD (350 gross BOPD) and 20 Mscf/day (621 gross Mscf/day). Average realized prices in 4Q2012 were US\$100.18 per barrel and US\$7.22 per Mscf.

GENERAL

Shareholders and potential investors of the shares of the Company should note that some numbers in the above mentioned updates may be subject to the final audit adjustments and inconsistent with the final 2012 result. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

By order of the Board
Zhang Ruilin
Chairman

Hong Kong, 27 January 2013

As at the date of this announcement, the Board comprises (1) the executive Directors namely Mr. Zhang Ruilin, Mr. Zhao Jiangwei, Mr. Forrest Lee Dietrich and Mr. Allen Mak; (2) the non-executive Director namely Mr. Wang Sing (Mr. Tsang Chi Kin 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.