

CHARISMA ENERGY SERVICES LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No.: 199706776D)

THE PROPOSED ISSUANCE OF 200,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF CHARISMA ENERGY SERVICES LIMITED

1. INTRODUCTION

The board of directors (the “**Directors**” or the “**Board**”) of Charisma Energy Services Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that it has, today, entered into subscription agreement dated 08 December 2015 (the “**Subscription Agreement**”) with Mr. Patrick Tan Choon Hock (the “**Investor**”) , in relation to the proposed allotment and issue by the Company of 200,000,000 new ordinary shares in the capital of the Company (the “**Subscription Shares**”) to the Investor at an issue price of S\$0.01152 per Subscription Share (the “**Proposed Subscription**”).

The rationale for issuing the Subscription Shares to the Investor is to allow the Group to further engage the Investor as a strategic partner in respect of future renewable energy projects and to raise gross proceeds of S\$2,304,000, which will be used for capital expenditure in renewable energy projects and for working capital purposes.

2. THE INVESTOR

Mr. Patrick Tan Choon Hock is a businessman and an existing shareholder of the Company holding 400,722,400 ordinary shares (“**Shares**”) or 3.7% in the capital of the Company as at the date of this announcement. Upon completion of the Proposed Subscription, Mr. Tan will hold 600,722,400 Shares or 5.4% of the enlarged capital of the Company. Mr. Tan will become a substantial shareholder of the Company after the completion of the Proposed Subscription.

Mr. Tan is subscribing for the Subscription Shares to acquire further stake in the Company pursuant to the Proposed Subscription, and the Company will engage him as a strategic partner in respect of its renewable energy projects going forward. Mr Tan also intends to provide funding for future renewable energy projects of the Company.

The Investor is not a restricted persons under Rule 812 of the Catalist Rules. The Investor is not acting in concert with any other shareholders of the Company.

There is also no connection (including business relationship) between the Company’s directors or substantial shareholders and the Investor.

3. PRINCIPAL TERMS OF THE PROPOSED SUBSCRIPTION

Pursuant to the Subscription Agreement, the Company and the Investor (collectively, the “**Parties**”) have agreed that the allotment and issue of the Subscription Shares shall be on, *inter alia*, the following terms:

Issue Price	The issue price per Subscription Share is S\$0.01152. This is at a discount of 10% to the volume weighted average price of shares of the Company of S\$0.0128 in respect of trades done on the SGX-ST on 07 December 2015, being the full market day immediately preceding the day on which the Subscription Agreement was signed.
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Gross Proceeds to be Raised	<p>S\$2,304,000 which shall be raised from the issue of Subscription Shares to the Investor and/or such entities as may be nominated by him and approved by the Company as follows:</p> <table border="1" data-bbox="624 315 1401 472"> <thead> <tr> <th data-bbox="624 315 932 405">Investor</th> <th data-bbox="932 315 1142 405">Number of Subscription Shares</th> <th data-bbox="1142 315 1401 405">Amount to be Raised</th> </tr> </thead> <tbody> <tr> <td data-bbox="624 405 932 472">Mr. Patrick Tan Choon Hock</td> <td data-bbox="932 405 1142 472">200,000,000</td> <td data-bbox="1142 405 1401 472">S\$2,304,000</td> </tr> </tbody> </table>	Investor	Number of Subscription Shares	Amount to be Raised	Mr. Patrick Tan Choon Hock	200,000,000	S\$2,304,000
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Mr. Patrick Tan Choon Hock	200,000,000	S\$2,304,000					
Conditions Precedent	<p>The completion of the Proposed Subscription shall be subject to, <i>inter alia</i>, the following:</p> <ol style="list-style-type: none"> a) the approval of the board of directors of the Company being obtained for the Proposed Subscription; b) the share issue mandate which was approved by the shareholders of the Company at the annual general meeting of the Company held on 21 April 2015 being valid, subsisting and adequate for the purpose of the allotment and issue of the Subscription Shares as at the date of completion ("Completion Date"); c) the submission of the additional listing confirmation by the Sponsor and the listing and quotation notice for the listing of and quotation for the Subscription Shares on the Catalist being obtained from the SGX-ST, the said approvals from the SGX-ST not being revoked or amended as at the Completion Date and, where the approval is subject to conditions, such conditions being reasonably acceptable to the Company and the Investors; d) the allotment and issue of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreement by any applicable legislative, executive or regulatory body or authority of Singapore; and e) the receipt of all necessary approvals, consents or waivers from any governmental body, regulatory authority or other third party for the Proposed Subscription (where applicable), and if such approvals, consents or waivers are granted subject to conditions, such conditions being acceptable to the relevant Party, and if any conditions are required to be satisfied by completion, such conditions being so satisfied. 						
Representations and Warranties	<p>Each of the Company and the Investor have, in the Subscription Agreement, provided such representations and warranties as are customary for transactions of the nature of the Proposed Subscription or other similar transactions.</p>						
Status of the Subscription Shares	<p>The Subscription Shares, when issued by the Company, will rank <i>pari passu</i> in all respects with and carry all rights similar to the then existing ordinary shares of the Company, save that they will not rank for any dividends, rights, allotments or other distributions, the record date for which falls on or before the date of issue of the Subscription Shares.</p>						
Completion	<p>The anticipated completion date for the Proposed Subscription is expected to be by 31 December 2015.</p>						

4. AUTHORITY TO ISSUE SUBSCRIPTION SHARES

The authority to issue the Subscription Shares was obtained pursuant to a general mandate (the “**General Mandate**”) approved by the shareholders of the Company by way of an ordinary resolution at the annual general meeting of the Company held on 21 April 2015 (the “**AGM**”). The General Mandate authorises the Directors to allot and issue new shares not exceeding 100% of the total number of issued shares (excluding treasury shares) as at the date of the AGM, of which the aggregate number of shares to be issued other than on a pro-rata basis to the existing shareholders shall not exceed 50% of the Company’s total number of issued shares (excluding treasury shares).

As at the date of the AGM, the issued and paid-up share capital of the Company (excluding treasury shares) (the “**Previous Share Capital**”) comprised 10,351,365,710 shares. According to the terms of the general mandate, the aggregate number of shares to be issued other than on a pro-rata basis to existing shareholders shall not exceed 5,175,682,855 Shares, being 50% of such Previous Share Capital.

The allotment and issue of the Subscription Shares is within the limits of the General Mandate as only i) 523,620,516 shares have been set aside for allotment and issue by the Company under the General Mandate pursuant to the agreement dated 27 July 2015 entered into by the Company (refer to announcement dated 28 July 2015) and ii) 171,875,145 516 shares have been proposed to set aside for allotment and issue by the Company under the General Mandate pursuant to the agreement dated 07 December 2015 entered into by the Company (refer to announcement dated 08 December 2015).

Unless otherwise required by the SGX-ST, shareholders’ approval will not be required for the Proposed Subscription and the Company will not be seeking the approval of shareholders for the Proposed Subscription.

The Company does not expect any change in control of the Company arising from the issue of the Subscription Shares.

5. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Proposed Subscription will be undertaken pursuant to a private placement exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company and/or lodged with the SGX-ST in connection with the Proposed Subscription.

6. USE OF PROCEEDS

The estimated net proceeds from the Proposed Subscription, after deducting estimated expenses pertaining to the Proposed Subscription, would be approximately S\$2,284,000 (the “**Net Proceeds**”). The Group, after taking into account its working capital position, intends to apply the Net Proceeds as follows:

Use of Net Proceeds	Amount (S\$’000)	Percentage of Net Proceeds
1) Capital expenditure for renewable energy projects	1,827	80%
2) General working capital purpose	457	20%
Total	2,284	100%

Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities,

and/or used for any other purpose on a short-term basis, as the Directors may deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the Net Proceeds from the Proposed Subscription as and when such funds are materially disbursed, and provide a status report on the use of the Net Proceeds from the Proposed Subscription in the Company's half and full year financial statements issued under Rule 705 of the Catalist Rules and its annual reports. Where the Net Proceeds have been used for working capital purposes, the Company will disclose a breakdown with specific details on how the Net Proceeds have been applied in the announcements and status reports. Where there is any material deviation from the stated use of Net Proceeds, the Company will announce the reasons for such deviation.

The Net Proceeds will be mainly used to finance the capital expenditure for plant and equipment by the Group in relation to its oil and gas or renewable energy assets. The Directors are of the opinion that, after taking into consideration its present bank facilities and Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

7. FINANCIAL EFFECTS

The financial effects of the Proposed Subscription as set out below are strictly for illustrative purposes and are not indicative of the actual financial position and results of the Company or its subsidiaries following the Proposed Subscription.

As at the date of this Announcement, the issued and paid up share capital of the Company is approximately S\$340,552,162 divided into 10,940,365,710 Shares. Upon completion of the Proposed Subscription and the allotment and issuance of the Subscription Shares, the Company will have an enlarged issued share capital of approximately S\$342,856,162 comprising 11,140,365,710 Shares. The Subscription Shares when issued represent approximately 1.83% of the issued share capital of the Company as at the date of this Announcement prior to the Proposed Subscription and would represent approximately 1.80% of the enlarged issued share capital of the Company after the completion of the Proposed Subscription.

Based on the latest audited financial results announcement of the Group for the financial year ended 31 December 2014, and assuming that the Group raises net proceeds of approximately S\$2,284,000 from the issue of 200,000,000 Subscription Shares, the effect on the Group's net tangible assets ("**NTA**") per share and earnings per share ("**EPS**") will be as follows:

7.1. Net Tangible Assets per Share

Assuming that the Proposed Subscription was completed on 31 December 2014, the effects of the Group's NTA per share would be as follows:

	Before Issue of Subscription Shares	After Issue of Subscription Shares
NTA (US\$'000)	59,819	61,548
Number of shares (millions)	10,306	10,506
NTA per share (US cents)	0.58	0.59

7.2. Earnings per Share

Assuming that the Proposed Subscription was completed on 1 January 2014, the effects of the Group's EPS would be as follows:

	Before Issue of Preference Shares	After Issue of Preference Shares
Profit After Tax and Minority Interest (US\$'000)	9,689	9,689
Weighted Average Number of shares (million)	9,705	9,905
EPS (US Cents)	0.10	0.10

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the above transactions, other than through their respective directorships and/or shareholdings in the Company.

9. DOCUMENT AVAILABLE FOR INSPECTION

The Subscription Agreement is available for inspection during normal business hours from 9.00 am to 5.00 pm at the registered office of the Company at 15 Hoe Chiang Road, #12-05 Tower Fifteen, Singapore 089316 for a period of three (3) months from the date of this announcement.

10. LISTING AND QUOTATION OF SUBSCRIPTION SHARES

The Company will apply to the SGX-ST through its Sponsor for the admission to and listing and quotation of the Subscription Shares on the Catalist Board of the SGX-ST. The Company will make the necessary announcements upon receipt of the approval in-principle from the SGX-ST for the listing and quotation of the Subscription Shares.

11. DIRECTORS' RESPONSIBILITY STATEMENT

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 Proposed Subscription, 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.

12. TRADING CAUTION

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD
CHARISMA ENERGY SERVICES LIMITED

Lee Tiong Hock
Company Secretary
08 December 2015

*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 Catalist. 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 Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.