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*(Incorporated in Bermuda with limited liability)*  
(Stock Code: 702)

## **VOLUNTARY ANNOUNCEMENT**

### **STRATEGIC COOPERATION FRAMEWORK AGREEMENT**

This announcement is issued by Sino Oil and Gas Holdings Limited (the “**Company**”) as a voluntary announcement to allow the public to understand the latest information of the Company.

On 19 January 2016, the Company entered into a non-legally binding Strategic Cooperation Framework Agreement (“**Framework Agreement**”) with Shanxi Guxian Lanhua Baoxin Coal Company Limited (山西古縣蘭花寶欣煤業有限公司) (“**Lanhua Baoxin**”), pursuant to which the Company and Lanhua Baoxin, intend to establish a project management team for the development of coalbed methane (“**CBM**”) project located in the coal mine block of Lanhua Baoxin (the “**Project**”). Based on preliminary analysis, the Company will conduct technical plan design and assessment of the economic benefits in respect of the CBM development project in order to secure the CBM production sharing contract of the block.

Lanhua Baoxin as a member of the Group of Shanxi Lanhua Technology Venture Co., Ltd (山西蘭花科技創業股份有限公司) is located in Beiping Town, Gu County of Linfen City, Shanxi Province, PRC and owns the coal mine located at the heart of Qinshui coalfield, with a designed production capacity of 900,000 tons per year. The coalfield covers an area of approximately 6 square kilometers with approximately 30.61 million tons of recoverable reserves. As the mine has high gas content, in order to ensure the safety of the mine and proper extract of the CBM, Lanhua Baoxin entered into the Framework Agreement and will fully leverage, among others, its geographical advantages and the long-established amicable cooperation relationship with government bodies to proactively promote the Project. Lanhua Baoxin will work with the Company’s project management team to organize and implement project development plans, and works on land expropriation, obtaining construction approval and license registration.

With effect from the date of Framework Agreement, the Company and Lanhua Baoxin will work in collaboration to promote the cooperation of the Project and will conduct further negotiation on aspects not covered by the Framework Agreement so as to conclude a concrete contract.

The Company believes that the investment in the Project is in line with the Company’s positioning and development strategy in unconventional natural gas and the Project holds the potential to obtain

attractive return on investment with controllable risks, which is in the interest of the Company and its shareholders as a whole.

Shareholders and investors should note that this announcement is published as a voluntary disclosure to allow the public to acknowledge the latest development of the Company. The Project may or may not be materialized. Shareholders and investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board  
**Sino Oil and Gas Holdings Limited**  
**Dai Xiaobing**  
*Chairman*

Hong Kong, 20 January 2016

*As at the date of this announcement, the Board comprises three Executive Directors, namely, Dr. Dai Xiaobing, Mr. King Hap Lee and Mr. Wan Tze Fan Terence; three Non-executive Directors, Mr. Chen Hua, Mr. Huang Shaowu and Mr. He Lin Feng, and four Independent Non-executive Directors, namely, Mr. Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua.*