

HOLDING STATEMENT

FOR IMMEDIATE RELEASE

CLARIFICATION ON REACH ENERGY BERHAD'S QUALIFYING ACQUISITION

KUALA LUMPUR, 25 AUGUST 2016 – Reach Energy Berhad (“Reach Energy” or the “Company”) wishes to correct the misconception with regards to the term “assume” in the following statement made by some media on 25 August 2016:

“Under the acquisition, Reach Energy will also assume 60% of Palaeontol B.V.’s outstanding shareholder loans”

We wish to reiterate that the purchase consideration of USD154,889,000 (subject to adjustments and provided that the adjusted purchase consideration shall not be greater than USD175,889,000) comprise of the following:

- (i) the purchase price of USD1.00 in respect of the acquisition of 60% equity interest in Palaeontol B.V.; and
- (ii) the remaining amount of the purchase consideration is in respect of the assignment and transfer of 60% of the shareholder loans owing by Palaeontol B.V. to MIEH. As at 30 September 2015, the amount owing by Palaeontol B.V. to MIEH is USD288.5 million.

In respect of item (ii) above, at the Completion Date, Reach Energy will pay the remaining amount of the purchase consideration to MIEH for the **re-assignment and transfer** of 60% of the shareholder loans in Palaeontol B.V. (together with its accrued interest), from MIEH to Reach Energy. After the re-assignment, **Palaeontol B.V. will owe 60% of its outstanding shareholder loans to Reach Energy** instead, with the remaining 40% to MIEH. Palaeontol B.V. is obligated to repay such shareholder loans to both Reach Energy and MIEH.

For further information, kindly refer to the announcements dated 5 March 2016 and 18 March 2016 released by Reach Energy on Bursa Malaysia Securities Berhad’s website or contact Reach Energy Berhad at 03 6412 3000 or email info@reachenergy.com.my.



About Reach Energy Berhad

Reach Energy was incorporated in Malaysia under the Companies Act, 1965 as a private limited company on 7 February 2013 under the name of Reach Energy Sdn Bhd. On 2 August 2013, the company converted into a public company under the name of Reach Energy Berhad. On 15 August 2014, Reach Energy, the largest SPAC in terms of IPO proceeds raised, successfully accomplished its initial public offering (IPO) with both its shares and warrants officially commencing trading on the Main Market of Bursa Malaysia Securities Berhad. Of the RM750 million raised, 94.75% or RM710.62 million was placed in an Islamic trust or escrow account for which Amanah Raya Trustees Berhad is the custodian until it is used to pay for its Qualifying Acquisition (QA). Reach Energy's securities (shares and warrants) have been classified as Shariah-compliant securities.

Issued by: JLPW Communications on behalf of **Reach Energy Berhad**

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