

General Announcement::SETTLEMENT OF LEGAL PROCEEDINGS

Issuer & Securities

Issuer/ Manager	RAMBA ENERGY LIMITED
Securities	RAMBA ENERGY LIMITED - SG1P35918371 - R14
Stapled Security	No

Announcement Details

Announcement Title	General Announcement
Date & Time of Broadcast	05-Jun-2018 20:15:08
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Announcement Sub Title	SETTLEMENT OF LEGAL PROCEEDINGS
Announcement Reference	SG180605OTHLWOC
Submitted By (Co./ Ind. Name)	Chew Kok Liang
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below)	Please refer to the attachment.
Attachments	REL - Settlement of Legal Proceedings.pdf Total size =199K

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'General Announcement' Announcement - SG180605OTHRLWOC

Issuer & Securities

Issuer/ Manager

RAMBA ENERGY LIMITED

Securities

Name	ISIN	Stock Code
RAMBA ENERGY LIMITED	SG1P35918371	R14

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Submitted By (Co./ Ind. Name) Chew Kok Liang

Designation Company Secretary

Contact Details 6381 6769

Effective Date and Time of the event

Price Sensitivity Yes

Description (Please provide a detailed description of the event in the box below)
Please refer to the attachment.

Attachments

For Public Dissemination

REL - Settlement of Legal Proceedings.pdf

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

**SETTLEMENT OF LEGAL PROCEEDINGS BY SUPER POWER ENTERPRISES GROUP LTD
AGAINST PT HEXINDO GEMILANG JAYA**

*Unless otherwise defined, all capitalised terms shall have the same meanings as ascribed to them in the Company's announcements dated 23 May 2012, 1 June 2012, 15 June 2012, 16 April 2015 and 4 August 2016 (the "**SPE Announcements**") relating to the arbitration proceedings commenced by Super Power Enterprises Group Ltd ("**SPE**") against PT Hexindo Gemilang Jaya ("**Hexindo**"), a subsidiary of the Company incorporated under the laws of the Republic of Indonesia (the "**Arbitration**") and the legal proceedings commenced by SPE against the Company in the High Court of Singapore HC/S 588/2017.*

Further to the SPE Announcements, the Board wishes to announce that the Company and Hexindo have on [4 June 2018] entered into a settlement agreement with SPE ("**Settlement Agreement**"). The salient terms of the Settlement Agreement are as follows:

- (a) Hexindo shall pay SPE an aggregate sum of US\$10,000,000 (the "**Settlement Sum**") in full and final settlement of all outstanding amounts recoverable by SPE from Hexindo under the Award and the arbitral award in SPE's favour dated 1 September 2016 (collectively, the "**Awards**");
- (b) Hexindo shall pay the Settlement Sum by assigning to SPE all amounts to which Hexindo is or may be entitled under any agreement between Hexindo and Mandala Energy Lemang Pte Ltd ("**Mandala**") relating to the Lemang Block, including revenue from sale of oil and gas from the Lemang Block ("**Lemang Revenue**") and reserve bonuses and other sums payable under the farm-in agreements dated 4 October 2015 and 16 September 2017 and call option deed dated 16 September 2017 entered between Hexindo and Mandala (collectively, the "**Farm-In Agreements**"), with instructions to Mandala to pay such amounts directly to SPE up to the value of the Settlement Sum;
- (c) if the Settlement Sum is not paid in full by 30 September 2022, Hexindo shall further procure that any payment due to Hexindo from Mandala in relation to the Lemang Revenue or pursuant to the Farm-In Agreements is assigned to SPE at US\$2,000,000 per annum, with its first due date on or before 30 September 2023;
- (d) in consideration of the payment of the Settlement Sum, Hexindo and SPE:
 - (i) agree that the Settlement Agreement shall constitute full and final payment of the Awards and any legal proceedings commenced in relation thereto (collectively, the "**Proceedings**"); and
 - (ii) shall be deemed to have voluntarily and irrevocably waived and/or withdrawn any and all claims made against the other in connection with the Proceedings, thereby settling the matters between them in relation to the Proceedings; and
- (e) within five (5) business days after the execution of the Settlement Agreement, SPE shall, with the Company's consent, apply to the High Court of Singapore to discontinue the proceedings against the Company in High Court Suit No. 588 of 2017 with no order as to costs.

The Board is of the view that the terms of the Settlement Agreement are, in the circumstances, in the best interests of the Company. The Settlement Sum represents a significantly smaller amount compared to the original amount claimed by SPE, and will discharge the Group against all present and future claims and legal proceedings in relation to the dispute with SPE, allowing the Group to re-focus its resources towards strengthening its businesses. Notably, although Hexindo is obliged to assign all amounts owing to it from Mandala attributable to the Lemang Revenue and Farm-In Agreements, there

are carve out provisions that allow Hexindo to use part of such amounts towards meeting certain other existing obligations identified to SPE, namely the payments towards the credit facilities provided to the Group by Mercuria Asset Holding HK Ltd. and Mandala.

Further, the Settlement Sum will not have a material adverse effect on the cash flow of the Group as all periodic payments towards the Settlement Sum by 30 September 2022 is derived from reserve bonuses and future revenues from the Group's oil and gas segment, and will not affect the revenues from the Group's logistics segment which is the larger contributor to the Group's total revenue, having contributed towards 87.6% of the Group's total revenue in financial year 2017.

Following the execution of the Settlement Agreement, Hexindo will be looking into the enforcement of the statement letter dated 16 August 2011 from Eastwin to Hexindo and deed of indemnity dated 19 December 2011 entered between the aforementioned parties, pursuant to which, Eastwin had agreed, *inter alia*, to indemnify and hold Hexindo harmless from and against any claims made by SPE in connection with the transfer of the 49% participating interest in the Lemang PSC to Eastwin.

The Company shall make further announcement(s) as and when there are material developments in relation to the Settlement Agreement.

Oil and gas exploration is an expensive, high-risk operation. Shareholders are therefore advised to exercise caution when dealing in the shares of the Company, and should consult their legal, financial tax and other professional advisers if they have any doubt as to the action to take.

By Order of the Board of
RAMBA ENERGY LIMITED

TAN CHONG HUAT
Non-Executive Chairman
5 June 2018