REACHING NEW HEIGHTS

2012 ANNUAL REPORT

Ramba ENERGY

CORPORATE PROFILE

Ramba Energy Limited ("Ramba" or "the Group") is a Singapore Stock Exchange-listed company engaged in oil and gas exploration and production in Indonesia. Ramba ventured into the energy sector in 2008 with the goal of becoming a significant energy producer in Indonesia.

Ramba, through its subsidiary, holds a 70% interest in the Jatirarangon TAC block ("Jatirarangon block"), located in West Java, Indonesia; a 100% interest in the West Jambi KSO block ("West Jambi block"), located in Sumatra, Indonesia; and, through its local subsidiary, holds a 51% interest in the Lemang PSC block ("Lemang block"), also located in Sumatra, Indonesia. All of Ramba's assets are located in onshore regions on the Western Indonesian islands of Java and Sumatra.

Ramba's logistics business unit, RichLand Logistics ("Richland"), provides supply chain services including inbound and outbound transportation activities, distribution management, seaport and airport cargo handling services, and chemical logistics distribution throughout the region. RichLand employs over 900 employees and has a fleet of over 450 trucks and trailers, in addition to managing more than 500 ISO-tanks.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of Ramba Energy Limited, I would like to present the annual report for the year ended 31 December 2012.

REACHING NEW HEIGHTS

The title of this year's Annual Report is 'Reaching New Heights' – a description of our journey to this point and a testament to our accomplishments during the past year.

Indeed, 2012 marked a new beginning for Ramba, as our Group experienced many successes during the past 12 months. Since the establishment of Ramba Energy Limited in 2008, our Group has worked diligently to strengthen its core business units, both in oil and gas and logistics services. Since inception, we have worked to build an accountable, transparent company with the goal of creating shareholder value through our operations and strong corporate governance.

Our achievements in 2012 have brought us closer to this ultimate goal.

SUCCESS IN SPITE OF THE ODDS

With continued economic instability around the world, the past year was undoubtedly marked with challenges for businesses, regardless of geography. With the ongoing Eurozone crisis, instability in the Middle East, political gridlock in the U.S. and a slowdown in many Asia Pacific countries, there has been no safe haven for businesses in the past 12 months. These adverse events have caused global consequences in all economic sectors, including the energy and logistics sectors.

However, with new challenges come new opportunities, as was evident in our Group's performance in 2012. In a time where many businesses have downsized or failed, our Group has actually experienced growth, achieving 10.3% revenue growth for the year. This was due to the strong and dedicated management of the Group within both our oil and gas and logistics business units, and their unwavering commitment to delivering value to our shareholders.

We remain steadfast in our belief in the potential of the Southeast Asia region, a region rich in resources and labour – but, most importantly – human potential. Before our eyes, this exciting and dynamic region is continuing to change with political, economic and social reforms making the region a modern, reform-minded region for business. At the centrepiece of our strategy lies the Singapore and Indonesian markets, with each market known for its business potential.

In Singapore, we see a mature, business-friendly environment, which has served as the world's gateway into Southeast Asia for decades.

In Indonesia – Southeast Asia's largest economy – we see a country with unlimited potential. Political and economic reforms have made this country a global investment destination. With strong GDP growth of 6.2%*, 2012 marked another step in the right direction in this country's journey forward.

We are proud to offer investors the opportunity to invest in Indonesia through the security of the Singapore Stock Exchange, and play a small part in the growth story of Southeast Asia.

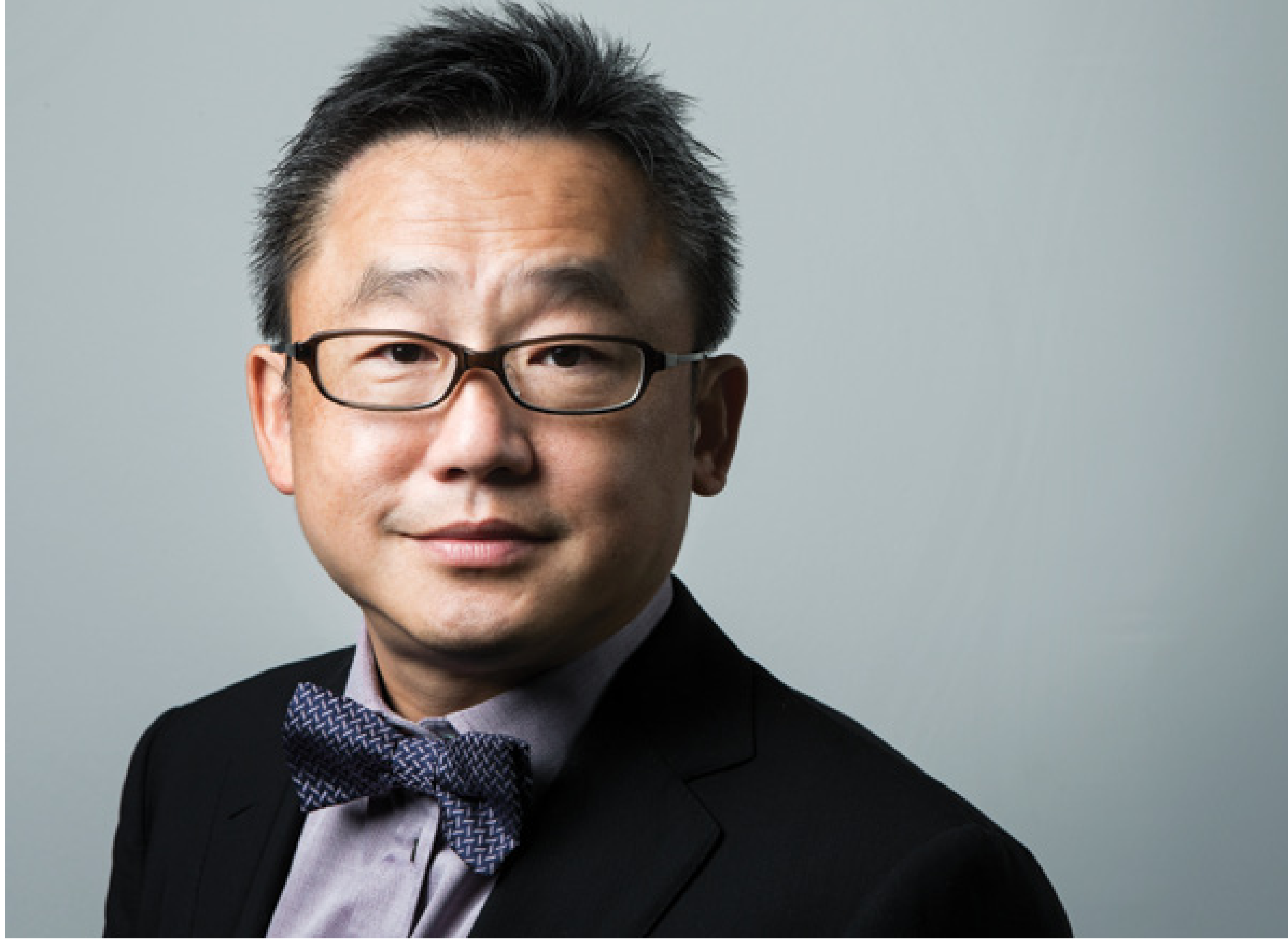
COMMITMENT TO OUR BUSINESS

Our oil and gas business unit is a company on the verge of what we hope will be a new beginning. With the successful discovery at the Lemang block – located in Sumatra, Indonesia – we believe we are in a position to produce energy in the future on a much greater scale. We are confident that this asset, as well as the rest of our portfolio, will make Ramba a significant energy producer in the future.

As for our logistics business unit, RichLand, 2012 marked a year of substantive growth for the company in the Southeast Asia region. Traditionally a Singapore-centric logistics solutions provider, RichLand is now in the process of becoming a truly regional logistics company. This is evident in the Group commencing work on a major, international warehousing and distribution contract in Indonesia. This contract – the largest dollar-value contract in RichLand's history – affirms the Group's growing presence in the Indonesian market, and its continued diversification of service offerings. In the future, we expect our logistics business to continue to win business – both in Singapore and throughout the region – and continue to grow.

As we look ahead, our biggest challenge will be to build upon our past successes while managing our limited resources responsibly. Both oil and gas exploration and logistics services are businesses that require substantial capital investment in the initial phases, and can yield potential high returns at a later date. As we are still working to develop both of these business units, we will continue to operate in a manner that is cost-effective and prudent with a focus on reaching our ultimate goal.

"WE REMAIN STEADFAST IN OUR BELIEF IN THE POTENTIAL OF THE SOUTHEAST ASIA REGION, A REGION RICH IN RESOURCES AND LABOUR – BUT, MOST IMPORTANTLY – HUMAN POTENTIAL."



GRATITUDE

As we enter 2013, we would like to thank all stakeholders who have helped Ramba in its journey thus far. To our shareholders, employees, partners and clients, as well as all stakeholders both in Singapore and Indonesia, we want to express our deepest gratitude. Furthermore, we would like to thank our Board of Directors, key management, and our external advisors for their invaluable guidance. Each member has contributed a specific set of skills, experience and values to his or her role in moving the Group forward.

We remain optimistic for 2013, and we are excited for where this upcoming year will take Ramba in our journey forward.

Sincerely,

Mr Tan Chong Huat
Non-Executive Chairman

* Financial Times, February 2013

CEO'S MESSAGE

Dear Shareholders,

In a year that proved to be extremely challenging for businesses around the world, we are proud of our accomplishments and remain grateful for your continued belief in our company and our goals. I am pleased to announce that we have moved closer to our ultimate goal during this past year, as both our logistics and oil and gas businesses have experienced major successes in the past 12 months.

OIL AND GAS

I am proud to report that our oil and gas business reached a major milestone in December 2012, with a discovery at the Lemang block, located in Sumatra, Indonesia. I am confident that the successful oil and gas discovery at the Lemang block will fundamentally transform our business. As our Group worked for nearly 4 years to explore this asset, this discovery validates our efforts and ongoing investment in this block and strengthens our portfolio of Indonesian oil and gas assets.

As we embark on the next phase, we will continue to explore additional prospects at the Lemang block and prepare the asset for potential future production.

Furthermore, we will continue our work programs for our other oil and gas assets to strengthen our energy portfolio. With a total of 3 assets strategically located in proven basins in Western Indonesia, our assets are lower risk and lower cost, which we believe will offer enormous future potential.

The Jatirarangon block – located in West Java, Indonesia – continues to be our Group's sole producing asset, successfully doubling production in 2011. We will continue to explore this asset in 2013 with the goal of additional production.

The West Jambi block – located in Sumatra, Indonesia – is our newest asset, as the block was officially awarded to Ramba in June 2011. Since acquiring the block, Ramba has further studied the asset and successfully reprocessed seismic data in 2012. As a result, the Group plans to drill 2 exploration wells in 2013.

Furthermore, we are always considering investments and acquisitions of additional assets to strengthen our energy portfolio. As we move ahead, we believe that our oil and gas business is in an excellent position to grow in 2013.

LOGISTICS

Ramba's logistics business unit, RichLand, continues to be a strong and consistent business, celebrating its 20th anniversary in 2012. RichLand is continuing on its course of substantial year-on-year revenue growth, booking a record revenue of S$63.6 million for 2012, a 11.7% increase from the previous year.

RichLand's success comes from the Group's strategy of pursuing opportunities in emerging markets throughout the region. In March 2012, RichLand commenced warehousing and distribution services for PT Chandra Asri Petrochemical Tbk, a major petrochemical supplier in Indonesia. The contract is the largest in RichLand's history and is not only significant in terms of revenue, but affirms the company's position as an emerging logistics solutions provider in Indonesia. As we move ahead, we see continued expansion and diversification as essential to logistics operations, and are optimistic in our ability to compete on a regional level.

Additionally, Singapore continues to be the foundation for RichLand, as the country remains a business-friendly hub and one of the most important international logistics markets in the world. RichLand is continuing to grow in this market, as it offers core services in domestic transportation, warehousing, terminal handling, full container haulage and project logistics.

We are optimistic that RichLand will continue to expand substantially in 2013 through regional operations, while maintaining its position as a market leader in Singapore.

"I AM CONFIDENT THAT THE SUCCESSFUL OIL AND GAS DISCOVERY AT THE LEMANG BLOCK WILL FUNDAMENTALLY TRANSFORM OUR BUSINESS."

LOOKING AHEAD

I am confident that 2013 will be one of the most exciting years in Ramba's history. As our oil and gas business continues to mature, we are excited for the future potential of this business unit, as well as the growth opportunities for RichLand, both in Singapore and Indonesia.

I sincerely thank all of our shareholders and stakeholders for your support in this process. Without your continued faith in our company, none of our achievements would have been possible.

We look forward to reaching new heights in 2013.

Sincerely,

Mr Aditya Wisnuwardana Seky Soeryadjaya
Chief Executive Officer and Executive Director

REACHING **NEW HEIGHTS** IN OUR JOURNEY FORWARD.

BOARD OF DIRECTORS

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

“WE REMAIN OPTIMISTIC FOR 2013, AND WE ARE EXCITED FOR WHERE THIS UPCOMING YEAR WILL TAKE RAMBA IN OUR JOURNEY FORWARD.”

- MR TAN CHONG HUAT, NON-EXECUTIVE CHAIRMAN

MR TAN CHONG HUAT
Non-Executive Chairman

Mr Tan Chong Huat is the Non-Executive Chairman of Ramba, holding the position since 2008. He is also the Managing Partner and one of the founding members of RHTLaw Taylor Wessing LLP. He is currently the head of its Corporate and Securities Practice.

Mr Tan has extensive experience in corporate, banking and project finance law in Singapore and the region, and has acted in numerous significant corporate transactions. He has been named a leading practitioner in many reputable professional publications.

Mr Tan is an adjunct associate professor of the Law Faculty, National University of Singapore and the Nanyang Business School, Nanyang Technological University. Besides authoring two leading pieces of literature on PRC investment laws, he has co-authored a title on “Corporate Governance of Listed Companies in Singapore,” and is a co-editor for a new title on “Corporate governance: The Good, the Bad and the Ugly.”

A Fellow with the Singapore Institute of Directors, Mr Tan is also chairman of corporate governance committees and director of several public listed companies.

His recent appointments include being council member of Corporate Governance Council of the Monetary Authority of Singapore and the Football Association of Singapore.

Mr Tan graduated with a degree in Law from the National University of Singapore and a Master of Law from the University of London. He is an advocate and solicitor in Singapore, a solicitor in England and Wales, and a solicitor in the Supreme Court of New South Wales, Australia. He is a Notary Public and a Commissioner for Oaths. He is a fellow of the Singapore Institute of Arbitrators and the Chartered Institute of Arbitrators and an accredited arbitrator with the China International Economic and Trade Arbitration Commission.

MR ADITYA WISNUWARDANA SEKY SOERYADJAYA
Chief Executive Officer and Executive Director

Mr Aditya Wisnuwardana Seky Soeryadjaya is the Chief Executive Officer and the Executive Director of Ramba, and a founding member of the Group in its current form.

Mr Soeryadjaya has helped develop Ramba’s logistics and oil and gas business units into what they are today. His vision is to make Ramba a significant energy producer in Indonesia through continued diversification and growth.

Prior to joining Ramba, he gained international work experience in the United States, working with the New York office of Ernst & Young. Additionally, he founded a real estate and mortgage brokerage company in Irvine, California that was eventually acquired by a major real estate brokerage.

In 2007, he returned to Indonesia to pursue a career in the energy sector.

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

MR DANIEL ZIER JOHANNES JOL
Commercial Director and Executive Director

Mr Daniel Zier Johannes Jol is the Commercial Director and the Executive Director of Ramba, and a founding member of the Group in its current form. He is responsible for the organization’s strategic direction and oversees the logistics and oil and gas businesses, including the supervision of business development, rebranding, value creation and streamlining of the business. He proactively targets, assesses and executes merger and acquisition opportunities and is heavily involved in the organization’s investment, fundraising and budget preparation. Mr Jol’s continuous dedication to develop Ramba’s oil and gas business has helped transform Ramba into a growing oil and gas company, in addition to being a stable logistics enterprise.

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 Southeast Asia.

Mr Jol graduated with a Bachelor of Science degree in Civil Engineering from Purdue University in West Lafayette, Indiana, U.S., and a Master’s Degree in Business Administration from National University of Singapore. He is currently pursuing a Master of Science Degree in Petroleum Engineering.

BOARD OF DIRECTORS

MS LANYMARTA GANADJAJA
Executive Director

Ms Lanymarta Ganadjaja is the Executive Director at Ramba. She heads the Internal Compliance Group with teams in Singapore and Indonesia. She also drives the Risk Management Committee, which reports quarterly to the Audit Committee and the Board of Directors. Ms Ganadjaja brings with her over 25 years of experience in finance, accounting and auditing. She provides valuable guidance to the Oil & Gas Accounting, tax and finance function in Indonesia.

Prior to joining Ramba, she was the Chief Financial Officer at Tristar. Additionally, Ms Ganadjaja was the Financial Controller and Management Accounting Director at PT Tirta Investama, the holding company of Aqua-Danone in Indonesia. Her previous positions include 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, the Sarbanes-Oxley Act, Actuary Calculation, Effective Budgeting, Accounting for Mergers and Consolidation Financial Reporting, and Oil & Gas Accounting and Financial Reporting.

MR BAMBANG NUGROHO
Executive Director and Technical Director

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

Prior to joining Ramba, Mr Nugroho was the Vice President of Business Development at Elnusa Tristar Ramba Limited, where he was responsible for project creation to develop existing oil reserves and increase production. He was also with Indonesian state-owned oil and gas company Pertamina, assuming various positions including Director and 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, he has since been 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 Nugroho graduated with a degree in Petroleum Engineering from Bandung Institute of Technology in Bandung, Indonesia.

MR CHEE TECK KWONG PATRICK
Independent Director

Mr Chee Teck Kwong Patrick, PBM, was appointed as an Independent Director in 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 LLP. 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, Hanwell Holdings Limited, 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.

MR TAY AH KONG BERNARD
Independent Director

Mr Tay Ah Kong Bernard is currently the Non-Executive Chairman of Crowe Horwath First Trust LLP, which is a Certified Public Accountants firm and Chairman of the Risk Committee of RHT Capital Pte. Ltd. ("RHT"). RHT is an approved SGX (Catalist) Continuing Sponsor's Company. Mr Tay is an Independent Director of several public companies listed on the SGX Mainboard and Catalist, including a dual Listing on SEHK Mainboard.

He is the President of the Automobile Association of Singapore and Chairman of Singapore Road Safety Council. Mr Tay is also the Vice President of the Singapore Productivity Association and a member of the Ministry of Home Affairs - Community Involvement Steering Committee. He was appointed as Senior Advisor to the Government of Huzhou City, Zhejiang Province of the People's Republic of China.

He is a recipient of the Service to Education Award and Community Service Medal and was conferred the Bintang Bakti Masyarakat (Public Service Star) and the Pingat Bakti Masyarakat (Public Service Medal) by the President of the Republic of Singapore.

In addition, he was a member of the Resource Panel of the Government Parliamentary Committees for Home Affairs and Communications. 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. He was also a member of the Singapore Corporate Awards Judging Panel for the Best Annual Report Award.

Mr Tay is a Fellow of the Association of Chartered Certified Accountants (U.K.), the Institute of Certified Public Accountants of Singapore, the Taxation Institute of Australia and the Singapore Institute of Directors. He is also a Chartered Accountant of Malaysia.

Mr Tay has a wide range of experience from having worked in public accounting firms in the United Kingdom and Singapore, the Inland Revenue Authority of Singapore and companies in commerce, industry and management consulting for a period over 30 years.

SENIOR MANAGEMENT

MR COLIN MORAN
Logistics Director

Mr Colin Moran is the Logistics Director for Ramba, and a member of the Board of Directors of Richland Global Pte Ltd, the holding company of Richland Logistics. He joined the Group in 2010.

Mr Moran brings 25 years of experience, expertise and leadership to the organization, and is fully responsible for the development of the logistics business unit. His ambition is to make RichLand one of the largest Southeast Asian-based logistics companies through continued geographic growth and business diversification within the region.

He has in-depth experience in the contract logistics, express courier and freight forwarding industries specific to the Southeast Asia region, having spent 17 years based in Singapore and Indonesia.

Prior to joining Ramba, he was the Vice President of Business Development for CEVA Logistics for the APAC region. He was also the Managing Director of TNT Logistics Asia for 5 years, responsible for the management of over 6,000 employees.

Mr Moran holds several certificates in leadership and supply chain management from leading international educational institutions.

MR LEE SECK HWEE
Chief Financial Officer

Mr Lee Seck Hwee is the Chief Financial Officer for Ramba. He is responsible for matters related to corporate finance and treasury, reporting, accounting and taxation 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 serving as Head of Finance 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 (U.K.) and the Institute of Certified Public Accountants of Singapore.

GENERAL MANAGEMENT

MR CHRIS WHITMEE
Senior Advisor

An industry veteran with over 35 years of oil and gas experience, Mr Chris Whitmee provides counsel to Ramba for technical operations related to the Group's assets.

Mr Whitmee has provided previous consulting services to major multinational oil and gas companies in various countries.

He has extensive experience in the Southeast Asia region as he has provided consulting services in Indonesia, Malaysia, Bangladesh, Thailand, the Philippines and Myanmar. He has also worked in the United States, Europe and Africa in various industry positions.

Mr Whitmee holds a degree in Oil Technology from the Royal School of Mines, Imperial College, University of London.

MR BAMBANG SATYA MURTI
General Manager and Senior Technical Expert

Mr Bambang Satya Murti is the General Manager and Senior Technical Expert for the Lemang block.

Mr Murti is a geoscientist and lead interpreter with over 20 years of experience in the petroleum industry. Prior to joining Ramba, he worked with Caltex, Huffco, ConocoPhillips, and Halliburton. His last posting was to manage a team to maximize the productivity of seven brown fields in South Sumatra.

Mr Murti is an expert in conducting and leading integrated sub-surface interpretation teams, block acquisition and evaluation. Additionally, he has published many papers and 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.

GENERAL MANAGEMENT

MR OTONG ADISAPOETRA
Head of Health, Safety and Environmental Affairs

Mr Otong Adisapoetra is the Head of Health, Safety and Environmental Affairs (HSE) for Ramba's oil and gas business unit. He is responsible for ensuring safe and sustainable operations in all areas of the Group's oil and gas operations. He is leading a "zero tolerance" policy aimed to increase safety at all Group sites. He brings a passion for safety and the environment to the position.

Prior to joining Ramba, Mr Adisapoetra was the General Manager for the TAC Pertamina – Ellipse Energy Jatirarangon Wahana Ltd. (now known as Ramba Energy Jatirarangon Ltd.).

With 35 years of experience in the oil and gas industry, Mr Adisapoetra has experience in various roles with IIACO (Independent Indonesia American Company/Diamond Shamrock), Maxus Southeast Sumatra Ltd, and Maxus YPF / Repsol (now CNOOC Ltd).

Mr Adisapoetra's achievements include the implementation of ISO-14001 certification for environmental management.

MR SUTIKNO YUDI SUHARJO
General Manager

Mr Sutikno Yudi Suharjo was appointed General Manager for Ramba in early 2012.

A veteran of the Indonesian oil and gas industry with nearly 30 years of experience, he has worked for several multinational oil and gas exploration and production companies operating in Indonesia, gaining experience in both onshore and offshore operations. His previous work experience includes Asamera Oil, Gulf Resources, and ConocoPhillips. Furthermore, Mr Suharjo gained international experience with Gulf Resources, as he was responsible for the company's engineering operations at sites in Western Canada.

Mr Suharjo holds a master's degree in petroleum engineering from Tulsa University in Tulsa, Oklahoma, U.S.

FINANCIAL REVIEW

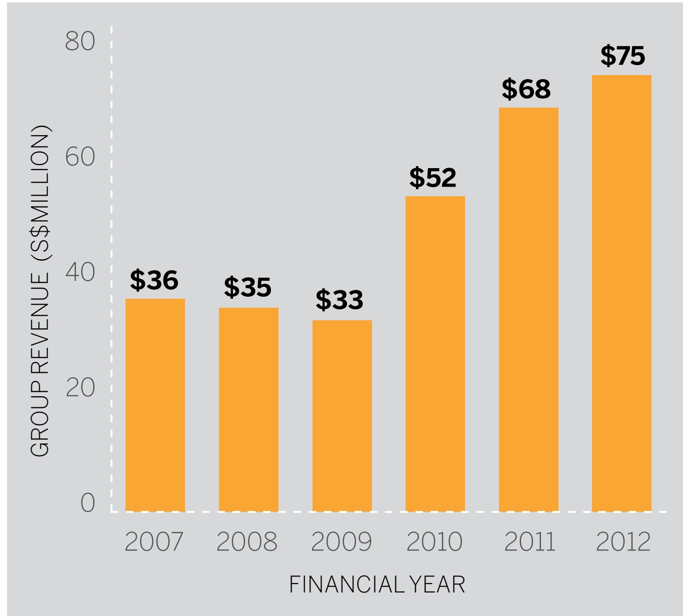
2012 HIGHLIGHTS:

» MARCH 2012:
RichLand commences work on S$100 million warehousing and distribution contract in Indonesia, the largest in Group history

» OCTOBER 2012:
Group drills first exploration well at the Lemang block, located in Sumatra, Indonesia

» DECEMBER 2012:
Group announces oil and gas discovery at the Lemang block

» DECEMBER 2012:
Group records highest-ever revenue of S$75.0 million



2012: ANOTHER RECORD REVENUE YEAR

Building upon its success in 2010 and 2011, the Group once again booked record revenue in FY2012, as total Group revenue reached S$75.0 million for the year, a 10.3% increase from S$68.0 million in revenue recorded in FY2011.

This increase in revenue is attributed to increased logistics operations from RichLand, which recorded S$63.6 million in revenue for FY2012, its highest annual revenue figure to date. This marks an 11.7% increase from the S$57.0 million recorded by RichLand in FY2011. The increase in revenue is mainly due to RichLand commencing work on a major warehousing and distribution project in Indonesia for PT Chandra Asri Tbk. The project, which commenced in March 2012, is worth an estimated S$100 million over a 5-year period and will see RichLand provide logistics services at 4 facilities throughout Java.

The Group's oil and gas business unit recorded consistent revenue from the Jatirarangon block, located in West Java, Indonesia. Ramba recorded S$8.6 million in revenue for FY2012, a slight increase from S$8.3 million recorded in FY2011.

OPERATING COSTS AND EXPENSES

Total costs and operating expenses grew to S$79.9 million for the year, resulting in a net loss attributable to shareholders of S$7.6 million. The additional expenses were mainly due to costs associated with the Group's continued investment in its oil and gas exploration and production activities, which include higher operating and equipment costs, higher salaries and employee benefits due to additional headcount. Furthermore, the Group invested heavily in equipment and manpower for increased logistics operations in Indonesia.

GREATER CONTRIBUTION FROM INDONESIA OPERATIONS

Indonesia continues to be an increasingly important market for the Group, as the revenue contribution from Indonesia operations continues to grow year-on-year.

Revenue from Indonesia operations and assets increased significantly in FY2012. Revenue from Indonesia contributed S$27.7 million in total Group revenue for the year, an increase from the S$20.8 million in FY2011.

The Group remains committed to the Indonesian market for the coming year, as increased logistics operations and potentially greater oil and gas production are expected to significantly contribute to the Group's long-term revenue.

The Group will continue to invest heavily in Indonesia in 2013 and beyond, both for the logistics and oil and gas business units.

BALANCE SHEET

Non-current assets increased by S$14.1million to S$62.5 million mainly due to the increase in property, plant and equipment of S$3.8 million, and S$10.8 million in the investment in exploration and evaluation assets, as a result of drilling and exploration activities carried out for the Lemang block; offset with lower oil and gas properties as a result of depreciation charges and exchange revaluation.

CONSTANTLY EXPLORING **NEW OPPORTUNITIES**.

OIL & **GAS** OVERVIEW

GROWING ALONGSIDE INDONESIA

Indonesia remains one of the most attractive oil and gas markets in Southeast Asia, as it is an archipelago rich in natural resources. Furthermore, the continued growth and development of the country has increased the domestic demand for energy and the importance of oil and gas for local economies. With strong economic fundamentals, political stability, GDP growth of 6.2% in 2012, and a rising middle class, Indonesia is becoming one of the most important energy markets in Asia.

Indonesia holds an estimated 3.88 billion barrels in proven oil reserves and 106 trillion cubic feet in proven gas reserves*, making the country home to the largest proven gas reserves in the Asia Pacific region**.

Ramba's strategy is to tap into Indonesia's vast natural resources sector to become a significant energy producer in Indonesia. The Group is committed to Indonesia's continued growth, and is eager to grow alongside Indonesia in the country's journey forward.

With a portfolio of lower-risk, lower-cost assets located in Western Indonesia, Ramba is positioned to become a domestic energy producer in the country. Ramba's assets are located in proven, onshore basins on the Indonesian islands of Sumatra and Java, all of which are in proximity to necessary infrastructure and regional energy markets. Ramba's strategy is to explore, develop and exploit these assets and create value for shareholders.

Ramba's portfolio of oil and gas assets includes the Jatirarangon block, a producing asset located in West Java, as well as two exploration blocks, the Lemang block and West Jambi block, both located in Sumatra.

The Group recorded its first revenue from oil and gas in April 2010, successfully commencing oil production from its Jatirarangon block. In 2011, oil and gas revenue increased by approximately 61% after Ramba doubled production from the block. Oil and gas revenue remained consistent in 2012, as Ramba booked S$8.6 million in oil and gas revenue for the year.

Additionally, in 2011, Ramba officially finalized the West Jambi KSO agreement with Pertamina, giving the company the rights to manage the block for 20 years. The West Jambi block is located in the South Sumatra Basin, one of the most favourable regions in Indonesia for oil and gas exploration.

In 2012, Ramba announced a successful oil and gas discovery at the Lemang block. The discovery marks a major milestone for the Group, as it was successful in drilling its first exploration well. The Lemang block has the potential to significantly enhance Ramba's portfolio and increase the amount of oil and gas produced by the Group.

Furthermore, Ramba is constantly evaluating acquisition and farm-in opportunities and strategic partnerships to further diversify its portfolio of assets in Indonesia.

The Group remains highly optimistic when considering the future potential of its oil and gas work program.

* United States Energy Intelligence Agency, 2012
** Investment Coordinating Board of the Republic of Indonesia, 2012

Construction of acess road and staging area at the Lemang block, June 2012.

OIL AND GAS TIMELINE:

» FEBRUARY 2008:

Group commences acquisition of RichLand Group Limited with the intent of creating a business with two core areas of focus: oil and gas exploration and production and logistics services

» JANUARY 2009:

Group changes its name to Ramba Energy Limited to better represent its interests in the energy sector

» MARCH 2010:

Ramba acquires Jatirarangon block, located in West Java, Indonesia

» DECEMBER 2010:

Ramba records first oil and gas revenue of S$5.2 million for FY2010

» JUNE 2011:

Ramba is awarded the West Jambi block, located in Sumatra, Indonesia; Group is given the rights to manage the block until 2031

» JULY 2011:

Ramba's interest in the Lemang block valued by international petroleum consultancy DeGolyer & MacNaughton at US$193.6 million

- 511 million barrels of oil*
- 468 billion cubic feet of gas*

» JULY 2011:

Ramba announces plan to drill Selong-1 well as the first exploration well at the Lemang block

» OCTOBER 2011:

Ramba successfully doubles production from the Jatirarangon block

» DECEMBER 2011:

Oil and gas revenue increases to S$8.3 million for FY2011

» OCTOBER 2012:

Ramba commences exploration drilling of Lemang block with Selong-1 as the first exploration well to be drilled

» DECEMBER 2012:

Ramba discovers 222 feet of gross pay at the Selong-1 well; testing results indicate flow rates of up to approximately 3,500 barrels of oil equivalent per day

*Gross prospective recoverable resources

OIL & **GAS** OVERVIEW

JATIRARANGON BLOCK
WEST JAVA, INDONESIA

OVERVIEW

The Jatirarangon block is located in West Java, Indonesia, and is Ramba's sole producing asset. The block is located in Java – Indonesia's most populous island – approximately 40 kilometres from the capital city of Jakarta. The block is in proximity to industrial and residential energy consumers in Indonesia, as well as necessary infrastructure such as gas pipelines and oil storage facilities.

The Jatirarangon block has been in commercial production since 2004, and holds an estimated 56.7 billion cubic feet of gas reserves. Ramba acquired a 70% working interest and operating rights in the block in 2010, following the successful acquisition of Ellipse Energy Jatirarangon Wahana Limited (now known as Ramba Energy Jatirarangon Limited). The remaining 30% working interest is held by PT Wahana Sad Karya as a non-operator.

The block comprises an area of approximately 123 square kilometres and has 6 known formations; Cisubuh, Cibulakan, Parigi, Baturaja, Talang Akar and Jatibarang.

Ramba is under an agreement to supply the gas produced at the Jatirarangon block to the Indonesian gas distribution firm Perusahaan Gas Negara (PGN) until 2014.

GAS PRICE INCREASE

In April 2011, Ramba successfully negotiated a 70% increase in the sale price of gas with PGN to US$4.332/mmbtu with a 3% escalation per annum. In 2012, the gas sale price increased to US$4.46/mmbtu with an additional 3% price increase taking effect in 2013.

The Group remains confident it will secure a gas buyer in the future following the expiration of the current agreement in 2014.

CONSISTENT GAS PRODUCTION AND REVENUE

In 2011, Ramba successfully doubled gas production from the Western closure of the block, with the JRR-7 well reaching peak production levels of 4.0 mmscfd. The increase in gas production led to the Group recording S$8.3 million in gas sales revenue in FY2011.

Production from the Jatirarangon block remained consistent for 2012, as the block contributed S$8.6 million in sales revenue in 2012, a slight increase from 2011 figures.

Since coming into Ramba's portfolio, the block has proven to be a consistent source of revenue for its emerging oil and gas business unit.

FUTURE PLANS

In 2013, the Group plans to invest further in the block, both in developed and new prospects. The Group plans to deepen the JRR-1 well, located in the Western closure of the block, with the intent of proving up its oil reserves. Furthermore, Ramba plans to explore the untapped Eastern closure of the block by drilling 1 exploration well in 2013. Peak production from the Western closure of the block reached approximately 9.9 mmscfd in 2004. The Group is optimistic it will enounter similar results from the Eastern closure.

Lemang block access road, June 2012.

LEMANG BLOCK
SUMATRA, INDONESIA

OVERVIEW

The Lemang block is located in Jambi and Riau provinces, Sumatra, Indonesia, and holds significant potential for Ramba. The block is located in the South Sumatra basin, an area with one of the highest technical success rates for oil and gas exploration in Indonesia.

The Lemang block came into Ramba's portfolio in 2009, covering an initial area of 4,238 square kilometers. Ramba purchased a 41% working interest in the block and operating rights for a purchase price of US$7 million. Since acquiring a stake in the block, the Group has identified over 27 prospects and leads. Ramba's local subsidiary, PT Hexindo Gemilang Jaya, holds a 51% interest in the Lemang block*.

The Lemang block is adjacent to the Jabung block, a currently producing block operated by PetroChina with output of approximately 58,000 boepd of oil and gas (Jakarta Post, 2010).

The Lemang PSC agreement expires in 2037.

VALUATION OF THE BLOCK

In July 2011, Ramba announced the results of an independent, third party valuation of the Lemang block. International petroleum consultancy, DeGolyer & MacNaughton (D&M) valued Ramba's 41% stake in the Lemang block at US$193.6 million**.

The report values 10 prospects and leads throughout the block. The valuation estimates the block as holding 511 million barrels of oil and 468 billion cubic feet of gas (gross prospective recoverable resources).

The 10 prospects and leads covered by the report are Akatara, Wajik, Ampyang-1, Sagon, Arem Arem, SMD-1, CMP-1, Ampyang-2, Sagon and Wajik.

SUCCESSFUL OIL AND GAS DISCOVERY

In December 2012, the Group announced its first discovery at the Lemang block, as the Selong-1 exploration well – the first well drilled at the Lemang block – encountered 222 feet of gross pay.

Flow rates from the Selong-1 during testing were up to 790 barrels of oil per day ("BOPD") from the Lower Talang Akar Formation and up to 16.8 million standard cubic feet per day ("mmscfd") from the Upper Talang Akar Formation. The Selong-1 well has since been suspended as a discovery well.

The successful discovery at the Lemang block marks a major milestone for Ramba, as the Group has the potential to commence production from the Lemang block and produce oil and gas at a substantially greater rate than ever before.

As the Selong-1 was the first exploration well drilled at the Lemang block, the Group remains highly optimistic in the potential of the remaining leads and prospects at the block and its future exploration program.

2013 WORK PROGRAM AND DEVELOPMENT PLANS

In February 2013, the Group commenced exploration drilling at the Akatara prospect, the second prospect to be drilled at the Lemang block. The Akatara-1 reached a total depth of 6,400 feet in exploration drilling operations.

In 2013, Ramba plans to execute 3D seismic and possible front-end engineering design (FEED) work for the Akatara and Selong prospects.

In addition to further appraising the Selong and Akatara prospects, the Group plans to explore its third prospect, Wajik, in the future. Planning and studies for the access road are currently underway.

*Note: As a result of the restructuring with respect to the Group's interest in the Lemang block in December 2011.
**Note: This valuation was conducted prior to the restructuring with respect to the Group's interest in the Lemang block in December 2011.

OIL & GAS OVERVIEW

WEST JAMBI BLOCK
SUMATRA, INDONESIA

OVERVIEW

The West Jambi block – located in Sumatra, Indonesia – is the newest addition to Ramba's oil and gas portfolio. The block is located in the northern area of the hydrocarbon-rich South Sumatra basin, tectonically known as the back-arc basin. The asset comprises of two areas, West Jambi I and West Jambi II. The block is located in one of the most favorable areas for oil and gas exploration in Indonesia, as the block is strategically located in proximity to necessary infrastructure, such as the Trans Sumatra Pipeline, which is in very close proximity to the block.

Ramba holds a 100% working interest in the West Jambi block.

NEW ADDITION TO PORTFOLIO

In June 2011, Ramba formally executed a KSO agreement with Pertamina following a successful bid for the West Jambi block in October 2010. The KSO gives Ramba the rights to explore and exploit the asset for 20 years.

Ramba has performed G&G studies and the reprocessing of seismic data relating to the the asset.

In 2013, the Group will commence 2D seismic and has plans to drill 2 exploration wells.

REACHING NEW HEIGHTS

The past year marked a year of maturity for Ramba's oil and gas business, as the successful discovery at the Lemang block – and the continued investment in the Jatirarangon and West Jambi blocks – marks a new beginning for the Group.

In keeping with its strategy of acquiring and developing lower-risk, lower-cost assets, Ramba will continue to evaluate onshore assets in proven regions in Indonesia.

The Group is highly optimistic in the future potential of its 2013 work program, and remains confident that its endeavors to produce energy on a greater scale will be successful.

LOGISTICS OVERVIEW

CELEBRATING 20 YEARS OF DELIVERING PROMISES

In 2012, RichLand celebrated its 20-year anniversary by posting its third consecutive year of double-digit revenue growth.

Since being acquired by the Group, RichLand has delivered year-on-year results with the intent of maximizing shareholder value. Relatively untouched by the global financial crisis, RichLand has advanced in spite of adverse issues throughout the logistics sector. Among other challenges in recent years, RichLand has been forced to overcome higher operating expenses, higher fuel costs, changing labour and manpower laws, as well as a reduction in volume throughout the logistics sector. In spite of this, RichLand has delivered consistent revenue growth year-on-year.

What started as a small, localized logistics provider 20 years ago – with only one truck for operations – has now grown to become one of the leading domestic transportation and warehousing companies in Singapore, and now Indonesia. During this 20-year period, RichLand has maintained long-term relationships with its major clients, making RichLand a leader for logistics services in Singapore. RichLand prides itself on delivering promises to its clients in Singapore and the Southeast Asia region, and is highly optimistic for its next 20 years.

RichLand now employs more than 900 staff throughout the Asia Pacific region. Additionally, RichLand operates a transport fleet of more than 450 trucks and trailers, and manages over 500 ISO-tanks. Furthermore, RichLand manages more than 1,200,000 square feet of warehousing capacity, delivering more than 2 million tonnes per year.

2012: ANOTHER RECORD YEAR

In following its recent success, 2012 marked another record year for RichLand. Coming off a successful end to FY2011 – where RichLand recorded revenue of S$57.0 million supported by a S$10-million one-off project; a 32% increase from FY2010 revenue – RichLand once again booked a record revenue year for FY2012. RichLand achieved S$63.6 million in revenue for FY2012, the highest amount in RichLand's history. This marks a 11.7% increase from FY2011 revenue (36% growth when excluding the FY2011 one-off project). Revenue figures for FY2012 reflect RichLand's new growth from investments in new business in Indonesia, as well as sustained operations in Singapore.

The Group also attributes the continued revenue growth to RichLand's strategy of steady and consistent growth and business expansion while maintaining long-term relationships with existing customers. As in previous years, RichLand prioritized customer retention with value-added servcies, in addition to expanding into new areas within the logistics industry.

PROJECT LOGISTICS

One of RichLand's immediate priorities for the coming year is to expand its project logistics business unit, RichLand Project Logistics Pte Ltd. The Group is looking to build upon the success of the business unit's first project in the marine logistics sector, which it completed in Q3 2011. The marine spread project – worth S$10 million – saw RichLand provide barge accommodation, chartering and support services for a major EPC company for its operations in the Natuna Sea, Indonesia.

The project marked the successful entry of RichLand into the marine logistics sector and is an example of the Group's continued diversification within the logistics sector.

RichLand will continue to explore new opportunities for its project logistics division in the marine logistics sector, as well as other areas within the logistics sector.

LOGISTICS TIMELINE:

» 1992:
RichLand founded in Singapore

» 1992-2004:
RichLand grows to become a leading logistics company in Singapore

» 2004:
RichLand lists on Singapore Stock Exchange (SGX) Mainboard

» 2007:
RichLand expands into Indonesia

» 2008:
RichLand is acquired by Redmount Holdings Limited

» 2009:
Group changes its name to Ramba Energy Limited; ventures into oil and gas exploration and production and logistics services

» 2009:
RichLand expands into chemical logistics sector through the successful acquisition of a regional chemical logistics company, giving the Group a network of agents across the Asia Pacific region and a fleet of over 500 ISO-tanks

» 2009:
RichLand establishes project logistics division

» 2010:
RichLand expands significantly in Indonesia; is awarded 2 major chemical logistics contracts

» 2011:
RichLand completes first marine logistics project as project logistics division matures

» 2012:
RichLand announces major warehousing and distribution contract in Indonesia with PT Chandra Asri Petrochemical Tbk; new contract is the largest in RichLand's history and affirms RichLand's presence in Indonesia

» 2012:
RichLand celebrates 20 years of delivering promises in Singapore

LOGISTICS OVERVIEW

INDONESIA: A GROWTH MARKET

The past year marked a significantly greater contribution for RichLand's international operations as the Group continued to build on its ambition to become a leading logistics solutions provider in Southeast Asia.

This strong performance was largely the result of Indonesia operations, as 2012 marked RichLand's most successful year to date in the Indonesian market. Since entering the Indonesian market in 2007, RichLand had worked to establish a strong and diversified business with a growing local presence. After being awarded 2 major chemical logistics contracts in 2010, RichLand further expanded its Indonesia operations in 2012 by securing the largest contract in the Group's history.

In March 2012, RichLand commenced warehousing and distribution operations for PT Chandra Asri Petrochemical Tbk ("CAP"), a leading Indonesian petrochemical company. The contract – worth an estimated S$100 million over a 5-year period – is the largest dollar-value contract in RichLand's history and affirmed its position as a logistics solutions provider in Indonesia. RichLand is currently providing logistics services to CAP at 4 sites across Java; at 2 facilities in Anyer, 1 facility in Solo, and 1 facility in Surabaya.

RichLand today employs over 400 staff in Indonesia. Additionally, RichLand manages five facilities in Indonesia with over 700,000 square feet of warehousing capacity, and delivers more than 1,000,000 tonnes of cargo throughout the archipelago. With a mixed fleet of owned and sub-contracted vehicles, RichLand currently handles more than 4,000 truckloads per month.

Looking ahead, RichLand will continue to pursue new business opportunities in Indonesia's consumer, chemical, and oil and gas sectors and will work to capture the opportunities that lie in this dynamic emerging market.

Furthermore, the Group will continue to leverage its wide network of agents and affiliates that spans across the Asia Pacific region, from India to South Korea.

CONTINUOUSLY INVESTING IN IMPROVEMENT

RichLand will continue to invest in assets, technology and personnel to improve its service offerings to clients. As a logistics company that directly invests in assets and equipment, RichLand owns and operates the majority of vehicles used in operations, giving RichLand considerably greater control in the management of services on behalf of customers. The past year was a year of calculated investments made by the Group to bring long-term benefits to its clients in the Southeast Asia region.

In 2012, the Group hired approximately 400 new employees for Indonesia operations, significantly increasing its workforce in the country. Additionally, in 2012, RichLand purchased 52 new trucks for its Indonesia operations.

The Group is continuing to invest in skilled labour positions to retain seasoned industry professionals to help determine and execute RichLand's strategy for regional growth.

RichLand is committed to retaining and developing its employees who bring specific expertise in logistics solutions to the business.

NEW OPPORTUNITIES

The year ahead will undoubtedly be another challenging year for the logistics industry; however, the Group remains highly confident in its ability to continue to meet these challenges and succeed. RichLand will continue to pursue opportunities to expand and diversify within the logistics sector – both in Singapore and in Southeast Asia – and benefit from the growth and stability of the Southeast Asia region.

In 2013, the Group will work to potentially increase its presence in Malaysia – an increasingly important regional logistics market – as well as maintain its current position as a leader in the Singapore and Indonesia markets. At all times RichLand will remain committed to delivering results to shareholders.

CORPORATE GOVERNANCE REPORT

Ramba Energy Limited (the "Company") and its subsidiaries (collectively, the "Group"), are committed to setting in place corporate governance practices to provide the structure through which the objectives of protecting the shareholders' interests and enhancing long term shareholders' value are met. This report outlines the Company's corporate governance practices with specific reference made to the Code of Corporate Governance 2005 (the "Code"). The Board has also considered certain corporate practices with reference to the revised code of Corporate Governance 2012 issued on 2 May 2012, which is effective from financial year commencing on or after 1 November 2012.

BOARD MATTERS

THE BOARD'S CONDUCT OF ITS AFFAIRS

» **PRINCIPLE 1:** Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with the management to achieve this and the management remains accountable to the Board.

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:

- Providing entrepreneurial leadership and setting 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 quarterly 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
- Assuming 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 three 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. These terms of reference are reviewed on a regular basis to ensure their continued relevance.

The Board meets regularly throughout the year. The schedule of all the Board Committee meetings for the calendar year is usually given to all the directors well in advance. During the financial year ended 31 December 2012, the Board held a total of eleven meetings. Besides the scheduled meetings, the Board meets on an ad-hoc basis as warranted by particular circumstances .

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 by electronic or telegraphic 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:

CORPORATE GOVERNANCE REPORT

ATTENDANCE REPORT OF DIRECTORS

DIRECTOR	BOARD		AC		RC		NC	
	NO. OF MEETINGS		NO. OF MEETINGS		NO. OF MEETINGS		NO. OF MEETINGS	
	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
MR TAN CHONG HUAT	11	10	7	5	4	3	1	1
MR ADITYA WISNUWARDANA SEKY SOERYADJAYA	11	11	7	6*	4	3*	1	1*
MR DANIEL ZIER JOHANNES JOL	11	11	7	6*	4	3*	1	–
MS LANYMARTA GANADJAJA	11	10	7	6*	4	2*	1	–
MR BAMBANG NUGROHO	11	9	7	6*	4	1*	1	–
MR CHEE TECK KWONG PATRICK	11	11	7	7	4	4	1	1
MR TAY AH KONG BERNARD	11	11	7	7	4	4	1	1

* By invitation

No new director was appointed by the Company during the financial year ended 31 December 2012. 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. Any 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 legislation and financial reporting standards, regulations and guidelines from the Singapore Exchange Securities Trading Limited ("SGX-ST") that affect the Company and/or the directors in discharging their duties.

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 the Management. The Chairman or the Chief Executive Officer 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.

The Board as a whole is updated regularly on risk management, corporate governance, insider trading and key changes in the relevant regulatory requirements and financial standards, so as to enable them to properly discharge their duties as Board or Board Committee members.

New releases issued by the SGX-ST and Accounting and Corporate Regulatory Authority ("ACRA") which are relevant to the directors are circulated to the Board. The Company Secretary informed the directors of upcoming conferences and seminars relevant to their roles as directors of the Company. Annually, the external auditors update the AC and the Board on the new and revised financial reporting standards.

BOARD COMPOSITION AND GUIDANCE

» **PRINCIPLE 2:** There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

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

NON-EXECUTIVE AND NON-INDEPENDENT DIRECTOR
Mr Tan Chong Huat (Chairman)

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

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 decisions without any individual influencing or dominating 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 9-14 of the Annual Report.

The non-executive and independent directors participate actively during Board meetings. The Company has benefitted from Management's access to its directors for guidance and exchange of views both within and outside of the meetings of the Board and Board Committees. The non-executive and independent directors communicate amongst themselves and with the Company's auditors and senior management. When necessary, the Company co-ordinates informal meetings for non-executive and independent directors to meet without the presence of the executive directors and/or management.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER ("CEO")

» **PRINCIPLE 3:** There should be a clear division of responsibilities at the top of the Company – the working of the Board and the executive responsibility of the company's business – which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

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 of the Board is Mr Tan Chong Huat ("Mr Tan"). As the Chairman, Mr Tan is responsible for amongst others, the proper carrying out of the business of the Board at its meeting, and he represents the collective leadership of the Company's Board of Directors, the exercise of control over quantity, quality and timeliness of the flow of information between the Board, Management and Shareholders of the Company. The Chairman, with the assistance of the Company Secretary ensures that board meetings are held when necessary and sets the board meeting agenda in consultation with the CEO. The Chairman ensures that Management provides the board members with complete, adequate and timely information. He encourages constructive relations, mutual respect and trust between the Board and the Management and between the Executive Directors and the Independent Directors. He also takes a leading role in ensuring the Company strives to achieve and maintain a high standard of corporate governance practices by establishing shared acceptance of core business and management values among board members.

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.

The Chairman and CEO's performance and appointment to the Board are reviewed periodically by the NC and their remuneration packages are reviewed periodically by the RC. The Board believes that there are adequate safeguards in place to ensure an appropriate balance of power and authority within the spirit of good corporate governance.

BOARD MEMBERSHIP

» **PRINCIPLE 4:** There should be a formal and transparent process for the appointment of new directors to the Board.

The Board established the NC which currently consists of 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, in particular when a director has multiple board representations and having regard to the director's contribution and performance;
- 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 Company based on internal guidelines such as attendance, contactability and responsiveness.

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 three years. Directors who retire are eligible to stand for re-election.

All directors, including CEO, submit themselves for re-nomination and re-election at regular intervals of at least once every three years. Article 107 of the Articles 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 Articles 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 APPOINTMENT TO THE BOARD	DATE OF LAST RE-ELECTION AS DIRECTOR
TAN CHONG HUAT	CHAIRMAN	17 FEBRUARY 2004	27 APRIL 2010
ADITYA WISNUWARDANA SEKY SOERYADJAYA	DIRECTOR	30 JUNE 2008	27 APRIL 2010
LANYMARTA GANADJAJA	DIRECTOR	30 JUNE 2008	26 APRIL 2011
BAMBANG NUGROHO	DIRECTOR	1 AUGUST 2008	30 APRIL 2012
DANIEL ZIER JOHANNES JOL	DIRECTOR	17 NOVEMBER 2008	30 APRIL 2012
TAY AH KONG BERNARD	DIRECTOR	4 JUNE 2008	26 APRIL 2011
CHEE TECK KWONG PATRICK	DIRECTOR	17 FEBRUARY 2004	30 APRIL 2012

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 re-nomination as a director.

In considering whether an Independent Director who has served on the Board for 9 years is still independent, the Board has taken into consideration the following factors:

(a) There was a change of the composition of the executive directors and management and controlling shareholders during the reserve takeover exercise in 2008.

(b) The considerable amount of experience and wealth of knowledge that the Independent Director brings to the Company.

(c) The attendance and active participation in the proceedings and decision making process of the Board and Committee meetings.

(d) Provision of continuity and stability to the new Management at the Board level as the Independent Director has developed deep insight into the business of the Company and experience and knowledge of the business.

(e) The qualification and expertise provides reasonable checks and balances for the Management.

(f) The Independent Director has provided adequate attention and sufficient time has been devoted to the proceedings and business of the Company. He is adequately prepared, responsive and heavily involved in the discussions at the meetings.

(g) The Independent Director provides overall guidance to Management and acts as safeguard for the protection of Company's assets and shareholders' interests.

In this regard, the NC with the concurrence of the Board has reviewed the suitability of Mr Chee Teck Kwong Patrick ("Mr Patrick Chee") being an Independent Director having served on the Board for 9 years and considered that Mr Patrick Chee remains independent. He abstains from voting on any resolution where it relates to his appointment.

The NC has recommended and the Board has approved the re-election of the Mr Tan Chong Huat and Mr Aditya Wisnuwardana Seky Soeryadjaya, who are retiring at the forthcoming AGM.

The key information regarding directors such as 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 are set out in pages 38-40 of the Annual Report.

BOARD PERFORMANCE

» **PRINCIPLE 5:** There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

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 includes 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. Following the review, the Board is of the view that the Board and its Board Committees operate effectively and each director is contributing to the overall effectiveness of the Board. 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, the intensity of participation at meetings, the quality of contributions to the development of strategy, the degree of preparedness, industry and business knowledge and experience each director possesses, which are crucial to the Group's business.

ACCESS TO INFORMATION

» **PRINCIPLE 6:** In order to fulfill their responsibilities, Board members should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis.

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 the Company and the Group. For subjects that require the Board's decision, relevant management staff 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 to enable them to oversee the Group's operational and financial performance. Directors are also informed of any significant developments or events relating to the Group.

CORPORATE GOVERNANCE REPORT

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 will attend all Board meetings and Board Committee meetings and assist 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 function 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:** There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The Group's remuneration policy is to provide compensation packages at market rates, which reward successful performance and attract, retain and motivate directors and key management executives.

The RC comprises three 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. In discharging their duties, the members have access to advice from the internal human resources personnel, and if required, advice from external consultants.

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 Group Share Option Scheme ("RGSOS") and Ramba Group Performance Share Plan ("RGPSP")

The Company had engaged Hay Group Pte. Ltd. as an independent advisor to support RC and the Board to provide a market benchmark and independent advice on total compensation structure, cash base incentive, long term incentive renew and remuneration framework, including direct compensation in year 2012 for directors and senior management.

The RC recommends, in consultation with the Chairman of the Board, a framework of remuneration policies for key executives and directors serving on the Board and Board Committees, and determines specifically the remuneration package for each executive director of the Company. The RC considers relevant aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, share options performance shares and benefits in kind. In addition, the RC also reviews the remuneration of senior management. 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.

The RC administers both the RGSOS and RGPSP for the Company's executive, 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.

The RC determines and approves the allocation of the share options and awards, the date of grant and the price thereof under the Schemes. Details of the Schemes are set out on pages 42 to 45 of this Annual Report.

BOARD PERFORMANCE

LEVEL AND MIX OF REMUNERATION

» PRINCIPLE 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

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 independent and non-executive 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 and the key executives comprise primarily a basic salary component and a variable component which is inclusive of bonuses, based on the performance of the Group as a whole and their individual performance and other benefits.

The service contracts entered into with the four Executive Directors and non-executive Director, namely (1) Mr Aditya Wisnuwardana Seky Soeryadjaya, (2) Mr Daniel Zier Johannes Jol, (3) Ms Lanymarta Ganadjaja, (4) Mr Bambang Nugroho and (5) Mr Tan Chong Huat. The service contracts for Executive Directors and non-executive Director are reviewed by the RC. The service contracts include a fixed term of appointment with termination by either party, giving to the other not less than six months prior written notice.

DISCLOSURE ON REMUNERATION

» PRINCIPLE 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

A breakdown showing the level and mix of each Executive Director and executive officer (only those who were in service for FY2012) is as follows:

DIRECTORS	SALARY (%)	BONUS (%)	OTHER BENEFITS (%)	SHARE OPTIONS (%) (3)	SHARE AWARDS (%) (4)	DIRECTORS FEES (%) (1)	TOTAL (%)
S$250,000 to S$500,000							
ADITYA WISNUWARDANA SEKY SOERYADJAYA (2)	80.28%	14.56%	5.16%	0%	0%	0%	100%
LANYMARTA GANADJAJA	55.57%	10.17%	0.87%	0%	33.39%	0%	100%
DANIEL ZIER JOHANNES JOL	52.17%	8.57%	8.24%	0%	31.02%	0%	100%
Below S$250,000							
BAMBANG NUGROHO	50.23%	12.24%	0%	0%	37.53%	0%	100%
TAN CHONG HUAT (1)	0%	0%	13.22%	0%	24.83%	61.95%	100%
CHEE TECK KWONG PATRICK (1)	0%	0%	0%	0%	29.08%	70.92%	100%
TAY AH KONG BERNARD (1)	0%	0%	0%	0%	29.08%	70.92%	100%

Notes:
(1) Directors' Fees for FY2012 and approved by shareholders on 30 April 2012.
(2) Son of substantial shareholder, Mr Edward Seky Soeryadjaya.
(3) No Share Options were excercised during the financial year.
(4) Share Awards vested by the Company during the financial year.

TOP 5 EXECUTIVES OF THE GROUP

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

RANGE	NUMBER 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.

REMUNERATION OF EMPLOYEE RELATED TO DIRECTOR

As at 31 December 2012, we have an employee who is related to Ms Lanymarta Ganadjaja, an executive director of the Company. He has been a President Director of a subsidiary of the Company since 2009. This subsidiary company became a subsidiary through a restructuring exercise which was completed in December 2011.

The basis of determining the remuneration of the related employee is the same as the basis of determining the remuneration of other unrelated employees. There are no employees who are immediate family members of a director whose remuneration exceeds $100,000 during FY2012.

ACCOUNTABILITY AND AUDIT

ACCOUNTABILITY

» PRINCIPLE 10: The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

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 quarterly results to its shareholders are to provide the shareholders with a balanced and understandable analysis and explanation of the Group's financial performance, position and prospects.

In line with the SGX Listing Rules, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements. For the financial year under review, the CEO and the Chief Financial Officer have provided assurance to the Board on the integrity of the Group's financial statements.

The management provides the Board with a continual flow of relevant information on a timely basis in order that it may effectively discharge its duties. 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:** The Board should establish an AC with written terms of reference which clearly set out its authority and duties.

The AC currently comprises of three 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 comprises 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 in accordance with the requirements of the SGX-ST Listing Manual;
- 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 through which the Group's personnel 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 will have full access to and co-operation from 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 three (3), the Board shall, within three (3) months thereafter, appoint such number of new members to the AC. The AC meets at least four (4) 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 when 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 the 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 internal and external auditors separately without the presence of the Management to review any matter that might be raised. For the financial year under review, the AC had reviewed the non-audit services provided by the external auditors, which comprise tax advisory services and was satisfied to the extent that such services would not prejudice the independence and objectivity of the external auditors. The fees that were charged to the Group by the external auditors for audit and non-audit services were approximately S$176,000 and S$46,000 respectively for the financial year ended 31 December 2012.

The AC has recommended to the Board the re-appointment of Ernst & Young LLP, as external auditors at the forthcoming AGM of the Company.

The AC and Board of Directors of the Company confirmed that in appointing the auditing firms for the Company, subsidiaries and significant associated companies, the Group had complied with SGX-ST Listing Rules 712 and 715 respectively.

CORPORATE GOVERNANCE REPORT

FRAUD AND WHISTLE-BLOWING POLICY

The AC has in consultation with the Board, initiated the implementation of a 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 provide reassurance that they will be protected from reprisals or victimisation for concerns about fraud and whistle-blowing in good faith.

The Board noted that no incidents in relation to the whistle blowing matters have been raised during the year by any staff to indicate possible improprieties in matters of financial reporting, financial control, or any other matters.

INTERNAL CONTROLS

» **PRINCIPLE 12:** The Board should ensure that the management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

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 internal controls in place will address the financial, operational and compliance risks and the objectives of these controls are to provide reasonable assurance that there are no material financial misstatements or material loss, there are maintenance of proper accounting records, financial information are reliable and assets are safeguarded.

The Group has in place a Risk Management Committee ("RMC") comprising of Executive Directors and Senior Management to assist the Board in its oversight of risk governance and risk management in the Group.

An Enterprise Risk Management ("ERM") programme has been implemented to identify, prioritise, assess, manage and monitor key risks. The risk management process in place covers, inter alia, financial, operational and compliance risks faced by the Group. The Group has engaged KPMG Services Pte Ltd to assist in enhancing the ERM programme over the identification, prioritisation, assessment, management and monitoring of key risks. The key risks identified are deliberated by Senior Management, and going forward, will be reported to the RMC on a quarterly basis. The RMC reviews the adequacy and effectiveness of the ERM programme against leading industry practices and significant risks vis-à-vis changes in the operating environment.

Complementing the ERM programme is a Group-wide system of internal controls, which includes the Code of Conduct, documented policies and procedures, proper segregation of duties, approval procedures and authorities, as well as checks and balances built into the business processes.

To ensure that internal controls and risk management processes are adequate and effective, the AC is assisted by various independent professional service providers. The assistance of the internal and external auditors enabled the AC to carry out assessments of the effectiveness of key internal controls during the year. Any material non-compliance or weaknesses in internal controls or recommendations from the internal and external auditors to further improve the internal controls were reported to the AC. The AC will also follow up on the actions taken by the Management on the recommendations made by the internal and external auditors.

Based on the reports submitted by the internal and external auditors received by the AC and the Board, nothing material has come to the attention of the AC and the Board to cause the AC and the Board to believe that the internal controls and risk management processes are not satisfactory for the type and size of business conducted.

The Directors have received and considered the representation letters from the CEO, Chief Financial Officer and Management of the subsidiaries in relation to the financial information for the year. Material associates and joint ventures which the Company does not control are not dealt with for the purposes of this statement.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by Management, the Board with the concurrence of the Audit Committee, is of the opinion that the Group's internal controls are adequate in addressing the financial, operational and compliance risks of the Group.

INTERNAL AUDIT

» **PRINCIPLE 13:** The Company should establish an internal audit function that is independent of the activities it audits.

The Company outsources its internal audit functions to Messrs Crowe Horwath First Trust Risk Advisory Pte Ltd ("IA"). The internal audit plan is submitted to the AC for approval prior to the commencement of the internal audit work. The IA reviews the effectiveness of key internal controls in accordance with the internal audit plan and presents the internal audit reports to the Board. The IA has a direct and primary reporting line to the AC and assists the AC in overseeing and monitoring the implementation and improvements required on internal control weaknesses identified.

Mr Tay Ah Kong Bernard, AC Chairman of the Company, has declared to the Directors that he is the non-executive chairman of Crowe Horwath First Trust LLP, which is a separate but related entity to our outsourced internal auditors, Crowe Horwath First Trust Risk Advisory Pte Ltd. The NC with the concurrence of the Board is of the view that there is no conflict of interest arising from his capacity as non-executive chairman of Crowe Horwath First Trust LLP. He abstains from voting on any resolution where it relates to the appointment of Crowe Horwath First Trust Risk Advisory Pte Ltd and Crowe Horwath First Trust LLP.

COMMUNICATION WITH SHAREHOLDERS

» **PRINCIPLE 14:** Companies should engage in 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.

Communication is made through:

- Annual reports that are prepared and sent to all shareholders. The Board ensures that the annual report includes all relevant information about the Company and the Group, including future developments and other disclosures required by the Singapore Companies Act and Singapore Financial Reporting Standards;
- Quarterly announcements containing a summary of the financial information and affairs of the Group for that period;
- Notices of an explanatory memoranda for Annual General Meetings ("AGM") and Extraordinary General Meetings ("EGM");
- Press and news releases on major developments of the Company and the Group;
- Disclosure of all major announcements to the SGX-ST; and
- The Company's website at http://www.ramba.com at which our shareholders can access financial information, corporate announcements, press releases, annual reports and a profile of the Group.

The Company does not practice selective disclosure, price sensitive information is first publicly released through SGX-Net prior to the Company meeting with any investors or analysts. All shareholders of the Company will receive the Annual Report with notice of AGM.

» **PRINCIPLE 15:** Companies should encourage greater shareholder participation at AGMs, and allow shareholder the opportunity to communicate their views on various matters affecting the company.

Our shareholders are encouraged to attend the AGM to ensure a high level of accountability and to be updated on the Company's strategies 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 fourteen 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 Chairman of the AC, NC and RC are normally present and available to address questions relating to the work of their respective committees at general meetings. Furthermore, the external auditors are present to assist our Board in addressing any relevant queries by our shareholders.

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

MATERIAL CONTRACTS

Save as disclosed in the Directors' Report and notes to the financial statements, there are no other 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 2012.

INTERESTED PERSON TRANSACTIONS

Save as disclosed in the Directors' Report and notes to the financial statements, there are 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 2012.

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'.

The Company does not have any shareholders' mandate for interested person transactions.

DEALINGS IN SECURITIES

The Company has adopted its own internal Code of Conduct to provide guidance to all officers and employees of the Company and its subsidiaries with regard to dealings in the Company's securities in compliance with Rule 1207 (19) of the Listing Manual of the SGX-ST. The Group's officers and employees are prohibited from dealing in the Company's securities while in possession of unpublished price-sensitive information of the Group, as well as during the periods commencing two weeks before the announcement of the Company's quarterly results and one month before the announcement of the Company's full year results and ending on the date of the announcement of the relevant results.

Directors and executives are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period and they are not to deal in the Company's securities on short-term considerations.

UTILISATION OF PROCEEDS

The Company has progressively announced via SGXNET on the utilisation of the net proceeds raised from the rights issue amounting to S$18.43 million on 1 February 2013 (the "Net Proceeds"). The balance of the Net Proceeds as at 21 February 2013 is S$13.52 million. The Company will continue to provide periodic updates on the use of the balance Net Proceeds through SGXNET.

NON-CONFLICT OF INTERESTS

Mr Tan Chong Huat, non-executive Chairman of the Company, has declared to the Directors that he is the Managing Partner of RHTLaw Taylor Wessing LLP ("RHTLaw Taylor Wessing") and a director and a shareholder (holding in trust for beneficiaries) of RHT Corporate Advisory Pte. Ltd. ("RHT Corporate Advisory"). We are not presently aware of any conflict of interest arising from his aforesaid roles. He abstains from any voting on any resolution where it relates to the appointment of RHTLaw Taylor Wessing or RHT Corporate Advisory and their related companies.

Mr Tay Ah Kong Bernard, AC Chairman of the Company, has declared to the Directors that he chairs the risk committee of RHT Capital Pte. Ltd. ("RHT Capital") from 26 August 2011. Mr Tay is appointed as the independent Chairman and member of the risk committee of RHT Capital which, inter-alia, oversees and advises on all risk, independence and conflict of interest aspects of RHT Capital's activities. Mr Tay is not a shareholder or a Director of RHT Capital. The NC with the concurrence of the Board is of the view that there is no conflict of interest arising from his aforesaid roles. He abstains from any voting on any resolution where it relates to the appointment of RHTLaw Taylor Wessing or RHT Corporate Advisory which are related to RHT Capital.

CORPORATE GOVERNANCE REPORT

PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

NAME OF DIRECTOR	MR TAN CHONG HUAT	MR ADITYA WISNUWARDANA SEKY SOERYADJAYA
ACADEMIC/ PROFESSIONAL QUALIFICATIONS	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	Bachelor of Science degree in Accounting from the University of Southern California in Los Angeles, California, U.S.
BOARD APPOINTED EXECUTIVE/NON-EXECUTIVE	Non-executive Chairman and Non-independent Director	Chief Executive Officer and Executive Director
BOARD COMMITTEES AS CHAIRMAN OR MEMBER	Member of the Audit Committee, Nominating Committee, and Remuneration Committee, and Non-executive Chairman of the Board	NIL
DIRECTORSHIP DATE FIRST APPOINTED	17 February 2004	30 June 2008
DIRECTORSHIP IN OTHER LISTED COMPANIES AND OTHER MAJOR APPOINTMENTS	SIIC Environment Holdings Ltd (formerly known as Asia Water Technology Ltd) Ascendas Hospitality Trust Management Pte Ltd Ascendas Hospitality Fund Management Pte Ltd	NIL
PAST DIRECTORSHIPS IN OTHER LISTED COMPANIES AND OTHER MAJOR APPOINTMENTS OVER THE PRECEDING 3 YEARS	Swissco Holdings Limited Luye Pharma Group Limited P99 Holdings Limited (formerly known as China Fashion Holdings Limited)	NIL

CORPORATE GOVERNANCE REPORT

PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

NAME OF DIRECTOR	MR DANIEL ZIER JOHANNES JOL	MS LANYMARTA GANADJAJA	MR BAMBANG NUGROHO
ACADEMIC/ PROFESSIONAL QUALIFICATIONS	Bachelor of Science degree in Civil Engineering from Purdue University in West Lafayette, Indiana, U.S., and Master in Business Administration degree from the National University of Singapore	Degree in Economics with a major in Accounting in Parahyangan Catholic University in Bandung, Indonesia	Degree in Petroleum Engineering from the Bandung Institute of Technology in Bandung, Indonesia
BOARD APPOINTED EXECUTIVE/NON-EXECUTIVE	Commercial Director and Executive Director	Executive Director	Executive Director
BOARD COMMITTEES AS CHAIRMAN OR MEMBER	NIL	NIL	NIL
DIRECTORSHIP DATE FIRST APPOINTED	17 November 2008	30 June 2008	1 August 2008
DIRECTORSHIP IN OTHER LISTED COMPANIES AND OTHER MAJOR APPOINTMENTS	NIL	NIL	NIL
PAST DIRECTORSHIPS IN OTHER LISTED COMPANIES AND OTHER MAJOR APPOINTMENTS OVER THE PRECEDING 3 YEARS	NIL	NIL	NIL

CORPORATE GOVERNANCE REPORT

PARTICULARS OF DIRECTORS PURSUANT TO THE CODE OF CORPORATE GOVERNANCE

NAME OF DIRECTOR	MR CHEE TECK KWONG PATRICK	MR TAY AH KONG BERNARD
ACADEMIC/ PROFESSIONAL QUALIFICATIONS	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; a Notary Public and a Commissioner for Oaths. He is admitted as a Solicitor of the Senior Courts and Wales.	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
BOARD APPOINTED EXECUTIVE/NON-EXECUTIVE	Independent Director	Independent Director
BOARD COMMITTEES AS CHAIRMAN OR MEMBER	Chairman of the Nominating Committee and Remuneration Committee and member of the Audit Committee	Chairman of the Audit Committee, member of the Nominating Committee and Remuneration Committee
DIRECTORSHIP DATE FIRST APPOINTED	17 February 2004	4 June 2008
DIRECTORSHIP IN OTHER LISTED COMPANIES AND OTHER MAJOR APPOINTMENTS	CSC Holdings Limited Hengxin Technology Ltd. Hai Leck Holdings Limited Hanwell Holdings Limited (formerly known as PSC Corporation Ltd) Singapore Windsor Holdings Limited Tat Seng Packaging Group Ltd. China International Holdings Limited	China Hongxing Sports Limited China Yongsheng Limited Hengxin Technology Ltd. Oakwell Engineering Limited SIIC Environment Holdings Ltd (formerly known as Asia Water Technology Ltd)
PAST DIRECTORSHIPS IN OTHER LISTED COMPANIES AND OTHER MAJOR APPOINTMENTS OVER THE PRECEDING 3 YEARS	NIL	Juken Technology Limited (delisted on 4 December 2012)

The details on shareholdings of the directors are disclosed on pages 41 to 45 of the Annual Report under Directors' Interest in Shares or Debentures section of the Directors' Report.

DIRECTORS' REPORT

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 2012.

DIRECTORS

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

- TAN CHONG HUAT — NON-EXECUTIVE CHAIRMAN/DIRECTOR
- ADITYA WISNUWARDANA SEKY SOERYADJAYA — CHIEF EXECUTIVE OFFICER/EXECUTIVE DIRECTOR
- DANIEL ZIER JOHANNES JOL — EXECUTIVE DIRECTOR
- LANYMARTA GANADJAJA — EXECUTIVE DIRECTOR
- BAMBANG NUGROHO — EXECUTIVE 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 in the share options section below, 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' INTERESTS 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, Chapter 50, interests in shares and share options of the Company as stated below:

NAME OF DIRECTOR THE COMPANY	HOLDINGS AT BEGINNING OF THE YEAR	HOLDINGS AT END OF THE YEAR
ADITYA WISNUWARDANA SEKY SOERYADJAYA		
» ORDINARY SHARES	592,000	2,992,000
» OPTIONS TO SUBSCRIBE FOR ORDINARY SHARES BETWEEN 03/10/2012 TO 14/09/2017	229,000	619,000*
DANIEL ZIER JOHANNES JOL		
» ORDINARY SHARES	489,000	966,000
» OPTIONS TO SUBSCRIBE FOR ORDINARY SHARES BETWEEN 03/10/2012 TO 14/09/2017	601,000	874,000
LANYMARTA GANADJAJA		
» ORDINARY SHARES	404,000	795,000
» OPTIONS TO SUBSCRIBE FOR ORDINARY SHARES BETWEEN 03/10/2012 TO 14/09/2017	567,000	874,000
BAMBANG NUGROHO		
» ORDINARY SHARES	354,000	720,000
» OPTIONS TO SUBSCRIBE FOR ORDINARY SHARES BETWEEN 03/10/2012 TO 14/09/2017	567,000	874,000
TAN CHONG HUAT		
» ORDINARY SHARES	200,000	364,000
» OPTIONS EXPIRED ON 13/09/2012	152,000	–
CHEE TECK KWONG PATRICK		
» ORDINARY SHARES	170,000	300,000
» OPTIONS EXPIRED ON 13/09/2012	122,000	–
TAY AH KONG BERNARD		
» ORDINARY SHARES	120,000	250,000
» OPTIONS EXPIRED ON 13/09/2012	120,000	–

* On 30 April 2012, 619,000 options have been granted to Mr Aditya Wisnuwardana Seky Soeryadjaya upon the Company's shareholders approval at the Annual General Meeting.

DIRECTORS' INTERESTS IN SHARES (CONT'D)

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2013.

On 1 February 2013, the Company undertook a renounceable underwritten rights issue ("Rights Issue"). The rights shares entitlement of the following Directors are stated below:

NAME OF DIRECTOR	NUMBER OF RIGHTS SHARES ENTITLED	NUMBER OF RIGHTS SHARES SUBSCRIBED	NUMBER OF RIGHTS SHARES ALLOTTED
ADITYA WISNUWARDANA SEKY SOERYADJAYA	1,196,800	1,196,800	1,196,800
DANIEL ZIER JOHANNES JOL	386,400	386,400	386,400
LANYMARTA GANADJAJA	318,000	318,000	318,000
BAMBANG NUGROHO	288,000	288,000	288,000
TAN CHONG HUAT	145,600	145,600	145,600
CHEE TECK KWONG PATRICK	120,000	120,000	120,000
TAY AH KONG BERNARD	100,000	100,000	100,000

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 held in 2007, shareholders approved the Ramba Group 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 Share Option Scheme ("RGSOS") and the Ramba Group Performance Share Plan ("RGPSP").

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 4 March 2011 Extraordinary General Meeting, the Company's shareholders approved the RGSOS participation of Mr Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company. The number of the shares granted was 229,000 at the exercise price of S$0.38 per share.

On 28 March 2011, the Company granted 407,000 share options to the employees under the RGSOS at the exercise price of S$0.485 per share. These options expire on 28 March 2013 and are exercisable if the employee remains in service as of the exercise date (i.e. 28 March 2012).

On 3 October 2011, the Company granted another 1,290,000 share options (other than controlling shareholders and their associates) under the RGSOS at the exercise price of S$0.390 per share. Share options will be vested over three years and are exercisable after the 1st anniversary from the date of grant of share options. The share options granted will expire on 3 October 2016.

DIRECTORS' REPORT

SHARE OPTIONS (CONT'D)

At the 30 April 2012 Annual General Meeting, the Company's shareholders approved the grant of 619,000 share options at the exercise price of S$0.39 per share to Mr Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company.

On 14 September 2012, the Company made an offer to grant 1,332,000 share options (other than controlling shareholders and their associates) to the employees under the RGSOS at the exercise price of S$0.40 per share. The share options will be vested over three years and are exercisable after the first (1st) anniversary from the date of grant of share options. The share options granted will expire on 14 September 2017.

On 22 March 2013, the Company made an offer to grant 1,867,000 share options (other than controlling shareholders and their associates) to the employees under the RGSOS at the exercise price of S$0.505 per share. The share options will be vested over three years and are exercisable after the 1st anniversary from the date of grant of share options. The share options granted will expire on 22 March 2018.

On the same date, the Company granted 600,000 share options to Mr Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company, which will be subject to the shareholder approval at the forthcoming AGM.

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

DATE OF GRANT OF OPTIONS	EXERCISE PRICE OF THE OPTIONS	OPTIONS OUTSTANDING AT 01/01/2012	OPTIONS GRANTED	OPTIONS CANCELLED	OPTIONS EXPIRED	OPTIONS OUTSTANDING AT 31/12/2012	EXERCISE PERIOD
13/09/2010	S$0.38	1,480,000	–	–	1,480,000	–	N/A
28/03/2011	S$0.485	373,000	–	68,000	–	305,000	28/03/2012 – 28/03/2013
3/10/2011	S$0.39	1,290,000	619,000	–	–	1,909,000	3/10/2012 – 3/10/2016
14/09/2012*	S$0.40	–	1,332,000	–	–	1,332,000	14/09/2013 – 14/09/2017
		3,143,000	**1,951,000**	**68,000**	**1,480,000**	**3,546,000**	

* The aggregate number of options granted on 14 September 2012 was 1,738,000, of which, 406,000 share options are granted to Mr Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company, which would be subject to shareholder approval at the forthcoming Annual General Meeting ("AGM").

On 1 February 2013, the Company undertook a renounceable underwritten rights issue ("Rights Issue"). Pursuant to the rules of the RGSOS, the RC has determined that adjustments were required to be made to the exercise price and number of share options which have not been exercised and have not lapsed, as a result of the Rights Issue. The adjustments were made to the exercise price and number of these share options on 1 March 2013.

DATE OF GRANT OF OPTIONS	EXERCISE PERIOD	ORIGINAL NUMBER OF THE OPTIONS	ADJUSTED NUMBER OF THE OPTIONS	ORIGINAL EXERCISE PRICE OF THE OPTIONS	ADJUSTED EXERCISE PRICE OF THE OPTIONS
28/03/2011	28/03/2012 – 28/03/2013	305,000	370,057	S$0.485	S$0.40
3/10/2011	3/10/2012 – 3/10/2016	1,909,000	2,316,190	S$0.39	S$0.321
14/09/2012	14/09/2013 – 14/09/2017	1,738,000	2,108,715	S$0.40	S$0.33

There was no option being exercised during the year.

SHARE OPTIONS (CONT'D)

Details of the options to subscribe for ordinary shares granted to the directors of the Company pursuant to the RGSOS are as follows:

NAME OF DIRECTOR	OPTIONS GRANTED FOR FINANCIAL YEAR 2012	AGGREGATE OPTIONS GRANTED SINCE COMMENCEMENT OF SCHEME TO 31/12/2012	AGGREGATE OPTIONS EXPIRED SINCE COMMENCEMENT OF SCHEME TO 31/12/2012	AGGREGATE OPTIONS OUTSTANDING AS AT 31/12/2012
ADITYA WISNUWARDANA SEKY SOERYADJAYA	619,000	1,514,000	895,000	619,000
DANIEL ZIER JOHANNES JOL	444,000	1,680,000	806,000	874,000
LANYMARTA GANADJAJA	444,000	1,542,000	668,000	874,000
BAMBANG NUGROHO	444,000	1,466,000	592,000	874,000
TAN CHONG HUAT	–	304,000	304,000	–
CHEE TECK KWONG PATRICK	–	244,000	244,000	–
TAY AH KONG BERNARD	–	240,000	240,000	–

Since the commencement of the RGSOS till the end of the financial year:

» No options have been granted to the controlling shareholders of the Company and their associates except as disclosed above;

» No participant other than the Directors mentioned above has received 5% or more of the total options available under the plans;

» No options have been granted to Directors and employees of the immediate and ultimate holding company and its subsidiaries;

» No options that entitle the holder to participate, by virtue of the options, in any share issue of any other corporation have been granted; and

» No options have been granted at a discount.

SHARE AWARDS

At the 4 March 2011 Extraordinary General Meeting, the Company's shareholders approved the RGPSP participation of Mr. Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company. The number of the shares granted was 443,000.

On 28 March 2011, the Company granted 928,000 share awards to the employees under the RGPSP. The share awards will be released over the next three years from the date of the grant in equal one third proportion of the total share awards granted.

On 3 October 2011, the Company also granted 1,609,000 share awards and 3,533,500 bonus awards (other than controlling shareholders and their associates) under the RGPSP. The share awards will be released over three years from the grant date in equal one third proportion of the total share awards granted. The bonus awards will be released as follows:

» 10% after 1st Anniversary of the grant date
» 15% after 2nd Anniversary of the grant date
» 20% after 3rd Anniversary of the grant date
» 25% after 4th Anniversary of the grant date
» 30% after 5th Anniversary of the grant date

On the same date, the Company granted 390,000 share awards and 1,085,500 bonus awards to Mr Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company, which shareholder approval has been sought at the AGM on 30 April 2012.

On 14 September 2012, the Company granted 2,360,000 share awards under the RGPSP. The share awards will be released over three years from the grant date in equal one third proportion of the total share award granted.

On 1 March 2013, the Company granted 609,000 share awards to Mr. Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company, which will be subject to the shareholder approval at the forthcoming AGM.

SHARE AWARDS (CONT'D)

On 22 March 2013, the Company granted 2,744,000 share awards (other than controlling shareholders and their associates) under the RGPSP. The share awards will be released over three years from the grant date in equal one third proportion of the total share award granted.

On the same date, the Company granted 360,000 share awards to Mr Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company, which will be subject to the shareholder approval at the forthcoming AGM.

During the year, the Company has vested 1,136,000 (2011: 1,640,000) and 1,237,000 (2011: Nil) by way of allotment of new shares and using treasury shares respectively under the RGPSP award.

As at end of 31 December 2012, details of RGPSP awarded under the Plan are set out as below:

NAME OF DIRECTOR	BALANCE AS AT 01/01/2012	SHARE AWARDS GRANTED	SHARE AWARDS VESTED	SHARE AWARDS CANCELLED	BALANCE AS AT 31/12/2012
ADITYA WISNUWARDANA SEKY SOERYADJAYA	517,000	390,000	–	500,000*	407,000
DANIEL ZIER JOHANNES JOL	612,000	326,000	368,000	–	570,000
LANYMARTA GANADJAJA	550,000	326,000	319,000	–	557,000
BAMBANG NUGROHO	525,000	326,000	294,000	–	557,000
TAN CHONG HUAT	340,000	194,000	164,000	–	370,000
CHEE TECK KWONG PATRICK	269,000	152,000	130,000	–	291,000
TAY AH KONG BERNARD	269,000	152,000	130,000	–	291,000

* 500,000 share awards were rescinded on 31 October 2012.

On 1 February 2013, the Company undertook a renounceable underwritten rights issue ("Rights Issue"). Pursuant to the rules of the RGPSP, the Remuneration Committee has determined that adjustments were required to be made to the number of share awards which have not been released, as a result of the Rights Issue. The adjustments were made to the number of these share awards on 1 March 2013.

DATE OF GRANT OF AWARDS	RELEASE DATE OF OUTSTANDING AWARDS	ORIGINAL NUMBER OF THE AWARDS	ADJUSTED NUMBER OF THE AWARDS	ORIGINAL MARKET PRICE ON THE DATE OF GRANT
21 /05/ 2010	21 /05/2013	17,000	20,626	S$0.4167
13/09/2010	13/09/2013	570,000	691,579	S$0.3865
28/03/2011	28/03/2013 28/03/2014	239,000 236,000	289,978 286,338	S$0.5073
03/10/2011	03 /10/2013 03/10/2014	609,000 607,000	738,900 736,474	S$0.3514
14/09/2012	14/09/2013 14/09/2014 14/09/2015	792,000 789,000 779,000	960,935 957,295 945,159	S$0.3980

BONUS SHARE AWARDS

NAME OF DIRECTOR	BALANCE AS AT 01/01/2012	BONUS SHARE AWARDS GRANTED	BONUS SHARE AWARDS VESTED	BONUS SHARE AWARDS CANCELLED	BALANCE AS AT 31/12/2012
ADITYA WISNUWARDANA SEKY SOERYADJAYA	–	1,085,500	–	109,000*	976,500
DANIEL ZIER JOHANNES JOL	1,085,500	–	109,000	–	976,500
LANYMARTA GANADJAJA	724,000	–	72,000	–	652,000
BAMBANG NUGROHO	724,000	–	72,000	–	652,000

* 109,000 bonus share awards were rescinded on 31 October 2012.

On 1 February 2013, the Company undertook a renounceable underwritten rights issue ("Rights Issue"). Pursuant to the rules of the RGPSP, the Remuneration Committee has determined that adjustments were required to be made to the number of bonus share awards which have not been released, as a result of the Rights Issue. The adjustments were made to the number of these bonus share awards on 1 March 2013.

DATE OF GRANT OF BONUS AWARDS	RELEASE DATE OF OUTSTANDING BONUS AWARDS	ORIGINAL NUMBER OF THE BONUS AWARDS	ADJUSTED NUMBER OF THE BONUS AWARDS	ORIGINAL MARKET PRICE ON THE DATE OF GRANT
03/10/2011	03/10/2013 03/10/2014 03/10/2015 03/10/2016	695,000 924,000 1,153,000 1,381,000	843,248 1,121,091 1,398,937 1,675,568	S$0.3514

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, Chapter 50, including the following:

» Reviews the audit plans of the internal and external auditors of the Company and reviews the internal auditors' evaluation of the adequacy of the Group's system of internal accounting controls and the assistance given by the Company's management to the external and internal auditors;

» Reviews the quarterly and annual financial statements and the auditor's 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, compliance and information technology 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;

AUDIT COMMITTEE (CONT'D)

» 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 AC 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 seven meetings during the financial year with full attendance from all members. The AC has also met with internal and 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.

AUDITOR

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the Board of Directors,

TAN CHONG HUAT
Non-Executive Chairman

ADITYA WISNUWARDANA SEKY SOERYADJAYA
Chief Executive Officer

Singapore
27 March 2013

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 2012 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 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
Non-Executive Chairman

ADITYA WISNUWARDANA SEKY SOERYADJAYA
Chief Executive Officer

Singapore
27 March 2013

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RAMBA ENERGY LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Ramba Energy Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 50 to 121, which comprise the balance sheets of the Group and the Company as at 31 December 2012, 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 FINANCIAL STATEMENTS

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

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 2012 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
27 March 2013

CONSOLIDATED INCOME STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2012

	NOTES	2012 S$'000	2011 S$'000 (RESTATED)
REVENUE			
TURNOVER	4	71,566	64,515
OTHER INCOME	5	3,410	3,484
TOTAL REVENUE		**74,976**	**67,999**
COSTS AND OPERATING EXPENSES			
SERVICE COSTS AND RELATED EXPENSES		(44,161)	(37,090)
ROYALTIES PAYMENT		(1,499)	(1,852)
SALARIES AND EMPLOYEE BENEFITS	6	(26,227)	(23,642)
DEPRECIATION AND AMORTISATION EXPENSES		(3,969)	(3,004)
FINANCE COSTS	7	(535)	(489)
OTHER OPERATING EXPENSES	8a	(3,542)	(11,012)
TOTAL COSTS AND OPERATING EXPENSES		(79,933)	(77,089)
SHARE OF RESULTS OF ASSOCIATES AND A JOINT VENTURE		(5)	(34)
LOSS BEFORE TAX	8b	(4,962)	(9,124)
INCOME TAX	9	(2,502)	(1,382)
LOSS FOR THE YEAR		**(7,464)**	**(10,506)**
ATTRIBUTABLE TO:			
» OWNERS OF THE COMPANY		(7,622)	(8,796)
» NON-CONTROLLING INTERESTS		158	(1,710)
		(7,464)	**(10,506)**
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (CENTS PER SHARE)			
BASIC AND DILUTED	10	**(3.17)**	**(3.88)**

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 2012

	2012 S$'000	2011 S$'000
LOSS FOR THE YEAR	(7,464)	(10,506)
OTHER COMPREHENSIVE INCOME:		
» NET (LOSS)/GAIN ON CASH FLOW HEDGE	(2)	2
» FOREIGN CURRENCY TRANSLATION	(2,262)	(845)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	(2,264)	(843)
TOTAL COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX	(9,728)	(11,349)
ATTRIBUTABLE TO:		
» OWNERS OF THE COMPANY	(9,910)	(9,450)
» NON-CONTROLLING INTERESTS	182	(1,899)
	(9,728)	**(11,349)**

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

BALANCE SHEETS

AS AT 31 DECEMBER 2012

	NOTES	GROUP 2012 S$'000	GROUP 2011 S$'000 (RESTATED)	COMPANY 2012 S$'000	COMPANY 2011 S$'000 (RESTATED)
NON-CURRENT ASSETS					
OIL AND GAS PROPERTIES	11	20,670	22,394	–	–
PROPERTY, PLANT AND EQUIPMENT	11	11,819	7,988	232	78
INTANGIBLE ASSETS	12	2,894	3,282	386	367
INVESTMENTS IN EXPLORATION AND EVALUATION ASSETS	13	23,255	12,438	–	–
INVESTMENT IN MARKETABLE SECURITIES		3	3	3	3
INVESTMENT IN SUBSIDIARIES	14	–	–	2,744	11,968
INVESTMENT IN ASSOCIATES	15	66	66	50	50
INVESTMENT IN JOINT VENTURE	16	–	49	–	–
LOANS TO SUBSIDIARIES	17	–	–	38,992	29,288
OTHER ASSETS	18	63	131	–	–
LEASED ASSETS	19	42	28	–	–
OTHER RECEIVABLES	21	2,244	105	–	–
DEFERRED TAX ASSETS	32	91	176	–	–
FIXED DEPOSITS	24	1,306	1,649	–	1,649
		62,453	**48,309**	**42,407**	**43,403**
CURRENT ASSETS					
TRADE RECEIVABLES	20	16,327	13,049	–	–
OTHER RECEIVABLES	21	6,686	11,430	11,708	18,004
AVAILABLE-FOR-SALE ASSETS	22	–	2,236	–	–
OTHER FINANCIAL ASSETS	23	–	2	–	–
PREPAID OPERATING EXPENSES		1,279	839	390	138
INVENTORIES		84	203	–	–
LEASED ASSETS	19	25	6	–	–
FIXED DEPOSITS	24	–	858	–	–
CASH AND BANK BALANCES	24	5,252	12,800	867	3,392
		29,653	41,423	12,965	21,534
CURRENT LIABILITIES					
TRADE PAYABLES	25	15,764	11,144	–	–
OTHER PAYABLES	26	9,058	6,025	2,013	6,731
PROVISIONS	27	162	130	–	–
DEFERRED CONSIDERATION	28	–	33	–	33
FINANCE LEASE LIABILITIES	29	1,412	1,188	48	34
TERM LOANS	30	2,112	2,425	–	–
INCOME TAX PAYABLE		127	264	–	–
		28,635	21,209	2,061	6,798
NET CURRENT ASSETS		**1,018**	**20,214**	**10,904**	**14,736**
NON-CURRENT LIABILITIES					
OTHER PAYABLES	26	2,829	1,624	–	–
PROVISIONS	27	719	293	39	8
ABANDONMENT AND SITE RESTORATION LIABILITIES	31	491	494	–	–
FINANCE LEASE LIABILITIES	29	3,120	1,345	115	27
TERM LOANS	30	685	2,798	–	–
DEFERRED TAX LIABILITIES	32	4,774	3,135	–	–
		12,618	9,689	154	35
NET ASSETS		**50,853**	**58,834**	**53,157**	**58,104**
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
SHARE CAPITAL	33	64,256	63,804	64,256	63,804
TREASURY SHARES	33	(1,746)	(2,384)	(1,746)	(2,384)
OTHER RESERVES	34	92	2,531	4,553	4,223
ACCUMULATED LOSSES		(11,404)	(4,590)	(13,906)	(7,539)
		51,198	59,361	53,157	58,104
NON-CONTROLLING INTERESTS		(345)	(527)	–	–
TOTAL EQUITY		**50,853**	**58,834**	**53,157**	**58,104**

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 2012

		ATTRIBUTABLE TO OWNERS OF THE COMPANY										
2012 GROUP	EQUITY, TOTAL S$'000	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY, TOTAL S$'000	SHARE CAPITAL S$'000	TREASURY SHARES S$'000	ACCUMULATED LOSSES S$'000	OTHER RESERVES, TOTAL S$'000	SHARE BASED PAYMENT RESERVE S$'000	HEDGING RESERVE S$'000	FOREIGN CURRENCY TRANSLATION RESERVE S$'000	GAIN ON REISSUANCE OF TREASURY SHARES S$'000	CAPITAL RESERVE S$'000	NON-CONTROLLING INTERESTS S$'000
OPENING BALANCE AS AT 1 JANUARY 2012	58,834	59,361	63,804	(2,384)	(4,590)	2,531	1,492	2	(2,523)	2,656	904	(527)
LOSS FOR THE YEAR	(7,464)	(7,622)	–	–	(7,622)	–	–	–	–	–	–	158
OTHER COMPREHENSIVE INCOME												
NET LOSS ON CASH FLOW HEDGE	(2)	(2)	–	–	–	(2)	–	(2)	–	–	–	–
FOREIGN CURRENCY TRANSLATION	(2,262)	(2,286)	–	–	–	(2,286)	–	–	(2,286)	–	–	24
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR, NET OF TAX	(9,728)	(9,910)	–	–	(7,622)	(2,288)	–	(2)	(2,286)	–	–	182
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS												
TRANSFER OF RESERVE	–	–	–	–	556	(556)	–	–	–	–	(556)	–
SHARE ISSUANCE EXPENSES	(6)	(6)	(6)	–	–	–	–	–	–	–	–	–
TREASURY SHARES REISSUED PURSUANT TO RGPSP	–	–	–	638	–	(638)	(728)	–	–	90	–	–
GRANT OF EQUITY SETTLED SHARE BASED PAYMENT TO EMPLOYEES	1,753	1,753	458	–	16	1,279	1,279	–	–	–	–	–
EXPIRY OF EMPLOYEE SHARE OPTIONS	–	–	–	–	236	(236)	(236)	–	–	–	–	–
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS	1,747	1,747	452	638	808	(151)	315	–	–	90	(556)	–
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	1,747	1,747	452	638	808	(151)	315	–	–	90	(556)	–
CLOSING BALANCE AS AT 31 DECEMBER 2012	**50,853**	**51,198**	**64,256**	**(1,746)**	**(11,404)**	**92**	**1,807**	**–**	**(4,809)**	**2,746**	**348**	**(345)**

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 2012

2011 GROUP	EQUITY, TOTAL S$'000	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY, TOTAL S$'000	SHARE CAPITAL S$'000	TREASURY SHARES S$'000	(ACCUMULATED LOSSES)/ REVENUE RESERVE S$'000	OTHER RESERVES, TOTAL S$'000	SHARE BASED PAYMENT RESERVE S$'000	HEDGING RESERVE S$'000	FOREIGN CURRENCY TRANSLATION RESERVE S$'000	GAIN ON REISSUANCE OF TREASURY SHARES S$'000	CAPITAL RESERVE S$'000	NON-CONTROLLING INTERESTS S$'000
		ATTRIBUTABLE TO OWNERS OF THE COMPANY										
OPENING BALANCE AS AT 1 JANUARY 2011												
– AS PREVIOUSLY STATED	49,714	46,373	42,677	(482)	2,399	1,779	2,102	–	(1,914)	1,086	505	3,341
– ADJUSTMENT ON GRANT OF EQUITY SETTLED SHARE BASED PAYMENT TO EMPLOYEES	–	–	(314)	–	314	–	–	–	–	–	–	–
– AS RESTATED	49,714	46,373	42,363	(482)	2,713	1,779	2,102	–	(1,914)	1,086	505	3,341
LOSS FOR THE YEAR	(10,506)	(8,796)	–	–	(8,796)	–	–	–	–	–	–	(1,710)
OTHER COMPREHENSIVE INCOME												
NET GAIN ON CASH FLOW HEDGE	2	2	–	–	–	2	–	2	–	–	–	–
FOREIGN CURRENCY TRANSLATION	(845)	(656)	–	–	–	(656)	–	–	(656)	–	–	(189)
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR, NET OF TAX	(11,349)	(9,450)	–	–	(8,796)	(654)	–	2	(656)	–	–	(1,899)
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS												
ISSUANCE OF SHARES	21,495	21,495	21,495	–	–	–	–	–	–	–	–	–
SHARE ISSUANCE EXPENSES	(725)	(725)	(725)	–	–	–	–	–	–	–	–	–
PURCHASE OF TREASURY SHARES	(2,384)	(2,384)	–	(2,384)	–	–	–	–	–	–	–	–
REISSUANCE OF TREASURY SHARES	2,052	2,052	–	482	–	1,570	–	–	–	1,570	–	–
GRANT OF EQUITY SETTLED SHARE BASED PAYMENT TO EMPLOYEES	1,554	1,554	671	–	307	576	576	–	–	–	–	–
EXPIRY OF EMPLOYEE SHARE OPTIONS	–	–	–	–	1,186	(1,186)	(1,186)	–	–	–	–	–
TOTAL CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS	21,992	21,992	21,441	(1,902)	1,493	960	(610)	–	–	1,570	–	–

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 2012

2011 GROUP (CONT'D)	EQUITY, TOTAL S$'000	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY, TOTAL S$'000	SHARE CAPITAL S$'000	TREASURY SHARES S$'000	(ACCUMULATED LOSSES)/ REVENUE RESERVE S$'000	OTHER RESERVES, TOTAL S$'000	SHARE BASED PAYMENT RESERVE S$'000	HEDGING RESERVE S$'000	FOREIGN CURRENCY TRANSLATION RESERVE S$'000	GAIN ON REISSUANCE OF TREASURY SHARES S$'000	CAPITAL RESERVE S$'000	NON-CONTROLLING INTERESTS S$'000
		ATTRIBUTABLE TO OWNERS OF THE COMPANY										
CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES												
ACQUISITION OF SUBSIDIARY	(240)	–	–	–	–	–	–	–	–	–	–	(240)
ACQUISITION OF NON-CONTROLLING INTEREST WITHOUT A CHANGE IN CONTROL	160	399	–	–	–	399	–	–	–	–	399	(239)
DISPOSAL OF CONTROLLING INTEREST	(1,664)	47	–	–	–	47	–	–	47	–	–	(1,711)
CAPITAL REPAYMENT TO NON-CONTROLLING INTEREST	(59)	–	–	–	–	–	–	–	–	–	–	(59)
CONTRIBUTION MADE BY NON-CONTROLLING INTEREST	280	–	–	–	–	–	–	–	–	–	–	280
TOTAL CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES	(1,523)	446	–	–	–	446	–	–	47	–	399	(1,969)
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	20,469	22,438	21,441	(1,902)	1,493	1,406	(610)	–	47	1,570	399	(1,969)
CLOSING BALANCE AS AT 31 DECEMBER 2011	**58,834**	**59,361**	**63,804**	**(2,384)**	**(4,590)**	**2,531**	**1,492**	**2**	**(2,523)**	**2,656**	**904**	**(527)**

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 2012

2012 COMPANY	EQUITY, TOTAL S$'000	SHARE CAPITAL S$'000	TREASURY SHARES S$'000	ACCUMU-LATED LOSSES S$'000	OTHER RESERVES, TOTAL S$'000	SHARE BASED PAYMENT RESERVE S$'000	GAIN ON REISSUANCE OF TREASURY SHARES S$'000
OPENING BALANCE AS AT 1 JANUARY 2012	58,104	63,804	(2,384)	(7,539)	4,223	1,567	2,656
LOSS FOR THE YEAR	(6,447)	–	–	(6,447)	–	–	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(6,447)	–	–	(6,447)	–	–	–
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS							
SHARE ISSUANCE EXPENSES	(6)	(6)	–	–	–	–	–
GRANT OF EQUITY SETTLED SHARE BASED PAYMENT TO EMPLOYEES	1,678	458	–	16	1,204	1,204	–
TREASURY SHARES REISSUED PURSUANT TO RGPSP	–	–	638	–	(638)	(728)	90
EXPIRY OF EMPLOYEE SHARE OPTIONS	(172)	–	–	64	(236)	(236)	–
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	1,500	452	638	80	330	240	90
CLOSING BALANCE AS AT 31 DECEMBER 2012	**53,157**	**64,256**	**(1,746)**	**(13,906)**	**4,553**	**1,807**	**2,746**

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 2012

2011 COMPANY	EQUITY, TOTAL S$'000	SHARE CAPITAL S$'000	TREASURY SHARES S$'000	ACCUMU-LATED LOSSES S$'000	OTHER RESERVES, TOTAL S$'000	SHARE BASED PAYMENT RESERVE S$'000	GAIN ON REISSUANCE OF TREASURY SHARES S$'000
OPENING BALANCE AS AT 1 JANUARY 2011	43,903	42,677	(482)	(1,480)	3,188	2,102	1,086
ADJUSTMENT ON GRANT OF EQUITY SETTLED SHARE BASED PAYMENT TO EMPLOYEES	–	(314)	–	314	–	–	–
AS RESTATED	43,903	42,363	(482)	(1,166)	3,188	2,102	1,086
LOSS FOR THE YEAR	(7,872)	–	–	(7,872)	–	–	–
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	(7,872)	–	–	(7,872)	–	–	–
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS							
ISSUANCE OF SHARES	21,495	21,495	–	–	–	–	–
SHARE ISSUANCE EXPENSES	(725)	(725)	–	–	–	–	–
GRANT OF EQUITY SETTLED SHARE BASED PAYMENT TO EMPLOYEES	1,635	671	–	313	651	651	–
PURCHASE OF TREASURY SHARES	(2,384)	–	(2,384)	–	–	–	–
REISSUANCE OF TREASURY SHARES	2,052	–	482	–	1,570	–	1,570
EXPIRY OF EMPLOYEE SHARE OPTIONS	–	–	–	1,186	(1,186)	(1,186)	–
TOTAL TRANSACTIONS WITH OWNERS IN THEIR CAPACITY AS OWNERS	22,073	21,441	(1,902)	1,499	1,035	(535)	1,570
CLOSING BALANCE AS AT 31 DECEMBER 2011	**58,104**	**63,804**	**(2,384)**	**(7,539)**	**4,223**	**1,567**	**2,656**

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 2012

	NOTES	2012 S$'000	2011 S$'000
OPERATING ACTIVITIES:			
LOSS BEFORE INCOME TAX		(4,962)	(9,124)
ADJUSTMENTS FOR:			
» DEPRECIATION AND AMORTISATION EXPENSES		3,969	3,004
» GAIN ON DISPOSAL OF A SUBSIDIARY		–	(144)
» GAIN ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT		(44)	–
» LOSS ON DISPOSAL OF INTANGIBLE ASSETS		40	–
» SHARE OF RESULTS OF ASSOCIATES AND A JOINT VENTURE		5	34
» FINANCE COSTS		535	489
» INTEREST INCOME FROM BANKS		(29)	(32)
» SHARE BASED PAYMENT		1,750	1,561
» IMPAIRMENT OF INTANGIBLE ASSETS		150	–
» IMPAIRMENT OF INVESTMENT IN ASSOCIATE		–	932
» PROPERTY, PLANT AND EQUIPMENT WRITTEN-OFF		51	109
» ALLOWANCE FOR DOUBTFUL RECEIVABLES		4	101
» WRITE BACK/(PROVISION) FOR DOUBTFUL CASH CALLS FROM JOINT VENTURE PARTNER		(2,541)	2,541
» GAIN ON DISPOSAL OF JOINT VENTURE		(32)	–
» FOREIGN EXCHANGE TRANSLATION ADJUSTMENTS		313	(392)
OPERATING CASH FLOWS BEFORE WORKING CAPITAL CHANGE		(791)	(921)
CHANGE IN INVENTORIES		120	(162)
CHANGE IN TRADE RECEIVABLES		(3,282)	(1,746)
CHANGE IN OTHER RECEIVABLES		3,048	1,224
CHANGE IN PREPAID OPERATING EXPENSES		(440)	(416)
CHANGE IN TRADE PAYABLES		5,425	3,808
CHANGE IN OTHER PAYABLES AND PROVISION		1,244	387
CASH GENERATED FROM OPERATIONS		5,324	2,174
INTEREST INCOME RECEIVED		29	31
INCOME TAX PAID		(706)	(430)
FINANCE COSTS PAID		(438)	(489)
NET CASH INFLOW FROM OPERATING ACTIVITIES		4,209	1,286
INVESTING ACTIVITIES:			
PROCEEDS FROM DISPOSAL OF INTANGIBLE ASSETS		39	–
PROCEEDS FROM DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT		44	–
NET CASH INFLOW ON ACQUISITION OF SUBSIDIARIES	14	–	1,430
PROCEEDS FROM SALES OF AVAILABLE-FOR-SALE ASSETS		2,154	–
PURCHASE OF PROPERTY, PLANT AND EQUIPMENT AND OIL AND GAS PROPERTIES		(3,759)	(6,849)
CAPITAL REPAYMENT TO NON-CONTROLLING INTEREST		(33)	(59)
CASH CALL ADVANCES		2,520	(3,181)
DEPOSIT RECEIVED FOR PARTICIPATION INTEREST IN A POTENTIAL CONCESSION		2,027	(2,027)
ACQUISITION OF EXPLORATION AND EVALUATION ASSETS	13	(11,055)	(2,833)
ACQUISITION OF INTANGIBLE ASSETS	12	(547)	(387)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(8,610)	(13,906)

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 2012 (CONT'D)

	NOTES	2012 S$'000	2011 S$'000
FINANCING ACTIVITIES:			
NET PROCEEDS FROM PLACEMENT OF NEW SHARES		–	22,822
DECREASE IN FIXED DEPOSITS PLEDGED		393	275
REPAYMENT OF FINANCE LEASE LIABILITIES		(1,577)	(1,144)
REPAYMENT OF TERM LOANS		(2,426)	(2,426)
DIVIDEND RECEIVED BY THE COMPANY		–	514
PURCHASE OF TREASURY SHARES		–	(2,384)
NET CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES		(3,610)	17,657
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(8,011)	5,037
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		(345)	25
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	24	13,608	8,546
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	24	5,252	13,608

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 incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited (SGX-ST). The immediate and ultimate holding company is Redmount Holdings Limited, a company incorporated in British Virgin Islands ("BVI").

The registered office of the Company is at No. 29A, Club Street, Singapore 069414. The principal place of business is located 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 14 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 that are effective for annual periods beginning on or after 1 January 2012. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

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
AMENDMENTS TO FRS 1 PRESENTATION OF ITEMS OF OTHER COMPREHENSIVE INCOME	01/07/2012
REVISED FRS 19 EMPLOYEE BENEFITS	01/01/2013
FRS 113 FAIR VALUE MEASUREMENT	01/01/2013
AMENDMENTS TO FRS 107 DISCLOSURES – OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES	01/01/2013
IMPROVEMENTS TO FRSs 2012	01/01/2013
» AMENDMENT TO FRS 1 PRESENTATION OF FINANCIAL STATEMENTS	01/01/2013
» AMENDMENT TO FRS 16 PROPERTY, PLANT AND EQUIPMENT	01/01/2013
» AMENDMENT TO FRS 32 FINANCIAL INSTRUMENTS: PRESENTATION	01/01/2013
REVISED FRS 27 SEPARATE FINANCIAL STATEMENTS	01/01/2014
REVISED FRS 28 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES	01/01/2014
FRS 110 CONSOLIDATED FINANCIAL STATEMENTS	01/01/2014
FRS 111 JOINT ARRANGEMENTS	01/01/2014
FRS 112 DISCLOSURE OF INTERESTS IN OTHER ENTITIES	01/01/2014
AMENDMENTS TO FRS 32 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES	01/01/2014

Except for the Amendments to FRS 1, 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 Amendments to FRS 1 are described as follows.

NOTES TO THE **FINANCIAL STATEMENTS**

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONT'D)

AMENDMENTS TO FRS 1 PRESENTATION OF ITEMS OF OTHER COMPREHENSIVE INCOME

The Amendments to FRS 1 Presentation of Items of Other Comprehensive Income (OCI) is effective for financial periods beginning on or after 1 July 2012.

The Amendments to FRS 1 changes the grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time would be presented separately from items which will never be reclassified. As the Amendments only affect the presentations of items that are already recognised in OCI, the Group does not expect any impact on its financial position or performance upon adoption of this standard.

2.4 BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS

(A) BASIS OF CONSOLIDATION

BUSINESS COMBINATIONS FROM 1 JANUARY 2010

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the 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 and dividends 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.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Where a change in ownership of interest of a subsidiary results in the loss of control over the subsidiary, it is accounted for as follows:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

BASIS OF CONSOLIDATION PRIOR TO 1 JANUARY 2010

Certain of the above-mentioned requirements were applied on a prospective basis. The following treatment, however, has been carried forward from the previous basis of consolidation:

- Upon loss of control, the Group accounted for the investment retained at its proportionate share of net asset value at the date control was lost. The carrying value of such investments as at 1 January 2010 have not been restated.

2.4 BASIS OF CONSOLIDATION AND BUSINESS COMBINATIONS (CONT'D)

(B) BUSINESS COMBINATIONS

BUSINESS COMBINATIONS FROM 1 JANUARY 2010

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 a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

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.

BUSINESS COMBINATIONS PRIOR TO 1 JANUARY 2010

In comparison to the above mentioned requirements, the following differences applied:

Business combinations are accounted for by applying the purchase method. Transaction costs directly attributable to the acquisition formed part of the acquisition costs. The non-controlling interest (formerly known as minority interest) was measured at the proportionate share of the acquiree's identifiable net assets.

Business combinations achieved in stages were accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any additional acquired share of interest did not affect previously recognised goodwill.

When the Group acquired a business, embedded derivatives separated from the host contract by the acquiree were not reassessed on acquisition unless the business combination resulted in a change in the terms of the contract that significantly modified the cash flows that otherwise would have been required under the contract.

Contingent consideration was recognised if, and only if, the Group had a present obligation, the economic outflow was more likely than not and a reliable estimate was determinable. Subsequent adjustments to the contingent consideration were recognised as part of goodwill.

NOTES TO THE **FINANCIAL STATEMENTS**

2.5 TRANSACTIONS WITH NON-CONTROLLING INTERESTS

Non-controlling interests represent 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's 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.

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) CONSOLIDATED FINANCIAL STATEMENTS

For consolidation purpose, 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. The 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 2.22. 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.

2.7 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any 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 profit or loss as incurred.

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

» ISO TANKS	» 10 YEARS
» OFFICE EQUIPMENT	» 3 - 4 YEARS
» FURNITURE & FITTING	» 5 - 10 YEARS
» RENOVATION	» 3 YEARS
» OFFICE CONTAINER	» 3 YEARS
» TOOLS AND EQUIPMENT	» 3 YEARS
» TRANSPORT EQUIPMENT	» 6 - 8 YEARS

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 profit or loss 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 field or specific exploration area as appropriate. Expenditure incurred during the various exploration and appraisal phases is 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 profit or loss 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 oil and gas properties. However, to the extent that such a tangible asset is consumed in developing an intangible E&E asset, 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 profit or loss after conclusion of appraisal activities.

2.8 OIL AND GAS PROPERTIES (CONT'D)

(B) DEVELOPMENT AND PRODUCTION ASSETS

Development and production assets are accumulated generally on a specific exploration area 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 in Note 2.8(A).

The cost of development and production assets also includes the cost of acquisitions and purchases of such assets, directly attributable overheads, borrowing 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 when drilling or construction is completed. Uncompleted wells and related facilities are not depreciated as these assets are not yet available for use.

Depreciation of producing assets — The carrying amount of producing assets are depreciated generally on a specific exploration area 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.

2.9 INTANGIBLE ASSETS

(A) GOODWILL

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

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 ("CGU") 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 CGU to which goodwill has been allocated is tested for impairment at each reporting period and whenever there is an indication that the CGU may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGU) to which the goodwill relates. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in profit and loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

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

Goodwill and fair value adjustments arising on the acquisitions of foreign operations on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.6.

Goodwill and fair value adjustments which arose on acquisitions of foreign operations before 1 January 2005 are deemed to be assets and liabilities of the Company and are recorded in SGD at the rates prevailing at the date of acquisition.

(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 carried at cost less any accumulated amortisation and any accumulated impairment losses.

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

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.

2.9 INTANGIBLE ASSETS (CONT'D)

(B) OTHER INTANGIBLE ASSETS (CONT'D)

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 CGU 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 was acquired through business combination and has an estimated useful life of 5 years.

(ii) CLUB MEMBERSHIP

Club membership was acquired separately and is amortised on a straight line basis over its finite useful life of 15 years.

(iii) SOFTWARE

Software has an estimated useful life of 3-4 years. Software included in intangible assets is not amortised when it is in development stage.

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 an 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 ("CGU") 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 CGU 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 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, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

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 CGU'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.

NOTES TO THE **FINANCIAL STATEMENTS**

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 assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination 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.

The Group's share of the profit or loss of its associates is the profit attributable to equity holders of the associate and, therefore is the profit or loss after tax and non-controlling interests in the subsidiaries of associates.

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 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 and recognises 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 joint venture is accounted for using the equity method. Under the equity method, the investment in joint venture is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the joint venture.

Goodwill relating to joint venture 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 joint venture's identifiable assets, liabilities and contingent liabilities over the cost of the investment is included as income in the determination of the Group's share of results of the joint venture in the period in which the investment is acquired.

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

2.13 JOINT VENTURE (CONT'D)

The Group's share of the profit or loss of its joint venture is the profit attributable to equity holders of the joint venture and, therefore is the profit or loss after tax and non-controlling interests in the subsidiaries of joint venture.

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 joint venture. The Group determines at the end of each reporting period whether there is any objective evidence that the investment in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount in profit or loss.

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 jointly-controlled entity upon loss of joint control and the aggregate of the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

2.14 JOINTLY CONTROLLED ASSETS

A jointly controlled asset ("JCA") involves joint control and often joint ownership by the Group and other venturers of assets contributed to, or acquired for the purpose of, the joint venture, without the formation of a corporation, partnership or other entity.

Where the Group's activities are conducted through JCAs, the Group recognises its interest in the jointly controlled asset using the proportionate consolidation method. The Group combines its proportionate share of each of the assets, liabilities, income and expenses of the JCAs with the similar items, line by line, in its consolidated financial statements. The JCA is proportionately consolidated from the date the Group obtains joint control until the date the Group ceases to have joint control over the JCA.

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 such transactions between the Group and its JCA. 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.

2.15 FINANCIAL ASSETS

INITIAL RECOGNITION AND MEASUREMENT

Financial assets are recognised 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 short-term deposits; and

» trade and other receivables, including loans to subsidiaries.

NOTES TO THE **FINANCIAL STATEMENTS**

2.15 FINANCIAL ASSETS (CONT'D)

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.

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 or 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.

REGULAR WAY PURCHASE OR SALE OF A FINANCIAL ASSET

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.

2.16 IMPAIRMENT OF FINANCIAL ASSETS

The Group assesses at 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 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.

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.

2.16 IMPAIRMENT OF FINANCIAL ASSETS (CONT'D)

(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 amount of the asset, 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.

2.17 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.

2.18 INVENTORIES

In the oil and gas business, inventory becomes the property of state oil and gas enterprise of the Republic of Indonesia, upon landing in Indonesia. As the Group has paid for and has the right to use these assets and/or incurred costs to recover the costs, these balances have been reflected as assets in the Group's financial statements.

Inventories, which primarily consist of casing and other drilling related items as well as capital spares, are valued at the lower of cost and net realisable value. Cost is determined using first-in first-out method. Management assesses the need for allowance for slow-moving and obsolete inventories at the end of each reporting period.

Inventories include capital and non-capital items. Non-capital inventories are charged to cost recovery at the time of receipt. In accordance with the requirements of the state oil and gas enterprise of the Republic of Indonesia, it is not to write-off or provide for any potentially obsolete stock items until approval for write-off has been obtained.

2.19 PROVISIONS

GENERAL

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 resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

2.19 PROVISIONS (CONT'D)

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.

PROVISION FOR CARGO AND MOTOR VEHICLE CLAIMS

Provisions for cargo and motor vehicle 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 end of the reporting period. 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.

PROVISION FOR REINSTATEMENT COST

Provision for reinstatement cost arose on the leases of office and building. The provision for reinstatement cost is provided based on actual quotation by third party.

2.20 FINANCIAL LIABILITIES

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities are recognised 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.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

SUBSEQUENT MEASUREMENT

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

(A) 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 through profit or loss. 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.

(B) 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 expired. 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.

2.21 HEDGE ACCOUNTING

The Group applies hedge accounting for certain hedging relationships which qualify for hedge accounting.

For the purpose of hedge accounting, hedges are classified as:

» fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or

» cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedging relationship, the Group formally designates and documents the hedging relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

FAIR VALUE HEDGES

The change in the fair value of an interest rate hedging derivative is recognised in profit or loss in finance costs. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in profit or loss in finance costs.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through profit or loss over the remaining term to maturity. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss.

CASH FLOW HEDGES

The effective portion of the gain or loss on the hedging instrument is recognised directly as other comprehensive income in cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss in other expenses.

Amounts recognised as other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised as other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity is transferred to profit or loss. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

The Group held foreign currency forward contracts designated as hedges of expected future term loans payments for which the Group has firm commitments.

2.22 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.

2.23 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. Contributions to defined contribution pension scheme are recognised as an expense in the period in which the related service is performed.

(B) DEFINED BENEFIT PLAN

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method. Actuarial gains and losses are recognised as income or expense when the net cumulative unrecognised actuarial gains and losses for each individual plan at the end of the previous reporting period exceed 10% of the defined benefit obligation. These gains or losses are recognised on a straight line basis over the expected average remaining working lives of the employees participating in the plans.

The unvested past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested, immediately following the introduction of, or changes to, a pension plan, past service costs are recognised immediately.

The defined benefit asset or liability is the aggregate of the present value of the defined benefit obligation (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period plus any actuarial gains (less any actuarial losses) not recognised, reduced by past service costs not yet recognised and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognised net actuarial losses and past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

If the asset is measured at the aggregate of cumulative unrecognised net actuarial losses and past service costs and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan:

» Net actuarial losses of the current period and past service costs of the current period are recognised immediately to the extent that they exceed any reduction in the present value of those economic benefits. If there is no change or an increase in the present value of the economic benefits, the entire net actuarial losses of the current period and past service costs of the current period are recognised immediately.

» Net actuarial gains of the current period after the deduction of past service costs of the current period exceeding any increase in the present value of the economic benefits stated above are recognised immediately. If there is no change or a decrease in the present value of the economic benefits, the entire net actuarial gains of the current period after the deduction of past service costs of the current period are recognised immediately.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information and in the case of quoted securities, it is based on the published bid price. The value of any defined benefit asset recognised is restricted to the sum of any past service costs and actuarial gains and losses not yet recognised and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

2.23 EMPLOYEE BENEFITS (CONT'D)

(C) 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 end of the reporting period.

(D) 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 share based payment 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 and is recognised in "share based payment expenses".

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.

The fair value of the employee share option is determined on conditional grant date using the Black Scholes pricing model which takes into account the market conditions and non-vesting conditions.

(E) EMPLOYEE SHARE AWARD PLAN

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

The performance shares cost is charged at the share price of grant date and is amortised and recognised in the profit or loss over the vesting periods from the grant date.

When the options are exercised or share awards are vested, the share based payment reserve is transferred to share capital if new shares are issued, or to treasury shares if the options or awards vested are satisfied by the reissuance of treasury shares.

2.24 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, even if that right is not explicitly specified in an arrangement.

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 leased 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 profit or 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.

2.24 LEASES (CONT'D)

(A) AS LESSEE (CONT'D)

Operating lease payments are recognised as an expense in profit or 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 2.26 (F). Contingent rents are recognised as revenue in the period in which they are earned.

2.25 ABANDONMENT AND SITE RESTORATION LIABILITIES

The Company recognizes 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.

2.26 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, regardless of when the payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific recognition criteria must be met before revenue is recognised:

(A) RENDERING OF SERVICES

Revenue is recognised upon service rendered.

(B) OIL AND GAS SALES

Revenue from sales of oil and gas are recognised upon delivery to customers. Oil and gas revenue is recorded on the entitlement method.

(C) INTEREST INCOME

Interest income is recognised using the effective interest method.

(D) LEASING INCOME

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

(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.

2.27 TAXES

(A) CURRENT INCOME TAX

Current income 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 at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income 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.

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

- where the deferred 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 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 recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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.

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

2.27 TAXES (CONT'D)

(B) DEFERRED TAX (CONT'D)

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it incurred during the measurement period or a reversal in profit or loss.

(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.

2.28 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 36, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.29 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.

2.30 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, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.31 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.

2.32 RELATED PARTIES

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies :

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a); and

(vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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 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 POLICIES

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have 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 judgement. In making this judgement, 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. No impairment loss was recorded on the available-for-sale investments as at 31 December 2011. The Group completed the divestment of its available-for-sale investments during the current financial year (Note 22).

(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 income tax payable, deferred tax liabilities and deferred tax assets at 31 December 2012 were S$127,000 (2011: S$264,000), S$4,774,000 (2011: S$3,135,000) and S$91,000 (2011: S$176,000) 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. The Group based its assumptions and estimates on parameters available when the financial statements was prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(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 amounts of the Group's and Company's property, plant and equipment at 31 December 2012 were S$11,819,000 (2011: S$7,988,000) and S$232,000 (2011: S$78,000) respectively.

Oil and gas properties are depreciated using UOP method by reference to the ratio of production in the period and the related commercial reserve of the field. 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 2012 was S$20,670,000 (2011: S$22,394,000).

(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 amounts of the Group's and Company's loans and receivables at the end of the reporting period are disclosed in Note 20 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 and investments in exploration and evaluation 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 12 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.

(V) DEFINED BENEFIT PLAN

The cost of defined benefit pension plans and other post employment medical benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, expected rates of return of assets, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The net liability arising from defined benefit obligations as at 31 December 2012 were S$393,000 (2011: S$67,000).

3.2 KEY SOURCES OF ESTIMATION UNCERTAINTY (CONT'D)

(V) DEFINED BENEFIT PLAN (CONT'D)

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.

Further details about the assumptions used are provided in Note 37.

(VI) ABANDONMENT AND SITE RESTORATION LIABILITIES

Abandonment and site restoration cost will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The Group assesses its abandonment and site restoration liabilities at each reporting date. The ultimate abandonment and site restoration costs are uncertain and costs estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production site. The expected timing, extent and amount of expenditure can also change, for example in response to changes in reserves or changes in law and regulations or their interpretation. Therefore, there could be significant adjustments to the provisions established which would affect future financial results. The provision at reporting date represents management's best estimate of the present value of the future abandonment and site restoration costs required. The carrying amount of the provision as at 31 December 2012 was S$491,000 (2011: S$494,000). Further details are provided in Note 31.

(VII) FAIR VALUE OF FINANCIAL INSTRUMENTS

When the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, their fair value is determined using valuation techniques including the discounted cash flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. The judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The valuation of financial instruments is described in Note 42.

(VIII) EXPLORATION AND EVALUATION EXPENDITURES

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely, from future either exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degree of uncertainty depending on how the resources are classified. These estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit of loss in the period when the new information becomes available.

4 TURNOVER

	GROUP	
	2012 S$'000	**2011** S$'000
REVENUE FROM LOGISTICS SERVICES	60,103	53,229
OIL AND GAS SALES	8,005	8,263
RENTAL INCOME	3,458	3,023
	71,566	64,515

5 OTHER INCOME

	GROUP	
	2012 S$'000	**2011** S$'000
LEASING INCOME	331	557
DIESEL CONSUMED BY SERVICE PARTNERS	566	677
PORT REBATE	760	708
INTEREST INCOME FROM BANKS	29	32
DEMURRAGE/PORT/TERMINAL HANDLING CHARGES	989	1,030
OTHERS	735	480
	3,410	3,484

6 SALARIES AND EMPLOYEE BENEFITS

		GROUP	
	NOTE	**2012** S$'000	**2011** S$'000
SALARIES AND BONUSES (INCLUDING DIRECTORS' FEES)	35	20,758	18,515
CENTRAL PROVIDENT FUND CONTRIBUTIONS		1,428	1,384
SHARE BASED PAYMENT		1,750	1,561
OTHER BENEFITS		2,291	2,182
		26,227	23,642

SHARE OPTIONS

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

At the 4 March 2011 Extraordinary General Meeting, the Company's shareholders approved the RGSOS participation of Mr. Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company. The number of the shares granted was 229,000 at the exercise price of S$0.38 per share.

On 28 March 2011, the Company granted 407,000 share options to the employees under the RGSOS at the exercise price of S$0.485 per share. These options expire on 28 March 2013 and are exercisable if the employee remains in service as of the exercise date (i.e. 28 March 2012).

On 3 October 2011, the Company granted another 1,290,000 share options (other than controlling shareholders and their associates) under the RGSOS at the exercise price of $0.390 per share. The share options will be vested over three years and exerciseable after the first (1st) anniversary from the date of grant of the share options. The share options granted will expire on 3 October 2016.

At the 30 April 2012 Annual General Meeting, the Company's shareholders approved the grant of 619,000 share options at the exercise price of S$0.39 per share to Mr Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company.

On 14 September 2012, the Company made an offer to grant 1,332,000 share options (other that controlling share holders and their associates) to the employees under the RGSOS at the exercise price of S$0.40 per share. The share options will be vested over three years and are exerciseable after the 1st anniversary from the date of grant of the share options. The share options granted will expire on 14 September 2017.

On 22 March 2013, the Company made an offer to grant 1,867,000 share options (other than controlling shareholders and their associates) to the employees under the RGSOS at the exercise price of S$0.505 per share. The share options will be vested over three years and are exercisable after the 1st anniversary from the date of grant of share options. The share options granted will expire on 22 March 2018.

On the same date, the Company granted 600,000 share options to Mr Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company, which will be subject to the shareholder approval at the forthcoming AGM.

6 SALARIES AND EMPLOYEE BENEFITS (CONT'D)

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:

	2012		2011	
	NO. '000	WAEP $	NO. '000	WAEP $
OUTSTANDING AT 1 JANUARY	3,143	0.40	4,601	0.61
» GRANTED	1,951	0.40	1,926	0.40
» EXERCISED	–	–	–	–
» EXPIRED	(1,480)	0.38	(3,350)	0.69
» CANCELLED	(68)	0.49	(34)	0.49
OUTSTANDING AT 31 DECEMBER	3,546	0.40	3,143	0.40
EXERCISABLE AT 31 DECEMBER	944	0.42	1,480	0.38

The weighted average fair value of options granted during the financial year was $0.16 (2011: $0.17).

FAIR VALUE OF SHARE BASED COMPENSATION

The fair value of the share based compensation granted under the RGSOS 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 historical dividends and the covariance on the share price fluctuation 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 2012 and 2011:

	RGSOS				
	14 SEPT. 2012	30 APR. 2012	3 OCT. 2011	28 MAR. 2011	4 MAR. 2011
DIVIDEND YIELD (%)	0.0	0.0	0.00	0.50	0.50
EXPECTED VOLATILITY (%)	46.36	48.30	56.92	52.93	50.92
RISK-FREE INTEREST RATE (% P.A.)	0.55	0.44	0.25	0.32	0.35
EXPECTED LIFE OF OPTION (YEARS)	3.0	3.0	3.0	1.0	1.0
SHARE PRICE AS OF VALUATION DATE ($)	0.398	0.370	0.345	0.515	0.480

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.

SHARE AWARDS

At the 4 March 2011 Extraordinary General Meeting, the Company's shareholders approved the RGPSP participation of Mr. Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company. The number of the shares granted was 443,000.

On 28 March 2011, the Company granted 928,000 share awards to the employees under the RGPSP. 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.

On 3 October 2011, the Company also granted 1,609,000 share awards and 3,533,500 bonus awards (other than controlling shareholders and their associates) under the RGPSP. The share awards will be released over three years from the grant date in equal one-third proportion of the total share awards granted. The bonus awards will be released as follows:

» 10% after 1st Anniversary of the grant date
» 15% after 2nd Anniversary of the grant date
» 20% after 3rd Anniversary of the grant date
» 25% after 4th Anniversary of the grant date
» 30% after 5th Anniversary of the grant date

NOTES TO THE **FINANCIAL STATEMENTS**

6 SALARIES AND EMPLOYEE BENEFITS (CONT'D)

SHARE AWARDS (CONT'D)

On the same date, the Company granted 390,000 share awards and 1,085,500 bonus awards to Mr Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company, which was approved by the shareholder at the AGM on 30 April 2012.

On 14 September 2012, the Company granted 2,360,000 share awards under RGPSP. The share awards will be released over three years from the grant date in equal one-third proportion of the total share awards granted.

On 1 March 2013, the Company granted 609,000 share awards to Mr. Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company, which will be subject to the shareholder approval at the forthcoming AGM.

On 22 March 2013, the Company granted 2,744,000 share awards (other than controlling shareholders and their associates) under the RGPSP. The share awards will be released over three years from the grant date in equal one-third proportion of the total share awards granted.

On the same date, the Company granted 360,000 share awards to Mr Aditya Wisnuwardana Seky Soeryadjaya, an associate of the controlling shareholder of the Company, which will be subject to the shareholder approval at the forthcoming AGM.

During the year, the Company had vested 1,136,000 (2011: 1,640,000) and 1,237,000 (2011: Nil) by way of allotment of new shares and using treasury shares respectively under the RGPSP awards. At the end of the reporting period, the total number of outstanding share awards and bonus awards granted by the Company amounted to 8,824,000 (2011: 8,281,500).

FAIR VALUE OF RGPSP

The fair value of share awards granted under the RGPSP is based on the share price at the date of the grant.

7 FINANCE COSTS

	GROUP	
	2012 S$'000	2011 S$'000
TERM LOANS INTEREST EXPENSE	218	324
FINANCE CHARGES – FINANCE LEASE OBLIGATIONS	220	165
ACCRETION OF INTEREST FOR LONG TERM PAYABLES	97	–
	535	489

8 (a) OTHER OPERATING EXPENSES

	GROUP	
	2012 S$'000	2011 S$'000
GAIN ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	(44)	–
LOSS ON DISPOSAL OF INTANGIBLE ASSETS	40	–
IMPAIRMENT OF INTANGIBLE ASSETS	150	–
GAIN ON DISPOSAL OF JOINT VENTURE	(32)	–
GAIN ON DISPOSAL OF RIGHT SHARES OF A FORMER SUBSIDIARY	(1,207)	–
IMPAIRMENT OF INVESTMENT IN ASSOCIATE	–	932
GAIN ON DISPOSAL OF A SUBSIDIARY	–	(144)
AUDIT FEES PAID TO AUDITORS OF THE COMPANY	176	175
NON-AUDIT FEES PAID TO AUDITORS OF THE COMPANY	46	91
AUDIT FEES PAID TO OTHER AUDITORS	153	86
TOTAL AUDIT AND NON-AUDIT FEES	375	352
NET FOREIGN EXCHANGE LOSS /(GAIN)	975	(571)
RENTAL EXPENSES – OFFICE	560	483
LEGAL AND OTHER PROFESSIONAL FEES	734	3,173
PROPERTY, PLANT AND EQUIPMENT WRITTEN-OFF	51	109
ALLOWANCE FOR DOUBTFUL RECEIVABLES	4	101
(WRITEBACK)/PROVISION FOR DOUBTFUL CASH CALLS FROM JOINT VENTURE PARTNER	(2,541)	2,541

8 (b) **LOSS BEFORE TAX**

The following items have been included in the arriving at loss before tax:

	GROUP	
	2012 S$'000	**2011** S$'000
RENTAL EXPENSES – WAREHOUSE AND LEASEHOLD BUILDING	4,132	4,320
LEASE OF TRANSPORT EQUIPMENT AND ISO TANKS	4,366	4,006

9 INCOME TAX

(A) THE MAJOR COMPONENTS OF INCOME TAX EXPENSE FOR THE YEARS ENDED 31 DECEMBER WERE:

	GROUP	
	2012 S$'000	**2011** S$'000
CURRENT INCOME TAX		
CURRENT YEAR	386	433
UNDER/(OVER) PROVISION IN RESPECT OF PRIOR YEARS	174	(8)
DEFERRED INCOME TAX		
ORIGINATION AND REVERSAL OF TEMPORARY DIFFERENCES	1,942	957
INCOME TAX EXPENSE	2,502	1,382

(B) RELATIONSHIP BETWEEN TAX EXPENSES AND ACCOUNTING LOSS

Reconciliation between income tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December were as follows:

	GROUP	
	2012 S$'000	**2011** S$'000
LOSS BEFORE TAX	(4,962)	(9,124)
TAX AT DOMESTIC RATES APPLICABLE TO PROFITS/(LOSSES) IN THE COUNTRIES IN WHICH THE GROUP OPERATES	(180)	(821)
ADJUSTMENTS FOR TAX EFFECTS OF:		
» EXPENSES NON-DEDUCTIBLE FOR TAX PURPOSES	2,678	2,333
» INCOME NOT SUBJECT TO TAXATION AND DEDUCTION	(177)	–
» TAX EXEMPT PROFITS/REBATES	(247)	(226)
» SHARE OF RESULTS OF ASSOCIATES AND A JOINT VENTURE	1	6
» UNDER/(OVER) PROVISION IN RESPECT OF PRIOR YEARS	174	(8)
» DEFERRED TAX ASSETS NOT RECOGNISED	180	150
» OTHERS	73	(52)
	2,502	**1,382**

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

10 BASIC AND DILUTED LOSS PER SHARE

The following table reflects the profit or loss and share data used in the computation of basic and diluted loss per share for the years ended 31 December:

	GROUP	
	2012 S$'000	**2011** S$'000
LOSS NET OF TAX ATTRIBUTABLE TO OWNERS OF THE COMPANY USED IN THE COMPUTATION OF BASIC/DILUTED LOSS PER SHARE	(7,622)	(8,796)
	NO. OF SHARES	**NO. OF SHARES**
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES FOR BASIC/DILUTED LOSS PER SHARE COMPUTATION	240,484,590	226,706,765
BASIC/DILUTED LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (CENTS PER SHARE)	(3.17)	(3.88)

Basic loss per share is calculated by dividing loss for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted loss per share is calculated on the same basis as basic loss per share as there are no dilutive potential ordinary shares as at 31 December 2012 and 31 December 2011.

11 OIL AND GAS PROPERTIES/ PROPERTY, PLANT AND EQUIPMENT

GROUP	ISO TANKS 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$'000	PROPERTY, PLANT AND EQUIPMENT, TOTAL S$'000	OIL AND GAS PROPERTIES S$'000	TOTAL S$'000
COST										
AT 1 JANUARY 2011	3,139	2,531	1,580	734	15	86	9,950	18,035	17,880	35,915
ADDITIONS	–	488	117	60	–	1	373	1,039	6,535	7,574
WRITTEN-OFF	–	(14)	(362)	(134)	–	–	–	(510)	–	(510)
DISPOSAL OF A SUBSIDIARY	–	(75)	–	–	–	–	(202)	(277)	–	(277)
NET EXCHANGE DIFFERENCES	31	–	–	(1)	–	–	(19)	11	67	78
AT 31 DECEMBER 2011 AND 1 JANUARY 2012	3,170	2,930	1,335	659	15	87	10,102	18,298	24,482	42,780
ADDITIONS	–	370	314	153	–	21	5,355	6,213	1,326	7,539
WRITTEN-OFF	–	(38)	(163)	(75)	–	–	–	(276)	–	(276)
NET EXCHANGE DIFFERENCES	(189)	(9)	–	(3)	–	(3)	(200)	(404)	(1,282)	(1,686)
TRANSFERS	–	–	(28)	–	–	–	–	(28)	(278)	(306)
AT 31 DECEMBER 2012	2,981	3,253	1,458	734	15	105	15,257	23,803	24,248	48,051
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSS										
AT 1 JANUARY 2011	164	2,361	864	593	15	66	4,952	9,015	1,111	10,126
CHARGE FOR THE FINANCIAL YEAR	166	120	230	60	–	8	1,151	1,735	1,040	2,775
WRITTEN-OFF	–	(8)	(332)	(61)	–	–	–	(401)	–	(401)
DISPOSAL OF A SUBSIDIARY	–	(24)	–	–	–	–	(22)	(46)	–	(46)
NET EXCHANGE DIFFERENCES	7	–	–	–	–	–	–	7	(63)	(56)
AT 31 DECEMBER 2011 AND 1 JANUARY 2012	337	2,449	762	592	15	74	6,081	10,310	2,088	12,398
CHARGE FOR THE FINANCIAL YEAR	129	252	195	43	–	9	1,357	1,985	1,531	3,516
RECLASSIFICATION	–	–	(3)	(8)	–	–	–	(11)	11	–
WRITTEN-OFF	–	(38)	(112)	(75)	–	–	–	(225)	–	(225)
NET EXCHANGE DIFFERENCES	(30)	8	–	3	–	(2)	(54)	(75)	(52)	(127)
AT 31 DECEMBER 2012	436	2,671	842	555	15	81	7,384	11,984	3,578	15,562
NET CARRYING AMOUNT										
AT 31 DECEMBER 2011	2,833	481	573	67	–	13	4,021	7,988	22,394	30,382
AT 31 DECEMBER 2012	2,545	582	616	179	–	24	7,873	11,819	20,670	32,489

During the year, the Group had made additional provision for reinstatement of S$128,000 (2011:S$90,000) (Note 27) which was included in the additions to renovation. The Group also receive S$76,000 (2011: S$Nil) worth of transport equipment as proceeds for its divestment of its interest in PT Bintang RichLand (Note 16).

11 OIL AND GAS PROPERTIES/ PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY	RENOVATION S$'000	TRANSPORT EQUIPMENT S$'000	OFFICE EQUIPMENT S$'000	TOTAL S$'000
COST				
AT 1 JANUARY 2011	–	98	16	114
ADDITIONS	–	–	40	40
AT 31 DECEMBER 2011 AND 1 JANUARY 2012	–	98	56	154
ADDITIONS	31	191	5	227
AT 31 DECEMBER 2012	31	289	61	381
ACCUMULATED DEPRECIATION				
AT 1 JANUARY 2011	–	30	10	40
CHARGE FOR THE FINANCIAL YEAR	–	19	17	36
AT 31 DECEMBER 2011 AND 1 JANUARY 2012	–	49	27	76
CHARGE FOR THE FINANCIAL YEAR	–	58	15	73
AT 31 DECEMBER 2012	–	107	42	149
NET CARRYING AMOUNT				
AT 31 DECEMBER 2011	–	49	29	78
AT 31 DECEMBER 2012	31	182	19	232

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

	GROUP		COMPANY	
	2012 S$'000	**2011** S$'000	**2012** S$'000	**2011** S$'000
COST	4,751	757	191	40
CONSIDERATION PAID IN CASH	(1,175)	(32)	(34)	(14)
AMOUNT UNDER FINANCE LEASES	3,576	725	157	26
NET CARRYING AMOUNT OF ASSETS AT END OF YEAR HELD UNDER FINANCE LEASES	6,938	4,066	196	77

The office and transport equipment purchased under finance leases is pledged to financial institutions as security for facilities granted (Note 29) and some are guaranteed by the Company.

12 INTANGIBLE ASSETS

GROUP	GOODWILL S$'000	SOFTWARE S$'000	CUSTOMER RELATIONSHIP S$'000	CLUB MEMBERSHIP S$'000	TOTAL S$'000
COST					
AT 1 JANUARY 2011	807	731	180	304	2,022
ACQUISITION OF SUBSIDIARY	993	192	–	–	1,185
ADDITIONS	–	387	–	–	387
AT 31 DECEMBER 2011 AND 1 JANUARY 2012	1,800	1,310	180	304	3,594
ADDITIONS	–	547	–	–	547
DISPOSAL	–	–	–	(99)	(99)
TRANSFERS	–	(225)	–	–	(225)
NET EXCHANGE DIFFERENCES	–	(19)	–	–	(19)
AT 31 DECEMBER 2012	1,800	1,613	180	205	3,798
ACCUMULATED AMORTISATION AND IMPAIRMENT					
AT 1 JANUARY 2011	–	64	–	19	83
CHARGE FOR THE FINANCIAL YEAR	–	206	–	23	229
AT 31 DECEMBER 2011 AND 1 JANUARY 2012	–	270	–	42	312
CHARGE FOR THE FINANCIAL YEAR	–	365	72	16	453
IMPAIRMENT	150	–	–	–	150
DISPOSAL	–	–	–	(20)	(20)
NET EXCHANGE DIFFERENCES	–	–	–	9	9
AT 31 DECEMBER 2012	150	635	72	47	904
NET CARRYING AMOUNT					
AT 31 DECEMBER 2011	1,800	1,040	180	262	3,282
AT 31 DECEMBER 2012	1,650	978	108	158	2,894

IMPAIRMENT TESTING OF GOODWILL

Goodwill acquired through business combinations have been allocated to two cash-generating units (CGU) for impairment testing as follows:

» RICHLAND CHEMICAL LOGISTICS PTE LTD (formerly known as Richland LSP Pte Ltd); and
» PT HEXINDO GEMILANG JAYA

The carrying amounts of goodwill allocated to each CGU are as follows:

	GROUP	
	2012 S$'000	**2011** S$'000
PT HEXINDO GEMILANG JAYA (NOTE (A))	993	993
RICHLAND CHEMICAL LOGISTICS PTE LTD (NOTE (B))	657	807
	1,650	**1,800**

12 INTANGIBLE ASSETS (CONT'D)

(A) PT HEXINDO GEMILANG JAYA

PT Hexindo Gemilang Jaya is in its exploration stage for oil & gas. The Group has commenced drilling in the Lemang block during the year. Initial drilling results have indicated presence of oil and gas. Based on the Directors' assessment, the well would, should it go into production, be able to generate sufficient future cash flows to recover the goodwill as of 31 December 2012.

(B) RICHLAND CHEMICAL LOGISTICS PTE LTD

The recoverable amounts of RichLand Chemical Logistics Pte Ltd have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to the cash flow projections and the forecasted growth rates used to extrapolate cash flow projections beyond the five-year period are 12% and 6% (2011: 12% and 6%).

The value in use calculations are most sensitive to the following assumptions:

GROWTH RATES: The forecasted growth rate is based on past performance and management's expectation of market development.

PRE-TAX DISCOUNT RATES: Discount rates represent the current market assessment of the risks specific to the CGU, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. Segment–specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

IMPAIRMENT LOSS RECOGNISED

During the year, an impairment loss of S$150,000 (2011: S$Nil) was recognised to write down the goodwill attributable to RichLand Chemical Logistics Pte Ltd to its recoverable amount. The impairment loss was recognised in the current financial year in "other operating expenses" (Note 8(a)).

COMPANY	SOFTWARE S$'000	CLUB MEMBERSHIP S$'000	TOTAL S$'000
COST			
AT 1 JANUARY 2011	172	205	377
ADDITIONS	23	–	23
AT 31 DECEMBER 2011 AND 1 JANUARY 2012	195	205	400
ADDITIONS	34	–	34
AT 31 DECEMBER 2012	229	205	434
ACCUMULATED AMORTISATION AND IMPAIRMENT			
AT 1 JANUARY 2011	–	19	19
CHARGE FOR THE FINANCIAL YEAR	–	14	14
AT 31 DECEMBER 2011 AND 1 JANUARY 2012	–	33	33
CHARGE FOR THE FINANCIAL YEAR	1	14	15
AT 31 DECEMBER 2012	1	47	48
NET CARRYING AMOUNT			
AT 31 DECEMBER 2011	195	172	367
AT 31 DECEMBER 2012	228	158	386

13 INVESTMENTS IN EXPLORATION AND EVALUATION ASSETS

Investments in exploration and evaluation assets refer to the participation rights in the oil and gas sharing contract, signature bonus and capitalised cost relating to the directly attributable overheads in the exploration and evaluation activities.

	GROUP	
	2012 S$'000	2011 S$'000
COST:		
AT 1 JANUARY 2011	12,438	9,854
ACQUISITION OF SUBSIDIARY (NOTE 14)	-	496
ADDITIONS DURING THE FINANCIAL YEAR	11,055	2,833
TRANSFERS	531	-
NET EXCHANGE DIFFERENCES	(769)	(745)
	23,255	**12,438**

14 INVESTMENTS IN SUBSIDIARIES

	COMPANY	
	2012 S$'000	2011 S$'000
UNQUOTED SHARES, AT COST	3,648	11,234
LESS IMPAIRMENT LOSS	(1,050)	(1,050)
RGPSP/RGSOS CONTRIBUTION	146	1,784
	2,744	11,968

The details of subsidiaries are as follows:

				COST		EFFECTIVE EQUITY INTEREST	
	NAME	**PRINCIPAL ACTIVITIES**	**COUNTRY OF INCORPORATION**	**2012** S$'000	**2011** S$'000	**2012** %	**2011** %
	HELD BY THE COMPANY:						
1*	RICHLAND LOGISTICS SERVICES PTE LTD	PROVISION OF TRANSPORTATION MANAGEMENT AND AIRPORT CARGO TERMINAL HANDLING	SINGAPORE	–	6,901	–	100
*	REL RESOURCES SERVICES 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	2,400	@	100	100
*	RBC PROPERTIES PTE LTD	PROVISION OF REAL ESTATE MANAGEMENT SERVICES AND INVESTMENT HOLDING	SINGAPORE	@	@	100	100
1*	RICHLAND PROJECT LOGISTICS PTE LTD	PROVISION OF SPECIALIZED LOGISTICS AND SUPPLY MANAGEMENT SERVICES	SINGAPORE	–	483	–	100
1*	RICHLAND CHEMICAL LOGISTICS PTE LTD (FORMERLY KNOWN AS RICHLAND LSP PTE LTD)	PROVISION OF LOGISTICS, TRANSPORTATION AND FREIGHT FORWARDING SERVICES FOR THE CHEMICAL INDUSTRY	SINGAPORE	–	2,570	–	50
2**	RAMBA ENERGY JATIRARANGON LIMITED	EXPLORATION AND PRODUCTION OF OIL AND GAS	BERMUDA	–	17	–	5
1**	PT RICHLAND INDONESIA	INVESTMENT HOLDING	INDONESIA	–	15	–	1
				3,648	**11,234**		

NOTES TO THE **FINANCIAL STATEMENTS**

14 INVESTMENTS IN SUBSIDIARIES (CONT'D)

				EFFECTIVE EQUITY INTEREST	
	NAME	**PRINCIPAL ACTIVITIES**	**COUNTRY OF INCORPORATION**	**2012** %	**2011** %
	HELD THROUGH RICHLAND GLOBAL PTE LTD:				
1*	RICHLAND LOGISTICS SERVICES PTE LTD	PROVISION OF TRANSPORTATION MANAGEMENT AND AIRPORT CARGO TERMINAL HANDLING	SINGAPORE	100	–
1*	RICHLAND PROJECT LOGISTICS PTE LTD	PROVISION OF SPECIALISED LOGISTICS AND SUPPLY MANAGEMENT SERVICES	SINGAPORE	100	–
	FU-YUAN HOLDINGS SDN BHD	NOT APPLICABLE AS ENTITY WAS LIQUIDATED DURING THE YEAR	MALAYSIA	–	100
1*	RICHLAND CHEMICAL LOGISTICS PTE LTD (FORMERLY KNOWN AS RICHLAND LSP PTE LTD)	PROVISION OF LOGISTICS, TRANSPORTATION AND FREIGHT FORWARDING SERVICES FOR THE CHEMICAL INDUSTRY	SINGAPORE	100	50
**	PT. RICHLAND INDONESIA	INVESTMENT HOLDING	INDONESIA	99	99
	HELD THROUGH PT. RICHLAND INDONESIA:				
**	PT. RICHLAND LOGISTICS INDONESIA	PROVISION OF TRANSPORTATION AND LOGISTICS SERVICES	INDONESIA	^100	^100
	HELD THROUGH RICHLAND PROJECT LOGISTICS PTE LTD:				
**	PT. RICHLAND INDONESIA	INVESTMENT HOLDING	INDONESIA	1	–
	HELD THROUGH RICHLAND CHEMICAL LOGISTICS PTE LTD (FORMERLY KNOWN AS RICHLAND LSP PTE LTD)**:**				
#	RICHLAND LSP SDN BHD	PROVISION OF LOGISTICS, TRANSPORTATION AND FREIGHT FORWARDING SERVICES FOR THE CHEMICAL INDUSTRY	MALAYSIA	100	100
	HELD THROUGH REL RESOURCES SERVICES PTE LTD:				
##	RAMBA RESOURCE SERVICES LIMITED	INVESTMENT HOLDING	BRITISH VIRGIN ISLANDS ("BVI")	100	100
	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

14 INVESTMENTS IN SUBSIDIARIES (CONT'D)

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST 2012 %	2011 %
HELD THROUGH RAMBA ENERGY INDONESIA LIMITED:				
## RAMBA ENERGY PRODUCTION LIMITED	INVESTMENT HOLDING	BVI	100	100
## RAMBA ENERGY CORRIDOR LIMITED	INVESTMENT HOLDING	BVI	100	100
## RAMBA ENERGY EXPLORATION LTD	INVESTMENT HOLDING	BVI	100	100
HELD THROUGH RAMBA ENERGY EXPLORATION LTD:				
** RAMBA ENERGY WEST JAMBI LIMITED	EXPLORATION AND PRODUCTION OF OIL AND GAS	BVI	100	100
## RAMBA ENERGY LEMANG LIMITED	INVESTMENT HOLDING	BVI	100	100
** RAMBA ENERGY JATIRARANGON LIMITED	EXPLORATION AND PRODUCTION OF OIL AND GAS	BERMUDA	100	95
HELD THROUGH RAMBA ENERGY LEMANG LIMITED:				
** PT HEXINDO GEMILANG JAYA	EXPLORATION AND PRODUCTION OF OIL AND GAS	INDONESIA	80.4	80.4

@ Denotes less than S$1,000
1 During the year, the Company completed an internal restructuring exercise involving the subsidiaries.
2 During the year, the Company disposed its interest via share cancellation.
^ 51% of the shares are being held by PT Lumbung Surya Putra, which in turn had pledged its shares to RichLand Global Pte Ltd.

AUDITED BY:

* Ernst & Young LLP, Singapore
** Ernst & Young, Indonesia
\# Cheng & Co, Malaysia
Not required to be audited under laws of incorporation. These entities are also not material to the Group and not required to be disclosed under SGX Listing Rule 717.

In accordance with Rule 716 of SGX-ST Listing Rules, the Audit Committee and Board of Directors of the Company confirmed that they have complied with Listing Rules 712 and 715 with regard to the appointment of the auditing firm for the Company.

14 INVESTMENTS IN SUBSIDIARIES (CONT'D)

ACQUISITION OF A SUBSIDIARY IN 2011

Pursuant to a restructuring exercise in December 2011, Ramba Energy Lemang Limited, a wholly-owned subsidiary, obtained 80.4% interest in PT Hexindo Gemilang Jaya ("PT Hexindo") from a related party for cash consideration of S$9,000. (Note 35(c)).

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

	CARRYING AMOUNT BEFORE COMBINATION S$'000	RECOGNISED ON DATE OF ACQUISITION S$'000
INVESTMENT IN EXPLORATION AND EVALUATION ASSETS	496	496
INTANGIBLE ASSET	192	192
TRADE AND OTHER RECEIVABLES	1,216	1,216
CASH AND CASH EQUIVALENTS	1,439	1,439
	3,343	**3,343**
TRADE AND OTHER PAYABLES	(4,567)	(4,567)
	(4,567)	(4,567)
TOTAL IDENTIFIABLE LIABILITIES	(1,224)	(1,224)
80.4% NET IDENTIFIABLE LIABILITIES ACQUIRED		(984)
GOODWILL ARISING ON ACQUISITION		993
		9
LESS: CASH AND CASH EQUIVALENTS ACQUIRED		**(1,439)**
NET CASH INFLOW ON ACQUISITION OF PT HEXINDO		**1,430**

ACQUISTION OF NON-CONTROLLING INTEREST IN 2011

On 31 October 2011, RichLand Global Pte Ltd paid S$1 to the vendor for its acquisition of 50% interest in RichLand LSP Pte Ltd. On the same day, the Company acquired the remaining 25% interest in RichLand Project Logistics Pte Ltd for a consideration of S$33,000.

14 INVESTMENTS IN SUBSIDIARIES (CONT'D)

DISPOSAL OF A SUBSIDIARY IN 2011

On 14 December 2011, the Group appointed PT Sinarmas Sekuritas as its placement agent and underwriter for the disposal of its 55.2% interest in PT Sugih at a minimum price of IDR100 per share, or a total consideration of S$3.15 million. Pursuant to this arrangement, 16.06% interest in PT Sugih was sold on 22 December 2011, leaving 39.14% interest in PT Sugih, which was classified as available-for-sale assets as at 31 December 2011. The divestment was completed in the current financial year ended 31 December 2012.

The Group's share on the value of the identifiable assets and liabilities of PT Sugih as at the date of disposal was as follows:

	RECOGNISED ON DATE OF DISPOSAL S$'000
PROPERTY, PLANT AND EQUIPMENT	231
INVESTMENT IN ASSOCIATE COMPANY	299
AVAILABLE-FOR-SALE ASSET	3,587
TRADE AND OTHER RECEIVABLES	1,057
PREPAYMENT AND DEPOSITS	119
CASH AND CASH EQUIVALENTS	3
	5,296
TRADE AND OTHER PAYABLES	(555)
NET IDENTIFIABLE ASSETS	4,741
55.2% NET IDENTIFIABLE ASSETS DISPOSED	2,617
FOREIGN CURRENCY TRANSLATION RESERVE	87
	2,704
LESS: CASH DISPOSED	(3)
ADD:	
FAIR VALUE ADJUSTMENT	305
GAIN ON DISPOSAL OF 16.06% INTEREST	144
DEFERRED CONSIDERATION YET TO BE RECEIVED	**3,150**
REPRESENTED BY:	S$'000
OTHER RECEIVABLES	914
AVAILABLE-FOR-SALE ASSET	2,236
DEFERRED CONSIDERATION RECEIVED IN 2012	3,150

NOTES TO THE **FINANCIAL STATEMENTS**

15 INVESTMENT IN ASSOCIATES

	GROUP		COMPANY	
	2012 S$'000	**2011** S$'000	**2012** S$'000	**2011** S$'000
SHARES, AT COST	50	50	50	50
TRANSFERRED FROM AVAILABLE-FOR-SALE ASSETS (NOTE 22)	–	1,321	–	1,321
SHARE OF POST-ACQUISITION RESERVES	1,766	1,766	–	–
DIVIDEND RECEIVED	(1,750)	(2,139)	–	(389)
IMPAIRMENT OF INVESTMENT IN ASSOCIATE	–	(932)	–	(932)
	66	**66**	**50**	**50**

In prior year, the Company fully impaired the investment in Tristar Global Ramba Limited and the interest was disposed off during the current year.

The details of associates were as follows:

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST 2012 %	EFFECTIVE EQUITY INTEREST 2011 %
HELD BY THE COMPANY:				
[1] RLG DEVELOPMENT PTE LTD	DORMANT	SINGAPORE	25	25
[^2] TRISTAR GLOBAL RAMBA LIMITED (PREVIOUSLY KNOWN AS ELNUSA TRISTAR RAMBA LIMITED)	DORMANT	BVI	–	25

NOTE:
1 RLG Development Pte Ltd is in liquidation process and is not required to be audited.
2 During the year, the Company disposed of its 25% interest via a share buyback process.
^ Not required to be audited under the laws of incorporation of BVI.

The summarised financial information of RLG Development Pte Ltd adjusted for the proportion of ownership interest held by the Group, was as follows:

	GROUP	
	2012 S$'000	**2011** S$'000
ASSETS AND LIABILITIES:		
TOTAL ASSETS	78	78
TOTAL LIABILITIES	12	12
RESULTS:		
REVENUE	–	–
LOSS FOR THE YEAR	–	(34)

16 INVESTMENT IN A JOINT VENTURE

	GROUP 2012 S$'000	GROUP 2011 S$'000
SHARES, AT COST	–	16
SHARE OF POST-ACQUISITION RESERVES	–	15
LOAN TO JOINT VENTURE	–	18
	–	**49**

During the year, the Group disposed its interest in PT Bintang RichLand and received transport equipment worth S$76,000 (2011: S$Nil) as proceeds for the divestment (Note 11). Net gain on disposal of the joint venture of S$32,000 (2011: S$Nil) was recognised in "other operating expenses" in the current financial year (Note 8(a)).

The details of joint venture were as follows:

NAME	PRINCIPAL ACTIVITIES	COUNTRY OF INCORPORATION	EFFECTIVE EQUITY INTEREST 2012 %	EFFECTIVE EQUITY INTEREST 2011 %
HELD THROUGH PT RICHLAND LOGISTICS INDONESIA				
* PT. BINTANG RICHLAND	PROVISION OF VEHICLE RENTAL SERVICES	INDONESIA	–	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 was as follows:

	GROUP 2012 S$'000	GROUP 2011 S$'000
ASSETS AND LIABILITIES:		
TOTAL ASSETS	–	89
TOTAL LIABILITIES	–	(58)
INCOME AND EXPENSES:		
REVENUE	–	–
EXPENSES	–	–

17 LOANS TO SUBSIDIARIES

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

18 OTHER ASSETS

Other assets refer to the deposit placed with Pertamina, a third party. In prior year, it included profesional fees of S$63,000 incurred for business acquistion which was written off during the year.

19 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.

20 TRADE RECEIVABLES

	GROUP 2012 S$'000	GROUP 2011 S$'000	COMPANY 2012 S$'000	COMPANY 2011 S$'000
THIRD PARTY CUSTOMERS	16,331	13,049	–	–
LESS: ALLOWANCE FOR DOUBTFUL TRADE RECEIVABLES	(4)	–	–	–
TOTAL TRADE RECEIVABLES	16,327	13,049	–	–
OTHER RECEIVABLES (NOTE 21)	8,930	11,535	11,708	18,004
LOANS TO SUBSIDIARIES (NOTE 17)	–	–	38,992	29,288
CASH AND BANK BALANCES (NOTE 24)	5,252	12,800	867	3,392
FIXED DEPOSITS (NOTE 24)	1,306	2,507	–	1,649
TOTAL LOANS AND RECEIVABLES	**31,815**	**39,891**	**51,567**	**52,333**

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.

20 TRADE RECEIVABLES (CONT'D)

TRADE RECEIVABLES THAT ARE PAST DUE BUT NOT IMPAIRED

The Group has trade receivables amounting to S$4,135,000 (2011: S$3,315,000) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period were as follows:

	GROUP	
	2012 S$'000	2011 S$'000
TRADE RECEIVABLES THAT ARE PAST DUE BUT NOT IMPAIRED:		
LESS THAN 30 DAYS	2,936	2,466
30 TO 60 DAYS	699	614
61-90 DAYS	165	203
91-120 DAYS	194	13
MORE THAN 120 DAYS	141	19
	4,135	**3,315**

TRADE RECEIVABLES THAT ARE IMPAIRED

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment were as follows:

	GROUP INDIVIDUALLY IMPAIRED	
	2012 S$'000	2011 S$'000
TRADE RECEIVABLES - NOMINAL AMOUNTS	4	–
LESS: ALLOWANCE FOR DOUBTFUL TRADE RECEIVABLES	(4)	–
	–	**–**

	GROUP INDIVIDUALLY IMPAIRED	
	2012 S$'000	2011 S$'000
MOVEMENT IN ALLOWANCE ACCOUNTS:		
AT 1 JANUARY	–	(14)
CHARGE FOR THE YEAR	4	–
WRITTEN BACK	–	6
UTILISED DURING THE YEAR	–	8
AT 31 DECEMBER	**4**	**–**

Trade receivables that are individually determined to be impaired at the end of the reporting period 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.

Trade receivables denominated in foreign currencies as at 31 December 2012 are S$5,850,000 (2011: S$703,000) and S$1,769,000 (2011: S$3,993,000) in Indonesian Rupiah ("IDR") and United States Dollars ("USD") respectively.

NOTES TO THE **FINANCIAL STATEMENTS**

21 OTHER RECEIVABLES

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
CURRENT				
REFUNDABLE DEPOSITS	384	2,837	69	2,150
DUE FROM JOINT VENTURE PARTNER	3,235	5,666	–	–
DUE FROM SUBSIDIARIES	–	–	11,639	15,295
DEFERRED RENT RECEIVABLE	370	105	–	–
OTHER RECEIVABLES	–	1,061	–	147
DUE FROM RELATED PARTY	264	281	–	–
CASH CALLS DUE FROM RELATED PARTY	1,807	552	–	–
CASH CALLS DUE FROM JOINT VENTURE PARTNER	–	2,629	–	–
LESS: PROVISION FOR DOUBTFUL CASH CALLS	–	(2,629)	–	–
	–	–	–	–
SUNDRY RECEIVABLES	588	1,006	–	412
DISBURSEMENTS DUE FROM CUSTOMERS	38	23	–	–
LESS: ALLOWANCE FOR DOUBTFUL SUNDRY RECEIVABLES	–	(101)	–	–
	626	928	–	412
	6,686	11,430	11,708	18,004
NON-CURRENT				
DUE FROM JOINT-VENTURE PARTNER	1,191	–	–	–
OTHER RECEIVABLES	1,053	105	–	–
	2,244	105	–	–
TOTAL OTHER RECEIVABLES	8,930	11,535	11,708	18,004

SUNDRY RECEIVABLES AND CASH CALLS DUE FROM JOINT VENTURE PARTNER THAT ARE IMPAIRED

Movements of the allowance/ provision accounts used to record the impairment were as follows:

	GROUP 2012	GROUP 2011	COMPANY 2012	COMPANY 2011
ALLOWANCE FOR DOUBTFUL SUNDRY RECEIVABLES				
AT BEGINNING OF YEAR	(101)	(11)	–	–
CHARGE FOR THE YEAR	–	(101)	–	–
UTILISED DURING THE YEAR	101	11	–	–
AT END OF YEAR	**–**	**(101)**	**–**	**–**
PROVISION FOR DOUBTFUL CASH CALLS				
AT BEGINNING OF YEAR	(2,629)	–	–	–
WRITE BACK/(CHARGE) FOR THE YEAR	2,541	(2,541)	–	–
NET EXCHANGE DIFFERENCES	88	(88)	–	–
AT END OF YEAR	**–**	**(2,629)**	**–**	**–**

REFUNDABLE DEPOSITS

Included in refundable deposits in the prior year was an amount of S$2,027,000 paid to a third party pursuant to an agreement entered into on 1 July 2011, which upon the fulfilment of certain conditions by the third party would give the Group an option to secure a participation interest in a potential concession. During the year, the amount had been refunded to the Company.

21 OTHER RECEIVABLES (CONT'D)

DUE FROM JOINT VENTURE PARTNER

The amounts due from joint venture partner refer to advances made for the joint venture partner's share of expenditure on the Ramba Energy Jatirarangon Limited's block. This will be paid through the joint venture partner's entitlement portion based on the Funding Agreement between the subsidiary and the joint venture partner.

DUE FROM SUBSIDIARIES

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

OTHER RECEIVABLES (CURRENT)

Other receivables in financial year 2011 included an amount due from a former subsidiary which was classified as available-for-sale asset.

OTHER RECEIVABLES (NON CURRENT)

Other receivables refer to Value Added Tax receivable on oil and gas activities which is expected to be received from the Indonesian government only when the subsidiaries commence production.

DUE FROM/CASH CALLS DUE FROM RELATED PARTY

These balances, which are due from a related party, who is the non-controlling interest holder of PT Hexindo, are non-trade in nature, secured by shares in a subsidiary, non-interest bearing, repayable on demand and to be settled in cash.

CASH CALLS DUE FROM JOINT VENTURE PARTNER

The cash calls due from joint venture partner are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are to be settled in cash. The cash calls due from joint venture partner were fully settled during the current year.

22 AVAILABLE-FOR-SALE ASSETS

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
CURRENT				
INVESTMENT IN PT SUGIH (NOTE 14)	–	2,236	–	–
NON-CURRENT				
INVESTMENT IN TRISTAR GLOBAL RAMBA LIMITED	–	1,321	–	1,321
TRANSFERRED TO INVESTMENT IN ASSOCIATES (NOTE 15)	–	(1,321)	–	(1,321)
	–	–	–	–

During the financial year, the Group completed the divestment of its interests in PT Sugih (Note 14). The Group was entitled to certain right shares of PT Sugih which were subsequently disposed off in the same financial year at a gain of S$1,207,000 (2011: S$ Nil) (Note 8(a)).

23 OTHER FINANCIAL ASSETS

	GROUP					
	2012 S$'000			2011 S$'000		
	CONTRACTUAL/ NOTIONAL AMOUNT	ASSETS	LIABILITIES	CONTRACTUAL/ NOTIONAL AMOUNT	ASSETS	LIABILITIES
CASH FLOW HEDGE						
– FORWARD CURRENCY CONTRACTS	–	–	–	653	2	–

At 31 December 2011, the Group held foreign currency forward contracts designated as hedges of expected future term loan payments for which the Group had firm commitments. Such contracts were completed during the financial year.

24 CASH AND SHORT-TERM DEPOSITS

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
CASH ON HAND AND AT BANK	5,252	12,800	867	3,392
FIXED DEPOSITS	1,306	2,507	–	1,649
LESS: RESTRICTED CASH CLASSIFIED AS NON-CURRENT ASSETS	(1,306)	(1,649)	–	(1,649)
LESS: RESTRICTED CASH CLASSIFIED AS CURRENT ASSETS	–	(50)	–	–
	–	808	–	–
CASH AND CASH EQUIVALENTS	**5,252**	**13,608**	**867**	**3,392**

Fixed deposits earn interest at 0.01% to 0.205% (2011: 0.13% to 1%) per annum.

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

Cash and bank balances denominated in foreign currencies as at 31 December 2012 are S$19,000 (2011: S$25,000), S$1,369,000 (2011: S$741,000) and S$2,405,000 (2011: S$5,702,000) in Malaysian Ringgit ("RM"), IDR and USD respectively.

25 TRADE PAYABLES

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
THIRD PARTY SUPPLIERS	11,353	5,665	–	–
ACCRUED OPERATING EXPENSES	4,411	5,479	–	–
TOTAL TRADE PAYABLES	15,764	11,144	–	–
OTHER PAYABLES (NOTE 26)	11,887	7,649	2,013	6,731
FINANCE LEASE LIABILITIES (NOTE 29)	4,532	2,533	163	61
TERM LOANS (NOTE 30)	2,797	5,223	–	–
DEFERRED CONSIDERATION (NOTE 28)	–	33	–	33
TOTAL FINANCIAL LIABILITIES CARRIED AT AMORTISED COST	**34,980**	**26,582**	**2,176**	**6,825**

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

Trade payables denominated in foreign currencies as at 31 Decemeber 2012 are S$146,000 (2011: S$104,000), S$3,360,000 (2011: S$6,467,000) and S$5,870,000 (2011: S$512,000) in RM, USD and IDR respectively.

26 OTHER PAYABLES

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
CURRENT				
CASH CALLS ADVANCES FROM JOINT VENTURE PARTNER	2,520	–	–	–
DUE TO SUBSIDIARIES	–	–	517	3,248
AMOUNT DUE TO A DIRECTOR	71	–	71	–
ACCRUED SALARIES AND EMPLOYEE BENEFITS	2,717	2,326	499	–
SUNDRY PAYABLES	1,205	1,318	926	3,483
SECURITY DEPOSITS FROM TENANTS	1,054	876	–	–
DEFERRED RENT PAYABLE	54	54	–	–
ADVANCES RECEIVED FROM A THIRD PARTY	1,131	1,204	–	–
ADVANCE BILLING TO TENANTS	306	247	–	–
	9,058	**6,025**	**2,013**	**6,731**
NON-CURRENT				
DEFERRED RENT PAYABLE	1,022	1,072	–	–
DUE TO A RELATED PARTY	1,807	552	–	–
	2,829	1,624	–	–
TOTAL OTHER PAYABLES	11,887	7,649	2,013	6,731

CASH CALLS ADVANCES FROM JOINT VENTURE PARTNER

The cash calls advances from joint venture partner are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

26 OTHER PAYABLES (CONT'D)

DUE TO SUBSIDIARIES/A DIRECTOR

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

DUE TO A RELATED PARTY

The amount due to a related party, which is the non-controlling interest holder of PT Hexindo, is non-trade in nature, non-interest bearing, unsecured and have no fixed term of repayment.

27 PROVISIONS

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
CURRENT				
PROVISION FOR CARGO AND MOTOR VEHICLES CLAIMS	162	130	–	–
NON-CURRENT				
PROVISION FOR EMPLOYEE BENEFITS (NOTE 37)	393	67	–	–
PROVISION FOR REINSTATEMENT COSTS	326	226	39	8
	719	**293**	**39**	**8**

Movements in provision for cargo and motor vehicles claims for the logistics business during the year were as follows:

	GROUP	
	2012 S$'000	2011 S$'000
BALANCE AT 1 JANUARY	130	64
PROVISION MADE DURING THE FINANCIAL YEAR	141	126
UTILISED DURING THE FINANCIAL YEAR	(109)	(60)
BALANCE AT 31 DECEMBER	**162**	**130**

Movements in provision for reinstatement costs for leased units during the year were as follows:

	GROUP		COMPANY	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
BALANCE AT 1 JANUARY	226	136	8	8
PROVISION MADE DURING THE FINANCIAL YEAR (NOTE 11)	128	90	31	–
UTILISATION DURING THE YEAR	(28)	–	–	–
BALANCE AT 31 DECEMBER	**326**	**226**	**39**	**8**

28 DEFERRED CONSIDERATION

Deferred consideration referred to the cash payment of the share consideration in the acquisition of the remaining 25% interest in RichLand Project Logistics Pte. Ltd in the prior year.

29 FINANCE LEASE LIABILITIES

The Group purchased certain office and 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 2017 (2011: year 2015) and the effective interest rates range from 2.8% to 12.8% (2011: 3.9% to 12.8%) per annum.

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

	TOTAL MINIMUM LEASE PAYMENTS 2012 S$'000	PRESENT VALUE OF PAYMENTS 2012 S$'000	TOTAL MINIMUM LEASE PAYMENTS 2011 S$'000	PRESENT VALUE OF PAYMENTS 2011 S$'000
GROUP				
NOT LATER THAN ONE YEAR	1,596	1,412	1,313	1,188
LATER THAN ONE YEAR BUT NOT LATER THAN FIVE YEARS	3,363	3,120	1,446	1,345
TOTAL MINIMUM LEASE PAYMENTS	4,959	4,532	2,759	2,533
LESS: AMOUNT REPRESENTING FINANCE CHARGES	(427)	–	(226)	–
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	4,532	4,532	2,533	2,533
COMPANY				
NOT LATER THAN ONE YEAR	54	48	36	34
LATER THAN ONE YEAR BUT NOT LATER THAN FIVE YEARS	123	115	28	27
TOTAL MINIMUM LEASE PAYMENTS	177	163	64	61
LESS: AMOUNT REPRESENTING FINANCE CHARGES	(14)	–	(3)	–
PRESENT VALUE OF MINIMUM LEASE PAYMENTS	163	163	61	61

30 TERM LOANS

	GROUP 2012 S$'000	GROUP 2011 S$'000
TERM LOANS – S$ (CURRENT)	2,112	2,425
TERM LOANS – S$ (NON-CURRENT)	685	2,798
	2,797	5,223

The effective interest rate for the term loans is 3.83% (2011: 4.20%) per annum during the financial year.

The loans are repayable over 48 monthly instalments and fully repayable in year 2013 to year 2014. The loans are guaranteed by the Company.

31 ABANDONMENT AND SITE RESTORATION LIABILITIES

The Group is required to provide for abandonment of all exploration wells and restoration of its drill sites, together with all estimates of monies required for the funding of any abandonment and site exploration program established in conjunction with an approved plan of development for a commercial discovery.

The abandonment and site restoration liabilities represent the present value of abandonment costs relating to all its exploration wells and restoration of its drill sites, which are expected to be incurred in year 2020 (2011: year 2020) which is when the producing oil and gas properties are expected to cease operations. These provisions have been created based on the Group's internal estimates. Assumptions based on current economic environment have been made, which management believes are a reasonable basis upon which to estimate the future liability.

Expenditures incurred in the abandonment of exploratory wells and the restoration of their drill sites shall be charged as operating costs, calculated based on total estimated cost of abandonment and site restoration for each discovery divided by the total estimated number of economic years of each discovery. The estimates shall be reviewed on an annual basis and shall be adjusted each year as required. The discount rate applicable in 2012 was 8% (2011: 8%). Furthermore, the timing of abandonment is likely to depend on when the fields cease to produce at economically viable rates. This, in turn, will depend upon future oil and gas prices, which are inherently uncertain.

Movements in provision for abandonment and site restoration liabilities during the year were as follows:

	GROUP 2012 S$'000	GROUP 2011 S$'000
BALANCE AT 1 JANUARY	494	342
PROVISIONS MADE DURING THE FINANCIAL YEAR	27	144
EXCHANGE DIFFERENCES	(30)	8
BALANCE AT 31 DECEMBER	491	494

32 DEFERRED TAX

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

	GROUP			
	CONSOLIDATED BALANCE SHEET		CONSOLIDATED INCOME STATEMENT	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
DEFERRED TAX LIABILITIES:				
DIFFERENCES IN DEPRECIATION	(259)	(133)	126	(112)
OIL AND GAS PROPERTIES	(4,515)	(3,002)	1,731	1,072
	(4,774)	**(3,135)**	**1,857**	**960**
DEFERRED TAX ASSETS:				
DIFFERENCE IN TIMING OF RENTAL INCOME RECOGNITION	91	176	85	(3)
			1,942	**957**

As at the end of the reporting period, the Group has unutilised tax losses and unabsorbed capital allowances of approximately S$3,027,000 (2011: S$1,817,000) and S$1,145,000 (2011: S$878,000) 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.

33 SHARE CAPITAL AND TREASURY SHARES

(A) SHARE CAPITAL

	GROUP AND COMPANY			
	2012		2011	
	NO. OF SHARES '000	S$'000	NO. OF SHARES '000	S$'000
ISSUED AND FULLY PAID ORDINARY SHARES				
AT 1 JANUARY	244,324	63,804	202,878	42,677
NEW SHARE ISSUANCE	–	–	43,606	23,547
REISSUANCE OF TREASURY SHARES	–	–	(3,800)	(2,052)
ADJUSTMENT TO PRIOR YEAR SHARE AWARD	–	–	–	(314)
NEW SHARE ISSUANCE FOR SHARE AWARDS	1,136	458	1,640	671
SHARE ISSUANCE EXPENSE	–	(6)	–	(725)
AT 31 DECEMBER	**245,460**	**64,256**	**244,324**	**63,804**

The holders of ordinary shares (except treasury 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.

The Company has one employee share option plan under which options to subscribe for the Company's ordinary shares have been granted to employees of the Group.

(B) TREASURY SHARES

	GROUP AND COMPANY			
	2012		2011	
	NO. OF SHARES '000	S$'000	NO. OF SHARES '000	S$'000
AT 1 JANUARY	4,619	(2,384)	3,800	(482)
ACQUIRED DURING THE FINANCIAL YEAR	–	–	4,619	(2,384)
REISSUANCE DURING THE FINANCIAL YEAR	(1,237)	638	(3,800)	482
AT 31 DECEMBER	**3,382**	**(1,746)**	**4,619**	**(2,384)**

Treasury shares relate to ordinary shares of the Company that is held by the Company. The Company reissued 1,237,000 (2011: 3,800,000) shares during the financial year and had also acquired Nil (2011: 4,619,000) shares through purchases on the Singapore Exchange Securities Trading Limited.

34 OTHER RESERVES

(A) SHARE BASED PAYMENT RESERVE

Share based payment reserve represents the equity settled share options and awards 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 awards. It is reduced by the expiry or exercise of the share options and upon share issue for the share awards.

(B) 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.

(C) CAPITAL RESERVE

Capital reserve arose from the acquisition of the remaining interest in two subsidiaries in prior years. The Group has adopted the entity concept approach in recording these transactions. During the year, Fu-Yuan Holdings Sdn Bhd completed its liquidation process. As a result, the capital reserve relating to the entity was transferred to revenue reserve during the year.

34 OTHER RESERVES (CONT'D)

(D) GAIN ON REISSUANCE OF TREASURY SHARES

This represents the gain or loss arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

35 RELATED PARTY TRANSACTIONS

(A) COMPENSATION OF KEY MANAGEMENT PERSONNEL

	GROUP	
	2012 S$'000	2011 S$'000
DIRECTORS' FEES	411	405
DIRECTORS' REMUNERATION	1,348	1,482
SHARE BASED PAYMENTS	1,351	997
	3,110	2,884
KEY MANAGEMENT PERSONNEL'S REMUNERATION*	2,307	2,412
CENTRAL PROVIDENT FUND CONTRIBUTIONS	31	39
SHARE BASED PAYMENTS	197	414
	2,535	2,865
	5,645	**5,749**

* Included in key management personnel is a close family member of a Director for the financial years ended 31 December 2012 and 2011.

DIRECTORS' INTERESTS IN SHARE BASED PAYMENT SCHEME

During the financial year, 1,951,000 (2011: 1,519,000), 1,866,000 (2011: 1,744,000) and 1,085,500 (2011: 2,533,500) share options, share awards and bonus awards were granted to the Company's Directors under the RGSOS and RGPSP respectively (Note 6). The share options are issued at an exercise price of $0.40 (2011: $0.39) each, except 619,000 share options which were issued at an exercise price of S$0.39 each.

At the end of the reporting period, the total number of outstanding share options, share awards and bonus shares granted by the Company to the Directors under the RGSOS and RGPSP amount to 3,241,000, 3,043,000 and 3,257,000 (2011: 2,358,000, 3,082,000 and 2,533,500) respectively.

(B) SALES AND PURCHASE OF GOODS AND SERVICES

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

	GROUP	
	2012 S$'000	2011 S$'000
LEGAL AND SECRETARIAL FEES PAID TO A FIRM OF WHICH A DIRECTOR IS THE MANAGING PARTNER	512	243

(C) ACQUISITION OF A SUBSIDIARY

Pursuant to a restructuring exercise in financial year 2011, a subsidiary of the Company, Ramba Energy Lemang Limited, obtained 80.4% interest in PT Hexindo from an entity, in which, one of the close family member of a Director holds a president director position in the entity. Please refer to Note 14 for details of the acquisition of the subsidiary.

(D) DUE FROM RELATED PARTY/ CASH CALLS DUE FROM RELATED PARTY

The Group has amounts due from a related party, which is the non-controlling interest holder of PT Hexindo. A close family member of a Director has a shareholding interest in the non-controlling interest. The amount due from the related party is disclosed in Note 21 of the financial statements.

36 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; and
IV. The corporate segment relates to group level corporate services 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.

2012	OIL AND GAS S$'000	LOGISTICS S$'000	RENTAL S$'000	CORPORATE S$'000	ELIMINATIONS / ADJUSTMENTS S$'000	TOTAL S$'000	NOTE
REVENUE:							
SALES TO EXTERNAL CUSTOMERS	8,005	60,103	3,458	–	–	71,566	
OTHER INCOME	313	3,071	2	24	–	3,410	
INTER-SEGMENT SALES	240	450	219	46	(955)	–	A
TOTAL REVENUE	**8,558**	**63,624**	**3,679**	**70**	**(955)**	**74,976**	
SEGMENT PROFIT/(LOSS)	4,181	69	215	(8,887)	–	(4,422)	
FINANCE COST	–	–	–	–	–	(535)	
SHARE OF RESULTS OF A JOINT VENTURE	–	(5)	–	–	–	(5)	
LOSS BEFORE TAX						(4,962)	
TAXATION						(2,502)	
NET LOSS FOR THE YEAR						**(7,464)**	
INTEREST INCOME	–	22	1	6	–	29	
DEPRECIATION AND AMORTISATION EXPENSES	1,550	2,091	168	88	72	3,969	
SHARE OF RESULTS OF A JOINT VENTURE	–	(5)	–	–	–	(5)	
OTHER NON-CASH EXPENSES	(2,396)	194	51	1,379	150	(622)	B
ASSETS							
INVESTMENT IN ASSOCIATES	–	–	–	66	–	66	
ADDITIONS TO NON-CURRENT ASSETS	12,391	6,142	279	329	–	19,141	
SEGMENT ASSETS	55,587	29,720	2,897	2,053	1,849	92,106	C
SEGMENT LIABILITIES	12,260	16,859	2,722	4,511	4,901	41,253	D

36 SEGMENT INFORMATION (CONT'D)

2011	OIL AND GAS S$'000	LOGISTICS S$'000	RENTAL S$'000	CORPORATE S$'000	ELIMINATIONS / ADJUSTMENTS S$'000	TOTAL S$'000	NOTE
REVENUE:							
SALES TO EXTERNAL CUSTOMERS	8,263	53,229	3,023	–	–	64,515	
OTHER INCOME	2	3,492	77	48	(135)	3,484	
INTER-SEGMENT SALES	–	231	218	–	(449)	–	A
TOTAL REVENUE	**8,265**	**56,952**	**3,318**	**48**	**(584)**	**67,999**	
SEGMENT (LOSS)/PROFIT	(2,143)	2,920	22	(9,400)	–	(8,601)	
FINANCE COST	–	–	–	–	–	(489)	
SHARE OF RESULTS OF ASSOCIATES AND A JOINT VENTURE	(34)	–	–	–	–	(34)	
LOSS BEFORE TAX						(9,124)	
TAXATION						(1,382)	
NET LOSS FOR THE YEAR						**(10,506)**	
INTEREST INCOME	–	20	–	12	–	32	
DEPRECIATION AND AMORTISATION EXPENSES	1,094	1,749	111	50	–	3,004	
SHARE OF RESULTS OF ASSOCIATES AND A JOINT VENTURE	(34)	–	–	–	–	(34)	
OTHER NON-CASH EXPENSES	2,598	658	–	1,988	–	5,244	B
ASSETS							
INVESTMENT IN ASSOCIATES	–	–	–	66	–	66	
ADDITIONS TO NON-CURRENT ASSETS	9,483	1,103	145	63	–	10,794	
SEGMENT ASSETS	52,140	24,936	2,027	8,473	2,156	89,732	C
SEGMENT LIABILITIES	7,973	11,304	2,522	5,700	3,399	30,898	D

36 SEGMENT INFORMATION (CONT'D)

NOTES Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

(A) Inter-segment sales are eliminated on consolidation.

(B) Other non-cash expenses consist of share based payment, gains and losses on disposal of investment, property, plant and equipment and intangible assets, allowance for doubtful receivables, write-back of and/or provision for doubtful cash calls from joint venture partner and property, plant and equipment and intangible assets written-off.

(C) The following items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	2012 S$'000	2011 S$'000
DEFERRED TAX ASSETS	91	176
GOODWILL	1,650	1,800
CUSTOMER RELATIONSHIP	108	180
	1,849	**2,156**

(D) The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	2012 S$'000	2011 S$'000
DEFERRED TAX LIABILITIES	4,774	3,135
INCOME TAX PAYABLE	127	264
	4,901	**3,399**

GEOGRAPHICAL INFORMATION

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	GEOGRAPHICAL LOCATION		
	SINGAPORE S$'000	**INDONESIA** S$'000	**TOTAL** S$'000
2012			
REVENUE	47,245	27,731	74,976
NON-CURRENT ASSETS	8,876	53,577	62,453
2011			
REVENUE	47,174	20,825	67,999
NON-CURRENT ASSETS	10,233	38,076	48,309

NOTES TO THE **FINANCIAL STATEMENTS**

36 SEGMENT INFORMATION (CONT'D)

INFORMATION ABOUT MAJOR CUSTOMERS

Revenue from 5 major customers amount to S$41,745,000 (2011: 5 customers – S$39,636,000) arising from revenue of the logistics segment.

Revenue from 1 major customer amount to S$8,005,000 (2011: 1 customer – S$8,263,000) arising from revenue of oil and gas segment.

37 DEFINED BENEFIT PLAN

The Group operates a defined benefit pension plan which require contributions to be made to separately administered funds. The Group also provides unfunded post employment benefits to certain employees.

The Group's defined benefit obligations were as follows:

	GROUP			
	FUNDED PENSION PLAN		UNFUNDED POST-EMPLOYMENT BENEFITS	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
PRESENT VALUE OF DEFINED BENEFIT OBLIGATIONS	175	85	362	–
FAIR VALUE OF PLAN ASSETS	(161)	(18)	–	–
UNRECOGNISED ACTUARIAL (LOSS)/GAIN	(12)	–	29	–
NET LIABILITY ARISING FROM DEFINED BENEFIT OBLIGATIONS	2	67	391	–

Changes in present value of the defined benefit obligations were as follows:

	GROUP			
	FUNDED PENSION PLAN		UNFUNDED POST-EMPLOYMENT BENEFITS	
	2012 S$'000	2011 S$'000	2012 S$'000	2011 S$'000
AT 1 JANUARY	85	19	–	–
INTEREST COST	5	2	9	–
CURRENT SERVICE COST	83	77	323	–
ACTUARIAL GAINS AND LOSSES ARISING FROM CHANGES IN FINANCIAL ASSUMPTIONS	17	3	57	–
PLAN AMENDMENTS	–	–	2	–
EXCHANGE DIFFERENCES	(15)	(16)	(29)	–
AT 31 DECEMBER	175	85	362	–

37 DEFINED BENEFIT PLAN (CONT'D)

Changes in fair value of plan assets were as follows:

	GROUP FUNDED PENSION PLAN	
	2012 S$'000	**2011** S$'000
AT 1 JANUARY	18	–
RETURN ON PLAN ASSETS	10	1
CONTRIBUTIONS	77	47
EXCHANGE DIFFERENCES	56	(30)
AT 31 DECEMBER	161	18

All the Group's plan assets are in the Indonesian entities' equities as at 31 December 2012 and 2011. The Group expects to contribute S$70,000 to the defined benefit pension plans in 2013.

The principal assumptions used in determining pension and post-employment benefit obligations for the defined benefit plan are shown below:

	2012	**2011**
DISCOUNT RATES:	4.8 - 6.0%	5.4%
EXPECTED ANNUAL RATE OF RETURN ON PLAN ASSETS:	5.0%	5.1%
FUTURE ANNUAL SALARY INCREASES:	5.0 - 10.0%	6.0%
MORTALITY RATE REFERENCE:	Indonesian Mortality Table 2011	Indonesian Mortality Table 1999
DISABILITY RATE:	10% of mortality rate	10% of mortality rate
RETIREMENT AGE:	56	56

38 COMMITMENTS

(A) CAPITAL COMMITMENTS

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	GROUP	
	2012 S$'000	**2011** S$'000
CAPITAL COMMITMENTS IN RESPECT OF PROPERTY, PLANT AND EQUIPMENT	–	5,961
CAPITAL COMMITMENTS IN RESPECT OF OIL AND GAS EXPLORATION	84,583	50,361
	84,583	**56,322**

The capital commitments in respect of oil and gas exploration relates to committed work programmes at the Group's oil and gas properties. These work commitments are expected to be carried out over the next 1 to 4 years (2011: 3 to 6 years).

(B) 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 6 years (2011: 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 at the end of the reporting period are as follows:

38 COMMITMENTS (CONT'D)

(B) OPERATING LEASES COMMITMENTS - AS LESSEE (CONT'D)

	GROUP	
	2012 S$'000	**2011** S$'000
NOT LATER THAN ONE YEAR	6,966	6,533
LATER THAN ONE YEAR BUT NOT LATER THAN FIVE YEARS	14,233	11,893
LATER THAN FIVE YEARS	943	3,489
	22,142	**21,915**

(C) 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 to four years (2011 : one to five years). Future minimum rentals receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	GROUP	
	2012 S$'000	**2011** S$'000
NOT LATER THAN ONE YEAR	3,528	2,960
LATER THAN ONE YEAR BUT NOT LATER THAN FIVE YEARS	4,352	6,441
	7,880	**9,401**

39 CONTINGENCIES

CONTINGENT LIABILITIES

(A) LEGAL CLAIM

(i) On 14 October 2011, RBC Properties Pte Ltd, a wholly-owned subsidiary of the Company, received a writ of summons by Defu Furniture Pte Ltd (the "Plaintiff").

In the writ, the Plaintiff claimed a total sum S$1.4 million (2011: S$1.3 million) (excluding damages, costs and interest) in respect of the recission of the Letter of Offer relating to a Lease for 5 years for certain premises at the RichLand Business Centre.

A trial date has been set at the date of this report. The Group has been advised by its legal counsel that it is possible, but not probable, that the Plaintiff action will succeed and accordingly no provision for any liability has been made in the financial statements.

(ii) In April 2012, a wholly-owned subsidiary, Ramba Energy West Jambi Limited has been served a writ of summons by Verona Capital Pty Ltd (the "Plaintiff").

The Plaintiff claimed for, inter alia, the return of all payments made by the Plaintiff under the Investment Agreement dated 25 July 2011 which amounted to US$1.0 million together with damages in the amount of US$498,598.

The Group has been advised by its legal counsel that it has an even to good prospect in defending the claims in the suit against Verona Capital Pty Ltd.

(B) GUARANTEES

The Group has provided the following guarantees at the end of the reporting period.

(i) Guarantee to Pertamina of S$3.7 million (2011: S$3.7 million) for its obligation as a contractor on a seismic acquisition and drilling commitment of the oil and gas project.

(ii) Guarantee to the landlord of RichLand Business Centre on the rental obligation taken by a subsidiary for S$2.3 million (2011: S$ 2.3 million).

39 CONTINGENCIES (CONT'D)

CONTINGENT LIABILITIES (CONT'D)

(C) OIL AND GAS OPERATIONS

The Group's oil and gas operations in Indonesia are subject to Indonesian laws and regulations governing the discharge of materials into the environment or otherwise relating to environment protection. These laws and regulations may require the acquisition of a permit before drilling commences, which may restrict the types, quantities and concentration of various substances that can be released into the environment in connection with drilling and production activities, limit or prohibit drilling activities on certain lands lying within wilderness, wetlands and other protected areas, and require remedial measures to prevent pollution resulting from the Group's operations. The Government has imposed environmental regulations on oil and gas companies operating in Indonesia and in Indonesian waters. Operators are prohibited from allowing oil into the environment and must ensure that the area surrounding any onshore well is restored to its original state insofar as this is possible after the Operator has ceased to operate on the site.

Management believes that the Group and the Operator of the Block are in compliance with current applicable environmental laws and regulations.

(D) OPERATING HAZARDS AND UNINSURED RISKS

The Group's oil and gas operations are subject to hazards and risks inherent in drilling for and production and transportation of natural gas and oil, such as fires, natural disasters, explosions, encountering formations with abnormal pressures, blowouts, cratering, pipeline ruptures and spills, which can result in the loss of hydrocarbons, environmental pollution, personal injury claims and other damage to properties of the Group. Additionally, certain of the Group's oil and natural gas operations are located in areas that are subject to tropical weather disturbances, some of which can be severe enough to cause substantial damage to facilities and possibly interrupt production. As protection against operating hazards, the Group maintains insurance against some, but not all potential losses. The Group's insurance coverage for its oil and gas exploration and production activities includes, but is not limited to, loss of wells, blowouts and certain costs of pollution control, physical damage to certain assets, employer's liability, comprehensive general liability, and automobile and worker's compensation insurance.

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the Chief Financial Officer. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(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. The Group manages its interest rate risks on its interest income by placing cash balances with reputable banks and financial institutions.

At the end of the reporting period, the sensitivity analysis of the interest rates, with all other variables held constant, showed an insignificant impact on the Group's loss net of tax.

NOTES TO THE **FINANCIAL STATEMENTS**

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(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. The Group does not enter into forward foreign currency contracts to hedge against its foreign currency risk resulting from sale and purchase transactions denominated in foreign currencies. The Group manages the risk by a policy to maintain its revenue based on the respective functional currencies of the Group entities.

At the end of the reporting period,

» 100% (2011: 85%) of the Group's sales are denominated in the respective Group's entities' functional currencies; and

» Included in payables of a subsidiary is an amount of S$3,239,000 (2011: S$812,000) not denominated in the subsidiary's functional currency, IDR.

SENSITIVITY ANALYSIS FOR FOREIGN CURRENCY RISK

The following table demonstrates the sensitivity of the Group's loss net of tax to a reasonably possible change in the SGD exchange rates against IDR, with all other variances held constant.

	GROUP LOSS NET OF TAX	
	2012 S$'000	**2011** S$'000
IDR - STRENGTHENED 5% (2011: 5%)	170	41
WEAKENED 5% (2011: 5%)	(170)	(41)

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 investments in foreign subsidiaries as they are considered to be long term in nature.

(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 short-term deposits), 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 with a result that the Group's exposure to bad debts is not significant.

EXPOSURE TO CREDIT RISK

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.

CREDIT RISK CONCENTRATION PROFILE

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 were as follows:

	GROUP			
	2012		**2011**	
	S$'000	% OF TOTAL	S$'000	% OF TOTAL
BY COUNTRY:				
SINGAPORE	9,279	56.8	10,495	80.4
INDONESIA	6,703	41.1	2,194	16.8
OTHERS	345	2.1	360	2.8
	16,327	**100.0**	**13,049**	**100.0**

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(C) CREDIT RISK (CONT'D)

At the end of the reporting period, approximately 33% (2011: 53%) and 30% (2011: 15%) of the Group trade receivables were due from 4 (2011: 5) and 2 (2011: 1) 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 with creditworthy debtors with good payment record with the Group. Cash and short-term deposits that are neither past due nor impaired 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 Note 20 (trade receivables).

(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 long term liquidity risk management policy is that not more than 50% (2011: 50%) of loans and borrowings (including finance lease liabilities) 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 end of the reporting period, approximately 48% (2011: 48%) of the Group's loans and borrowings (Note 29 and Note 30) will mature in less than one year based on the carrying amount reflected in the financial statements.

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.

	2012			2011		
	1 YEAR OR LESS	1 TO 5 YEARS	TOTAL	1 YEAR OR LESS	1 TO 5 YEARS	TOTAL
GROUP	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
FINANCIAL ASSETS:						
TRADE AND OTHER RECEIVABLES	23,013	2,244	25,257	24,479	105	24,584
AVAILABLE-FOR-SALE ASSETS	–	–	–	2,236	–	2,236
CASH AND SHORT-TERM DEPOSITS	5,252	1,306	6,558	13,658	1,649	15,307
OTHER FINANCIAL ASSETS	–	–	–	2	–	2
TOTAL UNDISCOUNTED FINANCIAL ASSETS	**28,265**	**3,550**	**31,815**	**40,375**	**1,754**	**42,129**
FINANCIAL LIABILITIES:						
TRADE AND OTHER PAYABLES	24,822	2,829	27,651	17,169	1,624	18,793
FINANCE LEASE LIABILITIES	1,596	3,363	4,959	1,313	1,446	2,759
TERM LOANS	2,195	695	2,890	2,628	2,890	5,518
DEFERRED CONSIDERATION	–	–	–	33	–	33
TOTAL UNDISCOUNTED FINANCIAL LIABILITIES	**28,613**	**6,887**	**35,500**	**21,143**	**5,960**	**27,103**
TOTAL NET UNDISCOUNTED FINANCIAL (LIABILITIES)/ASSETS	**(348)**	**(3,337)**	**(3,685)**	**19,232**	**(4,206)**	**15,026**

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(D) LIQUIDITY RISK (CONT'D)

	2012			2011		
	1 YEAR OR LESS	1 TO 5 YEARS	TOTAL	1 YEAR OR LESS	1 TO 5 YEARS	TOTAL
COMPANY	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
FINANCIAL ASSETS:						
OTHER RECEIVABLES	11,708	–	11,708	18,004	–	18,004
LOANS TO SUBSIDIARIES	–	38,992	38,992	–	29,288	29,288
CASH AND SHORT-TERM DEPOSITS	867	–	867	3,392	1,649	5,041
TOTAL UNDISCOUNTED FINANCIAL ASSETS	**12,575**	**38,992**	**51,567**	**21,396**	**30,937**	**52,333**
FINANCIAL LIABILITIES:						
TRADE AND OTHER PAYABLES	2,013	–	2,013	6,731	–	6,731
DEFERRED CONSIDERATION	–	–	–	33	–	33
FINANCE LEASE LIABILITIES	54	123	177	36	28	64
TOTAL UNDISCOUNTED FINANCIAL LIABILITIES	**2,067**	**123**	**2,190**	**6,800**	**28**	**6,828**
TOTAL NET UNDISCOUNTED FINANCIAL ASSET	**10,508**	**38,869**	**49,377**	**14,596**	**30,909**	**45,505**

The table below shows the contractual expiry by maturity of the Group's and the Company's capital and operating lease commitments. The maximum amounts of the commitments are allocated to the earliest period in which the commitments could be called.

	2012				2011			
	1 YEAR OR LESS	1 TO 5 YEARS	LATER THAN 5 YEARS	TOTAL	1 YEAR OR LESS	1 TO 5 YEARS	LATER THAN 5 YEARS	TOTAL
GROUP	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
COMMITMENTS:								
CAPITAL COMMITMENTS	53,800	30,783	–	84,583	43,609	8,033	4,680	56,322
OPERATING LEASE COMMITMENTS (NET)	3,438	9,881	943	14,262	3,573	5,452	3,489	12,514
TOTAL COMMITMENTS	**57,238**	**40,664**	**943**	**98,845**	**47,182**	**13,485**	**8,169**	**68,836**
COMPANY								
COMMITMENTS:								
OPERATING LEASE COMMITMENTS	323	177	–	500	144	24	–	168

41 CAPITAL MANAGEMENT

Capital includes debt and equity items as disclosed in the table below.

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 2012 and 31 December 2011.

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 gearing ratio beneficial to the Group. The Group's total borrowings include term loans and finance lease liabilities.

	GROUP	
	2012 S$'000	**2011** S$'000
TERM LOANS (NOTE 30)	2,797	5,223
FINANCE LEASE LIABILITIES (NOTE 29)	4,532	2,533
TOTAL BORROWINGS	**7,329**	**7,756**
EQUITY	50,853	58,834
GEARING RATIO	**12.6%**	**11.6%**

42 FAIR VALUE OF FINANCIAL INSTRUMENTS

(A) FAIR VALUE OF FINANCIAL INSTRUMENTS THAT ARE CARRIED AT FAIR VALUE

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	GROUP S$'000			
	QUOTED PRICES IN ACTIVE MARKETS FOR IDENTICAL INSTRUMENTS (LEVEL 1)	**SIGNIFICANT OBSERVABLE INPUTS OTHER THAN QUOTED PRICES** (LEVEL 2)	**SIGNIFICANT UNOBSERVABLE INPUTS** (LEVEL 3)	**TOTAL**
2012				
FINANCIAL ASSETS				
AVAILABLE-FOR-SALE ASSETS (NOTE 22)	–	–	–	–
2011				
FINANCIAL ASSETS	2,236	–	–	2,236
AVAILABLE-FOR-SALE ASSETS (NOTE 22)				

FAIR VALUE HIERARCHY

The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- » **LEVEL 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- » **LEVEL 2** - Inputs other that quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- » **LEVEL 3** - Inputs for the assets or liabilities that are not based on observable market date (unobservable inputs)

NOTES TO THE **FINANCIAL STATEMENTS**

42 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

(A) FAIR VALUE OF FINANCIAL INSTRUMENTS THAT ARE CARRIED AT FAIR VALUE (CONT'D)

DETERMINATION OF FAIR VALUE

Available-for-sale asset (Note 22): The fair value for investment in PT Sugih was determined on a willing buyer and willing seller basis with PT Sinarmas Sekuritas.

There was no transfer from Level 1 and Level 2 to Level 3 during the financial years ended 31 December 2012 and 2011.

(B) 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, TRADE AND OTHER RECEIVABLES (EXCLUDING NON-CURRENT PORTION), TRADE AND OTHER PAYABLES (EXCLUDING NON-CURRENT PORTION), OTHER FINANCIAL ASSETS AND DEFERRED CONSIDERATION

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.

(C) 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			
	2012		2011	
	CARRYING AMOUNT S$'000	**FAIR VALUE** S$'000	**CARRYING AMOUNT** S$'000	**FAIR VALUE** S$'000
FINANCIAL LIABILITIES				
TERM LOANS	2,797	2,718	5,223	5,080
FINANCE LEASE LIABILITIES	4,532	4,436	2,533	2,440

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.

OTHER ASSETS (NOTE 18), OTHER RECEIVABLES (NON-CURRENT) (NOTE 21) AND OTHER PAYABLES (NON-CURRENT) (NOTE 26)

These amounts are unsecured, non-interest bearing and have no fixed repayment terms and are repayable only when the Group's/the borrower's cash flow permits. Accordingly, fair value is not determinable as the timing of future cash flows arising form the loans cannot be estimated reliably.

LOANS TO SUBSIDIARIES (NOTE 17) - COMPANY LEVEL

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

43 DIVIDENDS

No final dividend was declared and paid and proposed in respect of the financial year ended 31 December 2012 (2011: S$Nil).

44 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation, which are discussed below:

(A) In prior year, the Group classified contract labour costs associated with the oil and gas operations in "salaries and employee benefits" in the consolidated income statement. During the current year, such contract labour costs are classified as "service costs and related expenses" and "other operating expenses" to better reflect the nature of such costs incurred in the operations.

	GROUP 2011	
	AS RESTATED S$'000	AS PREVIOUSLY REPORTED S$'000
CONSOLIDATED INCOME STATEMENT		
COSTS AND OPERATING EXPENSES		
SERVICE COSTS AND RELATED EXPENSES	37,090	36,489
SALARIES AND EMPLOYEE BENEFITS	23,642	24,338
OTHER OPERATING EXPENSES	11,012	10,917

(B) In prior year, the Group classified provision for reinstatement costs and defined benefit plan liabilities in trade and other payables – current. During the current year, such provision for reinstatement costs and defined benefit plan liabilities are classified as provisions – non-current and other payables – non-current accordingly. Accordingly, the comparative figures have been reclassified to conform with current year's presentation. There is no impact to the opening balances as at 1 January 2011.

CONSOLIDATED BALANCE SHEET		
CURRENT LIABILITIES		
TRADE PAYABLES	11,144	11,473
OTHER PAYABLES	6,025	7,403
NON-CURRENT LIABILITIES		
OTHER PAYABLES	1,624	–
PROVISIONS	293	210

(C) In prior year, the Group classified VAT receivables of certain subsidiaries as other receivables – current. As at 31 December 2012, the Group determined that such VAT receivables are not expected to be received within the next twelve months. Accordingly, the comparative figures have been reclassified to conform with current year's presentation. There is no impact to the opening balances as at 1 January 2011.

CONSOLIDATED BALANCE SHEET		
CURRENT ASSETS		
OTHER RECEIVABLES	11,430	11,535
NON-CURRENT ASSETS		
OTHER RECEIVABLES	105	–

(D) In prior year, the Company classified loans to subsidiaries as other receivables – current as these loans were deemed repayable on demand as at 31 December 2011. As at 31 December 2012, these loans to subsidiaries were classified as loan to subsidiaries – non-current after management's determination that these loans are not expected to be repaid within the next twelve months. Accordingly, the comparative figures have been reclassified to conform with current year's presentation. There is no impact to the opening balances as at 1 January 2011.

	COMPANY 2011	
	AS RESTATED S$'000	AS PREVIOUSLY REPORTED S$'000
BALANCE SHEET		
NON-CURRENT ASSETS		
LOAN TO SUBSIDIARIES	29,288	27,415
CURRENT ASSETS		
OTHER RECEIVABLES	18,004	19,877

NOTES TO THE **FINANCIAL STATEMENTS**

44 COMPARATIVE FIGURES (CONT'D)

(E) In prior year, the Company classified provision for reinstatement costs and defined benefit plan liabilities in trade and other payables – current. During the current year, such provision for reinstatement costs and defined benefit plan liabilities are classified as provisions – non-current and other payables – non-current respectively. Accordingly, the comparative figures have been reclassified to conform with current year's presentation. There is no impact to the opening balances as at 1 January 2011.

	COMPANY 2011	
	AS RESTATED S$'000	AS PREVIOUSLY REPORTED S$'000
CURRENT LIABILITIES		
TRADE PAYABLES	–	329
OTHER PAYABLES	6,731	6,410
NON-CURRENT LIABILITIES		
PROVISIONS	8	–

45 EVENTS OCCURRING AFTER THE REPORTING PERIOD

(i) In January 2013, the Group's logistics operations in Indonesia were affected by the flood. Floodwaters have caused damages to certain office equipment. Consequently, the Group recognised impairment losses of approximately S$160,000 in respect of the damaged assets. The financial statements of the year ended 31 December 2012 have not been adjusted for the financial effect of this incident.

(ii) On 1 February 2013, the Company completed allotment of 96,831,204 Right Shares at an issue price of S$0.20 per share. The net proceeds raised amounting to S$18.4 million will be used to finance the Group's general working capital, and exploration, development, drilling and general and administrative expenses for its oil and gas blocks.

(iii) On 22 March 2013, the Company made an offer to grant share options and share awards under RGSOS and RGPSP respectively. Further details are provided in Note 6.

46 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2012 were authorised for issue in accordance with a resolution of Directors on 27 March 2013.

STATISTICS OF **SHAREHOLDINGS**

AS OF 15 MARCH 2013

» ISSUED AND FULLY PAID-UP CAPITAL: S$81,117,256.20
» 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	21	0.95	3,110	0.00
1,000 - 10,000	888	40.22	5,130,221	1.51
10,001 - 1,000,000	1,271	57.56	82,724,258	24.41
1,000,001 AND ABOVE	28	1.27	251,084,627	74.08
TOTAL	**2,208**	**100.00**	**338,942,216**	**100.00**

SUBSTANTIAL SHAREHOLDERS

	DIRECT INTEREST	%	DEEMED INTEREST	%	TOTAL INTEREST	%
EDWARD SEKY SOERYADJAYA(2)	–	–	107,871,400	31.83	107,871,400	31.83
MOHAMMAD SOETRISNO BACHIR(2)	–	–	107,871,400	31.83	107,871,400	31.83
PRECIOUS TREASURE GLOBAL INC.(2)			107,871,400	31.83	107,871,400	31.83
TAN FUH GIH(3)	–	–	21,000,000	6.20	21,000,000	6.20
TAN KIM SENG(3)	–	–	21,000,000	6.20	21,000,000	6.20
REDMOUNT HOLDINGS LIMITED(1)	172,200	0.05	107,699,200	31.78	107,871,400	31.83
SUMMIT GAIN CONSULTANTS LIMITED	21,000,000	6.20	–	–	21,000,000	6.20
LUCIANO GROUP LIMITED	33,450,200	9.87	–	–	33,450,200	9.87
CHIMSY HOLDINGS LIMITED	31,325,000	9.24	–	–	31,325,000	9.24
GLENVILLE GROUP LIMITED	20,650,000	6.09	–	–	20,650,000	6.09

NOTES:

(1) Redmount 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. York Hill Group Limited and Benegain Holdings Limited hold 15,974,000 shares and 6,300,000 shares respectively in the Company.

(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 100% 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.

STATISTICS OF **SHAREHOLDINGS**

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Approximately 59.34% 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 15 March 2013 is 3,382,000 shares, approximately 1.00% of the total number of issued shares (excluding treasury shares).

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	DMG & PARTNERS SECURITIES PTE LTD	109,494,400	32.30
2	OCBC SECURITIES PTE LTD	25,056,008	7.39
3	SUMMIT GAIN CONSULTANTS LIMITED	21,000,000	6.20
4	MAYBANK KIM ENG SECURITIES PTE LTD	17,732,937	5.23
5	COTTEW TIMOTHY STEPHEN CHARLES	10,220,000	3.02
6	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	9,257,400	2.73
7	UOB KAY HIAN PRIVATE LIMITED	8,118,200	2.40
8	BANK OF SINGAPORE NOMINEES PTE LTD	7,285,800	2.15
9	CITIBANK NOMINEES SINGAPORE PTE LTD	4,168,900	1.23
10	HONG LEONG FINANCE NOMINEES PTE LTD	4,167,000	1.23
11	PHILLIP SECURITIES PTE LTD	3,634,102	1.07
12	RAFFLES NOMINEES (PTE) LIMITED	3,566,000	1.05
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	3,050,580	0.90
14	LIM CHIEN CHAI (LIN JIANCAI)	2,803,000	0.83
15	DBS NOMINEES PTE LTD	2,502,000	0.74
16	CIMB SECURITIES (SINGAPORE) PTE LTD	1,994,200	0.59
17	HSBC (SINGAPORE) NOMINEES PTE LTD	1,812,800	0.53
18	LIM & TAN SECURITIES PTE LTD	1,690,000	0.50
19	LOW CHAI CHONG	1,688,000	0.50
20	TAM SIEW FOONG	1,620,000	0.48
TOTAL		**240,861,327**	**71.06**

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 Wednesday, 24 April 2013 at 2.00 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 2012 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. Mr Tan Chong Huat **(RESOLUTION 2)**
ii. Mr Aditya Wisnuwardana Seky Soeryadjaya **(RESOLUTION 3)**

[See Explanatory Note (i)]

3 To approve the payment of Directors' fees of S$411,250 for the year ending 31 December 2013 to be paid quarterly in arrears. (2012: S$411,250). **(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 ("Companies Act") 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")

NOTICE OF **ANNUAL GENERAL MEETING**

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, the Directors of the Company be authorised and empowered to offer and grant options ("Options") under the Ramba Group Share Option Scheme (RGSOS") 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 RGSOS, 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 RGSOS 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, the Directors of the Company be authorised and empowered to offer and grant awards ("Awards") in accordance with the provision of Ramba Group Performance Share Plan ("RGPSP") and to issue and/or deliver 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 RGPSP 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 **Proposed Offer and Grant to Aditya Wisnuwardana Seky Soeryadjaya of Options and Awards**

That the offer to Mr Aditya Wisnuwardana Seky Soeryadjaya ("Mr Soeryadjaya"), Chief Executive Officer and Executive Director of the Company, and an Associate of the Controlling Shareholder of the Company, of Options and Awards in accordance with the RGSOS and the RGPSP on the following terms:

(i)	(a)	Date of grant of Options	:	14 September 2012
	(b)	Exercise price for Options granted (average closing prices for the Ramba's shares for the five (5) consecutive trading days on which transactions in Ramba's shares were recorded immediately preceding the date of grant of the Options)	:	S$0.33 per share[1]
	(c)	Number of Options granted	:	492,600[2]
	(d)	Market price of its securities on the date of grant (weighted average price per share)	:	S$0.398
	(e)	Validity period	:	5 years with 2 years vesting from date of grant

(1) Exercise price for Options granted on 14 September 2012 had been adjusted from $0.40 per share to $0.33 with effect from 1 March 2013 due to the recent Right Issue Exercise on 1 February 2013.
(2) Number of Options on 14 September 2012 had been adjusted from 406,000 to 492,000 with effect from 1 March 2013 due to the recent Right Issue Exercise on 1 February 2013.

(ii)	(a)	Date of grant of Awards	:	1 March 2013
	(b)	Number of Awards granted	:	609,000
	(c)	Market price of its securities on the date of grant (weighted average price per share)	:	S$0.541
	(d)	Date of Release for the Awards	:	15 May 2013
(iii)	(a)	Date of grant of Options and Awards	:	22 March 2013
	(b)	Exercise price for Options granted (average closing prices for Ramba's shares for the five (5) consecutive trading days on which transactions in Ramba's shares were recorded immediately preceding the date of grant of the Options)	:	S$0.505
	(c)	Number of Options granted	:	600,000
	(d)	Market price of its securities on the date of grant (weighted average price per share)	:	S$0.5319
	(e)	Number of Awards granted	:	360,000
	(f)	Validity period (for Options)	:	5 years with 3 years vesting from date of grant
	(g)	Date of Release (for Awards)	:	Year 1: (120,000) 22 March 2014 Year 2: (120,000) 22 March 2015 Year 3: (120,000) 22 March 2016

be and are hereby approved.

[See Explanatory Note (v)] **(RESOLUTION 9)**

10 **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, 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 Section 1.4.4 of the Company's Letter to shareholders dated 9 April 2013 (the "Letter"), in accordance with the terms 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 (vi)] **(RESOLUTION 10)**

By Order of the Board

CHEW KOK LIANG
Secretary

Singapore,

9 April 2013

EXPLANTORY NOTES:

(i) Mr Tan Chong Huat will, upon re-election as Director of the Company, remain as Chairman of the Company and a member of the Nominating Committee, Remuneration Committee and Audit Committee and he will be considered non-independent.

Mr Aditya Wisnuwardana Seky Soeryadjaya will, upon re-election as Director of the Company, remain as Executive Director and Chief Executive Officer.

(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 RGSOS up to a number not exceeding in total (for the entire duration of the RGSOS) 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 the Awards (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 RGSOS (as defined in Resolution 7) and RGPSP, and other share-based incentive schemes of the Company up to a number not exceeding in total (for the entire duration of the RGPSP) 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) The participation of and grant of options and awards to Mr Soeryadjaya under the RGSOS and RGPSP has been approved in principle by shareholders of the Company at the Extraordinary General Meeting held on 4 March 2011.

On 14 September 2012, 1 March 2013 and 22 March 2013, the Board announced that the Company had granted Mr Soeryadjaya, the Chief Executive Director and an Executive Director of the Company, options to subscribe for 406,000 shares (adjusted to 492,600 shares) at the exercise price of S$0.40 (adjusted to S$0.33) per share under the RGSOS ("Options"), share awards amounting to 609,000 shares under the RGPSP ("Awards") and 600,000 Options at the exercise price of S$0.505 and 360,000 Awards respectively.

The proposed grant of Options and Awards may only be effected with the specific approval of independent shareholders at a general meeting through an ordinary resolution.

Resolution 9 above, if passed, will empower the Directors to offer to Mr Soeryadjaya the Options and Awards.

TERMS OF OPTIONS AND AWARDS

Under the RGSOS, the exercise prices for each share in respect of which an option is exercisable shall be fixed by the Remuneration Committee at:

(a) the market price, or such higher price as may be determined by the Remuneration Committee in its absolute discretion; and/or

(b) a price (as shall be determined by the Remuneration Committee in its absolute discretion) which is set at a discount to the market price, provided that:

(i) the maximum discount shall not exceed twenty per cent. (20%) of the Market Price (or such other percentage or amount as may be determined by the Remuneration Committee and prescribed by the Listing Manual); and

(ii) the shareholders in general meeting shall have authorised the making of offers and grants of Options under RGSOS, at a discount not exceeding the maximum discount as aforesaid in a separate resolution.

NOTICE OF **ANNUAL GENERAL MEETING**

The exercise price of the Options at $0.40 per share represents the average closing price for the Company's shares for the five (5) consecutive trading days on which transactions in the Company's shares were recorded immediately preceding 14 September 2012, being the date of grant of the Options. (The option price and option shares are adjusted per the Company's announcement dated 1 March 2013 due to the Rights Issue Exercise on 1 February 2013). The Options will be vested over 2 years and exercisable after the first (1st) anniversary from the date of grant of Options. The Options granted will have a life span of 5 years.

Under the RGPSP, the Awards granted to Mr Soeryadjaya shall be determined at the absolute discretion of the Remuneration Committee ("RC"), which shall take into account criteria such as his rank, job performance, level of responsibility, years of service and potential for future development, his contribution to the success and development of the Group and (in the case of a Performance-related Award) the extent of effort with which the Performance condition may be achieved within the Performance Period. The Awards granted to Mr Soeryadjaya are time based. The RC may in its absolute discretion preserve all or any part of any Awards and decide either to vest some or all of the Awards or to preserve all or part of any Awards until the end of the relevant Vesting Period in the event Mr Soeryadjaya's employment or that of any participant of the Awards is terminated.

The following provisions apply to the vesting and lapsing of the Share Awards:

(1) the termination of the employment of a participant;
(2) the ill health, injury, disability or death of a participant;
(3) the bankruptcy of a participant;
(4) the misconduct of a participant; and
(5) a take-over, winding-up or reconstruction of the Company.

The validity periods of the Options and Awards granted to Mr Soeryadjaya are within the prescribed limit of the RGSOS and RGPSP.

RATIONALE

Mr Soeryadjaya is the Chief Executive Officer and the Executive Director of the Company. He joined the Company on the 30 June 2008. He is also the son of Mr Edward Seky Soeryadjaya, a substantial shareholder of the Company.

As the Chief Executive Officer, he is responsible for management of the organisation's overall strategy, and proactively targeting, assessing and executing its mergers and acquisitions opportunities. He supervises the Company's investment and fundraising efforts and oversees all audit functions and budget preparation.

Under Mr Soeryadjaya's stewardship, the Group's business has expanded steadily over the past 4 years. The continued contributions and participation of Mr Soeryadjaya in the general management and strategic expansion of the Group remain vital in ensuring the continued growth and expansion of the Group's business.

The Company recognises that Mr Soeryadjaya will continue to play an integral role in driving the strategic development and success of the Group. The Company therefore wishes to allow Mr Soeryadjaya to participate in the proposed grant of Options and Awards.

Mr Soeryadjaya will abstain and has undertaken to ensure that his Associates will abstain from voting on Resolution 9. In addition, Mr Soeryadjaya and his Associates will not accept appointments to act as proxies in relation to Resolution 9 unless specific instructions as to voting have been given by the shareholders.

The Directors and Employees of the Group who are Shareholders who are eligible to participate in the RGSOS and RGPSP will also abstain from voting on Resolution 9 pursuant to Rule 859 of the Listing Manual of the SGX-ST. In addition, the said Directors and Employees of the Group who are eligible to participate in the RGSOS and RGPSP shall not accept appointments to act as proxies in relation to Resolution 9 unless specific instructions as to voting have been given by the Shareholders.

(vi) Resolution 10 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 2012 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.

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

PROXY FORM
(Please see notes overleaf before completing this Form)

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.

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			

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 Wednesday, 24 April 2013 at 2.00 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 2012		
2	Re-election of Mr Tan Chong Huat as Director		
3	Re-election of Mr Aditya Wisnuwardana Seky Soeryadjaya as Director		
4	Approval of Directors' fees amounting to S$411,250 for the financial year ending 31 December 2013 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 Group Share Option Scheme		
8	Authority to issue shares under the Ramba Group Performance Share Plan		
9	Proposed Offer and Grant to Aditya Wisnuwardana Seky Soeryadjaya of Options and Awards		
10	Renewal of Share Purchase Mandate		

Dated this __________ day of __________ 2013

TOTAL NUMBER OF SHARES IN:	NO. OF SHARES
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s) or, Common Seal of Corporate Shareholder

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

www.ramba.com

BOARD OF DIRECTORS

Tan Chong Huat
Non-Executive Chairman/ Director

Aditya Wisnuwardana Seky Soeryadjaya
Chief Executive Officer/ Executive Director

Daniel Zier Johannes Jol
Executive Director

Lanymarta Ganadjaja
Executive Director

Bambang Nugroho
Executive Director

Chee Teck Kwong Patrick
Independent Director

Tay Ah Kong Bernard
Independent Director

AUDIT COMMITTEE
Tay Ah Kong Bernard

Tan Chong Huat

Chee Teck Kwong Patrick

NOMINATING COMMITTEE
Chee Teck Kwong Patrick

Tan Chong Huat

Tay Ah Kong Bernard

REMUNERATION COMMITTEE
Chee Teck Kwong Patrick

Tan Chong Huat

Tay Ah Kong Bernard

COMPANY SECRETARY
Chew Kok Liang

AUDITORS
Ernst & Young LLP

PARTNER-IN-CHARGE
Vincent Toong Weng Sum
(With effect from financial year ended 31 December 2011)

SHARE REGISTRAR
Boardroom Corporate & Advisory Services Pte Ltd

50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

PRINCIPAL BANKERS
Oversea-Chinese Banking Corporation Limited

Standard Chartered Bank

Bank Central Asia

RAMBA ENERGY LIMITED
29A Club Street
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