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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 FIRST QUARTER 2013 BUSINESS UPDATE

This announcement is made by the Company on a voluntary basis. The Company hereby provides its 2013 first quarter operations update to its shareholders and potential investors.

SUMMARY

The operating performance of the Company improved for the first quarter of 2013 as compared to the first quarter of 2012, the operated and net oil/gas production increased significantly and is according to Company's expectations to meet the 2013 full-year guidance previously included in the 2012 annual results announcement. The following table provides an overview of the Company's preliminary operating results and product prices for the first quarter of 2013. Additional details about the Company's operating results by area are provided in table at the end of this announcement.

	1Q 2013	1Q 2012	% Change	2013 Guidance
Average Daily Operated Production (barrels of oil equivalent/day)	26,694	22,395	19.2%	
Average Daily Net Production (barrels of oil equivalent/day)	14,348	12,540	14.4%	
Average Daily Net Oil Production (barrels/day)	13,452	11,811	13.9%	14,300~15,400
Average Daily Net Gas production (Mcf/day)	5,373	4,376	22.8%	4,300~5,100
Average realized oil price (USD/barrel)	104.28	116.04	(10.1%)	
Average realized gas price (USD/Mcf)	1.68	1.15	46.1%	
Total Wells Drilled	45	89	(49.4%)	138

Notes:

- (1) For reference purpose only, Barrels of oil equivalent is calculated using the conversion factor of 6 Mscf of natural gas being equivalent to one barrel of oil.
- (2) Gross production includes production from all assets operated by the Company (excludes production from non-operated Eagle Ford asset held by White Hawk).
- (3) Net production includes entitlement from all assets operated by the Company (excludes the entitlement from non-operated Eagle Ford asset held by White Hawk).

CHINA OPERATIONS

Jilin Province (Daan, Moliqing and Miao 3)

During the first quarter of 2013, gross oil production from Daan, Moliqing and Miao 3 oilfields in Jilin Province, Northeast China increased by 4.1% to 20,574 barrels per day, however, the net production attributed to the Company decreased by 8.5% due to less cost recovery oil as a result of the reduction in capital expenditure in 1Q13. Under the Company's production sharing contracts ("PSCs"), the Company's share of production consists of cost recovery oil and profit oil, the latter of which is the project's free cash flow and what foreign contractor seeks to obtain. While the Company's cost recovery oil from Daan, Moliqing and Miao 3 decreased from US\$56.5 million in 1Q12 to US\$25.5 million in 1Q13, our profit oil increased from US\$67.8 million to US\$77.0 million for the same period. More profit oil provides more free cash to support the exploration and development of Company's other projects in China, such as Linxing and Sanjiaobei PSC projects in Shanxi, China and Emir-Oil in Kazakhstan, which will become the Company's core projects.

Through more than a decade of development, Daan, Moliqing and Miao 3 have become our solid and sustainable base source of internally generated capital and talent. Our ability to manage the project-level strong free cash flow from these three PSCs also helps minimizing the operating risk of the Company.

Shanxi Province (Linxing and Sanjiaobei)

The Company is realizing the benefit of the continued exploration work carried out in alliance with our strategic partner, Sino Gas & Energy Holdings Limited ("Sino Gas" ASX: SEH). The independent technical consultant, RISC, classified 327 billion cubic feet of natural gas in Linxing and Sanjiaobei PSC as 2P (proved + probable) reserves in its resource assessment dated December 31, 2012, increasing the 2P reserve of Linxing and Sanjiaobei PSCs by 1,386% compared to yearend 2011. The upgrade indicates that the risk of Linxing and Sanjiaobei PSCs at this later stage of exploration phase has been reduced significantly. In the meantime the Chinese Government continues to encourage the development of unconventional gas projects and to provide economic incentives to accelerate these projects. As a result of Linxing and Sanjiaobei PSCs' sizeable reserves and resources, exceptional fiscal terms and strong price regime, we have high expectations for the projects in the near future.

The key tasks for Linxing and Sanjiaobei PSC projects are to complete and submit Chinese reserve report (“CRR”) for Linxing East to the China government and to finalize the Sanjiaobei CRR. We expect to complete these tasks in the second half of 2013, followed immediately by preparing Linxing and Sanjiaobei overall development plans.

Our 2013 work program is designed to gather seismic and drilling data required for CRR preparation. With this design, we plan to drill up to 25 wells (including 2 horizontal wells) and complete 1,235km seismic lines in Linxing and Sanjiaobei in 2013. The planned number of wells to be drilled in 2013 nearly equals to the total wells drilled in Linxing and Sanjiaobei from 2006 to 2012. To achieve this, we plan to operate 10 rigs during the second quarter of 2013.

During the first quarter of 2013, we drilled 4 wells and completed 776km seismic line in Linxing and Sanjiaobei. Following the de-watering and flow testing, we expect to commence pilot production and gas sales on these wells in the second half of 2013.

Tianjin City (Kongnan)

We completed the acquisition of Pan-China Resources Limited (“PCR”) on December 14, 2012 and consolidated its financial statements (balance sheet) from December 31, 2012. PCR operates Kongnan block in Dagang oilfield, Tianjin, China under a PSC entered into with PetroChina. Kongnan PSC project commenced commercial production in 2009 and is in its profit sharing stage, with all historical cost having been recovered.

As of March 31, 2013, there were 64 wells in Kongnan PSC, among which 55 wells were producers and 9 wells were injectors. The average gross daily production was 1,550 BOPD for the first quarter of 2013, and average daily net production was 824 BOPD. The Company plans to drill two producers in 2013. One well was completed in April, 2013 and is expected to be put into production soon. Another well is expected to be spudded and put into production in the second quarter of 2013. The cost of the two wells will be recovered within the year. We expect PCR to meet its 2013 guidance.

Production from Kongnan PSC is sold at CINTA price. The average realized oil price was US\$108.89 per barrel for the first quarter of 2013. The relatively strong oil price and existing production allows Kongnan PSC to contribute approximately US\$2–3 million of revenue to the Company each month. The acquisition of PCR sets an example of the Company’s strategy of asset portfolio optimization.

KAZAKHSTAN OPERATIONS (EMIR-OIL)

The average daily oil production from Emir-Oil increased significantly by 79.6% from 1,905 BOPD in 1Q12 to 3,422 BOPD in 1Q13. Emir-Oil’s production is expected to ramp up in the second half of the year similar to the way it did in 2012 and to meet its expected guidance.

The average realized oil price for Emir-Oil was US\$80.07 per barrel for the first quarter of 2013. The average realized export oil price was US\$84.06 per barrel (after deducting export sales discount of US\$22.12 per barrel), and average realized domestic oil price was US\$37.97 per barrel. For the first quarter of 2012, all of the oil was exported and the average realized oil price was US\$102.11 per barrel (after deducting export sales discount of US\$23.79 per barrel). The average realized oil price in 1Q13 was lower than 1Q12 and the major reasons were: (1) BRENT price for 1Q13 was significantly lower than 1Q12 and (2) the export oil price in Kazakhstan is much higher than domestic oil price, and in 1Q12, all of Emir-Oil's oil was exported to the market, hence the weighted average price was higher.

The average daily gas production was 5,071 Mcf/day for the first quarter of 2013, an increase of 48.2% compared to 3,421 Mcf/day for first quarter of 2012. The average realized gas price was US\$1.36 per Mcf for first quarter of 2013, an increase of 18.2% compared to US\$1.15 per Mcf for first quarter of 2012.

As of March 31, 2013, Emir-Oil operated a total of 33 wells, among which 17 wells were producing (including one exploration well Yessen-1 that is undergoing flow testing) and the remaining 16 wells were shut-in. Of all the 16 shut-in wells, 4 wells are waiting to be put into production. In addition to these 33 wells, 3 wells are currently being drilled. During the first quarter of 2013, Emir-Oil completed the drilling of 3 new wells.

USA OPERATIONS (CONDOR AND WHITE HAWK)

As of March 31, 2013, the Company operated three horizontal wells in Niobrara asset through our 80% owned subsidiary, Condor Energy Technology LLC ("Condor"), and had approximately 5% non-operating working interest in 3 wells in an Eagle Ford asset through our 50% owned joint venture, White Hawk Petroleum LLC ("White Hawk").

During the first quarter of 2013, Condor's production ramped up rapidly. Its average net daily oil production was 139 BOPD, resulting from the production from the two new horizontal wells in Niobrara asset. The two wells, Waves 1H and Logan 2H, were drilled in the fourth quarter of 2012 and fractured and put into production in the first quarter of 2013. Our first operations began in the USA in 2Q12, so there was no production from USA assets in 1Q12.

GENERAL MATTERS

The Company prepared the summary preliminary operating and product price data based on the most current information available to the management. As a result, its actual results could be different from these summary preliminary data and any differences could be material. Shareholders and potential investors of the shares of the Company should exercise caution when dealing in the shares of the Company.

Appendix: Operation data comparison between 1Q13 and 1Q12

Items	1Q 2013	1Q 2012	Increased/ (decreased)	Increased/ (decreased) %	2013 Guidance
1. Crude Oil: Production & Realized Price					
1.1 Average daily operated production (barrels)	25,769	21,666	4,103	18.9%	
China, Jilin (Daan/Moliqing/Miao 3)	20,574	19,761	813	4.1%	
China, Tianjin (Kongnan)	1,550		1,550		
Kazakhstan (Emir-Oil)	3,422	1,905	1,517	79.6%	
US (Condor)	223		223		
1.2 Average daily net production (barrels)	13,452	11,811	1,641	13.9%	14,300~15,400
China, Jilin (Daan/Moliqing/Miao 3)	9,066	9,906	(840)	(8.5%)	9,300~9,800
China, Tianjin (Kongnan)	824		824		900
Kazakhstan (Emir-Oil)	3,422	1,905	1,517	79.6%	3,800~4,400
US (Condor)	139		139		300
1.3 Average realized price (US\$/bbl)	104.28	116.04	(11.76)	(10.1%)	
China, Jilin (Daan/Moliqing/Miao 3)	113.30	118.81	(5.51)	(4.6%)	
China, Tianjin (Kongnan)	108.64		108.64		
Kazakhstan (Emir-Oil)	80.07	102.11	(22.04)	(21.6%)	
US (Condor)	85.68		85.68		
2 Natural Gas: Production & Realized Price					
2.1 Average daily operated production (Mcf)	5,553	4,376	1,177	26.9%	
China, Shanxi (Linxiing/Sanjaobei)					
Kazakhstan (Emir-Oil)	5,071	4,376	695	15.9%	
US (Condor)	482		482		
2.2 Average daily net production (Mcf)	5,373	4,376	997	22.8%	4,300~5,100
China, Shanxi (Linxiing/Sanjaobei)					100~300
Kazakhstan (Emir-Oil)	5,071	4,376	695	15.9%	4,200~4,800
US (Condor)	301		301		

Items	1Q 2013	1Q 2012	Increased/ (decreased)	Increased/ (decreased) %	2013 Guidance
2.3 Average realized price (US\$/Mcf)	1.68	1.15	0.53	46.1%	
China, Shanxi (Linxi/Sanjaobei)					
Kazakhstan (Emir-Oil)	1.36	1.15	0.21	18.2%	
US (Condor)	7.07		7.07		
3. Total Wells Drilled	45	89	(44)	(49.4%)	138
China, Jilin (Daan/Moliqing/Miao 3)	37	87	(50)	(57.5%)	95
China, Tianjin (Kongnan)					2
China, Shanxi (Linxi/Sanjaobei)	4		4		25
Kazakhstan (Emir-Oil)	3	2	1	50.0%	11
US (Condor)	1		1		5

By Order of the Board
MIE HOLDINGS CORPORATION
Zhang Ruilin
Chairman

Hong Kong, May 8, 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.