

Alpha Energy Holdings Limited
Sustainability Report
2019

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Chairman's Message

Dear Stakeholders,

On behalf of the Board of Directors, we are pleased to present to you the Sustainability Report for Alpha Energy Holdings Limited (the "Group" or "Alpha") in respect of the financial year ended 31 December 2019 ("FY2019").

While drilling operations were minimal during the year, the Group has nonetheless continued to approach sustainability with an outlook that encompasses comprehensive planning, frameworks and risk mitigation for all future operations. We put respect for people, their safety, communities and the environment at the heart of this approach.

The three key areas in which we place emphasis on – Workplace Health and Safety, The Environment and Our Community – remained our top priorities in FY2019 and will continue to form the basis of sustainability efforts going forward.

At Alpha, we work hard to ensure that employees and contractors are able to operate in an environment that allows their loved ones to feel assured of their safe return. Our safety protocols are communicated widely and we encourage our employees to be vigilant when it comes to potential safety risks at all times.

Our primary area of operations in FY2019 – the North Slope oil productive region of Alaska, has a range of biodiversity that we strive to protect. Steps have been taken to minimize any impact we may have on the area which is home to wildlife such as Polar Bears and Eiders.

The Group is also a strong advocate of giving back to our Community. As and when our operations continue to scale and develop from strength to strength, we hope to be able to create more job opportunities and employment in the region.

In order to preserve shareholders' value, the Group has been looking into the possibility of diversifying its business to generate additional revenue streams and has identified an opportunity in the business of providing learning and education services. The proposed diversification of business to include the provision of learning and education services ("Business Diversification") is subject to shareholders approval at the extraordinary general meeting ("EGM") scheduled on 9 October 2020. The Group will relook into the Environmental, Social and Governance ("ESG") factors if the company has obtained shareholders' approval at EGM for the Company's proposed Business Diversification.

At Alpha, we believe sustainability is essential to the way we conduct business. Our Sustainability Report is an account of our progress in this area as we continue to develop and prepare ourselves for the future.

Sincerely,
Mr Ravinder Singh Grewal S/O Sarbjit Singh
Chairman

About This Report

Alpha Energy Holdings Limited presents our annual Sustainability Report (the “Report”) which covers our sustainability performance from 1 January 2019 to 31 December 2019 (the “reporting period”).

The Report provides information about Alpha’s key sustainability topics, management policies and sustainability performance across all operations. The Group has chosen the Global Reporting Initiative (“GRI”) Standards which represent the global best practices for reporting on economic, environmental and social topics.

The Report is prepared in accordance with the GRI Standards’ “Core” option and incorporates the primary components of report content as set out by the Singapore Exchange Securities Trading Limited’s (“SGX-ST”) “Comply or Explain” requirements on sustainability reporting under Rule 711B of the SGX-ST Listing Manual Section B:Rules of Catalyst .

The Group’s material topics are identified based on its impacts on our internal and external stakeholders, as outlined in the Stakeholders Engagement section. Detailed section reference with GRI Standards is found at the GRI Standards Content Index section of this report. The Group’s Sustainability Task Force has assessed that external assurance is not required.

Governance and Statement of the Board

Our sustainability strategy is developed and directed by the senior management in consultation with the Board of Directors. The Group’s Sustainability Taskforce (“the Taskforce”), which includes senior management executives, is tasked to develop the sustainability strategy, review our material impacts, consider stakeholder priorities and set goals and targets, as well as monitoring the sustainability performance.

The Board oversees the process of engaging stakeholders and identifying material topics by reviewing reports and information provided by the Taskforce. The Board has considered sustainability issues as part of our strategic formulation, and approved the material environmental, social and economic topics identified and overseen that the factors identified are managed and monitored.

The Taskforce has reviewed the option for external assurance of its sustainability report and assessed that external assurance is not required for this year as the Group wishes to progressively strengthen the sustainability reporting framework.

The Group adopts a precautionary approach in strategic decision and day-to-day operation by implementing a comprehensive risk management framework.

Please refer to the Corporate Governance section of Annual Report for FY2019 (“Annual Report 2019”) for more information on corporate governance practices and risk management structure.

Our Sustainability Story

Sustainability Philosophy

During the course of the financial year ended 31 December 2019, while Alpha's drilling operations in the Mustang oil field has yet to reach a substantial stage, the Group has been preparing for the future with an outlook that stresses on the importance of sustainability. The Group strove to run our operations in an economically, socially and environmentally responsible way to ensure the sustainability of the business while meeting the responsibilities we hold to our stakeholders.

The Group's sustainability mission has been to operate a safe, environmentally responsible North Slope oil exploration and development project. Utilizing experienced land, exploration and operations employees, the Group intended to grow from a start-up oil exploration company to a significant business enterprise. However, the Group's operations ceased on 28 November 2019 as a result of a default notice received by the Group on 14 November 2019 from its lender notifying the Group that the lender had elected to accelerate the Group's indebtedness owing to it and on 22 May 2020 the lender had elected to sell all of the Group's oil and gas leases in a public auction ("**Public Auction**") to satisfy the Group's indebtedness under the loan agreement with the lender. Following that, the downturn in the oil market during the first quarter of 2020 and the COVID-19 pandemic further drove down the global oil demand and the Group had brought the Mustang oil field to a minimal maintenance state with reduced operational risk exposure to the environment and its employees.

The Group had on 5 September 2020 received a notice notifying the Group on the Public Auction that was held on 23 September 2020. Following the Public Auction, the Mustang Road, Mustang Pad and all the Group's leases except for the leases relating to the Badami oil field was awarded to the highest bidder, Mustang Holding LLC, a wholly owned subsidiary of the Lender. Badami oil field's auction has been delayed to 20 January 2021.

Alpha's sustainability vision is to cause no harm to people and no damage to the environment, while achieving full compliance with applicable regulations and standards.

We believe that workplace health and safety should be the cornerstone of every company in our industry. As such, the safety and well-being of our employees is a top priority and we strive to create a safe working environment by implementing preventive measures and complying with industrial health and safety standards to minimise the risk of staff being exposed to any hazards.

Sustainability Targets and Performance

Notwithstanding that the Group's operation has been suspended, below is a summary of the Group's sustainability targets and performance during the reporting period as well as for the FY2020, up to point of the transfer of ownership of the auctioned assets.

Alpha's quantifiable targets include Spill Volume, Spill Incidents and Incident / Accident rates. Due to our minimal drilling operations, there have been no spills or incidents reported for FY2019. Our target for FY2020, if the ESG factors should still remain relevant, is to keep all

three statistics at zero. Please see below for a summary of our action plan to attain these targets:

Material topics	Action plan
Spill Volume	The Group endeavours to continue adherence to the Oil Discharge Prevention and Contingency Plan and maintain a zero significant spillage rate for FY2019.
Spill Incidents	
Incident / Accident Rates	The Group intends to maintain its zero safety incident rate for FY2020 through strict adherence to the Safety, Health, and Environmental Management System ("SHEMS").

The Group intends to report performance statistics and targets for material topics relating to water, energy, and emissions only if the drilling operations resumes.

Stakeholder Engagement

Alpha values the opinion of its stakeholders. The Group understands sustainable growth is dependent on understanding the concerns of our key stakeholders which currently include suppliers, vendors, employees, shareholders and regulators.

The Group engages with all our stakeholders through a variety of channels and takes into account the concerns of the abovementioned stakeholders when we plan for the future. Material topics and focus areas are identified based on the feedback we receive from our stakeholders.

The following table summarises our key stakeholders, engagement platforms and their key concerns.

Stakeholders	Engagement Platforms	Issues of Concerns	Section Reference
Employees	<ul style="list-style-type: none"> Performance Appraisal System Employee Trainings 	<ul style="list-style-type: none"> Remuneration and benefits Diversity Health and Safety 	<ul style="list-style-type: none"> Workplace Health and Safety Our Community
Community	<ul style="list-style-type: none"> Community engagement Employment opportunities 	<ul style="list-style-type: none"> Environmental Impact Social Development 	<ul style="list-style-type: none"> The Environment Our Community
Government and Regulators	<ul style="list-style-type: none"> Annual Reports SGX Half Yearly announcements Sustainability Reports 	<ul style="list-style-type: none"> Environmental non-compliance Incident Rates 	<ul style="list-style-type: none"> The Environment

			<ul style="list-style-type: none"> • Workplace Health and Safety
Shareholders and Investors	<ul style="list-style-type: none"> • Annual Reports • Investor Relations Management • Annual General Meeting • Sustainability Reports • Whistle-blowing policy 	<ul style="list-style-type: none"> • Anti-corruption 	<ul style="list-style-type: none"> • Ethics and Integrity

Material Topics and Boundaries

The Group's material topics are determined based on the principle of materiality to our internal and external stakeholders, as outlined in the Stakeholders Engagement section.

Key Sustainability Topics	Boundaries (country or entity)
ECONOMIC	
GRI 201: Economic Performance	The Group
GRI 203: Indirect Economic Impacts	
GRI 205: Anti-corruption	
ENVIRONMENTAL	
GRI 304: Biodiversity	The Group
GRI 306: Effluents and Waste	
GRI 307: Environmental Compliance	
SOCIAL	
GRI 403: Occupational Health and Safety	The Group
GRI 405: Diversity and Equal Opportunity	
GRI 413: Local Communities	
GRI 419: Socioeconomic Compliance	

Ethics and Integrity

Alpha works diligently to ensure our employees adhere to the highest standards of ethics and integrity and comply with applicable regulations and professional codes of conduct.

Anti-Bribery and Corruption Policy

(GRI 205-1, 205-2, 205-3)

The Group has implemented an anti-bribery and corruption policy whereby it is set out that there is zero tolerance approach to unethical behaviour. Alpha is committed to comply with all anti-bribery and corruption laws where we do business at all times. All new staff are briefed on an established code of conduct during their orientation on the first day of employment.

To ensure our staff conduct themselves in a professional manner in dealing with clients and vendors, Alpha requires staff to declare receipt of gifts from third parties. To avoid putting staff in compromising situations, in particular those holding senior positions and those having to deal with vendors, staff are to declare any conflict of interest, whether potential or real, on an immediate basis. The Group does not condone any bribery and corruption actions by any third parties and/or government entities.

The Group has provided accessible channels for employees, shareholders, clients, consultants and suppliers to raise concerns on possible improprieties in financial reporting, fraudulent acts and other irregularities. This communication channels will ensure independent investigations and timely implementation of appropriate preventive and corrective actions. For FY2019, there were no instances of confirmed incidents of corruption or any whistleblowing incidents.

Workplace Health and Safety

The Group endeavours to operate sustainably with reduced carbon footprint and water consumption, as well as proper waste management.

Vision towards an Accident-free Work Culture

GRI 403-1, 403-2, 403-3

The Group understands that its operations often pose great risks and dangers to our employees. To protect the health and safety of our employees, we have implemented stringent policies and operational procedures to govern all activities when operations commence. Strict compliance to these policies are enforced by the Group to protect our employees.

The Group is committed to the implementation of an integrated Safety, Health, and Environmental Management System ("SHEMS") for Group project operations.

The Health and Safety aspect of the SHEMS has the following objectives and targets for its project operations:

- Develops contractors work plans and ensures training, awareness and competence so that there are zero injuries or compliance actions;
- Achieves Occupational Safety and Health Administration (OSHA) compliance in accordance to the standards set by the United States Department of Labor;
- Meets the philosophy and beliefs of the Group;

- Supports the achievement of the Group's objectives by providing leadership and guidance in matters involving Health and Safety; and
- Verifies that Health and Safety performance objectives are met.

We monitor all incidents / accidents for timely address and institute mitigating and preventive controls to protect the safety of our employees. We have maintained a zero incident / accident rate in FY2019 and hope to continue to do so going forward.

The Environment

Alpha strives to be a socially responsible partner by adopting safe, efficient and environmentally-friendly processes. We consider the environmental impact arising from our various operations.

The SHEMS's objective and targets for the environment are as follows:

- Fulfills permit requirements to ensure zero compliance actions;
- Implements environmental controls and strategies to ensure zero spills or compliance actions;
- Achieves compliance with permits, governmental requirements and the North Slope Oil Producers (NSOP) rules;
- Meets the philosophy and beliefs of the Group;
- Supports the achievement of the Group's objectives by providing leadership and guidance in matters involving the Environment; and
- Verifies that Environmental performance objectives are met.

Biodiversity

GRI 304-1, 304-2, 304-3, 304-4

Alpha understands that the Mustang Project is based in an area where biodiversity is of particular concern to regulators and other stakeholders. The key species in question are the Stellar's Eider, Spectacled Eider and Polar Bear.

A Biological Opinion sought from the U.S. Fish and Wildlife Service (USFWS)¹ in consultation with the U.S. Army Corps of Engineers Anchorage, Alaska concluded that the Mustang Project is "not likely to adversely affect Steller's eiders" and "is not likely to jeopardize the continued existence of spectacled eiders or polar bears".

Conservation measures that the Group has implemented during the development of the Mustang Project for the financial year ended 31 December 2019 includes:

¹ Biological Opinion for Mustang Development Project, U.S. Fish and Wildlife Service - <https://www.fws.gov/r7/fisheries/endangered/pdf/Mustang%20Development%20Final%20BO.pdf>

- Power lines placed on pipeline Vertical Support Members to reduce the risk of bird collisions and reduce perching sites for predatory birds. No overhead power lines were used;
- Dust-control measures applied to roads and pads to protect vegetation and terrestrial and aquatic habitats;
- Careful design considerations given to facility lighting (shielded lighting to reduce outward-radiating light) to reduce the potential for bird strikes;
- A Polar Bear Interaction Plan updated annually in accordance with regulations for the issuance of Letters of Authorization (LOAs) for incidental take under Section 101(a)(5)(A) of the Marine Mammal Protection Act (MMPA). The plan provides procedures to protect both polar bears and humans. The plan incorporates the following provisions:
 - Education of all personnel working in polar bear habitat;
 - Procedures for ice road/off-site operations including den detection and avoidance;
 - Procedures for identifying, limiting, and isolating or removing bear attractants;
 - Procedures for early detection of bears, and an effective communication system to warn workers and direct appropriate responses;
 - Procedures for responding safely to bear encounters; and
 - Procedures for reporting polar bear sightings and interactions to USFWS Marine Mammals Management.

Oil Spill Control

GRI 306-3

An Oil Discharge Prevention and Contingency Plan has been implemented since 2015 and made available to all staff in order to outline site specific oil discharge response procedures. Additionally, employees are required by the SHEMS to report the details of spills of any size as well as to conduct daily inspections to promote spill prevention.

There were no incidents of significant spills in FY2019 while there has been 2 non-reportable minor spillage that were rectified with no impact to the operations.

Environmental and Social Compliance

(GRI 307-1, 419-1)

The Group operates in compliance with the applicable legal, federal, state and local government rules and regulations, and policy driven environmental requirements for field project operations on the North Slope.

The Group reviews the work plans and operational guidelines for the project and monitors contractors for compliance with these plans. The Group, and its contractors, once notified of a regulatory change, operational change, or other information that may affect the project, are responsible for communication of that change to the affected parties.

During FY2019, the Group had no incident of non-compliance with environmental and socioeconomic laws and regulations.

Our Community

Our Workforce

(405-1, 405-2)

Our employment practices are non-discriminatory in nature and are based solely on job-related factors. Our employees are remunerated, employed and promoted based on performance, as well as the potential and willingness to take on higher responsibilities, without reference to any distinction or preference made on the basis of race, national origin, religion, sex or marital status.

We remunerate staff fairly based on local practices. We adhere to local wage legislation, including minimum wages where applicable. As at 31 December 2019, we have a total of 13 employees (FY2018, 10 employees). In consideration of the male dominated industry which the Group is in due to its labour intensive nature, the Group has a fairly balanced mix of males and females in its workplace.

	FY2019		FY2018	
Gender Equality	Male	Female	Male	Female
Group	62%	38%	80%	20%

Giving back to the community

(GRI 203-1, 413-1, 413-2)

Alpha believes that community engagement is an integral part of our business sustainability. We are committed to being a responsible corporate citizen and we endeavour to give back to the community. The jobs we create benefit stimulate the local economy and support our commitment towards being a responsible corporate citizen.

The Group is also committed to making economic contributions to the countries in which it operates in through paying its fair share of corporate taxes to the governing bodies of the countries.

Indirect Economic Impact

(GRI 203-1)

The Mustang Field is served by infrastructure in the form of a seven kilometres all-weather access road and a 70,400 square meter gravel production pad. This road and pad are able to facilitate the construction of the processing facility and transportation of logistic supplies and operations of the Mustang Field. It also serves and link up corporations operating in the same region which shall generate indirect economic benefits for the region.

SGX Five Primary Components Index

S/N	Primary Component	Section Reference
1	Material Topics	<ul style="list-style-type: none"> • Ethics and Integrity • Workplace Health and Safety • The Environment • Our Community • Stakeholder Engagement
2	Policies, Practices and Performance	<ul style="list-style-type: none"> • Chairman's Message • Our Sustainability Story • Ethics and Integrity • Workplace Health and Safety • The Environment • Our Community • Stakeholder Engagement
3	Board Statement	<ul style="list-style-type: none"> • Governance and Statement of the Board
4	Targets	<ul style="list-style-type: none"> • Our Sustainability Story
5	Framework	<ul style="list-style-type: none"> • About This Report

GRI Standards Content Index

GRI Standards	Disclosure Content	Section Reference
102-1	Name of the organisation	Chairman's Message
102-2	Activities, brands, products, and services	Annual Report 2019
102-3	Location of headquarters	Annual Report 2019
102-4	Location of operations	Chairman's Message
102-5	Ownership and legal form	Annual Report 2019
102-6	Markets served	Annual Report 2019
102-7	Scale of the organisation	Annual Report 2019
102-8	Information on employees and other workers	Annual Report 2019
102-9	Supply chain	Annual Report 2019
102-10	Significant changes to the organisation and its supply chain	Annual Report 2019
102-11	Precautionary principle or approach	Governance and Statement of the Board
102-12	External initiatives	Annual Report 2019
102-13	Membership of associations	Annual Report 2019
102-14	Relevance of sustainability to the organisation and strategy for addressing sustainability	Chairman's Message
102-16	Values, principles, standards, and norms of behaviour	Ethics and Integrity
102-17	Mechanisms for advice and concerns about ethics	Ethics and Integrity
102-18	Governance structure	Governance and Statement of the Board
102-40	List of stakeholder groups	Stakeholder Engagement
102-42	Identifying and selecting stakeholders	Stakeholder Engagement

GRI Standards	Disclosure Content	Section Reference
102-43	Approach to stakeholder engagement	Stakeholder Engagement
102-44	Key topics and concerns raised	Stakeholder Engagement
102-46	Defining report content and topic boundaries	Material Topics and Boundaries
201-1	Direct economic value generated and distributed	Annual Report 2019
203-1	Infrastructure investments and services supported	Indirect Economic Impacts
205-1	Operations assessed for risks related to corruption	Ethics and Integrity
205-2	Communication and training about anti-corruption policies and procedures	Ethics and Integrity
205-3	Confirmed incidents of corruption and actions taken	Ethics and Integrity
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	The Environment
304-2	Significant impacts of activities, products, and services on biodiversity	The Environment
304-3	Habitats protected or restored	The Environment
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	The Environment
306-1	Significant spills	The Environment
307-1	Non-Compliance with Environmental regulations and laws	The Environment
403-1	Occupational Health and Safety	Workplace Health and Safety
403-2	Types of injury and rates of injury, occupational diseases, lost days and absenteeism, and number of work-related fatalities	Workplace Health and Safety
403-3	Workers with high incidence or high risk of diseases related to their occupation	Workplace Health and Safety
405-1	Diversity of governance bodies and employees	Our Community
405-2	Ratio of basic salary and remuneration of women to men	Our Community
413-1	Operations with local community engagement, impact assessments and development programs	Our Community
413-2	Operation with significant actual and potential negative impacts on local communities	Our Community
419-1	Non-compliance with laws and regulations in the social and economic areas	Our Community