OEL (HOLDINGS) LIMITED
(Company Registration No. 198403368H)
(Incorporated in Singapore)

SUPPLEMENTAL MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION OF SHARES IN ALLIED RESOURCES LIMITED

The Board of Directors of OEL (Holdings) Limited (the "**Company**" and together with its subsidiaries the "**Group**") refers to its announcements on 23 September 2014 and 5 February 2015 in relation to the non-binding memorandum of understanding entered in respect of the Proposed Acquisition (the "**Earlier Announcements**").

Unless otherwise defined, the capitalized words and phrases used herein shall have the same meaning as ascribed to them in the Earlier Announcements.

The Board wishes to announce that the Company has on 30 April 2015 entered into a Supplemental Agreement to the MOU ("**Supplemental MOU**") with the Vendor.

Pursuant to the terms of the Supplemental MOU, it is envisaged that the Proposed Acquisition will comprise such number of shares representing 51% of the entire issued share capital ("**Sale Shares**") of Allied Resources.

Under the terms of the Supplemental MOU, the Company intends to, through the Purchaser (i.e. a wholly owned subsidiary of the Company to be established), acquire 51% of the entire issued share capital of Allied Resources, subject to the entry into of the definitive agreements, for a consideration ("**Consideration**") of approximately S$19.9 million, in cash and shares, with the number of shares to be issued constituting less than 15% of the enlarged issued share capital in the Company. The Supplemental MOU provides that the Consideration will be satisfied in two tranches, comprising:

(a) an initial tranche comprising 60% of the aggregate consideration in the amount of approximately S$11.9 million, of which approximately S$10.0 million, payable in tranches, will be payable in cash and approximately S$1.9 million will be payable by the issue to the Vendor of approximately 20.4 million new shares in the Company, will be paid upon completion of the transfer of such number of shares in Allied Resources as shall constituted 51% of the issued share capital in Allied Resources, and

(b) subject to the fulfilment of the following conditions, a further tranche comprising the balance 40% of the aggregate consideration in the amount of approximately S$8.0 million, of which approximately S$1.9 million will be payable in cash and approximately S$6.1 million will be payable by the issue to the Vendor of approximately 63.4 million new shares in the Company:

    (i) the Joint Venture Agreement between Hengli and PetroChina Company Limited ("**PetroChina**") (**"JVA**"), on terms acceptable to the Purchaser, being renewed to the year 2036 or such other period as agreed by the Purchaser;

    (ii) that the Target Group achieving for the period 1 January 2015 to 31 December 2015 a production of at least 103% of the oil produced for the period 1 January 2014 to 31 December 2014 and for the period 1 January 2016 to 31 December 2016 a production of at least 105% of the oil produced for the period 1 January 2015 to 31 December 2015;

Based on information provided by the Vendor, the two oilfields ("**Oilfields**") operated by Qian An cover two formations namely Qianshen-12 and Qian-209, encompassing a total area of approximately 15 square kilometres and have over 100 producing and suspended wells and related facilities in the Qian An, Jilin area of the PRC with an average combined production of approximately 431.59 barrels of oil per day for the period 1 October 2014 to 31 December 2014.

The relevant exploration and exploitation rights over the Oilfields belong to PetroChina, which holds 50% interests of Qian An. The duration of the JVA between Hengli and PetroChina over the Oilfields is from 1 November 2002 to 19 December 2016.

As set out in the Supplemental MOU, the Purchaser further intends to require, as a term of the Proposed Acquisition, that if the further tranche payment is not made due to the non-extension of the JVA, the Purchaser shall be entitled in its discretion, by notice to the Vendor to either unwind the Proposed Acquisition and the repayment by the Vendor of the Consideration on such terms and in such manner as the Purchaser deems fair and equitable; or adjust the Consideration payable in such manner as the Purchaser deems fair and equitable taking into account the difference in valuation of the Target Group to be undertaken at such time by a valuer appointed by the Purchaser, as compared to the value (as then determined by the valuer) of the Target Group had the JVA been extended in the manner set out above.

As set out in the Supplemental MOU, the Vendor shall be entitled to nominate two persons to the Board of Directors of the Company upon completion of the Proposed Acquisition. In this regard, the Company intends to require, as a term of the Proposed Acquisition, that any such nominees shall, prior to completion, enter into a service agreement with the Company.

The Parties have also agreed to extend the validity of the MOU for six (6) months from 23 January 2015 and further that, to extend the exclusivity period for six (6) months from 23 January 2015, during which, the Vendor and the Target Group shall not take any action to consider, solicit, initiate, encourage any proposal, negotiation or offer from any person or entity relating to any investment in the Target Group or acquisition or any part of the shares in the Target Group.

The Company will make further announcements and keep shareholders updated on any material developments.

By Order of the Board
Yeo Poh Noi Caroline
Company Secretary
30 April 2015

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("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 details of the contact person for the Sponsor are: -

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