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(Incorporated in the Cayman Islands with limited liability)

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VOLUNTARY ANNOUNCEMENT BUSINESS UPDATES ON DEVELOPMENT OF THE GEOTHERMAL ENERGY BUSINESS

This announcement is made by Beijing Enterprises Clean Energy Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

The Group principally focuses on the clean development and use of energy, and continuously explores on various clean energy areas including photovoltaic power, wind power, clean heat supply, energy storage, geothermal energy, etc. with an aim to become a leading integrated clean energy service provider.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company hereby provides business development updates on the Group’s geothermal energy business.

Geothermal energy is a green, low-carbon and recyclable renewable energy with the characteristics of huge reserves, broad distribution, clean and environmental friendly, stability and reliability, and is a practical and competitive clean energy resource. The People's Republic of China (the “**PRC**”) has abundant resources, huge market potential and broad development prospects in respect of the geothermal energy. Accelerating the development and utilisation of geothermal energy is of great significance for the adjustment of energy structure, energy conservation, emission reduction and improvement of the environment, has remarkable pulling effects for cultivating emerging industries, facilitating new urbanisation development and creating job opportunities, and serves as an important measure to facilitate the construction of ecological civilisation. The “Thirteen Five-year Plan on the Development and Utilisation of Geothermal Energy”* (《地熱能開發利用十三五規劃》) published by the National Development and Reform Commission of the PRC, the National Energy Administration of the PRC and the Ministry of Land and Resources of the PRC on 23 January 2017 sets out the guidelines, objectives, key tasks and significant layout for the development and utilisation of geothermal energy as well as the protection measures for the implementation of the plan, and is the basis of the development and utilisation of geothermal energy in the PRC during the Thirteen Five-Year Plan period and the first national-level plan for geothermal energy aspect.

The Company, upon entering into of the geothermal energy cooperative framework agreements with certain government authorities in the Tibet Autonomous Region, the PRC in 2017, formed professional teams covering areas including geology, geophysics, geochemistry, drilling, thermal power and electricity, established cooperative relationship with the University of Utah, the United States and certain professional institutions, and conducted preliminary resource exploration and confirmation on certain geothermal energy resources in the Tibet Autonomous Region, the PRC under the leadership of several experts and academicians.

During the course of relevant works, an indirectly wholly-owned subsidiary of the Company acquired the new exploration right of the geothermal field (the “**Kawu Geothermal Field**”) in Kawu, Sa'gya County, Shigatse City, the Tibet Autonomous Region, the PRC on 13 November 2018 for the consideration in the amount of approximately RMB7.7 million through securing a public tender offered by the Department of Land and Resources of the Tibet Autonomous Region, the PRC.

The exploration right of the Kawu Geothermal Field covers an area of approximately 105 square kilometres. The surface water temperature in the boiling spring area ranges from approximately 62°C to 86°C and there are more than 100 springs surrounding by rich sulphur, salt frost and large travertine. Based on the geological structure and geochemistry preliminary analysis, it is estimated that the geothermal pay zone of the Kawu Geothermal Field might be at depth from 1,500 to 2,000 metres with possible temperature ranges from approximately 170°C to 240°C. The field has the characteristics of shallow burial depth of geothermal energy resource and abundant groundwater, which are supportive for the geothermal fluids collection, and is one of the developing regions with the best geothermal energy resource potential in the Tibet Autonomous Region, the PRC.

According to the “Validation Survey Report of the Proposed New Geothermal Energy Exploration Right in Kawu, Sa'gya County, the Tibet Autonomous Region”* (《西藏自治區薩迦縣卡烏地熱能源調查擬新設探礦權論證報告》) dated 10 September 2018 prepared by the Bureau of Geologic Exploration and Mineral Development of the Tibet Autonomous Region, the PRC* (中國西藏自治區地質礦產勘查開發局), the Kawu Geothermal Field has an estimated power generation potential of up to approximately 80 megawatts, representing a larger scale potential geothermal energy development project in the PRC. The Company will continue to conduct in-depth researches, organise various exploration activities and facilitate the tasks necessary for the development of the project in due course, including the acquisition of relevant resource exploitation right and the utilisation of geothermal energy on areas such as power generation and heat supply, when the project is profitable and when the relevant clean energy resource can be effectively utilised. The Company will publish other announcements in this regard in due course in accordance with the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By Order of the Board
Beijing Enterprises Clean Energy Group Limited
Hu Xiaoyong
Chairman

Hong Kong, 23 November 2018

As at the date of this announcement, the Board comprises eight Directors, namely Mr. Hu Xiaoyong, Mr. Shi Xiaobei, Mr. Huang Weihua, Mr. Wang Ye and Mr. Wen Hui as executive Directors; and Mr. Li Fujun, Mr. Xu Honghua and Mr. Chiu Kung Chik as independent non-executive Directors.

** for identification purposes only*