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(Incorporated in Bermuda with limited liability)
(Stock Code: 702)

MEMORANDA OF UNDERSTANDING IN RELATION TO THE POSSIBLE ACQUISITIONS – EXTENSION OF TIME LIMIT FOR ENTERING INTO FORMAL AGREEMENTS

Reference is made to the Company's announcements dated 30 June 2014, 1 September 2014, 28 November 2014, 30 April 2015 and 31 December 2015 ("**Announcements**") regarding the Purchaser, a wholly-owned subsidiary of the Company, and the Vendor entering into the non-legally binding Memorandum of Understanding ("**First MOU**") in relation to the possible acquisition by the Purchaser of the entire equity interest in Capital Ally Corporate Limited from the Vendor on 30 June 2014 and the non-legally binding Memorandum of Understanding ("**Second MOU**", together with the First MOU, collectively "**MOUs**") in relation to the possible acquisition by the Purchaser of the entire equity interest in Easy Capital Global Limited from the Vendor on 1 September 2014. Unless otherwise specified, terms defined in the Announcements shall have the same meanings when used in this announcement.

(1) For the First MOU, as disclosed in the announcement dated 31 December 2015, if no Formal Agreement is entered into on or before 30 September 2016 (or such later date to be agreed by the parties thereto), the First MOU shall lapse and determine. Pursuant to the First MOU, the Vendor will not, for a period commencing from the date of the First MOU up to and including 30 September 2016 (or such later date to be agreed by the parties thereto) ("**First Exclusive Period**"), negotiate with any party (other than the Purchaser) for the Possible Acquisition.

(2) For the Second MOU, as disclosed in the announcement dated 31 December 2015, if no Formal Agreement is entered into on or before 30 September 2016 (or such later date to be agreed by the parties thereto), the Second MOU shall lapse and determine. Pursuant to the Second MOU, the Vendor will not, for a period commencing from the date of the Second MOU up to and including 30 September 2016 (or such later date to be agreed by the parties thereto) ("**Second Exclusive Period**", together with the First Exclusive Period, collectively "**Exclusive Periods**"), negotiate with any party (other than the Purchaser) for the Possible Acquisition.

According to the MOUs, the Group is now conducting due diligence review on the resources and financial aspect of the target groups. The Vendor has collected seismic data and engaged professional geology consultancy firm to perform geology research by surveying and mapping surface and subsurface geologic features so as to identify areas where oil and gas

may have accumulated; and has commenced drilling exploratory wells to evaluate if the site can produce enough oil or gas to make it economically viable to develop. Additional time is therefore required by the Vendor to perform the exploration works and interpretation of the relevant geological data. The Group will undertake thorough assessment on the resources so as to avoid any negative impacts on our future development arising from these Possible Acquisitions.

As such, on 30 September 2016, the Purchaser and the Vendor have agreed in writing to further extend the time limit for entering into Formal Agreements in respect of the MOUs and the Exclusive Periods as set out in the MOUs respectively to 30 June 2017 (or such later date to be agreed by the parties thereto). The Board considers that such extension of the time limit for entering into Formal Agreements and the Exclusive Periods to 30 June 2017 would be in the interest of the Company and the Shareholders as a whole. Save and except for the aforesaid extension of the time limit for entering into Formal Agreements and the Exclusive Periods, all other terms of the MOUs shall remain unchanged.

Shareholders and potential investors of the Company should be aware that the terms of the Possible Acquisitions are subject to further negotiation among the parties to the MOUs and are subject to the parties entering into the Formal Agreements. As the Possible Acquisitions may or may not proceed, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By Order of the Board
Sino Oil and Gas Holdings Limited
Dai Xiaobing
Chairman

Hong Kong, 30 September 2016

As at the date of this announcement, the Board comprises three Executive Directors, namely, Dr. Dai Xiaobing, Mr. King Hap Lee and Mr. Wan Tze Fan Terence; four Non-executive Directors, Mr. Chen Hua, Mr. Huang Shaowu, Mr. He Lin Feng and Mr. Chen Chun Tung Jason, and four Independent Non-executive Directors, namely, Mr. Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua.