

Quarterly Financial Statement for the Period Ended 30 September 2019

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENT OF 3RD QUARTER

The Board of Directors of Eneco Energy Limited wishes to announce the following unaudited operating results of the Group for the period ended 30 September 2019.

1(a) Consolidated Income Statement

	Group 3rd Quarter		Increase/ (decrease) %	Group For the period ended Sep		Increase/ (decrease) %
	2019 S\$'000	2018 S\$'000		2019 S\$'000	2018 S\$'000	
Revenue	9,803	10,527	(6.9)	31,098	35,788	(13.1)
Other income	947	1,326	(28.6)	5,427	2,026	167.8
Costs and operating expenses						
Service costs and related expenses	(1,247)	(5,342)	(76.7)	(10,199)	(18,169)	(43.9)
Royalties payment	(32)	(57)	(43.9)	(108)	(262)	(58.8)
Salaries and employee benefits	(5,657)	(6,382)	(11.4)	(17,601)	(18,882)	(6.8)
Depreciation and amortisation expenses	(3,095)	(634)	388.2	(6,197)	(2,231)	177.8
Finance costs	(1,081)	(1,101)	(1.8)	(2,453)	(1,869)	31.2
Other operating expenses	(2,522)	(3,663)	(31.1)	(2,646)	(6,307)	(58.1)
	-	-		-	-	
Total costs and operating expenses	(13,634)	(17,179)	(20.6)	(39,204)	(47,720)	(17.8)
Loss before tax for the period	(2,884)	(5,326)	(45.9)	(2,679)	(9,906)	(73.0)
Income tax	(17)	(42)	(59.5)	(90)	(352)	(74.4)
Loss for the period	(2,901)	(5,368)	(46.0)	(2,769)	(10,258)	(73.0)
Loss for the period attributable to:						
Owners of the Company	(2,866)	(4,808)	(40.4)	(3,374)	(8,960)	(62.3)
Non-controlling interests	(35)	(560)	(93.8)	605	(1,298)	NM
	(2,901)	(5,368)	(46.0)	(2,769)	(10,258)	(73.0)
Loss per share attributable to owners of the Company (cents per share)						
Basic	(0.44)	(0.88)		(0.52)	(1.64)	
Diluted	(0.44)	(0.88)		(0.52)	(1.64)	

NM: not meaningful

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<u>Notes to Group Income Statement</u>	Group 3rd Quarter		Group For the period ended Sep	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Other income include:				
Interest income from banks	4	1	23	30
Leasing income	-	4	-	16
Write-back of legal and professional fee and abandonment & site restoration liabilities	309	-	564	-
Gain on farm out of participating interest	-	1,027	3,538	1,027
Finance costs include:				
Interest on borrowings	(358)	(354)	(1,050)	(1,025)
Lease charges	(540)	(30)	(852)	(95)
Finance charges on Operator's cash calls	-	(701)	(161)	(701)
Finance charges on borrowings	(174)	-	(363)	-
Accretion of interest on abandonment & site restoration liabilities	(9)	(16)	(27)	(48)
Other operating expenses include:				
Foreign exchange (loss)/gain, net	(1,187)	(152)	1,015	856
Legal and other professional fees	(548)	7	(691)	(314)
Write-off of plant and equipment	-	-	(2)	-
Gain on disposal of plant and equipment	93	7	104	98
Rental & utilities - office	86	(249)	(217)	(471)
Other administrative & operating expenses	(277)	(416)	(912)	(1,128)
Allowance for doubtful trade receivables	1	-	(131)	-

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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 19 S\$'000	31 Dec 18 * S\$'000	30 Sep 19 S\$'000	31 Dec 18 * S\$'000
Non-current assets				
Oil and gas properties	6,577	12,270	-	-
Plant and equipment	6,245	10,777	202	19
Right-of-use assets	15,872	-	-	-
Intangible assets	117	167	-	-
Investment in exploration and evaluation assets	18,147	19,170	-	-
Investments in subsidiaries	-	-	9,426	9,426
Loans to subsidiaries	-	-	20,615	19,755
Other receivables	5,734	7,190	-	-
Deferred tax assets	35	35	-	-
Fixed deposits	320	310	-	-
	53,047	49,919	30,243	29,200
Current assets				
Trade receivables	10,185	11,270	-	-
Other receivables	6,235	1,847	3,129	3,595
Prepaid operating expenses	851	829	82	78
Inventories	169	181	-	-
Cash and bank balances	3,900	8,231	410	4,166
	21,340	22,358	3,621	7,839
Current liabilities				
Trade payables	15,270	15,027	-	-
Other payables	8,612	11,493	1,713	2,878
Provisions	332	621	-	-
Lease liabilities	5,567	1,823	25	-
Loans and borrowings	8,158	4,619	-	-
Income tax payable	178	206	66	90
	38,117	33,789	1,804	2,968
Net current (liabilities)/assets	(16,777)	(11,431)	1,817	4,871
Non-current liabilities				
Other payables	16,981	19,262	-	743
Provisions	1,024	1,092	18	19
Abandonment and site restoration liabilities	542	880	-	-
Lease liabilities	13,024	5,524	64	-
Loans and borrowings	1,166	4,619	-	-
Deferred tax liabilities	3,017	2,933	-	-
	35,754	34,310	82	762
Net assets	516	4,178	31,978	33,309
Equity attributable to the owners of the Company				
Share capital	148,367	148,181	148,367	148,181
Treasury shares	(935)	(935)	(935)	(935)
Other reserves	3,330	4,706	3,159	3,673
Accumulated losses	(142,688)	(139,737)	(118,613)	(117,610)
	8,074	12,215	31,978	33,309
Non-controlling Interests	(7,558)	(8,037)	-	-
Total Equity	516	4,178	31,978	33,309

* Audited

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

	30 Sep 19 S\$'000	31 Dec 18 S\$'000
1 Amount repayable in one year or less, or on demand Secured	13,725	6,442
2 Amount repayable after one year Secured	14,190	10,143
Total	27,915	16,585

Certain subsidiaries of the Company pledged their transport equipment as security for lease facilities granted by financial institutions.

The loan and borrowings are 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 related party, Edward Seky Soeryadjaya.

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STATEMENT OF COMPREHENSIVE INCOME

	Group 3rd Quarter		Group For the period ended Sep	
	2019 S\$'000	2018 S\$'000	2019 S\$'000	2018 S\$'000
Loss, net of tax for the period	(2,901)	(5,368)	(2,769)	(10,258)
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss:				
Foreign currency translation	1,084	(127)	(1,004)	(850)
Items that will not be reclassified subsequently to profit or loss:				
Re-measurement of defined benefit obligation	-	(126)	-	(66)
Total comprehensive income for the period	(1,817)	(5,621)	(3,773)	(11,174)
Total comprehensive income attributable to:				
- Owners of the Company	(1,578)	(5,049)	(4,250)	(9,751)
- Non-controlling interests	(239)	(572)	477	(1,423)
	(1,817)	(5,621)	(3,773)	(11,174)

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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 19	30 Sep 18	30 Sep 19	30 Sep 18
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities :				
Loss before income tax for the period	(2,884)	(5,326)	(2,679)	(9,906)
Adjustments for:				
Depreciation and amortisation expenses	3,095	634	6,197	2,231
Gain on disposal of plant and equipment	(93)	(7)	(104)	(98)
Finance costs	1,081	1,101	2,453	1,869
Interest income from banks	(4)	(1)	(23)	(30)
Share based payment	-	1	-	22
Gain on farm out of participating interest	-	(1,027)	(3,538)	(1,027)
Write-off of land and equipment	-	-	2	-
Write-back of legal and professional fee and abandonment & site restoration liabilities	(309)	-	(564)	-
Write-back of share issuance expenses	-	-	95	-
Allowance for doubtful receivables	-	-	131	-
Net fair value gain on oil options	-	-	-	(270)
Foreign exchange translation adjustments	677	248	(1,180)	(1,430)
Operating cash flows before working capital changes	1,563	(4,377)	790	(8,639)
Change in inventories	(3)	30	3	(40)
Change in trade receivables	(639)	(312)	799	1,933
Change in other receivables	579	435	(4,397)	(14,549)
Change in prepaid operating expenses	107	75	(35)	463
Change in trade payables	618	4,303	393	3,779
Change in other payables and provisions	202	2,414	3,683	16,580
Cash generated from/(used in) operations	2,427	2,568	1,236	(473)
Interest income received	4	1	23	30
Income tax paid	(4)	(7)	(27)	(175)
Finance costs paid	(540)	(1,085)	(970)	(1,821)
Net cash flows generated from/(used in) operating activities	1,887	1,477	262	(2,439)
Investing activities :				
Proceeds from disposal of plant and equipment	135	8	146	134
Purchase of plant and equipment and oil and gas properties	(204)	(6,875)	(951)	(13,060)
Acquisition of exploration & evaluation assets	-	(235)	-	(286)
Acquisition of intangible assets	-	(21)	(2)	(30)
Net cash flows used in investing activities	(69)	(7,123)	(807)	(13,242)
Financing activities :				
Share issuance expenses	-	(18)	-	(18)
Repayment of lease	(2,873)	(217)	(3,808)	(675)
Net advances from joint venture partner	-	5,263	-	12,198
Release in fixed deposits pledged	-	-	-	1,200
Net cash flows (used in)/generated from financing activities	(2,873)	5,028	(3,808)	12,705
Net decrease in cash and cash equivalents	(1,055)	(618)	(4,353)	(2,976)
Effect of exchange rate changes on cash and cash equivalents	11	(95)	22	(110)
Cash and cash equivalents at beginning of period	4,944	8,338	8,231	10,711
Cash and cash equivalents at end of period	3,900	7,625	3,900	7,625
Note A	3,900	7,625	3,900	7,625
Note A				
Cash on hand and at bank	3,900	7,625	3,900	7,625
Fixed deposits	320	-	320	-
Cash and deposits	4,220	7,625	4,220	7,625
Less : Restricted cash classified as non-current assets	(320)	-	(320)	-
Cash and cash equivalents	3,900	7,625	3,900	7,625

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											Non-controlling interests
	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	
	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 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	(1,587)	(1,431)	-	-	(1,431)	-	-	-	-	-	-	(156)
<u>Other comprehensive income</u>												
Exchange differences on translating foreign operations	(1,374)	(1,439)	-	-	-	(1,439)	-	-	(1,439)	-	-	65
Total comprehensive income for the period	(2,961)	(2,870)	-	-	(1,431)	(1,439)	-	-	(1,439)	-	-	(91)
<u>Contributions by and distributions to owners</u>												
Issuance of shares pursuant to EGSP	-	-	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	1,312	9,440	148,367	(935)	(140,745)	2,753	529	624	(1,378)	2,630	348	(8,128)
Q2												
Profit for the period	1,721	923	-	-	923	-	-	-	-	-	-	798
<u>Other comprehensive income</u>												
Exchange differences on translating foreign operations	(716)	(727)	-	-	-	(727)	-	-	(727)	-	-	11
Total comprehensive income for the period	1,005	196	-	-	923	(727)	-	-	(727)	-	-	809
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)

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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 July 2019	2,317	9,636	148,367	(935)	(139,822)	2,026	529	624	(2,105)	2,630	
Q3												
Loss for the period	(2,901)	(2,866)	-	-	(2,866)	-	-	-	-	-	-	(35)
<u>Other comprehensive income</u>												
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)

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 January 2018 (As previously reported)	36,249	40,638	138,232	(935)	(96,881)	222	1,881	352	(4,989)	2,630	348	(4,389)
Restatement adjustment *	(1,904)	(1,904)	-	-	(1,904)	-	-	-	-	-	-	-
Opening balance as at 1 January 2018 (As restated)	34,345	38,734	138,232	(935)	(98,785)	222	1,881	352	(4,989)	2,630	348	(4,389)
Q1												
Loss for the period	(2,029)	(1,703)	-	-	(1,703)	-	-	-	-	-	-	(326)
<u>Other comprehensive income</u>												
Re-measurement of defined benefit obligation	48	48	-	-	-	48	-	48	-	-	-	-
Exchange differences on translating foreign operations	358	352	-	-	-	352	-	-	352	-	-	6
Total comprehensive income for the period	(1,623)	(1,303)	-	-	(1,703)	400	-	48	352	-	-	(320)
<u>Contributions by and distributions to owners</u>												
Grant of equity settled share based payment to employees	18	18	-	-	-	18	18	-	-	-	-	-
Expiry of employee share options	-	-	-	-	284	(284)	(284)	-	-	-	-	-
Total contributions by and distributions to owners	18	18	-	-	284	(266)	(266)	-	-	-	-	-
Total transactions with owners in their capacity as owners	18	18	-	-	284	(266)	(266)	-	-	-	-	-
Closing balance as at 31 March 2018	32,740	37,449	138,232	(935)	(100,204)	356	1,615	400	(4,637)	2,630	348	(4,709)
Q2												
Loss for the period	(956)	(544)	-	-	(544)	-	-	-	-	-	-	(412)
<u>Other comprehensive income</u>												
Re-measurement of defined benefit obligation	12	12	-	-	-	12	-	12	-	-	-	-
Exchange differences on translating foreign operations	(1,081)	(962)	-	-	-	(962)	-	-	(962)	-	-	(119)
Total comprehensive income for the period	(2,025)	(1,494)	-	-	(544)	(950)	-	12	(962)	-	-	(531)
<u>Contributions by and distributions to owners</u>												
Grant of equity settled share based payment to employees	3	3	-	-	-	3	3	-	-	-	-	-
Total contributions by and distributions to owners	3	3	-	-	-	3	3	-	-	-	-	-
Total transactions with owners in their capacity as owners	3	3	-	-	-	3	3	-	-	-	-	-
Closing balance as at 30 June 2018	30,718	35,958	138,232	(935)	(100,748)	(591)	1,618	412	(5,599)	2,630	348	(5,240)

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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 2018	30,718	35,958	138,232	(935)	(100,748)	(591)	1,618	412	(5,599)	2,630	348	(5,240)
Q3												
Loss for the period	(5,368)	(4,808)	-	-	(4,808)	-	-	-	-	-	-	(560)
<u>Other comprehensive income</u>												
Re-measurement of defined benefit obligation	(126)	(126)	-	-	-	(126)	-	(126)	-	-	-	-
Exchange differences on translating foreign operations	(127)	(115)	-	-	-	(115)	-	-	(115)	-	-	(12)
Total comprehensive income for the period	(5,621)	(5,049)	-	-	(4,808)	(241)	-	(126)	(115)	-	-	(572)
<u>Contributions by and distributions to owners</u>												
Issuance of shares pursuant to RGPSP	-	-	107	-	314	(421)	(421)	-	-	-	-	-
Grant of equity settled share based payment to employees	1	1	-	-	-	1	1	-	-	-	-	-
Expiry of employee share option	-	-	-	-	155	(155)	(155)	-	-	-	-	-
Share issuance expenses	(17)	(17)	(17)	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	(16)	(16)	90	-	469	(575)	(575)	-	-	-	-	-
Total transactions with owners in their capacity as owners	(16)	(16)	90	-	469	(575)	(575)	-	-	-	-	-
Closing balance as at 30 September 2018	25,081	30,893	138,322	(935)	(105,087)	(1,407)	1,043	286	(5,714)	2,630	348	(5,812)

* In the prior financial years, the Remuneration Committee ("RC") has granted share options and awards to the eligible executives of the Group. As the number of shares held by one of the eligible directors was approaching or had reached the maximum entitlement pursuant to Rule 845(3) of SGX Mainboard Rules, the RC and the Board of Directors ("Board") have approved the balance of that director's entitlement to be paid by way of cash bonus at the respective vesting dates. However, the cash bonus has not been recognised as liabilities in the prior years.

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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	33,309	148,181	(935)	(117,610)	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	32,579	148,367	(935)	(118,012)	3,159	529	2,630
Q2							
Income for the period, representing total comprehensive income for the period	404	-	-	404	-	-	-
Balance as at 30 June 2019	32,983	148,367	(935)	(117,608)	3,159	529	2,630

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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	32,983	148,367	(935)	(117,608)	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	31,978	148,367	(935)	(118,613)	3,159	529	2,630

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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 2018 (As previously reported)	97,747	138,232	(935)	(44,061)	4,511	1,881	2,630
Restatement adjustment *	(1,904)	-	-	(1,904)	-	-	-
Opening balance as at 1 January 2018 (As restated)	95,843	138,232	(935)	(45,965)	4,511	1,881	2,630
Q1							
Income for the period, representing total comprehensive income for the period	759	-	-	759	-	-	-
<u>Contributions by and distributions to owners</u>							
Grant of equity settled share based payment to employees	18	-	-	-	18	18	-
Expiry of employee share options	-	-	-	284	(284)	(284)	-
Total transactions with owners in their capacity as owners	18	-	-	284	(266)	(266)	-
Balance as at 31 March 2018	96,620	138,232	(935)	(44,922)	4,245	1,615	2,630
Q2							
Income for the period, representing total comprehensive income for the period	781	-	-	781	-	-	-
<u>Contributions by and distributions to owners</u>							
Grant of equity settled share based payment to employees	3	-	-	-	3	3	-
Total transactions with owners in their capacity as owners	3	-	-	-	3	3	-
Balance as at 30 June 2018	97,404	138,232	(935)	(44,141)	4,248	1,618	2,630

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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 2018	97,404	138,232	(935)	(44,141)	4,248	1,618	2,630
Q3							
Loss for the period, representing total comprehensive income for the period	(542)	-	-	(542)	-	-	-
<u>Contributions by and distributions to owners</u>							
Issuance of shares pursuant to RGPSP	(41)	107	-	273	(421)	(421)	-
Grant of equity settled share based payment to employees	1	-	-	-	1	1	-
Expiry of employee share option	-	-	-	155	(155)	(155)	-
Share issuance expenses	(17)	(17)	-	-	-	-	-
Total transactions with owners in their capacity as owners	(57)	90	-	428	(575)	(575)	-
Balance as at 30 September 2018	96,805	138,322	(935)	(44,255)	3,673	1,043	2,630

* In the prior financial years, the Remuneration Committee ("RC") has granted share options and awards to the eligible executives of the Group. As the number of shares held by one of the eligible directors was approaching or had reached the maximum entitlement pursuant to Rule 845(3) of SGX Mainboard Rules, the RC and the Board of Directors ("Board") have approved the balance of that director's entitlement to be paid by way of cash bonus at the respective vesting dates. However, the cash bonus has not been recognised as liabilities in the prior years.

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- 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 19	As at 31 Dec 18
The number of shares that may be issued on RGPSP and exercise of share options outstanding at the end of the period	6,620,008	8,428,741
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 19	31 Dec 2018
	No. of Shares	No. of Shares
Treasury shares	1,807,215	1,807,215
Number of issued ordinary shares (excluding treasury shares)	646,867,923	645,867,840
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 19	As at 31 Dec 2018
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	41,242,136
Total number of ordinary shares after treasury shares	646,867,923	645,867,840

- 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 2019	1,807,215
Re-issuance of treasury shares	-
As at 30 September 2019	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.

- 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 in the preparation of the financial statements for the current reporting period as those applied in the preparation of the audited financial statements for the financial year ended 31 December 2018.

- 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.**

In the current financial period, the Group has adopted SFRS(I) 16 Leases which took effect in the current financial year, using the modified retrospective approach, where comparative amounts for the year prior to first adoption will not be restated. Under SFRS(I) 16, the Group is required to recognise on the balance sheet a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. right-of-use asset). The Group is also required to separately recognise the interest expense on the lease liability and amortisation expense on the right-of-use asset. The adoption has resulted in increase in total assets, total liabilities, amortisation expense and finance cost.

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.

Earning per share (EPS)	Group		Group	
	3 months ended		9 months ended	
	30 Sep 19	30 Sep 18	30 Sep 19	30 Sep 18
Based on the weighted average number of shares (cents)				
- net loss attributable to shareholders	(0.44)	(0.88)	(0.52)	(1.64)
Weighted average number of shares	646,867,923	548,401,010	646,831,290	547,966,921
On a fully diluted basis				
- net loss attributable to shareholders	(0.44)	(0.88)	(0.52)	(1.64)
Weighted average number of shares	646,867,923	548,401,010	646,831,290	547,966,921

During the period ended 30 September 2019, 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 September 2019.

**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 19	31 Dec 18 *	30 Sep 19	31 Dec 18 *
No of ordinary shares	646,867,923	645,867,840	646,867,923	645,867,840
NAV (In cents)	1.25	1.89	4.94	5.16

* Audited

**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 2019 vs Q3 2018

As announced on 2 July 2019, the Group has successfully completed the farm-out of its 6% participating interest in Lemang PSC to Mandala, to which its subsidiary, PT Hexindo Gemilang Jaya ("Hexindo") now holds a 10% participating interest. As at the date of this Results Announcement, Management has not received the financial results of Lemang for the month of September 2019 from Mandala, the operator of Lemang PSC, and accordingly, the results of the Group for the quarter/period ended 30 September 2019 only took into account the results of Lemang, which is included in the books of Hexindo for 2 months from 1 July to 31 August 2019 in the 3rd quarter results/8 months from 1 January 2019 to 31 August 2019 for YTD Q3 results. Management is following up to procure the financial results of Lemang, which ultimately may depend on the conclusion or resolution of the dispute with Mandala, as announced on 14 October 2019.

The Group revenue in Q3 2019 was at S\$9.8 million, which was lower by S\$0.7 million than the corresponding period of prior year, largely due to lower revenue from Logistics segment mainly driven by lower volumes from the existing customers base.

Total costs and operating expenses were lower by S\$3.5 million mainly due to:-

- (a) lower service costs of S\$1.5 million and lower rental expenses of S\$2.6 million following the recognition of SFRS(I) 16 Leases cumulative since 1 January 2019;
 - (b) lower salaries and employee benefits of S\$0.7 million;
 - (c) lower other operating expenses of S\$1.1 million largely due to lower other operating costs incurred by Lemang field;
- offset by:
- (d) higher amortisation expenses incurred of S\$2.5 million largely due to amortisation of Right-of-use ("ROU") assets arising from adoption of SFRS(I) 16 Leases cumulative since 1 January 2019.

The net loss after tax attributable to shareholders in Q3 2019 was S\$2.9 million versus a loss of S\$4.8 million in the corresponding period of the prior year.

YTD Q3 2019 vs YTD Q3 2018

The Group revenue in YTD Q3 2019 was at S\$31.1 million, which was lower by S\$4.7 million than the corresponding period of prior year.

Logistics segment recorded a lower revenue of S\$3.2 million while the rental segment recorded a lower revenue of S\$0.5 million due to discontinuation of rental management business since May 2018. Oil & Gas segment recorded a decrease in the revenue of S\$1.0 million partly due to declining production in Jati field, and lower participating interest in the Lemang field upon the 6% farm-out in Q2 2019.

Other income increased, mainly due to the gain on farm out of 6% in Lemang to Mandala.

Total costs and operating expenses were lower by S\$8.5 million mainly due to:

- (a) lower service costs and related expenses from Jati and Lemang fields of S\$5.4 million and lower rental expenses of S\$2.6 million following the recognition of SFRS(I) 16 Leases;
 - (b) lower salaries and employee benefits of S\$1.3 million;
 - (c) lower other operating expenses of S\$3.7 million largely due to lower costs in Lemang field.
- offset by
- (d) higher depreciation and amortisation of S\$3.9 million largely due to amortisation of Right-of-use ("ROU") assets arising from adoption of SFRS(I) 16 Leases and higher depreciation from Lemang field; and
 - (e) higher finance costs of S\$0.6 million mainly due to higher lease charges following the recognition of SFRS(I) 16 Leases cumulative since 1 January 2019, higher interest imposed on borrowing and offset by lower interest imposed on Operator's cash calls.

The net loss after tax attributable to shareholders in 2019 was S\$3.4 million versus loss of S\$9.0 million in the corresponding period of the prior year.

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Group Balance Sheet Review

Non-current assets increased by S\$3.1 million to S\$53.0 million was mainly due to the ROU assets, which lead to the recognition of future lease payments in accordance with SFRS(I) 16 Leases, offset by 6% farm-out and higher depreciation in Lemang field.

Current assets decreased by S\$1.0 million was mainly due to decrease in trade receivables of S\$1.1 million, decrease in cash and bank balances of S\$4.3 million and increase in other receivables.

Current liabilities increased by S\$0.8 million mainly due to higher lease liabilities of S\$3.7 million recognised in accordance with SFRS(I) 16 Leases, offset by decrease in trade and other payables of S\$2.8 million.

Non-current liabilities increased by S\$4.9 million mainly due to lease liabilities of S\$7.5 million recognised in accordance with SFRS(I) 16 Leases, offset by a reduction in the advances from Mandala of S\$1.3 million and lower provisions and other liabilities.

Negative Working Capital position

The Group was in a negative working capital position of S\$16.8 million and S\$11.4 million as at 30 September 2019 and 31 December 2018 respectively.

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 operations, and/or restructure its loans and/or obtain additional fundings.
- (b) A substantial shareholder has also undertaken to provide continuing financial support to enable the Group and the Company to meet their financial obligations as and when they fall due.

Group Cashflow Statement Review

For the period ended 30 September 2019, the Group had a net positive cash inflow from operating activities of S\$0.3 million vs a net cash outflow of S\$2.4 million as at 30 September 2018.

The Group had net cash and cash equivalents of S\$3.9 million as at 30 September 2019 compared to cash and cash equivalents of S\$7.6 million as at 30 September 2018.

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.

Logistics Business

Operating margins, whilst under strong pressure due to the soft economic environment in Singapore are above 2018 level.

This is being supported by :

- (a) Our strong operational focus on efficiency;
- (b) Ongoing rollout of our App-based technology, and
- (c) Exiting of poor value contracts.

Indonesia continues to face strong headwinds in its major new cement contract due to significantly lower volume allocations. It appears that the difficulties in Indonesia will roll through to year-end and are a drag on the overall Logistics performance.

New contracts in Singapore are performing above expectation and our pipeline of new opportunities continues to strengthen.

Our focus remains on growth and our operating margins.

Oil and Gas Business

The challenges in our Oil and Gas business continue.

Declining production volumes have created a greater demand on cash to support the assets.

We are currently in discussion with various parties on the options available on Oil and Gas assets and as such, we are reassessing the group plan for Oil and Gas going forward.

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

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

No dividend for period ended 30 September 2019 is recommended.

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
11 November 2019