

OEL (HOLDINGS) LIMITED

(Company Registration No. 198403368H)
(Incorporated in Singapore)

NEWS RELEASE

OEL Signs Sale and Purchase Agreement to Enter the Oil & Gas Business

Singapore, 30 June 2015 – Catalyst-listed OEL (Holdings) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”), today announced that the Company has entered into a conditional sale and purchase agreement (the “**SPA**”) to acquire 51% of the entire issued share capital (“**Sale Shares**”) of Allied Resources Limited (the “**Proposed Acquisition**”), which is an investment holding company with interests in the oil and gas business.

At its Extraordinary General Meeting held on 23 June 2015, the Company obtained the approval of shareholders to diversify the Group’s business scope to include mineral, oil and gas businesses.

Allied Resources indirectly holds 50% interest in Qian An, a joint venture company that is principally engaged in the exploitation, development and production of oil and natural gas from two Oilfields in Jilin, China. The remaining 50% interest in Qian An is held by PetroChina Company Limited (中国石油天然气股份有限公司).

The Vendor of the Sale Shares has represented that the Oilfields operated by Qian An cover two formations namely Qianshen-12 and Qian-209, encompassing a total area of approximately 15 square kilometers and have over 100 producing and suspended wells and related facilities in the Qian An, Jilin area of the PRC. The Oilfields have a current combined production of approximately 313 barrels of oil per day. The relevant exploration and exploitation rights over the Oilfields belong to PetroChina, which holds 50% interests of Qian An. The duration of the joint venture agreement with PetroChina over the Oilfields is from 1 November 2002 to 19 December 2016.

The consideration (“**Consideration**”) for the Proposed Acquisition is approximately S\$18.2 million, subject to adjustments made pursuant to the SPA. The Consideration shall be satisfied by cash of S\$11.9 million and by way of issue of new ordinary shares in the capital of the Company at S\$0.075 per share, amounting to an aggregate value of S\$6.3 million. The payment of the Consideration will be carried out in tranches and upon fulfilment of certain conditions such as the renewal of the joint venture agreement and achievement of oil production targets.

The Group plans to finance the Proposed Acquisition using a combination of internal funds, bank borrowings and/or fund raising in the capital markets (including but not limited to the issuance of convertible instruments).

Since the disposal of its distribution business and equity stake in a biofuel business, the Company has been exploring business opportunities, including the mining, oil and gas industry, to generate new revenue and income streams and to diversify from the Group’s current businesses in Shipyard Operations and Property Management. The Directors of OEL believe that the Proposed Acquisition has potential for growth and would benefit the Company and its shareholders.

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Completion of the Proposed Acquisition shall be within 14 days of the satisfaction of the conditions precedent or such other date as the parties may agree in writing, in any event not later than the Long-Stop Date of 31 October 2015.

This news release has to be read in conjunction with the Group's announcement posted on the SGX website on 30 June 2015.

About OEL (Holdings) Limited

OEL (Holdings) Limited is an investment holding company with businesses in Shipyard Operations and Property Management.

Established in Singapore in 1984, OEL was renamed from Oakwell Engineering Limited in November 2013 after the Group divested its Distributorship business and related engineering and assembly services. The Group currently operates a shipyard in Sattahip, Thailand that focuses on ship repair and other services. It also generates rental income from the leasing of an industrial property in Singapore. The Group is presently seeking new business avenues and exploring various strategies that could enhance shareholder value in the long term.

OEL is listed on the Catalist of the Singapore Exchange Securities Trading Limited.

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The details of the contact person for the Sponsor are: -

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