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CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Website: www.citicresources.com

(Stock Code: 1205)

DISCLOSEABLE TRANSACTION

CONVERSION OF PARTICIPATING INTEREST IN THE KONGNAN BLOCK, DAGANG OIL PROJECT INTO COMMON SHARES OF IVANHOE ENERGY INC. AND LOAN DUE FROM IVANHOE ENERGY INC.

Richfirst has agreed with Pan-China, Ivanhoe Energy and Sunwing Energy that it shall convert the Participating Interest, having a value of US\$27,386,135 (HK\$213,611,853), into Ivanhoe Shares and the Ivanhoe Loan.

US\$20,000,000 (HK\$156,000,000) of the value of the Participating Interest shall be converted into the Conversion Shares, being 8,591,434 Ivanhoe Shares and representing about 3.7% of all Ivanhoe Shares issued and outstanding following completion of the conversion, and the remaining value of the Participating Interest of US\$7,386,135 (HK\$57,611,853) shall be converted into the Ivanhoe Loan which shall be repayable by Ivanhoe Energy to Richfirst.

Each Conversion Share shall be issued to Richfirst at an issue price of US\$2.3279 (HK\$18.1576).

The Ivanhoe Loan is interest free and shall be payable by Ivanhoe Energy by 35 monthly instalments of US\$205,000 (HK\$1,599,000) each and a final instalment of US\$211,135 (HK\$1,646,853).

As the applicable percentage ratios concerning the conversion by Richfirst of the Participating Interest into Ivanhoe Shares and the Ivanhoe Loan exceed 5% but are less than 25%, the conversion by Richfirst of the Participating Interest constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

A circular containing details relating to, amongst other things, the conversion of the Participating Interest into Ivanhoe Shares and the Ivanhoe Loan and information on Ivanhoe Energy and Sunwing Energy will be despatched to Shareholders as soon as practicable.

BACKGROUND

In 2004, Starbest acquired the entire issued share capital of Richfirst. Richfirst's sole asset is the Participating Interest, representing 40% of the Contractor's rights and obligations in the Petroleum Contract regarding the development and production of oil in the Dagang Oil Project, held by Richfirst pursuant to the Farmout Agreement and Joint Operating Agreement. Details of the acquisition of Richfirst by Starbest and in respect of the Participating Interest were disclosed by the Company in its circular to shareholders dated 11 August 2004 and the acquisition of Richfirst by Starbest was approved by Shareholders in a special general meeting on 26 August 2004.

Pursuant to the Farmout Agreement, Richfirst has a right to convert the Participating Interest into Ivanhoe Shares.

The Directors wish to announce that on 18 February 2006, Richfirst entered into the Conversion Agreement pursuant to which Richfirst has agreed with Pan-China, Ivanhoe Energy and Sunwing Energy that it shall convert the Participating Interest, having a value of US\$27,386,135 (HK\$213,611,853), into Ivanhoe Shares and the Ivanhoe Loan.

CONVERSION AGREEMENT

Date

18 February 2006

Parties to Agreement

- (1) Ivanhoe Energy
- (2) Pan-China
- (3) Sunwing Energy
- (4) Richfirst

To the best of the Directors' information, knowledge and belief, and having made all reasonable enquiries, Ivanhoe Energy and its ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

The Directors believe that the terms of the Conversion Agreement are fair and reasonable and in the interests of Shareholders as a whole.

Part Conversion of Participating Interest into Ivanhoe Shares

As at the date of the Conversion Agreement, the book value of the Participating Interest is US\$27,386,135 (HK\$213,611,853). There will be no gain or loss arising from the conversion of the Participating Interest.

Pursuant to the Conversion Agreement, Richfirst shall convert US\$20,000,000 (HK\$156,000,000) of the value of the Participating Interest into the Conversion Shares, being 8,591,434 Ivanhoe Shares and representing about 3.7% of all Ivanhoe Shares issued and outstanding following completion of the conversion.

Each Conversion Share shall be issued to Richfirst at an issue price of US\$2.3279 (HK\$18.1576). This issue price has been determined in accordance with the Farmout Agreement and represents the volume weighted average trading price per Ivanhoe Share for the 30 trading days on the Toronto Stock Exchange leading up to and including 16 February 2006.

The closing price per Ivanhoe Share on the Toronto Stock Exchange on 17 February 2006, the trading day on the Toronto Stock Exchange immediately preceding the date of the Conversion Agreement, was C\$2.79 (HK\$18.73).

Limits on Sale of Conversion Shares

Richfirst has agreed to limit the sales of Conversion Shares during the Restricted Sales Period and shall not:

- (A) during any period of five consecutive trading days, sell more than 250,000 Conversion Shares; and
- (B) during any period of 20 consecutive trading days, sell more than 750,000 Conversion Shares.

Part Conversion of Participating Interest into Ivanhoe Loan

Pursuant to the Conversion Agreement, Richfirst shall, after converting US\$20,000,000 (HK\$156,000,000) of the value of the Participating Interest into the Conversion Shares, convert the remaining value of the Participating Interest of US\$7,386,135 (HK\$57,611,853) into the Ivanhoe Loan which shall be repayable by Ivanhoe Energy to Richfirst.

The Ivanhoe Loan is interest free and shall be payable by Ivanhoe Energy by 35 monthly instalments of US\$205,000 (HK\$1,599,000) each and a final instalment of US\$211,135 (HK\$1,646,853). The terms of the Ivanhoe Loan were negotiated between Ivanhoe Energy and Richfirst on an arm's length basis.

Conversion of Ivanhoe Loan into Sunwing Shares

Pursuant to the Conversion Agreement, if, at any time whilst the Ivanhoe Loan is outstanding, the Sunwing Listed Entity effects a Qualifying Sunwing Listing Transaction, Ivanhoe Energy shall have the right to require Richfirst to apply the Ivanhoe Loan (or such amount thereof as shall be outstanding) to subscribe for Sunwing Shares in the Qualifying Sunwing Listing Transaction.

The subscription price payable by Richfirst in respect of each Sunwing Share in the Qualifying Sunwing Listing Transaction shall be a price equal to the issue price of each Sunwing Share issued in the Qualifying Sunwing Listing Transaction, less a 10% discount.

Reassignment of Participating Interest to Pan-China

Following conversion of the Participating Interest into Ivanhoe Shares and the Ivanhoe Loan, the Participating Interest shall be deemed to have been re-assigned to Pan-China.

REASONS FOR THE CONVERSION BY RICHFIRST

Richfirst views the conversion to be in the interests of the Company as it will provide Richfirst with exposure to all of Ivanhoe Energy's oil and energy interests and not just the Dagang Oil Project.

INFORMATION ON IVANHOE ENERGY, SUNWING ENERGY AND PAN-CHINA

Ivanhoe Energy is an independent international oil and gas exploration and development company building long-term growth in its reserve base and production. Core operations are in the United States and the PRC, with business development opportunities worldwide. Ivanhoe Shares are quoted and listed on the NASDAQ Capital Market and the Toronto Stock Exchange respectively.

Based on its audited financial statements for the two years ended 31 December 2003 and 2004, the total assets of Ivanhoe Energy were US\$106,574,000 (HK\$831,277,200) and US\$118,486,000 (HK\$924,190,800) respectively.

Based on its audited financial statements for the two years ended 31 December 2003 and 2004, the net loss of Ivanhoe Energy was US\$30,179,000 (HK\$235,396,200) and US\$20,725,000 (HK\$161,655,000) respectively.

Sunwing Energy is the corporate flagship for Ivanhoe Energy's operations in the PRC. Sunwing Energy's interests include enhanced oil recovery operations in the Dagang Oil Project and a gas exploration on the 900,000-acre Zitong block in Sichuan Province, the PRC.

Pan-China is a wholly-owned subsidiary of Sunwing Energy. It is the operator of the Dagang Oil Project.

INFORMATION ON THE COMPANY AND RICHFIRST

The Company is an integrated provider of key energy resources and commodities.

Richfirst is an indirect wholly-owned subsidiary of the Company. Based on its audited financial statements for the year ended 31 December 2004, the net asset value and the net profit of Richfirst were US\$666,000 (HK\$5,194,800) and US\$666,000 (HK\$5,194,800) respectively.

DISCLOSEABLE TRANSACTION

As the applicable percentage ratios concerning the conversion by Richfirst of the Participating Interest into Ivanhoe Shares and the Ivanhoe Loan exceed 5% but are less than 25%, the conversion by Richfirst of the Participating Interest constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

A circular containing details relating to, amongst other things, the conversion of the Participating Interest into Ivanhoe Shares and the Ivanhoe Loan and information on Ivanhoe Energy and Sunwing Energy will be despatched to Shareholders as soon as practicable.

The circular will also be published on the respective websites of the Stock Exchange and the Company.

DEFINITIONS

“Board”	the board of Directors
“Company”	CITIC Resources Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
“Contractor”	the contractor under the Petroleum Contract
“Conversion Agreement”	an agreement dated 18 February 2006 and made between Ivanhoe Energy, Pan-China, Sunwing Energy and Richfirst
“Conversion Shares”	8,591,434 Ivanhoe Shares
“Dagang Oil Project”	the development and production of oil at the Kongnan Block within the Dagang Oilfield, the PRC pursuant to the Petroleum Contract
“Directors”	the directors of the Company
“Farmout Agreement”	a farmout agreement dated 18 January 2004, as amended and supplemented by three supplemental agreements dated 15 December 2005, 17 January 2006 and 17 February 2006 respectively, and each made between Richfirst, Pan-China, Sunwing Energy and Ivanhoe Energy and relating to the assignment of the Participating Interest to Richfirst from Pan-China
“Ivanhoe Energy”	Ivanhoe Energy Inc., a company incorporated in the Yukon, Canada
“Ivanhoe Loan”	the sum of US\$7,386,135 repayable by Ivanhoe Energy to Richfirst
“Ivanhoe Shares”	common shares in the share capital of Ivanhoe Energy which are quoted and listed on NASDAQ Capital Market and the Toronto Stock Exchange respectively
“Joint Operating Agreement”	a joint operating agreement dated 18 January 2004 and made between Richfirst and Pan-China relating to the ongoing participation in the Dagang Oil Project
“Kongnan Block”	an area comprising of six blocks covering 22,400 gross acres within the Dagang Oilfield, the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Pan-China”	Pan-China Resources Ltd., a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Sunwing Energy

“Participating Interest”	the interest of Richfirst in, and representing 40% of, the Contractor’s rights and obligations in the Petroleum Contract
“Petroleum Contract”	a 30-year petroleum development and production sharing contract dated 8 September 1997 (as amended) entered into between Pan-China and China National Petroleum Corporation for the development of and production of petroleum in the Kongnan Block
“PRC”	the People’s Republic of China
“Qualifying Sunwing Listing Transaction”	a transaction involving the issue of Sunwing Shares by the Sunwing Listed Entity and their listing on the New York Stock Exchange or NASDAQ or such other exchange as shall be approved by Richfirst
“Restricted Sales Period”	the period of 12 months following the date of the Conversion Agreement
“Richfirst”	Richfirst Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Shareholders”	holders of shares of HK\$0.05 each in the share capital of the Company
“Starbest”	Starbest Venture Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunwing Energy”	Sunwing Energy Ltd., a company incorporated in Bermuda with limited liability and a wholly-owned subsidiary of Ivanhoe Energy
“Sunwing Listed Entity”	Sunwing Energy or a company owning all of the issued and outstanding shares of Sunwing Energy
“Sunwing Shares”	shares in the capital of the Sunwing Listed Entity
“United States”	the United States of America
“C\$”	Canadian dollars, the lawful currency of Canada
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of the United States

In this announcement, amounts in US\$ have been converted into HK\$ or vice versa at the rate of US\$1.00 = HK\$7.8 and amounts in C\$ into HK\$ or vice versa at the rate of C\$1.00 = HK\$6.713 for illustration purposes only. No representation is made that any amounts in US\$, C\$ or HK\$ have been or could have been or can be converted at the above rate or at any other rates or at all.

By Order of the Board
CITIC Resources Holdings Limited
Kwok Peter Viem
Chairman

Hong Kong, 21 February 2006

As at the date of this announcement, the executive directors of the Company are Mr. Kwok Peter Viem; Mr. Ma Ting Hung; Mr. Shou Xuancheng; Mr. Sun Xinguo; Ms. Li So Mui; Mr. Mi Zengxin; Mr. Qiu Yiyong; Mr. Zeng Chen and Mr. Zhang Jijing and the independent non-executive directors are Mr. Fan Ren Da, Anthony and Mr. Tsang Link Carl, Brian.

Please also refer to the published version of this announcement in The Standard.