



**Boustead Singapore Limited**  
(Co. Reg. No. 197501036K)

82 Ubi Avenue 4, #08-01  
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Singapore 408832

# PROPOSED ACQUISITION OF ENERGY ASSET IN INDONESIA

Singapore, 9 November 2015

## 1. Introduction

The Board of Directors of Boustead Singapore Limited ("Boustead" or the "Company", together with its subsidiaries, the "Group") is pleased to announce that Boustead as part of a consortium together with One North Energy Private Limited and Lamara Energy Pte Ltd (together, the "Consortium"), has entered into an agreement with ASX-listed Triangle Energy (Global) Ltd ("TEG" or the "Seller") in relation to acquiring TEG's 100% interest in Pase Production Sharing Contract ("Pase PSC") in Aceh, Sumatra, Indonesia (the "Acquisition").

Boustead will have a shareholding of 83% of the Consortium, which will incorporate a Singapore entity for the purposes of the Acquisition in the future.

## 2. Principal Terms of Acquisition

### 2.1 Acquisition Price

Under the terms of the Acquisition, the Consortium has agreed to offer TEG the firm purchase consideration of US\$3.9 million (the "Purchase Price") and terms as laid out in the attached TEG announcement titled "Superior Proposal of up to A\$45 million" released on 9 November 2015 over the ASX. Other potential purchase consideration to be paid to TEG or the relevant authorities will depend on the performance of Pase PSC.

The Purchase Price was arrived at after arm's length negotiations on a willing buyer-willing seller basis and shall be satisfied wholly in cash.

### 2.2 Conditions

The completion of the Acquisition is subject to:

- a) TEG's shareholders approving the Acquisition at an Extraordinary General Meeting to be convened; and
- b) The receipt of the necessary approvals from the Indonesian Government and Aceh Provincial Government for the transfer of Pase PSC from TEG to the Consortium.

### **2.3 Recommendation by Seller's Directors and Intention to Vote in Favour by Certain Shareholders**

The Seller's directors have recommended the Consortium's proposal to TEG's shareholders, in the absence of a further superior proposal. In addition, the Consortium has received intention to vote in favour of the Acquisition, at TEG's meeting of shareholders to consider the Acquisition, from certain shareholders collectively controlling approximately 12% voting rights in TEG.

In the event of a further superior proposal, the Consortium must be informed of the identity of the offeror and the terms of such proposal. The Consortium has the right to consider such superior proposal and make a further superior proposal.

### **2.4 Consortium Partners**

Boustead's consortium partners, One North Energy Private Limited and Lamara Energy Pte Ltd (the "Other Consortium Partners") are Singapore-based corporations founded and backed by individuals with over 100 years of combined experience in the oil & gas sector, of which substantial time has been spent managing and operating exploration and production assets in the Asia Pacific, including Indonesia.

Other Consortium Partners will initially have a 17% shareholding in the Consortium. In addition, Boustead has agreed to carry the Other Consortium Partners for approximately 10-12% shareholding such that Boustead's and the Other Consortium Partners' underlying economic interest (and consequent shareholding in future) in the Consortium will be approximately 71-73% and 27-29% respectively. Boustead will be able to recover the amount of carry out of the Consortium's cash flows as a priority.

Singapore Merchant Capital Partners Private Limited, a Singapore-based boutique corporate advisory firm, is advising the Consortium on the consortium framework and the Acquisition.

## **3. Financial Effect**

Based on the audited accounts of TEG as at 30 June 2015, the net book value of the Pase PSC acquired under the Acquisition was approximately A\$1,958,850.

The Acquisition is not expected to have a material impact on the Group's earnings per share, profitability and net asset value per share in the financial year ending 31 March 2016.

## **4. Rationale for Acquisition**

The Company is of the view that the Acquisition will be in the interests of the Group for the following reasons:

- a) The Acquisition will provide the Group with an excellent opportunity to expand its Energy-Related Engineering Division, which is the second largest revenue contributor to the Group after the Real Estate Solutions Division (i.e. Boustead Projects Limited). Following the demerger of Boustead Projects Limited and separate listing on the Main Board of the

SGX on 30 April 2015, the Group has refocused its efforts on growing its other two divisions;

- b) The Group has been reliant on providing engineering services and geo-spatial technology to generate the majority of its revenue. The Group's revenue is largely derived from project-oriented and service businesses and as such, much of the revenue has limited recurring base. The Acquisition will provide the Group with the ability to grow its recurring revenue base further; and
- c) The current business environment in the global oil & gas industries is depressed due to low crude oil prices. This has in turn resulted in attractive valuations for energy assets. The Group believes that the Purchase Price offered for Pase PSC provides great value and that the downside risks of the Acquisition can be comfortably managed. As Pase PSC encompasses 922 square kilometres (larger than the size of Singapore) of explorable acreage and has a proven field containing natural gas reserves in Aceh, the Group will be able to shift into upstream ownership, production and potential development of natural gas, which is seen as the primary alternative and a cleaner fuel for power plants compared to coal. Pase PSC has onshore reserves and acreage which can be explored and developed and which can be easily transported via available pipeline infrastructure within Indonesia. Pase PSC also recently received a 20-year extension from February 2012 and is adjacent to B Block (recently acquired by Pertamina from ExxonMobil) where the giant Arun gas field and associated LNG infrastructure is located.

## **5. Method of Financing**

The Purchase Price will be funded through the internal resources of the Group.

## **6. Interests of Directors and Controlling Shareholders**

Save for their respective interests in the Company, if any, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Acquisition.

## **7. Documents for Inspection**

Copies of the binding transaction documents for the Acquisition will be made available for inspection during normal business hours at the registered office of the Company at 82 Ubi Avenue 4, #08-01 Edward Boustead Centre, Singapore 408832, for a period of three months, commencing from the date of completion of the Acquisition.

**8. Important Notice to Shareholders**

The Board would like Shareholders to note that the Acquisition is conditional upon, *inter alia*, conditions (as mentioned in paragraph 2.2) including approval of the transaction by TEG's shareholders and necessary approvals from the relevant authorities. Accordingly, there is no certainty that the Acquisition will be completed.

Shareholders are advised to exercise caution when dealing in the shares of the Company and to refrain from taking any action in respect of their shares in the Company which may be prejudicial to their interest.

## **About Boustead Singapore Limited**

Established in 1828, Boustead Singapore Limited is a progressive global Infrastructure-Related Engineering Services and Geo-Spatial Technology Group listed on the SGX. Focusing on the engineering and development of key infrastructure supporting economic growth in the public and private sectors of emerging markets, our strong suite of Engineering Services comprises: Energy-Related Engineering and Real Estate Solutions.

Under our Geo-Spatial Technology arm, we provide professional services and exclusively distribute Esri geo-spatial technology – the world’s leading geographic information systems – to major markets across Australia and South East Asia. Our location intelligence solutions are essential to effectively plan, deploy and manage key infrastructure and resources in countries.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, Boustead is ready to serve the world. To date, Boustead has undertaken infrastructure-related projects in 84 countries globally.

In 2008 and 2009, Boustead was recognised in the prestigious Forbes Asia 200 Best Under A Billion as one of the Asia Pacific’s 200 best public-listed corporations under US\$1 billion in revenue. In 2015, Boustead was also a winner of the Singapore Golden Jubilee Award, in recognition of the best 50 Singapore corporations who have achieved and contributed to Singapore’s progress and success over the past 50 years. Boustead is also listed on the MSCI World Small Cap Index for Singapore and the FTSE ST Small Cap Index.

Visit us at [www.boustead.sg](http://www.boustead.sg).

## **Contact Information**

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