

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

PROPOSED ISSUE OF:

- (1) **A TOTAL OF 32,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT THE PLACEMENT PRICE OF S\$0.09 PER SHARE; AND**
- (2) **A TOTAL OF 64,000,000 NON-LISTED, NON-TRANSFERABLE WARRANTS CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) SHARE EACH IN THE CAPITAL OF THE COMPANY AT THE EXERCISE PRICE OF S\$0.12 PER SHARE**

(COLLECTIVELY, THE “PROPOSED PLACEMENT”)

1. INTRODUCTION

- 1.1. The board of directors (the **“Board”**) of Ramba Energy Limited (the **“Company”**, and together with the Company’s subsidiaries, the **“Group”**) wishes to announce that the Company had on 31 May 2018 entered into a conditional share and warrant placement agreement (the **“Placement Agreement”**) with Judah Value Activist Fund (the **“Placee”**). Pursuant to the Placement Agreement, the Company has agreed to allot and issue an aggregate of 32,000,000 new ordinary shares (the **“Placement Shares”**) in the capital of the Company (the **“Shares”**). The Placee has agreed to subscribe for the Placement Shares at the price of S\$0.09 per Placement Share (the **“Placement Price”**) for an aggregate amount of S\$2,880,000 (the **“Placement Consideration”**).
- 1.2. The Placement Price represents a premium of approximately 11.5% over the volume weighted average price of S\$0.0807 for trades done on the Singapore Exchange Securities Trading Limited (the **“SGX-ST”**) for the full market day on 30 May 2018 (being the last full market day on which the Shares were traded prior to the day on which the Placement Agreement was signed).
- 1.3. In addition, the Company has agreed to constitute 64,000,000 non-listed, non-transferable warrants (the **“Warrants”**) which will be issued to the Placee. Each Warrant carries the right to subscribe for one (1) Share at the exercise price of S\$0.12 (the **“Exercise Price”**). The Warrants are exercisable at the Exercise Price into new Shares (the **“Warrant Shares”**).
- 1.4. The Exercise Price of S\$0.12 for the Warrants represents a premium of approximately 48.7% to the volume weighted average price of S\$0.0807 for trades done on the SGX-ST for the full market day on 30 May 2018 (being the last full market day on which the Shares were traded prior to the day on which the Placement Agreement was signed).
- 1.5. The Placement Shares and Warrant Shares, when allotted and issued, will rank in all respects *pari passu* with the existing issued Shares and be free from all pre-emption rights, charges, liens and other encumbrances and with all rights and benefits attaching thereto save that they will not rank for any dividend, rights, allotments or other distributions, the Record Date (as defined below) of which falls on or before the completion of the Proposed Placement. **“Record**

Date” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.

- 1.6. The Proposed Placement is non-underwritten and there is no placement agent appointed for the purpose of this Proposed Placement. The offer of the Placement Shares and Warrants is made pursuant to the exemption under Section 272B of the Securities and Futures Act (Cap. 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Proposed Placement.
- 1.7. The Proposed Placement will not result in any transfer of controlling interest in the Company.

2. SALIENT TERMS OF THE PLACEMENT AGREEMENT

- 2.1. **Conditions Precedent.** The completion of the Proposed Placement (“**Completion**”) is conditional upon the following conditions precedent being satisfied on or before the Completion Date (as defined in paragraph 2.3 below):
 - (a) The Placee obtaining all necessary approvals (including shareholders approvals, if applicable) for the Proposed Placement, and such approval has not been revoked or amended.
 - (b) The Proposed Placement not being prohibited by any statute, order, rule, regulation or directive promulgated or issued after the date of the Placement Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere which is applicable to the Company or the Placee (including but not limited to the SGX-ST and the Securities Industry Council of Singapore).
 - (c) There having been, as at the Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the representations and warranties contained in the Placement Agreement as if they were repeated on and as of the Completion Date.
 - (d) The Company and the Placee are not in breach of any of the undertakings and covenants given in the Placement Agreement as at the Completion Date, and if any of such undertakings and covenants are required to be fulfilled on or before the Completion Date, such undertakings and covenants shall have been fulfilled prior to Completion Date.
- 2.2. **Long Stop Date.** If any of the conditions precedent set out above is not satisfied on or before the date falling six (6) months after the date of the Placement Agreement (or such later date as the Parties may agree) (the “**Long Stop Date**”), the Placement Agreement shall *ipso facto* cease and determine and in such event neither party shall have any claim against the other for costs, damages, compensation or otherwise, save for any claim (i) by a party against the other arising from an antecedent breach of the terms of the Placement Agreement or (ii) under any clause which is expressly or by implication intended to survive such termination of the Placement Agreement.
- 2.3. **Completion.** Subject to the provisions of the Placement Agreement (including the conditions precedent specified in paragraph 2.1 above), Completion shall take place on the date falling five (5) business days after the date of the last of the conditions precedent specified in paragraph 2.1 above have been satisfied (or such other date as the relevant Parties may agree

in writing) (“**Completion Date**”) at the registered office of the Company (or such other place as the relevant Parties may agree) at such time as the relevant Parties may agree. At Completion:

- (a) the Placee shall pay, or procure to pay the relevant Placement Consideration by way of telegraphic transfer to the Company’s account; and
- (b) against receipt of the Placement Consideration from the Placee, the Company shall allot and issue the Placement Shares and deliver the share certificate(s) relating to such Placement Shares to the Placee no later than five (5) business days after the Completion Date, and issue the Warrants and deliver the Warrant Certificates relating to such Warrants to the Placee no later than five (5) business days after the Completion Date.

2.4. **Additional Listing Application.** The Company will be submitting an application to the SGX-ST to obtain the listing and quotation notice in respect of the Placement Shares and Warrant Shares on the Mainboard of the SGX-ST (on terms and conditions acceptable to the Company and the Placee, each acting reasonably) from SGX-ST (“**SGX Approval**”). The Company will make the necessary announcement once the SGX Approval has been obtained from the SGX-ST.

2.5. **The Warrants Issue.** The issue of the Warrants to the Placee is subject to and in accordance with the following terms, *inter alia*, set out in the deed poll to be executed by the Company for the purpose of constituting the Warrants:

- (a) **Exercise Period.** The Warrants are exercisable from the date that is six (6) months following the date of issue of the Warrants until 5.00 p.m. in Singapore on the Market Day (as defined in the Listing Manual) immediately preceding the fifth anniversary of the date of the issue of the Warrants (unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event the Warrants shall expire on the date prior to the closure of the Register of Members or the immediately preceding Market Day, as the case may be) (the “**Expiration Date**”), provided however that the prevailing market price of the Shares is more than or equivalent to S\$0.18.
- (b) **Adjustments.** The Exercise Price and the number of Warrants are subject to adjustment in the event of, *inter alia*, rights, bonus or other capitalisation issues as provided for in the Placement Agreement. Any such adjustments shall (unless otherwise provided under the Listing Manual from time to time) be announced by the Company.
- (c) **Listing and Transferability.** The Warrants are unlisted and non-transferable.
- (d) **Expiry.** The expiry of the Warrants will be announced by the Company, and the notice of the Expiration Date will be sent to the Placee at least one (1) month before the Expiration Date.
- (e) **Alterations.** Any material alteration to the terms of the Warrants to the advantage of the Placee shall be approved by the shareholders of the Company in a general meeting, except where the alterations are made pursuant to the terms and conditions set out in the Placement Agreement.

2.6. **Additional Director.** Pursuant to the Board’s power under regulation 122 of the Constitution of the Company, the Board shall appoint an individual nominated by the Placee as an additional director of the Company (“**Director**”).

3. DETAILS OF THE PLACEE

- 3.1. The Placee is an investment fund set up under the laws of the Cayman Islands and is managed by Swiss-Asia Financial Services Pte Ltd, an approximately US\$ 2.0 billion fund management and financial advisory company that holds a capital markets services license issued by the Monetary Authority of Singapore. Being one of the first institutional Asia (ex-Japan) activist investor, the Placee aims to generate exceptional risk-adjusted returns by unlocking and creating value in Asian equity and debt opportunities. As an active stakeholder, the Placee will work with the Company's management team and Board to engineer event-driven catalysts to unlock and increase value. Spearheaded by Mr Roland Jude Thng, the Placee has generated returns of +74.37% for investors in 2018 and has a current asset under management of approximately S\$50 million. Mr Roland himself has more than a decade of experience in the investment management industry. As an activist fund manager, he has successfully increased shareholder and debtholder value of several listed companies in Asia, generating more than +20% annually for his investors. His investors include institutional funds, family offices and high net worth individuals.
- 3.2. The Placee does not hold any interest in any investment or any directorship in the Company or businesses in competition with the Group. The Placee has no connection with the Company, its Directors and substantial shareholders (including any business relationship), and are not persons to whom the Company is prohibited from issuing shares or warrants to, as provided for by Rule 812 of the Mainboard Rules of the Listing Manual.
- 3.3. The Company was introduced to the Placee through an introducer, Mr. See Soon Hong, an individual based in Singapore who provides business consultancy services, with a referral fee of 3% of the Placement Consideration.

4. USE OF PROCEEDS AND RATIONALE

- 4.1. The Company is proposing to undertake the Proposed Placement to increase its general working capital.
- 4.2. Based on the Placement Price, the estimated amount of proceeds from the allotment and issue of the Placement Shares, net of the estimated expenses of approximately S\$130,000, is approximately S\$2,750,000 (the "**Placement Proceeds**"). Assuming the Warrants are fully exercised into Warrant Shares, the estimated amount of additional proceeds that may be raised, net of the estimated expenses of approximately S\$80,000, is approximately S\$7,600,000 (the "**Warrant Proceeds**", and together with the Placement Proceeds, the "**Net Proceeds**").
- 4.3. The Company intends to utilise the entirety of this Net Proceed for general working capital purposes as stated in paragraph 4.1 above.
- 4.4. The Company will make periodic announcement(s) as to the use of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements issued under Rule 705 of the Listing Manual and the Company's annual report. Where the Net Proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the announcements and status report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

- 4.5. Pending the deployment of the Net Proceeds, such proceeds may be placed as deposits with financial institutions or invested in short term money markets or debt instruments or for any other purposes on a short-term basis as the directors of the Board (the “**Directors**”) may deem fit, from time to time.

5. GENERAL MANDATE FOR THE ISSUE OF THE PLACEMENT SHARES, WARRANTS AND WARRANT SHARES

- 5.1. The Placement Shares to be issued to the Placee will be issued pursuant to the share issue mandate (the “**Share Issue Mandate**”) that was approved by shareholders of the Company (the “**Shareholders**”) at the annual general meeting of the Company convened on 30 May 2018 (the “**AGM**”). Pursuant to the Share Issue Mandate, the Directors have the authority to, amongst others, issue Shares and/or make or grant offers, agreements or options (collectively, the “**Instruments**”) that might or would require Shares to be issued, such that the aggregate number of Shares (including Shares to be issued pursuant to the Instruments) and Instruments shall not exceed 50.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM, of which the aggregate number of Shares and Instruments to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed 20.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the AGM.
- 5.2. The Placement Shares, when allotted and issued in full, will represent approximately 5.8% of the Company’s existing and paid-up capital of 547,748,677 Shares (excluding 1,807,215 treasury shares) as at the date of this announcement, and approximately 5.5% of the enlarged issued and paid-up share capital of 579,748,677 Shares (excluding 1,807,215 treasury shares) upon completion of the Proposed Placement.
- 5.3. The Warrant Shares, when allotted and issued in full, will consist of 64,000,000 Shares representing approximately 11.7% of the Company’s existing and paid-up capital of 547,748,677 Shares (excluding 1,807,215 treasury shares) as at the date of this announcement, and approximately 10.5% of the enlarged issued and paid-up share capital of 611,748,677 Shares (excluding 1,807,215 treasury shares) after completion of the Proposed Placement and the full exercise of the Warrants into Warrant Shares.
- 5.4. The Placement Shares and Warrant Shares, when allotted and issued in full, will consist of 96,000,000 Shares representing approximately 17.5% of the Company’s existing and paid-up capital of 547,748,677 Shares (excluding 1,807,215 treasury shares) as at the date of this announcement, and approximately 14.9% of the enlarged issued and paid-up share capital of 643,748,677 Shares (excluding 1,807,215 treasury shares) after completion of the Proposed Placement and the full exercise of the Warrants into Warrant Shares.
- 5.5. As at the date of the AGM, the Company has an issued share capital of 547,748,677 Shares (excluding 1,807,215 treasury shares). As at the date of this announcement, no Shares had been issued pursuant to the Share Issue Mandate. Accordingly, 273,874,338 Shares may be issued pursuant to the Share Issue Mandate, of which the maximum number of Shares that can be issued other than on a pro rata basis is 109,549,735 Shares. Therefore, the total of 96,000,000 Placement Shares and Warrant Shares that may be issued to the Placee pursuant to the Proposed Placement falls within the limits of the Share Issue Mandate.

6. FINANCIAL EFFECTS

- 6.1. As at the date of this announcement, the issued and paid up capital of the Company (excluding treasury shares) is S\$139,423,319.04 comprising 547,748,677 Shares (excluding 1,807,215 treasury shares). When allotted and issued in full, the placement of the Placement Shares will increase the existing issued and paid-up share capital of the Company by S\$2,880,000 to S\$142,303,319.04, comprising 579,748,677 Shares (excluding treasury shares). Upon the full exercise of the Warrants into Warrant Shares, the existing issued and paid-up share capital of the Company will increase by S\$7,680,000 to S\$149,983,319.04, comprising 643,748,677 Shares (excluding treasury shares).
- 6.2. The financial effects of the Proposed Placement on the net tangible assets ("**NTA**") per Share and the loss per Share ("**LPS**") are prepared for illustrative purposes only and do not purport to reflect the actual future results and financial position of the Group following completion of the Proposed Placement. The financial effects have been computed based on the following bases and assumptions:
- (a) the audited accounts of the Group for the period ended 31 December 2017 ("**FY2017**");
 - (b) the effect of the allotment and issuance of Placement Shares and the full exercise of the Warrants into Warrant Shares on the NTA per Share is computed based on the assumption that the Proposed Placement and full exercise of the Warrants into Warrant Shares were completed on 31 December 2017; and
 - (c) the effect of the allotment and issuance of Placement Shares and the full exercise of the Warrants into Warrant Shares on the LPS is computed based on the assumption that the Proposed Placement and full exercise of the Warrants into Warrant Shares were completed on 1 January 2017.
- 6.3. The LPS and the NTA per Share based on the audited accounts of the Group for FY 2017 are computed as follows:

	Before the Proposed Placement	After allotment and issue of Placement Shares	After the full exercise of the Warrants into Warrant Shares
Loss net of tax (S\$'000)	(8,705)	(8,705)	(8,705)
LPS (cents per share)	(1.59)	(1.50)	(1.35)
Weighted Average Number of Shares for calculating LPS	547,405,159	579,405,159	643,405,159
NTA (S\$'000)	34,950	37,700	45,300
NTA per Share (cents per share)	6.38	6.50	7.04
Number of Shares for calculating NTA per Share	547,748,677	579,748,677	643,748,677

7. ADJUSTMENTS TO OUTSTANDING CONVERTIBLE SECURITIES

To date, there are 56,618,703 outstanding warrants issued pursuant to the rights cum warrants issue carried out on 16 September 2016; 8,832,632 outstanding share options granted pursuant to the Company's employee share option schemes; and 1,963,244 share awards granted pursuant to the Company's employee share award schemes, for which adjustments will not be required in respect of the Proposed Placement.

8. DIRECTORS' OPINION

The Directors are of the opinion that, after taking into consideration:

- (a) the Group's present internal resources and bank facilities, the Group has sufficient working capital available to meet its present requirements; and
- (b) the Group's present internal resources and bank facilities and the Net Proceeds, the Group has sufficient working capital to meet its present requirements.

9. DIRECTORS' INTERESTS

None of the Directors of the Company have any interest, direct or indirect in the Proposed Placement. None of the Directors have any connection (including business relationship) with the Placee, its managers and/or investors.

10. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Placement is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Placement will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders are advised to read this announcement and any further announcements by the Company carefully.

Oil and gas exploration is an expensive, high-risk operation. Shareholders are therefore advised to exercise caution when dealing in shares of the Company, and should consult their legal, financial, tax and other professional advisers if they have any doubt as to the action to take.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Placement Agreement are available for inspection at the registered office of the Company at 300 Tampines Ave 5, #05-02, Singapore 529653.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure

of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the announcement in its proper form and context.

BY ORDER OF THE BOARD

Tan Chong Huat

Non-Executive Chairman

5 June 2018