

Ramba Energy Limited and its Subsidiaries

Independent auditor's report For the financial year ended 31 December 2014

Independent auditor's report to the members of Ramba Energy Limited

Report on the financial statements

We have audited the accompanying financial statements of Ramba Energy Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 51 to 113, which comprise the balance sheets of the Group and the Company as at 31 December 2014, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Emphasis of Matter

We draw attention to Note 2.2 of the financial statements. The Group incurred loss attributable to owners of the Company of S\$11,930,000 for the financial year ended 31 December 2014 and, as at that date, the Group's current liabilities exceeded its current assets by S\$8,475,000. As at 31 December 2014, the Group has loans and borrowings totalling S\$4,083,000 that are due within the next 12 months and cash and bank balances of S\$3,790,000. Furthermore, as at that date, the Company has liabilities due to external parties of S\$3,772,000, loans and borrowings totalling S\$2,707,000 that are due within the next 12 months, and cash and bank balances of S\$250,000.

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. As disclosed further in the Note 2.2, the Directors have prepared the financial statements on a going concern basis as the Group is able to generate sufficient cash flows from its operations, raise additional funding and reduce the outflow of funds in connection with its oil and gas operations with the proposed farm-outs of certain interests in its oil and gas properties, and a related party, Edward Seky Soeryadjaya, has undertaken to provide financial support to enable the Group and Company to meet their financial obligations as and when they fall due.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. The financial statements do not include any adjustment which may arise from these uncertainties. In forming our opinion, we have considered the adequacy of the disclosure of these matters in the financial statements. Our opinion is not qualified with respect to this matter.

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For the financial year ended 31 December 2014**

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Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
13 April 2015

Ramba Energy Limited and its Subsidiaries

Notes to the financial statements For the financial year ended 31 December 2014

2.2 *Going concern assumption*

The Group incurred loss attributable to owners of the Company of S\$11,930,000 (2013: S\$15,276,000) for the financial year ended 31 December 2014 and as at that date the Group's current liabilities exceeded its current assets by S\$8,475,000 (2013: S\$8,686,000). As at 31 December 2014, the Group has loans and borrowings totalling S\$4,083,000 (2013: S\$5,841,000) that are due within the next 12 months and cash and bank balances of S\$3,790,000 (2013: S\$6,483,000). Furthermore, as at that date, the Company has liabilities due to external parties of S\$3,772,000 (2013: S\$1,160,000), loans and borrowings totalling S\$2,707,000 (2013: S\$3,696,000) that are due within the next 12 months, and cash and bank balances of S\$250,000 (2013: S\$366,000).

These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The Directors have prepared the financial statements on a going concern basis as the Group is able to generate sufficient cash flows from its operations, raise additional funding and reduce the outflow of funds in connection with its oil and gas operations with the proposed farm-outs of certain interests in its oil and gas properties, and a related party, Edward Seky Soeryadjaya, has undertaken to provide financial support to enable the Group and Company to meet their financial obligations as and when they fall due.

If the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheets. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. The financial statements do not include any adjustment which may arise from these uncertainties.