



REACH ENERGY BERHAD

(Company No. 1034400-D)
(Incorporated in Malaysia under the Companies Act, 1965)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting (“EGM”) of Reach Energy Berhad (“**Reach Energy**” or “**Company**”) will be held at Banquet Hall, Level 1, TPC Kuala Lumpur (formerly known as Kuala Lumpur Golf & Country Club (KLGCC)), 10, Jalan 1/70D, Bukit Kiara, 60000 Kuala Lumpur, Malaysia on Friday, 4 November 2016 at 3.30 p.m., for the purpose of considering and if thought fit, to pass the following resolutions with or without modifications:

SPECIAL RESOLUTION

PROPOSED ACQUISITION BY REACH ENERGY VENTURES SDN BHD (“REACH ENERGY VENTURES”), A WHOLLY-OWNED SPECIAL PURPOSE VEHICLE OF THE COMPANY OF 60% EQUITY INTEREST IN PALAEONTOL B.V., A WHOLLY-OWNED SUBSIDIARY OF PALAEONTOL COOPERATIEF U.A. (“PALAEONTOL COOP”) WHICH IN TURN IS AN INDIRECT WHOLLY-OWNED SUBSIDIARY OF MIE HOLDINGS CORPORATION (“MIEH”) AND 60% OF THE SHAREHOLDER LOANS (AS DEFINED BELOW) FROM MIEH FOR A TOTAL CASH CONSIDERATION OF USD154,889,000, SUBJECT TO ADJUSTMENTS

THAT approval be and is hereby given to the Company’s wholly-owned special purpose vehicle, Reach Energy Ventures, to undertake the proposed acquisition of 60% equity interest in Palaeontol B.V., a wholly-owned subsidiary of Palaeontol COOP which in turn is an indirect wholly-owned subsidiary of MIEH and 60% of the total loan amount outstanding owing by Palaeontol B.V. to MIEH as at the completion date including any accrued and unpaid interest thereon (“**Shareholder Loans**”) from MIEH for a total cash consideration of USD154,889,000 (equivalent to RM640,543,460), subject to adjustments in accordance with the terms and conditions as stipulated in the sale and purchase agreement dated 5 March 2016 entered into among Palaeontol COOP and MIEH as the sellers, Reach Energy as the purchaser, as amended by the agreements dated 5 September 2016 and 7 October 2016 respectively entered into by the same parties (“**SPA**”) and as further elaborated in the Company’s circular to shareholders dated 13 October 2016 (“**Circular**”), for purposes of fulfilling the requirement of a “Qualifying Acquisition” pursuant to the Company’s Articles of Association (“**Proposed Acquisition**”).

THAT the Directors of the Company be and are hereby empowered and authorised to do all acts, deeds and things to execute, sign, deliver and cause to be delivered on behalf of the Company all such documents and/or agreements (including, without limitation, the affixing of the Company’s common seal, where necessary) as the Directors may consider necessary or expedient or relevant to give effect to and implement the SPA and transaction documents contemplated under the SPA and all other related and/or relevant agreements and matters in connection with, to give effect to and to complete the Proposed Acquisition and with full power to assent to any conditions, modifications, variations and/or amendments in any manner as may be required by the relevant authorities or as the Directors may deem necessary or expedient in the interest of the Company and to take such steps as they may deem necessary or expedient in order to implement, finalise and give full effect to the Proposed Acquisition.

AND THAT the Directors of the Company be and are hereby empowered and authorised to do all acts, deeds and things, as the Directors may consider necessary or expedient or relevant to do, to give effect to and implement the repurchase of the ordinary shares of RM0.01 each in the Company held by shareholders of the Company (“**Relevant Shares**”) as required by the shareholders who voted against the Proposed Acquisition and who have complied with all the relevant procedures and requirements as set out in the Circular issued by the Company, including to cancel the Relevant Shares repurchased by the Company and to take all other relevant actions as may be required by laws and regulations, or as the Directors may deem necessary or expedient in the interest of the Company, in order to implement and to give full effect to the repurchase of the Relevant Shares.

ORDINARY RESOLUTION

PROPOSED PLACEMENT OF NEW ORDINARY SHARES OF RM0.01 EACH IN REACH ENERGY (“PLACEMENT SHARES”) TO RAISE GROSS PROCEEDS OF UP TO RM180.0 MILLION

THAT, subject to the passing of the Special Resolution and the approvals of all relevant authorities being obtained, the Board of Directors (“**Board**”) of Reach Energy be and is hereby authorised to allot and issue such number of new ordinary shares of RM0.01 each in Reach Energy (“**Reach Energy Shares**”) (“**Placement Shares**”) to raise gross proceeds of up to RM180.0 million (“**Proposed Placement**”) to such persons and at such time as the Board may deem fit.

THAT the Placement Shares shall be issued at an issue price to be determined later, after taking into consideration the prevailing market conditions and the 5-day volume weighted average market price (“**VWAMP**”) of Reach Energy Shares immediately preceding the price-fixing date. The discount for the issue price of the Placement Shares, if any, shall not be more than 15% of the 5-day VWAMP of Reach Energy Shares immediately preceding the price-fixing date and such issue price shall not be lower than the par value of Reach Energy Shares of RM0.01 each.

THAT the proceeds of the Proposed Placement shall be utilised for the purposes as set out in the Circular and the Directors of the Company be authorised with full powers to vary the manner and/or purpose of utilisation of such proceeds in such manner as the Board may deem fit, necessary and/or expedient, subject to the approval of the relevant authorities, where required.

THAT such Placement Shares will, upon allotment and issuance, rank pari passu in all respects with the then existing Reach Energy Shares, except that the Placement Shares will not be entitled to any dividends, rights, allotments and/or any other distributions that may be declared by the Company, the entitlement date of which is prior to the date of allotment of the Placement Shares.

AND THAT the Directors of the Company be and are hereby empowered and authorised to take all such necessary steps to give effect to the Proposed Placement with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities or deemed necessary by the Board, and to take all steps to do all such acts and matters as they may consider necessary or expedient to implement, finalise and give full effect to the Proposed Placement.

BY ORDER OF THE BOARD,

CHEN BEE LING (MAICSA 7046517)

TAN LAI HONG (MAICSA 7057707)

Joint Company Secretaries

Selangor Darul Ehsan

13 October 2016

Notes:

1. In regard of deposited securities, only members whose names appear in the Record of Depositors as at 28 October 2016 shall be eligible to attend the EGM and to speak and vote thereat.
2. A member of the Company who is entitled to attend and vote at the EGM shall be entitled to appoint any person as his(her) proxy to attend and vote in his(her) stead. There shall be no restriction as to the qualification of the proxy. A proxy may but need not be a member of the Company and the provision of Section 149(1)(b) of the Companies Act, 1965 need not be complied with. A proxy appointed to attend and vote at the EGM shall have the same rights as the member to speak at the EGM.
3. A member of the Company may appoint not more than two (2) proxies to attend the EGM. Where a member appoints two (2) proxies, he/she shall specify the proportion of his(her) shareholdings to be represented by each proxy.
4. The instrument appointing a proxy shall be in writing (in the common or usual form) under the hands of the member or of his(her) attorney duly authorised in writing or if the member is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised. If the instrument appointing a proxy is executed by an officer or attorney duly authorised in writing, supporting documents are to be produced on the day of the EGM for verification by the Company Secretary.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account to attend and vote at the EGM.
6. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), such Exempt Authorised Nominee may appoint multiple proxies in respect of each omnibus account it holds. The appointment of multiple proxies shall be invalid unless the authorised nominee or Exempt Authorised Nominee specifies the proportion of its shareholdings to be represented by each proxy it has appointed.
7. To be valid, the Form of Proxy must be completed, signed and deposited at the share registrar’s office at Level 6, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time set for holding the EGM or adjourned meeting.