Ramba ENERGY

DETERMINED TO RISE

Ramba Energy Limited
Annual Report 2010

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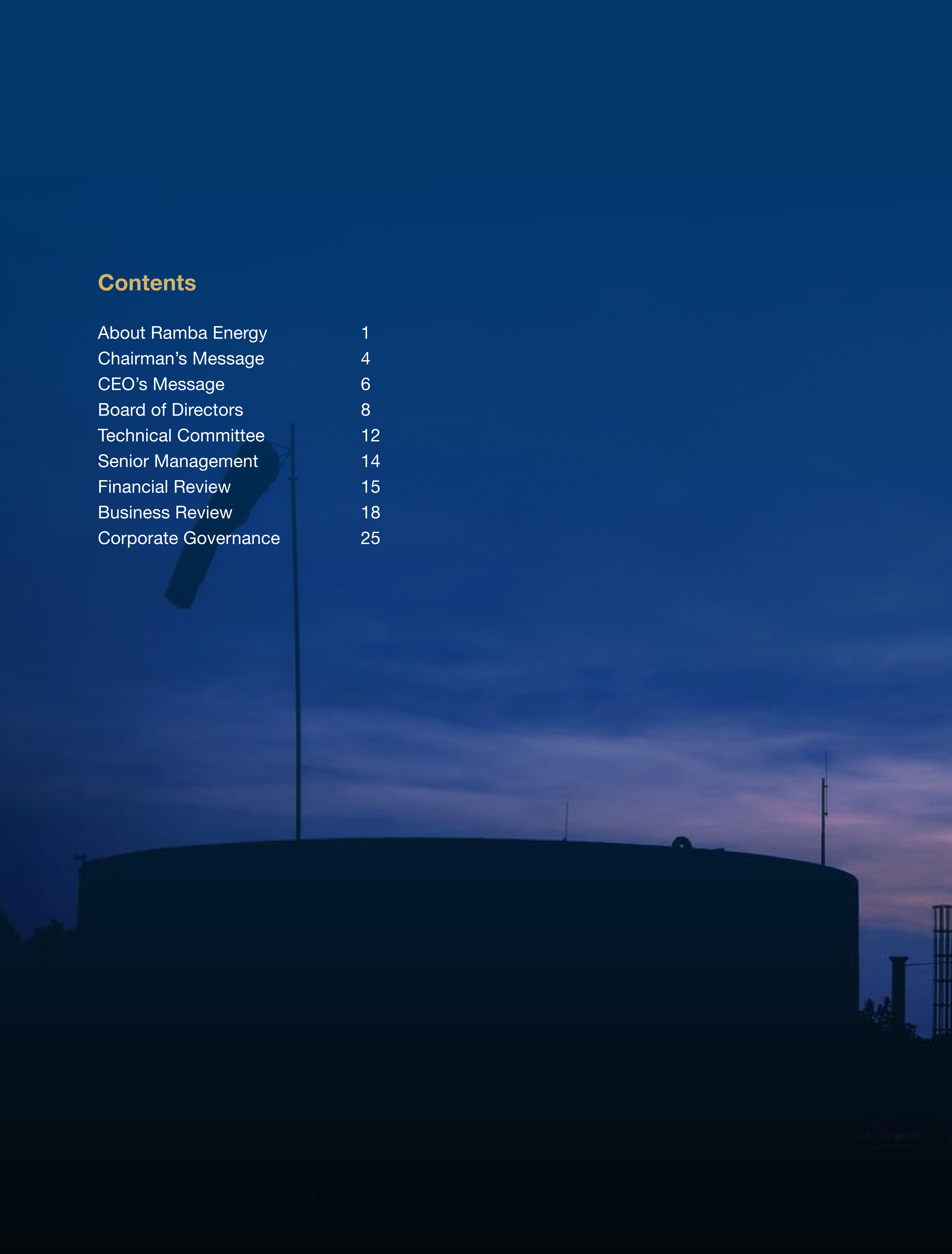
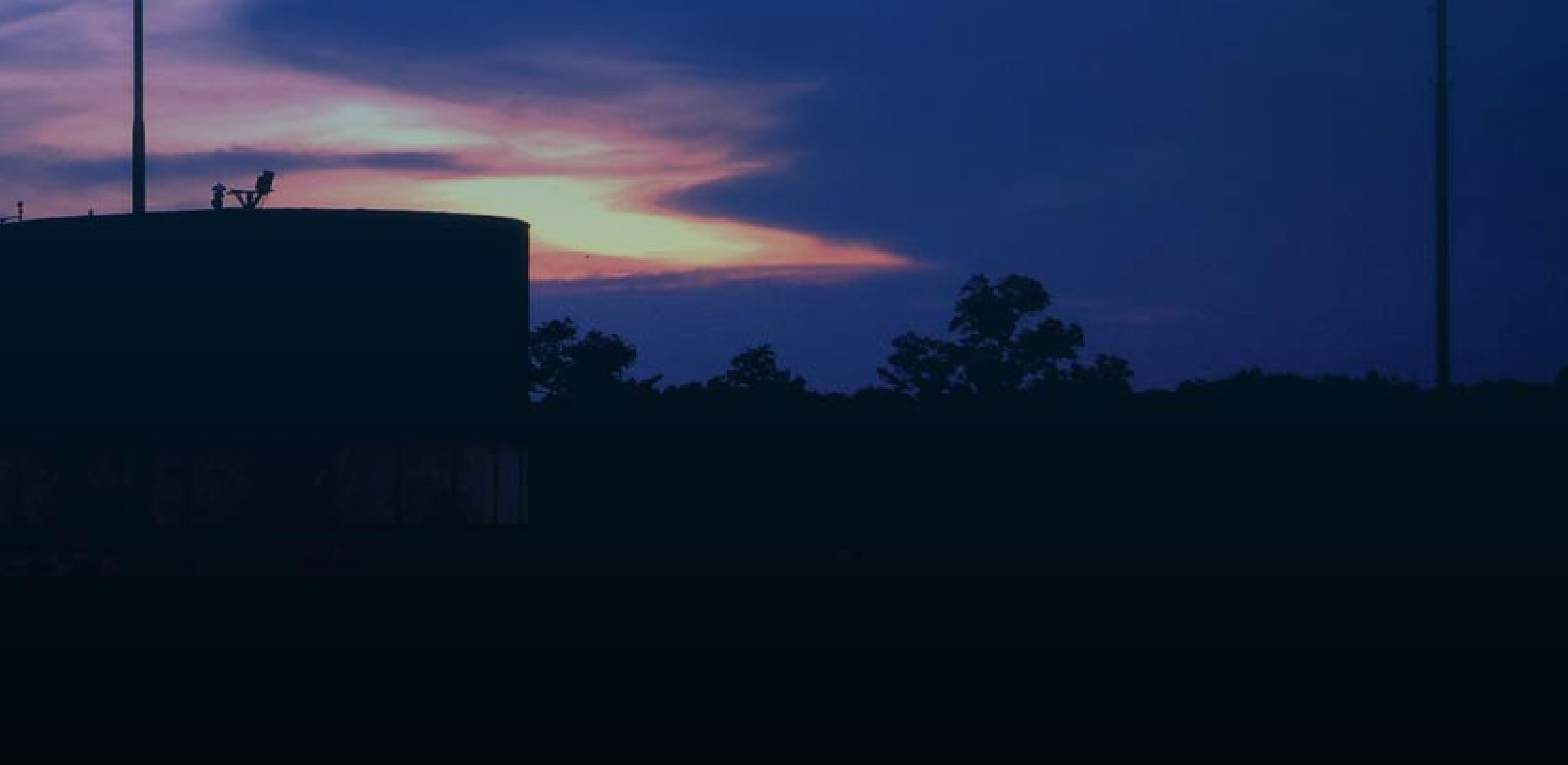


About Ramba Energy Limited Ramba Energy Limited is a Singapore Exchange listed company with core businesses in oil and gas exploration and production (E&P) and the provision of logistics services delivered under the RichLand brand. Known previously as RichLand Group, the name was changed to Ramba Energy in January 2009 to mark the Group's expansion to the energy business.

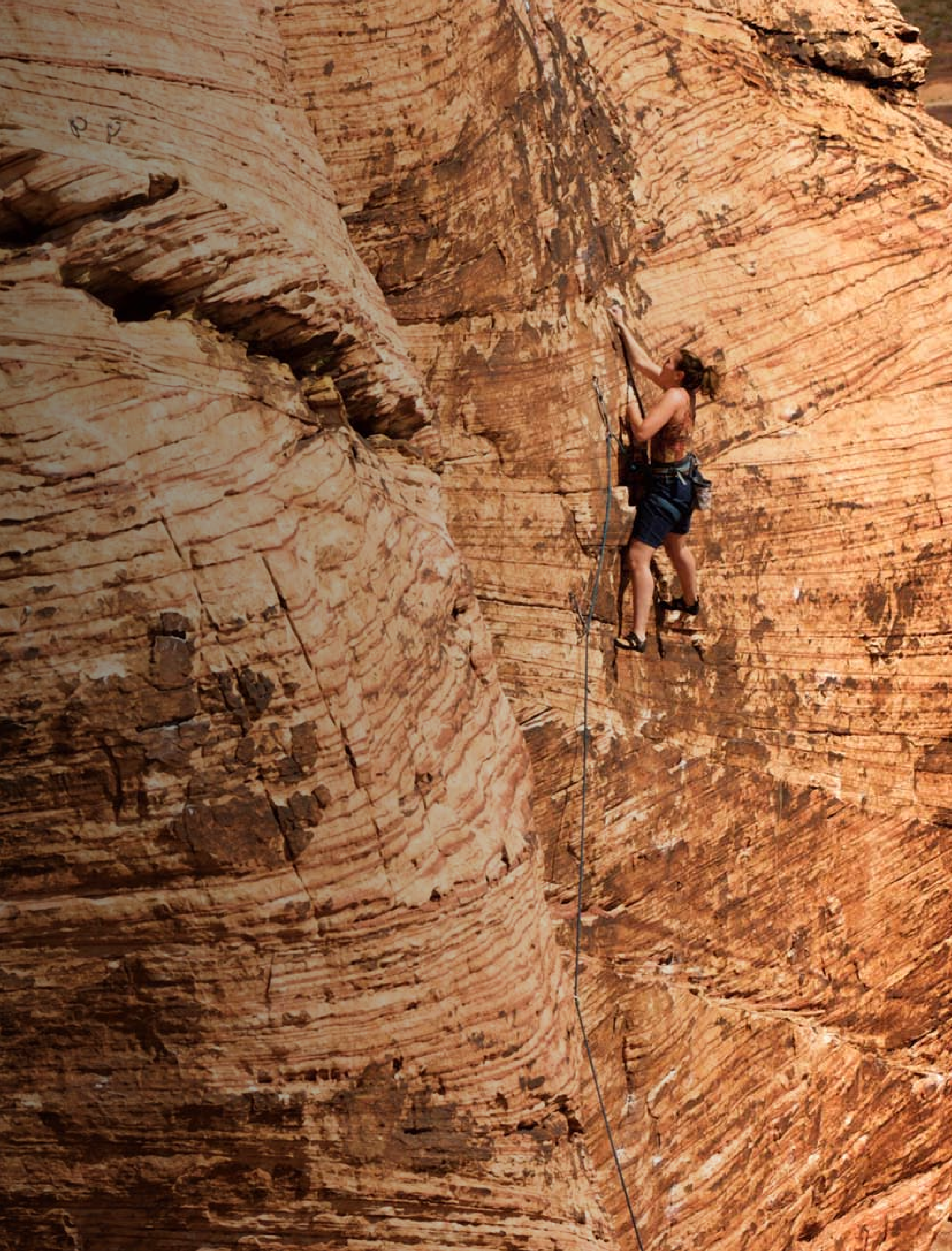
Ramba's portfolio of oil and gas assets is focused on Indonesia. Ramba owns a 41% interest in the Lemang oil and gas block in Sumatra and a 70% interest in the Jatirarangon gas block in West Java. Ramba also has a 55.2% interest in PT Sugih Energy Tbk which owns a 37.5% stake in Elnusa Tristar Ramba Ltd ("ETRL"), the latter being the operator of the Corridor block in Sumatra up to 15 October 2010. In May 2010, Ramba entered into a conditional sale and purchase agreement to acquire a further 25% stake in ETRL. In November 2010, Ramba won the exploration bid for the West Jambi Block in Sumatra under an Operation Cooperation Agreement awarded by Pertamina.

Ramba's regional logistics business is run by its wholly-owned subsidiary RichLand Logistics Services ("RichLand"). RichLand provides supply chain services such as consumer goods distribution, container haulage, airport terminal lodgment and retrieval services, warehouse operations and bulk liquid chemical solutions. Driven by the brand values of Passion, Enterprising, and Trust, and the tagline "Delivering Promises", RichLand is committed to delivering operational excellence through continuous improvement within a safe work environment.

Backed by industry experts, Ramba Energy's vision is to be recognized as an established player in our two core business activities within Asia, known and admired for employing, empowering and developing passionate people who are dedicated to delivering excellence.



AS WE CONTINUE TO EMBARK ON OUR VENTURES, WE CARRY A GREAT AMOUNT OF DRIVE THAT ENABLES US TO EXPLORE NEW TERRITORIES AND ACHIEVE SUSTAINABLE GROWTH.



Dear Shareholders,

On behalf of the Board of Directors, I am delighted to present the annual report for Ramba Energy Limited (the "Group" or the "Company") for the year ended 31 December 2010.

It has been another exciting year for Ramba Energy as the Group focused energies to set new momentums of growth for our key businesses. We were able to achieve this through our cautious, yet calculated, expansion strategies.

During the year, the Group began recording first revenue contribution from the oil and gas business, which eventually accounted for over 10% of total revenue for the entire financial year. A satisfying achievement indeed!

We continued to actively evaluate strategic acquisition opportunities, keeping our focus on onshore blocks in Indonesia. In fact, 2010 began with a successful private placement of ordinary shares that raised net proceeds of S$15.9 million. This provided us with the financial strength to follow through on several key asset acquisitions, including the acquisition of an Indonesian listed company, PT Sugih Energy Tbk, and the successful bid for the West Jambi block. We are gratified at our overall progress in enhancing our asset portfolio, which has been a pace and manner consistent with the Group's corporate strategy.

The Group's logistics business continued to be of the major revenue contributor for the Group, accounting for over 83% of total revenue. In fact, the revenue of S$43.0 million recorded last year was the highest ever achieved by the logistics business since its establishment. Aggressively seeking strong growth and strengthening core capabilities, our RichLand subsidiary won a slew of major new commercial contracts from highly reputable FMCG customers and global logistics providers in Singapore and Indonesia.

Particularly remarkable has been RichLand's venture into the region's chemical and bulk liquids logistics sector, maximising the strategic value we can offer our customers. In this context, we celebrated new contract wins from chemical giants, such as BASF and PT SMI, for the transportation of latex and styrene monomer in Indonesia.

For the financial year ended 31 December 2010, the Group achieved revenue of S$51.7 million, representing an increase of almost 55% over the previous year. The increase was derived from new revenue contribution by our oil and gas business as well as higher sales performance by our Logistics businesses.

However, due to the adoption of FRS103R, that led to a write off of S$1.5 million in professional fees incurred on M&A activities and the provision of expense for employees' share based payments of S$2.4 million, the Group ended the year with a net loss attributable to shareholders of S$580,000.

KEEPING THE MOMENTUM

This year, we are committed to generate consistent momentum and to position the Group and its companies for further growth. The Group is committed to focus its efforts and resources in Indonesia to generate substantial Oil & Gas revenue while improving our overall bottom-line. We want to be well-placed to capitalise upon the opportunities emerging from one of the most dynamic and fast-growing countries in the world. The Group's levels of skills and expertise – in the areas of technical and legal knowledge, local understanding and insight of the Indonesian market are of tremendous value in our preparedness to operate in Indonesia.

In tandem with escalating energy demands, we will step up efforts to identify further interests in quality oil and gas assets which offer the right fit for Ramba Energy and to ensure a promising future. Towards the commercialisation of our current assets, we will undertake further studies and/or conduct exploration and development drilling where feasible. We will also actively and continuously look for significant opportunities for our logistics division as it is making inroads into oil and gas project logistics.

The Group maintains optimistic outlooks for our logistics and oil and gas businesses. The urgent quest for energy security in Indonesia, the region and globally will drive the demand and value of our oil and gas exploration and production activities. Likewise, the economic vibrancy in the Asia-Pacific region will underpin the growth and expansion for our regional logistics business.

POSITIONING FOR FURTHER GROWTH

On behalf of the Board, I wish to express sincere gratitude to the management and staff of Ramba Energy Limited which encompasses Richland teams in Singapore and across the region. Bringing together two distinct businesses has meant a period of substantial and ongoing change and adjustment for the Group and all our employees.

The unwavering commitment and hard work of every individual staff member is deeply appreciated.

The Group's future can only be powerfully secured with the contribution and effort of all employees.

I also take this opportunity to thank our valued shareholders, business associates and customers for their continued support, confidence and trust.

'Last but not least, I thank my fellow directors on the Board for their invaluable guidance, contribution and support for the Group . With the right balance of skills, experience, independence and knowledge of the Group's business that the board members bring to the table, we are able to discharge our respective duties and responsibilities, and ensure the long term success of our Group'.

Tan Chong Huat
Non Executive Chairman

Dear Shareholders,

The past year has been a significant year for our Company. Ramba Energy made substantial progress in delivering results in both core businesses. Despite the slow-down in the global economy, we have continued to seize the opportunities and to capitalise on the more rapid economic recovery in Asia, particularly in our key markets of Singapore and Indonesia.

Our respective growth strategies for our core businesses: in oil and gas exploration and production, and in logistics services, are similar to the extent that both focus on achieving strong organic growth supported by strategically selected acquisitions. These acquisitions strengthen our market positions and our resources, and add to our core skills and capabilities in our selected industries.

STRATEGIC PROGRESS AND PERFORMANCE

Throughout the year, our logistics business has been leading in the higher sales volumes recorded by the Company. Colin Moran, who joined us early last year as Group Logistics Director, and the RichLand management team have been instrumental in the near-continuous stream of new contracts and contract extensions by key customers and global service partners.

For our oil and gas business, our growth strategy is underpinned by the escalating demand for energy in our key markets and in Asia.

Steady progress has been made and we continue to actively strengthen our portfolio. Some outcomes took longer than we originally anticipated. Nevertheless, we were able to take significant steps forward in increasing our interest in ETRL, which had the operatorship of the Corridor TAC Block. In addition, we won the oil and gas exploration bid for the West Jambi Block.

There have also been outstanding moments when our efforts yielded better-than-expected results. During a year-end workover, we made a surprise discovery of oil at the Jatirarangon gas Block. Further tests are pending to ascertain the true potential of the oil discovery. Needless to say, we are very encouraged by the discovery. Along with the 70% rise in sale price for Jatirarangon gas which takes effect from April 2011, these developments put the Company in a more favourable position to maximize the potential of our assets as we continue to navigate and grow our business.

In September, we brought onboard exceptional talent in the area of exploration and production. Yang Shenbao, who joined us as Senior Geologist, has over 30 years of geological experience in the oil and gas industry and is a senior member of the American Association of Petroleum Geologists. With his in-depth knowledge of the industry he has already proven to be an asset for the Company.

LOOKING AHEAD TO THE FUTURE

Our performance reflect the steady and successful progress made over the past year and mark the realization of the Group's evolution from a pure-play logistics firm to a company with two core business activities in oil and gas and logistics.

Our priority in the coming year is to pursue an aggressive momentum to continue advancing our growth strategies. Our oil and gas business has taken shape and we see significant opportunities for futher revenue growth.

We are committed to maximise the value of our interest at the Jatirarangon Block through further drilling of new wells. In fact, we have announced plans to double gas production volume in the second half of 2011. We will also commence exploration activities at the Lemang block where we have already gained the relevant approvals, and at West Jambi where we are confident of progress in the near term.

At the same time, we are also actively and constantly seeking further acquisitions that are clearly value-enhancing for our portfolio of oil and gas assets. Indonesia remains one of the most attractive oil and gas markets in Asia.

We also look forward to continue investing in the strength and robust track record of our logistics business and to enhance the RichLand brand and value propositions.

Our business decisions are characterised by being dynamic, pragmatic and fast-paced, driven by a spirit of entrepreneurship. These attributes sharpen our competitive advantage as we grow the Company and our businesses.

TAKING ON NEW CHALLENGES

I would personally like to thank the Ramba team for their dedication and hard work. This certainly includes all the RichLand team members who are an integral and invaluable part of the Company.

As a result of everyone's contribution, we have made great progress on all our strategic fronts. More importantly, we have built a strong and prominent position. Indeed, we are well-equipped to take on new challenges ahead and to deliver solid performance in our core businesses.

On behalf of my colleagues in the management team, I like to express sincere gratitude to the board of directors for their invaluable guidance and contribution.

Finally, I take this opportunity to thank our business partners and customers for their trust and support. Let us continue the momentum to reach new heights.

Aditya Wisnuwardana Seky Soeryadjaya
Chief Executive Officer and Executive Director

BOARD OF DIRECTORS

From top left clockwise: Mr Tay Ah Kong Bernard, Mr Aditya Wisnuwardana Seky Soeryadjaya, Mr Daniel Zier Johannes Jol, Mr Chee Teck Kwong Patrick, Mr Bambang Nugroho, Ms Lanymarta Ganadjaja, Mr Tan Chong Huat

MR TAN CHONG HUAT

Non-Executive Chairman

Mr Tan Chong Huat was appointed as Non-Executive Chairman on June 30, 2008.

Mr Tan is currently the Managing Partner of KhattarWong. He has extensive experience in corporate, banking and project finance law in Singapore and the region, and acted in numerous significant corporate transactions. Mr Tan is chairman of various corporate governance committees and director of several public listed companies with operations in Australia, South East Asia, Indochina, Hong Kong and PRC. He is also an adjunct associate professor of the Law faculty, National University Singapore, and Nanyang Business School, Nanyang Technological University.

He is currently a council member in the Corporate Governance Council set up by the Monetary Authority of Singapore.

Mr Tan graduated with a master degree in law respectively from National University of Singapore and University of London. He is a fellow of the Singapore Institute of Arbitration, the Chartered Institute of Arbitrators , an accredited arbitrator with China International Economic and Trade Arbitration Commission and Singapore Institute of Directors.

MR ADITYA WISNUWARDANA SEKY SOERYADJAYA

Chief Executive Officer and Executive Director

Mr Aditya Wisnuwardana Seky Soeryadjaya is Chief Executive Officer and Executive Director of Ramba Energy. He is responsible in setting and managing the group's overall vision, mission and goals. He is in charge of Ramba Energy's investment and fundraising efforts, and oversees the execution of the company's strategy.

Mr Soeryadjaya is a founding member and a Director of Redmount Holdings, which is one of the major shareholders and the initial founder of Ramba Energy in its current form. Mr Soeryadjaya's vision to develop Ramba into a regional Oil and Gas Mini Major has taken shape with the implementation of several sector specific diversification initiatives, that have resulted in Ramba being well placed to benefit from the continuous growth in this sector.

Prior to joining Ramba Energy, Mr Soeryadjaya was with Ernst & Young in New York. Other prior experiences include founding a real estate and mortgage brokerage company in Irvine, California that was eventually acquired by a major real estate brokerage.

Mr Soeryadjaya graduated with a Bachelor of Science degree in Accounting from the University of Southern California in Los Angeles, California.

MR DANIEL ZIER JOHANNES JOL

Commercial Director and Executive Director

Mr Daniel Zier Johannes Jol is Commercial Director and Executive Director of Ramba Energy. He is responsible for the organization's strategic direction and oversees the logistics and oil & gas businesses including the supervision of business development, rebranding, value creation and streamlining of the business. He proactively targets, assesses and executes mergers and acquisitions opportunities and is heavily involved in the organization's investment, fundraising and budget preparation. Together with Mr Soeryadjaya, Mr Jol is one of the initial founders of Ramba's Oil & Gas business. Mr Jol has spearheaded the implementation of Ramba's diversification into Oil and Gas, creating and harnessing value across all facets of the business.

His prior experience includes upstream Business Development at Marking Services Inc, and Operations at Ballast Ham Dredging where he was assigned to various reclamation, soil improvement and dredging projects in South East Asia.

Mr Jol graduated with a Bachelor of Science degree in Civil Engineering from Purdue University in West Lafayette, Indiana, USA and a Master Degree in Business Administration from National University of Singapore.

MS LANYMARTA GANADJAJA

Executive Director

Ms Lanymarta Ganadjaja is Executive Director at Ramba Energy. She is responsible for the financial strategy of the company, supervises the finance, accounting, budget preparation, audit and tax function of the company and subsidiaries and assists in managing due dilligence and execution of the company's mergers and acquisitions activities. Ms Ganadjaja brings with her over 25 years' experience in finance, accounting and audit.

Prior to joining Ramba, she was the Chief Financial Officer at Tristar. Before that, Ms Ganadjaja was the Financial Controller and Management Accounting Director at PT Tirta Investama, which is the holding company of Aqua-Danone in Indonesia. Other jobs include the position of Finance and Accounting Manager at PT Ika Muda Seafoods International and Internal Auditor at Astra Group.

Ms Ganadjaja holds a degree in Economics with a major in Accounting from Parahyangan Catholic University in Bandung, Indonesia. She also holds certificates in Certified Management Accounting, Sarbanes-Oxley Act, Actuary Calculation, Effective Budgeting, Accounting for Merger and Consolidation Financial Reporting, and Oil and Gas Accounting and Financial Reporting.

BOARD OF DIRECTORS

MR BAMBANG NUGROHO

Executive Director

Mr Bambang Nugroho is Executive Director of Ramba Energy and a veteran in the oil and gas industry.

Prior to joining Ramba Energy, Mr. Nugroho was the Vice President of Business Development at Elnusa Tristar Ramba Limited where he was responsible for projects creation to develop remaining oil reserves and increase production. He was also with Pertamina, Indonesia's state-owned oil and gas company, assuming various positions including the Director/ CEO of the Upstream Business, Vice President of Corporate HSE, ATD of E&P Business Development, General Manager of JOB Pertamina-Talisman Canada Ltd. and Exploitation Manager of South Sumatra Region.

Subsequent to Mr. Nugroho's appointment at Ramba Energy, he was appointed as President and CEO of Elnusa Tristar Ramba Limited.

Mr Nugroho has published many papers including "Asset Management: Optimizing the Natural Resources Assets".

Mr Bambang Nugroho graduated with a degree in Petroleum Engineering from Bandung Institute of Technology in Bandung, Indonesia.

MR TAY AH KONG BERNARD

Independent Director

Mr Bernard Tay was appointed as an independent Director for Ramba Energy on June 5, 2008.

Mr Bernard Tay Ah Kong is currently the Non-Executive Chairman of Crowe Horwath First Trust LLP. He is Chairman of the Risk Management Committee of KW Capital Pte Ltd, the Singapore Road Safety Council and President of the Automobile Association of Singapore. Mr Tay is also an Independent Director of several public companies listed on the SGX Mainboard and Catalist.

Mr Tay has over 30 years' experience working in public accounting firms in the United Kingdom and Singapore, the Inland Revenue Authority of Singapore, and companies in commerce, industry and management consulting. He had also sat on several committees under the Accounting and Corporate Regulatory Authority which includes the Complaints and Disciplinary Panel - Public Accountants Oversight Committee, Standing Law Review Focus Group and Directors' Duties Study Team.

Mr Tay is a recipient of the Service to Education Award and Community Service Medal, and was conferred the Public Service Medal by the President of Singapore.

MR CHEE TECK KWONG PATRICK

Independent Director

Mr Chee Teck Kwong Patrick, PBM, was appointed as an independent Director on April 25, 2005.

Mr Chee is an advocate and solicitor of the Supreme Court of the Republic of Singapore since 1980 and is also admitted as a solicitor of the Senior Courts of England and Wales. He is currently practicing as a Senior Legal Consultant with KhattarWong.

Mr Chee is a Notary Public and a Commissioner for Oaths. He is a member of Singapore Institute of Arbitrators and Singapore Institute of Directors. He also sits on the board of China International Holdings Limited, PSC Corporation Ltd, CSC Holdings Limited, Singapore Windsor Holdings Limited, Tat Seng Packaging Group Ltd, Hai Leck Holdings Limited and Hengxin Technology Ltd.

Mr Chee is active in community service and he is also the recipient of the National Day Awards 2003 – The Public Service Medal from the President of Republic of Singapore.

Mr Chee holds a Bachelor of Laws (Hons) Degree from the University of Singapore.

TECHNICAL COMMITTEE

DIXIE BASTIAN

Senior Technical Expert

Mr Dixie Bastian is responsible for the business strategy planning, and operational insight for the West Jambi, KSO to ensure profitability and sustainability.

His prior experience includes Chief Business Development Officer at PT Elnusa TBK, a subsidiary of Pertamina (Indonesia's state-owned oil and gas company). With almost 30 years experience, Mr. Bastian spent about a third of his career with Gulf Resources Indonesia where he held his last position as Senior Corporate Development Manager.

As Senior Corporate Development Manager, Mr Bastian was responsible for the monetization of gas in South Sumatra at time when a gas market did not exist. His achievements include being the team member for the sale of 300 mmscf per day of natural gas to the Duri field in Sumatra. He left Gulf during the negotiation of gas to Singapore, and joint RIMS Energy Resources as President & CEO. During his assignment in RIMS he managed to establish a Joint Operating Company with Petronas Carigali Sdn. Bhd. in exploring hydrocarbon in Karapan PSC, offshore East Java.

MR BAMBANG SATYA MURTI

Senior Technical Expert

Mr Bambang Satya Murti is an Exploitation Manager & Subsurface Leader by background and he is the acting General Manager for Lemang, PSC.

Mr Murti is a Geoscientist and Lead Interpreter with over 20 years in the Petroleum industry. Prior to joining Ramba, Mr Murti was with Caltex, Huffco, Conoco Philips and Halliburton. His last posting was to manage a team to maximize the productivity of 7 brown fields in South Sumatra.

Mr Murti is an expert in conducting & leading integrated sub-surface interpretation teams, block aquisition and evaluation.

Mr Murti has published many papers and he is an active member of the Indonesia Petroleum Association (IPA), and the Indonesia Geologist Association (IGA).

Mr Murti graduated with a degree in Geology from Gadjah Mada University in Jakarta, Indonesia.

MR YANG SHEN BIAO

Senior Technical Expert

Mr Yang Shen Biao is the Senior Technical Expert. He is responsible for advising Ramba Energy on technical matters in relation to the exploration, drilling and production of its Oil & Gas fields.

Mr Yang is a veteran in the Oil & Gas industry with a proven track record of success in a wide variety of upstream oil & gas projects gained in several key projects in China. Prior to joining Ramba, Mr. Yang was with the SINOPEC Shengli branch as Chief Engineer of the Shengli Oil Field Geological Exploration Company. Mr. Yang has held various senior positions including Chief Geologist, Deputy Director of the Geology department, and Deputy Head of Exploration Projects. Mr. Yang was also the Head of the Geology Institute of Shengli Petroleum Huizhan, one of China's largest state-owned petroleum company.

MR YE FEITING

Senior Technical Consultant

Mr Ye Feiting is Senior Technical Consultant. He is responsible for advising Ramba Energy in improving efficiency and optimizing every aspect of its Oil & Gas operations.

Mr Ye is an expert in the well drilling technology. As one of the leading geologists in China, Mr Ye brings to Ramba 40 years of experience in the oil and gas industry. Mr Ye retired in 1997 from Shengli Petroleum Administration Bureau ("SPAB"). SPAB oversees the Shengli Oilfield which is the second largest oilfield in China. In his 31 years in SPAB, Mr. Ye held a number of senior positions including his last appointment as the Vice Head, Deputy Commissioner and Chief Engineer.

LEE SECK HWEE

Chief Financial Officer

Mr Lee Seck Hwee is Chief Financial Officer of Ramba Energy. He is responsible for the corporate finance & treasury, reporting, accounts and tax for the Group. He is actively involved in the financial and related administrative functions concerning the Group's acquisition and business opportunities.

Mr Lee brings with him over 25 years of finance experience, which includes holding head of Finance position at the Group level of - SMOE, Sembcorp Engineers & Constructors, Trans Eurokars, and Beloit Asia Pacific.

Mr Lee is a Chartered Certified Accountant and a Singapore CPA. He holds a Master of Applied Finance from Macquarie University in Australia. Mr Lee is a fellow of the Association of Chartered Certified Accountants and the Institute of Certified Public Accountants of Singapore.

COLIN MORAN

Logistics Director

Mr Colin Moran is the Logistics Director of the Group. He is responsible for the leadership, direction and overseeing of all logistics operations under the Group and its subsidiaries. He brings with him over 25 years of experience within the logistics and supply chain industry from Australia, Indonesia, Singapore, and across the Asia-Pacific region.

Mr Moran has extensive experience in contract logistics, express courier and freight forwarding. As Managing Director for Asia he was part of the Global management team which took TNT Logistics private and then rebranded to create CEVA Logistics, one of the world's largest integrated logistics companies. He has successfully managed and restructured several business units within Asia , including significant turnaround results for the Indonesian and Asian business units of which he was responsible.

Colin holds several certificates in leadership and supply chain management from various institutions.

BEIKE VAN DEN BROEK

HR & Communications Director

Ms Beike van den Broek is Human Resources and Communications Director for the group. She is responsible for managing the overall provision of Human Resources, policies, and programs for the Ramba group of companies. In addition, she is responsible for developing an integrated and clear corporate communications strategy which is consistent across all aspects of the business.

With over 10 years' experience in the Netherlands, Libya, and Indonesia, Ms Beike assumes various roles in Business Development, Operations, and Human Resources. Her prior work experience includes working for LCM Oilfield Services and KLM Royal Dutch Airlines.

HIGHLIGHTS

- Total turnover up 55% to S$51.7 million
  Oil and gas contributed first revenue at S$5.2 million for the year
- Logistics generated revenue of S$43.0 million, the highest in its history
- Total assets grew significantly to S$73.7 million due to new acquisitions; oil and gas assets quadrupled to S$44 million from S$11.3 million while assets in logistics grew by about 21%
- Raised net proceeds of S$15.9 million from private placement
- Total cash and bank balances at S$8.5 million

REVENUE AND EXPENSES

Total Group revenue for the full year of 2010, net of interest expense, grew by 54.8% or S$18.3 million to S$51.7 million, compared to S$33.4 million in the previous year. This was largely due to inclusion of revenue arising from the acquisitions of RichLand LSP and Ellipse Energy Jatirarangon Wahana, which had contributed S$13.5 million to the Group. An increase in logistics volume due to the economic recovery also added further sales of S$3.5 million.

Logistics business totalling S$43.0 million in turnover continued to be the main contributor to Group. The oil and gas business began contributing revenue for the first time during the year, accounting for S$5.2 million of Group full-year turnover. Rental income from the Group's master lease of RichLand Business Centre in Singapore also added S$3.7 million to total revenue.

Singapore continued to be the major source of Group revenue, generating $45.8 million compared to S$32 million in 2009. Meanwhile, Indonesia also grew in stature as a key geographic market, turning in S$5.9 million revenue for the year, an increase from S$1.6 million in the previous year, and making up 11.5% of total revenue, up from 4.9%.

In tandem with the Group's business and geographical expansion, cost and operating expenses rose from S$33 million to S$53.1 million. This increase was mainly attributable to the service fees as well as other expenses related to new acquisitions in Singapore and Indonesia.

Overall, the Group's operation result performed positively. However, this was affected by the adoption of accounting standard FSR103R which led to a write-off of approximately S$1.5 million in professional fees incurred on M&A activities, as well as the expense related to employees' share based payment of S$2.4 million. Consequently, an operating loss of S$1.4 million was incurred.

However, net loss was also offset by a S$1.0 million share of profit from an associate company of PT Sugih Energy Tbk, resulting in the Group incurring a net loss attributable to shareholders of S$580,000

BALANCE SHEET

Total asset of the Group increased significantly, to S$73.7 million as at 31 December 2010, from S$40.3 million previously, mainly arising from the consolidation of new acquisition in EEJW and PT Sugih Energy Tbk.

Due to the new acquisitions and the expansion of the logistics businesses, the Group balance sheet was slightly more levered with term loans rising 54.2% to S$7.6 million and finance lease liabilities grew 82.1% to S$3.1 million.

Higher share capital of S$42.7 million resulted from share issuance in relation to private placement exercise early in the year and part consideration for the new acquisitions.

CASH FLOW

Net cash outflow for operating activities was reduced by about S$3.4 due to professional fees incurred on M&A activities.

The Group also incurred cash outflow for acquisition of subsidiary totalling S$10.3 million, with outflow of S$1.8 million for PT Sugih Energy Tbk, S$8.4 million for EEJW and S$41,132 for RichLand LSP. At the same time, purchase of property, plant and equipment rose to S$4.7 million from S$1.2 million, largely due to the new acquisitions and investment in oil and gas exploration activities.

These financing needs were covered by the private placement exercise successfully undertaken in February 2010 that raised net proceeds of S$15.9 million.

Total net cash was S$8.5 million, down by about S$300,000.

DRIVEN BY OUR GOALS, WE CONTINUE TO STRIVE TO PROVE OUR METTLE IN THE OIL & GAS SECTOR WHILE OPTIMISING THE STRENGTH OF OUR LOGISTICS BUSINESS.

OIL AND GAS EXPLORATION AND PRODUCTION

Indonesia remains one of the most attractive Oil & Gas markets in Asia, with total 2P reserves close to 8 billion barrels of oil and 159 trillion cubic feet of gas (Migas, 2009). The technical success rate of Exploration Drilling in Indonesia is in the range of 15% to 25%, where the highest rate of 35% was recorded from Sumatra, the western part of the Indonesian archipelago. Sumatra is considered as the sweet spot for exploring hydrocarbon as it is located in the vicinity of the high demand energy country Singapore. In addition, Indonesia faces increasing demand for oil and gas from its domestic market.

The oil and gas business reported revenue for the first time beginning April 2010, and accounted for S$5.2 million or 10.1% of Group revenue for the whole year. This was driven in large part by the inclusion of sales revenue arising from the acquisition of Ellipse Energy Jatirarangon Wahana.

HIGHLIGHTS

- Completed acquisition of Ellipse Energy Jatirarangon Wahana Ltd (70% ownership of the Jatirarangon Block in West Java)
- Completed acquisition of Lemang Block in Sumatra (41% ownership)
- Received approval for exploration and development plans at the Lemang Block
- Conditional Sale & Purchase Agreement to acquire Elnusa Tristar Ramba Ltd (25%), the Operator of the Corridor TAC up to 15 October 2010.
- Completed acquisition of PT Sugih Energy Tbk (55.2%)[2]
- Commenced price negotiation for gas produced at Jatirarangon Block which resulted in a 70% gas price increase to US$4.332/mmbtu, with effect from April 2011
- Won exploration bid for West Jambi Block in Sumatra under an Operation Cooperation Agreement
- Commenced workover program at Jatirarangon Block which led to surprise oil discovery
- Deepened technical management team, including the appointment of senior geologist, Yang Shenbao

[2] 55.2% is taken from Ramba FY 2010 result

JATIRARANGON BLOCK

FINDING OIL AT WELL WORKOVER

During a workover at the Jatirarangon Block which began in December, the Group received an unexpected and positive surprise when oil was discovered in the gas field. The oil, found at the JRR-3 ST well tested an initial flow rate of 90 barrels of oil per day (bopd) and 0.5 million standard cubic feet per day (mmscfd) of gas.

To determine the true potential of the oil discovery, the Group is considering further in-depth geological, geophysical and reservoir studies, seismic acquisition, as well as a well-intervention program. These studies will be carried out in consultation with Indonesian state oil and gas company, Pertamina.

The oil discovery was made by the Group's wholly-owned subsidiary, Ellipse Energy Jatirarangon Wahana Ltd which holds 70% working interest and operates the Jatirarangon Block. The other 30% is owned by PT Wahana Sad Karya as a non–operator. Existing rights for the Group to explore and produce oil and gas expires in May 2020.

NEGOTIATION OF GAS PRICE INCREASE

The Jatirarangon Block is located onshore about 40 kilometers from Jakarta on the island of Java in Indonesia, in the West Java Basin and covers an area of approximately 123 square kilometers. Seven formations have been identified with proven gas reserves namely, Cisubuh, Parigi, Upper Cibulakan, Lower Cibulakan, Talang Akar, and Baturaja.

The Jatirarangon Block has been in commercial gas production since October 2004. PT Dinasti Hexa, the consultant engaged by the Group in a 2009 review, concluded that recoverable gas reserves were estimated to be 56.7 billion cubic feet. The Group is under an agreement till 2014 to supply the gas produced at Jatirarangon field to Indonesia's gas distribution firm PT Perusahaan Gas Negara (PGN).

In 2010, the Group supported Pertamina in the negotiation with PGN for an increase in the gas price, seeking an average of US$4.25/mmBTU. Since then, the Group has managed to secure a 70% price jump for the gas sale price – from US$2.55/mmbtu to US$4.332/mmbtu. In addition, the new price, which takes effect from April 2011, will increase by a further 3% on an annual basis until 2014.

Following this, the Group has confirmed plans to drill two new production wells this year that is expected to add at least 4 mmscfd in gas production, effectively doubling production level.

[3] Ramba's Circular to Shareholders dated 25 February 2010

LEMANG BLOCK

DRILLING OF EXPLORATION WELLS IN 2011

The Group reached a major milestone during the year with the completion of acquisition of the Lemang Block. In November, the transfer of 41% participating interest was ratified by Indonesia's oil and gas regulator, BPMIGAS. At the same time, approval was received for the Group to begin drilling two exploration wells in 2011.

Located in the very prolific oil and gas producing Jambi Sub-Basin, the Lemang Block is assessed to have numerous prospects and promising leads. The upside for the block which covers an area of 3,890 square kilometres is attractive given the significant oil and gas infrastructure nearby and the close access to the market.

The Lemang Block is also adjacent to the Jabung Block which is producing approximately 58,000 bopd (barrels of oil per day), according to The Jakarta Post report on 3 May 2010 quoting PetroChina International Indonesia, operator of the Jabung Block.

To accelerate work program, the Group entered into a Technical Assistance Agreement with PetroChina Jabung on 13 October 2009 to tap on the latter's existing infrastructure, success and technical expertise. A total of 4 exploration wells, 500 km of 2D seismic, and 500 square-km of 3D seismic are to be delivered under the Lemang exploration work commitment. The Lemang PSC expires in 2037.

WEST JAMBI BLOCK

SUCCESSFUL WIN OF EXPLORATION BID

In October, the Group celebrated the successful win of the bid to explore and produce oil and gas at the West Jambi Block. Located in the northern part of the prolific South Sumatra Basin, the block has significant leads and is surrounded by proven reserves in other neighbouring blocks, and an existing gas market target.

The geologic structure consists of a bundle of Northwest-Southeast trending anti-clinal folds that are known to provide structural traps for oil and gas accumulations. Preliminary internal evaluation has been promising based on geological and available seismic data. Preliminary technical studies have identified five leads amounting to an estimated Original Gas in Place (OGIP) of 4.1 billion cubic feet.

[4] Ramba's announcement dated 18 October 2010

Under the Operation Cooperation Agreement awarded to the Group by Indonesia's state oil and gas company, Pertamina, the Group will undertake a market driven exploration method to evaluate the leads, taking into account the gas market in the region. Pending formal approval, the exploratory program is envisaged to include exploratory drilling, geological and geophysical studies, and additional 2D and 3D seismic surveys.

Historically, the South Sumatra Basin has been the subject of oil and gas exploration even prior to the Second World War. Today, the West Jambi Block is surrounded by numerous producing fields for oil, gas and condensate, together with supporting pipelines, depots and other facilities, which are operated by Petrochina, ConocoPhillips, Pearl Oil, Pertamina, PGN etc.

The oil and gas infrastructure around the block reduces the Group's risk and cost to exploit the block upon a commercial discovery. Moreover, the West Jambi Block is itself interlaced with gas pipelines from neighbouring fields, including a gas pipeline connecting PetroChina's gas field at the Jabung Block to Singapore.

Based on current geological data, and regional stratigraphy, the Group believes the West Jambi Block may bring about new commercial opportunities and growth prospects for the Group in its transformation to become a major player in the oil and gas exploration and production sector.

ADDING PROMISING PRODUCING ASSETS

As an ongoing priority, the Group will actively evaluate producing assets for sale to strengthen the current portfolio and its presence in Indonesia's oil and gas sector. In the past year, the Group had evaluated assets including *inter alia* the Salawati assets sold by Pearl Oil and Lundin, and the potential divestment of Serica Energy's SE Asian assets. Such acquisitions must meet the criteria of being in clear alignment with the Group's longer term goals.

EXPANDING FUNDRAISING OPPORTUNITIES FOR E&P ACTIVITIES

The Group increased its position in the Indonesia's oil and gas sector with the completion of a sale, purchase and transfer of shares agreement for a 55.2% interest in PT Sugih Energy Tbk ("Sugih"), which shares are listed on the Indonesia Stock Exchange.

[5] RH Petrogas announcement dated 29 Dec 2010: the four entities are Pearl Oil (Basin) Limited, Pearl Oil (Island) Limited, Lundin Salawati Basin BV, and Lundin Indonesia

[6] Ramba's Circular to Shareholders dated 17 February 2011

Sugih was engaged in the business of trading, services and industrial activities including procurement and services to support oil and gas mining, and other energy activities, drilling, development and maintenance of infrastructure. In addition, Sugih has a 37.5% stake in Elnusa Tristar Ramba Ltd ("ETRL"). The acquisition is of strategic value as it would enable the Group to tap the Indonesian equity and debt markets and broaden fundraising opportunities for the Group's exploration and production activities.

CONDITIONAL PURCHASE OF A PRODUCING ASSET, ETRL

In May, the Group entered into a conditional sale and purchase agreement to acquire a 25 percent interest in ETRL. ETRL operates the Corridor TAC up to 15 October 2010, a group of seven fields that straddle the Jambi and the South Sumatra provinces: Ramba, Bentayan, Mangunjaya, Tanjung Laban, Kluang, Tempino, and Panerokan.

ETRL is currently in ongoing negotiations with Indonesian state oil and gas company Pertamina to secure the extension of TAC under a KSO contract for a further term of not less than 10 years.

The Group considers the TAC to be attractive, given that the Ramba Fields are in production with proven reserves, a well-developed infrastructure and a full suite of production equipment for oil exploration and production are in place.

As at October 2010, the Corridor TAC comprises approximately 500 wells; of which 142 are producing wells. Average daily production stands at 3,658 bopd[6].

LOGISTICS

Even while 2010 turned out to be a challenging year for the global logistics sector as the world economy continued to be in transition and competition intensified, the Group's logistics businesses, under the RichLand brand, recorded its highest annual turnover in the Company's history.

The changing market environment in South-east Asia, driven by a robust an Asia-led economic recovery, opened up significant new opportunities for the Group. By leveraging these opportunities to increase scale of operations and grow service capabilities, the Group gained new competitive advantage on several fronts.

As the Group continued to reposition the logistics business and drive for higher revenue growth, several new contracts were secured both in Singapore and in the booming Indonesian market place through the development of customer-focused solutions that capitalised upon our core strengths.

For the financial year 2010, the Group's RichLand logistics business recorded a turnover of S$43.0 million, a 43% increase from S$30.1 million in the previous year. This was the highest revenue ever achieved by the RichLand logistics business since it was founded.

Apart from higher sales volume from the economic recovery, the strong performance was attributed to the Group's expansion into bulk liquids transportation and the chemical logistics sector, as well as other new business wins in the Indonesian logistics market.

HIGHLIGHTS

- Acquired and rebranded LSP Pte Ltd to RichLand LSP. This assisted in diversifying the Group's logistics revenue base into the niche chemical and bulk liquid sector. RichLand LSP specialises in the distribution and transportation of bulk liquids for multinational customers within the APAC region, utilizing its own fleet of ISO tanks.

- Successful expansion into the Domestic chemical logistics sector in Indonesia with long term new transport contract wins from BASF and SMI.

- Significant new contract wins from the Dairy Farm group and global 3PL logistics partners, in addition to major contract extensions with key MNC customers

- Logistics revenue sourced in Singapore grew 43%

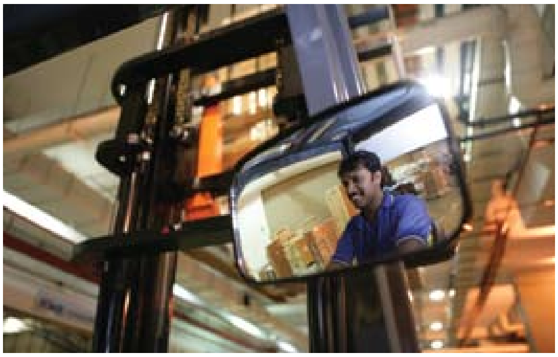
- Achieved certification for the environmental ISO 140001 standard. and Occupational health and safety certification under OHSAS 18000 for the first time.

New revenue was added in 2010 following the completion of the Group's acquisition of RichLand LSP in December 2009. Besides the business of owning, operating and leasing ISO tanks for bulk liquid chemicals, RichLand LSP's core competence in the provision of transport services for bulk liquids enhanced the Group's range of logistics service offerings.

The Group significantly improved its market position in Indonesia during the year. RichLand marked the Group's entry, winning new contracts with leading chemical companies, BASF and PT Styrindo Mono Indonesia. Under the contracts, RichLand undertakes the domestic transportation of bulk liquid chemicals from manufacturing plantsto key customer locations in Java and Sumatra. To date, the Group manages about 45 truckloads daily or an estimated 15,000 full loads in a year for the chemical sector.

In Singapore, Asia's top logistics hub and a key market for RichLand, the Group continued to focus on strengthening its position, tapping growth opportunities in areas where the Group has particular competences. In the fast moving consumer goods sector, the Group capitalised its established track record to close its first major contract with the Dairy Farm Group. The Dairy Farm Group operates hypermarkets, supermarkets, health and beauty stores and the 7-Eleven chain of convenience stores in Singapore and the region.

As part of the two-year contract for 7-Eleven, Singapore's largest chain of convenience retail stores, RichLand undertakes the daily distribution of ambient products to more than 550 stores and outlets. The Group understands it to be the largest drop-delivery contract in Singapore based on the sheer number of delivery points involved.



During the year, the Group successfully expanded its commercial partnerships with leading global logistics providers, securing a series of new contracts and contract extensions. A number of new service partnership agreements and existing contract renewals were formally signed with world-leading logistics companies. They encompass the delivery of integrated services from domestic transport, sea-freight container haulage, heavy freight express delivery, ground handling operations and other value-added services such as customs brokerage.

The new service partnership agreements attest to RichLand's ability to optimise in-country supply chains according to customers' specifications and to deliver an array of tailored, flexible solutions that translate into tangible gains in productivity and cost-saving for its global partners. The Group will continue to build on its impressive achievements to grow and build the RichLand brand and reputation in the region.

ENVIRONMENT, HEALTH AND SAFETY

In the Group's continuous pursuit of high standards in environmental sustainability and employee health and safety, the Group successfully achieved the ISO 14001 certification for environmental management and was also certified OHSAS 18000 for its commitment to occupational health and safety.

TECHNOLOGY

The Group continued to invest in technology to sharpen its competitiveness, adopting new technologies to streamline its process' and improve performance within its Human resources. New systems were implemented in 2010 within the Human Resource, Finance and quality enhancement functions.

In addition to this the Group launched a new pilot program. A fleet of 15 RichLand trucks in Singapore were equipped with customised Global Positioning System (GPS) to assist in achieving higher optimisation of assets, resources and increased productivity and reduced carbon emissions.

LOOKING AHEAD

The Group will continue to develop scale in Indonesia and Singapore for RichLand while actively seeking expansion opportunities into the Malaysian market as part of the plan to strengthen core transport services beyond Singapore.

The Group sees great opportunity in the Project Logistics industry. Since early 2010, the Group has been steadily increasing our service capabilities to deliver larger-scale project logistics contracts, with a particular focus on offshore projects and in the provision of support to shore-based supply depots for the oil and gas industry.

In addition to reengineering the Group's transport fleet, another key area of attention for 2011 is the greater adaption of technology to further drive efficiencies in operations and to eliminate waste.

The Company is committed to setting in place corporate governance practices to provide the structure through which the objectives of protection of shareholders' interests and enhancement of long term shareholders' value are met.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: Effective Board to lead and control the Group.

The Board of Directors (the "Board") comprises seven directors of whom four are executive directors, one non-executive and non-independent director and two independent directors. Their combined wealth and diversity of experience enable them to contribute effectively to the strategic growth and governance of the Group.

The principal functions of the Board, apart from its statutory responsibilities, include:

- Provides entrepreneurial leadership and sets the overall strategy and direction of the Group;
- Reviewing and overseeing the management of the Group's business affairs, financial controls, performance and resource allocation;
- Approving the Group's strategic plans, key business initiatives, acquisition and disposal of assets, significant investments and funding decisions and major corporate policies;
- Oversee the processes of risk management, financial reporting and compliance and evaluate the adequacy of internal controls;
- Approving the release of the Group's half-year and full-year financial results, related party transactions of material nature and the submission of the relevant checklists to the SGX-ST;
- Appointing directors and key management staff, including the review of performance and remuneration packages; and
- Assumes the responsibilities for corporate governance.

To ensure that specific issues are subject to considerations and review before the Board makes its decisions, the Board has established 3 board committees, namely, the Audit Committee (AC), Nominating Committee (NC), and the Remuneration Committee (RC), which would make recommendations to the Board. These committees which operate within clearly defined terms of reference, play an important role in ensuring good corporate governance in the Company and within the Group.

The Board meets regularly. During the financial year ended 31 December 2010, the Board held a total of eight meetings. Ad-hoc meetings are convened when circumstances require. The Company's Articles of Association (the Articles) provide for meetings of the Directors to be held by means of telephone conference or other methods of simultaneous communication be electronic or telegaphic means. The Board also approves transactions through circular resolutions which are circulated to the Board together with all relevant information to the proposed transaction.

The frequency of meetings and the attendance of each director at every board and board committee meetings are disclosed in the table reflected below:

ATTENDANCE REPORT OF DIRECTORS

Name of Director	Board No. of meetings		AC No. of meetings		RC No. of meetings		NC No. of meetings	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Tan Chong Huat	8	7	5	5	6	6	1	1
Mr Aditya Wisnuwardana Seky Soeryadjaya	8	7	5	4*	6	3*	1	1*
Mr Daniel Zier Johannes Jol	8	8	5	5*	6	4*	1	1*
Ms Lanymarta Ganadjaja	8	8	5	5*	6	3*	1	1*
Mr Bambang Nugroho	8	7	5	5*	6	3*	1	1*
Mr Chee Teck Kwong Patrick	8	8	5	5	6	6	1	1
Mr Tay Ah Kong Bernard	8	8	5	5	6	5	1	1

*Note: By invitation

The Company conducts comprehensive orientation programs for new directors to familiarise themselves with the Company's structure and organisation, businesses and governance policies. The aim of the orientation program is to give directors a better understanding of the Company's businesses and allow them to assimilate into their new roles. All directors who have no prior experience as director of a listed company will undergo intensive training and briefing on the roles and responsibilities as directors of a listed company.

New directors are also informed about matters such as the Code of Dealing in the Company's shares. Changes to regulations and accounting standards are monitored closely by the management. To keep pace with such regulatory changes, the Company provides opportunities for ongoing education on Board processes and best practices as well as updates on changes in the relevant laws and regulations.

The Company has adopted a policy where directors are encouraged to make enquiries on any aspects of the Company's operations or business issues from management. The Chairman or the CEO or the Company Secretary will make the necessary arrangements for the briefings, informal discussions or explanations required.

Directors also have the opportunity to visit the Group's operational facilities and meet with management to gain a better understanding of the business operations.

BOARD COMPOSITION AND BALANCE

Principle 2: Strong and independent Board

As of the date of this report, the Board comprises the following directors:

EXECUTIVE DIRECTORS

Mr Aditya Wisnuwardana Seky Soeryadjaya
Mr Daniel Zier Johannes Jol
Ms Lanymarta Ganadjaja
Mr Bambang Nugroho

NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR

Mr Tan Chong Huat (Chairman)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr Chee Teck Kwong Patrick
Mr Tay Ah Kong Bernard

The Board has adopted the Code's criteria of an independent director in its review and is of the view that all independent non-executive directors have satisfied the criteria of independence. Although the independent directors do not make up one-third of the Board, there is a strong and independent element. Matters requiring the Board's approval are discussed and deliberated with participation from each member of the Board. The decisions are based on collective decision without any individual influencing or dominate the decision making process.

The Board regularly examines its size and, with a view to determining the impact of its number upon effectiveness, decides on what it considers an appropriate size for itself taking into account the scope and nature of the Company's operations. The composition of the Board is reviewed annually by the NC to ensure that there is an appropriate mix of expertise and experience to enable management to benefit from a diverse perspective of issues that are brought before the Board. Together, the directors as a group provide core competencies in business, investment, legal, audit, accounting and tax matters.

The profiles of the Board are set out in pages 8-11 of the Annual Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: Clear division of responsibilities between Chairman and Chief Executive Officer ("CEO") to ensure a balance of power and authority

The Company has a separate Chairman and CEO to ensure an appropriate balance of power, increased accountability and greater capacity for the Board in terms of independent decision making. The Chairman is a non-executive and non-independent director. The Chairman ensures that board meetings are held when necessary and sets the board meeting agenda in consultation with the CEO. The Chairman ensures that board members are provided with complete, adequate and timely information. The Chairman ensures that procedures are introduced to comply with the Code and ensures effective communications within the board and with the shareholders.

The CEO is the most senior executive in the Company and bears executive responsibility for the Company's business, while the Chairman bears responsibility for the workings of the Board.

BOARD MEMBERSHIP

Nominating Committee ("NC')

Principle 4: Formal and transparent process for the appointment of new directors to the Board

The NC comprises three directors a majority of whom are independent. The NC is chaired by an independent director Mr Chee Teck Kwong Patrick, who is not directly associated with a substantial shareholder, and is not a substantial shareholder. The other members are Mr Tay Ah Kong Bernard and Mr Tan Chong Huat.

The NC is regulated by its terms of reference and its key functions include:

- Reviewing the Board structure, size and composition;
- Assessing nominees or candidates for appointment or election to the Board and making plans for succession, in particular for the Chairman and the CEO;
- Assessing the effectiveness of the Board as a whole;
- Assessing the contribution, performance and effectiveness of the Board;
- Reviewing the independence of the directors on an annual basis; and
- Deciding whether a director is able to and has been adequately carrying out his or her duties as a director of the Group, particularly when the director has multiple board representations.

The NC meets at least once a year. Pursuant to the Company's Articles of Association, each director of the Company shall retire from office at least once every 3 years. Directors who retire are eligible to stand for re-election.

All directors submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Article 107 of the Company's Articles of Association requires one-third of the Board to retire and submit themselves for re-election by shareholders at each Annual General Meeting ("AGM"). In addition, Article 117 of the Company's Articles of Association provides that every new director must retire and submit themselves for re-election at the next AGM of the Company following his appointment during the year.

The dates of initial appointment and last re-election of each director are set out below:

Name of Director	Position held on the Board	Date of first to the Board appointment	Date of last re-election as Director
Mr Tan Chong Huat	Chairman	17 February 2004	27 April 2010
Mr Aditya Wisnuwardana Seky Soeryadjaya	Director	30 June 2008	27 April 2010
Ms Lanymarta Ganadjaja	Director	30 June 2008	23 April 2009
Mr Bambang Nugroho	Director	1 August 2008	23 April 2009
Mr Daniel Zier Johannes Jol	Director	17 November 2008	23 April 2009
Mr Tay Ah Kong Bernard	Director	5 June 2008	23 April 2009
Mr Chee Teck Kwong Patrick	Director	17 February 2004	23 April 2009

The NC has also adopted internal guidelines addressing the commitments that are faced when directors serve on multiple boards. For the current financial year, the Board is satisfied that each Director has allocated sufficient time and resources to the affairs of the Company. The Company has in place, policies and procedures for the appointment of new directors, including the description on the search and nomination procedures. Each member of the NC shall abstain from voting on any resolutions and making recommendations and/or participating in any deliberations of the NC in respect of his renomination as a director.

The NC has recommended the re-election of the Ms Lanymarta Ganadjaja and Mr Tay Ah Kong Bernard, who are retiring at the coming AGM.

The following key information regarding directors is set out in pages 37-39 of the Annual Report.

Academic and professional qualifications, board committees served, directorships or chairmanships both present and past held over the preceding three years in other listed companies and other major appointments, whether the appointment is executive or non-executive.

BOARD PERFORMANCE

Principle 5: Formal assessment of the effectiveness of the Board and contribution of each director

In line with the principles of good corporate governance, the Board has implemented a process to evaluate its performance as a whole. The performance criteria include financial targets, the contribution by directors, their expertise, their sense of independence and their industry knowledge. This encourages constructive feedback from the Board and leads to an enhancement of its performance over time. The Board has met to discuss the evaluation of the Board's performance and has adopted a formal evaluation process to assess the effectiveness of the Board as a whole. The NC has decided unanimously, that the directors will not be evaluated individually but factors taken into consideration for the re-nomination are the extent of their attendance, participation and contributions in the proceedings of the meetings.

The NC, in considering the re-appointment of any director, had considered but not limited to attendance record at meetings of the Board and Board committees, intensity of participation at meetings and the quality of contributions.

ACCESS TO INFORMATION

Principle 6: Board members to have complete, adequate and timely information

In order to ensure that the Board is able to fulfil its responsibilities, the Management is required to provide adequate and timely information to the Board on Board affairs and issues that require the Board's decision as well as ongoing reports relating to the operational and financial performance of Company. For subjects that require the Board's decision, relevant management staffs are invited to attend at a specific allocated time during the board and board committee meetings. Periodic financial reports, budgets, forecasts, material variance reports, disclosure documents are provided to the Board, where appropriate, prior to the Board meeting.

The Board has separate and independent access to the key management staff at all times. Where necessary, the Company will, upon the request of directors (whether as a group or individually), provide them with independent professional advice, to enable them to discharge their duties. The costs of such professional advice will be borne by the Company.

The Board has independent access to the Company Secretary, who provides the Board with regular updates on the requirements of the Companies Act and all the rules and regulations of the SGX-ST. The Company Secretary or his representatives attend all Board meetings and Board Committee meetings and assists the Chairman of the Board and Board Committees in ensuring that the relevant procedures are followed and reviewed such that the Board and Board Committees functions effectively. The decision to appoint or remove the Company Secretary is a decision made by the Board as a whole.

REMUNERATION MATTERS: PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: Formal and transparent procedure for fixing remuneration packages of directors

Remuneration Committee ("RC")

The RC comprises 3 directors, a majority of whom are independent. Mr Chee Teck Kwong Patrick chairs the RC with Mr Tan Chong Huat and Mr Tay Ah Kong Bernard as members. The RC recommends to the Board a framework for the remuneration for the Board and key executives and to determine specific remuneration packages for each Executive Director which is based on transparency and accountability.

The RC is regulated by its terms of reference and its key functions include:

- Reviewing and recommending to the Board a framework of remuneration and specific remuneration packages for all directors of the company;
- Reviewing the service contracts of the executive directors;
- Reviewing and enhancing the compensation structure with incentive performance base for key executives;
- Overseeing the general compensation of employees of the Group with a goal to motivate, recruit and retain employees and directors through competitive compensation and progressive policies; and
- Administering the Ramba Energy Share Option Scheme and Ramba Energy Performance Share Plan.

The RC's recommendations are submitted to the entire Board. Each member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his remuneration package.

BOARD PERFORMANCE

Level and Mix of Remuneration

Principle 8: Appropriate remuneration to attract, retain and motivate the directors

In setting remuneration packages, the Company takes into consideration the remuneration packages and employment conditions within the industry as well the Group's relative performance and the performance of its individual directors.

The non-executive independent directors are paid directors' fees taking into account factors such as the effort and time spent and the scope of responsibilities of the directors. Directors' fees are recommended by the Board for approval at the Company's AGM.

The executive directors do not receive directors' fees. The remuneration packages of the executive directors include a basic salary, bonus and other benefits.

The service contracts of the executive directors are reviewed by the RC and provide for termination by either party giving to the other not less than three months written notice in writing.

The Company has an existing share incentives schemes namely, the Ramba Group Share Option Scheme and Ramba Group Performance Share Plan for the Company's executives, including its directors and employees (the "Schemes"). Both Schemes will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. Information on the Schemes is set out in the Directors' Report.

DISCLOSURE ON REMUNERATION

Remuneration of Directors And Key Executive Officers

Principle 9: Clear disclosure on remuneration policy, level and mix

'A breakdown showing the level and mix of each executive director and executive officer (only those who were in service for FY2010) is as follows:

Directors

Names	Salary (%)	Bonus (%)	Other Benefits (%)	Share Options (%)[3]	Share Awards (%)[4]	Directors' Fees (%)	Total (%)
S$250,000 to S$500,000							
Aditya Wisnuwardana Seky Soeryadjaya [2]	47.80%	3.76%	4.10%	15.11%	29.23%	0.00%	100%
Lanymarta Ganadjaja	53.61%	4.36%	17.43%	11.54%	13.06%	0.00%	100%
Daniel Zier Johannes Jol	59.08%	5.17%	6.61%	13.65%	15.49%	0.00%	100%
Below S$250,000							
Bambang Nugroho	25.72%	0.00%	0.00%	34.85%	39.43%	0.00%	100%
Tan Chong Huat [1]	0.00%	0.00%	10.00%	19.02%	18.77%	52.21%	100%
Chee Teck Kwong Patrick [1]	0.00%	0.00%	0.00%	21.70%	21.35%	56.95%	100%
Tay Ah Kong Bernard [1]	0.00%	0.00%	0.00%	21.80%	21.80%	56.40%	100%

Notes:

(1) Directors' Fees for FY2010 and approved by shareholders on 27 April 2010.

(2) Son of substantial shareholder, Mr Edward Seky Soeryadjaya.

(3) Share Options were granted on 13 September 2010 by the Company.

(4) Share Awards were granted on 13 September 2010 by the Company.

Top 5 Executives of the Group

The gross remuneration received by the top 5 executives of the Group is as follows:-

Range	No of Executives
S$250,000 to S$500,000	5

The remuneration of the top executives (who are not directors of the Company) was shown on a "no name" basis on concern over poaching of these executives by competitors. Except for the following declaration below, there are currently no other employees who are immediate family members of a director whose remuneration exceeds $150,000 during FY2010.

Remuneration Of Employee Related To Director

As at 31 December 2010, we have an employee who is related to Mr Tan Chong Huat, the non-executive Chairman of the Company. He has been a Director of a subsidiary of the Company since 2009. The basis of determining the remuneration of the related employee is the same as the basis of determining the remuneration of other unrelated employee.

Summary compensation table who is related to the non-executive director for the financial year ended 31 December 2010

Range	Salary (%)	Bonus (%)	Other Benefits (%)	Share Options (%)	Share Awards (%)	Total (%)
below S$250,000	100.00%	0.00%	0.00%	0.00%	0.00%	100.00%

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: Board to present balanced and understandable assessment of the Company's performance

The Board understands its accountability to the shareholders on the Group's position, performance and progress. The objectives of the presentation of the annual audited financial statements, full-year and half-yearly results to its shareholders are to provide the shareholders with a balanced and understandable analysis and explanation of the Group's financial performance and position and prospects.

The management understands its role to provide all members of the Board with a balanced and understandable assessment of the Group's performance, position and prospects.

Audit Committee ("AC")

Principle 11: Establishment of an Audit Committee with written terms of reference

The AC currently comprises of 3 directors, a majority of whom are independent. Mr Tay Ah Kong Bernard chairs the AC. The other members are Mr Chee Teck Kwong Patrick and Mr Tan Chong Huat.

The Board is of the view that the members of the AC are appropriately qualified in that they have sufficient accounting or related financial management expertise and experiences to discharge the AC's function.

The AC comprise of members who have sufficient experience in finance, legal and business fields.

The role of the AC is to assist the Board with discharging its responsibility to safeguard the Company's assets, maintain adequate accounting records and develop and maintain effective systems of internal control.

The terms of reference of the AC is in accordance with the guidelines recommended in the guidebook by the Audit Committee Guidance Committee released in October 2008.

The AC has its terms of reference as follows:

- Reviewing with the Group's external auditors, their audit plan, evaluation of the internal accounting controls, audit report, and any matters which the external auditors wish to discuss;
- Reviewing the Group's financial reports to ensure its integrity and all financial announcements relating to the Group's financial performance for submission to the Board for approval;
- Reviewing with the internal auditors, the scope and results of internal audit procedures as well as the effectiveness of the internal audit function and their evaluation of the internal control system;
- Reviewing interested person transactions;
- Evaluating the scope and results of the audit and its cost effectiveness and the objectivity and independence of the external auditors annually and nominating external auditors for appointment or re-appointment; and
- Reviewing the Company's procedures for detecting fraud and whistle-blowing matters and to ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control, or any other matters.

The AC has the explicit authority to investigate any matter within its terms of reference and full access to and cooperation by the Group's management. It has the discretion to invite any director or member of the Group's management to its meetings. The AC has been given reasonable resources to enable it to discharge its functions properly.

Where, by virtue of any vacancy in the membership of the AC for any reason, the number of members is reduced to less than 3, the Board shall, within 3 months thereafter, appoint such number of new members to the AC. The AC meets at least four times a year, and as and when necessary.

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our Group's operating results and/or financial position. Each member of the AC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the AC in respect of matters in which he is interested.

Annually, the AC meets with the external auditors separately without the presence of the Management. The AC had also reviewed the non-audit services provided by the external auditors, which comprise tax services and was satisfied that extent of such service will not prejudice the independence and objectivity of the external Auditors. The AC has recommended the re-appointment of Ernst & Young LLP, as external auditors at the forthcoming AGM of the Company.

In July 2010, the SGX-ST and Accounting and Corporate Regulatory had launched the "Guidance to Audit Committee on Evaluation of Quality of work performed by External Auditors" which aims to facilitate the AC in evaluating the external auditors. Accordingly, the external auditors had presented the key indicators of audit quality set out in the guidance to AC.

The AC has in consultation with the Board, initiated the implementation of fraud and whistle-blowing policy for all employees including overseas subsidiaries and associates. This policy aims to provide an avenue for employees to raise concerns and reassurance that they will be protected from reprisals or victimisation for fraud and whistle-blowing in good faith.

Internal Control

Principle 12: Sound system of internal controls.

The Board is responsible for the overall internal control framework, but acknowledges that no cost-effective internal control system will preclude all errors and irregularities. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss. The controls in place provide that the assets are safe, regardless of operational and business risks are suitably addressed and proper accounting records are maintained. The AC has reviewed the effectiveness of the internal control system put in place by the management and is satisfied that there are adequate internal controls in the Company.

The external auditors provide feedback to the AC highlighting matters that require the attention of the Management. The AC keeps under review the effectiveness of the Group's system of accounting and internal financial controls, for which the directors are responsible.

The Board believes that in the absence of any evidence to the contrary and from due enquiry, the system of internal controls that has been maintained by the Group's management throughout the financial year is adequate to meet the needs of the Group in its current business environment.

Internal Audit

Principle 13: Establishment of an internal audit function that is independent of the functions of its audits

The AC and the Board approved the outsourcing of Internal Audit (IA) function for more cost-effective reason. During the year under review, the AC appointed Messrs Crowe Horwath First Trust Risk Advisory Pte Ltd (previously known as "Horwath First Trust Risk Advisory Pte Ltd") as IA and approved its internal audit schedule. The IA has conducted parts of its audit plan and put forward its findings and recommendations to the AC for review. The IA has a direct and primary reporting line to the AC and assist the AC in overseeing and monitoring the implementation of improvements required on internal control weaknesses identified.

The AC has reviewed the annual internal audit plan for FY2010 and is satisfied that the internal audit functions have been adequately carried out.

COMMUNICATION WITH SHAREHOLDERS

Principle 14: Regular, effective and fair communication with shareholders

In line with the continuous obligations of the Company under the SGX-ST Listing Manual and the Companies Act, the Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group. The Company's half-year and full-year announcements and any material information are broadcasted via SGX-Net. Shareholders have access to information on the Group via the Company's website www.rambaenergy.com. The Company does not practice selective disclosure. Price-sensitive information is first publicly released through SGX-Net, either before the Company meets with any investors or analysts. All shareholders of the Company can, on request, receive the full Annual Report and notice of AGM which is held within four months after the close of the financial year.

Principle 15: Greater shareholder participation at Annual General Meeting ("AGMs")

Shareholders are encouraged to attend the AGMs to ensure a high level of accountability and to stay informed of the Company's strategy and goals. Notice of the AGM is dispatched to shareholders, together with explanatory notes or a circular on items of special businesses (if necessary), at least 14 clear calendar days before the meeting. The Board welcomes questions from shareholders who wish to raise issues, either informally or formally before or during the AGM. The Chairmen of the Audit, Remuneration and Nominating Committees are normally available at the meeting to respond to those questions relating to the work of these committees.

The Board also notes that there should be separate resolutions on each substantially separate issue that are to be tabled at the general meeting.

RISK MANAGEMENT

The Company is continually reviewing and improving the business and operational activities to take into account the risk management perspective. This includes reviewing management and manpower resources, updating work flows, processes and procedures to meet the current and future market conditions.

In terms of operational risk, the Company has reduced its dependence on a few key contracts. As part of its business strategy, the Company will continue diversifying into other segments of business such as oil and gas exploration and production, and project logistics.

In terms of investment risk, the Company has outlined its efforts to grow businesses through organic growth, as well as acquiring similar players in the industry and expanding regionally. A cautious approach has been adopted towards investment opportunities and each proposal will be carefully evaluated. Where possible, the Company will work with an established partner in order to mitigate the risk.

MATERIAL CONTRACTS

Save for the service agreements between the Executive Directors and the Company and the total amount of fees paid to the affiliates of Mr Tan Chong Huat namely, KhattarWong and KW Corporate Advisory Pte. Ltd. for legal work and corporate secretarial work done respectively for the year ended 31 December 2010 was approximately S$1,013,541, there were no material contracts of the Company or its subsidiaries involving the interest of any director or controlling shareholders subsisting as at the financial year ended 31 December 2010.

INTERESTED PERSON TRANSACTIONS

There were no interested party transactions between the Company and any of its interested persons (namely, directors, executive officers or controlling shareholders of the Group or the associates of such directors, executive officers or controlling shareholders) subsisting for the year ended 31 December 2010.

In accordance with the recommendations by the Audit Committee Guidance Committee, the Company has adopted an interested person transaction policy which specifies that all interested transactions with an interested person, as defined in the policy, will be at arm's length and on terms generally available to an unaffiliated third-party under the same or similar circumstances.

Except for the limited exceptions set in the policy, transactions with interested persons that will exceed $100,000 in any calendar year must receive the approval of the Board prior to the company entering into the 'interested transaction'.

DEALINGS IN SECURITIES

The Company has adopted its own internal Code of Conduct to provide guidance to all officers of the Company and its subsidiaries with regard to dealings in the Company's securities in compliance with Rule 1207 (18) of the Listing Manual of the SGX-ST.

Directors and executives are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period.

PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

Name of Director	Academic/ Professional Qualifications	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member	Directorship Date First Appointed	Directorship/ in other Listed Companies and other major appointments	Past directorships in other Listed Companies and other major appointments over the preceding 3 years
Mr Tan Chong Huat	Bachelor of Law degree from the National University of Singapore and Master of Law degree from the University of London. He is an Advocate and Solicitor in Singapore, England and Wales, and New South Wales, Australia, a Notary Public and a Commissioner for Oaths	Non-executive Chairman and Non-Independent Director	Member of the Audit Committee, Nominating Committee, and Remuneration Committee, and Non-executive Chairman of the Board	17 Feb 2004	• Luye Pharma Group Limited • Swissco Holdings Limited • Asia Water Technology	• Artivision Technologies Limited • Sinwa Limited • Superior Fastening Technology Limited • Chasen Holdings Ltd • Asia Environment Holdings Ltd • Swing Media Technology Group Limited
Mr Aditya Wisnuwardana Seky Soeryadjaya	Bachelor of Science degree in Accounting from the University of Southern California in Los Angeles, California, USA	Chief Executive Officer and Executive Director	NIL	30 Jun 2008	N.A.	N.A.
Mr Daniel Zier Johannes Jol	Bachelor of Science degree in Civil Engineering from Purdue University in West Lafayette, Indiana, USA and Master in Business Administration degree from the National University of Singapore	Commercial Director and Executive Director	NIL	17 Nov 2008	NIL	NIL

PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

Name of Director	Academic/ Professional Qualifications	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member	Directorship Date First Appointed	Directorship/ in other Listed Companies and other major appointments	Past directorships in other Listed Companies and other major appointments over the preceding 3 years
Ms Lanymarta Ganadjaja	Degree in Economics with a major in Accounting in Parahyangan Catholic University in Bandung, Indonesia	Executive Director	NIL	30 Jun 2008	NIL	NIL
Mr Bambang Nugroho	Degree in Petroleum Engineering from the Bandung Institute of Technology in Bandung, Indonesia	Executive Director	NIL	1 Aug 2008	NIL	NIL
Mr Chee Teck Kwong Patrick	Bachelor of Law (Hons) degree from the University of Singapore. He is an Advocate and Solicitor of the Supreme Court of the Republic of Singapore since 1980.	Independent Director	Chairman of the Nominating Committee and Remuneration Committee and member of the Audit Committee	17 Feb 2004	• CSC Holdings Limited • Hai Leck Holdings Limited • Hengxin Technology Ltd • PSC Corporation Ltd • Singapore Windsor Holdings Limited • Tat Seng Packaging Group Ltd • China International Holdings Limited	King's Safetywear Limited (delisted in 2008)

PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

Name of Director	Academic/ Professional Qualifications	Board Appointment Executive/ Non-executive	Board Committees as Chairman or Member	Directorship Date First Appointed	Directorship/ in other Listed Companies and other major appointments	Past directorships in other Listed Companies and other major appointments over the preceding 3 years
Mr Tay Ah Kong Bernard	Fellow of the Association of the Chartered Certified Accountants of United Kingdom, the Taxation Institute of Australia and the Singapore Institute of Directors. He is also a Chartered Accountant of Malaysia and a Fellow of the Institute of Certified Public Accountants of Singapore	Independent Director	Chairman of the Audit Committee, member of the Nominating Committee and Remuneration Committee	4 Jun 2008	• China Hongxing Sports Limited • China Yongsheng Limited (Global Ariel Limited) • Hengxin Technology Ltd • Juken Technology Limited • Oakwell Engineering Limited • Asia Water Technology Ltd	• Reyoung Pharmaceuticals Holdings Limited • Man Wah Holdings Limited (delisted on 15 September 2009)

The details on shareholdings of the directors are disclosed on pages 41 - 42 of the Annual Report under Directors' Interest in Shares or Debentures section of the Directors' Report.

FINANCIAL CONTENTS

The Directors are pleased to present their report to the members together with the audited consolidated financial statements of Ramba Energy Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2010.

Directors

The Directors of the Company in office at the date of this report are:

Aditya Wisnuwardana Seky Soeryadjaya	-	Chief Executive Officer/Executive Director
Daniel Zier Johannes Jol	-	Executive Director
Lanymarta Ganadjaja	-	Executive Director
Bambang Nugroho	-	Executive Director
Tan Chong Huat	-	Non-Executive Chairman/Director
Chee Teck Kwong Patrick	-	Independent Director
Tay Ah Kong Bernard	-	Independent Director

Arrangements to enable Directors to acquire shares and debentures

Except as disclosed under share options, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interest in shares

The following Directors, who held office at the end of the financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, interests in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of Director	Holdings at beginning of the year	Holdings at end of the year
The Company		
Aditya Wisnuwardana Seky Soeryadjaya		
- Ordinary shares	–	222,000
- Options to subscribe for ordinary shares between 16/10/2010 to 13/09/2012	–	666,000*
Daniel Zier Johannes Jol		
- Ordinary shares	–	212,000
- Options to subscribe for ordinary shares between 16/10/2010 to 13/09/2012	635,000	806,000
Lanymarta Ganadjaja		
- Ordinary shares	–	176,000
- Options to subscribe for ordinary shares between 16/10/2010 to 13/09/2012	531,000	668,000
Bambang Nugroho		
- Ordinary shares	–	151,000
- Options to subscribe for ordinary shares between 16/10/2010 to 13/09/2012	455,000	592,000

Name of Director	Holdings at beginning of the year	Holdings at end of the year
Tan Chong Huat		
- Ordinary shares	50,000	100,000
- Options to subscribe for ordinary shares between 16/10/2010 to 13/09/2012	152,000	304,000
Chee Teck Kwong Patrick		
- Ordinary shares	50,000	90,000
- Options to subscribe for ordinary shares between 16/10/2010 to 13/09/2012	122,000	244,000
Tay Ah Kong Bernard		
- Ordinary shares	–	40,000
- Options to subscribe for ordinary shares between 16/10/2010 to 13/09/2012	120,000	240,000

* Note:
As at 13 September 2010, 229,000 options has been granted to Mr Aditya Wisnuwardana Seky Soeryadjaya and this was approved by the Company's shareholder at the Extraordinary General Meeting held on 4 March 2011.

There was no change in any of the above-mentioned interests between the end of financial year and 21 January 2011.

Except as disclosed in this report, no Director who held office at the end of the financial year had interest in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Share Options

At an Extraordinary General Meeting ("EGM") held in 2007, shareholders approved the Ramba Group Employee Share Option Scheme for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company, to eligible senior executives and employees respectively.

The Remuneration Committee ("RC") is responsible for administering the Ramba Group Employee Share Option Scheme ("ESOS") and the Ramba Group Performance Share Plan ("PSP").

The Committee members comprise of three directors, Mr Chee Teck Kwong Patrick (Chairman), Mr Tan Chong Huat and Mr Tay Ah Kong Bernard.

At the 12 March 2010 EGM, the Company's shareholders approved the ESOS participation of Mr Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company. The number of options granted was 666,000 at the exercise price of $0.69 per share.

On 13 September 2010, the Company granted 1,251,000 share options (other than to controlling shareholders and their associates) under the ESOS. These options expire on 13 September 2012 and are exercisable if the employee remains in service as of the exercise date (i.e. 13 September 2011).

At the end of the financial year, details of the options granted under the ESOS, are as follows:

Date of grant of options	Exercise price of the options	Options outstanding at 01/01/2010	Options granted	Options cancelled	Options outstanding at 31/12/2010	Exercise period
16/10/2009	S$0.69	2,901,000	666,000	(217,000)	3,350,000	16/10/2010 to 16/10/2011
13/09/2010	S$0.38	–	1,251,000	–	1,251,000	13/09/2011 to 13/09/2012
		2,901,000	1,917,000	(217,000)	4,601,000	

* The aggregate number of options granted on 13 September 2010 was 1,917,000.

Name of Participant	Options granted for financial year ended 31/12/2010	Aggregate options granted since commence-ment of scheme to 31/12/2010	Aggregate options expired since commence-ment of scheme to 31/12/2010	Aggregate options outstanding as at 31/12/2010
Aditya Wisnuwardana Seky Soeryadjaya	666,000	666,000	–	666,000
Daniel Zier Johannes Jol	171,000	806,000	–	806,000
Lanymarta Ganadjaja	137,000	668,000	–	668,000
Bambang Nugroho	137,000	592,000	–	592,000
Tan Chong Huat	152,000	304,000	–	304,000
Chee Teck Kwong Patrick	122,000	244,000	–	244,000
Tay Ah Kong Bernard	120,000	240,000	–	240,000
Lee Seck Hwee	103,000	251,000	–	251,000
Colin Peter Moran	137,000	137,000	–	137,000
Goh Ah Koi	103,000	207,000	–	207,000
Yap Chin Guan	69,000	169,000	–	169,000

Share Awards

At the 12 March 2010 EGM, the Company's shareholders approved the Ramba Group Performance Share Plan ("PSP") participation of Mr Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company. The number of share awards granted was 666,000.

On 21 May 2010, the Company granted 245,000 Share awards to the employees under the PSP.

On 13 September 2010, the Company granted 1,359,000 share awards (other than to controlling shareholders and their associates) under the PSP.

The share awards will be released over three years from the date of the grant in equal one third proportion of the total share awards granted.

As at end of 31 December 2010, details of PSP awarded under the Plan are set out as below:

Name of Participant	Balance as at 01/01/2010	Share awards granted	Share awards vested	Share awards cancelled	Balance as at 31/12/2010
Aditya Wisnuwardana Seky Soeryadjaya	–	666,000	222,000	–	444,000
Daniel Zier Johannes Jol	636,000	194,000	212,000	–	618,000
Lanymarta Ganadjaja	528,000	155,000	176,000	–	507,000
Bambang Nugroho	453,000	155,000	151,000	–	457,000
Tan Chong Huat	150,000	150,000	50,000	–	250,000
Chee Teck Kwong Patrick	120,000	120,000	40,000	–	200,000
Tay Ah Kong Bernard	120,000	120,000	40,000	–	200,000
Lee Seck Hwee	150,000	116,000	50,000	–	216,000
Colin Peter Moran	–	298,000	47,000	–	251,000
Goh Ah Koi	–	168,000	–	–	168,000
Yap Chin Guan	–	128,000	–	–	128,000

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2011.

Except as disclosed in this report, no Director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Audit Committee

The Audit Committee ("AC") comprises three board members, all of whom are non-executive directors. The majority of the members, including the Chairman, are independent. The members of the AC during the financial year and at the date of this report are:

Tay Ah Kong Bernard - Chairman
Tan Chong Huat
Chee Teck Kwong Patrick

The AC carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Cap. 50, including the following:

- Reviews the audit plans of the internal and external auditors of the Company and ensures the adequacy of the Company's system of accounting controls and the co-operation given by the Company's management to the external and internal auditors;
- Reviews the half yearly and annual financial statements and the auditors' report on the annual financial statements of the Company before their submission to the Board of Directors;

- Reviews effectiveness of the Group's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditors;
- Meets with the external auditors, other committees and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;
- Reviews legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;
- Reviews the cost effectiveness and the independence and objectivity of the external auditors;
- Reviews the nature and extent of non-audit services provided by the external auditors;
- Recommends to the Board of Directors the external auditors to be nominated, approves the compensation of the external auditors, and reviews the scope and results of the audit;
- Reports actions and minutes of the AC to the Board of Directors with such recommendations as the Audit Committee considers appropriate; and
- Reviews interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The AC convened five meetings during the financial year. The AC has also met with external auditors, without the presence of the Company's management, at least once a year.

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors.

The AC has recommended to the Board of Directors that the independent auditors, Ernst & Young LLP, be nominated for reappointment as auditors at the forthcoming Annual General Meeting of the Company.

Further details regarding the AC are disclosed in the Report on Corporate Governance of the Annual Report of the Company.

Auditors

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of Directors,

Tan Chong Huat
Chairman

Aditya Wisnuwardana Seky Soeryadjaya
Chief Executive Officer

Singapore
30 March 2011

STATEMENT BY DIRECTORS

We, Tan Chong Huat and Aditya Wisnuwardana Seky Soeryadjaya, being two of the Directors of Ramba Energy Limited (the "Company"), do hereby state that, in the opinion of the Directors:

(i) the accompanying balance sheets, consolidated income statement, consolidated statement of comprehensive income, statements of changes in equity and consolidated cash flow statement together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year then ended on that date; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of Directors,

Tan Chong Huat
Chairman

Aditya Wisnuwardana Seky Soeryadjaya
Chief Executive Officer

Singapore
30 March 2011

INDEPENDENT AUDITORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

To the Members of Ramba Energy Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Ramba Energy Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 49 to 121, which comprise the balance sheets of the Group and the Company as at 31 December 2010, the statements of changes in equity of the Group and the Company, and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

To the Members of Ramba Energy Limited

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2010 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Certified Public Accountants
Singapore
30 March 2011

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Notes	2010 S$'000	2009 S$'000
Continuing operations			
Revenue			
Turnover	4	47,092	31,410
Other income	5	4,617	1,997
Total revenue		51,709	33,407
Costs and operating expenses			
Service fees and related expenses		(27,842)	(17,225)
Royalties payment		(462)	–
Salaries and employee benefits	6	(19,373)	(12,560)
Depreciation and amortisation expenses		(2,833)	(1,360)
Finance costs	7	(428)	(103)
Credit goodwill		4,855	–
Other operating expenses	8a	(7,016)	(1,739)
Total costs and operating expenses		(53,099)	(32,987)
Share of results of associates and a joint venture		1,023	70
(Loss)/profit before tax from continuing operations	8b	(367)	490
Income tax	9	(729)	(274)
(Loss)/profit from continuing operations, net of tax		(1,096)	216
Discontinued operation			
Loss from discontinued operation, net of tax	10	–	(195)
(Loss)/profit for the year		(1,096)	21
Attributable to:			
Shareholders of the Company		(580)	128
Non-controlling interests		(516)	(107)
		(1,096)	21
(Loss)/earnings per share from continuing operations attributable to shareholders of the Company (cents per share)			
Basic	11	(0.31)	0.25
Diluted	11	(0.31)	0.24
Loss per share from discontinued operation attributable to shareholders of the Company (cents per share)			
Basic	11	–	(0.15)
Diluted	11	–	(0.15)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	2010 S$'000	2009 S$'000
(Loss)/profit for the year	(1,096)	21
Other comprehensive income:		
Foreign currency translation	(2,065)	31
Other comprehensive (loss)/income for the year, net of tax	(2,065)	31
Total comprehensive (loss)/income for the year	(3,161)	52
Total comprehensive (loss)/income attributable to:		
Shareholders of the Company	(2,482)	134
Non-controlling interests	(679)	(82)
	(3,161)	52

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 31 DECEMBER 2010

	Notes	Group 2010 S$'000	Group 2009 S$'000	Company 2010 S$'000	Company 2009 S$'000
Non-current assets					
Oil and gas properties	12	16,769	–	–	–
Property, plant and equipment	12	9,020	4,962	74	99
Intangible assets	13	1,939	1,379	358	205
Investments in exploration and evaluation assets	14	9,854	9,854	9,854	9,854
Investment in marketable securities		3	–	3	–
Available-for-sale asset	23	1,321	–	1,321	–
Investment in subsidiaries	15	–	–	27,720	9,099
Investment in associates	16	1,461	190	50	50
Investment in joint venture	17	49	26	–	–
Loans to subsidiaries	18	–	–	92	372
Other assets	19	167	2,199	–	2,137
Leased assets	20	–	59	–	–
Deferred tax assets	31	179	148	–	–
Fixed deposits	24	1,649	1,589	1,649	1,589
		42,411	20,406	41,121	23,405
Current assets					
Trade receivables	21	10,693	7,913	–	–
Other receivables	22	7,400	2,708	6,411	2,358
Available-for-sale asset	23	3,633	–	–	–
Prepaid operating expenses		631	117	70	39
Inventories		40	–	–	–
Leased assets	20	59	64	–	–
Fixed deposits	24	325	427	–	–
Cash and bank balances	24	8,546	8,702	967	1,680
		31,327	19,931	7,448	4,077
Current liabilities					
Trade payables	25	6,295	4,699	973	1,213
Other payables	26	4,122	3,631	3,639	1,417
Deferred consideration	27	–	1,254	–	–
Finance lease liabilities	28	1,165	593	20	19
Term loans	29	2,425	1,321	–	–
Income tax payable		336	264	1	1
		14,343	11,762	4,633	2,650
Net current assets		16,984	8,169	2,815	1,427
Non-current liabilities					
Term loans	29	5,223	3,638	–	–
Finance lease liabilities	28	1,906	1,093	33	53
Worksite restoration liabilities		342	–	–	–
Loan from other parties	30	99	120	–	–
Loan from a subsidiary	18	–	–	–	4,200
Deferred tax liabilities	31	2,111	245	–	–
		9,681	5,096	33	4,253
Net assets		49,714	23,479	43,903	20,579
Equity attributable to shareholders of the Company					
Share capital	32	42,677	16,381	42,677	16,381
Treasury shares	32	(482)	(829)	(482)	(829)
Other reserves	33	1,779	987	3,188	443
Revenue reserve		2,399	5,247	(1,480)	4,584
		46,373	21,786	43,903	20,579
Non-controlling interests		3,341	1,693	–	–
Total equity		49,714	23,479	43,903	20,579

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

		Attributable to shareholders of the Company										
	Note	Equity, total S$'000	Equity attributable to shareholders of the Company, total S$'000	Share capital S$'000	Treasury shares S$'000	Revenue reserve S$'000	Other reserves, total S$'000	Share based payment reserve S$'000	Foreign currency translation reserve S$'000	Gain on reissuance of treasury shares S$'000	Capital reserve S$'000	Non-controlling interests S$'000
2010												
Group												
Opening balance as at 1 January 2010		23,479	21,786	16,381	(829)	5,247	987	443	(12)	–	556	1,693
Effect of adoption of FRS 103R		(2,070)	(2,070)	–	–	(2,070)	–	–	–	–	–	–
As restated		21,409	19,716	16,381	(829)	3,177	987	443	(12)	–	556	1,693
Loss for the year		(1,096)	(580)	–	–	(580)	–	–	–	–	–	(516)
Other comprehensive income												
Exchange differences on translating foreign operations		(2,065)	(1,902)	–	–	–	(1,902)	–	(1,902)	–	–	(163)
Total comprehensive income for the year		(3,161)	(2,482)	–	–	(580)	(1,902)	–	(1,902)	–	–	(679)
Contributions by and distribution to owners												
Issuance of shares		14,947	14,947	14,947	–	–	–	–	–	–	–	–
Share issuance expenses		(559)	(559)	(559)	–	–	–	–	–	–	–	–
Grant of equity settled share based payment to employee		2,372	2,372	713	–	–	1,659	1,659	–	–	–	–
Share issued for acquisition of subsidiaries		11,195	11,195	11,195	–	–	–	–	–	–	–	–
Re-issuance of treasury shares		1,433	1,433	–	347	–	1,086	–	–	1,086	–	–
Dividends on ordinary shares	40	(198)	(198)	–	–	(198)	–	–	–	–	–	–
Total contributions by and distributions to owner		29,190	29,190	26,296	347	(198)	2,745	1,659	–	1,086	–	–
Changes in ownership interest in subsidiaries												
Acquisition of non-controlling interest		2,276	(51)	–	–	–	(51)	–	–	–	(51)	2,327
Total changes in ownership interests in subsidiaries		2,276	(51)	–	–	–	(51)	–	–	–	(51)	2,327
Total transactions with owners in their capacity as owners		31,466	29,139	26,296	347	(198)	2,694	1,659	–	1,086	(51)	2,327
Closing balance as at 31 December 2010		49,714	46,373	42,677	(482)	2,399	1,779	2,102	(1,914)	1,086	505	3,341

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

		Attributable to shareholders of the Company									
	Note	Equity, total S$'000	Equity attributable to shareholders of the Company, total S$'000	Share capital S$'000	Treasury shares S$'000	Revenue reserve S$'000	Other reserves, total S$'000	Share based payment reserve S$'000	Foreign currency translation reserve S$'000	Capital reserve S$'000	Non-controlling interests S$'000
2009											
Group											
Opening balance as at 1 January 2009		19,654	19,513	13,872	(137)	5,240	538	–	(18)	556	141
Profit for the year		21	128	–	–	128	–	–	–	–	(107)
Other comprehensive income											
Exchange differences on translating foreign operations		31	6	–	–	–	6	–	6	–	25
Total comprehensive income for the year		52	134	–	–	128	6	–	6	–	(82)
Contributions by and distribution to owners											
Issuance of shares		2,530	2,530	2,530	–	–	–	–	–	–	–
Share issuance expenses		(21)	(21)	(21)	–	–	–	–	–	–	–
Grant of equity settled share based payment to employee		443	443	–	–	–	443	443	–	–	–
Purchase of treasury shares		(692)	(692)	–	(692)	–	–	–	–	–	–
Dividends on ordinary shares	40	(121)	(121)	–	–	(121)	–	–	–	–	–
Total contributions by and distributions to owner		2,139	2,139	2,509	(692)	(121)	443	443	–	–	–
Changes in ownership interest in subsidiaries											
Acquisition of non-controlling interest		1,484	–	–	–	–	–	–	–	–	1,484
Capital contribution by minority shareholders of a subsidiary		150	–	–	–	–	–	–	–	–	150
Total changes in ownership interests in subsidiaries		1,634	–	–	–	–	–	–	–	–	1,634
Total transactions with owners in their capacity as owners		3,773	2,139	2,509	(692)	(121)	443	443	–	–	1,634
Closing balance as at 31 December 2009		23,479	21,786	16,381	(829)	5,247	987	443	(12)	556	1,693

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

		Attributable to shareholders of the Company						
	Note	Equity, total S$'000	Share capital S$'000	Treasury shares S$'000	Revenue reserve S$'000	Other reserves, total S$'000	Share based payment reserve S$'000	Gain on reissuance of treasury shares S$'000
2010								
Company								
Opening balance as at 1 January 2010		20,579	16,381	(829)	4,584	443	443	–
Effect of adoption of FRS103R		(2,070)	–	–	(2,070)	–	–	–
As restated		18,509	16,381	(829)	2,514	443	443	–
Loss for the year		(3,796)	–	–	(3,796)	–	–	–
Total comprehensive income for the year		(3,796)	–	–	(3,796)	–	–	–
Contributions by and distributions to owners								
Issuance of shares		14,947	14,947	–	–	–	–	–
Share issuance expenses		(559)	(559)	–	–	–	–	–
Grant of equity settled share based payment to employee		2,372	713	–	–	1,659	1,659	–
Share issued for acquisition of subsidiaries		11,195	11,195	–	–	–	–	–
Re-issuance of treasury shares		1,433	–	347	–	1,086	–	1,086
Dividends on ordinary shares	40	(198)	–	–	(198)	–	–	–
Total transactions with owners in their capacity as owners		29,190	26,296	347	(198)	2,745	1,659	1,086
Balance as at 31 December 2010		43,903	42,677	(482)	(1,480)	3,188	2,102	1,086

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Note	Attributable to shareholders of the Company						
		Equity, total S$'000	Share capital S$'000	Treasury shares S$'000	Revenue reserves S$'000	Other reserves, total S$'000	Share based payment reserve S$'000	Gain on reissuance of treasury shares S$'000
2009								
Company								
Opening balance as at 1 January 2009		17,482	13,872	(137)	3,747	–	–	–
Profit for the year		958	–	–	958	–	–	–
Total comprehensive income for the year		958	–	–	958	–	–	–
Contributions by and distributions to owners								
Issuance of shares		2,509	2,509	–	–	–	–	–
Grant of equity settled share based payment to employee		443	–	–	–	443	443	–
Purchase of treasury shares		(692)	–	(692)	–	–	–	–
Dividends on ordinary shares	40	(121)	–	–	(121)	–	–	–
Total transactions with owners in their capacity as owners		2,139	2,509	(692)	(121)	443	443	–
Balance as at 31 December 2009		20,579	16,381	(829)	4,584	443	443	–

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2010

	Notes	2010 S$'000	2009 S$'000
Cash flows from operating activities:			
(Loss)/profit before income tax from continuing operations		(367)	490
Loss before income tax from discontinued operations	10	–	(335)
Adjustments for:			
Depreciation and amortisation expenses		2,833	1,426
Gain on disposal of property, plant and equipment		–	(53)
Credit goodwill arising from acquisition of subsidiaries	15	(4,855)	–
Share of results of associates and a joint venture		(1,023)	(70)
Finance cost		428	105
Interest income from bank		(45)	(25)
Employee share based payment		2,372	443
Write-back of trade and other payables		–	(45)
Impairment of property, plant and equipment		40	12
Impairment of trade and other receivables		19	14
Foreign exchange translation adjustments		43	14
Operating cash flows before working capital change		(555)	1,976
Change in inventories		(4)	–
Change in trade receivables		(1,973)	456
Change in other receivables		1,597	(1,351)
Change in prepaid operating expenses		22	362
Change in trade payables		1,010	88
Change in other payables		(111)	1,338
Cash (used) in/ generated from operations		(14)	2,869
Interest income received		37	21
Income tax paid		(417)	(236)
Finance costs paid		(428)	(105)
Net cash (outflow)/inflow from operating activities		(822)	2,549
Cash flows from investing activities:			
Acquisition of other asset		–	(1,462)
Acquisition of available for sale asset	23	(174)	–
Investment in marketable securities		(3)	–
Net cash (outflow)/inflow on acquisition of subsidiaries	15(b)(c)(d)	(10,255)	1,882
Purchase of property, plant and equipment		(4,672)	(1,237)
Proceeds from disposal of property, plant and equipment		–	154
Cash call advances		(900)	–
Acquisition of exploration and evaluation asset		–	(9,854)
Acquisition of intangible asset		(692)	(343)
Net cash flows used in investing activities		(16,696)	(10,860)
Cash flows from financing activities:			
Net proceeds from placement of new shares		15,854	2,509
Capital contribution by minority shareholders of a subsidiary		–	150
(Increase)/decrease in fixed deposits pledged		(63)	113
Repayment to other parties		(21)	(16)
Proceeds of loan from an associate and joint venture		6	19
Repayment of finance lease liabilities		(723)	(401)
Proceeds from term loan		4,700	5,000
Repayment of term loan		(2,012)	(313)
Dividend paid by the Company		(198)	(121)
Purchase of treasury shares		–	(692)
Net cash flows from financing activities		17,543	6,248
Net increase/(decrease) in cash and cash equivalents		25	(2,063)
Effect of exchange rate changes on cash and cash equivalents		(286)	–
Cash and cash equivalents at beginning of financial year	24	8,807	10,870
Cash and cash equivalents at end of financial year	24	8,546	8,807

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. **Corporate information**

Ramba Energy Limited (the "Company") is a limited liability company, which is incorporated in Singapore and publicly traded on the Singapore Exchange. The Company is a subsidiary of Redmount Holdings Limited, a company incorporated in BVI, which is also the ultimate holding company.

The registered office of the Company is at No. 29A Club Street, Singapore 069414. The principal place of business is at No. 11, Bedok North Avenue 4, RichLand Business Centre, #05-01, Singapore 489949.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements.

2. **Summary of significant accounting policies**

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("S$ or SGD") and all values are rounded to the nearest thousand ("S$'000") except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2010. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Group and the Company except as disclosed below:

FRS 103 Business Combinations (revised) and FRS 27 Consolidated and Separate Financial Statements (revised)

The revised FRS 103 Business Combinations and FRS 27 Consolidated and Separate Financial Statements are applicable for annual periods beginning on or after 1 July 2009. As of 1 January 2010, the Group adopted both revised standards at the same time in accordance with their transitional provisions.

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

FRS 103 Business Combinations (revised)

The revised FRS 103 introduces a number of changes to the accounting for business combinations that will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Changes in significant accounting policies resulting from the adoption of the revised FRS 103 include:

- Transaction costs would no longer be capitalised as part of the cost of acquisition but will be expensed immediately;

- Consideration contingent on future events are recognised at fair value on the acquisition date and any changes in the amount of consideration to be paid will no longer be adjusted against goodwill but recognised in profit or loss;

- The Group elects for each acquisition of a business, to measure non-controlling interest at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, and this impacts the amount of goodwill recognised; and

- When a business is acquired in stages, the previously held equity interests in the acquiree is remeasured to fair value at the acquisition date with any corresponding gain or loss recognised in profit or loss, and this impacts the amount of goodwill recognised.

According to its transitional provisions, the revised FRS 103 has been applied prospectively. Assets and liabilities that arose from business combinations whose acquisition dates are before 1 January 2010 are not adjusted.

The effects of the adoption of the revised FRS 103 on the Group's consolidated financial statements, as at 1 January 2010 relating to the expense of transaction cost is shown below. The Group elects to measure non-controlling interest at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

	Group 2010 S$'000
Decrease in:	
Consolidated balance sheet	
Other assets	(2,070)
Retained earnings	(2,070)

FRS 27 Consolidated and Separate Financial Statements (revised)

Changes in significant accounting policies resulting from the adoption of the revised FRS 27 include:

- A change in the ownership interest of a subsidiary that does not result in a loss of control is accounted for as an equity transaction. Therefore, such a change will have no impact on goodwill, nor will it give rise to a gain or loss recognised in profit or loss;

2. Summary of significant accounting policies (cont'd)

2.2 Changes in accounting policies (cont'd)

FRS 27 Consolidated and Separate Financial Statements (revised)

- Losses incurred by a subsidiary are allocated to the non-controlling interest even if the losses exceed the non-controlling interest in the subsidiary's equity; and

- When control over a subsidiary is lost, any interest retained is measured at fair value with the corresponding gain or loss recognised in profit or loss.

According to its transitional provisions, the revised FRS 27 has been applied prospectively, and does not impact the Group's consolidated financial statements in respect of transactions with non-controlling interests, attribution of losses to non-controlling interests and disposal of subsidiaries before 1 January 2010. The changes will affect future transactions with non-controlling interests.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for annual periods beginning on or after**
Amendment to FRS 32 *Financial Instruments: Presentation - Classification of Rights Issues*	1 February 2010
Amendment to FRS 101 *First-time Adoption of Financial Reporting Standards – Limited Exemption from Comparative FRS 107 Disclosures for First-time Adopters*	1 July 2010
INT FRS 119 *Extinguishing Financial Liabilities with Equity Instruments*	1 July 2010
Revised FRS 24 *Related Party Disclosures*	1 January 2011
Amendments to INT FRS 114 *Prepayments of a Minimum Funding Requirement*	1 January 2011
INT FRS 115 *Agreements for the Construction of Real Estate*	1 January 2011
Amendments to FRS 107 *Disclosures – Transfers of Financial Assets*	1 July 2011
Amendments to FRS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*	1 January 2012
Improvements to FRSs 2010	
- Amendments to FRS 101 First-time Adoption of Financial Reporting Standards	1 January 2011
- Amendments to FRS 103 Business Combinations	1 July 2010
- Amendments to FRS 107 Financial Instruments: Disclosures	1 January 2011
- Amendments to FRS 1 Presentation of Financial Statements Disclosures	1 January 2011
- Amendments to transition requirements for amendments arising as a result of FRS 27 Consolidated and Separate Financial Statements	1 July 2010
- Amendments to FRS 34 Interim Financial Reporting	1 January 2011
- Amendments to INT FRS 113 Customer Loyalty Programmes	1 January 2011

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective (cont'd)

Except for the revised FRS 24, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 24 is described below.

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Group is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group when implemented in 2011.

2.4 Basis of consolidation

<u>Business combinations from 1 January 2010</u>

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions, are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation (cont'd)

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.9(a). In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2.5 Transactions with non-controlling interests

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated balance sheet, separately from equity attributable to owners of the Company.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 Foreign currency

The Group's consolidated financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

2. Summary of significant accounting policies (cont'd)

2.6 Foreign currency (cont'd)

(a) Transactions and balances (cont'd)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) Group companies

The assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

The Group has elected to recycle the accumulated exchange differences in the separate component of other comprehensive income that arises from the direct method of consolidation, which is the method the Group uses to complete its consolidation.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.20. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the income statement as incurred.

2. Summary of significant accounting policies (cont'd)

2.7 Property, plant and equipment cont'd)

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

- ISO tank	10 years
- Office equipment	3 to 4 years
- Furniture & fitting	5 to 10 years
- Renovation	3 years
- Office container	3 years
- Tools and equipment	3 years
- Transport equipment	6 to 8 years

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the income statement in the year the asset is derecognised.

2.8 Oil and gas properties

The Company applies successful efforts method of accounting for exploration and evaluation ("E&E") costs, having regard to the requirements of FRS 106, *Exploration for and Evaluation of Mineral Resources.*

(a) E&E assets

Under the successful efforts method of accounting, all license acquisition, exploration and appraisal costs are initially capitalised in well, field or specific exploration cost centers as appropriate, pending determination. Expenditure incurred during the various exploration and appraisal phases is then written off unless commercial reserves have been established or the determination process has not been completed.

Pre-license costs - Costs incurred prior to having obtained the legal rights to explore an area are expensed directly to the statement of income as they are incurred.

E&E costs - Costs of E&E are initially capitalised as E&E assets. Payments to acquire the legal right to explore, costs of technical services and studies, seismic acquisition, exploratory drilling and testing are capitalised as intangible E&E assets.

Tangible assets used in E&E activities are classified as property, plant and equipment. However, to the extent that such a tangible asset is consumed in developing an intangible E&E asset,

2. Summary of significant accounting policies (cont'd)

2.8 Oil and gas properties (cont'd)

(a) E&E assets (cont'd)

the amount reflecting the consumption is recorded as part of the cost of the intangible asset. Such intangible costs include directly attributable overheads, including the depreciation of property, plant and equipment utilised in E&E activities, together with the cost of other materials consumed during the E&E phases.

E&E costs are not amortised prior to the conclusion of appraisal activities.

Treatment of E&E assets at conclusion of appraisal activities-Intangible E&E assets are carried forward until the existence (or otherwise) of commercial reserves has been determined subject to certain limitations including review for indications of impairment. If commercial reserves have been discovered, the carrying value, after any impairment loss of the relevant E&E assets, is then reclassified as development and production assets. If, however, commercial reserves have not been found, the capitalised costs are charged to expense after conclusion of appraisal activities.

(b) Development and production assets

Development and production assets are accumulated generally on a field-by-field basis and represent the cost of developing the commercial reserves discovered and bringing them into production, together with the E&E expenditures incurred in finding commercial reserves transferred from intangible E&E assets as outlined above.

The cost of development and production assets also includes the cost of acquisitions and purchases of such assets, directly attributable overheads, finance costs capitalised, and the cost of recognising provisions for future restoration and decommissioning.

The cost of development and production assets are capitalised as completed wells and related facilities. Uncompleted wells and related facilities are transferred to wells and related facilities when drilling or construction is completed.

Depreciation of producing assets-The carrying amount of producing assets are depreciated generally on a field-by-field basis using the unit-of-production ("UOP") method by reference to the ratio of production in the period and the related commercial reserve of the field, taking into account future development expenditures necessary to bring those reserves into production.

2. Summary of significant accounting policies (cont'd)

2.9 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment loss.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or groups of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit and loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed off is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed off in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

2. Summary of significant accounting policies (cont'd)

2.9 Intangible assets (cont'd)

(b) Other intangible assets (cont'd)

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite useful lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

The following are the other intangible assets:

(i) Customer relationship

Customer relationship is acquired through business combination and has an estimated useful life of 5 years.

(ii) Club membership

The club membership has an estimated useful life of 15 years.

(iii) Software

Software has an estimated useful life of 3 years.

2.10 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their

2. Summary of significant accounting policies (cont'd)

2.10 Impairment of non-financial assets (cont'd)

present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognised in profit or loss in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.11 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.12 Associates

An associate is an entity, not being a subsidiary or a joint venture, in which the Group has significant influence. An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence over the associate.

The Group's investments in associates are accounted for using the equity method. Under the equity method, the investment in associates is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. Goodwill relating to associates is included in the carrying amount of the investment and is neither amortised nor tested individually for impairment. Any excess of the Group's share of the net fair value of the associate's identifiable asset, liabilities and contingent liabilities over the cost of the investment is deducted from the carrying amount of the investment and is recognised as income as part of the Group's share of results of the associate in the period in which the investment is acquired.

The profit or loss reflects the share of the results of operations of the associates. Where there has been a change recognised in other comprehensive income by the associates, the Group recognises its share of such changes in other comprehensive income. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associates.

2. Summary of significant accounting policies (cont'd)

2.12 Associates **(cont'd)**

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the profit or loss.

The financial statements of the associate are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of significant influence over the associate, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the aggregate of the retained investment and proceeds from disposal is recognised in profit or loss.

2.13 Joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control, where the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control. The Group's investment in jointly controlled entities are accounted for using the equity method. Under the equity method, the investment in joint venture is measured in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint venture. The Group's share of the results of the joint venture is recognised in the consolidated income statement. Where there has been a change recognised directly in the entity of the joint venture, the Group recognises its share of such changes. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in the joint venture. The joint venture is equity accounted for from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint venture.

The Group recognises its interest in the joint venture using the proportionate consolidation method. The Group combines its proportionate share of each of the assets, liabilities, income and expenses of the joint venture with the similar items, line by line, in its consolidated financial statements. The joint venture is proportionately consolidated from the date the Group obtains joint control until the date the Group ceases to have joint control over the joint venture.

Adjustments are made in the Group's consolidated financial statements to eliminate the Group's share of intragroup balances, income and expenses and unrealised gains and losses on transactions between the Group and its jointly controlled entity. Losses on transactions are recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

2. Summary of significant accounting policies (cont'd)

2.13 Joint venture (cont'd)

The financial statements of the joint venture are prepared as of the same reporting date as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Upon loss of joint control, the Group measures any retained investment at its fair value. Any difference between the carrying amount of the former joint venture entity upon loss of joint venture control and the aggregate of the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.14 Financial assets

Initial recognition and measurement

Financial assets are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less impairment. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

The Group classifies the following financial assets as loans and receivables:

- cash and cash equivalents

- trade and other receivables, including amounts due from subsidiaries, related companies and loans to subsidiaries.

Available-for-sale financial assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

2. Summary of significant accounting policies (cont'd)

2.14 Financial assets (cont'd)

Available-for-sale financial assets (cont'd)

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit and loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investment in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.15 Impairment of financial assets

The Group assesses at end of each reporting date whether there is any objective evidence that a financial asset is impaired.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.15 Impairment of financial assets (cont'd)

(a) Financial assets carried at amortised cost (cont'd)

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit and loss.

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. 'Significant' is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income continues to be accrued based on the reduced carrying

2. Summary of significant accounting policies (cont'd)

2.15 Impairment of financial assets (cont'd)

(c) Available-for-sale financial assets (cont'd)

amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in profit or loss.

2.16 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.17 Inventories

Inventories are stated at the lower of cost (determined on a first-in first-out basis) and net realisable value.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.18 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

A provision for cargo and motor vehicles claims is recognised for all claims lodged by the customers or external parties which relate to services rendered by the Group or motor accident claims up to the balance sheet date. The amount of provision made is based on the nature of the claims, the extent of the damages and the record of settlements in previous years.

2.19 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

2. Summary of significant accounting policies (cont'd)

2.19 Financial liabilities (cont'd)

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, less directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

The Group has not designated any financial liabilities upon initial recognition at fair value through profit or loss.

Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.20 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. Summary of significant accounting policies (cont'd)

2.21 Employee benefits

(a) Defined contribution plan

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the balance sheet date.

(c) Employee share option scheme

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees for awards granted after 22 November 2002 is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for options that do not ultimately vest, except for options where vesting is conditional upon a market or non-vesting condition, which are treated as vested irrespective of whether or not the market condition or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied. In the case where the option does not vest as the result of a failure to meet a non-vesting condition that is within the control of the Group or the employee, it is accounted for as a cancellation. In such case, the amount of the compensation cost that otherwise would be recognised over the remainder of the vesting period is recognised immediately in profit or loss upon cancellation. The employee share option reserve is transferred to retained earnings upon expiry of the share options. When the options are exercised, the employee share option reserve is transferred to share capital if new shares are issued, or to treasury shares if the options are satisfied by the reissuance of treasury shares.

(d) Employee share award plan

Pursuant to the Ramba Group Performance Share Plan ("PSP"), the Company's shares can be awarded to certain employees and directors of the Group.

The performance shares cost is amortised and recognised in the income statement on a straight-line basis over the three-year performance period. The fair value of the performance shares is determined at conditional grant date using the Black Scholes pricing model which takes into account the market conditions and non-vesting conditions.

2. Summary of significant accounting policies (cont'd)

2.22 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. For arrangements entered into prior to 1 January 2005, the date of inception is deemed to be 1 January 2005 in accordance with the transitional requirements of INT FRS 104.

(a) As lessee

Finance leases, which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the lease asset or, if lower, at the present value of the minimum lease payments. Any initial direct cost are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the profit and loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the profit and loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.24 (f). Contingent rents are recognised as revenue in the period in which they are earned.

2.23 Abandonment and site restoration obligations

The Company recognises its obligations for the future removal and site restoration of gas production facilities, wells, pipelines and related assets in accordance with the provisions in the technical assistance contracts or in line with applicable regulations.

Initial estimated costs for dismantlement and site restoration of oil and gas properties are to be recognised as part of acquisition costs of the oil and gas properties, which will subsequently be depreciated as part of the acquisition costs of the asset.

In most instances, the removal of these assets will occur many years in the future. The provision for future restoration costs is the best estimate of the present value of the future expenditures required to undertake the restoration obligation at the reporting date, based on current legal requirements. The estimate of future removal costs therefore requires management to make judgements regarding the timing of removal, the extent of restoration activities required and future removal technologies.

2. Summary of significant accounting policies (cont'd)

2.24 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

(a) Rendering of services

Revenue is recognised upon service rendered.

(b) *Gas sales*

Revenue from sales of gas is recognised upon delivery to customers.

(c) Interest income

Interest income is recognised using the effective interest method.

(d) Leasing income

Leasing income arising from rental of transport equipment is accounted for based on the usage of the transport equipment.

(e) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(f) Rental income

Rental income adjusted for rent free incentives is recognised on a straight-line basis over the lease terms.

2.25 Income taxes

(a) Current income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. Summary of significant accounting policies (cont'd)

2.25 Income taxes **(cont'd)**

(b) Deferred tax (cont'd)

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. Summary of significant accounting policies (cont'd)

***2.25 Income taxes* (cont'd)**

(b) Deferred tax (cont'd)

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.26 Discontinued operation

A component of the Group is classified as a "discontinued operation" when the criteria to be classified as held for sale have been met or it has been disposed of and such a component represents a separate major line of business or geographical area of operations or is part of a single coordinated major line of business or geographical area of operations.

Prior period comparatives are re-presented so that the disclosures relate to all operations that have been discontinued by the balance sheet date of the current financial year.

2.27 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 35, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.28 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.29 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received is recognised directly in equity.

2. Summary of significant accounting policies (cont'd)

2.30 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.31 Related parties

A party is considered to be related to the Group if:

(a) The party, directly or indirectly through one or more intermediaries,

(i) controls, is controlled by, or is under common control with, the Group;

(ii) has an interest in the Group that gives it significant influence over the Group; or

(iii) has joint control over the Group;

(b) The party is an associate;

(c) The party is a jointly-controlled entity;

(d) The party is a member of the key management personnel of the Group or its parent;

(e) The party is a close member of the family of any individual referred to in (a) or (d); or

(f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or

(g) The party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

3. Significant accounting judgement and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policy

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Impairment of available-for-sale investments

The Group records impairment charges on available-for-sale equity investments when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgment. In making this judgment, the Group evaluates, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost.

(b) Income taxes

Significant judgement is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's tax payable, deferred tax liabilities and deferred tax assets at 31 December 2010 were S$336,000 (2009: S$264,000), S$2,111,000 (2009: S$245,000) and S$179,000 (2009: S$148,000) respectively.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

(i) Useful lives of oil and gas properties/property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amount of the Group's property, plant and equipment at 31 December 2010 was S$9,020,000 (2009: S$4,962,000).

3. Significant accounting judgement and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(i) Useful lives of oil and gas properties/property, plant and equipment (cont'd)

Oil and gas properties are depreciated generally on a field-by-field basis using UOP method by reference to the ratio of production in the period and the related commercial reserve of the field, taking into account future development expenditures necessary to bring those reserves into production. Changes in the expected level of the commercial reserve of the field could impact the depreciation rate, therefore future depreciation could be revised. The carrying amount of the Group's oil and gas properties at 31 December 2010 was S$16,769,000 (2009: Nil).

(ii) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivable at the end of the reporting period is disclosed in Note 21 to the financial statements.

(iii) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill and other intangible assets are tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the key assumptions applied in the impairment assessment of goodwill and other intangible assets, are given in Note 13 to the financial statements.

(iv) Employee share options

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 6.

4. Turnover

	Group 2010 S$'000	Group 2009 S$'000
Gas sales	3,995	–
Revenue from logistics services	39,733	28,072
Rental	3,364	3,338
	47,092	31,410

5. Other income

	Group 2010 S$'000	Group 2009 S$'000
Leasing income	866	632
Diesel consumed by service partner	498	372
Port rebate	730	712
Interest income from bank	45	25
Demurrage/port/THC	831	–
Others	501	256
Share of oil net take	1,146	–
	4,617	1,997

6. Salaries and employee benefits

	Group 2010 S$'000	Group 2009 S$'000
Salaries and bonuses (including directors' fees)	14,332	10,718
Central Provident Fund contributions	1,078	893
Other benefits	1,717	1,110
Shared-based payment	2,372	443
Grant income from Jobs Credit Scheme	(126)	(604)
	19,373	12,560

For the financial year ended 31 December 2010, the Company received cash grant income of S$126,000 (2009: S$604,000) under the Jobs Credit Scheme ("Scheme"). Under this Scheme, the Group received a cash grant for each eligible employee on their Central Provident Fund payroll.

Share Options

At an Extraordinary General Meeting held in 2007, the Company's shareholders approved the Ramba Group Employee Share Option Scheme ("ESOS") for the granting of non-transferable options that are settled by physical delivery of the ordinary shares of the Company, to eligible senior executives and employees respectively.

On 16 October 2009, the Company granted 2,901,000 share options (other than controlling shareholders and their associates) under the ESOS.

6. Salaries and employee benefits (cont'd)

These options expire on 16 October 2011 and are exercisable if the employee remains in service as of the exercise date (i.e. 16 October 2010).

On 12 March 2010, the Company's shareholders approved the participation of CEO, Mr Aditya Wisnuwardana Seky Soeryadjaya, in the ESOS. The number of options granted was 666,000 at the exercise price S$0.69 per share.

On 13 September 2010, the Company granted 1,251,000 share options (other than controlling shareholders and their associates) under ESOS. The exercise price for the option granted is S$0.38 per share. These options expire on 13 September 2012 and are exercisable if the employee remains in service as of the exercise date (i.e. 13 September 2011).

Movement of share options during the financial year

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options during the financial year:

	2010		2009	
	No. '000	WAEP $	No. '000	WAEP $
Outstanding at 1 January	2,901	0.69	–	–
- Granted	1,917	0.49	2,901	0.69
- Forfeited	–	–	–	–
- Exercised	–	–	–	–
- Expired	–	–	–	–
- Cancelled	(217)	0.69	–	–
Outstanding at 31 December	4,601	0.61	2,901	0.69
Exercisable at 31 December	3,350	0.69	–	–

- The weighted average fair value of options granted during the financial year was $0.19 (2009: $0.38).

Share Awards

On 16 October 2009, the Company granted 2,211,000 share awards under the Ramba Group Performance Share Plan ("PSP").

On 12 March 2010, the Company's shareholders approved the participation of CEO, Mr Aditya Wisnuwardana Seky Soeryadjaya, in the PSP. The numbers of awards granted was 666,000.

On 21 May 2010, the Company granted 245,000 share awards under the PSP, 47,000 of the Company shares were awarded on the same day. 48,000 shares each to be awarded on 4 January 2011 and 4 January 2012 respectively. The balance of 102,000 to be released over three years from the date of the grant in equal one-third proportion of the total share awards granted.

On 13 September 2010, the Company granted 1,359,000 share awards (other than controlling shareholders and their associates) under the PSP. The shares are to be released over three years from the date of the grant in equal one-third proportion of the total share awards granted.

On 18 October 2010, the Company issued 954,000 new ordinary shares under the PSP awarded in 2009.

6. Salaries and employee benefits (cont'd)

Fair value of share based compensation

The fair value of the share based compensation granted under the ESOS is estimated at the grant date using Black Scholes Pricing Model, taking into account the terms and conditions upon which the instruments were granted.

The model takes into account historic dividends, share price fluctuation covariance of the Company to predict the distribution of relative share performance.

The following table lists the inputs to the option pricing models for the years ended 31 December 2010 and 2009:

	ESOS	
	2010	**2009**
Dividend yield (%)	0.50%	0.503%
Expected volatility (%)	89.80%	139.18%
Risk-free interest rate (% p.a.)	0.47%	0.62%
Expected life of option (years)	1.5	1.5
Weighted average share price ($)	0.3865	0.7294

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

7. Finance costs

	Group	
	2010	**2009**
	S$'000	**S$'000**
Term loans interest expense	328	64
Finance charges – finance lease obligations	100	39
	428	103

8. *(a) Other operating expenses*

	Group	
	2010	**2009**
	S$'000	**S$'000**
Non-audit fees paid to auditors of the Company	91	78
Gain on disposal of property, plant and equipment	–	(55)
Net foreign exchange loss/(gain)	695	(19)
Rental expenses – office	132	82
Legal and other professional fees	3,351	530
Impairment of property, plant and equipment	40	3
Write-back of other payables	–	38

8. *(b)* ***(Loss)/profit before tax from continuing operations***

The following items have been included in the arriving at (loss)/profit before tax from continuing operations:

	Group	
	2010	**2009**
	S$'000	**S$'000**
Depreciation of oil and gas property, plant and equipment	2,750	1,360
Rental expenses - warehouse	3,325	3,121
Lease of transport equipment and ISO tanks	3,715	1,680
Credit goodwill arising from acquisition of subsidiaries	(4,855)	–

9. Taxation

The major components of income tax expense for the year ended 31 December were:

(a) ***Income Statement***

	Group	
	2010	**2009**
	S$'000	**S$'000**
Current income tax for continuing operations		
- Current year	651	312
- Over provision in respect of prior years	(20)	(54)
Deferred income tax for continuing operations		
- Current year	136	9
- Over provision in respect of prior years	(38)	–
- Effect of reduction in tax rate	–	7
Income tax attributable to continuing operations	729	274
Less: - transfer of losses under group relief from discontinued operations (Note 10)	–	(140)
	729	134

9. Taxation (cont'd)

(b) Relationship between tax expenses and accounting (loss)/profit

A reconciliation between income tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the financial year ended 31 December was as follows:

	Group	
	2010	**2009**
	S$'000	**S$'000**
(Loss)/profit before tax from continuing operations	(367)	490
Loss before tax from discontinued operations (Note 10)	–	(335)
	(367)	155
Tax at domestic rates applicable to profits in the countries in which the Group operates	364	25
Adjustments for tax effects of:		
Expenses non-deductible for tax purposes	1,466	291
Income not subjected to taxation	(842)	–
Tax exempt profits/rebates	(130)	(152)
Share of results of associates and a joint venture	(174)	(12)
Effect of reduction in tax rate	–	7
Over provision in respect of prior years	(58)	(54)
Deferred tax asset not recognised	329	–
Others	(226)	29
	729	134

The corporate income tax rate applicable to Singapore companies of the Group was reduced to 17% for the year of assessment 2010 onwards from 18% for year of assessment 2009.

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

10. Discontinued operation

The Group had ceased supply chain management operations in June 2009 as part of the Group's restructuring process. This helps the Group to focus its resources on the established logistics business. The results of discontinued operations are presented in the income statement as "loss from discontinued operations, net of tax".

10. Discontinued operation (cont'd)

Income statement disclosure

The result of discontinued operations for the years ended 31 December are as follows:

	Group	
	2010	**2009**
	S$'000	**S$'000**
Turnover	–	157
Other income	–	34
Total revenue		191
Cost and operating expenses		
Service fees and related expenses	–	(294)
Salaries and employee benefit	–	(126)
Depreciation and amortisation expenses	–	(66)
Finance cost	–	(2)
Other operating expenses	–	(38)
Total cost and operating expenses	–	(526)
Loss before tax from discontinued operations	–	(335)
Income tax (Note 9)	–	140
Loss from discontinued operations, net of tax	–	(195)

Cash flow statement disclosure

The cash flow attributable to discounted operations are as follow:

	Group	
	2010	**2009**
	S$'000	**S$'000**
Operating	–	(814)
Investing	–	46
Financing	–	(20)
Net cash outflows	–	(788)

11. Basic (loss)/earnings per share

(a) Continuing operations

Basic (loss)/earnings per share is calculated by dividing (loss)/profit for the year from continuing operations attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

11. Basic earnings per share (cont'd)

(a) Continuing operations (cont'd)

Diluted earnings per share amounts are calculated by dividing (loss)/profit for the year from continuing operations, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

During the year, diluted earnings per share is calculated on the same basis as basic earning per share as there are no dilutive potential ordinary shares as at 31 December 2010.

The following table reflects the income statement and share data used in the computation of basic (loss)/earnings per share for the year ended 31 December:

	Group	
	2010	**2009**
	S$'000	**S$'000**
(Loss)/profit net of tax attributable to ordinary equity holders of the Company	(580)	128
Less: Loss from discontinued operations, net of tax, attributable to ordinary equity holders of the Company (Note 10)	–	(195)
(Loss)/profit net of tax from continuing operations attributable to ordinary equity holders of the Company used in the computation of basic (loss)/earnings per share	(580)	323
	No. of Shares	**No. of Shares**
Weighted average number of ordinary shares for basic (loss)/earnings per share computation	189,903,957	129,343,066
Effects of dilution		
- Share options	–	2,901,000
- Share awards	–	2,211,000
Weighted average number of ordinary shares for diluted earnings per share computation	189,903,957	134,455,066

(b) Discontinued operations

The basic and diluted loss per share from discontinued operation are calculated by dividing the loss from discontinued operation, net of tax attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares for basic earnings per share computation and weighted average number of ordinary shares for diluted earnings and loss per share computation respectively. These loss and share data are presented in the tables in Note 11(a).

12. Oil and gas properties/ Property, plant and equipment

Group	ISO tank S$'000	Office equipment S$'000	Furniture and fittings S$'000	Renovation S$'000	Office container S$'000	Tools and equipment S$'000	Transport equipment S$'000	Oil and gas properties S$'000	Total S$'000
Cost:									
At 1 January 2009	–	2,364	1,600	554	15	122	5,044	–	9,699
Additions	579	29	15	55	–	–	2,354	–	3,032
Provision for reinstatement cost	–	–	–	31	–	–	–	–	31
Disposals	–	–	(31)	–	–	(14)	(216)	–	(261)
Acquisition of a subsidiary	–	9	–	26	–	–	–	–	35
Net exchange differences	–	3	–	–	–	–	14	–	17
At 31 December 2009 and 1 January 2010	579	2,405	1,584	666	15	108	7,196	–	12,553
Additions	2,608	135	46	92	–	21	2,563	1,303	6,768
Acquisition of a subsidiary	–	39	9	–	–	–	209	17,981	18,238
Net exchange differences	(48)	(3)	(1)	(1)	–	–	(8)	(1,404)	(1,465)
At 31 December 2010	3,139	2,576	1,638	757	15	129	9,960	17,880	36,094
Accumulated depreciation and impairment loss:									
At 1 January 2009	–	2,107	506	210	15	108	3,365	–	6,311
Charge for the financial year	–	206	213	222	–	8	777	–	1,426
Impairment loss	–	4	7	–	–	–	1	–	12
Disposals	–	–	(7)	–	–	(10)	(143)	–	(160)
Net exchange differences	–	2	–	–	–	–	–	–	2
At 31 December 2009 and 1 January 2010	–	2,319	719	432	15	106	4,000	–	7,591
Charge for the financial year	174	81	203	162	–	3	955	1,172	2,750
Impairment loss	–	7	–	23	–	–	10	–	40
Net exchange differences	(10)	(1)	–	(1)	–	–	(3)	(61)	(76)
At 31 December 2010	164	2,406	922	616	15	109	4,962	1,111	10,305
Net carrying amount:									
At 31 December 2009	579	86	865	234	–	2	3,196	–	4,962
At 31 December 2010	2,975	170	716	141	–	20	4,998	16,769	25,789

12. Oil and gas properties/ Property, plant and equipment (cont'd)

Company	Transport equipment S$'000	Office equipment S$'000	Total S$'000
Cost:			
At 1 January 2009	–	13	13
Additions	98	3	101
At 31 December 2009 and 1 January 2010	98	16	114
Additions	–	–	–
At 31 December 2010	98	16	114
Accumulated depreciation:			
At 1 January 2009	–	1	1
Charge for the financial year	10	4	14
At 31 December 2009	10	5	15
Charge for the financial year	20	5	25
At 31 December 2010	30	10	40
Net carrying amount:			
At 31 December 2009	88	11	99
At 31 December 2010	68	6	74

During the financial year, the Group purchased certain transport equipment under finance lease arrangements as detailed below:

	Group 2010 S$'000	Group 2009 S$'000
Cost	2,464	2,332
Consideration paid in cash	(368)	(537)
Amount under finance leases	2,096	1,795
Net carrying amount of assets at end of year held under finance leases	4,350	2,074

The transport equipment purchased under finance leases is pledged to financial institutions as security for facilities granted (Note 28).

13. Intangible assets

Group	Goodwill S$'000	Software S$'000	Customer relationship S$'000	Club membership S$'000	Total S$'000
Cost:					
At 1 January 2009	–	–	–	–	–
Additions	1,036	89	–	254	1,379
At 31 December 2009 and 1 January 2010	1,036	89	–	254	1,379
Adjustment due to purchase price allocation	(229)	–	180	–	(49)
Additions	–	642	–	50	692
At 31 December 2010	807	731	180	304	2,022
Accumulated amortisation and impairment:					
At 1 January 2009	–	–	–	–	–
Charge during the year	–	–	–	–	–
At 31 December 2009 and 1 January 2010	–	–	–	–	–
Charge during the year	–	64	–	19	83
At 31 December 2010	–	64	–	19	83
Net carrying amount:					
At 31 December 2009	1,036	89	–	254	1,379
At 31 December 2010	807	667	180	285	1,939

Goodwill on consolidation is determined based on the purchase consideration less estimated fair value of net assets acquired. During the year, some adjustments were made to the carrying amount of goodwill and customer relationship following the completion of the purchase price allocation exercise (Note 15).

Goodwill is allocated for impairment testing purposes to the cash generating unit ("CGU"). The recoverable amount of the CGU including goodwill is determined based on value-in-use calculations using cashflow projections from financial forecast covering a three years period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rate used to extrapolate cash flow projections beyond the three years period are 16% and 13% respectively.

The forecasted growth rate is based on past performance and management expectation of market development.

13. Intangible assets (cont'd)

Company	Software S$'000	Club membership S$'000	Total S$'000
Cost:			
At 1 January 2009	–	–	–
Additions	–	205	205
At 31 December 2009 and 1 January 2010	–	205	205
Additions	172	–	172
At 31 December 2010	172	205	377
Accumulated amortisation and impairment:			
At 1 January 2009	–	–	–
At 31 December 2009 and 1 January 2010	–	–	–
Charge during the year	–	19	19
At 31 December 2010	–	19	19
Net carrying amount:			
At 31 December 2009	–	205	205
At 31 December 2010	172	186	358

As the development of the software is still in progress at year end, thus there was no amortisation charge on software.

14. Investment in exploration and evaluation assets

Investment in exploration and evaluation assets refer to the participation rights in the oil and gas sharing contract.

15. Investments in subsidiaries

	Company	
	2010 S$'000	2009 S$'000
Unquoted shares, at cost	27,492	9,915
Less: Impairment loss	(1,050)	(1,050)
ESOS contribution	1,278	234
	27,720	9,099

15. Investments in subsidiaries (cont'd)

The details of subsidiaries are as follows:

Name	Principal activities	Country of incorporation	Cost 2010 S$'000	Cost 2009 S$'000	Effective equity interest 2010 %	Effective equity interest 2009 %
Held by the Company:						
* RichLand Logistics Services Pte Ltd	Provision of transportation management (including transportation of goods) and airport cargo terminal handling	Singapore	6,901	6,901	100	100
* REL Resources Pte Ltd (formerly known as RichLand Chemical Logistics Pte Ltd)	Investment holding	Singapore	1,050	1,050	100	100
* REL Oil & Gas Pte Ltd	Investment holding	Singapore	198	198	100	100
* RichLand Global Pte Ltd	Investment holding	Singapore	@	@	100	100
* RBC Properties Pte Ltd	Provision of real estate management services and investment holding	Singapore	@	@	100	100

15. Investments in subsidiaries (cont'd)

Name	Principal activities	Country of incorporation	Cost 2010 S$'000	Cost 2009 S$'000	Effective equity interest 2010 %	Effective equity interest 2009 %
* RichLand Project Logistics Pte Ltd	Provision of specialised logistics and supply management services	Singapore	450	450	75	75
*^ RichLand LSP Pte Ltd	Provision of logistics, transportation and freight forwarding services	Singapore	2,570	1,316	50	50
** Ellipse Energy Jatirarangon Wahana Limited	Exploration and production of gas	Bermuda	16,314	–	100	100
②# PT RichLand Indonesia (formerly known as PT Richland Sentosa Abadi)	Investment holding	Indonesia	9	–	1	–
			27,492	9,915		

Name	Principal activities	Country of incorporation	Effective equity interest 2010 %	Effective equity interest 2009 %
Held through RichLand Global Pte Ltd:				
① Fu-Yuan Holdings Sdn Bhd	Provision of transportation, warehousing and order fulfilment and cross-border transportation between Thailand, Malaysia and Singapore	Malaysia	100	100
②# PT. RichLand Indonesia (formerly known as PT Richland Sentosa Abadi)	Investment holding	Indonesia	99	50

15. Investments in subsidiaries (cont'd)

	Name	Principal activities	Country of incorporation	Effective equity interest 2010 %	Effective equity interest 2009 %
Held through PT. RichLand Indonesia:					
#	PT. RichLand Logistik Indonesia (formerly known as PT Global Transport Abadi)	Provision of transportation and logistics services	Indonesia	100	99.95
Held through RichLand Project Logistics Pte Ltd					
①	RichLand SCM (KL) Sdn Bhd	Shipping, chartering, forwarding and transportation agents for airline and other logistic services	Malaysia	60	60
Held through REL Oil & Gas Pte Ltd					
	Ramba Energy Investment Limited	Investment holding	BVI	100	100
Held through Ramba Energy Investment Limited					
	Ramba Energy Indonesia Limited	Investment holding	BVI	100	100
Held through Ramba Energy Indonesia Limited					
	Ramba Lemang Ltd	Investment holding	BVI	100	100
	Ramba Energy Corridor Limited	Investment holding	BVI	100	–
	Ramba Energy Exploration Ltd	Investment holding	BVI	100	–

15. Investments in subsidiaries (cont'd)

Name	Principal activities	Country of incorporation	Effective equity interest 2010 %	Effective equity interest 2009 %
Held through Ramba Energy Indonesia Limited (cont'd)				
***PT Sugih Energy Tbk	Investment holding	Indonesia	55.2	–
Held by Ramba Energy Exploration Ltd				
Ramba Energy West Jambi Limited	Investment holding	BVI	100	–
Ramba Energy Lemang Limited	Investment holding	BVI	100	–

@ Denote less than S$1,000

^ On 15 December 2009, the Company acquired majority voting rights and Richland LSP Pte Ltd became a subsidiary of the Group. In March 2010, the Company paid $41,132 in cash consideration and issued 2,786,762 new ordinary shares to the vendor.

① This entity is in the process of strike off.

② In 2009, RichLand Global Pte Ltd entered into a sales and purchase agreement with M/s Villa Fransiscus, to acquire 50% of the total issued shares in the capital of PT RichLand Sentosa Abadi for a total purchase consideration of S$150,000. In March 2010, the Company issued 240,000 shares at an issue price of S$0.625/share to the vendor.

Audited by:

* Ernst & Young LLP, Singapore
** Ernst & Young, Indonesia
# Tjahjadi Pardhonc & Teramihardja, Indonesia.
*** Drs. Bambang S. & Rekan, Indonesia

15. Investments in subsidiaries (cont'd)

Acquisition of subsidiaries

(a) On 15 December 2009, the Company acquired 50% interest in LSP Pte Ltd. Upon the acquisition, the Company acquired majority voting rights in the board of LSP Pte Ltd and LSP Pte Ltd became a subsidiary of the Group. It was subsequently renamed as RichLand LSP Pte Ltd ("RLSP").

Fair values of the identifiable assets and liabilities of RLSP as at the date of acquisition were:

	Carrying amount before combination S$'000	**Recognised on date of acquisition S$'000**
Property, plant and equipment	35	35
Trade and other receivables	1,992	1,992
Cash and cash equivalents	3,136	3,136
	5,163	5,163
Trade and other payables	1,760	1,760
Income tax payable	136	136
Finance lease payable	48	48
Term loan	272	272
Deferred taxation	4	4
	2,220	2,220
Net identifiable assets	2,943	2,943
50% net identifiable assets acquired		1,472
Intangible asset – customer relationship		180
Goodwill arising on acquisition*		856
Purchase consideration		2,508

* During the year, the purchase price allocation to goodwill and other net assets relating to the acquisition has been completed and the effect of $49,000 has been adjusted (Note 13)

The effect of acquisition on cash flow was as follows:

	S$'000
Total consideration for 50% equity interest acquired	(2,508)
Non-cash consideration (Note 27)	1,254
Consideration settled in cash	(1,254)
Add: Cash and cash equivalents acquired	3,136
Net cash inflow on acquisition	1,882

15. Investments in subsidiaries (cont'd)

(b) On 12 March 2010, the Company paid $41,132 in addition to cash consideration paid for the acquisition of 50% interest in RLSP.

(c) On 29 March 2010, the Company acquired 100% interest in Ellipse Energy Jatirarangon Wahana Limited ("EEJW").

The Group share on the fair value of the identifiable assets and liabilities of EEJW as at the date of acquisition were:

	Carrying amount before combination S$'000	Recognised on date of acquisition S$'000
Oil and gas properties	16,647	17,981
Furniture and fittings	9	9
Other assets	327	327
Trade and other receivables	6,766	6,766
Cash and cash equivalents	30	30
	23,779	25,113
Trade and other payables	(703)	(703)
Income tax payable	(51)	(51)
Other liabilities	(373)	(373)
Deferred taxation	(1,739)	(1,739)
	(2,866)	(2,866)
Net identifiable assets	20,913	22,247
100% net identifiable assets acquired		22,247
Credit goodwill arising on acquisition		(3,923)
Total consideration		18,324

Cost of investment is represented by:

Cost of investment	16,314
Loan to subsidiary	2,010
	18,324

The effect of acquisition on cash flow is as follow:

	S$'000
Total consideration for 100% equity interest acquired	(18,324)
Non-cash consideration	9,870
Consideration settled in cash	(8,454)
Less: Cash and cash equivalents acquired	30
Net cash outflow on acquisition of EEJW	(8,424)
Subsequent cash paid for 50% interest in RLSP (note b above)	(41)
Net cash outflow on acquisition of subsidiaries	(8,465)

15. Investments in subsidiaries (cont'd)

(d) On 21 September 2010, Ramba Energy Indonesia Limited, a wholly-owned subsidiary of the Company, acquired 55.2% interest in PT Sugih Energy Tbk ("PT Sugih").

The Group share on the fair value of the identifiable assets and liabilities of PT Sugih as at the date of acquisition were:

	Carrying amount before combination S$'000	Recognised on date of acquisition S$'000
Property, plant and equipment	248	248
Investment in associate company	332	332
Available for sale asset	3,748	3,748
Trade and other receivables	1,050	1,050
Prepayment and deposits	179	179
Cash and cash equivalents	220	220
	5,777	5,777
Trade and other payables	(447)	(447)
	(447)	(447)
Net identifiable assets	5,330	5,330
55.2% net identifiable assets acquired		2,942
Credit goodwill arising on acquisition*		(932)
Total consideration		2,010

* This transaction has been accounted for using the purchase method of accounting. As at 31 December 2010, the Group share on the fair value of the identifiable assets and liabilities acquired have been determined on a provisional basis which gave rise to credit goodwill on consolidation of approximately $0.9 million. The provisional amount of goodwill may be subject to change as the purchase price allocation exercise has yet to be completed.

The effect of acquisition on cash flow is follows:

	S$'000
Total consideration for 55.2% equity interest acquired	(2,010)
Non-cash consideration	–
Consideration settled in cash	(2,010)
Add: Cash and cash equivalents acquired	220
Net cash outflow on acquisition of a subsidiary	(1,790)

The total net cash outflow on acquisition made in FY 2010 was:	
Acquisition for EEJW and RLSP	(8,465)
Acquisition for PT Sugih	(1,790)
Net cash outflow on acquisition of subsidiaries	(10,255)

16. Investment in associates

	Group 2010 S$'000	Group 2009 S$'000	Company 2010 S$'000	Company 2009 S$'000
Shares, at cost	50	50	50	50
Acquisition of associate (Note 15)	332	–	–	–
Share of post-acquisition reserves	2,771	1,765	–	–
Dividend received	(1,635)	(1,625)	–	–
Net exchange difference	(57)	–	–	–
	1,461	190	50	50

The details of associates are as follows:

Name	Principal activities	Country of incorporation	Effective equity interest 2010 %	Effective equity interest 2009 %
Held by the Company:				
** RLG Development Pte Ltd	Property development	Singapore	25	25
Held by PT Sugih Energy TBK				
^ Elnusa Tristar Ramba Ltd	Oil and gas exploration and production	BVI	37.5	–

Audited by:
** Yap Boh Pin & Co, CPA, Singapore.
^ Deloitte & Touche, Indonesia.

The summarised financial information of RLG Development Pte Ltd and Elunsa Tristar Ramba Ltd, adjusted for the proportion of ownership interest held by the Group, are as follows:

	Group 2010 S$'000	Group 2009 S$'000
Assets and liabilities:		
Total assets	5,769	196
Total liabilities	(4,308)	(6)
Results:		
Revenue	13,721	74
Profit for the year	1,006	70

17. Investment in a joint venture

	Group 2010 S$'000	Group 2009 S$'000
Shares, at cost	16	16
Share of post-acquisition reserves	15	(2)
Loan to joint venture	18	12
	49	26

The loan to joint venture is unsecured and non-interest bearing. They have no repayment terms and are repayable only when the cash flows of the borrower permits. Accordingly, the fair values of the loan is not determinable as the timing of the future cash flows arising from the loan cannot be reasonably estimated.

The details of joint venture are as follows:

Name	Principal activities	Country of incorporation	Effective equity interest 2010 %	Effective equity interest 2009 %
Held through PT RichLand Logistik Indonesia				
* PT. Bintang RichLand	Provision of vehicle rental services	Indonesia	50	50

* Not required to be audited by the law of its country of incorporation.

The summarised financial information of the joint venture, related to the Group's interest in the joint venture is as follows:

	Group 2010 S$'000	Group 2009 S$'000
Assets and liabilities:		
Current assets	7	9
Non-current assets	91	103
Total assets	98	112
Current liabilities	(67)	(98)
Non-current liabilities	–	–
Total liabilities	(67)	(98)
Income and expenses:		
Revenue	41	86
Expenses	(24)	(86)

18. Loans to/(from) subsidiaries

These loans are unsecured and non-interest bearing. They have no repayment term and the Directors of the Company do not expect the amounts to be receivable/repayable within the next 12 months. As the loans are repayable/receivable only when the cash flows of the subsidiaries/Company permits, the fair values are not determinable as the timing of the future cash flows arising from the loans cannot be reasonably estimated.

19. Other assets

Other assets as at 31 December 2009 referred to professional fees incurred for business acquisitions deemed to be probable.

Other assets as at 31 December 2010 refer to deposits and prepaid land rental.

20. Leased assets

Leased assets refer to the capitalised agent fees and stamp duty incurred in negotiating an operating lease. The capitalised costs are amortised over the relevant lease period on a straight line basis.

21. Trade receivables

	Group		Company	
	2010	**2009**	**2010**	**2009**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Third party customers	10,707	7,934	–	–
Less: Allowance for impairment	(14)	(21)	–	–
	10,693	7,913	–	–
Other receivables (Note 22)	7,400	2,708	6,411	2,358
Loans to subsidiaries (Note 18)	–	–	92	372
Cash and bank balances (Note 24)	8,546	8,702	967	1,680
Fixed deposits (Note 24)	1,974	2,016	1,649	1,589
Total loans and receivables	28,613	21,339	9,119	5,999

Trade receivables are non-interest bearing and are generally on 30-90 days terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Receivables that are past due but not impaired

The Group has trade receivables amounting to S$2,057,000 (2009: S$1,656,000) that are past due at the balance sheet date but not impaired. These receivables are unsecured and the analysis of their ageing at the balance sheet date is as follows:

	Group	
	2010	**2009**
	S$'000	**S$'000**
Trade receivables past due:		
Less than 30 days	1,458	1,130
30 to 60 days	473	259
61-90 days	40	149
91-120 days	86	61
More than 120 days	–	57
	2,057	1,656

21. Trade receivables (cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the balance sheet date and the movement of the allowance accounts used to record the impairment are as follows:

	Group Individually impaired	
	2010	**2009**
	S$'000	**S$'000**
Trade receivables - nominal amounts	14	21
Less: Allowance for impairment	(14)	(21)
	–	–

	Group Individually impaired	
	2010	**2009**
	S$'000	**S$'000**
Movement in allowance accounts:		
At 1 January	(21)	(60)
Charge for the year	(19)	(14)
Written off	–	–
Utilised during the year	26	53
At 31 December	(14)	(21)

Trade receivables that are individually determined to be impaired at the balance sheet date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Included in trade receivables for the Group are S$348,000 (2009: S$121,000) and S$3,436,000 (2009: S$1,399,000) denominated in Indonesia Rupiah ("IDR") and United States Dollars ("USD") respectively.

22. Other receivables

	Group		Company	
	2010	**2009**	**2010**	**2009**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Deposits	331	366	31	28
Due from joint venture partner	5,355	–	–	–
Due from subsidiaries	–	–	5,302	705
Unbilled revenue	–	229	–	–
Deferred rent receivable	39	153	–	–
Sundry receivables	1,649	1,929	1,078	1,625
Disbursements due from customers	37	42	–	–
Less: Allowance for impairment	(11)	(11)	–	–
	26	31	–	–
	7,400	2,708	6,411	2,358

22. Other receivables (cont'd)

Allowance for impairment

	Group 2010 S$'000	Group 2009 S$'000	Company 2010 S$'000	Company 2009 S$'000
At beginning of year	(11)	(50)	–	–
Charge for the year	–	–	–	–
Utilised during the year	–	39	–	–
At end of year	(11)	(11)	–	–

As at 31 December 2009, approximately S$1,500,000 of sundry receivables balances was denominated in USD and was collaterised by shares in a company. This amount was non-interest bearing and was fully repaid in 2010.

The amounts due from joint venture partner refer to advances made by a subsidiary for the joint venture partner's share of expenditure on the EEJW's gas block. This will be paid through the joint venture partner's entitlement portion based on the Funding Agreement between the subsidiary company and the joint venture partner.

The amounts due from subsidiaries are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

23. Available-for-sale asset

Available-for-sale asset (non current), carried at cost, refers to the Company's investment in Elunsa Tristar Ramba Limited ("ETRL") which was subsequently approved by the shareholders at the Extraordinary General Meeting ("EGM") on 4 March 2011.

Available-for-sale asset (current), refers to the placement of fund by PT Sugih with a Jakarta fund manager to invest in a pre-agreed list of investments. The investment agreement is for a one year period ending on 8 September 2011. The underlying investment is in loan and receivable and is carried at amortised cost.

24. Cash and bank balances

	Group 2010 S$'000	Group 2009 S$'000	Company 2010 S$'000	Company 2009 S$'000
Cash on hand and at bank	8,546	8,702	967	1,680
Fixed deposits	1,974	2,016	1,649	1,589
Less: Restricted cash classified as non-current assets	(1,649)	(1,589)	(1,649)	(1,589)
Less: Restricted cash classified as current assets	(325)	(322)	–	–
	–	105	–	–
Cash and cash equivalents	8,546	8,807	967	1,680

Fixed deposits earn interest at 0.45% to 0.575% (2009: 0.1% to 0.925%) per annum.

Restricted cash represents the amount of fixed deposits pledged to certain banks to secure banking facilities.

24. Cash and bank balances (cont'd)

Included in cash and bank balances for the Group are amounts of S$264,000 (2009: S$162,000), S$204,000 (2009: S$333,000) and S$2,998,000 (2009: S$3,264,000) denominated in Malaysian Ringgit, ("RM"), IDR and USD respectively.

25. Trade payables

	Group		Company	
	2010 S$'000	2009 S$'000	2010 S$'000	2009 S$'000
Third party suppliers	4,095	3,963	895	1,213
Accrued operating expenses	2,200	736	78	–
	6,295	4,699	973	1,213
Other payables (Note 26)	4,122	3,631	3,639	1,417
Finance lease liabilities (Note 28)	3,071	1,686	53	72
Term loans (Note 29)	7,648	4,959	–	–
Loan from other parties (Note 30)	99	120	–	–
Loan from a subsidiary (Note 18)	–	–	–	4,200
Deferred consideration (Note 27)	–	1,254	–	–
Total financial liabilities carried at amortised cost	21,235	16,349	4,665	6,902

Trade payables are non-interest bearing and are normally settled on 60 days terms.

Included in trade payables of the Group are amounts of S$ 134,000 (2009: S$Nil), S$ 2,260,000 (2009: S$1,284,000) and S$475,000 (2009: S$26,000) denominated in RM, USD and IDR respectively.

26. Other payables

	Group		Company	
	2010 S$'000	2009 S$'000	2010 S$'000	2009 S$'000
Amount due in respect of purchase of ISO tank	–	611	–	–
Provision for reinstatement costs	136	136	–	–
Due to subsidiaries	–	–	3,430	1,303
Accrued salaries and employee benefits	1,337	831	–	–
Provision for cargo and motor vehicles claims	64	41	–	–
Sundry payables	1,059	592	209	114
Security deposit from tenant	165	155	–	–
Deferred rent payable	1,071	975	–	–
Advance billing to tenant	290	290	–	–
	4,122	3,631	3,639	1,417

The amounts due to subsidiaries are non-trade in nature, unsecured, non-interest bearing, payable on demand and are to be settled in cash.

26. Other payables (cont'd)

Movements in provision for cargo claims and motor vehicle claims during the year were as follows:

	Group 2010 S$'000	Group 2009 S$'000
Balance at 1 January	41	105
Provision made during the financial year	60	–
Utilised during the financial year	(37)	–
Write-back to consolidated income statement	–	(64)
Balance at 31 December	64	41

27. Deferred consideration

Deferred consideration referred to the payment of the share consideration in the acquisition of RichLand LSP Pte Ltd. The deferred consideration was settled during the year.

28. Finance lease liabilities

The Group purchased certain transport equipment under finance lease agreements. There are no restrictions placed upon the Group by entering into these leases. The finance leases are repayable in full by year 2015 and the effective interest rates range from 2.58% to 8.0% (2009: 2.58% to 5.28%) per annum.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

Group	Total minimum lease payments 2010 S$'000	Present value of payments 2010 S$'000	Total minimum lease payments 2009 S$'000	Present value of payments 2009 S$'000
Not later than one year	1,317	1,165	665	593
Later than one year but not later than five years	2,059	1,906	1,150	1,093
Total minimum lease payments	3,376	3,071	1,815	1,686
Less: Amount representing finance charges	(305)	–	(129)	–
Present value of minimum lease payments	3,071	3,071	1,686	1,686

28. Finance lease liabilities (cont'd)

Company	Total minimum lease payments 2010 S$'000	Present value of payments 2010 S$'000	Total minimum lease payments 2009 S$'000	Present value of payments 2009 S$'000
Not later than one year	22	20	22	19
Later than one year but not later than five years	35	33	57	53
Total minimum lease payments	57	53	79	72
Less: Amount representing finance charges	(4)	–	(7)	–
Present value of minimum lease payments	53	53	72	72

29. Term loans

	Group 2010 S$'000	Group 2009 S$'000
Term loans – S$ (current)	2,425	1,321
Term loans – S$ (non-current)	5,223	3,638
	7,648	4,959

The effective interest rate for the term loan is 5% (2009: 5%) per annum during the financial year.

The loans are repayable over 48 monthly instalments and fully repayable in 2014. The loans are guaranteed by the Company.

30. Loans from other parties

The loans from other parties are unsecured and non-interest bearing. They have no repayment terms and are repayable only when the cash flows of the borrower permits. Accordingly, the fair values of the loans are not determinable as the timing of the future cash flows arising from the loans cannot be reasonably estimated.

31. Deferred tax

Deferred income tax as at 31 December relates to the following:

	Consolidated balance sheet 2010 S$'000	Consolidated balance sheet 2009 S$'000	Consolidated income statement 2010 S$'000	Consolidated income statement 2009 S$'000
Deferred tax liabilities:				
Differences in depreciation	(2,111)	(245)	70	(70)
Deferred tax assets:				
Difference in timing of rental income recognition	179	148	28	54
			98	(16)

31. Deferred tax (cont'd)

As at the balance sheet date, the Group has unutilised tax losses and unabsorbed capital allowances of approximately S$1,200,000 (2009: S$700,000) and S$171,000 (2009: S$91,000) respectively that are available for offset against future taxable profits of the companies in which the losses and capital allowances arose for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses and capital allowances is subject to the agreement of the tax authority and compliance with certain provisions of the tax legislation of the countries in which the companies operate.

32. Share capital and treasury shares

(a) ***Share capital***

	Group and Company			
	2010		2009	
	No. of shares '000	S$'000	No. of shares '000	S$'000
Issued and fully paid				
At 1 January	149,379	16,381	127,379	13,872
New share issuance	31,200	16,380	22,000	2,530
Reissuance of treasury shares	(2,729)	(1,433)	–	–
New share issuance for acquisition of subsidiary	24,027	11,195	–	–
New share issuance for share awards	1,001	713	–	–
Share issuance expense	–	(559)	–	(21)
At 31 December	202,878	42,677	149,379	16,381

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

The ordinary shares have no par value.

(b) ***Treasury shares***

	Group and Company			
	2010		2009	
	No. of shares '000	S$'000	No. of shares '000	S$'000
Issued and fully paid				
At 1 January	6,529	(829)	858	(137)
Acquired during the financial year	–	–	5,671	(692)
Reissuance during the financial year	(2,729)	347	–	–
At 31 December	3,800	(482)	6,529	(829)

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company reissued 2,729,000 shares during the financial year. In 2009, the Company acquired 5,671,000 shares through purchases on the Singapore Exchange.

33. Other reserves and share based payment reserves

(a) ***Foreign currency translation reserve***

The foreign currency translation reserve records exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(b) ***Share based payment reserve***

Share based payment reserve represents the equity settled share options granted to employees and directors (Note 6). The reserve is made up of the cumulative value of services received from employees and directors recorded over the vesting period commencing from the grant date of equity settled share options and is reduced by the expiry or exercise of the share options.

34. Related party transactions

(a) ***Compensation of key management personnel***

	Group	
	2010	**2009**
	S$'000	**S$'000**
Directors' fees	405	324
Directors' remuneration	1,054	865
Share based payments	1,989	352
	3,448	1,541
Key management personnel's remuneration	1,511	865
Central Provident Fund contributions	46	54
Share based payments	383	91
	1,940	1,010
	5,388	2,551

Directors' interests in share based payment scheme

During the financial year, 1,505,000 (2009: 2,015,000) and 1,560,000 (2009: 2,007,000) share options and share awards were granted to the Company directors under the ESOS and PSP respectively (Note 6). The share options are issued at an exercise price of S$0.38 (2009: S$0.69) each, except 666,000 share options issued at an exercise price of S$0.69 each.

At the balance sheet date, the total number of outstanding share options and share awards granted by the Company to the directors under the ESOS and PSP amount to 3,520,000 and 2,676,000 respectively.

(b) ***Sales and purchase of goods and services***

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2010	**2009**
	S$'000	**S$'000**
Legal fees paid to firm related to a director	1,013	1,205
Purchase of accounting services from a firm related to a director	39	28

35. Segment information

For management purposes, the Group is organized into business units based on their products and services, and has four reportable segments as follows:

I. The oil and gas segment.

II. The logistics segment comprises transportation management and air cargo terminal handling services.

III. The rental segment relates to the property rental business.

IV. The corporate segment relates to group level corporate series and treasury function.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

35. Segment information (cont'd)

	Continuing Operations						Discontinued Operations	
2010	Oil and gas S$'000	Logistics S$'000	Rental S$'000	Corp S$'000	Eliminations S$'000	Total S$'000	Supply chain management S$'000	Total operations S$'000
Revenue:								
Sales to external customer	3,995	39,733	3,364	–	–	47,092	–	47,092
Other Income	1,219	3,288	79	31	–	4,617	–	4,617
Inter-segment sales	–	–	264	–	(264)	–	–	–
Total revenue	5,214	43,021	3,707	31	(264)	51,709	–	51,709
Segment profit/(loss)	4,955	1,221	174	(7,302)	(10)	(962)	–	(962)
Finance cost	–	–	–	–	–	(428)	–	(428)
Share of results of associates and a joint venture	1,006	17	–	–	–	1,023	–	1,023
Loss before tax						(367)	–	(367)
Taxation						(729)	–	(729)
Net loss for the year						(1,096)	–	(1,096)

35. Segment information (cont'd)

	Continuing Operations						Discontinued Operations	
2010	Oil and gas S$'000	Logistics S$'000	Rental S$'000	Corp S$'000	Eliminations S$'000	Total S$'000	Supply chain management S$'000	Total operations S$'000
Interest income	–	13	–	32	–	45	–	45
Depreciation and amortisation expenses	1,182	1,451	156	44	–	2,833	–	2,833
Other non-cash expenses	–	1,042	–	1,330	–	2,372	–	2,372
Credit goodwill arising from acquisition of subsidiaries	(4,855)	–	–	–	–	(4,855)	–	(4,855)
Assets								
Investment in associates	1,271	–	–	190	–	1,461	–	1,461
Additions to non-current assets	2,669	5,889	–	171	–	8,729	–	8,729
Segment assets	43,916	23,936	1,282	3,547	1,057	73,738	–	73,738
Segment liabilities	2,547	16,262	1,636	1,132	2,447	24,024	–	24,024

35. Segment information (cont'd)

2009	Continuing Operations: Oil and gas S$'000	Logistics S$'000	Rental S$'000	Corp S$'000	Eliminations S$'000	Total S$'000	Discontinued Operations: Supply chain management S$'000	Total operations S$'000
Revenue:								
Sales to external customer	–	28,072	3,338	–	–	31,410	191	31,601
Other Income	–	2,014	25	2,700	(2,742)	1,997	–	1,997
Inter-segment sales	–	31	252	–	(283)	–	–	–
Total revenue	–	30,117	3,615	2,700	(3,025)	33,407	191	33,598
Segment profit/(loss)	(253)	1,862	317	(1,403)	–	523	(335)	188
Finance cost	–	–	–	–	–	(103)	–	(103)
Share of results of an associate and a joint venture	–	–	–	70	–	70	–	70
Profit/(loss) before tax						490	(335)	155
Taxation						(274)	140	(134)
Net profit/(loss) for the year						216	(195)	21

35. Segment information (cont'd)

	Continuing Operations						Discontinued Operations	
2009	Oil and gas S$'000	Logistics S$'000	Rental S$'000	Corp S$'000	Eliminations S$'000	Total S$'000	Supply chain management S$'000	Total operations S$'000
Interest income	–	9	–	16	–	25	–	25
Depreciation and amortisation expenses	–	1,185	161	14	–	1,360	66	1,426
Other non-cash expenses	–	234	–	209	–	443	–	443
Assets								
Investment in an associate	–	–	–	190	–	190	–	190
Additions to non-current assets	9,854	2,956	–	414	–	13,224	–	13,224
Segment assets	11,304	19,796	1,637	6,300	1,184	40,221	116	40,337
Segment liabilities	–	12,142	1,524	1,399	1,751	16,816	42	16,858

35. Segment information (cont'd)

Geographical information

Revenue and non-current asset information based on geographical location of customer and asset respectively are as follow:

	Singapore S$'000	Geographical Indonesia S$'000	Total S$'000
2010			
Revenue for continuing operations	45,762	5,947	51,709
Segment assets			
Non-current assets	11,050	31,361	42,411
2009			
Revenue	31,973	1,625	33,598
Less: Revenue attributable to discontinued operations	(191)	–	(191)
Revenue for continuing operations	31,782	1,625	33,407
Segment assets			
Non-current assets	10,471	9,935	20,406

Non-current assets information presented above consists of oil and gas property, plant and equipment, intangible assets and other assets as presented in the consolidated balance sheet.

Information about major customers

Revenue from 4 major customers amount to S$27,600,000 (2009: 3 customers - S$18,200,000) arising from sales by the logistics segment.

Revenue from 1 major customer amount to S$4,000,000 (2009: Nil) arising from sales by the oil and gas segment.

36. Commitments

(a) ***Operating leases commitments - as lessee***

The Group has entered into commercial leases for properties and transport equipment. These leases have remaining uncancellable lease terms of between 1 to 7 years with renewal options negotiable before the lease expires and escalation clauses in the contracts. There were no restrictions placed upon the Group by entering into these leases. Future minimum lease payments payable under non-cancellable operating leases are as follows:

	Group 2010 S$'000	Group 2009 S$'000
Not later than one year	6,684	5,480
Later than one year but not later than five years	14,025	11,983
Later than five years	3,488	8,179
	24,197	25,642

36. Commitments (cont'd)

(b) ***Operating lease commitments - as lessor***

The Group has entered into commercial property leases on its leased property. These non-cancellable leases have remaining lease terms of between one and five years.

Future minimum rentals receivable under non-cancellable operating leases at the balance sheet date are as follows:

	Group	
	2010	**2009**
	S$'000	**S$'000**
Not later than one year	2,432	2,675
Later than one year but not later than five years	1,833	644
	4,265	3,319

37. Financial risk management objectives and policies

The Group's principal financial instruments, comprise bank loans, finance leases, cash and short term deposits. The main purpose of these financial instruments is to raise funds for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

(a) ***Interest rate risk***

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from surplus funds placed with financial institutions.

Sensitivity analysis is not performed as impact of interest rate fluctuations is not material to the Group.

(b) ***Foreign currency risk***

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily SGD, USD, and IDR. Approximately 98% (2009: 98%) of the Group's sales are denominated in the respective group entities' functional currency and therefore, the Group's foreign currency exposures are insignificant.

In addition to transactional exposure, the Group is also exposed to foreign exchange movement in its investments in foreign subsidiaries. The Group does not hedge its currency exposure arising from investment in foreign subsidiaries as they are considered to be long term in nature.

37. Financial risk management objectives and policies (cont'd)

(c) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis. As a result the Group's exposure to bad debts is not significant.

<u>Exposure to credit risk</u>

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheet.

<u>Credit risk concentration profile</u>

The Group determines concentrations of credit risk by monitoring the country profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2010		2009	
	S$'000	% of total	S$'000	% of total
By country:				
Singapore	7,989	74.7	7,178	90.7
Indonesia	2,131	19.9	182	2.3
Others	573	5.4	553	7.0
	10,693	100.0	7,913	100.0

At the balance sheet date, approximately 51% (2009: 60%) and 16% of the Group trade receivables were due from 4 (2009: 3) and 1 (2009: Nil) major customers who are located in Singapore and Indonesia respectively.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Group. Cash and short-term deposits, are neither past due nor impaired and are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Notes 21 and 22 (trade receivables and other receivables).

37. Financial risk management objectives and policies (cont'd)

(d) ***Liquidity risk***

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is that not more than 50% (2009: 50%) of loans and borrowings (including overdrafts and convertible redeemable preference shares) should mature in the next one year period, and that to maintain sufficient liquid financial assets and stand-by credit facilities with banks. At the balance sheet date, approximately 33% (2009: 28%) of the Group's loans and borrowings (Note 29) will mature in less than one year based on the carrying amount reflected in the financial statements, excluding discontinued operation.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	2010 S$'000			2009 S$'000		
	1 year or less	1 to 5 years	Total	1 year or less	1 to 5 years	Total
Group						
Financial assets:						
Trade and other receivables	18,093	–	18,093	10,621	–	10,621
Available-for-sale asset	3,633	1,321	4,954	–	–	–
Cash and bank balances	10,520	–	10,520	10,718	–	10,718
Total undiscounted financial assets	32,246	1,321	33,567	21,339	–	21,339
Financial liabilities:						
Trade and other payables	10,417	–	10,417	8,330	–	8,330
Finance lease liabilities	1,317	2,059	3,376	665	1,150	1,815
Term loans	2,752	5,525	8,277	1,456	3,681	5,137
Deferred consideration	–	–	–	1,254	–	1,254
Loan from other parties	–	99	99	–	120	120
Total undiscounted financial liabilities	14,486	7,683	22,169	11,705	4,951	16,656
Total net undiscounted financial assets/(liabilities)	17,760	(6,362)	11,398	9,634	(4,951)	4,683

37. Financial risk management objectives and policies (cont'd)

(d) ***Liquidity risk*** **(cont'd)**

	2010 S$'000 1 year or less	2010 S$'000 1 to 5 years	2010 S$'000 Total	2009 S$'000 1 year or less	2009 S$'000 1 to 5 years	2009 S$'000 Total
Company						
Financial assets:						
Other receivables	6,411	–	6,411	2,358	–	2,358
Available for sale asset	–	1,321	1,321	–	–	–
Loans to subsidiaries	–	92	92	–	372	372
Cash and bank balances	2,616	–	2,616	3,269	–	3,269
Total undiscounted financial assets	9,027	1,413	10,440	5,627	372	5,999
Financial liabilities:						
Trade and other payables	4,612	–	4,612	2,630	–	2,630
Finance lease liabilities	22	35	57	22	57	79
Loan from a subsidiary	–	–	–	–	4,200	4,200
Total undiscounted financial liabilities	4,634	35	4,669	2,652	4,257	6,909
Total net undiscounted financial assets/(liabilities)	4,393	1,378	5,771	2,975	(3,885)	(910)

38. Capital management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2010 and 31 December 2009.

The Group monitors capital using a gearing ratio, which is total borrowings divided by total equity and borrowings. The Group's policy is to keep the gearing ratio beneficial to the Group. The Group includes within total borrowings, loans and borrowings, finance lease liabilities and loan from other parties.

	Group 2010 S$'000	Group 2009 S$'000
Loans and borrowings (Note 29)	7,648	4,959
Finance lease liabilities (Note 28)	3,071	1,686
Loan from other parties (Note 30)	99	120
Total borrowing	10,818	6,765
Equity	49,714	23,479
Gearing ratio	18%	22%

39. Fair value of financial instruments

A. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

Cash and bank balances, fixed deposits, other current financial assets and liabilities

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

B. Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value are as follows:

	Group			
	2010		2009	
	Carrying amount S$'000	Fair value S$'000	Carrying amount S$'000	Fair value S$'000
Financial liabilities				
Term loans	7,648	7,479	4,959	4,501
Finance lease liabilities	3,071	3,098	1,686	1,660

The fair value of the above financial liabilities has been determined using discounted cash flows. The discount rates used are the current market incremental lending rates for similar types of lending, borrowing and leasing agreements.

Loan to/(from) subsidiaries (Note 18) and Loan from other parties (non-current, non-trade) (Note 30)

These loans are unsecured and non-interest bearing. They have no fixed repayment terms and are repayable only when their cash flow permits. Accordingly, fair value is not determinable as the timing of the future cash flows arising from the loans cannot be estimated reliably.

Available for sale asset (non-current) (Note23)

Fair value information has not been disclosed for the Company's investment in ETRL, as it cannot be measured reliably given that the ordinary shares are not quoted on any market and does not have any comparable industry peer that is listed (Note 23).

40. Dividends

	Group and Company	
	2010	2009
	S$'000	S$'000
Declared and paid during the financial year:		
Final tax exempt dividend paid in respect of the previous financial year of 0.1 cents (2009: 0.1 cents) per share	198	121
Proposed but not recognised as a liability as at 31 December:		
Final tax exempt dividend for 2010 of Nil cents (2009: 0.1 cents) per share	–	143

No final tax exempt dividend was proposed in respect of the financial year ended 31 December 2010 (2009: S$143,000).

41. Events occurring after the reporting period

On 4 March 2011, the Company held its Extraordinary General Meeting and the following resolutions were duly passed by the shareholders of the Company:

(a) the acquisition by the Company of 25% interest in the capital of Elnusa Tristar Ramba Ltd from Eurorich Group Ltd

(b) the allotment and issuance of up to 50,849,524 new ordinary shares in the capital of the Company at the issue price of S$0.525 per share to Eurorich Group Ltd. This is to be credited as fully paid up or as part payment of the purchase consideration for the acquisition, contingent upon the occurance of certain defined events, and

(c) the inclusion and acceptance of the participation of Mr Aditya Wisnuwardana Seky Soeryadjaya, Chief Executive Office and Executive Director of the Company, an associate of the controlling shareholder of the Company, in the Ramba Group Share ESOS and the Ramba Group PSP.

On 28 March 2011, the Company granted 407,000 share options (other than controlling shareholders and their associates) under the ESOS. The exercise price for the option granted is S$0.485 per share. These share options expire on 28 March 2013 and are exercisable if the employee remains in service as of the exercise date.

On the same date, the Company granted 928,000 (other than controlling shareholders and their associates) under the PSP. The share awards will be granted over three years from the date of grant in equal one third proportion of the total share awards granted.

42. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2010 were authorised for issue in accordance with a resolution of Directors on 30 March 2011.

Issued and Fully Paid-up Capital: S$ 38,850,362.00
Class of Shares: Ordinary share
Voting Rights: One vote per share *
* excludes non-voting treasury shares

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	6	0.39	2,202	0.00
1,000 - 10,000	756	48.68	4,934,490	2.48
10,001 - 1,000,000	768	49.45	40,755,300	20.47
1,000,001 AND ABOVE	23	1.48	153,434,020	77.05
TOTAL	**1,553**	**100.00**	**199,126,012**	**100.00**

SUBSTANTIAL SHAREHOLDERS

	Direct Interest	%	Deemed Interest	%	Total Interest	%
Edward Seky Soeryadjaya(2)	-	-	74,751,000	37.54	74,751,000	37.54
Mohammed Soetrisno Bachir(2)	-	-	74,751,000	37.54	74,751,000	37.54
Precious Treasure Global Inc.	-	-	74,751,000	37.54	74,751,000	37.54
Tan Fuh Gih(3)	-	-	15,000,000	7.53	15,000,000	7.53
Tan Kim Seng(3)	-	-	15,000,000	7.53	15,000,000	7.53
Redmount Holdings Limited(1)	123,000	0.06	74,628,000	37.48	74,751,000	37.54
Summit Gain Consultants Limited	15,000,000	7.53	-	-	15,000,000	7.53
Luciano Group Limited	23,893,000	12.00	-	-	23,893,000	12.00
York Hill Group Limited(6)	9,110,000	4.58	-	-	9,110,000	4.58
Chimsy Holdings Limited	22,375,000	11.24	-	-	22,375,000	11.24
Glenville Group Limited	14,750,000	7.41	-	-	14,750,000	7.41
Benegain Holdings Limited(6)	4,500,000	2.26	-	-	4,500,000	2.26
T.S.C. Cottew(5)	-	-	14,000,000	7.03	14,000,000	7.03
Solstice Holdings Limited(4)	-	-	14,000,000	7.03	14,000,000	7.03

NOTES:

(1) Redmont Holdings Limited ("Redmount") holds 100% of the total issued share capital of York Hill Group Limited, Luciano Group Limited, Chimsy Holdings Limited, Glenville Group Limited and Benegain Holdings Limited (collectively "Subsidiaries"). Pursuant to Section 7(4) of the Companies Act (Chapter 50) (the "Act"), Redmount is deemed interested in the shares held by its Subsidiaries.

(2) Both Mr Mohammad Soetrisno Bachir and Mr Edward Seky Soeryadjaya control in equal proportion of shareholdings in the capital of Precious Treasure Global Inc. ("Precious"). Precious controls 50% of the total issued share capital of Redmount. Pursuant to Section 7(4) of the Act, Mr Mohammad Soetrisno Bachir and Mr Edward Seky Soeryadjaya are deemed interested in the shares held by Redmount and its Subsidiaries.

(3) Summit Gain Consultants Limited is owned by Mr Tan Kim Seng and Mr Tan Fuh Gih in equal proportion.

(4) Solstice Holdings Limited ("Solstice") holds 100% of the total issued share capital of Horseferry Investments Limited and Crane Court Limited (collectively "Solstice Subsidiaries"). Each of Solstice Subsidiary holds 7,000,000 shares in the capital of the Company. Pursuant to Section 7(4) of the Act, Solstice is deemed interested in the shares held by Solstice Subsidiaries.

(5) Mr T.S.C. Cottew holds 100% of the total issued share capital of Solstice. Pursuant to Section 7(4) of the Act, Mr T.S.C. Cottew is deemed interested in the shares held by Solstice and Solstice Subsidiaries.

(6) York Hill Group Limited and Benegain Holdings Limited had ceased to be substantial shareholders of the Company as of 20 October 2010.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Approximately 47.4% of the Company's shares are held in the hands of the public (on the basis of information available to the Company). Accordingly the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

TREASURY SHARES

The total number of treasury shares held as at 17 March 2011 is 3,800,000 shares, approximately 1.91% of the total number of issued shares (excluding treasury shares).

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	29,218,700	14.67
2	DMG & PARTNERS SECURITIES PTE LTD	26,604,000	13.36
3	LUCIANO GROUP LIMITED	23,893,000	12.00
4	SUMMIT GAIN CONSULTANTS LIMITED	15,000,000	7.53
5	2G CAPITAL PTE LTD	7,200,000	3.62
6	CHEONG JI-NIN	7,000,000	3.52
7	CRANE COURT LIMITED	7,000,000	3.52
8	HORSEFERRY INVESTMENTS LIMITED	7,000,000	3.52
9	SUBIR BANERJEE	4,790,000	2.41
10	UOB KAY HIAN PTE LTD	3,216,000	1.62
11	RAFFLES NOMINEES (PTE) LTD	2,967,000	1.49
12	DBSN SERVICES PTE LTD	2,500,000	1.26
13	HONG LEONG FINANCE NOMINEES PTE LTD	2,160,000	1.08
14	OCBC SECURITIES PRIVATE LTD	2,045,000	1.03
15	KIM ENG SECURITIES PTE. LTD.	1,904,250	0.96
16	PHILLIP SECURITIES PTE LTD	1,633,090	0.82
17	LIM CHWEE KIM	1,517,000	0.76
18	TAM SIEW FOONG	1,500,000	0.75
19	CHAI CHEE KENG	1,480,000	0.74
20	DBS NOMINEES PTE LTD	1,448,000	0.73
	TOTAL	**150,076,040**	**75.39**

NOTICE OF ANNUAL GENERAL MEETING

RAMBA ENERGY LIMITED
(Company Registration No. 200301668R)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Ramba Energy Limited ("the Company") will be held at 11 Bedok North Avenue 4, Richland Business Centre, #05-01 Singapore 489949 on Tuesday, 26 April 2011 at 3.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company and the Group for the year ended 31 December 2010 together with the Auditors' Report thereon.

   (Resolution 1)

2. To re-elect the following Directors of the Company retiring pursuant to Article 107 of the Articles of Association of the Company:

   (i) Ms Lanymarta Ganadjaja **(Resolution 2)**
   (ii) Mr Tay Ah Kong Bernard **(Resolution 3)**

   [See Explanatory Note (i)]

3. To approve the payment of Directors' fees of S$405,000 for the year ending 31 December 2011 to be paid quarterly in arrears. (2010: S$405,000).

   (Resolution 4)

4. To re-appoint Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.

   (Resolution 5)

5. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

6. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**

   That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorised and empowered to:

   (a) (i) issue shares in the Company ("shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

   (the "***Share Issue Mandate***")

   provided that:

   (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

   (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (ii)]

(Resolution 6)

7. **Authority to issue shares under the Ramba Group Share Option Scheme**

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to offer and grant options under the Ramba Group Share Option Scheme ("the Scheme") and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the Scheme, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the Scheme shall not exceed 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company, but subject to the aggregate number of shares available under all schemes including share award/share plans (as defined in resolution 8) must not exceed 15% of the total number of issued shares (excluding treasury shares) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

(Resolution 7)

8. **Authority to issue shares under the Ramba Group Performance Share Plan**

That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors of the Company be authorised and empowered to offer and grant awards in accordance with the provision of Ramba Group Performance Share Plan Scheme ("the PSP") and to issue and/or delivered from time to time such number of shares in the capital of the Company (excluding treasury shares) as may be required to be issued and/or delivered pursuant to the PSP shall not exceed 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company, but subject to the aggregate number of shares available under all schemes including share award/share plans must not exceed 15% of the total number of issued shares (excluding treasury shares) from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iv)]

(Resolution 8)

9. **Renewal of Share Purchase Mandate**
(to be voted on by taking of a poll)

That for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to 10% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as ascertained as at the date of Annual General Meeting of the Company) at the price of up to but not exceeding the Maximum Price as defined in Paragraph 1.4.4 of the Company's Letter to shareholders dated 8 April 2011 (the "Letter"), in accordance with the "Terms of the Share Purchase Mandate" set out in the Letter, and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (v)]

(Resolution 9)

By Order of the Board

Chew Kok Liang
Secretary
Singapore, 8 April 2011

Explanatory Notes:

(i) Ms Lanymarta Ganadjaja will, upon re-election as Director of the Company, remain as Executive Director.

Mr Tay Ah Kong Bernard will, upon re-election as Director of the Company, remain as a Chairman of the Audit Committee, member of the Nominating Committee and Remuneration Committee and he will be considered independent.

(ii) Resolution 6, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

(iii) Resolution 7, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the Scheme up to a number not exceeding in total (for the entire duration of the Scheme) 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time, but subject to the aggregate number of shares available under all schemes including share award/share plans (as defined in Resolution 8) must not exceed 15% of the total number of issued shares (excluding treasury shares) from time to time.

(iv) Resolution 8 above, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares in the Company pursuant to the vesting of awards under the Scheme (as defined in Resolution 7) and PSP, and other share-based incentive schemes of the Company up to a number not exceeding in total (for the entire duration of the PSP) 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time, but subject to the aggregate number of shares available under all schemes including share award/share plans must not exceed 15% of the total number of issued shares (excluding treasury shares) from time to time.

(v) Resolution 9 above, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to 10% of the total number of issued shares (excluding treasury shares) in the capital of the Company at the Maximum Price as defined in the Letter. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 December 2010 are set out in greater detail in the Letter to Shareholders.

Notes:

1. A Member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.

2. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 29A Club Street, Singapore 069414 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

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RAMBA ENERGY LIMITED
Company Registration No. 200301668R
(Incorporated In the Republic of Singapore)

IMPORTANT:
1. For investors who have used their CPF monies to buy **Ramba Energy Limited's** shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, ______________________________

of ______________________________

being a member/members of Ramba Energy Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held at 11 Bedok North Avenue 4, Richland Business Centre #05-01 Singapore 489949 on Tuesday, 26 April 2011 at 3.00 p.m and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [√] within the box provided.)

No.	Resolutions relating to:	For	Against
1	Directors' Report and Audited Accounts for the year ended 31 December 2010		
2	Re-election of Ms Lanymarta Ganadjaja as Director		
3	Re-election of Mr Tay Ah Kong Bernard as Director		
4	Approval of Directors' fees amounting to S$405,000 for the financial year ending 31 December 2011 to be paid quarterly in arrears.		
5	Re-appointment of Ernst & Young LLP as Auditors		
6	Authority to issue new shares pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual		
7	Authority to issue shares under the Ramba Energy Share Option Scheme		
8	Authority to issue shares under the Ramba Energy Performance Share Plan		
9	Renewal of Share Purchase Mandate		

Dated this ______________ day of ______________ 2011

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

*Delete where inapplicable

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Notes :

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. if no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named proxy or at the Company's option to treat the instrument of proxy is valid.

4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

5. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 29A Club Street Singapore 069414 not less than 48 hours before the time appointed for the Meeting.

6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

CORPORATE INFORMATION

REGISTERED OFFICE

29A Club Street
Singapore 069414
Tel : 62238022
Fax : 62233022
Web : www.rambaenergy.com
Company Reg No 200301668R

BOARD OF DIRECTORS

Mr Aditya Wisnuwardana Seky Soeryadjaya
Chief Executive Officer & Executive Director

Mr Daniel Zier Johannes Jol
Commercial Director & Executive Director

Ms Lanymarta Ganadjaja
Executive Director

Mr Bambang Nugroho
Executive Director

Mr Tan Chong Huat
Non-Executive Chairman

Mr Chee Teck Kwong Patrick
Independent Director

Mr Tay Ah Kong Bernard
Independent Director

AUDIT COMMITTEE

Mr Tay Ah Kong Bernard
Chairman

Mr Tan Chong Huat

Mr Chee Teck Kwong Patrick

NOMINATING COMMITTEE

Mr Chee Teck Kwong Patrick
Chairman

Mr Tan Chong Huat

Mr Tay Ah Kong Bernard

REMUNERATION COMMITTEE

Mr Chee Teck Kwong Patrick
Chairman

Mr Tan Chong Huat

Mr Tay Ah Kong Bernard

COMPANY SECRETARY

Mr Chew Kok Liang

Ms Sophia Lim Siew Fay
(resigned on 18 June 2010)

AUDITORS & REPORTING ACCOUNTANT

Ernst & Young LLP
Public Accountants and Certified Public Accountants
One Raffles Quay
North Tower Level 18
Singapore 048583

AUDIT PARTNER IN-CHARGE

Mr Tan Swee Ho

SHARE REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place,
Singapore Land Tower #32-01
Singapore 048623

PRINCIPAL BANKS & FINANCIAL INSTITUTIONS

Standard Chartered Bank

Oversea-Chinese Banking Corporation Limited

Malayan Banking Berhad

United Overseas Bank Limited

an EQUITY communications production

ramba energy limited

29A Club Street
Singapore 069414
Tel: 6223 8022 Fax: 6223 3022
Website: www.rambaenergy.com

Company Reg No. 200301668R