

Quarterly Financial Statement for the Period Ended 30 June 2019

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENT OF 2ND QUARTER

The Board of Directors of Eneco Energy Limited wishes to announce the following unaudited operating results of the Group for the period ended 30 June 2019.

1(a) Consolidated Income Statement

	Group 2nd Quarter		Increase/ (decrease) %	Group for the period ended Jun		Increase/ (decrease) %
	2019 S\$'000	2018 S\$'000		2019 S\$'000	2018 S\$'000	
Revenue	9,724	11,144	(12.7)	21,295	25,261	(15.7)
Other income	4,125	339	1,116.8	4,480	700	540.0
Costs and operating expenses						
Service costs and related expenses	(4,071)	(5,818)	(30.0)	(8,952)	(12,827)	(30.2)
Royalties payment	(39)	(53)	(26.4)	(76)	(205)	(62.9)
Salaries and employee benefits	(5,708)	(6,352)	(10.1)	(11,944)	(12,500)	(4.4)
Depreciation and amortisation expenses	(907)	(689)	31.6	(3,102)	(1,597)	94.2
Finance costs	(989)	(385)	156.9	(1,372)	(768)	78.6
Other operating expenses	(396)	973	NM	(124)	(2,644)	(95.3)
Total costs and operating expenses	(12,110)	(12,324)	(1.7)	(25,570)	(30,541)	(16.3)
Profit/(loss) before tax for the period	1,739	(841)	NM	205	(4,580)	NM
Income tax	(20)	(115)	(82.6)	(73)	(309)	(76.4)
Profit/(loss) for the period	1,719	(956)	NM	132	(4,889)	NM
Profit/(loss) for the period attributable to:						
Owners of the Company	923	(544)	NM	(508)	(4,151)	NM
Non-controlling interests	796	(412)	NM	640	(738)	NM
	1,719	(956)	NM	132	(4,889)	NM
Profit/(Loss) per share attributable to owners of the Company (cents per share)						
Basic	0.14	(0.10)		(0.08)	(0.76)	
Diluted	0.14	(0.10)		(0.08)	(0.76)	

NM: not meaningful

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Notes to Group Income Statement	Group 2nd Quarter		Group for the period ended Jun	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Other income include:				
Interest income from banks	6	11	19	29
Leasing income	-	6	-	12
Diesel consumed by service partners	24	16	39	29
Write-back of legal and professional fee	217	-	255	-
Gain on farm out of participating interest	3,538	-	3,538	-
Finance costs include:				
Interest on borrowings	(349)	(337)	(692)	(671)
Finance lease charges	(281)	(30)	(312)	(65)
Finance charges on Operator's cash calls	(161)	-	(161)	-
Finance charges on borrowings	(189)	-	(189)	-
Accretion of interest on abandonment & site restoration liabilities	(9)	(18)	(18)	(32)
Other operating expenses include:				
Foreign exchange gain, net	767	2,316	2,202	1,008
Legal and other professional fees	(113)	(182)	(143)	(321)
Write-off of property, plant and equipment	(2)	-	(2)	-
Gain on disposal of property, plant and equipment	7	90	11	91
Rental & utilities - office	(148)	(160)	(303)	(222)
Other administrative & operating expenses	(331)	(377)	(634)	(712)
Allowance for doubtful trade receivables	(107)	-	(131)	-

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1b(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Balance Sheet as at	Group		Company	
	30 Jun 19 S\$'000	31 Dec 18 * S\$'000	30 Jun 19 S\$'000	31 Dec 18 * S\$'000
Non-current assets				
Oil and gas properties	6,467	12,270	-	-
Property, plant and equipment	10,923	10,777	214	19
Intangible assets	140	167	-	-
Investment in exploration and evaluation assets	17,793	19,170	-	-
Investments in subsidiaries	-	-	9,426	9,426
Loans to subsidiaries	-	-	20,816	19,755
Other receivables	5,618	7,190	-	-
Deferred tax assets	35	35	-	-
Fixed deposits	314	310	-	-
	41,290	49,919	30,456	29,200
Current assets				
Trade receivables	9,545	11,270	-	-
Other receivables	6,783	1,847	3,930	3,595
Prepaid operating expenses	958	829	53	78
Inventories	166	181	-	-
Cash and bank balances	4,943	8,231	1,367	4,166
	22,395	22,358	5,350	7,839
Current liabilities				
Trade payables	14,652	15,027	-	-
Other payables	7,515	11,493	2,639	2,878
Provisions	397	621	-	-
Lease liabilities	1,542	1,823	25	-
Loans and borrowings	4,568	4,619	-	-
Income tax payable	184	206	70	90
	28,858	33,789	2,734	2,968
Net current (liabilities)/assets	(6,463)	(11,431)	2,616	4,871
Non-current liabilities				
Other payables	17,805	19,262	-	743
Provisions	951	1,092	18	19
Abandonment and site restoration liabilities	822	880	-	-
Lease liabilities	5,424	5,524	71	-
Loans and borrowings	4,568	4,619	-	-
Deferred tax liabilities	2,940	2,933	-	-
	32,510	34,310	89	762
Net assets	2,317	4,178	32,983	33,309
Equity attributable to the owners of the Company				
Share capital	148,367	148,181	148,367	148,181
Treasury shares	(935)	(935)	(935)	(935)
Other reserves	2,026	4,706	3,159	3,673
Accumulated losses	(139,822)	(139,737)	(117,608)	(117,610)
	9,636	12,215	32,983	33,309
Non-controlling Interests	(7,319)	(8,037)	-	-
Total Equity	2,317	4,178	32,983	33,309

* Audited

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1(b)(ii). Aggregate amount of Group's borrowings and debt securities

	30 Jun 19 S\$'000	31 Dec 18 S\$'000
1 Amount repayable in one year or less, or on demand Secured	6,110	6,442
2 Amount repayable after one year Secured	9,992	10,143
Total	16,102	16,585

Certain subsidiaries of the Company pledged their transport equipment as security for finance lease facilities granted by financial institutions.

The loan and borrowings are secured by way of a fixed charge over the subsidiary's operating accounts, a share charge over the Group's equity share in the subsidiary, a corporate guarantee by the Company and personal guarantee provided by a related party, Edward Seky Soeryadjaya.

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STATEMENT OF COMPREHENSIVE INCOME

	Group 2nd Quarter		Group for the period ended Jun	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Loss, net of tax for the period	1,719	(956)	132	(4,889)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation	(715)	(1,081)	(2,088)	(723)
Items that will not be reclassified subsequently to profit or loss:				
Re-measurement of defined benefit obligation	-	12	-	60
Total comprehensive income for the period	1,004	(2,025)	(1,956)	(5,552)
Total comprehensive income attributable to:				
- Owners of the Company	196	(1,494)	(2,674)	(4,701)
- Non-controlling interests	808	(531)	718	(851)
	1,004	(2,025)	(1,956)	(5,552)

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1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		Group	
	For the quarter ended		For the year ended	
	30 Jun 19	30 Jun 18	30 Jun 19	30 Jun 18
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities :				
Profit/(loss) before income tax for the period	1,739	(841)	205	(4,580)
Adjustments for:				
Depreciation and amortisation expenses	907	689	3,102	1,597
Gain on disposal of property, plant and equipment	(7)	(90)	(11)	(91)
Finance costs	989	385	1,372	768
Interest income from banks	(6)	(11)	(19)	(29)
Share based payment	-	3	-	21
Gain on farm out of participating interest	(3,538)	-	(3,538)	-
Write-off of property, plant and equipment	2	-	2	-
Write-back of legal and professional fee	(217)	-	(255)	-
Write-back of share issuance expenses	-	-	95	-
Allowance for doubtful receivables	107	-	131	-
Net fair value gain on oil options	-	(178)	-	(270)
Foreign exchange translation adjustments	(693)	(2,640)	(1,857)	(1,679)
Operating cash flows before working capital changes	(717)	(2,683)	(773)	(4,263)
Change in inventories	3	12	7	(70)
Change in trade receivables	(297)	(701)	1,438	2,245
Change in other receivables	(4,945)	(14,357)	(4,975)	(14,984)
Change in prepaid operating expenses	143	481	(142)	388
Change in trade payables	195	1,136	(225)	(524)
Change in other payables and provisions	5,572	15,729	3,480	14,167
Cash generated from/(used in) operations	(46)	(383)	(1,190)	(3,041)
Interest income received	6	11	19	29
Income tax paid	(7)	(67)	(23)	(168)
Finance costs paid	(57)	(368)	(429)	(736)
Net cash flows used in operating activities	(104)	(807)	(1,623)	(3,916)
Investing activities :				
Proceeds from disposal of plant and equipment	7	124	11	126
Purchase of plant and equipment and oil and gas properties	(188)	(5,253)	(748)	(6,185)
Acquisition of exploration & evaluation assets	-	(27)	-	(51)
Acquisition of intangible assets	(2)	(1)	(2)	(9)
Net cash flows used in investing activities	(183)	(5,157)	(739)	(6,119)
Financing activities :				
Repayment of finance lease	(479)	(230)	(934)	(458)
Net advances (to)/from joint venture partner	-	4,220	-	6,935
Release in fixed deposits pledged	-	1,200	-	1,200
Net cash flows (used in)/generated from financing activities	(479)	5,190	(934)	7,677
Net decrease in cash and cash equivalents	(766)	(774)	(3,296)	(2,358)
Effect of exchange rate changes on cash and cash equivalents	3	174	8	(15)
Cash and cash equivalents at beginning of period	5,706	8,938	8,231	10,711
Cash and cash equivalents at end of period	4,943	8,338	4,943	8,338
Note A				
Note A				
Cash on hand and at bank	4,943	8,338	4,943	8,338
Fixed deposits	314	-	314	-
Cash and deposits	5,257	8,338	5,257	8,338
Less : Restricted cash classified as non-current assets	(314)	-	(314)	-
Cash and cash equivalents	4,943	8,338	4,943	8,338

1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Attributable to owners of the Company											
	Equity	Equity attributable to owners of the Company, total	Share capital	Treasury shares	Accumulated losses	Other reserves total	Share based payment reserve	Others	Foreign currency translation reserve	Gain on reissuance of treasury shares	Capital reserve	Non-controlling interests
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Opening balance as at 1 January 2019	4,178	12,215	148,181	(935)	(139,737)	4,706	1,043	624	61	2,630	348	(8,037)
Q1												
Loss for the period	(1,587)	(1,431)	-	-	(1,431)	-	-	-	-	-	-	(156)
<u>Other comprehensive income</u>												
Exchange differences on translating foreign operations	(1,374)	(1,439)	-	-	-	(1,439)	-	-	(1,439)	-	-	65
Total comprehensive income for the period	(2,961)	(2,870)	-	-	(1,431)	(1,439)	-	-	(1,439)	-	-	(91)
<u>Contributions by and distributions to owners</u>												
Issuance of shares pursuant to EGPSP	-	-	91	-	212	(303)	(303)	-	-	-	-	-
Expiry of employee share options	-	-	-	-	211	(211)	(211)	-	-	-	-	-
Write-back of share issuance expenses	95	95	95	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	95	95	186	-	423	(514)	(514)	-	-	-	-	-
Total transactions with owners in their capacity as owners	95	95	186	-	423	(514)	(514)	-	-	-	-	-
Closing balance as at 31 March 2019	1,312	9,440	148,367	(935)	(140,745)	2,753	529	624	(1,378)	2,630	348	(8,128)
Q2												
Loss for the period	1,721	923	-	-	923	-	-	-	-	-	-	798
<u>Other comprehensive income</u>												
Re-measurement of defined benefit obligation	-	-	-	-	-	-	-	-	-	-	-	-
Exchange differences on translating foreign operations	(716)	(727)	-	-	-	(727)	-	-	(727)	-	-	11
Total comprehensive income for the period	1,005	196	-	-	923	(727)	-	-	(727)	-	-	809
Closing balance as at 30 June 2019	2,317	9,636	148,367	(935)	(139,822)	2,026	529	624	(2,105)	2,630	348	(7,319)

1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Attributable to owners of the Company

Group	Equity attributable to owners of the Company						Attributable to owners of the Company					Non-controlling interests S\$'000
	Total Equity S\$'000	Equity attributable to owners of the Company, total S\$'000	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves total S\$'000	Share based payment reserve S\$'000	Others S\$'000	Foreign currency translation reserve S\$'000	Gain on reissuance of treasury shares S\$'000	Capital reserve S\$'000	
Opening balance as at 1 January 2018 (As previously reported)	36,249	40,638	138,232	(935)	(96,881)	222	1,881	352	(4,989)	2,630	348	(4,389)
Restatement adjustment *	(1,904)	(1,904)	-	-	(1,904)	-	-	-	-	-	-	-
Opening balance as at 1 January 2018 (As restated)	34,345	38,734	138,232	(935)	(98,785)	222	1,881	352	(4,989)	2,630	348	(4,389)
Q1												
Loss for the period	(2,029)	(1,703)	-	-	(1,703)	-	-	-	-	-	-	(326)
Other comprehensive income												
Re-measurement of defined benefit obligation	48	48	-	-	-	48	-	48	-	-	-	-
Exchange differences on translating foreign operations	358	352	-	-	-	352	-	-	352	-	-	6
Total comprehensive income for the period	(1,623)	(1,303)	-	-	(1,703)	400	-	48	352	-	-	(320)
Contributions by and distributions to owners												
Grant of equity settled share based payment to employees	18	18	-	-	-	18	18	-	-	-	-	-
Expiry of employee share options	-	-	-	-	284	(284)	(284)	-	-	-	-	-
Total contributions by and distributions to owners	18	18	-	-	284	(266)	(266)	-	-	-	-	-
Total transactions with owners in their capacity as owners	18	18	-	-	284	(266)	(266)	-	-	-	-	-
Closing balance as at 31 March 2018	32,740	37,449	138,232	(935)	(100,204)	356	1,615	400	(4,637)	2,630	348	(4,709)
Q2												
Loss for the period	(956)	(544)	-	-	(544)	-	-	-	-	-	-	(412)
Other comprehensive income												
Re-measurement of defined benefit obligation	12	12	-	-	-	12	-	12	-	-	-	-
Exchange differences on translating foreign operations	(1,081)	(962)	-	-	-	(962)	-	-	(962)	-	-	(119)
Total comprehensive income for the period	(2,025)	(1,494)	-	-	(544)	(950)	-	12	(962)	-	-	(531)
Contributions by and distributions to owners												
Grant of equity settled share based payment to employees	3	3	-	-	-	3	3	-	-	-	-	-
Total contributions by and distributions to owners	3	3	-	-	-	3	3	-	-	-	-	-
Total transactions with owners in their capacity as owners	3	3	-	-	-	3	3	-	-	-	-	-
Closing balance as at 30 June 2018	30,718	35,958	138,232	(935)	(100,748)	(591)	1,618	412	(5,599)	2,630	348	(5,240)

* In 2017, the Remuneration Committee ("RC") has granted share options and awards to the eligible executives of the Group. As the number of shares held by one of the eligible directors was approaching or had reached the maximum entitlement pursuant to Rule 845(3) of SGX Mainboard Rules, the RC and the Board of Directors ("Board") have approved the balance of that director's entitlement to be paid by way of cash bonus at the respective vesting dates. However, the cash bonus has not been recognised as liabilities in the prior years.

Accordingly, the Group and the Company have, retrospectively adjusted for the aforementioned matter as a prior year adjustment.

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1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Company	Equity total	Share capital	Treasury shares	Accumulated losses	Other reserve total	Share based payment reserve	Gain on reissuance of treasury shares
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Opening balance as at 1 January 2019	33,309	148,181	(935)	(117,610)	3,673	1,043	2,630
Q1							
Loss for the period, representing total comprehensive income for the period	(825)	-	-	(825)	-	-	-
<u>Contributions by and distributions to owners</u>							
Issuance of shares pursuant to EGPSP	-	91	-	212	(303)	(303)	-
Expiry of employee share options	-	-	-	211	(211)	(211)	-
Share issuance expenses	95	95	-	-	-	-	-
Total transactions with owners in their capacity as owners	95	186	-	423	(514)	(514)	-
Balance as at 31 March 2019	32,579	148,367	(935)	(118,012)	3,159	529	2,630
Q2							
Income for the period, representing total comprehensive income for the period	404	-	-	404	-	-	-
Total comprehensive income for the period	404	-	-	404	-	-	-
Balance as at 30 June 2019	32,983	148,367	(935)	(117,608)	3,159	529	2,630

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1 (d) (i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Company	Equity total S\$'000	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserve total S\$'000	Share based payment reserve S\$'000	Gain on reissuance of treasury shares S\$'000
Opening balance as at 1 January 2018 (As previously reported)	97,747	138,232	(935)	(44,061)	4,511	1,881	2,630
Restatement adjustment *	(1,904)	-	-	(1,904)	-	-	-
Opening balance as at 1 January 2018 (As restated)	95,843	138,232	(935)	(45,965)	4,511	1,881	2,630
Q1							
Loss for the period, representing total comprehensive income for the period	759	-	-	759	-	-	-
<u>Contributions by and distributions to owners</u>							
Grant of equity settled share based payment to employees	18	-	-	-	18	18	-
Expiry of employee share options	-	-	-	284	(284)	(284)	-
Total transactions with owners in their capacity as owners	18	-	-	284	(266)	(266)	-
Balance as at 31 March 2018	96,620	138,232	(935)	(44,922)	4,245	1,615	2,630
Q2							
Income for the period	781	-	-	781	-	-	-
Total comprehensive income for the period	781	-	-	781	-	-	-
<u>Contributions by and distributions to owners</u>							
Grant of equity settled share based payment to employees	3	-	-	-	3	3	-
Total transactions with owners in their capacity as owners	3	-	-	-	3	3	-
Balance as at 30 June 2018	97,404	138,232	(935)	(44,141)	4,248	1,618	2,630

* In 2017, the Remuneration Committee ("RC") has granted share options and awards to the eligible executives of the Group. As the number of shares held by one of the eligible directors was approaching or had reached the maximum entitlement pursuant to Rule 845(3) of SGX Mainboard Rules, the RC and the Board of Directors ("Board") have approved the balance of that director's entitlement to be paid by way of cash bonus at the respective vesting dates. However, the cash bonus has not been recognised as liabilities in the prior years.

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- 1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	As at 30 Jun 2019	As at 31 Dec 2018
The number of shares that may be issued on RGPSP and exercise of share options outstanding at the end of the period	6,620,008	8,428,741
Number of shares held as treasury shares against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer.		
	30 Jun 2019 No. of Shares	31 Dec 2018 No. of Shares
Treasury shares	1,807,215	1,807,215
Number of issued ordinary shares (excluding treasury shares)	646,867,923	645,867,840
Percentage (%)	0.28%	0.28%

- 1(d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial year end as at the end of the preceding year.

	As at 30 Jun 2019	As at 31 Dec 2018
Total number of ordinary shares	127,379,250	127,379,250
Treasury shares	(11,148,000)	(11,148,000)
Release of treasury shares for utilisation pursuant to share placement	9,340,785	9,340,785
Subtotal	(1,807,215)	(1,807,215)
New issuance of shares	479,053,669	479,053,669
Share issuance under the Performance Share Plan & Option Scheme	42,242,219	41,242,136
Total number of ordinary shares after treasury shares	646,867,923	645,867,840

- 1(d) (iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial year reported on.

The movement of treasury shares is as follow:	
As at 1 January 2018	1,807,215
Re-issuance of treasury shares	-
As at 31 December 2018	1,807,215

- 1(d) (v) A statement showing all sales, transfers, cancellation and / or use of subsidiary holdings as at the end of the current financial period reported on

NA

- 2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies in the preparation of the financial statements for the current reporting period as those applied in the preparation of the audited financial statements for the financial year ended 31 December 2018.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has

Singapore Financial Reporting Standard (International) 16 - Leases (SFRS(I) 16) is effective for financial year beginning on or after 1 January 2019. SFRS(I) 16 introduces a single, on-balance sheet lease accounting model for lessees. The rationale for the change is to better reflect the economic substance of lease transactions. A lessee will recognise a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. IFRS 16 replaces existing lease accounting guidance, including FRS 17 Leases, INT FRS 114 Determining Whether an Arrangement Contains a Lease, INT FRS 15 Operating Leases - Incentives and INT FRS 27 Evaluating the Substance of Transaction Involving the Legal Form of a Lease.

The Group has previously entered into numerous commercial leases for properties and transport equipment and they have remaining uncancellable lease terms of between 1 to 5 years, with renewal options negotiation before the lease expires and escalation clauses as set out in the contracts. As at the date of this Results Announcement, Management has not included the financial effects on adoption of SFRS(I) 16 in the consolidated statement of financial position and statement of comprehensive income as Management is currently collating the information and computing the financial effects. Management targets to complete the assessment and reports the financial effects on adoption of SFRS(I) 16 in the 9 months financial period ending 30 September 2019.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year after deducting any provision for preference dividends.

Earning per share (EPS)	Group		Group	
	3 months ended		6 months ended	
	30 Jun 2019	30 June 2018	30 Jun 2019	30 June 2018
Based on the weighted average number of shares (cents)				
- net profit/(loss) attributable to shareholders	0.14	(0.10)	(0.08)	(0.76)
Weighted average number of shares	646,756,803	547,748,677	646,812,670	547,748,677
On a fully diluted basis				
- net profit/(loss) attributable to shareholders	0.14	(0.10)	(0.08)	(0.76)
Weighted average number of shares	646,756,803	547,748,677	646,812,670	547,748,677

During the period ended 31 March 2019, diluted earnings per share is calculated on the same basis as basic earnings per share as there are no dilutive potential ordinary shares as at 31 March 2019.

**7 Net assets value (for the issuer and group) per ordinary share based on issued share capital at the end of the :
(a) current financial period reported on; and
(b) immediately preceding financial year**

Net Assets Value (NAV)	Group		Company	
	30 Jun 2019	31 December 2018 *	30 Jun 2019	31 December 2018 *
No of ordinary shares	646,867,923	645,867,840	646,867,923	645,867,840
NAV (In cents)	1.49	1.89	5.10	5.16

* Audited

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Group Income Review

Q2 2019 vs Q2 2018

The Group revenue in Q2 2019 was at S\$9.7 million, which was lower by S\$1.4 million than the corresponding period of prior year.

The previously reported Q1 2019 revenue for Lemang was overstated by S\$0.7 million due to incorrect participating interest percentage used. This overstatement has been rectified to reflect the normalised revenue for the six months ended 30 June 2019.

S\$'000	Q1 2019 Corrected	Q1 2019 As reported	Variance
Revenue	10,876	11,571	(695)
Loss attributable to			
- Owners	(1,990)	(1,431)	(559)
- Non-controlling interests	(292)	(156)	(136)
Loss for the period	(2,282)	(1,587)	(695)
Total Equity	617	1,312	(695)

Based on Q2 2019 normalised revenue, the Group revenue in Q2 2019 will be at S\$10.4 million, which was lower by S\$0.7 million than the corresponding period of prior year. Logistics segment recorded a lower revenue of S\$0.5 million while the rental segment recorded a lower revenue of S\$0.2 million due to discontinuation of our rental management business since May 2018.

Other income increased, mainly due to gain on farm-out in Lemang from 16% to 10% participating interest.

Total costs and operating expenses were lower by S\$0.2 million mainly due to:-

- (a) lower service costs of S\$1.7 million in line with the reduction in revenue as a result of an expired key contract;
(b) lower salaries and employee benefits of S\$0.6 million;
offset by:

- (c) higher depreciation incurred of S\$0.2 million largely from transport equipment and Lemang field;
(d) higher finance costs of S\$0.6 million due to lease interest on Logistics, late interest imposed on Operator's cash calls and borrowings;
(e) higher other operating expenses of S\$1.3 million largely due to lower unrealised exchange gain of S\$1.5 million in Q2 2019 vs Q2 2018, absence of write-back of provision for reinstatement costs of S\$0.4 million in Q2 2018 offset by lower other operating costs incurred by Lemang field of S\$0.6 million.

The net profit after tax attributable to shareholders in Q2 2019 was S\$0.9 million versus a loss of S\$0.5 million in the corresponding period of the prior year.

YTD Q2 2019 vs. YTD Q2 2018

The Group revenue in YTD Q2 2019 was at S\$21.3 million, which was lower by S\$4.0 million than the corresponding period of prior year.

Logistics segment recorded a lower revenue of S\$2.5 million due to expiry of a contract in Indonesia in January 2018 while the rental segment recorded a lower revenue of S\$0.5 million due to discontinuation of rental management business since May 2018. Oil & Gas segment recorded a decrease in the revenue of S\$1.0 million partly due to declining production in Jati field, and lower participating interest in the Lemang field (Q2 2019:16% vs Q2 2018:31%).

Other income increased, mainly due to gain on farm-out in Lemang from 16% to 10% participating interest.

Total costs and operating expenses were lower by S\$5.0 million mainly due to:

- (a) lower service costs of S\$3.9 million in line with reduction in revenue as a result of an expired key contract;
(b) lower salaries and employee benefits of S\$0.6 million;
(c) lower other operating expenses of S\$2.5 million largely due to higher unrealised exchange gain of S\$1.2 million in 1H 2019 vs 1H 2018, lower other operating costs in Lemang field of S\$1.7 million and offset by absence of write-back of provision for reinstatement costs of S\$0.4 million.
offset by
(d) higher depreciation and amortisation of S\$1.5 million largely from transport equipment and Lemang field;
(e) higher finance costs of S\$0.6 million due to Operator's cash calls and late interest imposed on borrowings;

The net loss after tax attributable to shareholders in 2019 was S\$0.5 million versus a loss of S\$4.2 million in corresponding period of the prior year.

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Group Balance Sheet Review

Non-current assets decreased by S\$8.6 million to S\$41.3 million largely due to 6% farm-out and higher depreciation in Lemang field.

Current assets increased by S\$37k mainly due to a proceeds receivable from farm-out of S\$5 million, decrease in trade receivables of S\$1.7 million largely inline with the lower revenue and a decrease in cash and bank balances of S\$3.3 million.

Current liabilities decreased by S\$4.9 million mainly due to a decrease in trade and other payables of S\$4.4 million largely due to proceeds receivable from farm-out and lower provisions and lease liabilities of S\$0.2 million and S\$0.3 million respectively.

Non-current liabilities decreased by S\$1.8 million mainly due to lower advances from joint venture partner of S\$1.3 million and lower provisions and other liabilities.

Negative Working Capital position

The Group's negative working capital position improved from S\$11.4 million as at 31 December 2018 to S\$6.5 million as at 30 June 2019.

With the improved position, the Board of Directors is of the view that the Group is able to operate as a going concern due to the following:

- (a) The Group is able to generate sufficient cash flows from its operations, restructure its loans and obtain additional fundings.
- (b) A substantial shareholder has also undertaken to provide continuing financial support to enable the Group and the Company to meet their financial obligations as and when they fall due.

Group Cashflow Statement Review

For the period ended 1H 2019, the Group had a net cash outflow from operating activities of S\$1.6 million vs a net cash outflow of S\$3.9 million as at 1H 2018.

The Group had net cash and cash equivalents of S\$4.9 million as at 1H 2019 compared to cash and cash equivalents of S\$8.3 million as at 1H 2018

9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Logistics Business

New contract wins are helping to offset a soft economic environment where existing customer volumes remain depressed.

Our focus remains on the securing of new contracts to drive growth and negate any market downturn. With two new contract wins this year, we are in line with anticipated client growth and feel positive about the opportunities that such market conditions can present to us.

Oil and Gas Business

Gas production from our Jati facility remains relatively stable whilst our Lemang oil production has shown declining output in Q2 and possibly into the 2nd half of the year.

With a 10% participating interest now in the Lemang asset we see reduced capital demand on our business and our net funding balance, which will ease the cash demands on our group in the short to medium term.

We will continue to explore options for our West Jambi asset.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date Payable - Not Applicable

(d) Books closure date - Not Applicable

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12 If no dividend has been declared (recommended), a statement to that effect.

No dividend for period ended 30 June 2019 is recommended.

13 If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT general mandate has been obtained from the shareholders.

14 Please disclose the status on the use of proceeds raised from IPO and any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use. Where the proceeds have been used for working capital purpose, a breakdown with specific details on how the proceeds have been applied must be disclosed.

No proceeds were raised from IPO and other offerings for the period under review.

15 Board of Directors' assurance

As at the date of this announcement, the Board of Directors confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the interim financial results to be false or misleading, in any material aspect.

16 Rule 720(1) of the Listing Manual

The Company confirms it has procured the undertakings from all Directors and executive officers as required under SGX Listing Rule 720(1).

**BY ORDER OF THE BOARD
ENECO ENERGY LIMITED**

Colin Peter Moran
Chief Executive Officer and Executive Director
13 August 2019