

ENECO ENERGY LIMITED
(Co. Reg. No : 200301668R)
(Incorporated in Singapore)



Notice of Compliance: Requirement To Perform Quarterly Reporting Of Unaudited Financial Statements

- (1)** The Company is required to perform quarterly reporting ("QR") on an ongoing basis from 07 February 2020. This arises from the modified opinion issued by the Company's statutory auditor in the Company's latest 2019 annual report.

- (2)** QR announcement is mandatory, made pursuant to the Exchange's requirements, as required under Listing Rule 705(2C).

Unaudited Third Quarter Financial Statements and Dividend Announcement for the Period Ended 30 September 2020

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENT OF THIRD QUARTER

The board of directors (the "Board") of Eneco Energy Limited (the "Company", and together with its subsidiaries, the "Group") is pleased to announce the unaudited consolidated results of the Group for the third quarter ended 30 September 2020.

1(a) Consolidated Income Statement

	Group 3rd Quarter		Change %	Group for the period ended Sep		Change %
	2020 S\$'000 Unaudited	2019 S\$'000 Unaudited		2020 S\$'000 Unaudited	2019 S\$'000 Unaudited	
Revenue	8,778	9,803	(10.5)	27,276	31,098	(12.3)
Other income	9,321	947	884.3	13,829	5,427	154.8
Costs and operating expenses						
Service costs and related expenses	(2,841)	(1,247)	127.8	(9,178)	(10,199)	(10.0)
Royalties payment	-	(32)	(100.0)	(34)	(108)	(68.5)
Salaries and employee benefits	(4,705)	(5,657)	(16.8)	(14,625)	(17,601)	(16.9)
Depreciation and amortisation expenses	(1,465)	(3,095)	(52.7)	(4,560)	(6,197)	(26.4)
Finance costs	(247)	(1,081)	(77.2)	(1,661)	(2,453)	(32.3)
Other operating expenses	(6,500)	(2,522)	157.7	(8,235)	(2,646)	211.2
Total costs and operating expenses	(15,758)	(13,634)	15.6	(38,293)	(39,204)	(2.3)
Profit/(loss) before tax for the period	2,341	(2,884)	(181.2)	2,812	(2,679)	(205.0)
Income tax	(16)	(17)	(5.9)	5	(90)	(105.6)
Profit/(loss) for the period	2,325	(2,901)	(180.1)	2,817	(2,769)	(201.7)
Profit/(loss) for the period attributable to:						
Owners of the Company	3,475	(2,866)	(221.2)	3,983	(3,374)	(218.0)
Non-controlling interests	(1,150)	(35)	3,185.7	(1,166)	605	(292.7)
	2,325	(2,901)	(180.1)	2,817	(2,769)	(201.7)
Earning/(loss) per share attributable to owners of the Company (cents per share)						
Basic	0.54	(0.44)		0.62	(0.52)	
Diluted	0.54	(0.44)		0.62	(0.52)	

Eneco Energy Limited

Notes to Group Income Statement	Group		Group	
	3rd Quarter		for the period ended Sep	
	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
Other income includes:				
Interest income from banks	2	4	8	23
Write-back of other payables and provision	53	309	2,570	564
Extinguishment of loans and borrowings	8,471	-	8,471	-
Gain on farm out of participating interest	-	(0)	-	3,538
Government grants	566	-	1,919	-
Depreciation and amortisation expenses include:				
Property, plant and equipment and oil and gas properties	(241)	347	(848)	(2,755)
Right-of-use assets	(1,224)	(3,442) ⁽¹⁾	(3,712)	(3,442) ⁽¹⁾
Finance costs include:				
Finance charges on lease obligations	(214)	(540)	(618)	(852)
Interest on borrowings	(17)	(358)	(493)	(1,050)
Default charges on borrowings	-	(174)	(482)	(363)
Finance charges on Operator's cash calls	-	-	-	(161)
Accretion of interest on abandonment & site restoration liabilities	(16)	(9)	(68)	(27)
Other operating expenses include:				
Foreign exchange (loss)/gain, net	(279)	(1,187)	(198)	1,015
Legal and other professional fees	(107)	(239)	(437)	(382)
Impairment loss on oil and gas properties	(5,579)	-	(5,579)	-
Allowance for doubtful trade receivables	-	-	(2)	(131)
Plant and equipment written-off	-	-	-	(2)
Gain on disposal of property, plant and equipment	11	93	259	104

⁽¹⁾ The Group adopted SFRS(I) 16 Leases in 3rd Quarter 2019 Results Announcement. Accordingly, the cumulative effects of the adoption of SFRS(I) 16 Leases is captured from 3rd Quarter 2019 Results Announcement onward.

Eneco Energy Limited

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 Sep 20 S\$'000 Unaudited	31-Dec-19 S\$'000 Audited	30 Sep 20 S\$'000 Unaudited	31-Dec-19 S\$'000 Audited
Non-current assets				
Oil and gas properties	1,140	6,473	-	-
Plant and equipment	1,709	2,110	16	18
Right-of-use assets	14,528	18,099	140	171
Intangible assets	79	86	-	-
Investment in exploration and evaluation assets	685	706	-	-
Investments in subsidiaries	-	-	9,228	9,228
Other receivables	5,685	5,592	-	-
Deferred tax assets	35	35	-	-
Fixed deposits	332	318	-	-
	24,193	33,419	9,384	9,417
Current assets				
Trade receivables	8,156	9,737	-	-
Other receivables	1,539	1,129	2,548	2,530
Prepaid operating expenses	791	620	67	59
Inventories	168	164	-	-
Cash and bank balances	5,968	4,593	126	222
	16,622	16,243	2,741	2,811
Current liabilities				
Trade payables	13,816	14,679	-	-
Other payables	11,417	12,283	6,401	1,684
Provisions	208	225	-	-
Abandonment and site restoration liabilities	101	501	-	-
Lease liabilities	5,413	5,638	27	25
Loans and borrowings	750	9,094	-	-
Income tax payable	107	197	4	85
	31,812	42,617	6,432	1,794
Net current (liabilities)/assets	(15,190)	(26,374)	(3,691)	1,017
Non-current liabilities				
Other payables	16,844	16,590	-	-
Provisions	1,003	906	18	18
Abandonment and site restoration liabilities	187	118	-	-
Lease liabilities	8,284	11,456	38	58
Loans and borrowings	2,250	-	-	-
	28,568	29,070	56	76
Net (liabilities)/assets	(19,565)	(22,025)	5,637	10,358
Equity attributable to the owners of the Company				
Share capital	148,367	148,367	148,367	148,367
Treasury shares	(935)	(935)	(935)	(935)
Other reserves	4,311	4,683	2,989	3,159
Accumulated losses	(161,641)	(165,794)	(144,784)	(140,233)
	(9,898)	(13,679)	5,637	10,358
Non-controlling Interests	(9,667)	(8,346)	-	-
Total Equity	(19,565)	(22,025)	5,637	10,358

Eneco Energy Limited

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

	30 Sep 20 S\$'000	31 Dec 19 S\$'000
1 Amount repayable in one year or less, or on demand (secured)		
Loans and borrowings	750	9,094
Lease liabilities	5,413	5,638
2 Amount repayable after one year (secured)		
Loans and borrowings	2,250	-
Lease liabilities	8,284	11,456
Total	16,697	26,188

Loans and borrowings

In Q2 2020, a wholly-owned subsidiary of the Company has obtained a \$3.0 million working capital loan from a local bank. The loan is secured by way of a corporate guarantee by the Company.

Lease liabilities

The Group's lease liabilities which include transport equipment, are secured by the lessors' title to the leased assets.

Loans and borrowings (Extinguished during the quarter)

On 12 May 2020, the Group entered into a Standstill and Settlement Deed (the "Settlement Deed") with Mercuria Asset Holdings (Hong Kong) Limited and Mercuria Energy Trading Pte Ltd (collectively known as the "Mercuria Entities"), wherein the Mercuria Entities agreed to a settlement sum of S\$3.0 million. In addition to the payment of the Settlement Sum, the Group agreed to use their best efforts to procure the consummation of the disposal of West Jambi KSO as soon as practicable.

On 22 June 2020, the Board announced that the Group had completed the payment of S\$3.0 million to Mercuria Entities, pursuant to the terms of the Settlement Deed and would proceed to obtain the release and discharge of the security granted previously in favour of Mercuria entities.

On 9 September 2020, the Board announced that the Company and its subsidiaries have further executed Deeds of Discharge and Release ("Deed of Discharge") documents with Mercuria Entities wherein:

- (a) the Group is fully released and discharged from its liabilities and obligations,
- (b) Mercuria Entities shall release and discharge the security granted in favour previously,
- (c) Mercuria Entities shall have no further claims of any kind whatsoever; and
- (d) the Company is fully released from the corporate guarantee and indemnity given previously.

During the quarter under review, the Group extinguished a total of USD\$6.1 million (equivalent to S\$8.5 million), following the completion of the Deed of Discharge with Mercuria Entities. Previously these loans and borrowings were 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 controlling shareholder of the Company.

Eneco Energy Limited

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 Sep 20 S\$'000 Unaudited	30 Sep 19 S\$'000 Unaudited	30 Sep 20 S\$'000 Unaudited	30 Sep 19 S\$'000 Unaudited
Operating activities :				
Profit/(loss) before income tax for the period	2,341	(2,884)	2,812	(2,679)
Adjustments for:				
Depreciation and amortisation expenses	1,465	3,095	4,560	6,197
Gain on disposal of property, plant and equipment	(11)	(93)	(259)	(104)
Finance costs	247	1,081	1,661	2,453
Interest income from banks	(2)	(4)	(8)	(23)
Write-back of other payables and provision	(53)	(309)	(2,570)	(564)
Extinguishment of loans and borrowings	(8,471)	-	(8,471)	-
Impairment loss on oil and gas properties	5,579	-	5,579	-
Plant and equipment written-off	-	-	-	2
Gain on farm out of participating interest	-	-	-	(3,538)
Allowance for doubtful trade receivables	-	-	2	131
Write-back of share issuance expenses	-	95	-	95
Foreign exchange translation adjustments	506	677	20	(1,180)
Operating cash flows before working capital changes	1,601	1,658	3,326	790
Change in inventories	3	(4)	(4)	3
Change in trade receivables	893	(639)	1,579	799
Change in other receivables	(229)	578	(411)	(4,397)
Change in prepaid operating expenses	(39)	107	(172)	(35)
Change in trade payables	263	618	226	393
Change in other payables and provisions	(373)	108	1,322	3,683
Cash generated from operations	2,119	2,426	5,866	1,236
Interest income received	2	4	8	23
Income tax paid	(61)	(4)	(67)	(27)
Finance costs paid	(235)	(541)	(639)	(970)
Net cash flows generated from operating activities	1,825	1,885	5,168	262
Investing activities :				
Proceeds from disposal of property, plant and equipment	12	135	297	146
Purchase of plant and equipment and oil and gas properties	(91)	(203)	(471)	(951)
Acquisition of intangible assets	(14)	-	(61)	(2)
Net cash flows used in investing activities	(93)	(68)	(235)	(807)
Financing activities :				
Proceeds from loan and borrowings	-	-	3,000	-
Repayment of loans and borrowings	-	-	(3,000)	-
Repayment of lease liabilities	(1,028)	(2,874)	(3,543)	(3,808)
Net cash flows used in financing activities	(1,028)	(2,874)	(3,543)	(3,808)
Net increase/(decrease) in cash and cash equivalents	704	(1,057)	1,390	(4,353)
Effect of exchange rate changes on cash and cash equivalents	(16)	14	(15)	22
Cash and cash equivalents at beginning of period	5,280	4,943	4,593	8,231
Cash and cash equivalents at end of period	5,968	3,900	5,968	3,900
Note A				
Cash on hand and at bank	5,968	3,900	5,968	3,900
Fixed deposits	332	320	332	320
Cash and deposits	6,300	4,220	6,300	4,220
Less : Restricted cash classified as non-current assets	(332)	(320)	(332)	(320)
Cash and cash equivalents	5,968	3,900	5,968	3,900

Eneco Energy Limited

STATEMENT OF COMPREHENSIVE INCOME

	Group 3rd Quarter		Group for the period ended Sep	
	2020 S\$'000 Unaudited	2019 S\$'000 Unaudited	2020 S\$'000 Unaudited	2019 S\$'000 Unaudited
Profit/(loss), net of tax for the period	2,325	(2,901)	2,817	(2,769)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation	737	1,086	(337)	(1,002)
Items that will not be reclassified subsequently to profit or loss:				
Re-measurement of defined benefit obligation	(20)	14	(20)	14
Total comprehensive income for the period	3,042	(1,801)	2,460	(3,757)
Total comprehensive income/(loss) attributable to:				
- Owners of the Company	3,977	(1,562)	3,781	(4,236)
- Non-controlling interests	(935)	(239)	(1,321)	479
	3,042	(1,801)	2,460	(3,757)

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											
	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares	Accumulated losses	Other reserves	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 2020	(22,025)	(13,679)	148,367	(935)	(165,794)	4,683	529	790	386	2,630	348	(8,346)
Q1												
Loss for the period	(2,323)	(2,189)	-	-	(2,189)	-	-	-	-	-	-	(134)
<u>Other comprehensive income</u>												
Re-measurement of defined benefit obligation	(28)	(28)	-	-	-	(28)	-	(28)	-	-	-	-
Exchange differences on translating foreign operations	(1,243)	(615)	-	-	-	(615)	-	(615)	-	-	-	(628)
Total comprehensive income for the period	(3,594)	(2,832)	-	-	(2,189)	(643)	-	(28)	(615)	-	-	(762)
<u>Contributions by and distributions to owners</u>												
Expiry of employee share options	-	-	-	-	170	(170)	(170)	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	170	(170)	(170)	-	-	-	-	-
Total transactions with owners in their capacity as owners	-	-	-	-	170	(170)	(170)	-	-	-	-	-
Closing balance as at 31 March 2020	(25,619)	(16,511)	148,367	(935)	(167,813)	3,870	359	762	(229)	2,630	348	(9,108)
Q2												
Profit for the period	2,815	2,697	-	-	2,697	-	-	-	-	-	-	118
<u>Other comprehensive income</u>												
Re-measurement of defined benefit obligation	41	41	-	-	-	41	-	41	-	-	-	-
Exchange differences on translating foreign operations	169	(89)	-	-	-	(89)	-	(89)	-	-	-	258
Total comprehensive income for the period	3,025	2,649	-	-	2,697	(48)	-	41	(89)	-	-	376
Closing balance as at 30 June 2020	(22,594)	(13,862)	148,367	(935)	(165,116)	3,822	359	803	(318)	2,630	348	(8,732)

Eneco Energy Limited

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 (contd).

Group	Attributable to owners of the Company											
	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares	Accumulated losses	Other reserves	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 July 2020	(22,594)	(13,862)	148,367	(935)	(165,116)	3,822	359	803	(318)	2,630	348	(8,732)
Q3												
Profit for the period	2,325	3,475	-	-	3,475	-	-	-	-	-	-	(1,150)
Other comprehensive income												
Re-measurement of defined benefit obligation	(33)	(33)	-	-	-	(33)	-	(33)	-	-	-	-
Exchange differences on translating foreign operations	737	522	-	-	-	522	-	-	522	-	-	215
Total comprehensive income for the period	3,029	3,964	-	-	3,475	489	-	(33)	522	-	-	(935)
Closing balance as at 30 September 2020	(19,565)	(9,898)	148,367	(935)	(161,641)	4,311	359	770	204	2,630	348	(9,667)

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 (contd).

Group	Attributable to owners of the Company											Non-controlling interests S\$'000
	Total equity S\$'000	Equity attributable to owners of the Company S\$'000	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves 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 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	(2,282)	(1,990)	-	-	(1,990)	-	-	-	-	-	-	(292)
Other comprehensive income												
Exchange differences on translating foreign operations	(1,374)	(1,439)	-	-	-	(1,439)	-	-	(1,439)	-	-	65
Total comprehensive income for the period	(3,656)	(3,429)	-	-	(1,990)	(1,439)	-	-	(1,439)	-	-	(227)
Contributions by and distributions to owners												
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	617	8,881	148,367	(935)	(141,304)	2,753	529	624	(1,378)	2,630	348	(8,264)
Q2												
Profit for the period (restated)	2,414	1,482	-	-	1,482	-	-	-	-	-	-	932
Other comprehensive income												
Exchange differences on translating foreign operations	(714)	(727)	-	-	-	(727)	-	-	(727)	-	-	13
Total comprehensive income for the period	1,700	755	-	-	1,482	(727)	-	-	(727)	-	-	945
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)

Eneco Energy Limited

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 (contd).

Group	Attributable to owners of the Company											
	Total equity	Equity attributable to owners of the Company	Share capital	Treasury shares	Accumulated losses	Other reserves	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 July 2019	2,317	9,636	148,367	(935)	(139,822)	2,026	529	624	(2,105)	2,630	348	(7,319)
Q3												
Loss for the period	(2,901)	(2,866)	-	-	(2,866)	-	-	-	-	-	-	(35)
Other comprehensive income												
Re-measurement of defined benefit obligation	14	14	-	-	-	14	-	14	-	-	-	-
Exchange differences on translating foreign operations	1,086	1,290	-	-	-	1,290	-	-	1,290	-	-	(204)
Total comprehensive income for the period	(1,801)	(1,562)	-	-	(2,866)	1,304	-	14	1,290	-	-	(239)
Closing balance as at 30 September 2019	516	8,074	148,367	(935)	(142,688)	3,330	529	638	(815)	2,630	348	(7,558)

Eneco Energy Limited

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 (contd).

Company	Total equity S\$'000	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Share based payment reserve S\$'000	Gain on reissuance of treasury shares S\$'000
Opening balance as at 1 January 2020	10,358	148,367	(935)	(140,233)	3,159	529	2,630
Q1							
Loss for the period, representing total comprehensive income for the period	(499)	-	-	(499)	-	-	-
<u>Contributions by and distributions to owners</u>							
Expiry of employee share options	-	-	-	170	(170)	(170)	-
Total transactions with owners in their capacity as owners	-	-	-	170	(170)	(170)	-
Balance as at 31 March 2020	9,859	148,367	(935)	(140,562)	2,989	359	2,630
Q2							
Loss for the period, representing total comprehensive income for the period	(3,701)	-	-	(3,701)	-	-	-
Balance as at 30 June 2020	6,158	148,367	(935)	(144,263)	2,989	359	2,630

Eneco Energy Limited

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 (contd).

Company	Total Equity S\$'000	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Share based payment reserve S\$'000	Gain on reissuance of treasury shares S\$'000
Opening balance as at 1 July 2020	6,158	148,367	(935)	(144,263)	2,989	359	2,630
Q3 Loss for the period, representing total comprehensive income for the period	(521)	-	-	(521)	-	-	-
Balance as at 30 September 2020	5,637	148,367	(935)	(144,784)	2,989	359	2,630

Eneco Energy Limited

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 (contd).

Company	Total equity S\$'000	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Share based payment reserve S\$'000	Gain on reissuance of treasury shares S\$'000
Opening balance as at 1 January 2019 (As previously reported)	33,309	148,181	(935)	(117,610)	3,673	1,043	2,630
Restatement adjustment	(19,953)	-	-	(19,953)	-	-	-
Opening balance as at 1 January 2019 (As restated)	13,356	148,181	(935)	(137,563)	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	12,626	148,367	(935)	(137,965)	3,159	529	2,630
Q2							
Profit for the period, representing total comprehensive income for the period	404	-	-	404	-	-	-
Balance as at 30 June 2019	13,030	148,367	(935)	(137,561)	3,159	529	2,630

Certain adjustments have been made to the prior year's financial statements to enhance comparability with the current year's financial statements as management has determined that the cost of investments of S\$0.2 million and loans amounting to S\$19.8 million extended to oil and gas entities should have been fully impaired as at 31 December 2018 based on their financial performance.

Management corrected the material prior year's adjustments identified above by restating the Company's statement of financial position and statement of comprehensive income in accordance with SFRS(I) 8 Accounting Policies, Changes in Accounting Estimates and Errors.

Eneco Energy Limited

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 (contd).

Company	Total Equity S\$'000	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Share based payment reserve S\$'000	Gain on reissuance of treasury shares S\$'000
Opening balance as at 1 July 2019	13,030	148,367	(935)	(137,561)	3,159	529	2,630
Q3 Loss for the period, representing total comprehensive income for the period	(1,005)	-	-	(1,005)	-	-	-
Balance as at 30 September 2019	12,025	148,367	(935)	(138,566)	3,159	529	2,630

ENECO ENERGY LIMITED

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 Sep 20	As at 31 Dec 19
The number of shares that may be issued on RGPSP and exercise of share options outstanding at the end of the period	5,080,103	6,620,008

Number of shares held as treasury shares against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer.

	30 Sep 20 No. of Shares	31 Dec 19 No. of Shares
Treasury shares	1,807,215	1,807,215
Number of issued ordinary shares (excluding treasury shares)	646,867,923	646,867,923
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 Sep 20	As at 31 Dec 2019
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	42,242,219
Total number of ordinary shares after treasury shares	646,867,923	646,867,923

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 2020	1,807,215
Re-issuance of treasury shares	-
As at 30 September 2020	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.

ENECO ENERGY LIMITED

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.

- (a) The audit report dated 29 May 2020 for the financial year ended 31 December 2019 issued by Foo Kon Tan LLP contained a qualified opinion on (i) amount due from a broker; (ii) access to accounting information of a joint arrangement and (iii) provision for legal claim, respectively.

In respect of Item (i), this was raised in the audit report for the financial year ended 31 December 2018 by the predecessor auditors, E&Y LLP. E&Y LLP were unable to obtain satisfactory audit evidence or explanations to ascertain the commercial rationale of the arrangement between the Group and the broker and the nature, existence and recoverability of the amount. On this basis, they were unable to determine whether the payment was appropriately accounted for, presented, or disclosed, and whether the allowance recorded against the amount in FY 2018 was appropriate.

On 15 June 2020, the Board announced that a settlement agreement had been entered into with the broker. Under the settlement agreement, the broker acknowledged receiving a payment of US\$2.88 million ("deposit") from the Group in 2018 for the purposes of arranging and procuring a bank guarantee (BG) for West Jambi KSO, and that the broker failed to procure the BG. The broker acknowledged that it is obliged to refund the deposit. The parties have agreed that the broker will repay the deposit by way of 30 quarterly instalments in cash until the deposit is fully repaid.

On 10 September 2019, in order to address this issue, the Board appointed Deloitte & Touche Financial Advisory Services Pte Ltd. as the Independent Reviewer to review, inter alia, the circumstances surrounding the queried payment made to the Broker and the Group's corporate governance and internal controls related to the queried payment. The scope of the review was disclosed in our announcement dated 10 September 2019. At the date of this results announcement, the review is still ongoing and the Company will make further announcements as and when there are material developments on this matter.

In respect of Item (ii), as announced on 2 July 2019, the Group had successfully completed the farm-out of its 6% participating interest in Lemang PSC ("Lemang") to Mandala, the operator of Lemang PSC, to which its subsidiary, PT Hexindo Gemilang Jaya ("PT Hexindo") now holds a 10% participating interest. PT Hexindo, however, is in dispute with Mandala over its claim to the net funding cap balance of S\$4.5 million (equivalent to US\$3.3 million) arising from the sale of the 6% participating interest to Mandala.

Notwithstanding the dispute, Mandala continues to issue default notices to PT Hexindo for failure to meet the cash call obligations since October 2019. Arising from this ongoing dispute, the Group's management has not been furnished with the monthly statement of accounts of the Lemang PSC since September 2019 which are maintained by Mandala.

PT Hexindo recognises its interest in Lemang PSC in accordance with the accounting treatment of a joint operation under SFRS(I) 11 – *Joint Arrangements*. The auditors of PT Hexindo ("component auditors") were unable to gain access to the audit work papers of the auditors of Mandala. Accordingly, the component auditors were unable to perform and complete their audit procedures to obtain sufficient and appropriate audit evidence over the financial statements of PT Hexindo for the financial year ended 31 December 2019.

In respect of Item (iii), PT Hexindo has entered into a legal settlement with Super Power Enterprise Group Ltd ("SPE") whereby it agreed to pay US\$10 million to SPE by way of assigning the proceeds from future sale of oil and gas from the Lemang PSC, subject to carve out provisions that allow PT Hexindo to first repay the other existing obligations identified to SPE, namely the repayment of advances from a joint venture partner and the loans and borrowings due to a third party. As at 31 December 2018, the Group has recorded a provision for legal claims measured at amortised cost amounting to S\$6.9 million (equivalent to US\$5.1 million) which was based on a cashflow projection of Lemang PSC obtained from Mandala.

As at 31 December 2019, management did not receive the cashflow projection of Lemang PSC from Mandala. Accordingly, the auditors were unable to perform and complete their audit procedures to obtain sufficient and appropriate audit evidence over the completeness and accuracy of the provision for legal claim.

At the date of this results announcement, management has not received the financial results of Lemang since September 2019. Accordingly, the results of the Group for the period ended 30 September 2020 are based on the monthly cash calls presented to PT Hexindo from Mandala. Management continues to engage Mandala to procure the financial results of Lemang. The procuring of such financial data, may be dependent upon the conclusion of the dispute with Mandala. In the meantime, the management noted that Mandala is in the process of selling its participating interest in Lemang to a third party.

Other than disclosed, there have been no major development on the above issues.

- (b) The Board confirmed that that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 and methods of computation in the financial statements for the current reporting period compared with the audited financial statements for the 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 adopted all the applicable Singapore Financial Reporting Standards (International) ("SFRS(I)") and related Interpretations ("INT SFRS(I)") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2020.

The adoption of the new accounting standards does not have a material impact to the Group's and the Company's financial statements on initial application.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately

Earnings per share (EPS)	Group		Group	
	3 months ended		9 months ended	
	30 Sep 20	30 Sep 19	30 Sep 20	30 Sep 19
Based on the weighted average number of shares (cents) - net profit attributable to shareholders	0.54	(0.44)	0.62	(0.52)
Weighted average number of shares	646,867,923	646,867,923	646,867,923	646,831,290
On a fully diluted basis - net profit attributable to shareholders	0.54	(0.44)	0.62	(0.52)
Weighted average number of shares	646,867,923	646,867,923	646,867,923	646,831,290

During the period ended 30 September 2020, 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 30 June 2020.

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 Sep 20	31-Dec-19	30 Sep 20	31-Dec-19
No. of ordinary shares	646,867,923	646,867,923	646,867,923	646,867,923
NAV (In cents)	(1.53)	(2.11)	0.87	1.60

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

Q3 2020 vs Q3 2019

The Group revenue in Q3 2020 was S\$8.8 million, which was S\$1.0 million lower than the corresponding period of the prior year. Oil and gas segment recorded a lower revenue of S\$0.4 million from the Lemang and Jatiraragon ("Jati") fields. The lower revenue was as a result of (a) the closure and the handing back of the Jati field to the Indonesian regulator upon its expiry and (b) the closure of production in the Lemang field by the Mandala operator. Logistics segment also recorded a lower revenue of S\$0.6 million, attributed from the lower customer volume due to the ongoing pandemic with lower economic activities.

Increase in other income mainly due to the government grants and extinguishment of remaining loan obligations, which were largely from obligations with Mercuria entities, following the finalisation of the Settlement Deed and Deeds of Discharge.

Total costs and operating expenses were higher by S\$2.1 million mainly due to:-

- (a) Higher service costs and related expenses of S\$1.6 million, variance mainly driven by cumulative effects of adopting SFRS(I) 16 Leases, which were only recognised in Q3 2019 and higher logistics service cost of S\$0.2 million;
- (b) Higher other operating expenses of \$4.0 million mainly due to impairment losses for Lemang field of \$5.6 million and offset by lower forex revaluation loss of \$0.9 million (Q319: forex loss of \$1.2 million) and other savings;

and offset by:

- (c) Lower salaries and employee benefits of S\$1.0 million, due to our ongoing focus to deliver better gross operating margins through improved efficiencies and productivity improvements;
- (d) Lower depreciation and amortisation expenses of S\$1.6 million mainly due to cumulative effects of adopting SFRS(I) 16 Leases, which were only recognised in Q3 2019.
- (e) Lower finance costs of S\$0.8 million mainly due to no interest expense with Mercuria following the Settlement Deed dated 12 May 2020 and lower finance charges on lease obligations.

The net profit after tax attributable to shareholders in Q3 2020 was a gain of S\$3.5 million versus a loss of S\$2.9 million in the corresponding period of the prior year.

YTD Q3 2020 vs YTD Q3 2019

The Group revenue in YTD Q2 2020 was S\$27.3 million, a reduction of S\$3.8 million as compared to the prior year.

The oil & gas segment recorded a decline in revenue of S\$2.6 million due to declining and cessation of production in both Jati and Lemang fields, while logistics segment recorded a decline in revenue of S\$1.2 million mainly due to the ongoing pandemic with slower economic activities which has impacted the volume.

Other income includes government grants, write-back of other payables and provisions and extinguishment of remaining loan obligations which were largely from obligations with Mercuria entities following the finalisation of the Settlement Deed and Deeds of Discharge.

Total costs and operating expenses were lower by S\$0.9 million mainly due to:

- (a) Lower service costs and related expenses of S\$1.0 million, mainly driven by Jati and Lemang of S\$1.0 million, rental/leasing, upkeep expenses of S\$1.2 million, offset by net higher logistics service and other costs of S\$1.2 million;
- (b) Lower salaries and employee benefits of S\$3.0 million, due to our ongoing focus to deliver better gross operating margins through improved efficiencies and productivity improvements;
- (c) Lower depreciation and amortisation expenses of S\$1.6 million, largely from Lemang field
- (d) Lower finance costs of S\$0.8 million mainly due to no interest expense with Mercuria following the Settlement Deed dated 12 May 2020 and lower finance charges on lease obligations.

and offset by:

- (e) Higher operating expenses of S\$5.6 million largely due impairment losses for Lemang field of \$5.6 million and offset by higher forex revaluation loss of \$1.2 million (YTD Q319: forex gain of \$1.0 million) and other savings;

The net profit after tax attributable to shareholders in YTD September 2020 was a gain of S\$3.99 million versus a loss of S\$3.4 million in the corresponding period of the prior year.

As mentioned under 3A, management has not received the financial results of Lemang since September 2019 which are maintained by Mandala. Accordingly, the results of the Group for Q3 2020 ended 30 September 2020 are based on the monthly cash calls presented to Hexindo from Mandala.

ENECO ENERGY LIMITED

8 Group Balance Sheet Review

Non-current assets decreased by S\$9.2 million to S\$24.2 million mainly due to impairment loss recognised on Lemang field, amortisation of ROU asset and plant and equipment, setoff by additions and translation gains on foreign denominated assets (USD/SGD exchange rates Q3 2020: 1.3692 vs 2019:1.3472).

Current assets increased by S\$0.4 million mainly due to increase in cash and bank balances of S\$1.4 million, offset by a decrease in trade and other receivables of S\$1.2 million.

Current liabilities decreased by S\$10.8 million mainly due to write-back and extinguishment of obligations with Mercuria entities following the Settlement Deed and Deed of Discharge, write-back of abandonment and site restoration liability, setoff by working capital loan obtained by a wholly-owned subsidiary during the year and cash call payables to Mandala, the operator of Lemang PSC.

Non-current liabilities decreased by S\$0.5 million mainly due to repayment of lease liabilities, additional working capital loan and translation losses on foreign denominated liabilities.

Negative Working Capital Position

As at 30 September 2020, the Group's negative working capital position improved from S\$26.4 million to S\$15.2 million. The Group reported net liabilities of S\$19.6 million (31 December 2019: S\$22.0 million).

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 logistics operations;
- (b) As at 30 September 2020, a wholly-owned subsidiary of the Company had obtained a \$3 million working capital loan from a local bank;
- (c) The loss making Jati field has been handed back to the Indonesian regulator and the restructuring of the oil and gas entities has reduced the monthly cash cost significantly;
- (d) The Group is in on-going discussion to dispose its other Oil & Gas assets; and
- (e) The Group is in on-going discussion to obtain \$1.5 million credit facility from one of its substantial shareholders.

Group Cashflow Statement Review

For the quarter ended 30 September 2020, the Group reported net cash inflows from operating activities of S\$5.2 million vs net cash inflow of S\$0.3 million as at 30 September 2019.

The Group reported net cash and cash equivalents of S\$6.0 million as at 30 September 2020 compared to S\$3.9 million as at 30 September 2019.

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.**

As a result of the global pandemic, the world economic outlook has worsened significantly over the last quarter. Despite the challenging environment, the Group has delivered a solid result year to date and remains focused on customer retention, cost restructuring strategies and securing new customer contracts.

Our Indonesian logistics business is reflecting solid growth year on year and improved gross margins, as a result of improved volumes from within our largest contract and our cost reduction initiatives within the country.

Singapore logistics has experienced some revenue softness as a result of lower customer volumes in some contracts due to the economic environment. Despite this, we have improved our gross operating margins year on year and have secured a new account that went live in September.

The Group expects no revenue contribution from our oil and gas assets as we have exited our loss making Jatirarongan gas field and the Lemang PSC remains closed due to the operator's decision.

The Group remains focused on its restructuring to divest its oil and gas assets and is now looking to drive growth within its logistics business for 2021.

COVID-19 update

There is no doubt that the Covid-19 pandemic has impacted all business' in various ways.

In our logistics business, we are seeing varied results as some customers benefit and others are negatively impacted. Overall, we are pleased with our Year to Date results despite Covid-19.

We wish to provide further update as to how we see the landscape now and going forward.

As per previous announcements, all of our logistics facilities in Singapore and Indonesia continue to remain open for business and are fully operational. Both business' have work from home protocols in place and are coping well. Softness in some customer volumes is apparent, especially within the air cargo industry. We are starting to see some flattening of the volume decline and feel the quarter 4 may reflect some volume improvements as we head into the festive season.

Cash flow has been strong throughout the quarter which we attribute to the improvements in gross operating margins within logistics and the grants provided by the Singapore Government.

Further to this, the logistics division had secured a S\$3.0 million loan from a bank. As such the Board is comfortable that we have sufficient cash balances to support our immediate to medium term needs.

ENECO ENERGY LIMITED

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

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

No dividend for the period ended 30 September 2020 is recommended.

The Board has considered the impact of the Covid-19 pandemic on the Singapore and global economy. In light of this, the Board is of the opinion that it is more prudent to conserve cash during the current economic situation to meet any unexpected operational requirements.

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

6 November 2020