

ENECO ENERGY LIMITED
(the “Company”)
(Co. Reg. No. 200301668R)
(Incorporated in the Republic of Singapore)

Quarterly Update Pursuant to Rule 1313(2) of the Listing Manual

Eneco Energy Limited (the “Company”) was placed on the Watch-List under the Financial Entry Criteria pursuant to Rule 1311(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Listing Manual”) on 04 December 2019. The Company has 36 months from 04 December 2019 (the “Deadline”) to meet the requirements of Listing Rule 1314(1).

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors (the “Board”) wishes to provide an update on its efforts and the progress made in meeting the Financial Exit Criteria as set out in Rule 1314(1) of the Listing Manual in respect of the quarter ended 30 September 2020.

Update on Efforts for Satisfying Financial Exit Criteria

Presently, the Group’s focus is to remove the loss-making activities within its oil and gas business portfolio and realign the Group’s cost base to the new structure. We had reduced the operating costs by handing back the loss-making Jatirarangon gas field to the Indonesian Authority in second quarter of 2020. We continue to downsize the remaining oil and gas overheads structure and have consolidated the remaining oil and gas business activities into our existing logistics’ Jakarta office infrastructure to achieve additional savings.

We achieved a major milestone in lowering our cost base with the completion of the Standstill and Settlement Deed with Mercuria which was settled in late June removing almost S\$12.0 million of debt liability from the Group’s books. This has eliminated all the loan principal, interest and default interest repayments. The settlement amount of SGD \$3.0 million was paid as full and final settlement of the Group’s debts with Mercuria, which gives a major cost saving for the Group going forward.

We remain committed to exit the oil and gas loss-making entities at the earliest possible opportunity. Meanwhile, the logistics focus remains on improving the gross operating margins and has delivered significant improvements in 2020 as compared to 2019, despite the Covid-19 crisis. Logistics remains focussed on growing existing customer contracts and securing new customer contracts with sustainable margins and maintaining its margin levels.

Update on the Unaudited Financial Performance and Financial Position

Please refer to the announcement of the unaudited financial statements of the Group for the period ended 30 September 2020 for an update on the Group’s financial position and any material developments that may have an impact on its financial situation.

For and on behalf of the Board

Colin Peter Moran
Executive Director cum Chief Executive Officer
6 November 2020