

REACH ENERGY BERHAD (“REACH” or “THE COMPANY”)

- **ACCEPTANCE OF BANKING FACILITY OF UP TO USD9.3 MILLION (APPROXIMATELY RM37.2 MILLION) GRANTED BY RBK BANK**
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1. INTRODUCTION

The Board of Directors of Reach Energy Berhad (“REACH” or “the Company”) is pleased to announce that the Company’s sub-subsiidiary, Emir Oil LLP (“EO” or “Emir Oil”) has accepted a credit line facility (“the Facility”) comprising of term loan facility and revolving credit facility offered by Kazakhstan Bank, namely, Joint Stock Company Bank RBK (the “Bank”) upon the terms and conditions as stipulated under the Facility and other related agreements.

2. BACKGROUND AND PURPOSE OF THE FACILITY

Financier	:	Joint Stock Company Bank RBK
Facility	:	a. Term loan facility of principle amount up to USD6.3 million (approximately RM25.2 million) b. Revolving credit facility of principle amount up to USD3 million (approximately RM12.0 million)
Purpose	:	To finance Emir Oil working capital requirements and for capital expenditure (CAPEX) in relation to its drilling activities.
Tenure	:	For a period not exceeding 84 months

3. FINANCIAL EFFECTS

The Facility does not have any financial impact on the Company’s current financial year ending 31 December 2021 but is expected to contribute positively to the future earnings of the Company upon successful drilling activities of new wells.

The Facility will not have any effect on the share capital and substantial shareholders’ shareholding of the Company.

4. DIRECTORS’ AND MAJOR SHAREHOLDERS’ INTERESTS

None of the Directors and/ or major shareholders of Reach or person connected to them has any interest, direct or indirect in the Facility.

5. APPROVALS REQUIRED

The Facility is not subject to the approval of shareholders or any relevant government authorities.

6. STATEMENT BY DIRECTORS

The Board, after having considered all aspects of the Facility, is of the opinion the Facility is in the best interest of the Reach Group of Companies.

This announcement is dated 15 January 2021.