

JASPER INVESTMENTS LIMITED
(Company Registration No. 198700983H)

**UPDATE ON PROPOSED CONSENSUAL SEPARATION – WAIVER FROM
STRICT COMPLIANCE WITH RULE 1014(2) OF THE LISTING MANUAL**

1. INTRODUCTION

- 1.1 The Board of Directors (the “**Board**”) of Jasper Investments Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 22 August 2014, 25 August 2014, 11 September 2014, 19 November 2014, 20 November 2014 and 22 January 2015 (the “**Previous Announcements**”). Unless otherwise defined, all capitalized terms used in this announcement shall bear the same meanings ascribed to them in the Previous Announcements.
- 1.2 The Company wishes to announce that further to the Previous Announcements, the Company has received a letter from the SGX-ST dated 18 February 2015, advising the Company that, based on the Company’s submissions and representations to the SGX-ST, the SGX-ST has no objection to the Company’s application for the Waiver, subject to the following:
- (a) submission of a written undertaking from the Company that it will seek shareholders’ ratification of the Proposed Disposal. The shareholders’ meeting should be held within 3 months after the date of granting of waiver by the SGX-ST;
 - (b) Morton Bay (Holdings) Pte Ltd, the majority shareholder of the Company with an approximate 80.8% shareholding interest as at the date of this announcement, providing a written undertaking to the Company to vote in favour of approving the Proposed Disposal resolutions at the shareholders’ meeting to be convened;
 - (c) Morton Bay (Holdings) Pte Ltd providing to the SGX-ST a copy of its written undertaking to the Company that it will not dispose of its equity stake in the Company before and up to the date of the shareholders’ meeting;
 - (d) submission of a written confirmation from the Company that its directors have unanimously approved the Proposed Disposal and announcement of this unanimous approval by the Board;
 - (e) the Company announcing the reasons for seeking the waiver and the conditions as required under Listing Rule 107; and
 - (f) submission of a written confirmation from the Company that the waiver does not contravene any laws and regulations governing the Company and the

articles of association of the Company.

The SGX-ST's decision is not to be taken as an indication of the merits of the Proposed Disposal and/or the Company and its subsidiaries.

2. REASONS FOR SEEKING THE WAIVER

2.1 The Proposed Disposal pursuant to the Consensual Separation is expected to pose benefits for the Company and its prospects, which the Company would be unable to enjoy in the event of non-consensual disposal of the Pledged Assets (as defined herein)

Under the terms of the Bonds, all of the shares in each of Jasper Explorer, JEPL and JDPL (the “**Pledged Assets**”) have been pledged and charged in favour of the Trustee, as security for the Obligors’ obligations under the Bonds (the “**Share Charges**”). Upon the occurrence of an event of default under the Bonds (“**Event of Default**”), the Trustee has the right to enforce the Share Charges and to take possession of and/or dispose of the Pledged Assets, so as to apply the proceeds of such disposal to, *inter alia*, discharge the Obligors’ obligations and liabilities under the Bonds. As previously disclosed in the Company’s announcement dated 19 November 2014, the Trustee has declared an Event of Default, and as such the Trustee is now entitled to unilaterally dispose of the Pledged Assets pursuant to the Share Charges without obtaining the approval of the Company’s shareholders in general meeting (the “**Pledged Assets Disposal**”).¹

In light of the fact that the Pledged Assets Disposal is likely to be forthcoming, the Consensual Separation is proposed as a more favourable alternative posing certain advantages over the Pledged Assets Disposal. It is noted that the impact of the Proposed Disposal on the Group’s prospects and financial condition would not be significantly greater than in respect of the Pledged Assets Disposal, as the NAV and net profits of the Pledged Assets form a significant portion of the NAV and net profits respectively of the Disposal Group.

The Company proposes to proceed with the Consensual Separation as an alternative to the Pledged Assets Disposal as it poses certain advantages over the Pledged Assets Disposal, summarised as follows:

- (a) The Group’s burn rate in respect of its business operations (other than administrative and compliance costs) for the months of November and December 2014 was approximately US\$1.2 million. Pursuant to the Proposed Disposal, the Company will no longer have to absorb the costs of running any of its loss-making operations, and can allocate more resources to sourcing for other income-making ventures.

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In furtherance of its entitlement under the Bonds, the Trustee has terminated the standstill arrangement (as announced on 11 September 2014) and has exercised some of its rights under the Share Charges (as announced on 19 November 2014).

- (b) Under the Consensual Separation, the costs and expenses of winding down the Retained Group will be absorbed solely by BWAM instead of the Company (other than the BWAM Fee). The Company will not have to take on the responsibility of winding down of its subsidiaries, or any liabilities (tax or otherwise) that may arise in connection with such winding down.

2.2 Support from major shareholder

Morton Bay (Holdings) Pte Ltd, the Company's majority shareholder holding an interest of approximately 80.8% in the issued shares of the Company, is fully supportive of the Consensual Separation and the Proposed Disposal and has agreed that it will, if an extraordinary general meeting ("**EGM**") is required, vote in favour of the Proposed Disposal.

Based on the above, the Company has obtained a commitment from its major shareholder interested in more than 50% of its share capital to vote in favour of the Proposed Disposal. As such, the resolution to approve the Proposed Disposal will be approved by the Company's shareholders and convening an EGM in relation to the Proposed Disposal will likely be an academic exercise. Notwithstanding the foregoing, the Company intends to hold an EGM to ratify the Proposed Disposal, which will afford minority shareholders the opportunity to raise questions and express their views at the EGM.

Morton Bay (Holdings) Pte Ltd does not have any direct or indirect interest in the Proposed Disposal, except in its capacity as a shareholder of the Company.

2.3 Time-sensitive nature of the Proposed Disposal

The preparation of the shareholders' circular and the convening of an EGM to approve the Proposed Disposal would take time. A prolonged delay in the completion of the Proposed Disposal may be commercially impracticable to the Trustee and the Bondholders; specifically, the Trustee and the Bondholders had previously indicated that they may no longer pursue the Consensual Separation Plan if the requirement for the Company to obtain shareholder approval for the Proposed Disposal is not fulfilled (or otherwise waived) by 15 March 2015. As such, if the Company is required to obtain shareholders' approval for the Proposed Disposal prior to the completion of the Proposed Disposal, this may result in (i) the Trustee and/or the Bondholders taking enforcement actions (such as to enforce the Pledged Assets Disposal), which may in turn cause the Group to incur litigation costs to defend its interests, and (ii) the Company having to continue absorbing the Operations Burn Rate and/or the costs of winding down its subsidiaries as stated in sub-paragraph 2.1 above. Conversely, the completion of the Proposed Disposal in an expedient manner would minimise the risk of enforcement actions taking place. Having considered the time-sensitive nature of the Proposed Disposal, the Company is of the view that it is to the benefit of its shareholders for the Company to be able to expeditiously negotiate, execute and complete the Proposed Disposal.

3. CLARIFICATION ON THE RELATIVE FIGURE UNDER RULE 1006(B)

In the Company's announcement dated 22 January 2015, it was disclosed that the relative figure as computed on the bases set out in Rule 1006(b) (the "**Rule 1006(b) Figure**") was 99.51%. It should be noted that this previously announced figure is erroneous and resulted from a typographical error. The correct Rule 1006(b) Figure should be **99.76%** instead.

4. MISCELLANEOUS

Further announcements will be made in due course to provide shareholders with an update on the Proposed Disposal as and when appropriate.

BY ORDER OF THE BOARD

Paul Carsten Pedersen
Chief Executive Officer
22 February 2015