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MIE HOLDINGS CORPORATION

(In Provisional Liquidation)

*(For the Purposes of Presenting a Compromise or Arrangement to Creditors)
(Incorporated in the Cayman Islands with limited liability)*

Senior Notes with a scheduled maturity in 2024

issued by MIE Holdings Corporation and unconditionally and irrevocably guaranteed by the subsidiary guarantors

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This document is published for the purpose of obtaining a listing for the above notes (the "Notes") to be issued by MIE Holdings Corporation (in Provisional Liquidation) (for the purposes of presenting a compromise or arrangement to creditors) (the "Company"), unconditionally and irrevocably guaranteed by Asia Dynamic Energy Corporation, Asia Dynamic Energy Trading Corporation, Gobi Energy Limited, MIE International Resources Limited and MIE New Ventures Corporation (together, the "Subsidiary Guarantors"). Information relating to the Company is contained in this document.

Application will be made for the listing and quotation of the Notes on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed or reports contained in this Listing Document. Approval-in-principle from, and admission of the Notes to the Official List of, the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the offering, the Company, the Subsidiary Guarantors, their respective subsidiaries (if any), their respective associated companies (if any), their respective joint venture companies (if any) or the Notes. The Notes will be in denominations of US\$1,000 each or integral multiples of US\$1 in excess thereof. The Notes will be traded on the SGX-ST in a minimum board lot size of US\$200,000 for so long as any of the Notes are listed on the SGX-ST and the rules of the SGX-ST so require. Currently, there is no market for the Notes.

Notification under Section 309B(1) of the Securities and Futures Act, Chapter 289 of Singapore – the Company has determined that the Notes are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Notes and the Subsidiary Guarantees have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The New Notes are being offered only outside the United States to non-U.S. persons in compliance with Regulation S under the Securities Act. See "*Transfer Restrictions*".

The date of this Listing Document is March 30, 2022

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DOCUMENTS INCORPORATED BY REFERENCE

The Company's audited consolidated financial statements as of and for the years ended December 31, 2020, and the Company's unaudited condensed consolidated financial statements as of and for the six months ended June 30, 2021, are deemed to be incorporated in to, and form part of, this Listing Document.

The Company's audited consolidated financial statements as of and for the years ended December 31, 2020 are available at the website of the Hong Kong Stock Exchange at:

- <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042901519.pdf> (pages 117-261 inclusive)

The Company's unaudited condensed consolidated financial statements as of and for the six months ended June 30, 2021 is available at the website of the Hong Kong Stock Exchange at:

- <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0923/2021092300134.pdf> (pages 47-104 inclusive)

THE SCHEME

On February 23, 2022, the Company published a notice on the websites of the Hong Kong Stock Exchange and the SGX-ST stating that, by an order dated February 22, 2022, the Grand Court of the Cayman Islands has directed that a meeting of Scheme Creditors (as defined in the explanatory statement (the "Explanatory Statement") relating to the proposed scheme of arrangement between the Company and the Scheme Creditors under section 86 of the Companies Act (2022 Revision) (the "Scheme")) be convened for the purposes of considering and, if thought fit, approving the Scheme (with or without modification).

The purpose of the Scheme is to effect a compromise and arrangement between the Company and the Scheme Creditors so as to implement a financial restructuring of the liabilities of the Company, certain members of the Group and the Subsidiary Guarantors under and/or in connection with the Company's existing 13.750% senior notes due 2022 (ISIN: XS1960218250/Common code: 196021825) (the "Existing Notes"), which are currently listed and quoted on the SGX-ST, and the indenture governing the Existing Notes. The Scheme provides for the release of all claims of the Scheme Creditors with respect to the Existing Notes, in consideration for which the Scheme Creditors, subject to eligibility criteria as laid out in the Scheme documents, will be entitled to receive in full and final settlement a pro rata distribution of the Notes (the aggregate principal amount of the Notes being the outstanding principal amount of the Existing Notes plus accrued and unpaid interest thereon), in accordance with the terms of the Scheme. Following the effectiveness of the Scheme, each Scheme Creditor will receive a pro rata distribution of Notes, and the Existing Notes will be marked down and cancelled.

Copies of the Scheme, the Explanatory Statement and the Solicitation Packet (including the Account Holder Letter to be completed by all Scheme Creditors) are available to download from the Scheme Website at <https://bonds.morrowsodali.com/MIE>. The information found on the Scheme Website is not incorporated by reference in, and does not form part of, this Listing Document.

For the purposes of this section:

"Explanatory Statement" means the explanatory statement of the Company relating to the Scheme;

"Scheme" means the scheme of arrangement between the Company and the Scheme Creditors proposed to be made under section 86 of the Cayman Islands Companies Act in its present form or with or subject to any non-material modifications, additions or conditions that the Grand Court of the Cayman Islands (and any court capable of hearing appeals therefrom) may think fit to approve or impose and agreed to by the Company; and

"Scheme Creditor" means a person with a beneficial interest as principal in the Existing Notes held in global form or global restricted form through Euroclear and Clearstream, each of whom has a right, upon satisfaction of certain conditions, to be issued definitive registered notes in accordance with the terms of the Existing Notes and the indenture governing the Existing Notes.

RISK FACTORS

You should carefully consider the risks and uncertainties described below and the information contained elsewhere in this Listing Document before making an investment decision. The risks described below are not the only ones that may affect you, the Company or the Notes. In general, investing in securities of issuers in emerging market countries, such as China, involves risks not typically associated with investing in the securities of companies in more developed economies. Additional risks and uncertainties not presently known to the Company or that it currently deems immaterial may also impair its business operations. If any of the risks described below occurs, the Company's business, financial condition and results of operations could be materially and adversely affected. In such case, the Company may not be able to satisfy its obligations under the Notes, and you could lose all or part of your investment. The risks described below also include forward-looking statements and the Company's actual results may differ substantially from those discussed in these forward-looking statements.

Risks Relating to the Company's Business

Any further outbreaks of COVID-19 or other adverse public health developments may severely disrupt the Company's business and operations

In December 2019, an outbreak of the coronavirus disease ("COVID-19") was identified and has since spread around the world. In March 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. Many governments around the world have implemented a variety of measures to reduce the spread of COVID-19, including travel restrictions and bans, instructions to residents to practice social distancing, quarantine advisories, shelter-in-place orders and required closures of non-essential businesses. The COVID-19 pandemic has negatively impacted the global economy, disrupted global supply chains and created significant volatility and disruption of financial markets. The COVID-19 pandemic had a significant adverse impact on the oil market in 2020, and the world's oil demand and supply both declined significantly, leading to negative prices in crude oil futures for the first time in history. The average realized crude oil price of the Group from the Daan and Moliqing oilfields decreased by 31.0% from US\$55.92 per barrel in 2019 to US\$38.60 per barrel in 2020. In April 2020, as a result of the collapse in global oil prices and the weak economy as a result of the COVID-19 pandemic, the oil price for the Daan oilfield dropped to US\$12.33 per barrel, the lowest price in a decade, and remained significantly lower than international oil prices throughout 2020.

As the impact from the COVID-19 pandemic is ongoing, the pace of recovery from COVID-19 will depend on future events, including duration of travel and visa restrictions, the pace of vaccination progress, development of new medicines for COVID-19, and declines in income, and remains highly uncertain. While COVID-19 vaccines have been approved and administered in various countries, the continued production, distribution and administration of such vaccines on a widespread basis may take a significant amount of time, and there can be no assurances as to the long-term safety and efficacy of such vaccines or if the current vaccines will be effective against new strains of the coronavirus that causes COVID-19.

The disruptions to the Company's business and the global economy caused by the COVID-19 pandemic have had an adverse effect on its operations, which could materially impact its business, prospects, financial condition and results of operations and as such disruptions are ongoing, such adverse effects will likely continue.

The Company's operations depend heavily on the production sharing contracts ("PSCs") with PetroChina Company Limited ("PetroChina"). If the Company fails to maintain a good working relationship with PetroChina, its business, financial condition and results of operations may be materially and adversely affected

The success of the Company's business depends to a significant extent on its working relationship with PetroChina. However, it cannot assure you that it will be able to maintain a good working relationship with PetroChina. For instance, if the Company experiences any material disagreement with PetroChina in the interpretation of any of the terms of the relevant PSCs, or if it fails to comply with the terms of the relevant PSCs in a timely manner or at all, its working relationship with PetroChina may be adversely affected or PetroChina may unilaterally terminate the Company's PSCs. Furthermore, the Company may have disagreements over payments with PetroChina from time to time. In addition, production volume at the Daan oilfield is determined by a joint management committee of eight members, four appointed by PetroChina and four by the Company. Decisions must be unanimous.

If PetroChina terminates the Daan PSC or Moliqing PSC (each as defined below) pursuant to the

termination provisions set forth in such PSCs, the Company cannot assure you that it will be able to secure a new production sharing arrangement in a timely manner or at all. In addition, any failure or undue delay by PetroChina to comply with the terms of the relevant PSCs, or its unwillingness to cooperate with the Company for any reason, may also have a material adverse impact on the Company's operations. If any of the above occurs, the Company's business, financial condition, results of operations and prospects would be materially and adversely affected.

PetroChina controls, to a significant extent, the volume of the Company's net production as its major customer and the influence it has over the management of the Daan oilfield through the joint management committee. If the Company's net production of crude oil decreases or purchases from PetroChina decrease, its business, financial condition and results of operations may be materially and adversely affected

The joint management committee for the Daan oilfield comprises eight members, four appointed by PetroChina and four appointed by the Company. The committee performs supervisory functions for the oilfield, including the approval of the annual production budget. As a result, PetroChina influences, to a significant extent, the volume of the Company's net production through the joint management committee. The Company's sales contract requires PetroChina to purchase from it the crude oil produced from the projects at the Daan oilfield if the Company wishes to sell to PetroChina, subject to the approval of the production plan from the joint management committee. To date, PetroChina has been the Company's major customer, accounting for a substantial amount of its sales in 2020 and the six months ended June 30, 2021.

The Company cannot assure you that PetroChina will continue to purchase its crude oil in the same quantities in the future.

The Daan PSC stipulates that the Company can export its share of the oil production to offshore customers. However, it needs PetroChina's assistance in obtaining relevant governmental approvals for oil exportation. The Company cannot assure you that such approvals can be obtained in a timely manner or at all, if the Company decides to export its oil production.

The Daan PSC grants PetroChina the right to take over the operational rights for the Daan oilfield from the Company

The Daan PSC grants PetroChina the right to take over the operational rights for the Daan oilfield. If PetroChina takes over the operational rights for the Daan oilfield, the Company's business, financial condition and results of operations will be adversely affected.

Under the Daan PSC, PetroChina may take over the operational rights from the Company at the earlier of (i) the expiration of the PSCs, (ii) when all the development costs have been recovered by the foreign contractors in full and no additional overall development plan under which additional development costs will be incurred by the foreign contractors has been approved, or (iii) if agreed to by the joint management committee, before the full recovery of the development costs by the foreign contractors.

Concerning scenario (i) above, the term of the Daan PSC has been successfully extended from December 31, 2024 to February 29, 2028, on the condition that the Group will continue to operate the Daan oilfield and will invest in and drill a minimum of 268 wells in the Daan oilfield within a period of three years from June 2020. Concerning scenario (ii) above, the Company has recovered its past development costs in the Daan oilfield but will continue to invest and develop new portions of the oilfield in accordance with approved overall development plans and joint management committee approved budgets. Concerning scenario (iii) above, under the PSC, any action taken by the joint management committee must be made unanimously.

In the event that PetroChina takes over the operations of the Daan oilfield, the Company will remain entitled to its allocation of the operating portion of the cost recovery oil and the profit-sharing oil for the remaining term of the PSC, and will continue to participate on the joint management committee. However, the Company's results of operations would be dependent on its and PetroChina's ability to reach agreement and to operate the developments and produce profit-sharing gas after such transition.

The Company operates or participates in a limited number of oilfields in China with a mature and declining production

The Company's oilfields in China are mature, with declining net annual production volumes. In addition, the Daan and Moliqing PSCs will expire in 2028.

The geographic concentration of the Company's operations and its crude oil and gas reserves in China exposes its business to natural disasters, including floods and earthquakes, and other acts of God, in a single area which could adversely affect the development or production of its crude oil and gas, such as catastrophic damage to pipelines or reservoir structures or events that could result in a material loss or delay of its operations. Acts of terrorism may also cause damage or disruption to the Company, its employees or its facilities, any of which could materially impact its sales, cost of sales, overall operating results and financial condition.

The Company's results of operations are affected by the volatility of crude oil prices

The Company's results of operations are significantly affected by the relatively low commodity prices of oil and the high borrowing costs for general funding and re-financing purposes. International prices for crude oil have fluctuated widely in recent years in response to changes in the supply of, and demand for, oil, market uncertainty and a variety of additional factors that are beyond the Company's control. The Group's performance is further impacted by the breakdown of production reduction negotiations amongst the Organization of Petroleum Exporting Countries ("OPEC"), coupled with the unfavorable outlook for the global economy due to the outbreak of COVID-19 in early 2020.

The Company does not, and will not have, control over the factors affecting international prices for crude oil. As a result of such oil price changes, the Company's revenue can fluctuate significantly. Furthermore, the Company's rate of recovery under its PSCs, depreciation, depletion and amortization, and the amount of special levy paid or payable to the PRC government are affected by movements in crude oil prices. If crude oil prices increase in the future, the costs of materials and well drilling services may also increase beyond the Company's expectations as a result of higher demand, which will materially and adversely affect its business, financial condition and results of operations.

Investigations of employees of PetroChina may have a material adverse effect on the Company's business, financial condition, results of operation and prospects

According to news reports, in August 2013 the CPC Central Commission for Discipline Inspection began investigating certain of PetroChina's senior management in connection with accusations of corruption. While to date none of the Company's employees are being investigated, it is believed that at least ten current or former PetroChina senior managers are being investigated or have been removed from their positions at PetroChina. Many of the Company's current employees, including its chairman, have in the past worked at PetroChina. In addition, the Company currently has a close working relationship with PetroChina, including PSCs with PetroChina, and they are the Company's sole customer for oil produced at Daan and Moliqing. If the investigation continues, or expands to include more senior managers of PetroChina or former PetroChina employees, the Company cannot assure you that none of its employees will be investigated or asked to assist in the investigation. The ongoing investigations may divert PetroChina from its current business and any investigation into any of the Company's employees would be time consuming and could adversely affect its business, financial condition, results of operations and prospects.

The Company may be unable to perform its obligations under the PSCs sufficiently or at all, which may have a material and adverse effect on its business, financial condition, results of operations and prospects

The Company's results of operations to date have been driven largely by its performance at the Daan oilfield, which accounts for substantially all of its revenue and cash flows. Through its subsidiaries, the Company is currently the sole operator of the Daan oilfield with 100% participating interest in the foreign contractor's entitlements and obligations under the PSC for the Daan oilfield, and has 10% participating interest in the foreign contractor's entitlements and obligations under the PSC for the Moliqing oilfield. Each of the Company's PSCs for these oilfields contains requirements on the performance of the foreign contractors and operator, such as quality of services, timeframe of development plan as well as minimum capital expenditure. In the event that the Company is unable to obtain sufficient funding to continue with the development in accordance with the timeframe prescribed in the relevant PSCs, or there is any failure or undue delay by its subcontractors or service providers to deliver the products or services that meet the quality requirements under the PSCs, the Company may not sufficiently perform its obligations under the PSCs, which would have a material and adverse effect on its business, financial condition, results of operations and prospects.

The Company's operations may be adversely affected by global as well as PRC and other domestic economic conditions

Substantially all of the Company's cash flows are derived from sales of crude oil produced in the PRC. The Company's results of operations are materially affected by economic conditions in China and, to a lesser extent, oil and gas produced elsewhere around the world. The oil and gas industry is sensitive to macroeconomic trends as oil and gas prices tend to decline in recessionary periods. Recent global economic conditions have been characterized by tight credit and recessionary trends in most major economies.

Any negative economic outlook has in the past affected and will continue to influence business and consumer confidence. In addition, turbulence in the international energy markets, as well as any slowdown of economic growth in China, may adversely affect the Company's liquidity and financial condition, including its ability to access the capital markets to meet liquidity needs. A global recession or an economic downturn in the PRC, as well as uncertainties regarding the future economic prospects of the PRC and the other major economies in the world, could depress oil and gas prices. Any future declines in oil and gas prices would likely have a material and adverse effect on the Company's results of operations and financial condition.

Any reduction in proved and probable developed producing reserves will increase depreciation, depletion and amortization charges (assuming constant production), which will have a material and adverse effect on the Company's results of operations

Under IFRS, the Company's accounting of unit of production for depreciation, depletion and amortization is based on the reserve definition as set out in the Petroleum Resources Management System. The Company applies the unit of production rates based on net proved and probable developed producing reserves estimated to be recoverable from existing facilities in accordance with the terms of the respective PSCs.

Estimated proved and probable developed producing reserves are important elements in determining the depreciation of capitalized development costs. The Company cannot assure you that it will not have to write down reserves in the future. Any reduction in proved and probable developed producing reserves will increase depreciation, depletion and amortization charges (assuming constant production) and therefore will reduce net income.

The Company depends upon the services of key personnel and its business may be severely disrupted in the event that it loses their services or are restricted in its hiring by the terms of certain PSCs, and is unable to find personnel with comparable experience and expertise

The Company's future success depends heavily upon the continued services of its senior executives, including Mr. Zhang, its chairman and chief executive officer, and other key employees. The Company relies on their expertise in developing business strategies, managing business operations and strengthening its relationships with PetroChina and service providers. The Company carries key person insurance. However, if one or more of its senior management or key employees were unable or unwilling to continue in their present positions, the Company may not be able to replace them in a timely manner or at all.

If any dispute arises between the Company and its key employees, it cannot assure you of the extent to which any of the employment agreements that it has entered into with its key employees could be enforced, particularly in the PRC, where most of these key employees reside, in light of the uncertainties within the PRC legal system. See “—Uncertainties with respect to the PRC legal system could limit the protections available to you and the Company” below. If one or more of the Company's senior management or key employees were unable or unwilling to continue in their present positions, its business could be severely disrupted, its financial condition and results of operations could be materially and adversely affected, and it could incur additional expenses to recruit, train and retain personnel. The Company may not be able to attract or retain replacement personnel that it will need to achieve its strategic objectives at costs similar to its current costs.

If the Company fails to obtain or maintain all required licenses, permits and approvals, or if it is required to take actions to obtain such licenses, permits and approvals which are time-consuming or costly, its business operations and development plans may be materially and adversely affected

Oil and gas operations such as the Company's are subject to a significant number of licenses, permits and approvals in the countries where it has operations, such as those relating to environmental protection and work safety. In particular, its projects and any expansion plans are subject to extensive governmental review and approval. The Company's ability to continue to conduct its existing operations and to successfully implement its expansion strategies is dependent upon it obtaining, maintaining and renewing, where necessary, the relevant regulatory approvals in the countries where it has operations. If it experiences delays due to an inability to obtain the necessary licenses, permits or approvals, or otherwise, the Company's operations and strategic plans may be

adversely effected.

The Company is also dependent on PetroChina's ability to obtain governmental approvals and licenses for its operations in China. These approvals and licenses include, but are not limited to, those for environmental protection, workplace safety, foreign exchange and water-drawing. In addition, the Company relies on PetroChina's land use allocation rights and mining licenses in order to operate the respective PSCs. If the Company or PetroChina fails to obtain or renew any such approvals on a timely basis or at all, the Company may be subject to fines, ordered to take corrective measures, ordered to shut down its operations, lose its rights under the PSCs or become subject to other administrative penalties. It may even be prohibited from continuing or expanding its operations due to a failure to obtain or renew such approvals, or it may have to expend considerable time and costs in order to sustain its business, any and all of which may materially and adversely affect its business, financial conditions, results of operations and prospects.

The Company's continued business success depends on its ability to exploit its current reserves and resources and develop newly discovered reserves and resources

The Company's ability to achieve its objectives is dependent in part on its level of success in further exploiting its current reserves and resources base and identifying additional crude oil and gas reserves in its contract areas or on its existing properties. Its development and production activities expose it to inherent risks associated with drilling, including the risk that no additional economically productive oil reservoirs will be discovered in its contract areas or on its existing properties. Developing additional reserves is a highly risky and capital-intensive activity. Without locating additional reserves and resources in its current contract areas or acquiring new reserves and resources bases through acquisitions or new PSCs, the Company's net reserves and net production will decline over time, which would materially and adversely affect its results of operations and financial condition.

The Company may be unable to raise funding to maintain its operations on terms favorable to it or at all, which could increase its financing costs and affect its business operations

Oilfield operations are a capital-intensive business. The Company's ability to maintain and increase its revenue, net profits and cash flows depends upon continued capital spending. The Company expects to have significant capital expenditures for its businesses. Its expected net capital expenditures may vary significantly from planned amounts due to various factors, including but not limited to its ability to generate sufficient cash flows from its operations and investments to finance its capital expenditures, its ability to obtain external financing, oil prices and approval by the joint management committee.

The Company's operations may not generate sufficient cash flows to fund its capital investment requirements, and it may be required to finance its cash needs through public or private equity offerings, bank loans or other debt financing, or otherwise. The Company cannot assure you that international or domestic financing for its future expansion will be available on terms favorable to it or at all, which could increase its financing costs. The terms of the Company's existing debt agreements may also prevent it from incurring additional indebtedness. The Company's ability to arrange financing and the cost of such financing are dependent on numerous factors, including but not limited to:

- general economic and capital market conditions;
- the availability of credit from banks or other lenders;
- investor confidence in the Company; and
- the continued performance of the Company's projects.

Additional funding from debt financings may make it more difficult for the Company to operate its business because it would need to make principal and interest payments on the indebtedness and may be obligated to abide by restrictive covenants contained in the debt financing agreements, which may, among other things, limit the Company's ability to make business and operational decisions and pay dividends.

In addition, there can be no assurance as to whether, or at what cost, the Company's capital projects will be completed or as to the success of these projects if completed. In the event that it fails to obtain sufficient funding for its operations or development plans, the Company's business, results of operations and financial condition could be materially and adversely affected.

Further, the Company cannot assure you that its business will generate sufficient cash flow from operations in the future to make necessary capital expenditures and to service interest payments and debt repayments, in which case it may seek additional financing, dispose of certain assets or seek to refinance some or all of its debts. The Company cannot assure you that any of these alternatives can be implemented on satisfactory terms, if at all. The Company may also have difficulty converting its long-term assets into current assets to repay its creditors and may suffer losses upon the sale of its long-term assets, which would adversely affect its operations.

The Company's operations may be affected by significant operating hazards and natural disasters and it has limited insurance coverage for any resulting losses

Developing, producing and transporting crude oil and natural gas involves many hazards, including the possibility of:

- environmental hazards, such as uncontrollable flows of oil, natural gas, brine, well fluids, toxic gas or other pollution into the environment, including groundwater contamination;
- abnormally pressured formations;
- mechanical difficulties, such as stuck oilfield drilling and service tools and casing collapse;
- fires and explosions;
- personal injuries and death;
- natural disasters; and
- acts of terrorism.

These hazards may result in fires, explosions, spillages, blow-outs and other unexpected or dangerous conditions causing personal injuries or death, property damage, environmental damage and interruption of operations.

Significant operating hazards and natural disasters may cause interruption to the Company's operations, property and/or environmental damage as well as personal injuries, and each of these incidents could have a material adverse impact on its financial condition and results of operations. Although the Company is regularly improving its safety and occupational health measures to protect its employees and reduce the risk of accidents, its preventive measures may not always be effective, particularly due the hazardous nature of its industry.

The Company maintains insurance coverage on its properties, including pipelines, terminals, machinery, equipment, materials and supplies. It also maintains insurance against the risk of breakdown on all machinery and equipment. The Company carries business interruption insurance, workplace injury insurance, compulsory ecological insurance, compulsory liability insurance of operators of hazardous facilities and compulsory transport users liability insurance for its operations. Its insurance coverage may not be sufficient to cover all the financial losses caused by the operation risks and natural disasters. Losses incurred or payments required to be made by the Company due to operating hazards or natural disasters that are not fully insured may have a material adverse effect on its financial condition and results of operations.

The Company's operations may be adversely affected by present or future environmental regulations, including regulations aimed at reducing greenhouse gas emissions

The Company's operations create emissions of greenhouse gases, which are associated with development of climate change effects. Ongoing international efforts to address climate change, which include development of policy and regulatory measures aimed at reducing greenhouse gas emissions, could affect its business and the balance of demand and supply for various types of fuels. Policies that promote the usage of alternative energy sources, and provide preferential factors for consumption of energy generated from such sources, may have an adverse impact on the Company's sales and financial results.

Many aspects of the oil and natural gas business present environment risk and hazards and are subject to extensive environmental law, regulation, permit, license or other regulatory approval. These laws and regulations permit:

- the imposition of fees for the discharge of waste substances;
- the levy of fines and payments for damages for serious environmental offenses; and
- the government, at its discretion, to close any facility that fails to comply with orders and require it to correct or cease operations causing environmental damage.

The Company's operations produce substantial amounts of waste water, gas and solid waste materials. In addition, its production facilities require operating permits that are subject to renewal, modification and revocation. The Company has established a system to treat waste materials to prevent and reduce pollution. It has not been involved in any incident or violation of any environmental protection laws or regulations which it had failed to remedy within the timeframe stipulated by the relevant authorities.

Environmental legislation is evolving in a manner expected to result in more rigorous standards and enforcement, larger fines and liability and potential increased capital and operating costs. The Company may incur significant expenditure to comply with increasingly complex laws and non-compliance of applicable environmental legislations may result in fines and penalties which may have a material financial impact on it. Compliance with environmental laws and regulations may result in a production curtailment or a material increase in the costs of production and development activities or otherwise have a material adverse effect on the Company's results of operations and financial conditions.

Changes in environmental laws and regulations occur frequently. Any changes that result in more stringent or costly waste handling, storage, transport, disposal or cleanup requirements could require the Company to make significant expenditures to maintain compliance, and may otherwise have a material adverse effect on its results of operations, competitive position or financial condition as well as on the industry in general. Under these environmental laws and regulations, the Company could be held strictly liable for the removal or remediation of previously released materials or property contamination regardless of whether it was responsible for the release or whether its operations were standard in the industry at the time they were performed.

Risks Related to the Company's Operations in China

Political and economic policies of the PRC government affect the Company's business and results of operations

At present, the PRC is a developing economy. It differs from developed economies in many respects, including:

- its structure;
- the level of governmental involvement;
- the level of development;
- the growth rate;
- the level and control of capital investment;
- the control of foreign exchange; and
- the allocation of resources.

While the Chinese economy has grown significantly in the past two decades, the growth has been uneven geographically, among various sectors of the economy and during different periods. The Company cannot assure you that the Chinese economy will continue to grow or will do so at the pace that has prevailed in recent years, or that if there is growth, such growth will be steady and uniform. In addition, if there is a slowdown, such slowdown could have a negative effect on the Company's business. It is uncertain whether the various macro-economic measures, monetary policies and economic stimulus packages adopted by the PRC government will be effective in restoring or sustaining the fast growth rate of the Chinese economy. In addition, such measures, even if they benefit the overall Chinese economy in the long term, may have a negative effect on the Company. For example, the Company's financial condition and results of operations may be materially and adversely affected by government control over capital investments.

Although the Chinese economy has been transitioning from a planned economy to a more market-oriented economy, a substantial portion of the productive assets in China is still owned by the PRC government. The continued control of these assets and other aspects of the national economy by the government could materially and adversely affect the Company's business. The PRC government also exercises significant control over Chinese economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. Any adverse change in the economic conditions or government policies in China could have a material adverse effect on the overall economic growth and the level of investments and expenditures in China, which in turn could lead to a reduction in demand for oil and consequently have a material adverse effect on the Company's businesses.

The Company's ability to successfully expand its business operations in the PRC depends on a number of factors, including macro-economic and other market conditions and credit availability from lending institutions. The PRC government has from time to time articulated the need to control economic growth again and to tighten lending. Stricter lending policies in the PRC may affect the Company's ability to obtain financing, thus reducing its ability to fund its business. The Company cannot assure you that the PRC government will not implement any additional measures to tighten lending, or that, if any such measure is implemented, it will not adversely affect the Company's future results of operations or profitability. Furthermore, the Company cannot assure you that its historical economic and market conditions will continue, or that it will be able to sustain its growth.

The Company may be deemed a PRC resident enterprise under the PRC Enterprise Income Tax Law (the "EIT Law") and be subject to the PRC taxation on its worldwide income

The EIT Law provides that enterprises established outside of the PRC whose "de facto management bodies" are located in the PRC are considered "resident enterprises" and are generally subject to the uniform 25% enterprise income tax rate as to their worldwide income. Under the Implementation Rules of the EIT Law issued by the State Council, "de facto management body" is defined as a body that has material and overall management and control over the manufacturing and business operations, personnel and human resources, finances and treasury, and acquisition and disposition of properties and other assets of an enterprise. The Company has received notice from PRC tax authorities confirming that its subsidiary Gobi Energy Limited is not a PRC resident enterprise. Nevertheless, it cannot assure you that the PRC tax authorities will continue to treat it or any of its subsidiaries as non-resident enterprises in the future. A substantial number of the Company's management personnel are located in the PRC, and substantially all of its revenues arise from its operations in the PRC. However, the Company does recognize some interest income and other gains from its financing activities outside the PRC. Furthermore, if any of the Company's subsidiaries is deemed a PRC resident enterprise and the Company is not, any payments of dividends or other distributions may be subject to a 10% PRC withholding tax. The Company is currently subject to enterprise income tax on its PRC activities. If the PRC tax authorities determine that the Company or any of its related subsidiaries is a PRC resident enterprise, it will be subject to PRC tax on its worldwide income and the related subsidiaries, as the case may be, will be subject to tax on their respective worldwide income at the 25% uniform tax rate, which may have an adverse impact on the Company's financial condition and results of operations.

If the Company is deemed to be a PRC resident enterprise, gain on the sale of the Notes may become subject to taxes under PRC tax laws

Under the EIT Law and the Implementation Rules of the EIT Law issued by the State Council, PRC income tax at the rate of 10% is applicable to interest payable by resident enterprises to investors that are non-resident enterprises which do not have an establishment or place of business in the PRC, or which have such establishment or place of business but the relevant income is not effectively connected with the establishment or place of business, to the extent such interest has its source within the PRC. Similarly, any gain realized on the transfer of notes issued by resident enterprises to such investors is also subject to 10% PRC income tax if such gain is regarded as income derived from sources within the PRC. Therefore, if the Company is considered a PRC resident enterprise, and gain realized from the transfer of the New Notes are considered income derived from sources within the PRC, such income may be subject to PRC tax. If the Company is required under the EIT Law to withhold PRC income tax on interest payable to its non-PRC investors that are non-resident enterprises, it will be required to pay such additional amounts as will result in receipt by a holder of a Note of such amounts as would have been received by the holder had no such withholding been required. The requirement to pay additional amounts will increase the cost of servicing the Notes, and could have a material adverse effect on its ability to repay the principal amount of the Notes, as well as its profitability and cash flow. In addition, if such non-PRC investors are required to pay PRC income tax on any gain realized on the transfer of the Notes, the value of an investment in the Notes may be materially and adversely affected.

Uncertainties with respect to the PRC legal system could limit the protections available to you and us

The PRC legal system is a civil law system based on written statutes. Unlike in common law systems, prior court decisions may be cited for reference but have limited precedential value. Since 1979, PRC legislation and regulations have significantly enhanced the protections afforded to various forms of foreign investments in China. However, since many laws, rules and regulations are relatively new and the PRC legal system continues to rapidly evolve, the interpretations of many laws, regulations and rules are not always uniform and enforcement of these laws, regulations and rules involve uncertainties, which may limit legal protections available to the Company. For example, it may have to resort to administrative and court proceedings to enforce the legal protections that it enjoys either by law or contract.

Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory and contractual terms, it may be more difficult to evaluate the outcome of PRC administrative and court proceedings and the level of legal protection the Company enjoys in China as compared to more developed legal systems. These uncertainties may impede the Company's ability to enforce its contracts with PetroChina, future partners, its service providers and suppliers. In addition, such uncertainties, including the inability to enforce its contracts, could materially and adversely affect the Company's business and operations. Accordingly, the Company cannot predict the effect of future developments in the PRC legal system, particularly with regard to the oil and gas industry in China, including the promulgation of new laws, changes to existing laws or the interpretation or enforcement thereof, or the preemption of local regulations by national laws. These uncertainties could limit the legal protections available to the Company and the holders of the New Notes. In addition, any litigation in China may be protracted and result in substantial costs and diversion of the Company's resources and management attention.

Labor and Social Insurance laws in the PRC may adversely affect the Company's results of operations

The Labor Contract Law, effective as of January 1, 2008, and the amendment to which become effective on July 1, 2013, as well as its implementation regulations, impose greater liabilities on employers and significantly impact the cost of an employer's decision to reduce its workforce. In addition, pursuant to the Labor Contract Law, an employer may not terminate the employment contract under certain circumstances including, but not limited to, an employee suffering from an occupational disease or work-related injury during the term of employment who is confirmed to have lost the ability to work partially or entirely, a female employee in her pregnancy or an employee who has been working for the employer continuously for not less than 15 years and is 5 years away from the legal retirement age. Furthermore, according to Law on Social Insurance of the PRC, which became effective on July 1, 2011, and Regulation Concerning the Administration of Housing Fund implemented since April 3, 1999 and amended on March 24, 2002, an employer is obligated to contribute social insurance and housing fund for its employees. Even though most of the Company's employees are hired through Jilin Foreign Enterprise Services Co., Ltd. in accordance with PRC laws and regulations, the Company is still affected by the changes in labor and social insurance laws and regulations. In the event that the Company decides to significantly change or decrease its workforce, the labor laws and regulations could adversely affect its ability to enact such changes in a manner that is most advantageous to its business or in a timely and cost-effective manner, thus materially and adversely affecting its financial condition and results of operations.

Risks Relating to the Notes and the Subsidiary Guarantees

Payment of principal under the Notes is subject to the terms of the ACIA.

As part of the restructuring of the liabilities of the Company and the Subsidiary Guarantors (the "Restructuring"), the Company's existing lenders, the Trustee and certain other parties will be entering into the Account Control and Intercreditor Agreement (the "ACIA"). The effect of the ACIA is, inter alia, that the Company's payment obligations under the Notes are subordinated to payment of the Senior Minimum Payable (as defined in the ACIA), with the outstanding principal of the Notes being repaid semi-annually (on June 30 and 31 December of each calendar year (each, a "Settlement Date")) in accordance with the agreed percentage, but only to the extent of any remaining funds in the applicable account on any given Settlement Date. Until such time as the occurrence of the Senior Outstanding Principal Discharge Date (as defined in the ACIA), the holders of the Notes shall be entitled to 5% of any such available cash with the remaining 95% to be paid (per the agreed allocations) to the Senior Lender, the USD Lender and the HKD Lender (each as defined in the ACIA). If the amount of the Senior Minimum Payable and approved Permitted Payments for any Settlement Period exceeds the amount of Daan Proceeds and other relevant cashflow received by the Group in that Settlement Period, the Notes will not receive any payment under the ACIA Waterfall (each capitalized term as defined in the ACIA). Consequently, there is no guarantee that the Notes will receive any payments under the ACIA Waterfall at any

time prior to the maturity date.

The holders of the Notes are not entitled to receive any ARR Fees (as defined in the ACIA). Subject to the terms of the ACIA, ARR Fees are payable to the Senior Lender, the USD Lender and the HKD Lender only.

The Company is a holding company and payments with respect to the Notes are structurally subordinated to liabilities, contingent liabilities and obligations of the Company's subsidiaries which are not providing guarantees under the Notes.

The Company is a holding company with no material operations. The Company conducts its operations primarily through its subsidiaries. The Notes will not be guaranteed by any current or future PRC subsidiaries or certain other non-guarantor subsidiaries. In addition, none of the shares of the Company's subsidiaries will be pledged for the benefit of the holders of the Notes. Most of the Group's assets are held by, and substantially all of its earnings and cash flows are attributable to, the Company's subsidiaries. Accordingly, the Company's ability to pay principal on the Notes and the ability of the Subsidiary Guarantors to satisfy their obligations under the Subsidiary Guarantees will depend upon their receipt of principal and interest payments on intercompany loans and distributions of dividends from the Company's subsidiaries, including the PRC subsidiaries. If the Company or the Subsidiary Guarantors experience difficulties in receiving funds from the PRC subsidiaries due to regulatory or other reasons, the Company may in turn experience difficulties in servicing its offshore debt, including but not limited to the Notes.

Creditors, including trade creditors of the non-guarantor subsidiaries and any holders of preferred shares in such entities, would have a claim on such subsidiaries' assets that would be prior to the claims of holders of the Notes. As a result, the Company's payment obligations under the Notes will be effectively subordinated to all existing and future obligations of such subsidiaries, and all claims of creditors of the non-guarantor subsidiaries will have priority as to the assets of such entities over the Company's claims and those of the Company's creditors, including holders of the Notes. The Notes and the Indenture permit the Company, the Subsidiary Guarantors and the non-guarantor subsidiaries to incur additional indebtedness and issue additional guarantees, subject to certain limitations. In addition, the Company's secured creditors or those of any Subsidiary Guarantors would have priority as to the Group's assets or the assets of such Subsidiary Guarantors securing the related obligations over claims of holders of the Notes.

The Group has substantial indebtedness (in the form of financial indebtedness, both secured and unsecured, and onshore trading creditors) and may incur substantial additional indebtedness in the future, which could adversely affect the Group's financial health and its ability to generate sufficient cash to satisfy its outstanding and future debt obligations.

The Group has incurred, and will continue to incur after the Restructuring, a substantial amount of indebtedness. As of October 31, 2021, the Group's total financial indebtedness was RMB 3.608 billion (US\$568.908 million) and total operational and trade indebtedness was approximately RMB 2.418 billion (US\$381.330 million). The Group's total indebtedness as of October 31, 2021 was RMB 6.027 billion (approximately US\$950.238 million). This compared to the Group's assets as of October 31, 2021 amounting to approximately RMB 1.915 billion (approximately US\$301.920 million), resulting in a net liability position of approximately RMB 4.112 billion (approximately US\$648.318 million). The Group's substantial indebtedness could have important consequences to a holder of the Notes. For example, it could:

- limit the Company's ability to satisfy its obligations under the Notes and other finance instruments, including the New Loan Agreements (as defined in the ACIA);
- increase its vulnerability to adverse general economic and industry conditions;
- require it to dedicate a substantial portion of its cash flow from operations to servicing and repaying its indebtedness, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and for other general corporate purposes;
- limit its flexibility in planning for or reacting to changes in its business and the industry in which it operates;
- limit, along with the financial and other restrictive covenants of its indebtedness, its ability to borrow additional funds; and

- increase the cost of additional financing.

In addition, the Restructuring may not be completed in accordance with the envisaged timeline, or at all. The maturity date of the Company's outstanding notes has passed and, therefore, the Company is currently obliged to repay the principal amount under the outstanding notes. The Company currently has limited available cash and, should the Restructuring not proceed, would be unable to repay its overdue indebtedness under and in connection with the outstanding notes. Unless the Company and its board of directors are able to satisfy themselves that an alternative financial restructuring is likely to be successful (which the Company considers very unlikely given the time and cost of negotiating the Restructuring), it is likely that the Company and other members of the Group would then enter into liquidation or other appropriate insolvency proceedings. Even if the Restructuring is completed, the Company cannot guarantee that it would be able to generate sufficient cash to satisfy its future debt obligations.

The Group may from time to time incur additional indebtedness and contingent liabilities. Although the Indenture restricts the Company and the Restricted Subsidiaries (as defined in the Indenture) from incurring additional debt and contingent liabilities, these restrictions are subject to important exceptions and qualifications. If the Group incurs additional debt, the risks that it faces as a result of its existing indebtedness and leverage could intensify.

The Group's ability to generate sufficient cash to satisfy its outstanding and future debt obligations will depend upon its future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond the Group's control. If the Group is unable to service its indebtedness, it will be forced to adopt an alternative strategy that may include actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing its indebtedness or seeking equity capital. These strategies may not be instituted on satisfactory terms, if at all, including due to restrictions placed upon the Company and its Restricted Subsidiaries in the Indenture.

In addition, the terms of the Indenture prohibit the Company and the Restricted Subsidiaries from incurring additional indebtedness unless they are able to meet certain applicable restrictions. Their ability to meet such applicable restrictions may be affected by events beyond their control. Such restrictions in the Indenture and the other financing arrangements may impair the Group's ability to react to changes in market conditions, take advantage of business opportunities it believes to be desirable, obtain future financing, fund required capital expenditures or withstand a continuing or future downturn in its business. Any of these factors could materially and adversely affect the Company's ability to satisfy its obligations under the Notes and other debt.

Servicing the Group's indebtedness will require a significant amount of cash and its ability to generate cash depends on many factors beyond its control.

The Group's ability to make payments on and to refinance its indebtedness, including the Notes, and to fund planned capital expenditures and project development will depend on its ability to generate cash. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond the Group's control.

The Group's business might not generate cash flow from operations in an amount sufficient to enable it to pay its indebtedness, including the Notes, or to fund its other liquidity needs. The Group may need to refinance all or a portion of its indebtedness (some of which matures prior to the Notes), including the Notes, on or before maturity. The Group might not be able to refinance any of its indebtedness on commercially reasonable terms or at all.

If the Company or a Restricted Subsidiary is unable to comply with the terms in the Indenture or its existing or future debt obligations and other agreements, there could be a default under those agreements. If that occurs, the holders of the debt could accelerate repayment of the debt and declare all outstanding amounts due and payable or terminate the agreements, as the case may be. Furthermore, the Indenture contains, and the Group's future debt agreements are likely to contain, cross-acceleration and cross-default provisions. As a result, the default of the Company or any of the Restricted Subsidiaries under one debt agreement may cause the acceleration of repayment of not only such debt but also other debt, including the Notes, or result in a default under the Group's other debt agreements, including the Indenture. If any of these events occur, the Group's assets and cash flow might not be sufficient to repay in full all of its indebtedness that has been accelerated and it might not be able to find alternative financing to repay such indebtedness on commercially reasonable terms or at all.

The maturity date in relation to the Notes is linked to the Daan PSC, which generates over 99% of the Group's cashflow.

The Daan PSC generates over 99% of the Group's cashflow. The Daan PSC will therefore be vital in ensuring that the Company can continue to meet its payment obligations in relation to the Amended Loan Documents (as defined in the ACIA) and the Indenture (in each case, subject to the terms of the ACIA).

The scheduled maturity date of the Notes is December 31, 2024. However, in the event that the term of the Daan PSC is extended to February 29, 2028, the maturity date of the Notes shall be extended to February 29, 2028, subject to certain conditions. Failure to extend the term of the Daan PSC to February 29, 2028 constitutes an Event of Default under the Indenture. On June 4, 2020, the Group successfully obtained approval from PetroChina to extend the expiry date of the production period under the Daan PSC from December 31, 2024 to February 29, 2028 on the condition that the Group will continue to operate the Daan oilfield and shall invest in and drill a minimum of 268 wells within a period of three years from June 2020. If the term of the Daan PSC is extended beyond March 1, 2028 and on the date of such extension no event of default under the Indenture has occurred and is continuing, the maturity date of the Notes shall be extended to the last day of the extended term of the Daan PSC.

In accordance with the terms of the ACIA, the Company shall use reasonable commercial efforts to extend the term of the Daan PSC beyond March 1, 2028 and enter into the definitive documentation in relation to any such extension by no later than June 30, 2025. There is no precedent in the PRC for an extension of a production sharing contract (analogous to the Daan PSC) beyond its original contract term.

The Group's operations are restricted by the terms of the Notes, which could limit its ability to plan for or react to market conditions or meet its capital needs, which could increase the credit risk of a holder of the Notes

The Indenture includes a number of significant restrictive covenants. These covenants restrict, among other things, the Company's ability and/or the ability of the Restricted Subsidiaries to:

- incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- make investments or specified restricted payments;
- declare dividends on capital stock or purchase or redeem capital stock;
- issue or sell capital stock of Restricted Subsidiaries;
- guarantee indebtedness;
- sell, lease or transfer assets;
- create liens;
- enter into sale and leaseback transactions;
- engage in any business other than permitted business;
- enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- enter into transactions with shareholders or affiliates; and
- effect a consolidation or merger.

These covenants could limit the Group's ability to plan for or react to market conditions or to meet its capital needs. The Group's ability to comply with these covenants may be affected by events beyond its control, and it may have to curtail some of its operations and growth plans to maintain compliance.

Enforcing your rights under the Notes or the Subsidiary Guarantees across multiple jurisdictions may prove difficult

The Notes will be issued by the Company and guaranteed by the Subsidiary Guarantors. The Company and the Subsidiary Guarantors are incorporated in the Cayman Islands. The Notes, the Subsidiary Guarantees and the Indenture will be governed by the laws of the State of New York. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in the Cayman Islands. Such multi-jurisdictional proceedings are complex, may be costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Your rights under the Notes and the Subsidiary Guarantees will be subject to the insolvency and administrative laws of such jurisdiction and there can be no assurance that you will be able to effectively enforce your rights in such complex multiple bankruptcy, insolvency or similar proceedings. In addition, the bankruptcy, insolvency, administrative and other laws of the Cayman Islands may be materially different from, or be in conflict with, each other and those with which you may be familiar, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding.

If the Company or the Restricted Subsidiaries are unable to comply with the restrictions and covenants in other debt agreements or the Indenture, there could be a default under the terms of these agreements or the Indenture, which could cause payment of the Company's debt to be accelerated

The Indenture permits the Company to enter into future credit facilities. If the Company or the Restricted Subsidiaries are unable to comply with the restrictions and covenants in the Indenture, the existing credit facilities or future debt and other agreements entered into by the Company or the Restricted Subsidiaries, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to the Company or the Restricted Subsidiaries, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some debt agreements entered into by the Company or the Restricted Subsidiaries, including the Indenture and the Amended Loan Agreements, contain cross-acceleration or cross-default provisions. As a result, default by the Company or a Restricted Subsidiary under one debt agreement may cause the acceleration of debt, including the Notes, or result in a default under other debt agreements entered into by the Company or the Restricted Subsidiaries, including the Indenture. If any of these events occurs, the Company cannot assure you that its cash flow would be sufficient to repay in full all such indebtedness, or that it or the Restricted Subsidiaries would be able to find alternative financing. Even if the Company could obtain alternative financing, it cannot assure you that it would be on terms that are favorable or acceptable to the Company.

The Company may not be able to repurchase the Notes upon a Change of Control

The Indenture provides that the Company must offer to purchase the Notes upon the occurrence of a Change of Control, at a purchase price equal to 101% of the principal amount thereof. See “*Description of the Notes.*”

The source of funds for any such purchase would be our available cash or third-party financing. However, the Company may not have sufficient available funds at the time of the occurrence of any Change of Control to make purchases of outstanding Notes. In addition, the Company's obligation to offer to purchase the Notes upon the occurrence of a Change of Control is subject to the terms of the ACIA, which prohibits the Company from making any payments on its indebtedness other than in accordance with the terms of the ACIA Waterfall. As a result, the Company may be prohibited by the terms of the ACIA from making such an offer to purchase the Notes, and in such a case the Company's failure to make such offer to purchase would not constitute an Event of Default.

In addition, the definition of Change of Control for purposes of the Indenture does not necessarily afford protection for the holders of the Notes in the event of some highly leveraged transactions, including certain acquisitions, mergers, refinancings, restructurings or other recapitalizations. These types of transactions could, however, increase the Group's indebtedness or otherwise affect its capital structure or credit ratings. The definition of Change of Control for purposes of the Indenture also includes a phrase relating to the sale of “all or substantially all” of the Company's assets. Although there is a limited body of case law interpreting the phrase “all or substantially all,” there is no precise established definition under applicable law. Accordingly, the Company's obligation to make an offer to purchase the Notes and the ability of a holder of the Notes to require the Company to purchase its Notes pursuant to the offer as a result of a highly leveraged transaction or a sale of less than all of the Company's assets may be uncertain.

The liquidity and price of the Notes following the Restructuring may be volatile

The price and trading volume of the Notes may be highly volatile. Factors such as variations in the Group's revenues, earnings and cash flows and proposals for new investments, strategic alliances and acquisitions,

interest rates, the general state of the securities market and fluctuations in price for comparable companies could cause the price of the Notes to change. Any such developments may result in large and sudden changes in the trading volume and price of the Notes. There is no assurance that these developments will not occur in the future.

A trading market for the Notes may not develop

The Notes are a new issue of securities for which there is currently no trading market. While an application will be made for the listing and quotation of the Notes on the SGX-ST, there is no assurance that the Company will be able to obtain or maintain a listing on the SGX-ST or on any recognized securities exchange and, even if listed, a liquid trading market may not develop. If the Notes are not listed on the SGX-ST or on any other recognized securities exchange, the market price and liquidity of the Notes may be adversely affected and no trading market in respect of the Notes may develop, as a result of which a holder of the Notes may not be able to resell its Notes at their fair market value or at all. Future trading prices of the Notes will depend on many factors, including prevailing interest rates, the Group's operating results and the market for similar securities, which may be beyond the Group's control.

The Company will follow the applicable corporate disclosure standards for debt securities listed on the SGX-ST, which may be different from those applicable to debt securities listed in certain other countries

If the Notes are listed on the SGX-ST, the Company will be subject to reporting obligations in respect of the Notes. The disclosure standards imposed by the SGX-ST may be different than those imposed by securities exchanges in other countries or regions, such as the United States or Hong Kong. As a result, the level of information that is available may not correspond to what investors in the Notes are accustomed to.

You may experience difficulties in effecting service of legal process, recovering in civil proceedings for United States securities laws violations, enforcing foreign judgments or bringing original actions in the Cayman Islands, the PRC or any of the jurisdictions in which the Company's subsidiaries are incorporated or operate based on United States or other foreign laws against the Group or its management.

The Company is an exempted company with limited liability incorporated under Cayman Islands law and substantially all of its assets are located outside the United States. In addition, a majority of the Company's directors and executive officers reside outside the United States, and a substantial portion of their assets are located outside of the United States. The Group conducts a substantial majority of its operations in the PRC and significantly all of the Company's or its subsidiaries' assets are located in the PRC or outside of the United States. In addition, most of the Company's directors and executive officers reside within the PRC or Hong Kong. As a result, it may not be possible to effect service of process within the United States or elsewhere outside the PRC or Hong Kong upon the Company or any of its subsidiaries or any of its directors and senior executive officers, including with respect to matters arising under United States federal securities laws or applicable state securities laws.

Although there is no statutory enforcement in the Cayman Islands of judgments obtained in the federal or state courts of the United States (and the Cayman Islands are not a party to any treaties for the reciprocal enforcement or recognition of such judgments), a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment (a) is given by a foreign court of competent jurisdiction; (b) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given; (c) is final; (d) is not in respect of taxes, a fine or a penalty; and (e) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

There is uncertainty as to whether the courts of the Cayman Islands would (i) enforce judgments of United States courts obtained against the Company or its directors or officers predicated upon the civil liability provisions of the federal securities laws of the United States or any state or territory within the United States; or (ii) entertain original actions brought in the courts of the Cayman Islands against the Company or its directors and officers predicated upon the civil liability provisions of the federal securities laws of the United States or any state or territory within the United States.

The PRC does not have treaties with the United States or many other countries providing for the reciprocal recognition and enforcement of judgment of courts. In addition, there is doubt as to (i) whether a judgment of a United States court based solely upon the civil liability provisions of the United States federal or state securities laws would be enforceable in the Cayman Islands, Hong Kong or the PRC against the Company or any of its subsidiaries or any of its directors and officers; and (ii) whether an original action could be brought in the Cayman

Islands, Hong Kong or the PRC against the Company or any of its subsidiaries or any of its directors and officers to enforce liabilities based solely upon the United States federal or state securities laws.

As a result, it may not be possible for you to effect service of process within the United States upon the Company or its subsidiaries or its respective directors and executive officers, or to enforce any judgments obtained in United States courts predicated upon civil liability provisions of the U.S. securities laws. In addition, the Company cannot assure you that civil liabilities predicated upon the federal or state securities laws of the United States will be enforceable in such jurisdictions.

The Subsidiary Guarantees may be challenged under applicable financial assistance, insolvency, corporate benefit or fraudulent transfer or unfair preference laws, which could impair the enforceability of the Subsidiary Guarantees

Under bankruptcy laws, insolvency laws, fraudulent transfer laws, corporate benefit, financial assistance, insolvency or unfair preference or similar laws in the Cayman Islands or other jurisdictions where future Subsidiary Guarantors may be established, a guarantee could be voided, or claims in respect of a guarantee could be subordinated to all other debts of that Subsidiary Guarantor if, among other things, the Subsidiary Guarantor, at the time it incurred the indebtedness evidenced by, or when it gives its guarantee:

- incurred the debt with the intent to hinder, delay or defraud creditors or was influenced by a desire to put the beneficiary of the Subsidiary Guarantee in a position which, in the event of the guarantor's insolvency, would be better than the position the beneficiary would have been in had the Subsidiary Guarantee not been given;
- received less than the reasonably equivalent value or fair consideration for the incurrence of such Subsidiary Guarantee or there was otherwise an absence of or insufficient corporate benefit under applicable laws;
- was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which the Subsidiary Guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

The measure of insolvency for purposes of the foregoing will vary depending on the law of the jurisdiction which is being applied. Generally, however, the Subsidiary Guarantor would be considered insolvent at a particular time if it is unable to pay its debts as they fall due or if the sum of its debts was then greater than all of its property at a fair valuation or if the present fair saleable value of its assets was then less than the amount that would be required to pay its probable liabilities on its existing debt as they became absolute and matured. Under the laws of the Cayman Islands, it would also be necessary for the directors of the Subsidiary Guarantors to ensure that the Subsidiary Guarantor is solvent immediately after entry into, and performance of any obligation under, the transaction, and that:

- it will be able to satisfy its liabilities as they become due in the ordinary course of its business; and
- the realizable value of the assets of the Subsidiary Guarantor will not be less than the sum of its total liabilities other than deferred taxes, as shown in the books of account, and its capital.

The directors of the Subsidiary Guarantors should also ensure that the issued capital of the Subsidiary Guarantor is maintained and that, after this transaction, the Subsidiary Guarantor would have sufficient net assets to cover the nominal value of its issued share capital.

In addition, a Subsidiary Guarantee may be subject to review under applicable financial assistance, insolvency, corporate benefit or fraudulent transfer laws in certain jurisdictions or subject to a lawsuit by or on behalf of creditors of the Subsidiary Guarantors. In such case, the analysis set forth above would generally apply, except that the Subsidiary Guarantee could also be subject to the Subsidiary Guarantees will be limited to the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor without rendering the guarantee, as it relates to such Subsidiary Guarantor, voidable under such applicable insolvency, corporate benefit or fraudulent transfer laws.

If a court voided a Subsidiary Guarantee, subordinated such guarantee to other indebtedness of a Subsidiary Guarantor, or held the Subsidiary Guarantee unenforceable for any other reason, holders of New Notes would cease to have a claim against that Subsidiary Guarantor based upon such guarantee, would be subject to the prior payment of all liabilities (including trade payables) and any preferred stock of such Subsidiary Guarantor and would solely be creditors of us and any Subsidiary Guarantor whose guarantee was not voided or held unenforceable. We cannot assure you that, after providing for all prior claims, there would be sufficient assets to satisfy the claims of the holders of New Notes.

United States securities laws restrict the circumstances under which you can transfer the Notes

The Company is offering the Notes in reliance upon exemptions from registration under the Securities Act and applicable state securities laws. Therefore, the Notes may be transferred or resold only in transactions registered under, exempt from, or not subject to the registration requirements of the Securities Act and all applicable state securities laws. It is your obligation to ensure that your offers and sales of Notes comply with applicable law.

The Notes will initially be held in book entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies. The Notes will initially only be issued in global certificated form and held through Euroclear and Clearstream. Interests in the global notes will trade in book entry form only, and Notes in definitive registered form, or definitive registered notes, will be issued in exchange for book entry interests only in very limited circumstances. Owners of book entry interests will not be considered owners or registered holders of Notes. Payments of principal and other amounts owing on or in respect of the global notes representing the Notes will be made to the paying agent which will make payments to Euroclear and Clearstream and credited by such participants to indirect participants. After payment to the custodian for Euroclear/Clearstream, the Company will have no responsibility or liability for the payment of principal or other amounts to the owners of book entry interests. Accordingly, if you own a book entry interest, you must rely on the procedures of Euroclear and Clearstream, and if you are not a participant in Euroclear and Clearstream, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of Notes under the Indenture.

Unlike the registered holders of the Notes themselves, owners of book entry interests will not have the direct right to act upon the Company's solicitations for consents, requests for waivers or other actions from registered holders of the Notes. Instead, if you own a book entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from Euroclear and Clearstream. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered notes are issued in respect of all book entry interests, if you own a book entry interest, you will be restricted to acting through Euroclear and Clearstream. The procedures to be implemented through Euroclear and Clearstream may not be adequate to ensure the timely exercise of rights under the Notes.

An investment in the Notes is subject to exchange rate risks, and exchange controls may result in a holder of Notes receiving less principal than expected.

The Company will pay principal on the Notes in U.S. dollars. This presents certain risks relating to currency conversions if a holder's financial activities are denominated principally in a currency or currency unit other than U.S. dollars. These include the risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. An appreciation in the value of the investor's currency relative to the U.S. dollar would decrease (i) the investor's currency equivalent yield on the Notes, (ii) the investor's currency equivalent value of the principal payable on the Notes, and (iii) the investor's currency equivalent market value of the Notes. Governments and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, a holder of the Notes may receive less principal than expected, or no principal.

BUSINESS

Overview

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on March 20, 2008 and was registered in Hong Kong as a registered non-Hong Kong company under Part XI of the Companies Ordinance on November 23, 2010. The Company's shares were listed on the Main Board of the Hong Kong Stock Exchange on December 14, 2010 with stock code 1555.

The Company acts as the ultimate holding company of the Group. The principal activity of the Company is investment holding and its main asset is its interests in its subsidiaries.

Main Business Operations of the Group

The principal business of the Group is to engage in the exploration, development, production and sale of crude oil and other petroleum products under production sharing contracts ("PSCs") and other similar arrangements. PSCs are a type of contract signed between a national oil company and a non-state owned oil and gas company whereby such company bears the exploration risk and the national oil company receives a share of the produced oil.

The Company currently owns (among other things) certain rights and entitlements under the Daan PSC and the Moliqing PSC (each as defined below) through its wholly-owned subsidiaries, Gobi Energy Limited ("Gobi") and MIE International Resources Limited ("MIEI"). Currently, the Group generates revenue principally from the sale of its share of crude oil under the Daan PSC and the Moliqing PSC to PetroChina (as defined below).

Daan PSC

The Daan PSC was originally entered into on December 16, 1997 (as amended from time to time) between Global Oil Corporation, as the foreign contractor, and China National Petroleum Corporation, on behalf of the PRC, in respect of the Daan oilfield in the Songliao Basin (the "Daan PSC"). China National Petroleum Corporation subsequently assigned its rights and interests under the Daan PSC to PetroChina Company Limited ("PetroChina"), the listed arm of a state-owned enterprise in the PRC. The Company acquired the participating interest in the foreign contractors' entitlement and obligations under the Daan PSC through Gobi (which holds a 90% participating interest) and MIEI (which holds a 10% participating interest), two wholly-owned subsidiaries of the Company, in August 2003 and April 2018, respectively. Through Gobi and MIEI, the Company holds 100% of the total participating interest in the foreign contractors' entitlement and obligations under the Daan PSC.

As of October 31, 2021, the net book value of the Daan PSC (through Gobi and MIEI) is approximately RMB 1,219.587 million (approximately US\$192.297 million). The Daan PSC is the Group's most valuable asset. In the 2020 financial year, the revenue generated from the sale of the Company's share in the crude oil pursuant to the Daan PSC was approximately RMB 570.310 million (approximately US\$89.923 million), compared to RMB 2.161 million (approximately US\$0.341 million) from the provision of other services. Of this amount, RMB 500.239 million was generated from Gobi's interest and RMB 55.582 million was generated from MIEI's interest (approximately US\$78.875 million and US\$8.764 million, respectively). The Daan PSC is the Group's major cash flow generator, generating over 99% of cash for the Group.

Moliqing PSC

The Moliqing PSC was originally entered into on September 25, 1998 (as amended from time to time) between Global Oil Corporation, as the foreign contractor, and China National Petroleum Corporation, on behalf of the PRC, in respect of the Moliqing oilfield in the Songliao Basin (the "Moliqing PSC"). China National Petroleum Corporation subsequently assigned its rights and interests under the Moliqing PSC to PetroChina. The Company acquired the 10% participating interest in the foreign contractors' entitlement and obligations

under the Moliqing PSC through MIEI in April 2018. Through MIEI, the Company holds 10% of the total participating interest in the foreign contractors' entitlement and obligations under the Moliqing PSC.

As of October 31, 2021, the net book value of the Moliqing PSC was RMB 28.333 million (approximately US\$4.467 million). In the 2020 financial year, the revenue from the sale of the Company's share in the crude oil pursuant to the Moliqing PSC was approximately RMB 14.489 million (approximately US\$2.285 million).

Shareholders

The current substantial shareholders (being those holding or entitled to control more than 10% of the issued shares) of the Company are Far East Energy Limited, Mr. Zhang Ruilin, Ms. Zhao Jiangbo and Mr. Zhao Jiangwei.

Financial Information

This Listing Document incorporates by reference the Company's audited consolidated financial statements as of and for the years ended December 31, 2020 and the Company's unaudited condensed consolidated financial statements as of and for the six months ended June 30, 2021.

Financial Indebtedness

Based on the Company's financial data, the liabilities of the Company on a consolidated basis as at October 31, 2021 amounted to approximately RMB 6,026.598 million (approximately US\$950.238 million). As of October 31, 2021, the Company's financial indebtedness consisted of the following:

Non-Current Liabilities

- Lease liabilities of approximately RMB 3.881 million (approximately US\$0.612 million);
- Deferred income tax liabilities of approximately RMB 293.136 million (approximately US\$46.220 million);
- Trade and notes payables of approximately RMB 115.109 million (approximately US\$18.150 million); and
- Provisions, accruals and other liabilities of approximately RMB 161.924 million (approximately US\$25.531 million).

Current Liabilities

- Trade and notes payables of approximately RMB 322.598 million (approximately US\$50.865 million);
- Provisions, accruals and other liabilities of approximately RMB 1,514.595 million (approximately US\$238.812 million);
- Lease liabilities of approximately RMB 7.227 million (approximately US\$1.140 million); and
- Borrowings of approximately RMB 3,608.128 million (approximately US\$568.908 million).

Assets

The Group's assets consist mainly of inventories, receivables (contractual entitlements pursuant to the PSCs), property, plant and equipment and cash. Based on the Company's financial data, the assets of the Group on

a consolidated basis as of October 31, 2021 amounted to approximately RMB 1,914.840 million (approximately US\$301.920 million). As of October 31, 2021, the Group's assets consisted of the following:

Non-Current Assets

- Property, plant and equipment of approximately RMB 1,252.306 million (approximately US\$197.456 million);
- Intangible assets of approximately RMB 51.180 million (approximately US\$8.070 million);
- Right-of-use assets of approximately RMB 10.364 million (approximately US\$1.634 million);
- Deferred income tax assets of approximately RMB 0.859 million (approximately US\$0.135 million);
- Financial assets at fair value through other comprehensive income of approximately RMB 12.331 million (approximately US\$1.944 million);
- Prepayments, deposits and other receivables of approximately RMB 353.193 million (approximately US\$55.689 million); and
- Restricted cash of approximately RMB 13.820 million (approximately US\$2.179 million).

The majority of the Group's non-current assets cannot be collected or converted into cash immediately.

Current Assets

- Inventories of approximately RMB 23.249 million (approximately US\$3.666 million);
- Prepayments, deposits and other receivables of approximately RMB 44.790 million (approximately US\$7.062 million);
- Trade and notes receivables of approximately RMB 111,682 million (approximately US\$17.609 million); and
- Cash and cash equivalents of approximately RMB 41.067 million (approximately US\$6.475 million).

DESCRIPTION OF THE NOTES

For purposes of this “Description of the Notes,” the term “Company” refers only to MIE Holdings Corporation, a company incorporated with limited liability under the laws of the Cayman Islands, and any successor obligor on the Notes, and not to any of its Subsidiaries. Each Subsidiary of the Company which guarantees the Notes is referred to as a “**Subsidiary Guarantor**,” and each such guarantee is referred to as a “**Subsidiary Guarantee**.”

The Notes are to be issued under an indenture (the “**Indenture**”), to be dated as of the Original Issue Date, among the Company, the initial Subsidiary Guarantors, as guarantors and Madison Pacific Trust Limited, as trustee (the “**Trustee**”).

The following is a summary of certain provisions of the Indenture, the Notes and the Subsidiary Guarantees (as defined below). This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Indenture, the Notes and the Subsidiary Guarantees. It does not restate those agreements in their entirety. Whenever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference. Copies of the Indenture will be available for inspection on or after the Original Issue Date during normal office hours at the corporate trust office of the Trustee at 54/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

Brief Description of the Notes

The Notes are:

- general senior obligations of the Company;
- senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;
- at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law);
- guaranteed by the Subsidiary Guarantors on a senior basis, subject to the limitations described below under the caption “—*The Subsidiary Guarantees*” and in “*Risk Factors—Risks Relating to the New Notes and the Subsidiary Guarantees*”;
- effectively subordinated to all existing and future obligations of the Non-Guarantor Subsidiaries (defined below) and any Unrestricted Subsidiaries; and
- effectively subordinated in right of payment to certain secured debt of the Subsidiary Guarantors permitted to be Incurred under the Indenture to the extent of such security.

The Notes will mature on December 31, 2024, unless extended or earlier redeemed pursuant to the terms thereof and the Indenture. The Notes will bear no interest. In the event that the term of the Daan PSC is extended to February 29, 2028, the maturity date shall be extended to February 29, 2028, subject to the fulfilling of the condition that, prior to February 29, 2028, a notice that the Company has filed with The Stock Exchange of Hong Kong Limited (the “**SEHK**”) a summary of the material terms of the Daan PSC as so extended (including and not limited to the date of the executed agreement, effectiveness, termination events, if any, and other material terms thereof) and providing a link to such filing on the website of the SEHK has been provided to the Trustee and distributed to Holders. If the term of the Daan PSC is extended beyond March 1, 2028, the maturity date shall be extended to the last day of the extended term of the Daan PSC, subject to the fulfilling of the conditions that (x) on the date of such extension, no Event of Default has occurred and is continuing, and (y) prior to February 29, 2028, the Company has provided to the Trustee a notice that it has filed with the SEHK a summary of the material terms of the Daan PSC as so extended (including and not limited to the date of the executed agreement, effectiveness, termination events, if any, and other material terms thereof) and providing a link to such filing on

the website of the SEHK.

So long as the Notes are held in global form, each payment in respect of the Global Note will be made to the person shown as the holder of the Notes in the Notes register at the close of business (of the relevant clearing system) on the Clearing System Business Day before the due date for such payments, where “Clearing System Business Day” means a weekday (Monday to Friday, inclusive) except December 25 and January 1. In any case in which the date of the payment of principal of the Notes is not a Business Day in the relevant place of payment or in the place of business of the Paying Agent, then payment of principal need not be made in such place on such date but may be made on the next succeeding Business Day in such place. Any payment made on such Business Day shall have the same force and effect as if made on the date on which such payment is due.

The Notes will be issued only in fully registered form, without coupons, in denominations of US\$1,000 and integral multiples of US\$1 in excess thereof. No service charge will be made for any registration of transfer or exchange of Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

All payments on the Notes will be made in US dollars by the Company at the office or agency of the Company maintained for that purpose (which initially will be the specified office of the Paying Agent, currently located at Citibank, N.A., Dublin Branch, One North Wall Quay, Dublin 1, Ireland), and the Notes may be presented for registration of transfer or exchange at such office or agency.

The Subsidiary Guarantees

On the Original Issue Date, the Restricted Subsidiaries and the initial Subsidiary Guarantors will be Gobi Energy Limited, MIE International Resources Limited, Asia Dynamic Energy Corporation, Asia Dynamic Energy Trading Corporation and MIE New Ventures Corporation. All of the Company's other Subsidiaries will be Unrestricted Subsidiaries. However, under the circumstances described below under the caption “*Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*,” the Company will be permitted to designate certain of its Subsidiaries as “Unrestricted Subsidiaries.” The Company's Unrestricted Subsidiaries will generally not be subject to the restrictive covenants in the Indenture and will not guarantee the Notes.

None of the existing or future Restricted Subsidiaries organized under the laws of the PRC will provide a Subsidiary Guarantee at any time in the future. Although the Indenture contains limitations on the amount of additional Indebtedness that the Non-Guarantor Subsidiaries may incur, the amount of such additional Indebtedness could be substantial. In the event of a bankruptcy, liquidation or reorganization of any Non-Guarantor Subsidiary, the Non-Guarantor Subsidiary will pay the holders of its Indebtedness and its trade creditors before it will be able to distribute any of its assets to the Company. See “*Risk Factors—Risks Relating to the New Notes and the Subsidiary Guarantees—We are a holding company and payments with respect to the Notes are structurally subordinated to liabilities, contingent liabilities and obligations of our Restricted Subsidiaries*.”

The Subsidiary Guarantee of each Subsidiary Guarantor:

- is a general senior obligation of such Subsidiary Guarantor;
- is effectively subordinated to secured obligations of such Subsidiary Guarantor, to the extent of the value of any assets serving as security therefor;
- is senior in right of payment to all existing and future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee; and
- ranks at least *pari passu* with all other existing and future unsecured, unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law).

The Company will cause each of its future Subsidiaries (other than Subsidiaries that are organized under

the laws of the PRC), within 30 calendar days (which period will be increased by the number of days required by law or regulation to obtain any governmental consent or approval required, if any, in order to provide such Guarantee) after becoming a Restricted Subsidiary, to execute and deliver to the Trustee a supplemental indenture to the Indenture pursuant to which such Restricted Subsidiary will guarantee the payment of the Notes. Each Subsidiary of the Company that guarantees the Notes after the Original Issue Date is referred to as a “Future Subsidiary Guarantor” and, upon execution of the applicable supplemental indenture to the Indenture, will be a “Subsidiary Guarantor.” Notwithstanding the foregoing, the Company shall not be obligated to cause a Restricted Subsidiary to Guarantee the Notes, or shall be entitled to limit the value of any such Guarantee, as applicable, to the extent that such Guarantee would be expected to give rise to or result in (now or in the future) any violation of applicable law or regulation or if after using reasonable best efforts, it is commercially unreasonable to provide such Guarantee.

Each of the Subsidiary Guarantors will jointly and severally guarantee the due and punctual payment of the principal of, and all other amounts payable under, the Notes. The Subsidiary Guarantors will (1) agree that their obligations under the Subsidiary Guarantees will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (2) waive their right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Company prior to exercising its rights under the Subsidiary Guarantees. Moreover, if at any time any amount paid under a Note or the Indenture is rescinded or must otherwise be restored, the rights of the Holders under the Subsidiary Guarantees will be reinstated with respect to such payments as though such payment had not been made. All payments under the Subsidiary Guarantees are required to be made in US dollars.

Each Subsidiary Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally. If a Subsidiary Guarantee were to be rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of the applicable Subsidiary Guarantor and, depending on the amount of such indebtedness, a Subsidiary Guarantor’s liability on its Subsidiary Guarantee could be reduced to zero.

The obligations of each Subsidiary Guarantor under its respective Subsidiary Guarantee may be limited, or possibly invalid, under applicable laws. See “*Risk Factors—Risks Relating to the New Notes and the Subsidiary Guarantees—The Subsidiary Guarantees may be challenged under applicable financial assistance, insolvency, corporate benefit or fraudulent transfer or unfair preference laws, which could impair the enforceability of the Subsidiary Guarantees.*”

Release of the Subsidiary Guarantees

A Subsidiary Guarantee given by a Subsidiary Guarantor may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon a defeasance as described under “—*Defeasance—Defeasance and Discharge*”;
- upon the designation by the Company of a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the terms of the Indenture;
- upon the sale or disposition (including by way of merger or consolidation) of a Subsidiary Guarantor in compliance with the terms of the Indenture (including the covenants described under the captions “—*Certain Covenants—Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries*,” “—*Certain Covenants—Limitation on Asset Sales*,” and “—*Consolidation, Merger and Sale of Assets*”) resulting in such Subsidiary Guarantor no longer being a Restricted Subsidiary, so long as (1) such Subsidiary Guarantor is simultaneously released from its obligations in respect of any of the Company’s other Indebtedness or any Indebtedness of any other Restricted Subsidiary and (2) the proceeds from such sale or disposition are used for the

purposes permitted or required by the Indenture; or

- upon a Permitted IPO of such Subsidiary Guarantor or any of its Restricted Subsidiaries, *provided* that (1) any Indebtedness incurred by the such Subsidiary Guarantor and any Subsidiary of such Subsidiary Guarantor under clause (b)(1) under “—*Certain Covenants—Limitation on Indebtedness and Preferred Stock*” shall be deemed to constitute an Incurrence not permitted by clause (b)(1) under “—*Certain Covenants—Limitation on Indebtedness and Preferred Stock*” and (2) the proceeds from such sale or disposition are used for the purposes permitted or required by the Indenture.

No release of a Subsidiary Guarantor from its Subsidiary Guarantee shall be effective against the Trustee or the Holders until the Company has delivered to the Trustee an Officers’ Certificate stating that all requirements relating to such release have been complied with and that such release is authorized and permitted by the terms of the Indenture.

Mandatory Amortization Redemption

On each Settlement Date, the Company or Gobi (as appropriate) shall apply the Settlement Date Available Cash towards:

- (a) at any time prior to the repayment in full of the Outstanding Principal under the Senior Facility Agreement:
 - (i) first, the Senior Minimum Payable; and
 - (ii) second (to the extent of any remaining funds), the First Repayment Allocation;
- (b) at any time following the Senior Outstanding Principal Discharge Date:
 - (i) first, the Senior Minimum Payable; and
 - (ii) second (to the extent of any remaining funds), the Second Repayment Allocation;
- (c) at any time following the Senior 5% ARR Fee Discharge Date, the Third Repayment Allocation;
- (d) at any time following the USD Lender 5% ARR Fee Discharge Date, the HKD Lender 5% ARR Fee Discharge Date and the Notes Outstanding Principal Discharge Date but prior to the Senior 11% ARR Fee Discharge Date, to the Senior Lender; and
- (e) at any time following the Senior 11% ARR Fee Discharge Date, the USD Lender 5% ARR Fee Discharge Date, the HKD Lender 5% ARR Fee Discharge Date and the Notes Outstanding Principal Discharge Date, payment of any Non-enforcement Default Interest accrued under the Facility Agreements to each Lender on a pro-rata basis.

The Company shall, no later than 10 Business Days prior to the relevant Settlement Date, calculate the amount of Settlement Date Available Cash and promptly notify the Finance Parties of the same.

For the avoidance of doubt:

- (a) on each Settlement Date, the Company may retain an amount equal to the Minimum Account Balance in the Cashflow Control Account; and
- (b) at any time following the Final Discharge Date, the balance standing to the credit of the Gobi Escrow Account (Offshore) and the Cashflow Control Account may be retained by the Company.

Any amount received by a Finance Party pursuant to the first paragraph of this “—*Mandatory Amortization Redemption*” covenant (any payment of such amount with respect to the Notes, a “**Mandatory**

Amortization Redemption") shall be applied:

- (a) first, in discharging all costs and expenses incurred by the receiving Finance Party in connection with any realization or enforcement of the Transaction Security taken in accordance with the terms of the ACIA;
- (b) second, in repayment of any Outstanding Principal under and in accordance with the Senior Facility Agreement, the USD Facility Agreement, the HKD Facilities Agreement and the Indenture (as applicable); and
- (c) third, in payment of any amounts outstanding under their respective ARR Fees (if any), provided that the Senior Lender may not apply any amounts in discharge of the Senior 11% ARR Fee until the Outstanding Principal of the Notes and the Senior 5% ARR Fee have been paid in full.

The Company shall notify the other Parties promptly following the occurrence of any of the following:

- (a) the Senior Outstanding Principal Discharge Date;
- (b) the USD Outstanding Principal Discharge Date;
- (c) the HKD Outstanding Principal Discharge Date;
- (d) the Notes Outstanding Principal Discharge Date;
- (e) the Senior 5% ARR Fee Discharge Date;
- (f) the USD Lender 5% ARR Fee Discharge Date;
- (g) the HKD Lender 5% ARR Fee Discharge Date; and
- (h) the Senior 11% ARR Fee Discharge Date.

Neither the Trustee nor any of the Agents will be responsible for monitoring, verifying or calculating the amount payable under a Mandatory Amortization Redemption and will not be responsible to the Holders for any loss arising from any failure by it to do so.

Repurchase of Notes Upon a Change of Control

Not later than 30 days following on the occurrence of a Change of Control, the Company will make an Offer to Purchase all outstanding Notes (a "**Change of Control Offer**") at a purchase price equal to 101% of the principal amount thereof.

The Company has agreed in the Indenture that it will timely repay all Indebtedness or obtain consents as necessary under, or terminate, agreements or instruments that would otherwise prohibit a Change of Control Offer required to be made pursuant to the Indenture. Notwithstanding anything to the contrary in the Indenture, the Company's obligation to make a Change of Control Offer is subject in all respects to the provisions of the ACIA.

Indebtedness of the Company may also (i) prohibit the Company from purchasing Notes in the event of a Change of Control, (ii) provide that a Change of Control is a default or (iii) require repurchase of such debt upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Company to purchase the Notes could cause a default under other Indebtedness, even if the Change of Control itself does not, due to the financial effect of the purchase on the Company. The ability of the Company to pay cash to the Holders following the occurrence of a Change of Control may be limited by the Company's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "*Risk Factors—Risks Relating to the Notes and the Subsidiary Guarantees— We may not be able to repurchase the Notes upon a Change of Control.*"

The definition of Change of Control includes a phrase relating to the sale of “all or substantially all” of the assets of the Company. No precise definition of the phrase has been established under applicable law, and the phrase will likely be interpreted under applicable law of the relevant jurisdictions based on particular facts and circumstances. Accordingly, there may be a degree of uncertainty as to the ability of a Holder to require the Company to repurchase such Holder’s Notes as a result of a sale of less than all the assets of the Company to another person or group.

Notwithstanding the above, the Company will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the same manner, at the same times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The Trustee shall not be required to take any steps to ascertain whether a Change of Control or any event which could lead to the occurrence of a Change of Control has occurred and shall not be liable to any person for any failure to do so.

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Company purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

Offers to Purchase; Open Market Purchases

The Company is not required to make any mandatory redemption (other than in the manner described under the caption “—*Mandatory Amortization Redemptions*”) or sinking fund payments with respect to the Notes. However, under certain circumstances, the Company may be required to offer to purchase Notes as described under the captions “—*Repurchase of Notes Upon a Change of Control Triggering Event*” and “—*Certain Covenants—Limitation on Asset Sales.*” The Company may at any time and from time to time purchase Notes in the open market or otherwise, *provided* that any such Notes, once purchased, must not be resold. The Notes so purchased, while held by or on behalf of the Company or any Affiliate of the Company, shall not entitle the holder to vote the Notes and shall not be deemed outstanding for purposes of calculating quorums.

Additional Amounts

All payments of principal of the Notes or under the Subsidiary Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company, a Surviving Person (as defined under the caption “—*Consolidation, Merger and Sale of Assets*”) or an applicable Subsidiary Guarantor, as the case may be, is organized or resident for tax purposes or any jurisdiction from or through which payment is made (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a “**Relevant Jurisdiction**”), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company, a Surviving Person or the applicable Subsidiary Guarantor, as the case may be, will pay such additional amounts (“**Additional Amounts**”) as will result in receipt by the Holder of each Note of such amounts payable under the Notes or the Subsidiary.

Guarantees as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts shall be payable:

- (a) for or on account of:
 - (i) any tax, duty, assessment or other governmental charge that would not have been imposed but for:
 - (A) the existence of any present or former connection between the Holder or beneficial owner of such Note or Subsidiary Guarantee, as the case may be, and

the Relevant Jurisdiction other than merely holding such Note or the receipt of payments thereunder or under a Subsidiary Guarantee, as the case may be, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

- (B) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30 day period;
 - (C) the failure of the Holder or beneficial owner to comply with a timely request of the Company, a Surviving Person or any Subsidiary Guarantor addressed to the Holder or beneficial owner, as the case may be, to provide information concerning such Holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request would have reduced or eliminated any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder or beneficial owner; or
 - (D) the presentation of such Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;
- (ii) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;
 - (iii) any tax, duty, assessment or other governmental charge which is payable other than by deduction or withholding from payments of principal of the Note or payments under the Subsidiary Guarantees; or
 - (iv) any tax, assessment withholding or deduction required by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended any final current or future regulations or official interpretations thereof, any agreement entered into pursuant to section 1471(b) of the Code, any intergovernmental agreement entered into in connection with the implementation of such sections of the Code, or any US or non-US fiscal or regulatory legislation, rules or practices adopted pursuant to any such intergovernmental agreement; or
 - (v) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (i), (ii), (iii) and (iv); or
- (b) to a Holder that is a fiduciary, partnership, limited liability company or person other than the sole beneficial owner of any payment, to the extent that such payment would be required to be included for tax purposes in the income under the laws of a Relevant Jurisdiction of a beneficiary or settlor beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Holder thereof.

As a result of these provisions, there are circumstances in which taxes could be withheld or deducted but Additional Amounts would not be payable to some or all beneficial owners of Notes.

In addition to the foregoing, the Company and the Subsidiary Guarantors will also pay and indemnify

the holder for any present or future stamp, issue, registration, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties, interest and any other reasonable expenses related thereto) which are levied by any tax jurisdiction on the execution, delivery, issuance or registration of any of the Notes, this Indenture, any Subsidiary Guarantee or any other document referred to therein (other than a transfer of the Notes after this offering) or the receipt of any payments with respect thereto, or any such taxes, charges or similar levies imposed by any jurisdiction as a result of, or in connection with, the enforcement of any of the Notes or any Subsidiary Guarantee.

If the Company or any Subsidiary Guarantor, as the case may be, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or any Subsidiary Guarantee, each of the Company or the relevant Subsidiary Guarantor, as the case may be, will deliver to the Trustee and the Paying Agent on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises less than 45 days prior to that payment date, in which case the Company or the relevant Subsidiary Guarantor shall notify the Trustee and the Paying Agent promptly thereafter) an Officer's Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officer's Certificate must also set forth any other information necessary to enable the Paying Agent to pay such Additional Amounts to holders on the relevant payment date. The Company and the relevant Subsidiary Guarantor will provide the Trustee and the Paying Agent with documentation reasonably satisfactory to the Trustee and the Paying Agent evidencing the payment of Additional Amounts. The Trustee and the Paying Agent shall be entitled to rely solely on such Officers' Certificate as conclusive proof that such payments are necessary.

The Company or the relevant Subsidiary Guarantor will make all withholdings and deductions required by law and will timely remit the full amount deducted or withheld to the relevant Tax authority in accordance with applicable law. The Company or the relevant Subsidiary Guarantor will use its reasonable efforts to obtain Tax receipts from each Tax authority evidencing the payment of any Taxes so deducted or withheld. The Company or the relevant Subsidiary Guarantor will furnish to the Trustee or the Paying Agent (or to a holder upon written request), within a reasonable time after the date the payment of any Taxes so deducted or withheld is made, certified copies of Tax receipts evidencing payment by the Company or a Subsidiary Guarantor, as the case may be, or if, notwithstanding such entity's efforts to obtain receipts, receipts are not obtained, other evidence of payments (reasonably satisfactory to the Trustee, the Paying Agent or the holder) by such entity.

The above obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a holder or beneficial owner of its Notes, and will apply, *mutatis mutandis*, to any jurisdiction in which any successor Person to the Company or any Subsidiary Guarantor is incorporated, engaged in business for tax purposes or resident for tax purposes or any jurisdiction from or through which such Person makes any payment on the Notes (or any Subsidiary Guarantee) and any department or political subdivision thereof or therein.

Whenever there is mentioned in any context the payment of principal in respect of any Note or any Subsidiary Guarantee, such mention shall be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture.

Limitation on Indebtedness and Preferred Stock

- (a) The Company will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness) and the Company will not permit any Restricted Subsidiary to issue any Preferred Stock; *provided* that the Company and any Subsidiary Guarantor may Incur Indebtedness (including Acquired Indebtedness) or issue Preferred Stock and any Non-Guarantor Subsidiary may Incur Permitted Subsidiary Indebtedness if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, (x) no Default has occurred and is continuing and (y) the Fixed Charge Coverage Ratio would be not less than 2.5 to 1.0.

- (b) Notwithstanding the foregoing, the Company and, to the extent provided below, any Restricted Subsidiary, may Incur each and all of the following (“**Permitted Indebtedness**”):
- (1) Indebtedness of the Company or any Subsidiary Guarantor Incurred pursuant to Credit Facilities in an aggregate principal amount at any time outstanding not to exceed the greater of US\$400.0 million and 35% of Consolidated Tangible Assets;
 - (2) Indebtedness under the Notes and each Subsidiary Guarantee;
 - (3) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Original Issue Date excluding Indebtedness permitted under clause (b)(1), (b)(2) or (b)(4) of this covenant (after giving effect to the application of the proceeds as described in this Exchange Offer Memorandum);
 - (4) Indebtedness of the Company or any Restricted Subsidiary owed to the Company or any Restricted Subsidiary; provided that (x) any event which results in any such Restricted Subsidiary to which such Indebtedness is owed ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or any Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (b)(4) and (y) if the Company or any Subsidiary Guarantor is an obligor on such Indebtedness, such Indebtedness must be unsecured and be subordinated in right of payment to the Notes, in the case of the Company, or the Subsidiary Guarantee of such Subsidiary Guarantor, in the case of a Subsidiary Guarantor;
 - (5) Indebtedness (“**Permitted Refinancing Indebtedness**”) issued in exchange for, or the net proceeds of which are used to refinance or refund, then outstanding Indebtedness Incurred under clause (a) or clause (b)(2), (b)(3), this clause (b)(5), (b)(7) or (b)(15) of this covenant; provided that (A) the aggregate principal amount (or accreted value, if applicable), or if issued with original issue discount, aggregate issue price) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable, or if issued with original issue discount, aggregate issue price) of the Indebtedness renewed, refunded, refinanced, replaced, exchanged, defeased or discharged (plus all accrued interest on the Indebtedness and the amount of all fees and expenses, including premiums, incurred in connection therewith); (B) Indebtedness the proceeds of which are used to refinance or refund the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes or a Subsidiary Guarantee shall only be permitted under this clause (b)(5) if (x) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes or a Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes or such Subsidiary Guarantee or (y) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes or a Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or such Subsidiary Guarantee at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes or such Subsidiary Guarantee, (C) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced or refunded, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or refunded and (D) in no event may Indebtedness of the Company or any Subsidiary Guarantor be refinanced pursuant to this clause (b)(5) by means of any Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor;
 - (6) Indebtedness Incurred by the Company or any Restricted Subsidiary pursuant to Hedging Obligations entered into in the ordinary course of business and designed solely to protect the Company or any Restricted Subsidiary from fluctuations in interest rates, currencies or the price of commodities and not for speculation;

- (7) (A) Indebtedness Incurred by the Company or any Restricted Subsidiary for the purpose of financing (i) all or any part of the purchase price (including any adjustment of purchase price or similar obligations) of assets, real or personal property, Capitalized Lease Obligations or equipment to be used in the ordinary course of business by the Company or a Restricted Subsidiary in the Permitted Business, including any such purchase through the acquisition of Capital Stock of any Person that owns such assets, real or personal property, Capitalized Lease Obligations or equipment which will, upon such acquisition, become a Restricted Subsidiary or (ii) all or any part of the purchase price (including any adjustment of purchase price or similar obligations) or the cost of development, construction or improvement of assets, real or personal property, Capitalized Lease Obligations or equipment to be used in the ordinary course of business by the Company or such Restricted Subsidiary in the Permitted Business; provided, however, that in each case (1) the aggregate principal amount of such Indebtedness shall not exceed such purchase price or cost and (2) such Indebtedness shall be Incurred no later than 180 days after the acquisition of such assets, property, Capitalized Lease Obligations or equipment or completion of such development, construction or improvement, or (B) Indebtedness of any Person that is acquired by the Company or any Restricted Subsidiary or merged, consolidated, amalgamated or otherwise combined with or transferred to the Company or a Restricted Subsidiary in accordance with the terms of the Indenture, which Indebtedness is (i) outstanding on the date on which such Person becomes a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with or transferred to the Company or a Restricted Subsidiary (other than Indebtedness Incurred to provide all or any portion of the funds used to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was merged, consolidated, amalgamated or otherwise combined with or transferred to the Company or a Restricted Subsidiary, or otherwise in contemplation of such Person becoming a Restricted Subsidiary or being merged, consolidated, amalgamated or otherwise combined with or transferred to the Company or a Restricted Subsidiary) or (ii) Incurred subsequent to the date on which such Person becomes a Restricted Subsidiary or is merged, consolidated, amalgamated or otherwise combined with or transferred to the Company or a Restricted Subsidiary; provided that on the date of the Incurrence of such Indebtedness and after giving effect thereto, the sum of (I) the aggregate principal amount outstanding of all such Indebtedness permitted by this clause (b)(7) (together with any refinancings thereof) plus (II) the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to clause (15) below (together with any refinancings thereof) does not exceed an amount equal to 15.0% of Total Assets;
- (8) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to workers' compensation claims or self-insurance obligations or bid, performance or surety bonds (in each case other than for an obligation for borrowed money);
- (9) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit or trade guarantees issued in the ordinary course of business to the extent that such letters of credit or trade guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the 180 days following receipt by the Company or such Restricted Subsidiary, as applicable, of a demand for reimbursement;
- (10) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Company or any Restricted Subsidiary pursuant to such agreements, in any case, Incurred in connection with the disposition of any business, assets or Restricted Subsidiary (other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition); provided that the maximum aggregate liability in respect of all such Indebtedness shall at no time exceed the gross proceeds actually received by the Company or any Restricted Subsidiary from the disposition of such business, assets or Restricted Subsidiary;

- (11) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; provided, however, that such Indebtedness is extinguished within five Business Days of Incurrence;
 - (12) (i) guarantees by the Company or any Subsidiary Guarantor of Indebtedness of the Company or any Restricted Subsidiary that was permitted to be Incurred by another provision of this covenant or (ii) guarantees by any Restricted Subsidiary of Indebtedness of another Restricted Subsidiary that was permitted to be Incurred under clause (b)(6) or (b)(7) above or clause (b)(13) below;
 - (13) Indebtedness of the Company or any Restricted Subsidiary with a maturity of one year or less used by the Company or any Restricted Subsidiary for working capital; provided that the aggregate principal amount of Indebtedness permitted by this clause (b)(13) at any time outstanding does not exceed US\$20.0 million (or the Dollar Equivalent thereof);
 - (14) the issuance of Preferred Stock by any Restricted Subsidiary to the Company or to any other Restricted Subsidiary that is a direct or indirect parent company of the issuing Restricted Subsidiary, provided, however, that any issuance, sale or transfer that results in any such Preferred Stock being held by a Person other than the Company or a Restricted Subsidiary that is such a parent will be deemed to constitute an issuance of such Preferred Stock that was not permitted by this clause (14); and
 - (15) Bank Deposit Secured Indebtedness or Cross Border Secured Indebtedness Incurred by the Company or any Restricted Subsidiary; provided that on the date of the Incurrence of such Indebtedness and after giving effect thereto, the sum of (1) the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to this clause (15) (together with any refinancings thereof), plus (2) the aggregate principal amount outstanding of all such Indebtedness Incurred pursuant to clause (7) above (together with any refinancings thereof), does not exceed an amount equal to 15.0% of Total Assets.
- (c) For purposes of determining compliance with this “—*Limitation on Indebtedness and Preferred Stock*” covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso in the first sentence of clause (a) of this covenant, the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness.
- (d) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that may be Incurred pursuant to this covenant will not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the result of fluctuations in the exchange rates of currencies. For purposes of determining compliance with any US dollar-denominated restriction on the Incurrence of Indebtedness, the US dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided* that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable US dollar-dominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such US dollar-dominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the

payments or any other actions described in clauses (a) through (d) below being collectively referred to as “**Restricted Payments**”):

- (a) declare or pay any dividend or make any distribution on or with respect to the Company’s or any Restricted Subsidiary’s Capital Stock (other than dividends or distributions payable solely in shares of the Company’s or any Restricted Subsidiary’s Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any Restricted Subsidiary;
- (b) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock (including options, warrants or other rights to acquire such shares of Capital Stock) of the Company or any direct or indirect parent of the Company held by any Persons other than the Company or any Restricted Subsidiary;
- (c) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes or any Subsidiary Guarantee (excluding any intercompany Indebtedness between or among the Company and any Restricted Subsidiary); or
- (d) make any Investment, other than a Permitted Investment; unless, at the time of, and after giving effect to, the proposed Restricted Payment:
 - (A) no Default has occurred and is continuing or would occur as a result of such Restricted Payment;
 - (B) the Company could Incur at least US\$1.00 of Indebtedness under the proviso in the first sentence of clause (a) of the covenant described under the caption “—*Limitation on Indebtedness and Preferred Stock*”; and
 - (C) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Company and its Restricted Subsidiaries after the Measurement Date, shall not exceed the sum (without duplication) of:
 - (i) 50% of the aggregate amount of the Consolidated Net Income of the Company (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the semi-annual fiscal period during which the Measurement Date occurred and ending on the last day of the Company’s most recently ended semi-annual fiscal period for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available at the time of such Restricted Payment; plus
 - (ii) 100% of the aggregate Net Cash Proceeds received by the Company after the Measurement Date as a capital contribution to its common equity or from the issuance and sale of its Capital Stock (other than Disqualified Stock) including the sale of options and warrants to purchase Capital Stock (other than Disqualified Stock) to a Person who is not a Subsidiary of the Company, including any such Net Cash Proceeds received upon the exercise by a Person who is not a Subsidiary of the Company of any options, warrants or other rights to acquire Capital Stock of the Company (other than Disqualified Stock), in each case after deducting the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Company; plus
 - (iii) an amount equal to the net reduction in Investments (other than reductions in

Permitted Investments) that were made after the Measurement Date in any Person resulting from (w) payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case, to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income), (x) the unconditional release of a guarantee provided by the Company or any Restricted Subsidiary after the Measurement Date of an obligation of another Person, (y) the net cash proceeds from the sale of any such Investment (except to the extent such proceeds are included in the calculation of Consolidated Net Income) or (z) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments made by the Company or a Restricted Subsidiary after the Measurement Date in any such Person; plus

- (iv) the amount by which Indebtedness of the Company or any Subsidiary Guarantor is reduced on the Company's consolidated balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to the Measurement Date of any Indebtedness of the Company or any Subsidiary Guarantor convertible or exchangeable into Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Company upon such conversion or exchange); plus
- (v) US\$20.0 million (or the Dollar Equivalent thereof).

The foregoing provision shall not be violated by reason of:

- (1) the payment of any dividend or redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;
- (2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any Subsidiary Guarantor with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;
- (3) the redemption, repurchase or other acquisition of Capital Stock of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company (or options, warrants or other rights to acquire such Capital Stock); provided that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (C) of the preceding paragraph;
- (4) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any Subsidiary Guarantor in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (C) of the preceding paragraph;
- (5) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary payable on a pro rata basis or on a basis more favorable to the Company to all holders of any class of Capital Stock of such Restricted Subsidiary, a majority of which is held, directly or indirectly through Restricted Subsidiaries, by the Company; *provided* that dividends or distributions to a Person other than the Company or a Wholly-Owned Restricted Subsidiary will be excluded in calculating whether the conditions of clause (C) of the preceding paragraph have

been met;

- (6) the redemption, repurchase or other acquisition of Capital Stock of the Company from employees, former employees, directors or former directors of the Company or any of its Restricted Subsidiaries (or permitted transferees of such persons), or their authorized representatives upon the death, disability or termination of employment of such employees or directors, in an aggregate amount not to exceed US\$2.0 million (or the Dollar Equivalent thereof);
- (7) any repurchase of Capital Stock deemed to occur upon the exercise of stock options to the extent such Capital Stock represent a portion of the exercise price of those stock options;
- (8) the declaration and payment of regularly scheduled or accrued dividends to holders of preferred stock of a Restricted Subsidiary issued on or after the Original Issue Date in accordance with the Fixed Charge Coverage Ratio test described above under the caption “—*Limitation on Indebtedness and Preferred Stock*”;
- (9) payments of cash, dividends, distributions, advances or other Restricted Payments by the Company or any of its Restricted Subsidiaries to allow the payment of cash in lieu of the issuance of fractional shares upon (i) the exercise of options or warrants or (ii) the conversion or exchange of Capital Stock of any such Person;
- (10) the purchase of Capital Stock of the Company to fund payments or awards to employees, former employees, directors or former directors of the Company and any of its Restricted Subsidiaries pursuant to the Share Award Scheme, in an aggregate amount not to exceed US\$10.0 million per year;
- (11) the purchase, repurchase, redemption, defeasance or other acquisition or retirement for value of any Subordinated Indebtedness (i) at a purchase price not greater than 101% of the principal amount of such Subordinated Indebtedness in the event of a Change of Control in accordance with provisions similar to the “—*Repurchase of Notes Upon a Change of Control*” covenant or (ii) at a purchase price not greater than 100% of the principal amount thereof in accordance with provisions similar to the “—*Limitation on Asset Sales*” covenant; *provided that*, prior to or simultaneously with such purchase, repurchase, redemption, defeasance or other acquisition or retirement, the Company has made the Change of Control Offer or Offer to Purchase, as applicable, as provided in such covenant with respect to the Notes and has completed the repurchase or redemption of all Notes validly tendered for payment in connection with such Change of Control Offer or Offer to Purchase; and
- (12) [reserved];

provided that, in the case of clause (2), (3), (4), (8), (10) or (11) above, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

Each Restricted Payment permitted pursuant to clause (1) of the preceding paragraph made after the Measurement Date shall be included in calculating whether the conditions of clause (C) of the first paragraph of this “—*Limitation on Restricted Payments*” covenant have been met with respect to any subsequent Restricted Payments.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors’ determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an appraisal or investment banking firm of recognized international standing if the Fair Market Value exceeds US\$10.0 million (or the Dollar Equivalent thereof).

Not later than the date of making any Restricted Payment in excess of US\$10.0 million (or the Dollar

Equivalent thereof), the Company will deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this "*—Limitation on Restricted Payments*" covenant were computed, together with a copy of any fairness opinion or appraisal required by the Indenture.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

- (a) Except as provided below, the Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:
- (1) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary;
 - (2) pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary;
 - (3) make loans or advances to the Company or any other Restricted Subsidiary; or
 - (4) sell, lease or transfer any of its property or assets to the Company or any other Restricted Subsidiary;

provided that it being understood that (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock; (ii) the subordination of loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary; and (iii) the provisions contained in documentation governing Indebtedness requiring transactions between or among the Company and any Restricted Subsidiary or between or among any Restricted Subsidiary to be on fair and reasonable terms or on an arm's length basis, in each case, shall not be deemed to constitute such an encumbrance or restriction.

- (b) The provisions of paragraph (a) do not apply to any encumbrances or restrictions:
- (1) existing in agreements as in effect on the Original Issue Date and any extensions, refinancings, renewals, supplements, amendments or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal, supplement, amendment or replacement, taken as a whole, are no more restrictive in any material respect than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;
 - (2) in the Notes, the Subsidiary Guarantees or the Indenture;
 - (3) existing under or by reason of applicable law, rule, regulation or order;
 - (4) with respect to any Person or the property or assets of such Person acquired by the Company or any Restricted Subsidiary, existing at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any extensions, refinancings, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;
 - (5) that otherwise would be prohibited by the provision described in clause (a)(4) of this covenant if they arise, or are agreed to in the ordinary course of business, and that (x) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract, (y) exist by virtue of any Lien on, or agreement to transfer, option or similar right with respect to any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture or (z) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted

Subsidiary in any manner material to the Company or any Restricted Subsidiary;

- (6) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by the “—*Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries*,” “—*Limitation on Indebtedness and Preferred Stock*” and “—*Limitation on Asset Sales*” covenants;
- (7) with respect to any Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the Incurrence of Indebtedness permitted under clause (b)(1), (b)(7), (b)(13) or (b)(15) of the “—*Limitation on Indebtedness and Preferred Stock*” covenant if, as determined by the Board of Directors, such encumbrances or restrictions (x) are customary for such types of agreements and (y) are not expected to materially and adversely affect the ability of the Company to make required payments on the Notes and any extensions, refinancings, renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced; or
- (8) on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business.

Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries

The Company will not sell, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell, any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock) except:

- (1) to the Company or a Wholly-Owned Restricted Subsidiary, or in the case of a Restricted Subsidiary that is not Wholly-Owned, pro rata to its shareholders or incorporators or on a basis more favorable to the Company and its Restricted Subsidiaries;
- (2) to the extent such Capital Stock represents director’s qualifying shares or is required by applicable law to be held by a Person other than the Company or a Restricted Subsidiary;
- (3) the sale of all of the shares of Capital Stock of a Restricted Subsidiary if permitted under, and made in accordance with, the “—*Limitation on Asset Sales*” covenant;
- (4) the issuance or sale of Capital Stock to a third party consultant pursuant to a co-invest right granted to the consultant in a Consultancy Agreement;
- (5) the issuance or sale of Capital Stock of a Restricted Subsidiary (which remains a Restricted Subsidiary after any such issuance or sale); *provided* that the Company or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale in accordance with the “—*Limitation on Asset Sales*” covenant; and
- (6) the issuance or sale of Capital Stock of a Restricted Subsidiary that does not remain a Restricted Subsidiary after such issuance or sale; provided that (a) the transaction complies with the “—*Limitation on Restricted Payments*” covenant and (b) the Company applies the Net Cash Proceeds of such issuance or sale in accordance with the “—*Limitation on Asset Sales*” covenant.

Limitation on Issuances of Guarantees by Restricted Subsidiaries

The Company will not permit any Restricted Subsidiary which is not a Subsidiary Guarantor, directly or indirectly, to guarantee any Indebtedness (“**Guaranteed Indebtedness**”) of the Company or any other Subsidiary Guarantor, unless (a)(1) such Restricted Subsidiary executes and delivers a supplemental indenture to the Indenture within 30 calendar days providing for an unsubordinated Subsidiary Guarantee of payment of the Notes

by such Restricted Subsidiary and (2) such Restricted Subsidiary waives and will not in any manner whatsoever claim, or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee until the Notes have been paid in full or (b) such Guarantee is permitted by clauses (b)(3), (b)(4), (b)(13) or (b)(15) (in the case of clause (b)(15), with respect to the Guarantee provided by the Company or any Restricted Subsidiary in connection with any Cross Border Secured Indebtedness or through the pledge of one or more bank accounts to secure, directly or indirectly, any Bank Deposit Secured Indebtedness), under the caption “—*Limitation on Indebtedness and Preferred Stock.*”

If the Guaranteed Indebtedness (A) ranks *pari passu* in right of payment with the Notes or any Subsidiary Guarantee, then the guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Subsidiary Guarantee or (B) is subordinated in right of payment to the Notes or any Subsidiary Guarantee, then the guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Subsidiary Guarantee at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes or the Subsidiary Guarantee.

Additional Note Guarantees

The Company will, for the benefit of the Holders of the Notes, cause each of its future Subsidiaries (other than Persons organized under the laws of the PRC) after the Original Issue Date, within 30 calendar days (which period will be increased by the number of days required by law or regulation to obtain any governmental consent or approval required, if any, in order to provide such Guarantee) after becoming a Restricted Subsidiary, to execute and deliver to the Trustee a supplemental indenture to this Indenture pursuant to which such future Restricted Subsidiary will guarantee the payments of the Notes. Notwithstanding the foregoing, the Company shall not be obligated to cause a Restricted Subsidiary to Guarantee the Notes, or shall be entitled to limit the value of any such Guarantee, as applicable, to the extent that such Guarantee would be expected to give rise to or result in (now or in the future) any violation of applicable law or regulation or if after using reasonable best efforts, it is commercially unreasonable to provide such Guarantee.

Limitation on Transactions with Shareholders and Affiliates

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with (a) any holder (or any Affiliate of such holder) of 10% or more of any class of Capital Stock of the Company or (b) with any Affiliate of the Company (each an “**Affiliate Transaction**”), unless:

- (1) the Affiliate Transaction is on fair and reasonable terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or the relevant Restricted Subsidiary with a Person that is not such a holder or an Affiliate of the Company or such Restricted Subsidiary; and
- (2) the Company delivers to the Trustee:
 - (A) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$10.0 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officers’ Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and
 - (B) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US\$20.0 million (or the Dollar Equivalent thereof), in addition to the Board Resolution required in clause (2)(A) above, an opinion issued by an accounting, appraisal or investment banking firm of recognized international standing as to the fairness to the Company or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view.

The foregoing limitation does not limit, and shall not apply to:

- (1) the payment of reasonable and customary regular fees to directors of the Company or its Restricted Subsidiary who are not employees of the Company or its Restricted Subsidiary;
- (2) transactions between or among the Company and any Wholly-Owned Restricted Subsidiary or between or among Wholly-Owned Restricted Subsidiaries;
- (3) any Restricted Payment of the type described in clause (a) or (b) of the first paragraph of the covenant described under the caption “—*Limitation on Restricted Payments*” if permitted by that covenant;
- (4) (x) any agreement in effect on the Original Issue Date, as in effect on the Original Issue Date or as thereafter amended or replaced in any manner, that, taken as a whole, is not more disadvantageous to the Holders or the Company in any material respect than such agreement as it was in effect on the Original Issue Date or (y) any transaction pursuant to any agreement referred to in the immediately preceding clause (x);
- (5) any sale of Capital Stock (other than Disqualified Stock) of the Company;
- (6) the payment of compensation to officers and directors of the Company or any Restricted Subsidiary pursuant to an employee stock or share option scheme, so long as such scheme is in compliance with the listing rules of the SEHK, which as of the Original Issue Date require a majority shareholder approval of any such scheme, or of such other national stock exchange where the shares of such Restricted Subsidiary are listed.; and
- (7) transactions with a Person (other than an Unrestricted Subsidiary of the Company) that is an Affiliate of the Company solely because the Company owns, directly or through a Restricted Subsidiary, an interest in the Common Stock of such Person.

In addition, the requirements of clause (2) of the first paragraph of this covenant shall not apply to (i) Investments (other than Permitted Investments) not prohibited by the “—*Limitation on Restricted Payments*” covenant, and (ii) any transaction between or among the Company and any Restricted Subsidiary that is not a Wholly-Owned Restricted Subsidiary; *provided* that in the case of clause (ii), (a) such transaction is entered into in the ordinary course of business and (b) none of the minority shareholders or minority partners of or in such Restricted Subsidiary is a Person described in clauses (a) or (b) of the first paragraph of this covenant (other than by reason of such minority shareholder or minority partner being an officer or director of such Restricted Subsidiary).

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind, whether owned at the Original Issue Date or thereafter acquired, except Permitted Liens, unless the Notes are secured equally and ratably with (or, if the obligation or liability to be secured by such Lien is subordinated in right of payment to the Notes, prior to) the obligation or liability secured by such Lien, for so long as such obligation or liability is secured by such Lien.

Limitation on Sale and Leaseback Transactions

The Company will not, and will not permit any Restricted Subsidiary to, enter into any Sale and Leaseback Transaction; *provided* that the Company or a Restricted Subsidiary may enter into a Sale and Leaseback Transaction if:

- (a) the Company or the relevant Restricted Subsidiary could have (1) incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under the covenant described under the caption “—*Limitation on Indebtedness and Preferred*

Stock” and (2) incurred a Lien to secure such Indebtedness pursuant to the covenant described under the caption “—Limitation on Liens,” in which case, the corresponding Indebtedness and Lien will be deemed incurred pursuant to those provisions;

- (b) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction; and
- (c) the transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Company or the relevant Restricted Subsidiary applies the proceeds of such transaction in compliance with, the covenant described under the caption “—*Limitation on Asset Sales.*”

Limitation on Asset Sales

The Company will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

- (a) no Default shall have occurred and be continuing or would occur as a result of such Asset Sale;
- (b) the consideration received by the Company or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of;
- (c) [Reserved]; and
- (d) at least 75% of the consideration received consists of cash, Temporary Cash Investments or Replacement Assets; *provided* that in the case of an Asset Sale in which the Company or such Restricted Subsidiary receives Replacement Assets involving aggregate consideration in excess of US\$20.0 million (or the Dollar Equivalent thereof), the Company shall deliver to the Trustee an opinion as to the fairness to the Company or such Restricted Subsidiary of such Asset Sale from a financial point of view issued by an accounting, appraisal or investment banking firm of recognized international standing. For purposes of this provision, each of the following will be deemed to be cash:
 - (A) any liabilities, as shown on the Company’s most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that releases the Company or such Restricted Subsidiary from further liability; and
 - (B) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are promptly, but in any event within 30 days of closing, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion.

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Cash Proceeds to:

- (1) repurchase, repay, prepay or redeem (a) Senior Indebtedness or (b) with respect to assets of a Restricted Subsidiary that is not a Subsidiary Guarantor, Indebtedness of a Restricted Subsidiary that is not a Subsidiary Guarantor (and, if such Senior Indebtedness or Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto);
- (2) acquire properties and assets that replace the properties and assets that were the subject of such Asset Sale or in properties or assets that will be used in the Permitted Business (“**Replacement Assets**”) or enter into a binding commitment regarding such Replacement Assets, *provided* that such binding commitment shall be treated as a permitted application of Net Cash Proceeds from

the date of such commitment until the earlier of (a) the date on which such acquisition or expenditure is consummated and (b) the 180th day following the expiration of the aforementioned 360-day period. To the extent such acquisition or expenditure is not consummated on or before such 180th day and the Company or such Restricted Subsidiary shall not have applied such Net Cash Proceeds pursuant to this clause (2) on or before such 180th day, such commitment shall be deemed not to have been a permitted application of Net Cash Proceeds, and such Net Cash Proceeds will constitute Excess Proceeds (as defined below); or

- (3) make a non-maintenance capital expenditure.

Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in clauses (1) to (3) in the immediately preceding paragraph will constitute “**Excess Proceeds**.” Excess Proceeds of less than US\$20.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When accumulated Excess Proceeds equals to or exceeds US\$20.0 million (or the Dollar Equivalent thereof), within 10 days thereof, the Company must make an Offer to Purchase Notes having a principal amount equal to:

- (i) accumulated Excess Proceeds, multiplied by
- (ii) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding principal amount of the Notes and all *pari passu* Indebtedness similarly required to be repaid, redeemed or tendered for in connection with the Asset Sale, rounded down to the nearest US\$1.

The offer price in any Offer to Purchase will be equal to 100% of the principal amount, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and any other *pari passu* Indebtedness tendered into (or required to be prepaid or redeemed in connection with) such Offer to Purchase exceeds the amount of Excess Proceeds, the Notes and such other *pari passu* Indebtedness will be purchased on a pro rata basis based on the principal amount of Notes and such other *pari passu* Indebtedness tendered (or required to be prepaid or redeemed). Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

Notwithstanding anything to the contrary in this “*Limitation on Asset Sales*” covenant, the Company's obligation to make an Offer to Purchase is subject in all respects to the provisions of the ACIA.

Application of Proceeds of Emir-Oil Sale

The Company shall apply the aggregate consideration for the Emir-Oil Sale that it has received or purports to receive pursuant to the terms of the Emir-Oil SPA, comprising an aggregate amount of US\$55,000,000, to net off an amount equal to US\$55,000,000 of the outstanding amount due by MIE to the HKD Lender under the HKD Facilities Agreement on a dollar-for-dollar basis, in accordance with the provisions of the Emir-Oil SPA.

Maintenance of Listing

The Company will use its commercially reasonable efforts to obtain and maintain the listing and quotation of the Notes on the SGX-ST. In the event that the SGX-ST declines to grant approval-in-principle for the listing and quotation of the Notes, the Company may seek a waiver of the obligation under this “*Maintenance of Listing*” covenant from the Original Consenting Noteholders, so that the Restructuring Effective Date may occur notwithstanding the fact that the Notes will not be listed on the SGX-ST following the Restructuring Effective Date. In no event will this “*Maintenance of Listing*” covenant require the Company to maintain the listing of the Notes if the maintenance of such listing would require financial reporting for any fiscal period not required by the covenant under the caption “*Provision of Financial Statements and Reports*” below.

Limitation on the Company's Business Activities

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than a Permitted Business; *provided, however*, that the Company or any Restricted Subsidiary may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than a Permitted Business as long as any Investment therein was not prohibited when made by the covenant under the caption "*—Limitation on Restricted Payments.*"

Designation of Restricted and Unrestricted Subsidiaries

On the Original Issue Date, the Restricted Subsidiaries and the initial Subsidiary Guarantors will be Gobi Energy Limited, MIE International Resources Limited, Asia Dynamic Energy Corporation, Asia Dynamic Energy Trading Corporation and MIE New Ventures Corporation. All of the Company's other Subsidiaries shall be Unrestricted Subsidiaries.

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; *provided* that (a) no Default shall have occurred and be continuing after giving effect to such designation; (b) neither the Company nor any Restricted Subsidiary guarantees or provides credit support for the Indebtedness of such Restricted Subsidiary; (c) such Restricted Subsidiary has no outstanding Indebtedness that could trigger a cross-default to the Indebtedness of the Company or any other Restricted Subsidiary; (d) such Restricted Subsidiary does not own any Disqualified Stock of the Company or Disqualified or Preferred Stock of another Restricted Subsidiary or hold any Indebtedness, or any Lien on any property, of the Company or any Restricted Subsidiary, if such Disqualified or Preferred Stock or Indebtedness could not be Incurred under the covenant described under the caption "*—Limitation on Indebtedness and Preferred Stock*" or such Lien would violate the covenant described under the caption "*—Limitation on Liens*"; (e) such Restricted Subsidiary does not own any Voting Stock of another Restricted Subsidiary, and all of its Subsidiaries are Unrestricted Subsidiaries or are being concurrently designated as Unrestricted Subsidiaries in accordance with this paragraph; (f) the Investment deemed to have been made thereby in such newly designated Unrestricted Subsidiary and each other newly designated Unrestricted Subsidiary being concurrently redesignated would be permitted to be made by the covenant described under the caption "*—Limitation on Restricted Payments*" under which the amount of such Investment would be equal to the Fair Market Value of the Company's proportionate interest in such Subsidiary on such date; and (g) such Restricted Subsidiary does not own or operate or possess any material license, franchise or right used in connection with the ownership or operation of any part of the Company's or its Restricted Subsidiaries' business.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that (a) no Default shall have occurred (or if a Default shall have occurred, such designation shall cure such Default) and be continuing after giving effect to such designation; (b) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under the caption "*—Limitation on Indebtedness and Preferred Stock*"; (c) any Lien on the property of such Unrestricted Subsidiary at the time of such designation which will be deemed to have been Incurred by such newly designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under the caption "*—Limitation on Liens*"; (d) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary); and (e) if such Restricted Subsidiary is not organized under the laws of the PRC, such Restricted Subsidiary shall upon such designation execute and deliver to the Trustee a supplemental indenture to the Indenture by which such Restricted Subsidiary shall become a Subsidiary Guarantor.

Government Approvals and Licenses; Compliance with Law

The Company will, and will cause each Restricted Subsidiary to, (a) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Business, (b) preserve and maintain good and valid title to its properties and assets (including extraction and land-use rights) free and clear of any Liens other than Permitted Liens and (c) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on

(1) the business, results of operations or prospects of the Company and its Restricted Subsidiaries, taken as a whole, or (2) the ability of the Company or any Subsidiary Guarantor to perform its obligations under the Notes, the relevant Subsidiary Guarantee or the Indenture.

Anti-Layering

The Company will not, and will not permit any Subsidiary Guarantor to, Incur any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Company or such Subsidiary Guarantor, as the case may be, unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the applicable Subsidiary Guarantee, on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or guarantees securing or in favor of some but not all of such Indebtedness.

Provision of Financial Statements and Reports

- (a) So long as any of the Notes remain outstanding, the Company will furnish to the Trustee and furnish to the Holders upon request, as soon as they are available but in any event not more than 10 calendar days after they are filed with the SEHK or any other securities exchange on which the Company's ordinary shares are at any time listed for trading, true and correct copies of any financial or other report in the English language filed with such exchange; *provided* that, if at any time the ordinary shares of the Company cease to be listed for trading on a recognized securities exchange, the Company will file with the Trustee and furnish to the Holders:
- (1) as soon as they are available, but in any event within 90 calendar days after the end of the fiscal year of the Company, copies of its financial statements (on a consolidated basis and in the English language) in respect of such financial year (including a statement of income, balance sheet and cash flow statement) audited by a member firm of an internationally recognized firm of independent accountants;
 - (2) as soon as they are available, but in any event within 60 calendar days after the end of the first semi-annual fiscal period of the Company, copies of its financial statements (on a consolidated basis and in the English language) in respect of such half-year period (including a statement of income, balance sheet and cash flow statement) reviewed by a member firm of an internationally recognized firm of independent accountants;
 - (3) as soon as they are available, but in any event within 45 calendar days after the end of each of the first and third fiscal quarters of the Company, copies of its unaudited financial statements (on a consolidated basis and in the English language), including a statement of income, balance sheet and cash flow statement, prepared on a basis consistent with the audited financial statements of the Company together with a certificate signed by the person then authorized to sign financial statements on behalf of the Company to the effect that such financial statements are true in all material respects and present fairly the financial position of the Company as at the end of, and the results of its operations for, the relevant quarterly period; and
 - (4) annual financial statements furnished pursuant to clause (1) shall be accompanied by a reserve report and in the English language from an independent petroleum engineer dated as of the most recent year end relating to the Company and its Subsidiaries, prepared on a basis substantially similar to the reserve estimates included in the Company's 2020 annual report filed with the SEHK on April 29, 2021.
- (b) In addition, so long as any of the Notes remain outstanding, the Company will provide to the Trustee (1) within 120 days after the close of each fiscal year, an Officers' Certificate stating the Fixed Charge Coverage Ratio with respect to the two most recent semi-annual fiscal periods and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio; and (2) as soon as possible and in any event within 10 days after the Company becomes aware or should reasonably become aware of the occurrence of a Default,

an Officers' Certificate setting forth the details of such Default, and the action which the Company proposes to take with respect thereto.

- (c) If the Company receives a request from Holders of 25% or more in aggregate principal amount of the Notes then outstanding, the Company shall promptly make available to the applicable Holders a copy of any Bank Statement as may reasonably be requested by such applicable Holders. Such Bank Statement shall be made available at the Company's principal executive offices in Hong Kong to be viewed by the applicable Holders during business hours. Each such Holder that requests to view a Bank statement in accordance with this clause (c) shall provide the Company with (x) notice of its intent to view such Bank statement five business days in advance of the proposed viewing date, (y) evidence of such Holder's holding of Notes on the proposed viewing date in a reasonable and unencumbered form (such as custodian holding screenshot) and (z) a signed undertaking (in form and substance satisfactory to the Company) acknowledging that (i) some or all of the information contained in that Bank Statement is or may be price sensitive information, (ii) the use of such information may be regulated or prohibited by applicable legislation, including securities laws related to insider dealing and market abuse, and (iii) such Holder undertakes not to use any such information for any unlawful purpose.

Events of Default

The following events will be defined as “**Events of Default**” in the Indenture:

- (a) default in the payment of any amount payable on the Notes at the place at and in the currency in which it is expressed to be payable, and such default continues for a period of 30 days;
- (b) the Company or any Restricted Subsidiary fails to comply with any provision of the Notes Documents (other than a default specified in clause (a) above) and such failure to comply is capable of remedy and is not remedied within 30 days of the earlier of (x) written notice of such default or breach to the Company by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes and (y) the Company becoming aware of such failure to comply;
- (c) with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$25.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of the Company or US\$5.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of any Restricted Subsidiary, whether such Indebtedness now exists or shall hereafter be created, (1) the occurrence of an "Event of Default" under and as defined in the USD Facility Agreement, the HKD Facilities Agreement or the Senior Facility Agreement; (2) any Indebtedness of the Company or any Restricted Subsidiary is not paid when due or within any originally applicable grace period; (3) any Indebtedness of the Company or any Restricted Subsidiary is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described); (4) any creditor of the Company or any Restricted Subsidiary becomes entitled to declare any Indebtedness of the Company or any Restricted Subsidiary due and payable prior to its specified maturity as a result of an event of default (however described) or (5) any commitment for any Indebtedness of the Company or any Restricted Subsidiary is cancelled or suspended by a creditor of the Company or such Restricted Subsidiary as a result of an event of default (however described);
- (d) the Company ceases to beneficially hold, directly or indirectly, 100% of the issued shares in each of the Restricted Subsidiaries;
- (e) it is or becomes unlawful for the Company or any Restricted Subsidiary to perform any of its obligations under the Notes or this Indenture;
- (f) the Company or any Restricted Subsidiary suspends or ceases to carry on all or a material part of its business;
- (g) the Company or any Restricted Subsidiary repudiates any of the Notes Documents or evidences an

intention to repudiate any of the Notes Documents;

- (h) the term of the Daan PSC fails to be extended to February 29, 2028 in accordance with Clause 7 (*Maturity Date*) of the ACIA;
- (i) a breach of the Daan PSC occurs which results in, or is reasonably likely to result in, a Material Adverse Effect;
- (j) none of Gobi, MIE International Resources and any of their respective affiliates is a foreign operator in connection with the Daan PSC;
- (k) any litigation, arbitration, administrative, governmental, regulatory or other investigation, proceedings or dispute is commenced or threatened in relation to the Notes Documents or the transaction contemplated by the Notes Documents or against the Company or any Restricted Subsidiary assets which has or is reasonably likely to have a Material Adverse Effect, or any one or more final judgments or orders is made against the Company or any Restricted Subsidiary and which has or is reasonably likely to have a Material Adverse Effect;
- (l) the authority or ability of the Company or any Restricted Subsidiary to conduct its business is materially limited or wholly or substantially curtailed by any seizure, expropriation, nationalization, intervention, restriction or other action by or on behalf of any governmental, regulatory or other authority or other person in relation to the Company or any Restricted Subsidiary or any of its assets;
- (m) the ordinary shares of the Company are suspended from trading on the SEHK for more than six months;
- (n) (i) the Company or any Restricted Subsidiary is or is presumed or deemed to be unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its indebtedness, (ii) the value of the assets of the Company or any Restricted Subsidiary is less than its liabilities (taking into account contingent and prospective liabilities), or (iii) a moratorium is declared in respect of any indebtedness of the Company or any Restricted Subsidiary; and
- (o) any corporate action, legal proceeding or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, bankruptcy, winding-up, dissolution, administration, provisional supervision or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or any Restricted Subsidiary, other than (A) a solvent liquidation or reorganization of the Company or any Restricted Subsidiary which is permitted under the terms of the Transaction Documents or (B) any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 30 Business Days of commencement;
 - (ii) a composition or arrangement with any creditor of the Company or any Restricted Subsidiary, or an assignment for the benefit of creditors generally of the Company or any Restricted Subsidiary, or a class of such creditors;
 - (iii) the appointment of a liquidator (other than in respect of a solvent liquidation or reorganization of the Company or a Restricted Subsidiary which is permitted under the terms of the Transaction Documents), receiver, administrator, administrative receiver, compulsory manager, provisional supervisor or other similar officer in respect of the Company or any Restricted Subsidiary or any of their respective assets;
or
 - (iv) enforcement of any Security over any assets of the Company or any Restricted

Subsidiary,

or any analogous procedure or step taken in any jurisdiction;

- (p) any expropriation, attachment, sequestration, distress, execution or analogous event affects any asset or assets of the Company or any Restricted Subsidiary or having an aggregate value of not less than US\$5,000,000 (or its equivalent in any other currency or currencies) and is not discharged within 30 Business Days;
- (q) an event or series of events occurs which, in the reasonable opinion of the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, has or is reasonably likely to have a Material Adverse Effect; and
- (r) a Withdrawal Notice (as defined in the ACIA) is rejected by a Lender (as defined in the ACIA) in accordance with clause 3.3 (*Permitted Payments*) of the ACIA (unless, within 30 days of the Company receiving notice of the rejection of the relevant Withdrawal Notice: (x) each disputed payment identified in the notice of rejection has been remedied; or (y) the relevant Withdrawal Notice becomes an Approved Withdrawal Notice (as defined in the ACIA)).

If an Event of Default occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the request of such Holders shall (subject to being indemnified and/or secured to its satisfaction), declare the principal of the Notes to be immediately due and payable or to enforce the performance of any provision of the Notes or the indenture. Upon a declaration of acceleration, such principal shall be immediately due and payable.

The Holders of at least a majority in principal amount of the outstanding Notes by written notice to the Company and to the Trustee may on behalf of all Holders waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

- (x) all existing Events of Default, other than the nonpayment of the principal of the Notes that have become due solely by such declaration of acceleration, have been cured or waived; and
- (y) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction. Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

If an Event of Default occurs and is continuing, the Trustee may (but shall not be obligated to) pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of the Notes or to enforce the performance of any provision of the Notes or the Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee. However, the Trustee may refuse to follow any direction that conflicts with law, the Indenture that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders. In addition, the Trustee will not be required to expend or risk its own funds or otherwise incur any financial liability in following such direction if it does not receive indemnity and/or security satisfactory to it. A Holder may not pursue any remedy with respect to the Indenture or the Notes unless:

- (1) the Holder has previously given the Trustee written notice of a continuing Event of Default;
- (2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written

- request to the Trustee to pursue the remedy;
- (3) such Holder or Holders provide the Trustee with indemnity and/or security satisfactory to the Trustee against any costs, liability or expense to be incurred in compliance with such request;
 - (4) the Trustee does not comply with the request within 60 days after receipt of the written request and the indemnity and/or security; and
 - (5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a direction that is inconsistent with the written request.

However, such limitations do not apply to the right of any Holder to receive payment of the principal of such Note or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right shall not be impaired or affected without the consent of the Holder.

The Company must certify to the Trustee in an Officer's Certificate, on or before a date not more than 120 days after the end of each fiscal year, that a review has been conducted of the activities of the Company and its Restricted Subsidiaries and the Company's and its Restricted Subsidiaries' performance under the Indenture and that the Company and its Restricted Subsidiaries have fulfilled all obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to notify the Trustee in writing of any default or defaults in the performance of any covenants or agreements under the Indenture. See "*—Certain Covenants—Provision of Financial Statements and Reports.*"

If an Event of Default occurs as a result of a failure to deliver a required Officers' Certificate as referred to above in connection with another default (an "**Initial Default**"), then if, as and when such Initial Default is cured (if such Initial Default is capable of cure), the Event of Default which has subsequently occurred as a result of the failure to report or deliver a required certificate in connection with the Initial Default will also be cured without any further action and any Event of Default arising as a result of the failure to comply with any time period prescribed by the Indenture in relation to such Initial Default or otherwise to deliver any notice or certificate pursuant to any provision of the Indenture in relation to such Initial Default shall be deemed to be cured upon the delivery of any such report required by such covenant or notice or certificate, as applicable, even though such delivery is not within the relevant prescribed period.

Consolidation, Merger and Sale of Assets

The Company will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties and assets taken as a whole (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless:

- (a) the Company shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "**Surviving Person**") shall be a corporation organized and validly existing under the laws of the Cayman Islands, the British Virgin Islands, Hong Kong, Canada, the United Kingdom or the United States or any jurisdiction thereof and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Company under the Indenture and the Notes, including the obligation to pay Additional Amounts with respect to any jurisdiction in which it is organized or resident for tax purposes, or from or through which payment is made, and the Indenture and the Notes shall remain in full force and effect;
- (b) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;
- (c) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person, as the case may be, shall have either (a) a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction or

- (b) a Fair Market Value equal to or greater than the Fair Market Value of the Company prior to such transaction;
- (d) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person, as the case may be, could Incur at least US\$1.00 of Indebtedness under the proviso in the first sentence of clause (a) of the covenant described under the caption “—*Certain Covenants—Limitation on Indebtedness and Preferred Stock*”;
- (e) the Company delivers to the Trustee (1) an Officers’ Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (c) and (d)) and (2) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and such supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with;
- (f) each Subsidiary Guarantor, unless such Subsidiary Guarantor is the Person with which the Company has entered into a transaction described under this covenant, shall execute and deliver a supplemental indenture to the Indenture confirming that its Subsidiary Guarantee shall apply to the obligations of the Company or the Surviving Person in accordance with the Notes and the Indenture; and
- (g) [reserved].

No Subsidiary Guarantor will consolidate with or merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries’ properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person (other than the Company or another Subsidiary Guarantor), unless:

- (A) such Subsidiary Guarantor shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets shall be the Company, another Subsidiary Guarantor or shall become a Subsidiary Guarantor concurrently with the transaction;
- (B) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;
- (C) immediately after giving effect to such transaction on a pro forma basis, the Company shall have either (a) a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction or (b) a Fair Market Value equal to or greater than the Fair Market Value of the Company prior to such transaction;
- (D) immediately after giving effect to such transaction on a pro forma basis, the Company could Incur at least US\$1.00 of Indebtedness under the proviso in the first sentence of clause (a) of the covenant described under the caption “—*Certain Covenants—Limitation on Indebtedness and Preferred Stock*”;
- (E) the Company delivers to the Trustee (1) an Officers’ Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (C) and (D)) and (2) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with; and
- (F) [reserved];

provided that this paragraph shall not apply to (1) any sale or other disposition that complies with the “—*Certain Covenants—Limitation on Asset Sales*” covenant or any Subsidiary Guarantor whose Subsidiary Guarantee is unconditionally released in accordance with the provisions described under “*The Subsidiary Guarantees—Release*”

of the *Subsidiary Guarantees*” and (2) a consolidation or merger of any Subsidiary Guarantor with and into the Company or any other Subsidiary Guarantor, so long as the Company or such Subsidiary Guarantor survives such consolidation or merger.

Notwithstanding the foregoing, if the Company or a Subsidiary Guarantor sells, conveys, transfers, leases or otherwise disposes of all or substantially all of its and its Restricted Subsidiaries’ properties and assets taken as a whole (as an entirety or substantially an entirety in one transaction or a series of related transactions), the Company may, in its sole discretion, make a Change of Control Offer within 30 days of the consummation of such sale, conveyance, transfer, lease or disposal and upon such offer the provisions above in this covenant will be deemed to have been complied with and satisfied in full. Any Notes that are not tendered and repurchased pursuant to such Change of Control Offer will remain outstanding (i) in the case of a sale, conveyance, transfer, lease or disposal by the Company, the Company or the Surviving Person, as the case may be, will comply with clauses (a), (e) and (f) of the first paragraph of this “—*Consolidation, Merger and Sale of Assets*” covenant and (ii) in the case of a sale, conveyance, transfer, lease or disposal by a Subsidiary Guarantor, the Company and such Subsidiary Guarantor or Person acquiring or leasing such property and assets, as the case may be, will comply with clauses (A) and (E) of the second paragraph of this “—*Consolidation, Merger and Sale of Assets*” covenant.

Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

The foregoing provisions would not necessarily afford Holders protection in the event of highly leveraged or other transactions involving the Company that may adversely affect Holders.

Successor Corporation Substituted

Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the properties or assets of the Company or a Subsidiary Guarantor in a transaction that is subject to, and that complies with the provisions described under “—*Consolidation, Merger and Sale of Assets*”, the Surviving Person or Person formed by such consolidation or into or with which the Company or the relevant Subsidiary Guarantor is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, assignment, transfer, lease, conveyance or other disposition, the provisions of this Indenture referring to the “Company” or such “Subsidiary Guarantor,” as the case may be, shall refer instead to the Surviving Person or such Person and not to the Company or such Subsidiary Guarantor, as the case may be), and may exercise every right and power of the Company or such Subsidiary Guarantor, as the case may be, under this Indenture with the same effect as if such Surviving Person or such Person had been named as the Company or such Subsidiary Guarantor, as the case may be, herein; *provided, however*, that the predecessor Company or such Subsidiary Guarantor, as the case may be, shall not be relieved from the obligation to pay the principal of the Notes or the applicable Subsidiary Guarantee, as the case may be, except in the case of a sale of all of the Company’s or such Subsidiary Guarantor’s assets in a transaction that is subject to, and that complies with the provisions described under “—*Consolidation, Merger and Sale of Assets*.”

No Payments for Consents

The Company will not and shall not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment.

Notwithstanding the foregoing, in any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes in connection with an exchange offer, the Company and any of its Subsidiaries may exclude (i) Holders or beneficial owners of the

Notes that are not institutional “accredited investors” as defined in subparagraphs (a)(1), (2), (3) or (7) of Rule 501 under the Securities Act, and (ii) Holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such Holders or beneficial owners would require the Company or any of its Subsidiaries to comply with the registration requirements or other similar requirements under any securities laws of such jurisdiction, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, Holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Company in its sole discretion.

Defeasance

Defeasance and Discharge

The Indenture will provide that the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 183rd day after the deposit referred to below, and the provisions of the Indenture will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies and to hold monies for payment in trust) if, among other things:

- (a) the Company has (1) deposited with the Trustee, in trust, money and/or U.S. Government Obligations that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes and (2) delivered to the Trustee an Opinion of Counsel or a certificate of an internationally recognized firm of independent accountants to the effect that the amount deposited by the Company is sufficient to provide payment for the principal of the Notes on the Stated Maturity of such payment in accordance with the terms of the Indenture;
- (b) the Company has delivered to the Trustee (1) either (x) an Opinion of Counsel of recognized international standing with respect to U.S. federal tax laws which is based on a change in applicable U.S. federal income tax law occurring after the Original Issue Date to the effect that beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the Company’s exercise of its option under this “*Defeasance and Discharge*” provision and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had not occurred or (y) a ruling directed to the Trustee received from the U.S. Internal Revenue Service to the same effect as the aforementioned Opinion of Counsel, and (2) an Opinion of Counsel of recognized international standing to the effect that the creation of the defeasance trust does not violate the U.S. Investment Company Act of 1940, as amended, and after the passage of 123 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law; and
- (c) immediately after giving effect to such deposit on a pro forma basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the 183rd day after the date of such deposit, and such defeasance shall not result in a breach or violation of or constitute a default under, any other agreement or instrument to which the Company or any Restricted Subsidiary is a party or by which the Company or any Restricted Subsidiary is bound.

In the case of either discharge or defeasance, each of the Subsidiary Guarantees will terminate.

Defeasance of Certain Covenants

The Indenture further will provide that certain provisions of the Indenture will no longer be in effect upon the deposit with the Trustee, in trust, of money, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of the Notes on the Stated Maturity of such payments in

accordance with the terms of the Indenture and the Notes, the satisfaction of the provisions described in clause (b)(2) of the preceding paragraph and the delivery by the Company to the Trustee of an Opinion of Counsel of recognized international standing with respect to U.S. federal income tax matters to the effect that beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance of certain covenants and Events of Default and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred.

Defeasance and Certain Other Events of Default

In the event the Company exercises its option to omit compliance with certain covenants and provisions of the Indenture with respect to the Notes as described in the immediately preceding paragraph and the Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of money and/or U.S. Government Obligations on deposit with the Trustee will be sufficient to pay amounts due on the Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Notes at the time of the acceleration resulting from such Event of Default. However, the Company and the Subsidiary Guarantors will remain liable for such payments.

Amendments and Waiver

Amendments Without Consent of Holders

Subject to the provisions of the ACIA, the Indenture, the Subsidiary Guarantees or the Notes may be amended, without the consent of any Holder, to:

- (a) cure any ambiguity, defect, omission or inconsistency in the Indenture or the Notes;
- (b) comply with the provisions described under “—*Consolidation, Merger and Sale of Assets*”;
- (c) evidence and provide for the acceptance of appointment by a successor Trustee;
- (d) add any Subsidiary Guarantor or any Subsidiary Guarantee or release any Subsidiary Guarantor from any Subsidiary Guarantee as provided or permitted by the terms of the Indenture;
- (e) [reserved];
- (f) create or register Liens to secure the Notes or any Subsidiary Guarantee;
- (g) in any other case where a supplemental indenture to the Indenture is required or permitted to be entered into pursuant to the provisions of the Indenture without the consent of any Holder;
- (h) effect any changes to the Indenture in a manner necessary to comply with the procedures of Euroclear or Clearstream or any applicable securities depositary; or
- (i) make any other change that, in the good faith opinion of the Board of Directors, would provide any additional right or benefit to Holders or that does not materially and adversely affect the rights of any Holder.

Amendments With Consent of Holders

Subject to the provisions of the ACIA, amendments of the Indenture, the Subsidiary Guarantees or the Notes may be made by the Company, the Subsidiary Guarantors and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes, and the holders of a majority in principal amount of the outstanding Notes may amend or waive future compliance by the Company with any provision of the Indenture or the Notes; *provided, however*, that no such modification, amendment or waiver may, without the consent of Holders holding not less than 75% of the then outstanding principal amount of the Notes affected:

- (a) change the Stated Maturity of the principal of any Note;
- (b) reduce the principal amount of any Note;
- (c) change the currency, time or place of payment of principal of any Note;
- (d) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity of any Note;
- (e) reduce the above stated percentage of outstanding Notes the consent of whose Holders is necessary to modify or amend the Indenture;
- (f) waive a default in the payment of principal of the Notes;
- (g) release any Subsidiary Guarantor from its Subsidiary Guarantee, except as provided in the Indenture;
- (h) reduce the percentage or aggregate principal amount of outstanding Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults;
- (i) amend, change or modify any Subsidiary Guarantee in a manner that adversely affects the Holders;
- (j) after the occurrence of a Change of Control or Asset Sale, as the case may be, reduce the amount payable upon such Change of Control Offer or Offer to Purchase with the Excess Proceeds from such Asset Sale or change the time or manner by which such Change of Control Offer or Offer to Purchase with the Excess Proceeds from such Asset Sale may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from any Asset Sale;
- (k) change any of the mandatory redemption provisions from those stated under the caption "*—Mandatory Amortization Redemption*";
- (l) amend, change or modify the obligation of the Company or any Subsidiary Guarantor to pay Additional Amounts; or
- (m) amend, change or modify any provision of the Indenture or the related definition affecting the ranking of the Notes or any Subsidiary Guarantee in a manner which adversely affects the Holders.

Unclaimed Money

Claims against the Company for the payment of principal of the Notes will become void unless presentation for payment is made as required in the Indenture within a period of six years.

No Personal Liability of Incorporators, Stockholders, Members, Officers, Directors or Employees

No recourse for the payment of the principal of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company or any of the Subsidiary Guarantors in the Indenture, or in any of the Notes or the Subsidiary Guarantees or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, member, officer, director, employee or controlling person of the Company or any of the Subsidiary Guarantors or of any successor Person thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes and the Subsidiary Guarantees. Such waiver may not be effective to waive liabilities under any applicable law.

Concerning the Trustee, the Registrar and the Paying Agent

Madison Pacific Trust Limited is to be appointed as trustee under the Indenture and Citibank, N.A.,

London Branch is to be appointed as registrar (the “**Registrar**”) and as paying and transfer agent (the “**Paying Agent**”) with regard to the Notes. Except during the continuance of a Default, the Trustee will not be liable, except for the performance of such duties as are specifically set forth in the Indenture and no implied covenant shall be read into the Indenture against the Trustee. If an Event of Default has occurred and is continuing, the Trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture as a prudent person would exercise under the circumstances in the conduct of such person’s own affairs.

The Indenture contains limitations on the rights of the Trustee, should it become a creditor of the Company or any of the Subsidiary Guarantors, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions with the Company and its Affiliates and shall not be obligated to account for any profits therefrom; *provided, however*, that if the Trustee acquires any conflicting interest, it must eliminate such conflict or resign.

For so long as the Notes are listed on the Official List of the SGX-ST and the rules of the SGX-ST so require, the Company will appoint and maintain a paying agent for each series of the Notes in Singapore where the Notes may be presented and surrendered for payment or redemption in the event that a Global Note is exchanged for definitive Notes. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange shall be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

The Trustee is entitled to rely on all instructions, notices, declarations, calculations and certifications received pursuant to the Indenture without investigating or being responsible for the accuracy, authenticity and validity of these instructions, notices, declarations, calculations and certifications.

The Trustee, the Registrar or the Paying Agent, as the case may be, shall not be responsible for the performance by the Company, the Subsidiary Guarantors or any other person appointed by the Company or the Subsidiary Guarantors in relation to the Notes and, unless notified in writing to the contrary, shall assume that the same are being duly performed. The Trustee shall not be liable to any Holder or any other person for any action taken by it in accordance with the instructions of the Holders. The Trustee shall be entitled to conclusively rely (without liability) on any written direction of the Holders which has been duly given by the Holders of the requisite principal amount of the Notes outstanding.

Book-Entry, Delivery and Form

The Notes will be represented by one or more global notes in registered form without interest coupons attached (the “**Global Note**”). On the Original Issue Date, the Global Note will be deposited with a common depository and registered in the name of the common depository or its nominee for the accounts of Euroclear and Clearstream.

Global Note

Ownership of beneficial interests in the Global Note (the “**book-entry interests**”) will be limited to persons that have accounts with Euroclear and/or Clearstream or persons that may hold interests through such participants. Book-entry interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Euroclear and Clearstream and their participants.

Except as set forth below under “—*Individual Definitive Notes*,” the book-entry interests will not be held in definitive form. Instead, Euroclear and/or Clearstream will credit on their respective book-entry registration and transfer systems a participant’s account with the interest beneficially owned by such participant. The laws of some jurisdictions may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge book-entry interests.

So long as the Notes are held in global form, the common depository for Euroclear and/or Clearstream (or its nominee) will be considered the sole holder of the Global Note for all purposes under the Indenture and “holders” of book-entry interests will not be considered the owners or “Holders” of Notes for any purpose. As

such, participants must rely on the procedures of Euroclear and Clearstream and indirect participants must rely on the procedures of the participants through which they own book-entry interests in order to transfer their interests in the Notes or to exercise any rights of Holders under the Indenture.

None of the Company, the Subsidiary Guarantors, the Trustee, the Paying Agent, the Registrar or any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the book-entry interests. The Notes are not issuable in bearer form.

Payments on the Global Note

Payments of any amounts owing in respect of the Global Note (including principal and Additional Amounts) will be made to the Paying Agent in U.S. dollars. The Paying Agent will, in turn, make such payments to the common depository for Euroclear and Clearstream, which will distribute such payments to participants in accordance with their procedures. The Company will make payments of all such amounts without deduction or withholding for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature, except as may be required by law and as described under “—*Additional Amounts.*”

Under the terms of the Indenture, the Company, the Trustee, the Registrar and the Paying Agent will treat the registered holder of the Global Note (i.e., the common depository or its nominee) as the owner thereof for the purpose of receiving payments and for all other purposes. Consequently, none of the Company, the Subsidiary Guarantors, the Trustee, the Registrar, the Paying Agent or any of their respective agents has or will have any responsibility or liability for:

- any aspect of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a book-entry interest, for any such payments made by Euroclear, Clearstream or any participant or indirect participants, or for maintaining, supervising or reviewing any of the records of Euroclear, Clearstream or any participant or indirect participant relating to or payments made on account of a book-entry interest; or
- Euroclear, Clearstream or any participant or indirect participant. Payments by participants to owners of book-entry interests held through participants are the responsibility of such participants.

Action by Owners of Book-Entry Interests

Euroclear and Clearstream have advised that they will take any action permitted to be taken by a Holder of Notes only at the direction of one or more participants to whose account the book-entry interests in the Global Note are credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction. Euroclear and Clearstream will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Note. If there is an Event of Default under the Notes, however, each of Euroclear and Clearstream reserves the right to exchange the Global Note for individual definitive notes in certificated form, and to distribute such individual definitive notes to their participants.

Transfers

Transfers between participants in Euroclear and Clearstream will be effected in accordance with Euroclear and Clearstream’s rules and will be settled in immediately available funds. If a Holder requires physical delivery of individual definitive notes for any reason, including to sell the Notes to persons in jurisdictions which require physical delivery of such securities or to pledge such securities, such Holder must transfer its interest in the Global Note in accordance with the normal procedures of Euroclear and Clearstream and in accordance with the provisions of the Indenture.

Any book-entry interest in a Global Note that is transferred to a person who takes delivery in the form of a book-entry interest in another Global Note will, upon transfer, cease to be a book-entry interest in the first-mentioned Global Note and become a book-entry interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to book-entry interests in such other

Global Note for as long as it retains such a book-entry interest.

Global Clearance and Settlement Under the Book-Entry System

Book-entry interests owned through Euroclear or Clearstream accounts will follow the settlement procedures applicable. Book-entry interests will be credited to the securities custody accounts of Euroclear and Clearstream holders on the business day following the settlement date against payment for value on the settlement date.

The book-entry interests will trade through participants of Euroclear or Clearstream, and will settle in same-day funds. Since the purchaser determines the place of delivery, it is important to establish at the time of trading of any book-entry interests where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Information Concerning Euroclear and Clearstream

The Company understands as follows with respect to Euroclear and Clearstream:

Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions, such as underwriters, securities brokers and dealers, banks and trust companies, and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodian relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Although the foregoing sets out the procedures of Euroclear and Clearstream in order to facilitate the original issue and subsequent transfers of interests in the Notes among participants of Euroclear and Clearstream, neither Euroclear nor Clearstream is under any obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time.

None of the Company, the Subsidiary Guarantors, the Trustee, the Registrar, the Paying Agent or any of their respective agents will have responsibility for the performance of Euroclear or Clearstream or their respective participants of their respective obligations under the rules and procedures governing their operations, including, without limitation, rules and procedures relating to book-entry interests.

Individual Definitive Notes

If (1) the common depository or any successor to the common depository is at any time unwilling or unable to continue as a depository for the reasons described in the Indenture and a successor depository is not appointed by the Company within 90 days, (2) either Euroclear or Clearstream, or a successor clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention to permanently cease business or does in fact do so, or (3) any of the Notes has become immediately due and payable in accordance with "*—Events of Default*" and the Company has received a written request from a Holder, the Company will issue individual definitive notes in registered form in exchange for the Global Note. Upon receipt of such notice from the common depository or a Holder, as the case may be, the Company will use its best efforts to make arrangements with the common depository for the exchange of interests in the Global Note for individual definitive notes and cause the requested individual definitive notes to be executed and delivered to the Registrar in sufficient quantities and authenticated by the Trustee for delivery to Holders. Persons exchanging interests in a Global Note for individual definitive notes will be required to provide the Registrar, through the relevant clearing system, with written instruction and other information required by the Company and the Registrar to complete, execute and deliver such individual definitive notes. In all cases, individual definitive notes delivered in exchange for any Global Note or beneficial interests therein will be registered in the names, and issued in any approved denominations, requested by the relevant clearing system.

Individual definitive notes will not be eligible for clearing and settlement through Euroclear or Clearstream.

Notices

All notices or demands required or permitted by the terms of the Notes or the Indenture to be given to or by the Holders are required to be in writing and may be given or served by being sent by prepaid courier or first-class mail (if intended for the Company or any Subsidiary Guarantor) addressed to the Company at the principal office of the Company or such other address as the Company may advise the Trustee in writing from time to time, or (if intended for the Trustee) at the corporate trust office of the Trustee; and (if intended for any Holder) addressed to such Holder at such Holder's last address as it appears in the Note register.

Any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited and, if to the Holders, when delivered in accordance with the applicable rules and procedures of the relevant clearing system. Any such notice shall be deemed to have been delivered on the day such notice is delivered to the relevant clearing system or if by mail, when so sent or deposited.

Consent to Jurisdiction; Service of Process

The Company and each of the Subsidiary Guarantors will irrevocably (i) submit to the nonexclusive jurisdiction of any U.S. federal or New York state court located in the Borough of Manhattan, The City of New York in connection with any suit, action or proceeding arising out of, or relating to, the Notes, any Subsidiary Guarantee, the Indenture or any transaction contemplated thereby and (ii) designate and appoint Law Debenture Corporate Services Inc. currently at 801 2nd Avenue, Suite 403, New York, NY 10017, for receipt of service of process in any such suit, action or proceeding.

Governing Law

Each of the Notes, the Subsidiary Guarantees and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York.

Definitions

Set forth below are defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for other capitalized terms used in this "*Description of the Notes*" for which no definition is provided.

"*ACIA*" means the Account Control and Intercreditor Agreement entered into between, among others, the Company, the Restricted Subsidiaries and the Trustee.

"*Acquired Indebtedness*" means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary, whether or not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary.

"*Affiliate*" means, with respect to any Person, any other Person (i) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person, (ii) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (i) of this definition or (iii) who is a spouse or any person cohabiting as a spouse, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew and niece of a Person described in clause (i) or (ii). For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"*ARR Fee*" has the meaning assigned to such term in the ACIA.

“*As Adjusted Total Assets*” means the total consolidated assets of the Company and its Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent semi-annual fiscal period for which consolidated financial statements of the Company (which the Company shall use its best efforts to compile on a timely manner) are available.

“*Asset Acquisition*” means (1) an Investment by the Company or any Restricted Subsidiary in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged into or consolidated with the Company or any Restricted Subsidiary or (2) an acquisition by the Company or any Restricted Subsidiary of the property and assets of any Person other than the Company or any Restricted Subsidiary that constitute substantially all of a division or line of business of such Person.

“*Asset Disposition*” means (a) for the purposes of the covenant described under the caption “—*Certain Covenants—Limitation on Asset Sales*,” the sale or other disposition by the Company or any Restricted Subsidiary (other than to the Company or another Restricted Subsidiary) of all or substantially all of the assets that constitute a division or line of business of the Company; and (b) for all other purposes, the sale or other disposition by the Company or any Restricted Subsidiary (other than to the Company or another Restricted Subsidiary) of (1) all or substantially all of the Capital Stock of any Restricted Subsidiary or (2) all or substantially all of the assets that constitute a division or line of business of the Company or any Restricted Subsidiary.

“*Asset Sale*” means any sale, transfer or other disposition of any assets (including by way of merger, consolidation or Sale and Leaseback Transaction and including any sale or issuance of the Capital Stock of any Restricted Subsidiary) in one transaction or a series of related transactions by the Company or any Restricted Subsidiary to any Person; *provided* that “Asset Sale” shall not include:

- (a) sales, transfers or other dispositions of inventory, receivables and other current assets in the ordinary course of business;
- (b) the disposition of Temporary Cash Investments in the ordinary course of business;
- (c) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under the covenant described under the caption “—*Certain Covenants—Limitation on Restricted Payments*”;
- (d) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of US\$1.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions;
- (e) any sale, transfer, assignment or other disposition of any property or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Company or its Restricted Subsidiaries;
- (f) any transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien;
- (g) a transaction covered by the covenant under the caption “—*Consolidation, Merger and Sale of Assets*”;
- (h) the sale or transfer (whether or not in the ordinary course of business) of oil and gas properties or direct or indirect interests in real property; *provided* that at the time of such sale or transfer such properties do not have associated with them any proved reserve;
- (i) the abandonment, farm-out, lease or sublease of developed or undeveloped oil and gas properties in the ordinary course of business;
- (j) the trade or exchange by any of the Subsidiary Guarantors of any oil and gas property owned or held by such Subsidiary Guarantor for any oil and gas property owned or held by another Person;
- (k) the sale or transfer of hydrocarbons or other mineral products in the ordinary course of business;

- (l) the issuance or sale of Capital Stock to a third party consultant pursuant to a co-invest right granted to the consultant in a Consultancy Agreement; and
- (m) the sale of all or any part of the shares or assets of Palaeontol B.V., directly or indirectly (including, for the avoidance of doubt, any Capital Stock of Palaeontol B.V. or Emir-Oil, LLP), in one transaction or a series of related transactions;
- (n) any sale, transfer or other disposition of Capital Stock of, or Indebtedness or other securities of, any Unrestricted Subsidiary; and
- (o) any sale, transfer or other disposition of any assets by the Company or any Restricted Subsidiary, including the sale or issuance by the Company or any Restricted Subsidiary of any Capital Stock of any Restricted Subsidiary, to the Company or any other Restricted Subsidiary.

“*Attributable Indebtedness*” means, in respect of a Sale and Leaseback Transaction, at the time of determination, the present value, discounted at the interest rate implicit in such Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in such Sale and Leaseback Transaction, including any period for which such lease has been extended or may, at the option of the lessor, be extended.

“*Average Life*” means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

“*Bank Deposit Secured Indebtedness*” means Indebtedness of the Company or any Restricted Subsidiary that is secured by a pledge of one or more bank accounts of the Company or a Restricted Subsidiary and is used by the Company and its Restricted Subsidiaries to in effect exchange currency.

“*Bank Statement*” has the meaning assigned to such term in the ACIA.

“*Board of Directors*” means the board of directors elected or appointed by the stockholders of the Company to manage the business of the Company or any committee of such board duly authorized to take the action purported to be taken by such committee.

“*Board Resolution*” means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution in lieu of a meeting executed by the requisite members of the Board of Directors.

“*Business Day*” means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, London, Singapore or Hong Kong (or in any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

“*Capital Stock*” means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding debt securities convertible into such equity.

“*Capitalized Lease*” means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with GAAP, is required to be capitalized on the balance sheet of such Person.

“*Capitalized Lease Obligations*” means the discounted present value of the rental obligations under a Capitalized Lease.

“*Cashflow Control Account*” means the USD and HKD accounts of the Company held with the CCA Bank and with account numbers 1204241003 and 2204241018.

"*CCA Bank*" means Citibank, N.A., Hong Kong Branch or any of its permitted successors or assigns.

"*Change of Control*" means the occurrence of one or more of the following events:

- (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries, taken as a whole, to any "person" (within the meaning of Section 13(d) of the Exchange Act), other than one or more Permitted Holders;
- (2) the Company consolidates with, or merges with or into, any Person (other than one or more Permitted Holders), or any Person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for (or continues as) Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance) and in substantially the same proportion as before the transaction;
- (3) the Permitted Holders are the beneficial owners of less than 35.0% of the total voting power of the Voting Stock of the Company;
- (4) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of the total voting power of the Voting Stock of the Company greater than such total voting power held beneficially by the Permitted Holders;
- (5) individuals who on the Original Issue Date constituted the Board of Directors (together with any new directors whose election was approved by a vote of at least two-thirds of the members of the Board of Directors then in office who were members of the Board of Directors on the Original Issue Date or whose election was previously so approved) cease for any reason to constitute a majority of the members of the Board of Directors then in office; or
- (6) the adoption of a plan relating to the liquidation or dissolution of the Company.

"*Clearing System Business Date*" means a weekday (Monday to Friday, inclusive) except December 25 and January 1.

"*Clearstream*" means Clearstream Banking S.A. or any successor thereof.

"*Commodity Agreement*" means any forward contract, commodity swap agreement, commodity option agreement or other similar agreement or arrangement designed to protect against fluctuations in commodity prices.

"*Common Stock*" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding on the Original Issue Date, and include, without limitation, all series and classes of such common stock or ordinary shares.

"*Consolidated EBITDA*" means, for any period, Consolidated Net Income for such period plus, to the extent such amount was deducted in calculating such Consolidated Net Income:

- (1) Consolidated Interest Expense;
- (2) income taxes (other than income taxes attributable to extraordinary and non-recurring gains or losses or sales of assets); and

- (3) depreciation expense, depletion expense (including impairment charges/asset write-offs on oil and gas properties pursuant to GAAP), amortization expense and all other non-cash items reducing Consolidated Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period), less all non-cash items increasing Consolidated Net Income, all as determined on a consolidated basis for the Company and its Restricted Subsidiaries in conformity with GAAP;

provided that (i) if any Restricted Subsidiary is not a Wholly-Owned Restricted Subsidiary, Consolidated EBITDA shall be reduced (to the extent not otherwise reduced in accordance with GAAP) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Company or any Restricted Subsidiary.

“*Consolidated Fixed Charges*” means, for any period, the sum (without duplication) of (i) Consolidated Interest Expense for such period and (ii) the product of (a) all dividend payments on any series of Disqualified Stock of the Company or any Preferred Stock of any Restricted Subsidiary (other than any such Disqualified Stock or any Preferred Stock held by the Company or a Wholly-Owned Restricted Subsidiary or to the extent paid in Capital Stock (other than Disqualified Stock)) multiplied by (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, state and local statutory tax rate of the Company and the Restricted Subsidiaries, expressed as a decimal.

“*Consolidated Interest Expense*” means, for any period, the amount that would be included in gross interest expense on a consolidated income statement prepared in accordance with GAAP for such period of the Company and its Restricted Subsidiaries, plus, to the extent not included in such gross interest expense, and to the extent incurred, accrued or payable during such period by the Company and its Restricted Subsidiaries, without duplication, (i) interest expense attributable to Capitalized Lease Obligations and imputed interest with respect to Attributable Indebtedness, (ii) amortization of debt issuance costs and original issue discount expense and non-cash interest payments in respect of any Indebtedness, (iii) the interest portion of any deferred payment obligation, (iv) all commissions, discounts and other fees and charges with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (v) the net costs associated with Hedging Obligations (including the amortization of fees), (vi) interest accruing on Indebtedness of any other Person that is guaranteed by the Company or any Restricted Subsidiary proportionate to the extent that such Indebtedness is guaranteed or secured by a Lien on assets of the Company or any Restricted Subsidiary, (vii) any capitalized interest and (viii) all other non-cash interest expense; *provided* that interest expense attributable to interest on any Indebtedness bearing a floating interest rate will be computed on a pro forma basis as if the rate in effect on the date of determination had been the applicable rate for the entire relevant period.

“*Consolidated Net Income*” means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with GAAP; *provided* that the following items shall be excluded in computing Consolidated Net Income (without duplication):

- (1) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting, except to the extent of the amount of net income actually paid in cash to, or the amount of loss actually funded in cash by, the specified Person or a Restricted Subsidiary of the Person during such period;
- (2) the net income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Company or any Restricted Subsidiary or all or substantially all of the property and assets of such Person are acquired by the Company or any Restricted Subsidiary;
- (3) the net income (but not loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter, articles of association or other similar constitutive documents, or any agreement, instrument, judgment, decree, order,

- (4) statute, rule or governmental regulation applicable to such Restricted Subsidiary;
- (5) the cumulative effect of a change in accounting principles;
- (6) any net after-tax gains realized on the sale or other disposition of (A) any property or assets of the Company or any Restricted Subsidiary which is not sold in the ordinary course of business or (B) any Capital Stock of any Person (including any gains by the Company realized on sales of Capital Stock of the Company or any Restricted Subsidiary);
- (7) any translation gains or losses due solely to fluctuations in currency values and related tax effects; and
- (8) any net after-tax extraordinary or non-recurring gains.

“*Consolidated Net Worth*” means, at any date of determination, stockholders’ equity as set forth on the most recently available semi-annual or annual consolidated balance sheet of the Company and its Restricted Subsidiaries, plus, to the extent not included, any Preferred Stock of the Company, less any amounts attributable to Disqualified Stock or any equity security convertible into or exchangeable for Indebtedness, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Company or any Restricted Subsidiary, each item to be determined in accordance with GAAP.

“*Consolidated Tangible Assets*” means, as of the date of determination, the aggregate of the total assets of the Company and its Restricted Subsidiaries, less intangible assets on a consolidated basis, as determined in conformity with GAAP as of the last day of the most recent semi-annual fiscal period for which consolidated financial statements of the Company (for which the Company shall use its best efforts to compile on a timely manner) are available, *provided* that, Consolidated Tangible Assets shall be calculated after giving pro forma effect to include (without duplication) the cumulative value of all Consolidated Tangible Assets the acquisition, development, expansion, construction or improvement of which requires or required the Incurrence of Indebtedness and the calculation of Consolidated Tangible Assets, as measured by the purchase price or cost therefor or budgeted cost provided in good faith by the Company or any Restricted Subsidiary to the bank or other similar financial institutional lender providing such Indebtedness.

“*Consultancy Agreement*” means any consultancy agreement entered into by a third party consultant on arms-length terms with the Company or any of its Restricted Subsidiaries which grants the consultant a co-invest right to purchase up to an aggregate of 9.9% of either the Voting Stock or economic interests (including options, warrants or other rights to purchase share of such Capital Stock) of any entity engaged or assets used in a Permitted Business, as approved by the Board of Directors, acquired by the Company or any of its Restricted Subsidiaries in one or a series of transactions.

“*Continuing*” means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

“*Credit Facilities*” means one or more debt facilities or commercial paper facilities, agreements, credit facility documentation or arrangements with banks, insurance companies or other institutional lenders or investors providing for revolving credit loans, term loans, receivables financing (including through the sale or factoring of receivables to such lenders or to special purpose entities formed to borrow from or issue securities to such lenders against such receivables), letters of credit or other forms of guarantees and assurances, including overdrafts, in each case, as amended, restated, modified, supplemented, renewed, refunded, replaced (whether upon or after termination or otherwise), refinanced, increased or extended in whole or in part from time to time and whether provided under one or more other credit agreements or financing agreements (without limitation as to amount outstanding or committed, or the maturity, terms, conditions, covenants, or other provisions thereof or parties thereto) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents).

“*Cross Border Secured Indebtedness*” means (i) Indebtedness the proceeds of which are disbursed in one jurisdiction but which Indebtedness or credit support therefor is guaranteed by a guarantor located in another jurisdiction, or secured by Liens over assets located in another jurisdiction, and (ii) any Guarantees or Indebtedness (including reimbursement obligations in respect of credit support) related to the Indebtedness referred to in clause (i).

“*Currency Agreement*” means any foreign exchange forward contract, currency swap agreement, currency hedge agreement, currency option agreement or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates.

"*Daan PSC*" has the meaning assigned to such term in the ACIA.

“*Default*” means any event that is, or after notice or passage of time or both would be, an Event of Default.

“*Disqualified Stock*” means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed prior to the date that is one year after the Stated Maturity of the Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the Stated Maturity of the Notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the date that is one year after the Stated Maturity of the Notes; *provided* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an “asset sale” or “change of control” occurring prior to the date that is one year after the Stated Maturity of the Notes shall not constitute Disqualified Stock if the “asset sale” or “change of control” provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in “—*Certain Covenants—Limitation on Asset Sales*” and “*Repurchase of Notes upon a Change of Control*” covenants and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Company’s repurchase of the Notes as are required to be repurchased pursuant to the “—*Certain Covenants—Limitation on Asset Sales*” and “*Repurchase of Notes upon a Change of Control*” covenants.

“*Dollar Equivalent*” means, with respect to any monetary amount in a currency other than US dollars, at any time for the determination thereof, the amount of US dollars obtained by converting such foreign currency involved in such computation into US dollars at the base rate for the purchase of US dollars with the applicable foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

"*Emir-Oil Sale*" means the sale by Palaeontol Coöperatief U.A., a company organized and existing under the laws of the Netherlands, of 40% of the issued share capital of Palaeontol B.V., a company organized and existing under the laws of the Netherlands and the investment holding company of Emir-Oil LLP, a company organized and existing under the laws of Kazakhstan, pursuant to the terms of the Emir-Oil SPA.

"*Emir-Oil SPA*" means the sale and purchase agreement dated January 20, 2022 among the Company, MIE Maple Investments Limited, Palaeontol Coöperatief U.A. as the seller and Hammer Capital Asia Limited as the purchaser.

“*Equity Offering*” means any underwritten primary public offering or private placement of Common Stock of the Company after the Original Issue Date to any Person other than a Wholly-Owned Restricted Subsidiary or any Permitted Holder; *provided* that the aggregate gross cash proceeds received by the Company from such transaction shall be no less than US\$20.0 million (or the Dollar Equivalent thereof).

“*Euroclear*” means Euroclear Bank SA/NV.

“*Exchange Act*” means the U.S. Securities Exchange Act of 1934, as amended.

"*Facility Agreements*" means the Senior Facility Agreement, the USD Facility Agreement and the HKD Facilities Agreement.

“*Fair Market Value*” means the price that would be paid in an arm’s-length transaction between an

informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution; *provided, however* for the purposes of determining Fair Market Value in connection with the covenant set forth under “—*Consolidation, Merger and Sale of Assets,*” the Company will obtain an independent third party appraisal of Fair Market Value.

"*Final Discharge Date*" has the meaning assigned to such term in the ACIA.

"*Finance Parties*" has the meaning assigned to such term in the ACIA.

"*First Repayment Allocation*" has the meaning assigned to such term in the ACIA.

"*Fitch*" means Fitch Inc.

"*Fixed Charge Coverage Ratio*" means, on any Transaction Date, the ratio of (1) the aggregate amount of Consolidated EBITDA for the then most recent two semi-annual fiscal periods prior to such Transaction Date for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available (the "**Two Semi-annual Period**") to (2) the aggregate Consolidated Fixed Charges during such Two Semi-annual Period. In making the foregoing calculation:

- (A) pro forma effect shall be given to any Indebtedness or Preferred Stock Incurred, repaid or redeemed during the period (the "**Reference Period**") commencing on and including the first day of the Two Semi-annual Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement (or under any predecessor revolving credit or similar arrangement) in effect on the last day of such Two Semi-annual Period), in each case as if such Indebtedness or Preferred Stock had been Incurred, repaid or redeemed on the first day of such Reference Period; *provided* that in the event of any such repayment or redemption, Consolidated EBITDA for such Two Semi-annual Period shall not include any interest income actually earned by the Company or such Restricted Subsidiary during such Two Semi-annual Period in respect of the funds used to repay or redeem such Indebtedness or Preferred Stock;
- (B) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a pro forma basis and bearing a floating interest rate shall be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;
- (C) pro forma effect shall be given to Asset Dispositions and Asset Acquisitions (including giving pro forma effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period;
- (D) pro forma effect shall be given to asset dispositions and asset acquisitions (including giving pro forma effect to the application of proceeds of any asset disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period;
- (E) pro forma effect shall be given to the creation, designation or re-designation of Restricted Subsidiaries and Unrestricted Subsidiaries as if such creation, designation or re-designation had occurred on the first day of such Reference Period; and
- (F) pro forma effect shall be given to any Permitted IPO as if such Permitted IPO occurred at the

beginning of the two full semi-annual fiscal periods for which such determination is being made;

provided that to the extent that clause (C) or (D) of this paragraph requires that pro forma effect be given to an Asset Acquisition or Asset Disposition (or asset acquisition or asset disposition), such pro forma calculation shall be based upon the two full semi-annual fiscal periods immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

“*GAAP*” means International Financial Reporting Standards as in effect from time to time. All ratios and computations contained or referred to in the Indenture shall be computed in conformity with GAAP applied on a consistent basis.

“*Gobi*” means Gobi Energy Limited.

“*Gobi Escrow Account (Offshore)*” means the account of Gobi held with the Gobi Offshore Account Bank with account number 40729435 or any replacement thereof pursuant to the Gobi Offshore Escrow Agreement.

“*Gobi Offshore Account Bank*” means Citibank, N.A., Hong Kong Branch or any other bank in Hong Kong agreed between Gobi and the Senior Lender.

“*Gobi Offshore Escrow Agreement*” means the escrow agreement between Gobi, the Gobi Offshore Account Bank and the Senior Lender entered into on June 12, 2017, as amended and restated on June 28, 2021 (and as further amended from time to time).

“*guarantee*” means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); provided that the term “*guarantee*” shall not include endorsements for collection or deposit in the ordinary course of business. The term “*guarantee*” used as a verb has a corresponding meaning.

“*Hedging Obligation*” of any Person means the obligations of such Person pursuant to any Commodity Agreement, Currency Agreement or Interest Rate Agreement.

“*HKD Facilities Agreement*” has the meaning given to such term in the ACIA.

“*HKD Finance Document*” has the meaning given to such term in the ACIA.

“*HKD Lender 5% ARR Fee Discharge Date*” has the meaning given to such term in the ACIA.

“*HKD Outstanding Principal Discharge Date*” has the meaning given to such term in the ACIA.

“*Holder*” means the Person in whose name a Note is registered in the Note register.

“*Incur*” means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided* that (1) any Indebtedness and Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (or fails to meet the qualifications necessary to remain an Unrestricted Subsidiary) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount shall not be considered an Incurrence of Indebtedness. The terms “*Incurrence*,” “*Incurred*” and “*Incurring*” have meanings correlative with the foregoing.

“*Indebtedness*” means, with respect to any Person at any date of determination (without duplication):

- (1) all indebtedness of such Person for borrowed money;
- (2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments (excluding cash collateralized notes payable as described in the Company’s financial statements);
- (3) all obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments;
- (4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;
- (5) all Capitalized Lease Obligations and Attributable Indebtedness;
- (6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided* that the amount of such Indebtedness shall be the lesser of (A) the Fair Market Value of such asset at such date of determination and (B) the amount of such Indebtedness;
- (7) all Indebtedness of other Persons guaranteed by such Person to the extent such Indebtedness is guaranteed by such Person;
- (8) to the extent not otherwise included in this definition, Hedging Obligations; and
- (9) all Disqualified Stock issued by such Person valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends.

The amount of Indebtedness of any Person at any time shall be the outstanding balance at such time of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided* that:

- (A) the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;
- (B) money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be “Indebtedness” so long as such money is held to secure the payment of such interest; and
- (C) that the amount of or the principal amount of Indebtedness with respect to any Hedging Obligation shall be equal to zero if Incurred pursuant to clause (b)(6) of the covenant described under the caption “—*Certain Covenants—Limitation on Indebtedness and Preferred Stock*”; *provided* that such amount shall be equal to the net amount payable if such Hedging Obligation terminated at or prior to that time due to a default by such Person.

“*Interest Rate Agreement*” means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates.

“*Investment*” means:

- (i) any direct or indirect advance, loan or other extension of credit to another Person,
- (ii) any capital contribution to another Person (by means of any transfer of cash or other property to

others or any payment for property or services for the account or use of others),

- (iii) any purchase or acquisition of Capital Stock, Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person, or
- (iv) any guarantee of any obligation of another Person to the extent such obligation is outstanding and to the extent guaranteed by such Person.

For the purposes of the provisions of the “—*Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries*” and “—*Certain Covenants—Limitation on Restricted Payments*” covenants: (i) the Company will be deemed to have made an Investment in an Unrestricted Subsidiary in an amount equal to the portion of the Fair Market Value of the assets (net of liabilities owed to any Person other than the Company or a Restricted Subsidiary and that are not guaranteed by the Company or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary at the time of such designation representing the percentage ownership of such Unrestricted Subsidiary at such time and (ii) any property transferred to or from any Person shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

“*Investment Grade*” means a rating of “AAA,” “AA,” “A” or “BBB,” as modified by a “+” or “-” indication, or an equivalent rating representing one of the four highest Rating Categories, by S&P, Fitch or any of their respective successors or assigns or a rating of “Aaa,” or “Aa,” “A” or “Baa,” as modified by a “1,” “2” or “3” indication, or an equivalent rating representing one of the four highest Rating Categories, by Moody’s or any of its successors or assigns or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Company as having been substituted for S&P or Fitch’s or both, as the case may be.

“*Lien*” means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

“*Material Adverse Effect*” means a material adverse effect on:

- (i) the business, operations, property, condition (financial or otherwise) or prospects of the Company and the Restricted Subsidiaries, taken as a whole;
- (ii) the ability of the Company to perform its obligations under the Notes Documents; or
- (iii) the validity or enforceability of, or the rights or remedies of the Holders under, the Notes Documents.

For the avoidance of doubt, any failure of the Daan PSC to remain valid, effective and binding at any time prior to the maturity date of the Notes (whether or not such maturity date is extended in accordance with the terms of the Notes) will constitute a Material Adverse Effect.

“*Measurement Date*” means the Original Issue Date.

“*MIE*” means MI Energy Corporation and its successors.

“*MIE New Ventures*” means MIE New Ventures Corporation and its successors.

“*Minimum Account Balance*” means US\$1,000,000.

“*Moody’s*” means Moody’s Investors Service, Inc. and its affiliates.

“*Net Cash Proceeds*” means:

- (a) with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or Temporary

Cash Investments, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Temporary Cash Investments and proceeds from the conversion of other property received when converted to cash or Temporary Cash Investments, net of:

- (1) brokerage commissions and other fees and expenses (including fees and expenses of counsel and financial or other professional advisors) related to such Asset Sale;
 - (2) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Company and its Restricted Subsidiaries, taken as a whole;
 - (3) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale; and
 - (4) appropriate amounts to be provided by the Company or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP; and
- (b) with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or Temporary Cash Investments, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or Temporary Cash Investments and proceeds from the conversion of other property received when converted to cash or Temporary Cash Investments, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"*Non-Guarantor Subsidiaries*" means all of the Restricted Subsidiaries that are not Subsidiary Guarantors.

"*Notes Documents*" means the Indenture and the Notes.

"*Notes Outstanding Principal Discharge Date*" means the first date on which all outstanding principal owed to the Holders has been fully and finally discharged.

"*Offer to Purchase*" means an offer to purchase the Notes by the Company from the Holders commenced by mailing a notice by first class mail, postage prepaid, to the Trustee and each Holder at its last address appearing in the Note register stating:

- (1) the provision of the Indenture pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a pro rata basis;
- (2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "**Offer to Purchase Payment Date**");
- (3) that any Note not tendered will continue to accrue interest pursuant to its terms;
- (4) that, unless the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;
- (5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled "*Option of the Holder to Elect Purchase*"

on the reverse side of the Note completed, to a tender agent (the “**Tender Agent**”) at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

- (6) that Holders will be entitled to withdraw their election if the Tender Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and
- (7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US\$1,000 or integral multiples of US\$1.

One Business Day prior to the Offer to Purchase Payment Date, the Company shall deposit with the Tender Agent money sufficient to pay the purchase price of all Notes or portions thereof to be accepted by the Company for payment on the Offer to Purchase Payment Date. On the Offer to Purchase Payment Date, the Company shall (a) accept for payment on a pro rata basis Notes or portions thereof tendered pursuant to an Offer to Purchase; and (b) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers’ Certificate specifying the Notes or portions thereof accepted for payment by the Company. The Tender Agent shall promptly mail to the Holders of Notes so accepted payment in an amount equal to the purchase price, and the Trustee shall promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US\$1,000 or integral multiples of US\$1. The Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations to the extent such laws and regulations are applicable, in the event that the Company is required to repurchase Notes pursuant to an Offer to Purchase.

The materials used in connection with an Offer to Purchase are required to contain or incorporate by reference information concerning the business of the Company and its Subsidiaries which the Company in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Company to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

“*Officers’ Certificate*” means a certificate signed by two Authorized Officers, provided that if a Subsidiary Guarantor has only one Authorized Officer, the certificate shall be signed by that Authorized Officer only.

“*Opinion of Counsel*” means a written opinion from legal counsel which is addressed to the Trustee, is in form and substance reasonably acceptable to the Trustee, and meets the requirements of the Indenture.

“*Original Consenting Noteholders*” means the entities named in Part B (*The Original Consenting Noteholders*) of schedule 2 (*The Original Consenting Creditors*) of the RSA as original consenting noteholders.

“*Original Issue Date*” means the date on which the Notes are originally issued under the Indenture.

“*Outstanding Principal*” means the principal amount outstanding under the Facility Agreements and/or the Notes (as applicable) from time to time and shall not include, for the avoidance of doubt, any ARR Fee.

“*Permitted Business*” means (1) the business of acquiring, exploiting, developing, producing, operating and disposing of interests in oil, natural gas, tight gas, shale oil, shale gas, liquid natural gas and other hydrocarbon and mineral properties or products produced in association with any of the foregoing; (2) the business of gathering, marketing, distributing, treating, processing, storing, refining, selling and transporting (including by

rail cars or pipelines) of any production from such interests or properties and products produced in association therewith and the marketing of oil, natural gas, other hydrocarbons and minerals obtained from unrelated Persons; (3) any other related energy business, including power generation and electrical transmission business, directly or indirectly, from oil, natural gas and other hydrocarbons and minerals produced substantially from properties in which the Company or its Restricted Subsidiaries, directly or indirectly, participates; (4) any business relating to oilfield sales and service; and (5) any business or activity relating to, arising from, or necessary, appropriate or incidental to the activities described in the foregoing clauses (1) through (4) of this definition.

“*Permitted Holders*” means any or all of the following:

- (1) Far East Energy Limited, Mr. Zhang Ruilin, Ms. Zhao Jiangbo and Mr. Zhao Jiangwei;
- (2) any Affiliate (other than an Affiliate as defined in clause (ii) or (iii) of the definition of “Affiliate”) of either of the Persons specified in clause (1) of this definition; and
- (3) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are more than 80% owned by Persons specified in clauses (1) and (2) of this definition.

“*Permitted Investment*” means:

- (1) any Investment in the Company or a Restricted Subsidiary;
- (2) any Investment in a Person which will, upon the making of such Investment, become a Restricted Subsidiary that is primarily engaged in a Permitted Business or be merged or consolidated with or into or transfer or convey all or substantially all its assets to the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business;
- (3) Temporary Cash Investments;
- (4) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;
- (5) stock, obligations or securities received in compromise or settlement of debts created in the ordinary course of business or satisfaction of judgments;
- (6) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;
- (7) any Investment pursuant to a Hedging Obligation designed solely to protect the Company or any Restricted Subsidiary against fluctuations in commodity prices, interest rates or foreign currency exchange rates and not for speculation;
- (8) receivables owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;
- (9) any securities or other Investments received as consideration in, or retained in connection with, sales or other dispositions of property or assets, including Asset Dispositions made in compliance with the covenant described under the caption “—*Certain Covenants—Limitation on Asset Sales*”;
- (10) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under the covenant described under the caption “—*Certain Covenants—Limitation on Liens*”;

- (11) Investments in securities of trade creditors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers;
- (12) advances to contractors and suppliers for the acquisition of assets or consumables or services in the ordinary course of a Permitted Business that are recorded as deposits or prepaid expenses on the Company's consolidated balance sheet;
- (13) deposits made in order to comply with statutory or regulatory obligations to maintain deposits for workers, compensation claims and other purposes specified by statute or regulation from time to time in the ordinary course of a Permitted Business;
- (14) deposits made in order to secure the performance of the Company or any of its Restricted Subsidiaries and prepayments made in connection with the acquisition of real property or land use rights by the Company or any Restricted Subsidiary, in each case, in the ordinary course of a Permitted Business;
- (15) Guarantees of Indebtedness Incurred in accordance with the covenant "*—Certain Covenants—Limitation on Indebtedness and Preferred Stock*";
- (16) other Investments which, when taken together with all other Investments pursuant to this clause (16) and then outstanding (i) will not exceed 25.0% of Total Assets and (ii) will be made into a Person primarily engaged in a Permitted Business, *provided* that this clause (ii) will not apply with respect to Investments made pursuant to this clause (16) that, in the aggregate, do not exceed an amount equal to 7.5% of Total Assets; and
- (17) any Investment made or resulting from the sale of Palaeontol B.V. in accordance with the terms of the Emir-Oil SPA.

"*Permitted IPO*" means an underwritten initial public offering of Common Stock (not Disqualified Stock) of any Restricted Subsidiary after the Original Issue Date on the SEHK, the London Stock Exchange, the New York Stock Exchange, Nasdaq or other internationally recognized stock exchange to any Person other than the Company or a Wholly-Owned Restricted Subsidiary; provided that (i) the aggregate gross cash proceeds received by the Restricted Subsidiary and any Restricted Subsidiary parent of such Restricted Subsidiary who participates in such offering as a selling shareholder from such transaction shall be no less than US\$50.0 million (or the Dollar Equivalent thereof) (excluding an amount of the cash proceeds received by a selling shareholder equal to the percentage ownership attributable to any minority shareholder interest in any such Restricted Subsidiary parent and cash proceeds received from any Permitted Holder) and (ii) as of the balance sheet date of the latest available semiannual financial statements of the Company, the aggregate As Adjusted Total Assets attributable to the Subsidiary Guarantors (calculated on an unconsolidated basis for each Subsidiary Guarantor, after intercompany eliminations and after giving pro forma effect to (x) the release of any Subsidiary Guarantee in such Permitted IPO and (y) any acquisition or disposition by the Company or any Subsidiary Guarantor that has occurred between such balance sheet date and the date of determination) shall be equal to or greater than 85% of the As Adjusted Total Assets.

"*Permitted Liens*" means:

- (1) Liens securing Indebtedness and other obligations under Credit Facilities to the extent such Indebtedness is permitted under clause (b)(1) under the "*—Certain Covenants—Limitation on Indebtedness and Preferred Stock*" covenant;
- (2) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

- (3) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;
- (4) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);
- (5) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and its Restricted Subsidiaries, taken as a whole;
- (6) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Company or its Restricted Subsidiaries relating to such property or assets;
- (7) any interest or title of a lessor in the property subject to any operating lease;
- (8) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person becomes, or becomes a part of, any Restricted Subsidiary; *provided* that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets acquired; *provided further* that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a Restricted Subsidiary;
- (9) Liens in favor of the Company or any Restricted Subsidiary;
- (10) Liens arising from attachment or the rendering of a final judgment or order against the Company or any Restricted Subsidiary that does not give rise to an Event of Default;
- (11) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;
- (12) Liens existing on the Original Issue Date;
- (13) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (b)(5) of the covenant described under the caption "*— Certain Covenants— Limitation on Indebtedness and Preferred Stock*"; *provided* that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced;
- (14) Liens (including extensions and renewals thereof) upon real or personal property acquired after the Original Issue Date of the Company or any Restricted Subsidiary; *provided* that (a) such Lien is created solely for the purpose of securing Indebtedness Incurred under clause (b)(7) of the covenant described under the caption "*—Certain Covenants—Limitation on Indebtedness and Preferred Stock,*"(b) such Lien is created prior to, at the time of or within 180 days after the later of the acquisition or the completion of development, construction or improvement of such property, (c) the principal amount of Indebtedness secured by such Lien does not exceed 100% of the cost of such property, development, construction or improvement and (d) such Lien shall not extend to or cover any property or assets other than such item of property and any improvements on such item; *provided* that, such Lien may cover other property or assets (instead of or in addition to such item of property or improvements) and the principal amount of Indebtedness secured by such Lien may exceed 100% of such cost if (x) such Lien is Incurred in the ordinary course of business and (y) at the time such Lien is Incurred, the aggregate book value of property or assets as of the last day of the most recent semi-annual fiscal period for which consolidated financial statements of the Company (which the Company shall use its best efforts to compile on a timely manner) are available or, if any such property or assets have been acquired since the date of such financial statements, the cost of such property or assets

subject to Liens Incurred pursuant to this clause (15), does not exceed 150% of the aggregate principal amount of Indebtedness secured by such Liens;

- (15) easements, rights-of-way, municipal and zoning ordinances or other restrictions as to the use of properties in favor of governmental agencies or utility companies that do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Company or any Restricted Subsidiary;
- (16) Liens encumbering customary initial deposits and margin deposits, and other Liens that are within the general parameters customary in the industry and incurred in the ordinary course of business, in each case, securing Indebtedness under Hedging Obligations permitted by clause (b)(6) of the covenant described under the caption “—*Certain Covenants—Limitation on Indebtedness and Preferred Stock*”;
- (17) Liens on deposits made in order to comply with statutory obligations to maintain deposits for workers’ compensation claims and other purposes specified by statute made in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;
- (18) Liens on deposits made in order to secure the performance of the Company or any of its Restricted Subsidiaries in connection with the acquisition of real property, land use rights or services related to a Permitted Business by the Company or any of its Restricted Subsidiaries in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;
- (19) Liens on property securing Indebtedness which is permitted to be Incurred under clause (b)(13) of the covenant “—*Certain Covenants—Limitation on Indebtedness and Preferred Stock*”;
- (20) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;
- (21) Liens in pipeline or pipeline facilities that arise under operation of law;
- (22) Liens arising under operating agreements, joint venture agreements, partnership agreements, oil and gas leases, farm-out agreements, division orders, contracts for the sale, transportation or exchange of oil or natural gas, utilization and pooling declarations and agreements, area of mutual interest agreements and other agreements that are customary in the Permitted Business;
- (23) Liens reserved in oil and gas mineral leases for bonus or rental payments and for compliance with the terms of such leases;
- (24) Liens over cash paid into an escrow account pursuant to any purchase arrangement as part of any permitted acquisition or disposal by the Company or a Restricted Subsidiary on condition that the cash paid into such escrow account in relation to such acquisition or disposal (x) does not represent more than 20.0% of the purchase price or sales price of such acquisition or disposal or (y) if greater than the amount specified in (x), such Liens exist for no more than 10 Business Days;
- (25) (i) Liens securing Cross Border Indebtedness permitted to be incurred under clause (b)(15) of the covenant “—*Certain Covenants—Limitation on Indebtedness and Preferred Stock*”; provided that the aggregate book value of any property or asset (as reflected in the most recent available consolidated financial statements of the Company or, if any such property or assets have been acquired since the date of such financial statements, the cost of such property or assets) subject to Liens incurred pursuant to this clause (26)(i) does not exceed 130% of the aggregate principal amount of Indebtedness secured by such Lien and (ii) Liens incurred on one or more bank accounts to secure Bank Deposit Secured Indebtedness;
- (26) Liens on cash collateralized accounts securing notes payable as described in the Company’s financial statements;
- (27) other Liens securing obligations in an aggregate amount not exceeding US\$5.0 million;

- (28) Liens to secure Indebtedness Incurred pursuant to clause (b)(7)(B)(ii) of the covenant described under the caption “—*Certain Covenants—Limitation on Indebtedness and Preferred Stock*”, provided that such Liens do not extend to any assets other than those of the Person merged into or consolidated with the Company or the Restricted Subsidiary; and
- (29) Liens to secure Indebtedness Incurred by a Non-Guarantor Subsidiary pursuant to clause (a) of the covenant described under the caption “—*Certain Covenants—Limitation on Indebtedness and Preferred Stock*”, provided that such Liens may not extend to any property or assets of the Company or any Subsidiary Guarantor.

“*Permitted Subsidiary Indebtedness*” means Indebtedness (other than Public Indebtedness) of, and all Preferred Stock issued by, the Non-Guarantor Subsidiaries, taken as a whole; provided that, on the date of the Incurrence of such Indebtedness and after giving effect thereto and the application of the proceeds thereof, the aggregate principal amount outstanding of all such Indebtedness (without duplication) and all Preferred Stock issued by Non-Guarantor Subsidiaries (excluding any Indebtedness of any Non-Guarantor Subsidiary permitted under clauses (b)(4), (b)(6), (b)(8), (b)(10) and (b)(12) of the covenant described under the caption “—*Certain Covenants—Limitation on Indebtedness and Preferred Stock*” does not exceed an amount equal to 15% of Total Assets.

“*Person*” means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

“*PRC*” means the People’s Republic of China, excluding Hong Kong Special Administrative Region, Macau and Taiwan.

“*Preferred Stock*” as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over any other class of Capital Stock of such Person.

“*Public Indebtedness*” means any bonds, debentures, notes or similar debt securities issued in a public offering or a private placement (other than the Notes) to institutional investors.

“*Rating Agencies*” means (i) S&P, (ii) Moody’s, (iii) Fitch and (iv) if none of S&P, Moody’s or Fitch make a rating of the Notes publicly available, one or more “nationally recognized statistical rating organizations,” as the case may be, as defined in Section 3(a)(62) under the Exchange Act, selected by the Company, which shall be substituted for S&P or Fitch or both, as the case may be.

“*Rating Category*” means (i) with respect to S&P or Fitch, any of the following categories: “BB,” “B,” “CCC,” “CC,” “C” and “D” (or equivalent successor categories); (ii) with respect to Moody’s, any of the following categories: “Ba,” “B,” “Caa,” “Ca,” “C” and “D” (or equivalent successor categories); and (iii) the equivalent of any such category of S&P or Moody’s used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories (“+” and “-” for S&P and Fitch; “1,” “2” and “3” for Moody’s; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P or Fitch, a decline in a rating from “BB +” to “BB,” as well as from “BB-” to “B+,” will constitute a decrease of one gradation).

“*Renminbi*” or “*RMB*” means the lawful currency of the PRC.

“*Restricted Subsidiary*” means any Subsidiary of the Company other than an Unrestricted Subsidiary.

“*Restructuring Effective Date*” has the meaning given to such term in the ACIA.

“*RSA*” means the restructuring support agreement dated October 28, 2021 between, among others, the Company, Gobi, Chow Tsz Nga Georgia, Margot MacInnis and Mat Ng as the Joint Provisional Liquidators, the entities named in Part A of Schedule 1 thereto as the Original Security Providers, the entities named in Part B of Schedule 1 thereto as the Original Guarantors and the original consenting creditors named therein, as amended or

varied from time to time, including by the accession or cessation of parties thereto.

“S&P” means Standard & Poor’s Ratings Services and its affiliates.

“*Sale and Leaseback Transaction*” means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Company or any Restricted Subsidiary transfers such property to another Person and the Company or any Restricted Subsidiary leases it from such Person.

"*Second Repayment Allocation*" has the meaning given to such term in the ACIA.

"*Security*" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"*Senior 5% ARR Fee*" has the meaning given to such term in the ACIA.

"*Senior 11% ARR Fee*" has the meaning given to such term in the ACIA.

"*Senior 5% ARR Fee Discharge Date*" has the meaning given to such term in the ACIA.

"*Senior 11% ARR Fee Discharge Date*" has the meaning given to such term in the ACIA.

"*Senior Facility Agreement*" has the meaning given to such term in the ACIA.

"*Senior Finance Document*" has the meaning given to such term in the ACIA.

“*Senior Indebtedness*” of the Company or any Restricted Subsidiary, as the case may be, means all Indebtedness of the Company or such Restricted Subsidiary, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be subordinated in right of payment to (a) in respect of the Company, the Notes or (b) in respect of any Restricted Subsidiary that is a Subsidiary Guarantor, its Subsidiary Guarantee; provided that Senior Indebtedness does not include (i) any obligation to the Company or any Restricted Subsidiary, (ii) trade payables or (iii) Indebtedness Incurred in violation of the Indenture.

"*Senior Lender*" has the meaning given to such term in the ACIA.

"*Senior Minimum Payable*" has the meaning given to such term in the ACIA.

"*Senior Outstanding Principal Discharge Date*" means the first date on which all Outstanding Principal owed to the Senior Lender has been fully and finally discharged.

"*Settlement Date*" means June 30 and December 31 each calendar year.

"Settlement Date Available Cash" means, in relation to any Settlement Date, the sum of:

- (1) all amounts standing to the credit of the Gobi Escrow Account (Offshore) and the Cashflow Control Account on such Settlement Date, *less*
- (2) the amount of any Permitted Payments (as defined in the ACIA) to be (but have not yet been) made on such Settlement Date other than Permitted Payments in respect of Outstanding Principal and/or the ARR Fees (if any) to be made on that Settlement Date, *less*
- (3) the Minimum Account balance.

"*Settlement Record Date*" has the meaning specified in the Form of Note attached hereto as Exhibit A (in the case of a Certificated Note) and Exhibit B (in the case of a Global Note).

"*Share Award Scheme*" means the Company's 2015 Share Award Scheme, as described in the Company's 2020 annual report filed with the Hong Kong Stock Exchange on April 29, 2021.

“*Significant Subsidiary*” means any Restricted Subsidiary that would be a “Significant Subsidiary” of the Company within the meaning of Rule 1-02 under Regulation S-X promulgated by the SEC replacing references therein to 10% with 5%.

“*Stated Maturity*” means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Indebtedness.

“*Subordinated Indebtedness*” means any Indebtedness of the Company or any Subsidiary Guarantor which is contractually subordinated or junior in right of payment to the Notes or any Subsidiary Guarantee, as applicable, pursuant to a written agreement to such effect.

“*Subsidiary*” means, with respect to any Person, any corporation, association or other business entity (i) of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person or (ii) of which 50% of the outstanding Voting Stock is owned, directly or indirectly, by such Person and which is “controlled” and consolidated by such Person in accordance with GAAP; *provided, however*, that with respect to clause (ii) the occurrence of any event (other than the issuance or sale of Capital Stock) as a result of which such corporation, association or other business entity ceases to be “controlled” by such Person under GAAP and to constitute a Subsidiary of such Person shall be deemed to be a designation of such corporation, association or other business entity as an Unrestricted Subsidiary by such Person and be subject to the requirements under the first paragraph of “— *Designation of Restricted and Unrestricted Subsidiaries*” covenant.

“*Subsidiary Guarantee*” means any guarantee of the obligations of the Company under the Indenture and the Notes by any Subsidiary Guarantor.

“*Subsidiary Guarantor*” means any initial Subsidiary Guarantor named herein and any other Restricted Subsidiary which guarantees the payment of the Notes pursuant to the Indenture and the Notes; *provided* that Subsidiary Guarantor will not include any Person whose Subsidiary Guarantee has been released in accordance with the Indenture and the Notes.

“*Temporary Cash Investment*” means any of the following:

- (1) direct obligations of the United States of America, any state of the European Economic Area, the PRC and Hong Kong or any agency of the foregoing or obligations fully and unconditionally guaranteed by the United States of America, any state of the European Economic Area, the PRC and Hong Kong or any agency of the foregoing, in each case maturing within one year;
- (2) time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America or any state thereof, any state of the European Economic Area, Hong Kong, the PRC (to the extent such amounts are permitted under current laws of the PRC to be freely remitted out of the PRC) or Canada and which bank or trust company has capital, surplus and undivided profits aggregating in excess of US\$100.0 million (or the Dollar Equivalent thereof) and has outstanding debt which is rated “A” (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Section 3(a)(62) of the Exchange Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor;
- (3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (2) above;
- (4) commercial paper, maturing within 180 days of the date of acquisition thereof, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of

the United States of America, any state thereof or any foreign country, including Hong Kong, with a rating at the time as of which any investment therein is made of “P-1” (or higher) according to Moody’s or “A-1” (or higher) according to S&P;

- (5) securities, maturing within one year of the date of acquisition thereof, issued or fully and unconditionally guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof and rated at least “A” by S&P or Moody’s;
- (6) any mutual fund that has at least 95% of its assets continuously invested in investments of the types described in clauses (1) through (5) above; and
- (7) time deposit accounts, certificates of deposit, overnight or call deposits and money market deposits with (i) Agricultural Bank of China, Bank of China, Bank of Communications, China Construction Bank, China Development Bank, China Citic Bank, China Minsheng Bank, Hongkong and Shanghai Banking Corporation, Industrial and Commercial Bank of China and Pudong Development Bank (ii) any other bank or trust company organized under the laws of the PRC or Hong Kong, whose long-term debt rating by Moody’s or S&P is as high or higher than any of those banks listed on clause (i) of this paragraph, (iii) any other commercial bank whose long-term rating is “Baa1” (or higher) according to Moody’s or “BBB+” (or higher) according to S&P, (iv) JSC Bank CenterCredit; *provided* that, in the case of each of clauses (iii) and (iv), such deposits do not exceed US\$50.0 million (or the Dollar Equivalent thereof) in the aggregate on any date of determination.

"*Third Repayment Allocation*" has the meaning given to such term in the ACIA.

"*Total Assets*" means, as of any date, the total consolidated assets of the Company and its Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent semiannual fiscal period for which consolidated financial statements of the Company (which the Company shall use its best efforts to compile on a timely manner) are available; *provided* that Total Assets shall be calculated after giving pro forma effect to include (without duplication) the cumulative value of all of the real or personal property or equipment the acquisition, development, construction or improvement of which requires or required the Incurrence of Indebtedness and the calculation of Total Assets, as measured by the purchase price or cost therefor or budgeted cost provided in good faith by the Company or any Restricted Subsidiary to the bank or other similar financial institutional lender providing such Indebtedness, including with respect to the Incurrence of any Acquired Indebtedness as a result of any Person becoming a Restricted Subsidiary, the consolidated assets of such Restricted Subsidiary and any other change to the consolidated assets of the Company as a result of such Person becoming a Restricted Subsidiary.

"*Trade Payables*" means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services and payable within 90 days.

"*Transaction Date*" means, with respect to the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

"*Transaction Document*" means any Senior Finance Document, any USD Finance Document, any HKD Finance Document and any Notes Document.

"*Transaction Security*" has the meaning assigned to such term in the ACIA.

"*Unrestricted Subsidiary*" means (1) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided in the Indenture and (2) any Subsidiary of an Unrestricted Subsidiary.

"*USD Facility Agreement*" has the meaning given to such term in the ACIA.

"*USD Finance Document*" has the meaning given to such term in the ACIA.

"*USD Lender 5% ARR Fee Discharge Date*" has the meaning given to such term in the ACIA.

"*USD Outstanding Principal Discharge Date*" has the meaning given to such term in the ACIA.

"*U.S. Government Obligations*" means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the holder thereof at any time prior to the Stated Maturity of the Notes, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

"*Voting Stock*" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"*Wholly-Owned*" means, with respect to any Subsidiary of any Person, the ownership of 100% of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law or a minimum number of shares owned by a second shareholder as mandated by applicable law) by such Person or one or more Wholly-Owned Subsidiaries of such Person.

TRANSFER RESTRICTIONS

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the Notes.

The Notes and the Subsidiary Guarantees have not been and will not be registered under the Securities Act and may not be offered, sold or delivered within the United States (as defined in Regulation S) or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

By your acceptance of a Note, you will be deemed to have made the following acknowledgements, representations to and agreements with the Company:

1. You understand and acknowledge that:
 - the Notes have not been and will not be registered under the Securities Act or any other applicable securities laws;
 - the Notes are being offered for resale in transactions that do not require registration under the Securities Act or any other securities laws;
 - the Notes are being offered and sold only to non-U.S. persons (as defined in Regulation S under the Securities Act) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act; and
 - unless so registered, the Notes may not be sold or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or any other applicable securities laws.
2. You represent that you are not an affiliate (as defined in Rule 144 under the Securities Act) of the Company, that you are not acting on the Company's behalf, that you are not a U.S. person (as defined in Regulation S under the Securities Act) or receiving the Notes for the account or benefit of a U.S. person and you are receiving the Notes in an offshore transaction in accordance with Regulation S.
3. You acknowledge that neither the Company nor any person representing it has made any representation to you with respect to the Company, the offering or the Notes, other than the information contained in this Listing Documents and in the documentation related to the Scheme. You represent that you are relying only on this Listing Document and the documentation related to the Scheme in making your investment decision with respect to the Notes. You agree that you have had access to such financial and other information concerning the Company and the Notes as you have deemed necessary in connection with your decision to purchase the Notes, including the opportunity to ask questions of and request information from the Company.
4. You represent that you are acquiring the Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case not with a view to, or for offer or sale in connection with, any distribution of the Notes in violation of the Securities Act.
5. You acknowledge that each Note will contain a legend substantially to the following effect:

THIS NOTE AND THE GUARANTEES RELATED TO THIS NOTE (TOGETHER, THIS "SECURITY") HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED,

SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, SUCH REGISTRATION.

THE HOLDER OF THIS SECURITY, BY ITS ACCEPTANCE HEREOF, AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED SECURITIES, TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY, PRIOR TO THE DATE (THE "RESALE RESTRICTION TERMINATION DATE") THAT IS 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE COMPANY OR ANY AFFILIATE OF THE COMPANY WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR TO SUCH SECURITY), ONLY (A) TO THE COMPANY, (B) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) PURSUANT TO OFFERS AND SALES THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, OR (D) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT, SUBJECT TO THE COMPANY'S AND THE TRUSTEE'S RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. BY ITS ACQUISITION HEREOF, THE HOLDER HEREOF REPRESENTS THAT IT IS NOT A U.S. PERSON NOR IS IT PURCHASING FOR THE ACCOUNT OF A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT.

6. You acknowledge that the Company and others will rely upon the truth and accuracy of the above acknowledgements, representations and agreements. You agree that if any of the acknowledgements, representations or agreements you are deemed to have made by your purchase of the Notes is no longer accurate, you will promptly notify the Company. If you are receiving any Notes as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each of those accounts and that you have full power to make the above acknowledgements, representations and agreements on behalf of each account.

LISTING OF THE NOTES

Application will be made for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Listing Document. Admission of the Notes to the Official List of the SGX-ST or the listing or quotation of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Notes, the guarantees therein, the Company, the Subsidiary Guarantors or their respective or associated companies, if any.

The Notes will be traded on the SGX-ST in a minimum board lot size of US\$200,000 (or its equivalent in other currencies) for as long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require.

For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Company will appoint and maintain a paying agent in Singapore where the Notes may be presented or surrendered for payment or redemption in the event that a Global Note is exchanged for definitive Notes. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange shall be made by or on behalf of the Company through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the paying agent in Singapore.

The Company and the Subsidiary Guarantors accept responsibility for the information contained in this Listing Document. Each of the Company and the Subsidiary Guarantors declares that, so the best of its knowledge, except as otherwise noted, the information contained in this Listing Document is in accordance with the facts and does not omit anything likely to affect the import of this Listing Document. This Listing Document may only be used for the purposes for which it has been published.

THE COMPANY

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Cayman Islands

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22/F Prince's Building
Central, Hong Kong

TRUSTEE

Madison Pacific Trust Limited
54/F, Hopewell Centre
183 Queen's Road East
Wan Chai, Hong Kong

PRINCIPAL PAYING AND TRANSFER AGENT

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c/o Citibank N.A., Dublin Branch
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Dublin 1, Ireland

REGISTRAR

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