

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

SETTLEMENT AGREEMENT WITH PT MANDIRI PRATAMA KHATULISTIWA

The Board of Directors (the “**Board**”) of the Company refers to the Company’s Response to SGX Queries dated 10 October 2019 and the Company’s subsequent announcement made on 29 October 2019 in relation to the actions taken to recover US\$2,880,000 from PT Mandiri Pratama Khatulistiwa (“**MPK**”).

The Board wishes to inform shareholders that the Company’s subsidiary, PT Hexindo Gemilang Jaya (“**Hexindo**”), has entered into a Settlement Agreement (“**Settlement Agreement**”) with MPK on 15 June 2020.

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

1. Hexindo had appointed MPK to arrange for the issuance of a bank guarantee (“**Bank Guarantee**”) in the amount of USD2,880,000 for the benefit of another subsidiary of the Company, Ramba Energy West Jambi Limited (“**REWJ**”), in relation to the Joint Operations entered into by REWJ and PT Pertamina EP.
2. Hexindo paid and MPK received the sum of US\$ 2,880,000 which is equivalent to Indonesian Rupiah Forty-Two Billion Five Hundred Twenty Million Three Hundred Twenty Thousand (IDR42,520,320,000) (“**Security Deposit**”), for the purposes of MPK arranging for and procuring the said Bank Guarantee.
3. As at the date of the Settlement Agreement, MPK has failed to provide Hexindo with the Bank Guarantee and Hexindo has demanded that MPK refund the Security Deposit.
4. MPK acknowledges that MPK is obliged to refund the Security Deposit to Hexindo and that MPK is indebted to Hexindo in the amount equal to the Security Deposit in Indonesian Rupiah (“**MPK Debt**”).
5. The parties have agreed to an amicable settlement of the matter and MPK will pay and settle the MPK Debt to Hexindo, by way of thirty (30) instalments in cash, the first of which shall be in the amount of IDR375,000,000 within 30 days of the execution of the Settlement Agreement, followed by instalments of IDR1,500,000,000 every quarter from the date of the Settlement Agreement until the MPK Debt is fully paid.
6. Any remaining unpaid amount of MPK Debt will immediately become due and payable and Hexindo will have the right to commence Civil legal action to collect and claim all the remaining unpaid amount of MPK Debt upon the occurrence of an Event of Default.

7. MPK agrees and waives all of its rights for defence, rebuttal, challenge, answer, appeal and any legal remedy in whatsoever form in the event Hexindo decides to commence legal proceedings against MPK to recover all or any of the unpaid amount of MPK Debt and shall agree to judgment being entered against MPK in respect of Hexindo's claims and MPK must comply with the Court decision including the obligation to bear the legal costs of Hexindo.
8. Parties agree that they will not file any criminal charge for any reason or police report against affiliates and/or subsidiaries, shareholders, directors, commissioners and other officials of each party.
9. Once the settlement is completed in accordance with the Settlement Agreement, the parties agree to release each other from legal actions, civil lawsuits, claims, challenges, criminal reports and/or demands in any form.

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

BY ORDER OF THE BOARD
ENECO ENERGY LIMITED

Colin Peter Moran
Executive Director cum Chief Executive Director
15 June 2020