



CITIC Resources Holdings Limited
中信資源控股有限公司

Press Release

12 July 2006

**CITIC Resources to acquire 51% participating interest in
the Seram Island Non-Bula Block, Indonesia**

CITIC Resources Holdings Limited (“**CRH**”) (stock code: 1205), today announced that its indirect wholly owned subsidiary – CITIC Seram Energy Limited has entered into an agreement to acquire a 51% participating interest in the Seram Island Non-Bula Block from KUFPEC (Indonesia) Limited (“**KUFPEC**”) for a consideration of US\$97.4 million. Upon completion of the acquisition, which is conditional upon certain Indonesian government approvals and other requirements, CRH will have the right to explore for and produce petroleum from the Seram Island Non-Bula Block until 2019. Under the agreement, CRH will assume the operatorship of the entire Seram Island Non-Bula Block from KUFPEC with KUFPEC continuing to retain a significant interest. The purchase price will be funded through internal resources and existing loan facilities.

Mr. Kwok Peter Viem, Chairman of CRH said, “We are delighted to have the opportunity to invest in this production sharing contract with KUFPEC. This is CRH’s first oil project in Indonesia and it marks an important milestone for CRH in gaining exposure in the oil and gas sector in South East Asia and reinforces CRH’s position as the natural resources arm of CITIC Group.”

Mr. Shou Xuancheng, Vice Chairman of CRH added, “We believe that this is an attractive opportunity for CRH as the transaction brings the benefits of further operational exposure, exploration upside and income diversification to CRH, especially given the oilfield is already in production with stable cashflow. In addition, the infrastructure and facilities for the operation are already in place, which will minimize future capital expenditure”.

Mr. Kwok concluded, “Leveraging on our interest in the Seram Island Non-Bula Block and ‘on the ground’ operational presence in Indonesia, we will continue to work hard and use this as a platform to further explore opportunities in the future, particularly in the South East Asian region and to create value for shareholders.”

About the Seram Island Non-Bula Block

Indonesia is a key producer of both oil and gas with one of the largest hydrocarbon reserves in the South East Asian region. The Seram Island Non-Bula Block occupies an area of approximately 4,572 square kilometres. The principal field in the Seram Island Non-Bula Block is the Oseil Field. The average production in the first six months of 2006 was about 4,300 barrels per day (gross) of 15° to 22° API oil.

About CITIC Resources Holdings Limited

CRH is listed on the Hong Kong Stock Exchange and it is an integrated provider of key natural resources and commodities. CRH and its subsidiaries have interests in aluminium smelting, coal mining, import and export of commodities, manganese mining and processing and oil and gas exploration and development.

About KUFPEC (Indonesia) Limited

KUFPEC is a subsidiary of Kuwait Petroleum Corporation and has held a participating interest in the Seram Island Non-Bula Block since 1985. Kuwait Petroleum Corporation is focused on international exploration, development and production activities in the Middle East, Africa, Asia and Australia.

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