

ENECO ENERGY LIMITED
(the "Company")
(Co. Reg. No. 200301668R)
(Incorporated in the Republic of Singapore)

STANDSTILL AND SETTLEMENT DEED

The Board of Directors (the "**Board**") of **Eneco Energy Limited** (the "**Company**") wishes to inform shareholders that the Company, together with its subsidiaries, namely Ramba Energy Lemang Limited, Ramba Energy Exploration Ltd, Ramba Energy West Jambi Ltd ("**REWJ**") and PT Hexindo Gemilang Jaya (together "**Subsidiaries**"), have entered into a Standstill and Settlement Deed ("**Deed**") dated 12 May 2020 with Mercuria Asset Holdings (Hong Kong) Limited ("**Lender**") and Mercuria Energy Trading Pte Ltd ("**METPL**"). The facts and background of the matter are set out below.

(I) Background

1. The Company had entered into a Facility Agreement dated 18 December 2015 ("**Facility Agreement**") as amended and restated pursuant to an Amendment Letter dated 24 December 2015 and further amended and restated by an Amendment and Restatement Agreement dated 1 July 2016, made amongst the Company and the Subsidiaries excluding REWJ (together referred to as the "**Ramba Parties**"), the Lender and METPL, and other ancillary security documents related thereto (collectively referred to as the "**Finance Documents**").
2. Pursuant to the Finance Documents, the Ramba Parties are indebted to and/or have granted security or other assurances against loss in favour of the Lender and other Finance Parties (as defined in the Finance Documents), and have requested that the Lender and the other Finance Parties enter into a proposed standstill with respect to the Lender's rights and remedies, and a settlement of the debt owing to the Lender and/or other Finance Parties.

(II) Salient Terms and Conditions of the Standstill and Settlement Deed

The salient terms and conditions of the Deed are as follows :-

1. As at the date of the Deed, the amount of indebtedness ("**Outstanding Amount**") of the Ramba Parties which is due and owing to the Finance Parties are the aggregate of:
 - (a) an amount equal to US\$6,750,000, being the principal amount of the loan outstanding under the Facility Agreement ("**Loan**");
 - (b) an amount equal to US\$1,100,000, being accrued interest on the principal amount of the Loan outstanding under the Facility Agreement;
 - (c) an amount equal to US\$260,000, being Default Interest on the principal amount of the Loan outstanding under the Facility Agreement; and
 - (d) an amount equal to US\$125,000, being the costs and expenses (including legal fees) incurred by the Finance Parties in connection with the enforcement of, or the preservation of any rights under, any Finance Documents.

2. The Ramba Parties have requested, and the parties to the Deed have agreed to enter into the Deed to give effect to a standstill with respect to the Lender's rights and remedies, and a settlement of the Outstanding Amount owing to the Lender and/or other Finance Parties.
3. Pursuant to the Deed, the Ramba Parties will pay the Lender a settlement sum of S\$3 million ("**Settlement Sum**") by 30 June 2020, whereupon:-
 - (a) each Ramba Party is fully released and discharged from its liabilities and obligations owing by that Ramba Party to the Lender or any other Finance Party as the case may be, under any Finance Document to which that Ramba Party is a party;
 - (b) the Lender and each of the other Finance Parties as may be applicable, shall forthwith, at the cost of the Ramba Parties, release and discharge the security granted in favour of the Lender or other Finance Parties to the relevant Ramba Party; and
 - (c) the Lender and each of the other Finance Parties shall have no further claims of any kind whatsoever against the Ramba Parties or any one of them in relation to any indebtedness or other matter contained in the Finance Documents.
4. In addition to the payment of the Settlement Sum set out above, each of the Ramba Parties and REWJ will use best efforts to procure the consummation of a Disposal of the West Jambi Asset or any interest therein as soon as practicable but no later than 31 December 2020. In this regard :-

"**Disposal**" means the sale, transfer, lease, disposal, distribution or otherwise alienation, of all or substantially all of the West Jambi Asset, whether by a single transaction or series of related transactions, whether by merger, consolidation, asset sale, share sale or otherwise of all or any portion of the West Jambi Asset, or by way of any liquidation, dissolution or otherwise;

"**Sale Proceeds**" means the proceeds from the sale of the West Jambi Asset after deduction of all applicable sales taxes and the reasonable costs of the sales agent and seller's legal counsel; and

"**West Jambi Asset**" means the 100% participating interest in the West Jambi Kerja Sama Operasi located onshore in South Sumatra, Indonesia, such asset being 100% owned by REWJ who holds the rights granted to it by PT Pertamina EP ("**PEP**") pursuant to a co-operation agreement between REWJ and PEP dated 13 June 2011 for exploration-production in the West Jambi operation area.

If a Disposal is procured, where necessary, an Extraordinary General Meeting will be called on a date to be determined by the Board of Directors, for shareholders of the Company to approve the Disposal of the West Jambi Asset if such approval is required in accordance with the Listing Rules of the SGX-ST.

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5. If the West Jambi Asset is sold by 31 December 2020, then the Sale Proceeds are to be distributed in the following order of priority:
 - (a) up to SG\$3,000,000.00 shall be paid to the Lender;
 - (b) an amount equal to the costs and expenses (“**Mercuria Costs**”) incurred by the Lender in addressing any claims against the Ramba Parties or any of them, in connection with the Settlement Sum and/or the Outstanding Amount (or such lesser balance amount of Sale Proceeds as remains after the payment in (a) above) up to a maximum sum of US\$85,000.00 to be paid to the Lender.;
 - (c) up to SG\$12,000,000 shall be paid in equal parts to:
 - (i) the Lender; and
 - (ii) REWJ or such other party as the Ramba Parties shall designate in writing; and
 - (d) any Sale Proceeds thereafter shall be paid to REWJ or such other party as the Ramba Parties shall designate in writing.
6. If the Disposal of the West Jambi Asset takes place after 31 December 2020 but on or before 30 June 2021, the Ramba Parties and REWJ shall, jointly and severally, pay to the Lender an amount in cash equal to 50% of the Sale Proceeds received in respect of such Disposal. If, after 30 June 2021 but on or before 31 December 2021, a Disposal of the West Jambi Asset or any interest therein occurs, the Ramba Parties and REWJ shall, jointly and severally, pay to the Lender an amount in cash equal to 25% of the Sale Proceeds received in respect of such Disposal.
7. If there is no Disposal of the West Jambi Asset by 31 December 2021, each of the Ramba Parties and REWJ shall be released and discharged from all other obligations under the Deed (including any obligation to pay the Mercuria Costs and any other legal fees incurred by the Lender), and will no longer be liable or responsible to the Lender and each of the other Finance Parties in any manner whatsoever.

The Company will make further announcement(s) as and when there are material developments on this matter.

For and on behalf of the Board

Colin Peter Moran
Executive Director cum Chief Executive Director
12 May 2020