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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 BUSINESS UPDATE

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

During the 3Q12, net production grew strongly. The Group's daily gross production was 24,577 barrels of oil per day ("BOPD") for 3Q12. The Group's daily net oil production in the 3Q12 was 15,590 BOPD, an increase of 2,214 BOPD or 16.6% over first half 2012. The increase was mostly driven by our Emir-Oil properties in Kazakhstan, which increased by 1,222 BOPD or 57.9%. Our three oil PSCs in northeast China also increased significantly by 929 BOPD or 8.3%.

For 4Q12 we estimate the Group's daily net production will average approximately 15,609 BOPD.

In 3Q 2012, realized oil price for the Group was US\$102.17 per barrel compared with US\$114.60 in 1H12, a decrease of US\$12.44 or 10.9%.

The Group's net sales of gas in 3Q12 averaged 3,960 MCF/day, a decrease of 675 MCF/day or 14.6% from the 1H12 average rate. Realized price in 3Q12 was US\$1.14 per MCF, a decrease of US\$0.01 or 1.2%. Gas accounts for approximately 0.3% of the Group's revenue.

The Group also made significant progress on its 2012 investment plan, drilling 127 gross (112.9 net) wells with no dry holes, including 5 gross (3.0 net) exploration wells and 2 gross (1.8 net) horizontal wells. By the end of 2012 we plan to have drilled a total of approximately 452 gross (401.4 net) wells.

NORTHEAST CHINA OPERATIONS

During 3Q12, our daily net production from the Daan, Moliqing and Miao 3 oil fields increased to 12,186 BOPD, which was 929 BOPD or 8.3% more than 1H12.

Average realized oil price for 3Q12 for our China oil operations was US\$106.29 per barrel compared to US\$ 119.61 per barrel for 1H12.

During the 3Q12, we drilled 121 gross (108.9 net) wells including eleven injection wells and two horizontal wells. The two horizontal wells, one each on the Daan and Moliqing PSC's, after being on production for two to three months are producing at a combined average gross rate of approximately 258 BOPD. Two additional horizontal wells had finished drilling at the end of 3Q12 and are planned to be completed and put into production in 4Q12, for a total of four new horizontal wells, comprising 2 on Daan and 2 on Moliqing during 2012.

NORTHWEST CHINA OPERATIONS

After the Group's purchase of 51% of Sino Gas & Energy ("SGE"), exploration activities were resumed, drilling four wells and acquiring 266 kilometers of new 2D seismic data in 3Q12. This work is expected to continue with multiple additional wells, well testing and the acquisition of additional seismic in 4Q12. Some of the new exploration wells previously planned for 2012 may be carried into 2013 due to heavy rain and flooding on site during the quarter. De-watering and testing of exploration and test wells will continue through the first half of 2013.

KAZAKHSTAN OPERATIONS

During 3Q12 Emir-Oil ("Emir") production increased substantially as gains from drilling new wells and work-over of existing wells during 1H12 were realized. Emir's average daily production increased from 2,112 BOPD during 1H12 to 3,334 BOPD during 3Q12 (an increase of 1,222 BOPD or 57.9%). Production for 4Q12 is estimated to average approximately 3,566 BOPD for an average of 2,785 for all of 2012.

Emir's average realized oil price for its export and domestic sales was US\$87.96 for 3Q12, an increase of US\$0.15 or 0.2% from 1H12. Average export oil price for 3Q12 was US\$94.34 per barrel (after deducting an average of US\$19.34 per barrel for transportation-related expenses paid to its export customer). During the 1H12, average export oil price was US\$89.64 per barrel (after deducting an average of US\$21.21 per barrel for transportation-related expenses paid to its export customer). Average domestic oil price was US\$51.19 per barrel (compared to US\$53.87 per barrel for 1H12).

During the 3Q12, 1 exploration well (Essen-1) and 2 development wells (Aksaz-106 and Dolinnoe-112) were spud. Furthermore, 1 development well (Kariman-6) was completed in August. We expect Essen-1 will be completed in the next quarter and a new development well will be spud in 4Q12.

For the exploration discovery, Borly-2, the test plan is now approved to appraise several zones indicated as prospective from logging and drilling data. This work is planned to commence in November. The North Kariman 2 exploration discovery, drilled in 1H12, will continue testing various zones. For these exploration wells, Emir will apply for commercial production permits after the test program is completed, anticipated to be 1H13.

During the quarter, we completed acid-fracs or acid-wash on 6 existing wells, resulting in significant improvements in daily production from these wells.

As at September 30, 2012, Emir had 16 wells in production and 10 shut-in wells. We plan to continue performing work-overs, acid-fracs and acid-wash to repair the remaining shut in wells which will be put back in production in 4Q12 or 2013.

USA OIL OPERATIONS

Operations in the USA consist of our 80% share of Condor Energy Technology LLC (“Condor”), operating in the Niobrara Shale (4,482 net acres); 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.

The Group did not drill any new wells in the USA by in 3Q12.

Condor operated one horizontal well drilled in 2Q12. This well’s net production averaged 50 BOPD (118 gross BOPD) during 3Q12. Condor plans to drill 2 additional horizontal Niobrara wells in 4Q12. Average realized oil price for the US operations for 3Q12 was US\$81.55.

White Hawk’s non-operating interest in 3 producing wells in 3Q12 resulted in average net production of 18 BOPD (562 gross BOPD) of oil and 6 MCF/day (190 gross MCF/day) of gas. Average realized prices in 3Q12 were US\$90.53 per barrel for oil and US\$5.57 per MCF of gas.

GENERAL

Shareholders and potential investors of the shares of the Company should note that the above mentioned updates contain or will contain certain target which may or may not materialize. Shareholders and potential investors of the shares of the Company should exercise caution when dealing in the shares of the Company.

By Order of the Board
Zhang Ruilin
Chairman

Hong Kong, 25 October 2012

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.