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 NINE MONTH 2013 BUSINESS UPDATE

The announcement is made by the company ("MIE" or the "Company", together with the subsidiaries, the "Group") on a voluntary basis. The Company hereby provides its 2013 first nine months ("9M2013" or "Current Period") operations update to its shareholders and potential investors.

SUMMARY

The Group continues to endeavor the execution of the business plan as set out in beginning of Year 2013. In particular, at the back of our strategic scale back of drilling activities in the Daan, Moliqing and Miao 3 oilfields in Jilin China by 74% (in terms of total new wells drilled), MIE prides itself for achieving 16% year-to-year growth of Average Daily Operated Production (in terms of barrels of oil equivalent/day) for 9M2013. Total net crude oil production of the Group amounts to approximately 4 million barrels as of September 30, 2013, representing 74% of the mid-point the Group's 2013 Average Daily Net Production Guidance.

More importantly, we are excited to see the effective "re-allocation" of the Group's cashflow and resources to finance the initial growth of the operations of both Emir-Oil and Sino Gas & Energy Limited ("SGE"). The strong performance of Emir-Oil's first horizontal well since August and the significant production ramp up in 3Q is particularly encouraging. Furthermore, significant progress was achieved by SGE in terms of upcoming pilot sales production in 4Q and submission of the Chinese Reserve Report ("CRR") in respect of Linxing Northeast block to its Chinese partner, China United Coalbed Methane Corporation Limited ("CUCBM"). All these operational milestones are evidence of the successful execution of Group's strategy, leading towards a strong, broad-based, and sustainable growth story for MIE.

The following table provides an overview of the Company's key operational metrics and product prices for the 9M2013. Additional details about the Company's operating results by area are provided in the table at the end of this announcement.

	9M2013	9M2012	% Change	2013 Guidance
Average Daily Operated Production (barrels of oil equivalent/day)	27,359	23,627	15.8%	
Average Daily Net Production (barrels of oil equivalent/day)	15,495	14,862	4.3%	
Average Daily Net Oil Production (barrels/day or "BOPD")	14,678	14,108	4.0%	14,300~15,400
Average Daily Net Gas production (Mscf/day)	4,902	4,522	8.4%	4,300~5,100
Average realized oil price (USD/barrel)	97.35	110.14	(11.6%)	
Average realized gas price (USD/Mscf)	1.64	1.14	43.5%	
Total Wells Drilled	133	379	(64.9%)	148

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 Current Period, total of 97 wells (including 4 horizontal wells) were drilled in the Northeast China projects and the entire drilling program of 2013 has been completed ahead of schedule. Gross oil production from the Daan, Moliqing and Miao 3 oilfields increased by 1.9% to 20,707 BOPD, compared to the same period of 2012. The net production attributed to the Group decreased by 17.0% to 9,604 BOPD, as a result of our strategic scale back in capital expenditures as mentioned above. Overall, total net crude oil production from Jilin operation amounts to 2.6 million barrels for 9M2013, representing 75.2% of the mid-point of its 2013 Average Daily Net Production Guidance.

Noteworthy results were obtained at both the Daan and Moliqing production sharing contracts ("PSC") from both horizontal drilling and from a new technique for large scale frac jobs in older vertical production wells. At Daan, the horizontal well DAP-3, which has a lateral length 600m, was completed with 9 frac stages with an initial production ("IP") rate of 145 BOPD; while at Moliqing, the horizontal well Y39P-3, which has a lateral length 440m with 7 frac stages, reported an IP rate of 290 BOPD. Large scale frac jobs were tested as an economic way to re-stimulate older vertical production wells at both Daan and Moliqing. Preliminary results indicate strong production improvement with post-frac production reaching 3 to 6 times the pre-frac levels.

As mentioned, due to our strategic scale back of drilling activities in our Jilin oilfields, the Group's cost recovery oil from this region was lowered to about US$85.48 million (9M2012: US$212 million). Such decrease in cost recovery oil was partially offset by the increase in profit oil to approximately US$173 million (9M2012: US$92.99 million), translating into stronger free cash flow and EBITDA which is being utilized for the development Emir-Oil and SGE.

For 9M2013, the average realized oil price (i.e. Daqing oil price FOB at Dalian port) for our Northeast China projects decreased by about US$11.52/barrel to US$103.86/barrel, compared to 9M2012. That being said, we have noticed that Daqing oil price has risen again since July and currently trading within the range of US$100/barrel to US$110/barrel since 3Q2013.

Shanxi Province (Linxing and Sanjiaobei)

At the end of August 2013, SGE submitted its first CRR to its Chinese partner, CUCBM, as scheduled. The CRR mainly covers the Northeast area of Linxing PSC project. Upon formal review, CUCBM will provide the CRR to relevant PRC authorities for approval. Also in August, CUCBM extended the exploration period of Linxing PSC for three years to August 2016 allowing SGE more time to enhance its significant resource and reserve base. Meanwhile, the first pilot gas production and sales for SGE is still targeted to commence by 2013 year end.

For 9M2013, SGE has drilled a total of 22 vertical wells, bringing our total wells drilled under these two PSC gas projects to 49 and positive results for flow testing were obtained. In August, SGE spudded its first horizontal well in the Linxing West area with a designed vertical depth of about 2,000 meters and horizontal length of about 1,000 meters. The drilling of this well is expected to be completed by this October.

On October 17, Sino Gas & Energy Holdings Limited ("SGEH"), our joint venture partner of SGE released an announcement on the ASX, according to which, RISC Operations Pty Ltd ("RISC") has completed a recent assessment for the 2 PSCs under SGE with significant enhancement of underlying reserves and sources since RISC's last report in March. We are excited about such upgrades and additional reserves and resources assigned by this independent oil & gas valuation group. We look forward to working closely with SGEH and continue the full speed development of these 2 PSCS with tremendous value.

Tianjin City (Kongnan)

During 9M2013, Kongnan's average daily operated production and the average net production attributed to the Group was 1,625 BOPD and 965 BOPD respectively; average realized CINTA oil price was US$103.79/barrel. As of September 30 2013, total of 4 wells were successfully drilled, with total net crude oil production amounts to about 0.26 million barrels, representing 80.2% of the mid-point of its 2013 Average Daily Production Guidance. Again, we are pleased with the production performance of this Kongnan project, which we acquired from Ivanhoe group last December for about US$40mn.

KAZAKHSTAN OPERATIONS (EMIR-OIL)

As mentioned, Emir-Oil posted a very strong 3Q operational result from Kazakhstan. Its average daily production for 3Q ramped up to 4,973 BOPD, a significant increase from the average daily production of 3,454 BOPD from 1H13. This further rose to 5,743 BOPD in September, demonstrating the solid resource base and outstanding growth potential of Emir-Oil. For 9M2013, Emir-Oil's averaged daily oil production of 3,966 BOPD, an increase of 57.2% compared to 2,522 BOPD for the same period of 2012. Total oil production for 9M2013 accumulates to about 1.08 million barrels, representing 72.4% of the mid-point of its 2013 Average Daily Production Guidance.

The overall average realized oil price for Emir-Oil was US$80.20/barrel for 9M2013. The average realized export (after deducting export sales discount of US$20.06/barrel) and domestic oil price was US$89.25/barrel and US$41.49/barrel respectively, compared to US$91.62/barrel (export) and US$51.31/barrel (domestic) realized for the same period of 2012.

The average gas production was 4,588 Mcf/day for 9M2013, a mild increase of 2.2% compared to 4,489 Mcf/day over the same period in 2012. Average realized gas price was US$1.33/Mcf during the Current Period, an increase of 17.0% compared to US$1.14/Mcf compared to 9M2012.

During 9M2013, Emir-Oil drilled 6 new development wells. Of particular note, K-113, our first horizontal well in Kazakhstan, demonstrated strong performance after being put into production since late August. Its average daily production over the past 45 days approximated 1,600 BOPD, whilst the flowing pressure of the well remains high. This particular well, which is the best producing horizontal well in MIE's history, also marks the first successful horizontal well drilled in the Middle Triassic Carbonate reservoirs of this region of Kazakhstan. K-113's early production is about 3 to 6 times the early production from other typical vertical well in the Kariman block, while the drilling cost is only about 1.5 times of the same well, indicating the tremendous potential and outstanding economic return from such technology know-how.

On exploration front, during 3Q2013, Emir-Oil began a 3D seismic acquisition program, which covers an area of 255 km^2. The new seismic data will be used to define and evaluate the potential of the exploration area previously not covered by 3D seismic data. The seismic acquisition program is expected to be completed by 1Q2014.

USA OPERATIONS (CONDOR AND WHITE HAWK)

As of September 30, 2013, the Company operated 5 horizontal wells in a Colorado Niobrara asset, through our 80% owned subsidiary, Condor Energy Technology LLC ("Condor"), and had an approximate 4% non-operating working interest in 5 wells in a Texas Eagle Ford Shale asset, through our 50% owned joint venture White Hawk Petroleum LLC.

For 9M2013, Condor has completed its drilling program for the year, including 2 horizontal wells on the Niobrara asset, both of which are currently in production with IP Rates of 606 BOPD plus 525 MCFGPD, and 367 BOPD plus 384 MCFGPD, respectively. Condor's average daily net oil production is 143 BOPD for 9M2013 compared to 17 BOPD for the same period of 2012.

TECHNOLOGY ENHANCEMENT

As one of our core strategies, the Group continues to focus on expanding its operational and technological capability. For 9M2013, we have achieved two particularly notable developments:

First, whilst our independent third party technical consultants will continue to be engaged to prepare for 2013 year-end reserve report for our various oil/gas projects, MIE have implemented an internal system for regular mid-year technical reviews of reserve and production status to better monitor our progress towards achieving Group's goals and also to enhance our in-house reserve estimation capabilities and communications with the 3rd party consultants.

Second, we reinstate horizontal drilling as a core technology that is crucial to our future growth in our various projects. During the Current Period, we have drilled 7 horizontal wells, including 4 in Northeast China, 2 in the USA, 1 in Kazakhstan. The drilling of one horizontal well in SGE is expected to be completed by this October. It is important that we learn from this valuable experience, and we are concentrating on gathering and consolidating key operational data and knowledge from such horizontal wells drilling technology enhancement throughout our Group. We are optimistic that our projects across all regions will experience a wider application and benefit collectively from such state-of-the-art technology know-how in terms of costs, effectiveness and overall economic returns.

GENERAL MATTERS

Shareholders and potential investors of the shares of the Company should note that although the Company prepared the summary preliminary operating and production price data based on the most current information available to management, some numbers in the above mentioned updates may be subject to the final audit adjustments and inconsistent with the final result. Shareholders and potential investors of the Company should exercise caution when dealing in the shares of the Company.

Appendix: Operation data comparison between first nine months 2013 and first nine months 2012

Items		First nine months 2013	First nine months 2012	Increased/ (decreased)	Increased/ (decreased) %	2013 Guidance
1.	**Crude Oil: Production & Realized Price**					
1.1	**Average daily operated production (barrels)**	**26,514**	**22,879**	**3,635**	**15.9%**	
	China, Jilin (Daan/Moliqing/Miao 3)	20,707	20,317	390	1.9%	
	China, Tianjin (Kongnan)	1,625				
	Kazakhstan (Emir-Oil)	3,966	2,522	1,444	57.2%	
	US (Condor)	215	40	176	443.1%	
1.2	**Average daily net production (barrels)**	**14,678**	**14,108**	**570**	**4.0%**	**14,300~15,400**
	China, Jilin (Daan/Moliqing/Miao 3)	9,604	11,569	(1,965)	(17.0%)	9,300~9,800
	China, Tianjin (Kongnan)	965				900
	Kazakhstan (Emir-Oil)	3,966	2,522	1,444	57.2%	3,800~4,400
	US (Condor)	143	17	126	747.4%	300
1.3	**Average realized price (US$/bbl)**	**97.35**	**110.14**	**(12.80)**	**(11.6%)**	
	China, Jilin (Daan/Moliqing/Miao 3)	103.86	115.39	(11.52)	(10.0%)	
	China, Tianjin (Kongnan)	103.79				
	Kazakhstan (Emir-Oil)	80.20	87.88	(7.67)	(8.7%)	
	US (Condor)	90.38	81.55	8.83	10.8%	

Items	First nine months 2013	First nine months 2012	Increased/ (decreased)	Increased/ (decreased) %	2013 Guidance
2. Natural Gas: Production & Realized Price					
2.1 Average daily operated production (Mcf)	**5,071**	**4,489**	**582**	**13.0%**	
China, Shanxi (Linxing/Sanjiaobei)					
Kazakhstan (Emir-Oil)	4,588	4,489	98	2.2%	
US (Condor)	483				
2.2 Average daily net production (Mcf)	**4,902**	**4,522**	**380**	**8.4%**	**4,300~5,100**
China, Shanxi (Linxing/Sanjiaobei)					100~300
Kazakhstan (Emir-Oil)	4,588	4,489	98	2.2%	4,200~4,800
US (Condor)	315	33	282	861.6%	
2.3 Average realized price (US$/Mcf)	**1.64**	**1.14**	**0.50**	**43.5%**	
China, Shanxi (Linxing/Sanjiaobei)					
Kazakhstan (Emir-Oil)	1.33	1.14	0.19	17.0%	
US (Condor)	5.83				
3. Total Wells Drilled	**133**	**379**	**(246)**	**(64.9%)**	**148**
China, Jilin (Daan/Moliqing/Miao 3)	97	369	(272)	(73.7%)	97
China, Tianjin (Kongnan)	4				6
China, Shanxi (Linxing/Sanjiaobei)	22	4	18	450.0%	32
Kazakhstan (Emir-Oil)	8	5	3	60.0%	11
US (Condor)	2	1	1	100.0%	2

By order of the Board of
MIE Holdings Corporation
Mr Zhang Ruilin
Chairman

Hong Kong, October 21, 2013

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 and Mr Tao Tak Yin Dexter; (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.