

**Unaudited Half Year Financial Statement and Dividend Announcement for the Six Months Period Ended 30 June 2020 ("HY2020")**
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS**

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Increase/ (Decrease) %
	Six months ended 30/6/2020 (Unaudited) US\$	Six months ended 30/6/2019 (Unaudited) US\$	
<b>Continuing operations</b>			
Revenue	-	-	NM
Cost of sales	-	-	NM
Gross loss	-	-	NM
<b>Other items of income</b>			
Other income	14,002	-	NM
<b>Other items of expense</b>			
General and administrative expenses	(380,819)	(999,556)	-62%
Other expenses	36,043	(16,499)	NM
<b>Results from operating activities</b>	<b>(330,774)</b>	<b>(1,016,055)</b>	<b>NM</b>
Finance income	33,913	126,221	-73%
Finance cost	(152,394)	(319,445)	-52%
<b>Net finance cost</b>	<b>(118,481)</b>	<b>(193,224)</b>	<b>-39%</b>
<b>Loss before income tax</b>	<b>(449,255)</b>	<b>(1,209,279)</b>	<b>-63%</b>
Income tax expense	-	-	NM
<b>Loss from continuing operations</b>	<b>(449,255)</b>	<b>(1,209,279)</b>	<b>-63%</b>
<b>Discontinued operations</b>			
Loss from discontinued operations	<b>(8,372,830)</b>	<b>(56,567)</b>	<b>NM</b>
<b>Total loss</b>	<b>(8,822,085)</b>	<b>(1,265,846)</b>	<b>NM</b>
<b>Other comprehensive loss</b>			
<i>Item that are or may be reclassified subsequently to profit or loss:</i>			
Currency translation arising from consolidation of financial statements of foreign operations	8,464	(4,342)	NM
<i>Item that will not be reclassified to profit or loss:</i>			
Equity investments at FVOCI – net change in fair value	(45,073)	(2,280,031)	-98%
<b>Other comprehensive loss for the financial period, net of tax</b>	<b>(36,609)</b>	<b>(2,284,373)</b>	<b>NM</b>
<b>Total comprehensive loss for the financial period</b>	<b>(8,858,694)</b>	<b>(3,550,219)</b>	<b>NM</b>
Loss attributable to:			
- Equity holders of the Company	(8,658,147)	(1,221,296)	NM
- Non-controlling interests	(163,938)	(44,550)	NM
<b>Total loss for the financial period</b>	<b>(8,822,085)</b>	<b>(1,265,846)</b>	<b>NM</b>
Total comprehensive loss attributable to:			
- Equity holders of the Company	(8,694,756)	(3,505,669)	NM
- Non-controlling interests	(163,938)	(44,550)	NM
<b>Total comprehensive loss for the financial period</b>	<b>(8,858,694)</b>	<b>(3,550,219)</b>	<b>NM</b>

	Group		Increase/ (Decrease) %
	Six months ended 30/6/2020 (Unaudited) US\$	Six months ended 30/6/2019 (Unaudited) US\$	
Loss per share (in US cents)			
- Basic	(0.38)	(0.21)	81%
- Diluted	(0.38)	(0.21)	81%
NM – Not meaningful			

### Notes to Consolidated statement of comprehensive income

The loss before income tax is arrived at after crediting/(charging):

	Group		Increase/ (Decrease) %
	Six months ended 30/6/2020 (Unaudited) US\$	Six months ended 30/6/2019 (Unaudited) US\$	
Foreign exchange gain/(loss), net	36,020	(4,342)	NM
Depreciation of plant and equipment	(26,795)	(245)	NM
NM – Not meaningful			

**1(b)(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**

	Group		Company	
	As at 30/6/2020 (Unaudited) US\$	As at 31/12/2019 (Audited) US\$	As at 30/6/2020 (Unaudited) US\$	As at 31/12/2019 (Audited) US\$
<b>Non-current assets</b>				
Exploration and evaluation assets	-	74,005,851	-	-
Plant and equipment	-	26,795	-	-
Investments in subsidiary corporations	-	-	-	-
Other receivables	29,166,918	29,166,918	-	-
	<b>29,166,918</b>	<b>103,199,564</b>	<b>-</b>	<b>-</b>
<b>Current assets</b>				
Other investments at FVPL	1,809	1,809	1,809	1,809
Trade and other receivables	384,801	2,660,799	53,097	1,419,252
Cash and cash equivalents	2,200,043	2,333,220	3,287	27,675
	2,586,653	4,995,828	58,193	1,448,736
Assets held-for-sale	79,400,466	4,950,000	-	-
	<b>81,987,119</b>	<b>9,945,828</b>	<b>58,193</b>	<b>1,448,736</b>
<b>Total assets</b>	<b>111,154,037</b>	<b>113,145,392</b>	<b>58,193</b>	<b>1,448,736</b>
<b>Equity</b>				
Share capital	115,103,998	115,103,998	115,103,998	115,103,998
Perpetual securities	1,913,045	1,913,045	1,913,045	1,913,045
Reserves	(4,778,639)	(4,742,030)	1,936,342	1,936,342
Accumulated losses	(206,013,996)	(197,325,557)	(121,015,748)	(120,604,647)
<b>Attributable to equity holders of the Company</b>	<b>(93,775,592)</b>	<b>(85,050,544)</b>	<b>(2,062,363)</b>	<b>(1,651,262)</b>
Non-controlling interests	(639,500)	(475,562)	-	-
<b>Total equity</b>	<b>(94,415,092)</b>	<b>(85,526,106)</b>	<b>(2,062,363)</b>	<b>(1,651,262)</b>
<b>Non-current liabilities</b>				
Provision for restoration costs	2,480,000	2,480,000	-	-
Trade and other payables	840,231	840,231	-	-
Loans and borrowings	20,642,422	19,984,849	-	-
	<b>23,962,653</b>	<b>23,305,080</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>				
Trade and other payables	85,809,192	82,758,588	2,120,556	3,099,998
Loans and borrowings	18,846,818	92,607,830	-	-
	104,656,010	175,366,418	2,120,556	3,099,998
Liabilities associated with assets held-for-sale	76,950,466	-	-	-
	<b>181,606,476</b>	<b>175,366,418</b>	<b>2,120,556</b>	<b>3,099,998</b>
<b>Total liabilities</b>	<b>205,569,129</b>	<b>198,671,498</b>	<b>2,120,556</b>	<b>3,099,998</b>
<b>Total equity and liabilities</b>	<b>111,154,037</b>	<b>113,145,392</b>	<b>58,193</b>	<b>1,448,736</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**
**Amount repayable in one year or less, or on demand**

As at 30/6/2020 (Unaudited)		As at 31/12/2019 (Audited)	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
18,846,818	-	92,607,830	-

**Amount repayable after one year**

As at 30/6/2020 (Unaudited)		As at 31/12/2019 (Audited)	
Secured US\$	Unsecured US\$	Secured US\$	Unsecured US\$
20,642,422	-	19,984,849	-

**Details of any collateral**

The Group's bank loans and borrowings of US\$39.49 million are secured by tax credits recoverable from the Alaskan State Government of US\$29.17 million. The Group's bank loan of US\$15.57 million out of the total of US\$39.49 million is secured by corporate guarantees from the Company to its subsidiary.

The borrowing from Alaska Industrial Development and Export Authority ("**AIDEA**") of US\$76.95 million as at 30 June 2020 is secured by the rights, title and interest of the Group in the Badami Unit working interest, Southern Miluvealch Unit ("**SMU**") leases and other leases, and all other assets owned by the Group.

The Group had on, 22 May 2020, received notices of default and sale (the "**Notices**") from the Trustee Services of Alaska, Inc, at the direction of the Group's creditor, AIDEA, notifying the Group that AIDEA had elected to sell the Group's assets comprising the Gravel Pad, the Mustang Road, as well as all leases held by the Group through its subsidiaries in relation to the Mustang Project to satisfy the Group's indebtedness under the loan agreement with AIDEA. The public auction was held on 23 September 2020 and the Mustang Road, Mustang Pad and all the Group's leases except on the leases relating to Badami oil field was awarded to the highest bidder Mustang Holding LLC. Badami oil field's auction has been delayed to 20 January 2021. With the Notices received by the Group, the borrowing due to AIDEA is classified as "Liabilities associated with assets held for sale".

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

	Six months ended 30/6/2020 (Unaudited) US\$	Six months ended 30/6/2019 (Unaudited) US\$
<b>Cash flows from operating activities</b>		
Loss before income tax		
- Continuing operations	(449,255)	(1,209,279)
- Discontinued operations	(8,372,830)	(56,567)
Adjustments for:		
Depreciation of plant and equipment	26,795	245
Loss on disposal of equity investment – at FVPL	-	698,673
Finance income	(33,913)	(126,221)
Finance costs	2,163,810	456,842
Unrealised currency translation losses	2,830	-
<b>Operating cash flows before changes in working capital</b>	<b>(6,662,563)</b>	<b>(236,307)</b>
<b>Changes in working capital:</b>		
Trade and other receivables	912,800	2,614,832
Trade and other payables	3,789,067	485,307
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,960,696)</b>	<b>2,863,832</b>
<b>Cash flows from investing activities</b>		
Exploration and evaluation expenditures	-	(7,829,022)
Proceeds from assets held-for-sale	2,500,000	-
Additions of equity investment – at FVOCI	(45,073)	-
<b>Net cash generated from/(used in) investing activities</b>	<b>2,454,927</b>	<b>(7,829,022)</b>
<b>Cash flows from financing activities</b>		
Interest received	-	126,221
Interest paid	(516,236)	(456,842)
Repayment of external loans	(2,246,902)	(3,576,044)
Proceeds from external loans	2,127,266	10,003,291
<b>Net cash (used in)/generated from financing activities</b>	<b>(635,872)</b>	<b>6,096,626</b>
Net change in cash and cash equivalents	(141,641)	1,131,436
Cash and cash equivalents at beginning of financial period	194,754	26,778
Effects of exchange rate changes on cash and cash equivalents	8,464	(4,342)
<b>Cash and cash equivalents at end of financial period</b>	<b>61,577</b>	<b>1,153,872</b>

Cash and cash equivalents comprises:-

	Six months ended 30/6/2020 (Unaudited) US\$	Six months ended 30/6/2019 (Unaudited) US\$
Cash and bank balances	2,200,043	3,282,329
Cash and cash equivalents as per statement of financial position	2,200,043	3,282,329
Less: Restricted cash	(2,138,466)	(2,128,457)
<b>Cash and cash equivalents as per consolidated statement of cash flows</b>	<b>61,577</b>	<b>1,153,872</b>

**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**

<b>Group (Unaudited)</b>	<b>Share capital US\$</b>	<b>Treasury shares US\$</b>	<b>Share option reserve US\$</b>	<b>Foreign currency translation reserve US\$</b>	<b>Fair value reserve US\$</b>	<b>Perpetual securities US\$</b>	<b>Other reserve US\$</b>	<b>Accumulated losses US\$</b>	<b>Total US\$</b>	<b>Non controlling Interests US\$</b>	<b>Total equity US\$</b>
At 1 January 2020	115,103,998	(18,544)	1,967,487	(11,763)	(6,666,609)	1,913,045	(12,601)	(197,325,557)	(85,050,544)	(475,562)	(85,526,106)
<b>Total comprehensive loss for the financial period</b>											
Loss for the financial period	-	-	-	-	-	-	-	(8,658,147)	(8,658,147)	(163,938)	(8,822,085)
<b>Other comprehensive income/(loss)</b>											
Currency translation differences arising from consolidation of financial statements of foreign operations	-	-	-	8,464	-	-	-	-	8,464	-	8,464
Equity investments at FVOCI – net change in fair value	-	-	-	-	(45,073)	-	-	-	(45,073)	-	(45,073)
Total comprehensive loss for the financial period	-	-	-	8,464	(45,073)	-	-	(8,658,147)	(8,694,756)	(163,938)	(8,858,694)
<b>Transactions with owners, recognised directly in equity</b>											
<b>Contributions by and distribution to owners</b>											
Accrued perpetual securities distributions	-	-	-	-	-	-	-	(30,292)	(30,292)	-	(30,292)
Total transactions with owners	-	-	-	-	-	-	-	(30,292)	(30,292)	-	(30,292)
<b>At 30 June 2020</b>	115,103,998	(18,544)	1,967,487	(3,299)	(6,711,682)	1,913,045	(12,601)	(206,013,996)	(93,775,592)	(639,500)	(94,415,092)

Group (Unaudited)	Share capital US\$	Treasury shares US\$	Share option reserve US\$	Foreign currency translation reserve US\$	Fair value reserve US\$	Perpetual securities US\$	Accumulated losses US\$	Total US\$	Non controlling Interests US\$	Total equity US\$
At 1 January 2019	64,695,119	(39,369)	447,878	(7,040)	-	-	(7,036,398)	58,060,190	-	58,060,190
<b>Total comprehensive loss for the financial period</b>										
Loss for the financial period	-	-	-	-	-	-	(1,221,296)	(1,221,296)	(44,550)	(1,265,846)
<b>Other comprehensive income/(loss)</b>										
Currency translation differences arising from consolidation of financial statements of foreign operations	-	-	-	(4,342)	-	-	-	(4,342)	-	(4,342)
Equity investments at FVOCI – net change in fair value	-	-	-	-	(2,280,031)	-	-	(2,280,031)	-	(2,280,031)
Total comprehensive loss for the financial period	-	-	-	(4,342)	(2,280,031)	-	(1,221,296)	(3,505,669)	(44,550)	(3,550,219)
<b>Transactions with owners, recognised directly in equity</b>										
<b>Contributions by and distribution to owners</b>										
Treasury shares sold	-	11,340	-	-	-	-	-	11,340	-	11,340
Exercise of share options	3,298	-	-	-	-	-	-	3,298	-	3,298
Options expired	-	-	(447,876)	-	-	-	447,876	-	-	-
Convertible Perpetual Capital Securities	-	-	-	-	-	1,955,177	-	1,955,177	-	1,955,177
Equity-settled share-based payment transaction	36,573,281	-	4,489,840	-	-	-	-	41,063,121	-	41,063,121
Total transactions with owners	36,576,579	11,340	4,041,964	-	-	1,955,177	447,876	43,032,936	-	43,032,936
<b>At 30 June 2019</b>	101,271,698	(28,029)	4,489,842	(11,382)	(2,280,031)	1,955,177	(7,809,818)	97,587,457	(44,550)	97,542,907

<b>Company (Unaudited)</b>	<b>Share capital US\$</b>	<b>Treasury shares US\$</b>	<b>Share option reserve US\$</b>	<b>Perpetual securities US\$</b>	<b>Other reserve US\$</b>	<b>Accumulated losses US\$</b>	<b>Total US\$</b>
At 1 January 2020	115,103,998	(18,544)	1,967,487	1,913,045	(12,601)	(120,604,647)	(1,651,262)
<b>Total comprehensive loss for the financial period</b>							
Loss for the financial period	-	-	-	-	-	(380,809)	(380,809)
Total comprehensive loss for the financial period	-	-	-	-	-	(380,809)	(380,809)
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distribution to owners</b>							
Accrued perpetual securities distributions	-	-	-	-	-	(30,292)	(30,292)
Total transactions with owners	-	-	-	-	-	(30,292)	(30,292)
<b>At 30 June 2020</b>	<b>115,103,998</b>	<b>(18,544)</b>	<b>1,967,487</b>	<b>1,913,045</b>	<b>(12,601)</b>	<b>(121,015,748)</b>	<b>(2,062,363)</b>

<b>Company (Unaudited)</b>	<b>Share capital US\$</b>	<b>Treasury shares US\$</b>	<b>Share option reserve US\$</b>	<b>Perpetual securities US\$</b>	<b>Other reserve US\$</b>	<b>Accumulated losses US\$</b>	<b>Total US\$</b>
At 1 January 2019	64,695,119	(39,369)	447,878	-	-	(7,679,269)	57,424,359
<b>Total comprehensive loss for the financial period</b>							
Loss for the financial period	-	-	-	-	-	(1,162,196)	(1,162,196)
Total comprehensive loss for the financial period	-	-	-	-	-	(1,162,196)	(1,162,196)
<b>Transactions with owners, recognised directly in equity</b>							
<b>Contributions by and distribution to owners</b>							
Exercise of share options	3,298	-	-	-	-	-	3,298
Treasury share sold	-	11,340	-	-	-	-	11,340
Options expired	-	-	(447,876)	-	-	447,876	-
Convertible Perpetual Capital Securities	-	-	-	1,955,177	-	-	1,955,177
Equity-settled share-based payment transaction	36,573,281	-	4,489,840	-	-	-	41,063,121
Total transactions with owners	36,576,579	11,340	4,041,964	1,955,177	-	447,876	43,032,936
<b>At 30 June 2019</b>	<b>101,271,698</b>	<b>(28,029)</b>	<b>4,489,842</b>	<b>1,955,177</b>	<b>-</b>	<b>(8,393,589)</b>	<b>99,295,099</b>



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

	<b>Number of Shares (excluding treasury shares)</b>	<b>Share capital (US\$)</b>
As at 30 June 2020 and 31 December 2019	2,255,387,331	115,103,998

During the six months ended 30 June 2020, there was no allotment and issuance of new ordinary shares.

There were 187,000 treasury shares as at 30 June 2020 and 30 June 2019. The percentage of the aggregate number of treasury shares held against the total number of shares outstanding in a class that is listed as at 30 June 2020 is approximately 0.008% (30 June 2019: 0.025%).

There were 45,931,900 (30 June 2019: 56,431,900) outstanding share options convertible into 45,931,900 (30 June 2019: 56,431,900) shares as at 30 June 2020, representing 2.04% of the total number of issued shares as at 30 June 2020 (30 June 2019: 7.51%). The breakdown of the 45,931,900 share options are as follows:

- ESOS: 5,280,000 (30 June 2019: 15,780,000)
- AIDEA: 40,651,900 (30 June 2019: 40,651,900)

The Company issued a US\$4,500,000 (equivalent to S\$6,196,500) 1.35% convertible perpetual capital securities, which are convertible into 29,228,774 ordinary shares as at 30 June 2020 (30 June 2019: 14,824,800) as part of the purchase consideration for the acquisition of Mustang Operations Center 1, LLC ("MOC1") on 5 April 2019. Pursuant to the terms and conditions of the Deed Poll dated 14 February 2019, the Rights Issue constitute an event that requires an adjustment to the conversion price of the convertible perpetual capital securities, and accordingly, the number of shares to be converted from the capital securities increased from 14,824,800 to 29,228,774 shares with effect from 22 August 2019.

Save as disclosed above, the Company does not have any other convertibles, subsidiary holdings as at 30 June 2020 and 30 June 2019.

- 1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

The Company has in issue a total 2,255,387,331 ordinary shares (excluding treasury shares) as at 30 June 2020 (31 December 2019: 2,255,387,331) ordinary shares.

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

There are 187,000 treasury shares held by the Company as at 30 June 2020 and 31 December 2019.

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

Not applicable.

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

The figures have not been audited or reviewed by the Company's independent auditors.

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

Not applicable.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

**(a) Updates on the efforts taken to resolve each outstanding audit issue.**

**(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable as the Group's audit issue for the financial year ended 31 December 2019 was a material uncertainty relating to going concern.

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

Except as disclosed under note 5 below, the HY2020 financial results had been prepared using the same accounting policies and methods of computation as presented in the Group's most recently audited financial statements for the financial year ended 31 December 2019.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted the following SFRS(I)s, interpretations of SFRS(I)s and requirements of SFRS(I)s which are mandatorily effective from 1 January 2020:

- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Definition of a Business (Amendments to SFRS(I) 3)
- Definition of Material (Amendments to SFRS(I) 1-1 and SFRS(I) 1-8)
- SFRS(I) 17 Insurance Contracts

The above new SFRS(I)s, interpretations and amendments to SFRS(I)s do not have a significant impact on financial statements.

**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**

	Group	
	Six months ended 30/6/2020 (Unaudited)	Six months ended 30/6/2019 (Unaudited)
<b>Loss for the financial period attributable to owners of the parent (US\$)</b>	(8,658,147)	(1,221,296)
<b>Loss for the financial period from continuing operations attributable to owners of the parent (US\$)</b>	(449,255)	(1,209,279)
<b>Weighted number of ordinary shares in issue during the respective financial period (excluding share options and perpetual securities)<sup>(2)</sup></b>	2,255,387,331	568,506,050 <sup>(1)</sup>
<b>Basic and diluted loss per share (in United States cents)</b>	(0.38)	(0.21)
<b>Basic and diluted loss per share for loss for the financial period from continuing operations attributable to owners of the parent (in United States cents)</b>	(0.02)	(0.21)

(1): The weighted number of ordinary shares for the six months ended 30 June 2019 ("HY2019") had taken into consideration of new issuance of shares in relation to (i) placement of 46,000,000 shares on 11 October 2018; (ii) exercise of 50,000 share options on 3 January 2019; (iii) issuance of 350,596,712 consideration shares for the Mustang Project Transactions on 5 April 2019; and (iv) sale of 210,000 treasury shares on 21 June 2019.

(2): As the Group was in a loss position for HY2020 and HY2019 respectively, share options and convertible perpetual capital securities were not included in the computation of the diluted loss per share because these potential ordinary shares were anti-dilutive.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30 June 2020 (Unaudited)</b>	<b>As at 31 December 2019 (Audited)</b>	<b>As at 30 June 2020 (Unaudited)</b>	<b>As at 31 December 2019 (Audited)</b>
Net asset value per ordinary share based on issued share capital (in United States cents)	(4.19)	(3.79)	(0.09)	(0.07)
Number of ordinary shares in issue (excluding treasury shares)	2,255,387,331	2,255,387,331	2,255,387,331	2,255,387,331

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**Review of Group Performance**

The Group had ceased operations of its current business on 28 November 2019 as a result of a default notice received by the Group from AIDEA notifying the Group that AIDEA had elected to accelerate the Group's indebtedness owing to it immediately due and payable. Consequently, the Group received the Notices that AIDEA elected to sell all of the Group's oil and gas leases in a public auction to satisfy the Group's indebtedness under the loan agreement with AIDEA. With the completion of public auction on 23 September 2020 in relation to the Group's leases and assets and taking into consideration of the overall economic outlook and the outlook of the oil and gas industry as at 30 June 2020, the Group is of the view that it is extremely difficult for the Group to continue developing the Mustang Project in the foreseeable future.

Classification as discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale. When an operation has met the criteria to be classified as a discontinued operation, the comparative statement of profit or loss is re-presented as if the operation had been discontinued from the start of the comparative financial year. Accordingly for HY2019 and HY2020, in consideration to the Notices received, the Group represented the comparative statement of profit or loss of its current business as continued and discontinued operation and the corresponding assets and liabilities of Mustang Project classified as held-for-sale.

**Review of Income Statement (HY2020 vs HY2019)****Other income**

The increase in other income was mainly due to receipt of government grants from relief measures due to the COVID-19 pandemic in HY2020.

**General and administrative expenses**

During HY2020, the general and administrative expenses mainly comprises (i) US\$0.13 million of professional fees; and (ii) staff costs and director fees amounting to US\$0.14 million. The decrease in general and administrative expenses by US\$0.62 million was mainly due to higher non-recurring professional fees in HY2019 for the Mustang Project Transactions incurred in HY2019.

**Other expenses**

The changes in other expenses was mainly due to changes in foreign exchange effects.

**Finance income and finance costs**

The Company assigned the rights, title, interest and benefit of the amount due from a former director to settle one of the outstanding short-term loan due to an external party. Accordingly, this had resulted in a decrease in finance income from amount owing by a director and finance costs from short-term loan during the financial period.

As a result of the above, the Group generated a net loss from continuing operations of US\$0.45 million for HY2020 as compared to a net loss of US\$1.21 million in HY2019.

**Discontinued operations**

Losses from discontinued operations was mainly due to expenses incurred for the gradual shutdown of the facilities and keeping the facility in a safe and secure condition. These costs amounted to approximately US\$6.36 million. There were also interest expenses from bank loans and deferred payment of US\$2.01 million during the first six months of 2020.

**Other comprehensive loss**

Other comprehensive losses mainly relates to the fair value adjustments of US\$0.05 million to the investment in Badami classified as equity investments designated as at FVOCI.

**Review of the Financial Position of the Group****Non-current assets**Exploration and evaluation assets

Based on the Notices received, the related assets and liabilities of Mustang Project under the Notices are classified as disposal group held-for-sale. Accordingly, the decrease in the exploration and evaluation assets ("**E&E Assets**") was due to reclassification of these assets.

Plant and equipment

The decrease in plant and equipment was due to depreciation during the first six months of 2020.

Other receivables, non-current

The total non-current other receivables amount related to tax credits filed with the State of Alaska for qualified capital expenditures on the Mustang Project.

The tax credits are pledged as a collateral for a bank loan and a loan from the State of Alaska. Please see the section on Loans and borrowings below for further details.

**Current assets**Trade and other receivables, current

The decrease in trade and other receivables was mainly due to (i) the repayment and assignment of the rights, title, interest and benefit due from a former director of US\$1.39 million to settle one of the outstanding short term loan due to an external party, and (ii) the subsequent receipt from the oil sales of US\$0.47 million during financial year ended 31 December 2019.

Cash and cash equivalents

Out of the cash and cash equivalents of US\$2.2 million, US\$2.14 million are restricted cash in relation to the future restoration of the Mustang Field as required by the State of Alaska.

Assets held for sale

The increase was mainly due to reclassification from E&E Assets. The recoverable amount of these assets was assumed to be no higher than the total amount owing to AIDEA as at 30 June 2020 of US\$76.95 million, which included the accrued interest for first six months of 2020. Please see the section on E&E Assets for further details.

The above increase is offset by the sales of two Solar Centaur C-50 turbine generator from MOC1 with a carrying amount of US\$2.5 million.

For the first six months of 2020, there was no further development and capitalisation of E&E Assets.

### Non-current liabilities

#### Provision for restoration cost

Provision for restoration cost relates to costs expected to be utilised in order to restore sites to their original condition for Mustang Field.

#### Loans and borrowings

The decrease was mainly due to reclassification of loan to liabilities associated with assets held for sale and offset with accrued interest for first six months of 2020. Breakdown of the loans and borrowings are as follows:

<u>As at 30 June 2020 (US\$)</u>	<u>Non-current</u>	<u>Current</u>	<u>Total</u>
Bank loan A	13,772,052	1,800,000	15,572,052
Borrowing 2	6,870,370	-	6,870,370
Borrowing 3	-	17,046,818	17,046,818
<b>Total</b>	<b>20,642,422</b>	<b>18,846,818</b>	<b>39,489,240</b>

<u>As at 31 December 2019 (US\$)</u>	<u>Non-current</u>	<u>Current</u>	<u>Total</u>
Bank loan A	13,114,479	1,800,000	14,914,479
Borrowing 1	-	74,005,851	74,005,851
Borrowing 2	6,870,370	-	6,870,370
Borrowing 3	-	16,801,979	16,801,979
<b>Total</b>	<b>19,984,849</b>	<b>92,607,830</b>	<b>112,592,679</b>

Bank Loan A. The increase was due to accrued interest for first six months of 2020. The bank loan is secured by corporate guarantees from the Company and tax credits recoverable from the State of Alaska.

Borrowing 1 relates to the loan payable to AIDEA for the acquisition of MOC1 and Mustang Road, LLC ("MRLLC"). Based on the Notices received, the related assets and liabilities of Mustang Project under the Notices are classified as disposal group classified as held for sale. The decrease was due to reclassification as liabilities associated with assets held for sale.

Borrowing 2 is payable to a vendor for Brooks Range Petroleum Corporation's ("BRPC") acquisition of 13.5% of its working interest in Mustang Field.

Borrowing 3 relates to a loan from the State of Alaska which is secured by the tax credits receivable by MOC1.

#### Trade and other payables, non-current

The non-current trade and other payables relates to contingent payment pursuant to certain terms set out in the sales and purchase agreement for the acquisition of its working interest in the Badami oil field, after adjusting for changes in fair value.

## Current liabilities

### Trade and other payables, current

The increase was largely due to costs incurred during the first six months of 2020. Breakdown of the current trade and other payables are as follows:

	As at 30 June 2020 (US\$)	As at 31 December 2019 (US\$)
Trade and other payables	46,606,750	44,845,365
Deferred payment	36,436,425	35,376,836
Loans from non-related parties	2,766,017	2,536,387
<b>Total</b>	<b>85,809,192</b>	<b>82,758,588</b>

The increase in trade and other payables of US\$1.76 million was mainly due to costs incurred in the Mustang field including cost of gradual shutdown of the facilities and costs to keep the facility in a safe and secure condition during the first six months in 2020.

Deferred payment relates to deferred consideration payable to the previous vendors of the Mustang Field of the current working interest owners. The increase was due to accrued interest for first six months of 2020.

Loans from non-related parties were advances from non-related parties for payment to the Group's creditors on the Group's behalf. The increase was mainly due to additional loans of US\$1.47 million offset with the settlement of part of the outstanding short term loan amounting to US\$1.24 million as at 31 December 2019. The Company has repaid and assigned the rights, title, interest and benefit of the amount due from a former director amounting to US\$1.39 million (inclusive of interest during the financial period) to settle one of the outstanding short term loan due to an external party.

### Loans and borrowings

Please refer to section under non-current liabilities.

### Liabilities associated with assets held for sale

The liabilities arose due to reclassification from Borrowing 1. Please refer to section of Loans and Borrowings for more details.

## Current financial liabilities

### Trade and other payables

#### A. Amounts owing to supplier and previous vendor

Approximately US\$47.64 million of the current trade and other payables was due to suppliers who are the previous vendors of Mustang Field, Nabors Drilling Technologies USA d/b/a Ramshorn Investment ("Nabors") and AVCG LLC.

The Company will provide an update when there is further development regarding the outstanding amount due.

#### B. Other creditors

The Company had entered into various settlement arrangements subject to certain conditions with its existing creditors for the purpose of settling outstanding debts held by the Company.



### C. Loan from non-related parties

As at 30 June 2020, the Group had outstanding loans due to non-related parties of US\$2.77 million recorded under other payables and the loan is repayable by 31 December 2020. The Group is currently in negotiations with the external parties to restructure the terms of its current loan from non-related parties.

### Loans and borrowings

### D. Current borrowings

The current portion of bank loan A. On 7 September 2020, the Company entered into an agreement with the lender where the lender has agreed to provide a conditional release and waiver of the Company's obligations under the corporate guarantees provided by the Company to its subsidiaries ("**Forbearance and Release Agreement**"). Under the Forbearance and Release Agreement, the Lender had agreed to forbear the outstanding loan owed by the Group amounting to US\$15.58 million as at 30 June 2020 and the release of the Company's corporate guarantee upon the earlier of the payment of the tax credits receivable from the State of Alaska of US\$16.59 million as at 30 June 2020 (net amount of US\$15.23 million after discounting for present value as non-current assets) or transfer in full of the membership interest owned by the subsidiary corporation to a transferee acceptable to the Lender. Accordingly, from September 2020, the current portion of bank loan A will be re-classified as non-current liability and no longer be considered a current liability of the Company. The bank loan is secured by tax credits recoverable from the State of Alaska.

### Going concern assessment

The Group had a negative working capital of approximately US\$99.62 million as at 30 June 2020.

The Directors of the Company, having considered the following factors, are of the view that the Company can continue as a going concern:

- The restructuring of the Group's business which includes the diversification into the learning and education sector and the completion of public auction on 23 September 2020 in relation to the Mustang Project and accordingly, the Group would no longer incur further development costs and liable for the indebtedness under the AIDEA loan agreement. In addition, the Company is not expected to be liable for any liabilities related to the Mustang Project, which is held through its subsidiary corporation, JK North Slope LLC;
- The Company has entered into a Forbearance and Release Agreement as mentioned above.
- The completion of the proposed acquisition of education service business through acquisition of 100% of existing shares in Kydon Learning Systems Institute Pte. Ltd. pursuant to the conditional sale and purchase agreements dated 14 July 2020 and 17 September 2020 ("**Proposed Acquisition**"); and
- The completion of the proposed capital investment in the form of a convertible loan of S\$24.0 million (equivalent to US\$17.81 million) pursuant to the convertible loan agreement entered between the Company and Didi Investments, Inc on 17 September 2020 ("**Proposed Capital Investment**").

The Board is of the view that the cash of the Company is sufficient to satisfy the immediate daily operational requirements of the Company up to the completion of the Proposed Acquisition and Proposed Capital Investment and that the existence of the liabilities do not prevent the Company from continuing with its operations. The Company had entered into various settlement arrangements subject to certain conditions with its existing creditors for the purpose of settling outstanding debts held by the Company.

Nonetheless, until such time the Proposed Acquisition and Proposed Capital Investment are completed, and there are further clarity of the uncertainties faced by the Group, the Board is of the view that the Company's shares should remain suspended under Rule 1303(3)(c) of the Catalist Rules.

#### **Review of the Statement of Cash Flows for the Group**

Net cash used in operating activities of approximately US\$1.97 million in HY2020 was due to changes in working capital and increase in outstanding payables to the Group's vendors for purchases and services in relation to operations.

Net cash generated from investing activities of approximately US\$2.45 million in HY2020 was mainly arising from proceeds from assets held-for-sale due to sales of two Solar Centaur C-50 turbine generator from MOC1 of US\$2.5 million.

Net cash used in financing activities of approximately US\$0.64 million in HY2020 was due to proceeds from external loans received by the Group amounting to US\$2.13 million offset with repayment of external loan amounting to US\$2.25 million and payment of loan interest amounting to US\$0.52 million.

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

Not applicable as no forecast or prospect statement has been previously disclosed to shareholders.

**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**

#### **Current Business**

As mentioned in Note 8, the Group had ceased the operations of its current business and kept the field in a non-operational state. The foreclosure by AIDEA also meant that the ownership of the leases shall be transferred to the highest bidder subject to regulatory approval. Until such time, the Group would no longer incur further development costs. The Company will continue its effort to restructure its current core business.

#### **Potential New Business**

The Group has entered into the Proposed Acquisition to extend its revenue base and improve its growth prospects by leveraging on the potential growth prospect of the learning and education sector. In addition, the Group has also entered into the Proposed Capital Investment to raise funds for the Group's venture into the learning and education sector. The Proposed Acquisition and Proposed Capital Investment have been approved by shareholders at the Company's Extraordinary General Meeting on 9 October 2020.

On 9 October 2020, the Company submitted its proposal to lift the suspension of trading of its shares on the SGX-ST in accordance with Chapter 13 of the Catalist Rules (the "**Resumption Proposal**"). Under one of the conditions to utilisation of convertible loan in the Proposed Capital Investment, the Company is required to procure a "no objection" to the Resumption Proposal from SGX-ST. The Company will make further announcements to update its shareholders on the status of the application of Resumption Proposal, in due course.

**11. If a decision regarding dividend has been made:****(a) Whether an interim (final) ordinary dividend has been declared (recommended)**

No dividend has been declared or recommended for the current financial period.

**(b) (i) Amount per share (cents)**

Not applicable.

**(ii) Previous corresponding period (cents)**

No dividend has been declared or recommended for the previous corresponding financial period.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable

**(d) The date the dividend is payable**

Not applicable

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable

**12. If no dividend has been declared/recommended, a statement to that effect**

No dividend has been declared or recommended for HY2020 as the Company is not profitable in HY2020.

**13. Interested Person Transactions**

There were no interested person transactions of S\$100,000 and above during the period under review. The Group does not have a general mandate for recurring interested person transactions.

**ADDITIONAL DISCLOSURE REQUIRED FOR MINERAL, OIL AND GAS COMPANIES****14. Disclosure pursuant to Rules 705(6) and 705(7) of the Catalist Listing Manual**

The disclosure was announced on 14 August 2020.

**15. Requirement under Rule 705(5) and Rule 705(6)(b) of the SGX-ST Listing Manual Section : Rules of Catalist**

The Board of Directors of the Company hereby confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the unaudited half year financial results for the six months financial period ended 30 June 2020 and the above information provided to be false or misleading in any material aspect.

**16. Disclosure of acquisition of the issuer to include the aggregate value of the consideration pursuant to Rule 706A**

Not applicable. The Company did not acquire and dispose any shares in any companies during HY 2020.

**17. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the form set out in Appendix 7H) under Rule 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the form set out in Appendix 7H) under Rule 720(1).

**BY ORDER OF THE BOARD**

**Tan Wee Sin**  
**Company Secretary**  
**21 October 2020**

*This announcement has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document. The Sponsor has also not drawn on any specific technical expertise in its review of this announcement.*

*The contact person for the Sponsor is Ms. Ng Shi Qing, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.*