

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

**FARM-OUT OF PARTICIPATING INTEREST IN THE LEMANG PRODUCTION SHARING
CONTRACT (“LEMANG PSC”) – DISPUTE WITH MANDALA ENERGY LIMITED
 (“MANDALA”)**

Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the Company’s announcements dated 10 August 2015, 7 September 2015, 5 October 2015, 15 January 2016, 3 February 2016, 10 February 2016, 12 April 2016, 28 April 2016, 15 November 2016, 16 November 2016, 24 May 2017, 18 September 2017, 9 February 2018, 12 April 2018, 12 June 2018, 1 October 2018, 2 July 2019 and 14 October 2019, with respect to its interest in the Lemang PSC block (“Lemang Block”) located in South Sumatra, Indonesia (collectively, the “Announcements”).

The Board of Directors (“Board”) of Eneco Energy Limited (the “Company”, and together with its subsidiaries, the “Group”) refers to the Announcements and wishes to update its shareholders as follows:

1. PT Hexindo Gemilang Jaya (“Hexindo”) continues to be in dispute with Mandala over Hexindo’s claim of US\$3,323,004.90 against Mandala.
2. Mandala continues to issue cash calls on Hexindo on a monthly basis and had on 1 November 2019, 29 November 2019, and 31 December 2019 issued cash calls on Hexindo for the sums of US\$160,395, US\$90,448 and US\$142,253 respectively. Mandala had on 8 November 2019, 10 December 2019, and 9 January 2020 issued Default Notices to Hexindo for failure to meet the November 2019, December 2019 and January 2020 cash calls. Hexindo takes the position that it is not in default and that any amount due under the cash calls should be offset against the amount of US\$3,323,004.90 that Hexindo claims is due from Mandala to Hexindo.
3. The Board will provide further updates if there are further developments.

Oil and gas exploration is an expensive, high-risk operation. Shareholders are therefore advised to exercise caution when dealing in 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
ENECO ENERGY LIMITED

Colin Peter Moran
Executive Director cum Chief Executive Officer
17 January 2020