

ENECO ENERGY LIMITED
("the Company" or "EEL")
(Company Registration Number: 200301668R)
(Incorporated in Singapore)

Minutes of the Annual General Meeting of the Company held at the Crowne Plaza Changi Airport, Alstonia Ballroom Level 2, 75 Airport Boulevard, Singapore 819664 on Friday, 28 June 2019 at 3.05pm.

Present	:	Members - 25 Proxy - 9 (refer to attendance list)	
Directors	:	Mr Low Chai Chong Mr Aditya Wisnuwardana Seky Soeryadjaya Mr Teo Cheow Beng Mr Patrick Tan Tse Chia	- Chairman of the Meeting, ID - ED cum CEO - ID - ID
Absent with Apologies	:	Mr Koji Yoshihara	- NINED
In Attendance	:	Ms Kuan Yoke Kay Ms Teh Lay Yen Mr Chong Yao Yung	- Secretariat - Secretariat - Secretariat
By Invitation	:	As per attendance list	
Others	:	As per attendance list	

ID: Independent Director
ED: Executive Director
CEO: Chief Executive Officer
NINED: Non-Independent Non-Executive Director

CHAIRMAN OF THE MEETING

On behalf of the Board of Directors ("the Board"), Mr Low Chai Chong ("Mr Low" or "Chairman"), the Chairman of the Board, welcomed all present.

The Chairman informed the members that Mr Koji Yoshihara, a NINED of the Company, had sent his apologies for not being able to be present at this Meeting due to prior commitments.

QUORUM

The Secretariat confirmed that a quorum was present. Chairman declared the Meeting opened at 3.05pm.

NOTICE

The Notice convening the Meeting dated 13 June 2019, having been in the hands of the shareholders for the requisite statutory period, was, with the permission of the members, taken as read.

RESOLUTIONS TO BE VOTED ON BY POLL

Chairman informed the Meeting that in compliance with Rule 730A(2) of the Listing Manual, the proposed resolutions tabled at this Meeting be voted on by poll.

Chairman informed the members that the Company had appointed Entrust Advisory Pte. Ltd. ("Entrust") and Tricor Barbinder Share Registration Services as the Scrutineer and poll counting agent respectively for the poll exercise and that they would assist with the verification and counting of votes as well as the tabling of the voting results. Chairman also informed the members present that certain shareholders have appointed him as their proxy to vote on their behalf and he would exercise his rights as their proxy to vote in accordance with their instructions. Chairman invited the representative from Entrust to brief the shareholders on the poll voting procedures.

ORDINARY BUSINESS

1. DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

The Board of Directors tabled the Directors' Statement and the Audited Financial Statements ("AFS") of the Company for the financial year ended 31 December 2018 ("FY2018") together with the Auditors' Report thereon for adoption by the members.

Before opening the floor for questions, Chairman delivered a short presentation on the Group's FY2018 Financial Highlights and summary of the Annual Report.

Immediately after the presentation, the floor was opened for questions pertaining to the AFS for FY2018. Questions were raised by Messrs Peh Kok Wah and Chaw Keat Hoe, the shareholders of the company. Their queries were duly answered by the Directors. The questions and answers are summarised below:-

- (1) The Group had a production sharing contract ("PSC") with the Government of Indonesia in relation to the Lemang oilfield block. What was the total cost of exploration to-date, and how much of the cost had been recovered since the Lemang project commenced oil and gas production?

Chairman responded that based on the accounts of the Group, approximately S\$48 million had been spent (the Group's share) in the Lemang project for exploration purposes. He confirmed the Shareholder's understanding that Mandala Energy ("Mandala"), the operator of the Lemang project, would be reimbursed the exploration costs from proceeds derived from the field's production.

- (2) Would the Company receive cash consideration from the 6% farm-out in the Lemang project to Mandala?

Chairman responded that one of the conditions of the PSC entered into with PT. Pertamina (Persero) ("Pertamina") was for the operator to explore the Lemang field for oil at a specific cost as approved by Pertamina. There was no guarantee from the Government of Indonesia to reimburse all costs incurred by the operator. The costs incurred by the operator would first be reimbursed at the agreed rate from proceeds of the Lemang project before the revenue from the project would be jointly shared between the

participating interests and Pertamina. However, revenue received from the Lemang project to-date was not sufficient to cover Mandala's additional exploration and drilling costs. The farm-out of the Group's participatory interests in the Lemang project was to defray the exploration costs that the Group would otherwise have had to pay in cash to Mandala.

- (3) When the Company issued the rights cum warrants in 2016, it was disclosed that the proceeds would be used to invest in the Lemang project. However, after the latest farm-out, the Group only held 10% participating interest, down from the initial 51%, with little return on its investment. Why was the Lemang project not profitable?

Chairman responded that based on the Company's records and the announcements released to SGX-ST, his understanding was that the Lemang block did not perform as expected. In 2011, the independent study by DeGolyer & MacNaughton ("D&M") estimated that the block held 50 million barrels of oil in the ground. D&M's study, combined with the high oil prices of around US\$100 per barrel, made the Lemang block an attractive investment back then. As the Lemang block turned out to be more of a mixed oil and gas reserve, Mandala, a gas specialist, was roped in to the project. However, it became clear subsequently that the development of gas assets was a very expensive venture, and the proceeds from the rights issue was insufficient to cover the exploration costs required by Pertamina. As a result, the Group was unable to keep up its pace with Mandala's investments and capital calls to maintain its share of its participatory interest in the Lemang project.

- (4) It was understood that in the D&M study that the Lemang block was a low sulphur oil field which would yield premium quality oil. However, the block ended up to be more of a gas field which was still valuable. Why would Mandala continue to buy more participating interest from the Group, and why was the Group rushing to dispose of its participating interest in the Lemang project? Was the size of the Lemang field significant enough to justify keeping the remaining participating interest?

Chairman explained that after receiving the proceeds from the initial farmout in 2016, Mandala and the Group proceeded to conduct seismic tests and drill additional wells in the Lemang block as required by Pertamina under the PSC. Unfortunately, revenue from the underperforming new wells could not cover Mandala's exploration costs, and had an impact on the project's cash flows. As a result, each party had to assess whether the Lemang block was still feasible depending on the additional exploratory costs required. Mandala reported their findings to their shareholder, Kohlberg Kravis Roberts & Co. ("KKR"), while the Group engaged a third party surveyor to survey the latest oil and gas reserves in Lemang to assess the block's feasibility. Chairman reiterated to the Shareholder that the Group's agreement with Mandala to participate in the Lemang project was still valid, despite the decrease in participating interest and impairment made on the investment.

- (5) What was the reason for the Group not to utilise Mandala's Operator Report for the feasibility assessment and instead, engaged a third party surveyor to carry out an independent assessment?

Chairman explained that the Group needed a report to assess the remaining reserves at the Lemang block. However, the Operator's Report from Mandala included other information that was not relevant for the Group's purpose, and the Group would have had to share the cost of preparing the Operator's Report with Mandala if the Group wanted to utilise the report. As an alternative, the Group engaged Mandala's consultants as a third party surveyor to perform its own independent on the Lemang block at a lower cost.

Mr Aditya Wisnuwardana Seky Soeryadjaya ("Mr Aditya" or "CEO") told the Shareholders that he, as a substantial shareholder of the Company, his interests was aligned with the rest of the Shareholders. He had also subscribed for the rights issue for an amount of S\$10 million for funding of the Lemang project. He said that Shareholders should note that O&G investment requires huge capital investment and it had its risks.

- (6) On page 18 of the Annual Report, it was indicated that the old members of the Board had resigned and the new Directors were appointed in late 2018. However, attendance in board meetings for the new Directors were indicated as "N/A". Did the new Directors not attend any board meetings?

Chairman clarified that the attendance indicated under the Corporate Governance Report was pertaining to the financial year ended 31 December 2018. As there were no board meetings held before 31 December 2018 after the new directors' appointment on 18 December 2018, their attendance as at 31 December 2018 was indicated as "N/A".

- (7) It was rather unusual for the entire Board of Directors of a Company to resign. Could Mr Aditya, as the only remaining Director, explain the change in the Board of Directors? Was it related to the private placement by Eneco Investment Pte. Ltd. ("Eneco Investment")?

CEO said that there were two key reasons: (a) for Board renewal as the previous Directors had served the Board for some years; and (b) cost reduction as they were not agreeable to reduce their Directors' fees as part of the Company's cost-cutting measures. With the new Board, the Company was looking at potential savings of approximately one-third in Directors' fees for FY2019.

- (8) On the payment of S\$3.88 million by Ramba Energy West Jambi ("REWJ") to PT Mandiri Pratama Khatulistiwa ("MPK") for the issuance of a bank guarantee (the "Purported Payment"), was the previous Board of Directors aware of the Purported Payment happening in November 2018?

CEO responded that the previous Board was not aware of the Purported Payment.

- (9) Why was the Purported Payment discovered in February 2019 when the transaction occurred in November 2018?

CEO explained that the Purported Payment was brought to the attention of the Board after the close of the financial year for 2018, when audit work

commenced.

- (10) Was the Purported Payment related to the Mercuria loan?

CEO responded that the Purported Payment was not related to the Mercuria loan.

- (11) The purpose of the Mercuria loan of US\$6.75 million was to fund the Lemang project. Why did the Company farm out another 6% of its participating interest in the Lemang project when the Company had procured the loan?

CEO said that chronologically, the Mercuria loan was procured before Mandala's involvement in the Lemang project.

- (12) Noted that the warrants W190918 (the "Warrants") would be expiring soon in September 2019. What would be the impact to the warrant holders?

CEO informed that the Warrants would expire and not exercisable after its expiry date.

- (13) How was the recent performance for the Lemang project?

CEO reported that in terms of operations, the Lemang block had its first positive cash flow in the first quarter of 2019 for which the disclosure had been made in the 1QFY2019 Results Announcement.

- (14) Why was the Government of Indonesia not providing assistance on the logistics cost, given that it was a concession granted by the Government of Indonesia?

CEO explained that the Government of Indonesia would expect the contractors to resolve the logistics costing issues. At the moment, transporting extracted gas by trucks was still profitable, albeit expensive. In the longer term, pipelines would be built to make transportation of gas more efficient and cost effective.

- (15) Was there any progress on the Group's exclusive distributorship of the hybrid fuel system?

Chairman said that the Company was looking for agents in the region to expand the distribution network. One potential market identified was Laos due to their high diesel costs. If the business is successful in Laos, the Company would utilise the system for the Logistics business segment to save fuel costs. Management would not expect the technology to be game-changing for the Group. In the meantime, the Group would remain focused in unlocking the value of its O&G assets and in its Logistics business.

There being no further queries on the AFS for FY2018, the following motion was proposed by Mr Kwek Swee Heng (Shareholder) and seconded by Mr Stephen Chew (Proxy).

“That the Audited Financial Statements of the Company for the financial year ended 31 December 2018 together with the Directors’ Statement and the Auditors’ Report thereon be received and adopted.”

2. RE-ELECTION OF MR ADITYA WISNUWARDANA SEKY SOERYADJAYA

The Meeting was informed that Resolution 2 was to re-elect Mr Aditya Wisnuwardana Seky Soeryadjaya (“Mr Aditya”) as a Director of the Company. In accordance with Regulation 111 of the Company’s Constitution, Mr Aditya would have to retire from office at the close of this Meeting, and being eligible, he had offered himself for re-election. Mr Aditya, if re-elected, would remain as an Executive Director cum Chief Executive Officer of the Company.

There being no questions raised, the following motion was proposed by Mr Kwek Swee Heng (Shareholder) and seconded by Mr Stephen Chew (Proxy):

“That Mr Aditya Wisnuwardana Seky Soeryadjaya be hereby re-elected as a Director of the Company.”

3. RE-ELECTION OF MR KOJI YOSHIHARA

The Meeting was informed that Resolution 3 was to re-elect Mr Koji Yoshihara (“Mr Yoshihara”) as a Director of the Company. In accordance with Regulation 122 of the Company’s Constitution, Mr Yoshihara would have to retire from office at the close of this Meeting, and being eligible, he had offered himself for re-election.

There being no further questions, the following motion was proposed by Mr Gani Christopher Stanley (Proxy) and seconded by Mr Ang Thian Chye (Shareholder):

“That Mr Koji Yoshihara be hereby re-elected as a Director of the Company.”

4. RE-ELECTION OF MR LOW CHAI CHONG

The Meeting was informed that Resolution 4 was to re-elect Mr Low Chai Chong (“Mr Low”) as a Director of the Company. As the Chairman was the subject of this agenda, he informed the members that he would like to pass the chair to Mr Teo Cheow Beng (“Mr Teo”), an Independent Director of the Company. Mr Teo then took the chair.

Mr Teo informed the members that in accordance with Regulation 122 of the Company’s Constitution, Mr Low would have to retire from office at the close of this Meeting, and being eligible, he had offered himself for re-election. Mr Low, if re-elected, would remain as the Board Chairman, Lead Independent Director, Chairman of the Audit Committee and as a member of the Remuneration Committee and Nominating Committee. Mr Low would be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

There being no questions raised, the following motion was proposed by Mr Ang Thian Chye (Shareholder) and seconded by Mr Colin Peter Moran (Shareholder):

“That Mr Low Chai Chong be hereby re-elected as a Director of the Company.”

Having finished with the agenda item, Mr Teo passed the chair back to Mr Low.

5. RE-ELECTION OF MR PATRICK TAN TSE CHIA

The Meeting was informed that Resolution 5 was to re-elect Mr Patrick Tan Tse Chia ("Mr Tan") as a Director of the Company. In accordance with Regulation 122 of the Company's Constitution, Mr Patrick would have to retire from office at the close of this Meeting, and being eligible, he had offered himself for re-election. Mr Tan, if re-elected, would remain as the Chairman of the Nominating Committee and as a member of the Audit Committee and Remuneration Committee. Mr Tan would be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

There being no questions raised, the following motion was proposed by Mr Kwek Swee Heng (Shareholder) and seconded by Mr Colin Peter Moran (Shareholder):

"That Mr Patrick Tan Tse Chia be hereby re-elected as a Director of the Company."

6. RE-ELECTION OF MR TEO CHEOW BENG

The Meeting was informed that Resolution 6 was to re-elect Mr Teo Cheow Beng ("Mr Teo") as a Director of the Company. In accordance with Regulation 122 of the Company's Constitution, Mr Teo would have to retire from office at the close of this Meeting, and being eligible, he had offered himself for re-election. Mr Teo, if re-elected, would remain as the Chairman of the Remuneration Committee and as a member of the Audit Committee and Nominating Committee. Mr Teo would be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

There being no questions raised, the following motion was proposed by Mr Stephen Chew (Proxy) and seconded by Mr Ang Thian Chye (Shareholder):

"That Mr Teo Cheow Beng be hereby re-elected as a Director of the Company."

7. DIRECTORS' FEES FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2019

The Meeting was informed that the Directors had recommended the payment of Directors' fees of S\$165,000.00 for the financial year ending 31 December 2019.

There being no questions raised, the following motion was proposed by Mr Ang Thian Chye (Shareholder) and seconded by Mr Colin Peter Moran (Shareholder):

"That the payment of Directors' fees of S\$165,000 for the financial year ending 31 December 2019 be hereby approved."

8. OTHER ORDINARY BUSINESS

It was noted that no notice was received for transacting of any other business at this meeting. Chairman then moved on with the Special Business to be transacted at this Meeting.

SPECIAL BUSINESS

9. AUTHORITY TO ISSUE SHARES

Resolution 8 under Agenda 5 was to seek shareholders' approval for granting authority to the Directors to allot and issue shares in the capital of the Company pursuant to the provisions of Section 161 of the Companies Act, Cap 50 ("the Act") and the listing rules of Singapore Exchange Securities Trading Limited ("SGX-ST").

There being no questions raised, the following motion was proposed by Mr Colin Peter Moran and seconded by Mr Gani Christopher Stanley (Proxy):

"That pursuant to Section 161 of the Companies Act, Chapter 50 ("Act"), and the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to:-

- (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;
- (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and
- (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues;

at any time to such persons and upon such terms and for such purposes as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding that the authority conferred by the shareholders may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the authority was in force,

provided always that

the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's total number of issued shares (excluding treasury shares), of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company, and for the purpose of this resolution, the total number of issued shares (excluding treasury shares) shall be the Company's total number of issued shares (excluding treasury shares) at the time this resolution is passed, after adjusting for:

- (i) new shares arising from the conversion or exercise of convertible securities;

- (ii) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST;
- (iii) any subsequent bonus issue, consolidation or subdivision of the Company's shares; and

such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."

10. CONDUCT OF THE POLL

As all the resolutions set forth at this Meeting had been duly proposed and seconded, the poll was duly conducted.

The Meeting was adjourned at 4.20pm for refreshment while the votes were being counted.

11. DECLARATION OF POLL RESULTS

The Meeting resumed at 4.45pm when the poll results were handed to the Chairman. Chairman then proceeded to declare the poll results:-

11.1 Resolution No. 1

With 215,388,388 votes for and 9,213,960 votes against, the motion was carried.

11.2 Resolution No. 2

With 214,463,388 votes for and 10,095,960 votes against, the motion was carried.

11.3 Resolution No. 3

With 215,345,388 votes for and 9,213,960 votes against, the motion was carried.

11.4 Resolution No. 4

With 215,345,388 votes for and 9,213,960 votes against, the motion was carried.

11.5 Resolution No. 5

With votes for 215,345,388 and 9,213,960 votes against, the motion was carried.

11.6 Resolution No. 6

With 215,345,388 votes for and 9,213,960 votes against, the motion was carried.

11.7 Resolution No. 7

With 213,756,853 votes for and 10,093,160 votes against, the motion was carried.

11.8 Resolution No. 8

With 213,756,753 votes for and 10,136,160 votes against, the motion was carried.

The Scrutineer's Report from Entrust is annexed to this set of minutes and marked as 'Appendix A' for identification purpose.

CONCLUSION

Chairman thanked the shareholders for their attendance and declared the Meeting closed at 4.50pm.

Signed as a true record of proceedings



Mr Low Chai Chong
Chairman of the Meeting