

TECHNICS OIL & GAS LIMITED
(Company Registration No.: 200205249E)
(Incorporated in the Republic of Singapore)

DISPOSAL OF SHARES IN AN ASSOCIATED COMPANY

The Board of Directors of Technics Oil & Gas Limited (“**Company**”) wishes to announce that the Company has entered into a share sale purchase agreement (“**Agreement**”) for the disposal (“**Disposal**”) of 300,000 ordinary shares (“**Sale Shares**”) constituting 30% of the total issued and paid up capital of Eversendai Technics Sdn Bhd (“**Associated Company**”) to Eversendai Corporation Berhad (“**Purchaser**”). The details of the Disposal are as follows:

1. Background on the Associated Company

- 1.1 The Associated Company is principally engaged in the provision of businesses relating to engineering, procurement, construction and fabrication services for the oil and gas industry, as further disclosed in the announcements dated 10 April 2013 and 12 April 2013 entitled “Incorporation of a Joint Venture Company” and “Joint Venture with Eversendai Corporation Berhad and Eversendai Construction (S) Pte. Ltd.”.
- 1.2 As of the date of this announcement, the Company owns 30% of the total issued and paid up capital of the Associated Company, and the remaining 70% is owned by the Purchaser (holding 699,999 ordinary shares of the Associated Company) and its related company, Eversendai Construction (S) Pte. Ltd (holding 1 ordinary share of the Associated Company).

2. Background on the Purchaser

The Purchaser is a controlling shareholder of the Company and holds 45,329,000 ordinary shares of the Company, equivalent to a shareholding interest of 20.51% in the issued share capital of the Company.

3. The Disposal

- 3.1 Pursuant to the Disposal, the Company will sell to the Purchaser the Sale Shares in the Associated Company, and will no longer have any interest in the Associated Company upon completion of the Disposal. The completion of the Disposal is scheduled to take place within 45 days from the date of the Agreement.
- 3.2 The completion of the Disposal is conditional upon, *inter alia*,
 - (i) the Purchaser procuring a letter from Eversendai Construction (S) Pte. Ltd. agreeing to the termination of the Shareholders Agreement; and
 - (ii) the Purchaser repaying, on behalf of the Associated Company, the loan of RM1,321,000, which was previously extended to the Associated Company by the Company for purposes of investment into the Associated Company’s subsidiary, Eversendai Technics RMC FZE.
- 3.3 The establishment of the Associated Company was for the Company and the Purchaser to jointly undertake the provision of engineering, procurement, construction fabrication, building and upgrading of rigs, vessels, jackets, topsides, processing modules and other oil and gas facilities in the Middle East. However, the aforementioned business has been largely handled by the Purchaser and the Disposal is part of the Group’s effort to streamline its operations and improve its working capital.

4. Consideration

The consideration payable by the Purchaser for the Disposal is Malaysia Ringgit Three Hundred Thousand (RM300,000) and will be satisfied in cash (“**Consideration**”). The Consideration was

arrived at on a willing buyer, willing seller basis, taking into account, *inter alia*, prevailing market conditions.

5. Chapter 9 of the SGX-ST Listing Manual

5.1 As disclosed in paragraph 2 above, the Purchaser is a controlling shareholder of the Company. Accordingly, the Purchaser is an "interested person" of the Company pursuant to Chapter 9 of the Listing Manual of the SGX-ST.

5.2 The Consideration for the Sale Shares is approximately 0.0862% of the Group's latest audited net tangible assets. Other than the Disposal, no other interested person transactions were entered into by the Company with the Purchaser, Tan Sri Nathan Elumalay and their associates for the current financial year ending 30 September 2014 up to the date of this announcement.

In light of the above, the aggregate value of all transactions entered into with the same interested person group during the same financial year does not exceed 3% or more of the Group's latest audited net tangible assets at the date of this announcement.

6. Chapter 10 of the SGX-ST Listing Manual

The Disposal is a non-discloseable transaction for the purposes of the Chapter 10 of the SGX-ST Listing Manual as none of the relative figures computed on the bases set out in Rule 1006 exceed 5%.

7. Financial effects

The Disposal is not expected to have any material impact on the net tangible assets per share, earnings per share and operating results of the Company for the current financial year.

8. Interests of Directors and Substantial Shareholders

The Company's Non-Executive Director, Tan Sri Nathan Elumalay, is the shareholder of the Purchaser holding approximately 70.70% of the total issued ordinary shares in the Purchaser and is the Executive Chairman and Group Managing Director of the Purchaser. The Purchaser is a controlling shareholder of the Company holding approximately 20.51% shareholding interests in the Company. Save as aforesaid, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Disposal.

BY ORDER OF THE BOARD

Ting Yew Sue
Executive Chairman
13 March 2014