

ENECO ENERGY LIMITED
(the “Company”)
(Co. Reg. No. 200301668R)
(Incorporated in the Republic of Singapore)

Quarterly Update Pursuant to Rule 1313(2) of the Listing Manual

Eneco Energy Limited (the “Company”) was placed on the Watch-List under the Financial Entry Criteria pursuant to Rule 1311(1) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Listing Manual”) on 04 December 2019. The Company has 36 months from 04 December 2019 (the “Deadline”) to meet the requirements of Listing Rule 1314(1).

Pursuant to Rule 1313(2) of the Listing Manual, the Board of Directors (the “Board”) wishes to provide an update on its efforts and the progress made in meeting the Financial Exit Criteria as set out in Rule 1314(1) of the Listing Manual in respect of the quarter ended 31 December 2020.

Update on Efforts for Satisfying Financial Exit Criteria

We achieved a major milestone in further reducing our outstanding debts with the signing of the Release and Settlement Deed (“Deed”) with Mandala Energy Pte Ltd (“Mandala”) on 15 December 2020 removing US\$5,569,696.41 of debt liability from the Group’s books. In addition to this, the Deed resolves and extinguishes the outstanding dispute with Mandala over the claims for US\$3,323,004.90. The extinguishment of liability and settlement of the ongoing dispute with Mandala is a positive development for the Company and the Group and helps to further clean up the Groups balance sheet and reduce the net liability position.

The Group’s focus is to now minimise any cash requirements for the remaining oil and gas entities in Indonesia whilst trying to wind down and exit the loss-making sector. The Group remains fully committed to the exiting of this loss-making sector at the earliest opportunity. The Groups logistics business in quarter 4 and 2020 delivered a very encouraging and profitable result for the Group in 2020.

Our focus on delivering gross margin improvements in 2020 has helped to deliver a strong 2020 performance from Logistics in a difficult environment. Our activity focus on delivering growth is now going to be a key element to us driving value in the Group as we move forward.

Update on the Unaudited Financial Performance and Financial Position

As at 31 December 2020, the Group recorded deficiencies in working capital and net liability of S\$8.5 and S\$6.9 million respectively. The working capital deficiencies solely arose from the oil and gas entities which are ringfenced through multiple layers of shareholdings and would not have impact to the Group’s and the Company’s financial position in the event of any contingent or actual claims by the creditors against these oil and gas entities.

For further information, please refer to the announcement of the unaudited financial statements of the Group for the period ended 31 December 2020 for an update on the Group’s financial position and any material developments that may have an impact on its financial situation.

For and on behalf of the Board

Colin Peter Moran
Executive Director cum Chief Executive Officer
26 February 2021