

ALPHA ENERGY HOLDINGS LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 200310813H)

MUSTANG PROJECT TRANSACTIONS
- UPDATE ON THE PROPOSED TPNSD ACQUISITION
- EXTENSION OF LONG STOP DATES

*Unless otherwise defined, all capitalised terms shall bear the same meanings as the announcements released by Alpha Energy Holdings Limited (the “**Company**”) on 21 March 2018, 3 July 2018, 4 July 2018, 29 September 2018, 2 November 2018, 5 November 2018, 3 January 2019, 11 February 2019 and 12 February 2019 (the “**Previous Announcements**”). All capitalised terms used herein shall unless otherwise defined, have the meanings ascribed to them in the Previous Announcements.*

A. INTRODUCTION

The board of directors (the “**Directors**” or the “**Board**”) of the Company refers to the Company’s Previous Announcements on 21 March 2018 in relation to the Company’s entry into a non-binding term sheet, on 29 September 2018 in relation to the Mustang Project Transactions to consolidate the Group’s interest in the Mustang Field (“**Mustang Project**”), on 2 November 2018 and 5 November 2018 in relation to updates on the Mustang Project, and on 3 January 2019 in relation to the extension of long stop dates.

I. PROPOSED ACQUISITION OF 100% OF THE SHARE CAPITAL OF TP NORTH SLOPE DEVELOPMENT, LLC (“PROPOSED TPNSD ACQUISITION”)

1. Background

The Board is pleased to further announce and update the shareholders of the Company (the “**Shareholders**”) that the Company has, on 14 February 2019 entered into a definitive sale and purchase agreement (the “**TPNSD SPA**”) with the TPNSD Vendors in relation to the Proposed TPNSD Acquisition pursuant to which the Company (which includes its respective agents, successors-in-title and permitted assigns) shall acquire shares (the “**TPNSD Sale Shares**”) representing 100% of the share capital of TPNSD for an aggregate consideration of up to S\$38,575,804 to be satisfied through the issuance of an aggregate of not more than 308,606,430 new Shares at the issue price of S\$0.125.

2. Clarification on the registered name of TP Alaska

As announced on 29 September 2018, the Company had entered into a binding term sheet (the “**Binding Term Sheet**”) with TP Alaska, LLC and Neo Alaska Venture, LLC (“**Neo Alaska**”). The Board wishes to clarify that “TP Alaska, LLC” should be “Thyssen Petroleum Alaska, LLC” instead. The reference to Thyssen Petroleum Alaska, LLC remains as “**TP Alaska**” in all our announcements.

3. Information on the TP Alaska Beneficial Owners

TP Alaska is wholly-owned by Thyssen Petroleum USA, LLC, which in turn is wholly-owned by LTB, LLC; ATB, LLC; and Pinnacle Investment Holdings LLC. It is intended that Thyssen Petroleum USA, LLC will transfer a part of its shares in TP Alaska to an existing trust of the Thyssen-Bornemisza family known as the Augustus Trust. LTB, LLC; ATB, LLC; Pinnacle Investment

Holdings LLC and Augustus Trust are collectively the “**TP Alaska Beneficial Owners**”. Save for as disclosed, there is no change to the information of the TP Alaska Beneficial Owners as disclosed in the Previous Announcements.

As a point of clarification, in the announcement dated 29 September 2018, “Rubicon Trust” was stated as an intended recipient of TPNSD Consideration Shares as a beneficial owner of TPNSD. This has now been changed to “Augustus Trust” due to internal restructuring within TP Alaska.

The Augustus Trust is a discretionary trust created in favour of a class of beneficiaries made up, while LTB is living, of LTB, his legitimate children, and remoter issue and the widows and widowers of such issue. During the trust period, no beneficiary has any entitlement to any part of the trust fund, as all distributions of income and capital are subject to the discretion of the trustee. The trustee of the Augustus Trust is Augustus Trustees Limited, a private trust company incorporated in Bermuda. Augustus Trustees Limited is a professional corporate trustee under the Maitland Group, and its members and directors are Michael Solomon, Colin Bird and Iris Harvey, all of whom are professional principals of the Maitland Group.

4. **Salient Terms of the TPNSD SPA**

(a) TPNSD Consideration

The aggregate consideration for the Proposed TPNSD Acquisition, determined based on a willing buyer and willing seller basis by the Parties, shall be an aggregate of up to S\$38,575,804 (“**TPNSD Consideration**”) which shall be satisfied in full by the allotment and issuance of up to an aggregate of 308,606,430 new ordinary shares in the capital of the Company (the “**TPNSD Consideration Shares**”) at the issue price of S\$0.125 (the “**Issue Price**”) to the following parties in the following proportion:

<u>TPNSD Beneficial Owners</u>	<u>TPNSD Consideration Shares to be allotted and issued</u>
LTB LLC	95,151,182
ATB LLC	10,231,247
Pinnacle Investment Holdings LLC	22,773,859
Augustus Trust	95,151,182
Neo Alaska	85,298,960
Total	<u>308,606,430</u>

The aggregate value of TPNSD Consideration and consequently the number of TPNSD Consideration Shares to be issued to each TPNSD Beneficial owner may be subject to downward adjustments (the “**Adjustment**”) prior to the completion of the Proposed TPNSD Acquisition (the “**TPNSD Completion**”). The adjustments will be based on differences in the contribution of Caracol Petroleum LLC and TPNSD to the Mustang Project, as the result of cash calls and joint interest billings, under the joint operating agreement dated 31 December 2009 entered into between BRPC, Ramshorn Investments Inc. and AVCG, LLC, as amended by an amendment agreement dated 31 July 2014 between the same parties as well as TPNSD, Caracol, and MEP Alaska LLC (the “**Joint Operating Agreement**”).

The Adjustment shall be calculated by BRPC and informed to all Parties prior to Completion.

TP Alaska shall renounce such number of TPNSD Consideration Shares (which it would otherwise have received in consideration for the sale of its proportion of the TPNSD Sale Shares) in favour of the TP Alaska Beneficial Owners, and shall direct the Company to allot and issue such number of TPNSD Consideration Shares to the TP Alaska Beneficial Owners, in the proportion as set out above.

The Issue Price is equivalent to the volume weighted average price for trades done on the SGX-ST on 12 September 2018, being the full market day where there were trades done immediately prior to the signing of the Binding Term Sheet and trading halt of the Company's Shares on 24 September 2018.

The TPNSD Consideration Shares shall be issued as fully-paid shares, free from encumbrances, and shall rank *pari passu* in all respects with and carry all rights similar to the Shares in issue then, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of the TPNSD Consideration Shares.

Please refer to Section F below for the share capital of the Group as well as the breakdown of the shareholding interests of the parties to the Mustang Project Transactions before and after completion of the Mustang Project Transactions.

(b) Conditions Precedent

The completion of the Proposed TPNSD Acquisition is conditional upon the conduct of an independent valuation in respect of the Mustang Field being assessed to be at least US\$250,000,000.¹

The completion of the Proposed TPNSD Acquisition is also conditional upon the payment by the Company and/or any of its subsidiaries of not less than US\$6.2 million, representing the entire value of the cash call under the Joint Operating Agreement due in the month of February 2019 to BRPC. In order fulfil this condition, the Company is currently in an advanced stage of negotiations in respect of a US\$7 million loan facility ("**Caracol Loan**") between a potential lender ("**Caracol Lender**") and Caracol. The Caracol Loan will be secured by a share pledge in favour of the Caracol Lender in respect of shares representing 100% of the share capital of Caracol ("**Caracol Pledge**"). Please refer to Section (e) of this Announcement for more details of the Caracol Loan.

Other conditions precedent of the Proposed TPNSD Acquisition are set out in Appendix 1 of this announcement.

(c) Long-Stop Date

In the event that the conditions precedent to the Proposed TPNSD Acquisition are not fulfilled (or otherwise waived) on or prior to 31 March 2019 or any other date that may be agreed in writing by the Parties, the TPNSD SPA shall automatically terminate (other than any clauses which survive termination as set out in the TPNSD SPA), and neither of the parties thereto shall have any claim on any other party for damages, costs, compensation or otherwise, save for any claim arising from any antecedent breach of the TPNSD SPA.

¹ It was subsequently clarified by the TPNSD Vendors that this figure shall be based on the 2P PV10 basis. Based on the Independent Valuation, the 2P PV10 valuation exceeds US\$250,000,000.

(d) Completion Accounts

Within 30 days after the TPNSD Completion, Caracol shall prepare and deliver the draft of the completion accounts to the TPNSD Vendors for review. If there are any differences between the assets and liabilities as at 30 June 2018 listed in Schedule 5 and the Completion Accounts, whereby:

- (i) the assets of TPNSD as at the Completion Date is less than the assets set out in Schedule 5, the Vendors shall reinstate the relevant assets in TPNSD or pay to the Purchaser in cash an amount equivalent to the difference in value of the assets;
- (ii) the assets of TPNSD as at the Completion Date is more than the assets set out in Schedule 5, the Purchaser shall procure the transfer of the excess assets to the Vendors (or their nominee(s)) or pay to the Vendors in cash an amount equivalent to the difference in value of the assets;
- (iii) the liabilities of TPNSD as at the Completion Date is less than the liabilities set out in Schedule 5, the Purchaser shall pay to the Vendors in cash an amount equivalent to the difference in value of the liabilities; and/or
- (iv) the liabilities of TPNSD as at the Completion Date is more than the liabilities set out in Schedule 5, the Vendors shall procure the settlement or discharge of the excess liabilities in full or pay to the purchaser in cash an amount equivalent to the difference in value of the liabilities,

within 30 days of the finalisation of the completion accounts.

(e) Encumbered Shares

In order for the Group to fund development works on the Mustang Field prior to the production of first oil, the Company and the TPNSD Vendors have agreed to raise working capital of US\$10 million in proportion of their respective working interests in the Mustang Field, which shall be paid to BRPC, being the operator of the Mustang Project, to conduct the required development works, which includes the construction of the oil export pipeline and installation of oil processing facilities. Production of first oil is expected to commence on or about 1 April 2019. The Company and the TPNSD Vendors have therefore agreed that Caracol and TPNSD shall each make payment of not less than US\$6.2 million and US\$3.8 million to BRPC respectively ("**First Oil Funding**").

In order to obtain First Oil Funding, the Company has agreed (under the TPNSD SPA) that the TPNSD Shares may, prior to Completion, become encumbered pursuant to a share pledge (which terms shall be reasonably acceptable to the Company) (the "**TPNSD Pledge**") given for the benefit of the lender ("**TPNSD Lender**") of a US\$3.8 million loan agreement between the TPNSD Lender and TPNSD ("**TPNSD Loan**").

On or around the same time, the Company will be entering into the Caracol Loan and Caracol Pledge, which terms shall be substantially similar to the TPNSD Loan and TPNSD Pledge.

Accordingly, the TPNSD Shares which are unencumbered as at the date of signing of the TPNSD SPA may subsequently become encumbered prior to Completion pursuant to the TPNSD Pledge.

5. Allotment and Issuance of TPNSD Consideration Shares to the TPNSD Vendors

Rule 805(1) of the Catalist Rules provides that an issuer must obtain prior approval of shareholders in general meeting for the issue of shares unless such issuance of shares is covered under a general mandate obtained from shareholders of the Company. As set out in the Company's previous announcement on 29 September 2018, the Company will convene an extraordinary general meeting in due course to seek Shareholders' approval for the allotment and issuance of the TPNSD Consideration Shares to the TPNSD Vendors at the EGM pursuant to Section 161 of the Companies Act (Cap. 50) of Singapore and Rule 805(1) of the Catalist Rules.

6. Relative Figures of the Proposed TPNSD Acquisition Computed on the Bases set out in Rule 1006 of the Catalist Rules

The relative figures computed in accordance with Rule 1006 of the Catalist Rules based on (i) the unaudited half year financial statements of the Group for the period ended 30 June 2018 ("1H2018") and (ii) the unaudited half year financial statements for TPNSD for the same period 1H2018, were set out previously in the Company's previous announcement on 29 September 2018 and subsequently updated and amended on 2 November 2018. As the relative figures computed based on Rule 1006 (b) and (c) of the Catalist Rules for the Proposed TPNSD Acquisition exceeds 100%, the Company shall, through the Sponsor, consult with the SGX-ST on the applicability of Rule 1015 of the Catalist Rules. The SGX-ST has on 8 February 2019 confirmed that the Mustang Project Transactions shall be deemed a "major transaction" under Chapter 10 of the Catalist Rules.

II. EXTENSION OF LONG STOP DATES

The Board wishes to announce that in relation to:

- (a) the CES SPA in relation to the Proposed CES MOC 1 Transaction; and
- (b) the Purchase Agreement in relation to the Proposed MOC 1 and MRLLC Acquisitions from AIDEA,

the relevant parties have mutually agreed in writing to extend the long stop date of the abovementioned to 31 March 2019, or such other date as the Company and the respective vendors may mutually agree in writing.

B. APPLICATION FOR LISTING AND QUOTATION OF TPNSD CONSIDERATION SHARES

An application was made on 4 December 2018 by PrimePartners Corporate Finance Pte. Ltd. ("PPCF") to the SGX-ST, for and on behalf of the Company, for the listing of and quotation of the TPNSD Consideration Shares. The Company had on 12 February 2019 received the listing and quotation notice from the SGX-ST for the listing of and quotation for the TPNSD Consideration Shares on Catalist.

Please note that the listing and quotation notice is not to be taken as an indication of the merits of the TPNSD Consideration Shares, the Proposed TPNSD Acquisition, the CES Consideration

Shares, the Proposed CES MOC 1 Acquisition, the Conversion Shares, the Capital Securities, the TPNSD Option Shares, the Proposed Grant of TPNSD Options, the AIDEA Option Shares, the Proposed Grant of AIDEA Options, the Company, its subsidiaries and their securities.

C. FINANCIAL EFFECTS OF THE MUSTANG PROJECT TRANSACTIONS

Please refer to the Company's previous announcement on 29 September 2018 for details relating to the financial effects of the Mustang Project Transactions.

D. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed TPNSD Acquisition, other than through their respective shareholdings in the Company.

Referring to the Company's previous announcement on 29 September 2018, the Company has procured the Controlling Shareholder, pursuant to a letter of undertaking dated 6 December 2018, to vote in favour of the Mustang Project Transactions (excluding the Proposed CES MOC 1 Transaction).

In addition, Mr. Ang Yew Jin Eugene has, pursuant to a letter of undertaking dated 15 February 2019, undertaken to vote in favour of the Mustang Project Transactions, including the Proposed CES MOC 1 transaction.

E. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director in connection with the Proposed TPNSD Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

F. SHAREHOLDING INTERESTS

Immediately after Completion, the Company's share capital, excluding treasury shares, will increase from 400,989,065 Shares to 759,167,495 Shares and the TPNSD Beneficial Owners, AIDEA and CES Oil Services shall become Shareholders and holders of share options and/or Capital Securities of the Company.

The breakdown of the shareholding interests of the parties to the Mustang Project Transactions (i) as at the date of this announcement; (ii) immediately after the Completion; and (iii) immediately after the Completion and assuming the Capital Securities have been fully converted and the TPNSD Options, AIDEA Options and all outstanding options as at the date of the Company's announcement on 29 September 2018 have been fully exercised.

As at Latest Practicable Date		Upon Completion		Upon Completion and Full Conversion^(a)	
Number of Shares '000	%	Number of Shares '000	%	Number of Shares '000	%

Substantial Shareholders						
Ezion Holdings Limited	106,000	26.43	106,000	13.96	203,975	17.80
Ang Yew Jin Eugene ^(b)	53,618	13.47	53,618	7.06	54,098	4.72
TPNSD Beneficial Owners						
LTB, LLC	-	0.0	95,151	12.53	150,948	13.17
ATB, LLC	-	0.0	10,231	1.35	16,231	1.42
Pinnacle Investment Holdings, LLC	-	0.0	22,774	3.00	25,174	2.20
Augustus Trust	-	0.0	95,151	12.53	150,948	13.17
Neo Alaska Venture, LLC	-	0.0	85,299	11.24	128,281	11.20
MOC 1 and MRLLC Vendors						
CES Oil Services Pte. Ltd.	-	0.0	49,572	6.53	64,397	5.62
Alaska Industrial Development and Export Authority	-	0.0	-	0.0	40,652	3.55
Directors of the Company						
Mr. Ravinder Singh Grewal s/o Sarbjit Singh	-	0.0	-	0.0	3,480	0.30
Mr. Tan Ser Ko	-	0.0	-	0.0	2,480	0.22
Mr. Lee Sek Leong Christopher	-	0.0	-	0.0	480	0.04
Others						
Public	241,372	60.20	241,372	31.80	304,730	26.59
Total	400,989	100.0	759,167	100.0	1,145,874	100.0

Notes:

- (a) Conversion means the exercise of (i) TPNSD Option Shares; (ii) AIDEA Options; (iii) remaining outstanding options of the Company; and (iv) conversion of Capital Securities.
- (b) Mr. Ang Yew Jin Eugene is also a director of the Company

G. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the TPNSD SPA is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 15 Hoe Chiang Road, #12-05, Tower Fifteen, Singapore 089316 for a period of three months from the date of this announcement.

H. CAUTIONARY STATEMENT

Shareholders should note that the Proposed TPNSD Acquisition is subject to certain conditions (including the various conditions precedent), and there is no certainty or assurance as at the date of this announcement that the Proposed TPNSD Acquisition will be completed. Accordingly, Shareholders are advised to exercise caution in trading their Shares. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

The Company will keep Shareholders updated via announcement on the SGXNet as and when there are any material updates in relation thereto including, upon the signing of any agreements relating to the Mustang Project Transactions.

I. RESPONSIBILITY STATEMENT BY THE DIRECTORS

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Mustang Project Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

By Order of the Board
ALPHA ENERGY HOLDINGS LIMITED

Tan Wee Sin
Company Secretary
18 February 2019

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this announcement.

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

The contact person for the Sponsor is Ms Gillian Goh, Director, Head of Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).

APPENDIX 1 – CONDITIONS PRECEDENT TO THE PROPOSED TPNSD ACQUISITION

The TPNSD Completion is conditional upon, *inter alia*, the following material conditions (the “**Conditions Precedent to the TPNSD Acquisition**”) being satisfied or waived (as the case may be) on or before TPNSD Completion:

- (a) the approval of the board of directors of the Company having been obtained for the entry into the TPNSD SPA and all transactions contemplated herein and in connection herewith, and such approval not having been revoked or amended;
- (b) the approval of the Shareholders, including the approval of the Independent Shareholders under Chapter 9 of the Catalist Rules, having been obtained at an EGM to be convened in respect of the Company’s entry into the TPNSD SPA and all transactions contemplated herein and in connection therewith, and such approval not having been revoked or amended and if such approval is subject to any conditions and where such conditions affect any Party, such conditions being reasonably acceptable to the Party concerned, and if such conditions are required to be fulfilled on or before the TPNSD Completion Date, they are so fulfilled in all material respects;
- (c) the allotment and issuance of the TPNSD Consideration Shares not being prohibited by any statute, order, rule or regulation promulgated by any legislative, executive or regulatory body or authority in Singapore or in any other jurisdiction affecting the parties;
- (d) all necessary consents, approvals and waivers being granted for all transactions contemplated in relation to the Proposed TPNSD Acquisition, not being withdrawn or revoked by third parties, including without limitation, government bodies, stock exchange and other relevant authorities having jurisdiction over the transactions contemplated in relation to the Proposed TPNSD Acquisition, and if such approvals, consents and waivers are obtained subject to any conditions and where such conditions affect any party, such conditions being acceptable to the party concern, and if such conditions are required to be fulfilled before TPNSD Completion, such conditions being fulfilled before TPNSD Completion;
- (e) the conduct of legal due diligence on the TPNSD Vendors by the Company and the results of which are deemed satisfactory by the Company;
- (f) the receipt of listing and quotation notice in respect of the TPNSD Consideration Shares on the Catalist of the SGX-ST being obtained;
- (g) the successful resolution of the MOC 1 processing facility issues with AIDEA which, amongst other things, includes the completion of the sale MOC 1 and MRLLC by AIDEA to the Caracol Petroleum LLC, a wholly-owned subsidiary of the Company;
- (h) satisfactory financial and valuation audit on the Company to be conducted by the TPNSD Vendors including the confirmation that the Company and/or its subsidiaries are not under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction, now or hereafter in effect or otherwise;

- (i) the payment by the Company and/or any of its subsidiaries to BRPC of the August 2018 cash call of not less than US\$2,500,000;
- (j) the payment by the Company and/or any of its subsidiaries to BRPC of the February 2019 cash call of not less than US\$6,200,000;
- (k) the full payment by the TPNSD Completion of all contributions that are to be done or owed by the Company and/or its subsidiaries at TPNSD Completion with respect to the Badami Unit project, such payment being estimated to amount to US\$100,577.44 to ASRC Exploration LLC (seller of the Badami working interest) and US\$1,031,879.19 to Glacier Oil & Gas LLC (Operator of the Badami Unit);
- (l) the conduct of an independent valuation in respect of the Mustang Field being assessed to be at least US\$250,000,000²;
- (m) the delivery of a deed of indemnity executed by Thyssen Petroleum USA, LLC to the Company; and
- (n) the delivery of a deed of indemnity executed by Neo Development (the parent company of Neo Alaska) to the Company.

The TPNSD Vendors shall be entitled to waive, in whole or in part, and conditionally or unconditionally, any or all of the Conditions Precedent to the Proposed TPNSD Acquisition.

In the event that the Conditions Precedent to the Proposed TPNSD Acquisition are not fulfilled (or otherwise waived) on or prior to the Long-Stop Date, the TPNSD SPA shall automatically terminate, and neither of the parties thereto shall have any claim on any other party for damages, costs, compensation or otherwise, save for any claim arising from any antecedent breach of the TPNSD SPA.

² It was subsequently clarified by the TPNSD Vendors that this figure shall be based on the 2P PV10 basis. Based on the Independent Valuation, the 2P PV10 valuation exceeds US\$250,000,000.