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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 OIL AND GAS RESERVES AT YEAR END 2018

MIE Holdings Corporation (the “Company”, together with the subsidiaries, the “Group”) is pleased to announce that our independent consultants have completed a review of our oil and gas reserves as of year end 2018. These reviews were performed in accordance with the standards set in the SPE/WPC/AAPG/SPEE Petroleum Resources Management System (“SPE-PRMS”), as prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE); reviewed and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG); and the Society of Petroleum Evaluation Engineers (SPEE). By their very nature reserves are forward-looking estimates subject to change and revision.

The following reserves consultants issued reports covering 100% of the Group’s oil and gas reserves: Ryder Scott Company, Sproule Associates Limited, Gaffney, Cline & Associates Limited and UNIWE International Energy Limited. We have combined and consolidated data from these reports to present the net reserves including our wholly-owned subsidiaries, and our net portion of entitlements in associates (using equity accounting method under IFRS) by country and petroleum basin.

The Group's net reserves for 2018 year-end were lower compared to 2017 year-end primarily driven by the divestments of certain of our non-core assets. Highlights of the Group's 2018 year-end reserves are as follows:

1. Overall, the Group's total net Proved ("1P") oil and gas reserves decreased by 17% to 213 million barrels of oil equivalents ("BOE", where 1 BOE = 6,000 cubic feet gas), total net Proved + Probable ("2P") oil and gas reserves decreased by 15% to 339 million BOE, and total net Proved + Probable + Possible ("3P") oil and gas reserves decreased by 15% to 366 million BOE¹.
2. The Group's net 1P oil reserves for 2018 decreased by 19% to 24.97 million barrels, while 2P net oil reserves decreased by 11% to 53.3 million barrels and 3P net oil reserves decreased by 14% to 74.26 million barrels respectively, reflecting the combined impact of the production related decrease of Canlin Energy Corporation ("**Canlin**") and Daan oilfield, the divestment of certain non-core assets, and partially offset by positive revisions of Emir-Oil LLP's ("**Emir-Oil**") reserves and the acquisition of 10% participating interest in the Daan oilfield.
3. Canlin's 1P and 2P reserves are 193 million BOE and 287 million BOE respectively at the year end of 2018 and these reserves represent 90% and 85% of the Group's net 1P and 2P reserves on BOE basis, of which approximately 90% is natural gas and the balance crude oil and NGL.
4. Based on the 2018 year-end reserves estimates reviewed by independent consultants, the Group's 2P net present value, before tax and discounted at 10% ("**NPV10**") is approximately US\$1.7 billion, which represents 13% decrease from the reported 2017 year-end 2P NPV10 value of US\$1.965 billion.

The Table below outlines Group's reserves as at December 31, 2018.

¹ In normal practice, Canada exploration & production companies do not prepare or disclose Possible reserves and Canlin follow the same approach. Accordingly, the Group's total 3P reserves only include the 2P reserves of Canlin.

Table 1 The Group Net Reserves

Mbbbl Thousand Barrels

MMcf Million Cubic Feet

Mboe Thousand Barrels of Oil Equivalent

	2017				2018				Change 2018-2017				Total % Change
	Oil (Mbbbl)	NGL (Mbbbl)	Gas (MMcf)	Total (Note 1) (Mboe)	Oil (Mbbbl)	NGL (Mbbbl)	Gas (MMcf)	Total (Note 1) (Mboe)	Oil (Mbbbl)	NGL (Mbbbl)	Gas (MMcf)	Total (Note 1) (Mboe)	
1P: PROVED													
China Oil Properties	8,475	—	—	8,475	9,058	—	—	9,058	583	—	—	583	7%
Canada-Canlin & Journey	14,922	14,355	1,249,986	237,608	7,380	12,379	1,036,569	192,520	(7,542)	(1,976)	(213,417)	(45,088)	-19%
Kazakhstan-Emir-Oil	7,540	856	8,708	9,847	8,530	1,330	11,630	11,798	990	474	2,922	1,951	20%
US-Condor	47	—	7	48	—	—	—	—	(47)	—	(7)	(48)	-100%
Total 1P	30,983	15,211	1,258,701	255,978	24,968	13,709	1,048,199	213,377	(6,015)	(1,502)	(210,502)	(42,601)	-17%
2P: PROVED + PROBABLE													
China Oil Properties	12,489	—	—	12,489	16,708	—	—	16,708	4,219	—	—	4,219	34%
Canada-Canlin & Journey	22,477	21,282	1,860,006	353,759	9,578	18,783	1,549,556	286,620	(12,899)	(2,498)	(310,450)	(67,139)	-19%
Kazakhstan-Emir-Oil	24,984	2,588	28,880	32,385	27,010	3,110	31,530	35,375	2,026	522	2,650	2,990	9%
US-Condor	71	—	9	72	—	—	—	—	(71)	—	(9)	(72)	-100%
Total 2P	60,021	23,870	1,888,895	398,706	53,296	21,893	1,581,086	338,703	(6,725)	(1,976)	(307,809)	(60,002)	-15%
3P: PROVED + PROBABLE + POSSIBLE													
China Oil Properties	17,281	—	—	17,281	22,212	—	—	22,212	4,931	—	—	4,931	29%
Canada-Canlin & Journey (Note 2)	22,477	21,282	1,860,006	353,759	9,578	18,783	1,549,556	286,620	(12,899)	(2,498)	(310,450)	(67,139)	-19%
Kazakhstan-Emir-Oil	46,252	4,660	54,548	60,003	42,470	5,070	55,030	56,712	(3,782)	410	482	(3,292)	-5%
US-Condor	100	—	16	103	—	—	—	—	(100)	—	(16)	(103)	-100%
Total 3P	86,110	25,942	1,914,570	431,146	74,260	23,853	1,604,586	365,544	(11,850)	(2,088)	(309,984)	(65,602)	-15%

Note 1: 1 BOE = 6,000 SCF

Note 2: The Possible Reserves are not disclosed by Canlin

The table below outlines the price assumptions used to determine 2018 year-end reserves. Oil and gas prices are based on price projections published by Sproule for China oil properties and Canlin, oil and gas price projections published by Gaffney, Cline & Associates for Emir-Oil.

Table 2 Prices Used in Reserves and Resources Determination at Year end 2018

China Daan oilfield	Songliao	Escalated price profile based on price projections published by Sproule for WTI Crude. An average differential for January to December of 2018 between WTI Cushing Spot and Daqing of -\$1.00 was used. The differential is assumed to remain constant in the future.
China Area 28/03	Pearl River Mouth	Escalated price profile based on price projections published by Sproule for Brent oil. The discount between Brent oil and Area 28/03 oil sales price is US\$6.2 per barrel in the year of 2019 with 2% increase annually.
Kazakhstan Emir-Oil	Mangistau	Export oil at escalated price profile based on price projections published by GCA for Brent Crude which has been estimated to be \$41.58/Stock Tank Barrel in 2019. Domestic oil price is estimated to be \$23.89/Stock Tank Barrel in 2018. Domestic gas price \$0.59/MSCF has been utilized for solution gas sales and assumed to be constant throughout the report.
Canada Canlin	Western Canadian	Escalated price profile based on price projections published by Sproule. Canadian Light Sweet Crude 40° API oil price is estimated to be 75.27 \$Cdn/bbl in 2019. Alberta AECO-C Spot gas price is estimated to be 1.95 \$Cdn/MMbtu in 2019.

Notice about risk and uncertainty inherent in reserve and resource forecasting

Based on reserve and resource definitions in SPE/PRMS standards, these estimates include various levels of risk and uncertainty, and are based on continuation of existing economic conditions regarding pricing, costs, legal and regulatory framework. In addition, even with the same data and conditions, different professional experts will estimate different numbers for reserves and resources based on their experience and interpretation of the data they review, and may categorize them differently. The Group employs qualified independent third party professionals to determine these numbers in accordance with existing standards and industry practice; however, we have limited or no control over many of the factors affecting reserve and resource results. Actual future results will differ from the estimates presented herein.

By Order of the Board
MIE Holdings Corporation
Mr. Zhang Ruilin
Chairman

Hong Kong, March 17, 2019

As at the date of this announcement, the Board comprises (1) the executive directors namely Mr. Zhang Ruilin and Mr. Zhao Jiangwei; (2) the non-executive director namely Ms. Xie Na; and (3) the independent non-executive directors namely Mr. Mei Jianping, Mr. Jeffrey Willard Miller and Mr. Guo Yanjun.