

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

NOTICE OF EXERCISE OF WITHDRAWAL OPTION PURSUANT TO THE JOINT OPERATING AGREEMENT RELATING TO THE LEMANG BLOCK

Further to the announcements on 26 January 2021 and 19 February 2021, the Board of Directors (the “**Board**”) of **Eneco Energy Limited** (the “**Company**”) wishes to inform shareholders that the Company’s subsidiary, PT Hexindo Gemilang Jaya (“**Hexindo**”), has received a Notice of Exercise of Withdrawal Option (“**Withdrawal Notice**”) from Jadestone Energy (Lemang) Pte. Ltd. (“**Jadestone**”) on 15 July 2021.

To recap, Jadestone is the current Operator under the Amended and Restated Joint Operating Agreement (“**JOA**”) dated 4 October 2015 relating to the Production Sharing Contract dated 18 January 2007 for the Lemang Block, located in the Jambi and Riau Provinces, Onshore Sumatera, Indonesia (“**Lemang Block**”). Jadestone and Hexindo each hold 90% and 10% Participating Interests under the JOA, respectively. Jadestone had issued Cash Call Notices to Hexindo for payments relating to the JOA and the Lemang Block claiming for a total amount of US\$1,186,929 as at 30 June 2021. This includes unpaid cash call amounts payable by Hexindo since October 2019 and late payment interest accrued thereon.

As announced earlier, Hexindo disputes the payment of certain amounts to Jadestone which, as of the date of this announcement, remain unresolved. Hexindo has not made payment to Jadestone, as a result of which, Jadestone has now served the Withdrawal Notice on Hexindo pursuant to Clauses 8.4.1(a) and 8.4.2 of the JOA (“**Withdrawal Option Clauses**”). Jadestone claims that pursuant to the Withdrawal Option Clauses, when a Withdrawal Notice is served by a non-defaulting party (i.e. Jadestone) on a defaulting party (i.e. Hexindo), the defaulting party is deemed to have proposed to withdraw from the JOA and thereafter the defaulting party is required to take steps to assign and transfer its participating interest under the JOA to the non-defaulting party.

The Company and Hexindo are seeking legal advice on the Withdrawal Notice in order to formulate its next steps on this matter and the Board 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
19 July 2021