



MIE HOLDINGS CORPORATION

MI 能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

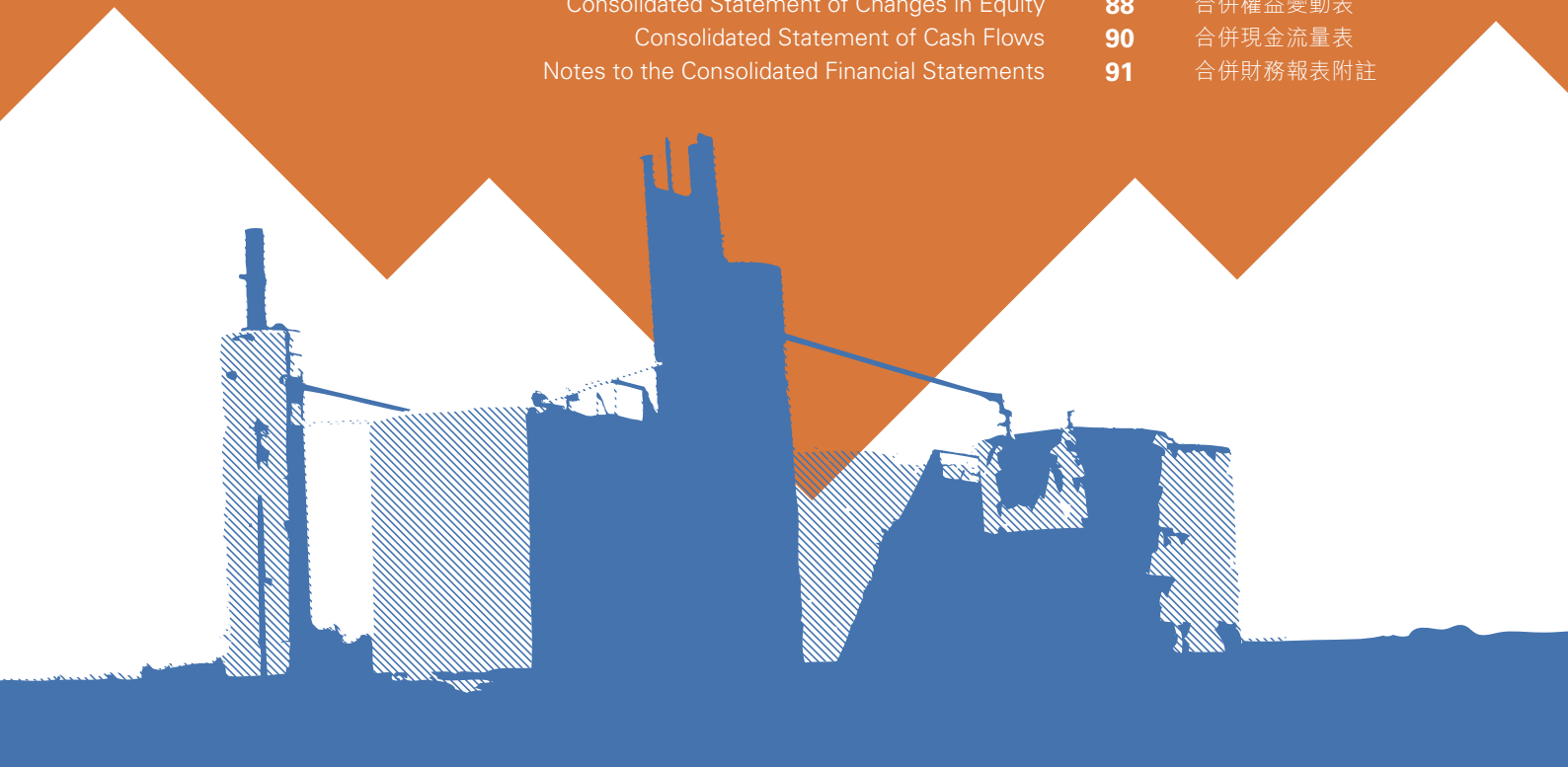
(Stock code 股份代號: 1555)

ANNUAL REPORT
2011年報



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Company Information 公司資料

Board of Directors

Executive Directors

Mr. Zhang Ruilin (*Chairman*)
Mr. Zhao Jiangwei
Mr. Forrest Lee Dietrich
Mr. Allen Mak

Non-executive Director

Mr. Wang Sing
Mr. Law Cheuk Kin, Stephen (alternate to Mr. Wang Sing)

Independent Non-executive Directors

Mr. Mei Jianping
Mr. Jeffrey W. Miller
Mr. Cai Rucheng

Registered Address

Maples Corporate Services Limited
P. O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Principal Place of Business in Hong Kong

Level 28, Three Pacific Place
1 Queen's Road East
Hong Kong

Beijing Office

Suite 1501, Block C
Grand Place
5 Hui Zhong Road
Chaoyang District
Beijing 100101
China

Listing Information

Stock Listing

The Stock Exchange of Hong Kong Limited
Stock Code: 01555

董事會

執行董事

張瑞霖先生(主席)
趙江巍先生
Forrest Lee Dietrich 先生
麥雅倫先生

非執行董事

王斌先生
羅卓堅先生(王斌先生的替任董事)

獨立非執行董事

梅建平先生
Jeffrey W. Miller 先生
才汝成先生

註冊地址

Maples Corporate Services Limited
P. O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

香港主要營業地點

香港
皇后大道東1號
太古廣場三期28樓

北京辦公室

中國
北京朝陽區
慧忠路5號
遠大中心
C座1501室
郵編100101

上市資料

股份上市

香港聯合交易所有限公司
股份代號：01555



Company Information (continued) 公司資料(續)

Senior Notes Listing

The Company's 9.75%, 5 years senior notes due 2016
The Singapore Exchange Securities Trading Limited

Website Address

www.mienergy.com.cn

Joint Company Secretary

Mr. Allen Mak (CA)
Ms. Chu Man Yee (ACS, ACIS)

Authorized Representatives

Mr. Allen Mak
Mr. Forrest Lee Dietrich

Members of Audit Committee

Mr. Jeffrey W. Miller (Chairman)
Mr. Mei Jianping
Mr. Cai Rucheng

Members of Remuneration Committee

Mr. Mei Jianping (Chairman)
Mr. Jeffrey W. Miller
Mr. Cai Rucheng

Members of Nomination Committee

Mr. Mei Jianping (Chairman)
Mr. Jeffrey W. Miller
Mr. Cai Rucheng

Independent Technical Consultant

Ryder Scott
Chapman Petroleum Engineering Ltd.

Auditors

PricewaterhouseCoopers

Legal Advisers to the Company

Latham & Watkins (As to Hong Kong law and United States law)
Zhong Lun Law Firm (As to PRC law)
Maples and Calder (As to Cayman Islands law)

優先票據上市

本公司之9.75%，於二零一六年到期為期5年期的優先票據於新加坡證券交易所有限公司上市

公司網址

www.mienergy.com.cn

聯席公司秘書

麥雅倫先生(特許會計師)
朱敏怡女士(ACS、ACIS)

授權代表

麥雅倫先生
Forrest Lee Dietrich 先生

審核委員會成員

Jeffrey W. Miller 先生(主席)
梅建平先生
才汝成先生

薪酬委員會成員

梅建平先生(主席)
Jeffrey W. Miller 先生
才汝成先生

提名委員會成員

梅建平先生(主席)
Jeffrey W. Miller 先生
才汝成先生

獨立技術顧問

Ryder Scott
Chapman Petroleum Engineering Ltd.

核數師

羅兵咸永道會計師事務所

本公司法律顧問

瑞生國際律師事務所(香港法律及美國法律)
中倫律師事務所(中國法律)
Maples and Calder(開曼群島法律)



Company Information (continued) 公司資料(續)

Principal Bankers

CITIC Bank International Limited
China Construction Bank Corporation Limited

主要往來銀行

中信銀行國際有限公司
中國建設銀行股份有限公司

Valuer

Jones Lang LaSalle Sallmanns Limited

估值師

仲量聯行西門有限公司

Cayman Islands Principal Share Registrar and Transfer Office

Maples Finance Limited
P.O. Box 1093, Queengate House
Grand Cayman
KY1-1102
Cayman Islands

開曼群島主要股份過戶登記處

Maples Finance Limited
P.O.Box 1093, Queengate House
Grand Cayman
KY1-1102
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

香港股份過戶登記分處

卓佳證券登記有限公司
香港
灣仔
皇后大道東28號
金鐘匯中心26樓



Financial Summary

財務摘要

(Amounts expressed in thousands of RMB)

(所有金額均以人民幣千元為單位)

Consolidated Statement of Comprehensive Income (Audited)

Year ended December 31

合併綜合收益表(經審核)

截至十二月三十一日止年度

		2007 二零零七年	2008 二零零八年	2009 二零零九年	2010 二零一零年	2011 二零一一年
Total revenue	總收益	1,221,624	1,971,688	1,166,827	1,804,976	2,827,141
Total operating expenses	總經營開支	(710,597)	(1,190,063)	(925,608)	(1,170,963)	(1,727,981)
Finance costs, net	財務費用淨值	(76,911)	(7,787)	(57,280)	(51,444)	(159,754)
Gain arising from acquisition of Emir-Oil, LLC	收購Emir-Oil, LLC利得	—	—	—	—	460,345
Profit before tax	除稅前溢利	434,116	773,838	183,939	582,569	1,399,751
Income tax expense	所得稅開支	(125,163)	(162,748)	(73,462)	(161,705)	(293,909)
Profit for the year	年內溢利	308,953	611,090	110,477	420,864	1,105,842

Consolidated Statement of Financial Position (Audited)

As at December 31

合併財務狀況表(經審核)

於十二月三十一日

		2007 二零零七年	2008 二零零八年	2009 二零零九年	2010 二零一零年	2011 二零一一年
Current assets	流動資產	815,235	1,165,636	988,030	1,156,075	1,530,976
Property, plant and equipment, net	不動產、工廠及設備淨值	1,707,106	2,486,943	2,665,143	3,024,482	5,267,499
Derivative financial instruments	衍生金融工具	—	94,912	—	20,285	—
Intangible assets	無形資產	558	6,043	2,599	1,677	584,322
Investment	投資	—	—	—	—	3,966
Amount due from shareholder	應收股東款項	449,438	—	—	—	—
Restricted cash	受限制現金	—	—	—	—	7,530
Trade and other receivables	應收及其他應收款項	—	71,805	70,360	24,212	32,032
Total assets	資產總值	2,972,337	3,825,339	3,726,132	4,226,731	7,426,325
Current liabilities	流動負債	1,497,234	1,575,017	966,110	919,376	1,569,830
Non-current liabilities	非流動負債	805,736	1,106,557	1,506,576	1,347,424	2,893,842
Total liabilities	負債總額	2,302,970	2,681,574	2,472,686	2,266,800	4,463,672
Equity	權益	669,367	1,143,765	1,253,446	1,959,931	2,962,653



Operating Summary

營運摘要

		Year ended December 31 截至十二月三十一日止年度				2011
		2007	2008	2009	2010	二零一一年 (Note 1) (附註1)
		二零零七年	二零零八年	二零零九年	二零一零年	
Sales volume	銷量					
Crude oil (millions of barrels)	原油 (百萬桶)	2.33	2.72	2.92	3.42	4.03
China oilfields	中國油田	2.33	2.72	2.92	3.42	3.84
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	0.19
Export sales	出口銷售	—	—	—	—	0.17
Domestic sales	國內銷售	—	—	—	—	0.02
Gas (MMscf)	天然氣 (百萬標準 立方英尺)	—	—	—	—	439.67
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	439.67
Net annual production volume	淨年產量					
Crude oil (millions of barrels)	原油 (百萬桶)	2.35	2.98	2.79	3.41	4.06
China oilfields	中國油田	2.35	2.98	2.79	3.41	3.87
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	0.19
Gas (MMscf)	天然氣 (百萬標準 立方英尺)	—	—	—	—	446.93
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	446.93
Average daily net production	日平均淨產量					
Crude oil (barrels)	原油 (桶)	6,439	8,150	7,637	9,349	12,705
China oilfields	中國油田	6,439	8,150	7,637	9,349	10,601
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	2,104
Gas (MMscf)	天然氣 (百萬標準 立方英尺)	—	—	—	—	4.9
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	4.9
Average realized price	平均實現價格					
Crude oil (US\$ per barrel of crude oil)	原油 (美元/每桶 原油)	69.00	104.78	58.58	77.99	108.80
China oilfields	中國油田	69.00	104.78	58.58	77.99	109.99
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	84.38
Export sales	出口銷售	—	—	—	—	90.01
Domestic sales	國內銷售	—	—	—	—	31.02
Gas (US\$ per MMscf)	天然氣 (美元/百萬標準 立方英尺)	—	—	—	—	1,148.51
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	1,148.51
Lifting costs (US\$ per barrel of crude oil) (Note 2)	採油成本 (美元/每桶 原油)(附註2)	5.38	4.87	6.08	6.06	7.29
China oilfields	中國油田	5.38	4.87	6.08	6.06	7.16
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	9.70
Wells drilled during the year (Gross)	年內鑽井總數 (總數)	192	389	189	200	467
China oil fields	中國油田	192	389	189	200	466
Successful	成功鑽探	191	389	188	200	466
Dry	乾井	1	0	1	0	1
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	0
Successful	成功鑽探	—	—	—	—	0
Dry	乾井	—	—	—	—	0

Notes:

附註:

- (1) The data of 2011 refers to the whole year of 2011 for China oilfields and the three months ended December 31, 2011 for Kazakhstan oilfields.
- (2) Lifting cost includes directly controllable costs to produce a barrel of oil. Other production costs such as safety fee, environment expenses, technical & research expenses and overhead have not been included above since they are not directly attributable to the production of a barrel of oil.

- (1) 二零一一年之數據代表中國油田於二零一一年全年之數據及哈薩克斯坦油田於截至二零一一年十二月三十一日止三個月之數據。

- (2) 採油成本包括生產一桶石油之直接可控制成本。其他生產成本如安全費、環境費用、技術及研究開支以及經常性費用等並不包括在內，原因是該等成本並非生產一桶石油的直接成本。



Operating Summary (continued)

營運摘要(續)

		Year ended December 31 截至十二月三十一日止年度					
		2007 二零零七年	2008 二零零八年	2009 二零零九年	2010 二零一零年	2011 二零一一年	
Net Reserves	淨儲量						
Crude Oil (thousands of barrels)	原油(千桶)						
Total proved developed	探明已開發儲量總額	14,067	17,525	19,195	20,501	41,782	
China oil fields	中國油田	14,067	17,525	19,195	20,501	21,539	
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	20,243	
Total proved undeveloped	探明未開發儲量總額	23,438	11,303	11,699	12,435	19,218	
China oil fields	中國油田	23,438	11,303	11,699	12,435	12,449	
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	6,769	
Total proved	探明儲量總額	36,875	28,828	30,894	32,936	61,000	
Total probable developed	概算已開發儲量總額	4,205	6,921	7,059	7,627	28,935	
China oil fields	中國油田	4,205	6,921	7,059	7,627	6,770	
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	22,165	
Total probable undeveloped	概算未開發儲量總額	24,257	14,886	17,048	11,978	20,908	
China oil fields	中國油田	24,257	14,886	17,048	11,978	9,550	
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	11,358	
Total probable	概算儲量總額	28,462	21,807	24,107	19,605	49,843	
Total possible	可能儲量總額	15,137	11,658	11,161	13,859	27,972	
China oil fields	中國油田	15,137	11,658	11,161	13,859	9,475	
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	18,497	
Gas (MMscf)	天然氣(百萬標準立方英尺)						
Total proved developed	探明已開發儲量總額	—	—	—	—	22,879	
Kazakhstan oilfield	哈薩克斯坦油田	—	—	—	—	22,879	
Total proved undeveloped	探明未開發儲量總額	—	—	—	—	6,464	
Kazakhstan oilfield	哈薩克斯坦油田	—	—	—	—	6,464	
Total proved	探明儲量總額	—	—	—	—	29,343	
Total probable developed	概算已開發儲量總額	—	—	—	—	16,310	
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	16,310	
Total probable undeveloped	概算未開發儲量總額	—	—	—	—	17,687	
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	17,687	
Total probable	概算儲量總額	—	—	—	—	33,997	
Total possible	可能儲量總額	—	—	—	—	30,084	
Kazakhstan oilfields	哈薩克斯坦油田	—	—	—	—	30,084	



Chairman's Statement
主席報告書



Chairman's Statement (continued) 主席報告書(續)

Dear Shareholders,

On behalf of the board of directors ("Board"), I hereby present the annual results of the Company for the year ended December 31, 2011. The Company continued its rapid growth both on its China assets and by acquiring Emir-Oil, LLC ("Emir-Oil") in Kazakhstan, our first major international expansion and then the successful acquisition of the Niobrara Asset (defined below) in USA. Net profit, after adjusting out the one time RMB460 million gain from the Emir-Oil acquisition, increased 53% from RMB421 million to RMB645 million. Sales volume increased by 20% from 3.42 million barrels to 4.03 million barrels, and average realized oil prices increased by 40% from US\$77.99 per barrel to US\$108.80 per barrel compared to the prior year. Since our initial public offering ("IPO") in December 2010 on the main board of the Stock Exchange of Hong Kong Limited ("Stock Exchange"), and with active support from our shareholders, our share price has increased significantly from the IPO price of HK\$1.70 to a high of HK\$4.40* per share and has been trading in a range of HK\$2.85* to HK\$3.25* per share for the thirty calendar days ended March 19, 2012. Our solid China assets and new Kazakhstan assets provide a new stronger base for continued rapid growth, plus we are poised to acquire additional accretive assets.

The Company achieved another major milestone in May 2011 when the Company tapped the debt capital market and raised US\$400 million by issuing senior notes listed on the Singapore Exchange Securities Trading Limited. These notes, rated "B+" by Standard & Poor's Ratings Services and "B" by Fitch, Inc., will mature on May 12, 2016 and bear coupon at 9.75% per annum. Thanks to the support from our investors, our notes are one of the best performing listed notes from a China issuer and have traded at par or at a premium from March 2, 2012 to March 19, 2012. The proceeds from these notes were used primarily to repay the entire US\$200 million credit facility with CITIC Bank and to finance the acquisition of Emir-Oil. At present, these notes remain our only long-term debt. Under these notes, we are also allowed to take on additional debt of at least US\$250 million, which will increase as we increase our asset base.

* Source: Bloomberg

致各位股東：

本人謹代表董事會(「董事會」)公佈本公司於截至二零一一年十二月三十一日止年度的年度業績。本公司繼續在其中國資產、收購哈薩克斯坦的Emir-Oil, LLC(「Emir-Oil」)(為我們拓展海外業務的重要第一步)以及其後成功收購美國的Niobrara資產(定義見下文)方面進展迅速。淨溢利(經就Emir-Oil收購產生之人民幣4.60億元一次性收益調整後)由人民幣4.21億元增加53%至人民幣6.45億元。銷量由3.42百萬桶增加20%至4.03百萬桶,平均已實現油價由去年每桶77.99美元上升40%至每桶108.80美元。自我們於二零一零年十二月在香港聯合交易所有限公司(「聯交所」)主板進行首次公開發售(「首次公開發售」)後獲股東大力追捧,令我們的股價由1.70港元之首次公開發售價大幅上升至每股4.40*港元的高位,並於截至二零一二年三月十九日止30個曆日在介乎每股2.85*港元至3.25*港元的水平交易。我們所擁有的雄厚中國資產,以及新收購的哈薩克斯坦的資產為我們帶來了繼續迅速增長的更強大新基礎,加上我們已作好準備再收購額外的資產,我們的業務前景必然看俏。

本公司在二零一一年五月達到另一里程碑,本公司透過債務資本市場舉債,發行在新加坡證券交易所有限公司上市的優先票據籌組4億美元。票據獲標準普爾評級服務公司評為「B+」級及惠譽國際評級機構評為「B」級,將於二零一六年五月十二日到期及息票利率為每年9.75厘。全賴我們的投資者的支持,我們的票據為由中國發行人發行的上市票據當中表現最優秀的票據之一,自二零一二年三月二日至二零一二年三月十九日一直按面值或溢價交易。該等票據的所得款項主要用作全數償還中信銀行的信貸融資2億美元以及為收購Emir-Oil撥資。目前,該批票據繼續為我們唯一的長期債務。根據該等票據的條款,我們可進一步舉債至少2.5億美元,且該額度會隨我們資產的增加而同時增加。

* 資料來源: 彭博



Chairman's Statement (continued)

主席報告書(續)



During 2011, the Company delivered a brilliant financial performance. Turnover increased to RMB2.827 billion, representing an increase of 56.6% from 2010. Profit before tax surged 140.3% from the preceding year to RMB1,399.8 million. EBITDA increased to RMB2.102 billion, representing an 80.8% increase from the previous year. Net profit was RMB1,105.8 million, an increase of 162.7%. After adjusting for non-recurring expenses/income, adjusted EBITDA (defined below) from core operations increased to RMB1,725.3 million, and net profit from core operations increased to RMB768.3 million. Earnings per share increased by 121.1% to RMB0.42 per share. In view of the strong performance for 2011, the Board recommended the payment of a final dividend of HK\$0.044 per share.

During 2011, we successfully acquired oil and gas assets in Kazakhstan and in the USA, becoming a growing international upstream company. We continue as the largest independent upstream oil company operating onshore in China as measured by gross production under production sharing contracts with the Daan, Moliqing and Miao 3 oilfields in the Songliao Basin, the most prolific oil-producing basin in the country. To that solid, growing China base asset on which net daily production increased by 13.4% from 9,349 barrels of oil per day ("BOPD") in 2010 to 10,601 BOPD in 2011, we have added Emir-Oil in Kazakhstan, which has three production contracts for the Aksaz, Dolinnoe and Kariman producing oilfields, plus an exploration contract that covers the Emir oilfield and the rest of the 850 square kilometer ADEK exploration contract area. With an acquisition cost of US\$159.6 million, Emir-Oil increases our proved crude oil reserves by 27 million barrels, or 79%, to 61 million barrels at a cost of US\$5.89 per barrel, and our proved +

於二零一一年，本公司取得卓越的業績，營業額增至人民幣28.27億元，較二零一零年增長56.6%。除稅前溢利較上一年激增140.3%至人民幣13.998億元。EBITDA較上一年增加80.8%至人民幣21.02億元。淨溢利為人民幣11.058億元，增加162.7%。經就非經常性開支／收入作出調整後，核心業務的經調整EBITDA(定義見下文)增加至人民幣17.253億元，而核心業務的淨溢利增加至人民幣7.683億元。每股盈利增加121.1%至每股人民幣0.42元。鑒於二零一一年的輝煌成果，本公司董事建議派發每股0.044港元的末期股息。

於二零一一年，我們成功於哈薩克斯坦及美國收購石油及天然氣資產，成為一間發展中的國際上游公司。按照產品分成合同項下的總產量計算，我們繼續是一間在中國境內營運的最大陸上獨立上游石油公司，於國內富饒的產油盆地松遼盆地擁有大安、莫里青及廟三油田。就此而言，該穩固增長的中國基礎資產的每日淨產量由二零一零年的每日9,349桶增加13.4%至二零一一年的每日10,601桶，我們在此基礎上又加入哈薩克斯坦的Emir-Oil，其擁有Aksaz、Dolinnoe及Kariman生產油田的三份生產合同，加上覆蓋Emir油田及ADEK勘探區塊剩餘面積共計850平方公里的勘探合同。Emir-Oil的收購成本為1.596億美元，並將我們的探明原油儲量增加



Chairman's Statement (continued) 主席報告書(續)

probable crude oil reserves by 61 million barrels, or 120% to 111 million barrels at a cost of US\$2.63 per barrel, providing significant future production and cash flow growth potential. During the year, we also entered the shale oil industry in the USA through Condor Energy Technology LLC, ("Condor") in which we have an 80% interest, with an upfront cost of US\$3 million. Condor has acquired a 31.25% interest in and acts as the operator of 7,450 net acres (30.1 square kilometers) in the Niobrara oil shale play located at Weld County, Colorado, USA ("Niobrara Asset"). While this acreage is currently not producing, we, as the operator, plan to drill the first well in the second quarter of 2012 to unlock the potential of this resource, and at the same time gain technological and operating experience in horizontal drilling and multi-stage fracturing completions suitable for use elsewhere in the world, in particular, in China's shale gas resources.

Our acquisition strategy for 2012 is to continue to evaluate opportunities in China where the main potential for expansion in the near term is acquisition of existing projects, given that the new projects offered by national oil companies have not been attractive to us. Also, we believe that we will have opportunities to participate in China shale gas development in the near future, as current regulations now under review by National Development and Reform Committee and the Ministry of Land and Resources will likely be revised, opening up the enormous China shale gas reserves to more companies. As reported by the US Energy Information Administration, China has an estimate of 1,275 trillion cubic feet of technically recoverable shale gas reserves, being the largest out of all countries with technically recoverable shale gas reserves. The resource is largely untapped and Chinese government is taking initiatives to increase its shale gas production capacity. We will continue to review and screen projects, giving priority to opportunities:

- In China and Asia emerging markets countries, areas with good synergy to our existing operations in China, Kazakhstan and USA,
- In countries with low political and low economic risk like those in North America,

27百萬桶或79%至61百萬桶，成本為每桶5.89美元，並且將我們的探明+概算原油儲量增加61百萬桶或120%至1.11億桶，成本為每桶2.63美元，為我們帶來巨大的未來生產及現金流量增長潛力。於本年度，我們亦透過Condor Energy Technology LLC(「Condor」)進軍美國的頁岩油行業，我們在當中擁有80%權益，成本為3百萬美元。Condor已收購位於美國科羅拉多州韋爾德縣佔地7,450淨英畝(30.1平方公里)的Niobrara油頁岩(「Niobrara資產」)的31.25%權益並擔任Niobrara資產作業者。此片土地目前仍未投產，我們作為作業者計劃於二零一二年第二季開發第一口井以善用此資源的潛力，並同時取得水平鑽探及分層壓裂完井方面的技術及作業經驗，這些寶貴經驗將可應用於世界各地，包括中國的頁岩氣資源。

我們在二零一二年的收購戰略將繼續評估於中國的商機，由於國營石油公司提供的新項目對我們來說並不具備吸引力，短期的主要擴充潛力是收購現有項目。與此同時，由於國家發展和改革委員會及國土資源部正檢討現行法規及可能作出修訂，讓更多公司獲取豐富的中國頁岩氣儲量，我們相信，我們於近期內有機會參與中國的頁岩氣發展。根據美國能源資訊部的資料，中國估計擁有1,275萬億立方英尺的技術可開採頁岩氣儲量，為所有蘊藏技術可開採頁岩氣儲量的國家中藏量最豐富的國家。這些資源絕大部份被未開採，而中國政府正積極提高其頁岩氣產能。我們將繼續檢討和挑選項目，並優先考慮：

- 中國和亞洲的新興市場國家，與我們於中國、哈薩克斯坦及美國的現有營運具有良好的協同效應，
- 政治和經濟風險較低的地區，例如北美洲，



Chairman's Statement (continued) 主席報告書(續)

- With some existing reserves and production with little or no exploration risk, for which our operating experience and technology in low permeability formations requiring considerable development effort can be directly applied.

During 2011 we drilled gross 467 wells in China with only one dry hole. We started a development well and an exploration well in late 2011 in Kazakhstan, both of which encountered oil zones and which will be completed and tested shortly. In 2012, we plan to drill: (i) 367 wells on areas covered by our three China PSCs; (ii) three more development wells on our Kazakhstan production contract areas, and at least two more exploration wells on the ADEK block in Kazakhstan; and (iii) one exploration well on our Niobrara Asset. Total planned investment budget for 2012 is US\$303 million with US\$193 million for MI Energy Corporation ("MIE") in China, US\$94 million for Emir-Oil in Kazakhstan, and US\$16 million for Condor in the USA. So in 2012 we plan to add to our asset base not only by development work and acquisitions, but also by drilling in low risk exploration and resource plays. Also, during 2012 we plan to drill two horizontal wells in China to test their potential in the Daan and Moliqing oilfields, which are not included in the well counts or budget above.

Net production averaged 10,601 BOPD from the three China PSCs in 2011, up 13.4% from 2010. Emir-Oil, which we completed the acquisition for in September 30, 2011, had a net production average of 2,104 BOPD and 4,858 MCFD in the fourth quarter of 2011. MIE target net production for 2012 is within a range of 11,000 BOPD to 12,200 BOPD or 3.8% to 15.1% growth from 2011. Emir-Oil target net production for 2012 is within a range of 2,700 BOPD to 4,500 BOPD or 28.3% to 113.9% growth from the fourth quarter of 2011. The Company total target for 2012 net production is within a range of 13,700 BOPD to 16,700 BOPD.

Oil prices remain strong into first quarter of 2012. We sell our oil in China to PetroChina using the Daqing oil price. The Daqing price for the first two months of 2012 averaged US\$120.15 per barrel (or US\$5.08 above Dated Brent of US\$115.07).

- 具備部份現有儲量和產量，較少或完全沒有勘探風險，而我們可直接應用我們的營運經驗和技術，特點為低滲透油田和需要大力開發。

於二零一一年，我們在中國共鑽探467口井，僅有一口乾眼。我們於二零一一年年底於哈薩克斯坦開鑽一口開發井及一口勘探井，這兩口井都發現油層，並將於近期內完井和測井。於二零一二年，我們計劃於：(i)我們的三個中國產品分成合同所覆蓋的區域鑽探367口井；(ii)於我們的哈薩克斯坦生產合同地區另外鑽探三口開發井及另外於哈薩克斯坦的ADEK區塊鑽探至少兩口勘探井；及(iii)我們的Niobrara資產鑽探一口勘探井。二零一二年的總計劃投資預算為3.03億美元，其中1.93億美元撥歸中國的MI Energy Corporation(「MIE」)、94萬美元撥歸哈薩克斯坦的Emir-Oil及16萬美元撥歸美國的Condor。因此，於二零一二年，我們計劃不僅透過開發工作和收購，同時亦透過在風險較低的勘探和資源區進行鑽探以加強我們的資源基礎。另外，於二零一二年，我們計劃在中國鑽探兩口水平井，以測試其於大安及莫里青油田的潛力，這並不包括在以上的井數或預算之內。

於二零一一年，三個中國產品分成合同的淨產量平均為每日10,601桶，較二零一零年增加13.4%。於二零一一年九月三十日完成收購的Emir-Oil於二零一一年第四季的淨產量平均為每日2,104桶及每日4,858千立方英尺。MIE的二零一二年目標淨產量介乎每日11,000桶至每日12,200桶或較二零一一年增長3.8%至15.1%。Emir-Oil的二零一二年目標淨產量介乎每日2,700桶至每日4,500桶或較二零一一年第四季增長28.3%至113.9%。本公司的二零一二年目標總淨產量介乎每日13,700桶至每日16,700桶。

踏入二零一二年第一季，油價依然高企。我們按照大慶油價於中國向中石油出售我們的石油。於二零一二年首兩個月，大慶價格平均為每桶120.15美元(或較布蘭特現貨價格115.07美元高5.08美元)。



Chairman's Statement (continued)

主席報告書(續)



The acquisition of Emir-Oil, with its large reserve base which enables future increases in production, the acquisition of Niobrara Asset through Condor, with its access to the USA shale oil market and technology for horizontal drilling and multistage fracturing completions, and additional drilling for our China oilfields providing continued production growth, all combine to make us well poised for further rapid growth and development for 2012. Based on the current level of Daqing and Brent oil prices, we expect 2012 to be another excellent year for the Company.

In closing, heartfelt thanks to the Board and all the staff for their efforts over the past year, and to our shareholders, bondholders and business partners for their trust and support.

Zhang Ruilin

Chairman

收購Emir-Oil及其豐富的儲量基礎將令我們可進一步提高產量，透過Condor收購Niobrara資產及因此進軍美國的頁岩油市場和取得水平鑽探和分層壓裂完井方面的技術及在我們的中國油田進行額外的鑽探將繼續推動我們的增長，種種因素將令我們在二零一二年迅速發展，再創佳績。根據目前的大慶及布蘭特油價水平，我們預期二零一二年將為本公司另一個美好的年度。

最後，本人藉此機會衷心感謝董事會及所有員工於過去一年作出寶貴貢獻，亦感謝我們的股東、債券持有人及業務夥伴的信任和支持。

主席

張瑞霖



Directors and Senior Management 董事及高級管理層

Executive Directors

Zhang Ruilin, aged 41, has been our executive Director, Chairman and Chief Executive Officer since his appointment on March 20, 2008. He, along with Mr. Zhao, is the controlling shareholder of Far East Energy Limited ("FEEL"). Following the takeover of MIE by FEEL from Microbes Inc. in August 2003, Mr. Zhang joined us in September 2003 and has since been a director of MIE. He is primarily responsible for overseeing our overall strategies, planning and day-to-day management and operations. Mr. Zhang has over 21 years of experience in the oil and gas business, during which he acquired his experience as an oilfield worker and technician for PetroChina in 1989 and as the chairman and general manager at a local oilfield services company, Jilin San Huan Petrochemical Co., Ltd., for over five years. In May 2003, he founded FEEL in Hong Kong, through which he acquired MIE from Microbes Inc. Mr. Zhang is a member of the Songyuan Committee of the China's National People's Congress. Mr. Zhang graduated from Jilin Petroleum College in 1995.

Zhao Jiangwei, aged 40, has been our executive Director, vice Chairman and senior vice president since his appointment on December 19, 2008. He is one of our controlling shareholders. Mr. Zhao has over 19 years of experience in the oil and gas industry, during which he acquired his experience as a technician for PetroChina at the Jilin oilfields from 1993 to 1999 and as the manager of the technical department at Jilin San Huan Petrochemical Co., Ltd. from 2000 to 2003. Following the takeover of MIE by FEEL from Microbes Inc. in August 2003, Mr. Zhao joined our company in September 2003 and has since been a director of MIE. He is and will continue to be primarily responsible for assisting the Chairman in overseeing the operations at the Daan, Moliqing and Miao 3 oilfields. Mr. Zhao obtained a bachelor of arts degree from Daqing Petroleum College in 1999.

執行董事

張瑞霖，41歲，自二零零八年三月二十日起出任本公司執行董事、董事長兼首席執行官。彼連同趙先生均為Far East Energy Limited(「FEEL」)的控股股東。隨著FEEL於二零零三年八月向Microbes Inc.收購MIE後，張先生於二零零三年九月加入本公司，自此一直擔任MIE的董事。彼主要負責監管本公司整體戰略、規劃及日常管理與經營。張先生在油氣行業擁有逾21年經驗，彼於一九八九年曾擔任中石油油田工人及技術員，並在當地一家油田服務公司吉林三環石油化工有限公司任董事長兼總經理逾五年，從而累積經驗。於二零零三年五月，彼在香港創辦FEEL，並藉此向Microbes Inc.收購MIE。張先生為中華人民共和國(「中國」)全國人民代表大會松原市委員會委員。張先生於一九九五年畢業於吉林油田職業教育中心。

趙江巍，40歲，自二零零八年十二月十九日起出任本公司執行董事、副董事長兼高級副總裁。彼為本公司的控股股東。趙先生在油氣行業擁有逾19年經驗，彼於一九九三年至一九九九年在中石油吉林油田擔任技術員，並於二零零零年至二零零三年任吉林三環石油化工有限公司技術部門經理，從而累積經驗。隨著FEEL於二零零三年八月向Microbes Inc.收購MIE後，趙先生於二零零三年九月加入本公司，自此一直擔任MIE的董事。彼現時並將繼續主要負責協助董事長監管大安、莫里青及廟3油田的營運。於一九九九年，趙先生取得大慶石油學院文學士學位。



Directors and Senior Management (continued)

董事及高級管理層(續)

Forrest Lee Dietrich, aged 59, has been our executive Director and senior vice president since his appointment on December 19, 2008. Prior to joining us in January 2002, Mr. Dietrich joined Microbes, Inc. in 1994 and held various technical and management positions during different phases of development of the production sharing contracts. He is primarily responsible for mid-term and long-term planning and reserves management. Mr. Dietrich has over 36 years of experience in the oil and gas business, during which he acquired his experience as the vice president of operations for Greenwich Oil Corporation, an oil company based in Dallas, Texas, from 1985 to 1994 and served in various capacities as area engineering supervisor, evaluations specialist and planning coordinator and in various staff engineering positions at Texaco USA (Getty Oil) in Texas and California from 1974 to 1985. Mr. Dietrich has been a member of the Society of Petroleum Engineers since 1972 and has been a professional engineer in the State of Texas since 1984. He has authored and co-authored four technical papers for the Society of Petroleum Engineers regarding microbial enhanced oil recovery and presented three of those papers at their technical meetings. Mr. Dietrich obtained a bachelor's degree in science in Petroleum and Natural Gas Engineering from Pennsylvania State University in 1974.

Allen Mak, aged 50, has been our executive Director since his appointment on July 9, 2009. He is also our Chief Financial Officer, joint company secretary and senior vice president. Mr. Mak joined our company in November 2008 as Chief Financial Officer and has about 28 years of experience in finance and accounting. He was previously the chief financial officer of CITIC 21CN Company Limited (Stock Code: 241), a company listed on the Stock Exchange for over three years. Prior to his career as a chief financial officer, Mr. Mak was an investment banker and has over 11 years of experience in investment banking. He was an assistant director at Peregrine, executive director at Citicorp and the managing director and head of the investment banking group of a securities firm based in Hong Kong. Mr. Mak also worked in the private equity business for over three years as an investment director at CVC Asia Capital and Citicorp. Prior to Mr. Mak's career in investment banking and private equity, he worked for seven years in the accounting profession at Price Waterhouse (subsequently renamed as PricewaterhouseCoopers) in Hong Kong, and KPMG and Deloitte in Canada. Mr. Mak has a bachelor's degree in commerce from the University of British Columbia in Canada. He is a chartered accountant certified by the Canadian Institute of Chartered Accountants.

Forrest Lee Dietrich, 59歲，自二零零八年十二月十九日起出任本公司執行董事兼高級副總裁。在二零零二年一月加入本公司之前，Dietrich先生於一九九四年加入Microbes, Inc.，並在產品分成合同不同開發階段擔任技術及管理數職。彼主要負責中期及長期規劃與儲量管理。Dietrich先生在油氣行業擁有逾36年經驗，彼於一九八五年至一九九四年在德克薩斯州達拉斯設立的一家石油公司Greenwich Oil Corporation任營運副總裁，並自一九七四年至一九八五年在德克薩斯州及加利福尼亞州的Texaco USA (Getty Oil)歷任區域工程主管、評估專員及規劃協調員及主管工程師職務。自一九七二年以來，Dietrich先生一直為石油工程師協會會員，並自一九八四年起為德克薩斯州專業工程師。彼為石油工程師協會著有及合著四篇關於微生物強化採油的技術論文並在其技術會議上提出其中三篇。於一九七四年，Dietrich先生取得美國賓西法尼亞州立大學石油及天然氣工程理學士學位。

麥雅倫，50歲，自二零零九年七月九日起出任本公司執行董事。彼亦為本公司首席財務官、聯席公司秘書兼高級副總裁。於二零零八年十一月，麥先生加入本公司擔任首席財務官，彼於財務及會計方面擁有約28年經驗。彼之前擔任中信21世紀有限公司(股份代號：241)(一家在香港聯合交易所有限公司(「聯交所」)上市的公司)的首席財務官逾三年。在成為首席財務官之前，麥先生為投資銀行家並在投資銀行業擁有逾11年經驗。彼曾出任Peregrine的助理董事、Citicorp的執行董事及一家香港證券公司的投資銀行部門的董事總經理及主管。麥先生亦曾擔任CVC Asia Capital及Citicorp的投資總監逾三年，負責私募股本業務。麥先生在從事投資銀行及私募股本職業前，曾在香港羅兵咸永道會計師事務所(英文名稱其後改為PricewaterhouseCoopers)以及加拿大KPMG及Deloitte從事會計專業達七年。麥先生持有加拿大英屬哥倫比亞大學商學士學位。彼為加拿大特許會計師協會認證的特許會計師。



Directors and Senior Management (continued)

董事及高級管理層(續)

Non-executive Director

Wang Sing, aged 48, has been our non-executive Director since his appointment on June 22, 2010. Mr. Wang is a partner of TPG and also the co-chairman of TPG Greater China & Head of TPG Growth North Asia. Mr. Wang currently serves as a non-executive director and a member of the audit committee and investment committee of China Renewable Energy Investment Limited, a company listed on the Stock Exchange. Prior to joining TPG, he was chief executive officer and executive director of TOM Group Limited from July 2000 to January 2006. During the period from July 1993 to May 2000, he held various positions at Goldman Sachs in both New York and Hong Kong as executive director. Prior to joining Goldman Sachs, Mr. Wang was a strategic consultant with McKinsey & Co., in Chicago, U.S.A.. In addition, Mr. Wang is the chairman of Amerinvest Group of Companies. He is also a member of the Standing Committee of the 10th Yunnan Provincial Committee of the Chinese People's Political Consultative Conference. He is currently a Listing Committee Member of the Stock Exchange of Hong Kong Limited. Mr. Wang has a bachelor degree in science from Yunnan University, PRC; and a master of science in Forestry and its relation to Land Use, a bachelor of arts degree in Philosophy, Politics and Economics and a master of arts from University of Oxford, U.K.

Law Cheuk Kin, Stephen, aged 49, has been appointed as the alternate of our non-executive Director, Mr. Wang Sing, since June 25, 2010. Mr. Law is a managing director of TPG Growth. Mr. Law currently serves as a non-executive director of China NT Pharma Group Company Limited, a company listed on the Stock Exchange. Prior to joining TPG in July 2006, Mr. Law was a director of Morningside Technologies Inc Limited ("Morningside"), where he was responsible for a portfolio of private equity investments. Prior to Morningside, Mr. Law focused on corporate finance and development for Wheelock and Co. Ltd. ("Wheelock") and i-CABLE Communications Ltd. ("i-CABLE") to develop various businesses in China and Hong Kong. Prior to working for Wheelock and i-CABLE, Mr. Law served as regional financial controller for a number of multinationals. Mr. Law started his career with Arthur Andersen in the United Kingdom. He is a member of the Institute of Chartered Accountants in England and Wales, a member of the Hong Kong Institute of Certified Public Accountants and a registered practicing Certified Public Accountant in Hong Kong. He is a council member of Hong Kong Institute of Certified Public Accountants, and the chairman of the Corporate Governance Award Organizing Committee and the chairman of the Corporate Finance Committee. He holds a Bachelor of Science degree from the University of Birmingham and a Masters degree in Business Administration from the University of Hull, United Kingdom.

非執行董事

王斌，48歲，自二零一零年六月二十二日起出任本公司非執行董事。王先生為TPG的合夥人、TPG Greater China的副主席兼TPG Growth North Asia的負責人。王先生目前為聯交所一間上市公司中國再生能源投資有限公司之非執行董事以及審核委員會及投資委員會成員。彼在加入TPG之前，自二零零零年七月至二零零六年一月曾出任TOM集團有限公司的首席執行官兼執行董事。自一九九三年七月至二零零零年五月期間，彼曾在高盛紐約及香港擔任多個職務(包括執行董事)。在加入高盛之前，王先生曾擔任美國芝加哥McKinsey & Co.的戰略顧問。此外，王先生為Amerinvest Group of Companies的主席。彼亦為中國人民政治協商會議雲南省第十屆委員會常務委員會委員。彼目前為香港聯合交易所有限公司上市委員會成員。王先生持有中國雲南大學理學士學位，以及英國牛津大學森林及土地管理碩士學位，及哲學、政治及經濟文學士學位及文學碩士學位。

羅卓堅，49歲，自二零一零年六月二十五日獲委任為本公司非執行董事王斌先生的替任董事。羅先生為TPG Growth的董事總經理。羅先生現時出任聯交所一間上市公司中國泰凌醫藥集團有限公司之非執行董事。於二零零六年七月羅先生加入TPG之前，彼為Morningside Technologies Inc Limited (「Morningside」)的董事，負責私募股權投資組合。在加入Morningside前，羅先生在會德豐有限公司(「會德豐」)及有線寬頻通訊有限公司(「有線寬頻」)任職，專責企業財務及發展，開發中國及香港多項業務。在羅先生加入會德豐及有線寬頻前，羅先生曾於多家跨國公司擔任地區財務總監。羅先生於英國的安達信會計師事務所開始其事業。羅先生為英格蘭及威爾斯特許會計師公會會員、香港會計師公會會員及香港執業會計師。彼為香港會計師公會理事會成員、Corporate Governance Award Organizing Committee主席及Corporate Finance Committee主席。彼持有伯明翰大學之理學學士學位及英國赫爾大學之工商管理碩士學位。



Directors and Senior Management (continued)

董事及高級管理層(續)

Independent non-executive Directors

Mei Jianping, aged 51, has been our independent non-executive Director since his appointment on November 27, 2010. Mr. Mei has been a professor of finance at Cheung Kong Graduate School of Business in Beijing, China since 2006 and a fellow at Financial Institutions Center, the Wharton School of University of Pennsylvania, since 2004. He was a tenured associate professor of finance from 1996 to 2005 and an assistant professor of finance from 1990 to 1995 at New York University. From 2003 to 2008, he also taught at Tsinghua University as a special term professor of finance. Mr. Mei has been a director of Cratings.com Inc., USA since 1999. Since 2009, Mr. Mei has served on the boards of Powerlong Real Estate Holdings Limited, a company listed on the Stock Exchange, and Zhong De Securities Company Limited. Mr. Mei worked as a consultant for various financial institutions, such as Deutsche Bank, UBS, Prudential Insurance of America and Asia Development Bank. He has published a number of books and articles on topics related to finance. Mr. Mei received a bachelor's degree in Mathematics from Fudan University in 1982, a master's degree in Economics and a Ph.D. in Economics (Finance) from Princeton University in 1988 and 1990, respectively.

Jeffrey W. Miller, aged 49, has been our independent non-executive Director since his appointment on November 27, 2010. Mr. Miller has over 25 years of experience in the oil and gas industry. Since 2008, Mr. Miller has been the director of upstream and investments for Mercuria Energy Trading Inc., one of the world's largest independent physical energy trading firms. He is responsible for Mercuria and certain of its affiliates' global portfolio of oil and natural gas assets, the majority of which are located in North and South America. Prior to Mercuria, Mr. Miller spent four years, from 2004 to 2008, as president of Moncrief Oil International, a private oil and natural gas company with assets in the former Soviet Union as well as North America. Prior to his career at Moncrief, Mr. Miller was a managing director in global energy investment banking for UBS AG, the successor of Dillon, Read & Co, which he joined in 1993. Mr. Miller received a bachelor's degree, magna cum laude, in Petroleum Engineering from Texas A&M University and a master's degree in Business Administration from the Columbia Business School.

獨立非執行董事

梅建平，51歲，於二零一零年十一月二十七日起出任本公司獨立非執行董事。自二零零六年起，梅先生一直擔任中國北京長江商學院金融學教授，並自二零零四年起任賓夕法尼亞大學沃頓商學院金融機構研究中心學者。彼自一九九六年至二零零五年任紐約大學金融學副教授，並自一九九零年至一九九五年任紐約大學金融學助理教授。自二零零三年至二零零八年，彼亦曾在清華大學執教，任特聘金融學教授。梅先生自一九九九年起任Cratings.com Inc., USA的董事。自二零零九年以來，梅先生任寶龍地產控股有限公司(一家於聯交所上市的公司)及中德證券有限責任公司董事會成員。梅先生曾出任德意志銀行、瑞士銀行、美國保誠保險和亞洲開發銀行等多家金融機構的顧問。彼曾出版多本關於金融的書籍和發表多篇文章。梅先生於一九八二年獲復旦大學數學學士學位，並分別於一九八八年及一九九零年獲普林斯頓大學經濟學碩士學位和經濟學博士學位(金融)。

Jeffrey W. Miller，49歲，自二零一零年十一月二十七日起出任本公司獨立非執行董事。Miller先生在油氣行業擁有逾25年經驗。自二零零八年以來，Miller先生一直擔任Mercuria Energy Trading Inc.(全球最大的獨立物理能源貿易公司之一)上游投資董事。彼負責Mercuria及其若干聯屬公司的石油及天然氣資產(大部分位於北美洲和南美洲)的全球投資組合。在加入Mercuria之前，自二零零四年至二零零八年四年期間，Miller先生擔任Moncrief Oil International總裁，該公司為一家石油及天然氣私營公司，在前蘇聯及北美洲擁有資產。在Moncrief開展其職業生涯前，Miller先生於一九九三年加入UBS AG(其前身為Dillon, Read & Co)，擔任全球能源投資銀行董事總經理。Miller先生以優異成績取得德克薩斯州農工大學石油工程學學士學位，並取得哥倫比亞商學院工商管理碩士學位。



Directors and Senior Management (continued)

董事及高級管理層(續)

Cai Rucheng, aged 60, has been our independent non-executive Director since his appointment on November 27, 2010. Mr. Cai has over 30 years of experience working in the oil and gas industry. From 1968 to 2004, Mr. Cai worked at the Shengli oilfield in the Shandong Province for Sinopec and held the positions of section head at the Oilfield Geology Division, division head at the Reservoir Engineering Division and chief geologist. From 1998 to 2003, Mr. Cai was also appointed and acted as a senior member of the Technology Committee of Sinopec and the group leader of the expert group for development under the Senior Members Committee of Sinopec. Since 2004, Mr. Cai has retired from the above positions. Mr. Cai is currently the vice chairman of and secretary to the board of directors of Shandong Petroleum Society. Mr. Cai is a senior engineer and received a bachelor's degree in Oil and Gas Exploration from China University of Geosciences (formerly known as Beijing Institute of Geology) in 1967.

Senior Management

Shou Xuancheng, aged 60, has been our senior vice president since November 1, 2009. Dr. Shou joined our Company in November 2009 and is responsible for our development and expansion. Dr. Shou has over 38 years of experience in the oil and gas industry, during which he acquired his experience holding a number of high-level positions in the China National Petroleum Corporation and its subsidiaries between 1985 and 2004, including China National Oil & Gas Exploration and Development Corporation, CNPC International (Kazakhstan) Co. Ltd., PetroChina Company Limited and PetroChina International Limited, and as the vice chairman and executive director of CITIC Resources Holdings Limited, a company listed on the Stock Exchange, where he was responsible for the planning and development of oil investments and portfolio from 2005 to 2009. Dr. Shou holds a master's degree and a doctoral degree in Engineering from the Petroleum University of China.

才汝成，60歲，自二零一零年十一月二十七日起出任本公司獨立非執行董事。才先生在油氣行業擁有逾30年經驗。自一九六八年至二零零四年，才先生在中石化山東省勝利油田工作，曾擔任油田地質科科長、油藏工程室主任及總地質師。自一九九八年至二零零三年，才先生獲委任及擔任中石化技術委員會高級委員，兼中石化高級成員委員會發展專家小組組長。自二零零四年起，才先生從上述職位退任。才先生現為山東石油學會董事會副會長兼秘書。才先生為高級工程師，並於一九六七年獲得中國地質大學(前稱為北京地質學院)油氣勘探學士學位。

高級管理層

壽鉉成，60歲，自二零零九年十一月一日起出任本公司高級副總裁。壽博士於二零零九年十一月加入本公司，並負責本公司的發展及拓展。壽博士在油氣行業擁有逾38年經驗，一九八五年至二零零四年期間，在中石油天然氣集團公司及其附屬公司(包括中國石油天然氣勘探開發公司、中油國際(哈薩克斯坦)公司、中石油天然氣股份有限公司及中國石油天然氣國際有限公司)歷任高職，並任中信資源控股有限公司(一家在聯交所上市的公司，二零零五年至二零零九年期間，彼負責石油投資及投資組合的策劃及發展)副董事長兼執行董事，從而累積經驗。壽博士持有中國石油大學工學碩士及博士學位。



Directors and Senior Management (continued)

董事及高級管理層(續)

Ning Deyu, aged 43, has been our executive vice president since October 2007. Mr. Ning has over 18 years of experience in the oil and gas industry, during which he acquired his experience as technician, section chief and deputy factory manager at PetroChina in the Jilin oilfields prior to joining MIE in 2007 and as the project manager at the foreign cooperation and joint venture division of the Jilin oilfields at PetroChina from 2005 to 2007. Mr. Ning graduated from Daqing Petroleum College with a bachelor's degree in Petroleum Engineering and is a senior engineer.

Zhu Jiucheng, aged 40, has been our vice president since March 2011. Dr. Zhu joined our Company in March 2011 and is responsible for the operation of international business units and expansion of the Company. Dr. Zhu has over 16 years of experience in the oil and gas industry, during which he held various positions in China National Petroleum Corporation and its subsidiaries between 1996 and 2008, including China National Oil & Gas Exploration and Development Corporation, PetroChina Companies in Indonesia, PetroChina International Ltd. and CNPC International Ltd. and the executive president of UNIWE International Energy Service Ltd., a petroleum service company providing technical appraisal and asset evaluation for oil and gas assets, where he was in charge of the technical team from 2008. Dr. Zhu holds a doctoral degree in Petroleum Engineering from the Petroleum University in China.

Andrew S. Harper, aged 59, has been our chief geoscientist from 2001 to 2008 and rejoined us on April 1, 2010. Mr. Harper was our chief geologist and president of our international operations from 2001 to 2008. Mr. Harper has over 21 years of experience in the oil and gas industry, during which he acquired his experience working in the exploration and production team of ARCO International Oil & Gas Company prior to joining us in 2001. During his time with ARCO, Mr. Harper worked extensively overseas, including assignments in Chile, Dubai, Norway, the United Kingdom and Indonesia, and as ARCO's resident manager in Bogota, Colombia. Mr. Harper also worked as a basin studies director, Latin America exploration director and exploration project director at the headquarters of ARCO International in the United States from 1990 to 1996 and as an exploration manager at the Andean Basins in ARCO Latin America Inc. from 1999 to 2000. Mr. Harper received a bachelor's degree in Geology from Williams College and a master's degree in Geology from the University of Southern California.

寧德玉，43歲，自二零零七年十月起出任本公司執行副總裁。寧先生在油氣行業擁有逾18年經驗，彼於二零零七年加入MIE前為中石油吉林油田的技術員、科長及副廠長，並自二零零五年至二零零七年任中石油吉林油田對外合作及合資經營部門的項目經理，從而累積經驗。寧先生畢業於大慶石油學院，並取得採油工程學士學位，現為高級工程師。

朱九成，40歲，自二零一一年三月出任我們的副總裁。朱博士於二零一一年三月加入本公司，負責國際業務單位的營運及本公司擴充。朱博士於石油及天然氣行業擁有超過16年經驗，於一九九六年至二零零八年間曾於中國石油天然氣集團公司及其附屬公司出任不同職位，當中包括中國石油天然氣勘探開發公司、印尼的PetroChina Companies、中國石油天然氣國際有限公司及CNPC International Ltd.，並曾出任UNIWE International Energy Service Ltd.之執行總裁，自二零零八年起負責領導技術團隊，該公司為一間石油服務公司，提供石油和天然氣資產的技術評估及資產估值服務。朱博士擁有中國石油大學之石油工程博士學位。

Andrew S. Harper，59歲，自二零零一年至二零零八年出任本公司首席地質師，及後於二零一零年四月一日重新加入本公司。Harper先生於二零零一年至二零零八年任本公司總地質師及本公司國際營運總裁。Harper先生在油氣行業擁有逾21年經驗，在二零零一年加入本公司之前，彼在ARCO International Oil & Gas Company參與勘探及生產團隊而累積工作經驗。在ARCO任職期間，Harper先生海外工作經驗豐富，包括獲派駐智利、迪拜、挪威、英國及印度尼西亞，以及出任哥倫比亞波哥大的駐當地經理。Harper先生亦於一九九零年至一九九六年出任美國ARCO International總部的盆地研究主任、拉丁美洲勘探主任及勘探項目主任，並於一九九九年至二零零零年任ARCO Latin America Inc.安第斯盆地的勘探經理。Harper先生獲Williams College地質學學士學位及南加州大學地質學碩士學位。



Directors and Senior Management (continued)

董事及高級管理層(續)

Wang Changlin, aged 61, has been the senior advisor to our Chairman since October 2003 and the director for office of the Board of Directors. Mr. Wang is responsible for corporate level operation and management. He has over 31 years of experience in the oil and gas industry. Prior to joining MIE in 2003, Mr. Wang worked for PetroChina in the Jilin oilfields and held various positions such as section chief, office director and deputy factory manager and has extensive experience in the operation and management of oilfields. Mr. Wang obtained a bachelor's degree from Jilin Provincial Communist Party School and is a senior economist.

Cui Yujia, aged 35, has been the assistant to our chairman since December 2004. Mr. Cui has over 11 years of experience in corporate finance. Prior to joining MIE in 2004, Mr. Cui worked for Changchun Heat Shrinkable Materials Company Limited, which is a subsidiary of China Kinwa High Technology Company Limited, as financial manager. From 2004 to 2008, he was the financial manager of MIE. Mr. Cui graduated from Changchun Taxation College with a bachelor's degree in International Accountancy.

Yang Bo, aged 34, has been our financial controller since April 10, 2007. Mr. Yang has over 11 years of experience in finance and accounting. Mr. Yang is responsible for the management of financial reporting. Prior to joining us, Mr. Yang worked for Ernst & Young Hua Ming as an audit manager from 2006 to March 2007. From 2002 to 2005, Mr. Yang worked for PricewaterhouseCoopers Zhong Tian CPAs Company Limited as a senior auditor. From 2000 to 2002, Mr. Yang was an auditor at Arthur Andersen Hua Qiang CPAs. Mr. Yang graduated from Renmin University of China with a bachelor's degree in International Accounting in 1999. He is a Certified Public Accountant in China and he is a member of the Beijing Institute of Certified Public Accountants.

王長林，61歲，自二零零三年十月起出任本公司董事長的資深顧問及董事會辦公室主任。王先生負責公司層面的經營及管理。彼在油氣行業擁有逾31年經驗。在二零零三年加入MIE前，王先生於中石油吉林油田擔任科長、辦公室主任及副廠長等多個職務，因而在油田的經營及管理方面累積豐富經驗。王先生取得中共吉林省委黨校學士學位，現為高級經濟師。

崔雨佳，35歲，自二零零四年十二月起出任本公司董事長助理。崔先生在公司財務方面擁有逾11年經驗。在二零零四年加入MIE前，崔先生曾任中科英華高技術股份有限公司附屬公司長春熱縮材料有限公司的財務經理。於二零零四年至二零零八年，彼擔任MIE的財務經理。崔先生畢業於長春稅務學院，並取得國際會計學學士學位。

楊波，34歲，自二零零七年四月十日起出任本公司財務總監。楊先生在財務及會計領域擁有逾11年經驗。楊先生負責公司的財務報告。在加入本公司之前，自二零零六年至二零零七年三月，楊先生任安永華明會計師事務所核數經理。二零零二年至二零零五年期間，楊先生任普華永道中天會計師事務所有限公司資深核數師。自二零零零年至二零零二年，楊先生任安達信華強會計師事務所核數師。楊先生於一九九九年畢業於中國人民大學，並取得國際會計學學士學位。彼為中國註冊會計師及北京註冊會計師協會會員。



Directors and Senior Management (continued)

董事及高級管理層(續)

Lian Yunfei, aged 36, has been our general counsel since November 18, 2009. Ms. Lian joined our company in November 2009 and has over five years of experience in the legal field. Prior to joining us, Ms. Lian worked as an associate at Baker & McKenzie's Hong Kong office from 2007 to March 2009 focusing on mergers and acquisitions and general corporate transactions, and Grandall Legal Group (Shanghai), during 2009, focusing on capital markets and private and public securities offerings. In her early career, starting in 2001, she worked in a law firm in Canada, focusing on general practice in Canada, for over three years. Ms. Lian obtained a juris doctor degree in the Faculty of Law from the University of British Columbia in 2007. She received a master's degree in Materials Science and Engineering from the University of Florida in 2001 and a bachelor's degree in Materials Science and Engineering from Shanghai University in 1996. She is admitted to practice law in New York.

Mei Liming, aged 31, has been our financial manager since May 27, 2009. Prior to his position as our financial manager, Mr. Mei held the position of vice financial manager from October 2006 to May 2009 and accountant from January 2005 to October 2006. Mr. Mei graduated from Beijing Institute of Petrochemical Technology with a bachelor's degree in Accounting in 2003. Prior to joining our company, Mr. Mei worked as an accountant in SONY in 2004.

Joint Company Secretaries

Mr. Allen Mak, CA, is our joint company secretary. Besides being a chartered accountant certified by the Canadian Institute of Chartered Accountants, Mr. Mak has about 28 years of experience in finance and accounting, as further set out in the section "Directors and Senior Management — Executive Directors" in this Annual Report.

連雲飛，36歲，自二零零九年十一月十八日起出任本公司總法律顧問。連女士於二零零九年十一月加入本公司，並在法律領域擁有逾五年經驗。在加入本公司前，自二零零七年至二零零九年三月，連女士為Baker & McKenzie香港辦事處的律師，專注於合併與收購及一般公司交易，並於二零零九年於Grandall Legal Group (Shanghai)累積經驗，專注於資本市場及私人及公開證券發售。在其早期職業生涯中，彼自二零零一年開始任職於加拿大一家律師事務所，在加拿大專注於全面執業逾三年。於二零零七年，連女士取得英屬哥倫比亞大學法學院的法學博士學位。於二零零一年，彼獲佛羅裡達大學材料科學與工程學碩士學位，並於一九九六年獲上海大學頒授材料科學與工程學士學位。彼獲准在紐約執業。

梅黎明，31歲，自二零零九年五月二十七日起出任本公司財務經理。擔任本公司財務經理職務前，梅先生於二零零六年十月至二零零九年五月曾任副財務經理職務，而於二零零五年一月至二零零六年十月期間任會計師職務。梅先生於二零零三年畢業於北京石油化工學院，取得會計學學士學位。在加入本公司之前，梅先生於二零零四年曾出任索尼的會計師。

聯席公司秘書

麥雅倫先生，特許會計師，本公司的聯席公司秘書。除為加拿大特許會計師協會認證的特許會計師外，麥先生於財務及會計方面擁有約28年經驗，進一步詳情載於本年報「董事及高級管理層 — 執行董事」一節。



Directors and Senior Management (continued) 董事及高級管理層(續)

Ms. Chu Man Yee, ACS, ACIS, aged 38, is our joint company secretary. Ms. Chu is a senior manager of the corporate services division of Tricor Services Limited. Ms. Chu is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries. Ms. Chu has approximately 15 years of experience in the company secretarial area. Ms. Chu currently acts as the joint company secretary of MicroPort Scientific Corporation (Stock code: 853), a company also listed on the Stock Exchange.

朱敏怡女士，**ACS**、**ACIS**，38歲，本公司的聯席公司秘書。朱女士為卓佳專業商務有限公司企業服務部資深經理。朱女士為英國特許秘書及行政人員公會及香港特許秘書公會會員。朱女士在公司秘書領域擁有約15年經驗。朱女士現時亦擔任一家聯交所上市公司微創醫療科學有限公司(股份代號：853)的聯席公司秘書。

Relationship among Directors and Senior Management

Save for Mr. Zhao Jiangwei, our vice chairman, senior vice president and executive Director, who is the brother-in-law of Mr. Zhang Ruilin, our Chairman, Chief Executive Officer and executive Director, there are no family relationships between any of our Directors and senior management.

董事與高級管理層之間的關係

除本公司副董事長、高級副總裁兼執行董事趙江巍先生為本公司董事長、首席執行官兼執行董事張瑞霖先生的內弟外，本公司董事與高級管理層之間概無親屬關係。



Corporate Governance Report 企業管治報告

The Board of the Company is pleased to present this corporate governance report (“Report”) in the Group’s Annual Report for the year ended December 31, 2011.

The manner in which the principles and code provisions in the Code on Corporate Governance Practices (the “CG Code”) contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) are applied and implemented is explained as follows:

Corporate Governance Practices

The Group acknowledges the vital importance of good corporate governance to the Group’s success and sustainability. We are committed to achieving a high standard of corporate governance as an essential component of quality and have introduced corporate governance practices appropriate to the conduct and growth of our business.

The Company has adopted different measures to ensure a high standard of corporate governance and has put in place corporate governance practices that are considered to be relevant to the Group, to meet the code provisions as set out in the CG Code. The Company has also put in place certain recommended best practices as set out in the CG Code.

Throughout the year ended December 31, 2011, the Company has complied with the code provisions as set out in the CG Code, except for the deviations from code provisions A.2.1 and E.1.2, which deviations are explained in the relevant paragraphs of this Report.

The Company will periodically review and enhance its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

本公司董事會欣然提呈本集團截至二零一一年十二月三十一日止年度年報之企業管治報告(「報告」)。

採納及執行根據聯交所證券上市規則(「上市規則」)附錄十四企業管治常規守則(「企業管治守則」)所附載的原則和守則條文的方式闡釋如下：

企業管治常規

本集團明白到良好的企業管治對本集團之成功及持續發展至為重要。我們致力提升至高標準的企業管治，並以此為達致優質的重要一環，我們亦已推行適合我們業務運營及發展之企業管治常規。

本公司已採取不同的措施確保高標準的企業管治，並實行認為與本集團相關的企業管治常規，以達到企業管治守則所載的守則條文規定。本公司亦已落實企業管治守則所載若干建議最佳常規。

截至二零一一年十二月三十一日止年度全年，除偏離守則條文第A.2.1條及第E.1.2條外，本公司已遵守企業管治守則所載之守則條文。有關偏離之情況於本報告相關段落闡釋。

本公司將定期檢討及改善其企業管治常規，以確保該等企業管治常規繼續符合企業管治守則之要求。



Corporate Governance Report (continued) 企業管治報告(續)

The Board/Board of Directors

Responsibilities

The Board is responsible for leadership and control of the Company and oversees the Group's businesses, strategic decisions and performance. The Board has delegated to the Chief Executive Officer, and through him, to the senior management the authority and responsibility for the day-to-day management and operation of the Group. In addition, the Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out their duties in good faith, in compliance with applicable laws and regulations and in the interests of the Company and its shareholders at all times.

The Company has arranged for appropriate insurance cover for directors' and officers' liabilities in respect of legal actions against its directors and senior management arising out of corporate activities.

Delegation of Management Functions

The Board reserves for its decision all major matters of the Company, including approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

All Directors have full and timely access to all relevant information as well as the advice and services of the Company secretary, with a view to ensure that Board procedures and all applicable laws and regulations are followed. Each Director is normally able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

董事會

職責

董事會負責領導及監察本公司，並監督本集團之業務、策略方針及表現。董事會已委派首席執行官，並通過其授予高級管理層權力及責任進行本集團之日常管理及經營。此外，董事會亦已成立董事委員會並授予該等董事委員會各項責任，詳情載於其各自之職權範圍內。

所有董事須確保本著真誠履行職責，遵守適用法例及法規，並時刻為本公司及其股東之利益行事。

本公司已就其董事及高級管理層可能會面對由企業活動產生之法律行動，為董事及行政人員之職責作出適當之投保安排。

管理職能之授權

董事會保留本公司所有重要事項的決策權，包括批准及監察所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易(特別是可能涉及利益衝突之交易)、財務資料、委任董事及其他重要財務及營運事宜。

全體董事可全面並且及時地查詢所有相關資料，以及取得本公司秘書的意見和獲得其服務，以確保遵守董事會程序和所有適用法例及規例。各董事一般可透過向董事會提出要求，在適當的情況下尋求獨立專業意見，費用由本公司支付。



Corporate Governance Report (continued)

企業管治報告 (續)

The day-to-day management, administration and operation of the Company are delegated to the Chief Executive Officer and the senior management. The delegated functions and responsibilities are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the aforesaid officers.

Board Composition

The Board currently consists of four executive Directors, one non-executive Director and three independent non-executive Directors.

The Company has adopted the recommended best practice under the CG Code for the Board to have at least one-third of its membership comprising independent non-executive Directors.

The list of all Directors and all corporate communications issued by the Company from time to time pursuant to the Listing Rules are set out under "Company Information" on page 2. The independent non-executive Directors are expressly identified in all corporate communications pursuant to the Listing Rules.

The Board of the Company comprises the following directors:

Executive Directors:

Mr. Zhang Ruilin (*Chairman*)
Mr. Zhao Jiangwei
Mr. Forrest Lee Dietrich
Mr. Allen Mak

Non-executive Director:

Mr. Wang Sing
Mr. Law Cheuk Kin, Stephen (alternate to Mr. Wang Sing)

Independent Non-executive Directors:

Mr. Mei Jianping
Mr. Jeffrey W. Miller
Mr. Cai Rucheng

本公司的日常管理、行政及經營乃授權予首席執行官及高級管理層。定期檢討所指派的職責及責任。在訂立任何重大交易前，上述高級行政人員必須取得董事會批准。

董事會組成

董事會現時由四名執行董事、一名非執行董事及三名獨立非執行董事所組成。

本公司已採納企業管治守則之建議最佳常規，董事會至少三分之一成員由獨立非執行董事組成。

所有董事之名單及本公司不時根據上市規則刊發之所有公司通訊載於第2頁之「公司資料」。根據上市規則，在所有公司通訊中，已明確說明獨立非執行董事之身份。

本公司董事會包括以下董事：

執行董事：

張瑞霖先生 (*主席*)
趙江巍先生
Forrest Lee Dietrich 先生
麥雅倫先生

非執行董事：

王競先生
羅卓堅先生 (王競先生的替任董事)

獨立非執行董事：

梅建平先生
Jeffrey W. Miller 先生
才汝成先生



Corporate Governance Report (continued) 企業管治報告(續)

The list of Directors (by category) is also disclosed in all corporate communications issued by the Company from time to time pursuant to the Listing Rules.

董事名單(按類別)亦於本公司不時根據上市規則刊發之所有公司通訊內披露。

The relationships among the members of the Board are disclosed under "Relationship among Directors and Senior Management" on page 22.

董事會成員之間之關係乃於第22頁之「董事與高級管理層之間的關係」中披露。

During the year ended December 31, 2011, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications or accounting or related financial management expertise.

截至二零一一年十二月三十一日止年度，董事會一直符合上市規則有關委任至少三名獨立非執行董事，其中最少一名獨立非執行董事須具備合適專業資格或會計或相關財務管理專業知識的規定。

The Company has received written annual confirmation from each independent non-executive Director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive Directors to be independent in accordance with the independence guidelines as set out in the Listing Rules.

本公司已接獲各獨立非執行董事根據上市規則之規定就其獨立性而呈交的年度書面確認。根據上市規則所載的獨立性指引，本公司確信所有獨立非執行董事的獨立性。

The non-executive Directors bring a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation at Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all non-executive Directors have made various contributions to the effective direction of the Company.

非執行董事為董事會注入廣泛的業務及財務專業知識、經驗及獨立判斷。透過積極參與董事會會議，主導處理涉及潛在利益衝突之事宜並出任董事委員會，所有非執行董事對本公司之實際發展作出多方面貢獻。

Chairman and Chief Executive Officer

主席及首席執行官

Code provision A.2.1 stipulates that the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual.

根據守則條文第A.2.1條，主席和首席執行官的角色應有區分，不應由同一人兼任。

Mr. Zhang Ruilin is the Chairman and Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Company with strong and consistent leadership and allows for effective and efficient planning and implementation of business decisions and strategies.

張瑞霖先生現任本公司主席兼首席執行官。董事會相信，由同一人擔任主席及首席執行官可為本公司帶來強勢而貫徹之領導，並可有效和具效率地規劃及執行業務決策及策略。



Corporate Governance Report (continued)

企業管治報告(續)

The Board considers that the current structure of vesting the roles of Chairman and Chief Executive Officer in the same person will not impair the balance of power and authority between the Board and the management of the Company. The Board is of the view that it is in the best interests of the Group to have an executive Chairman with in-depth knowledge of Group businesses, strong credentials and the capability to brief the Board in a timely manner on pertinent issues, to guide Board discussions and to facilitate open dialogue between the Board and the management.

The Company will continue to review the effectiveness of the Group's corporate governance structure and consider whether any changes, including the separation of the roles of Chairman and Chief Executive Officer, are necessary.

Appointment and Re-Election of Directors

The procedures and process of appointment, re-election and removal of directors are laid down in the Company's Articles of Association. The Nomination Committee is responsible for reviewing Board composition, developing and formulating procedures for nomination and appointment of directors, monitoring the appointment of directors and assessing the independence of independent non-executive directors.

Each of the Directors (including executive and non-executive Directors) of the Company is engaged on a service contract for a term of three years.

In accordance with the Company's Articles of Association, all Directors of the Company are subject to retirement by rotation at least once every three years and any new Director appointed to fill a causal vacancy or as an addition to the Board shall submit himself for re-election by shareholders at the next annual general meeting after appointment.

董事會認為，現時架構內由同一人擔任主席及首席執行官，將不會造成董事會與本公司管理層之間的權力及權限失衡。董事會認為，有一位深入了解本集團業務，且能以信實態度適時向董事會就相關事宜作出簡報，並帶領董事會討論及促進董事會與管理層之間坦誠對話的執行主席乃符合本集團的最佳利益。

本公司將繼續檢討本集團企業管治架構的有效性，並考慮是否有必要作出任何變動(包括將主席及首席執行官的角色分開)。

董事之委任及重選

本公司之組織章程細則訂明委任、重選及罷免董事之程序及流程。提名委員會負責檢討董事會的組成、建立及制訂提名及委任董事之程序、監察董事委任及評估獨立非執行董事的獨立地位。

本公司各董事(包括執行董事及非執行董事)訂有任期為三年之服務合約。

根據本公司之組織章程細則，本公司所有董事均須最少每三年輪席退任一次，而任何獲委任填補臨時空缺或新加入董事會之新任董事須於獲委任後首個股東週年大會由股東重選。



Corporate Governance Report (continued) 企業管治報告(續)

Training Induction and Continuing Development of Directors

Each newly appointed Director receives induction on the first occasion of his appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements.

Directors are continually updated on developments in the statutory and regulatory regime and the business environment to facilitate the discharge of their responsibilities. Continuing briefing and professional development for directors will be arranged where necessary.

Board and Board Committee Meetings

Number of Meetings and Directors' Attendance

During the year ended December 31, 2011, regular Board meetings were held at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

董事的培訓、入職及持續發展

每名新委任的董事於首次接受委任時均會獲得入職介紹，以確保該董事對本公司的業務及經營均有適當的認知，以及完全清楚根據上市規則及有關監管規定的董事職務及責任。

董事亦將持續獲得有關法律和監管機制以及業務環境的最新消息，以協助履行彼等的職務。本公司會於必要時作出安排，向董事持續提供簡介及專業發展培訓。

董事會及董事會委員會會議

會議次數及董事之出席率

截至二零一一年十二月三十一日止年度，董事會常規會議按季度舉行，以檢討及批准財務及營運表現，以及考慮及批准本公司整體策略及政策。



Corporate Governance Report (continued)

企業管治報告 (續)

The attendance records of each Director at the meetings of the Board, Nomination Committee, Remuneration Committee and Audit Committee for the year ended December 31, 2011 are set out below:

截至二零一一年十二月三十一日止年度，各董事於董事會、提名委員會、薪酬委員會及審核委員會之會議的出席記錄如下所示：

Name of Director 董事名稱		Attendance/Number of Meetings 出席／會議次數			Audit Committee 審核委員會
		Board 董事會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	
Executive Directors 執行董事					
Mr. Zhang Ruilin	張瑞霖先生	6/6	—	—	—
Mr. Zhao Jiangwei	趙江巍先生	6/6	—	—	—
Mr. Forrest Lee Dietrich	Forrest Lee Dietrich 先生	6/6	—	—	—
Mr. Allen Mak	麥雅倫先生	6/6	—	—	4/4
Non-executive Director 非執行董事					
Mr. Wang Sing	王斌先生	4/6	—	—	—
Mr. Law Cheuk Kin, Stephen (alternate to Mr. Wang Sing)	羅卓堅先生 (王斌先生的替任董事)	5/6	—	—	1/4
Independent Non-executive Directors 獨立非執行董事					
Mr. Mei Jianping	梅建平先生	5/6	1/1	1/1	3/4
Mr. Jeffrey W. Miller	Jeffrey W. Miller 先生	5/6	1/1	1/1	4/4
Mr. Cai Rucheng	才汝成先生	2/6	1/1	1/1	1/4

Practices and Conduct of Meetings

Annual meeting schedules and draft agenda of each meeting are normally made available to Directors in advance.

Code provision A.1.3 stipulates that at least 14 days' notice should be given for a regular Board meeting.

Certain Board meetings held during the year ended December 31, 2011 were convened with less than 14 days' notice. The Company adopted a flexible approach in convening Board meetings and ensuring that sufficient time and adequate information were given to Directors for making informed decisions.

常規及舉行會議

週年會議時間表及各會議的草擬議程一般會預先發給董事。

守則條文第A.1.3條規定定期董事會會議應發出至少14日之事先通知。

於截至二零一一年十二月三十一日止年度，若干董事會會議發出少於14日之事先通知。本公司採用靈活的方式召開董事會會議及確保董事有充份時間及足夠資料作出知情決定。



Corporate Governance Report (continued) 企業管治報告(續)

Board papers together with all appropriate, complete and reliable information are sent to all Directors at least 3 days before each Board meeting or committee meeting to keep Directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each Director also have separate and independent access to the senior management where necessary.

The secretary of the meetings is responsible for taking and keeping minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to Directors for comment within a reasonable time after each meeting and final versions are open for Directors' inspection.

The Company's Articles of Association contain provisions requiring Directors to abstain from voting and not to be counted in the quorum at meetings for approving transactions in which such Directors or any of their associates have a material interest.

Board Committees

The Board has established three committees, namely, nomination committee ("Nomination Committee"), remuneration committee ("Remuneration Committee") and audit committee ("Audit Committee"), for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference which are posted on the web sites of the Stock Exchange and the Company and available for public access.

All of the members of each Board committee are independent non-executive Directors.

Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances at the Company's expense.

Nomination Committee

The Nomination Committee comprises three members, namely, Mr. Mei Jianping (Chairman of the Nomination Committee), Mr. Jeffrey W. Miller and Mr. Cai Rucheng, all of them are independent non-executive Directors.

董事會文件連同適用、完整及可靠的資料，須於各董事會會議或委員會會議舉行日期最少三日前送交全體董事，以便彼等及時了解本公司的最新發展及財務狀況，從而作出知情決定。董事會及各董事亦可於有需要時個別及獨立聯繫高級管理人員。

會議秘書負責記錄及保存所有董事會會議及委員會會議的會議記錄。會議記錄初稿一般會於該會議舉行的合理時間內供董事傳閱及提出意見，而定稿可供董事查閱。

根據本公司組織章程細則之規定，有關董事於批准彼等或其任何聯繫人士有重大利益之交易時，須放棄投票並不計入會議法定人數。

董事會委員會

董事會已設立三個委員會，即提名委員會(「提名委員會」)、薪酬委員會(「薪酬委員會」)及審核委員會(「審核委員會」)，以監督本公司特定方面之事務。本公司所有董事會委員會均按書面界定之職權範圍成立，有關職權範圍將刊登於聯交所及本公司網站，並可供公眾查閱。

所有董事委員會之成員均為獨立非執行董事。

董事會委員會亦有足夠資源以履行其職務，在作出合理請求後，於適當的情況可使用本公司的開支以尋找獨立專業意見。

提名委員會

提名委員會包括三名成員，分別為梅建平先生(提名委員會主席)、Jeffrey W. Miller先生及才汝成先生，彼等均為獨立非執行董事。



Corporate Governance Report (continued)

企業管治報告(續)

The principal duties of the Nomination Committee include the following:

- To review the structure, size and composition of the Board and make recommendations regarding any proposed changes
- To develop and formulate relevant procedures for nomination and appointment of Directors
- To identify suitable candidates for appointment as Directors
- To make recommendations to the Board on appointment or re-appointment of and succession planning for Directors
- To assess the independence of independent non-executive Directors

The Board took into consideration criteria such as skills, experience, expertise that are necessary to achieve the Group's business development, strategies, operation and opportunities when considering new director appointments during the year under review. Each member of the Board shall possess, be recognized for and be able to exhibit high and professional standard of a set of core criteria of competence.

During the year ended December 31, 2011, no meeting of the Nomination Committee was held. However, the Nomination Committee held its meeting on January 19, 2012 and reviewed the structure, size and composition of the Board to ensure that it has a balance of expertise, skills and experience appropriate for the requirements of the business of the Company for the year under review. The attendance records of the Nomination Committee are set out under "Board and Board Committee Meetings" on page 29.

In accordance with the Company's Articles of Association, Mr. Allen Mak, Mr. Wang Sing and Mr. Mei Jianping, shall retire by rotation and being eligible, offer themselves for re-election at the next forthcoming annual general meeting.

提名委員會之主要職責包括：

- 檢討董事會之架構、規模及組成，並就任何建議變動提出推薦意見
- 建立及制訂提名及委任董事之相關程序
- 物色適合之董事人選
- 就董事之委任或連任及繼任計劃向董事會提出推薦意見
- 評估獨立非執行董事之獨立性

於回顧年度，董事會在考慮新董事委任時考慮到如技術、經驗和專業技術等條件，這些條件對本集團達成業務發展、戰略、營運和機會起著關鍵作用。董事會各名成員須在一系列的核心技能條件方面擁有、被肯定具備和能顯示出達到卓越和專業的水平。

截至二零一一年十二月三十一日止年度，提名委員會並未舉行會議。然而，提名委員會於二零一二年一月十九日舉行會議，並審閱董事會的架構、規模和組成，以確保其擁有平衡的專業技術、技術和經驗，以配合本公司於回顧年度之業務需求。提名委員會之出席記錄載列於第29頁之「董事會及董事會委員會會議」。

根據本公司組織章程細則，麥雅倫先生、王航先生及梅建平先生將於應屆股東週年大會上輪席退任及符合資格膺選連任。



Corporate Governance Report (continued)

企業管治報告(續)

The Nomination Committee recommended the re-appointment of the Directors standing for re-election at the next forthcoming annual general meeting of the Company.

提名委員會建議重新委任於本公司應屆股東週年大會上膺選連任之董事。

The Company's circular shall contain detailed information of the Directors standing for re-election.

本公司之通函載有候選連任董事之詳細資料。

Remuneration Committee

薪酬委員會

The Remuneration Committee comprises three members, Mr. Mei Jianping (Chairman of Remuneration Committee), Mr. Jeffrey W. Miller and Mr. Cai Rucheng, all of them are independent non-executive Directors.

薪酬委員會由三名成員組成，即梅建平先生(薪酬委員會主席)、Jeffrey W. Miller先生及才汝成先生，彼等均為獨立非執行董事。

The primary objectives of the Remuneration Committee include the following:

薪酬委員會之主要職責包括：

- To make recommendations on the establishment of procedures for developing the remuneration policy and structure for the executive Directors and the senior management
- To review and approve the remuneration packages of the executive Directors and the senior management and make recommendations to the Board on the remuneration of non-executive Directors
- To review and approve the compensation arrangements of the executive Directors and the senior management
- 就制訂程序以訂立執行董事及高級管理層之薪酬政策及架構提出推薦意見
- 審閱及批准執行董事及高級管理層之薪酬政策，並就非執行董事之薪酬向董事會提出建議
- 審議及批准執行董事及高級管理層之賠償安排。

During the year ended December 31, 2011, no meeting of the Remuneration Committee was held. However, the Remuneration Committee held its meeting on January 19, 2012, reviewed the remuneration policy and structure of the Company and approved the remuneration package as well as the annual bonuses of the executive Directors and the senior management for the year under review. The attendance records of the Remuneration Committee are set out under "Board and Board Committee Meetings" on page 29.

截至二零一一年十二月三十一日止年度，薪酬委員會並未舉行會議。然而，薪酬委員會於二零一二年一月十九日舉行會議，以審閱本公司之薪酬政策及架構及批准執行董事及高級管理層成員於回顧年度之薪酬組合以及年度花紅。薪酬委員會之出席記錄載列於第29頁之「董事會及董事會委員會會議」。



Corporate Governance Report (continued)

企業管治報告(續)

Audit Committee

The Audit Committee comprises three independent non-executive Directors, namely, Mr. Jeffrey W. Miller (Chairman of Audit Committee), Mr. Mei Jianping and Mr. Cai Rucheng.

The main duties of the Audit Committee include the following:

- To review the financial statements and reports and consider any significant or unusual items raised by the external auditors before submission to the Board
- To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendations to the Board on the appointment, re-appointment and removal of external auditors
- To review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures

The Audit Committee had 4 meetings during the year ended December 31, 2011 to review the financial results and reports, financial reporting and compliance procedures, the report on the Company's internal control and risk management systems and processes, and the re-appointment of the external auditors. The attendance records of the Audit Committee are set out under "Board and Board Committee Meetings" on page 29.

The Company's annual results for the year ended December 31, 2011 have been reviewed by the Audit Committee.

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding Directors' dealings in the Company's securities.

審核委員會

審核委員會由三位獨立非執行董事組成，即 Jeffrey W. Miller 先生(審核委員會主席)、梅建平先生及才汝成先生。

審核委員會之主要職責包括下列各項：

- 於向董事會提交財務報表及報告前審閱財務報表及報告，並考慮由外聘核數師提出的任何重大或不尋常事項
- 參考核數師所進行之工作、其費用及聘用條款，檢討與外聘核數師的關係，並就外聘核數師的委任、重新委任及罷免向董事會提供建議
- 檢討本公司的財務報告制度、內部監控制度及風險管理制度及相關程序是否足夠及有效

截至二零一一年十二月三十一日止年度，審核委員會舉行4次會議，以檢討財務業績及報告、財務申報及合規程序、本公司內部監控及風險管理制度和程序之報告，以及續聘外聘核數師事宜。審核委員會之出席記錄載列於第29頁內「董事會及董事會委員會會議」一節。

審核委員會已檢討本公司於截至二零一一年十二月三十一日止年度之年度業績。

證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)為其董事買賣本公司證券之行為守則。



Corporate Governance Report (continued) 企業管治報告(續)

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended December 31, 2011.

No incident of non-compliance of the Model Code by the employees was noted by the Company.

Directors' Responsibilities for Financial Reporting

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended December 31, 2011.

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval.

External Auditors and Auditors' Remuneration

The statement of the external auditors of the Company about their reporting responsibilities for the financial statements is set out in the "Independent Auditor's Report" on page 80.

The remuneration paid to the external auditors of the Company in respect of audit services and non-audit services for the year ended December 31, 2011 amounted to HK\$3,802,000 and HK\$2,270,000 respectively. Audit service rendered included HK\$863,000 for work relating to the Company's senior notes issued in May 2011. Non audit services rendered were due diligence work performed on Emir-Oil for its acquisition.

Internal Controls

The Board is responsible for maintaining an adequate internal control system to safeguard shareholder investments and Company assets and reviewing the effectiveness of such on an annual basis through the Audit Committee.

經向全體董事作出具體查詢後，董事已確認彼等於截至二零一一年十二月三十一日止全年一直遵守標準守則。

本公司並無發現僱員違反標準守則之事件。

董事就財務報告之責任

董事確認彼等有責任就截至二零一一年十二月三十一日止年度編製本公司之財務報表。

董事會按上市規則及其他法定及監管規定負責編製均衡、清晰及簡易之年度報告及中期報告、價格敏感之公告及其他披露。

管理層已向董事會提供有關必要之解釋及資料，以令董事會對獲提呈予董事會批准之本公司財務報表作出知情評估。

外聘核數師及核數師酬金

本公司之外聘核數師就對財務報表之申報責任發出之聲明載於第80頁之「獨立核數師報告書」。

截至二零一一年十二月三十一日止年度，本公司外聘核數師就其審核及非審核服務之酬金分別為3,802,000港元及2,270,000港元。所提供的核數服務包括就本公司於二零一一年五月發行之優先票據所涉及之863,000港元。所提供之非核數服務為對Emir-Oil就其收購進行的盡職審查工作。

內部監控

董事會負責維持充足的內部控制系統以保障股東的投資及本公司的資產，以及按年度基準透過審核委員會審閱內部控制是否有效。



Corporate Governance Report (continued)

企業管治報告 (續)

The internal control system of the Group is designed to facilitate effective and efficient operations, to ensure reliability of financial reporting and compliance with applicable laws and regulations, to identify and manage potential risks, and to safeguard assets of the Group. The senior management reviews and evaluates the control process, monitors any risk factors on a regular basis, and reports to the Audit Committee on any findings and measures to address the variances and identified risks.

During the year under review, the Board with the support of the Audit Committee, conducted a review of the effectiveness of the internal control system of the Company, including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

Communication with Shareholders and Investors/Investor Relations

The Company considers that effective communication with shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company also recognizes the importance of transparency and timely disclosure of corporate information, which will enable shareholders and investors to make the best investment decisions.

To achieve this, the Company maintains a website at <http://www.mienergy.com.cn>, where up-to-date information and updates on the Company's business operations and developments, financial information, corporate governance practices and other information are posted and available for public access.

The general meetings of the Company also provide a forum for communication between the Board and the shareholders.

Code provision E.1.2 stipulates that the Chairman should attend the annual general meeting and arrange for the chairmen of the audit, remuneration and nomination committees (as appropriate) or in their absence, other members of such committees or their duly appointed delegates, to be available to answer questions at the annual general meeting.

本集團之內部監控制度為配合有效及具效率之營運而設，確保財務匯報乃屬可靠及符合適用之法律及規例，以辨識及管理潛在之風險及保障本集團之資產。高級管理層定期審閱及評估監控程序、監察任何風險因素，並向審核委員會匯報處理差異和已識別風險的任何調查結果及措施。

於回顧年度，在審核委員會之協助下，本集團已對本公司內部監控系統之有效性(包括本公司於會計及財務報告職能方面的資源、員工之資歷及經驗，以及員工的培訓課程及預算是否充足)進行檢討。

與股東及投資者之溝通／投資者關係

本公司認為，與股東有效溝通對加強投資者關係及投資者對本集團業務表現及策略之了解相當重要。本公司亦知悉保持透明度及適時披露公司資料之重要性，此舉將令股東及投資者作出最佳投資決策。

為此，本公司設有網站，網址為<http://www.mienergy.com.cn>，有關最新的資訊以及最新的本公司業務營運及發展、財務資料、企業管治常規及其他資料將刊登於該網站內，並可供公眾查閱。

本公司股東大會提供董事會與股東溝通之平台。

守則條文第E.1.2條規定主席須出席股東週年大會及安排審核、薪酬及提名委員會(如適用)主席(如未能出席，則為該委員會其他成員或其委派代表)，於股東週年大會上回答提問。



Corporate Governance Report (continued) 企業管治報告(續)

In the annual general meeting of the Company held on May 6, 2011 (the "2011 AGM"), Mr. Zhang Ruilin (Chairman of the Board), Mr. Jeffrey W. Miller (Chairman of the Audit Committee), Mr. Mei Jianping (Chairman of the Remuneration Committee and Nomination Committee) and Mr. Cai Rucheng (member of the Audit Committee, Remuneration Committee and Nomination Committee) were unable to attend the 2011 AGM due to other important business engagements. In order to ensure smooth holding of the 2011 AGM, Mr. Zhang Ruilin has authorized Mr. Zhao Jiangwei, an executive Director of the Company, to chair the 2011 AGM. They will use their best endeavours to attend all future shareholder meetings of the Company.

The notice of annual general meeting was sent to shareholders at least 20 clear business days before the annual general meeting.

Shareholder Rights

To safeguard shareholder interests and rights, a separate resolution is proposed for each substantially separate issue at shareholder meetings, including the election of individual Directors.

All resolutions put forward at shareholder meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each shareholder meeting.

於二零一一年五月六日之本公司股東週年大會(「二零一一年股東週年大會」)，張瑞霖先生(董事會主席)、Jeffrey W. Miller先生(審核委員會主席)、梅建平先生(薪酬委員會及提名委員會主席)及才汝成先生(審核委員會、薪酬委員會及提名委員會成員)因其他重要公務而未能出席二零一一年股東週年大會。為確保二零一一年股東週年大會如常進行，張瑞霖先生已授權本公司之執行董事趙江巍先生主持二零一一年股東週年大會。彼等將盡最大努力參加本公司在未來所有的股東大會。

股東週年大會通告將於股東週年大會舉行前至少二十個完整營業日寄予股東。

股東權利

為保障股東權益及權利，本公司將就各重大事宜(包括選舉個別董事)於股東大會提呈獨立決議案。

股東大會上提呈之所有決議案將根據上市規則進行投票表決，且投票表決之結果將於各屆股東大會結束後於本公司及聯交所網站上刊載。



Report of the Directors 董事會報告

The Directors submit their report together with the audited financial statements for the year ended December 31, 2011.

Principal Activities and Geographical Analysis of Operations

The principal activity of the Company is investment holding. The Company and its subsidiaries' ("the Group") principal business is to engage in the exploration, development, production and sale of crude oil through (1) MIE's four production sharing projects in China; (2) Emir-Oil's exploration contract and three production contracts in Kazakhstan and; (3) Condor's working interest in the Niobrara Asset in the United States of America.

Results and Appropriations

The results of the Group for the year ended December 31, 2011 are set out in the consolidated statement of comprehensive income on page 86.

The Board recommends the payment of a final dividend of HK\$0.044 per share, amounting to a total dividend of HK\$116,583,000 (RMB94,514,000) in respect of 2011 to shareholders whose names appear on the register of members of the Company on May 28, 2012. The proposed final dividend will be paid on or about June 15, 2012, following approval at the annual general meeting.

Any amount of dividends we pay will be at the discretion of the Board and will depend on our future operations and earnings, capital requirements and surplus, general financial conditions, contractual restrictions and other factors that the Board considers relevant. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of the Board.

Reserves

Please refer to the consolidated statement of changes in equity on page 88 and note 15 to the consolidated financial statements on pages 170 to 171 for movements in the reserves of the Group and the Company, respectively, for the year ended December 31, 2011.

董事會謹此提呈截至二零一一年十二月三十一日止年度之報告書及經審核財務報表。

主要業務及營運地區分析

本公司之主要業務為投資控股。本公司及其附屬公司（「本集團」）之主要業務乃透過(1) MIE之四個於中國之生產分成項目；(2) Emir-Oil於哈薩克斯坦之勘探合約及三份生產合約及；(3) Condor於美利堅合眾國Niobrara資產之營運權益從事原油之勘探、開發、生產及銷售。

業績及派息

本集團截至二零一一年十二月三十一日止年度的業績載於第86頁之合併綜合收益表。

董事會建議向於二零一二年五月二十八日名列本公司股東名冊的股東派發末期股息每股0.044港元，二零一一年總股息額為116,583,000港元（人民幣94,514,000元）。待於股東週年大會批准後，建議末期股息將於二零一二年六月十五日或前後派付。

我們派發的任何股息金額將由董事會酌情決定，並將取決於我們的未來營運及盈利、資本需求及盈餘、一般財務狀況、合約限制及董事會認為相關的其他因素。日後宣派的股息可能會或可能不會反映我們過往派發的股息，並且將由董事會全權酌情決定。

儲備

有關本集團及本公司截至二零一一年十二月三十一日止年度之儲備變動，請分別參閱第88頁的合併權益變動表及第170頁至第171頁的合併財務報表附註15。



Report of the Directors (continued)

董事會報告(續)

Property, Plant and Equipment

Details of the movements in property, plant and equipment of the Group are set out in note 6 to the consolidated financial statements.

Share Capital

Details of the movements in share capital of the company are set out in note 14 to the consolidated financial statements.

Senior Notes

Details of the senior notes are set out in Note 19(a) to the consolidated financial statements.

Distributable Reserves

Distributable reserves of the company at December 31, 2011 are disclosed in the consolidated statements of changes in equity.

Pre-emptive Rights

There is no provision for pre-emptive rights under the Company's Articles of Association and there was no restriction against such rights under the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

Financial Summary

A summary of the results and of the assets and liabilities of the group is set out on page 5 of the annual report.

Purchase, Sale or Redemption of Securities

During the year ended December 31, 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

不動產、工廠及設備

本集團不動產、工廠及設備之變動詳情載於合併財務報表附註6。

股本

本公司之股本變動詳情載於合併財務報表附註14。

優先票據

優先票據之詳情載於合併財務報表附註19(a)。

可供分派儲備

本公司於二零一一年十二月三十一日的可供分派儲備已於合併權益變動表披露。

優先購股權

本公司之組織章程細則中並無優先購股權之條文，而開曼群島之法例亦無規定本公司需按比例向現有股東發售新股的限制。

財務概要

本集團之業績、資產及負債概要載於本年報第5頁。

購買、出售或贖回證券

於截至二零一一年十二月三十一日止年度，本公司或其任何附屬公司均無購買、出售或贖回本公司任何上市證券。



Report of the Directors (continued)

董事會報告(續)

Share Options

(i) Stock incentive compensation plan (“Plan”)

The Board adopted the Plan prior to the Listing of the Company on the Stock Exchange designed to attract and retain the best available personnel for positions of substantial responsibility, provide additional incentive to employees and directors and promote the success of our business. Under the Plan, a total of 29,902,758 share options were granted to Directors, executives and employees, of which 1,818,579 share options lapsed. The share options were granted at nil consideration.

The exercise price of the granted share options is equal to or higher than the market price of the shares on the date of the grant. Each share option gives the holder the right to subscribe for one share of the Company. The share options granted under the Plan typically vest over a two or three year period at each anniversary of the grant date, subject to the participant continuing to be an employee on each vesting date.

The Company has undertaken not to grant and has not granted further share options under the Plan upon the listing of the Company, but the provisions of the Plan remain in full force and effect in all other respects and share options granted under the Plan prior to the listing of the Company continue to be exercisable in accordance with the Plan and agreements entered into pursuant to the Plan.

購股權

(i) 股份獎勵酬金計劃(「該計劃」)

董事會已於本公司於聯交所上市之前採納該計劃，旨在為具重大責任的職位招攬及聘留優秀適用人才，為僱員及董事提供額外獎勵並促進本公司的業務發展。根據該計劃，合共29,902,758份購股權已向董事、行政人員及僱員授出，其中1,818,579份購股權已失效。購股權乃以零代價授出。

所授出的購股權的行使價等於或高於授出日期的股份市場價格。各份購股權賦予持有人權利可認購本公司一股股份。根據該計劃授出的購股權一般於授出日期各個週年的兩或三年期間歸屬，惟參與者須在各個歸屬日期須仍為僱員。

本公司已承諾於本公司上市後將不會亦並無根據該計劃授出其他購股權，惟該計劃的條文在所有其他方面須保持全面生效及有效，而本公司上市前根據該計劃授出的購股權可繼續根據該計劃及根據該計劃所訂立的協議行使。



Report of the Directors (continued)

董事會報告(續)

Details of the share options outstanding as at December 31, 2011 which have been granted under the Plan are as follows:

於二零一一年十二月三十一日，根據該計劃已授出但尚未行使之購股權詳情如下：

Name	Held at January 1, 2011 於二零一一年一月一日持有	Number of options granted during the year 本年度購股權數目	Number of options exercised during the year 本年度已行使之購股權數目	Held at December 31, 2011 於二零一一年十二月三十一日持有	Exercise price (per Share) 行權價(每股)	Date of grant 授出日	Date of expiration 到期日	Exercisable from 可予行使開始日期	Exercisable until 可予行使截止日期
Executive Directors									
執行董事									
Mr. Forrest Lee Dietrich	2,273,163			2,273,163	US\$0.13	November 20, 2009	November 20, 2019	November 20, 2010	November 19, 2019
Forrest Lee Dietrich 先生					0.13 美元	二零零九年十一月二十日	二零一九年十一月二十日	二零一零年十一月二十日	二零一九年十一月十九日
	2,273,163			2,273,163	US\$0.13	November 20, 2009	November 20, 2019	November 20, 2011	November 19, 2019
					0.13 美元	二零零九年十一月二十日	二零一九年十一月二十日	二零一一年十一月二十日	二零一九年十一月十九日
	2,273,163			2,273,163	US\$0.13	November 20, 2009	November 20, 2019	November 20, 2012	November 19, 2019
					0.13 美元	二零零九年十一月二十日	二零一九年十一月二十日	二零一二年十一月二十日	二零一九年十一月十九日
Mr. Allen Mak	3,030,904		3,030,904	—	US\$0.13	November 20, 2009	November 20, 2019	November 20, 2010	November 19, 2019
麥雅倫先生					0.13 美元	二零零九年十一月二十日	二零一九年十一月二十日	二零一零年十一月二十日	二零一九年十一月十九日
	3,030,904			3,030,904	US\$0.13	November 20, 2009	November 20, 2019	November 20, 2011	November 19, 2019
					0.13 美元	二零零九年十一月二十日	二零一九年十一月二十日	二零一一年十一月二十日	二零一九年十一月十九日
	3,030,904			3,030,904	US\$0.13	November 20, 2009	November 20, 2019	November 20, 2012	November 19, 2019
					0.13 美元	二零零九年十一月二十日	二零一九年十一月二十日	二零一二年十一月二十日	二零一九年十一月十九日
Independent Non-executive Directors									
獨立非執行董事									
Mr. Mei Jianping	633,967			633,967	US\$0.25	November 23, 2010	November 23, 2020	November 23, 2011	November 22, 2020
梅建平先生					0.25 美元	二零一零年十一月二十三日	二零二零年十一月二十三日	二零一一年十一月二十三日	二零二零年十一月二十二日
	633,966			633,966	US\$0.25	November 23, 2010	November 23, 2020	November 23, 2012	November 22, 2020
					0.25 美元	二零一零年十一月二十三日	二零二零年十一月二十三日	二零一二年十一月二十三日	二零二零年十一月二十二日
Mr. Jeffrey W. Miller	905,667			905,667	US\$0.25	November 23, 2010	November 23, 2020	November 23, 2011	November 22, 2020
Jeffrey W. Miller 先生					0.25 美元	二零一零年十一月二十三日	二零二零年十一月二十三日	二零一一年十一月二十三日	二零二零年十一月二十二日
	905,666			905,666	US\$0.25	November 23, 2010	November 23, 2020	November 23, 2012	November 22, 2020
					0.25 美元	二零一零年十一月二十三日	二零二零年十一月二十三日	二零一二年十一月二十三日	二零二零年十一月二十二日
Other employees									
其他員工									
	3,030,904		3,030,904	—	US\$0.13	November 20, 2009	November 20, 2019	November 20, 2010	November 19, 2019
					0.13 美元	二零零九年十一月二十日	二零一九年十一月二十日	二零一零年十一月二十日	二零一九年十一月十九日
	3,030,904			3,030,904	US\$0.13	November 20, 2009	November 20, 2019	November 20, 2011	November 19, 2019
					0.13 美元	二零零九年十一月二十日	二零一九年十一月二十日	二零一一年十一月二十日	二零一九年十一月十九日
	3,030,904			3,030,904	US\$0.13	November 20, 2009	November 20, 2019	November 20, 2012	November 19, 2019
					0.13 美元	二零零九年十一月二十日	二零一九年十一月二十日	二零一二年十一月二十日	二零一九年十一月十九日
Total 總計	28,084,179	—	6,061,808	22,022,371					



Report of the Directors (continued) 董事會報告(續)

(ii) Share option scheme (“Scheme”)

On November 27, 2010, the Board adopted the Scheme to enable the Company to grant options to selected participants as incentives or rewards for their contributions to our Group. Participants of the Scheme include any executive Director, non-executive Director or full time employee of the Group as invited by the Board. The Scheme shall be valid and effective for a period of 10 years commencing from the approval at the Scheme.

The exercise period of any option granted under the Scheme must not be more than ten years commencing on the date of grant. The acceptance of an offer of the grant of the option must be made within 28 days from the date of grant with a non-refundable payment of HK\$1.00 from the grantee. The exercise price determined by the Board will be at the higher of (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant; (ii) the average closing price of the shares as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the date of grant and (iii) the nominal value of the shares. The share options granted under the Scheme typically vest over three years on the last day of each year starting from the subsequent year of the grant, subject to the participant continuing to be an employee on each vesting date and other performance evaluation results.

(ii) 購股權計劃(「購股權計劃」)

於二零一零年十一月二十七日，董事會採用該計劃，本公司可向選定參與者授出購股權，作為彼等對本集團所作貢獻的獎勵或回報。該計劃參與者包括董事會邀請的本集團任何執行董事、非執行董事或全職僱員。購股權計劃將於該計劃獲批准起計10年期間有效及生效。

根據該計劃授出的任何購股權之行使期間不得超過授出日期起計十年。倘接納授出之購股權，承授人必須於授出日期後28天內支付1.00港元之不可退還付款。由董事會釐定之行使價將為下列三者中之較高者：(i)於授出日期在聯交所每日報價表所示的股份收市價；(ii)緊接授出日期前五個交易日在聯交所每日報價表所示的股份平均收市價及(iii)股份面值。根據購股權計劃授出的購股權一般於授出翌年起每年最後一天的三年內歸屬，惟參與者須於各歸屬日期仍為僱員及須受限於其他表現評估結果。



Report of the Directors (continued)

董事會報告(續)

Under the Scheme, a total of 112,048,000 share options were granted to Directors, executives and employees. Details of the share options outstanding as at December 31, 2011 which have been granted under the Scheme are as follows:

根據購股權計劃，合共112,048,000份購股權已授予董事、行政人員及僱員。根據購股權計劃已授出但於二零一一年十二月三十一日尚未行使的購股權詳情如下：

Name	Held at January 1, 2011 於二零一一年 一月一日	Number of options granted during the year 本年度 授出之 購股權數目	Number of options exercised during the year 本年度 已行使 購股權數目	Held at December 31, 2011 於二零一一年 十二月三十一日	Exercise price (per Share) 行權價(每股)	Date of grant 授出日	Date of expiration 到期日	Exercisable from 可予行使開始日期	Exercisable until 可予行使截止日期
Executive Directors									
執行董事									
Mr. Zhang Ruilin 張瑞霖先生		782,333		782,333	HK\$2.25 2.25港元	September 20, 2011 二零一一年九月二十日	September 20, 2021 二零一一年九月二十日	December 31, 2012 二零一二年十二月三十一日	September 19, 2021 二零一一年九月十九日
		782,333		782,333	HK\$2.25 2.25港元	September 20, 2011 二零一一年九月二十日	September 20, 2021 二零一一年九月二十日	December 31, 2013 二零一三年十二月三十一日	September 19, 2021 二零一一年九月十九日
		782,334		782,334	HK\$2.25 2.25港元	September 20, 2011 二零一一年九月二十日	September 20, 2021 二零一一年九月二十日	December 31, 2014 二零一四年十二月三十一日	September 19, 2021 二零一一年九月十九日
Mr. Zhao Jiangwei 趙江巍先生		782,333		782,333	HK\$2.25 2.25港元	September 20, 2011 二零一一年九月二十日	September 20, 2021 二零一一年九月二十日	December 31, 2012 二零一二年十二月三十一日	September 19, 2021 二零一一年九月十九日
		782,333		782,333	HK\$2.25 2.25港元	September 20, 2011 二零一一年九月二十日	September 20, 2021 二零一一年九月二十日	December 31, 2013 二零一三年十二月三十一日	September 19, 2021 二零一一年九月十九日
		782,334		782,334	HK\$2.25 2.25港元	September 20, 2011 二零一一年九月二十日	September 20, 2021 二零一一年九月二十日	December 31, 2014 二零一四年十二月三十一日	September 19, 2021 二零一一年九月十九日
Mr. Forrest Lee Dietrich Forrest Lee Dietrich先生		782,333		782,333	HK\$2.25 2.25港元	September 20, 2011 二零一一年九月二十日	September 20, 2021 二零一一年九月二十日	December 31, 2012 二零一二年十二月三十一日	September 19, 2021 二零一一年九月十九日
		782,333		782,333	HK\$2.25 2.25港元	September 20, 2011 二零一一年九月二十日	September 20, 2021 二零一一年九月二十日	December 31, 2013 二零一三年十二月三十一日	September 19, 2021 二零一一年九月十九日
		782,334		782,334	HK\$2.25 2.25港元	September 20, 2011 二零一一年九月二十日	September 20, 2021 二零一一年九月二十日	December 31, 2014 二零一四年十二月三十一日	September 19, 2021 二零一一年九月十九日
Mr. Allen Mak 麥雅倫先生		782,333		782,333	HK\$2.25 2.25港元	September 20, 2011 二零一一年九月二十日	September 20, 2021 二零一一年九月二十日	December 31, 2012 二零一二年十二月三十一日	September 19, 2021 二零一一年九月十九日
		782,333		782,333	HK\$2.25 2.25港元	September 20, 2011 二零一一年九月二十日	September 20, 2021 二零一一年九月二十日	December 31, 2013 二零一三年十二月三十一日	September 19, 2021 二零一一年九月十九日
		782,334		782,334	HK\$2.25 2.25港元	September 20, 2011 二零一一年九月二十日	September 20, 2021 二零一一年九月二十日	December 31, 2014 二零一四年十二月三十一日	September 19, 2021 二零一一年九月十九日
Other employees									
其他員工									
		34,220,000		34,220,000	HK\$2.25 2.25港元	September 20, 2011 二零一一年九月二十日	September 20, 2021 二零一一年九月二十日	December 31, 2012 二零一二年十二月三十一日	September 19, 2021 二零一一年九月十九日
		34,220,000		34,220,000	HK\$2.25 2.25港元	September 20, 2011 二零一一年九月二十日	September 20, 2021 二零一一年九月二十日	December 31, 2013 二零一三年十二月三十一日	September 19, 2021 二零一一年九月十九日
		34,220,000		34,220,000	HK\$2.25 2.25港元	September 20, 2011 二零一一年九月二十日	September 20, 2021 二零一一年九月二十日	December 31, 2014 二零一四年十二月三十一日	September 19, 2021 二零一一年九月十九日
Total 總計		112,048,000	—	112,048,000					



Report of the Directors (continued)

董事會報告(續)

At September 19, 2011, the date before the options were granted, the market value per share was HK\$2.22. The value of the options granted to the respective parties is as follows:

於二零一一年九月十九日，即購股權授出前當日，每股股份市值為2.22港元。授予各個人士之購股權價值如下：

		RMB'000 人民幣千元
Mr. Zhang Ruilin	張瑞霖先生	2,269
Mr. Zhao Jiangwei	趙江巍先生	2,269
Mr. Forrest Lee Dietrich	Forrest Lee Dietrich 先生	2,269
Mr. Allen Mak	麥雅倫先生	2,269
Other employees	其他員工	99,249
Total	總計	108,325

The fair value of options granted on September 20, 2011 determined using the Binomial Mode was HK\$1.18 per option. The significant inputs into the model were fair value per share of HK\$2.13 at the grant date, exercise price of HK\$2.254 per share, volatility of 66.01%, dividend yield of 0%, an option life of ten years, and an annual risk-free interest rate of 1.44%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of weekly share prices of comparable companies over the last ten years.

於二零一一年九月二十日授出的購股權的公允價值為每份購股權1.18港元，乃採用二項式模型釐定。該模型重要的輸入數值為於授出日的每股公允價值2.13港元、行權價為每股2.254港元、波幅66.01%、股息率0%、購股權年期十年及年度無風險利率1.44%。按連續複利股票收益的標準差計量的波幅乃基於過去十年來可比較公司每周股份價格的統計分析。

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme, the Plan and any other share option scheme of the Company to each participant in any 12 month period shall not exceed 1% of the issued share capital of the Company from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme, the Plan and any other share option scheme of our Company must not in aggregate exceed 10% of the shares in issue as at the Listing Date.

於根據購股權計劃、該計劃及本公司任何其他購股權計劃授出的購股權獲行使時，發行及可能發行予各參與者的股份總數於任何十二個月期間內不得超過本公司不時之已發行股本的1%。於根據購股權計劃、該計劃及本公司任何其他購股權計劃將予授出的所有購股權獲行使時，可能發行的股份總數合共不得超過於上市日期已發行的股份數目的10%。

As at the date of this report the maximum number of shares available for issue under the Scheme and the Plan is 285,710,786 shares, representing approximately 10.8% of the issued share capital.

於本報告日期，根據購股權計劃及該計劃可發行之股份的最大數目為285,710,786股，佔已發行股本約10.8%。



Report of the Directors (continued)

董事會報告(續)

Directors

The Directors during the year and up to the date of this report were:

Executive Directors

Mr. Zhang Ruilin (Chairman)
Mr. Zhao Jiangwei
Mr. Forrest Lee Dietrich
Mr. Allen Mak

Non-executive Director

Mr. Wang Sing
Mr. Law Cheuk Kin, Stephen (alternate to Mr. Wang Sing)

Independent Non-executive Directors

Mr. Mei Jianping
Mr. Jeffrey W. Miller
Mr. Cai Rucheng

In accordance with Article 16.18 of the Company's Articles of Association, Mr. Allen Mak, Mr. Wang Sing and Mr. Mei Jianping shall retire by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

Mr. Mei Jianping, Mr. Jeffrey W. Miller and Mr. Cai Rucheng are independent non-executive Directors and were appointed for a three-year term expiring on November 26, 2013.

Directors' Service Contracts

We had entered into letters of appointment with each of our Directors, pursuant to which each of the executive Directors and the non-executive Director is appointed for terms of three years with effect from November 23, 2010, and each of the independent non-executive Directors is appointed for terms of three years with effect from November 27, 2010, subject to re-election in accordance with our Articles of Association at our annual general meetings.

董事

於本年度及直至本報告日期，列任董事如下：

執行董事

張瑞霖先生 (主席)
趙江巍先生
Forrest Lee Dietrich 先生
麥雅倫先生

非執行董事

王斌先生
羅卓堅先生 (王斌先生的替任董事)

獨立非執行董事

梅建平先生
Jeffrey W. Miller 先生
才汝成先生

根據本公司組織章程細則第16.18條，麥雅倫先生、王斌先生及梅建平先生須於應屆股東週年大會上輪值退任，惟符合資格膺選連任。

梅建平先生、Jeffrey W. Miller 先生及才汝成先生均為獨立非執行董事，任期為三年，於二零一三年十一月二十六日屆滿。

董事服務合同

本公司已和各董事訂立委任書，據此，各執行董事及非執行董事獲委任的任期為三年，由二零一零年十一月二十三日起生效，及各獨立非執行董事獲委任的任期為三年，由二零一零年十一月二十七日起生效，惟須根據本公司組織章程細則於本公司股東週年大會上重選連任。



Report of the Directors (continued)

董事會報告(續)

On November 20, 2009, Mr. Zhang Ruilin (“Mr. Zhang”) and Mr. Zhao Jiangwei (“Mr. Zhao”), each an executive Director, has entered into a service contract with the Company and MIE respectively, which is renewable yearly unless terminated (i) with twelve month’s notice by either party, or (ii) by the Company or MIE (as applicable) upon certain events such as the Director having committed serious or persistent breaches of the service contract. Should the Company or MIE (as applicable) terminate the service contract, Mr. Zhang and Mr. Zhao will be entitled to receive a severance payment equivalent to one year’s basic pay under the service contract, save for circumstances described in item (ii) above.

Save as disclosed above, none of our Directors had entered into a service contract with us which does not expire or which is not terminable by us within one year without the payment of compensation (other than statutory compensation).

Directors’ Interests in Contracts and Continued Connected Transactions

During the year ended December 31, 2011, the Group had the following transactions with Ms. Zhao Jiangbo (“Mrs. Zhang”) and Jilin Guotai Petroleum Development Company (“Jilin Guotai”), which are connected persons of the Company under the Listing Rules.

- (A) Lease of vehicles by Mrs. Zhang to the Company
- (B) Lease of office spaces by Mrs. Zhang to us
- (C) Lease of vehicles by Jilin Guotai to us
- (D) Provision of oilfield services by Jilin Guotai to us

Note: all above leases or services were provided at a fee chargeable to us with reference to comparable market price and based on normal commercial terms that are no less favorable than terms offered by independent third parties to the Group as agreed.

於二零零九年十一月二十日，張瑞霖先生(「張先生」)及趙江巍先生(「趙先生」)(各為執行董事)分別與本公司及MIE訂立服務合同，有關服務合同可每年續約，除非(i)由任何一方發出十二個月的通知予以終止，或(ii)於出現若干情況時(如董事嚴重違背或反覆違背服務合同)，由本公司或MIE(如適用)予以終止。倘本公司或MIE(如適用)終止服務合同，則張先生及趙先生將可收取一筆相等於彼等於各自服務合同項下全年基本薪資的遣散費，惟出現上文(ii)項所述情況者例外。

除以上所披露者外，本公司董事並無與本公司訂立並非於一年內屆滿或本公司不可於一年內不付賠償(法定賠償除外)而終止的服務合同。

董事於合同及持續關連交易的權益

於截至二零一一年十二月三十一日止年度，本集團與趙江波女士(「張夫人」)及吉林省國泰石油開發有限公司(「吉林國泰」)(根據上市規則為本公司之關連人士)進行了以下交易。

- (A) 張夫人向本公司出租汽車
- (B) 張夫人向本公司出租辦公室
- (C) 吉林國泰向本公司出租汽車
- (D) 吉林國泰向本公司提供油田服務

*附註：*上述提供予本公司的所有租約或服務費用乃參考可比較市場價格及根據經協定的正常商業條款釐定，其條款不遜於獨立第三方向本集團所提供者。



Report of the Directors (continued) 董事會報告(續)

Category I – Continuing Connected Transactions Exempt from Independent Shareholders' Approval

(A) Lease of vehicles by Mrs. Zhang to us

Mrs. Zhang is the spouse of Mr. Zhang Ruilin, and is therefore a connected person of our company. Since 2008, Mrs. Zhang has been regularly leasing a substantial number of vehicles to us.

On November 23, 2010, we entered into a framework vehicle rental agreement with Mrs. Zhang on (the "Vehicle Rental Agreement"), pursuant to which Mrs. Zhang agreed to rent to us a number of vehicles for the purpose of the day-to-day business operations of our Group, subject to the entering into of individual contracts as agreed between Mrs. Zhang and us pursuant to the Vehicle Rental Agreement.

An individual car rental contract was entered into on March 29, 2011, for an aggregate yearly rental fee of approximately RMB3.5 million. The rental fees paid by us to Mrs. Zhang are based on normal commercial terms and negotiated on arm's length basis between the parties, and are no less favourable than terms offered by independent third parties to our Group.

(B) Lease of office spaces by Mrs. Zhang to us

We entered into a lease agreement with Mrs. Zhang on November 28, 2010, pursuant to which Mrs. Zhang agreed to lease to us with effect from January 1, 2011 and valid until December 31, 2012 two office spaces located at Suites 402 and 406, Block C, Grand Place, No. 5 Hui Zhong Road, Chaoyang District, Beijing, the PRC (the "Office Premises"), for an aggregate rental fee of approximately RMB1.3 million for year 2011 and RMB1.5 million for year 2012 respectively.

第一類 – 豁免遵守獨立股東批准規定之持續關連交易

(A) 張夫人向本公司出租汽車

張夫人為張瑞霖先生之配偶，因此為本公司之關連人士。自二零零八年以來，張夫人一直向我們定期出租大量汽車。

於二零一零年十一月二十三日，本公司與張夫人訂立框架汽車租賃協議（「汽車租賃協議」），據此，張夫人同意向本公司出租多輛汽車，以用於本集團的日常業務經營，惟根據汽車租賃協議，有待張夫人與本公司訂立個別合同。

本公司於二零一一年三月二十九日訂立個別汽車租賃合同，年租金合共約人民幣350萬元。本公司向張夫人支付的租金乃根據正常商業條款由雙方按公平基準磋商釐定，且其條款不遜於獨立第三方向本集團所提供者。

(B) 張夫人向本公司出租辦公室

本公司於二零一零年十一月二十八日與張夫人訂立租賃協議，據此，張夫人同意於二零一一年一月一日起至二零一二年十二月三十一日止期間，向本公司出租位於中國北京朝陽區慧忠路5號遠大中心C座402及406室的兩個辦公室（「辦公室物業」），二零一一年及二零一二年的租金總額分別約為人民幣130萬元及人民幣150萬元。



Report of the Directors (continued)

董事會報告(續)

On January 6, 2012, we entered into a supplemental agreement with Mrs. Zhang and cancelled the lease of office space located at Suite 406, Block C, Grand Place, No. 5 Hui Zhong Road, Chaoyang District, Beijing, the PRC. Then the aggregate rental fee for year 2012 was reduced to RMB0.7 million. The rental fees paid by us to Mrs. Zhang are based on normal commercial terms and negotiated on arm's length basis between the parties, and are no less favourable than terms offered by independent third parties to our Group.

(C) Lease of vehicles by Jilin Guotai to us

Jilin Guotai is owned by Mrs. Zhang and Mr. Zhao Jiangwei, and is therefore a connected person of our company.

On November 23, 2010, we entered into a framework vehicle rental agreement with Jilin Guotai (the "Guotai Vehicle Rental Agreement"), pursuant to which Jilin Guotai agreed to rent to us a number of vehicles for the purpose of the day-to-day business operations of our Group, subject to the entering into of individual contracts as agreed between Jilin Guotai and us.

An individual car rental contract was entered into for an aggregate yearly rental fee of approximately RMB2.5 million on March 14, 2011. The rental fees paid by us to Guotai are based on normal commercial terms and negotiated on arm's length basis between the parties, and are no less favourable than terms offered by independent third parties to our Group.

於二零一二年一月六日，我們與張夫人訂立補充協議，並取消租賃位於中國北京朝陽區慧忠路5號遠大中心C座406室的辦公室物業。此後，二零一二年的租金總額減少至人民幣70萬元。我們向張夫人支付的租金乃根據正常商業條款由雙方按公平磋商而釐訂，且其條款不遜於獨立第三方向本集團所提供者。

(C) 吉林國泰向本公司出租汽車

吉林國泰由張夫人及趙江巍先生擁有，因此為本公司的關連人士。

本公司於二零一零年十一月二十三日與吉林國泰訂立框架汽車租賃協議(「國泰汽車租賃協議」)，據此，吉林國泰同意向本公司出租多輛汽車，以用於本集團的日常業務經營，惟有待吉林國泰與本公司訂立個別合同。

已於二零一一年三月十四日訂立個別汽車租賃合同，年租金合共約人民幣250萬元。本公司向國泰支付的租金乃根據正常商業條款由雙方按公平基準磋商釐定，且其條款不遜於獨立第三方向本集團所提供者。



Report of the Directors (continued)

董事會報告(續)

Category II — Non-exempt Continuing Connected Transactions

(D) Provision of oilfield services by Jilin Guotai to us

On November 23, 2010, we entered into a framework oilfield service agreement with Jilin Guotai (the “Oilfield Service Agreement”), pursuant to which Jilin Guotai agreed to provide to us various oilfield services including well maintenance services, well logging services, oil tanker transportation services, oilfield construction related works and other oil operations related services, subject to the entering into of individual contracts as agreed between Jilin Guotai and us pursuant to the Oilfield Service Agreement. The service fees will be based on normal commercial terms and negotiated on arm’s length basis between the parties, and shall be no less favourable than those offered by Independent Third Parties to our Group.

As listed below, the aggregate annual transaction amount of each continuing connected transaction for the year ended December 31, 2011 has not exceeded the respective proposed annual cap granted by the Stock Exchange and disclosed in the Company’s prospectus dated December 1, 2010.

第二類 — 非豁免持續關連交易

(D) 吉林國泰向本公司提供油田服務

本公司於二零一零年十一月二十三日與吉林國泰訂立框架油田服務協議(「油田服務協議」)，據此，吉林國泰同意向本公司提供各類油田服務，包括修井服務、測井服務、油罐運輸服務、油田建設相關工程及其他石油作業相關服務，惟根據油田服務協議，有待吉林國泰與本公司訂立協定的個別合同。服務費將根據正常商業條款由雙方按公平基準磋商釐定，且其條款不得遜於獨立第三方向本集團所提供者。

誠如下文所列，各持續關連交易於截至二零一一年十二月三十一日止年度之年度交易總額不超過聯交所批准及本公司於二零一零年十二月一日刊發之招股章程披露的有關建議年度上限。

Connected Person 關連人士	Nature of transaction 交易性質	Proposed annual cap 建議年度上限	Transaction amount in 2011 二零一一年交易額
Mrs. Zhang 張夫人	Lease of vehicles by Mrs. Zhang to the Company 張夫人向本公司出租汽車	RMB5.0 million 人民幣500萬元	RMB3.5 million 人民幣350萬元
Mrs. Zhang 張夫人	Lease of office spaces by Mrs. Zhang to the Company 張夫人向本公司出租辦公室	RMB1.3 million 人民幣130萬元	RMB1.3 million 人民幣130萬元
Jilin Guotai 吉林國泰	Lease of vehicles by Jilin Guotai to the Company 吉林國泰向本公司出租汽車	RMB3.0 million 人民幣300萬元	RMB2.5 million 人民幣250萬元
Jilin Guotai 吉林國泰	Provision of oilfield services by Jilin Guotai to the Company 吉林國泰向本公司提供油田服務	RMB169 million 人民幣1.69億元	RMB163.3 million 人民幣1.633億元



Report of the Directors (continued)

董事會報告(續)

In the opinion of the independent non-executive Directors, the above transactions were carried out in the ordinary and usual course of business; either under normal commercial terms or, if there was no available comparison, on terms no less favourable to the Group than those available from independent third parties; and in accordance with the relevant agreements governing them and on terms that are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole. Details of such connected transactions are set out in note 31 to the consolidated financial statements under header "Transactions with a Company/person related to the controlling shareholder of FEEL".

The auditor has confirmed that for the year 2011 the continuing connected transactions (i) have received approval of the Board of Directors of the Company; (ii) are in accordance with the pricing policies of the Company, where applicable; (iii) have been entered into in accordance with the terms of the agreements governing the transactions; and (iv) have not exceeded the respective cap amounts for the financial year ended December 31, 2011 as disclosed in the prospectus of the Company dated December 1, 2010.

Save as disclosed above, no contract of significance to which the Company or any of its fellow subsidiaries or subsidiaries was a party and in which a director of the Company had a materials interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Save as disclosed above, there is no contract of significance between the Group and a controlling shareholder of the Company (as defined in the Listing Rules) or any of its subsidiaries, including the provision of services by the controlling shareholder or its subsidiaries to the Group.

Biographical Details of Directors

Brief biographical details of Directors are set out on page 14.

獨立非執行董事認為，以上交易乃於一般及日常業務過程中；按正常商業條款或不遜於獨立第三方向本集團提供者（倘無可比較條款）；並根據有關規管協議按屬公平合理及符合本公司及其股東整體利益的條款而進行。該等關連交易載於合併財務報表的附註31「與FEEL控股股東有關的關聯公司／人士的交易」內。

核數師已確認，於二零一一年，持續關連交易(i)已獲本公司董事會批准；(ii)符合本公司的定價政策(如適用)；(iii)乃根據規管交易之協議之條款進行；及(iv)於截至二零一一年十二月三十一日止財政年度並無超逾本公司於二零一零年十二月一日刊發之招股章程所披露之各個上限。

除上文披露者外，年末或年內任何時間並無本公司或其任何同系附屬公司或附屬公司簽訂且本公司董事直接或間接擁有重大權益的任何重大合同。

除上文披露者外，本集團與本公司控股股東(定義見上市規則)或其任何附屬公司並無訂立任何重大合同(包括控股股東或其附屬公司向本集團提供服務)。

董事履歷

董事履歷載於第14頁。



Report of the Directors (continued)

董事會報告(續)

Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation

As at December 31, 2011, the interests or short position of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance ("SFO"), which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") contained in the Listing Rules, were detailed as follows:

董事及主要行政人員於本公司或任何相聯法團的股份、相關股份及債權證中擁有的權益及／或淡倉

於二零一一年十二月三十一日，本公司董事及主要行政人員於本公司及其相聯法團(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例的條文而當作或被視為擁有的權益及淡倉)，或根據證券及期貨條例第352條的規定須登記於該條所指的登記冊內的權益或淡倉，或根據載於上市規則內上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益或淡倉如下：

Name of Director	Name of corporation	Capacity/Nature of interest	Number of shares	Number of underlying shares	Approximate total percentage of interest in the corporation
董事姓名	法團名稱	身份／權益性質	股份數目	相關股份數目	佔法團權益的概約總百分比
Mr. Zhang Ruilin 張瑞霖先生	Our Company 本公司	Interest of controlled corporation (Note 1)	1,414,600,000		53.43%
		Beneficial owner (Note 2)		2,347,000	0.09%
Mr. Zhao Jiangwei 趙江巍先生	Our Company 本公司	Interest of controlled corporation (Note 1)	1,414,600,000		53.43%
		Beneficial owner (Note 2)		2,347,000	0.09%
Mr. Zhang Ruilin 張瑞霖先生	FEEL	Beneficial owner (Note 1)	999		9.99%
Mr. Zhao Jiangwei 趙江巍先生	FEEL	Beneficial owner (Note 1)	9,000		90.0%
Mr. Forrest Lee Dietrich Forrest Lee Dietrich先生	Our Company 本公司	Beneficial owner		9,166,489	0.35%



Report of the Directors (continued)

董事會報告(續)

Name of Director	Name of corporation	Capacity/Nature of interest	Number of shares	Number of underlying shares	Approximate total percentage of interest in the corporation
董事姓名	法團名稱	身份/權益性質	股份數目	相關股份數目	佔法團權益的概約總百分比
Mr. Allen Mak 麥雅倫先生	Our Company 本公司	Beneficial owner 實益擁有人	3,030,904	8,408,808	0.43%
Mr. Mei Jianping 梅建平先生	Our Company 本公司	Beneficial owner 實益擁有人		1,267,933	0.05%
Mr. Jeffrey W. Miller Jeffrey W. Miller 先生	Our Company 本公司	Beneficial owner 實益擁有人		1,811,333	0.06%

Notes:

- (1) FEEL is held by Mr. Zhang and Mr. Zhao as to 9.99% and 90%, respectively. On May 16, 2003, 9,999 shares in FEEL were issued to Mr. Zhang, who then transferred 9,000 shares out of his 9,999 shares to Mr. Zhao on October 4, 2003. Mr. Zhang and Mr. Zhao have entered into an Acting-in-Concert Agreement under which they agreed to act in concert in relation to all matters that require the decisions of the shareholders of FEEL. Pursuant to the Acting-in-Concert Agreement, if a unanimous opinion in relation to the matters that require action in concert is unable to be reached, Mr. Zhang shall be allowed to vote on both his and Mr. Zhao's shares. The Acting-in-Concert Agreement is governed by the laws of the State of New York. Our PRC legal counsel, Zhong Lun Law Firm, has confirmed that the provisions of the Acting-in-Concert Agreement do not violate the relevant laws of the PRC. After consultation with our U.S. counsel, our Directors are of the view that the Acting-in-Concert Agreement is a legally valid, binding and enforceable agreement of the parties.
- (2) These interests represent interests in outstanding stock options under the Plan and the Scheme. For further details, please refer to the above section headed "Share Options".

附註:

- (1) FEEL由張先生及趙先生分別擁有9.99%及90%權益。於二零零三年五月十六日，FEEL的9,999股股份發行予張先生，而張先生於二零零三年十月四日將其9,999股股份中的9,000股股份轉讓予趙先生。張先生與趙先生已訂立一致行動協議，據此，彼等就需由FEEL股東決定的一切事項同意一致行動。根據一致行動協議，倘未能達成有關一致行動事項的一致意見，張先生獲准就其與趙先生的股份進行投票表決。一致行動協議受紐約州法律監管。我們的中國法律顧問中倫律師事務所已確認，該一致行動協議的條文並無違反中國相關法律。經諮詢我們的美國法律顧問後，我們的董事認為，一致行動協議乃雙方一項有法律效用、具約束力且可執行的協議。
- (2) 該等權益指該計劃及購股權計劃項下未行使的購股權中的權益。有關進一步詳情，請參閱上文「購股權」一節。

Save as disclosed above and in the above section headed "Share Options", as at December 31, 2011, none of the Directors or the chief executive of our Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she had taken or was deemed to have under such provisions of the SFO) or which were required to be entered into the register kept by our Company pursuant to Section 352 of the SFO or which were required to be notified to our Company and the Stock Exchange pursuant to the Model Code; nor had there been any grant or exercise of rights of such interests during the year ended December 31, 2011.

除上文及上文「購股權」一節所披露者外，於二零一一年十二月三十一日，本公司董事或主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中概無擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例的條文而當作或被視為擁有的權益及淡倉)，或根據證券及期貨條例第352條的規定須登記於本公司存置的登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉；於截至二零一一年十二月三十一日止年度，亦無授予或行使該等權益之權利。



Report of the Directors (continued)

董事會報告(續)

Substantial Shareholders' Interests and/or Short Positions in the Shares, Underlying Shares of the Company

As at December 31, 2011, the following persons (other than the Directors, chief executive(s) or members of our Group) had interests and/or short positions in the shares or underlying shares of our Company as recorded in the register required to be kept by our Company under Section 336 of the Securities and Futures Ordinance.

主要股東於本公司的股份、相關股份中擁有的權益及／或淡倉

於二零一一年十二月三十一日，下列人士(除董事、主要行政人員或本集團成員公司外)於本公司之股份或相關股份中擁有根據證券及期貨條例第336條本公司須存置之登記冊所記錄的權益及／或淡倉。

Name of interested	Party Capacity/ Nature of interest	Total number of shares (assuming option is not exercised)	Approximate percentage of interest in our company
權益方名稱	身份／權益性質	股份總數(假設並無 行使購股權)	佔本公司權益的 概約百分比
FEEL	Beneficial owner (Note 1) 實益擁有人(附註1)	1,414,600,000	53.43%
Mr. Fung Che 車峰先生	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	252,196,000	9.53%
Ever Union Capital Limited	Beneficial owner and Interest of controlled corporation (Note 2) 實益擁有人及受控制法團權益(附註2)	252,196,000	9.53%
Harmony Energy	Beneficial owner (Note 2) 實益擁有人(附註2)	237,438,000	8.97%
David Bonderman	Interest of controlled corporation (Note 3) 受控制法團權益(附註3)	230,838,000	8.72%
James Coulter	Interest of controlled corporation (Note 3) 受控制法團權益(附註3)	230,838,000	8.72%
TPG Star Energy Ltd.	Beneficial owner (Note 3) 實益擁有人(附註3)	211,855,234	8.0%



Report of the Directors (continued)

董事會報告(續)

(1) FEEL is held by Mr. Zhang and Mr. Zhao as to 9.99% and 90%, respectively. On May 16, 2003, 9,999 shares in FEEL were issued to Mr. Zhang, who then transferred 9,000 shares out of his 9,999 shares to Mr. Zhao on October 4, 2003. Mr. Zhang and Mr. Zhao have entered into an Acting-in-Concert Agreement under which they agreed to act in concert in relation to all matters that require the decisions of the shareholders of FEEL. Pursuant to the Acting-in-Concert Agreement, if a unanimous opinion in relation to the matters that require action in concert is unable to be reached, Mr. Zhang shall be allowed to vote on both his and Mr. Zhao's shares. The Acting-in-Concert Agreement is governed by the laws of the State of New York. Our PRC legal counsel, Zhong Lun Law Firm, has confirmed that the provisions of the Acting-in-Concert Agreement do not violate the relevant laws of the PRC. After consultation with our U.S. counsel, our Directors are of the view that the Acting-in-Concert Agreement is a legally valid, binding and enforceable agreement of the parties.

(2) Harmony Energy Limited is a wholly owned subsidiary of Ever Union Capital Limited which also holds 14,758,000 shares directly amongst 252,196,000 shares. Mr. Che Fung is the sole shareholder of Ever Union Capital Limited and has voting and investment control over the securities beneficially owned by Ever Union Capital Limited.

(3) The interests deemed to be held by each of David Bonderman and James Coulter consists of 211,855,234 ordinary shares held by TPG and 18,982,766 ordinary shares held by TPG Star Energy Co-Invest, LLC. The sole shareholder of TPG is TPG Star, L.P., a Delaware limited partnership, which is managed by its general partner, TPG Star GenPar, L.P., a Delaware limited partnership, which is managed by its general partner, TPG Star GenPar Advisors, LLC., a Delaware limited liability company, whose sole member is TPG Holdings I, L.P., a Delaware limited partnership, which is managed by its general partner, TPG Holdings I-A, LLC, a Delaware limited liability company, whose sole member is TPG Group Holdings (SBS), L.P., a Delaware limited partnership, which is managed by its general partner, TPG Group Holdings (SBS) Advisors, Inc., a Delaware company, whose shareholders are David Bonderman and James Coulter.

TPG Star Energy Co-Invest, LLC is a Delaware limited liability company, whose managing member is TPG Star Advisors, L.L.C., a Delaware limited liability company, whose sole member is TPG Ventures Holdings, L.L.C., a Delaware limited liability company, whose managing member is TPG Ventures Partners, L.P., a Delaware limited partnership, which is managed by its general partner, TPG Ventures Professionals, L.P., a Delaware limited partnership, which is managed by its general partner, Tarrant Advisors, Inc., a Texas company, whose sole shareholder is Tarrant Capital Advisors, Inc., a Delaware company, whose shareholders are David Bonderman and James Coulter.

(1) FEEL由張先生及趙先生分別擁有9.99%及90%權益。於二零零三年五月十六日，FEEL的9,999股股份發行予張先生，而張先生於二零零三年十月四日將其9,999股股份中的9,000股股份轉讓予趙先生。張先生與趙先生已訂立一致行動協議，據此，彼等就需由FEEL股東決定的一切事項同意一致行動。根據一致行動協議，倘未能達成有關需一致行動事項的一致意見，張先生獲准就其與趙先生的股份進行投票表決。一致行動協議受紐約州法律監管。我們的中國法律顧問中倫律師事務所已確認，該一致行動協議的條文並無違反中國相關法律。經諮詢我們的美國法律顧問後，我們的董事認為，一致行動協議乃雙方一項有法律效用、具約束力且可執行的協議。

(2) Harmony Energy Limited為Ever Union Capital Limited的全資附屬公司，而Ever Union Capital Limited亦持有252,196,000股股份中的14,758,000股股份。車峰先生為Ever Union Capital Limited的唯一股東，並對Ever Union Capital Limited實益擁有的證券擁有表決及投資控制權。

(3) 被視為由David Bonderman及James Coulter各自持有的權益由TPG持有的211,855,234股普通股及TPG Star Energy Co-Invest, LLC持有的18,982,766股普通股組成。TPG的唯一股東為TPG Star, L.P. (一家特拉華州有限合夥人)，由其一般合夥人TPG Star GenPar, L.P. (一家特拉華州有限合夥人) 管理。TPG Star GenPar, L.P. 由其一般合夥人TPG Star GenPar Advisors, LLC. (一家特拉華州有限公司) 管理。TPG Star GenPar Advisors, LLC. 的唯一股東為TPG Holdings I, L.P. (一家特拉華州有限公司)，TPG Holdings I, L.P. 由其一般合夥人TPG Holdings I-A, LLC (一家特拉華州有限公司) 管理。TPG Holdings I-A, LLC 的唯一股東為TPG Group Holdings (SBS), L.P. (一家特拉華州有限合夥人)，TPG Group Holdings (SBS), L.P. 由其一般合夥人TPG Group Holdings (SBS) Advisors, Inc. (一家特拉華州公司) 管理，其股東為David Bonderman及James Coulter。

TPG Star Energy Co-Invest, LLC為一家特拉華州有限公司，其管理成員為TPG Star Advisors, L.L.C. (一家特拉華州有限公司)。TPG Star Advisors, L.L.C. 的唯一股東為TPG Ventures Holdings, L.L.C. (一家特拉華州有限公司)。TPG Ventures Holdings, L.L.C. 的管理成員為TPG Ventures Partners, L.P. (一家特拉華州有限合夥人)，而TPG Ventures Partners, L.P. 由其一般合夥人TPG Ventures Professionals, L.P. (一家特拉華州有限合夥人) 管理。TPG Ventures Professionals, L.P. 由其一般合夥人Tarrant Advisors, Inc. (一家德克薩斯州公司) 管理。Tarrant Advisors, Inc. 的唯一股東為Tarrant Capital Advisors, Inc. (一家特拉華州公司)，其股東為David Bonderman及James Coulter。



Report of the Directors (continued) 董事會報告(續)

Save as disclosed above, as at December 31, 2011, no person (other than the Directors or the chief executive of our Company, whose interests have been disclosed in the above section headed "Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation") had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO.

Changes of Information of Directors

Mr. Law Cheuk Kin, Stephen, an alternate Director to Mr. Wang Sing who is a non-executive Director of the Company, has been appointed as a non-executive Director of NT Pharma Group Company Limited with effect from March 25, 2011.

Mr. Wang Sing, who is a non-executive Director of the Company has been appointed as a non-executive Director and a member of the audit committee and investment committee of China Renewable Energy Investment Limited with effect from June 8, 2011.

Major Suppliers and Customers

During the year, the Group purchased 23.3% of its goods and services from its largest supplier Jilin Guotai and around 52.7% of its goods and services from its 5 largest suppliers. The Group sold 96.3% of the crude oil and gas produced to its largest customer PetroChina and sold 100% of the crude oil and gas produced to its 5 largest customers.

Jilin Guotai is owned by Mrs. Zhang and Mr. Zhao and is one of our 5 largest suppliers. Save as disclosed above, none of our Directors, their associates or any shareholders (which to the knowledge of the Directors own more than 5% of our share capital) has any interest in the 5 largest suppliers or PetroChina.

Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares as required under the Listing Rules during the year ended December 31, 2011.

除上文所述者外，於二零一一年十二月三十一日，概無任何人士(除於上文「董事及主要行政人員於本公司或任何相聯法團的股份、相關股份及債權證中擁有的權益及／或淡倉」一節已披露權益的本公司董事或主要行政人員外)於本公司之股份或相關股份中擁有根據證券及期貨條例第336條登記於本公司存置之登記冊內的權益或淡倉。

董事資料變更

本公司非執行董事王斌先生之替任董事羅卓堅先生已獲委任為中國泰凌醫藥集團有限公司之非執行董事，自二零一一年三月二十五日生效。

本公司非執行董事王斌先生已獲委任為中國再生能源投資有限公司之非執行董事以及審核委員會及投資委員會成員，自二零一一年六月八日生效。

主要供應商及客戶

年內，本集團向其最大供應商吉林國泰採購23.3%的商品及服務，並向五大供應商採購約52.7%的商品及服務。本集團向其最大客戶中石油出售96.3%產出的原油及天然氣，並向其五大客戶出售100%產出的原油及天然氣。

吉林國泰由張夫人及趙先生擁有，是本公司的五大供應商之一。除上述披露者外，本公司董事、彼等之聯繫人或任何股東(據董事所知於本公司股本中擁有超過5%權益)概無於該五大供應商或中石油中擁有任何權益。

充足公眾持股量

根據本公司公開可得之資料及據董事所知，其確認於截至二零一一年十二月三十一日止年度，本公司根據上市規則要求至少25%已發行股份由公眾持有。



Report of the Directors (continued)

董事會報告(續)

Competing Business

None of the Directors or the management shareholders of the Company had an interest in a business which competes with the Company or may compete with the business of the Group. In the opinion of the independent non-executive Directors, our controlling shareholders are in compliance with the non-competition deed executed by the controlling shareholders in favor of the Company.

Use of Proceeds from the Global Offering

On December 14, 2010, the Company issued 662,000,000 shares at HK\$1.70 per share by way of the global offering. The net proceeds after deducting the relevant expenses were approximately RMB503.8 million (without taking into account the partial exercise of the overallotment option).

The use of proceeds as stated in the prospectus was as follows:

- Approximately 55% was expected to be used to expand our operations by acquiring interests in other oil fields.
- Approximately 35% was expected to be used to drill new wells and develop advanced technology.
- Approximately 10% was expected to be used for working capital and general corporate purposes.

Up to December 31, 2011, the net proceeds received from the global offering were applied in accordance with the application described in the Company's prospectus.

競爭業務

本公司概無任何董事或管理層股東於與本公司業務競爭或可能與本集團業務構成競爭之業務中擁有任何權益。獨立非執行董事認為，我們的控股股東已遵守控股股東以本公司為受益人簽立之不競爭契據。

全球發售所得款項用途

於二零一零年十二月十四日，本公司以全球發售的方式發行662,000,000股每股面值1.70港元的股份。扣除相關開支後的所得款項淨額約為人民幣503,800,000元（並未考慮部份行使超額配股權）。

招股章程所載的所得款項用途如下：

- 約55% 預期用作透過收購其他油田的權益以擴充我們的營運。
- 約35% 預期用作鑽探新井和發展新技術。
- 約10% 預期用作營運資金及一般公司用途。

直至二零一一年十二月三十一日，從全球發售收到的所得款項淨額根據本公司招股章程所述的用途動用。



Report of the Directors (continued) 董事會報告(續)

Subsequent Events

(a) New bank facility

MIE entered into an RMB working capital loan agreement with China Construction Bank ("CCB") on January 4, 2012 for a RMB50 million 6 month loan commencing from January 13, 2012 at the interest rate of 7.015% per annum. The interest rate is the base rate as published by the People's Bank of China at 6.1% per annum plus 15% of that rate with the resulting effective interest rate at 7.015% per annum. The loan is secured by a pledge on the sales income of MIE's entitlement from Moliqing and Miao 3 oil fields.

(b) Proposed dividend

A final dividend in respect of the year ended December 31, 2011 of HK\$0.44 per share, amounting to a total dividend of HK\$116,583,000 (RMB94,514,000) is to be proposed at the annual general meeting on May 18, 2012. These consolidated financial statements do not reflect this dividend payable.

Group's Emoluments Policy

The emolument policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. The Company has adopted a share option scheme as an incentive to Directors and eligible employees.

結算日後事項

(a) 新造銀行貸款

MIE於二零一二年一月四日與中國建設銀行(「建設銀行」)訂立一項人民幣營運資金貸款協議，涉及一筆人民幣5千萬元6個月期貸款，年期自二零一二年一月十三日起計，年利率7.015厘。該利率乃按中國人民銀行公佈之基準利率每年6.1厘上浮15%得出實際年利率為7.015厘。貸款以質押MIE於莫里青及廟3油田可享之銷售收入作抵押。

(b) 建議股息

本公司將於二零一二年五月十八日舉行之股東週年大會上建議就截至二零一一年十二月三十一日止年度派發每股0.44港元之末期股息，股息總額為116,583,000港元(人民幣94,514,000元)。此等合併財務報表並未反映此應付股息。

本集團之薪酬政策

本集團僱員之薪酬政策由薪酬委員會根據彼等的優點、資歷及能力而定。

本公司董事之薪酬由薪酬委員會根據本公司之經營業績、個人表現及可資比較市場數據釐定。本公司已採納一項購股權計劃，作為對董事及合資格僱員的獎勵。



Report of the Directors (continued) 董事會報告(續)

Closure of Register of Members

The annual general meeting of the Company is scheduled on Friday, May 18, 2012. For determining the entitlement to attend and vote at the annual general meeting, the register of members of the Company will be closed from Wednesday, May 16, 2012 to Friday, May 18, 2012, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the annual general meeting, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Tuesday, May 15, 2012.

The proposed final dividend is subject to the approval of the shareholders of the Company at the annual general meeting. The record date for entitlement to the proposed final dividend is Monday, May 28, 2012. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, May 24, 2012 to Monday, May 28, 2012, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, May 23, 2012.

Auditors

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

On behalf of the Board
Zhang Ruilin
Chairman
Hong Kong, March 26, 2012

暫停辦理股東登記手續

本公司預定於二零一二年五月十八日(星期五)舉行股東週年大會。為釐定符合出席股東週年大會並於大會上投票的資格，本公司將於二零一二年五月十六日(星期三)至二零一二年五月十八日(星期五)(包括首尾兩日)暫停辦理股東登記手續，期間將不會辦理本公司股份的過戶登記手續。為符合出席本公司股東週年大會及在大會上投票的資格，所有股份過戶文件連同有關股票須於二零一二年五月十五日(星期二)下午四時三十分前遞交至本公司於香港之股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東28號金鐘匯中心26樓，以作登記。

擬派末期股息須待本公司股東於股東週年大會上批准後方可作實。獲得擬派末期股息的記錄日期為二零一二年五月二十八日(星期一)。為釐定符合獲得擬派末期股息的資格，本公司將於二零一二年五月二十四日(星期四)至二零一二年五月二十八日(星期一)(包括首尾兩日)暫停辦理股東登記手續，期間將不會辦理本公司股份的過戶登記手續。為符合獲得擬派末期股息的資格，所有股份過戶文件連同有關股票須於二零一二年五月二十三日(星期三)下午四時三十分前遞交至本公司於香港之股份過戶登記分處卓佳證券登記有限公司，地址為香港皇后大道東28號金鐘匯中心26樓，以作登記。

核數師

財務報表已由羅兵咸永道會計師事務所審核。羅兵咸永道會計師事務所任滿退任並符合資格且願意獲續聘為本公司核數師。

承董事會命
主席
張瑞霖
香港，二零一二年三月二十六日



Management Discussion and Analysis 管理層討論及分析

Business Review and Prospects

During 2011, the Company continued its rapid growth both on its China assets and by acquiring Emir-Oil in Kazakhstan, our first major international expansion and then the successful acquisition of the Niobrara Asset in USA. After the successful IPO on the Main Board of the Stock Exchange of Hong Kong in December 2010, the Company achieved another milestone in the international capital market in May 2011 when the Company tapped the debt capital market and raised US\$400 million by issuing senior notes listed on the Singapore Exchange Securities Trading Limited. These senior notes will mature on May 12, 2016 and bear a coupon at 9.75% per annum.

As of December 31, 2011, we had estimated net proved, proved+probable and proved+probable+possible crude oil reserves of approximately 61.0 million barrels, 110.8 million barrels and 138.8 million barrels respectively, an increase of 28.1 million barrels, 58.3 million barrels and 72.4 million barrels respectively, as compared to our reserve as of December 31, 2010. Included in the crude oil reserves as at December 31, 2011, 27.0 million barrels, 60.5 million barrels and 79.0 million barrels are contributed by Emir-Oil. Furthermore, Emir-Oil also has 29,343 MMscf, 63,340 MMscf and 93,424 MMscf net proved, proved+probable and proved+probable+possible gas reserves as at December 31, 2011.

Our net daily crude oil production increased 13.4% from 9,349 barrels per day in 2010 to 10,601 barrels of crude oil per day in 2011, and our 2011 gross and net oil production for 2011 were 7.11 million barrels and 4.14 million barrels. These production numbers include Emir-Oil production only for the 4th quarter of 2011.

During 2011, we made net investments in China of RMB1,228.2 million and drilled 467 wells, a record year in terms of number of wells drilled in any one year since we became the operator of Daan, Moliqing and Miao 3 oilfields in May 2001. During 2011, of the 467 wells drilled, we successfully drilled 118 infill wells. By the end of year 2011, we had drilled 124 infill wells.

業務回顧及前景

於二零一一年，本公司繼續在在中國資產及收購哈薩克斯坦的Emir-Oil方面進展迅速，後者為我們拓展海外業務的重要第一步，而且我們亦在收購美國的Niobrara資產方面取得重大進展。於二零一零年十二月成功於香港聯交所主板進行首次公開發售後，本公司於二零一一年五月在國際資本市場達到另一里程碑，我們在債務資本市場集資，發行於新加坡證券交易所有限公司上市的優先票據籌組4億美元。該批優先票據於二零一六年五月十二日到期，息票利率為每年9.75厘。

截至二零一一年十二月三十一日，我們預計淨探明、探明+概算及探明+概算+可能原油儲量分別約為61.0百萬桶、1.108億桶及1.388億桶，分別較我們於二零一零年十二月三十一日的儲量增加28.1百萬桶、58.3百萬桶及72.4百萬桶。在二零一一年十二月三十一日的原油儲量當中，其中27.0百萬桶、60.5百萬桶及79.0百萬桶來自Emir-Oil。另外，截至二零一一年十二月三十一日，Emir-Oil亦帶來29,343百萬標準立方英尺、63,340百萬標準立方英尺及93,424百萬標準立方英尺的淨探明、探明+概算及探明+概算+可能天然氣儲量。

二零一一年，本公司的日均原油淨產量由二零一零年的每日9,349桶增加13.4%至二零一一年的10,601桶，而我們於二零一一年的總及淨石油產量為7.11百萬桶及4.14百萬桶。這些產量數字僅包括Emir-Oil於二零一一年第四季度的產量。

於二零一一年，我們在中國作出人民幣12.282億元的淨投資及鑽探467口井，創出我們於二零一零年五月成為大安、莫里青及廟三油田的作業者後單一年度鑽探油井數量新高。於二零一一年，於467口已鑽探的油井中，我們已成功鑽探118口加密井。於二零一一年年底，我們已鑽探124口加密井。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

Our operations continue at a rapid pace. As of December 31, 2011, we operated 2,095 gross productive wells comprising 2,071 wells in China and 24 wells in Kazakhstan. In 2011, we concurrently operated 32 drilling rigs, of which 30 drilling rigs were operated within our China oilfields and 2 drilling rigs were operated within our Kazakhstan oilfields.

For the year ended December 31, 2011, the Company's total revenue was RMB2,827.1 million, representing a 56.6% increase over the previous year. The Company's EBITDA increased substantially to RMB2,101.5 million, an increase of 80.8% over the previous year. The Company's net profit was RMB1,105.8 million, an increase of 162.7% over the previous year, primarily as a result of significant increase in realized oil prices and sales volume and the RMB460.3 million from the gain arising from the acquisition of Emir-Oil.

The aggregate average realized oil price for China and Kazakhstan was US\$108.80 per barrel for the year ended December 31, 2011, compared to US\$77.99 per barrel for the year ended December 31, 2010. For our China oilfields, the average realized oil price was US\$109.99 per barrel for the year ended December 31, 2011, compared to US\$77.99 per barrel for the year ended December 31, 2010. During the three months ended December 31, 2011 that we controlled Emir-Oil, the average realized oil price was US\$84.38 per barrel after taking into consideration the transportation and marketing discount and domestic sales.

Lifting cost was US\$7.29 per barrel for the year ended December 31, 2011, of which lifting cost was US\$7.16 per barrel for our China oilfields and US\$9.70 per barrels for our Kazakhstan oilfields respectively. Lifting cost includes directly controllable costs to produce a barrel of oil. Other production costs such as safety fee, environment expenses, technical & research expense and overhead have not been included since they are not directly attributable to the production of a barrel of oil.

For the year ended December 31, 2011, the Company's basic and diluted earnings per share were both RMB0.42 per share, representing an increase of 121.1% over the previous year.

我們的業務繼續迅速增長。截至二零一一年十二月三十一日，我們共操作2,095口採油井，當中2,071口位於中國及24口位於哈薩克斯坦。於二零一一年，我們同時營運32座鑽井機，其中30座鑽井機位於我們的中國油田，而2座鑽井機位於我們的哈薩克斯坦油田。

截至二零一一年十二月三十一日止年度，本公司的總收入為人民幣28.271億元，較上一年度增長56.6%。本公司的EBITDA大幅增長至人民幣21.015億元，較上一年度增長80.8%。本公司的淨溢利為人民幣11.058億元，較上一年度增長162.7%，這主要是由於已實現油價及銷量大幅增長，以及收購Emir-Oil產生收益人民幣4.603億元所致。

截至二零一一年十二月三十一日止年度，中國及哈薩克斯坦的總平均實現油價為每桶108.80美元，而截至二零一零年十二月三十一日止年度為每桶77.99美元。就中國的油田而言，截至二零一一年十二月三十一日止年度的平均實現油價為每桶109.99美元，而截至二零一零年十二月三十一日止年度為每桶77.99美元。截至二零一一年十二月三十一日止三個月，我們控制Emir-Oil期間，經計入運輸及營銷折扣及哈國國內銷售部份後，平均實現油價為每桶84.38美元。

截至二零一一年十二月三十一日止年度，採油成本為每桶7.29美元，其中，我們的中國油田及哈薩克斯坦油田的採油成本分別為每桶7.16美元及每桶9.70美元。採油成本包括生產每桶石油的直接可控制成本。其他生產成本例如安全費用、環境開支、技術及研究開支以及經常開支因並非直接與生產每桶石油有關，因此並未被計入在內。

截至二零一一年十二月三十一日止年度，本公司每股基本及攤薄盈利均為每股人民幣0.42元，較上一年度增長121.1%。



Management Discussion and Analysis (continued) 管理層討論及分析(續)

In view of the strong performance of 2011 and given the low interest rate environment, the Board recommended the payment of a final dividend of HK\$0.044 per share.

Our China oilfields continue to have strong growth potential, and we are continually expanding our operations by drilling more wells in Daan, Moliqing and Miao 3 oilfields, which we believe will contribute strong cash flow over the next several years. As of December 31, 2011, we had identified 2,432 potential locations containing proved, probable and possible undeveloped reserves, respectively, for future drilling and within our estimated net reserves we include estimated net proved, probable and possible undeveloped reserves of 12.4 million barrels, 9.6 million barrels and 5.8 million barrels, respectively, for these locations.

In 2012, the Company plans to continue to make capital expenditures to support its steady production growth for the China oilfields. We currently plan to spend a net amount of US\$193 million and 367 wells are planned to be drilled in 2012 comprising 317 wells, 32 wells and 18 wells in Daan, Moliqing and Miao 3 oilfields, respectively, with an expected net production in range of 11,000 BOPD and 12,200 BOPD.

Emir-Oil obtained three 25-year production contracts for each of Aksaz, Dolinnoe and Kariman oilfields in September 2011 from the Ministry of Oil and Gas in the Republic of Kazakhstan. All of Emir-Oil's proven reserves and 85.6% of its probable reserves are attributable to these three production contracts. We plan to ramp up production of Emir-Oil as quickly as possible by repairing four old wells currently shut-in, by performing modern acid fracturing stimulation on at least two wells and by drilling new wells. We began drilling a development well and an exploration well shortly after we acquired Emir-Oil in September 2011, both of which encountered good potential oil zones and which are in the process of being completed and tested. We plan to drill at least five more wells by the end of 2012. We plan investment expenditures of US\$94 million for these 7 wells and associated facility work. Net and gross production is the same on these contracts and our targeted daily average production for 2012 is within a range of 2,700 BOPD to 4,500 BOPD. Within the year end 2011 reserves report are 7 proved, 10 probable and 16 possible locations, enough for continued production growth for approximately seven years.

鑒於二零一一年表現理想及考慮到低利率市場環境，董事會建議派發末期股息每股0.044港元。

我們的中國油田繼續擁有巨大增長潛力，同時我們亦繼續透過於大安、莫里青及廟三油田鑽探更多油井以擴充我們的營運規模，我們相信，這將於未來數個年度為我們帶來穩健的現金流量。截至二零一一年十二月三十一日，我們已物色了2,432處分別蘊含探明、概算及可能未開發儲量的潛在井位以於日後進行鑽探，而在我們的估計淨儲量中，我們就該等新井位分別增加了12.4百萬桶、9.6百萬桶及5.8百萬桶的估計淨探明、概算及可能未開發儲量。

於二零一二年，本公司計劃繼續付出资本開支以支持中國油田的穩定產量增長。我們目前計劃動用193百萬美元的淨款項及於二零一二年鑽探367口井，當中包括分別位於大安、莫里青及廟三油田的317口井、32口井及18口井，預計淨產量介乎每日11,000桶至每日12,200桶之間。

Emir-Oil於二零一一年九月獲哈薩克斯坦共和國油氣部分別就Aksaz、Dolinnoe及Kariman油田發出三份為期25年的生產合同。Emir-Oil的所有探明儲量及其85.6%的概算儲量亦來自該三份生產合同。我們計劃透過儘快維修目前關閉的四口舊井、於至少兩口井進行現代化的酸化壓裂及鑽探新井以提升Emir-Oil的產量。我們在二零一一年九月收購Emir-Oil後隨即鑽探一口開發井及一口勘探井，並在這兩口井內發現潛力巨大的油層，目前正在完井和測井。我們計劃於二零一二年底前另外鑽探至少五口井。我們計劃就該7口井和相關的設施工程作出94百萬美元的投資。該等合同的淨及總產量相同，而我們於二零一二年的目標日平均產量為介乎每日2,700桶至每日4,500桶之間。於截至二零一一年止年度內儲量報告含有7處探明、10處概算及16處可能井位，足以應付未來大約七年的持續產量增長。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

During the year, we entered into the shale oil industry in the USA through Condor, in which we have an 80% interest, with an upfront cost of US\$3 million. Condor has acquired a 31.25% interest in 7,450 net acres (30.1 square kilometers) in the Niobrara oil shale play located at Weld County, Colorado, USA. While this acreage is currently not producing, as operator we plan to drill at least one exploration well in 2012 with capital expenditure budgeted US\$16 million for this well and a follow-up well. We will work side-by-side with USA experienced technical experts, including those of South Texas Reservoir Alliance LLC through its strategic alliance with Condor. The first horizontal well with multi-stage fracture on the Niobrara Asset has been designed and approved for drilling. Planning is underway on the second well. While we will not forecast production or book reserves for these wells until they are production tested, we remain confident of achieving both our profit and technology transfer objectives.

In China, we sell our oil to PetroChina at the Daqing price; in Kazakhstan, we export 90% of our oil at the Brent price. Since the beginning of this year, Brent has been trading at US\$108 to US\$128 per barrel and Daqing has been trading at US\$114 to US\$130 per barrel. Given the rising tension surrounding Iran's nuclear dispute, other issues in the Middle East, the gradual improvement in the US economy and the stabilizing debt problem in Europe, the Company believes the trend for strong oil price will continue in 2012.

Financial Results

Revenue

The Group's revenue increased by RMB1,022.1 million, or 56.6%, from RMB1,805.0 million for the year ended December 31, 2010 to RMB2,827.1 million for the year ended December 31, 2011. This increase was primarily due to an increase in the crude oil prices and our sales volume.

The average realized oil price was US\$108.80 per barrel for the year ended December 31, 2011, compared to US\$77.99 per barrel for the year ended December 31, 2010. Our sales volume of crude oil was 4.03 million barrels for the year ended December 31, 2011, compared to 3.42 million barrels for the year ended December 31, 2010.

於本年度，我們已透過Condor進軍美國的頁岩油行業，我們在當中擁有80%權益，成本為3百萬美元。Condor已收購位於美國科羅拉多州韋爾德縣佔地7,450淨英畝(30.1平方公里)的Niobrara油頁岩的31.25%權益，並擔任Niobrara資產作業。此片土地目前仍未投產，我們作為業者計劃於二零一二年至少鑽探一口勘探井，就此井已經撥出16百萬美元的資本開支預算並隨後鑽探另一口井。我們將與經驗豐富的美國技術專家緊密合作，其中包括透過South Texas Reservoir Alliance LLC與Condor之間的戰略性聯盟與其合作。首口於Niobrara資產存在分層壓裂的水平井已設計完成，並且獲批准進行鑽探。目前正就第二口井進行規劃。雖然我們在進行生產測試前將不會預測該等油井的產量或記錄儲量，我們仍對達到我們的溢利及技術轉移目標充滿信心。

在中國，我們按照大慶油價向中石油出售我們的石油，而於哈薩克斯坦，我們按照布蘭特油價出口我們90%的石油。自本年度起，布蘭特油價介乎每桶108美元至128美元，而大慶油價則介乎每桶114美元至130美元。鑒於伊朗核危機升級及中東其他問題，加上美國經濟逐步復甦及歐債問題逐步穩定，本公司相信，二零一二年油價將持續高企。

財務業績

收益

本集團的收益由截至二零一零年十二月三十一日止年度的人民幣18.05億元增加人民幣10.221億元或56.6%至截至二零一一年十二月三十一日止年度的人民幣28.271億元。該增加乃主要由於原油價格及本公司的銷量上升。

已實現平均油價在截至二零一一年十二月三十一日止年度為每桶108.80美元，而截至二零一零年十二月三十一日止年度則為每桶77.99美元。本公司的原油銷量在截至二零一一年十二月三十一日止年度為4.03百萬桶，而截至二零一零年十二月三十一日止年度則為3.42百萬桶。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

During the three months ended December 31, 2011 that we controlled Emir-Oil, revenue contributed by Emir-Oil was RMB103.5 million.

- *China*

In 2011, our China oil fields realized revenue of RMB2,723.7 million. The average realized oil price was US\$109.99 per barrel for the year ended December 31, 2011, compared to US\$77.99 per barrel for the year ended December 31, 2010. Our sales volume was 3.84 million barrels for the year ended December 31, 2011, compared to 3.42 million barrels for the year ended December 31, 2010.

- *Kazakhstan*

During the three months ended December 31, 2011 that we controlled Emir-Oil, Emir-Oil realized revenue from oil sales of RMB100.3 million. Emir-Oil exported 90% of its sales volume of oil and realized Brent prices for these sales. The average realized oil price comprising export and domestic sales was US\$84.38 per barrel for the three months ended December 31, 2011. The average realized oil price for the three months ended December 31, 2011 was US\$90.01 per barrel from export sales (after transportation and marketing commissions of US\$20.22 per barrel) and US\$31.02 per barrel from domestic sales. Revenue from export sales of oil accounted for 96% of Emir-Oil's total oil revenue during the three months ended December 31, 2011. Emir-Oil's oil sales volume was 187,912 barrels for the three months ended December 31, 2011, comprising 169,984 barrels from export sales and 17,928 barrels from domestic sales.

During the three months ended December 31, 2011 that we controlled Emir-Oil, Emir-Oil realized revenue from gas sales of RMB3.2 million with a realized gas price of US\$1,148.51 per MMscf and a gas sales volume of 439.7 MMscf.

截至二零一一年十二月三十一日止三個月我們控制 Emir-Oil 期間，Emir-Oil 帶來的收益為人民幣 1.035 億元。

- *中國*

於二零一一年，我們的中國油田實現收益人民幣 27.237 億元。截至二零一一年十二月三十一日止年度，已實現平均油價為每桶 109.99 美元，而截至二零一零年十二月三十一日止年度為每桶 77.99 美元。截至二零一一年十二月三十一日止年度，我們的銷量為 3.84 百萬桶，而截至二零一零年十二月三十一日止年度為 3.42 百萬桶。

- *哈薩克斯坦*

截至二零一一年十二月三十一日止三個月，我們控制 Emir-Oil 期間，Emir-Oil 實現石油銷售收益人民幣 1.003 億元。Emir-Oil 按照布蘭特油價出口其石油銷量中的 90%。截至二零一一年十二月三十一日止三個月，已實現平均油價(包括出口及哈國國內銷售)為每桶 84.38 美元。截至二零一一年十二月三十一日止三個月，來自出口銷售的已實現平均油價(扣除每桶 20.22 美元的運輸及營銷佣金後)為每桶 90.01 美元，來自哈國國內銷售的已實現平均油價則為每桶 31.02 美元。截至二零一一年十二月三十一日止三個月，出口銷售產生的收益佔 Emir-Oil 總石油收益的 96%。截至二零一一年十二月三十一日止三個月，Emir-Oil 的石油銷量為 187,912 桶，包括出口銷售的 169,984 桶及哈國國內銷售的 17,928 桶。

截至二零一一年十二月三十一日止三個月，我們控制 Emir-Oil 期間，Emir-Oil 實現天然氣銷售收益人民幣 3.2 百萬元，已實現天然氣價格為每百萬標準立方英尺 1,148.51 美元，天然氣銷售量為 439.7 百萬標準立方英尺。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

Operating expenses

The Group's operating expenses increased by RMB557.0 million, or 47.6%, from RMB1,171.0 million for the year ended December 31, 2010 to RMB1,728.0 million for the year ended December 31, 2011, primarily due to an increase in special oil levy in China as a result of the increase in realized crude oil prices and sales volume, and an increase in other taxes in Kazakhstan and employee compensation costs.

Emir-Oil's operating expenses for the three months ended December 31, 2011 amounted to RMB111.0 million.

- Purchases, services and other expenses.* Our purchases, services and other expenses increased by RMB59.0 million, or 46.6%, from RMB126.5 million for the year ended December 31, 2010 to RMB185.5 million for the year ended December 31, 2011. The increase in purchase, service and other expenses for our China operations was primarily due to: (i) the increase in sales volume in 2011 resulting in the increase in electricity and fuel consumptions and transportation cost; (ii) the increase in number of productive wells for our China operations resulted in the increase in repair and maintenance cost, materials, safety and environment protection expenses. For our China operations, we operated 1,641 productive wells as at December 31, 2010 and 2,071 productive wells as at December 31, 2011; and (iii) we performed more technical analysis in 2011 in our China oilfields to stabilize and improve production levels.

During the three months ended December 31, 2011 that we controlled Emir-Oil, Emir-Oil's purchases, services and other expenses amounted to RMB17.6 million.

經營開支

本集團的經營開支由截至二零一零年十二月三十一日止年度的人民幣11.71億元增加人民幣5.57億元或47.6%至截至二零一一年十二月三十一日止年度的人民幣17.28億元，此乃主要由於已實現原油價格及銷量增加導致中國的石油特別收益金增加以及哈薩克斯坦的其他稅項及僱員薪金成本增加所致。

截至二零一一年十二月三十一日止三個月，Emir-Oil的經營開支為人民幣1.11億元。

- 採購、服務及其他開支。* 本公司的採購、服務及其他開支由截至二零一零年十二月三十一日止年度的人民幣1.265億元增加人民幣59.0百萬元或46.6%至截至二零一一年十二月三十一日止年度的人民幣1.855億元。中國業務的採購、服務及其他開支增加主要由於：(i)二零一一年的銷量增加導致電力及燃料消耗及運輸成本增加；(ii)中國業務的採油井數量增加導致維修及維護成本、材料、安全及環境保護開支增加。就我們的中國業務而言，我們於二零一零年十二月三十一日經營1,641口生產井及於二零一一年十二月三十一日經營2,071口生產井；及(iii)我們於二零一一年於我們的中國油田進行更多技術分析以穩定和改善生產水平。

截至二零一一年十二月三十一日止三個月，我們控制Emir-Oil期間，Emir-Oil的採購、服務及其他開支為人民幣17.6百萬元。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

- *Employee compensation costs.* The Group's employee compensation costs increased by RMB86.8 million, or 78.7%, from RMB110.3 million for the year ended December 31, 2010 to RMB197.1 million for the year ended December 31, 2011. The increase in employee compensation costs for our China operations was primarily due to: (i) higher compensation of employees to retain and hire qualified and talented people after listing; and (ii) in 2011, we also hired more employees in our China oil fields. As at December 31, 2010, we had 1,610 employees, and as at December 31, 2011, we had 1,844 employees for our China operations.

During the three months ended December 31, 2011 that we controlled Emir-Oil, Emir-Oil's employee compensation costs amounted to RMB15.6 million.

- *Depreciation, depletion and amortization.* The Group's depreciation, depletion and amortization increased by RMB13.4 million, or 2.5%, from RMB528.6 million for the year ended December 31, 2010 to RMB542.0 million for the year ended December 31, 2011. The increase in depreciation, depletion and amortization for our China operations was mainly due to the increase in sales volume in 2011, which is partially offset by the change in the method of calculation for unit of production rates. The cost of oil properties is amortized at the field level based on the unit of production method. Unit of production rates were previously based on proved developed producing oil reserves estimated to be recoverable from existing facilities based on the current terms of the respective production agreements. From January 1, 2011, the Group has applied the unit of production rates based on proved and probable developed producing oil reserves estimated to be recoverable from existing facilities based on current terms of the respective production agreements. The change in estimate is due to management's view that inclusion of probable developed producing reserve is more reflective of the reserve base available to the Company from its investment in the oil fields.

- *員工薪酬成本。*本集團的員工薪酬成本由截至二零一零年十二月三十一日止年度的人民幣1.103億元增加人民幣86.8百萬元或78.7%至截至二零一一年十二月三十一日止年度的人民幣1.971億元。中國業務的員工薪金成本增加主要由於：(i)於上市後提高員工的薪酬以挽留及招聘合資格員工和人材；及(ii)於二零一一年，我們於中國的油田聘用更多的員工。截至二零一零年十二月三十一日，我們的中國業務擁有1,610名員工，而截至二零一一年十二月三十一日，我們的中國業務擁有1,844名員工。

截至二零一一年十二月三十一日止三個月，我們控制Emir-Oil期間，而Emir-Oil的員工薪金成本為人民幣15.6百萬元。

- *折舊、耗損及攤銷。*本集團的折舊、耗損及攤銷由截至二零一零年十二月三十一日止年度人民幣5.286億元增加人民幣13.4百萬元或2.5%至截至二零一一年十二月三十一日止年度人民幣5.42億元。我們中國經營的折舊、耗損及攤銷的增幅主要由於銷量於二零一一年上升，部分由單位產量的計算方法改變而抵銷。石油資產的成本乃以油田為單位按單位產量法予以攤銷。單位產量過往乃根據各自生產協定的現有期限，按石油探明已開發動用儲量在現有設施中的估計可採量計算。自二零一一年一月一日，本集團已採用按石油探明及可能已開發動用儲量在現有設施中的估計可採量計算的單位產量。估計轉變乃因管理層認為納入可能已開發動用儲量更能反映可供本公司自其投資的油田取得的儲量。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

During the three months ended December 31, 2011 that we controlled Emir-Oil, Emir-Oil's depreciation, depletion and amortization amounted to RMB28.1 million, which is also calculated using unit of production rates based on proved and probable developed producing reserves.

- *Distribution and administrative expenses.* The Group's distribution and administrative expenses increased by RMB43.2 million, or 55.0%, from RMB78.6 million for the year ended December 31, 2010 to RMB121.8 million for the year ended December 31, 2011. The increase in distribution and administrative expenses was primarily due to: (i) we issued US\$400 million senior notes in May 2011 and incurred professional fees and other related expenses of RMB24.7 million which were recorded in administrative expenses; and (ii) In 2011, more crude oil was allocated to the foreign contractors at 80% compared to 48% as our investments in the oilfields increased, so we had to bear more administrative expenses for these three oilfields; and (iii) after listing, the Company incurred more reporting, legal expenses and other miscellaneous expenses for the compliance with Listing Rules of the Hong Kong Stock Exchange and other disclosure obligations.

During the three months ended December 31, 2011 that we controlled Emir-Oil, Emir-Oil's administrative expenses amounted to RMB3.3 million.

截至二零一一年十二月三十一日止三個月，我們控制Emir-Oil期間，Emir-Oil折舊、耗損及攤銷達人民幣2,810萬元，亦以按探明及可能已開發動用儲量的單位產量計算。

- *銷售及管理費用。*本集團的銷售及管理費用由截至二零一零年十二月三十一日止年度人民幣78.6百萬元增加人民幣43.2百萬元或55.0%至截至二零一一年十二月三十一日止年度人民幣1.218億元。銷售及管理費用的增幅主要由於：(i)我們於二零一一年五月發行4億美元的優先票據並產生專業費用及其他相關開支共計人民幣24.7百萬元且已紀錄於管理開支；及(ii)於二零一一年，由於投資增加，更多的原油以80%而非48%的比例分配給外國合同者，因此相應地，我們需要為該三個油田承擔更多的管理費用；及(iii)上市後，本公司就遵守香港聯交所上市規則及其他披露規定而產生更多報告、法律開支及其他雜項開支。

截至二零一一年十二月三十一日止三個月，我們控制Emir-Oil期間，Emir-Oil產生的管理費用達人民幣3.3百萬元。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

- Taxes other than income taxes.* The Group's taxes other than income taxes increased by RMB367.5 million, or 127.0%, from RMB289.3 million for the year ended December 31, 2010 to RMB656.8 million for the year ended December 31, 2011. The following table summarizes taxes other than income taxes for the years ended December 31, 2011 and December 31, 2010:
- 稅項(所得稅除外)。本集團的稅項(所得稅除外)由截至二零一零年十二月三十一日止年度人民幣2.893億元增加人民幣3.675億元或127.0%至截至二零一一年十二月三十一日止年度人民幣6.568億元。下表總結截至二零一一年十二月三十一日及二零一零年十二月三十一日止年度的稅項(所得稅除外)：

		Year ended December 31 截至十二月三十一日止年度	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
China	中國		
Special oil levy	石油特別收益金	595,368	288,133
Urban construction tax and education surcharge	城市建設稅及教育附加費	13,825	1,163
		609,193	289,296
Kazakhstan	哈薩克斯坦		
Mineral extraction tax	礦物開採稅	6,699	—
Rent export tax	租金出口稅	25,458	—
Rent export duty expenditures	租金出口關稅開支	5,527	—
Property tax	物業稅	7,549	—
Others	其他	2,340	—
		47,573	—
		656,766	289,296



Management Discussion and Analysis (continued)

管理層討論及分析(續)

This increase in taxes other than income taxes for our China operations was primarily due to an increase in the special oil levy we paid to the PRC government in 2011 due to: (i) increased realized crude oil prices of year 2011 as the special oil levy is calculated and charged at progressive ad valorem rates based on the price of crude oil; and (ii) an increase in sales volume. For our China operations, the average selling price for the year ended December 31, 2010 and 2011 was US\$77.99 and US\$109.99 per barrel, respectively, and the sales volume for the year ended December 31, 2010 and 2011 was 3.42 million and 3.84 million barrels, respectively. During most of the year ended December 31, 2011, we had to pay the special oil levy based on the old rules starting at US\$40 per barrel and the rate increases according to the crude oil price.

In early 2012, the Ministry of Finance of the People's Republic of China ("MOF") issued a notice regarding the increase of the threshold of the special oil levy (Cai Qi 2011 No.480) ("Notice") paid by crude oil producers. Pursuant to the Notice, as approved by the State Council, MOF has decided to increase the threshold of the special oil levy from US\$40 to US\$55 per barrel, with effect from November 1, 2011. Notwithstanding such adjustment, the special oil levy will continue to have five levels and will be calculated and charged according to the progressive and valorem rates on the excess amounts. The special oil levy will continue to be calculated on a monthly basis and paid on a quarterly basis. Details of the level of the special oil levy are as follows:

中國經營的稅項(所得稅除外)增長主要由於我們於二零一一年向中國政府繳付的石油特別收益金增加，因為：(i) 二零一一年的已實現原油價格因石油特別收益金乃基於原油價格按累進從價費率計算及繳納而上漲；及(ii) 銷量增加。就我們的中國經營而言，截至二零一零及二零一一年十二月三十一日止年度的平均售價分別為每桶77.99美元及109.99美元，而截至二零一零及二零一一年十二月三十一日止年度的銷量分別為3.42百萬桶及3.84百萬桶。截至二零一一年十二月三十一日止年度的大部分時間，我們須繳付的石油特別收益金乃根據舊有規矩由每桶40美元開始，比率將根據原油價格上升。

於二零一二年年初，中華人民共和國財政部(「財政部」)發佈有關提高原油生產商支付的石油特別收益金起徵點通知(財企2011第480號)(「通知」)。根據該通知，經國務院批准，財政部決定將石油特別收益金起徵點由每桶40美元提高至55美元，於二零一一年十一月一日起生效。起徵點調整後，石油特別收益金徵收仍實行5級超額累進從價定率徵收。石油特別收益金將繼續按月計算，按季繳納。下列為石油特別收益金的級別詳情：

Crude oil prices (US\$/barrel)		Level of special oil levy
原油價格(美元/桶)		石油特別收益金徵收比率
55–60 (inclusive)	55–60 (含)	20%
60–65 (inclusive)	60–65 (含)	25%
65–70 (inclusive)	65–70 (含)	30%
70–75 (inclusive)	70–75 (含)	35%
Over 75	75以上	40%



Management Discussion and Analysis (continued)

管理層討論及分析(續)

Prior to the issue of the Notice, the Group was paying special oil income levy based on the following levels:

該通告刊發之前，本集團按下列等級繳付石油特別收益金：

Crude oil prices (US\$/barrel)		Level of special oil levy
原油價格(美元/桶)		石油特別收益金徵收比率
40-45 (inclusive)	40-45 (含)	20%
45-50 (inclusive)	45-50 (含)	25%
50-55 (inclusive)	50-55 (含)	30%
55-60 (inclusive)	55-60 (含)	35%
Over 60	60 以上	40%

During the three months ended December 31, 2011 that we controlled Emir-Oil, Emir-Oil's taxes other than income taxes amounted to RMB47.6 million. Please refer to above for a breakdown of the different types of taxes other income taxes paid by Emir-Oil.

截至二零一一年十二月三十一日止三個月，我們控制Emir-Oil期間，Emir-Oil的稅項(所得稅除外)達人民幣4,760萬元。Emir-Oil支付的稅項(所得稅除外)的各類稅項的明細，請參閱上文。

- Other losses.* The Group's other losses decreased by RMB12.7 million, or 33.8%, from approximately RMB37.6 million for the year ended December 31, 2010 to approximately RMB24.9 million for the year ended December 31, 2011. We had other losses of RMB24.9 million for the year ended December 31, 2011, primarily due to the non-cash unrealized loss of RMB32.2 million from the oil hedge options purchased in October 2010 and October 2011 due to the movement in the fair value of the oil hedge options. The accounting standard requires us to perform a fair value valuation on the unexpired portion of any oil hedge option at each reporting period. The fair value valuation is determined by, amongst other things, the spot price and the forward curve of oil prices at the reporting period.
- 其他虧損。* 本集團的其他虧損由截至二零一零年十二月三十一日止年度約人民幣3,760萬元減少人民幣1,270萬元或33.8%至截至二零一一年十二月三十一日止年度約人民幣2,490萬元。我們於截至二零一一年十二月三十一日止年度錄得其他虧損人民幣2,490萬元，主要因為於二零一零年十月及二零一一年十月購買的石油套期期權因石油套期期權的公允價值浮動導致的非現金未實現虧損人民幣3,220萬元。會計標準要求我們對各報告期間內任何石油套期期權未到期的部分進行公允價值估值。公允價值乃以(其中包括)報告期間的現貨價格及石油價格遠期曲線而釐定。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

In October 2010, the Group entered into the following oil hedge options with Merrill Lynch Commodities, Inc (“MLCI Oil Hedge”) for the year ended 31 December 2011 and year ending 31 December 2012:

於二零一零年十月，本集團與Merrill Lynch Commodities, Inc就截至二零一一年十二月三十一日止年度及截至二零一二年十二月三十一日止年度訂立以下石油套期期權(「MLCI石油套期」)：

Contract Period	Monthly Notional Quantity (barrel)	Annual Notional Quantity (barrel)	MIE sold	MIE bought	
			put option at strike price (WTI price per barrel)	put option at strike price (WTI price per barrel)	
	每月名義數量(桶)	每年名義數量(桶)	MIE 出售認沽期權行權價(每桶WTI價格)	MIE 購買認沽期權行權價(每桶WTI價格)	
Year ended December 31, 2011	截至二零一一年十二月三十一日止年度	150,000	1,800,000	US\$55 美元	US\$70 美元
Year ending December 31, 2012	截至二零一二年十二月三十一日止年度	100,000	1,200,000	US\$55 美元	US\$70 美元

The premium of US\$8.74 million (RMB57.86 million) for the above option is payable over 8 installments on a quarterly basis from April 2011.

上述期權的874萬美元(人民幣5,786萬元)溢價由二零一一年四月開始每季度分8期支付。

The spot price of WTI as at December 30, 2011 was US\$99.0 per barrel and the forward curve for WTI for that date was higher than the spot price. Given the WTI spot price and forward curve for WTI was higher than the strike price of US\$70 per barrel for MLCI Oil Hedge, the fair value valuation requires us to book a non-cash loss of RMB21.3 million for the MLCI Oil Hedge to write down the financial derivative asset.

於二零一一年十二月三十日，WTI現貨價為每桶99.0美元，而WTI遠期曲線於該日較現貨價為高。倘WTI現貨價及WTI遠期曲線高於MLCI石油套期行權價每桶70美元，公允價值評估要求我們就MLCI石油套期紀錄非現金虧損人民幣2,130萬元，以抵銷財務衍生資產。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

In October 2011, the Group entered into three separate oil hedge options with JPMorgan Chase Bank, N.A. ("JPMorgan"), Deutsche Bank AG ("Deutsche") and Standard Bank Plc ("SB Plc") at monthly notional quantity of 60,000 barrel each for the year ending December 31, 2012 (or a total notional quantity of 720,000 barrels) at zero premium:

於二零一一年十月，本集團與摩根大通銀行(「摩根大通」)、德意志銀行(「德意志」)及Standard Bank Plc(「標銀」)訂立三項個別石油套期期權，按零期權費，截至二零一二年十二月三十一日止年度的每月名義數量為60,000桶(或合共名義數量為720,000桶)：

Counterparty		Company bought put option at strike price (IPE Brent price per barrel)	Company sold call option at strike price (IPE Brent price per barrel)	Company bought call option at strike price (IPE Brent price per barrel)
交易對方		公司購買認沽期權行權價(每桶IPE布蘭特油價)	公司出售認購期權行權價(每桶IPE布蘭特油價)	公司購買認購期權行權價(每桶IPE布蘭特油價)
JPMorgan	摩根大通	US\$60.00 美元	US\$131.00 美元	US\$170.00 美元
Deutsche	德意志	US\$60.00 美元	US\$131.50 美元	US\$170.00 美元
SB Plc	標銀	US\$60.00 美元	US\$146.00 美元	US\$186.00 美元

The IPE Brent price as at December 30, 2011 was US\$106.51 per barrel and the forward curve for IPE Brent price for that date was higher than the spot price. Given the IPE Brent price and forward curve were approaching the strike price of the sold put option, the fair value valuation requires us to book a net non-cash loss of RMB10.9 million for these three oil hedges and recognize the financial derivative liabilities.

於二零一一年十二月三十日，每桶IPE布蘭特油價為106.51美元，而IPE布蘭特油價遠期曲線於該日較現貨價為高。倘IPE布蘭特油價及遠期曲線接近出售認沽期權的行使價，公允價值評估要求我們就該三項石油套期紀錄非現金淨虧損人民幣1,090萬元及確認財務衍生負債。

Profit from operations

The Group's profit from operations increased by RMB465.2 million, or 73.4%, from RMB634.0 million for the year ended December 31, 2010 to RMB1,099.2 million for the year ended December 31, 2011. This increase was primarily due to an increase in revenue, partially offset by the increase in special oil levy, other taxes in Kazakhstan and employee compensation cost.

經營溢利

本集團的經營溢利由截至二零一零年十二月三十一日止年度人民幣6.34億元上升人民幣4.652億元或73.4%至截至二零一一年十二月三十一日止年度人民幣10.992億元。經營溢利增加乃主要由於收益增加，部分由石油特別收益金、其他哈薩克斯坦稅項及僱員薪酬成本增加所抵銷。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

During the three months ended December 31, 2011 that we controlled Emir-Oil, Emir-Oil incurred a loss from operations of RMB7.5 million.

Finance income/(costs), net

The Group's finance cost (net) increased by RMB108.4 million, or 210.9%, from RMB51.4 million for the year ended December 31, 2010 to RMB159.8 million for the year ended December 31, 2011. This increase was primarily due to: (i) the US\$400 million 5-year senior notes issued in May 2011 with 9.75% annual coupon rate to finance acquisition of Emir-Oil and to repay the US\$200 million CITIC bank loan, which resulted in a significant increase in interest expenses; (ii) early repayment of the CITIC bank loan in May 2011 resulted in writing off the unamortized non-cash expenses related to the CITIC bank loan of RMB29.3 million and an early repayment penalty of US\$1.0 million (RMB6.8 million) to CITIC bank; and (iii) CITIC bank charged us US\$0.4 million waiver fee to allow us to go ahead with the US\$400 million 5-year senior notes fund raising. The increase in finance costs was partially offset by the increase in finance income due to the exchange gain caused by the appreciation of the Renminbi against the US dollar in 2011 as our borrowings were denominated and settled in US dollars.

During the three months ended December 31, 2011 that we controlled Emir-Oil, Emir-Oil incurred finance costs of RMB9.4 million.

Gain arising from acquisition of Emir-Oil

On September 19, 2011, the Group acquired 100% of the share capital of Emir-Oil and intercompany loans payable by Emir-Oil to BMB Munai, Inc. for US\$159,601,000 (RMB1,014.2 million). Emir-Oil is an oil and natural gas exploration and production company registered and operating in the Republic of Kazakhstan. The Group assumed the control of Emir-Oil on September 30, 2011.

According to the valuation report prepared by an independent appraisal firm, the fair value of identifiable net assets of Emir-Oil at the date the Group assumed control is RMB1,594.9 million and total acquisition related cost is RMB120.3 million. The net gain arising from acquisition of Emir-Oil is RMB460.3 million accordingly.

截至二零一一年十二月三十一日止三個月，我們控制 Emir-Oil 期間，Emir-Oil 產生經營虧損人民幣 750 萬元。

淨財務收入／(費用)

本集團的財務成本(淨額)由截至二零一零年十二月三十一日止年度人民幣 5,140 萬元增加人民幣 1.084 億元或 210.9% 至截至二零一一年十二月三十一日止年度人民幣 1.598 億元。該增幅主要由於：(i) 於二零一一年五月發行 4 億美元五年票面年利率 9.75% 的優先票據以收購 Emir-Oil 及償還 2 億美元中信銀行貸款，導致利息開支大幅增加；(ii) 於二零一一年五月提前償還中信銀行貸款，導致與中信銀行貸款有關的人民幣 2,930 萬元未攤銷非現金開支被抵銷及提早還款向中信銀行繳交罰款 100 萬美元(人民幣 680 萬元)；及 (iii) 中信銀行向我們徵收 40 萬美元的豁免費用，以讓我們繼續進行 4 億美元五年優先票據的融資。由於二零一一年人民幣兌美元升值，而我們的借款乃以美元計值及結算，部分財務成本的增幅因而由匯兌收益引致的財務收入增加所抵銷。

截至二零一一年十二月三十一日止三個月，我們控制 Emir-Oil 期間，Emir-Oil 產生財務成本人民幣 940 萬元。

收購 Emir-Oil 所產生的收益

於二零一一年九月十九日，本集團已收購 Emir-Oil 的 100% 股本及 Emir-Oil 需支付予 BMB Munai, Inc. 159,601,000 美元(人民幣 10.142 億元)的公司間貸款。Emir-Oil 為一間於哈薩克斯坦共和國註冊及營運並從事開採及生產石油及天然氣業務的公司。本集團於二零一一年九月三十日獲得對 Emir-Oil 的控制。

根據由獨立估值公司編製的估值報告，Emir-Oil 於本集團獲得控制的日期的可辨別資產淨值公允價值為人民幣 15.949 億元，有關收購的相關成本為人民幣 1.203 億元。因此，收購 Emir-Oil 所產生的淨收益為人民幣 4.603 億元。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

Profit before income tax

The Group's profit before income tax increased by RMB817.2 million, or 140.3%, from RMB582.6 million for the year ended December 31, 2010 to RMB1,399.8 million for the year ended December 31, 2011. This increase was primarily due to the cumulative effects of the above factors.

Income tax expense

The Group had income tax expense of RMB161.7 million for the year ended December 31, 2010, compared to income tax expense of RMB293.9 million for the year ended December 31, 2011. This increase was primarily due to an increase in profit before income tax in 2011.

Net profit for the year

As a result of the foregoing, our net profit for the year increased by RMB684.9 million, or 162.7%, from RMB420.9 million for the year ended December 31, 2010 to RMB1,105.8 million for the year ended December 31, 2011. Net profit would be RMB768.3 million after taking into consideration the adjustments used for adjusted EBITDA (below) for non-cash items except for depreciation, depletion and amortization, such as share-based compensation expense, realized and unrealized loss/(gain) on the oil put option, gain arising from acquisition of Emir-Oil, LLC, loss on disposal of property, plant and equipment, non-recurring expenses related to the issuance of senior notes and any other non-recurring or non-cash income/expenses such as the waiver fee, early repayment penalty and write off of unamortized non-cash expenses related to the CITIC Bank loan, which would reflect net profit from core operations after adjustment for non-cash and non-recurring items.

Emir-Oil's loss for the three months ended December 31, 2011 was RMB14.7 million.

除所得稅前溢利

本集團的除所得稅前溢利由截至二零一零年十二月三十一日止年度人民幣5.826億元上升人民幣8.172億元或140.3%至截至二零一一年十二月三十一日止年度人民幣13.998億元。該增加乃主要由於上述因素的累計影響。

所得稅開支

截至二零一零年十二月三十一日止年度，我們的所得稅開支為人民幣1.617億元，而截至二零一一年十二月三十一日止年度的所得稅開支為人民幣2.939億元。該增加乃主要由於二零一一年除所得稅前溢利增加。

年內淨溢利

由於上文所述之原因，我們的年內淨溢利增加人民幣6.849億元或162.7%，由截至二零一零年十二月三十一日止年度的人民幣4.209億元增加至截至二零一一年十二月三十一日止年度的人民幣11.058億元。計及非現金項目(除折舊、耗損及攤銷外)經調整EBITDA(下文所述)所作出之調整，如股份酬金開支、石油認沽期權已變現及未變現虧損/(收益)、收購Emir-Oil, LLC利得、出售不動產、工廠及設備的虧損、發行優先票據的非經常性開支及任何其他非經常性或非現金收入/開支等項目(例如豁免費、提早償還罰款及撤銷與中信銀行貸款有關之未攤銷非現金開支)後，淨溢利為人民幣7.683億元。以上可反映就非現金及非經常性項目而作出調整後，由核心業務所帶來的淨溢利。

截至二零一一年十二月三十一日止三個月，Emir-Oil的虧損為人民幣1,470萬元。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

EBITDA and Adjusted EBITDA

We provide a reconciliation of EBITDA and adjusted EBITDA to net profit for the year, our most directly comparable financial performance calculated and presented in accordance with IFRS. EBITDA refers to earnings before finance income, finance costs, income tax and depreciation, depletion and amortization. Adjusted EBITDA refers to EBITDA adjusted to exclude non-cash and non-recurring items such as share-based compensation expense, realized and unrealized loss/(gain) on the oil hedge options, gain arising from acquisition of Emir-Oil, loss on impairment of receivables, write-off of inventory, loss on disposal of property, plant and equipment and intangible assets, expenses related to the issuance of senior notes given these expenses are related to financing activities, and any other non-recurring or non-cash income/expenses. The Group's adjusted EBITDA reflects the Group's cash flow earnings from its core operations.

We have included EBITDA and adjusted EBITDA as we believe EBITDA is a financial measure commonly used in the oil and gas industry. We believe that EBITDA and adjusted EBITDA are used as supplemental financial measures by our management and by investors, research analysts, bankers and others, to assess our operating performance, cashflow and return on capital as compared to those of other companies in our industry, and our ability to take on financing. However, EBITDA and adjusted EBITDA should not be considered in isolation or construed as alternatives to profit from operations or any other measure of performance or as an indicator of our operating performance or profitability. EBITDA and adjusted EBITDA fail to account for tax, finance income, finance costs and other non-operating cash expenses. EBITDA and adjusted EBITDA do not consider any functional or legal requirements of the business that may require us to conserve and allocate funds for any purposes.

EBITDA 及經調整 EBITDA

我們已提供 EBITDA 及經調整 EBITDA 與年內淨溢利的對賬，該對賬為根據國際財務報告準則計算及呈列的最直接的可資比較財務表現。EBITDA 指計入財務收入、財務費用、所得稅及折舊、耗損及攤銷前盈利。經調整 EBITDA 指經調整以扣除非現金及非經營性項目，如股份酬金開支、石油套期期權已變現及未變現虧損／(收益)、收購 Emir-Oil 利得、應收款項減值虧損、存貨註銷、出售不動產、工廠及設備以及無形資產的虧損，發行優先票據的開支，此等開支屬於財務活動及任何其他非經常性或非現金收入／開支。本集團經調整 EBITDA 反映本集團由核心業務而來的現金流盈利。

我們加載 EBITDA 及經調整 EBITDA 乃由於我們相信 EBITDA 為油氣行業常用的財務計量。我們相信 EBITDA 及經調整 EBITDA 乃由我們管理層、投資者、研究分析師、銀行及其他人士用作補充財務計量，以評估我們相較於業內其他公司的經營表現、現金流量及資本回報，以及我們進行融資的能力。然而，EBITDA 及經調整 EBITDA 不可獨立於經營溢利或任何其他表現計量予以考慮，亦不可詮釋為經營溢利或任何其他表現計量的替代項目，或詮釋為我們經營表現或盈利能力的指標。EBITDA 及經調整 EBITDA 並不計及稅項、財務收入、財務費用及其他非經營性現金開支。EBITDA 及經調整 EBITDA 並無考慮可能導致我們須就任何目的而保留及分配資金的任何業務的功能或法定要求。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

The following table presents a reconciliation of EBITDA and adjusted EBITDA to net profit for the years ended December 31, 2011 and December 31, 2010:

下表載列EBITDA及經調整EBITDA於截至二零一一年十二月三十一日及二零一零年十二月三十一日止年度之淨溢利的對賬：

		Year ended December 31 截至十二月三十一日止年度	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Net profit for the year	年內淨溢利	1,105,842	420,864
Income tax expenses	所得稅開支	293,909	161,705
Finance income	財務收入	(74,728)	(35,344)
Finance cost	財務費用	234,482	86,788
Depreciation, depletion and amortization	折舊、耗損及攤銷	542,002	528,582
EBITDA	EBITDA	2,101,507	1,162,595
Share-based compensation expenses	股份酬金開支	18,042	29,429
Loss on oil hedge options	石油套期期權虧損	32,137	44,692
Gain arising from acquisition of Emir-Oil, LLC	收購 Emir-Oil, LLC 利得	(460,345)	—
Expenses related to issuance of senior notes	發行優先票據的相關開支	24,127	—
Loss on disposal of property, plant and equipment	出售不動產、工廠及設備的虧損	1,089	—
Other acquisition expenses	其他收購開支	8,760	—
Adjusted EBITDA	經調整 EBITDA	1,725,317	1,236,716

The Group's EBITDA increased by approximately RMB938.9 million, or 80.8%, from approximately RMB1,162.6 million for the year ended December 31, 2010 to approximately RMB2,101.5 million for the year ended December 31, 2011. The increase was primarily due to the increase in realized oil price and sales volume.

本集團的EBITDA由截至二零一零年十二月三十一日止年度的約人民幣11.626億元增加約人民幣9.389億元或80.8%至截至二零一一年十二月三十一日止年度約人民幣21.015億元。該增加乃主要由於實現石油價格及銷量增加。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

The Group's adjusted EBITDA increased by approximately RMB488.6 million, or 39.5%, from approximately RMB1,236.7 million for the year ended December 31, 2010 to approximately RMB1,725.3 million for the year ended December 31, 2011. The increase in adjusted EBITDA was also primarily due to the increase in realized oil price and sales volume.

本集團的經調整EBITDA由截至二零一零年十二月三十一日止年度的約人民幣12.367億元增加約人民幣4.886億元或39.5%至截至二零一一年十二月三十一日止年度的約人民幣17.253億元。經調整EBITDA增加亦主要由於實現石油價格及銷量增加。

The Group's EBITDA and Adjusted EBITDA by operating segment are set out below:

本集團按經營分部劃分的EBITDA及經調整EBITDA載列如下：

		Year ended December 31, 2011				
		截至二零一一年十二月三十一日止年度				
		Intersegment				Total
		China	Kazakhstan	Others	transaction	Total
		中國	哈薩克斯坦	其他	分部間交易	合計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Net profit for the year	年內淨溢利	917,388	(14,690)	203,144	—	1,105,842
Income tax expenses	所得稅開支	296,075	(2,166)	—	—	293,909
Finance income	財務收入	(72,174)	—	(11,918)	9,364	(74,728)
Finance cost	財務費用	69,024	9,364	165,458	(9,364)	234,482
Depreciation, depletion and amortization	折舊、耗損及攤銷	513,834	28,103	65	—	542,002
EBITDA	EBITDA	1,724,147	20,611	356,749	—	2,101,507
Share-based compensation expenses	股份酬金開支	18,042	—	—	—	18,042
Loss on oil hedge options	石油套期期權虧損	21,276	—	10,861	—	32,137
Gain arising from acquisition of Emir-Oil, LLC	收購Emir-Oil, LLC利得	—	—	(460,345)	—	(460,345)
Expenses related to issuance of senior notes	發行優先票據的相關開支	—	—	24,127	—	24,127
Loss on disposal of property, plant and equipment	出售不動產、工廠及設備的虧損	—	1,089	—	—	1,089
Other acquisition expenses	其他收購開支	—	—	8,760	—	8,760
Adjusted EBITDA	經調整EBITDA	1,763,465	21,700	(59,848)	—	1,725,317



Management Discussion and Analysis (continued)

管理層討論及分析(續)

Liquidity and Capital Resources

Overview

The Group's primary sources of cash during 2011 were cash flow from operating activities and cash flow from financing activities. We used cash primarily to repay the US\$200 million CITIC bank loan, and fund capital spending program and acquire Emir-Oil, LLC.

In 2011, we had net cash generated from operating activities of RMB1,246.1 million, net cash used in investing activities of RMB2,476.5 million, net cash generated from financing activities of RMB1,093.8 million and a translation loss of foreign currency of RMB10.4 million resulting in a net decrease in cash and cash equivalent of RMB147.0 million.

Cash generated from operating activities

Net cash generated from operating activities was RMB1,246.1 million in the year ended December 31, 2011. In the year ended December 31, 2011, our net cash generated in operating activities included profit before income tax of RMB1,399.8 million adjusted for, among other things, depreciation, depletion and amortization of RMB542.0 million, gain arising from the acquisition of Emir-Oil, LLC of RMB460.3 million, net interest expenses of RMB220.2 million, unrealized foreign exchange gain of RMB70.7 million, and a fair value loss on oil hedge Option of RMB32.1 million, offset by changes in working capital which included a increase in trade and other payables of RMB221.0 million, a increase in trade and other receivable of RMB209.8 million and a increase in inventories of RMB17.6 million.

Net cash generated from operating activities was RMB1,015.0 million in the year ended December 31, 2010. In the year ended December 31, 2010, our net cash generated in operating activities included profit before income tax of RMB582.6 million adjusted for, among other things, depreciation, depletion and amortization of RMB528.6 million, higher net interest expenses of RMB86.6 million, a fair value loss on oil hedge option of RMB44.7 million and an unrealized foreign exchange gain of RMB35.2 million, offset by changes in working capital which included a increase in trade and other payables of RMB9.5 million, a decrease in trade and other receivable of RMB86.4 million; and a decrease in inventories of RMB41.0 million.

流動資金及資本資源

概覽

本集團二零一一年的主要現金來源為經營活動產生的現金流量及融資活動產生的現金流量。本集團的現金主要用於償還中信銀行2億美元之貸款，為資本性支出及收購 Emir-Oil, LLC 提供資金。

於二零一一年，本公司經營活動產生的現金淨額為人民幣12.461億元，投資活動所用的現金淨額為人民幣24.765億元，融資活動產生的現金淨額為人民幣10.938億元，以及外幣匯兌虧損人民幣1,040萬元，令現金及現金等價物淨減少人民幣1.47億元。

經營活動產生的現金

截至二零一一年十二月三十一日止年度，經營活動產生的現金淨額為人民幣12.461億元。截至二零一一年十二月三十一日止年度，本公司經營活動產生的現金淨額包括除所得稅前溢利人民幣13.998億元，並就包括折舊、耗損及攤銷人民幣5.420億元、收購 Emir-Oil, LLC 利得為人民幣4.603億元，淨利息開支人民幣2.202億元、未變現外匯收益人民幣7,070萬元，以及石油套期權公允價值虧損人民幣3,210萬元，由營運資金變動抵銷，包括貿易及其他應付款項增加人民幣2.21億元，貿易及其他應收款項增加人民幣2.098億元及存貨增加人民幣1,760萬元。

截至二零一零年十二月三十一日止年度，經營活動產生的現金淨額為人民幣10.15億元。截至二零一零年十二月三十一日止年度，本公司經營活動產生的現金淨額包括除所得稅前溢利人民幣5.826億元，並就包括折舊、耗損及攤銷人民幣5.286億元、淨利息開支增加人民幣8,660萬元、石油套期權公允價值虧損人民幣4,470萬元及未變現外匯收益人民幣3,520萬元等在內的項目作出調整，惟被營運資金變動包括貿易及其他應付款項增加人民幣950萬元、貿易及其他應收款項減少人民幣8,640萬元及存貨減少人民幣4,100萬元所抵銷。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

Cash used in investing activities

Net cash used in investing activities in the year ended December 31, 2011 amounted to RMB2,476.5 million, mainly as a result of project development costs of RMB1,241.9 million, net cash payment of RMB985.9 million for acquiring of Emir, increase in pledged deposits of RMB205.3 million, payment of RMB18.9 million for acquiring preferred shares and mineral extraction right from PEDCO and net loans granted to GOC of RMB28.6 million, partially offset by the interest received of RMB4.1 million.

Net cash used in investing activities in the year ended December 31, 2010 amounted to RMB1,001.8million, mainly as a result of project development costs of RMB910.2 million, and loans granted to GOC of RMB91.6 million.

Cash generated from financing activities

Net cash generated from financing activities in the year ended December 31, 2011 amounted to RMB1,093.8 million due to proceeds from the issuance of US\$400 million senior notes of RMB2,524.6 million in May 2011, offset by: (i) RMB1,308.3 million used for the repayment of US\$200 million CITIC bank loan in May 2011;(ii) 2010 final cash dividend of RMB76.8 million paid in May 2011;(iii) payment of RMB10.7 million for the fees incurred during the initial public offering; (iv) payment of RMB34.5 million for the expenses related to the issuance of US\$400 million senior notes ;and (v) repayment of RMB0.3 million for capital lease liability.

Net cash generated from financing activities in the year ended December 31, 2010 amounted to RMB376.7million due to:(i) proceeds from initial public offering of RMB605.2 million in December 2010, offset by:(i) a cash dividend of RMB136.5 million paid in March 2010; (ii) payment of RMB64.9 million for the fees incurred during initial public offering; and (iii) payment of RMB27.1 million for arrangement fee for the US\$200 million CITIC bank loan.

投資活動所用的現金

截至二零一一年十二月三十一日止年度，投資活動所用的現金淨額為人民幣24.765億元，主要為項目開發費用人民幣12.419億元，收購Emir所用的淨現金付款人民幣9.859億元，已抵押存款增加人民幣2.053億元，購買PEDCO優先股及採礦權的款項人民幣1,890萬元以及授予澳大利亞環球石油的貸款淨額人民幣2,860萬元，部份被已收利息人民幣410萬元所抵銷。

截至二零一零年十二月三十一日止年度，投資活動所用的現金淨額為人民幣10.018億元，主要為項目開發費用人民幣9.102億元及授予澳大利亞環球石油的貸款人民幣9,160萬元。

融資活動產生的現金

截至二零一一年十二月三十一日止年度，在二零一一年五月發行4億美元優先票據的所得款項為人民幣25.246億元，使融資活動產生的現金淨額為人民幣10.938億元，並被：(i)於二零一一年五月，人民幣13.083億元用於償還中信銀行2億美元的貸款；(ii)二零一一年五月人民幣7,680萬元用於派付二零一零年末期現金股息；(iii)支付首次公開發售產生之費用人民幣1,070萬元；(iv)支付有關發行4億美元優先票據費用人民幣3,450萬元；及(v)償還人民幣30萬元資本租賃負債。

截至二零一零年十二月三十一日止年度，融資活動產生的現金淨額為人民幣3.767億元，由於：(i)於二零一零年十二月的首次公開發售所得款項人民幣6.052億元，抵銷自：(i)二零一零年三月支付的現金股息人民幣1.365億元，(ii)支付於首次公開發售產生之費用人民幣6,490萬元；及(iii)支付2億美元中信銀行貸款的安排費用人民幣2,710萬元。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

Our gearing ratio, which is defined as total borrowings less cash and cash equivalents ("Net Borrowings") divided by the sum of Net Borrowings and total equity, increased slightly from 23.77% as at December 31, 2010 to 39.45% as at December 31, 2011, principally due to the issuance of the US\$400 million senior notes.

Our Total Borrowings to EBITDA ratio, which is defined as total borrowings divided by EBITDA increased from 1.11 as at December 31, 2010 to 1.17 as at December 31, 2011.

Our Total Borrowings to Adjusted EBITDA ratio, which is defined as total borrowings divided by Adjusted EBITDA increased from 1.04 as at December 31, 2010 to 1.43 as at December 31, 2011.

Market Risks

Our market risk exposures primarily consist of fluctuations in oil prices and exchange rates.

Oil price risk

The Group is engaged in crude oil development, production and selling activities. Prices of crude oil are affected by both domestic and global factors which are beyond the control of the Group. The fluctuations in such prices may have favourable or unfavourable impacts to the Group. Prior to 2008, the Group did not use any derivative instruments to hedge against potential price fluctuations of crude oil and therefore the Group was exposed to general price fluctuations of crude oil. During the year ended December 31, 2010 and 2011, the Group entered into oil hedge options contracts to manage its price risk. If the crude oil price were to increase or decrease by US\$1, the impact on the Group's profit before income tax for the year ended December 31, 2011, as a result of revaluing the oil hedge options would be a decrease of RMB2,698,000 and increase of RMB2,326,000 (2010: decrease of RMB1,566,000 or increase of RMB1,652,000), respectively.

本公司的負債比率(借款總額減現金及現金等價物(「淨借款額」)除以淨借款額及權益總額之和)自二零一零年十二月三十一日之23.77%稍增至二零一一年十二月三十一日的39.45%。該增加主要由於發行4億美元的優先票據所致。

本集團借款總額的EBITDA比率(定義為將借款總額除以EBITDA)由二零一零年十二月三十一日的1.11增加至二零一一年十二月三十一日的1.17。

本集團借款總額的經調整EBITDA比率(定義為將借款總額除以經調整EBITDA)由二零一零年十二月三十一日的1.04增加至二零一一年十二月三十一日的1.43。

市場風險

本公司面臨的市場風險主要包括油氣價格及匯率的波動。

原油價格風險

本集團從事原油開發、生產及銷售活動。原油的價格受到國內及全球的因素所影響，而兩者亦非本集團所能控制。該價格的波動可能為本集團帶來有利或不利的影響。在二零零八年以前，本集團並無運用任何衍生工具以套期原油價格的潛在波動，因此本集團過往一般面對原油價格波動的風險。截至二零一零年及二零一一年十二月三十一日止年度，本集團訂立石油套期期權合約以管理價格風險。當原油價格上升或下跌1美元，本集團截至二零一一年十二月三十一日止年度扣除所得稅前溢利，於計及石油套期期權後重新估價，分別減少人民幣2,698,000元或增加人民幣2,326,000元(二零一零年：下跌人民幣1,566,000元或增加人民幣1,652,000元)。



Management Discussion and Analysis (continued)

管理層討論及分析(續)

Currency risk

The majority of the Group's China operation sales are in US dollars, while production and other expenses are incurred in RMB. The RMB is not a freely convertible currency and is regulated by the PRC government. Limitation in foreign exchange transactions imposed by the PRC government could cause future exchange rates to vary significantly from current or historical exchange rates. Management is not in a position to anticipate changes in the PRC foreign exchange regulations and as such is unable to reasonably anticipate the impacts on the Group's results of operations or financial position arising from future changes in exchange rates.

Employees

As at December 31, 2011, the Group had 2,222 employees, with 1,844 based in China and 378 based in Kazakhstan.

We have adopted a market-oriented employment system and a more competitive remuneration scheme. The remuneration scheme and employment system are periodically reviewed. Apart from pension funds and in-house training programs, performance bonuses and share options may be awarded to employees according to evaluation of individual contribution.

Contingencies

On August 28, 2000, MIE entered into a PSC with Sinopec for exploration and development of Luojiayi 64 block at Shengli oilfield in Shandong Province. In 2000, MIE began the trial-development phase of its operations at Luojiayi 64 block at Shengli oilfield and drilled a dry hole. The project has been suspended since the end of 2004. In April 2005, MIE requested an extension from Sinopec to restart the project at Shengli. On September 27, 2006, MIE received a letter from Sinopec denying the request to restart the project and seeking to terminate the PSC on the grounds that the extension period of the trial-development phase had expired and MIE had not met its investment commitment of at least US\$2 million under the PSC. MIE believes its investment in the project at Luojiayi 64 block at Shengli oilfield had met the required commitment amount under the PSC. The PSC with Sinopec has not been formally terminated and the dispute has not entered any judicial proceedings.

貨幣風險

本集團的大部份中國境內營運銷售以美元計值，而生產及其他開支則以人民幣入賬。人民幣並非為自由轉換貨幣，須受中國政府規管。中國政府對外匯交易所設定的限制可能導致未來匯率與當前或歷史匯率相比出現大幅變動。管理層無法預測中國外匯管制的變動，故無法合理估計未來匯率變動對本集團經營業績或財務狀況的影響。

僱員

於二零一一年十二月三十一日，本集團擁有2,222名僱員，有1,844名位於中國，378名位於哈薩克斯坦。

本集團已採用以市場為導向的僱員制度以及具競爭力的薪酬計劃。薪酬計劃及僱員制度會作定期檢討。除養老金及內部培訓計劃外，我們將根據個人貢獻的評估授予績效獎金及購股權。

或有負債

於二零零零年八月二十八日，MIE與中石化訂立產品分成合同，以勘探及開發山東省勝利油田的羅家義64區塊。於二零零零年，MIE開始進入其於勝利油田羅家義64區塊的業務的試開發階段並已鑽得一口乾眼。該項目已自二零零零年未起被擱置。於二零零五年四月，MIE向中石化要求延長期限以重新啟動勝利油田項目。於二零零六年九月二十七日，MIE接獲中石化否決其重新啟動該項目要求的函件，且中石化以試開發階段延長期限已屆滿及MIE並未履行產品分成合同項下至少200萬美元的投資承諾為由，要求終止產品分成合同。MIE認為其於勝利油田的羅家義64區塊項目中的投資已符合產品分成合同所規定的承諾金額。與中石化訂立的產品分成合同尚未正式終止，且糾紛並未進入任何司法程序。



Independent Auditor's Report 獨立核數師報告書



To the shareholders of MIE Holdings Corporation
(incorporated in Cayman Islands with limited liability)

We have audited the consolidated financial statements of MIE Holdings Corporation ("the Company") and its subsidiaries (together, the "Group") set out on pages 82 to 204, which comprise the consolidated and company statements of financial position as at December 31, 2011, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

羅兵咸永道

致MI能源控股有限公司股東
(於開曼註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第82至204頁MI能源控股有限公司(以下簡稱「貴公司」)及其附屬公司(統稱「貴集團」)的合併財務報表,此合併財務報表包括於二零一一年十二月三十一日的合併和公司財務狀況表與截至該日止年度的合併綜合收益表、合併權益變動表及合併現金流量表,以及主要會計政策概要及其他附註解釋資料。

董事就合併財務報表須承擔的責任

貴公司董事須負責根據國際財務報告準則及香港《公司條例》的披露規定編製合併財務報表,以令合併財務報表作出真實而公平的反映,及落實其認為編製合併財務報表所必要的內部控制,以使合併財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

我們的責任是根據我們的審計對該等合併財務報表作出意見。我們已根據國際審計準則進行審計。該等準則要求我們遵守道德規範,並規劃及執行審計,以合理確定合併財務報表是否不存在任何重大錯誤陳述。

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Independent Auditor's Report (continued)

獨立核數師報告書(續)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at December 31, 2011, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Other Matters

This report, including the opinion, has been prepared for and only for you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, March 26, 2012

審計涉及執程序以獲取有關合併財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製合併財務報表以作出真實而公平的反映相關的內部控制，以設計適當的審計程序，但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及作出會計估計的合理性，以及評價合併財務報表的整體列報方式。

我們相信，我們所獲得的審計憑證能充足和適當地為我們的審計意見提供基礎。

意見

我們認為，該等合併財務報表已根據國際財務報告準則真實而公平地反映貴公司及貴集團於二零一一年十二月三十一日的事務狀況及貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》的披露規定妥為編製。

其他事項

本報告(包括意見)乃為股東而編製並僅向整體股東報告除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。

羅兵咸永道會計師事務所
執業會計師

香港二零一二年三月二十六日

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Consolidated Statement of Financial Position

合併財務狀況表

As at December 31,
於十二月三十一日

		Notes 附註	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
ASSETS	資產			
Non-current assets	非流動資產			
Property, plant and equipment	不動產、工廠及設備	6	5,267,499	3,024,482
Intangible asset	無形資產	7	584,322	1,677
Investment	投資	8	3,966	—
Derivative financial instruments	衍生金融工具	9	—	20,285
Trade and other receivables	應收及其他應收款項	10	32,032	24,212
Restricted cash	受限制現金	12	7,530	—
			5,895,349	3,070,656
Current assets	流動資產			
Inventories	存貨	11	51,837	36,664
Derivative financial instruments	衍生金融工具	9	9,151	11,168
Trade and other receivables	應收及其他應收款項	10	703,068	398,294
Pledged deposits	抵押存款	12	233,891	29,916
Cash and cash equivalents	現金及現金等價物	13	533,029	680,033
			1,530,976	1,156,075
Total Assets	總資產		7,426,325	4,226,731
EQUITY	權益			
Capital and reserves attributable to owners of the Company	歸屬於本公司所有者			
Ordinary shares	普通股	14	17,627	17,588
Share premium	股本溢價	15	835,709	826,477
Other reserves	其他儲備	15	102,083	91,919
Retained earnings	留存收益			
— Proposed final dividend	— 擬派末期股利	27	94,514	77,933
— Others	— 其他		1,909,216	946,014
Equity attributable to owners of the Company	歸屬於本公司所有者權益		2,959,149	1,959,931
Non-controlling interest	非控制性權益		3,504	—
Total Equity	總權益		2,962,653	1,959,931



Consolidated Statement of Financial Position (continued)

合併財務狀況表(續)

		As at December 31, 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
		Notes 附註	
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Asset retirement obligations	資產棄置義務	16	9,270
Deferred income tax liabilities- net	淨遞延所得稅負債	17	8,694
Trade and other payables	應付及其他應付款項	18	137,598
Borrowings	借款	19	1,191,862
Derivative financial instruments	衍生金融工具	9	—
			2,893,842
			1,347,424
Current liabilities	流動負債		
Trade and other payables	應付及其他應付款項	18	775,137
Current income tax liabilities	即期所得稅負債		44,898
Borrowings	借款	19	99,341
Derivative financial instruments	衍生金融工具	9	—
			1,569,830
			919,376
Total Liabilities	總負債		4,463,672
			2,266,800
Total Equity and Liabilities	總權益及負債		7,426,325
			4,226,731
Net current (liabilities)/assets	流動(負債)/資產淨值		(38,854)
			236,699
Total assets less current liabilities	總資產減流動負債		5,856,495
			3,307,355

The notes on page 91 to 204 are an integral part of these financial statements.

第91頁至第204頁之附註屬本合併財務報表之一部分。

The financial statements on page 82 to 204 were approved by the Board of Directors on March 26, 2012 and were signed on its behalf.

第82頁至第204頁之財務報表已於二零一二年三月二十六日獲董事會核准及授權刊發，並由下列董事會代表簽署：

Zhang Ruilin
張瑞霖
Director
董事

Allen Mak
麥雅倫
Director
董事



Statement of Financial Position

財務狀況表

As at December 31,
於十二月三十一日

			2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
	Notes 附註			
ASSETS		資產		
Non-current assets		非流動資產		
Property, plant and equipment		不動產、工廠及設備	1,584	—
Investments in subsidiaries	25	對子公司投資	1,418,594	1,400,552
Amount due from subsidiaries	25	貨款予子公司	3,329,987	602,021
Investment	8	投資	3,966	—
Prepayments to third parties		預付第三方賬款	12,063	—
			4,766,194	2,002,573
Current assets		流動資產		
Amount due from subsidiaries	25	貨款予子公司	94,514	—
Other receivables		其他應收款項	3	—
Cash and cash equivalents	13	現金和現金等價物	52,381	342,950
			146,898	342,950
Total Assets		總資產	4,913,092	2,345,523
EQUITY		權益		
Capital and reserves		資本及儲備		
Ordinary shares	14	普通股	17,627	17,588
Share premium	15	股本溢價	835,709	826,477
Other reserves	15	其他儲備	1,332,718	1,367,599
Retained earnings		留存收益		
— Proposed final dividend	27	— 擬派末期股利	94,514	77,933
— Others		— 其他	59,144	11,316
Total Equity		總權益	2,339,712	2,300,913



Statement of Financial Position (continued)

財務狀況表 (續)

		As at December 31, 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
		Notes 附註	
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Borrowings	借款	19	—
			2,463,004
			—
Current liabilities	流動負債		
Salary payable	應付薪金		5,960
Interest payable	應付利息		—
Stock appreciation rights liabilities	股份增值權負債	18	21,260
Derivative financial instruments	衍生金融工具	9	—
Other liabilities	其他負債		17,390
			110,376
			44,610
Total liabilities	總負債		2,573,380
			44,610
TOTAL EQUITY AND LIABILITIES	總權益及負債		4,913,092
			2,345,523
Net current assets	流動資產淨值		36,522
			298,340
Total assets less current liabilities	總資產減流動負債		4,802,716
			2,300,913

The notes on page 91 to 204 are an integral part of these financial statements.

第91頁至第204頁之附註屬本合併財務報表之一部分。

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第82頁至第204頁之財務報表已於二零一二年三月二十六日獲董事會核准及授權刊發，並由下列董事會代表簽署：

Zhang Ruilin
張瑞霖
Director
董事

Allen Mak
麥雅倫
Director
董事



Consolidated Statement of Comprehensive Income

合併綜合收益表

		Year ended December 31, 截至十二月三十一日止年度		
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	
		Notes 附註		
Revenue	收益	5	2,827,141	1,804,976
Operating expenses	經營開支			
Purchases, services and other	採購、服務及其他		(185,494)	(126,517)
Employee compensation costs	員工薪酬成本	20	(197,052)	(110,346)
Depreciation, depletion and amortization	折舊、耗損及攤銷		(542,002)	(528,582)
Distribution expenses	銷售開支		(31,472)	(28,424)
Administrative expenses	管理費用		(90,297)	(50,154)
Taxes other than income taxes	稅項(所得稅除外)	21	(656,766)	(289,296)
Other losses	其他虧損	22	(24,898)	(37,644)
Total operating expenses	總經營開支		(1,727,981)	(1,170,963)
Profit from operations	經營溢利		1,099,160	634,013
Finance income	財務收入	23	74,728	35,344
Finance costs	財務費用	23	(234,482)	(86,788)
Finance costs — net	淨財務費用	23	(159,754)	(51,444)
Gain arising from acquisition of Emir-Oil, LLC	收購 Emir-Oil, LLC 利得	30	460,345	—
Profit before income tax	除所得稅前溢利		1,399,751	582,569
Income tax expense	所得稅開支	24	(293,909)	(161,705)
Net profit for the year	年內淨溢利		1,105,842	420,864
Attributable to:	歸屬於：			
Owners of the Company	本公司所有者		1,106,072	420,864
Non-controlling interest	非控制性權益		(230)	—
			1,105,842	420,864



Consolidated Statement of Comprehensive Income (continued)

合併綜合收益表(續)

		Year ended December 31, 截至十二月三十一日止年度		
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	
		Notes 附註		
Earnings per share, Basic (expressed in RMB per share)	基本每股收益(每股人民幣)	32	0.42	0.19
Earnings per share, Diluted (expressed in RMB per share)	稀釋每股收益(每股人民幣)	32	0.42	0.19
Dividends distributed during the year	本年股息支付		76,842	217,584
Dividends proposed after the balance sheet date	資產負債日後提議分派 的股息	27	94,514	77,933
Net profit for the year	年內淨溢利		1,105,842	420,864
Other comprehensive income:	其他綜合收益:			
Currency translation difference	貨幣折算差異		(44,697)	(10,941)
Other comprehensive income for the year, net of tax	年內其他綜合收益稅後淨值		(44,697)	(10,941)
Total comprehensive income for the year	年內綜合收益總額		1,061,145	409,923
Attribute to:	歸屬於:			
Owners of the Company	本公司所有者		1,061,375	409,923
Non-controlling interest	非控制性權益		(230)	—
Total comprehensive income for the year	年內綜合收益總額		1,061,145	409,923

The notes on page 91 to 204 are an integral part of these consolidated financial statements.

第91頁至第204頁之附註屬本合併財務報表之一部份。



Consolidated Statement of Changes in Equity

合併權益變動表

		Attributable to owners of the Company						Total equity
		歸屬於本公司所有者						
		Ordinary shares	Preferred shares	Share premium	Other reserves	Retained earnings		
Note	普通股	優先股	股本溢價	其他儲備	留存收益	權益總額		
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
As at January 1, 2010	於二零一零年一月一日	659	171	339,449	64,460	848,707	1,253,446	
Comprehensive income for the year	綜合收益							
Net profit for the year	年內淨溢利	—	—	—	—	420,864	420,864	
Transfer to safety fund reserve	轉撥至安全基金儲備	—	—	—	28,040	(28,040)	—	
Currency translation difference	貨幣折算差異	—	—	—	(10,941)	—	(10,941)	
		—	—	—	17,099	392,824	409,923	
Transactions with owners	與所有者交易							
Employees stock options	僱員購股權	14(b), 20	—	—	—	10,360	10,360	
Cancellation of ordinary shares	注銷可贖回普通股	14(a)	(124)	—	(614,047)	—	(614,171)	
Issuance of Series B preferred shares in exchange of ordinary shares	為交換普通股發行系列B優先股		—	249	613,923	—	614,172	
Cash dividend distribution	現金股息分派		—	—	—	(136,532)	(136,532)	
Deemed dividend distribution	視為股息分派		—	—	—	(81,052)	(81,052)	
Conversion of Series A shares to ordinary shares	轉換系列A優先股至普通股	14(a)	171	(171)	—	—	—	
Conversion of Series B shares to ordinary shares	轉換系列B優先股至普通股	14(a)	124	(249)	125	—	—	
Capitalization issuance of ordinary shares to shareholders registered on November 23, 2010	向截至二零一零年十一月二十三日已登記的股東資本化發行普通股	14(a)	13,822	—	(13,822)	—	—	
Issuances of ordinary shares for Global Offering	為全球發售發行普通股	14(a)	2,936	—	500,849	—	503,785	
Total transactions with owners	與所有者交易總額		16,929	(171)	487,028	10,360	(217,584)	296,562
As at December 31, 2010	於二零一零年十二月三十一日		17,588	—	826,477	91,919	1,023,947	1,959,931



Consolidated Statement of Changes in Equity (continued)

合併權益變動表(續)

		Attributable to owners of the Company						Total equity
		歸屬於本公司所有者						
		Ordinary shares	Share premium	Other reserves	Retained earnings	Total	Non-controlling interest	
		普通股	股本溢價	其他儲備	留存收益	總計	非控制性權益	權益總額
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	附註	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
As at January 1, 2011	於二零一一年一月一日	17,588	826,477	91,919	1,023,947	1,959,931	—	1,959,931
Comprehensive income for the year	綜合收益							
Net profit for the year	年內淨溢利	—	—	—	1,106,072	1,106,072	(230)	1,105,842
Transfer to safety fund reserve	轉撥至安全基金儲備	—	—	49,447	(49,447)	—	—	—
Currency translation difference	貨幣折算差異	—	—	(44,697)	—	(44,697)	—	(44,697)
		—	—	4,750	1,056,625	1,061,375	(230)	1,061,145
Transactions with owners	與所有者交易							
Employees stock options	僱員購股權	14(b), 20	—	—	5,414	—	5,414	—
Cash dividend distribution	現金股息分派	27	—	—	(76,842)	(76,842)	—	(76,842)
Exercise of employee stock option	行使僱員購股權	14(a)	39	9,232	—	—	—	9,271
Capital contribution from Non-controlling interest	非控制性權益資本投資	8	—	—	—	—	3,734	3,734
Total transactions with owners	與所有者交易總額		39	9,232	5,414	(76,842)	(62,157)	3,734
			39	9,232	5,414	(76,842)	(62,157)	3,734
As at December 31, 2011	於二零一一年十二月三十一日	17,627	835,709	102,083	2,003,730	2,959,149	3,504	2,962,653

The notes on page 91 to 204 are an integral part of these consolidated financial statements.

第91頁至第204頁之附註屬本合併財務報表之一部份。



Consolidated Statement of Cash Flows

合併現金流量表

		Year ended December 31, 截至十二月三十一日止年度	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
		Notes 附註	
Cash flows from operating activities 經營活動產生的現金流量			
Cash generated from operations	經營產生的現金	28	1,657,769
Interest paid	已付利息		(147,573)
Income tax paid	已付所得稅		(264,120)
			1,344,234
			(72,420)
			(256,915)
Net cash generated from operating activities	經營活動產生的現金淨額		1,246,076
			1,014,899
Cash flows from investing activities 投資活動所用的現金流量			
Acquisition of Emir-Oil, LLC, net of cash acquired	收購Emir-Oil, LLC, 扣除購入的現金	30	(985,925)
Acquisition of preferred shares and mineral extraction rights	購買優先股和礦產開採權	8	(18,903)
Purchases of property, plant and equipment	購買不動產、工廠和設備		(1,241,908)
Increase in pledged deposits	抵押存款的增加		(205,271)
Loan granted to PSC partner	授予產品分成合同夥伴貸款		(92,330)
Repayment of loan by PSC partner	已付產品分成合同夥伴貸款		63,779
Interest received	已收利息		4,066
			(910,244)
			(114)
			(91,586)
			—
			143
Net cash used in investing activities	投資活動所用的現金淨額		(2,476,492)
			(1,001,801)
Cash flows from financing activities 融資活動產生的現金流量			
Proceeds from issue of Notes, net	發行優先票據所得款項		2,524,589
Payment of expenses for issuance of Notes	發行優先票據相關費用		(34,511)
Repayments of borrowings	償還借款		(1,308,329)
Payment of loan arrangement fees	支付貸款協議費用		—
Capital element of finance lease rentals paid	已付財務租賃租金的資本部分		(348)
Proceeds from Global Offering	全球發售所得款項		—
Payment of fees relating to Global Offering	支付全球發售相關費用		(10,725)
Cash dividends paid	已付現金股息		(76,842)
			(27,114)
			—
			(27,114)
			—
			605,219
			(64,909)
			(136,532)
Net cash generated from financing activities	融資活動產生的現金淨額		1,093,834
			376,664
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物的(減少)/增加淨額		(136,582)
Exchange losses on cash and cash equivalents	現金及現金等價物的匯兌虧損		(10,422)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物		680,033
			290,271
Cash and cash equivalents at end of the year	年末現金及現金等價物	13	533,029
			680,033

The notes on page 91 to 204 are an integral part of these consolidated financial statements.

第91頁至第204頁之附註屬本合併財務報表之一部分。



Notes to the Consolidated Financial Statements

合併財務報表附註

1 General information

The Company was incorporated by Far East Energy Limited (“FEEL”), a company incorporated in Hong Kong with limited liability on March 20, 2008. The address of its registered office is Maples Corporate Services Limited, P.O. Box 309 Ugland House, Grand Cayman KY1-1104, Cayman Islands. The Company’s shares are listed on the Stock Exchange of Hong Kong Limited.

The Company and its subsidiaries’ (“the Group”) principal business is to engage in the development, production and sale of crude oil through (1) MI Energy Corporation’s (“MIE”) four production sharing projects in China; (2) Emir-Oil, LLC’s (“Emir-Oil, LLC”) exploration contract and three production contracts in Kazakhstan and; (3) Condor Energy Technology LLC’s (“Condor”) working interest in the Niobrara asset in the United States of America.

On May 26, 2001, MIE was assigned all of Microbes, Inc.’s, its then parent company, 90% foreign participating interest in the production sharing contracts (“PSCs”) of four oil blocks, namely, Daan, Moliqing and Miao 3 in Jilin Province with PetroChina and Luojiayi 64 block in Shengli of Shandong Province with China Petroleum and Chemical Corporation (“Sinopec”). The Daan and Miao 3 projects were established in 1997, and the Moliqing project was established in 1998. The duration of those three projects are 30 years with the commercial production period being up to 20 years. Daan, Moliqing and Miao 3 will expire in year 2024, year 2028 and year 2028 respectively. The Group acts as the operator of these four PSCs. The Group and Global Oil Corporation (“GOC”), hold a 90% interest and a 10% interest in the foreign participating interest in the PSCs for Daan, Moliqing and Miao 3, respectively (Note 2(c)). As of January 1, 2005, the Daan project was in the commercial production phase. As of October 1, 2008, the Miao 3 project attained commercial production. As of December 1, 2008, the Moliqing project reached commercial production. In 2006, the Luojiayi 64 block stopped work and in 2005 MIE’s related investment was fully written off (Note 29(b)).

1 一般資料

本公司由 Far East Energy Limited (「FEEL」) (一家於香港註冊成立的有限公司) 在 2008 年 3 月 20 日註冊成立。註冊地址為 Maples Corporate Services Limited, P.O. Box 309 Ugland House, Grand Cayman KY1-1104, Cayman Islands。本公司在香港聯合交易所有限公司上市交易。

本公司及所屬附屬公司(「本集團」)主要從事開發、生產及銷售原油，通過：(1)MI Energy Corporation (「MIE」)位於中華人民共和國的四個產品分成項目；(2)Emir-Oil, LLC (「Emir-Oil, LLC」)的勘探合同和位於哈薩克斯坦的三處生產合同；及(3)Condor Energy Technology LLC (「Condor」)位於美國的 Niobrara 資產的開採權益。

於二零零一年五月二十六日，MIE 獲配所有 Microbes, Inc. (其當時的母公司) 於四個油區的產品分成合同(「產品分成合同」) 90% 的外國參與權益，即與中國石油天然氣股份有限公司(「中石油」)合作的吉林省大安、莫里青及廟3區塊及與中國石油化工股份有限公司(「中石化」)合作的山東省勝利羅家義64區塊。大安及廟3項目於一九九七年成立，而莫里青項目則於一九九八年成立。該三個項目的期限為三十年，而其商業生產期則最多為二十年。大安、莫里青及廟3項目分別將於二零二四年，二零二八年和二零二八年到期。本集團為此四個產品分成合同的作業者。本集團及澳大利亞環球石油公司(「澳大利亞環球石油」)於大安、莫里青及廟3區塊之產品分成合同的外國參與權益內分別持有90%及10%的權益。(附註2(c))。截至二零零五年一月一日，大安項目處於商業生產階段。截至二零零八年十月一日，廟3項目開始商業生產。截至二零零八年十二月一日，莫里青項目亦開始商業生產。於二零零六年，羅家義64區塊終止作業，而於二零零五年，MIE的有關投資已全數撤銷(附註29(b))。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

1 General information (Continued)

The financial statements are presented in Renminbi (“RMB”) unless otherwise stated. These financial statements have been approved for issue by the Board of Directors on March 26, 2012.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The consolidated financial statements of MIE Holdings Corporation have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The consolidated financial statements have been prepared under the historical cost convention, as modified by financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

1 一般資料(續)

本財務報表以人民幣列報(除非另有說明)。本財務報表已經由在二零一二年三月二十六日批准刊發。

2 重要會計政策概要

編製本合併財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所列報的所有年度內貫徹應用。

(a) 編製基準

本公司的合併財務報表是根據國際財務報告準則編製。合併財務報表按照歷史成本法編製，並就可供出售金融資產及以公允價值計量且其變動計入損益的金融資產和金融負債(包括衍生工具)的重估而作出修訂。

編製符合國際財務報告準則的財務報表需要使用若干關鍵會計估計。這亦需要管理層在應用本集團的會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對合併財務報表作出重大假設和估計的範疇，在附註4中披露。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

(i) Net current liabilities

As at December 31, 2011, the Group has a deficiency in net current assets of RMB38,854,000 which was driven mainly by significant capital expansion program undertaken by the Company in 2011 of RMB1,398,147,000 that was funded by trade payables. The Group generated positive cash flow from operating activities of RMB1,246,076,000 and RMB1,014,899,000 for the years ended December 31, 2011 and 2010 respectively and expects to continue to generate positive cash flow in year 2012. It has also secured a facility for a term loan of RMB50,000,000 from a bank (Note 33).

After taking into consideration the positive operating cash flow and the availability of the undrawn loan facilities above, the Board of Directors believe that the Company has sufficient cash to enable it to pay its debts as and when they fall due.

(ii) Change in accounting estimates

The cost of oil and gas properties is amortized at the field level based on the unit of production method. Unit of production rates were previously based on proved developed producing oil reserves estimated to be recoverable from existing facilities based on the current terms of the respective production agreements.

2 重要會計政策概要(續)

(a) 編製基準(續)

(i) 淨流動負債

截至二零一一年十二月三十一日，本集團淨流動負債為人民幣38,854,000元。該營運資金虧損是由於本集團二零一一年進行重大資本擴張項目投資並透過應付賬款融資人民幣1,398,147,000元所導致。本集團於二零一一年和二零一零年分別產生經營活動正現金流量人民幣1,246,076,000元和人民幣1,014,899,000元，並預計在2012年中繼續產生正現金流量。本集團還取得了銀行貸款融資人民幣50,000,000元(附註33)。

計及上述經營活動正現金流量和尚未使用的融資工具的可獲取性後，董事相信本集團擁有充足的現金，以使其於負債到期時償還負債。

(ii) 會計估計變更

油氣資產乃以油田為單位按單位產量法予以攤銷。單位產量乃根據各自生產協議的現有效期限，按探明已開發產油儲量在現有設施中的估計可採量計算。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

(ii) Change in accounting estimates (Continued)

From January 1, 2011, the Group has applied the unit of production rates based on proved and probable developed producing oil reserves estimated to be recoverable from existing facilities based on current terms of the respective production agreements. The change in estimate is due to management's view that inclusion of probable developed producing reserve will be more reflective of the reserve base available to the Company from its investment in the oil and gas properties. The change resulted in increase of net profit by RMB128 million for the year ended December 31, 2011. It is impracticable to estimate the amount of impact for future years.

(iii) New accounting pronouncements

(A) New standards, amendments to and interpretations on existing standards adopted by the Group are as follows:

- Revised IAS 24, 'Related party disclosures', issued in November 2009. It supersedes IAS 24, 'Related party disclosures', issued in 2003. The revised IAS 24 is required to be applied from January 1, 2011.

2 重要會計政策概要(續)

(a) 編製基準(續)

(ii) 會計估計變更(續)

本集團已於二零一一年一月一日起，根據按各自生產協議的條款可由現有設施開採的探明及概算已開發產油儲量計算單位產量。實施該會計估計變更是由於管理層認為，將概算已開發產油儲量包含在內將更好地反映本公司從對油氣資產的投資中可獲得的儲量基礎。該變更導致截至二零一一年十二月三十一日止十二個月期間的淨溢利增加了人民幣1.28億元。目前尚無法預計該變更對未來年度將會造成的影響金額。

(iii) 新訂會計準則

(A) 本集團採納的新訂準則、現有準則的修訂本及詮釋如下：

- 經修訂國際會計準則第24號「關聯方披露」於二零零九年十一月頒佈。其取代於二零零三年頒佈的國際會計準則第24號「關聯方披露」。經修訂國際會計準則第24號須於二零一一年一月一日起採納。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

(iii) New accounting pronouncements (Continued)

(A) (Continued)

- IAS 1 (Amendment) 'Presentation of financial statements', effective for periods beginning on or after January 1, 2011. The amendment removes the requirement for each item of other comprehensive income to be presented separately in the statement of changes in equity.
- IFRS 7 (Amendment) 'Financial instruments: disclosures', effective for periods beginning on or after January 1, 2011. The amendment clarifies the nature and extent of risks arising from financial instruments.

The adoption of these new standards and amendments did not have a material impact on the Group's or Company's financial statements.

2 重要會計政策概要(續)

(a) 編製基準(續)

(iii) 新訂會計準則(續)

(A) (續)

- 國際會計準則第1號(修訂本)「財務報表的列報」, 於二零一一年一月一日或之後的期間生效。該修改取消了在權益變動表中單獨列報其他綜合收益各項目的要求。
- 國際財務報告準則第7號(修訂本)「金融工具: 披露」, 於二零一一年一月一日或之後的期間生效。該修改闡明了金融工具風險的性質和範圍。

採納此等新訂準則及修訂本對本集團或本公司的財務報表並無重大影響。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

(iii) New accounting pronouncements (Continued)

(B) New standards, amendments and interpretations to existing standards not yet effective and not early adopted by the Group:

- IAS 12 (Amendment), 'Income taxes' on deferred tax. This amendment currently requires an entity to measure the deferred tax relating to an asset depending on whether the entity expects to recover the carrying amount of the asset through use or sale. This amendment is not applicable until January 1, 2012 but is available for early adoption.
- Revised IAS 27, 'Separate financial statements'. This includes the provisions on separate financial statements that are left after the control provisions of IAS 27 have been included in the new IFRS 10. This revised IAS 27 is not applicable until January 1, 2013 but is available for early adoption.
- Revised IAS 28, 'Associates and joint ventures'. This includes the requirements for joint ventures, as well as associates, to be equity accounted following the issue of IFRS 11. This revised IAS 28 is not applicable until January 1, 2013 but is available for early adoption.

2 重要會計政策概要(續)

(a) 編製基準(續)

(iii) 新訂會計準則(續)

(B) 尚未生效及未提前採納的新訂準則、現有準則的修訂本及詮釋如下：

- 國際財務報告準則第12號(修訂本)「所得稅」，此修改目前規定主體必須計量與資產相關的遞延稅項視乎主體是否預期可透過使用或出售收回該資產的賬面值。該修改於二零一三年一月一日後適用，惟可獲提前採納。
- 經修訂國際會計準則第27號「獨立財務報表」的控制權條文已包括在新的國際財務報告準則第10號，國際會計準則第27號(二零一一年修訂)只加載有關獨立財務報表的條文。經修訂國際會計準則第27號於二零一三年一月一日後適用，惟可獲提前採納。
- 經修訂國際會計準則第28號「聯營和合營」，在國際財務報告準則11發佈後，國際會計準則第28號包括有關將合營和聯營按權益法入賬的規定。經修訂國際會計準則第28號於二零一三年一月一日後適用，惟可獲提前採納。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

(iii) New accounting pronouncements (Continued)

(B) (Continued)

- IFRS 9, 'Financial instruments', issued in November 2009. This addresses the classification and measurement of financial assets and financial liabilities and is likely to affect the Group's accounting for its financial assets and financial liabilities. The standard is not applicable until January 1, 2015 but is available for early adoption.
- IFRS 10 'Consolidated financial statements'. The objective of IFRS 10 is to establish principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entity (an entity that controls one or more other entities) to present consolidated financial statements. This standard is not applicable until January 1, 2013 but is available for early adoption.
- IFRS 11, 'Joint arrangements'. This clarifies joint arrangements by focusing on the rights and obligations of the arrangement rather than its legal form. Proportional consolidation of joint ventures is no longer allowed. This standard is not applicable until January 1, 2013 but is available for early adoption.

2 重要會計政策概要(續)

(a) 編製基準(續)

(iii) 新訂會計準則(續)

(B) (續)

- 國際財務報告準則第9號「金融工具」針對金融資產和金融負債的分類、計量和確認。國際財務報告準則在二零零九年十一月發佈。本集團仍未評估國際財務報告準則第9號的全面影響，並有意在其生效日期起採納國際財務報告準則第9號，目前適用於二零一五年一月一日或之後開始的年度期間。
- 國際財務報告準則第10號「合併財務報表」，國際財務報告準則第10號之目的為就某一主體如控制一個或多個其他主體而呈報合併財務報表，訂定呈報和編製合併財務報表的原則。該準則於二零一三年一月一日後適用，惟可獲提前採納。
- 國際財務報告準則第11號「合營安排」，國際財務報告準則第11號對合營安排有更實質的反映，集中針對合營安排的權利和義務而非其法定形式。不再容許將合營企業的權益使用比例合併法入賬。該準則於二零一三年一月一日後適用，惟可獲提前採納。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(a) Basis of preparation (Continued)

(iii) New accounting pronouncements (Continued)

(B) (Continued)

- IFRS 12, 'Disclosures of interests in other entities'. This includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. This standard is not applicable until January 1, 2013 but is available for early adoption.
- IFRS 13, 'Fair value measurement'. IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. This standard is not applicable until January 1, 2013 but is available for early adoption.

The Group is in the process of reviewing the impact of the above standards and do not expect these standards to have a material impact on the Group's or Company's financial statements at the current stage.

2 重要會計政策概要(續)

(a) 編製基準(續)

(iii) 新訂會計準則(續)

(B) (續)

- 國際財務報告準則第12號「在其他主體權益的披露」，國際財務報告準則12包括在其他主體的所有形式的權益的披露規定，包括合營安排、聯營、特別用途工具和其他資產負債表外工具。該準則於二零一三年一月一日後適用，惟可獲提前採納。
- 國際財務報告準則第13號「公允價值計量」，國際財務報告準則第13號旨在加強公允價值的計量和披露的一致性和減低其複雜性，為公允價值提供了一個精確定義，並作為所有國際財務報告準則中有關公允價值計量和披露規定的單一來源。該準則於二零一三年一月一日後適用，惟可獲提前採納。

本集團正審閱上述準則的影響，且預期不會於現階段對本集團或本公司的財務報表造成重大影響。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(b) Consolidation

Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity. The group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise from circumstances such as enhanced minority rights or contractual terms between shareholders, etc.

Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 重要會計政策概要(續)

(b) 綜合

附屬公司

子公司指本集團有權管控其財政及經營政策的所有主體(包括特殊目的主體)，一般附帶超過半數投票權的股權。在評定本集團是否控制另一主體時，目前可行使或可兌換的潛在投票權的存在及影響均予考慮。如本集團不持有超過50%投票權，但有能力基於實質控制權而管控財務和經營政策，也會評估是否存在控制權。實質控制權可來自例如增加少數股東權益的數目或股東之間的合約條款等情況。

子公司在控制權轉移至本集團之日全面合併入賬。子公司在控制權終止之日起停止合併入賬。

集團內公司之間的交易、結餘及收支予以對銷。來自集團內公司間的利潤和損失(確認於資產)亦予以對銷。子公司的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(b) Consolidation (Continued)

Subsidiaries (Continued)

(i) Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

2 重要會計政策概要(續)

(b) 綜合(續)

附屬公司(續)

(i) 業務合併

本集團利用購買法將業務合併入賬。購買一子公司所轉讓的對價，為所轉讓資產、對被收購方的前所有人產生的負債，及本集團發行的股本權益的公允價值。所轉讓的對價包括或有對價安排所產生的任何資產和負債的公允價值。在業務合併中所購買可辨認的資產以及所承擔的負債及或有負債，首先以彼等於購買日期的公允價值計量。就個別收購基準，本集團可按公允價值或非控制性權益應佔被購買方淨資產的比例，計量被收購方的非控制性權益。

購買相關成本在產生時支銷。

集團將轉讓的任何或有對價按收購日期的公允價值計量。被視為資產或負債的或有對價公允價值的其後變動，根據國際會計準則39的規定，在損益中或作為其他綜合收益的變動確認。分類為權益的或有對價不重新計量，其之後的結算在權益中入賬。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(b) Consolidation (Continued)

Subsidiaries (Continued)

(i) Business combination (Continued)

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in consolidated statement of comprehensive income.

(ii) Separate financial statement

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2 重要會計政策概要(續)

(b) 綜合(續)

附屬公司(續)

(i) 業務合併(續)

商譽初步計量為轉讓對價與非控制性權益的公允價值總額，超過所購入可辨認資產和承擔負債淨值的差額。如此對價低過所購買子公司淨資產的公允價值，該差額在損益中確認。

(ii) 獨立財務報表

子公司投資按成本扣除減值列賬。成本亦包括投資的直接歸屬成本。子公司的業績由本公司按已收及應收股利入賬。

如股利超過宣派股利期內子公司的總綜合收益，或如在獨立財務報表的投資賬面值超過合併財務報表中被投資公司淨資產(包括商譽)的賬面值，則必須對子公司投資作減值測試。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(c) Production sharing contracts

The Group's development and production activities in China are conducted jointly with others through PSCs. These PSCs establish joint control over the development and production activities. The assets are not owned by a separate legal entity but are controlled by individual participants in the PSCs. Each participant is entitled to a predetermined share of the related output and bears an agreed share of the costs.

The consolidated financial statements reflect:

- (i) MIE's assets used in jointly controlled operations;
- (ii) any liabilities that MIE has incurred;
- (iii) MIE's share of any liabilities incurred jointly with the other PSC partners in relation to the joint production;
- (iv) any income from the sale or use of MIE's share of the output of the production, together with its share of any expenses incurred in the production; and
- (v) any expenses that MIE has incurred in respect of its interest in the production.

2 重要會計政策概要(續)

(c) 產品分成合同

本集團在中國通過產品分成合同與其他方共同進行開發及生產活動。該等合同建立開發及生產活動的共同控制。該等資產並非由獨立法人實體擁有，而由產品分成合同的個人參與者控制。各參與者有權享有相關產品預先釐定的份額，並承擔協議份額的成本。

合併財務報告反映：

- (i) 用於共同控制經營的MIE資產；
- (ii) MIE已產生的任何負債；
- (iii) 就共同生產而與其他產品分成合同參與者共同產生的任何負債內MIE的份額；
- (iv) 來自銷售或使用產品內MIE份額的收入，及其攤佔生產所產生的任何開支；及
- (v) MIE就產品權益所產生的任何開支。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(c) Production sharing contracts (Continued)

Pursuant to the three PSCs with PetroChina, the annual gross production of the crude oil shall, after payment for value added tax and royalty, be firstly deemed as the cost recovery oil and shall be used for cost recovery in the following sequence:

- Payment in kind for the operating costs actually incurred by MIE and GOC (collectively "the foreign partners") and PetroChina.
- The remainder of the cost recovery oil shall, after payment for the operating costs, be deemed as investment recovery oil. Such investment recovery oil shall be used for the simultaneous recovery of the pilot test costs and the development costs incurred by foreign partners and the predevelopment costs spent by PetroChina in proportion of 20% by PetroChina and 80% by foreign partners. The unrecovered costs of the parties shall be carried forward to and recovered from the investment recovery oil in succeeding calendar years until being fully recovered.
- After all pilot test costs and development costs incurred up to that time have been recovered, the remainder of the gross production of crude oil for that period is referred to as profit oil and shall be allocated in proportion of PetroChina 52% and foreign partners 48%.
- The operating costs so incurred after the date of commencement of commercial production shall be paid respectively by PetroChina and foreign partners in accordance with the proportion of oil allocated to each party.

2 重要會計政策概要(續)

(c) 產品分成合同(續)

根據與中石油的三份產品分成合同，原油的年度總產量在支付增值稅及礦區使用費後，將首先被視為費用回收油，並將按如下步驟用於費用回收：

- 就MIE及澳大利亞環球石油(統稱「外國夥伴」)及中石油實際產生的操作費作出實物付款。
- 費用回收油的剩餘部分在支付操作費後，將被視為投資回收油。該投資回收油將被用於按中石油分佔20%及外國夥伴分佔80%的比例，同步回收外國夥伴所產生的先導試驗期成本、開發費用及中石油所支付的前期開發費用。訂約方未回收的成本則被結轉至隨後日曆年的投資回收油，並於其中回收，直至全數回收為止。
- 於任何日曆年，在當期先導試驗期成本及開發費用回收後，該期間原油的總產量的剩餘部分將作為利潤分成油並且按中石油分佔52%及外國夥伴分佔48%的比例進行分配。
- 開始商業生產後所產生的操作費將分別由中石油及外國夥伴按石油分配的比例予以支付。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(c) Production sharing contracts (Continued)

GOC is entitled to a 10% share of the foreign partners' interest in property, plant and equipment, income and expenses. The Group received income and paid expenses on behalf of GOC. These are recorded in the relevant accounts with GOC (Note 31).

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is United States Dollar ("US\$"). The presentation currency of the consolidated financial statements is the RMB.

(ii) Transactions and balances of each entity

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

2 重要會計政策概要(續)

(c) 產品分成合同(續)

澳大利亞環球石油有權分佔不動產、工廠及設備、收入及開支中10%的外國參與權益。貴集團代表澳大利亞環球石油收取收入，並支付開支。此等款項已記錄於澳大利亞環球石油有關賬目內(附註31)。

(d) 外幣換算

(i) 功能及呈列貨幣

本集團各實體財務數據內的項目乃採用該實體經營所在地主要經濟環境的貨幣(「功能貨幣」)進行計量。本公司的功能貨幣為美元。合併財務報告的呈列貨幣為人民幣。

(ii) 各實體的交易及結餘

外幣交易乃按交易日期普遍的匯率換算為功能貨幣。結算此等交易及按年末匯率換算以外幣計值的貨幣資產及負債所導致的外匯收益及虧損，乃記錄於綜合收益表內。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(d) Foreign currency translation (Continued)

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings are taken to other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the consolidated statement of comprehensive income as part of the gain or loss on sale.

2 重要會計政策概要(續)

(d) 外幣換算(續)

(iii) 集團公司

本集團所有實體如持有與呈報貨幣不一致之功能貨幣(其中並無任何公司持有通脹嚴重之經濟體系之貨幣),其業績和財務狀況均按以下方法兌換為呈報貨幣:

- 每期資產負債表之資產及負債均按照該資產負債表日之收市匯率折算為呈報貨幣;
- 每期綜合損益表之收益及支出均按照平均匯率折算為呈報貨幣,但若此平均匯率未能合理地反映各交易日之匯率所帶來之累積影響,則按照交易日之匯率折算此等收益和支出;及
- 所有匯兌差異均確認為權益之分項。

在編製綜合賬目時,折算海外業務投資淨額及借款之匯兌差異,均列入其他綜合收益內。當出售或部分處置一項海外業務時,記錄於權益賬戶的匯兌差異則於綜合收益表內確認為出售收益或虧損之一部分。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(e) Property, plant and equipment

Property, plant and equipment, including oil and gas properties, is stated at historical cost less accumulated depreciation, depletion, amortization and impairment. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any replaced part is derecognized. All other repairs and maintenance are charged to the consolidated statements of comprehensive income during the reporting year in which they are incurred.

Except for oil and gas properties, depreciation is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Gas utilization facility	10 years
Buildings and improvements	7-10 years
Office equipment	3 years
Motor vehicles and production equipment	10 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2 重要會計政策概要(續)

(e) 不動產、工廠及設備

不動產、工廠及設備(包括油氣資產)乃按歷史成本減累計折舊、耗損、攤銷及減值呈列。歷史成本包括與取得有關資產直接相關的支出。

當本集團可能獲得與項目有關的未來經濟利益，且項目成本能可靠計量時，隨後產生的成本方計入資產的面值，或確認為單獨資產(如適用)。任何被取代部分的面值則不再確認。所有其他維修及維護乃計入其產生的呈報年度的綜合收益表內。

除油氣資產外，折舊乃採用直線法分攤其估計可用年限的成本減剩餘價值，詳情如下：

氣體利用設施	十年
樓宇及裝修	七至十年
辦公室設備	三年
汽車及生產設備	十年

資產的剩餘價值及可用年限乃於各呈報期末進行審閱及調整(如適用)。倘資產面值高於其估計可回收金額，則資產面值隨即撇減至其可回收金額。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(e) Property, plant and equipment (Continued)

Construction in progress is not depreciated until it is ready for its intended use.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognized within other income or other expense in the consolidated statements of comprehensive income.

(f) Exploration and evaluation assets and oil and gas properties

The successful efforts method of accounting is used for oil and gas exploration and production activities. Under this method, all costs for development wells, support equipment and facilities, and proved mineral interests in oil and gas properties are capitalized. Geological and geophysical costs are expensed when incurred. Costs of exploratory wells are capitalized as exploration and evaluation assets pending determination of whether the wells find proved oil and gas reserves. Proved oil and gas reserves are the estimated quantities of crude oil and natural gas which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e., prices and costs as of the date the estimate is made. Prices include consideration of changes in existing prices provided only by contractual arrangements, but not on escalations based upon future conditions.

2 重要會計政策概要(續)

(e) 不動產、工廠及設備(續)

在建工程在達到預定可使用狀態後，方進行折舊。

處置收益及虧損乃通過比較所得款項與面值予以釐定，並於綜合收益表內確認為其他收入或開支。

(f) 勘探、評價資產和油氣資產

油氣勘探與生產活動採用成效會計法處理。根據此方法，開發井、配套設施設備以及油氣資產中的探明礦產權益的所有成本均予以資本化。地質及地球物理成本乃於產生時費用化。勘探井的成本乃根據該等井是否發現探明油氣儲量而決定是否作為在建工程予以資本化。探明油氣儲量為在現有經濟及作業條件(即於估算日的價格及成本)下，地質及工程數據表明於未來年度可合理肯定從已知油藏開採出原油及天然氣的估算量。價格包括僅按合同安排規定的現有價格變化的考慮，而並非根據未來條件調高價格。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(f) Exploration and evaluation assets and oil and gas properties (Continued)

Exploratory wells in areas not requiring major capital expenditures are evaluated for economic viability within one year of completion of drilling. The related well costs are expensed as dry holes if it is determined that such economic viability is not attained. Otherwise, the related well costs are reclassified to oil and gas properties and subject to impairment review. For exploratory wells that are found to have economically viable reserves in areas where major capital expenditure will be required before production can commence, the related well costs remain capitalized only if additional drilling is under way or firmly planned. Otherwise the related well costs are expensed as dry holes. The Group does not have any costs of unproved properties capitalized in oil and gas properties.

Identifiable exploration assets acquired are recognized as assets at their fair value, as determined by the requirements of Business Combinations (Note 2(b)(i)). Exploration and evaluation expenditure incurred subsequent to the acquisition of an exploration asset in a business combination is accounted for in accordance with the policy outlined above.

The cost of oil and gas properties is amortized at the field level based on the unit of production method. Unit of production rates are based on oil and gas proved and probable developed producing reserves estimated to be recoverable from existing facilities based on the current terms of the respective production agreements. The Group's reserves estimates represent crude oil and gas which management believes can be reasonably produced within the current terms of their production agreements.

2 重要會計政策概要(續)

(f) 勘探、評價資產和油氣資產(續)

於無需投入大量資本支出的地域的勘探井乃於完成鑽探的一年內按經濟可行性予以評估。倘若釐定該等油氣井並不存在經濟可行性，則相關井乃作為幹井支出。否則，相關油氣井成本乃重新分類至油氣資產，並進行減值審閱。至於在可開始投產前將需投入大量資本支出的地域發現具有經濟可行儲量的勘探井，相關油氣井成本僅當正在進行或已正式計劃額外鑽探時仍維持資本化。否則，相關油氣井成本乃作為幹井支出。本集團於油氣資產中已資本化未探明資產中並無任何成本。

業務合併產生的可辨認勘探資產根據公允價值予以確認(附註2(b)(i))。收購後發生的勘探、評價支出按照上述會計政策予以賬務處理。

油氣資產的成本乃以油田為單位按單位產量法予以攤銷。單位產量乃根據各自生產協議的現有期限，按油氣探明已開發產油儲備在現有設施中的估計可採量計算。本集團的儲量估計僅為管理層認為可於此等生產協議現有期限內合理開採的原油。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(g) Impairment of non-financial assets

Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(h) Intangible assets

Intangible assets represent computer software, mineral extraction rights and mining rights. Acquired computer software licences are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of 3 years.

Mineral extraction rights are amortized using the straight-line method over the licensed period. Mining rights are amortized using the unit of production method.

2 重要會計政策概要(續)

(g) 非金融資產減值

須予攤銷的資產會於發生事項或情況出現變化而顯示面值未必能夠收回時，評估有否減值。減值虧損按有關資產的面值超逾其可收回金額的數額確認。可收回金額為資產的公允價值減銷售成本與使用價值兩者的較高者。於進行減值評估時，資產按可獨立識別現金流量的最小單位(現金產生單位)分類。出現減值的非金融資產(商譽除外)於各呈報日期檢討是否可能進行減值撥回。

(h) 無形資產

無形資產指計算機軟件、礦產開採權和採礦權。所獲得的計算機軟件許可證已按獲得及使用有關軟件所產生的成本為基準撥充資本。該等成本乃按其估計可使用年期三年攤銷。

礦產開採權利用直線法按其可使用年期攤銷。採礦權按照按單位產量法予以攤銷。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(i) Loans and receivables

The Group's loans and receivables comprise 'trade and other receivables' in the consolidated statements of financial position.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for expected realization is greater than 12 months after the end of the reporting period, if these are classified as non-current assets.

(j) Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

For derivative instruments that do not qualify for hedge accounting, changes in the fair value of these derivative instruments are recognized immediately in the consolidated statement of comprehensive income.

(k) Leases

Leases where the Group is a lessee in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statements of comprehensive income on a straight-line basis over the term of the lease.

2 重要會計政策概要(續)

(i) 貸款及應收款項

本集團的貸款及應收款項包括綜合資產負債表內的「應收及其他應收款項」。

貸款及應收款項為於活躍市場並無報價的固定或可予釐定付款的非衍生金融資產，於流動資產入賬，惟估計變現超逾報告期末後12個月者除外。此等貸款及應收款項被列為非流動資產。

(j) 衍生金融工具

衍生金融工具最初於訂立衍生合同之日按公允價值確認，隨後按其公允價值重新計量。確認產生收益或虧損的方法視乎衍生工具是否被指定為套期工具及(如確實如此)套期項目的性質而定。

就不符合套期會計條件的衍生工具而言，該等衍生工具公允價值的變動隨即在綜合收益表內確認。

(k) 租約

本集團作為承租人且所有權絕大部分風險及回報仍歸出租人所有的租約，均歸類為經營租約。經營租約下作出的付款(扣減出租人給出的任何獎勵)乃於租約期以直線法在綜合收益表內扣除。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(l) Inventories

Inventories are crude oil and materials and supplies which are stated at the lower of cost and net realizable value. Materials and supplies costs are determined by the first-in first-out method. Crude oil costs are determined by the weighted average cost method. The cost of crude oil comprise direct labour, depreciation, other direct costs and related production overhead, but excludes borrowing costs.

(m) Trade and other receivables

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The factors the Group considers when assessing whether a trade receivable is impaired include, but are not limited to significant financial difficulties of the customer, probability that the debtor will enter bankruptcy or financial reorganization and default or delinquency in payments. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognized in the consolidated statements of comprehensive income. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against expenses in the consolidated statements of comprehensive income.

2 重要會計政策概要(續)

(l) 存貨

存貨為按成本及可變現淨值間較低者列賬的原油、物料及供應品。物料及供應品成本乃按先進先出法釐定。原油成本乃按加權平均成本法釐定。原油成本包括直接勞工、減值、其他直接成本及有關生產費用，惟不包括借款成本。

(m) 應收及其他應收款項

應收及其他應收款項最初以公允價值確認，隨後採用實際利息法攤銷成本，扣除減值撥備計量。如有客觀證據顯示本集團無法按應收款項的原有條款回收全部金額，則會對應收款項作出減值撥備。本公司考慮評估應收款項是否出現減值的因素包括(但不限於)客戶的重大財務困境、債務人可能宣告破產或進行財務重組，以及欠付或拖欠付款。撥備金額為資產的面值與預期日後現金流量的現值(按原先實際利率貼現)間的差額。

資產面值於使用撥備賬時減少，且損失金額於綜合收益表內確認。倘應收款項無法回收，則其乃於應收款項的撥備賬內撤銷。先前撤銷的金額如隨後予以回收，則抵免綜合收益表內的開支。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(n) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks with original maturities of three months or less from the time of purchase.

(o) Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognized in the consolidated statement of comprehensive income, except to the extent that it relates to items recognized directly in equity. In this case, the tax is also recognized in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the territories where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

2 重要會計政策概要(續)

(n) 現金及現金等價物

現金及現金等價物包括手頭現金，以及按原到期日為三個月或以內(自獲得時起計)而持有的銀行通知存款。

(o) 即期及遞延所得稅

本年度稅項開支包括即期及遞延稅項。稅項於綜合收益表內確認，惟其與直接於權益內確認的項目有關則除外。於此情況下，稅項亦於權益內確認。

即期所得稅開支按本公司及其附屬公司經營及產生應課稅收入的地區於報告期末已頒佈或實質上已頒佈的稅法計算。管理層就須對適用稅務法規作出詮釋的情況，定期評估報稅的狀況，並在適用時按預期須向稅務機關繳納的款項作出撥備。

遞延所得稅採用資產負債表負債法，以資產及負債的稅基與其於合併財務報告內的面值之間的暫時性差額確認。然而，如遞延所得稅在業務合併以外的交易中初步確認為資產或負債，且在交易時並不影響會計或應課稅損益，則不會入賬處理。遞延所得稅按於報告期末已頒佈或實質上已頒佈的稅率(及法律)計算，並預期於有關遞延所得稅資產變現或遞延所得稅負債清償時適用。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(o) Current and deferred income tax (Continued)

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

(p) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

2 重要會計政策概要(續)

(o) 即期及遞延所得稅(續)

倘日後應課稅溢利可用於抵扣暫時性差額，方確認遞延所得稅資產。遞延所得稅以於附屬公司投資的暫時性差額作出撥備，惟本集團可控制撥回暫時性差額的時間，且暫時性差額可能不會於可預見的未來撥回則除外。

(p) 借款

一般及特定借款按公允價值並扣除產生的交易費用為初始確認。借款其後按攤銷成本列賬；所得款(扣除交易成本)與贖回價值的任何差額利用實際利率法於借款期間內在合併綜合收益表確認。

設立貸款融資時支付的費用倘部份或全部融資將會很可能提取，該費用確認為貸款的交易費用。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部份或全部融資將會很可能被提取，則該費用資本化作為流動資金服務的預付款，並按有關的融資期間攤銷。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(p) Borrowings (Continued)

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

All borrowing costs are recognized in profit or loss in the period in which they are incurred.

(q) Trade payables

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

(r) Provisions

Provisions are recognized when the Group has present legal or constructive obligations as a result of past events, it is probable that an outflow of resources will be required to settle the obligations, and reliable estimates of the amounts can be made.

Provision for future decommissioning and restoration is recognized in full on the installation of oil and gas properties. The amount recognized is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding addition to the related oil and gas properties of an amount equivalent to the provision is also created. This is subsequently depreciated as part of the costs of the oil and gas properties. Any change in the present value of the estimated expenditure other than due to passage of time, which is regarded as interest expense, is reflected as an adjustment to the provision and oil and gas properties.

2 重要會計政策概要(續)

(p) 借款(續)

除非本集團可無條件將負債的結算遞延至結算日後最少12個月否則借款分類為流動負債。

所有借款成本在產生期內的損益中確認。

(q) 應付款項

應付款項最初按公允價值確認，隨後採用實際利息法以攤銷成本計量。

(r) 撥備

當本集團因過往事件面臨當前法律或推定義務，且可能須流出資源以清償義務，而金額能可靠估計時，則會確認撥備。

有關未來停止運作及復原的撥備於設置油氣資產形成時全額確認。確認金額為根據當地條件及要求確定的預計未來支出的現值。同時產生與撥備數額相等的有關油氣資產的相應增加部分。該增加部分隨後作為油氣資產成本的一部分進行折舊。除由於時間推移而視作利息開支外，預期出現值的任何變化均應反映為撥備及油氣資產的調整。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(s) Employee benefits

(i) Defined contribution plan

The Group has various defined contribution plans for state pensions, housing fund and other social obligations in accordance with the local conditions in China and Kazakhstan and practices in the municipalities and province in which they operate. A defined contribution plan is a pension and/or other social benefits plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The contributions are recognized as employee benefit expenses when they are due.

(ii) Equity-settled share-based compensation — Stock options

The Group operates a stock incentive compensation plan for share-based payment transactions, including stock options under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the options on the grant date. The total amount expensed is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

2 重要會計政策概要(續)

(s) 僱員福利

(i) 定額供款計劃

本集團根據中國和哈薩克斯坦所在省、市的地方條件及慣例實行若干的定額供款計劃，包括國家養老金、住房公積金及其他社會義務。一項定額供款計劃是本集團為其僱員向一個獨立實體(一項基金)支付固定金額的養老金及/或其他社會福利計劃，如該基金不能擁有足夠資產以支付與當期及過往期間僱員服務相關的所有僱員福利，本集團不再負有進一步支付供款的法定義務或推定義務。供款支付時確認為僱員福利開支。

(ii) 以股權結算的股份酬金 — 購股權

本集團為股份支付交易設有一項股份獎勵酬金計劃，包括實體收取僱員所提供的服務，作為換取本集團股權工具(期權)對價的購股權。換取購股權所收取僱員服務的公允價值作為開支確認。將予支出的總額乃參照購股權於授出日期的公允價值釐定。支出的總額於歸屬期內確認，歸屬期為全部歸屬條件均獲滿足的期間。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(s) Employee benefits (Continued)

(ii) Equity-settled share-based compensation — Stock options (Continued)

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and other reserves when the options are exercised.

(iii) Cash-settled share-based compensation — Stock appreciation rights

Compensation under the stock appreciation rights is measured based on the fair value of the liability incurred and is expensed over the vesting period. The liability is remeasured at each reporting period to its fair value until settlement with all the changes in liability related to the vested portion recorded as employee compensation costs in the consolidated statement of comprehensive income, the related liability is included in the salaries and welfare payable.

(t) Revenue recognition

Revenues are recognized only when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods in the ordinary course of the Group's activities, and where the amount of revenue and the costs incurred or to be incurred in respect of the transactions can be measured reliably and probable economic benefit will flow to the Group.

In China, revenues are recognized upon delivery of crude oil that are allocated to MIE under PSC (See Note 2(c)).

2 重要會計政策概要(續)

(s) 僱員福利(續)

(ii) 以股權結算的股份酬金 — 購股權(續)

購股權獲行使時，所收取的款項(扣除直接應佔交易成本)計入股本(面值)及其他儲備。

(iii) 以現金結算的股份酬金 — 股份增值權

股份增值權的酬金以歸屬期所產生負債的公允價值及其開支計量。負債在清償之前，於各報告期重新計量至公允價值，而其變動則記錄於綜合收益表內員工薪酬成本項下；有關負債計入應付薪金及福利。

(t) 收益確認

當本集團於其一般業務活動中將商品所有權的重大風險及回報轉讓予買方，且有關交易已產生或將產生的收益及虧損的金額能可靠計量，而本公司可能獲得經濟利益時，方會確認收益。

在中國，交付產品分成合同(見附註2(c))下分配予MIE的原油時，會確認收益。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(t) Revenue recognition (Continued)

For the year ended December 31, 2011 and 2010, PetroChina had taken more oil than its entitlement (over lifted) and hence MIE is deemed to have sold the over lift to PetroChina.

(u) Repairs and maintenance

Repairs and maintenance are recognized as expenses in the year in which they are incurred.

(v) Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(w) Dividend distributions

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's and Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

(x) Earnings per share

Basic earnings per share is determined by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of participating shares outstanding during the reporting year.

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares and adjusting the profit or loss attributable to equity holders of the Company accordingly for related amounts. The effect of potentially dilutive ordinary shares are included only if they are dilutive.

2 重要會計政策概要(續)

(t) 收益確認(續)

就若干報告期間而言，由於石油交付與分配間的時間差開，中石油已進多於其權利的石油(超採)，因此，MIE被視為將超採的石油售予中石油。

(u) 維修及維護

維修及維護於發生年度/期間作為開支確認。

(v) 股本

普通股分類為權益。

發行新股或期權直接應佔的增加成本於權益內列作應收款項的扣減(除稅)。

(w) 股息分派

分派予本公司股東的股息於本公司股東同意宣派股息的期間在本集團的財務報表內確認為負債。

(x) 每股盈利

每股基本盈利按本公司股權持有人應佔溢利或虧損除以報告年度/期間發行在外參與股份的加權平均數釐定。

每股攤薄盈利乃經調整發行在外普通股的加權平均數，以假設所有可攤薄潛在普通股獲轉換，並就有關金額相應調整本公司股權持有人應佔溢利或虧損而計算得出。倘潛在可攤薄普通股為可攤薄，方會計入其影響。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

2 Summary of significant accounting policies (Continued)

(y) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors (Note 5).

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk.

(a) Market risk

(i) Foreign exchange risk

The majority of the Group's China operation sales are in US dollars, while production and other expenses are incurred in RMB. The RMB is not a freely convertible currency and is regulated by the PRC government. Limitation in foreign exchange transactions imposed by the PRC government could cause future exchange rates to vary significantly from current or historical exchange rates. Management is not in a position to anticipate changes in the PRC foreign exchange regulations and as such is unable to reasonably anticipate the impacts on the Group's results of operations or financial position arising from future changes in exchange rates. The Group may enter into forward foreign exchange contracts to manage the risk of unfavourable fluctuations in the foreign exchange rate.

2 重要會計政策概要(續)

(y) 分部報告

經營分部按照向首席經營決策者提供的內部報告貫徹一致的方式報告。首席經營決策者被認為董事會並負責分配資源和評估經營分部的表現(附註5)。

3 財務風險管理

3.1 財務風險因素

本集團的活動面臨多種財務風險，包括市場風險、信貸風險及流動資金風險。

(a) 市場風險

(i) 外匯風險

本集團的大部分銷售以美元計值，而生產及其他開支則以人民幣入賬。人民幣並非為自由轉換貨幣，須受中國政府規管。中國政府對外匯交易所設定的限制可能導致未來匯率與當前或歷史匯率大不相同。管理層並未預測中國外匯規管的重大變更，故無法合理估計未來匯率變動對本集團經營業績或財務狀況的影響。本集團可訂立外匯遠期合同以管理外匯匯率不利波動的風險。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

At December 31, 2011 and 2010, if the US dollars had weakened/strengthened by 1% against the RMB with all other variables held constant, the Group's profit before income tax for the year would have been RMB12,535,000 and RMB9,660,000 higher/lower respectively, mainly as a result of foreign exchange gains/losses on translation of US-denominated trade and other receivables, bank deposits and borrowings.

The functional currency of the Kazakhstan subsidiary is in US dollars. The transactions of the Kazakhstan subsidiary which are denominated in the Kazakhstan Tenge are exposed to fluctuations in the US dollars and Kazakhstan Tenge exchange rate. If the US dollars had strengthen/weakened by 1% against Kazakhstan Tenge, the Group's profit before income tax would have been RMB5,000 higher/lower.

(ii) Cash flow interest rate risk

The Group has no material interest bearing cash assets. The Group's income and operating cash flows are substantially independent of the changes in market rates. The Group's interest rates risk arises from borrowings. As at December 31, 2011, the Group's borrowings comprise the Notes which bear interest at the rate of 9.75%, therefore, the Notes are not subject to any interest rate risk. A detailed analysis of the Group's borrowings, together with their respective effective interest rates and maturity dates, are included in Note 19.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(i) 外匯風險(續)

於二零一一年及二零一零年十二月三十一日，倘美元兌人民幣貶值/升值1%，而其他變量為定數值，則本公司於此等年度的除所得稅前溢利將分別增加/減少人民幣12,535,000元及人民幣9,660,000元，主要由於換算以美元計值的應收及其他應收款項、銀行存款及借款產生外匯收益/虧損所致。

哈薩克斯坦子公司的功能貨幣為美元。當哈薩克斯坦子公司的商業交易以哈薩克斯坦堅戈計價，便會產生由於美元和哈薩克斯坦堅戈匯率波動導致的外匯風險。倘美元兌人民幣升值/貶值1%，則本公司除所得稅前利潤將增加/減少人民幣5,000元。

(ii) 現金流量利率風險

本集團並無重大計息資產。本集團的收益及經營現金流量大致上獨立於市場利率的變動。本集團的利率風險來自於借款。於二零一一年十二月三十一日，本集團的借款為年利率為9.75厘的優先票據，因此沒有利率風險。有關本集團借款的詳細分析連同其各自實際利率及到期日，載於附註19。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Oil price risk

The Group is engaged in crude oil development, production and selling activities. Prices of crude oil are affected by both domestic and global factors which are beyond the control of the Group. The fluctuations in such prices may have favourable or unfavourable impacts to the Group. Prior to 2008, the Group did not use any derivative instruments to hedge against potential price fluctuations of crude oil and therefore the Group was exposed to general price fluctuations of crude oil. During the year ended December 31, 2011 and 2010, the Group entered into oil hedge options contracts (Note 9) to manage its price risk. If the crude oil price were to increase or decrease by US\$1, the impact on the Group's profit before income tax for the year ended December 31, 2011 as a result of revaluing the oil hedge options would be a decrease of RMB2,698,000 and increase of RMB2,326,000 (2010: decrease of RMB1,566,000 or increase of RMB1,652,000), respectively.

3 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 價格風險

本集團從事原油開發、生產及銷售。原油價格受本集團無法控制的諸多國內國際因素影響。上述價格波動可能對本集團構成有利或不利影響。於二零零八年以前，本集團並未採用任何衍生工具以套期潛在的原油價格波動，因此，本集團面臨原油總體價格波動風險。於截至二零一一年及二零一零年十二月三十一日止年度，本集團訂立套期期權合同(附註9)以管理其價格風險。倘原油價格上升或下降1美元，將致使本集團於截至二零一一年十二月三十一日止年度的除所得稅前利潤因重新估值套期期權而分別減少人民幣2,698,000元或增加人民幣2,326,000元(二零一零年：減少人民幣1,566,000元或增加人民幣1,652,000元)。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

As the majority of the cash at bank balance is placed with state-owned banks and financial institutions, the corresponding credit risk is relatively low. Therefore, credit risk arises primarily from trade and other receivables. The Group has controls in place to assess the credit quality of its customers. The carrying amounts of cash and cash equivalents, pledged deposits, amounts due from a related party and trade and other receivables included in the consolidated statements of financial position represent the Group's maximum exposure to credit risk.

The Group has no significant concentration of credit risk for its cash and cash equivalents. The Group has one customer in each of China and Kazakhstan which in aggregate accounts for almost 100% of the Group's revenue and as such, has concentration of credit risk for its trade and other receivables. However, the Group regards it as low risk as the customer in China is PetroChina, a state-owned enterprise with a high credit rating in China and the major customer in Kazakhstan, Titan Oil, is one of the largest trading companies in Mangistau region (Western Kazakhstan).

During the year ended December 31, 2011, the Group made a refundable deposit of RMB80,000,000 for the purchase of development property (Note 10). The Company decided not to proceed with the purchase and has taken steps to recover the refundable deposit and has also obtained certain security. The Group does not expect any non-performance by the counter party.

3 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信貸風險

因大部分銀行現金結餘存放於國有銀行及金融機構，信貸風險故相對較低。因此，應收及其他應收款項成為信貸風險的主要來源。本集團對客戶信用質量的評價進行控制。計入綜合資產負債表的現金及現金等價物、抵押存款、應收關聯方款項及應收及其他應收款項的面值體現本集團所面臨的最大信貸風險。

就其現金及現金等價物而言，本集團並無重大信貸集中風險。本集團在中國和哈薩克斯坦的收益分別來自一名客戶，總計約佔100%的集團收益，因此本集團的應收及其他應收款項存有信貸集中風險。然而，本集團認為主要風險較低，因為中國唯一客戶乃具高度信貸評級的國有企業中石油，在哈薩克斯坦，該客戶是Mangistau州(哈薩克斯坦西區)最大的貿易公司Titan Oil。

於截至二零一一年十二月三十一日止年度，本集團為購買房地產發展物業支付可退還訂金人民幣8,000萬元(附註10)。本公司決定不繼續該項採購並採取措施索回訂金及獲取相關抵押。本集團未預見任何合同對方的不能履約的情況。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group's liquidity risk management involves maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities.

The table below analyses the Group's financial liabilities and net-settled derivative financial assets and liabilities into relevant maturity groupings based on the remaining year at the end of the reporting period to their contractual maturity dates.

The amounts disclosed in the table are the contractual undiscounted cash flows of principal amount and interests.

Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險

本集團的流動資金風險管理指維持充足現金及現金等價物及透過充裕的已承諾信貸融資以維持備用資金。

下表乃根據自報告期末起至合同到期日止餘下年度，對本集團金融負債及按淨額基準結算的衍生金融資產及負債按有關到期日分類之分析。

表格所披露的數額乃本金額及利息的未貼現現金流量合同金額。

因貼現影響並不重大，故於一年內到期的結餘與其面值無異。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

		Less than 1 year 少於一年 RMB'000 人民幣千元	Between 1 and 2 years 一至兩年 RMB'000 人民幣千元	Between 2 and 5 years 二至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元
At December 31, 2011	於二零一一年 十二月三十一日				
Borrowings	借款	245,735	245,735	3,101,127	—
Derivative financial instruments — oil hedge options (Note 9)	衍生金融工具 — 石油套期期權(附註9)	10,618	—	—	—
Trade and other payables (Note 18)	應付及其他應付 款項(附註18)	1,386,266	91,628	6,894	11,487
At December 31, 2010	於二零一零年 十二月三十一日				
Borrowings	借款	158,575	583,844	727,196	—
Trade and other payables (Note 18)	應付及其他應付 款項(附註18)	718,729	137,598	—	—

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of Debt over EBITDA. Debt is calculated as total borrowings including 'current and non-current borrowings' as shown in the consolidated statement of financial position. EBITDA is calculated as profit before finance income, finance cost, income tax and depreciation, depletion and amortization.

3 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動資金風險(續)

		Less than 1 year 少於一年 RMB'000 人民幣千元	Between 1 and 2 years 一至兩年 RMB'000 人民幣千元	Between 2 and 5 years 二至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元
At December 31, 2011	於二零一一年 十二月三十一日				
Borrowings	借款	245,735	245,735	3,101,127	—
Derivative financial instruments — oil hedge options (Note 9)	衍生金融工具 — 石油套期期權(附註9)	10,618	—	—	—
Trade and other payables (Note 18)	應付及其他應付 款項(附註18)	1,386,266	91,628	6,894	11,487
At December 31, 2010	於二零一零年 十二月三十一日				
Borrowings	借款	158,575	583,844	727,196	—
Trade and other payables (Note 18)	應付及其他應付 款項(附註18)	718,729	137,598	—	—

3.2 資本風險管理

就管理資本而言，本集團旨在維持其持續經營的能力，以回報股東，並為其他利益相關者謀取福利，同時亦維持資本架構最優化以減少資本成本。

本集團以債務對息稅前營運盈利(EBITDA)比率為基準監控其資本。債務等於借款總額(包括綜合資產負債表所列示的「流動及非流動借款」。EBITDA等於除財務收入、財務費用、所得稅、折舊、耗損及攤銷前的溢利。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

3 Financial risk management (Continued)

3.2 Capital risk management (Continued)

The Debt over EBITDA ratios at December 31, 2011 and 2010 were as follows:

3 財務風險管理(續)

3.2 資本風險管理(續)

於二零一一年及二零一零年十二月三十一日的債務總額與EBITDA的比率列載如下：

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Total borrowings (Note 19)	借款總額(附註19)	2,463,004	1,291,203
Profit before income tax	除所得稅前溢利	1,399,751	582,569
Finance income	財務收入	(74,728)	(35,344)
Finance cost	財務費用	234,482	86,788
Depreciation, depletion and amortization	折舊、耗損及攤銷	542,002	528,582
EBITDA	EBITDA	2,101,507	1,162,595
Debt over EBITDA ratio	債務總額與EBITDA的比率	1.2	1.1

The Debt over EBITDA ratio increase from 1.1 to 1.2 was mainly due to higher borrowings as at December 31, 2011 as compared to December 31, 2010.

債務總額與EBITDA的比率由二零一零年十二月三十一日的1.1增至二零一一年的1.2主要是由於更高的借款總額導致。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

3 Financial risk management (Continued)

3.3 Fair value estimation

The methods and assumptions applied in determining the fair value of each class of financial assets and financial liabilities of the Group are disclosed in the respective accounting policies. The carrying amounts of the following financial assets and financial liabilities approximate their fair value as all of them are short-term in nature: cash and cash equivalents, pledged deposits, current portion of trade and other receivables, current portion of trade and other payables and current portion of borrowings.

The Group adopted the amendment to IFRS 7 which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (ie. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

3 財務風險管理(續)

3.3 公允價值估計

用於釐定本集團各類金融資產及金融負債公允價值的方法及假設披露於相關會計政策。下列金融資產及金融負債的面值與其公允價值相若，因彼等均屬短期性質：現金及現金等價物、抵押存款、應收及其他應收款項流動部分、應付及其他應付款項流動部分及借款流動部分。

本集團採納國際財務報告準則第7號之修訂本，此修訂本規定公允價值計量須按下列公允價值計量架構級別予以披露：

- (a) 相同資產或負債在活躍市場的報價(未經調整)(第一級)；
- (b) 就所釐定的資產或負債而言，輸入變量可直接(作為價格)或者間接(衍生自價格)觀察(第二級)，惟第一級所包含的報價除外；及
- (c) 就所釐定的資產或負債而言，輸入變量並非根據可觀察的市場數據(即不可觀察的輸入變量)(第三級)。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

The following table presents the assets and liabilities measured at fair value at December 31, 2011 and 2010:

		Level 1	Level 2	Level 3
		第一級	第二級	第三級
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Assets				
As at December 31, 2011				
	資產 於二零一一年 十二月三十一日			
Derivative financial instruments	衍生金融工具			
— Oil hedge options	— 石油套期期權	—	9,151	—
As at December 31, 2010				
	於二零一零年 十二月三十一日			
Derivative financial instruments	衍生金融工具			
— Oil hedge options	— 石油套期期權	—	31,453	—
		Level 1	Level 2	Level 3
		第一級	第二級	第三級
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Liabilities				
As at December 31, 2011				
	負債 於二零一一年 十二月三十一日			
Derivative financial instruments	衍生金融工具			
— Oil hedge options	— 石油套期期權	—	10,618	—
— Option to ACAP	— 予ACAP共同投資權	—	—	85,157
As at December 31, 2010				
	於二零一零年 十二月三十一日			
Derivative financial instruments	衍生金融工具			
— Oil hedge options	— 石油套期期權	—	—	—

3 財務風險管理(續)

3.3 公允價值估計(續)

下表呈列於二零一一年及二零一零年十二月三十一日以公允價值計量的資產及負債：



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

4 Critical accounting estimates and judgements

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The matters described below are considered to be the most critical in understanding the estimates and judgements that are involved in preparing the Group's consolidated financial statements.

(a) Estimation of proved and probable reserves

Proved reserves are those quantities of petroleum that by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. Economic conditions include consideration of changes in existing prices provided only by contractual arrangements, but not on escalations based upon future conditions. Proved developed producing reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate. Proved undeveloped reserves are quantities expected to be recovered through future investments: from new wells on undrilled acreage in known accumulations, from extending existing wells to a different (but known) reservoir, or from infill wells that will increase recovery. Probable reserves are additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely as not to be recovered.

The Group's reserve estimates were prepared for each oilfield and include only reserves that the Group believes can be reasonably produced within current economic and operating conditions.

4 主要會計估計及判斷

估計和判斷會被持續評估，並根據過往經驗和其他因素進行評價，包括在有關情況下相信對未來事件的合理預測。

下文所述事項就理解編製本集團合併財務報表所涉估計及判斷而言，尤為重要。

(a) 已探明儲量的估計

已探明儲量為透過分析地球科學及工程數據，於明確的經濟條件、操作方法及政府法規下，從特定未來日期起自己知油藏以合理確信估計可商業開採回收的石油數量。經濟條件包括考慮僅由合同安排規定的現有價格變動，惟日後條件引致的增長除外。探明已開發產油儲量為預期將從完井層段開採的儲量，而該完井層段在作出估計時處於開放及產油狀態。探明未開發儲量為通過未來投資預期採出的油氣數量，包括開採已知油藏的未鑽區域的新井，延伸現有井至不同(但為已知)的油藏，或通過加密井提高採收率。概算儲量相比探明儲量更不確定能否採油的額外儲量，但其與探明儲量均一樣有可能為不可採油。

本集團的儲量估計乃就各油田而編製，僅包括本集團認為可於現時經濟及操作條件下合理生產的原油。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

4 Critical accounting estimates and judgements (Continued)

(a) Estimation of proved and probable reserves (Continued)

Proved and probable reserves cannot be measured exactly. Reserve estimates are based on many factors related to reservoir performance that require evaluation by the engineers interpreting the available data, as well as price and other economic factors. The reliability of these estimates at any point in time depends on both the quality and quantity of the technical and economic data, and the production performance of the reservoirs as well as engineering judgement. Consequently, reserve estimates are subject to revision as additional data become available during the producing life of a reservoir. When a commercial reservoir is discovered, proved reserves are initially determined based on limited data from the first well or wells. Subsequent data may better define the extent of the reservoir and additional production performance. Well tests and engineering studies will likely improve the reliability of the reserve estimate. The evolution of technology may also result in the application of improved recovery techniques such as supplemental or enhanced recovery projects, or both, which have the potential to increase reserves beyond those envisioned during the early years of a reservoir's producing life.

4 主要會計估計及判斷(續)

(a) 已探明儲量的估計(續)

已探明儲量和概算儲量無法予以精確計量。儲量估計乃基於有關油藏動態的眾多因素(需要工程師詮釋所獲得數據的評估)以及價格及其他經濟因素。在任何方面該等估計的可靠性視乎技術及經濟數據的質量及數量、油藏的產量動態及工程判斷而定。因此，於油藏的生產週期內，如有額外數據時，儲量估計可予以修訂。於發現商業油藏時，已探明儲量首先乃根據首個或首批油井的有限數據而釐定。其後數據或可更好地確定油藏的範圍及額外產量動態，而油井試驗及工程研究將可能提升儲量估計的可靠性。技術的發展亦可導致應用經改善的採油技術，例如補充或經提升採油項目，或兩者，該等項目有潛力使儲量增至超逾於油藏生產週期初期數年內所預想者。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

4 Critical accounting estimates and judgements (Continued)

(a) Estimation of proved and probable reserves (Continued)

Proved and probable reserves are key elements in the Group's investment decision-making process. They are also an important element in testing for impairment. The Group classified its Proved Reserves into Proved Developed Producing Reserves and Proved Undeveloped Reserves. Probable reserves are also classified into Probable Developed Producing Reserves and Probable Undeveloped Reserves. Prior to January 1, 2011, Proved Developed Producing Reserves was used for the calculation of unit-of-production depreciation, depletion and amortization recorded in the Group's consolidated financial information for property, plant and equipment related to oil and gas production activities. From January 1, 2011, the Group has applied the unit of production rates based on Proved and Probable Developed Producing Reserves. An increase/decrease in Proved and Probable Developed Producing Reserves will decrease/increase depreciation, depletion and amortization charges (assuming constant production) and increase/reduce net profit. Proved and Probable Reserve estimates are subject to revision, either upward or downward based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans.

In general, changes in the technical maturity of reserves resulting from new information becoming available from development and production activities and change in oil and gas price have tended to be the most significant cause of annual revisions.

4 主要會計估計及判斷(續)

(a) 已探明儲量的估計(續)

已探明儲量和概算儲量乃本集團投資決策過程中的關鍵元素，其亦為減值測試的重要元素。本集團將其已探明儲量分為探明已開發產油儲量和探明未開發儲量，概算儲量也分為概算已開發產油儲量和概算未開發儲量。二零一一年一月一日以前，探明已開發產油儲量用於計算本集團合併財務數據所載有關油氣資產基於產量法的折舊、耗損及攤銷。於二零一一年一月一日起本集團使用探明及概算已開發產油儲量計算單位產量。探明及概算已開發產油儲量增加/減少將減少/增加折舊、耗損及攤銷費用(假設產量不變)，並增加/減少淨溢利。探明及概算儲量估計可根據新數據(例如來自開發鑽探及生產活動或來自產品價格、合同條款或開發計劃等經濟因素變動)予以向上或向下修訂。

一般而言，自開發及生產活動取得新數據而導致石油儲量技術成熟度變動以及油價變動已傾向成為年度修訂的最重要起因。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

4 Critical accounting estimates and judgements (Continued)

(b) Estimation of impairment of property, plant and equipment

Property, plant and equipment, including oil and gas properties, are reviewed for possible impairments when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determination as to whether and how much an asset is impaired involve management estimates and judgements such as future prices of crude oil and production profile. However, the impairment reviews and calculations are based on assumptions that are consistent with the Group's business plans. Favourable changes to some assumptions may allow the Group to avoid the need to impair any assets in these years, whereas unfavourable changes may cause the assets to become impaired.

(c) Estimation of asset retirement obligations

Provisions are recognized for the future decommissioning and restoration of oil and gas properties that will cease operation prior to the expiration of PSCs. The amounts of the provision recognized are the present values of the estimated future expenditures that the Group is expected to incur. The estimation of the future expenditures is based on current local conditions and requirements, including legal requirements, technology, price level, etc. In addition to these factors, the present values of these estimated future expenditures are also impacted by the estimation of the economic lives of oil and gas properties. Changes in any of these estimates will impact the operating results and the financial position of the Group over the remaining economic lives of the oil and gas properties.

4 主要會計估計及判斷(續)

(b) 不動產、工廠及設備估計減值

倘存有任何事項或情況變動顯示面值可能無法收回，則會就不動產、工廠及設備(包括油氣資產)是否可能減值予以檢討。釐定一項資產是否減值及減值的幅度涉及管理層估計及判斷，例如日後原油價格及生產狀況。然而，減值的檢討及計算乃基於與本集團業務計劃相一致的假設。若干假設的有利變動或可令本集團於相關數年無需對任何資產進行減值的需要，而不利變動或會促使資產減值。

(c) 資產棄置義務的估計

撥備乃就在產品分成合同屆滿前終止營運的油氣資產未來的棄用及複用予以確認，確認的撥備金額為本集團預期將產生的估計日後支出的現值。日後支出的估計乃基於現時當地條件及規定，包括法律規定、技術及價格水平等。除該等因素外，該等估計日後支出的現值亦受油氣資產經濟年期估計的影響。任何該等估計變動將影響本集團於油氣資產剩餘經濟年期的經營業績及財務狀況。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

5 Segment information

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board of Directors considers the business performance of the Group from a geographic perspective being China and Kazakhstan.

The China segment derives its revenue from the sale of oil. Revenue is realized from the sale of the Group's share of crude oil to PetroChina pursuant to three PSCs: Daan, Moliqing and Miao 3. The Kazakhstan segment derives its revenue from the sale of oil and gas.

The Board of Directors assesses the performance of the operating segments based on each segment's profit from operation.

5 分部報告

管理層已根據經董事會審議用於分配資源和評估表現的報告釐定經營分部。

董事會從地理角度研究業務狀況，將集團分為中國經營分部和哈薩克斯坦經營分部。

中國經營分部的收入來源於原油銷售。銷售收入由集團向中國石油天然氣公司銷售原油取得。原油來自於三個產品分成合同區塊：大安、莫里青、廟3。哈薩克斯坦經營分部的收入來自於原油與天然氣的銷售。

董事會基於每個經營分部的經營利潤對他們進行業績評價。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

5 Segment information (Continued)

The segment information provided to the Board of Directors for the reportable segments for the year ended December 31, 2011 is as follows:

5 分部報告(續)

截至二零一一年十二月三十一日向董事會提供的經營分部信息如下：

		China 中國 RMB'000 人民幣千元	Kazakhstan 哈薩克斯坦 RMB'000 人民幣千元	Others* 其他* RMB'000 人民幣千元	Inter- segment transaction 分部內部抵消 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue	分部收入	2,723,671	103,470	—	—	2,827,141
Revenue	收入	2,723,671	103,470	—	—	2,827,141
Purchases, services and other	採購、服務及其他	(167,912)	(17,582)	—	—	(185,494)
Employee compensation costs	員工薪酬成本	(121,391)	(15,561)	(60,100)	—	(197,052)
Depreciation, depletion and amortization	折舊、耗損及攤銷	(513,834)	(28,103)	(65)	—	(542,002)
Distribution expenses	銷售開支	(31,472)	—	—	—	(31,472)
Administrative expenses	管理費用	(54,319)	(3,343)	(32,635)	—	(90,297)
Taxes other than income taxes (Note 21)	稅項(附註21)	(609,193)	(47,573)	—	—	(656,766)
Other losses	其他虧損	(15,237)	1,200	(10,861)	—	(24,898)
Profit from operations	經營溢利	1,210,313	(7,492)	(103,661)	—	1,099,160
Finance income	財務收入	72,174	—	11,918	(9,364)	74,728
Finance cost	財務費用	(69,024)	(9,364)	(165,458)	9,364	(234,482)
Gain arising from acquisition of Emir-Oil, LLC (Note 30)	收購Emir-Oil, LLC利得 (附註30)	—	—	460,345	—	460,345
Income tax expense	所得稅開支	(296,075)	2,166	—	—	(293,909)
Net profit for the year	年內淨溢利	917,388	(14,690)	203,144	—	1,105,842
Total assets	總資產	5,239,096	2,078,556	99,522	—	7,417,174
Total assets includes:	總資產包括：					
Property, plant and equipment	不動產、工廠及設備	3,850,626	1,415,288	1,585	—	5,267,499
Intangible assets	無形資產	6,275	559,377	18,670	—	584,322
Additions to non-current assets	非流動資產增加	1,347,546	74,254	1,648	—	1,423,448
Total liabilities	總負債	1,331,285	354,077	187,044	—	1,872,406



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

5 Segment information (Continued)

The Group operates as a single operating segment in China in 2010. The segment information for the year ended December 31, 2010 is as follows:

5 分部報告(續)

二零一零年本集團作為單一經營分部進行運營。截至二零一零年十二月三十一日經營分部信息如下：

		China 中國 RMB'000 人民幣千元	Others* 其他* RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue	分部收入	1,804,976	—	1,804,976
Revenue	收入	1,804,976	—	1,804,976
Purchases, services and other	採購、服務及其他	(126,517)	—	(126,517)
Employee compensation costs	員工薪酬成本	(108,244)	(2,102)	(110,346)
Depreciation, depletion and amortization	折舊、耗損及攤銷	(528,582)	—	(528,582)
Distribution expenses	銷售開支	(28,424)	—	(28,424)
Administrative expenses	管理費用	(50,081)	(73)	(50,154)
Taxes other than income taxes (Note 21)	稅項(附註21)	(289,296)	—	(289,296)
Other losses	其他虧損	(37,644)	—	(37,644)
Profit from operations	經營溢利	636,188	(2,175)	634,013
Finance income	財務收入	37,645	(2,301)	35,344
Finance cost	財務費用	(86,788)	—	(86,788)
Income tax expense	所得稅開支	(161,705)	—	(161,705)
Net profit for the year	年內淨溢利	425,340	(4,476)	420,864
Total assets	總資產	3,852,326	342,952	4,195,278
Total assets includes:	總資產包括：			
Property, plant and equipment	不動產、工廠及設備	3,024,482	—	3,024,482
Intangible assets	無形資產	1,667	—	1,667
Additions to non-current assets	非流動資產增加	889,600	—	889,600
Total liabilities	總負債	875,025	44,610	919,635

* Others include costs incurred which are not directly attributable to oil and gas operations in China and Kazakhstan.

* 其他包括並不能直接歸屬於中國或哈薩克斯坦分部油氣開發運營活動的業務。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

5 Segment information (Continued)

The revenue reported to the Board of Directors is measured consistently with that in the consolidated statement of comprehensive income.

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the consolidated financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

The derivative financial instruments held by the Group are not considered to be segment assets.

Reportable segments' assets are reconciled to total assets as follows:

5 分部報告(續)

向董事會報告的收入的計量方法與合併綜合收益表的計量方法一致。

向董事會提供有關總資產的金額，是按照財務報表內貫徹的方式計量的。此等資產根據分部的經營和資產的實際位置分配。

由本集團持有的衍生金融工具不被視為是分部資產。

報告分部資產與總資產調節如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Segment assets for reportable segments	報告分部的分部資產	7,317,652	3,852,326
Other segments assets	其他分部資產	99,522	342,952
		7,417,174	4,195,278
Unallocated:	未分配：		
Current derivative financial instruments	流動衍生金融工具	9,151	11,168
Non-current derivative financial instruments	非流動衍生金融工具	—	20,285
Total assets per consolidated statement of financial position	資產負債表內的總資產	7,426,325	4,226,731

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the consolidated financial statements. These liabilities are allocated based on the operations of the segment.

向董事會提供有關總負債的金額，是按照與財務報表內貫徹的方式計量。此等負債根據分部的經營和負債的實際位置分配。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

5 Segment information (Continued)

The Group's derivative financial instruments and interest-bearing liabilities are not considered to be segment liabilities.

Reportable segments' liabilities are reconciled to total liabilities as follows:

5 分部報告(續)

本集團持有的衍生金融工具和計息負債不被視為是分部負債。

報告分部的負債與總負債調節如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Segment liabilities for reportable segments	報告分部的分部負債	1,685,362	875,025
Other segments liabilities	其他分部負債	187,044	44,610
		1,872,406	919,635
Unallocated:	未分配：		
Current derivatives financial instrument premium	短期應付衍生金融工具權利金	25,644	33,577
Non-current derivatives financial instrument premium	長期應付衍生金融工具權利金	6,843	22,385
Current derivative financial instruments	短期衍生金融工具	10,618	—
Non-current derivative financial instruments	長期衍生金融工具	85,157	—
Current borrowings	短期借款	—	99,341
Non-current borrowings	長期借款	2,463,004	1,191,862
Total liabilities per consolidated statement of financial position	資產負債表內的總負債	4,463,672	2,266,800



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

5 Segment information (Continued)

Breakdown of the revenue is as follows:

5 分部報告(續)

收入明細如下：

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Analysis of revenue by segment	收入按類別分析		
Sale of crude oil in China	中國分部原油銷售收入	2,723,671	1,804,976
Sale of oil and gas in Kazakhstan	哈薩克斯坦分部油氣銷售收入	103,470	—
		2,827,141	1,804,976

Revenues in China of approximately RMB2,723,671,000 (2010: RMB1,804,976,000) are derived from a single external customer, PetroChina.

中國分部銷售收入約為人民幣2,723,671,000元(二零一零年：人民幣1,804,976,000元)。所有收入均來源於唯一外部客戶中國石油天然氣公司。

Revenues in Kazakhstan of approximately RMB96,760,000 are derived from Titan Oil.

哈薩克斯坦分部銷售收入主要來源於Titan Oil，約為人民幣96,760,000元。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

6 Property, plant and equipment

6 不動產、工廠及設備

		Oil and gas properties	Construction in progress	Office equipment	Motor vehicles and production equipment	Total
		油氣資產 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	辦公室設備 RMB'000 人民幣千元	汽車及 生產設備 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
At January 1, 2010	於二零一零年一月一日					
Cost	成本	4,054,702	147,325	7,987	23,836	4,233,850
Accumulated depreciation	累計折舊	(1,558,951)	—	(4,317)	(5,439)	(1,568,707)
Net book value	賬面淨值	2,495,751	147,325	3,670	18,397	2,665,143
Year ended December 31, 2010	截至二零一零年 十二月三十一日止年度					
Opening net book value	年初賬面淨值	2,495,751	147,325	3,670	18,397	2,665,143
Addition	增加	2,038	878,266	1,108	7,196	888,608
Transfer in/(out)	轉撥	835,415	(835,415)	—	—	—
Charge for the year	年內費用	(525,890)	—	(755)	(2,624)	(529,269)
Closing net book value	年末賬面淨值	2,807,314	190,176	4,023	22,969	3,024,482
At December 31, 2010	於二零一零年 十二月三十一日					
Cost	成本	4,892,155	190,176	9,095	31,032	5,122,458
Accumulated depreciation	累計折舊	(2,084,841)	—	(5,072)	(8,063)	(2,097,976)
Net book value	賬面淨值	2,807,314	190,176	4,023	22,969	3,024,482



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

6 Property, plant and equipment (Continued)

6 不動產、工廠及設備(續)

		Oil and gas properties	Construction in progress	Gas utilization facility	Exploration and evaluation assets	Buildings and improvements	Office equipment	Motor vehicles and production equipment	Total
		油氣資產	在建工程	天然氣設施	勘探及評估資產	房屋及改良	辦公室設備	汽車及生產設備	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Year ended	截至二零一一年								
December 31, 2011	十二月三十一日止年度								
Opening net book value	年初賬面淨值	2,807,314	190,176	—	—	—	4,023	22,969	3,024,482
Exchange differences	匯兌差額	(9,872)	(628)	(1,217)	(38)	(90)	(7)	(139)	(11,991)
Acquisition of Emir-Oil, LLC (Note 30)	收購 Emir-Oil, LLC (附註 30)	1,140,481	78,849	144,862	238	10,179	831	17,048	1,392,488
Additions	增加	38,752	1,326,954	—	10,699	4,233	2,502	15,007	1,398,147
Disposals	出售	(85)	—	—	(853)	(151)	—	—	(1,089)
Transfer in/(out)	轉撥	1,304,336	(1,299,196)	—	—	(2,923)	(26)	(2,191)	—
Charge for the year	年內費用	(523,776)	—	(3,916)	—	(473)	(825)	(5,548)	(534,538)
Closing net book value	年末賬面淨值	4,757,150	296,155	139,729	10,046	10,775	6,498	47,146	5,267,499
At December 31, 2011	於二零一一年十二月三十一日								
Cost	成本	7,361,858	296,155	143,524	10,046	11,214	12,366	60,684	7,895,847
Accumulated depreciation and impairment	累計折舊及減值	(2,604,708)	—	(3,795)	—	(439)	(5,868)	(13,538)	(2,628,348)
Net book value	賬面淨值	4,757,150	296,155	139,729	10,046	10,775	6,498	47,146	5,267,499

Included in property, plant and equipment are assets used in the PSCs. These assets amount to RMB3,850,477,000 comprising cost of RMB6,456,137,000 less accumulated depreciation and impairment of RMB2,605,660,000 as at December 31, 2011 (2010: RMB3,024,326,000 comprising cost of RMB5,121,063,000 less accumulated depreciation and impairment of RMB2,096,737,000) directly used in and operated under the Group's three PSCs with PetroChina in China.

The additions of oil and gas properties of the Group for the years ended December 31, 2011 and 2010 included RMB1,375,000 and RMB2,038,000 respectively relating to the asset retirement obligations recognized during the year (Note 16).

Depreciation charges of RMB8,380,000 and RMB11,837,000 relating to the years ended December 31, 2011 and 2010 respectively, have been capitalized in inventories (Note 11).

於二零一一年十二月三十一日，不動產、工廠及設備當中，人民幣3,850,477,000元(成本人民幣6,456,137,000元減累計折舊及減值人民幣2,605,660,000元)(二零一零年：人民幣3,024,326,000元包括成本人民幣5,121,063,000元減累計折舊及減值人民幣2,096,737,000元)的資產乃根據本集團與中石油訂立的三份產品分成合同直接予以使用及操作。

本集團於截至二零一一年及二零一零年十二月三十一日止年度添置的油氣資產中，分別有人民幣1,375,000元及人民幣2,038,000元與本年度確認的資產棄置義務有關(附註16)。

截至二零一一年及二零一零年十二月三十一日止年度，金額為人民幣8,380,000元及人民幣11,837,000元的折舊費用已分別於存貨中予以支銷(附註11)。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

6 Property, plant and equipment (Continued)

During the year ended December 31, 2011 and 2010, the Group did not capitalize any borrowing costs.

7 Intangible asset

6 不動產、工廠及設備(續)

截至二零一一年及二零一零年十二月三十一日止年度，本集團未對任何借款成本予以資本化。

7 無形資產

		Software 軟件 RMB'000 人民幣千元	Mineral extraction rights (Note 8) 礦產開採權 (附註8) RMB'000 人民幣千元	Mining rights 採礦權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At January 1, 2010	於二零一零年一月一日				
Cost	成本	6,049	—	—	6,049
Accumulated amortization	累計攤銷	(3,450)	—	—	(3,450)
Net book amount	賬面淨值	2,599	—	—	2,599
Year ended December 31, 2010	截至二零一零年 十二月三十一日止年度				
Opening net book amount	期初賬面淨值	2,599	—	—	2,599
Additions	增加	992	—	—	992
Amortization charge	攤銷費用	(1,914)	—	—	(1,914)
Closing net book amount	年末賬面淨值	1,677	—	—	1,677
At December 31, 2010	於二零一零年 十二月三十一日				
Cost	成本	7,041	—	—	7,041
Accumulated amortization	累計攤銷	(5,364)	—	—	(5,364)
Net book amount	賬面淨值	1,677	—	—	1,677



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

7 Intangible asset (Continued)

7 無形資產(續)

		Software 軟件 RMB'000 人民幣千元	Mineral extraction rights (Note 8) 礦產開採權 (附註8) RMB'000 人民幣千元	Mining rights 採礦權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended December 31, 2011	截至二零一一年 十二月三十一日止年度				
Opening net book amount	期初賬面淨值	1,677	—	—	1,677
Exchange differences	匯兌差額	693	—	(4,853)	(4,160)
Acquisition of Emir-Oil, LLC (Note 30)	收購 Emir-Oil, LLC (附註30)	43	—	577,305	577,348
Additions	增加	6,630	18,671	—	25,301
Amortization charge	攤銷費用	(2,720)	—	(13,124)	(15,844)
Closing net book amount	年末賬面淨值	6,323	18,671	559,328	584,322
At December 31, 2011	於二零一一年 十二月三十一日				
Cost	成本	14,407	18,671	572,399	605,477
Accumulated amortization	累計攤銷	(8,084)	—	(13,071)	(21,155)
Net book amount	賬面淨值	6,323	18,671	559,328	584,322



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

8 Investment

On October 31, 2011, the Company paid US\$3,000,000 (RMB18,903,000) to Pacific Energy Development Corp (“PEDCO”) to acquire:

- (a) 4,000,000 shares of restricted A convertible preferred stock in PEDCO at US\$0.75 per share (“preferred share”). The initial fair value of the preferred shares is approximately RMB3,966,000.
- (b) 31.25% working interest in the Niobrara formation within DJ basin located at Weld County, Colorado, United States (“mineral extraction rights”) acquired by Condor Energy Technology LLC (“Condor”) from PEDCO. MIE Jurassic Energy Corporation (“MIE Jurassic”) (a wholly owned subsidiary of the Group) and PEDCO hold 80% and 20% interest respectively in Condor. As MIE Jurassic has control over Condor, and the Group has consolidated the 31.25% working interest as mineral extraction right with initial fair value of RMB18,671,000 (Note 7), the Group’s share of the 80% of the mineral extraction rights is approximately RMB14,937,000. The capital contribution from non-controlling interest is approximately RMB3,734,000.

8 投資

本公司於二零一一年十月三十一日向Pacific Energy Development Corp (「PEDCO」) 支付3,000,000美元(人民幣18,903,000元)用於收購以下資產：

- (a) 4,000,000股每股0.75美元的PEDCO可轉換A類受限優先股(「優先股」)。優先股的初始公允價值約人民幣3,966,000元。
- (b) Condor Energy Technology LLC (「Condor」) 向PEDCO收購了位於美國科羅拉多州偉爾德縣DJ盆地的Niobrara層的31.25%作業權益。MIE Jurassic Energy Corporation (「MIE Jurassic」)(本集團全資子公司)和PEDCO分別持有Condor的份額為80%和20%。由於MIE Jurassic取得了對Condor的控制權並且本集團已將31.25%的作業權益作為礦產開採權的初始公允價值人民幣18,671,000元列賬(附註7)，因此本集團80%份額的礦產開採權約為人民幣14,937,000元。非控制性權益資本投資約為人民幣3,734,000元。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

9 Derivative financial instruments

9 衍生金融工具

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Assets	資產		
Oil hedge options	石油套期期權	9,151	31,453
Less: non-current portion:	減非流動部分：	—	(20,285)
Current portion	流動部分	9,151	11,168

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Liabilities	負債		
Current	流動		
Oil hedge options	石油套期期權	10,618	—
Non-current	非流動		
Option to ACAP (Note 30)	予ACAP共同投資權(附註30)	85,157	—



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

9 Derivative financial instruments (Continued)

(a) Oil hedge options

- (i) In October 2010, the Group entered into the following oil hedge options with Merrill Lynch Commodities, Inc ("MLCI") for the year ended December 31, 2011 and year ending 31, December 2012:

Contract Period	合同期間	Monthly Notional Quantity (barrel)	Annual Notional Quantity (barrel)	MIE sold	MIE bought
				put option at strike price (WTI price per barrel)	put option at strike price (WTI price per barrel)
		每月名義數量(桶)	每年名義數量(桶)	MIE 出售認沽期權行權價(西德克薩斯中質價格/每桶)	MIE 購買認沽期權行權價(西德克薩斯中質價格/每桶)
Year ended December 31, 2011	截至二零一一年 十二月三十一日	150,000	1,800,000	US\$55.00	US\$70.00
Year ending December 31, 2012	截至二零一二年 十二月三十一日	100,000	1,200,000	US\$55.00	US\$70.00

The premium of US\$8.74 million (RMB57.86 million) for the above option is payable over 8 instalments on a quarterly basis from April 2011 (Note 18).

9 衍生金融工具(續)

(a) 石油套期期權

- (i) 二零一零年十月，本集團從Merrill Lynch Commodities, Inc. (「MLCI」) 購入以下石油套期期權。截至二零一一年及二零一二年十二月三十一日止：

自二零一一年四月起八個季度期間，本集團將就石油認沽期權總額874萬美元(人民幣5,786萬)的權利金分八次每季向MLCI支付(附註18)。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

9 Derivative financial instruments (Continued)

(a) Oil hedge options (Continued)

- (ii) On October 2011, the Group entered three into separate oil hedge options with the following banks at monthly notional quantity of 60,000 barrel each for year ending December 31, 2012 (or total notional quantity of 720,000 barrels per annum) at zero premium:

Counterparty	合約對方	The Company bought put option at strike price (IPE Brent price per barrel) 公司購買認 沽期權行權價 (布倫特原油 價格/每桶)	The Company sold call option at strike price (IPE Brent price per barrel) 公司出售認購 期權行權價 (布倫特原油價 格/每桶)	The Company bought call option at strike price (IPE Brent price per barrel) 公司購買認購 期權行權價 (布倫特原油價 格/每桶)
JPMorgan Chase Bank. N.A.	JPMorgan Chase Bank. N.A.	US\$60.00	US\$131.00	US\$170.00
Deutsche Bank AG	Deutsche Bank AG	US\$60.00	US\$131.50	US\$170.00
Standard Bank Plc	Standard Bank Plc	US\$60.00	US\$146.00	US\$186.00

The change in fair value of derivative financial instruments, which are not designated as cash flow hedges for accounting purposes, are recognized in the consolidated statement of comprehensive income, and as an asset for oil hedge options entered into in October 2010 and as a liability for oil hedge options entered into in October 2011 in the consolidated statement of financial position as at December 31, 2011.

9 衍生金融工具(續)

(a) 石油套期期權(續)

- (ii) 二零一一年十月，集團以零權益金分別向以下銀行購買三項石油套期期權，截至二零一二年十二月三十一日止，每月名義出售60,000桶(或每年總計名義出售720,000桶)：

集團衍生金融工具並非以現金流套期為目的的公允價值變動，在合併綜合收益表中確認收益，同時在於二零一一年十二月三十一日的合併資產負債表中將二零一一年十月購入的期權確認為負債，將二零一零年十月購入的期權確認為資產。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

9 Derivative financial instruments (Continued)

(b) Option to ACAP

The Company has granted Acap Limited (“ACAP”), which is providing general consulting services to the Company in relation to the acquisition of Emir, a right to co-invest with the Company or its associates for up to 9.9% of the assets acquired in the acquisition, on the same terms and conditions under the Purchase Agreement within 36 months from the closing of the transaction. The change in fair value of the option to ACAP is recognized in the consolidated statement of comprehensive income.

10 Trade and other receivables

(a) Summary of trade and other receivables

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Financial assets	金融資產		
Current	流動		
Trade receivables from PetroChina (Note 31)	應收中石油貿易款(附註31)	166,204	25,973
Trade receivable from other third parties	應收第三方賬款	44,399	—
Other receivables due from related parties	關聯方其他應收款		
— PetroChina (Note 31)	— 中石油(附註31)	37,993	33,225
— Global Oil Corporation (Note 31)	— 澳大利亞環球石油 (附註31)	142,500	137,590
Advances to employees	向僱員作出墊款	5,937	7,134
Unbilled receivables from PetroChina (Note 31)	未結算應收中石油款 (附註31)	134,710	145,011
Other receivables — others	其他應收款 — 其他	4,409	576
		536,152	349,509

9 衍生金融工具(續)

(b) 予ACAP共同投資權

Acap Limited(「ACAP」)為本公司在收購Emir時提供一般諮詢服務。本公司向ACAP授予共同投資權，即在與購買協議相同的條款和條件下，ACAP有權與本公司或其合作方共同投資於收購所得資產的最高9.9%的份額。ACAP可在交割完成時或交割完成後36個月內行使該共同投資權。予ACAP共同投資權的公允價值變動已在合併綜合收益表中確認。

10 應收及其他應收款項

(a) 應收及其他應收款項概述



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

10 Trade and other receivables (Continued)

(a) Summary of trade and other receivables (Continued)

10 應收及其他應收款項(續)

(a) 應收及其他應收款項概述(續)

		As at December 31, 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Non-current	非流動		
Amounts due from related party	應收關聯方款項		
— Global Oil Corporation (Note 31)	— 澳大利亞環球石油(附註31)	—	24,212
Long term VAT recoverable	可回收長期增值稅	19,969	—
		556,121	373,721
Non-financial assets	非金融資產		
Current	流動		
Advances to suppliers — others	向供貨商作出墊款 — 其他	45,717	1,210
Less: provision for impairment of advances to suppliers — others	減: 向供貨商作出墊款減值準備 — 其他	(1,123)	—
Advances to suppliers — others — net	向供貨商作出墊款 — 其他 — 淨值	44,594	1,210
Refundable deposit paid for development property (Note 3.1(b))	定向購買房屋可退還訂金(附註3.1(b))	80,000	—
Advances to suppliers — related party (Note 31)	向供貨商作出墊款 — 關聯方(附註31)	31,718	45,283
Prepayments to third parties	向第三方作出預付款項	9,657	2,292
Other deferred assets	其他遞延資產	947	—
		166,916	48,785
Non-current	非流動		
Prepayments to third parties	向第三方作出預付款項	12,063	—
		178,979	48,785
Total	合計	735,100	422,506
Total current	流動合計	703,068	398,294
Total non-current	非流動合計	32,032	24,212
Total	合計	735,100	422,506

Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

10 Trade and other receivables (Continued)

- (b) The fair values of trade and other receivables financial assets are as follows:

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Trade receivables from PetroChina	應收中石油貿易款	166,204	25,973
Trade receivable from other third parties	應收第三方賬款	44,399	—
Unbilled receivables from PetroChina	未結算應收中石油款	134,710	145,011
Other receivables due from related parties	關聯方其他應收款	180,493	195,027
		525,806	366,011
Other receivables — third parties	其他應收款 — 第三方	30,315	7,710
		556,121	373,721

- (c) The aging analysis of trade receivables were as follows:

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
0–30 days	0至30日	197,123	25,973
31–180 days	31至180日	13,441	—
over 180 days	180日以上	39	—
		210,603	25,973

As of December 31, 2011 and 2010, there were no trade receivables past due which are impaired.

10 應收及其他應收款項(續)

- (b) 應收及其他應收款項金融資產的公允價值如下所列：

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Trade receivables from PetroChina	應收中石油貿易款	166,204	25,973
Trade receivable from other third parties	應收第三方賬款	44,399	—
Unbilled receivables from PetroChina	未結算應收中石油款	134,710	145,011
Other receivables due from related parties	關聯方其他應收款	180,493	195,027
		525,806	366,011
Other receivables — third parties	其他應收款 — 第三方	30,315	7,710
		556,121	373,721

- (c) 應收款項賬齡分析如下：

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
0–30 days	0至30日	197,123	25,973
31–180 days	31至180日	13,441	—
over 180 days	180日以上	39	—
		210,603	25,973

於二零一一年及二零一零年十二月三十一日，概無任何已逾期且已減值的應收款項。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

10 Trade and other receivables (Continued)

- (d) The carrying amounts of trade and other receivables are denominated in the following currencies:

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Renminbi	人民幣	364,887	218,297
United States Dollars	美元	348,019	204,209
Kazakhstan Tenge	哈薩克斯坦堅戈	22,194	—
		735,100	422,506

- (e) Movements in the provision for impairment of advance to suppliers are as follows:

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At January 1	於一月一日	—	—
Provision for impairment of advance to suppliers	向供貨商作出墊款減值準備	1,123	—
At December 31	於十二月三十一日	1,123	—

The maximum exposure to credit risk at the reporting date is the fair value of each class of trade and other receivables mentioned above. The Group does not hold any collateral as security.

- (f) The Group's trade receivables have credit terms of between 30 days to 60 days.

10 應收及其他應收款項(續)

- (d) 應收及其他應收款項的面值乃以下列貨幣列值：

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Renminbi	人民幣	364,887	218,297
United States Dollars	美元	348,019	204,209
Kazakhstan Tenge	哈薩克斯坦堅戈	22,194	—
		735,100	422,506

- (e) 其他應收款項減值撥備變動如下：

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At January 1	於一月一日	—	—
Provision for impairment of advance to suppliers	向供貨商作出墊款減值準備	1,123	—
At December 31	於十二月三十一日	1,123	—

於報告日期，最大的信貸風險為上述各類應收及其他應收款項的公允價值。本集團並未持有任何抵押品作為抵押。

- (f) 本集團應收賬款的信用期為30至60日。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

11 Inventories

11 存貨

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At cost	以成本計算		
Oil in tank	庫存油	11,873	15,648
Materials and supplies	物料及供應品	39,964	21,016
		51,837	36,664

Depreciation charges of RMB8,380,000 and RMB11,837,000 have been included in the balance above for the years ended December 31, 2011 and 2010, respectively (Note 6).

截至二零一一年及二零一零年十二月三十一日止年度，上述結餘分別包括人民幣8,380,000元及人民幣11,837,000元的折舊費用(附註6)。

12 Pledged deposits and restricted cash

12 抵押存款和受限制現金

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Pledged deposits	抵押存款	233,891	29,916

As at December 31, 2011, pledged deposit is interest bearing and represents bank deposit pledged for notes payable (Note 18). The carrying amounts of pledged deposits are denominated in Renminbi.

於二零一一年十二月三十一日，抵押存款指為應付票據提供抵押的帶息銀行存款(附註18)。抵押存款的面值以人民幣為列值。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

12 Pledged deposits and restricted cash (Continued)

As at December 31, 2010, pledged deposit represents bank deposit pledged for borrowings. The carrying amounts of pledged deposits are denominated in United States Dollars.

12 抵押存款和受限制現金(續)

於二零一零年十二月三十一日，抵押存款指為借款提供抵押及為關聯方從銀行貸款提供擔保的銀行存款。抵押存款的面值以美元為列值。

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Restricted cash	受限制現金	7,530	—

Under the laws of the Republic of Kazakhstan, the Company is required to set aside funds for environmental remediation relating to its operations. As of December 31, 2011 the Company had restricted cash balances amounting to USD1,195,000 set aside for this purpose. Management is unable to estimate reliably when these amounts will be utilized, and therefore, these amounts are classified as a non-current asset.

根據哈薩克斯坦共和國法律，本公司須保留資金作其生產所需的環境補償。於二零一一年十二月三十一日，本公司就此目的有受限制現金1,195,000美元。管理層未能可靠地計量該等金額將會被動用的時間，故該等金額被分類為非流動資產。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

13 Cash and cash equivalents

13 現金及現金等價物

		Group 本集團 As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Cash in hand	現金	296	33
Cash at bank	銀行存款	532,733	680,000
		533,029	680,033

		Company 本公司 As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Cash at bank	銀行存款	52,381	342,950



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

13 Cash and cash equivalents (Continued)

Cash and cash equivalents are denominated in the following currencies:

13 現金及現金等價物(續)

現金及現金等價物以下列貨幣列值：

		Group 本集團	
		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Renminbi	人民幣	227,103	273,371
Hong Kong Dollars	港幣	97	342,936
United States Dollars	美元	304,234	63,726
Kazakhstan Tenge	哈薩克斯坦堅戈	1,153	—
European Union Euros	歐盟歐元	442	—
		533,029	680,033

		Company 本公司	
		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Hong Kong Dollars	港幣	97	342,936
United States Dollars	美元	52,284	14
		52,381	342,950



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

13 Cash and cash equivalents (Continued)

Renminbi-denominated deposits are placed with banks in the PRC. The conversion of these Renminbi-denominated deposits into foreign currencies and remittance out of the PRC are subject to certain PRC rules and regulations of foreign exchange control promulgated by the PRC government. Also, the exchange rates are determined by the PRC government.

There are also exchange restrictions and currency controls relating to converting Kazakhstan Tenge into other currencies. Kazakhstan Tenge is not freely convertible in most countries outside of the Republic of Kazakhstan.

13 現金及現金等價物(續)

以人民幣列值的存款存放於中國境內銀行。將該等以人民幣列值的存款兌換為外幣及導出中國須遵守中國政府頒佈的若干中國外匯管控條例及法規。同時，相關匯率由中國政府釐定。

哈薩克斯坦堅戈與其他幣種的兌換也受到外匯的管控和限制，且一般不可在除哈薩克斯坦以外的國家進行自由兌換。

14 Share capital

14 股本

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 '000 千股	2010 二零一零年 '000 千股
Authorized ordinary shares:	經授權普通股：		
Ordinary shares of US\$0.001 per share	每股面值0.001美元普通股	100,000,000	100,000,000

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Issued and fully paid:	已發行及繳足：		
Ordinary shares	普通股	17,627	17,588

As at December 31, 2011 and 2010, the total number of authorized shares is 100,000,000,000 ordinary shares with a par value of US\$0.001 each. Each share has one vote.

截至二零一一年及二零一零年十二月三十一日止，已授權股份總數為100,000,000,000普通股，每股面值0.001美元。每普通股擁有一票投票權。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

(a) Issued and fully paid ordinary shares

The details of the issued and fully paid ordinary share capital of the Company for the relevant periods are as follow:

14 股本(續)

(a) 已發行及繳足的普通股

本公司於有關期間已發行及繳足的普通股股本詳情載列如下：

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Issued and fully paid:	已發行及繳足：		
At January 1, 2010 96,356,270 ordinary shares at US\$0.001 each	於二零一零年一月一日 96,356,270股，每股 面值0.001美元普通股		659
At March 10, 2010 Cancellation of 18,212,560 ordinary shares at US\$0.001 each	於二零一零年三月十日 注銷18,212,560股，每股 面值0.001美元普通股		(124)
At December 14, 2010 Conversion of 25,101,220 Series A preferred shares to 25,101,220 ordinary shares at US\$0.001 each	於二零一零年十二月十四日 轉換25,101,220股系列A 優先股至25,101,220股 每股面值0.001美元普通股		171
Conversion of 36,425,120 Series B preferred shares to 18,212,560 ordinary shares at US\$0.001 each	轉換36,425,120股系列B 優先股至18,212,560股 每股面值0.001美元普通股		124
Capitalization issuance of 2,078,542,510 ordinary shares at US\$0.001 each to shareholders registered on November 23, 2010	向於二零一零年十一月二十三日 登記的股東資本化發行 2,078,542,510股， 每股面值0.001美元普通股		13,822
Issuance of 441,334,000 ordinary shares at US\$0.001 each during Global Offering	於全球售股發行441,334,000股 每股面值0.001美元普通股		2,936
At December 31, 2010 2,641,334,000 ordinary shares at US\$0.001 each	於二零一零年十二月三十一日 2,641,334,000股，每股 面值0.001美元普通股		17,588

Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

14 股本(續)

(a) Issued and fully paid ordinary shares (Continued)

(a) 已發行及繳足的普通股(續)

		As at December 31, 於十二月三十一日,	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At January 1, 2011	於二零一一年一月一日		
2,641,334,000 ordinary shares at US\$0.001 each	2,641,334,000 股·每股 面值0.001美元普通股	17,588	
At April 28, 2011	於二零一一年四月二十八日		
Issue of 800,000 ordinary shares at US\$0.001 each for exercise of employee stock option	根據購股權計劃以每 普通股0.001美元 行使800,000購股權	5	
At June 9, 2011	二零一一年六月九日		
Issue of 900,800 ordinary shares at US\$0.001 each for exercise of employee stock option	根據購股權計劃以每 普通股0.001美元 行使900,800購股權	6	
At August 22, 2011	於二零一一年八月二十二日		
Issue of 3,030,904 ordinary shares at US\$0.001 each for exercise of employee stock option	根據購股權計劃以每 普通股0.001美元 行使3,030,904購股權	19	
At November 4, 2011	於二零一一年十一月四日		
Issue of 1,330,104 ordinary shares at US\$0.001 each for exercise of employee stock option	根據購股權計劃以每 普通股0.001美元 行使1,330,104購股權	9	
		39	
At December 31, 2011	於二零一一年十二月三十一日		
2,647,395,808 ordinary shares at US\$0.001 each	2,647,395,808 股·每股 面值0.001美元普通股	17,627	

The above movements have been reflected in the consolidated statements of changes in equity.

上述變動已在合併權益變動表內反映。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

(b) Stock incentive compensation plans

Details of the equity-settled share option schemes and stock appreciation rights adopted by the Company are as follows:

(i) *Stock incentive compensation plan*

The Plan was adopted on November 20, 2009 with the purposes of providing additional incentive to employees, directors and consultants to attract and retain the best available personnel for positions of substantial responsibility. The Company originally reserved 6,072,870 ordinary shares for issuance under the Plan. The Plan was terminated on November 27, 2010. Any options granted prior to the termination of the Plan remain subject to the ordinary vesting and exercise provisions set out in the award agreement. A total of 4,422,000 shares originally reserved for the Plan were cancelled upon the termination of the Plan.

(A) Stock options

The options granted under the Plan are evidenced by an option award agreement between the Company and its employees that contains, among other things, the number of shares granted and provisions concerning exercisability and forfeiture upon termination of employment, as determined by the board of the Company.

14 股本(續)

(b) 股份獎勵酬金計劃

本公司採用的以股權結算的購股權和股份增值權計劃詳情載列如下：

(i) *股份獎勵酬金計劃*

本公司董事會於二零零九年十一月二十日所採納的股份獎勵酬金計劃，旨在為擔負重要職責的職位招攬及挽留最優秀的可用人員，並為僱員、董事及顧問提供額外獎勵。本公司原先預留6,072,870股普通股以預備股份獎勵酬金計劃。根據於二零一零年十一月二十七日的書面決議，本公司終止了股份獎勵酬金計劃。任何在計劃終止前授出的期權仍予以保留，遵循股份增值權獎勵協議中的普通股授出及歸屬條款。原先為該計劃保留的總數為4,422,000股已於股份獎勵酬金計劃終止時撤銷。

(A) 購股權

根據股份獎勵酬金計劃授出的購股權以本公司與其僱員之間的一份購股權獎勵協議為憑證，該協議載列(其中包括)所授出股份的數目及終止聘用後有關購股權的可行使性及沒收的條文(按本公司董事會所釐定)。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

(b) Stock incentive compensation plans (Continued)

(i) Stock incentive compensation plan (Continued)

(A) Stock options (Continued)

Vesting schedule The options granted under the Plan vest over a two or three-year period following a specified vesting commencement date. Typically, the options granted vest at each anniversary of the grant date within the vesting period, subject to the participant continuing to be an employee on each vesting date.

Right to exercise The term of the options granted under the Plan will not exceed ten years from the grant date. Upon termination by the participant or termination of the participant without cause by the Company, any portion of the options that had not vested on or before such termination shall lapse immediately; any portion of the options that were vested before such termination to the extent not exercised within thirty days after such termination shall also lapse. Upon termination of the participant due to the participant's death, permanent disability or injury, the options remain subject to ordinary vesting schedule and exercise provision where the option agreement permits. Upon termination of the participant by the Company for cause, any portion of the options not already exercised lapse immediately.

14 股本(續)

(b) 股份獎勵酬金計劃(續)

(i) 股份獎勵酬金計劃(續)

(A) 購股權(續)

歸屬計劃 根據股份獎勵酬金計劃授出的購股權於指定歸屬開始日期隨後的兩年或三年期間內歸屬。一般來講，所授出的購股權在歸屬期內的授出日期各周年屆滿日歸屬，惟參與者須於各歸屬日期仍為僱員。

行使權 根據股份獎勵酬金計劃授出的購股權的期限自授出日期起計不會超過十年。倘購股權協議容許行使由參與者解除與本公司的僱傭關係或本公司無故解僱參與者之前歸屬的購股權，則尚未行使或購買的購股權將於上述終止後第三十一日終止。倘購股權協議允許由於參與者的身故、終生殘疾或受傷導致僱傭關係終止後普通歸屬及行使，則購股權仍須遵守普通歸屬計劃及行使。本公司因故解僱參與者後，仍未行使的購股權即告失效。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

(b) Stock incentive compensation plans (Continued)

(i) Stock incentive compensation plan (Continued)

(A) Stock options (Continued)

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

		2011 二零一一年		2010 二零一零年	
		Average exercise price per share 平均行使價 每股美元	Options 期權	Average exercise price per share 平均行使價 每股美元	Options 期權
At January 1	於一月一日	US\$0.14	28,084,179	US\$0.13	26,823,492
Granted	已授出	—	—	US\$0.25	3,079,266
Forfeited	已沒收	—	—	US\$0.13	(1,818,579)
Exercised	已行使	US\$0.13	(6,061,808)	—	—
At December 31	於十二月三十一日	US\$0.14	22,022,371	US\$0.14	28,084,179

Out of the 22,022,371 options (2010: 28,084,179 options), 12,147,767 options (2010: 8,334,971) were exercisable.

在22,022,371未行使的期權中(二零一零年: 28,084,179期權), 12,147,767(二零一零年: 8,334,971)期權可予行使。

14 股本(續)

(b) 股份獎勵酬金計劃(續)

(i) 股份獎勵酬金計劃(續)

(A) 購股權(續)

未行使的期權數目及有關的加權平均行使價的變動如下:



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

(b) Stock incentive compensation plans (Continued)

(i) Stock incentive compensation plan (Continued)

(A) Stock options (Continued)

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Expiry date 到期日	Exercise price per share 行使價 每股美元	Options 期權	
		2011 二零一一年	2010 二零一零年
November 20, 2019 二零一九年十一月二十日	US\$0.13 0.13美元	18,943,105	25,004,913
November 23, 2020 二零二零年十一月二十三日	US\$0.25 0.25美元	3,079,266	3,079,266
		22,022,371	28,084,179

14 股本(續)

(b) 股份獎勵酬金計劃(續)

(i) 股份獎勵酬金計劃(續)

(A) 購股權(續)

在年終時未行使期權的到期日和行使價如下：



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

(b) Stock incentive compensation plans (Continued)

(i) Stock incentive compensation plan (Continued)

(B) Stock appreciation rights

Stock appreciation rights granted under the Plan and on February 26, 2010 are evidenced by a stock appreciation rights award agreement between the Company and employees that contains, among other things, the number of notional ordinary shares to which the stock appreciation rights relate and the provisions concerning exercisability and forfeiture upon termination of employment or consulting arrangement.

Vesting schedule Stock appreciation rights granted under the Plan vest over a three-year period following a specified vesting commencement date. One-third of the stock appreciation rights granted vest at each anniversary of the grant date within the three-year vesting period, subject to the participant continuing to be an employee or a service provider on each vesting date.

Right to exercise The term of stock appreciation rights granted under the Plan will not exceed ten years from the grant date. When a participant exercises the stock appreciation rights, the Company will pay such participant an amount in cash determined by multiplying (i) the excess of the fair market value of an ordinary share on the exercise date over the grant price by (ii) the number of notional ordinary shares to which the stock appreciation rights relate stated in such participant's exercise notice.

14 股本(續)

(b) 股份獎勵酬金計劃(續)

(i) 股份獎勵酬金計劃(續)

(B) 股份增值權

根據股份獎勵酬金計劃授出的股份增值權以本公司及僱員之間於二零一二年二月二十六日的一份股份增值權獎勵協議為憑證，該協議載列(其中包括)股份增值權有關的名義普通股數目及終止聘用或諮詢安排終止後有關股份增值權的可行使性及沒收的條文。

*歸屬計劃*根據二零零九年股份獎勵酬金計劃授出的股份增值權於指定歸屬開始日期後三年期間內歸屬。三分之一的所授股份增值權在三年歸屬期間內的授出日期各周年屆滿日歸屬，惟參與者須於各歸屬日期仍為僱員或服務提供商。

*行使權*根據股份獎勵酬金計劃授出的股份增值權的期限自授出日期起計不會超過十年。倘參與者行使股份增值權，則本公司將以現金向該名參與者支付一筆金額，該金額乃通過將該名參與者於其行使通告中所呈列的(i)一股普通股於行使日期的市場公允價值超出行權價格的差額乘以(ii)股份增值權有關的名義普通股數目所釐定。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

(b) Stock incentive compensation plans (Continued)

(i) Stock incentive compensation plan (Continued)

(B) Stock appreciation rights (Continued)

Movements in the number of stock appreciation rights outstanding and their related weighted average exercise prices are as follows:

		2011 二零一一年		2010 二零一零年	
		Average exercise price per share 平均行使價 每股美元	Stock appreciation rights 股份增值權	Average exercise price per share 平均行使價 每股美元	Stock appreciation rights 股份增值權
At January 1	於一月一日	US\$0.13	46,600,713	US\$0.13	46,373,391
Granted	已授出	—	—	US\$0.26	454,644
Forfeited	已沒收	US\$0.13	(628,923)	US\$0.13	(227,322)
Exercised	已行使	US\$0.13	(227,322)	—	—
At December 31	於十二月三十一日	US\$0.13	45,744,468	US\$0.13	46,600,713

Out of the 45,744,468 outstanding stock appreciation rights (2010: 46,600,713 stock appreciation rights), 30,135,123 stock appreciation rights (2010: 15,169,856) were exercisable.

14 股本(續)

(b) 股份獎勵酬金計劃(續)

(i) 股份獎勵酬金計劃(續)

(B) 股份增值權(續)

未行使的股份增值權數目及有關的加權平均行使價的變動如下：

在45,744,468未行使的股份增值權中(二零一零年：46,600,713股份增值權)，30,135,123(二零一零年：15,169,856)股份增值權可予行使。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

(b) Stock incentive compensation plans (Continued)

(i) Stock incentive compensation plan (Continued)

(B) Stock appreciation rights (Continued)

Stock appreciation rights outstanding at the end of the year have the following expiry date and exercise prices:

14 股本(續)

(b) 股份獎勵酬金計劃(續)

(i) 股份獎勵酬金計劃(續)

(B) 股份增值權(續)

在年終時未行使股份增值權的到期日和行使價如下：

Expiry date 到期日	Exercise price per share 行使價 每股美元	Stock appreciation rights 股份增值權	
		2011 二零一一年	2010 二零一零年
November 20, 2019 二零一九年十一月二十日	US\$0.13 0.13美元	45,289,824	46,146,069
February 26, 2020 二零二零年二月二十六日	US\$0.26 0.26美元	454,644	454,644
		45,744,468	46,600,713



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

(b) Stock incentive compensation plans (Continued)

(i) Stock incentive compensation plan (Continued)

(C) Fair values of stock options

The fair value of options granted on November 20, 2009 determined using the Binomial Model was US\$1.93 per option. The significant inputs into the model were fair value per share of US\$3.30 at the grant date, exercise price shown above, volatility of 64.7%, dividend yield of 0%, an option life of ten years, and an annual risk-free interest rate of 3.417%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of weekly share prices of comparable companies over the last five years.

The fair value of options granted on November 23, 2010 determined using the Binomial Mode was US\$0.11 per option after taking into capitalization issue. The significant inputs into the model were fair value per share of US\$0.22 at the grant date, exercise price shown above, volatility of 58.56%, dividend yield of 0%, an option life of ten years, and an annual risk-free interest rate of 2.86%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of weekly share prices of comparable companies over the last five years.

14 股本(續)

(b) 股份獎勵酬金計劃(續)

(i) 股份獎勵酬金計劃(續)

(C) 購股權的公允價值

於二零零九年十一月二十日授出的購股權的公允價值為每份購股權1.93美元，乃採用二項式模型釐定。該模型重要的輸入數值為於授予日的每股公允價值3.30美元、上文所述的行權價、波幅64.7%、股息率0%、購股權年期十年及年度無風險利率3.417%。按連續複利股票收益的標準偏差計量的波幅乃基於過去五年來可比較公司每週股份價格的統計分析。

考慮到資本化發行，於二零一零年十一月二十三日授出的購股權的公允價值為每份購股權0.11美元，乃採用二項式模型釐定。該模型重要的輸入數值為於授予日的每股公允價值0.22美元、上文所述的行權價、波幅58.86%、股息率0%、購股權年期十年及年度無風險利率2.86%。按連續複利股票收益的標準偏差計量的波幅乃基於過去五年來可比較公司每週股份價格的統計分析。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

(b) Stock incentive compensation plans (Continued)

(i) Stock incentive compensation plan (Continued)

(C) Fair values of stock options (Continued)

The fair value of stock appreciation rights granted on November 20, 2009 as of December 31, 2010 determined using the Binomial Model was US\$0.11 per right. The significant inputs into the model were the fair value per share of US\$0.22 as of December 31, 2010, the exercise price of US\$0.13, volatility of 58.62%, dividend yield of 0%, stock appreciation rights remaining life of 8.89 years, and an annual risk-free interest rate of 3.15%. The fair value of stock appreciation rights granted on November 20, 2009 as of December 31, 2011 determined using the Binomial Model was US\$0.13 per right. The significant inputs into the model were the fair value per share of US\$0.25 as of December 31, 2011, the exercise price of US\$0.13, volatility of 61.68%, dividend yield of 0%, stock appreciation rights life of 7.89 years, and an annual risk-free interest rate of 1.53%.

14 股本(續)

(b) 股份獎勵酬金計劃(續)

(i) 股份獎勵酬金計劃(續)

(C) 購股權的公允價值(續)

於二零零九年十一月二十日授出的股份增值權於二零一零年十二月三十一日的公允價值為每份股份增值權0.11美元，乃採用二項式模型釐定。該模型重要的輸入數值為於二零一零年十二月三十一日的每股公允價值0.22美元、行權價為0.13美元、波幅58.62%、股息率0%、股份增值權年期8.89年及年度無風險利率3.15%。於二零零九年十一月二十日授出的股份增值權於二零一一年十二月三十一日的公允價值為每份股份增值權0.13美元，乃採用二項式模型釐定。該模型重要的輸入數值為於二零一零年十二月三十一日的每股公允價值0.25美元、行權價為0.13美元、波幅61.68%、股息率0%、股份增值權年期7.89年及年度無風險利率1.53%。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

(b) Stock incentive compensation plans (Continued)

(i) Stock incentive compensation plan (Continued)

(C) Fair values of stock options (Continued)

The fair value of stock appreciation rights granted on February 26, 2010 as of December 31, 2010 determined using the Binomial Model was US\$0.08 per right. The significant inputs into the model were the fair value per share of US\$0.22 as of December 31, 2010, the exercise price of US\$0.26, volatility of 58.62%, dividend yield of 0%, stock appreciation rights remaining life of 9.16 years, and an annual risk-free interest rate of 3.15%. The fair value of stock appreciation rights granted on February 26, 2010 as of December 31, 2011 determined using the Binomial Model was US\$0.09 per right. The significant inputs into the model were the fair value per share of US\$0.25 as of December 31, 2011, the exercise price of US\$0.26, volatility of 61.68%, dividend yield of 0%, stock appreciation rights life remaining of 8.16 years, and an annual risk-free interest rate of 1.75%.

14 股本(續)

(b) 股份獎勵酬金計劃(續)

(i) 股份獎勵酬金計劃(續)

(C) 購股權的公允價值(續)

於二零一零年二月二十六日授出的股份增值權於二零一零年十二月三十一日的公允價值為每份股份增值權0.08美元，乃採用二項式模型釐定。該模型重要的輸入數值為於二零一零年十二月三十一日的每股公允價值0.22美元、行權價為0.26美元、波幅58.62%、股息率0%、股份增值權年期9.16年及年度無風險利率3.15%。於二零一零年二月二十六日授出的股份增值權於二零一一年十二月三十一日的公允價值為每份股份增值權0.09美元，乃採用二項式模型釐定。該模型重要的輸入數值為於二零一零年十二月三十一日的每股公允價值0.25美元、行權價為0.26美元、波幅61.68%、股息率0%、股份增值權年期8.16年及年度無風險利率1.75%。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

(b) Stock incentive compensation plans (Continued)

(ii) Share option scheme

As approved by shareholders of the Company at a meeting held on November 27, 2010, the Company adopted a new share option scheme ("Scheme") in accordance with Chapter 17 of the Listing Rules.

The purpose of the Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contributions to the Group.

The Company's Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for the shares: (i) any employee (full time) of the Company or any of the subsidiaries, including any executive Director; and (ii) any non-executive Director (including independent non-executive Director) of the Company or any of the subsidiaries.

The subscription price for shares under the Scheme shall be a price determined by the Directors, but shall be the highest of (i) the closing price of shares as stated in the Stock Exchange's daily quotations on the Offer Date; (ii) the average closing price of shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the Offer Date; and (iii) the nominal value of the shares. A nominal consideration of HK\$1.00 is payable on acceptance of the grant of an option.

14 股本(續)

(b) 股份獎勵酬金計劃(續)

(ii) 購股權計劃

根據本公司股東於二零一零年十一月二十七日的會議決議，本公司根據上市規則第十七章的規定採用一項新的員工期權計劃(「該計劃」)。

購股權計劃旨在由本公司向選定參與者授出購股權，作為彼等對本集團所作貢獻的獎勵或回報。

本公司董事可酌情邀請屬於下列任何類別參與者的任何人士接納購股權以認購本公司股份：(i)本公司或其任何附屬公司的任何僱員(全職)，包括任何執行董事；及(ii)本公司或其任何附屬公司的任何非執行董事(包括獨立非執行董事)。

根據購股權計劃，股份的認購價將由本公司董事釐定，惟須以下列價格的最高者為準(i)股份於建議日期在聯交所每日報價表中所列的收市價；(ii)股份於緊接建議日期前五個交易日在聯交所每日報價表中所列的平均收市價；及(iii)股份面值。接納授出的購股權須繳付1.00港元的象徵性對價。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

(b) Stock incentive compensation plans (Continued)

(ii) Share option scheme (Continued)

The total number of shares issued and which may fall to be issued upon exercise of the options granted under the Scheme and any other share option scheme of the Company (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of the Company from time to time.

The maximum number of shares which may be issued upon exercise of any outstanding options granted and yet to be exercised under the Scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the issued share capital of the Company from time to time.

The total number of shares which may be issued upon exercise of all options (excluding, for this purpose, options which have been lapsed in accordance with the terms of the Scheme and any other share option scheme of the Company) to be granted under the Scheme and any other share option scheme of the Company must not in aggregate exceed 10% of the shares in issue as at the Listing Date (i.e. 264,133,400 shares).

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option. An option may be exercised in whole or in part in accordance with the terms of the Scheme at any time during a period to be notified by the Directors to each grantee, which period may commence on the date upon which the offer for the grant of options is made ("Offer Date") but shall expire on the day immediately preceding the tenth anniversary of the Offer Date.

14 股本(續)

(b) 股份獎勵酬金計劃(續)

(ii) 購股權計劃(續)

於任何十二個月期間內，因行使根據購股權計劃及本公司任何其他購股權計劃而向每位參與者授出的購股權(包括已行使或尚未行使的購股權)已發行及須予發行的股份總數，不得超過本公司不時已發行股本的1%。

因行使根據購股權計劃及本公司任何其他購股權計劃所授出而尚未行使的任何購股權而將予發行的最高股份數目，合共不得超過本公司不時已發行股本的30%。

因行使根據購股權計劃及本公司任何其他購股權計劃而將予授出的全部購股權(就此而言，不包括根據購股權計劃及本公司任何其他購股權計劃的條款已失效的購股權)而可能予以發行的股份總數，合共不得超過於上市日期已發行股份數目的10%(即264,133,400股)。

參與者可於建議授出購股權當日起28日內接納購股權。承授人可根據購股權計劃的條款於董事通知各承授人的期限內隨時全面或部分行使購股權，該期限可由提出授出購股權建議日期(「建議日期」)起計，惟須於緊接建議日期第十個周年日前一日屆滿。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

(b) Stock incentive compensation plans (Continued)

(ii) Share option scheme (Continued)

At December 31, 2011, the number of shares in respect of which options had been granted under the Scheme and remained outstanding was approximately 4.2% of the Company's shares in issue at that date.

The following table discloses details of the Company's options under the Scheme held by employees (including Directors) and movement in such holdings during each of the two years ended December 31:

		2011 二零一一年		2010 二零一零年	
		Average exercise price per share 每股 平均行使價 HK\$ 港元	Options 期權	Average exercise price per share 每股 平均行使價 HK\$ 港元	Options 期權
At January 1	於一月一日	—	—	—	—
Granted	已授出	2.254	112,048,000	—	—
Forfeited	已沒收	—	—	—	—
Exercised	已行使	—	—	—	—
At December 31	於十二月三十一日	2.254	112,048,000	—	—

Out of the 112,048,000 options (2010: nil), no options (2010: nil) were exercisable. The share options issued pursuant to the Scheme outstanding as at December 31, 2011 were 112,048,000 with exercise price of HK\$2.254.

14 股本(續)

(b) 股份獎勵酬金計劃(續)

(ii) 購股權計劃(續)

於二零一一年十二月三十一日，與該計劃下授予購股權相關的股數佔改日本公司已發行股數的4.2%。

該計劃下本公司員工(包括董事)持有的未行使的期權於各報告期的數目及變動明細列示如下：

在112,048,000未行使的期權中(二零一零年：零)，零(二零一零年：零)期權可予行使。於二零一一年十二月三十一日，該計劃下尚未行使的購股權為112,048,000份，行使價為2.254港幣。

Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

14 Share capital (Continued)

(b) Stock incentive compensation plans (Continued)

(ii) Share option scheme (Continued)

Share options issued pursuant to the Scheme outstanding at the end of the year have the following expiry date and exercise prices:

Expiry date 到期日	Exercise price per share 行使價 每股港幣	Options 期權	
		2011 二零一一年	2010 二零一零年
September 20, 2021 二零一一年九月二十日	HK\$2.254 2.254 港元	112,048,000	—

The fair value of options issued pursuant to the Scheme and granted on September 20, 2011 was determined using the Binomial Mode at HK\$1.18 per option. The significant inputs into the model were fair value per share of HK\$2.13 at the grant date, exercise price of HK\$2.25 per share, volatility of 66.01%, dividend yield of 0%, an option life of ten years, and an annual risk-free interest rate of 1.44%. The volatility measured at the standard deviation of continuously compounded share returns is based on statistical analysis of weekly share prices of comparable companies over the last ten years.

14 股本(續)

(b) 股份獎勵酬金計劃(續)

(ii) 購股權計劃(續)

在年終時該計劃下未行使期權的到期日和行使價如下：

於二零一一年九月二十日根據該計劃授出的購股權的公允價值為每份購股權1.18港幣，乃採用二項式模型釐定。該模型重要的輸入數值為於授予日的每股公允價值2.13港幣、行權價2.25港幣、波幅66.01%、股息率0%、購股權年期十年及年度無風險利率1.44%。按連續複利股票收益的標準偏差計量的波幅乃基於過去十年來可比較公司每週股份價格的統計分析。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

15 Share premium and other reserves

(a) Group

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Share premium	股本溢價	835,709	826,477
Capital reserve	資本儲備	(270)	(270)
Share option reserve	購股權儲備	16,998	11,584
Safety fund reserve (i)	安全基金儲備 (i)	140,993	91,546
Currency translation reserve	貨幣折算差異	(55,638)	(10,941)
Other reserves	其他儲備	102,083	91,919

(i) Safety fund reserve

Pursuant to certain relevant PRC laws and regulations, the Group is required to set aside a certain amount in proportion to its production income for the relevant year as safety fund reserve. As the Group has no legal or constructive obligation to pay out these amounts at point of recognition, the amount has been treated as an appropriation of reserves in the equity account. The fund can be used for improvements of safety at the oil exploration and development projects, and is not available for distribution to shareholders. Upon incurring qualifying safety expenditure, an equivalent amount is transferred from the safety fund reserve to retained earnings.

15 股本溢價和其他儲備

(a) 本集團

(i) 安全基金儲備

根據若干有關中國法律及法規，本集團須撥出與其有關年度的生產收益成比例的定額款項作為安全基金儲備。由於本集團並無法律或推定義務須於確認之時支付該等款項，故有關數額已於權益賬內列作一項儲備撥款。該筆資金可用於改善石油開採項目的安全性，但不可用於股利分配。於發生符合條件的安全開支後，一筆等值金額將自安全基金儲備轉撥至留存收益。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

15 Share premium and other reserves (Continued)

(b) Company

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Share premium	股本溢價	835,709	826,477
Capital reserve	資本儲備	1,366,956	1,366,956
Share option reserve	購股權儲備	16,998	11,584
Currency translation reserve	貨幣折算差異	(51,236)	(10,941)
		1,332,718	1,367,599

15 股本溢價和其他儲備(續)

(b) 本公司

16 Asset retirement obligations

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At beginning of the year	年初	9,270	6,978
Acquisition of Emir-Oil, LLC (Note 30)	收購 Emir-Oil, LLC (附註30)	10,060	—
Liabilities incurred (Note 6)	發生的負債(附註6)	1,375	2,038
Accretion expenses	增值費用	1,276	254
Exchange differences	匯兌差額	(105)	—
At end of the year	年終	21,876	9,270

16 資產棄置義務



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

17 Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority. The offset amounts are as follows:

17 遞延所得稅

當存在可將即期稅項資產與即期稅項負債抵銷的法定可執行權利，且遞延所得稅涉及同一稅務機關時，則可將遞延所得稅資產與遞延所得稅負債相互抵銷。抵銷金額如下：

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Deferred tax assets:	遞延稅項資產：		
Deferred tax assets to be recovered after more than 12 months	將於12個月後收回的遞延稅項資產	38,873	5,378
Deferred tax assets to be recovered within 12 months	將於12個月內收回的遞延稅項資產	61	1,675
		38,934	7,053
Deferred tax liabilities:	遞延稅項負債：		
Deferred tax liabilities to be settled after more than 12 months	將於12個月後清還的遞延稅項負債	(250,286)	(12,789)
Deferred tax liabilities to be settled within 12 months	將於12個月內清還的遞延稅項負債	(2,095)	(2,958)
		(252,381)	(15,747)
Deferred income tax liabilities — net	合計 — 遞延所得稅負債 — 淨額	(213,447)	(8,694)



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

17 Deferred income tax (Continued)

The movements in the deferred tax account are as follows:

17 遞延所得稅(續)

遞延稅項賬戶的總變動如下：

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
At beginning of the year	年初	(8,694)	(86,400)
Exchange differences	匯兌差額	1,189	—
Acquisition of Emir-Oil, LLC (Note 30)	收購 Emir-Oil, LLC (附註 30)	(192,559)	—
(Charged)/Credited to the consolidated statement of comprehensive income (Note 24)	於綜合收益表內(列支)/入賬(附註 24)	(13,383)	77,706
At end of the year	年終	(213,447)	(8,694)



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

17 Deferred income tax (Continued)

The movement in deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

Deferred tax assets

		Asset retirement obligations 資產棄置義務 RMB'000 人民幣千元	Commercial discovery bonus 商業發現紅利 RMB'000 人民幣千元	Tax losses 稅損 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At January 1, 2010	於二零一零年一月一日	1,744	—	—	6,411	8,155
Credited/(charged) to the consolidated statement of comprehensive income	於綜合收益表內入賬/(列支)	573	—	—	(1,675)	(1,102)
At December 31, 2010	於二零一零年十二月三十一日	2,317	—	—	4,736	7,053
Acquisition of Emir-Oil, LLC (Charged)/credited to the consolidated statement of comprehensive income	收購 Emir-Oil, LLC 於綜合收益表內(列支)/入賬	2,802 (139)	6,752 (6,777)	— 25,696	6,080 (2,336)	15,634 16,444
Exchange differences	匯兌差額	(21)	(33)	(95)	(48)	(197)
At December 31, 2011	於二零一一年十二月三十一日	4,959	(58)	25,601	8,432	38,934

Others include mainly the interest expenses incurred in 2007 that are tax deductible over six (6) years as allowed by the local tax authority.

17 遞延所得稅(續)

遞延稅項資產與負債於本年度內的變動(不計及同一稅務司法權區結餘的抵銷)如下:

遞延稅項資產

其他主要包括於二零零七年發生的利息開支，經當地稅務機關所容許，可於六(6)年期間內減免稅項。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

17 Deferred income tax (Continued)

Deferred tax liabilities

17 遞延所得稅(續)

遞延稅項負債

		Accelerated tax depreciation	Fair value gains of mining rights 採礦權	Total
		加速稅項折舊	公允價值利得	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
At January 1, 2010	於二零一零年一月一日	(94,555)	—	(94,555)
Credited to the consolidated statement of comprehensive income	於合併收益表內入賬	78,808	—	78,808
At December 31, 2010	於二零一零年十二月三十一日	(15,747)	—	(15,747)
Acquisition of Emir-Oil, LLC (Charged)/credited to the consolidated statement of comprehensive income	收購 Emir-Oil, LLC 於綜合收益表內(列支)/入賬	(92,732)	(115,461)	(208,193)
Exchange differences	匯兌差額	(31,860)	2,033	(24,690)
		851	535	1,386
At December 31, 2011	於二零一一年十二月三十一日	(139,488)	(112,893)	(252,381)



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

18 Trade and other payables

(a) Summary of trade and other payables

18 應付及其他應付款項

(a) 應付及其他應付款項概要

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Financial liabilities	金融負債		
Current	流動		
Trade payables	應付帳款	687,392	527,319
Amount due to related parties (Note 31)	應付關聯方款項(附註31)	—	616
Notes payable ⁽ⁱ⁾	應付票據 ⁽ⁱ⁾	233,891	—
Interest payable	應付利息	33,689	1,244
Derivatives financial instrument premium payable (Note 9)	應付衍生金融工具權利金 (附註9)	25,644	33,577
Other tax payable	其他應付稅	51,448	22,728
Special oil levy	石油特別收益金	348,960	87,939
Other payables	其他應付款	5,242	45,306
		1,386,266	718,729
Non-current	非流動		
Derivatives financial instrument premium payable (Note 9)	應付衍生金融工具權利金 (附註9)	6,843	22,385
Trade payables	應付帳款	103,166	115,213
		1,496,275	856,327
Non-financial liabilities	非金融負債		
Current	流動		
Salary and welfare payable ⁽ⁱⁱ⁾	應付薪金及福利 ⁽ⁱⁱ⁾	108,234	56,408
Capital lease liability	財務租賃下的責任	1,102	—
		109,336	56,408
Non-current	非流動		
Capital lease liability	財務租賃下的責任	349	—
		109,685	56,408
Total	合計	1,605,960	912,735
Total current	流動合計	1,495,602	775,137
Total non-current	非流動合計	110,358	137,598
Total	合計	1,605,960	912,735



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

18 Trade and other payables (Continued)

(a) Summary of trade and other payables (Continued)

- (i) As at December 31, 2011, MIE has a total of 16 effective notes payables agreements with China Construction Bank ("CCB") amounting to RMB233,891,000 with a term of six months from the date of issuance ("Notes Payables"). The Notes Payables are secured by pledged deposits amounting to RMB233,891,000 which are interest bearing (Note 12). Under this arrangement, MIE would enter into a notes payables agreement with CCB. Pursuant to the agreement, MIE will issue Notes Payables backed by CCB to certain of its suppliers/service providers to settle equivalent amounts of trade payables. Upon maturity of the Notes Payables, the pledged deposits will be released by CCB to the suppliers/service providers.
- (ii) Stock appreciation rights liabilities of RMB33,512,000 (2010: RMB21,260,000) has been included in salaries and welfare payable for the year ended December 31, 2011.

18 應付及其他應付款項(續)

(a) 應付及其他應付款項概要(續)

- (i) 截至二零一一年十二月三十一日，MIE與中國建設銀行(「建設銀行」)有16個有效的應付票據，有效期為六個月，共計人民幣233,891,000元(「應付票據」)。應付票據的有息抵押存款為233,891,000元(附註12)。在此情況下，MIE與銀行達成應付票據協議。根據該協議，MIE的抵押存款數額與MIE開具給供應商／服務供應商的應付票據額相等。當應付票據到期後，銀行會將抵押存款發放至相應的供應商／服務供應商。
- (ii) 股份增值權負債人民幣33,512,000元(二零一零年：人民幣21,260,000元)已計入截至二零一一年十二月三十一日止年度的應付薪金及福利。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

18 Trade and other payables (Continued)

(b) At December 31, 2011 and 2010, the ageing analysis of the trade and other payables is as follows:

		As at December 31, 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
< 6 months	少於6個月	1,299,650	608,245
6 months–1 year	6個月至1年	160,788	212,457
1–2 years	1至2年	123,733	50,232
2–3 years	2至3年	2,954	35,305
> 3 years	多於3年	18,835	6,496
Total	合計	1,605,960	912,735

(c) The carrying amounts of trade and other payables are denominated in the following currencies:

		As at December 31, 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Renminbi	人民幣	1,329,941	850,813
United States Dollars	美元	41,808	61,922
Kazakhstan Tenge	哈薩克斯坦堅戈	234,211	—
		1,605,960	912,735

The carrying amounts of trade and other payables approximate their fair values.

18 應付及其他應付款項(續)

(b) 於二零一一年及二零一零年十二月三十一日，基於發票日期的應付及其他應付款項賬齡分析列示如下：

		As at December 31, 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
< 6 months	少於6個月	1,299,650	608,245
6 months–1 year	6個月至1年	160,788	212,457
1–2 years	1至2年	123,733	50,232
2–3 years	2至3年	2,954	35,305
> 3 years	多於3年	18,835	6,496
Total	合計	1,605,960	912,735

(c) 應付及其他應付款項的面值以下列貨幣列值：

		As at December 31, 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Renminbi	人民幣	1,329,941	850,813
United States Dollars	美元	41,808	61,922
Kazakhstan Tenge	哈薩克斯坦堅戈	234,211	—
		1,605,960	912,735

應付及其他應付款項的面值與彼等的公允價值相若。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

19 Borrowings

(a) Summary of borrowings

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Bank borrowings	銀行借款		
Non-current	非流動	—	1,191,862
Current	流動	—	99,341
Total bank borrowings	總銀行借款	—	1,291,203
Senior notes	優先票據		
Non-current	非流動	2,463,004	—
Total borrowings	總借款	2,463,004	1,291,203

Senior Notes

On May 12, 2011, the Company issued US\$400 million 9.75% senior notes (the "Notes") due 2016. The Notes bear coupon rate of 9.75% per annum, payable semi-annually in arrears on May 12 and November 12 of each year, commencing on November 12, 2011. The net proceeds of the issuance of the Notes, after deduction of underwriting fees, discounts and commissions and other expenses payable in connection with the issuance of the Notes, amounted to approximately US\$390 million. A portion of the proceeds from the issuance of the Notes was used to repay in full MIE's credit facility with CITIC Bank. The remaining proceeds were used to finance the Company's acquisition of Emir-Oil, LLC from BMB Munai, Inc. and for working capital and general corporate purposes. The Notes were listed on the Singapore Exchange Securities Trading Limited on May 13, 2011.

優先票據

本公司於二零一一年五月十二日發行於二零一六年到期4億美元9.75厘的優先票據(「票據」)。票據的票面利率按年利率9.75厘計算，自二零一一年十一月十二日開始在每半年期末於每年五月十二日及十一月十二日支付。經扣除與發行票據有關的包銷費用、折讓及佣金以及其他估計應付費用後，發行票據的所得款項淨額約達3.9億美元。票據發售的所得款項其中一部份擬用於償還全數MI Energy Corporation結欠中信銀行國際有限公司及中信銀行廣州的信貸；其餘款項用於向BMB Munai, Inc.收購Emir-Oil, LLC，及作營運資金及一般企業用途。票據已於二零一一年五月十三日在新加坡證券交易所有限公司上市。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

19 Borrowings (Continued)

(a) Summary of borrowings (Continued)

Senior Notes (Continued)

The Notes are general obligation of the Company and senior in right of payment to any existing and future obligations of the Company and its subsidiaries expressly subordinated in right of payment to the Notes.

The Notes and the guarantees provided by the certain subsidiaries will limit the ability of the Company and certain of its subsidiaries to, among other things (and subject to certain qualifications and exceptions), incur additional indebtedness and issue preferred stock, make investment.

At any time on or after May 12, 2014, the Company may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest to the redemption date, if redeemed during the 12-month period commencing on May 12 of any year set forth below:

Period 期間	Redemption Price 贖回價
2014	104.8750%
2015	102.4375%

19 借款(續)

(a) 借款概要(續)

優先票據(續)

票據是本公司的一般負債，在受償權利上優先於本公司及其子公司已明確表示為從屬優先票據的任何現有及未來責任。

該票據及若干附屬公司擔保人提供的擔保將限制本公司及其若干附屬公司在產生額外的債務、發行優先股以及投資等方面的能力(惟須符合若干資格及例外情況除外)。

於二零一四年五月十二日或之後任何時間，本公司可按相等於下文所載本金額百份比的贖回價另加截至贖回日期(惟不包括贖回日期)的應計及未付利息(如有)(倘於下文所載任何年度五月十二日開始的十二個月期間贖回)贖回全部或部份票據：



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

19 Borrowings (Continued)

(a) Summary of borrowings (Continued)

Senior Notes (Continued)

At any time prior to May 12, 2014, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes, plus the applicable premium as of, and accrued and unpaid interest to the redemption date.

In addition, at any time prior to May 12, 2014, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 109.75% of the principal amount of the Notes, plus accrued and unpaid interest to the redemption date, provided that at least 65% of the aggregate principal amount of the Notes issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

19 借款(續)

(a) 借款概要(續)

優先票據(續)

於二零一四年五月十二日前任何時間，本公司可選擇按相等於票據本金額100%贖回價另加截至贖回日期(惟不包括贖回日期)的適用溢價以及應計及未付利息(如有)，贖回全部而非部份票據。

此外，於二零一四年五月十二日前任何時間，本公司可按相等於票據本金額109.75%贖回價，另加截至贖回日期(惟不包括贖回日期)的應計及未付利息(如有)，以本公司在一次股本發售中一次或多次出售普通股所得現金淨額贖回最多為票據本金總額的35%，惟於最初發行日期發行的票據本金總額至少65%每次有關贖回後仍尚未償還以及任何有關贖回於有關股本發售結束後六十天內發生。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

19 Borrowings (Continued)

(b) The Notes included in the consolidated statement of financial position were calculated as follow:

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Carrying amount as at January 1,	截至一月一日票據賬面價值	—	—
Issue of the Notes	發行票據	2,528,955	—
Amortization of the Notes	票據攤銷	897	—
Exchange difference	匯兌差額	(66,848)	—
Carrying amount of the Notes as at December 31,	截至十二月三十一日票據 賬面價值	2,463,004	—

(c) The effective interest rates at the dates of the consolidated statements of financial position are as follows:

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Effective interest rates on the bank borrowings	借款實際利率	—	5.85%
Effective interest rates on the Notes	優先票據實際利率	10.91%	—

19 借款(續)

(b) 於有關合併資產負債表日期，票據計算如下：

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Carrying amount as at January 1,	截至一月一日票據賬面價值	—	—
Issue of the Notes	發行票據	2,528,955	—
Amortization of the Notes	票據攤銷	897	—
Exchange difference	匯兌差額	(66,848)	—
Carrying amount of the Notes as at December 31,	截至十二月三十一日票據 賬面價值	2,463,004	—

(c) 於有關合併資產負債表日期，實際利率如下：

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Effective interest rates on the bank borrowings	借款實際利率	—	5.85%
Effective interest rates on the Notes	優先票據實際利率	10.91%	—



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

19 Borrowings (Continued)

- (d) The exposure of the Group's borrowings to contractual interest rate changes based on LIBOR + 4.5% at December 31, 2010 are as follows:

		As at December 31, 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
<1 year	少於一年	—	99,341
1-2 years	一至兩年	—	529,816
2-5 years	兩至五年	—	662,046
Total borrowings	借款總額	—	1,291,203

The Notes which bear a fixed interest rate of 9.75% is not subject to interest rate changes.

票據利率為9.75%且不隨利率波動而變動。

The fair value of the current and non-current portions of borrowings approximates their carrying amounts.

票據公允價值的流動及非流動部分近似於票據的賬面價值。

- (e) The borrowings are denominated in US dollars.
- (f) The Group has obtained a RMB50 million facility from China Construction Bank on January 4, 2012 (Note 33).

- (e) 借款均以美元計值。
- (f) 本集團於二零一二年一月四日自中國建設銀行取得貸款融資人民幣5,000萬元貸款融資(附註33)。



Notes to the Consolidated Financial Statements

合併財務報表附註

20 Employee compensation costs

20 員工薪酬成本

Year ended December 31,
截至十二月三十一日止年度，

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Wages, salaries and allowances	工資、薪金及津貼	165,209	70,829
Housing subsidies	住房補貼	1,811	1,327
Share options granted	已授購股權	5,414	10,360
Stock appreciation rights granted	已授股份增值權	12,628	19,069
Pension costs	退休金成本	6,850	4,613
Welfare and other expenses	福利及其他費用	5,140	4,148
		197,052	110,346

(a) Directors' emoluments

Directors' emoluments for the year ended December 31, 2011 and 2010 are set out below:

(a) 董事酬金

截至二零一一年及二零一零年十二月三十一日止年度，董事酬金載列如下：

Name of Director	Fees	Salaries and allowances	Discretionary bonuses	Employer's contribution to pension scheme	Share options granted	Total
董事姓名	袍金	薪金及津貼	酌情獎金	退休計劃的僱主供款	已授購股權	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
For the year ended December 31, 2011	截至二零一一年十二月三十一日止年度					
Zhang Ruilin	—	4,143	6,526	—	—	10,669
Zhao Jiangwei	—	1,970	8,056	—	—	10,026
Forrest Dietrich	—	2,151	6,143	—	1,187	9,481
Allen Mak	—	2,192	6,616	—	1,583	10,391
Wang Sing	—	—	—	—	—	—
Jeffrey W. Miller	315	—	—	—	899	1,214
Mei Jianping	252	—	—	—	629	881
Cai Rucheng	252	—	—	—	—	252
						42,914

For the year ended December 31, 2010	截至二零一零年十二月三十一日止年度					
Zhang Ruilin	—	3,860	—	300	—	4,160
Zhao Jiangwei	—	3,240	1,692	200	—	5,132
Forrest Dietrich	—	2,288	508	—	2,836	5,632
Allen Mak	—	3,681	1,692	—	3,781	9,154
Wang Sing	—	—	—	—	—	—
Jeffrey W. Miller	—	—	—	—	—	—
Mei Jianping	—	—	—	—	—	—
Cai Rucheng	—	—	—	—	—	—

24,078



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

20 Employee compensation costs (Continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended December 31, 2011 and 2010 are as follows:

		Year ended December 31, 截至十二月三十一日止年度，	
		2011 二零一一年	2010 二零一零年
Directors	董事	4	4
Non-director individual	非董事人士	1	1

The details of emoluments paid to the five highest individuals who were Directors of the Company during the years ended December 31, 2011 and 2010 have been included in above. Details of emoluments paid to the remaining non-director individual are as follows:

		Year ended December 31, 截至十二月三十一日止年度，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	1,731	2,330
Discretionary bonuses	酌情獎金	5,594	1,692
Stock appreciation rights granted	已授股份增值權	680	2,836
		8,005	6,858

20 員工薪酬成本(續)

(b) 五名最高薪人士

本集團截至二零一一年及二零一零年十二月三十一日止年度五名最高薪人士如下：

		Year ended December 31, 截至十二月三十一日止年度，	
		2011 二零一一年	2010 二零一零年
Directors	董事	4	4
Non-director individual	非董事人士	1	1

本公司截至二零一一年及二零一零年十二月三十一日止年度已付五名最高薪人士中的本公司董事的酬金詳情已載於上文。已付餘下非董事人士的酬金詳情如下：

		Year ended December 31, 截至十二月三十一日止年度，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	1,731	2,330
Discretionary bonuses	酌情獎金	5,594	1,692
Stock appreciation rights granted	已授股份增值權	680	2,836
		8,005	6,858



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

20 Employee compensation costs (Continued)

(c) During the financial year ended December 31, 2011, none of the Directors of the Company and the five highest paid individuals:

- (i) received any emolument from the Group as an inducement upon joining the Group;
- (ii) receive any compensation for loss of office as a director or managerial of any member of the Group;
- (iii) waived or has agreed to waive any emoluments.

20 員工薪酬成本(續)

(c) 於截至二零一一年十二月三十一日止財政年度期間，概無董事或五名最高薪人士自本集團：

- (i) 收取任何酬金作為加入本集團時的獎勵；
- (ii) 收取任何補償金作為失去董事或任何管理層職位的補償；
- (iii) 放棄或同意放棄任何報酬。

21 Taxes other than income taxes

21 稅項(所得稅除外)

		Year ended December 31, 截至十二月三十一日止年度，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
China	中國		
Special oil levy	石油特別收益金	595,368	288,133
Urban construction tax and education surcharge	城建稅及教育附加費	13,825	1,163
		609,193	289,296
Kazakhstan	哈薩克斯坦		
Mineral extraction tax	礦物開採稅	6,699	—
Rent export tax	租金出口稅	25,458	—
Rent export duty expenditures	租金出口關稅開支	5,527	—
Property tax	物業稅	7,549	—
Others	其他	2,340	—
		47,573	—
		656,766	289,296



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

22 Other losses

22 其他虧損

		Year ended December 31, 截至十二月三十一日止年度，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Loss on oil hedge options	石油套期期權虧損	(32,137)	(44,692)
Others	其他	7,239	7,048
Total	合計	(24,898)	(37,644)

The net loss of the oil hedge options in the year ended December 31, 2011 and 2010 is due to the change in fair value of the unrealized portion of the oil hedge options.

截至二零一一年及二零一零年十二月三十一日止年度，石油套期期權的淨虧損乃由於石油套期期權未變現部分的公允價值變動所致。

23 Finance costs — net

23 財務費用 — 淨值

		Year ended December 31, 截至十二月三十一日止年度，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Finance income	財務收入		
Interest income from savings accounts	儲蓄賬戶所得利息收入	4,066	144
Exchange gain	匯兌收益	70,662	35,200
Total finance income	總財務收入	74,728	35,344
Finance costs	財務費用		
Interest expenses	利息開支	224,279	86,777
Bank charges	銀行費用	10,200	11
Exchange loss	匯兌虧損	3	—
Total finance costs	總財務費用	234,482	86,788
Finance costs — net	財務費用 — 淨值	159,754	51,444



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

24 Income tax expense

24 所得稅開支

		Year ended December 31, 截至十二月三十一日止年度，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Current income tax — overseas	即期所得稅 — 海外	280,526	239,411
Deferred income tax (Note 17)	遞延所得稅(附註 17)	13,383	(77,706)
		293,909	161,705

Hong Kong profits tax has not been provided for as the Group did not have estimated assessable profit subject to profits tax in Hong Kong during the years ended December 31, 2011 and 2010. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

截至二零一一年及二零一零年十二月三十一日止年度，本集團未發生適用於香港所得稅的應課稅利潤，因此未提撥香港所得稅準備。海外利潤的稅款則按照本年度估計應課稅利潤依本集團經營業務所在國家的現行稅率計算。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

24 Income tax expense (Continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

24 所得稅開支(續)

本集團就除稅前利潤的稅項，與採用合併主體利潤適用的加權平均稅率而應產生的理論稅額的差額如下：

		Year ended December 31, 截至十二月三十一日止年度，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	1,399,751	582,569
Tax calculated at domestic tax rates applicable to profits in the respective countries	在各有關國家的利潤按適用的當地稅率計算的稅項	301,022	145,642
Tax effect of income not subject to tax	無須繳稅收入的稅務影響	(17,898)	—
Expenses not deductible for tax purposes	不可扣稅開支	10,788	17,115
Prior year tax filling adjustments	上年度稅項申報的調整	659	(736)
Additional-deduction for research and development expenses	研究與開發支出加計扣除	(662)	(316)
Tax charge	稅項支出	293,909	161,705

The weighted average applicable tax rate was 22% (2010: 25%).

適用的加權平均稅率為22%(二零一零年：25%)。

25 Investments in subsidiaries and amount due from subsidiaries — Company

(a) Investments in subsidiaries

25 對子公司的投資及貸款 — 公司

(a) 子公司投資

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Investments in subsidiaries — unlisted shares	子公司投資 — 非上市股份	1,418,594	1,400,552

Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

25 Investments in subsidiaries and amount due from subsidiaries — Company (Continued)

25 對子公司的投資及貸款 — 公司(續)

(a) Investments in subsidiaries (Continued)

The following is a list of the subsidiaries at December 31, 2011:

(a) 子公司投資(續)

於二零一一年十二月三十一日，子公司列表如下：

Name	Place of incorporation and kind of legal entity 註冊成立地點及法定主體類別	Principal activities and place of operation 主要業務和經營地點	Date of incorporation/ acquisition 公司成立/ 購買日期	Particulars of issued share capital 已發行股本	Interest held by the Group 持有權益
MI Energy Corporation	Cayman, limited liabilities company 開曼群島，有限責任公司	Production and sale of oil in China 在中國生產及出售石油	May 22, 2001 二零零一年五月二十二日	50,000 ordinary shares of 1 US dollar each 50,000 普通股，每股一美元	100%
MIE New Ventures Corporation	Cayman, limited liabilities company 開曼群島，有限責任公司	Investment holding 投資控股	August 6, 2010 二零一零年八月六日	10,000 ordinary shares of 1 US dollar each 10,000 普通股，每股一美元	100%
Palaeontol Coöperatief U.A.	Netherland, a cooperative with no liability 荷蘭，合作社(無負債)	Investment holding 投資控股	February 8, 2011 二零一一年二月八日	—	100%
Palaeontol B.V.	Netherland, limited liabilities company 荷蘭，有限責任公司	Investment holding 投資控股	February 11, 2011 二零一一年二月十一日	18,000 shares of 1 Euro each 18,000 股，每股一歐元	100%
Gobi Energy Limited	Cayman, limited liabilities company 開曼群島，有限責任公司	Investment holding 投資控股	June 3, 2011 二零一一年六月三日	100 ordinary shares of 1 US dollar each 100 普通股，每股一美元	100%
Riyadh Energy Limited	Cayman, limited liabilities company 開曼群島，有限責任公司	Investment holding 投資控股	June 3, 2011 二零一一年六月三日	100 ordinary shares of 1 US dollar each 100 普通股，每股一美元	100%



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

25 Investments in subsidiaries and amount due from subsidiaries — Company (Continued) 25 對子公司的投資及貸款 — 公司(續)

(a) Investments in subsidiaries (Continued)

(a) 子公司投資(續)

Name	Place of incorporation and kind of legal entity	Principal activities and place of operation	Date of incorporation/ acquisition	Particulars of issued share capital	Interest held by the Group
名稱	註冊成立地點及法定主體類別	主要業務和經營地點	公司成立/ 購買日期	已發行股本	持有權益
MIE Jurassic Energy Corporation	Cayman, limited liabilities company 開曼群島, 有限責任公司	Investment holding 投資控股	September 9, 2011 二零一一年九月九日	100 ordinary shares of 1 US dollar each 100 普通股, 每股一美元	100%
Emir-Oil, LLC	Kazakhstan, limited liabilities partnership 哈薩克斯坦, 有限責任合夥企業	Production and sale of oil and gas in Kazakhstan 在哈薩克斯坦生產及出售油氣產品	September 30, 2011 二零一一年九月三十日	Charter capital of the partnership being 82,300 Kazakhstan Tenge 合夥企業註冊資本 82,300 哈薩克斯坦堅戈	100%
Condor Energy Technology LLC	Nevada, limited liabilities company 美國內華達州, 有限責任公司	Exploration of oil and gas in the United States 在美國勘探油氣	October 12, 2011 二零一一年十月十二日	—	80%
Asia Power Energy Corporation	Cayman, limited liabilities company 開曼群島, 有限責任公司	Investment holding 投資控股	November 24, 2011 二零一一年十一月二十四日	100 ordinary shares of 1 US dollar each 100 普通股, 每股一美元	100%



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

25 Investments in subsidiaries and amount due from subsidiaries — Company (Continued)

(b) Amount due from subsidiaries

The non-current amount due from subsidiaries reflects part of the Company's net investment in subsidiaries. These amounts are non-trade related, unsecured, interest-free and have no fixed terms of repayment.

The current amount due from subsidiaries are non-trade related, unsecured and interest free and expects to be repaid within twelve months from the balance sheet date.

25 對子公司的投資及貸款 — 公司(續)

(b) 貸款予子公司

予子公司貸款非流動部分為本公司對子公司淨投資的一部分。此部分款項為非貿易性、無抵押、無利息的，且未規定還款期限。

予子公司貸款流動部分為非貿易性、無抵押、無利息的款項，且預計將於資產負債表日十二個月內償還。

26 Profit attributable to equity holders of the Company

The profit attributable to equity holders of the Company is dealt with in the financial statements of the Company to the extent of RMB304,618,000 (2010: RMB217,597,000).

26 本公司股權持有人應佔溢利

本公司股權持有人應佔溢利列載於公司資產負債表，總金額為人民幣304,618,000元(二零一零年為人民幣217,597,000元)。

27 Equity distributions

The dividend in respect of the year ended December 31, 2010 of HK\$0.035 per share, amounting to a total dividend of HK\$92,447,000 (RMB77,933,000) was approved at the annual general meeting on May 6, 2011 and was paid on May 27, 2011.

A dividend in respect of the year ended 31 December 2011 of HK\$0.044 per share, amounting to a total dividend of HK\$116,583,000 (RMB94,514,000), is to be proposed at the annual general meeting in May 2012. These financial statements do not reflect this dividend payable.

27 權益分派

於截至二零一零年十二月三十一日止年度相關的股息已於二零一一年五月六日在全體股東年會上提議。該股息為每股0.035港幣，總額為92,447,000港幣(人民幣77,933,000元)，已於二零一一年五月二十七日支付。

於截至二零一一年十二月三十一日止年度相關信息將於二零一二年五月六日在全體股東年會上提議。該股息為每股0.044港幣，總額為116,583,000港幣(人民幣94,514,000元)目前在財務報告上未反應此信息。

		2011 二零一一年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元
Proposed final dividend of HK\$0.044 (2010: HK\$0.035) per ordinary share	最終擬發放股利每普通股0.044港幣 (二零一零年：每普通股0.035港幣)	116,583	92,447



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

28 Cash generated from operating activities

28 經營活動產生的現金

		Year ended December 31, 截至十二月三十一日止年度	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Profit before income tax	除所得稅前溢利	1,399,751	582,569
Adjustments for:	調整：		
Depreciation, depletion and amortization	折舊、耗損及攤銷	542,002	528,582
Interest expenses — net	淨利息開支	220,213	86,633
Unrealized foreign exchange gain	未變現外匯收益	(70,659)	(35,200)
Loss on disposal of property, plant and equipment	處置不動產、工廠、 設備的虧損	1,089	—
Fair value loss on oil hedge options	石油套期期權的公允價值虧損	32,137	44,692
Gain arising from acquisition of Emir-Oil, LLC (Note 30)	收購Emir-Oil, LLC利得 (附註30)	(460,345)	—
Changes in working capital:	營運資金變動：		
Inventories	存貨	(17,578)	41,023
Trade and other receivables	應收及其他應收款項	(209,796)	86,426
Trade and other payables	應付及其他應付款項	220,955	9,509
Cash generated from operations	經營產生的現金	1,657,769	1,344,234

29 Commitments and contingencies

29 承諾及或有負債

(a) Commitments

The Group does not have any capital expenditure contracted for at the date of the consolidated statement of financial position.

(a) 承諾

本集團不存在任何於合併資產負債表日期已簽訂合同的資本支出。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

29 Commitments and contingencies (Continued)

(a) Commitments (Continued)

The Group has operating lease commitments related to its non-cancellable operating leases for offices. The future aggregate minimum lease payments under these operating leases are as follows:

		As at December 31, 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Less than 1 year	少於一年	4,687	1,296
Within 1–2 years	一至二年	3,507	1,500
Within 2–5 years	二至五年	4,304	—
		12,498	2,796

Lease expenses for the year ended December 31, 2011 relates to office and car rental of RMB12,565,000 (2010: RMB6,591,000).

According to the production contracts for 3 blocks in Kazakhstan, the Group is obligated to perform minimum work program during the life of the production contracts.

29 承諾及或有負債(續)

(a) 承諾(續)

本集團擁有與辦公室不可撤銷經營租約有關的經營租約承諾。經營租約項下的未來最低租賃付款額如下：

		As at December 31, 於十二月三十一日	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Less than 1 year	少於一年	4,687	1,296
Within 1–2 years	一至二年	3,507	1,500
Within 2–5 years	二至五年	4,304	—
		12,498	2,796

截至二零一一年十二月三十一日止年度的租賃開支為辦公室及汽車租金人民幣12,565,000元(二零一零年：人民幣6,591,000元)。

根據哈薩克三個區塊的生產合同，本集團必須在合同期限內執行最低工作計劃如下：

		As at December 31, 2011 於二零一一年 十二月三十一日	
		RMB'000 人民幣千元	
Less than 1 year	少於一年	440,808	
Within 1–2 years	一至二年	834,376	
Within 2–5 years	二至五年	881,123	
		2,156,307	

Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

29 Commitments and contingencies (Continued)

(b) Contingencies

On August 28, 2000, MIE entered into a PSC with Sinopec for exploration and development of Luojiayi 64 block at Shengli oilfield in Shandong Province. In 2000, MIE began the trial-development phase of its operations at Luojiayi 64 block at Shengli and drilled a dry hole. The project has been suspended since the end of 2004. In April 2005, MIE requested an extension from Sinopec to restart the project at Shengli. On September 27, 2006, MIE received a letter from Sinopec denying the request to restart the project and seeking to terminate the PSC on the grounds that the extension period of the trial-development phase had expired and MIE had not met its investment commitment of at least US\$2 million under the PSC. MIE believes its investment in the project at Luojiayi 64 block at Shengli oilfield had met the required commitment amount under the PSC. The PSC with Sinopec has not been formally terminated and the dispute has not entered any judicial proceedings.

30 Business combination

On September 19, 2011, the Group acquired 100% of the share capital of Emir-Oil, LLC and intercompany loans payable by Emir-Oil, LLC for US\$159,601,000 and obtained control of Emir-Oil, LLC, an oil and natural gas exploration and production company in the Republic of Kazakhstan. The Group assumed controlled of Emir-Oil, LLC on September 30, 2011.

29 承諾及或有負債(續)

(b) 或有負債

於二零零零年八月二十八日，MIE與中石化訂立產品分成合同，以勘探及開發位於山東省勝利油田的羅家義64區塊。於二零零零年，MIE於勝利羅家義64區塊展開試驗開發階段並已鑽得一口幹眼。該項目已自二零零零四年末起被擱置。於二零零五年四月，MIE已向中石化要求延長期限以重新啟動於勝利的項目。於二零零六年九月二十七日，MIE接獲中石化否決其重新啟動該項目要求的函件，且中石化以實驗開發階段延長期限已到期及MIE並未履行產品分成合同中至少2,000,000美元的投資承諾為由，要求終止產品分成合同。MIE相信其於勝利油田羅家義64區塊項目中的投資已符合產品分成合同所規定的承諾金額。與中石化的產品分成合同並未正式終止且糾紛並未進入任何司法程序。

30 業務合併

於二零一一年九月十九日，本集團購入Emir-Oil, LLC的100%股本及Emir-Oil, LLC承擔的公司間貸款，對價美元159,601,000，並取得其控制權，該公司在哈薩克斯坦共和國進行石油和天然氣生產及油氣勘探。本集團於二零一一年九月三十日取得Emir-Oil, LLC的控制權。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

30 Business combination (Continued)

As a result of the acquisition, the Group expanded and diversified its operation beyond PRC into the Republic of Kazakhstan. The negative goodwill of RMB580,680,000 arising from the acquisition of Emir-Oil is mainly due to the following:

1. BMB Munai, Inc. ("BMB"), the then parent of Emir-Oil, had defaulted on certain covenants of its convertible senior notes and had attempted to re-negotiate with the convertible senior notes holders since 2010. As a result, Emir-Oil was having difficulty obtaining new funding from BMB, or other lenders to meet its oil exploration license conditions within the required timetable.
2. At the date the Company entered into the participation interest purchase agreement with BMB to acquire Emir-Oil, Brent oil price was US\$103.43 per barrel. At the completion date of the Company's acquisition of Emir-Oil, Brent oil price had increased by 8.6% to US\$112.30 per barrel.

Therefore, the fair value of Emir-oil's net assets at the acquisition completion date, being predominately its oil reserves valued by an independent appraisal firm, was in excess of the purchase price paid by the Company thus resulting in the negative goodwill of RMB580,680,000.

30 業務合併(續)

在作出是項收購後，本集團將其經營運作由中華人民共和國擴大並多元化至哈薩克斯坦共和國。購買產生的負商譽人民幣580,680,000元來自以下各項：

1. Emir-Oil其時的母公司BMB Munai, Inc. (「BMB」) 違犯其可換股高級票據的若干契據，並自二零一零年起嘗試與其可換高級票據持有人重新磋商。因此，Emir-Oil很難從BMB或其他借款人借入款項以在規定時限內達到石油勘探許可證的條件。
2. 於本公司與BMB訂立參與權益購買協議以收購Emir-Oil之日，布蘭特油價為每桶103.43美元。於本公司收購Emir-Oil完成之日，布蘭特油價已上升8.6%至每桶112.30美元。

因此，Emir-Oil的淨資產於收購完成之日的公允價值(主要為獨立評估師對其石油儲量的估計)超出本公司支付的購買價，因此產生人民幣580,680,000元的負商譽。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

30 Business combination (Continued)

The following table summarizes the consideration paid for Emir-Oil, LLC, using the fair value of assets acquired and liabilities assumed at the date the Group assumed control.

Consideration at September 30, 2011
於二零一一年九月三十日對價

RMB'000
人民幣千元

Cash	現金	1,014,248
Total consideration	總對價	1,014,248
Recognized amounts of identifiable assets acquired and liabilities assumed	可辨認的購買資產和承擔負債的確認數額	
Cash and cash equivalents	現金及現金等價物	28,323
Property, plant and equipment (Note 6)	不動產、工廠及設備(附註6)	1,392,488
Intangible assets (Note 7)	無形資產(附註7)	577,348
Inventories	存貨	2,050
Trade and other receivables	應收賬款及其他應收款項	83,351
Restricted cash	受限制現金	6,418
Trade and other payables	應付賬款及其他應付款項	(292,431)
Assets retirement obligations (Note 16)	資產棄置義務(附註16)	(10,060)
Deferred tax liabilities (Note 17)	淨遞延所得稅負債(附註17)	(192,559)
Total identifiable net assets	可辨認淨資產總額	1,594,928
Negative goodwill	負商譽	(580,680)
Acquisition related cost	收購相關成本	
— Option to ACAP (Note 9)	— 予ACAP共同投資權(附註9)	85,157
— Others*	— 其他*	35,178
Total acquisition related cost	收購相關成本總額	120,335
Gain arising from acquisition of Emir-Oil, LLC	收購Emir-Oil, LLC利得	(460,345)
Cash consideration paid	支付的現金對價	1,014,248
Cash and cash equivalents of Emir-Oil, LLC at date of acquisition	收購日Emir-Oil, LLC現金及現金等價物	(28,323)
Acquisition of Emir-Oil, LLC, net of cash acquired	收購Emir-Oil, LLC, 扣除購入的現金	985,925

* Include certain fees paid to ACAP for a monthly retainer of US\$20,000 and a success fee equating to 2.5% of the consideration payable at closing date.

30 業務合併(續)

下表摘要就Emir-Oil, LLC支付的對價，以及在購買日期購入的資產和承擔負債與非控制性權益的公允價值。

* 包括支付給ACAP的每月聘用費美元20,000和相當於結算日應付對價2.5%的成功費。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

30 Business combination (Continued)

The revenue included in the consolidated statement of comprehensive income since October 1, 2011 contributed by Emir-Oil, LLC was RMB103,470,000. Emir incurred loss of RMB14,690,000 over the same period.

Had Emir-Oil, LLC been consolidated from January 1, 2011, the consolidated statement of income would show revenue of RMB3,257,080,000 and net profit of RMB1,056,233,000. The consolidated revenue and profit, assuming Emir-Oil, LLC has been consolidated from January 1, 2011, have included additional amortization of mineral rights recognized on acquisition and interest expense on the increase in net debt as result of the acquisition.

31 Related party transactions

The Group is controlled by FEEL, which owns 53.43% of the Company's shares and is also the ultimate parent of the Group. The ultimate controlling parties of the Group are Mr. Zhang Ruilin and Mr. Zhao Jiangwei.

30 業務合併(續)

合併綜合收益表所包括自二零一一年十月一日起由 Emir-Oil, LLC 貢獻的收入為人民幣 103,470,000 元。Emir 亦在同期產生虧損人民幣 14,690,000 元。

假若 Emir-Oil, LLC 在二零一一年一月一日起已合併入賬，則合併綜合收益表的收入將為人民幣 3,257,080,000 元而利潤將為人民幣 1,056,233,000 元。假若 Emir-Oil, LLC 在二零一一年一月一日起已合併入賬，合併綜合收益表的收入和利潤包括了並購產生的礦產開採權的額外攤銷費用和因並購導致的新增借款的利息費用。

31 與關聯方的交易

本集團受 FEEL 直接控制。FEEL 擁有本公司股本的 53.43%，並且是本集團的最終母公司。本集團的最終控制方為張瑞霖先生和趙江巍先生。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

31 Related party transactions (Continued)

(a) The following transactions and balances were carried out with related parties:

31 與關聯方的交易(續)

(a) 與關聯方的交易及結餘如下:

		Year ended December 31, 截至十二月三十一日止年度，	
		2011	2010
		二零一一年	二零一零年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Transactions with PSC partners			
與產品分成合同夥伴的交易			
Global Oil Corporation	澳大利亞環球石油公司		
Amounts received on behalf of GOC arising from the PSCs	根據產品分成合同代表澳大利亞環球石油收取的款項	303,802	202,256
Loan granted to GOC	授予澳大利亞環球石油的貸款	92,330	91,586
Repayment of loan by GOC	澳大利亞環球石油償還貸款	(63,779)	—
Cost incurred on behalf of GOC from PSCs	根據產品分成合同代表澳大利亞環球石油所支付的成本	255,949	146,211
PetroChina	中石油		
Sales to PetroChina	對中石油的銷售額	2,723,671	1,804,976
Cost incurred on behalf of PetroChina from PSCs	根據產品分成合同代表中石油所支付的成本	97,971	140,062
Transactions with a company/person related to the controlling shareholder of FEEL			
與FEEL控股股東有關的關聯公司/人士的交易			
Jilin Guotai Petroleum Development Company*	吉林省國泰石油開發有限公司*		
Purchases of materials and spare parts	採購物料及零件	376	525
Purchases of oil well services	購買鑽井服務	163,327	108,631
Rental of vehicles	汽車的租金	2,535	2,298
Purchases of vehicles	購買汽車	3,232	—
Zhao Jiangbo	趙江波		
Rental of office premise	辦公室物業租金	1,296	1,126
Rental of vehicles	汽車租金	3,504	3,276

* The amounts disclosed above represents gross amount transacted between the MIE, acting as operator for Daan, Moliqing and Miao 3 oilfields, with Jilin Guotai Petroleum Development Company, which is controlled by Zhao Jiangbo, spouse of Mr. Zhang Ruilin.

* 以上所披露的金額為MIE(作為於吉林三個油田的作業者)與關聯公司交易的總額。吉林省國泰石油開發有限公司為張瑞霖先生的配偶趙江波女士所控制。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

31 Related party transactions (Continued)

- (b) Amounts due from related parties included in trade and other receivables:

31 與關聯方的交易(續)

- (b) 計入應收及其他應收款項的應收關聯方款項：

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Amounts due from related companies and PSC partners	應收關聯公司及產品分成合同夥伴的款項		
Current	流動		
Global Oil Corporation (non-trade) (Note 10)	澳大利亞環球石油公司(非貿易)(附註10)	142,500	137,590
PetroChina (trade) (Note 10)	中石油(貿易)(附註10)	300,914	170,984
PetroChina (non-trade) (Note 10)	中石油(非貿易)(附註10)	37,993	33,225
		481,407	341,799
Non-current	非流動		
Global Oil Corporation (non-trade) (Note 10)	澳大利亞環球石油公司(非貿易)(附註10)	—	24,212
		481,407	366,011
Advance to Suppliers	向供貨商作出墊款		
Jilin Guotai Petroleum Development Company (trade) (Note 10)	吉林省國泰石油開發有限公司(貿易)(附註10)	31,718	45,283

The above balances represent trade and unbilled receivables from PetroChina from sale of crude oil to PetroChina pursuant to the PSCs, advances to Global Oil Corporation which arise mainly from amounts received on behalf of Global Oil Corporation, expenditures incurred by the Group on behalf of other PSC partners pursuant to the PSCs, and advances for oilfield related services from Jilin Guotai Petroleum Development Company.

上述結餘為按照產品分成合同向中石油銷售石油產生的未結算應收中石油款項、向澳大利亞環球石油公司作出的預付主要來自代表澳大利亞環球石油公司收取的款項、按照產品分成合同本集團代表其他產品分成合同夥伴所發生的支出，以及向吉林省國泰石油開發有限公司支付油田相關服務的預付款。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

31 Related party transactions (Continued)

- (c) Amounts due to related companies included in trade and other payables:

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Amounts due to other related parties	應付其他關聯方的款項		
Zhao Jiangbo (non-trade) (Note 18)	趙江波(非貿易)(附註 18)	—	616

The above balance with Zhao Jiangbo, spouse of controlling shareholder of FEEL, arose from rental of vehicles and office premises.

上述趙江波(FEEL 控股股東的配偶)的結餘來自汽車及辦公室物業的租金。

- (d) Key management compensation is presented below:

31 與關聯方的交易(續)

- (c) 計入應付及其他應付款項的應付關聯公司款項：

		As at December 31, 於十二月三十一日，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Amounts due to other related parties	應付其他關聯方的款項		
Zhao Jiangbo (non-trade) (Note 18)	趙江波(非貿易)(附註 18)	—	616

- (d) 主要管理人員酬金載列如下：

		Year ended December 31, 截至十二月三十一日止年度，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Expenses	開支		
Short-term benefits:	短期利益：		
— Directors' fees	— 董事費用	819	—
— Salaries and allowances	— 薪金和津貼	21,071	21,032
— Discretionary bonuses	— 酌情獎金	48,083	7,909
— Employer's contribution to pension scheme	— 退休計劃的僱主供款	229	787
— Share options and share appreciation rights granted	— 授予的購股權及股份增值權	11,458	15,937
Total	總計	81,660	45,665
Accrued liability	累計負債		
Short-term benefits:	短期利益：		
— Bonuses	— 紅利	34,915	6,675
		34,915	6,675

Bonuses fall due wholly within twelve months after the end of the period in which management rendered the related services.

紅利將於管理人員提供相關服務期間後十二個月內全數到期。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

32 Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing the net profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

32 每股盈利

(a) 基本

基本每股收益根據歸屬於本公司所有者的利潤，除以本年度內已發行普通股的加權平均數目計算。

		Year ended December 31, 截至十二月三十一日止年度，	
		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Net profit attributable to owners of the Company	利潤歸屬於本公司所有者	1,106,072	420,864
Adjustment for:	調整：		
Dividends entitled by Series A preferred shares	系列A優先股應享股息	—	(82,823)
Dividends entitled by Series B preferred shares	系列B優先股應享股息	—	(48,082)
		1,106,072	289,959
Weighted average number of ordinary shares (thousands)	加權平均普通股數目 (千股)	2,643,681	1,538,264
Earnings per share, Basic (RMB per share)	每股基本盈利 (每股人民幣)	0.42	0.19



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

32 Earnings per share (Continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Prior to Company's Global Offering on December 14, 2010, the Company had two categories of dilutive potential ordinary shares: convertible preferred shares and share options. The convertible preferred shares are assumed to be converted into ordinary shares at the later of, beginning of the relevant year or date of issuance. For share options, a calculation is performed to determine the number of ordinary shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the weighted average number of outstanding share options. Subsequent to the Company's Global Offering, the Company only has share options outstanding which are potentially dilutive.

The number of ordinary shares calculated as above for earnings per share, basic is increased by the number of ordinary shares that would have been issued assuming the exercise of the share options and conversion of preferred shares at the later of, beginning of the relevant year or date of issuance.

32 每股盈利(續)

(b) 稀釋

每股稀釋盈利乃假設所有稀釋潛在普通股獲兌換後，經調整已發行普通股的加權平均數計算。於二零一零年十二月十四日本公司全球發售以前，本公司有兩類稀釋潛在普通股：於相關年度年初或實際發行日兩者之中較晚日期存在的可換股優先股及購股權。可換股優先股乃假定可轉換為普通股。至於購股權，根據未行使購股權的加權平均數所附認購權的貨幣價值，釐定可能已按公允價值（即本公司股份的平均年度市價）購入的普通股數目。在本公司全球發售之後，本公司僅有尚未行使之購股權具有潛在稀釋效應。

按以上基本每股盈利方式計算的普通股數目，需加上假設購股權和優先股於相關年度年初或實際發行日兩者之中較晚日期獲行使或轉換而發行的普通股數量。



Notes to the Consolidated Financial Statements (continued)

合併財務報表附註(續)

32 Earnings per share (Continued)

(b) Diluted (Continued)

32 每股盈利(續)

(b) 稀釋(續)

Year ended December 31,
截至十二月三十一日止年度，

		2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元
Net profit attributable to owners of the Company	本公司股權持有人應佔淨溢利	1,106,072	420,864
Net profit used to determine diluted earnings per share	用於釐定每股攤薄盈利的淨溢利	1,106,072	420,864
Weighted average number of ordinary shares (thousands)	加權平均普通股數目(千股)	2,643,681	1,538,264
Adjustments for:	調整：		
— Assumed conversion of convertible preferred shares (thousands)	— 假設轉換可換股優先股(千股)	—	684,284
— Share options (thousands)	— 購股權(千份)	15,483	9,919
Weighted average number of diluted potential ordinary shares for diluted earnings per share (thousands)	為計算每股攤薄盈利的攤薄潛在普通股加權平均數(千股)	2,659,164	2,232,467
Earnings per share, Diluted (RMB per share)	每股攤薄釋利(每股人民幣)	0.42	0.19

33 Subsequent events

MIE entered into a RMB working capital loan agreement with China Construction Bank ("CCB") on January 4, 2012 for a RMB50 million 6 month loan commencing from January 13, 2012 at the interest rate of 7.015% per annum. The interest rate is the base rate as published by the People's Bank of China at 6.1% per annum plus 15% and the resulting effective interest rate is 7.015% per annum. The loan is secured by a pledge on MIE's entitlement on the sales income from Moliqing and Miao 3.

33 結算日後事項

MIE於二零一二年一月四日與中國建設銀行(「建設銀行」)訂立一項人民幣營運資金貸款協議，涉及一筆人民幣5千萬元6個月期貸款，年期自二零一二年一月十三日起計，年利率7.015厘。該利率乃按中國人民銀行公佈之基準利率每年6.1厘上浮15%得出實際年利率為7.015厘。貸款以質押MIE於莫里青及廟3油田可享之銷售收入作抵押。



MIE HOLDINGS CORPORATION

MI 能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock code 股份代號: 1555)

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