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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

OIL AND GAS RESERVES AT YEAR END 2019

MIE Holdings Corporation (the “**Company**”, together with the subsidiaries, the “**Group**”) is pleased to announce that our independent consultants have completed a review of our oil and gas reserves as of year end 2019. These reviews were performed in accordance with the standards set in the SPE/WPC/AAPG/SPEE Petroleum Resources Management System (“**SPE-PRMS**”), as prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE); reviewed and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG); and the Society of Petroleum Evaluation Engineers (SPEE). By their very nature reserves are forward-looking estimates subject to change and revision.

The following reserve consultants issued reports covering 100% of the Group’s oil and gas reserves: Ryder Scott Company, Gaffney, Cline & Associates Limited and UNIWE International Energy Limited. We have combined and consolidated data from these reports to present the net reserves including our wholly-owned subsidiaries, and our net portion of entitlements in associates (using equity accounting method under IFRS) by country and petroleum basin.

The Group's net reserves evaluation for 2019 year-end shows a significant decrease over 2018, primarily driven by the divestment of Canlin Energy Corporation ("**Canlin**") which holds the Group's Canada asset. Summaries of the Group's 2019 year-end reserves are as follows:

1. Overall, the Group's total net Proved ("**1P**") oil, gas and natural gas liquid ("**NGL**") reserves decreased by 92% to 18.07 million barrels of oil equivalents ("**BOE**", where 1 BOE = 6,000 cubic feet gas), total net Proved + Probable ("**2P**") oil, gas and NGL reserves decreased by 87% to 45.3 million BOE, and total net Proved + Probable + Possible ("**3P**") oil, gas and NGL reserves decreased by 81% to 69.1 million BOE¹.
2. The Group's net 1P oil reserves for 2019 decreased by 36% to 16.07 million barrels, while 2P net oil reserves decreased by 29% to 37.84 million barrels and 3P net oil reserves decreased by 24% to 56.65 million barrels respectively, reflecting the combined impact of the production related decrease of Daan oilfield and Emir-Oil LLP ("**Emir-Oil**"), the divestment of gas weighted asset Canlin and technical revision on Emir-Oil's reserves at 2019 year-end.
3. Based on 2019 year-end reserves estimates reviewed by independent consultants, the Group's 2P net present value, before tax and discounted at 10% ("**NPV10**") is approximately US\$669 million, which represents a 61% decrease from the reported 2018 year-end 2P NPV10 value of US\$1.7 billion.

The Table below outlines Group's reserves as at 31 December 2019.

¹ In normal practice, Canada exploration & production companies do not prepare or disclose Possible reserves and Canlin follow the same approach. Accordingly, the Group's total 3P reserves only include the 2P reserves of Canlin.

Table 1 The Group Net Reserves

	2018				2019				Change 2018-2019				Total % Change
	Oil (Mbbbl)	NGL (Mbbbl)	Gas (MMcf)	Total (Note 1) (Mboe)	Oil (Mbbbl)	NGL (Mbbbl)	Gas (MMcf)	Total (Note 1) (Mboe)	Oil (Mbbbl)	NGL (Mbbbl)	Gas (MMcf)	Total (Note 1) (Mboe)	
IP:PROVED													
China Oil Properties	9,058	—	—	9,058	9,817	—	—	9,817	759	—	—	759	8%
Canada-Canlin	7,380	12,379	1,036,569	192,520	—	—	—	—	(7,380)	(12,379)	(1,036,569)	(192,520)	-100%
Kazakhstan-Emir-Oil	<u>8,530</u>	<u>1,330</u>	<u>11,630</u>	<u>11,798</u>	<u>6,250</u>	<u>420</u>	<u>9,470</u>	<u>8,248</u>	<u>(2,280)</u>	<u>(910)</u>	<u>(2,160)</u>	<u>(3,550)</u>	<u>-30%</u>
Total IP	<u>24,968</u>	<u>13,709</u>	<u>1,048,199</u>	<u>213,377</u>	<u>16,067</u>	<u>420</u>	<u>9,470</u>	<u>18,065</u>	<u>(8,901)</u>	<u>(13,289)</u>	<u>(1,038,729)</u>	<u>(195,311)</u>	<u>-92%</u>
2P:PROVED+PROBABLE													
China Oil Properties	16,708	—	—	16,708	16,123	—	—	16,123	(585)	—	—	(585)	-4%
Canada-Canlin	9,578	18,783	1,549,556	286,620	—	—	—	—	(9,578)	(18,783)	(1,549,556)	(286,620)	-100%
Kazakhstan-Emir-Oil	<u>27,010</u>	<u>3,110</u>	<u>31,530</u>	<u>35,375</u>	<u>21,720</u>	<u>1,710</u>	<u>34,450</u>	<u>29,172</u>	<u>(5,290)</u>	<u>(1,400)</u>	<u>2,920</u>	<u>(6,203)</u>	<u>-18%</u>
Total 2P	<u>53,296</u>	<u>21,893</u>	<u>1,581,086</u>	<u>338,703</u>	<u>37,843</u>	<u>1,710</u>	<u>34,450</u>	<u>45,295</u>	<u>(15,453)</u>	<u>(20,183)</u>	<u>(1,546,636)</u>	<u>(293,409)</u>	<u>-87%</u>
3P:PROVED+PROBABLE +POSSIBLE													
China Oil Properties (Note 3)	22,212	—	—	22,212	18,902	—	—	18,902	(3,310)	—	—	(3,310)	-15%
Canada-Canlin (Note 2)	9,578	18,783	1,549,556	286,620	—	—	—	—	(9,578)	(18,783)	(1,549,556)	(286,620)	-100%
Kazakhstan-Emir-Oil	<u>42,470</u>	<u>5,070</u>	<u>55,030</u>	<u>56,712</u>	<u>37,750</u>	<u>3,080</u>	<u>56,230</u>	<u>50,202</u>	<u>(4,720)</u>	<u>(1,990)</u>	<u>1,200</u>	<u>(6,510)</u>	<u>-11%</u>
Total 3P	<u>74,260</u>	<u>23,853</u>	<u>1,604,586</u>	<u>365,544</u>	<u>56,652</u>	<u>3,080</u>	<u>56,230</u>	<u>69,104</u>	<u>(17,608)</u>	<u>(20,773)</u>	<u>(1,548,356)</u>	<u>(296,440)</u>	<u>-81%</u>

Note 1: 1 BOE = 6,000 SCF

Note 2: The Possible Reserves are not disclosed by Canlin

Note 3: There has been no exploration or development activity on the Block 28/03 in China as the project is undergoing regulatory approval in accordance with its schedule. The reserve has remained unchanged from 2018 so the reserve report is not updated in 2019.

The table below outlines the price assumptions used to determine 2019 year-end reserves. Oil and gas prices are based on price projections published by Sproule for China oil properties, oil and gas price projections published by Gaffney, Cline & Associates for Emir-Oil.

Table 2 Prices Used in Reserves and Resources Determination at Yearend 2019

China Daan	Songliao	Escalated price profile based on price projections published by Sproule for WTI Crude. An average differential for January to December of 2019 between WTI Cushing Spot and Daqing of \$0.40 was used. The differential is assumed to remain constant in the future.
Kazakhstan Emir-Oil	Mangistau	Export oil at escalated price profile based on price projections published by GCA for Brent Crude which has been estimated to be \$54.13/Stock Tank Barrel in 2020. Domestic oil price is estimated to be \$20.18/Stock Tank Barrel in 2020. Domestic gas price \$0.54/MSCF has been utilized for solution gas sales and assumed to be constant throughout the report.
China Area 28/03	Pearl River Estuary	Escalated price profile based on price projections published by Sproule for Brent oil. The differential between Brent oil and Area 28/03 oil sales price is -US\$6.2 per barrel in the year of 2019 with 2% increase annually.

NOTICE ABOUT RISK AND UNCERTAINTY INHERENT IN RESERVE AND RESOURCE FORECASTING

Based on reserve and resource definitions in SPE/PRMS standards, these estimates include various levels of risk and uncertainty, and are based on continuation of existing economic conditions regarding pricing, costs, legal and regulatory framework. In addition, even with the same data and conditions, different professional experts will estimate different numbers for reserves and resources based on their experience and interpretation of the data they review, and may categorize them differently. The Group employs qualified independent third party professionals to determine these numbers in accordance with existing standards and industry practice; however, we have limited or no control over many of the factors affecting reserve and resource results. Actual future results will differ from the estimates presented herein.

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

Hong Kong, 12 March 2020

As at the date of this announcement, the Board comprises (1) the executive directors namely Mr. Zhang Ruilin, Mr. Mei Liming 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.