CHINA ENERGY DEVELOPMENT HOLDINGS LIMITED
中國能源開發控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 228)

PROFIT WARNING

This announcement is made by China Energy Development Holdings Limited (the "**Company**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") wishes to inform the shareholders of the Company and potential investors that the Company and its subsidiaries (the "**Group**") is expected to record a significant increase in loss for the year ended 31 December 2015 by approximately HK$1,240 million, as compared to the corresponding period last year.

The increased loss of the Group is mainly due to the impairment loss of (1) intangible assets and (2) exploration and evaluation assets of the Group's oil and natural gas project in North Kashi Block, Tarim Basin, PRC ("**Kashi Project**") in the amount of approximately HK$1,056 million and HK$256 million, respectively.

The Company is still in the process of finalizing the results for the year ended 31 December 2015. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 December 2015 and is not based on any financial data or information that has been reviewed or audited by the Company's auditors. Further details of the Group's financial results and performance for the year ended 31 December 2015 will be announced in due course. Shareholders and potential investors are advised to read the annual results announcement of the Company carefully when it is published.

* *For identification purposes only*

Shareholders and potential investors are advised to exercise caution when dealing in Shares.

By Order of the Board
China Energy Development Holdings Limited
Wang Yongguang
Chairman

Hong Kong, 24 March 2016

As at the date of this announcement, the Board comprises Mr. Zhao Guoqiang (Chief Executive Officer and alternate director to Mr. Wang Yongguang and Dr. Gu Quan Rong) and Mr. Chui Kwong Kau as executive directors; Mr. Wang Yongguang (Chairman) and Dr. Gu Quan Rong as non-executive directors; and Mr. Zong Ketao, Mr. Cheng Chun Ying and Mr. Lee Man Tai as independent non-executive directors.