

Company Name : **REACH ENERGY BERHAD**  
Stock Name : **REACH**  
Date Announced : **1<sup>st</sup> April 2016**

Type : **Announcement**

Subject : **Others**

Description : **Reach Energy Berhad ("REB" or "the Company")**  
**ACQUISITION OF A SUBSIDIARY IN CONNECTION WITH THE PROPOSED ACQUISITION BY REB OR A WHOLLY-OWNED SPECIAL PURPOSE VEHICLE TO BE INCORPORATED BY REB ("SPV"), OF 60% EQUITY INTEREST IN PALAEONTOL B.V., A WHOLLY-OWNED SUBSIDIARY OF PALAEONTOL COOPERATIEF U.A. WHICH IN TURN IS AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF MIE HOLDINGS CORPORATION ("MIEH") AND 60% OF THE SHAREHOLDER LOANS IN PALAEONTOL B.V. FROM MIEH FOR A TOTAL PURCHASE CONSIDERATION OF UNITED STATES DOLLAR 154.9 MILLION (EQUIVALENT TO RM638.2 MILLION), SUBJECT TO ADJUSTMENTS ("PROPOSED ACQUISITION")**

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Shareholders: **No**  
approval

Contents:

*(Reference is made to the Company's announcement in relation to the Proposed Acquisition dated 5 March 2016 ("**Announcement**"). Unless otherwise stated, all abbreviations and definitions used herein shall have the same meanings as those used in the Announcement.)*

The Board wishes to announce that the Company has on 1<sup>st</sup> April 2016 acquired 2 ordinary shares of RM1.00 each in Reach Energy Ventures Sdn. Bhd. (Company No. 1181394-V) ("**REVSB**") ("**REVSB Shares**"), representing 100% of the total issued and paid up share capital of REVSB, for a total purchase consideration of Ringgit Malaysia Two (RM2.00) only ("**the Acquisition of Shares**"). As a result of the Acquisition of Shares, REVSB will be a 100% owned subsidiary of REB. REVSB will be the SPV to facilitate the Proposed Acquisition.

REVSB was incorporated on 29 March 2016 under the Companies Act, 1965 in Malaysia. The authorised share capital of REVSB is RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each, out of which 2 ordinary shares of RM1.00 each have been issued and paid-up. The Directors of REVSB are Ir. Shahul Hamid Bin Mohd Ismail, Encik Izlan Bin Izhab and Encik Nik Din Bin Nik Sulaiman.

The existing shareholders of REVSB and the shareholdings are as follows:-

<u>Name</u>	<u>No. of shares held</u>
Ir Shahul Hamid Bin Mohd Ismail	1 (50%)
Encik Izlan Bin Izhab	1 (50%)
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The nature of business of REVSB are to carry on the business of an investment holding company, to participate in O&G exploration and production ventures and to support oil and gas related activities. REVSB which is the SPV for the Proposed Acquisition, has not commenced any business since incorporation.

The REVSB Shares were acquired equally from Ir. Shahul Hamid Bin Mohd Ismail and Encik Izlan Bin Izhab. Ir. Shahul Hamid Bin Mohd Ismail and Encik Izlan Bin Izhab are directors of REB.

The Acquisition of Shares is not expected to have any material effect on the net assets, gearing and earnings of REB for the financial year ending 31 December 2016.

Save as disclosed above, none of the Directors, major shareholders and person connected to the Directors or major shareholders of the Company have any interest, direct or indirect in the Acquisition of Shares.

This announcement is dated 1<sup>st</sup> April 2016.