

CHINA INTERNATIONAL HOLDINGS LIMITED
(Bermuda Company Registration No. 23356)
(Incorporated in Bermuda)

THE COMPLETETION OF FURTHER REVIEW OF DATA AND INTERPRETATION OF 2D SEISMIC DATA PROGRAMME ON THE FLY RIVER MAP SHEET S.B. 54 OIL FIELD, PAPUA NEW GUINEA

All capitalized terms in this announcement shall have the same meaning as ascribed to it in the Company's previous announcements on 1 December 2009, 8 December 2009, 27 April 2010, 28 October 2010, 27 May 2011, 7 September 2011, 13 September 2011, 19 December 2011, 17 February 2012, and 24 May 2012, respectively.

Background

In the previous technical report, Gaffney, Cline and Associates ("GCA") recommended further studies in order to better understand the area's structural configuration which would lower the geological risk. Under the recommendation of GCA, MKS commissioned Quantum Geoservices (Asia Pacific) Pte Ltd to undertake the seismic re-processing, 3D GEO Pty Ltd to undertake the seismic re-interpretation, the collection of more surface geology data, as well as the construction of a balanced structural cross section and 3D subsurface model. GCA integrates all the results to evaluate the geological risk of AOI-2 prospect.

Summary of Results

Based on integration of the updated surface geology data, the re-processing and re-interpretation of seismic data, and the construction of balanced structural cross sections, a re-evaluation of the AOI-2 area has resulted in a 3D subsurface model that provides a more confident interpretation of the area's prospectivity. As a result, the Tumuli interpretation is considered to be more reliable, the level of geological risk has been reduced.

Based on the supplementary and more reliable surface geology data, GCA increased the net thickness of reservoir in AOI-2 Prospect, as well as the prospective resources as follows:

Gas Only Case	P90 90% Probability	P50 50% Probability	P10 10% Probability
Gas initially in place (Bscf - Billion standard cubic feet)	332	1,104	3,640
Estimated Ultimate Recovery Gas (Bscf - Billion standard cubic feet)	229	775	2,549
Oil Only Case	P90 90% Probability	P50 50% Probability	P10 10% Probability
Stock tank oil initially in place (MMstb - Million Stock tank barrel)	115	369	1,226
Estimated Ultimate Recovery Oil (MMstb - Million Stock tank barrel)	18	70	249

Notes:

- 1. The cases presented above are alternates. If the gas case is used there are no oil resources and vice versa.*
- 2. The figures presented in this table must be considered only in the light of comments contained in the accompanying report by GCA of which this table forms an integral part.*

Based on the updated evaluation of AOI-3W lead, GCA concludes that there is no trap in AOI-3W area and does not recommend any additional work in this area.

Further Work Planned

3D GEO Pty Ltd recognized five leads in PPL294 by interpreting surface geology. Further surface survey will be implemented before seismic data acquisition being undertaken to upgrade the leads to prospects. Upon GCA's recommendation to drill the AOI-2 Prospect, MKS will plan the design and contracting out for an exploration well.

The company will provide further update once further information is available.

CIHL holds 34.53% equity stake in Future Trillion, which in turn holds 82.09% equity stake in MKS.

Oil and gas exploration is an expensive and high risk operation. This project undertaken by the Group is still at preliminary exploration stage. Further exploration and study will be needed to make certain that there exist economically viable resources.

Shareholders or potential shareholders are asked to exercise caution in dealing with shares of the Company and should consult their legal, financial, tax and other professional advisers if they have any doubt as to the action to be taken prior to any update in this matter.

ON BEHALF OF THE BOARD

Shan Chang
Chairman

7 January 2012