



CITIC Resources Holdings Limited

CLARIFICATION

REGARDING THE EXERCISE OF OPTION TO ACQUIRE 90% INTEREST IN TINCY GROUP ENERGY RESOURCES LIMITED

(Hong Kong, 2 Oct 2007) Regarding the announcement about CITIC Resources Holdings Limited (“CITIC Resources” or the “Company”) (SEHK: 1205) exercise of option to acquire 90% interest in Tincy Group Energy Resources Limited, individual media organization misinterpreted the information by mixing up the concept of ‘Original Oil in Place’ with ‘Proven, Probable and Possible Reserves’. Clarification is thus made to correct the misunderstandings.

Terminology in the Oil Industry

In the announcement titled “Option to Acquire 90% Interest in Tincy Group Energy Limited” released by CITIC Resources on 9 May 2007, the amount of oil reserves mentioned is the ‘Original Oil in Place’ while the amount mentioned in the announcement on 1 October 2007 refers to the Recoverable Oil Reserve, which is two different measurements of oil reserves.

Furthermore, in the announcement released on 9 May 2007, it stated that the oilfield covers an area of more than 300 square kilometers. Yet, the area of coverage changed to 110 square kilometers in the announcement released on 1 October 2007. The above change is made after undergoing a thorough investigation of the oilfield. The actual area that has oil reserves is 110 square kilometer, and for the rest of the area, oil is yet to be found, thus they are excluded from the calculation.

Mr. SHOU Xuancheng, the Vice Chairman of the Company, said, “The Company’s estimation of the oil recovery rate is actually very conservative. We believe with our efforts, the actual recoverable oil reserves can reach 100 million barrels.”

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About CITIC Resources Holdings Limited (Stock Code: 1205)

CITIC Resources Holdings Limited (Stock code: 1205 HK) (“CITIC Resources”) was listed on the Hong Kong Stock Exchange since 1997. CITIC Group is the parent company of CITIC Resources with majority stake of about 52%. CITIC Resources positions itself as an integrated provider of key commodities and strategic natural resources with particular focus in the oil business. The principal activities of CITIC Resources and its subsidiaries are in the fields of oil, aluminium, coal, import and export of commodities, and manganese.

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