



CITIC RESOURCES HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

Website: www.citicresources.com

(Stock Code: 1205)

COMPLETION OF ACQUISITION OF A 51% PARTICIPATING INTEREST IN THE SERAM ISLAND NON-BULA BLOCK, INDONESIA

GRANT OF PUT OPTION BY CITIC SERAM IN RESPECT OF A 2.5% PARTICIPATING INTEREST IN THE SERAM ISLAND NON-BULA BLOCK, INDONESIA

Completion of Acquisition of a 51% Participating Interest

On 23 November 2006, CITIC Seram completed the acquisition of the Participating Interest from KUFPEC. As of the same date, CITIC Seram became the Operator responsible for the day to day petroleum operations at the Seram Non-Bula Block.

Grant of Put Option by CITIC Seram in respect of a 2.5% Participating Interest

CITIC Seram has granted to Lion the Put Option, pursuant to which Lion has the right (but not the obligation) to sell to CITIC Seram, and require CITIC Seram to acquire, the Lion Participating Interest for a consideration of US\$4,774,510 (HK\$37,241,178), subject to adjustment.

BACKGROUND

Reference is made to the Announcement and the Circular.

COMPLETION OF ACQUISITION OF A 51% PARTICIPATING INTEREST IN THE SERAM NON-BULA BLOCK

The Directors are pleased to announce that, on 23 November 2006, CITIC Seram completed the acquisition of the Participating Interest from KUFPEC.

OPERATOR OF THE SERAM NON-BULA BLOCK

As of Completion on 23 November 2006, CITIC Seram has assumed the position of Operator under the Joint Operating Agreement responsible for the day to day petroleum operations at the Seram Non-Bula Block.

GRANT OF PUT OPTION BY CITIC SERAM IN RESPECT OF A 2.5% PARTICIPATING INTEREST

The Directors also wish to announce that CITIC Seram has granted to Lion the Put Option, pursuant to which Lion has the right (but not the obligation) to sell to CITIC Seram, and require CITIC Seram to acquire, the Lion Participating Interest.

Parties to the Put Option Agreement

- (1) Lion
- (2) CITIC Seram

Date

8 November 2006

Reason for Grant of the Put Option

The acquisition of the Participating Interest by CITIC Seram and the change in the Operator from KUFPEC to CITIC Seram pursuant to the Sale and Purchase Agreement required the approval of Lion. As a condition of the grant of Lion's approval, Lion required an option to sell the Lion Participating Interest and, in order to obtain Lion's approval necessary for the sale and assignment of the Participating Interest and change in Operator from KUFPEC to CITIC Seram, CITIC Seram agreed to grant the Put Option to Lion. No premium is payable by Lion or CITIC Seram in respect of the grant of the Put Option.

Exercise Period

The Put Option may be exercised by Lion at any time during the Exercise Period. If the Put Option is exercised by Lion during the Exercise Period, CITIC Seram shall acquire the Lion Participating Interest with effect from the Exercise Date.

If the Put Option is not exercised by Lion during the Exercise Period, the Put Option shall lapse on the expiry of the Exercise Period.

Purchase Price

The purchase price payable by CITIC Seram to Lion to acquire the Lion Participating Interest on the exercise of the Put Option is US\$4,774,510 (HK\$37,241,178), subject to adjustment, and shall be paid by CITIC Seram to Lion in cash at the Put Option Completion.

The purchase price has been determined on a pro rata basis by reference to the purchase price payable by CITIC Seram to KUFPEC in respect of the Participating Interest. As CITIC Seram will, on the exercise of the Put Option, acquire the Lion Participating Interest with effect from the Exercise Date, all income and other benefits that have been received, and all costs and expenses that have been incurred, by Lion in respect of the Lion Participating Interest during the period from the Exercise Date to the date of the Put Option Completion shall (as the case may be) belong to or be borne by CITIC Seram. The purchase price payable by CITIC Seram to Lion will be adjusted following the Put Option Completion by deducting income payable by Lion to CITIC Seram and adding any costs that should be reimbursed by CITIC Seram to Lion. No other adjustment is required to be made to the purchase price.

The purchase price shall be funded from internal resources of the Company and existing banking facilities.

Conditions Precedent

The Put Option Completion is conditional upon the satisfaction of the following conditions precedent:

- (A) if applicable, the obtaining of the required approvals of the shareholders of Lion Energy in accordance with the requirements of ASX Listing Rule 11, which shall be obtained at a general meeting of shareholders of Lion Energy held within 60 days from the Exercise Date, or such extended period as agreed by Lion and CITIC Seram;
- (B) receipt of all consents and approvals (if required under Indonesian law) by CITIC Seram, in the form of a letter, of the Government of Indonesia and/or BPMIGAS with respect to the sale and assignment of the Lion Participating Interest from Lion to CITIC Seram;
- (C) approval (in form and substance satisfactory to CITIC Seram, acting reasonably) by KUFPEC as required under Clause 13.2 of the Joint Operating Agreement of the sale and assignment of the Lion Participating Interest from Lion to CITIC Seram (as evidenced by the execution by KUFPEC of the deed of assignment); and
- (D) if completion of the GPI Sale occurs before the Put Option Completion, approval (in form and substance satisfactory to CITIC Seram, acting reasonably) by GPI as required under Clause 13.2 of the Joint Operating Agreement of the sale and assignment of the Lion Participating Interest from Lion to CITIC Seram (as evidenced by the execution by GPI of the deed of assignment).

In the event any of the conditions precedent set out above is not satisfied by the Put Option Long Stop Date, either Lion or CITIC Seram may give notice to the other terminating the exercise of the Put Option unless it has failed to perform or observe in any material respect its covenants and agreements under the Put Option Agreement so as to cause the Put Option Completion to fail to occur.

Participants' Interests in the Contractor's Rights and Obligations in the Production Sharing Contract following the Put Option Completion

If the Put Option Completion occurs, the participants holding interests in the Contractor's rights in the Production Sharing Contract and the Joint Operating Agreement will be as follows:

Name of participant	Participating interest
CITIC Seram	53.5%
KUFPEC	30.0%
GPI	16.5%

The costs relating to the development and production at the Seram Non-Bula Block shall be borne by the participants in accordance with their respective participating interests in the Contractor's rights in the Production Sharing Contract.

Prior to any deduction for the recovery of operating costs, the Contractor and BPMIGAS are entitled to first take and receive each year a quantity of petroleum equal to 15% of the petroleum production for that year ("First Tranche Petroleum") which is shared between BPMIGAS (as to 37.5%) and the Contractor (as to 62.5%).

After deduction of the First Tranche Petroleum and recovery of operating costs by the Contractor, the balance of proceeds (if any) is shared between BPMIGAS (as to 37.5%) and the Contractor (as to 62.5%). Following the Put Option Completion, CITIC Seram will hold an effective economic interest of 33.44% (i.e. 53.5% of 62.5%) in the Seram Non-Bula Block.

INFORMATION ON LION AND LION ENERGY

Lion is a wholly-owned subsidiary of Lion Energy.

Lion Energy is listed on the ASX.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Lion Energy is a third party independent of the Company and connected persons of the Company and is independent of KUFPEC.

DE MINIMIS TRANSACTION

The applicable percentage ratios concerning the acquisition of the Lion Participating Interest do not exceed 5%. Accordingly, the acquisition of the Lion Participating Interest constitutes a de minimis transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this announcement and other terms shall have the following meanings:

"Announcement"	the announcement of the Company dated 12 July 2006 in respect of the acquisition of the Participating Interest by CITIC Seram
"ASX"	the Australian Stock Exchange
"ASX Listing Rules"	the listing rules from time to time of the ASX
"Circular"	the circular published by the Company on 28 September 2006 in respect of the acquisition of the Participating Interest by CITIC Seram
"Exercise Date"	the date on which Lion validly exercises the Put Option during the Exercise Period
"Exercise Period"	the period of three months from the date on which the Operating Committee under the Joint Operating Agreement meets and approves the budget and work program prepared and submitted by CITIC Seram for the year 2007 in accordance with the Joint Operating Agreement
"GPI"	Gulf Petroleum Investment Company k.s.c.c., a company incorporated in Kuwait and referred to and defined in the Circular as the "Third Party Co"
"GPI Sale"	the sale by KUFPEC of an additional 16.5% participating interest in the benefits, rights and obligations of the Contractor in the Production Sharing Contract to GPI and referred to and defined in the Circular as the "Third Party Co Sale"
"Lion Energy"	Lion Energy Limited A.C.N. 000 753 640, a listed public company limited by shares, incorporated and domiciled in Australia
"Lion Participating Interest"	Lion's interest in and representing a 2.5% interest in the whole of the benefits, rights and obligations of the Contractor in the Production Sharing Contract and a corresponding interest in the Joint Operating Agreement and all other commercial interests entered into pursuant to the Production Sharing Contract and the Joint Operating Agreement
"Put Option"	the right of Lion to sell to CITIC Seram, and require CITIC Seram to acquire, the Lion Participating Interest
"Put Option Agreement"	an agreement dated 8 November 2006 between Lion and CITIC Seram relating to the grant of the Put Option to Lion
"Put Option Completion"	if the Put Option is exercised, completion of the exercise of the Put Option
"Put Option Long Stop Date"	the date falling 180 days after the Exercise Date

This announcement contains translation between US\$ and HK\$ at US\$1.0=HK\$7.8. The translation shall not be taken as a representation that the HK\$ amount could actually be converted into US\$ or the US\$ amount could be converted into HK\$ at that rate stated or at all.

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

Hong Kong, 24 November 2006

As at the date hereof, 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; Mr. Ngai Man and Mr. Tsang Link Carl, Brian.