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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

(1) AMENDMENTS TO CONVERTIBLE BONDS AND (2) SUPPLEMENTAL INFORMATION RELATING TO EXTENSION OF LONG STOP DATE FOR COMPLETION OF VERY SUBSTANTIAL DISPOSAL AND CONNECTED TRANSACTION IN RELATION TO THE DISPOSAL OF ENTIRE EQUITY INTEREST IN MAPLE MARATHON

(1) AMENDMENTS TO CONVERTIBLE BONDS

Reference is made to the announcements of MIE Holdings Corporation (the “**Company**”) dated 23 January 2018, 26 January 2018 and 22 January 2019 (together, the “**Bonds Announcements**”) in relation to the HK\$340,000,000 5.00 per cent. convertible bonds due 2021 by the Company (the “**Convertible Bonds**”). Unless otherwise defined, capitalised terms used in this section of the announcement shall have the same meanings as defined in the Bonds Announcements.

Under the terms and conditions of the Convertible Bonds as amended on 22 January 2019 (the “**Conditions**”), the Bondholders have a put option to request the Company to redeem all or some of his/her Convertible Bonds on 28 February 2019 at 110.38% of the principal amount of the Convertible Bonds together with accrued and unpaid interest (if any) (the “**Put Option**”). Under the Conditions, the Bondholders are further entitled to convert his/her Convertible Bonds into ordinary shares of the Company in accordance with the Conditions (the “**Conversion Right**”).

Bondholders representing 100 per cent. of the aggregate principal amount of the Convertible Bonds have previously exercised their Put Option by giving notice to the Principal Agent in accordance with the Conditions (the “**Put Option Notice**”).

On 27 February 2019, Bondholders representing 100 per cent. of the aggregate principal amount of the Convertible Bonds passed a written resolution to authorise the amendment of the Conditions (the “**Amendments**”) pursuant to which (i) the Put Option Notice shall lapse and be of no further effect, meaning that the Company will no longer be required to redeem the Convertible Bonds on 28 February 2019, (ii) Bondholders shall have a revised put option to request the Company to redeem all or some of his/her Convertible Bonds on any day after 15 March 2019, together with accrued and unpaid interest (if any) and (iii) the Conversion Right shall be cancelled. The Company and the Trustee have entered into an amended and restated trust deed on 27 February 2019 (the “**Amended and Restated Trust Deed**”) to give effect to the Amendments. After the Amendments, the Convertible Bonds will become straight bonds and the maturity date will remain unchanged.

The Company has applied to the Stock Exchange for its approval of the Amendments contemplated by the Amended and Restated Trust Deed pursuant to Rule 28.05 of the Listing Rules.

In addition to the Amendments, MIE Jurassic Energy Corporation, a wholly-owned subsidiary of the Company, has entered into a share charge with the Trustee as security trustee on 27 February 2019 pursuant to which it has charged all of its ordinary shares of Maple Marathon Investments Limited (its wholly-owned subsidiary) in favour of the Trustee as security for the Convertible Bonds. If the charged shares would be sold at a consideration of less than US\$100,000,000, the consent of the Bondholders is required.

Apart from the matters disclosed above, there are no further material changes to the Conditions.

(2) SUPPLEMENTAL INFORMATION RELATING TO EXTENSION OF LONG STOP DATE

Reference is made to the announcements of the Company dated September 24, 2018, October 18, 2018, October 26, 2018, November 20, 2018 and January 30, 2019 (the “**Long Stop Date Announcements**”) respectively and the circular dated November 5, 2018 (the “**Circular**”) in respect of the Share Purchase Agreement and the Disposal contemplated thereunder, which constitute a very substantial disposal and a connected transaction of the Company and the extension of Long Stop Date for completion of the Disposal. Unless otherwise defined, capitalised terms used in this section of the announcement shall have the same meaning as those defined in the Long Stop Date Announcements and the Circular.

Save as disclosed in the Long Stop Date Announcements, the Company wishes to further announce that it was informed by Far East Energy in late December, 2018 that due to the delay of potential lenders’ review process, macroeconomic difficulties in the credit markets in Asia and significant price volatility in the energy sector, in particular continued constrained natural gas prices, additional time is required by Far East Energy to obtain sufficient financial resources for the purpose of Completion. In addition, there has been no sign of recovery in the onshore and offshore capital markets, where relatively tight liquidity has restricted the ability of Far East Energy to raise the requisite funds within a limited timeframe.

Upon becoming aware of the possible delay of Completion as informed by Far East Energy, the Board immediately engaged Far East Energy for discussion and considered other possible solutions in contemplation of the approaching Long Stop Date. However, after careful deliberation, the Board decided not to terminate the Share Purchase Agreement taking into consideration (i) the challenge to solicit an alternative competitive offer from other interested party in the current market environment, in light of the overall volatility in the energy sector and persistently low natural gas prices in Canada; (ii) the additional time required to conduct customary due diligence, negotiate definitive documentation and obtain requisite regulatory and third party approvals, which could take an extended period of time due to factors outside of the Company's control; and (iii) the overall deal certainty in the context of the Company's existing capital structure and liquidity constraints.

Consequently, the Board is of the view that:

- (a) despite requiring additional time to obtain sufficient financial resources, Far East Energy remains committed to the Disposal and provides the Company with the highest degree of certainty as regards to Completion in the shortest amount of time; and
- (b) extending the Long Stop Date for the purpose of Completion of the Disposal and the subsequent repayment of Outstanding Debts, which will result in lower overall debt levels and improved financial flexibility for the Company, is in the best interest of the Company and its Shareholders as a whole.

Shareholders of the Company and potential investors are reminded that the Disposal may or may not proceed on September 30, 2019. The Company will comply with the Listing Rules and all applicable laws and regulations, including but not limited to obtaining further approval from the Shareholders if necessary in the event that further extension of the Long Stop Date is required on September 30, 2019.

Nevertheless, the Company would like to emphasize that parties to the Share Purchase Agreement remain committed to complete the Disposal at their best endeavours as soon as practicable. The Company will make further announcement(s) in due course as and where appropriate and necessary.

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

Hong Kong, February 27, 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.