

ALPHA ENERGY HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200310813H)

COMPLETION OF ACQUISITION OF WORKING INTEREST IN BADAMI UNIT ON NORTH SLOPE, ALASKA, CURRENTLY PRODUCING APPROXIMATELY 2,000 BOPD

The Board of Directors (the “**Board**”) of Alpha Energy Holdings Limited (the “**Company**” or together with its subsidiaries, the “**Group**”) wishes to update that the Company’s wholly-owned subsidiary, Caracol Petroleum LLC (“**Caracol**”) has completed the acquisition of 3.75% working interest in the Badami Unit comprising 8 leases (18,484 acres) on the North Slope of Alaska from ASRC Exploration, LLC (the “**Vendor**”) on 17 April 2018, with the purchase consideration satisfied on 23 October 2018.

This acquisition which provides the Group with a new cash flow stream (which would amount to approximately US\$600,000 in the first year post completion) was undertaken for an aggregate consideration (“**Consideration**”) of US\$250,000 which was satisfied wholly in cash and the transfer of 7.5% of the working interest in the leases in the Telemark reservoir (“**Telemark Assets**”) to the Vendor. The Group accorded \$0 value for the Telemark Assets in its books as at 31 December 2017. The acquisition also provides the Group the benefit of the Small Producer Credit by the Alaska Department of Revenue to Caracol for up to US\$12 million per year till 2025, and the existing fully-developed production facilities in the Badami unit which may be leveraged to develop the Group’s leases in Telemark Assets.

Caracol currently holds 39.75% working interest in the Telemark Assets, which currently has an estimated unproven reserves of approximately 40 million barrels of oil based on the internal assessment of the in-house geologist of Brooks Range Petroleum Corporation, being the joint-venture operator of the Mustang Project.

The Badami unit was originally developed by BP Exploration (Alaska) Inc and has been in production since 1982. This unit is currently operated by Glacier Oil & Gas Corporation (“**Glacier**”), occupies a key position to the east of the North Slope, and has stand-alone processing facilities designed for production rates of up to 38,500 BOPD. The Badami pipeline can transport oil from the region to the Trans-Alaska Pipeline System and is poised to serve as a central distribution and processing facility for the Group’s future development in the area.

In April 2018, drilling was completed on the Starfish (B1-07) well. The well has gone into production through the processing facilities at the Badami unit. Production from the unit has nearly doubled to approximately 2,000 BOPD since the well came online. The Starfish well targeted the Killian sand and is the first well brought into production in the Badami unit since 2010 and the first to produce from the Killian sand, a reservoir interval immediately above the oil source rock and below the Badami sands that form the reservoir for the Badami field.

The Group’s current field development project, Mustang, is located about 120km west of Badami on the western side of the North Slope.

Based on the estimated reserves in the Badami unit, the Group is of the opinion that there would not be a material increase in reserves attributable to the Group subsequent to the acquisition. The Consideration was arrived at after arms' length negotiations, on a willing-buyer, willing-seller basis, taking into account the value of the 3.75% working interest in the Badami unit of US\$62,000, which was derived from a valuation dated 3 March 2018 commissioned by Glacier, carried out by DeGolyer and MacNaughton using the discounted cashflow method, as well as the potential tax and facility benefits which the Group will be able to enjoy as mentioned above.

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited at the point of entering into the sale and purchase agreement in April 2016 amounted to 5% or less, accordingly, the acquisition constituted a 'non-discloseable transaction'.

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the acquisition, other than through their respective shareholdings in the Company.

By Order of the Board of Directors
ALPHA ENERGY HOLDINGS LIMITED

Tan Ser Ko
Director

31 January 2019

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

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

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).