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International Standard Resources Holdings Limited

標準資源控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 91)

(Warrant Code: 1425)

VOLUNTARY ANNOUNCEMENT UPDATE ON COALBED METHANE BUSINESS IN ANHUI PROVINCE OF THE PRC

This is a voluntary announcement made by the Company.

The Board is pleased to announce that on 23 December 2015, Can-Elite has entered into the Third Modification Agreement to the Modified PSC with China United. Pursuant to the Third Modification Agreement, the Contract Area has been divided into Area A and Area B. The exploration period of Area A has been extended for a period up to the date in which the relevant authorities of the Government of the PRC grant the approval for the overall development program, whereas the exploration period of Area B has been extended for two more years from 1 April 2015 to 31 March 2017. During the extended exploration period, Can-Elite shall expend at least RMB8,000,000 per year for the exploration of Area A, and at least RMB40,000,000 for the exploration of Area B, respectively. The Board currently intends to fund such expenditures by the Group's internal resources.

This is a voluntary announcement made by International Standard Resources Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”).

The Company wishes to provide a business update of the Group with the objective of informing our shareholders and potential investors the latest business development of the Group.

References are made to the announcements dated 2 September 2013, 27 May 2014, 24 June 2014 and 14 August 2015 issued by the Company to update the information on the coalbed methane business in the Anhui Province of the People's Republic of China (the “**PRC**”).

The board of directors (the “**Board**”) of the Company is pleased to announce that on 23 December 2015, Canada Can-Elite Energy Limited (“**Can-Elite**”), a wholly-owned subsidiary of the Company, has entered into a third modification agreement (the “**Third Modification Agreement**”) with China United Coalbed Methane Corporation Limited (“**China United**”). Can-Elite and China United had entered into a production sharing contract for the exploitation of coalbed methane resources in Su’nan area, Anhui Province on 8 November 2007 (as modified by the first modification agreement dated 18 February 2009 and the second modification agreement dated 29 August 2013) (the “**Modified PSC**”).

Pursuant to the Third Modification Agreement, among other things, the exploration area of approximately 567.843 square kilometers, located in Su’nan, Anhui Province as set out under the Modified PSC (the “**Contract Area**”) has been divided into Area A and Area B, consisting of 23.686 and 544.157 square kilometers, respectively. The exploration period of Area A has been extended for a period up to the date in which the relevant authorities of the Government of the PRC grant the approval for the overall development program, whereas the exploration period of Area B has been extended for two more years from 1 April 2015 to 31 March 2017. During the extended exploration period, Can-Elite shall expend at least RMB8,000,000 per year for the exploration of Area A, and at least RMB40,000,000 for the exploration of Area B, respectively. The Board currently intends to fund such expenditures by the Group’s internal resources.

REASON FOR ENTERING INTO THE THIRD MODIFICATION AGREEMENT

Since Area A has certain proven coalbed methane reserves while Area B is currently in the exploration stage, the entering into of the Third Modification Agreement will be conducive to clarifying the different responsibilities and obligations of Can-Elite in relation to Area A and Area B, respectively, during the extended exploration period. The directors of the Company (the “**Directors**”) are of the view that the entering into of the Third Modification Agreement has no substantial impact on the rights and interests of Can-Elite under the Modified PSC. The Directors believe that the Third Modification Agreement is a step forward for the cooperation between Can-Elite and China United and would have mutual benefits through cooperation under the Modified PSC.

By order of the Board
International Standard Resources Holdings Limited
Tam Tak Wah
Executive Director

Hong Kong, 29 December 2015

As at the date of this announcement, the executive directors of the Company are Mr. Cheng Wai Keung, Mr. Tam Tak Wah, and Ms. Tsang Ching Man and the independent non-executive directors of the Company are Mr. Chan Tsz Kit, Mr. Chan Yim Por Bonnie, Mr. Albert Saychuan Cheok (Chairman) and Mr. Wang Li.