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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)

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF ASSETS

THE DISPOSAL

The Board is pleased to announce that on March 23, 2018 (after trading hours) (Calgary time), the Vendor and the Purchaser entered into the Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Assets, at the Base Price of C\$60.0 million (approximately HK\$365.0 million) (subject to adjustments).

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company will convene the EGM at which ordinary resolution(s) will be proposed to approve, among other things, the Disposal.

GENERAL

Pursuant to the requirements applicable to a major transaction under Chapter 14 of the Listing Rules, a circular containing, among other things, further details of the Disposal and a notice of the EGM shall be dispatched to the Shareholders within 15 business days after the publication of this announcement, i.e. on or before April 18, 2018.

Closing of the Disposal is subject to the Conditions Precedent, including the approval of the Disposal by Shareholders at the EGM. Accordingly, the Disposal may or may not proceed and Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company.

INTRODUCTION

The Board is pleased to announce that on March 23, 2018 (after trading hours) (Calgary time), the Vendor and the Purchaser entered into the Agreement, pursuant to which the Vendor agreed to sell and the Purchaser agreed to purchase the Assets, at the Base Price of C\$60.0 million (approximately HK\$365.0 million) (subject to adjustments).

THE AGREEMENT

The principal terms of the Agreement are as follows:

Date

March 23, 2018

Parties

- (i) the Vendor; and
- (ii) the Purchaser.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected person(s).

Subject matter of the Disposal

The Assets are the legal and beneficial interest of the Vendor in certain Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests located in central Alberta, Canada.

Consideration

Base Price and adjustments

The Consideration under the Agreement is C\$60.0 million (the "**Base Price**") plus or minus (as applicable) the net amount of any operating adjustments pursuant to the terms of the Agreement.

Operating adjustments

Subject to the terms of the Agreement, all benefits and obligations of any kind and nature relating to the operation of the Assets conveyed pursuant to the Agreement, excluding income taxes but otherwise including without limitation maintenance, development, operating and capital costs, government incentives and administration fees, royalties and other burdens, and proceeds from the sale of production whether accruing, payable or paid and received or receivable, shall be adjusted between the parties as of the Adjustment Date in accordance with generally accepted accounting principles.

Payment of Consideration

The Purchaser shall pay to the Vendor, at Closing, (i) the Consideration and (ii) the GST payable in respect of the Assets, by wire transfer to an account designated by the Vendor to the Purchaser in writing prior to Closing.

Whilst the final Consideration amount will be subject to the above adjustments to the Consideration to be finalised at or after Closing, based on an estimation of the adjusted Consideration as at the date of this announcement, the Board currently estimates that the applicable percentage ratio with reference to the consideration test under the Listing Rules will exceed 25% but will be below 75%.

The Consideration was determined on normal commercial terms after arm's length negotiations between the Vendor and the Purchaser with reference to a number of factors, including production rates, reserve values and the strategic value of the assets under the macro Canadian natural gas environment.

The Directors consider the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Closing is conditional on the following conditions precedent being satisfied or waived (if applicable):

Vendor's conditions

The obligation of the Purchaser to purchase the Vendor's interest in and to the Assets is subject to the following conditions precedent, which are inserted for the exclusive benefit of the Purchaser and may be waived by the Purchaser:

- (i) the representations and warranties of the Vendor as set out in the Agreement shall be true in all material respects when made and as of the Closing Date;
- (ii) all obligations of the Vendor as set out in the Agreement to be performed prior to or at Closing shall have been timely performed in all material respects;
- (iii) from the Adjustment Date to the Closing Time, the Assets shall have suffered no material, adverse physical damage or change. For clarity, a reduction in the price received for the sale of Petroleum Substances is not a material, adverse damage or change;
- (iv) the Vendor shall have delivered to Purchaser at or prior to Closing discharges, releases or no interest letters (in form and substance satisfactory to Purchaser, acting reasonably) of any and all security held by any third party encumbering the Vendor's interest in and to the Assets or any part or portion thereof, which discharges, releases or no interest letters are requested by Purchaser a reasonable time prior to Closing; and

- (v) subject to any other terms of the Agreement, prior to the Closing Date, the Vendor shall have obtained and produced to the Purchaser relevant third party written consents as and if required under the terms of the Title Documents and any other agreements and documents to which the Assets are subject and which are customarily obtained prior to closing in oil and gas transactions in Canada.

Purchaser's conditions

The obligation of the Vendor to sell its interest in and to the Assets is subject to the following conditions precedent, which are inserted for the exclusive benefit of the Vendor and may be waived by the Vendor:

- (i) the representations and warranties of the Purchaser as set out in the Agreement shall be true in all material respects when made and as of the Closing Date;
- (ii) all obligations of the Purchaser as set out in the Agreement to be performed prior to or at Closing shall have been timely performed in all material respects;
- (iii) all amounts to be paid by the Purchaser to the Vendor at Closing shall have been paid to the Vendor in the form stipulated in the Agreement; and
- (iv) the Vendor shall receive confirmation from the Company that all of the requirements under the Listing Rules (including, without limitation, the requirements on Shareholders' approval under Chapter 14 of the Listing Rules), which are applicable to the transactions contemplated under the Agreement, have been satisfied.

If any one or more of the conditions precedent has or have not been satisfied, complied with (through no act, default or omission of the Vendor or the Purchaser (as the case may be)), or waived by the Vendor or the Purchaser (as the case may be), at or before the earlier of the date specified above or the Closing Date, the Vendor or the Purchaser (as the case may be) may in addition to any other remedies which it may have available to it, rescind the Agreement by written notice to other party. If a party rescinds the Agreement, the Vendor and the Purchaser shall be released and discharged from all obligations (unless specifically provided otherwise in the Agreement).

Closing

Closing shall take place on the Closing Date.

INFORMATION ABOUT THE PARTIES

The Group

The Group is principally engaged in the exploration, development, production and sale of oil, gas and other petroleum products. The Group is currently entitled to 90% participating interest in the foreign contractors' entitlement and obligations under the PSCs for the Daan oilfield. The Daan oilfield is situated in Jilin Province and is the Group's most productive oil field in the PRC. In addition, the Group has a diverse producing, resource and infrastructure oil and gas asset throughout Western Canada and a working interest in the

Niobrara shale oil and gas assets in the USA. The Group also participates as an associate in the exploration, development and production of petroleum assets located in the Republic of Kazakhstan, Canada and the northern part of the South China in the PRC.

The Purchaser

The Purchaser is a partnership formed pursuant to the laws of Alberta, Canada. The Purchaser is an energy producer headquartered in Calgary, Alberta, Canada with a diverse portfolio of assets located in various regions throughout the world.

FINANCIAL INFORMATION ON THE ASSETS AND FINANCIAL IMPACT OF THE DISPOSAL

The net profits (before taxation and extraordinary items) attributable to the Assets for the two financial years ended 31 December 2017 were C\$5.2 million (approximately HK\$31.6 million) for year ended 31 December 2017 and C\$3.4 million for the year ended 31 December 2016 (approximately HK\$20.7 million) respectively. The net book value of the Assets was C\$39.3 million as at 31 December 2017 (approximately HK\$239.1 million). Based on the difference between the Consideration and the book value of the Assets, the Company is expected to record an unaudited book gain, before transaction expense, taxes and adjustments to net book value up to the date of Closing, of approximately C\$17.6 million (approximately HK\$107.1 million) pursuant to the Disposal.

USE OF PROCEEDS

The net proceeds to the Vendor from the Disposal after deducting related transaction costs and expenses are estimated to be C\$56.3 million (approximately HK\$342.5 million). The Vendor intends to apply the net proceeds from the Disposal used towards general working capital of the Vendor and/or funding for future investment opportunities generally.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Disposal will attribute potential gains of approximately C\$17.6 million (approximately HK\$107.1 million) to the Group upon Closing, shall further enhance the financial strength of the Group and will allow Vendor to focus on its core assets.

Based on the above and the terms of the Agreement, the Board is of the view that: (i) the Disposal is in the interest of the Company and the Shareholders as a whole; (ii) the terms of the Agreement are fair and reasonable; and (iii) the entering into of the Agreement is in the interest of the Company and Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As the highest applicable percentage ratio in respect of the Disposal exceeds 25% but is less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. The Company will convene the EGM at which ordinary resolution(s) will be proposed to approve, among other things, the Disposal. To the best of the knowledge, information and belief of the

Directors having made all reasonable enquiries, no Shareholder has any material interest in the Disposal as at the date of this announcement, and as such, no Shareholder is required to abstain from voting on the resolution(s) to be proposed at the EGM to approve the Disposal.

GENERAL

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Closing of the Disposal is subject to the Conditions Precedent, including the approval of the Disposal by Shareholders at the EGM. Accordingly, the Disposal may or may not proceed and Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Adjustment Date”	8:00 a.m. (Calgary time) on January 1, 2018
“Agreement”	the agreement of purchase and sale dated March 23, 2018 entered into between the Vendor and the Purchaser in relation to the Disposal
“Assets”	the Petroleum and Natural Gas Rights, the Tangibles and the Miscellaneous Interests and the legal and beneficial interest of the Vendor in and to any White Map Assets, but notwithstanding anything to the contrary in the Agreement, which excludes the Excluded Assets
“Board”	the board of Directors
“C\$”	Canadian dollars, the lawful currency of Canada
“Circular”	the circular to be issued by the Company in accordance with the Listing Rules in respect of, among other things, the Disposal
“Closing”	completion of the Disposal in accordance with the terms and conditions of the Agreement
“Closing Date”	10:00 a.m. on the later of (i) May 4, 2018, or (ii) two business days after item (iv) of the Conditions Precedent (as set out in the paragraph headed “Conditions Precedent” in this announcement) has been satisfied, complied with or waived (if applicable), or such other time and date as the parties to the Agreement may agree upon in writing

“Company”	MIE Holdings Corporation (stock code: 1555), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“Conditions Precedent”	conditions precedent to the Closing, details of which are set out in the paragraph headed “Conditions Precedent” in this announcement
“connected person(s)”	has the meaning ascribed to under the Listing Rules
“Consideration”	the total consideration payable by the Purchaser pursuant to the Agreement, details of which are set out in the paragraph headed “Consideration” in this announcement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Assets pursuant to the terms and conditions of the Agreement
“EGM”	the extraordinary general meeting of the Company to be convened to consider, and if thought fit, approve, among other things, the Disposal
“Excluded Assets”	certain interests of the Vendor specifically excluded in the Agreement, including without limitation 100% of the Vendor’s interest in non-convertible gross overriding royalties and any of the leased vehicles deemed to be Excluded Assets (pursuant to the terms of the Agreement)
“Group”	the Company and its subsidiaries
“GST”	the goods and services tax administered pursuant to the Excise Tax Act of Canada, as amended and the regulations thereunder or under any successor or parallel federal or provincial legislation that imposes a tax on the recipient of goods and services
“Lands”	all lands as areally described in the Agreement and the White Map Area
“Leased Substances”	all Petroleum Substances, rights to or in respect of which are granted, reserved or otherwise conferred by or under the Title Documents (but only to the extent that the Title Documents pertain to the Lands)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Miscellaneous Interests”

all property, assets, interests and rights pertaining to the Petroleum and Natural Gas Rights and the Tangibles (other than the Petroleum and Natural Gas Rights and the Tangibles themselves), or either of them, but only to the extent that such property, assets, interests and rights pertain to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including without limitation any and all of the following (as set out in the Agreement):

- (i) contracts and agreements relating to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including without limitation gas purchase contracts, processing agreements, transportation agreements and agreements for the construction, ownership and operation of facilities and the agreements;
- (ii) fee simple surface rights to, and all other rights to enter upon, use or occupy, the surface of any lands which are or may be used to gain access to or otherwise use the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including surface rights;
- (iii) all subsisting rights to carry out operations relating to the Lands or Tangibles, and without limitation, all easements and well, pipeline and other Permits, licenses and authorizations;
- (iv) all records, books, documents, licences, reports and data which relate to the Petroleum and Natural Gas Rights and the Tangibles, or either of them, including any of the foregoing that pertain to seismic, geological or geophysical matters;
- (v) the Wells, including the wellbores and any and all casing;
- (vi) any facility or area specific emergency response plans pertaining to the Assets;
- (vii) all non-interpretative technical data; and
- (viii) the Seismic Rights.

“Petroleum and Natural Gas Rights”

all rights to and in respect of the Leased Substances and the Title Documents (but only to the extent that the Title Documents pertain to the Lands)

“Petroleum Substances”	any of crude oil, crude bitumen and products derived therefrom, synthetic crude oil, petroleum, natural gas, natural gas liquids and any and all other substances related to any of the foregoing, whether liquid, solid or gaseous, and whether hydrocarbons or not, including without limitation sulphur and coal bed methane
“Purchaser”	a partnership formed pursuant to the laws of Alberta, Canada, which is a third party independent of the Company and its connected persons
“Seismic Rights”	the rights to be granted by the Vendor to the Purchaser at Closing
“Share(s)”	ordinary share(s) of US\$0.001 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tangibles”	means the facilities and any and all tangible depreciable property and assets, other than the facilities, which are located within the White Map Area and which are used or have been used, are capable of being used or are intended to be used to produce, process, gather, treat, measure, make marketable, store, transport, dispose, remove or inject the Leased Substances or any of them or in connection with water injection, water disposal or removal operations that pertain to the Petroleum and Natural Gas Rights, including without limitation any and all gas plants, oil batteries, buildings, production equipment, pipelines, pipeline connections, meters, generators, motors, compressors, treaters, dehydrators, scrubbers, separators, pumps, tanks, boilers and communication equipment (including any SCADA systems)

“Title Documents”	collectively, any and all certificates of title, leases, reservations, licenses, assignments, trust declarations, operating agreements, royalty agreements, gross overriding royalty agreements, participation agreements, farm-in agreements, sale and purchase agreements, pooling agreements, permits, surface rights, sale contracts, joint venture contracts, and any other documents and agreements which formerly granted, reserved, or otherwise conferred or currently grant, reserve or otherwise confer rights to (i) explore for, drill for, produce, take, use or market Petroleum Substances, (ii) share in the production of Petroleum Substances, (iii) share in the proceeds from, or measured or calculated by reference to the value or quantity of, Petroleum Substances which are produced; and (v) rights to acquire any of the rights described in items (i) to (iv) of this definition; but only if the foregoing pertain in whole or in part to Petroleum Substances within, upon or under the Lands
“Vendor”	Canlin Resources Partnership, a partnership formed pursuant to the laws of Alberta, Canada and an indirect non-wholly owned subsidiary of the Company
“Wells”	all wells which have been, are or may be used in connection with the Petroleum and Natural Gas Rights, including without limitation producing, shut-in, suspended, abandoned, abandoned and reclamation certified, water source, water disposal and water injection wells and the wells, as set out in the Agreement
“White Map Area”	all lands within an area as outlined on a land plat set out in the Agreement
“White Map Assets”	all Assets and liabilities (if any) not scheduled to the Agreement and falling within the White Map Area
“%”	per cent

For the purpose of this announcement and for illustrative purpose only, C\$ is converted into HK\$ at the rate of HK\$6.0836:C\$1.00. No representation is made that any amounts in C\$ has been or could be converted at the above rates or at any other rates.

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

Hong Kong, March 26, 2018

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 directors namely Ms. Xie Na and Mr. Jiao Qisen; and (3) the independent non-executive directors namely Mr. Mei Jianping, Mr. Jeffrey Willard Miller and Mr. Guo Yanjun.