

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

TERMINATION OF THE PROPOSED ACQUISITION OF 51% OF THE SHARES IN ALLIED RESOURCES LIMITED

1. INTRODUCTION

The Board of Directors (the “**Director**” or the “**Board**”) of OEL (Holdings) Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the following:

- (a) its earlier announcement dated 30 June 2015 in relation to the sale and purchase agreement (“**Original SPA**”) that has been entered into with Shao Tian Peng (“**Vendor**”) in relation to the sale and purchase of such number of shares representing 51% of the entire issued share capital (“**Sale Shares**”) of Allied Resources Limited (“**Allied Resources**”) via the Company’s wholly owned subsidiary to be established (“**Proposed Acquisition**”);
- (b) its earlier announcement dated 13 August 2015 in relation to the incorporation of a new wholly-owned subsidiary of the Company, known as “Yahweh China Pte. Ltd.” (the “**Purchaser**”) to carry out the Proposed Acquisition;
- (c) its earlier announcement dated 30 October 2015 in relation to the entry of a supplemental sale and purchase agreement in relation to the Proposed Acquisition;
- (d) its earlier announcement dated 30 November 2015 in relation to the entry of a second supplemental sale and purchase agreement for the extension of the Long-Stop Date to 29 February 2016;
- (e) its earlier announcement dated 29 February 2016 in relation to the entry of a side letter for the extension of the Long-Stop Date to 31 May 2016; and
- (f) its earlier announcement dated 31 May 2016 in relation to the entry of a side letter for the extension of the Long-Stop Date to June 2016.
- (g) its earlier announcement dated 21 June 2016 in relation to the entry of a third supplemental sale and purchase agreement in relation to the Proposed Acquisition;
- (h) its earlier announcement dated 29 June 2016 in relation to the entry of a side letter for the extension of the Long-Stop Date to 31 July 2016; and
- (i) its earlier announcement dated 15 July 2016 in relation to the completion of the Proposed Acquisition on the same date (“**Completion**”) and the issuance of 20,357,894 Consideration Shares (“**Consideration Shares**”) to Vendor.

Unless otherwise stated or the context otherwise requires, capitalized terms used herein shall have the definitions ascribed to them in the Company’s earlier announcement dated 30 June 2015.

2. UNWINDING OF PROPOSED ACQUISITION

Upon further review of the Proposed Acquisition, and taking into account, inter alia, the prolonged uncertainty of the oil price increases, the actual production of the Oil Fields has been significantly below the production targets warranted. Consequently, the financial performance of the Target Group has not been satisfactory to the Company, and the Purchaser has decided to unwind the acquisition of the Target Group.

As such, the Purchaser and the Vendor have mutually agreed to unwind the Proposed Acquisition and have entered into a termination agreement (the "**Termination Agreement**") on 30 September 2016 pursuant to which all existing agreements, contracts, obligations, promises or undertakings by and between the parties or provided by either party in favour of the other party in relation to the Proposed Acquisition (including the Original SPA as has been amended supplemented or varied) ("**Existing Documents**") shall be terminated with effect on the same date.

The Termination Agreement further provides that:

- (a) following the execution of the Termination Agreement, the parties shall be discharged from all obligations and liabilities under or arising from the Existing Documents including any accrued liabilities or obligations and no party shall have any cause of action against any other party arising under or in connection with the Existing Documents;
- (b) the Purchaser shall transfer the Sale Shares back to the Vendor, and all rights and associated risks associated with the Sale Shares shall pass to Vendor as from the time immediately upon Completion;
- (c) the Vendor shall waive all rights to and claims over the Consideration Shares issued to him on Completion and shall deal with the Consideration Shares in such manner as Purchaser shall in its sole discretion determine. All risk and rewards associated with the Consideration Shares shall pass to Purchaser immediately upon Completion. All proceeds from the disposition or sale of the Consideration Shares shall belong to the Purchaser.

In addition, to guarantee the due and punctual performance by Vendor of his obligations under the Termination Agreement, the Vendor also grants a charge in favour of the Purchaser, all his right, title, interest and benefit present and future in, to and under the Consideration Shares. The Consideration Shares, which were issued in script form, are now held by the Company.

The termination of the Existing Documents is not expected to have any other material impact on the Group's consolidated financial statements for the current financial year ending 31 December 2016.

3. ACTION BY SHAREHOLDERS

Shareholders are advised to read this announcement carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors has any interest, direct or indirect, in the Termination Agreement and as far as the Directors are aware, none of the substantial shareholders of the Company has any interest, direct or indirect, in the Termination Agreement.

5. DOCUMENTS FOR INSPECTION

Shareholders should note that a copy of the Termination Agreement will be available for inspection during normal business hours at the Company's registered office at No. 8 Aljunied Ave 3 Oakwell Building, Singapore 389933 for three (3) months from the date of this announcement.

By Order of the Board

Chang Ai Ling
Company Secretary
30 September 2016

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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