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**中国神华能源股份有限公司**

**CHINA SHENHUA ENERGY COMPANY LIMITED**

*(a joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 01088)**

## **OVERSEAS REGULATORY ANNOUNCEMENT**

**This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.**

The "Announcement Regarding the Progress of the Baojing Shale Gas Project" as published in Chinese in the China Securities Journal, the Shanghai Securities News, the Securities Times and the Securities Daily and on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) on 20 December 2014 is enclosed hereto as overseas regulatory announcement.

By Order of the Board

**China Shenhua Energy Company Limited**

*Huang Qing*

*Secretary to the Board of Directors*

Beijing, 19 December, 2014

*As at the date of this announcement, the Board comprises the following: Dr. Zhang Yuzhuo, Dr. Ling Wen, Mr. Han Jianguo and Mr. Wang Xiaolin as executive directors, Mr. Chen Hongsheng as non-executive director, and Ms. Fan Hsu Lai Tai, Mr. Gong Huazhang and Mr. Guo Peizhang as independent non-executive directors.*

**China Shenhua Energy Company Limited**  
**Announcement Regarding the Progress of the Baojing Shale Gas Project**

The board of directors and all directors of China Shenhua Energy Company Limited guarantee that the information set out in this announcement does not contain any false statements, misleading representations or material omissions, and severally and jointly accept responsibility as to the truthfulness, accuracy and completeness of the content herein.

In January 2013, China Shenhua Energy Company Limited (the "Company") published the Announcement on the Winning of Shale Gas Exploration Concession Tender by Shenhua Geological Exploration Company (Lin 2013 - 003), disclosing that Shenhua Geological Exploration Company Limited, a wholly-owned subsidiary of the Company, won the tender for the shale gas block in Baojing, Hunan Province, and commenced exploration and development of the shale gas block (the "Baojing Shale Gas Project").

As at the date of this announcement, the preliminary geological survey for the shale gas block in Baojing has been completed. The construction of four wells, including three parametric wells and one exploratory well, has been completed. In particular, according to the drilling data for the vertical well of Baoye Well No. 1, an exploratory well, the gas content of the quality shale gas section of the target strata reaches approximately 2 standard cubic meters/tonne. So far the fracturing and ignition of the well have been completed, indicating that the target strata in the shale gas block holds some potential for exploration.

The gas content of the quality shale gas section refers to the volume of shale gas contained in each tonne of shale in the target shale strata calculated according to the actual data of the shale sample obtained during exploration, which is one of the reference indicators for gas resources reserves in shale gas exploration.

Investors are advised to note that there are still great uncertainties in the results of the resources exploration and development prospects of the Baojing Shale Gas Project. Therefore, investors should note that inappropriate reliance on or use of the above information may lead to investment risks.

By order of the board of directors  
China Shenhua Energy Company Limited  
Huang Qing  
Secretary to the Board of Directors  
19 December 2014