

ENECO ENERGY LIMITED
(the "Company")
(Company registration number 200301668R)
(Incorporated in the Republic of Singapore)

**FARM-OUT OF PARTICIPATING INTEREST IN THE LEMANG PRODUCTION SHARING
CONTRACT - DISPUTE WITH MANDALA**

Where capitalised terms are used in this announcement and not otherwise defined, such capitalised terms shall bear the same meanings as ascribed to them in the Company's announcements dated 10 August 2015, 7 September 2015, 5 October 2015, 15 January 2016, 3 February 2016, 10 February 2016, 12 April 2016, 28 April 2016, 15 November 2016, 16 November 2016, 24 May 2017, 18 September 2017, 9 February 2018, 12 April 2018, 12 June 2018, 1 October 2018 and 2 July 2019, with respect to its interest in the Lemang PSC block ("Lemang Block") located in South Sumatra, Indonesia (collectively, the "Announcements").

The board of directors ("Board") of Eneco Energy Limited (the "Company", and together with its subsidiaries, the "Group") refers to the Announcements and wishes to update its shareholders as follows:

1. On 10 June 2019, the conditions to the 6% farm-out to Mandala were satisfied. Following the completion of the 6% farm-out, the participating interests of PT Hexindo Gemilang Jaya ("Hexindo") and Mandala in Lemang PSC were 10% and 90% respectively.
2. Based on Mandala's monthly funded statement, Hexindo's account with Mandala had a positive balance of US\$3,323,004.90 as of 30 September 2019.
3. However, on 1 October 2019, Mandala purportedly issued a cash call on Hexindo for the month of October 2019 for the sum of US\$104,145. On 10 October 2019, Mandala purportedly issued a Default Notice to Hexindo for failure to meet the October cash call.
4. Hexindo has been advised by its lawyers that the purported cash call and Default Notice of Mandala are unwarranted, irregular and/or inopportune, and that Hexindo ought to dispute the Default Notice.
5. Hexindo intends to pursue all possible legal actions against Mandala to protect its interest in the Lemang PSC.

Oil and gas exploration is an expensive, high-risk operation. Shareholders are therefore advised to exercise caution when dealing in shares of the Company, and should consult their legal, financial, tax and other professional advisers if they have any doubt as to the action to take.

By Order of the Board
ENECO ENERGY LIMITED

Colin Peter Moran
Executive Director cum Chief Executive Officer
14 October 2019