



IEV HOLDINGS LIMITED
(Company Registration 201117734-D)

ANNOUNCEMENT

For Immediate Release

- (I) NOTICE OF TERMINATION OF AGREEMENT WITH PT IEV PABUARAN KSO**
- (II) PROFIT GUIDANCE FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

*Unless otherwise defined, capitalised terms used in this announcement shall have the same meaning ascribed to them in the announcements dated 17 February 2012, 15 August 2012, 22 April 2013, 21 February 2014, 18 July 2014, 4 December 2014, 12 March 2015, 24 July 2015, 13 August 2015, 22 April 2016, 8 November 2016 and 10 January 2017 (the "**Announcements**").*

IEV Holdings Limited (the "**Company**", and together with its subsidiaries, "**IEV**" or the "**Group**") refers to the Announcements and wishes to announce that PT IEV Pabuaran KSO ("**PABKSO**"), a subsidiary of the Group has, on 8 January 2018, received a letter from PT Pertamina EP ("**PEP**") terminating the Operations Cooperation Agreement ("**Agreement**") in Pabuaran Operation Area (the "**Pabuaran KSO**") effective 2 January 2018 and has also made a claim for the disbursement of a bank guarantee amounting to USD2,340,000 ("**Termination Letter**").

The Termination Letter was served on the basis of PABKSO, not fulfilling certain conditions and obligations under the Agreement. One of the key conditions, amongst others, include the completion of USD18,600,000 work program by 11 December 2017. The Group does not intend to contest the Termination Letter and thus will commence discussions with PEP on an amicable handover of the Pabuaran KSO.

The prolonged low oil price has rendered the Pabuaran KSO production commercially unviable. The Group has explored numerous measures and methods as previously announced to achieve a profitable production as well as attempted farm-out options, which nonetheless has proven unsuccessful under the current oil market scenario. With this Termination Letter, the Group will exit from the Exploration and Production sector and focus on the Offshore Engineering Sector.

The Termination Letter would require the Group to fully impair all assets related to the KSO, including its oil and gas properties for the financial year ended 31 December 2017 ("**FY2017**") in view that the work commitment was scheduled for completion by 11 December 2017. Hence, this will have a material negative impact on the Group's financial results, the net tangible assets and earnings per share of the Group for the financial year ended 31 December 2017 and will not result in any material financial impact for the current financial year ending 31 December 2018.

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The Group is still in the process of finalising its financial results for FY2017. Further details of the Group's financial performance will be disclosed when the Company releases its unaudited financial results for FY2017 on or before 1 March 2018.

Save for their shareholdings in the Company, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Agreement other than their respective shareholdings in the Company (if any). The Directors are also not aware of any substantial shareholders that have any interest, direct or indirect, in the Agreement.

Shareholders and potential investors are advised to exercise caution when dealing with the shares of the Company in relation to this announcement.

By order of the Board

Christopher Do
President and CEO
10 January 2018

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MEDIA CONTACT

For media queries, please contact;

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.*

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

The contact person for the Sponsor is Mr. Ong Hwee Li, at 1 Robinson Road, #21-02 AIA Tower Singapore 048542, telephone (65) 6532 3829.
