

ALPHA ENERGY HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200310813H)

**TERM SHEET IN RELATION TO THE PROPOSED ACQUISITION OF, *INTER ALIA*,
29.2825% WORKING INTEREST IN THE MUSTANG OIL FIELD IN ALASKA**

1. INTRODUCTION

The board of directors (the “**Directors**” or the “**Board**”) of Alpha Energy Holdings Limited (the “**Company**” or “**Alpha Energy**”, together with its subsidiaries, the “**Group**”) wishes to announce that the Company has on 20 March 2018 entered into a non-binding term sheet (the “**Term Sheet**”) with TP Alaska, LLC (“**TP Alaska**”), a subsidiary of Thyssen Petroleum USA, Corp and Neo Alaska Venture, LLC (“**Neo**”) (collectively with TP Alaska, the “**Vendors**” and each, a “**Vendor**”, and together with the Company, the “**Parties**” and each, a “**Party**”) which sets out the key terms of the Company’s proposed acquisition of, *inter alia*, a 29.2825% working interest in the Mustang oil field in Alaska, the United States of America (the “**Mustang Field**”), further details of which are set out in paragraph 5 of this announcement (the “**Proposed Acquisition**”).

The Company currently holds 47.3025% working in the Mustang Field. Upon completion of this proposed acquisition, the Company will hold, *inter alia*, **76.585% working interest** in the **Mustang Field**.

2. CONSIDERATION

The Consideration for the purchase of the Vendors’ Interest (as defined below in paragraph 4.2 of this announcement) shall be based on a willing buyer and willing seller basis by the Parties at an aggregate amount of S\$17,116,500 (“**Consideration**”). The Consideration shall be payable by way of the issue and allotment of ordinary shares in the share capital of the Company (“**Consideration Shares**”). 219,724,000 Consideration Shares at a price of S\$0.0779 per share shall be issued and allotted to the Vendors.

3. RATIONALE AND BENEFITS OF THE PROPOSED ACQUISITION

The Board is of the opinion that the Proposed Acquisition allows the Group to consolidate its working interest in the Mustang Field into a controlling block. This allows the Group to:

- (a) drive the project at the Mustang Field (the “**Mustang Project**”) forward and increase the ability of the Group to raise funds in the near term to further the field development program;
- (b) better manage the strategy and operations of the Mustang Project and thus, deriving cost savings for the Mustang Project; and
- (c) better engage the local regulators and stakeholders more effectively and gain continuing support from these parties, which is key to the success of the future development of the Mustang Project.

4. INFORMATION ON THE VENDORS

The information relating to the Vendors set out in this Paragraph 4 of this announcement was provided by the Vendors. In respect of such information, the Company and the Directors have not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to the proper extraction and reproduction of such information herein in the context that the information is being disclosed in this announcement.

TP Alaska is a company incorporated in Delaware, the United States of America. It is engaged in the business of investment holding. TP Alaska shall renounce the Consideration Shares in favour of each of its beneficial shareholders which includes but is not limited to Thyssen Petroleum USA, Corp.

Neo is a company incorporated in Delaware, the United States of America. It is engaged in the business of investment holding.

5. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

5.1 Proposed Acquisition

The proposed acquisition is for the 100% of the share capital of TP North Slope Development, LLP ("**TPNSD**"), for an aggregate consideration of S\$17,116,500 based on a willing buyer willing seller basis.

5.2 TPNSD

TPNSD is a company incorporated in Delaware, the United States of America.

TPNSD holds:

- (a) 29.2825% working interest in the Mustang Field;
- (b) 3.75% working interest in the Badami Unit, an oil field in the Alaska North Slope (the "**Badami Unit**");
- (c) 32.5% shareholding interest in Brooks Range Petroleum Corp ("**BRPC**"); and
- (d) other unproved leases in the North Slope area and the ownership of wells, seismic data in leases and tax credits,

(collectively, the "**Vendors' Interest**").

As at the date of this announcement, the Vendors are the legal and beneficial owner of the entire shareholding interest in TPNSD.

The Term Sheet is non-binding until a definitive agreement is signed by the Parties (the "**Definitive Agreement**"). The Vendors shall, on completion of the sale and purchase of the Vendor's Interest and performance by the Parties of the obligations assumed under the Definitive Agreement to be entered into ("**Completion**"), sell to the Purchaser, and the Purchaser shall purchase the Vendor's Interest and together with all rights, benefits and entitlements attaching thereto.

The price to be used in the calculation of the number of Consideration Shares to be issued shall for each Consideration Share be the volume weighted average price per share ("**VWAP**")

for trades done on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") on 12 March 2018, the full market day where there were trades done prior to the signing of the Term Sheet. The VWAP on 12 March 2018 is S\$0.0779. 219,724,000 Consideration Shares shall be issued and allotted to the Vendors.

Upon completion of the Proposed Acquisition, the Company will hold, through its wholly-owned subsidiary, Caracol Petroleum LLC, together with TPNSD :

- (a) 76.585% working interest in the Mustang Field;
- (b) 7.5% working interest in the Badami Unit;
- (c) 82.5% shareholding interest in BRPC; and
- (d) other unproved leases in the North Slope area, ownership of wells, seismic data in leases and tax credits.

5.3 Long Stop Date

The long stop date (the "**Long Stop Date**") for the Proposed Acquisition is 30 June 2018 or any other date that is mutually agreed by the Parties.

5.4 Conditions Precedent to Completion

Completion is conditional upon, *inter alia*, the following conditions being satisfied or waived (as the case may be) on or before Completion:

- (a) the allotment and issuance of the Consideration Shares not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority in Singapore or in any other jurisdiction affecting the Parties;
- (b) all necessary consents, approvals and waivers being granted for all transactions contemplated in relation to the Proposed Acquisition not being withdrawn or revoked by third parties, including, without limitation, government bodies, stock exchanges and other relevant authorities having jurisdiction over the transactions contemplated in relation to the Proposed Acquisition, and if such approvals, consents and waivers are obtained subject to any conditions and where such conditions affect any party, such conditions being acceptable to the party concerned, and if such conditions are required to be fulfilled before Completion, such conditions being fulfilled before Completion;
- (c) the receipt of the listing and quotation notice in respect of the Consideration Shares on the Catalist board of the SGX-ST being obtained;
- (d) the successful resolution of outstanding matters involving the project and the processing facility in the Mustang Field and the show of continued support by the local regulators and stakeholders; and
- (e) satisfactory financial and valuation audit on the Company to be conducted by the Vendors.

5.5 Completion

The date for Completion will be determined by the Definitive Agreement to be entered into by the Parties.

Notwithstanding the foregoing sentence, Completion must take place on or before the Long Stop Date, failing which the Definitive Agreement in relation to the Proposed Acquisition shall

terminate and cease to have any effect immediately after the Long-Stop Date, unless otherwise agreed in writing by the Parties.

6. CAUTIONARY STATEMENT

Shareholders of the Company should note that the Proposed Acquisition is subject to the Parties entering into the Definitive Agreement, and other conditions (including the Conditions Precedent). There is no certainty or assurance as at the date of this announcement that the Parties will be able to enter into the Definitive Agreement, or that the Proposed Acquisition will be completed, or that no changes will be made to the terms thereof. Accordingly, shareholders are advised to exercise caution in trading their shares.

Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take

The Company will make the necessary announcement upon the signing of the Definitive Agreement relating to the Proposed Acquisition, or as and when there are any material updates in relation to the Proposed Acquisition.

7. 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 Acquisition, 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 this 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 this announcement in its proper form and context.

8. DOCUMENTS FOR INSPECTION

A copy of the Term Sheet is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 15 Hoe Chiang Road, #12-05, Tower Fifteen, Singapore 089316 for a period of three months from the date of this announcement.

**BY ORDER OF THE BOARD
ALPHA ENERGY HOLDINGS LIMITED**

Lee Tiong Hock
Company Secretary
21 March 2018

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

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

The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).