THIS CIRCULAR TO SHAREHOLDERS OF SAPURA ENERGY BERHAD IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular and valuation report, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the contents in this Circular.

SAPURA ENERGY BERHAD

(Registration No. 201101022755 (950894-T))
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED DISPOSAL BY SAPURA UPSTREAM ASSETS SDN BHD ("SUA"), A WHOLLY-OWNED SUBSIDIARY OF SAPURA ENERGY BERHAD, OF ITS ENTIRE 50% EQUITY INTEREST IN SAPURAOMV UPSTREAM SDN BHD ("SAPURAOMV") TO TOTALENERGIES HOLDINGS SAS FOR A TOTAL DISPOSAL CONSIDERATION OF USD705.3 MILLION (OR EQUIVALENT TO APPROXIMATELY RM3,022.3 MILLION) TO BE SATISFIED VIA:

(I) A CASH CONSIDERATION OF USD530.3 MILLION (OR EQUIVALENT TO APPROXIMATELY RM2,272.5 MILLION); AND

(II) THE RELEASE OF THE ORDINARY SHARES IN SAPURAOMV PLEDGED BY SUA TO OMV EXPLORATION & PRODUCTION GMBH OF AN AMOUNT OF USD175.0 MILLION (OR EQUIVALENT TO APPROXIMATELY RM749.8 MILLION);

AND

NOTICE OF EXTRAORDINARY GENERAL MEETING

Principal Adviser

CIMB Investment Bank Berhad
(Registration No. 197401001266 (18417-M))

The Notice of Extraordinary General Meeting ("**EGM**") of Sapura Energy Berhad and the Form of Proxy are enclosed in this Circular. The EGM will be held on a virtual basis, the details of which are as follows:

Date and time of the virtual EGM	:	Thursday, 14 November 2024 at 10.00 a.m., or at any adjournment of the EGM
Broadcast Venue of the virtual EGM	:	Conference Room at Sapura@Mines No. 7 Jalan Tasik, The Mines Resort City 43300 Seri Kembangan Selangor Darul Ehsan, Malaysia
Last day and time for lodging the Form of Proxy	:	Tuesday, 12 November 2024 at 10.00 a.m.

This Circular is dated 29 October 2024

DEFINITIONS

The following definitions shall apply throughout this Circular unless where the context requires otherwise:

10 November 2023 PRS	:	The proposed debt restructuring scheme of the SEB Group dated 10 November 2023 which is expected to form part of our regularisation plan and will be announced upon the finalisation of the regularisation plan
2018 Divestment	:	The strategic partnership between the SEB Group and OMV AG through SapuraOMV, a company incorporated to hold the entire interest of SapuraOMV (Holding), on 9 November 2018
2021 Divestment	:	The divestment by the SapuraOMV Group of its entire Peninsular Malaysia oil producing assets to Jadestone Energy PLC, a Singapore-based, London-listed, independent O&G company
Act	:	Companies Act 2016 as amended from time to time and any re-enactment thereof
Australia Permit	:	The AC/P69 permit issued pursuant to the Australian Offshore Petroleum and Greenhouse Gas Storage Act 2006
Block 30	:	The petroleum block in the Sureste basin in Mexico
Block SB412	:	SB412 block located geologically in the Sabah region of offshore Malaysia in the South China Sea
Block SK310	:	SK310 block located geologically in the Sarawak region of offshore Malaysia in the South China Sea
Block SK408	:	SK408 block located geologically in the Sarawak region of offshore Malaysia in the South China Sea
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors of SEB
Bursa Securities	:	Bursa Malaysia Securities Berhad
Cash Consideration	:	A cash consideration of USD530.3 million (or equivalent to approximately RM2,272.5 million), subject to closing adjustments pursuant to the terms of the SPA, as set out in Section 2.2 of this Circular, and which forms part of the Total Disposal Consideration
CDRC	:	Corporate Debt Restructuring Committee
CIMB	:	CIMB Investment Bank Berhad
Circular	:	This circular to our shareholders dated 29 October 2024 in relation to the Proposed Disposal
CNH	:	Mexican National Hydrocarbons Commission (Comisión Nacional de Hidrocarburos)
Competent Person's Report	:	The competent person's report by Energy Quest dated 1 July 2024 in relation to the reserves and resources evaluation of the assets of the SapuraOMV Group
Competent Valuer's Report	:	The competent valuer's report by Energy Quest dated 1 July 2024 in relation to the valuation of the assets of the SapuraOMV Group

Completion	:	Being the date of completion of the SPA
DEA	:	Wintershall Dea Mexico
Diamond Energy	:	Diamond Energy Sarawak Sdn Bhd
Director(s)	:	The director(s) of our Company and shall have the same meaning as given in Section 2(1) of the Capital Markets and Services Act 2007 and for the purpose of the Proposed Disposal, includes any person who is or was within the preceding six months of the date on which the terms of the transaction were agreed upon, a director or a chief executive of our Company, our subsidiary or holding company
E&C	:	Engineering and Construction
Effective Date	:	1 January 2024, being the effective date used for purposes of the valuation
EGM	:	Extraordinary general meeting
Energy Quest	:	Energy Quest Sdn Bhd, the competent person and competent valuer appointed by our Company
EPS	:	Earnings per Share
EV	:	Enterprise value
FPE	:	Financial period ended/ending, as the case may be
FYE	:	Financial year ended/ending, as the case may be
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities
Locked Box Date	:	Being 31 December 2022 pursuant to the terms of the SPA
LPD	:	7 October 2024, being the latest practicable date prior to the date of this Circular
LPS	:	Loss per Share
Major Shareholder(s)	:	A person who has an interest or interests in one or more voting shares in our Company and the number or aggregate number of those shares, is: (a) 10% or more of the total number of voting shares in our Company; or (b) 5% or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company, and for the purpose of the Proposed Disposal, includes any person who is or was within the preceding six months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of our Company or any other corporation which is our Company's subsidiary or holding company
MCF Facilities	:	The existing multi-currency financing facilities of the SEB Group

MCF Financiers	:	The financiers of the MCF Facilities
NA	:	Net assets
NOPTA	:	National Offshore Petroleum Titles Administrator, Australia
NPV	:	Net present value
O&G	:	Oil and gas
O&M	:	Operations and Maintenance
OMV AG	:	OMV Aktiengesellschaftt
OMV E&P	:	OMV Exploration & Production GmbH
PCSB	:	PETRONAS Carigali Sdn Bhd, a wholly-owned subsidiary of PETRONAS
PETRONAS	:	Petroliam Nasional Berhad
PN17	:	Practice Note 17 of the Listing Requirements
PRMS	:	2018 Petroleum Resource Management System of *SPE/WPC/AAPG/SPEE/SEG/SPWLA/EAGE*
Proposed Disposal	:	Proposed disposal by SUA of its entire 50% equity interest in SapuraOMV to TotalEnergies
PSC(s)	:	Production sharing contract(s)
PTTEP	:	PTTEP HK Offshore Limited
Restructuring Effective Date	:	The date on which the compromise and settlement of the outstanding liabilities of the scheme creditors under the terms of the scheme of arrangement to be entered into between the Scheme Companies and the relevant scheme creditor becoming effective
SapuraOMV	:	SapuraOMV Upstream Sdn Bhd
SapuraOMV (Americas)	:	SapuraOMV Upstream (Americas) Sdn Bhd
SapuraOMV (Australia)	:	SapuraOMV Upstream (Australia) Sdn Bhd
SapuraOMV (Holding)	:	SapuraOMV Upstream (Holding) Sdn Bhd
SapuraOMV (Malaysia)	:	SapuraOMV Upstream (Malaysia) Sdn Bhd
SapuraOMV (Mexico)	:	SapuraOMV Upstream (Mexico) Sdn Bhd
SapuraOMV (NZ)	:	SapuraOMV Upstream (NZ) Sdn Bhd
SapuraOMV (Oceania)	:	SapuraOMV Upstream (Oceania) Sdn Bhd
SapuraOMV (Sarawak)	:	SapuraOMV Upstream (Sarawak) Inc
SapuraOMV (Western Australia)	:	SapuraOMV Upstream (Western Australia) Pty Ltd
SapuraOMV Block 30	:	SapuraOMV Block 30, S. DE E.L. DE C.V.

SapuraOMV Group	:	SapuraOMV and its subsidiaries
SapuraOMV JV	:	SapuraOMV Upstream JV Sdn Bhd
SapuraOMV Shares	:	Ordinary shares in SapuraOMV
SapuraOMV Shares Pledge	:	Being the 719,950,000 SapuraOMV Shares pledged by SUA to OMV E&P on 31 January 2019 as security for a financing facility provided by OMV E&P to SapuraOMV in connection with the share subscription and restructuring exercise between SEB, OMV E&P, SapuraOMV and SUA on 31 January 2019
Sarawak Shell	:	Sarawak Shell Sdn Bhd
Scheme Companies	:	SEB and 22 of its subsidiaries which are involved in the 10 November 2023 PRS
SEB or Company	:	Sapura Energy Berhad
SEB Group or Group	:	SEB and its subsidiaries
SEB Shares or Shares	:	Ordinary shares in SEB
Seller's Account	:	A designated bank account in the name of SUA to receive the proceeds from the Proposed Disposal pursuant to the terms of the SPA
SEP Malaysia	:	Sapura Exploration and Production (Malaysia) Inc (now known as SapuraOMV Upstream (Malaysia) Inc)
SEP Sabah	:	Sapura Exploration & Production (Sabah) Inc.
SPA	:	The sale and purchase agreement dated 22 April 2024 entered into between SEB, SUA and TotalEnergies in relation to the Proposed Disposal
SUA or Seller	:	Sapura Upstream Assets Sdn Bhd
Total Disposal Consideration	:	The total disposal consideration for the Proposed Disposal of USD705.3 million (or equivalent to approximately RM3,022.3 million), subject to the closing adjustments as set out in Section 2.2 of this Circular
TotalEnergies or Purchaser	:	TotalEnergies Holdings SAS
UGSA(s)	:	Upstream gas sales agreement(s)
Warranty Deed	:	The warranty deed dated 22 April 2024 entered into between SEB, SUA and TotalEnergies in relation to the SPA

The following commonly used terms in our Group's business and operations shall apply throughout this Circular unless the term is defined otherwise or the context otherwise requires:

2P	:	The best estimate of Reserves. The sum of proved plus probable Reserves
Block	:	Term commonly used to describe areas over which there is a petroleum or production licence
boe	:	Barrels of oil equivalent
Bscf	:	Billion standard cubic feet
Contingent Resources	:	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies(1)
Development On Hold	:	A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay(1)
Development Unclarified	:	A discovered accumulation where project activities are under evaluation and where justification as a commercial development is unknown based on available information(1)
MMboe	:	Million barrels of oil equivalent
MMstb	:	Million stock tank barrels
PLR	:	Plant Liquid Return
Prospective Resources	:	Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations(1)
Reserves	:	Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions(1)

CURRENCIES

AUD	:	Australian Dollar
EUR	:	Euro
MX$	:	Mexican Peso
RM	:	Ringgit Malaysia
USD	:	United States Dollar

Note:

*(1) As defined in the Competent Valuer's Report in **Appendix III** of this Circular.*

PRESENTATION OF INFORMATION

Any references to "**our Company**" in this Circular are to SEB and references to "**our Group**" or "**SEB Group**" are to our Company and our subsidiaries, collectively. All references to "**we**", "**us**", "**our**" and "**ourselves**" are to our Company, and where the context requires otherwise, shall include our Company and our subsidiaries.

All references to "**you**" and "**your**" in this Circular are to our shareholders who are entitled to attend and vote at our forthcoming EGM, unless the context otherwise requires.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. Reference to persons shall include corporations, unless otherwise specified.

Any reference to any enactment, rules and regulations in this Circular is a reference to that enactment, rules and regulations as may be amended or re-enacted from time to time.

Any reference to a time of day in this Circular is a reference to Malaysian time and date, unless otherwise stated.

Any discrepancy in the figures included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding adjustments.

Unless otherwise stated and wherever applicable, the exchange rate of USD1.00: RM4.2850, being the middle rate quoted by BNM at 5.00 p.m. on the LPD, is used throughout this Circular for illustration purposes. Any exchange rate translation in this Circular is provided solely for your convenience and should not be constituted as representative that the translated amount stated in this Circular could have been or would have been converted into such other amounts or vice versa.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due enquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance and achievements to differ materially from the anticipated results, performance and achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Group's plans and objectives will be achieved.

[The rest of this page has been intentionally left blank]

CONTENTS

This Executive Summary only highlights the key information of the Proposed Disposal in this Circular. You are advised to read and carefully consider the contents of this Circular and the appendices contained herein in its entirety for further details and not to rely solely on this Executive Summary in forming a decision on the Proposed Disposal before voting at our forthcoming EGM.

Key information	Description	Reference to this Circular
Summary of the Proposed Disposal	Our Company and our wholly-owned subsidiary, SUA, had on 22 April 2024, entered into the conditional SPA with TotalEnergies for the Proposed Disposal. The Warranty Deed was also executed on even date between our Company, SUA and TotalEnergies for the purpose of giving certain warranties in relation to the SPA. The Proposed Disposal entails the disposal by SUA to the Purchaser of 2,221,560,000 SapuraOMV Shares, representing its entire 50% equity interest in SapuraOMV, and is subject to the terms and conditions of the SPA.	Sections 1 and 2.1
Basis and justification for the Total Disposal Consideration	The Total Disposal Consideration of USD705.3 million (or equivalent to approximately RM3,022.3 million), subject to closing adjustments, was derived based on: (i) the Cash Consideration of USD530.3 million (or equivalent to approximately RM2,272.5 million); and (ii) an amount of USD175.0 million (or equivalent to approximately RM749.8 million) for the release of the SapuraOMV Shares Pledge. For the avoidance of doubt, SEB will be relieved by TotalEnergies of the USD175.0 million obligation in respect of a financing facility extended by OMV E&P (as lender) to SapuraOMV in connection with the SapuraOMV Shares Pledge. The Cash Consideration was arrived at on a "willing-buyer willing-seller" basis and is based on an implied EV for 100% of SapuraOMV on a "debt free, cash free" basis of USD1,366.0 million (or equivalent to approximately RM5,853.3 million) as derived from the offer made by TotalEnergies following the tender process (as detailed in Section 2.1 of this Circular) and adjusted for net working capital as well as after taking into account the release of the SapuraOMV Shares Pledge. Our Board is of the opinion that the EV of USD683.0 million (or equivalent to approximately RM2,926.6 million) for SEB's 50% equity interest in SapuraOMV as offered by TotalEnergies is justified after taking into consideration, among others, the scope and procedures of the tender process that was undertaken, the background and identities of the bidders that participated in the process as well as the following: (i) SEB's O&G net working interest and net entitlement to 2P Reserves of the PSCs, namely Blocks SK408 and SK310, as at 31 December 2023 as assessed by Energy Quest and set out in Sections 2.3.3 and 2.3.4 of this Circular;	Sections 2.2 and 2.3

Key information	Description	Reference to this Circular
	(ii) the discounted cash flow valuation from the expected ultimate recovery of hydrocarbons (based on the 2P base case) from the SapuraOMV Group's O&G assets from the Effective Date of USD1,131.0 million (or equivalent to approximately RM4,846.3 million) as estimated by Energy Quest; (iii) the sale by OMV AG of the other 50% equity interest in SapuraOMV to TotalEnergies; (iv) net book value of the SapuraOMV Group's expenditure on O&G properties of RM4,764.8 million and RM5,413.3 million as at 31 December 2022 and 2023, respectively; and (v) rationale and benefits of the Proposed Disposal as set out in Section 3 of this Circular.	
Utilisation of proceeds	Our Company intends to use the proceeds from the Proposed Disposal of USD530.3 million (or equivalent to approximately RM2,272.5 million) (which is subject to the adjustments as set out in Section 2.2 of this Circular) in the following manner:	Section 2.10

Description	Estimated timeframe for utilisation from receipt of proceeds	Amount	
		USD million	RM million
Repayment of outstanding liabilities and/or for the working capital of our Group under the 10 November 2023 PRS	Within 6 months from the Restructuring Effective Date	512.2	2,194.9
Total estimated expenses relating to the Proposed Disposal	Within 2 months	18.1	77.6
Total		**530.3**	**2,272.5**

The final quantum of proceeds to be received from the Proposed Disposal is subject to the adjustments as set out in Section 2.2 of this Circular. Any variation in the actual proceeds to be received from the Proposed Disposal will be adjusted to/from the amount allocated for the repayment of outstanding liabilities and/or for the working capital of our Group under the 10 November 2023 PRS.

Key information	Description	Reference to this Circular
Rationale and benefits of the Proposed Disposal	Our Board sees the Proposed Disposal as a significant step forward in our Group's debt restructuring exercise which enables our Company to monetise our investment in SapuraOMV and record a pro forma net gain on disposal of approximately RM470.1 million (as computed in Section 2.9 of this Circular) upon completion of the Proposed Disposal. As a result, our Company's pro forma consolidated shareholders' deficit is also expected to reduce by the same amount, thus enhancing the financial position of our Group. However, the Proposed Disposal in itself does not address our Company's PN17 status. Further, as the proceeds from the Proposed Disposal (after deducting the estimated expenses relating to the Proposed Disposal) will be used to repay our Group's restructured outstanding liabilities in accordance with the 10 November 2023 PRS, this would facilitate our Company's ability to address some of our immediate restructured debt obligations. Our Board believes that the completion of the Proposed Disposal would be a major milestone to our Group's recovery plans for a long-term sustainable and viable future as our Group would be able to pare down at least RM2.25 billion of our restructured debt obligations in accordance with the 10 November 2023 PRS.	Section 3
Future plans and prospects of the SEB Group	The completion of the Proposed Disposal marks our Group's exit from the Exploration & Production business and allows us to focus on our core business and energy transition strategies. Following the completion of the Proposed Disposal, our remaining core business segments would be E&C, Drilling and O&M. We are committed to grow our E&C, Drilling and O&M segments and committed to energy transition, with majority of our current projects centered on gas development and decommissioning. In terms of the prospects of our three remaining core business segments, our E&C and O&M segments are actively pursuing several prospects, focusing on transportation and installation, subsea inspection, repair and maintenance and decommissioning, whilst aligning our Environmental, Social and Governance (ESG) principles across all our operations. Our O&M segment was also recently awarded a hook-up and commissioning contract for another gas development in Thailand, showcasing its expansion beyond the traditional market in Malaysia. Our Drilling segment has nine tender assist drilling rigs working at mostly gas fields in South-east Asia and West Africa. Further, our Drilling segment recently secured a contract extension for its drilling services in Angola.	Section 3.1

Key information	Description	Reference to this Circular
	Overall, our Group's prospects remained constrained by limited access to working capital and bank guarantee facilities. Nevertheless, our Group sustained an order book of approximately RM5.9 billion, while our share of our Group's joint venture and associate entities' order book is approximately RM6.1 billion as at the LPD. Despite the challenges ahead, we endeavour to continue to grow our order book and remain focus on completing our existing order book which is expected to be accretive to the future earnings of our Group. Moving forward, our Group will continue to explore and bid for projects both in the Malaysian and international markets as and when such opportunities arise. In addition, our Group will also explore opportunities in energy transition projects.	
Risk factors in relation to the Proposed Disposal	The Proposed Disposal is subject to the following risks: (i) Non-completion risk; and (ii) Foreign exchange risk	Section 4
Approvals required	The Proposed Disposal is subject to the conditions precedent as set out in Section 4, Part A of **Appendix II** of this Circular, including the following regulatory and corporate approvals being obtained: (i) approval of PETRONAS through Malaysia Petroleum Management for any change of control as a result of the Proposed Disposal in respect of the PSCs for Blocks SK310, SK408 and SB412, which was obtained on 10 June 2024, with effect from 1 January 2025; (ii) approval of CNH for the indirect assignment of the corporate and management control of SapuraOMV Block 30 in respect of Block 30 PSC; (iii) approval of NOPTA for the change in control of SapuraOMV (Western Australia) in respect of the Australia Permit held by the SapuraOMV Group; and (iv) approval of our shareholders at our forthcoming EGM. The Proposed Disposal is not conditional or interconditional upon the sale by OMV AG of its 50% equity interest in SapuraOMV to TotalEnergies. Further, the Proposed Disposal is not conditional or interconditional upon any other corporate exercise/scheme undertaken or to be undertaken by our Company.	Section 6
Interests of Directors, Major Shareholders and/or persons connected with them	None of our Directors, Major Shareholders and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Disposal.	Section 9

Key information	Description	Reference to this Circular
Directors' statement and recommendation	Our Board, after having considered all aspects of the Proposed Disposal (including among others, the basis and justification for the Total Disposal Consideration, rationale and benefits of the Proposed Disposal, terms of the SPA as well as effects of the Proposed Disposal), is of the opinion that the Proposed Disposal is in the best interest of our Company. Accordingly, our Board recommends that you **VOTE IN FAVOUR** of the ordinary resolution pertaining to the Proposed Disposal to be tabled at our forthcoming EGM.	Section 10

[The rest of this page has been intentionally left blank]

SAPURA ENERGY BERHAD
(Registration No. 201101022755 (950894-T))
(Incorporated in Malaysia)

Registered Office
Sapura@Mines
No. 7 Jalan Tasik
The Mines Resort City
43300 Seri Kembangan
Selangor Darul Ehsan, Malaysia
29 October 2024

Board of Directors

Dato' Mohammad Azlan Abdullah *(Non-Independent Non-Executive Chairman)*[(1)]
Shahin Farouque Jammal Ahmad *(Interim Chairman, Non-Independent Non-Executive Director)*
Datuk Mohd Anuar Taib *(Group Chief Executive Officer, Non-Independent Executive Director)*
Dato' Shahriman Shamsuddin *(Non-Independent Non-Executive Director)*
Datuk Ramlan Abdul Rashid *(Independent Non-Executive Director)*
Lim Tiang Siew *(Senior Independent Non-Executive Director)*
Dato' Azmi Mohd Ali *(Independent Non-Executive Director)*
Lim Fu Yen *(Independent Non-Executive Director)*
Datuk Nur Iskandar A Samad *(Independent Non-Executive Director)*
Wan Mashitah Wan Abdullah Sani *(Independent Non-Executive Director)*
Lee Chui Sum *(Independent Non-Executive Director)*

Note:
(1) On a leave of absence effective from 26 June 2024.

To: Our shareholders

Dear Sir/Madam,

PROPOSED DISPOSAL

1. INTRODUCTION

On 22 April 2024, CIMB on behalf of our Board, announced that our Company and our wholly-owned subsidiary, SUA, had on the same day entered into the conditional SPA with TotalEnergies for the Proposed Disposal. On even date, the Warranty Deed was also executed between our Company, SUA and TotalEnergies for the purpose of giving certain warranties in relation to the SPA.

Further information on the salient terms of the SPA and the Warranty Deed is set out in **Appendix II** of this Circular.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH RELEVANT INFORMATION ON THE PROPOSED DISPOSAL AND TO SET OUT THE VIEWS AND RECOMMENDATION OF OUR BOARD AS WELL AS TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSED DISPOSAL WHICH WILL BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM AND THE FORM OF PROXY ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES BEFORE VOTING ON THE RESOLUTION TO GIVE EFFECT TO THE PROPOSED DISPOSAL AT OUR FORTHCOMING EGM.

2. DETAILS OF THE PROPOSED DISPOSAL

2.1 Proposed Disposal

On 31 May 2022, our Company announced that we had become an affected listed issuer under PN17 on the basis that we had triggered the prescribed criteria under paragraph 2.1(e) of PN17, in that our shareholders' equity on a consolidated basis as at 31 January 2022 was less than 50% of our Company's share capital, and our auditors had highlighted a material uncertainty related to going concern in our Company's audited financial statements for the FYE 31 January 2022.

Further, on 30 March 2023, our Company announced that we had triggered an additional prescribed criteria under paragraph 2.1(a) of PN17, in that our shareholders' equity on a consolidated basis as at 31 January 2023 was less than 25% of our share capital, and such shareholders' equity is less than RM40.0 million.

SEB as an affected listed issuer was required to submit a regularisation plan to the relevant authorities for approval by 31 May 2023. Bursa Securities had granted our Company an extension of time up to 30 November 2023 which was subsequently extended to 31 May 2024, and thereafter further extended to 30 November 2024.

To address our Company's PN17 status, our Group is undertaking a debt restructuring exercise to address the outstanding amounts owed under the MCF Facilities and other liabilities of our Group, including certain designated contingent creditors whose amounts are being ascertained as part of the proof of debt exercise. As part of our debt restructuring exercise, our Group had, on 12 December 2023, received confirmation from CDRC that the 10 November 2023 PRS has been approved-in-principle by at least 75% of the MCF Financiers. This will facilitate the process of finalising the proposed schemes of arrangement, and in due course, to present the finalised schemes of arrangement at the relevant court-convened meetings of the various classes of creditors of the Scheme Companies, for their approval.

Additionally, on 6 June 2024, the High Court of Malaya granted the Scheme Companies an extension of nine months in respect of the new Convening and Restraining Orders dated 7 March 2024, commencing from 11 June 2024 to 10 March 2025. This will, among other things, enable each of the Scheme Companies to complete the documentation required and finalise the 10 November 2023 PRS without being disrupted by the threat of litigation, paving the way for the respective Scheme Companies to convene the scheme meetings. The previous Convening and Restraining Orders granted on 8 March 2023, which was extended for nine months on 6 June 2023, expired on 10 March 2024.

As previously announced, our Group has been actively pursuing the divestment of our interest in SapuraOMV. Our Group's financial condition has deteriorated to an unsustainable level as our Group suffered year over year losses since year 2020. As a result, our Group is faced with severe liquidity constraint and is unable to service our debt obligations and make prompt payments to our trade creditors.

The Proposed Disposal presents a timely opportunity for us to monetise our investment in the SapuraOMV Group and the proceeds to be raised from the Proposed Disposal will enable us to pare down our debt obligations. This is also in line and is part of our Group's debt restructuring exercise to restructure our current unsustainable debt levels and overdue payables, being the outstanding amounts owing by the Scheme Companies under the MCF Facilities of approximately RM10.6 billion, outstanding payments to our trade and other creditors of approximately RM1.5 billion and certain designated contingent claims (the amounts of which have not been finalised due to the contingent nature of the claims) under the 10 November 2023 PRS.

A total of 29 pre-identified bidders were invited to participate in a two phase, close-tender process, which commenced in May 2023.

At the end of the first phase, five bidders were shortlisted to proceed to the second phase, the binding offer stage. Binding offers were received at the end of October 2023, and negotiations commenced to achieve the highest unencumbered value for our Company.

In January 2024, two out of the five bidders were selected for final negotiations. The final offer made by TotalEnergies at the conclusion of the process was the highest and the terms of the offer, after taking into consideration the amount required to settle the SOMV Debt (as defined in Section 2.10 of this Circular), were best aligned with our Company's divestment objectives. Further, TotalEnergies is recognised as one of the seven supermajors in the global O&G industry, which reduces the execution risk of the Proposed Disposal and provides a higher certainty of the proceeds to be received to pare down our debt obligations.

Our Company understands the need for a sufficiently robust regularisation plan to address our Group's PN17 status. However, the finalisation of our regularisation plan will take time as it involves, among others, assessment of numerous proofs of debt including complex claims, some of which were submitted on 31 December 2023 by our unsecured and contingent creditors in Malaysia and abroad. As a result, the Proposed Disposal will not form part of our regularisation plan as prolonging the disposal process due to delays in the finalisation of the proposed regularisation plan presents risk of our Group losing the opportunity to monetise our investment in the SapuraOMV Group.

Notwithstanding that the Proposed Disposal would not form part of our regularisation plan, the proceeds from the Proposed Disposal will be utilised to pare down the SOMV Debt (as defined in Section 2.10 of this Circular) under our debt restructuring exercise. The debt restructuring exercise is an integral part of our proposed regularisation plan. Accordingly, our Company's decision to complete the Proposed Disposal independently does not compromise but would instead complement our proposed regularisation plan upon its finalisation. Our Company will submit a regularisation plan to the relevant authorities and announce the details of the regularisation plan upon its finalisation. For further details on our Company's PN17 status, please refer to Section 2.11 of this Circular.

Accordingly, our Company proposes to undertake the Proposed Disposal which entails the disposal by SUA to the Purchaser of 2,221,560,000 SapuraOMV Shares, representing its entire 50% equity interest in SapuraOMV. The Proposed Disposal is subject to the terms and conditions of the SPA.

Presently, SapuraOMV has been redesignated as an Asset-Held-for-Sale and our Group has ceased to recognise our 50% proportionate share of SapuraOMV's net income or losses in our consolidated financial statements after the signing of the SPA. Upon completion of the Proposed Disposal, SapuraOMV will be derecognised as our associate company.

The Proposed Disposal is not deemed a major disposal under paragraph 10.02(eA) of the Listing Requirements, as it does not involve the sale of all or substantially all of our Company's assets. Following the Proposed Disposal, our Company will continue to have an adequate level of operations to warrant continued trading or listing on the Official List of Bursa Securities. For further details on the remaining core business segments of our Group following the Proposed Disposal, please refer to Section 3.1 of this Circular.

2.2 Total Disposal Consideration

The Total Disposal Consideration of USD705.3 million (or equivalent to approximately RM3,022.3 million), subject to closing adjustments, was derived based on:

(i) the Cash Consideration of USD530.3 million (or equivalent to approximately RM2,272.5 million); and

(ii) an amount of USD175.0 million (or equivalent to approximately RM749.8 million) for the release of the SapuraOMV Shares Pledge. For the avoidance of doubt, SEB will be relieved by TotalEnergies of the USD175.0 million obligation in respect of a financing facility extended by OMV E&P (as lender) to SapuraOMV in connection with the SapuraOMV Shares Pledge.

The Total Disposal Consideration was structured based on a locked-box concept as it provides price certainty (subject to pre-agreed closing adjustments) for both the Seller and Purchaser where in principle, the economic benefits and risks of the SapuraOMV Group are passed on to the Purchaser from the Locked-Box Date. On the date of Completion, the Total Disposal Consideration is subject to the following closing adjustments in accordance with the terms and conditions of the SPA:

(a) **(plus)** an agreed interest amount equal to 5% per annum on the Cash Consideration, being the time value opportunity cost to the Seller of the Cash Consideration amount from (but excluding) the Locked Box Date up to (and including) the date of Completion; and

(b) **(minus)** any Leakage in the form of, amongst others, distribution, interest, and/or payment (as further defined in Section 2.5, Part A of **Appendix II** of this Circular) made by the SapuraOMV Group to our Group from (but excluding) the Locked Box Date up to (and including) the date of Completion, together with an interest of 5% per annum on such amount of Leakage; and

(c) **(plus)** any Reverse Leakage in the form of, amongst others, additional capital contributions, commitments, payments (as further defined in Section 2.6, Part A of **Appendix II** of this Circular) made by our Group to the SapuraOMV Group from (but excluding) the Locked Box Date up to (and including) the date of Completion, together with an interest of 5% per annum on such amount of Reverse Leakage.

Upon Completion, our Company will disclose the final Total Disposal Consideration, including the relevant details on the closing adjustments to the Total Disposal Consideration and the allocation of the proceeds based on the final Total Disposal Consideration, in an announcement. Further, in the event that there is any material amendment, modification or variation to the terms and conditions of the Proposed Disposal after it has been approved by our shareholders at our forthcoming EGM, our Company will once again seek our shareholders' approval for such amendment, modification or variation relating to the Proposed Disposal in accordance with paragraph 8.22(1)(b) of the Listing Requirements.

On the date of the SPA, the Purchaser had paid a deposit of USD68.3 million (or equivalent to approximately RM292.7 million). The balance of the Cash Consideration after adjustments shall be paid by the Purchaser on Completion.

For further details on the Total Disposal Consideration including the manner of which it will be paid, please refer to Section 2, Part A of **Appendix II** of this Circular.

2.3 Basis and justification for the Total Disposal Consideration

The Cash Consideration was arrived at on a "willing-buyer willing-seller" basis and is based on an implied EV for 100% of SapuraOMV on a "debt free, cash free" basis of USD1,366.0 million (or equivalent to approximately RM5,853.3 million) as derived from the offer made by TotalEnergies following the tender process (as detailed in Section 2.1 of this Circular) and adjusted for net working capital as well as after taking into account the release of the SapuraOMV Shares Pledge, as follows:

	USD million	RM million
Base consideration (50% of the EV as offered by TotalEnergies based on SUA's equity interest in SapuraOMV)	683.0	2,926.6
Add: Net working capital[(1)]	22.3	95.7
Total Disposal Consideration	**705.3**	**3,022.3**
Less: Release of SapuraOMV Shares Pledge[(2)]	(175.0)	(749.8)
Cash Consideration	**[(3)]530.3**	**[(3)]2,272.5**

Notes:

(1) Being the proportion of the SapuraOMV Group's net working capital attributable to SUA, derived based on 50% of the aggregate current assets of the SapuraOMV Group less the aggregate current liabilities of the SapuraOMV Group as at the Locked Box Date.

(2) Being the release of the SapuraOMV Shares Pledge as detailed in Section 2.2(ii) of this Circular.

(3) The Cash Consideration is further subject to adjustments in accordance with the terms and conditions of the SPA as detailed in Section 2.2 of this Circular.

Our Board is of the opinion that the EV of USD683.0 million (or equivalent to approximately RM2,926.6 million) for SEB's 50% equity interest in SapuraOMV as offered by TotalEnergies is justified after taking into consideration, among others, the scope and procedures of the tender process that was undertaken, the background and identities of the bidders that participated in the process as well as the following:

(i) SEB's O&G net working interest and net entitlement to 2P Reserves of the PSCs, namely Blocks SK408 and SK310, as at 31 December 2023 as assessed by Energy Quest and set out in Sections 2.3.3 and 2.3.4 of this Circular.

In the valuation exercise undertaken by Energy Quest, our Board agrees with Energy Quest's view to exclude the other PSCs and permits of the SapuraOMV Group which are still in the exploration and/or discovery stage. These assets are categorised as either Prospective Resources or Contingent Resources, with their potential classified as Development On Hold or Development Unclarified, both of which require further appraisal and development before being considered commercially viable. As such, our Board does not expect any value to be ascribed to these PSCs and permits, and considers the valuation exercise undertaken by Energy Quest which focuses mainly on Blocks SK408 and SK310 to be fair and reasonable;

(ii) the discounted cash flow valuation from the expected ultimate recovery of hydrocarbons (based on the 2P base case ("**Base Case**")) from the SapuraOMV Group's O&G assets from the Effective Date of USD1,131.0 million (or equivalent to approximately RM4,846.3 million) as estimated by Energy Quest. Based on the implied EV of USD1,366.0 million (or equivalent to approximately RM5,853.3 million) for 100% of SapuraOMV, such amount is higher than the Base Case valuation ascribed by Energy Quest;

(iii) the sale by OMV AG of the other 50% equity interest in SapuraOMV to TotalEnergies and the full repayment by TotalEnergies of the outstanding USD350.0 million (or equivalent to approximately RM1,499.8 million) shareholder loan granted by OMV AG to SapuraOMV for an overall cash consideration of USD903.0 million (or equivalent to approximately RM3,869.4 million) ("**OMV Sale**"), subject to closing adjustments. Although the implied cash consideration for the OMV Sale of USD553.0 million (excluding the shareholder loan) seems higher than the Cash Consideration for the Proposed Disposal of USD530.3 million, such amount is not directly comparable as the SapuraOMV Shares held by OMV AG are unencumbered and under the shareholders agreement, OMV AG has the consolidation rights to the SapuraOMV Group's financials;

(iv) net book value of the SapuraOMV Group's expenditure on O&G properties of RM4,764.8 million and RM5,413.3 million based on SapuraOMV's audited consolidated statement of financial position as at 31 December 2022 and 2023, respectively. These expenditures relate to Blocks SK408 and SK310 only, with no expenditures incurred for the other PSCs and permits of the SapuraOMV Group as at 31 December 2022 and 2023; and

(v) rationale and benefits of the Proposed Disposal as set out in Section 3 of this Circular.

2.3.1 The breakdown of the USD1,131.0 million based on the Base Case as estimated by Energy Quest is set out below:

	Post-tax NPV (USD million)(1)
Block	**2P**
SK408	1,116
SK310	15
Total	1,131

Note:

(1) Based on a discount rate of 10% as determined by Energy Quest to be a fair rate for the purpose of the valuation after taking into consideration the industry benchmarks within the O&G sector, with sensitivity analysis conducted at rates of 9% and 11%. Energy Quest is of the opinion that the 10% rate is consistent with current market practices and has been applied in several comparable transactions in the past involving similar assets in the country.

As at the date of this Circular, the SapuraOMV Group has operations with different stages in the entire O&G life cycle (i.e. exploration, development and production stages) located in Malaysia, Mexico, New Zealand and Australia.

The SapuraOMV Group's current portfolio in Malaysia comprises two natural gas PSCs located offshore Sarawak, namely Blocks SK408 and SK310. The SapuraOMV Group also has an interest in a PSC located offshore Sabah, namely Block SB412, which is still in the exploration stage. Internationally, the SapuraOMV Group has an interest in a discovery in a PSC in the Gulf of Mexico, namely Block 30, and currently holds exploration permits for three blocks offshore in New Zealand and one exploration permit in Australia. Given that the other PSCs and permits of the SapuraOMV Group are still in the exploration and/or discovery stage, these assets are categorised as either Prospective Resources or Contingent Resources, with their potential classified as Development On Hold or Development Unclarified, both of which require further appraisal and development before being considered commercially viable. As such, Blocks SK408 and SK310 were the key focus of the valuation exercise undertaken by Energy Quest.

2.3.2 The key valuation assumptions used by Energy Quest in arriving at the discounted cash flow valuation of the SapuraOMV Group's assets of USD1,131.0 million (or equivalent to approximately RM4,846.3 million) based on its report dated 1 July 2024 are set out below:

No.	Key input	Assumptions
1.	Effective Date	1 January 2024
2.	PSC extension	No PSC extension assumed
3.	Gas price	Based on the UGSA with PETRONAS
4.	Brent crude price (per barrel)	USD82.5 (2024), USD79.5 (2025), USD75.0 (2026) with escalation at 2% per annum from 2026 until 2040
5.	Cost assumptions	Energy Quest's Base Case
6.	Export duty	Waived due to Natural Gas Liquid sold at domestic market
7.	Sarawak state sales tax	5% on liquid sales
8.	Petroleum income tax	▪ 38% (for Bakong and Jerun fields in Block SK408) ▪ 25% (for Gorek and Larak fields in Block SK408 and B15 field in Block SK310)

2.3.3 A summary of SEB's net working interest to 2P Condensate, PLR and Gas Reserves in MMstb, Bscf and MMboe as at 31 December 2023 estimated by Energy Quest are set out below:

		SEB's Net Working Interest Reserves[1][2]		
		Condensate and PLR	Gas	Condensate, PLR and Gas
Block	Fields	2P (MMstb)	2P (Bscf)	2P (MMboe[3])
SK408	Larak	1.1	56.0	10.4
	Bakong	1.6	143.3	25.6
	Gorek	0.6	44.7	8.0
	Jerun	12.1	433.2	84.3
SK310	B15	0.1	6.5	1.2
Total		**15.5**	**683.7**	**129.5**

Notes:

(1) Estimates based on PRMS. As at 31 December 2023, the other remaining PSCs and permits of the SapuraOMV Group, namely Block SB412, Block 30, PEP 57075, PEP 60092, PEP 60093 and AC/P69, are still in the exploration and/or discovery stage and thus, these assets are categorised as either Prospective Resources or Contingent Resources, with their potential classified as Development On Hold or Development Unclarified based on PRMS.

(2) SEB's net working interest to reserves is calculated by multiplying gross reserves with SEB's working interest in the PSCs.

(3) Based on the conversion rate of 6 Bscf per 1 MMboe.

2.3.4 A summary of SEB's net entitlement to 2P Condensate, PLR and Gas Reserves in MMstb, Bscf and MMboe as at 31 December 2023 estimated by Energy Quest are set out below:

	SEB's Net Entitlement Reserves[1][2]		
	Condensate and PLR	**Gas**	**Condensate, PLR and Gas**
Block	**2P (MMstb)**	**2P (Bscf)**	**2P (MMboe[3])**
SK408	4.2	386.0	68.5
SK310	-	4.2	0.7
Total	**4.2**	**390.2**	**69.2**

Notes:

(1) Estimates based on PRMS. As at 31 December 2023, the other remaining PSCs and permits of the SapuraOMV Group, namely Block SB412, Block 30, PEP 57075, PEP 60092, PEP 60093 and AC/P69, are still in the exploration and/or discovery stage and thus, these assets are categorised as either Prospective Resources or Contingent Resources, with their potential classified as Development On Hold or Development Unclarified based on PRMS.

(2) SEB's net entitlement to reserves is calculated based on cost oil/gas and profit oil/gas allocated to SEB according to the terms of the PSCs.

(3) Based on the conversion rate of 6 Bscf per 1 MMboe.

For further details on the Reserves and resources classifications, methodology of estimates of Reserves and resources, and the assumptions, please refer to the Competent Valuer's Report in **Appendix III** of this Circular and the Competent Person's Report in relation to the Reserves and resources evaluation of the assets of the SapuraOMV Group in **Appendix IV** of this Circular.

As at the LPD, no material changes have occurred since the Effective Date which have or will have any material effect on the content, validity or accuracy of the Competent Valuer's Report and the Competent Person's Report.

2.3.5 Additional information on the competent person and competent valuer from Energy Quest is set out below:

Jawati Abu Naim, the Principal Commercial Geoscience Consultant at Energy Quest, has prepared the Competent Person's Report for the purpose of the evaluation of Reserves and resources of the SapuraOMV Group's assets. He is a professional petroleum geologist with more than 35 years of industry experience in O&G. He is a member of Institute of Geology Malaysia, member of the Geological Society of Malaysia and registered with the Board of Geologist Malaysia. He holds a Bachelor (Hons) in Geology.

Allida Muhammad Said, the Principal Commercial Consultant at Energy Quest, has supervised the Competent Person's Report and prepared the Competent Valuer's Report for the purpose of the valuation of the SapuraOMV Group's assets. She has more than 30 years of industry experience in upstream O&G as well as in auditing and evaluating O&G Reserves and resources. She is a member of Society of Petroleum Engineers and holds a Bachelor of Science in Civil Engineering. She has served as an adjunct lecturer, an external industry examiner and currently sits on the Industry Advisory Panel for the Petroleum Engineering Department at Universiti Teknologi PETRONAS (UTP).

2.4 Background information on SapuraOMV

SapuraOMV is a private limited company incorporated in Malaysia under the Act on 2 November 2018 under the name of SEB Upstream Sdn Bhd. On 12 February 2019, SapuraOMV assumed its present name.

As at the LPD, SapuraOMV is an investment holding company while its subsidiaries are principally involved in the exploration, development and production of crude oil, natural gas and natural gas liquids.

For further details on SapuraOMV and its subsidiaries, please refer to **Appendix I** of this Circular.

2.5 Background information on SUA

SUA is a private limited company incorporated in Malaysia under the Act on 2 November 2018. As at the LPD, SUA is an investment holding company and is our wholly-owned subsidiary.

As at the LPD, the issued share capital of SUA is RM2,221,560,000 comprising 2,221,560,000 ordinary shares in SUA.

As at the LPD, the directors of SUA are Datuk Mohd Anuar Bin Taib and Chew Seng Heng.

2.6 Background information on TotalEnergies

TotalEnergies is a société par actions simplifiée (simplified joint-stock company) incorporated in France under the French Commercial Code on 10 October 1955. TotalEnergies is principally involved in the production and distribution of all forms of energy, refining, transportation, sale and chemical activities.

As at the LPD, the issued share capital of TotalEnergies is EUR2,889,316,832 comprising 361,164,604 ordinary shares in TotalEnergies.

As at the LPD, the sole director of TotalEnergies is Jean-Pierre Sbraire, French, and he does not have any direct and indirect shareholding in TotalEnergies.

The substantial shareholder of TotalEnergies and its direct and indirect shareholding in TotalEnergies, as at the LPD, is as follows:

		Direct		**Indirect**	
	Country of incorporation	**No. of ordinary shares**	**%**	**No. of ordinary shares**	**%**
TotalEnergies SE ("**TTE**")	France	361,164,604	100	-	-

TotalEnergies is a wholly-owned subsidiary of TTE which is listed on Euronext Paris, Euronext Brussels, London Stock Exchange and New York Stock Exchange. TTE was founded in 1924, and is a global integrated energy company that produces and markets energies: renewables and electricity, with group sales of USD237.1 billion and a workforce of more than 100,000 employees, based on its Universal Registration Document 2023. As at the LPD, the market capitalisation of TTE is EUR151.7 billion in the Euronext markets comprising the Euronext Paris and the Euronext Brussels and USD167.0 billion in the New York Stock Exchange.

2.7 Liabilities or guarantees to remain with the SEB Group

Save for the obligations and liabilities in and arising from the SPA as set out in Sections 4.1(e)(ii) and 8.2, Part A of **Appendix II** of this Circular, there are no other obligations and liabilities, including contingent liabilities and guarantees to be assumed by or which will remain with our Group arising from the Proposed Disposal.

In addition, there is no guarantee given by our Group to the Purchaser or SapuraOMV in relation to the Proposed Disposal.

2.8 Original cost and date of investment

Our Company's original cost of investment for 100% equity interest in SapuraOMV is USD896.0 million (or equivalent to approximately RM2,983.7 million, based on an exchange rate of USD1.00:RM3.33, being the middle rate quoted by BNM at 5.00 p.m. on 11 February 2014), being the final consideration paid by our Company for the acquisition of the entire equity interest of SEP Malaysia, a wholly-owned subsidiary of SapuraOMV (Holding) on 11 February 2014.

Subsequently, on 9 November 2018, our Company divested our 50% equity interest in SapuraOMV through the 2018 Divestment, based on the equity value of SapuraOMV (Holding) of USD540.0 million (or equivalent to approximately RM2.3 billion[(1)]). OMV E&P, a subsidiary of OMV AG, among others, subscribed for 50% equity interest in SapuraOMV for USD540.0 million (or equivalent to approximately RM2.3 billion[(1)]) in cash, and repaid the debt owing by SapuraOMV (Holding) Group to our Group of USD350.0 million (or equivalent to approximately RM1.5 billion[(1)]) in cash through a shareholders' loan from OMV E&P.

For details on the history of SapuraOMV, please refer to Section 1 of **Appendix I** of this Circular.

Note:

(1) Based on an exchange rate of USD1.00:RM4.18, being the middle rate quoted by BNM at 5.00 p.m. on 9 November 2018.

[The rest of this page has been intentionally left blank]

2.9 Estimated net gain from the Proposed Disposal

Assuming that the Proposed Disposal was completed on 31 January 2024, our Group is expected to realise an estimated one-off pro forma net gain on disposal of RM470.1 million based on its audited financial statements as at 31 January 2024, as follows:

		USD '000	RM '000
Cash Consideration (before any adjustments as set out in Section 2.2 of this Circular)		530,332	2,272,473
Add:	Agreed interest[(1)]	28,726	123,092
Cash Consideration (after adjustments)		559,058	2,395,565
Less:	Leakages[(2)]	-	-
Add:	Reverse leakages[(2)]	-	-
Net Cash Consideration		559,058	2,395,565
Less:	Our carrying value in SapuraOMV as at 31 January 2024	(433,722)	(1,858,500)
Less:	Estimated expenses included in proforma calculation[(3)]	(4,441)	(19,029)
Less:	Estimated capital gains tax payable[(4)]	(11,181)	(47,911)
Estimated pro forma net gain on disposal		**109,714**	**470,125**

Notes:

(1) Derived based on the agreed interest equal to 5% per annum on the Cash Consideration from (but excluding) the Locked Box Date up to (and including) 31 January 2024, being the assumed date of Completion for illustrative purposes. Nevertheless, the final amount of the agreed interest can only be determined on Completion, in accordance with the terms and conditions of the SPA.

*(2) There was no Leakage (as defined in Section 2.5, Part A of **Appendix II** of this Circular) and Reverse Leakage (as defined in Section 2.6, Part A of **Appendix II** of this Circular) from (but excluding) the Locked Box Date up to (and including) 31 January 2024, being the assumed date of Completion for illustrative purposes. Nevertheless, the final amount of Leakage and Reverse Leakage can only be determined on Completion, in accordance with the terms and conditions of the SPA.*

(3) Being the estimated expenses relating to the Proposed Disposal (excluding estimated capital gains tax of RM50.0 million) as set out in Section 2.10 of this Circular of RM27.6 million less RM8.6 million of expenses relating to the Proposed Disposal which have been incurred as at 31 January 2024.

(4) The computation of the estimated capital gains tax payable is based on 2% of Cash Consideration on an assumed date of Completion of 31 January 2024 for illustrative purposes.

[The rest of this page has been intentionally left blank]

2.10 Utilisation of proceeds

Our Company intends to use the proceeds from the Proposed Disposal of USD530.3 million (or equivalent to approximately RM2,272.5 million) (which is subject to the adjustments as set out in Section 2.2 of this Circular) in the following manner:

Description	Estimated timeframe for utilisation from receipt of proceeds	Amount	
		USD million	RM million
Repayment of outstanding liabilities and/or for the working capital of our Group under the 10 November 2023 PRS[(1)]	Within 6 months from the Restructuring Effective Date	512.2	2,194.9
Total estimated expenses relating to the Proposed Disposal[(2)]	Within 2 months	18.1	77.6
Total		**530.3**	**2,272.5**

Notes:

(1) Under the 10 November 2023 PRS, the total outstanding amounts owing by our Group comprise the outstanding amounts owing by the Scheme Companies under the MCF Facilities of approximately RM10.6 billion, outstanding payments to our trade and other creditors of approximately RM1.5 billion and certain designated contingent claims (the amounts of which have not been finalised due to the contingent nature of the claims).

*Under the 10 November 2023 PRS which was approved-in-principle by more than 75% of the MCF Financiers under CDRC, a portion of the total outstanding amounts amounting to RM2.25 billion owed to (i) the MCF Facilities; and (ii) other unsecured creditors of our Group, including certain designated contingent creditors, is proposed to be restructured into debt obligations and Sukuk (collectively, the "**SOMV Debt**") to be paid from the proceeds of the Proposed Disposal. However, the exact breakdown of the amount to be repaid to the MCF Financiers as well as the relevant creditors of our Group can only be determined after conclusion of the proof of debt exercise.*

*Upon the Restructuring Effective Date, the net proceeds from the Proposed Disposal (after deducting the estimated expenses relating to the Proposed Disposal) is proposed to be used firstly, to repay the RM2.25 billion of the SOMV Debt. Surplus amounts, if any, will be used to further pare down other *restructured liabilities and/or equity or equity-like instruments of our Group following the implementation of our debt restructuring exercise, and/or be utilised for the working capital of our Group in accordance with the 10 November 2023 PRS. Under the 10 November 2023 PRS, any shortfall in the amount required to repay the SOMV Debt following the Proposed Disposal will be restructured into restructured liabilities and/or equity or equity-like instruments of our Group as part of our debt restructuring exercise.*

** Under our on-going debt restructuring exercise, it is proposed that, in addition to the SOMV Debt, a portion of the outstanding amounts owing under the MCF Facilities and other unsecured creditors (including certain designated contingent creditors), will be restructured into restructured liabilities, and a further portion converted into equity or equity-like instruments of our Group. However, such details (including the breakdown proportion of the surplus which will be utilised to pare down other restructured liabilities and/or equity or equity-like instruments, and the amount to be utilised for the working capital of our Group) can only be determined after sanctioning of the schemes by the High Court of Malaya and upon finalisation of our proposed regularisation plan, details of which will be disclosed and announced later on Bursa Securities.*

The proposed repayment of the SOMV Debt is expected to result in interest savings to our Group. However, the quantum of interest savings cannot be determined at this juncture pending the conclusion of the proof of debt exercise, sanctioning of the schemes by the High Court of Malaya, and implementation of the 10 November 2023 PRS on the Restructuring Effective Date.

The working capital of our Group includes, but is not limited to, day-to-day operating and administrative expenses of our Group such as payments to contractors and suppliers, staff wages and salaries, secretarial fees, audit fees, consultant fees as well as utilities and maintenance expenses.

(2) The total estimated expenses relating to the Proposed Disposal (including capital gains tax) are as follows:

Description	***RM million***
Capital gains tax	*[(i)]50.0*
Professional fees	*[(ii)]24.1*
Fees payable to relevant authorities	*0.1*
Other incidental expenses in connection with the Proposed Disposal such as costs for printing and advertising, covening general meeting, and other ancillary expenses	*3.4*
	77.6

Notes:

(i) Estimated on the basis that the Proposed Disposal is expected to be completed by December 2024.

(ii) These professional fees comprise the following:

Description	***RM million***
Local & foreign solicitors	*12.4*
Principal Adviser and local & foreign transaction advisers	*10.3*
Independent valuer and technical experts	*1.3*
Reporting accountants	*0.1*
	24.1

Any variation in the amount earmarked for estimated expenses relating to the Proposed Disposal will be readjusted to/from the repayment of outstanding liabilities and/or for the working capital of our Group under the 10 November 2023 PRS.

The final quantum of proceeds to be received from the Proposed Disposal is subject to the adjustments as set out in Section 2.2 of this Circular. Any variation in the actual proceeds to be received from the Proposed Disposal will be adjusted to/from the amount allocated for the repayment of outstanding liabilities and/or for the working capital of our Group under the 10 November 2023 PRS.

On the date of Completion, the proceeds from the Proposed Disposal will be placed in the Seller's Account which will be held in trust in accordance with the Sapura Net Sale Proceeds Trust Deed (as defined in Section 3.1, Part A of **Appendix II** of this Circular). Under the Sapura Net Sale Proceeds Trust Deed, such funds are to be held in trust for at least six months from Completion, and will be released to SEB or our assignee in the manner described in Section 3, Part A of **Appendix II** of this Circular.

Pending the use of proceeds from the Proposed Disposal for the purposes as set out above, the proceeds are proposed to be placed in the appropriate profit-bearing deposits for short-term money market instruments as our Board deems fit, and the profits derived thereon are proposed to be used for our Group's working capital requirements.

2.11 Cash company or PN17 listed issuer

The Proposed Disposal will not result in our Company becoming a cash company as defined under the Listing Requirements.

As set out in Section 2.1 of this Circular, SEB has been classified as a PN17 listed issuer. The Proposed Disposal is a major step forward in our Group's recovery plans to address our current financial condition which resulted in our PN17 status.

MIDF Amanah Investment Bank Berhad, on behalf of our Board, had on 1 July 2024 announced that Bursa Securities had, vide its letter dated 28 June 2024, granted our Company a further extension of time of six months up to 30 November 2024 for our Company to submit our regularisation plan to Bursa Securities. The extension of time is without prejudice to Bursa Securities' right to proceed to suspend the trading of the listed securities of our Company and to de-list our Company in the event:

(i) our Company fails to submit our regularisation plan to the relevant regulatory authorities on or before 30 November 2024;

(ii) our Company fails to obtain the approval from any of the regulatory authorities necessary for the implementation of our regularisation plan; or

(iii) our Company fails to implement our regularisation plan within the time frame or extended time frame stipulated by any of the regulatory authorities.

Upon occurrence of any of the events set out in (i) to (iii) above, Bursa Securities shall suspend the trading of the listed securities of our Company on the 6th market day after the date of notification of suspension by Bursa Securities and de-list our Company, subject to our Company's right to appeal against the de-listing.

Notwithstanding the above, our Board endeavours to take the necessary steps to adhere to the timeline stipulated to regularise our Company's PN17 status.

For the avoidance of doubt, the Proposed Disposal is neither part of nor interconditional with our regularisation plan, and it will not be affected by any suspension of trading in our Company's listed securities or by a potential de-listing.

3. RATIONALE AND BENEFITS OF THE PROPOSED DISPOSAL

Our Board sees the Proposed Disposal as a significant step forward in our Group's debt restructuring exercise. The Proposed Disposal enables our Company to monetise our investment in SapuraOMV and record a pro forma net gain on disposal of approximately RM470.1 million (as computed in Section 2.9 of this Circular) upon completion of the Proposed Disposal. As a result, our Company's pro forma consolidated shareholders' deficit is also expected to reduce by the same amount, thus enhancing the financial position of our Group. However, the Proposed Disposal in itself does not address our Company's PN17 status.

Further, as the proceeds from the Proposed Disposal (after deducting the estimated expenses relating to the Proposed Disposal) will be used to repay our Group's restructured outstanding liabilities in accordance with the 10 November 2023 PRS, this would facilitate our Company's ability to address some of our immediate restructured debt obligations.

Our Board believes that the completion of the Proposed Disposal would be a major milestone to our Group's recovery plans for a long-term sustainable and viable future as our Group would be able to pare down at least RM2.25 billion of our restructured debt obligations in accordance with the 10 November 2023 PRS.

3.1 Future plans and prospects of the SEB Group

Our Group is committed to our operational turnaround by focusing on our reset plan with the aim to address our unsustainable debt and create a stable platform for our operations to secure our Group's long-term energy transition.

The ability to secure new contracts and/or projects remains a challenge to our Group due to financial constraints. As such, the Proposed Disposal is a key component of our Group's strategy under our reset plan to rationalise our business portfolio and improve our Group's liquidity as well as financial flexibility. The completion of the Proposed Disposal marks our Group's exit from the Exploration & Production business and allows us to focus on our core business and energy transition strategies.

Following the completion of the Proposed Disposal, our remaining core business segments would be E&C, Drilling and O&M. We are committed to grow our E&C, Drilling and O&M segments and remain strategically committed to energy transition, with majority of our current projects centered on gas development and decommissioning.

Our Group continued to demonstrate resilience despite challenging external factors, recording a 13.8% increase in revenue from RM2.1 billion for the 6-month FPE 31 July 2023 to RM2.4 billion for the 6-month FPE 31 July 2024. Our Group recorded a profit before taxation of RM10.3 million for the 6-month FPE 31 July 2024 which was lower by RM227.6 million compared to a profit before taxation of RM237.9 million for the 6-month FPE 31 July 2023 due to unfavourable foreign exchange losses from the weakening of USD against RM, higher operating cost and lower share of profits from our associates, which was partially offset by the higher operating profit from our E&C segment.

All three of our remaining core business segments posted positive earnings before interest, tax, depreciation and amortisation for the 6-month FPE 31 July 2024 with contributions from E&C (RM252.6 million), O&M (RM68.2 million) and Drilling (RM216.9 million).

E&C segment

Our E&C segment recorded a profit before taxation of RM325.6 million for the 6-month FPE 31 July 2024 which was higher by RM228.0 million compared to profit before taxation of RM97.7 million in the corresponding period, due to higher percentage of completion of our on-going projects.

Our E&C segment recently completed several key projects, including offshore transportation and installation works for a liquefied natural gas (LNG) development in Congo, a brownfield gas development project in Peninsular Malaysia, plus decommissioning projects in Thailand, New Zealand, and Australia.

O&M segment

Our O&M segment recorded a profit before taxation of RM62.2 million for the 6-month FPE 31 July 2024 which was higher by RM63.8 million compared to a loss before taxation of RM1.6 million in the corresponding period, mainly contributed by settlement of claims, reversal of impairments and higher activities of certain projects.

Our O&M segment recently commenced two long-term contracts for subsea inspection, repairs and maintenance at O&G fields in Malaysia, under the Provision of Pan Malaysia Underwater Services for PETRONAS Group of Companies and Production Arrangement Contractors.

Drilling segment

Our Drilling segment recorded a loss before taxation of RM93.0 million for the 6-month FPE 31 July 2024 which was lower by RM99.6 million compared to profit before taxation of RM6.5 million in the corresponding period, mainly due to the lower revenue recorded as a result of lower average utilisation of our rigs for the period as well as higher finance cost.

In terms of the prospects of our three remaining core business segments, our E&C and O&M segments are actively pursuing several prospects, focusing on transportation and installation, subsea inspection, repair and maintenance and decommissioning, whilst aligning our Environmental, Social and Governance (ESG) principles across all our operations. Our O&M segment was also recently awarded a hook-up and commissioning contract for another gas development in Thailand, showcasing its expansion beyond the traditional market in Malaysia.

Our Drilling segment has nine tender assist drilling rigs working at mostly gas fields in South-east Asia and West Africa. Further, our Drilling segment recently secured a contract extension for its drilling services in Angola.

Overall, our Group's prospects remained constrained by limited access to working capital and bank guarantee facilities. Nevertheless, our Group sustained an order book of approximately RM5.9 billion, while our share of our Group's joint venture and associate entities' order book is approximately RM6.1 billion as at the LPD. Despite the challenges ahead, we endeavour to continue to grow our order book and remain focus on completing our existing order book which is expected to be accretive to the future earnings of our Group. Moving forward, our Group will continue to explore and bid for projects both in the Malaysian and international markets as and when such opportunities arise. In addition, our Group will also explore opportunities in energy transition projects.

To address our Group's PN17 status, our Company is also actively working on a sufficiently robust regularisation plan to address our business and financial conditions which resulted in our Group's PN17 status. Our Company has until 30 November 2024 to submit our proposed regularisation plan to Bursa Securities.

4. RISK FACTORS IN RELATION TO THE PROPOSED DISPOSAL

Save as disclosed below, our Board does not foresee any other additional risks arising from the Proposed Disposal.

4.1 Non-completion risk

The completion of the Proposed Disposal is conditional upon the satisfaction and/or waiver of the conditions set out in the SPA as set out in Section 4, Part A of **Appendix II** of this Circular and approvals required as set out in Section 6 of this Circular. There can be no assurance that such approvals and/or conditions will be obtained and/or satisfied by the cut-off date or any of the termination events will not occur such that the Proposed Disposal can be completed.

Notwithstanding the above, our Company will take all necessary and reasonable efforts to ensure the satisfaction and/or waiver of the conditions (as the case may be) as set out in Section 4, Part A of **Appendix II** of this Circular and that all approvals required as set out in Section 6 of this Circular as well as mitigation of the occurrence of the termination events which are within our Company's control, to ensure completion of the Proposed Disposal.

4.2 Foreign exchange risk

The Cash Consideration will be settled in USD and remitted to our Group. As such, our Group is exposed to fluctuations in the exchange rate of RM versus the USD. As a result, the final consideration received may be higher or lower depending on the exchange rate at such point in time.

As the payments are being remitted from other jurisdictions, the payments may be subject to delays or other unforeseen issues due to foreign exchange controls or other regulations. Notwithstanding the above, our Board is not aware of any restriction on the remittance of the disposal proceeds to Malaysia.

5. EFFECTS OF THE PROPOSED DISPOSAL

5.1 Share capital and substantial shareholders' shareholding

The Proposed Disposal will not have any effect on the share capital of our Company and the substantial shareholders' shareholding, direct and/or indirect, in our Company as the consideration for the Proposed Disposal will be fully satisfied in cash and does not involve any issuance of new SEB Shares.

5.2 NA, NA per Share and gearing

For illustrative purposes only, based on the latest audited consolidated statement of financial position of our Company as at 31 January 2024 and assuming that the Proposed Disposal was completed on that date, the pro forma effect of the Proposed Disposal on the NA and NA per Share of our Group are as follows:

	Audited as at 31 January 2024	**After the Proposed Disposal**
	RM '000	**RM '000**
Share capital	11,854,791	11,854,791
Warrants reserve	109,110	109,110
Other reserves	1,166,498	1,166,498
Accumulated losses	(17,313,257)	[3](16,843,132)
Deficit in shareholders' fund	**(4,182,858)**	**(3,712,733)**
Non-controlling interests	(38,222)	(38,222)
Shareholders' deficit	**(4,221,080)**	**(3,750,955)**
No. of Shares in issue ('000)	18,375,942	18,375,942
NA per Share[1] (RM)	(0.23)	(0.20)
Total borrowings (RM'000)	10,982,446	[4]10,982,446
Gearing (times)[2]	Not applicable	Not applicable

Notes:

(1) Computed based on shareholders' deficit divided by the number of Shares in issue.

(2) Gearing is not applicable due to the shareholders' deficit position.

(3) After recognising an estimated pro forma net gain on disposal of RM470.1 million as computed in Section 2.9 of this Circular.

*(4) The pro forma effects do not take into consideration the repayment of borrowings as the cash proceeds from the Proposed Disposal will be held in trust for at least six months from Completion. When the proceeds are eventually released to SEB or our assignee in the manner described in Section 3, Part A of **Appendix II** of this Circular, it will be utilised towards the repayment of borrowings as described in Section 2.10 of this Circular.*

5.3 Earnings

For illustrative purposes only, based on the audited consolidated statement of comprehensive income of our Company for the FYE 31 January 2024 and assuming that the Proposed Disposal was completed on 1 February 2023, being the beginning of the FYE 31 January 2024, the Proposed Disposal is expected to result in a pro forma net gain on disposal of approximately RM470.1 million, as follows:

	Pro forma consolidated earnings	[(3)]Pro forma consolidated (LPS)/EPS
	RM '000	**sen**
Loss after tax attributable to equity holders of our Company for the audited FYE 31 January 2024	(508,658)	(3.17)
Add: Share of loss after tax of the SapuraOMV Group[(1)]	2,081	0.01
Add: Estimated pro forma net gain on disposal[(2)]	470,125	2.93
Pro forma loss after tax attributable to shareholders of our Company	**(36,452)**	**(0.23)**

Notes:

(1) Based on our Group's share of loss after tax of the SapuraOMV Group for the FYE 31 January 2024.

(2) The estimated pro forma net gain on disposal was derived based on our Group's carrying value in SapuraOMV as at 31 January 2024, computed on the basis that it is the same as per the estimated one-off pro forma net gain assuming that the Proposed Disposal was completed on 31 January 2024. Further details on the computation of the one-off pro forma net gain is set out in Section 2.9 of this Circular.

(3) Based on the weighted average number of Shares in issue as at 31 January 2024 of 16,024,318,000 Shares.

In addition to the above, the proposed repayment of the SOMV Debt is also expected to result in interest savings to our Group. However, the quantum of interest savings cannot be determined at this juncture pending the conclusion of the proof of debt exercise, sanctioning of the schemes by the High Court of Malaya, and implementation of the 10 November 2023 PRS on the Restructuring Effective Date.

For illustrative purposes only, assuming that the Proposed Disposal was completed on 1 February 2023, the utilisation of proceeds for repayment of our Group's total borrowings is expected to result in RM70.7 million in interest savings to our Group for the FYE 31 January 2024. The interest savings are computed based on historical finance costs as disclosed in SEB's FYE 31 January 2024 annual report and for a period of six months, as the proceeds will be held in trust for at least six months from Completion. If we include these interest savings amount, the pro forma loss after tax and pro forma LPS as reported above would be a profit after tax of RM34.2 million and EPS of 0.21 sen instead.

For the FYE 31 January 2024, our share of loss contribution from the SapuraOMV Group is approximately RM 2.1 million. Upon completion of the Proposed Disposal, SapuraOMV will be derecognised as our associate company and as such, our Group will cease to share any potential contribution from the SapuraOMV Group.

Despite the potential loss of future contribution from the SapuraOMV Group, the Proposed Disposal is integral to our Group's strategy to reduce our unsustainable debt to improve liquidity and enhance our Group's financial flexibility. Further, the Proposed Disposal is in line with our reset plan to rationalise our business portfolio to enable us to focus on our core businesses and pursue growth opportunities on the back of a stronger balance sheet and improved capital structure.

Notwithstanding the above, our Board believes that our Group's prospects will continue to improve on the back of our existing order book which is expected to be accretive to the future earnings of our Group.

For further details on the future plans and prospects of our Group, please refer to Section 3.1 of this Circular.

6. APPROVALS REQUIRED

The Proposed Disposal is subject to the conditions precedent as set out in Section 4, Part A of **Appendix II** of this Circular, including the following regulatory and corporate approvals being obtained:

(i) approval of PETRONAS through Malaysia Petroleum Management as the custodian of national hydrocarbon resources in Malaysia for any change of control as a result of the Proposed Disposal in respect of the PSCs for Blocks SK310, SK408 and SB412, which was obtained on 10 June 2024, with effect from 1 January 2025 ("**PETRONAS Approval**").

It is stipulated in the PETRONAS Approval that SUA is to complete the Proposed Disposal simultaneously with the divestment of OMV E&P's shares in SapuraOMV to TotalEnergies no later than 31 December 2024. If the transactions are not completed by the said deadline, PETRONAS reserves its rights to revoke the PETRONAS Approval. Any effort to continue with the Proposed Disposal after the said deadline shall be considered as a new separate transaction which shall be subjected to PETRONAS' written approval. As at the LPD, the divestment of OMV E&P's shares in SapuraOMV to TotalEnergies is pending completion;

(ii) approval of CNH for the indirect assignment of the corporate and management control of SapuraOMV Block 30 in respect of Block 30 PSC;

(iii) approval of NOPTA for the change in control of SapuraOMV (Western Australia) in respect of the Australia Permit held by the SapuraOMV Group; and

(iv) approval of our shareholders at our forthcoming EGM.

The Proposed Disposal is not conditional or interconditional upon the sale by OMV AG of its 50% equity interest in SapuraOMV to TotalEnergies.

Further, the Proposed Disposal is not conditional or interconditional upon any other corporate exercise/scheme undertaken or to be undertaken by our Company.

7. PERCENTAGE RATIO

On 22 April 2024, CIMB had on behalf of our Company, announced that the highest percentage ratio applicable to the Proposed Disposal pursuant to paragraph 10.02(g) of the Listing Requirements is 406.7% based on the Total Disposal Consideration compared with the market value of all the SEB Shares (computed based on the 5-day volume weighted average market price of SEB Shares up to 18 April 2024, being the last full trading day immediately prior to the date of the SPA) of RM0.0451 per SEB Share multiplied by 18,375,942,267 SEB Shares.

In this regard, the Proposed Disposal is deemed as a very substantial transaction pursuant to paragraph 10.02(n) of the Listing Requirements.

8. OUTSTANDING CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION

Save for the Proposed Disposal (being the subject matter of this Circular) and as disclosed below, there are no other outstanding corporate exercises or schemes that have been announced by our Company which are pending completion as at the date of this Circular:

(i) submission of a regularisation plan to Bursa Securities to address our Company's PN17 status; and

(ii) the debt restructuring exercise of our Group pursuant to the 10 November 2023 PRS to be undertaken through formal schemes of arrangement by the respective Scheme Companies,

as disclosed in Section 2.1 of this Circular.

9. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

None of our Directors, Major Shareholders and/or persons connected with them have any interest, whether direct or indirect, in the Proposed Disposal.

10. DIRECTORS' STATEMENT AND RECOMMENDATION

Our Board, after having considered all aspects of the Proposed Disposal (including among others, the basis and justification for the Total Disposal Consideration, rationale and benefits of the Proposed Disposal, terms of the SPA as well as effects of the Proposed Disposal), is of the opinion that the Proposed Disposal is in the best interest of our Company.

Accordingly, our Board recommends that you **VOTE IN FAVOUR** of the ordinary resolution pertaining to the Proposed Disposal to be tabled at our forthcoming EGM.

11. ESTIMATED TIMEFRAME FOR COMPLETION AND TENTATIVE TIMELINE FOR IMPLEMENTATION

Barring any unforeseen circumstances and subject to all required approvals being obtained from the relevant authorities and/or parties, the Proposed Disposal is expected to be completed by December 2024.

The tentative timeline of events leading up to the completion of the Proposed Disposal is as follows:

Key events	**Tentative timeline**
EGM for the Proposed Disposal	14 November 2024
Fulfilment of all conditions precedent to the SPA	(1)By December 2024
Completion of the Proposed Disposal	(1)By December 2024

Note:

(1) The tentative timeline may vary depending on, among others, the date of fulfilment of all conditions precedent to the SPA as detailed in Section 4, Part A of ***Appendix II*** *of this Circular.*

12. EGM

Our EGM will be held as a virtual meeting at the broadcast venue in the Conference Room at Sapura@Mines, No. 7 Jalan Tasik, The Mines Resort City, 43300 Seri Kembangan, Selangor Darul Ehsan, Malaysia on Thursday, 14 November 2024 at 10.00 a.m. or at any adjournment thereof, for the purpose of considering and if thought fit, to pass the resolution (with or without any modifications) to give effect to the Proposed Disposal. You are advised to refer to the Notice of EGM and Form of Proxy which are enclosed in this Circular.

If you are unable to attend and vote at the forthcoming EGM, you may appoint proxy or proxies to attend and vote on your behalf. If you wish to do so, you must complete and deposit the Form of Proxy with the Share Registrar of our Company, Boardroom Share Registrars Sdn Bhd at 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia, or alternatively, you may lodge your Form of Proxy by electronic means through Boardroom Smart Investor Portal at https://www.boardroomlimited.my (for individual shareholders only) or via e-mail to bsr.helpdesk@boardroomlimited.com. The completed Form of Proxy must be deposited or lodged not less than 48 hours before the time appointed for holding our EGM or at any adjournment thereof. The Form of Proxy should be completed strictly in accordance with the instructions contained therein. The lodging of the Form of Proxy will not preclude you from attending and voting at our EGM should you subsequently decide to do so.

13. FURTHER INFORMATION

You are requested to refer to the attached appendices for further information.

Yours faithfully
For and on behalf of our Board
SAPURA ENERGY BERHAD

ENCIK SHAHIN FAROUQUE JAMMAL AHMAD
Interim Chairman, Non-Independent Non-Executive Director

1. HISTORY AND BUSINESS

SapuraOMV is a private limited company incorporated in Malaysia under the Act on 2 November 2018 under the name SEB Upstream Sdn Bhd. On 12 February 2019, SapuraOMV assumed its present name.

We set out below the key milestones of the SapuraOMV Group.

Date	Key milestones
11 February 2014	• SEB acquired the entire equity interest in SEP Malaysia for a consideration of USD896.0 million ("**Newfield Acquisition**"). • Subsequent to the Newfield Acquisition: o SEB through its wholly-owned subsidiaries, had participating interests in eight PSCs in Peninsular Malaysia, Sabah and Sarawak. o SEP Malaysia, a wholly-owned subsidiary of Sapura Upstream Sdn Bhd (now known as SapuraOMV (Holding)) had undertaken extensive exploration programme comprising the following: (i) 11 exploration wells in Block SK408, and (ii) made nine natural gas discoveries, of which six are commercial. Two of the larger fields, namely Jerun and Bakong, with gas discoveries of more than a trillion cubic feet each, are located in the prolific Central Luconia basin offshore of Sarawak. o SapuraOMV (Holding) and its subsidiaries ("**SapuraOMV (Holding) Group**") also successfully expanded its footprint into Australia, New Zealand and Mexico by capturing new exploration acreages.
9 November 2018	• Our Group entered into the 2018 Divestment which entailed a strategic partnership with OMV AG through SEB Upstream Sdn Bhd (now known as SapuraOMV), a company incorporated to hold the entire equity interest in SapuraOMV (Holding) on 9 November 2018. • In conjunction with the 2018 Divestment, (i) SEB transferred SapuraOMV (Holding) to SapuraOMV based on the equity value of SapuraOMV (Holding) of USD540.0 million (or equivalent to approximately RM2.3 billion[(1)]), in consideration for 50% equity interest in SapuraOMV; whereas (ii) OMV E&P, a subsidiary of OMV AG, among others, subscribed for 50% equity interest in SapuraOMV for USD540.0 million (or equivalent to approximately RM2.3 billion[(1)]) in cash, and repaid the debt owing by SapuraOMV (Holding) Group to our Group of USD350.0 million (or equivalent to approximately RM1.5 billion[(1)]) in cash through a shareholders' loan from OMV E&P. • The proceeds from the 2018 Divestment were used to among others partly repay the amount due to the lenders of multi-currency term facilities and Murabahah term financing facility, and working capital of our Group.

	Note: *(1) Based on an exchange rate of USD1.00:RM4.18, being the middle rate quoted by BNM at 5.00 p.m. on 9 November 2018.*
31 July 2021	• The SapuraOMV Group completed the 2021 Divestment which entailed the divestment of its entire Peninsular Malaysia oil producing assets to Jadestone Energy PLC, a Singapore-based, London-listed, independent O&G company. • The 2021 Divestment includes SapuraOMV's working interests in the PM323, PM329, PM318 and AAKBNLP PSCs for a headline price of USD9.0 million subject to agreed adjustments. • The 2021 Divestment allowed the SapuraOMV Group to focus on developing discovered resources in Sarawak.

On the development front, the SapuraOMV Group developed the B15 natural gas field within Block SK310 and successfully commenced production in October 2017. Within Block SK408, the SapuraOMV Group developed Larak, Bakong, Gorek and Jerun natural gas fields and successfully commenced production in December 2019, June 2020, May 2020 and July 2024, respectively. Additionally, the SapuraOMV Group has also discovered Pepulut and Teja natural gas field fields within Block SK408 which are at the concept select stage for development.

Arising from the exploration and development successes, the SapuraOMV Group has further strengthened and diversified its existing business portfolio and revenue stream. Today, its portfolio of assets provides a balance mix of exploration and production assets, allowing the SapuraOMV Group to capitalise on the cash flows generated from the producing assets to fund further exploration and development activities.

2. THE SAPURAOMV GROUP'S CONCESSIONS AND ASSETS

SapuraOMV is an investment holding company whilst its subsidiaries are principally involved in the exploration, development and production of crude oil, natural gas and natural gas liquids.

As at the LPD, the SapuraOMV Group has operations with different stages in the entire O&G life cycle (i.e. exploration, development and production stages) located in Malaysia, Australia, New Zealand and Mexico.

The SapuraOMV Group's current portfolio in Malaysia comprises two natural gas PSCs located in the Central Luconia province in Sarawak, namely Blocks SK408 and SK310 (collectively the "**Subject Assets**").

(i) **Block SK408** – a joint venture between the SapuraOMV Group, PCSB and Sarawak Shell which each have 40%, 30% and 30% working interest respectively. The development and operation activities in Block SK408 are executed under a dual operatorship agreement, where the fields are grouped into two sub-Blocks, namely SK408 West and SK408 East. SK408 West comprises Larak, Bakong, Jerun and Jeremin fields which are operated by the SapuraOMV Group while SK408 East comprises Gorek, Teja, Pepulut, Jarak and Legundi fields which are operated by Sarawak Shell.

(ii) **Block SK310** – a joint venture between the SapuraOMV Group, PCSB and Diamond Energy which each have 30%, 40% and 30% working interest respectively. Block SK310 is currently producing gas from B15 field which commenced production in October 2017. Block SK310 is operated by the SapuraOMV Group.

In 2022, the SapuraOMV Group secured a PSC located in Sabah, namely Block SB412. This PSC is still in exploration stage and operated by PTTEP. PTTEP holds 60% working interest in the SB412 PSC and the remaining 40% working interest is held by the SapuraOMV Group.

Internationally, the SapuraOMV Group has an interest in a discovery in a PSC in the Gulf of Mexico, and currently holds exploration permits for three Blocks offshore in New Zealand and one exploration permit in Australia. Given that these concessions are in the exploration and/or discovery stage, the Subject Assets were the key focus of the valuation exercise undertaken by Energy Quest.

As at the LPD, the total size of the SapuraOMV Group's concession area is 22,900 square kilometres.

The net book value of the SapuraOMV Group's expenditure on O&G properties is RM4,764.8 million and RM5,413.3 million, based on its audited consolidated statement of financial position as at 31 December 2022 and 2023, respectively. The SapuraOMV Group's expenditure on O&G properties was funded through its internal funds.

For the FYE 31 December 2023, the SapuraOMV Group had incurred RM6.6 million on research and development, for the research cess paid to PETRONAS. As at the LPD, there are no persons employed in research and development of the SapuraOMV Group.

[The rest of this page has been intentionally left blank]

2.1 The annual gross and net O&G production volume for the past three years and for the six months FPE 30 June 2024 in respect of each of the producing PSCs of the SapuraOMV Group are as follows:

		Annual gross production volume (boe)							
		FYE 31 December 2021		**FYE 31 December 2022**		**FYE 31 December 2023**		**FPE 30 June 2024**	
Block	**Fields**	**Condensate and PLR**	**Gas**	**Condensate and PLR**	**Gas**	**Condensate and PLR**	**Gas**	**Condensate and PLR**	**Gas**
SK408	Larak	892,341	6,491,644	733,540	5,744,492	710,411	5,773,384	271,148	2,409,838
	Bakong	946,081	11,744,011	949,307	11,574,051	994,004	12,400,825	460,969	6,404,550
	Gorek	488,088	6,148,331	554,730	6,802,672	610,360	7,630,918	260,673	3,630,809
	Jerun[(1)]	-	-	-	-	-	-	-	-
SK310	B15	503,837	7,560,086	541,732	7,815,847	465,353	6,956,678	234,956	3,542,109
Total		**2,830,347**	**31,944,072**	**2,779,309**	**31,937,062**	**2,780,128**	**32,761,805**	**1,227,746**	**15,987,306**

		Annual net production volume (boe)							
		FYE 31 December 2021		**FYE 31 December 2022**		**FYE 31 December 2023**		**FPE 30 June 2024**	
Block	**Fields**	**Condensate and PLR**	**Gas**	**Condensate and PLR**	**Gas**	**Condensate and PLR**	**Gas**	**Condensate and PLR**	**Gas**
SK408	Larak	233,450	2,139,709	162,646	1,840,517	196,056	1,823,709	73,446	755,348
	Bakong	272,970	4,131,038	236,445	3,982,287	265,473	3,877,380	131,326	1,963,969
	Gorek	142,069	2,144,236	129,512	2,350,188	161,737	2,415,619	76,981	1,189,726
	Jerun[(1)]	-	-	-	-	-	-	-	-
SK310	B15	95,554	1,923,911	100,980	1,809,097	80,455	1,514,539	37,603	659,380
Total		**744,043**	**10,338,894**	**629,583**	**9,987,089**	**703,721**	**9,631,247**	**319,356**	**4,568,423**

Note:

(1) Jerun field only commenced production in July 2024.

The principal market of the SapuraOMV Group is in Malaysia. Based on the audited financial statements of the SapuraOMV Group for the FYE 31 December 2023, 100% of its total revenue was generated from Malaysia.

2.2 A summary of each of the PSCs and permits of the SapuraOMV Group as at the LPD is as follows:

Block/Permit	Field/ Prospect	Asset type	Status	Operator[1]	Working interest of participants[2]	Exploration stage	Estimated year of expiry
SK408 *(Sarawak)*	Teja	Natural gas and condensate	Development	Sarawak Shell	• 40.0% SapuraOMV (Sarawak) • 30.0% Sarawak Shell • 30.0% PCSB	Completed	2040[3]
	Pepulut			Sarawak Shell			
	Bakong	Natural gas and condensate	Producing	SapuraOMV (Sarawak)			
	Gorek			Sarawak Shell			
	Larak			SapuraOMV (Sarawak)			
	Jerun			SapuraOMV (Sarawak)			
	Jarak	Gas	Discovery	Sarawak Shell			
	Legundi			Sarawak Shell			
	Jeremin			SapuraOMV (Sarawak)			
SK310 *(Sarawak)*	B15	Natural gas and condensate	Producing	SapuraOMV (Sarawak)	• 30.0% SapuraOMV (Sarawak) • 30.0% Diamond Energy • 40.0% PCSB	Completed	2037[3]
SB412 *(Sabah)*	Maligan South	Pending geological and geophysical studies results	Exploration	PTTEP	• 40.0% SapuraOMV (Malaysia) • 60.0% PTTEP	On-going	2050
	Kokohitam North						
	Gajah Hitam NE						
Block 30 *(Mexico)*	Kan	Oil	Discovery	DEA	• 30.0% Premier Oil Exploration and Production Mexico • 40.0% DEA • 30.0% SapuraOMV Block 30	On-going	2048
	Ix	Oil	Unsuccessful				
	Cabrilla	Oil					
PEP 57075 *(New Zealand)*	Cloudy Bay	Gas	Exploration	OMV New Zealand Limited ("**OMV NZ**")	• 30.0% SapuraOMV (NZ) • 70.0% OMV NZ	On-going	2027
	Brackenridge	Gas					
	Stonyridge	Oil					
	Mensa	Oil and gas					

Block/Permit	Field/ Prospect	Asset type	Status	Operator[1]	Working interest of participants[2]	Exploration stage	Estimated year of expiry
PEP 60092 *(New Zealand)*	Longridge	Gas	Exploration	OMV NZ	• 30.0% SapuraOMV (NZ) • 70.0% OMV NZ	On-going	2028
	Sandy Point SW	Gas					
	Gladestone Updip SW	Gas					
	Gladestone Updip Moki	Gas					
	Shag	Oil					
	Pihipihi	Oil					
PEP 60093 *(New Zealand)*	Toutouwai	Oil	Discovery	OMV NZ	• 30.0% SapuraOMV (NZ) • 70.0% OMV NZ	On-going	2028
	Karoro	Oil	Exploration				
	Riroriro	Oil					
	Riroriro Iti	Oil					
AC/P69 (*Australia*)	Birdwing	Oil	Exploration	Santos Offshore Pty Ltd ("**Santos**")	• 33.4% Santos • 33.3% SapuraOMV • 33.3% ENI (Ente Nazionale Idrocarburi)	On-going	2027

Notes:

(1) The operator is responsible for conducting all exploration, development and/or production operations in accordance with approved work programmes and budget via joint operating arrangements. The operator is also required to establish and maintain a joint account (on operator's cost) for operations on behalf of all participants of the respective Blocks where the costs will usually be shared between the participants in proportion to their respective working interests.

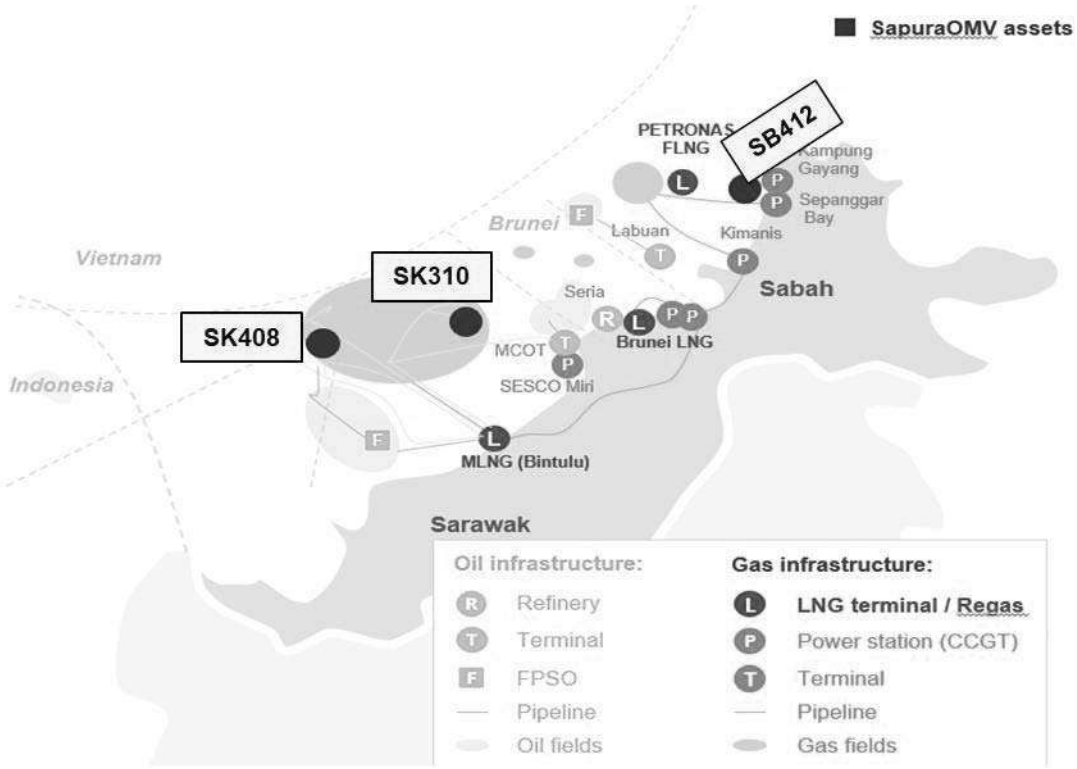
(2) A management committee comprising the participants will be established to provide overall supervision and direction of operations and to approve the operator's work programmes and budgets via joint operating arrangements. A participant may also elect to proceed with a development or appraisal at its own risk (without the other participants) but subject to certain conditions agreed via the joint operating arrangements.

In the event of a default by the participants, the defaulting party will lose its right to attend and vote at the management committee meetings. In such circumstances, the non-defaulting parties will be required to pay the defaulting party's share of costs during the default period, and if the defaulting party fails to remedy the default, its working interest is forfeited and transferred to the non-defaulting parties.

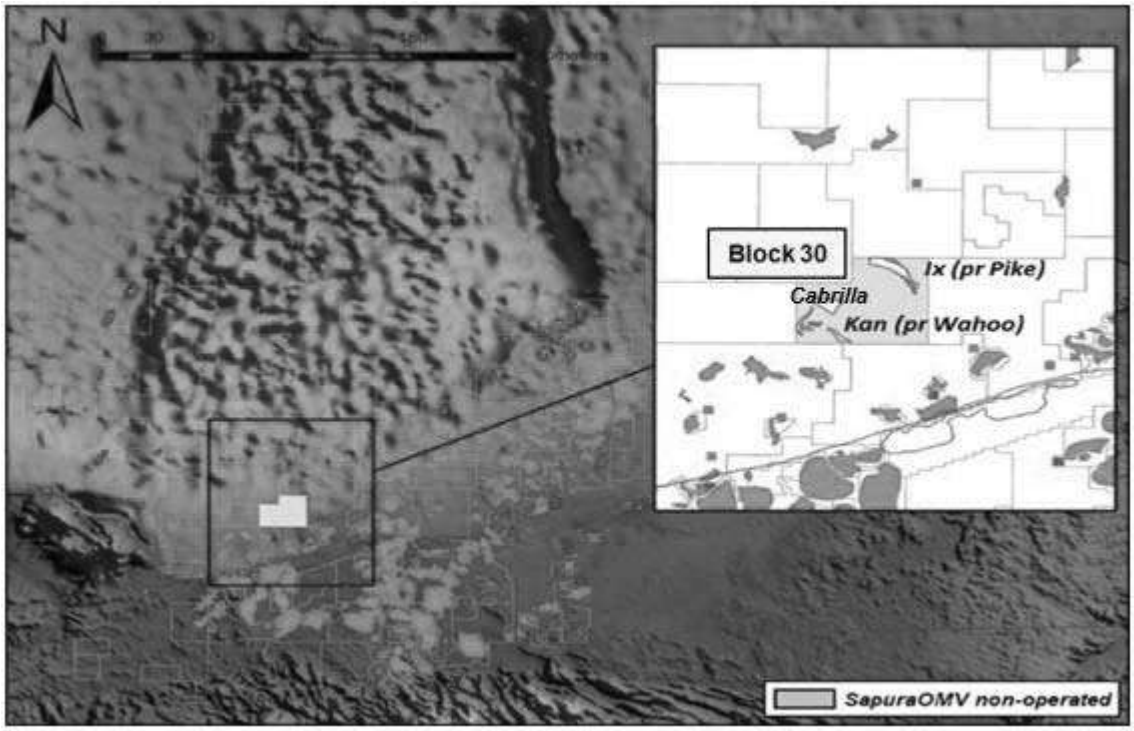
(3) Any further renewals will depend on negotiations with PETRONAS.

The following maps show the locations of the SapuraOMV Group's Blocks and permits as at the LPD:

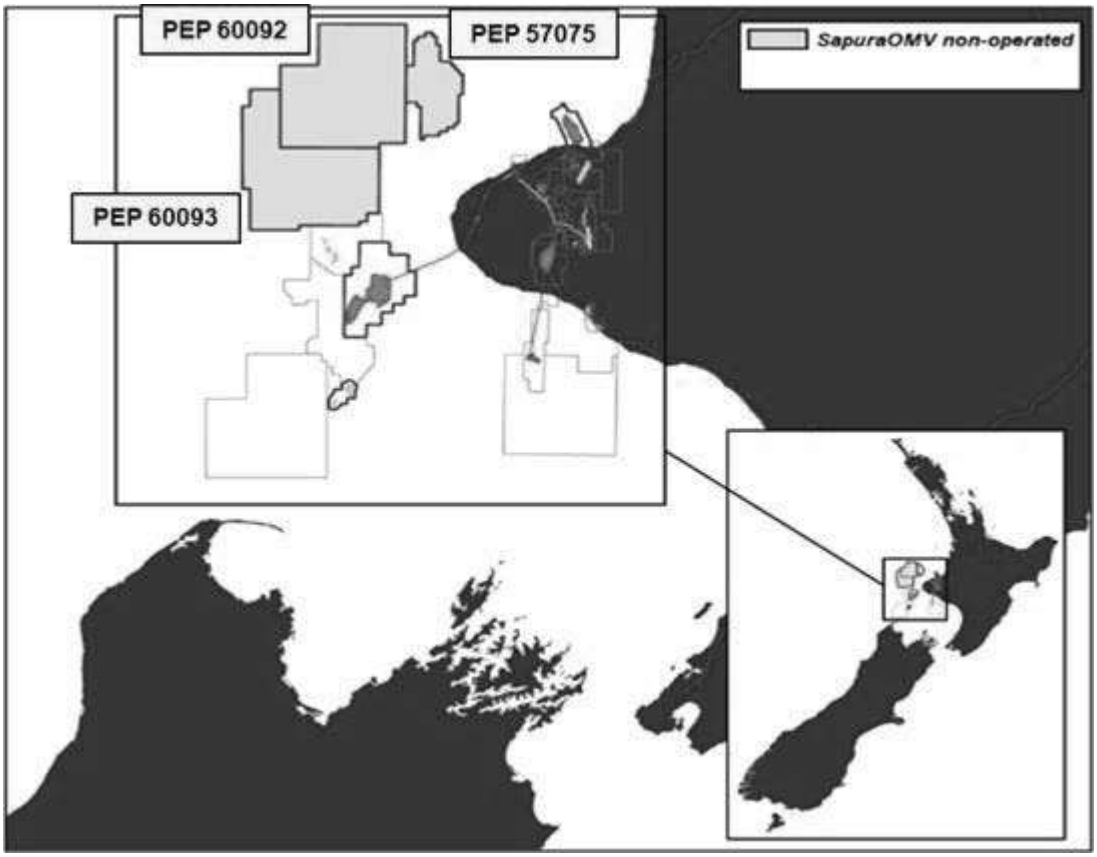
Malaysia



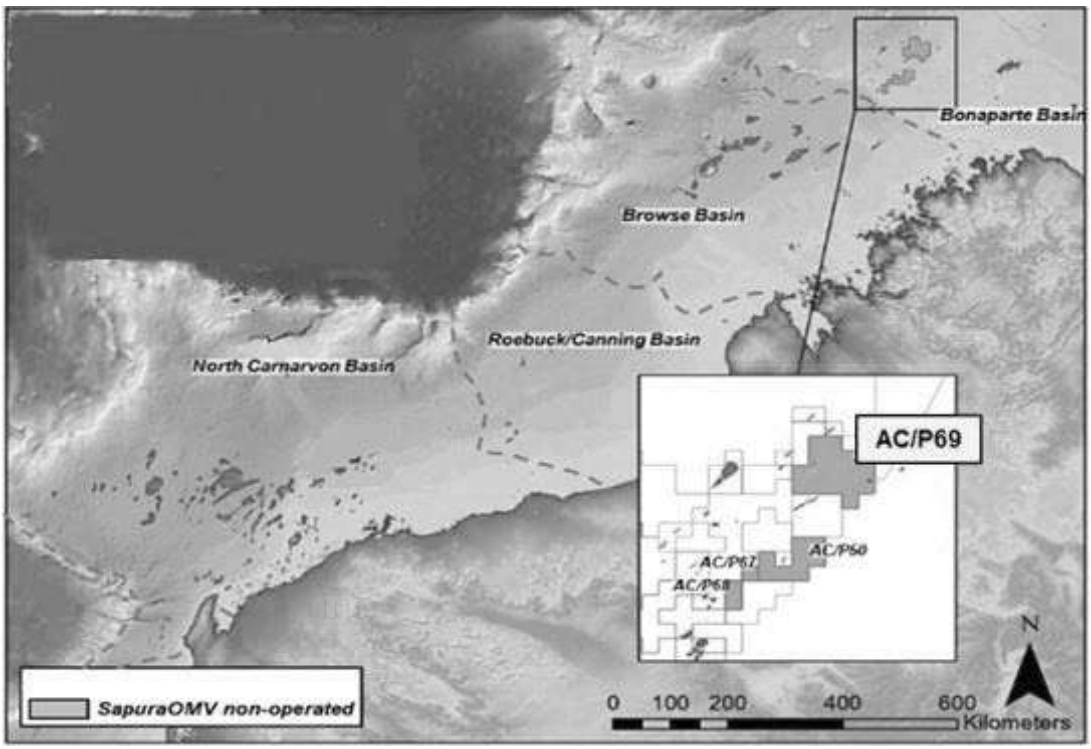
Mexico



New Zealand



Australia



3. SEB's O&G NET WORKING INTEREST AND NET ENTITLEMENT TO 2P RESERVES, VALUATION AND VALUATION ASSUMPTIONS OF THE SAPURAOMV GROUP'S ASSETS

3.1 A summary of SEB's net working interest and net entitlement to 2P Condensate, PLR and Gas Reserves in MMstb, Bscf and MMboe as at 31 December 2023 as estimated by Energy Quest are set out in Sections 2.3.3 and 2.3.4 of this Circular.

3.2 The valuation of the 2P Condensate, PLR and Gas Reserves based on Energy Quest's Base Case at 10% discount rate (post-tax) as at 31 December 2023 as estimated by Energy Quest is set out in Section 2.3.1 of this Circular.

3.3 The key valuation assumptions by Energy Quest in arriving at the discounted cash flow valuation of the SapuraOMV Group's assets are set out in Section 2.3.2 of this Circular.

3.4 Subject to regulatory approvals, the estimated timeframe to advance the O&G assets to commercial production is as follows:

No.	Block	Expected final investment decision	Expected year of commercial production
1.	SK408		
	- Jerun	Not applicable(1)	Not applicable(1)
	- Teja	2026	2029
	- Pepulut	2026	2029
	- Bakong	Not applicable(1)	Not applicable(1)
	- Gorek	Not applicable(1)	Not applicable(1)
	- Larak	Not applicable(1)	Not applicable(1)
2.	SK310		
	- B15	Not applicable(1)	Not applicable(1)

Note:

(1) The O&G asset has achieved commercial production.

Save as disclosed above, the timeframe to commercial production for the other on-going discovery/exploration Blocks and/or permits as disclosed in Section 2.2 of **Appendix I** has not been determined at this juncture.

For further details on the net O&G Reserves, valuation and valuation assumptions of the SapuraOMV Group's assets, please refer to the Competent Valuer's Report in **Appendix III** of this Circular and the Competent Person's Report in **Appendix IV** of this Circular.

4. CAPITAL EXPENDITURES FOR EXPLORATION AND DEVELOPMENT

As at the LPD, the SapuraOMV Group's planned capital expenditure for the FYE 31 December 2024 is as follows:

Description	RM million
Planned exploration expenditure(1)	130.4
Planned development expenditure(2)	329.1
Total	**459.5**

Notes:

(1) Includes all costs necessarily incurred in the exploration and evaluation of hydrocarbons.

(2) Includes all costs necessarily incurred in the further development of hydrocarbon reserves and land resources.

A majority of the capital expenditure planned for the FYE 31 December 2024 were earmarked for the development of Jerun within Block SK408 amounting to approximately RM321.6 million, which commenced production in July 2024. Further, the SapuraOMV Group had planned exploration expenditure mainly for Block 30 amounting to approximately RM126.5 million.

The SapuraOMV Group had planned to fund its capital expenditures through its internally generated funds and/or bank borrowings.

The total capital expenditure incurred up to the LPD by the SapuraOMV Group is as follows:

Description	**RM million**
Exploration expenditure	37.93
Development expenditure	163.92
Total	**201.85**

The exploration expenditure incurred, amounting to approximately RM37.93 million, was in relation to Block 30, whereas majority of the development expenditure incurred, amounting to approximately RM160.14 million, was mainly for the development of Jerun within Block SK408 prior to its commencement of production in July 2024.

5. SHARE CAPITAL

As at the LPD, the issued share capital of SapuraOMV is RM4,443,120,000 comprising 4,443,120,000 SapuraOMV Shares.

6. SHAREHOLDERS

As at the LPD, the shareholders of SapuraOMV are as follows:

Name	**Date and place of incorporation**	**No. of SapuraOMV Shares**	**Shareholding (%)**
SUA	2 November 2018 / Malaysia	2,221,560,000	50
OMV E&P	6 September 1989 / Austria	2,221,560,000	50

7. DIRECTORS

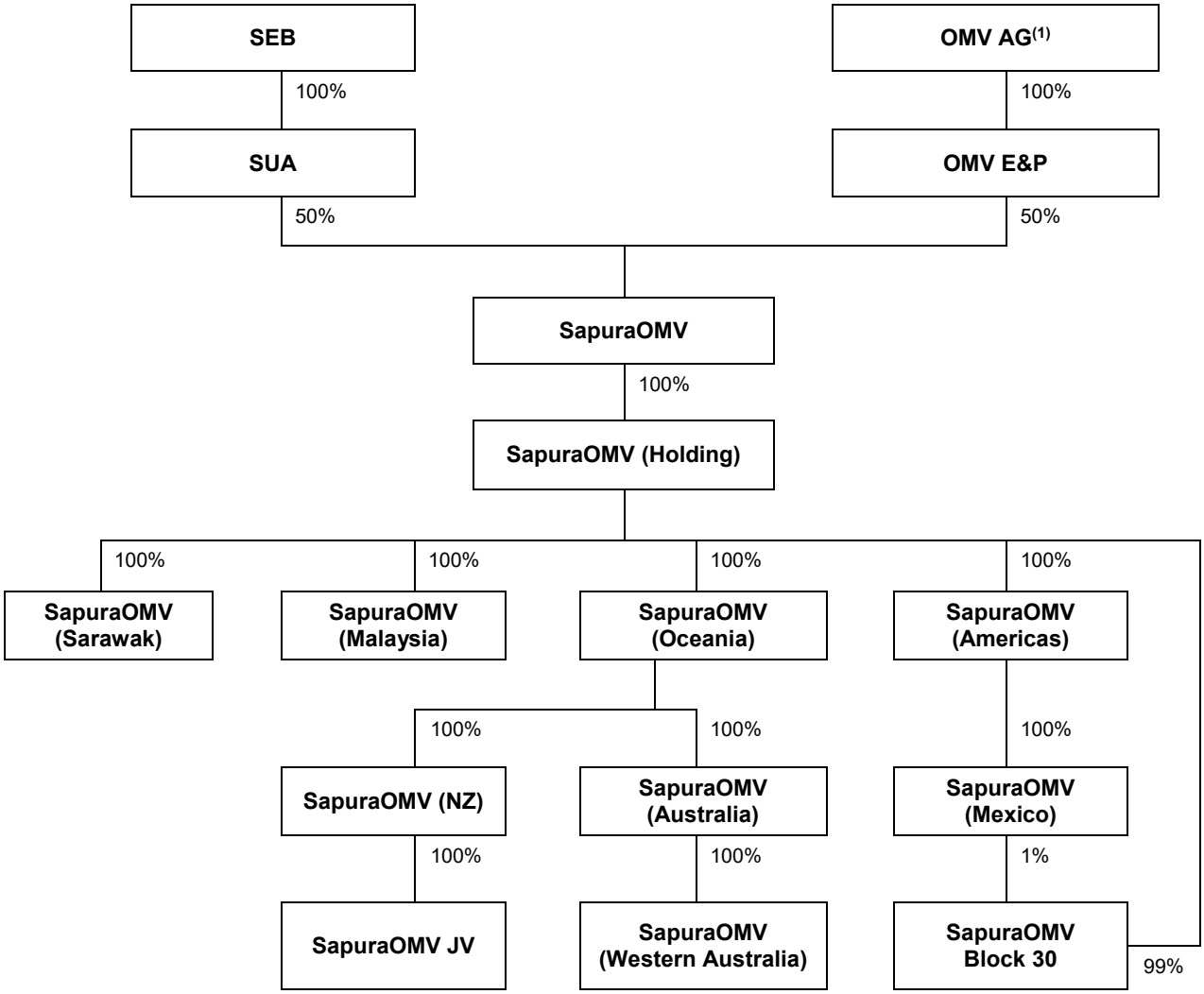
As at the LPD, the directors of SapuraOMV are as follows:

Name	**Designation**	**Nationality**
Tan Sri Ibrahim Bin Menudin	Director	Malaysian
Peter Rudolf Zeilinger	Director	German
Datuk Mohd Anuar Bin Taib	Director	Malaysian
Berislav Gaso	Director	Croatian
Reinhard Oswald	Director	Austrian
Chew Seng Heng	Director	Malaysian

As at the LPD, none of the directors of SapuraOMV hold any SapuraOMV Shares.

8. SUBSIDIARIES

As at the LPD, the SapuraOMV Group's structure is as follows:



Note:

(1) As at the LPD, the sale by OMV AG of its 50% equity interest in SapuraOMV to TotalEnergies is pending completion.

[The rest of this page has been intentionally left blank]

As at the LPD, the details and the principal activities of the subsidiaries of SapuraOMV are as follows:

8.1 Directly held subsidiary

Name	Date and place of incorporation	Issued share capital	Effective equity interest (%)	Principal activities
SapuraOMV (Holding)	18 October 2013 / Malaysia	RM4,505,785,763.00	100	Investment holding

8.2 Indirectly held subsidiaries

Name	Date and place of incorporation	Issued share capital	Effective equity interest (%)	Principal activities
Subsidiary of SapuraOMV (Holding)				
SapuraOMV (Americas)	18 April 2018 / Malaysia	RM1,243,605.00	100	Activities of holding companies
SapuraOMV (Oceania)	19 April 2018 / Malaysia	RM366,959,237.00	100	Activities of holding companies
SapuraOMV (Sarawak)	21 April 2004 / Bahamas	USD290,542,162	100	Exploration, development and production of crude oil and natural gas
SapuraOMV (Malaysia)	4 March 2022 / Malaysia	RM12,236,739.00	100	Extraction of crude petroleum oils
SapuraOMV Block 30	11 May 2018 / Mexico	MX$1,635,547,197.75	100[(1)]	Exploration, development and production of crude oil and natural gas
Subsidiary of SapuraOMV (Americas)				
SapuraOMV (Mexico)	23 April 2018 / Malaysia	RM1,216,822.00	100	Activities of holding companies
Subsidiary of SapuraOMV (Oceania)				
SapuraOMV (Australia)	18 September 2018 / Malaysia	RM219,017,585.00	100	Activities of holding companies
SapuraOMV (NZ)	30 December 2014 / Malaysia	RM148,127,255.00	100	Production of crude gaseous hydrocarbon (natural gas), draining and separation of liquid fractions, mining of hydrocarbon liquids obtain through liquefaction or pyrolysis
Subsidiary of SapuraOMV (Australia)				
SapuraOMV (Western Australia)	26 September 2018 / Australia	AUD74,292,322.00	100	Exploration, development and production of crude oil and natural gas

Name	Date and place of incorporation	Issued share capital	Effective equity interest (%)	Principal activities
Subsidiary of SapuraOMV (NZ)				
SapuraOMV JV	19 April 2018 / Malaysia	RM103,691.00	100	Production of crude gaseous hydrocarbon (natural gas), mining of hydrocarbon liquids obtain through liquefaction or pyrolysis, draining and separation of liquid hydrocarbon fractions

Note:

(1) 99% of equity interest in SapuraOMV Block 30 is held through SapuraOMV (Holding) while the remaining 1% of equity interest is held through SapuraOMV (Mexico) pursuant to Section 8 of the Act.

As at the LPD, SapuraOMV does not have any associated company.

9. INFORMATION ON THE SALIENT FEATURES OF THE CONTRACTUAL AGREEMENTS ENTERED INTO BY THE SAPURAOMV GROUP

9.1 PSCs

9.1.1 Malaysia PSCs

SapuraOMV's exploration acreage in Malaysia is governed under the Malaysia PSCs, which were entered into with PETRONAS, who owns and has the exclusive rights and powers over hydrocarbon resources in Malaysia.

While the specific terms of each of the Malaysia PSCs vary, a summary of the salient features of the Malaysia PSCs is as follows:

9.1.1.1 a PSC is entered into between PETRONAS, which grants the rights to conduct exploration, development and production activities in the contract area and the relevant subsidiary of the SapuraOMV Group as contractor together with other PSC participants. In each PSC, one or more of the participants will assume the role as operator, who is responsible for all operations, including exploration, development and production activities;

9.1.1.2 each PSC has a specific tenure and is subject to early termination of the PSC (e.g. a relinquishment of the contract area as a result of a failure to make a commercial discovery). In addition, PETRONAS may terminate the PSC with respect to any of the participants upon occurrence of certain events, such as non-payment of any amount due to PETRONAS under the PSC, material breaches of the PSC by that contractor, insolvency, winding-up or appointment of receivers of that contractor and change in control or ownership of the contractor without PETRONAS' prior consent;

9.1.1.3 each PSC has an exploration period, during which the PSC participants must fulfil certain minimum work and financial commitments. In the case where PETRONAS is not reasonably satisfied with the minimum work performed by the participants, there will be a financial penalty imposed for the remaining financial commitment relating to the amount of the remaining work; and

9.1.1.4 PSC commitments are fulfilled when both work and financial commitments are met.

As at the LPD, the minimum work and financial commitments have been fulfilled for Blocks SK310 and SK408, and the related bank guarantees have been released.

The fiscal terms of the Malaysia PSCs provide that:

(a) a maximum of 10% of any oil or gas produced under the PSC is allocated for royalties to the Malaysian federal and state governments;

(b) after the allocation of the royalties, the remaining portion of the oil and natural gas is allocated to the PSC participants based on the relative relationship between the PSC participants' cumulative revenue and cumulative PSC costs;

(c) a portion of the remaining oil and natural gas is allocated to the PSC participants to reimburse the petroleum operations expenditures of the PSC participants or cost recovery by the PSC participants on a quarterly basis, excluding non-recoverable costs. This amount is known as "**Cost Oil**" or "**Cost Gas**". Cost Oil and Cost Gas for Blocks SK408 and SK310 are subject to variable caps that range from 70% to 30% of total oil or gas production (as applicable) whereas for Block SB412, the Cost Oil and Cost Gas are subject to variable caps up to 70% of total oil or gas production (as applicable);

(d) after the allocation of the Cost Oil or Cost Gas as described above, all remaining oil or gas is designated as "**Profit Oil**" or "**Profit Gas**". The PSC participants are allocated a share equal to a percentage of the Profit Oil or Profit Gas in each quarter depending on:

(i) the revenue-to-cost ratio for the immediately preceding quarter; and

(ii) whether cumulative oil or gas production for that quarter exceeds a specified cumulative production threshold.

The PSC participants' allocation of the Profit Oil and Profit Gas ranges from 80.0% to 30.0% for all PSCs (save for the PSC for Block SB412, the calculation for the allocation of the Profit Oil or Profit Gas is as provided in the PSC in the prescribed circumstances);

(e) for Blocks SK408 and SK310 only, if the Cost Oil or Cost Gas cap described above is higher than the actual petroleum operations expenditures during any quarter, the unused portion of Cost Oil or Cost Gas is included as part of the Profit Oil or Profit Gas, and the PSC participants are allocated such portion of the Profit Oil or Profit Gas in a more favourable apportionment. The PSC participants' allocation of the unused portion of the Cost Oil or Cost Gas range from 80% to 20% for most PSCs except for Block SK408 which have a range from 70% to 20% specific to unused Cost Oil portion only;

(f) for Blocks SK408 and SK310 only, if the prevailing cumulative revenue-to-cost ratio exceed one, the PSC participants are obligated to pay PETRONAS a supplemental tax which is an amount that is equal to 70% of the excess difference between the realised oil or gas price and prevailing base price on the Profit Oil or Profit Gas portion (except for Block SK408 for which it is 60% with respect to gas), in each case less export duties on such supplemental tax;

(g) the PSC participants are required to comply with the Malaysian national objective of maximising Malaysian participation through the use of local equipment, facilities, goods, materials, suppliers and services;

(h) PETRONAS has the discretion to decide that if two fields in any contract area form part of a single geological structure, the contractors working on such fields must cooperate on a unified field to avoid competitive drilling;

(i) the PSC participants are required to pay PETRONAS research cess which is a small percentage of Cost Oil and/or Cost Gas and the PSC participants' share of Profit Oil and/or Profit Gas;

(j) the PSC participants are required to pay to PETRONAS abandonment cess, beginning on the first anniversary of production, the quantum of which is based on abandonment estimates distributed over the remaining life of the PSC. The amounts paid to PETRONAS are cost recoverable under Cost Oil or Cost Gas, as the case may be. If a PSC is terminated early, the PSC participants are liable for any outstanding abandonment cess payments within three months of notice of early termination;

(k) petroleum income tax is assessed at 38% of taxable income as per the Petroleum (Income Tax) Act. PSC participants are not subjected to normal corporate income tax assessable to other industries;

(l) capital allowances are allowed in determination of taxable income as per Malaysian tax guideline provided by the Malaysian Inland Revenue Board; and

(m) the PSC participants are required to pay training commitment at an agreed sum to be used for training of PETRONAS' personnel in respect of the petroleum operations. Costs related to training commitment are cost recoverable.

9.1.2 Mexico PSC

SapuraOMV's rights to Block 30 in Mexico are governed by the Block 30 PSC, which regulates all hydrocarbon activities in Mexico, and certain other joint venture partners.

A summary of the salient features of the Block 30 PSC is as follows:

(a) the Block 30 PSC grants the rights to conduct exploration, development and production activities in the contract area, and each of SapuraOMV Block 30, DEA and Premier Oil Exploration and Production Mexico as PSC participants;

(b) the Block 30 PSC is for a term of 30 years with an extension to the term being available five years from the expiry of the term, for up to two additional terms of up to five years or until the economic limit of the development area (in the event the last term is shorter). The contractor shall submit the request for the additional term at least 18 months prior to the expiry of the original term of the PSC;

(c) the Block 30 PSC is subject to early termination in certain circumstances such as relinquishment of part of the contract area as a result of a failure to make a commercial discovery. In addition, CNH may terminate the Block 30 PSC after a failure to remedy the following, among others, the breach within 30 days of being notified, in each case: (i) an insolvency event occurring in relation to a PSC participant or its guarantor; (ii) a PSC participant fails to maintain its letters of credit (relating to the minimum work commitments) or guarantee; and (iii) a PSC participant commits another material breach of the PSC. There is an administrative termination procedure for less serious breaches of the PSC, which gives the PSC participants more time to remedy the breach;

(d) the Block 30 PSC has an exploration period during which the PSC participants must fulfil certain minimum work and financial commitments. The participants are required to deliver an unconditional and irrevocable letter of credit, issued in favour of CNH, in respect of the minimum work commitments comprising two exploration wells. Failure to satisfy the minimum work commitments results in the participants being required to pay to the Mexican Petroleum Fund for Stabilization and Development an amount necessary to carry out the outstanding work. CNH may enforce the letters of credit delivered by the participants in the event of failure to pay the Mexican Petroleum Fund for Stabilization and Development;

(e) in the event of a discovery during the exploration period, the PSC participants shall submit to CNH the appraisal program setting out the appraisal activities to be carried out and deliver a report following the end of the appraisal period to CNH. Subsequently, the PSC participants shall inform CNH whether it considers the discovery to be a commercial discovery and, in such cases, the PSC participants shall submit a development plan to CNH for its approval within 18 months following the declaration of a commercial discovery; and

(f) the PSC participants shall submit annual work plans to CNH for approval for each of the petroleum activities, including abandonment, which shall be resolved by CNH within a period not exceeding 30 days after receipt of the necessary information. The work programs must contain a detailed list of the individual activities that the PSC participants plan to carry out and the estimated time for each of those activities.

The fiscal terms of the Block 30 PSC provide that:

(a) the Mexican state's remuneration is the sum of: (i) royalties which are at different rates based on the type of hydrocarbons produced, each with a specified starting rate (i.e. the starting for oil production is 7.5%), and adjusted for inflation in accordance with the PSC; (ii) a contractual fee of approximately MX$1,200 per square km for the exploratory phase (if applicable to the contract area) within the first 60 months of the PSC and approximately MX$3,000 per square km starting from the 61st month;

(b) the PSC participants' remuneration is the sum of: (i) an amount to reimburse the PSC participants for expenditure incurred as part of operations (cost recovery), provided that such costs: (1) comply with guidelines issued by the Mexican Ministry of Finance and the accounting procedure set out in the PSC; and (2) do not exceed the limit on recoverable costs, which is calculated by multiplying the sum of the value of the hydrocarbons and certain other income from the contract area in accordance with the PSC and a cost recovery percentage of 60%; and (ii) the remaining operating profit for that month, after deducting the portion that is part of the Mexican state's remuneration;

(c) once the development plan has been approved by CNH, the PSC participants must open an investment trust in a suitable Mexican financial institution. The PSC participants are required to deposit a quarterly abandonment cess payment to the trust (the amount is calculated using a mechanism set out in the PSC and is subject to various factors including the production levels and forecast abandonment costs). Sums in the trust shall not be used for any purpose other than carrying out the abandonment operations in the contract area;

(d) the PSC participants must at all times have a corporate guarantor that can demonstrate a minimum net worth of USD2.5 billion;

(e) the PSC participants are required to comply with national content requirements through the use of local equipment, facilities, goods, materials, suppliers and services; and

(f) the PSC participants are required to fully indemnify CNH for all losses, actions, proceedings, costs, charges, expenses and claims which arise from or relate to, among other things, the PSC participants' failure to comply with the PSC.

9.1.3 New Zealand Permits

The New Zealand Petroleum & Minerals, which governs the allocation rights to the New Zealand government's petroleum and minerals portfolio, is responsible in issuing permits to prospect, explore or mine petroleum ("**New Zealand Permits**").

A summary of the salient features of the New Zealand Permits held by the SapuraOMV Group is as follows:

(a) the permits grant the rights to explore petroleum resources (other than gas hydrates and coal seam gas) and conventional petroleum (excluding coal seam gas and gas hydrates); and

(b) the right of the permit holder to (i) explore for the specified petroleum resources in the permit area is exclusive; and (ii) prospect for the specific petroleum resources in the permit area is non-exclusive.

As at the LPD, the outstanding key committed activities of each of the New Zealand Permits from its commencement date are as follows:

(a) Permit 57075: Drill or drop March 2025;

(b) Permit 60092: Drill or drop March 2025; and

(c) Permit 60093: Drill or drop March 2027.

The fiscal terms of the New Zealand Permits provide that:

(a) the permit holder shall pay the following: (i) annual fees and any other applicable fees relating to the permit; (ii) royalty to the Crown on New Zealand; and (iii) any royalties due in accordance with the relevant regulations; and

(b) the relevant minister will define the point(s) of valuation for royalty calculation in consultation with the permit holder for royalties payable.

The current expiry date of the New Zealand Permits are as follows:

No.	Permits	Current expiry date
1.	PEP 57075	31 March 2027
2.	PEP 60092	31 March 2028
3.	PEP 60093	31 March 2028

9.1.4 Australia Permit

The SapuraOMV Groups' rights in Australia are governed by the permit which is issued pursuant to the Offshore Petroleum and Greenhouse Gas Storage Act (2006)(Cth), Petroleum and Geothermal Energy Resources Act 1967 (WA) and the Petroleum (Submerged Lands) Act 1982 (WA), and transferred to them pursuant to various farmin agreements, all dated 4 September 2018, with Finder No. 1 Pty Ltd, Finder No. 3 Pty Ltd and Finder No. 3 Pty Ltd.

The Australia Permit sets out, among others, the basins, area size and Blocks in which the permit holder is entitled to explore, the expiration date of the permits and work programs that are to be carried out under the permit which includes new 3D seismic survey, geotechnical studies, 3D seismic processing.

The current expiry date of the Australia Permit is 15 June 2027.

9.2 Malaysia UGSAs

The SapuraOMV Group has entered into UGSAs with the following parties:

Contract	Effective date	Parties	Estimated year of expiry
UGSA relating to Block SK408	6 September 2019	• PETRONAS • SapuraOMV (Sarawak) • Sarawak Shell • PCSB	2040
UGSA relating to Block SK310	23 June 2016	• PETRONAS • SapuraOMV (Sarawak) • Diamond Energy • PCSB	Effective from 18 August 2023 until the economic depletion of B15 gas field or termination of the SK 310 PSC, whichever is earlier

9.2.1 Block SK408

On 6 September 2019, Sapura Upstream (Sarawak) Inc together with the other Block SK408 participants, as sellers, entered into a UGSA relating to Block SK408 with PETRONAS as buyer, and on 18 August 2022, the same parties entered into an addendum to the UGSA ("**SK408 UGSA**").

Pursuant to the SK408 UGSA, the Block SK408 participants will sell, and PETRONAS will purchase natural gas produced from the phase 1 gas fields and phase 2 gas fields at an agreed annual quantity with the Block SK408 participants having the ability to make additional natural gas volumes available and PETRONAS may request for additional volumes to be delivered (subject to such volumes being available).

9.2.2 Block SK310

On 23 June 2016, Sapura Exploration and Production (Sarawak) Inc (now known as SapuraOMV (Sarawak)), together with the other Block SK310 participants, as sellers, entered into a UGSA relating to the B15 field of Block SK310 with PETRONAS as buyer ("**SK310 UGSA**").

Pursuant to the SK310 UGSA, the Block SK310 participants will sell, and PETRONAS will purchase natural gas at an agreed annual quantity for the contract period, with the Block SK310 participants having the ability to make additional natural gas volumes available and PETRONAS may request for additional volumes to be delivered (subject to such volumes being available).

10. Material contracts

The SapuraOMV Group has not entered into any material contracts (not being contracts entered into in the ordinary course of business of the SapuraOMV Group) within the past two years immediately preceding the date of this Circular.

11. Material litigation

As at the LPD, the SapuraOMV Group is not engaged in any material litigation, claim and/or arbitration, either as plaintiff or defendant, and the board of directors of SapuraOMV is not aware of any proceedings, pending or threatened, against the SapuraOMV Group or of any facts likely to give rise to any proceedings which may materially affect the business or financial position of the SapuraOMV Group.

12. SUMMARY OF FINANCIAL INFORMATION

The summary of the financial information of the SapuraOMV Group for the past three FYE 31 December 2021, 2022 and 2023, and the latest unaudited interim results for the FPE 30 June 2024 is as follows:

	Audited			Unaudited
	FYE 31 December			FPE 30 June
	2021	2022 (1)(Restated)	2023	2024
	RM '000	RM '000	RM '000	RM '000
Revenue	891,920	1,402,070	1,328,964	604,353
Profit / (Loss) before taxation from continuing operations	(456,313)	(240,995)	42,327	168,005
Net profit / (loss) after taxation from continuing operations	(441,293)	(531,939)	9,155	50,488
No. of SapuraOMV Shares in issue ('000)	4,443,120	4,443,120	4,443,120	4,443,120
Net EPS / (LPS) (RM)	(0.10)	(0.12)	*< 0.01*	0.01
Share capital	4,443,120	4,443,120	4,443,120	4,443,120
Shareholders' funds / NA	3,805,468	3,447,935	3,650,694	3,842,316
NA per share (RM)	0.86	0.78	0.82	0.86
Current ratio (times)	1.34	1.18	1.06	1.28
Total borrowings (including all interest-bearing debts)	1,534,111	1,551,736	1,638,539	1,650,950
Gearing ratio (times)	0.40	0.45	0.45	0.43

Note:

(1) Deferred tax liabilities, long-term receivable and provision for asset retirement obligations for the FYE 31 December 2022 were restated in the audited financial statements of the SapuraOMV Group for the FYE 31 December 2023. In the previous financial year 2022, capital expenditure incurred on the development project was partially claimed as deductible expenses under the existing producing field in the final tax submission. The timing difference was not previously recognised as a deferred tax liability. Further, the abandonment cess contribution to the Abandonment Cess Fund had previously been offset against the provision for asset retirement obligations in the financial year 2022. This contribution has now been reclassified as long-term receivable.

There are no unusual accounting policies adopted by the SapuraOMV Group and no audit qualifications reported in the audited financial statements of the SapuraOMV Group for the past three FYE 31 December 2021, 2022 and 2023.

Commentary on financial performance:

FYE 31 December 2021 vs FYE 31 December 2022

The SapuraOMV Group's revenue increased by 57.2% from RM891.9 million in the FYE 31 December 2021 to RM1,402.1 million in the FYE 31 December 2022. The increase was mainly attributable to the increase in average price by 32.0% from USD22.79/boe to USD30.13/boe year-on-year.

The SapuraOMV Group registered a lower loss before taxation from continuing operations of RM241.0 million in the FYE 31 December 2022 compared to a loss before taxation from continuing operations of RM456.3 million in the FYE 31 December 2021. The decrease was mainly attributable to higher revenue by RM510.2 million and lower write-off of intangible assets by RM66.5 million in the FYE 31 December 2022 as well as the one-off event of impairment on the 2021 Divestment of RM39.4 million in the FYE 31 December 2021. These were offset against higher impairment on goodwill on acquisition by RM418.1 million in the FYE 31 December 2022.

FYE 31 December 2022 vs FYE 31 December 2023

The SapuraOMV Group's revenue decreased by 5.2% from RM1,402.1 million in the FYE 31 December 2022 to RM1,329.0 million in the FYE 31 December 2023. The decrease was mainly attributable to the decrease in average price by 8.0% from USD30.13/boe to USD27.82/boe year-on-year.

The SapuraOMV Group registered a profit before taxation of RM42.3 million in the FYE 31 December 2023 compared to a loss before taxation of RM241.0 million in the FYE 31 December 2022. The improved result was mainly attributable to no impairment on goodwill on acquisition in the FYE 31 December 2023 (FYE 31 December 2022: RM658.8 million). This was offset against lower revenue by RM73.1 million and higher write-off of intangible assets by RM254.8 million in the FYE 31 December 2023.

FPE 30 June 2024

The SapuraOMV Group recorded revenue of RM604.4 million in the FPE 30 June 2024, with an average price of USD26.19/boe.

The SapuraOMV Group registered a profit before taxation of RM168.0 million in the FPE 30 June 2024. The improved result was mainly attributable to the absence of goodwill impairment, tangible asset impairment, and intangible asset write-offs.

[The rest of this page has been intentionally left blank]

A. SALIENT TERMS OF THE SPA

1. SALE AND PURCHASE

1.1 SUA ("**Seller**") shall sell and the Purchaser shall purchase SUA's shares in SapuraOMV, being 50% of the SUA Shares with effect from completion with full title guarantee free from any encumbrance together with all accrued benefits and rights attached to the SUA Shares as at the date of Completion as specified in the Completion Notice (as defined below).

1.2 The Purchaser shall not be obliged to complete the purchase of any of the SUA Shares unless the Seller completes the sale of all of the SUA Shares simultaneously.

2. CONSIDERATION

2.1 The Cash Consideration comprises the aggregate of:

(a) USD683.0 million ("**Base Consideration**"); plus

(b) USD22.3 million being 50% of the aggregate current assets of the SapuraOMV Group minus the aggregate current liabilities of the SapuraOMV Group, in each case derived from the audited financial accounts of the SapuraOMV Group for the financial period ended 31 December 2022 ("**Locked Box Accounts**"); minus

(c) an amount equal to USD175.0 million, being the amount required for the release of the SapuraOMV Shares Pledge; plus

(d) an amount equal to 5% per annum on the result of the calculation set out in paragraphs (a), (b) and (c) above from (but excluding) the Locked Box Date up to (and including) the date on which Completion occurs,

to be satisfied in cash in accordance with the terms and conditions of the SPA.

2.2 Any payment due in respect of any claim, allegation, cause of action, proceeding, liability, suit or demand made under or in connection with any documents entered into in connection with the Proposed Disposal and any other relevant transaction(s) contemplated by the SPA against the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent ("**Claim**"), shall for all purposes be deemed to be and shall, so far as permitted by law, take effect as a reduction in the Cash Consideration paid by the Purchaser for the SUA Shares.

2.3 The Cash Consideration shall be paid in the following manner:

(a) a deposit sum of USD68.3 million ("**Deposit**") paid by the Purchaser to an escrow account established in the name of Purchaser for the purpose of holding the Deposit pending Completion upon execution of the SPA;

(b) the balance of the Cash Consideration being:

(i) the Cash Consideration; minus

(ii) the Deposit; minus

(iii) the Seller's good faith estimate of the amount of the Leakage that has occurred from (but excluding) the Locked Box Date up to (and including) the date of the Completion Notice together with an amount equal to an interest of 5% per annum on such amount of Leakage from (but excluding) the date that the Leakage occurred up to (and including) the date of Completion that is in excess of USD5.0 million ("**Interim Leakage Amount**"); plus

(iv) the Seller's good faith estimate of the amount of the Reverse Leakage (as defined below) together with an amount equal to an interest of 5% per annum on such amount of Reverse Leakage from (but excluding) the date that the Reverse Leakage was received or waived up to (and including) the date of Completion ("**Interim Reverse Leakage Amount**"),

("**Net Cash Consideration**") on the date of Completion.

2.4 Following Completion, the Cash Consideration may be further adjusted as follows:

(a) the amount of Leakage received or waived (as the case may be) in the period from (but excluding) the Locked Box Date up to (and including) the date of Completion excluding amounts that were taken into account in the interim Leakage Amount, together with an interest of 5% per annum on such amount of Leakage, in accordance with the terms of the SPA, which will be paid by SUA to the Purchaser; and

(b) the amount of Reverse Leakage received or waived (as the case may be) in the period from (but excluding) the Locked Box Date up to (and including) the date of Completion excluding amounts that were taking into account in the Interim Reverse Leakage Amount, together with an interest of 5% per annum on such amount of Reverse Leakage, in accordance with the terms of the SPA, which will be paid by the Purchaser to the Seller.

2.5 "**Leakage**" is defined under the SPA to mean:

(a) any dividend (including interim dividend), bonus or other distribution of capital or income declared, paid or made (whether in cash or in specie) or payments in lieu of any dividend or distribution, or any purchase, repurchase, redemption, repayment or return of share or loan capital (or any other relevant securities) by the SapuraOMV Group to or for the benefit of any member of our Group (other than the SapuraOMV Group);

(b) any interest paid or agreed to be paid by the SapuraOMV Group to any member of our Group (other than the SapuraOMV Group) with respect to any shareholder's loan, indebtedness, or financial obligation or other securities (including the 50% equity interest in SapuraOMV at completion) of the SapuraOMV Group;

(c) any payments made (including management, monitoring, service or directors' fees) or liabilities assumed, indemnified, or incurred by the SapuraOMV Group for the benefit of any member of our Group (other than the SapuraOMV Group);

(d) any assets, rights or other benefits transferred to any member of our Group (other than the SapuraOMV Group) to the extent that any such assets are transferred, assumed, indemnified or incurred (i) on terms that are not on an arm's length basis for at least fair market value for the relevant SapuraOMV Group company; or (ii) outside the ordinary course of business;

(e) the waiver, deferral, discount or release by the SapuraOMV Group of any economic benefit or amount owed to that company by any member of our Group (other than the SapuraOMV Group);

(f) the payment by the SapuraOMV Group of any professional fees, bonuses or other costs or expenses related to the Proposed Disposal and appointed by, acting for or for the benefit of any member of our Group (other than the SapuraOMV Group);

(g) the agreement or commitment (whether conditional or not) by the SapuraOMV Group to do or procure the doing of any of the things set out in paragraphs (a) to (f) (inclusive) above; and

(h) the payment of any fees, costs or tax (other than any recoverable sales tax) incurred or paid by the SapuraOMV Group as a result of the occurrence of any of those matters set out in paragraphs (a) to (f) (inclusive) above (which shall for the purposes of this paragraph (h) and clause 10 be deemed to have been received by the person receiving the benefit of the matter in question),

other than any permitted payment under the SPA.

2.6 "**Reverse Leakage**" is defined under the SPA to mean:

(a) any share capital contributions and other capital contributions made by any member of our Group (other than the SapuraOMV Group) to any of the SapuraOMV Group;

(b) any forgiveness of debt by any member of our Group (other than the SapuraOMV Group) to or for the benefit of the SapuraOMV Group;

(c) the agreement or commitment (whether conditional or not) by any member of our Group (other than the SapuraOMV Group) to do or procure the doing of any of the things set out in paragraphs (a) and (b) above; and

(d) the payment of any fees, costs or tax (other than any recoverable sales tax) incurred or paid by any member of our Group as a result of the occurrence of any of those matters set out in paragraphs (a) to (c) (inclusive) above (which shall for the purposes of this paragraph (d) be deemed to have been received by the person receiving the benefit of the matter in question);

in each case, only to the extent that such action set out in paragraph (a) to (d) are expressly required to exercise any rights and discharge any obligations pursuant to any legal or regulatory obligation or pursuant to any material agreements and which are disclosed to the Purchaser.

3. TRUST

3.1 On the date of Completion, the Net Cash Consideration will be paid or released to the Seller's Account to be held by SUA subject to security in favour of the Purchaser (for any claims under the SPA) and SEB in the form of a first fixed charge (with SEB being subordinated to the Purchaser), such security to be held and administered through the security trustee, in accordance with the Sapura Net Sale Proceeds Trust Deed to be entered into between a security trustee, the Seller, SEB and the Purchaser incorporating the principles set out in Schedule 6 of the SPA ("**Sapura Net Sale Proceeds Trust Deed**").

3.2 A fixed amount of 15% of the Net Cash Consideration will be designated as the "**SOMV Retention**" to be available to meet any Claims.

3.3 Under the Sapura Net Sale Proceeds Trust Deed, the funds held in the Seller's Account will be released in the following manner.

(a) The Net Cash Consideration is to be held for at least six months from Completion.

(b) After six months, SUA may by not less than 10 business days written notice to the security trustee request for the release to SEB (or any assignee of SEB) of any balance standing to the credit of the Seller's Account (less the balance of the SOMV Retention at such time and less any provision required for Claims made in proceedings initiated prior to the expiry of the six month period).

(c) On the expiry of the notice period described in (b) above, the security trustee shall (subject to any contrary order by a court of competent jurisdiction) permit the release of such amounts.

(d) Any balance of the SOMV Retention after payment of any Claims and after provision for Claims made in proceedings initiated prior to expiry of the relevant period to be released to SEB by the security trustee on the joint instructions of SUA, SEB, and the Purchaser as follows:

(i) if the Restructuring Effective Date occurs within a 12 month period after Completion:

(1) any balance on the Seller's Account at that time in excess of 10% of the Net Cash Consideration (after making provision for any Claims in respect of which legal proceedings have been commenced) to be paid to SEB within 10 business days; and

(2) any remaining balance (after making provision for any Claims in respect of which legal proceedings have been commenced) to be paid to SEB within five business days of the date which is 12 months after Completion; or

(ii) if the Restructuring Effective Date has not occurred within 12 months of Completion any balance on the Seller's Account in excess of 5% of the Net Cash Consideration (after making provision for any Claims in respect of which legal proceedings have been commenced) to be paid to SEB within five business days of the date which is 12 months after Completion; or

(iii) if the Restructuring Effective Date occurs later than 12 months after Completion any balance of the Seller's Account (after making provision for any Claims in respect of which legal proceedings have been commenced) to be paid to SEB within five business days of the Restructuring Effective Date; or

(iv) following the provision of alternative security reasonably acceptable to the Purchaser; or

(v) in accordance with an order of a court of competent jurisdiction.

4. CONDITIONS

4.1 Completion is conditional upon the fulfilment of each of the conditions as follows:

(a) the receipt of written confirmation from PETRONAS that it approves any change of control as a result of the Proposed Disposal in respect of SK310 PSC, SK408 PSC and SB412 PSC (collectively, "**Concessions**") (the "**PETRONAS Condition**");

(b) the PETRONAS Condition remaining in full force and effect at Completion;

(c) either:

(i) the receipt of written consent from CNH that it approves the indirect assignment of the corporate and management control of SapuraOMV Block 30 in respect of Block 30 PSC; or

(ii) the receipt of written confirmation from CNH that there is no indirect assignment of the corporate and management control of SapuraOMV Block 30 in respect of Block 30 PSC and/or that no approval from CNH is required for the Proposed Disposal,

(the "**CNH Condition**");

(d) the CNH Condition remaining in full force and effect at Completion;

(e) either:

(i) the confirmation from CNH of the release of SEB from the guarantee dated 27 June 2018 by SEB in favour of CNH whereby SEB guaranteed the obligations of SapuraOMV Block 30 under the Block 30 PSC up to a maximum of USD750.0 million ("**Block 30 Guarantee**"); or

(ii) the Purchaser and SEB entering into an indemnity and contribution deed in the form agreed between the parties,

(the "**Block 30 Guarantee Condition**");

(f) the Block 30 Guarantee Condition remaining in full force and effect at Completion;

(g) either:

(i) the confirmation from Malayan Bank Berhad of the expiry or release of the standby letter of credit reference 99140GB6252747 issued by Malayan Banking Berhad dated 21 June 2018 on behalf of SapuraOMV Block 30 in support of its obligations under the Block 30 PSC ("**Block 30 Letter of Credit**"); or

(ii) the Purchaser and SEB entering into an indemnity and contribution deed in the form agreed between the parties,

(the "**Block 30 Letter of Credit Condition**");

(h) the Block 30 Letter of Credit Condition remaining in full force and effect at Completion;

(i) the receipt of written confirmation from NOPTA that it approves the change in control of SapuraOMV (Western Australia) in respect of each of the Australia Permits as summarised in Section 2.2 of **Appendix I** of this Circular,

(the "**NOPTA Condition**");

(j) the NOPTA Condition remaining in full force and effect at Completion;

(k) the receipt of written confirmation from PTTEP that it is satisfied with SapuraOMV (Malaysia)'s financial capability and its continuing ability to perform its obligations under the SB 412 PSC and the joint operating agreement relating to the exploration and production of petroleum from off the coast of Sabah, Offshore Malaysia, Block SB 412 dated 22 March 2022 between PTTEP and SapuraOMV (Malaysia) ("**SB 412 JOA**") on and from Completion,

(the "**SB 412 JOA Condition**");

(l) the SB 412 JOA Condition remaining in full force and effect at Completion;

(m) either:

(i) the receipt of written confirmation from OMV E&P that it waives any rights it may have under rules 29 to 32 (inclusive) of the constitution of SapuraOMV adopted by a special resolution of SapuraOMV dated 31 January 2019 ("**SapuraOMV Constitution**") and clause 19 of the amended and restated shareholders' agreement relating to SapuraOMV dated 31 January 2019 between OMV E&P, SEB, the Seller, SapuraOMV and SapuraOMV (Holding) ("**SapuraOMV SHA**"); or

(ii) where a written notice has been given by SUA to OMV E&P in respect of its intention to sell its SapuraOMV Shares to a third party ("**Sale Notice**"), a period of two months having elapsed following receipt by OMV E&P of such Sale Notice and OMV E&P not having given a written notice of acceptance ("**Notice of Acceptance**") of such Sale Notice within such two months period; or

(iii) where a Sale Notice has been given, and OMV E&P has given a Notice of Acceptance in accordance with the SapuraOMV Constitution and completion of the acquisition by OMV E&P of the SapuraOMV Shares has not occurred within 6 months following the Notice of Acceptance,

(the "**SapuraOMV ROFR Condition**" provided that this condition shall not apply if the Purchaser holds 100% of the issued share capital of SapuraOMV at Completion);

(n) the receipt of written consent from OMV E&P to the transfer of the SapuraOMV Shares to the Purchaser as required by the SapuraOMV SHA and the SapuraOMV Constitution, and the release of the Seller and SEB from their respective obligations under the SapuraOMV SHA (the "**SapuraOMV Consent Condition**" provided that this condition shall not apply if the Purchaser holds 100% of the issued share capital of SapuraOMV at Completion);

(o) the SapuraOMV Consent Condition (if applicable) remaining in full force and effect at Completion;

(p) either:

(i) the restraining order made by the High Court of Malaya (Commercial Division) on 9 March 2023 in respect of SEB and certain subsidiaries as amended, extended or replaced from time to time and currently in effect to 10 June 2024 as at the date of the SPA ("**Sapura Restraining Order**") is discharged; or

(ii) an order is made in relation to the Sapura Restraining Order under Section 368(7) of the Act giving leave for Completion of the Proposed Disposal and holding of the aggregate of the Net Cash Consideration on the terms of the Sapura Net Sale Proceeds Trust Deed, at Completion (and in the case of SEB following approval by any relevant creditors) providing for the Net Cash Consideration to be held after Completion for a period of not less than six months and for the retention of the SOMV Retention thereafter until the Restructuring Effective Date (or such earlier date as may be provided by the Sapura Net Sale Proceeds Trust Deed);

(the "**Sapura Restraining Order Condition**");

(q) the agreement of the terms of the Sapura Net Sale Proceeds Trust Deed among the Seller, SEB and the Purchaser, and the agreement of the security trustee to act in the capacity of security trustee,

(the "**Sapura Net Sale Proceeds Trust Deed Condition**");

(r) the execution of the Sapura Net Sale Proceeds Trust Deed by all parties at Completion;

(s) the Seller has procured the release of 514,250,000 SapuraOMV Shares owned by the Seller amounting to 11.57% of the issued share capital of SapuraOMV charged to OMV E&P ("**OMV W&I Shares**") under the Share Charge and Buy Back Deed dated 31 January 2019 pursuant to which the Seller gave security over the OMV W&I Shares and the OMV Financing Shares (as defined below) ("**OMV Share Charge**");

(t) in respect of the SapuraOMV Shares Pledge comprising 719,950,000 SapuraOMV Shares owned by the Seller amounting to 16.2% of the issued share capital of SapuraOMV charged to OMV E&P ("**OMV Financing Shares**") under the OMV Share Charge that:

(i) the Seller has concluded an agreement with OMV E&P (or any successor in title to the USD350.0 million facility agreement dated 31 January 2019 between SapuraOMV and OMV E&P ("**OMV E&P Loan Agreement**")) for the release of the OMV Financing Shares at Completion on payment of USD175.0 million ("**OMV Financing Shares Release Amount**") to OMV E&P by the Purchaser and the execution of a deed by OMV E&P containing a full and unconditional release of the OMV Financing Shares from the OMV Share Charge and the release of the Seller from all obligations under the OMV Share Charge ("**OMV E&P Deed of Release**") at Completion or (failing such agreement) alternative arrangements have been made allowing the OMV Financing Shares to be transferred free from any encumbrance under the OMV Share Charge at Completion; and

(ii) following service of a Completion Notice no later than five business days before Completion:

a. the payment by the Purchaser of the OMV Financing Shares Release Amount based on the OFSRA Escrow Agreement to be entered into between the Purchaser, the Seller and OMV E&P ("**OFSRA Escrow Agreement**"); and

b. the delivery of the executed OMV E&P Deed of Release to be held in escrow pending Completion,

(the "**OMV Financing Shares Condition**" provided that this condition 4.1(t) shall not apply and the Purchaser shall not be under any obligation to make payment of the OMV Financing Shares Release Amount if the Purchaser holds 100% of the issued share capital of SapuraOMV at Completion);

(u) the passing of a resolution by the shareholders of SEB authorising the performance by the Seller of the SPA and the transaction contemplated by it,

(the "**Sapura Shareholders Condition**");

(v) the passing of a board resolution of SapuraOMV approving the transfer of the SapuraOMV Shares to the Purchaser among others (the "**SapuraOMV Board Resolution Condition**");

(collectively, the "**Conditions**" and the Conditions as set out in paragraphs 4.1(b), 4.1(d), 4.1(f), 4.1(h), 4.1(j), 4.1(l), 4.1(o), 4.1(r), 4.1(t)(ii), 4.1(u) and 4.1(v) above are "**Completion Conditions**").

4.2 If any of the Conditions have not been fulfilled or waived on or before the date that is 18 months following the date of the SPA (or such other date as the parties may agree in writing) ("**Long Stop Date**") then either the Seller or the Purchaser may terminate the SPA by giving written notice to the other party.

5. COMPLETION

5.1 The Seller shall give the Purchaser written notice within five business days after it becomes aware that the date on which the Seller becomes aware that the last Condition (other than the Completion Conditions) to be fulfilled or waived has been fulfilled or waived (as the case may be) ("**CP Satisfaction Date**") has occurred ("**Completion Notice**"). The Seller shall specify in the Completion Notice among others:

(a) the date on which completion is to take place, such date being the last business day of the month in which the CP Satisfaction Date occurs provided that if there are fewer than 10 business days between the date that the Purchaser receives the Completion Notice and the last business day of the month in which the CP Satisfaction Date occurs, the date on which completion is to take place shall be the last business day of the month after the month in which the CP Satisfaction Date has occurred; and

(b) the Cash Consideration (including a calculation of an amount equal to 5% per annum on the Cash Consideration from (but excluding) the Locked Box Date up to (and including) the date of Completion).

5.2 If, in any respect, the obligations of the Seller, SEB or the Purchaser are not complied with on Completion, the party not in default may by written notice to the party in default:

(a) proceed to Completion so far as practicable (without prejudice to its rights under the SPA); or

(b) terminate the SPA with immediate effect.

6. DEFAULT BY THE SELLER OR SEB

6.1 Where the Seller has failed to fulfil or waive the Conditions on or before the Long Stop Date, comply with its obligations on Completion or where there is a breach by the Seller or SEB of certain of its fundamental warranties, or material breach of any of its fundamental warranties and such breach is continuing, or if a Material Adverse Event (as defined below) has occurred and is continuing, the Purchaser may, by not less than 20 business days' notice in writing terminate the SPA.

6.2 In case of termination of the SPA, the Seller shall, unless paragraph 7.2 applies, jointly instruct with the Purchaser (and SEB shall procure such instruction by the Seller) the escrow agent to release of the Deposit together with any accrued interest from the escrow agent to the Purchaser.

6.3 "**Material Adverse Event**" is defined under the SPA to mean:

(a) any applicable law, order, judgment or award, rule or regulations, is entered, enforced, enacted or issued by any government authority, properly seized of jurisdiction over the Seller or SEB and remains in force that has the effect of making it unlawful to complete the Proposed Disposal;

(b) any event or series of events that causes the physical destruction, physical loss of, or physical damage to, any of the assets in which the SapuraOMV Group holds (directly or indirectly) an interest pursuant to the respective SapuraOMV Group's operating agreements, concessions, PSCs, permits and licences, and which singularly or in aggregate, has or will have a total monetary impact on the SapuraOMV Group in excess of 40% of the Base Consideration;

For certainty, Material Adverse Event shall exclude the following events or series of events: (i) reduction or increase in the price of crude oil after the date of the SPA; (ii) events generally affecting the global economy or the financial markets; (iii) conditions generally affecting the international oil and gas industry; and (iv) production performance (other than to the extent that may be caused by an event referenced in (b) above).

7. DEFAULT BY THE PURCHASER

7.1 Where the Purchaser has failed to fulfil or waive the Conditions on or before the Long Stop Date, comply with its obligations on Completion or where there is a breach by the Purchaser of certain of its fundamental warranties or material breach of any of its fundamental warranties and such breach is continuing, or if a Material Adverse Event has occurred and is continuing, the Seller may, by not less than 10 business days' notice in writing terminate the SPA.

7.2 If any termination of the SPA occurs for the reason that the Conditions have not been fulfilled or waived on or before the Long Stop Date or the obligations of the Seller, SEB or the Purchaser are not complied with on Completion, only as a result of the Purchaser having been in material breach of its obligations under the SPA, the Purchaser shall jointly with the Seller (and SEB shall procure such instruction by the Seller) instruct the escrow agent to release the Deposit together with any accrued interest from the escrow account to the Seller.

7.3 Where the Purchaser fails to pay when due, any amounts payable under the SPA, then such amounts shall bear interest at an annual interest rate of 10% accruing daily and compounding quarterly following the date such payment was due under the SPA until the date of payment of such amounts.

8. THE SELLER AND SEB'S POST-COMPLETION UNDERTAKINGS AND ACKNOWLEDGEMENTS

8.1 The Seller undertakes to (and SEB undertakes to procure that the Seller will) hold and deal with the Net Cash Consideration in accordance with the provisions of the Sapura Net Sale Proceeds Trust Deed.

8.2 Each of the Seller and SEB acknowledges that, immediately following Completion until such time as the transfer(s) of the 50% of the SapuraOMV Shares have been registered in the register of members of SapuraOMV, the Seller shall hold the 50% of the SapuraOMV Shares registered in its name on trust for and as nominee for the Purchaser and shall hold all dividends and distributions and exercise all voting rights available in respect of the Shares in accordance with the directions of the Purchaser.

B. SALIENT TERMS OF THE WARRANTY DEED

1. SOMV BUSINESS WARRANTIES

1.1 Save as disclosed to the Purchaser and subject to terms of the SPA and Warranty Deed, SUA and SEB jointly and severally warrant to the Purchaser in the terms of the warranties given by the Seller and SEB concerning the business of the SapuraOMV Group ("**SOMV Business Warranties**"), as at the date of the Warranty Deed in accordance with the terms of the Warranty Deed.

1.2 If any of the SOMV Business Warranties is untrue, or shall become untrue in any material respect between the date of the Warranty Deed and Completion, and if such breach of warranty shall have be fully cured by the Completion Date, then such breach shall be considered not to have occurred for all purposes of the Warranty Deed.

2. LIMITATIONS ON LIABILITY

Without prejudice to any provisions of the Warranty Deed or any other transaction documents related to the Proposed Disposal that limits the liability of SUA or SEB, and subject to the terms of the SPA, the liability of SUA and SEB under the Warranty Deed shall be limited by and subject to the provisions of Schedule 4 to the SPA as summarised below.

Monetary limits

2.1 Neither SEB nor the Seller shall be liable in respect of a claim against SEB or the Seller in respect of a breach of the SOMV Business Warranties ("**SOMV Business Warranty Claim**") unless and until:

2.1.1 the amount of each individual SOMV Business Warranty Claim exceeds 0.5% of the Net Cash Consideration in which event the liability of SEB or the Seller shall be for the total amount of such SOMV Business Warranty Claim and shall not be limited to the excess; and

2.1.2 the aggregate amount of all such SOMV Business Warranty Claims exceeds 3% of the Net Cash Consideration in which event the liability of SEB or the Seller shall be for the total amount of such SOMV Business Warranty Claims and shall not be limited to the excess.

2.2 The aggregate liability of SEB and the Seller arising out of or in connection with all SOMV Business Warranty Claims including, for any damages, losses, expenses, costs, interest, interest on costs and amounts payable pursuant to rule 36.17 of the Civil Procedure Rules of England and Wales ("**Civil Procedure Rules**"), or any other sum payable pursuant to an ancillary order, in each case awarded by a court of competent jurisdiction in connection with such SOMV Business Warranty Claim, shall not exceed 20% of the Net Cash Consideration.

2.3 The aggregate liability of SEB and the Seller arising out of or in connection with all claims including for any damages, losses, expenses, costs, interest, interest on costs and amounts payable pursuant to rule 36.17 of the Civil Procedure Rules, or any other sum payable pursuant to an ancillary order, in each case awarded by a court of competent jurisdiction in connection with such claims, shall not exceed 100% of the Net Cash Consideration.

Time limits

2.4 Neither SEB nor the Seller shall be under any liability in respect of any SOMV Business Warranty Claim and any such SOMV Business Warranty Claim shall be wholly barred and unenforceable unless written notice of such SOMV Business Warranty Claim ("**Claim Notice**") setting out full details of the SOMV Business Warranty Claim (including the grounds on which such SOMV Business Warranty Claim is based, the amount claimed to be payable in respect of such SOMV Business Warranty Claim and the basis of calculation in respect of such amount) shall have been served upon SEB and the Seller by the Purchaser within five business days after such date that the Purchaser becomes aware of the facts or circumstances of such SOMV Business Warranty Claim and within the time limits set out below.

2.5 In the case of any SOMV Business Warranty Claim, any Claim Notice must be delivered no later than 5.00 p.m. on the date that is 12 months after the Completion Date.

2.6 Following the delivery of the Claim Notice as described above, neither SEB nor the Seller shall be under any liability if legal proceedings in respect of such SOMV Business Warranty Claim have not commenced within 6 months following the service of such notice.

2.7 Notwithstanding the above, the limitations described above shall not apply to any SOMV Business Warranty Claim to the extent that it arises as a result of the fraud or fraudulent concealment by either SEB or the Seller.

3. TERMINATION

The Warranty Deed shall automatically terminate, except for the miscellaneous and termination provisions in the Warranty Deed, with immediate effect and each of the party's rights and obligations shall cease to have force and effect upon the termination of the SPA prior to Completion, without prejudice to any rights accrued by a party with respect to a breach of the Warranty Deed prior to the date of termination.

ENERGY QUEST SDN BHD (602734-A)
Unit SA-13-09, Menara Paragon @ Pan'gaea, Persiaran Bestari,Cyberjaya,
63000 Cyberjaya,,Selangor, Malaysia.
Tel: 603-2163 4228 Fax: 603-2162 4229 email: eqsb@energyquest.com.my
Website: www.energyquest.com.my

Competent Valuer's Report (CVR) on SapuraOMV Upstream Sdn. Bhd. ("SOMV") Assets and Hydrocarbon Resources Prepared for the Proposed Divestment of Sapura Energy Berhad ("SEB") 50% Equity in SOMV

Conducted for

Sapura Energy Berhad (SEB)

By

Energy Quest Sdn. Bhd. (EQ)

1st July 2024

Prepared By : 

Allida Muhammad Said
Principal Commercial Consultant /
Chief Operating Officer
Energy Quest Sdn. Bhd.

Release to Client : 

Ngadni Temon
Chief Executive Officer (CEO)
Energy Quest Sdn. Bhd.

Date Released : 1st July 2024

Energy Quest Sdn. Bhd. (EQ) has made every effort to ensure that the interpretations, conclusions and recommendations presented herein are in accordance with accepted industry practice outlined in the 2018 Petroleum Resources Management System (PRMS) and EQ's own quality management procedures. Energy Quest Sdn. Bhd. does not, however, guarantee the correctness of any such interpretations and shall not be liable or responsible for any loss, costs, damages or expenses incurred or sustained by anyone resulting from any interpretation or recommendation made by any of its officers, agents or employees.

Directors,
Sapura Energy Berhad
Sapura @ Mines, No. 7, Jalan Tasik,
The Mines Resort City,
43300 Seri Kembangan, Selangor, Malaysia.

Dear Sirs/Madams,

At the request of Sapura Energy Berhad (SEB), Energy Quest Sdn. Bhd. (EQ) has conducted a valuation of SapuraOMV Upstream Sdn. Bhd. (SOMV)'s assets under Production Sharing Contracts (PSC) in Malaysia, namely Blocks SK408 and SK310 (subject assets), for the issuance of the Competent Valuer's Report (CVR). The valuation also includes selected assets in New Zealand and Mexico.

SOMV is a 50:50 joint venture between SEB and OMV Aktiengesellschaft. The purpose of the CVR is to prepare an independent valuation report in respect of SOMV Group's oil and gas reserves and resources for the proposed disposal by Sapura Upstream Assets Sdn Bhd, a wholly-owned subsidiary of the SEB, of its entire 50% in SOMV Upstream Sdn Bhd.

Consistent with the effective date of the Competent Person's Report (CPR) conducted by EQ, the effective date of this CVR is 1st January 2024. The bases of the valuation hinge on the technical assessment as documented in the CPR conducted by EQ for the estimated Gross Reserves and Contingent Resources as of end December 2023. Technical bases extracted from the CPR include the production profiles and gross recoverable hydrocarbons in their respective resource classifications i.e., Best Estimate (2P Reserves).

The contents of this CVR are based on the information made available to EQ including the PSC terms, fiscal terms and relevant legally binding documents. No representation or warranty, whether expressed or implied, is given by EQ that the information and documents provided will remain unaltered subsequent to the date of this report. However, should EQ become aware of any significant change affecting the information

contained in the CVR or have reasonable grounds to believe that any statement in this report is misleading or deceptive or have reasonable grounds to believe that there is material omission in this CVR, we will undertake to immediately notify SEB.

The CVR has been prepared exclusively for SEB and the rights to use all or part of these reports rest solely with SEB. We acknowledge that the CVR may be included in its entirety, or portions of these reports summarized, in documents prepared by SEB in connection with commercial or financial activities and that such documents, together with these reports, may be filed with any stock exchange and other regulatory body and may be published electronically on websites accessible by the public, including that of SEB. It should be noted however, that SEB will ensure that when the full CVR or an extract form of it is to be shared, the information is correct and not misleading. EQ shall have no liability arising out of or related to the use of the CVR.

Ngadni Temon
Chief Executive Officer (CEO)
Energy Quest Sdn. Bhd.

Executive Summary

At the request of Sapura Energy Berhad (SEB), Energy Quest Sdn. Bhd. (EQ) has conducted a valuation of SapuraOMV Upstream Sdn. Bhd. (SOMV)'s assets under Production Sharing Contracts (PSC) in Malaysia, namely Blocks SK408 and SK310 (subject assets), for the issuance of the Competent Valuer's Report (CVR). The valuation also includes selected assets in New Zealand and Mexico.

SOMV is a 50:50 joint venture between SEB and OMV Aktiengesellschaft. The purpose of the CVR is to prepare an independent valuation report in respect of SOMV Group's oil and gas reserves and resources for the proposed disposal by Sapura Upstream Assets Sdn Bhd, a wholly-owned subsidiary of the SEB, of its entire 50% in SOMV Upstream Sdn Bhd. Consistent with the effective date of the CPR conducted by EQ, the effective date of this CVR is 1st January 2024.

In preparing the CVR, respective economics models were constructed incorporating the established PSC terms, fiscal terms, Upstream Gas Commercial Arrangements (UGSA), and Condensate Sale and Purchase Agreement (SPA), where applicable. The technical bases for the valuation hinge on the technical assessment as documented in the CPR conducted by EQ for the estimated gross resources as of end December 2023. The extracted technical bases from the CPR include the production profiles and gross recoverable hydrocarbons in their respective resource classifications i.e., Best Estimate (2P). Sensitivity analyses e.g., Low Estimate (1P) and High Estimate (3P) were generated to reflect uncertainties in the oil and gas pricing, recoveries, production profiles and costs.

i. Net Present Value (NPV): Base Case (2P Reserves)

The Base Case reflects P50 (2P) production profiles, recoveries and costs. The Net Present Values (NPV) at 10% discount rate (post-tax) based on the valuation is USD 1,131 million (Net to SOMV) and USD 566 million (Net to SEB), as reflected in Table i:

PSC	NPV at 10% discount rate (post-tax) – Base Case (2P Reserves), MMUSD	
	Net to SOMV	**Net to SEB**
SK408	1,116	558
SK310	15	8
TOTAL	**1,131**	**566**

Table i: NPV by PSC – Base Case

More than 75% of the Asset Value is contributed by the production of 2P reserves from Jerun field. In terms of PSC block contribution, SK408 contributes more than 98% to the Asset Value.

ii. Sensitivity Analyses on NPV: Low, Base and High Cases

Sensitivity analyses cover the ranges of P90 (1P) and P10 (3P) production profiles, recoveries and costs. The NPV at 10% discount rate (post-tax) for Low, Base and High cases range from USD 911 million up to USD 1,289 million (Net to SOMV) and from USD 456 million up to USD 644 million (Net to SEB). The NPV for Low, Base and High cases are reflected in Table ii (Net to SOMV) and Table iii (Net to SEB):

PSC	NPV (Net to SOMV) at 10% discount rate (post-tax), MMUSD		
	Low (1P Reserves)	**Base (2P Reserves)**	**High (3P Reserves)**
SK408	903	1,116	1,266
SK310	8	15	23
TOTAL	**911**	**1,131**	**1,289**

Table ii: NPV – Sensitivity Analyses (Net to SOMV)

PSC	NPV (Net to SEB) at 10% discount rate (post-tax), MMUSD		
	Low (1P Reserves)	Base (2P Reserves)	High (3P Reserves)
SK408	451	558	633
SK310	5	8	11
TOTAL	**456**	**566**	**644**

Table iii: NPV – Sensitivity Analyses (Net to SEB)

iii. Net Entitlement Reserves: Base Case (2P Reserves)

The Net Entitlement Reserves (Base case) are 138 MMBOE (Net to SOMV) and 69 MMBOE (Net to SEB), as shown in Table iv (Net to SOMV) and Table v (Net to SEB):

PSC	Net Entitlement Reserves to SOMV – Base Case (2P Reserves)		
	NGL (MMstb)	Gas (Bscf)	TOTAL (MMBOE)
SK408	8	772	137
SK310	0	9	1
TOTAL	**8**	**781**	**138**

Table iv: Net Entitlement Reserves to SOMV – Base Case

PSC	Net Entitlement Reserves to SEB – Base Case (2P Reserves)		
	NGL (MMstb)	Gas (Bscf)	TOTAL (MMBOE)
SK408	4	386	68
SK310	0	4	1
TOTAL	**4**	**390**	**69**

Table v: Net Entitlement Reserves to SEB – Base Case

iv. Net Entitlement Reserves: Low, Base and High Cases

The Net Entitlement Reserves for Low, Base and High cases are reflected in Table vi (Net to SOMV) and Table vii (Net to SEB):

PSC	Net Entitlement Reserves to SOMV, MMBOE		
	Low (1P Reserves)	Base (2P Reserves)	High (3P Reserves)
SK408	124	137	141
SK310	1	1	2
TOTAL	**125**	**138**	**143**

Table vi: Net Entitlement Reserves to SOMV – Sensitivity Analyses

PSC	Net Entitlement Reserves to SEB, MMBOE		
	Low (1P Reserves)	Base (2P Reserves)	High (3P Reserves)
SK408	62	68	71
SK310	0	1	1
TOTAL	**62**	**69**	**72**

Table vii: Net Entitlement Reserves to SEB – Sensitivity Analyses

v. Market Approach Supports the Income-Based Approach Valuation

The income-based economic valuation for the Base case at NPV@10% (post-tax, Net to SEB) of $566 million for the Net Entitlement Reserves of 69 MMBOE indicates a Net Asset Value of $8.2 USD/BOE. A good benchmark based on the market approach would be the acquisition of OMV's 50% equity interest in SOMV, with an implied acquisition price of $8 USD/BOE (which also includes cash and debt adjustments attributable to SOMV, further details of which are not disclosed in the public domain).

Professional Qualifications

EQ is a privately-owned independent Upstream Oil and Gas (O&G) consulting firm with a portfolio of clients encompassing both local and international operators and service companies. Since its establishment in 2004, EQ has provided consulting services to companies such as PETRONAS, PETRONAS Carigali Sdn. Bhd. (PCSB), Mubadala, KPOC, ROC Oil, Hess, Petrofac, Lundin and SapuraKencana, among others (please refer to EQ's track record in Appendix 1 of this report).

EQ is powered by around 30 industry professionals, from diverse disciplines such as geology, geophysics, petrophysics, sedimentology, reservoir and production engineering, drilling engineering, facilities engineering and petroleum economics.

Our specialized integrated multi-disciplinary services include a wide range of services throughout the Oil and Gas Exploration and Production (E&P) cycle. The services include geological field work, field/Production Sharing Contract (PSC) block acquisition, prospect and basin evaluation, Resource Assessment (RA), Field Development Plan (FDP), Full Field Review (FFR), Enhanced/Improved Oil Recovery (EOR/IOR) and other specialized studies such as carbonate petrophysics, sedimentology and core analysis.

Our notable past achievements include producing a resource evaluation report for the acquisition of Newfield assets by SapuraKencana Sdn. Bhd, producing an Independent Technical Review of Emir-Oil Concession Block, Onshore Kazakhstan for FHMH Corporate Advisory Sdn. Bhd. to evaluate Reach Energy Ventures Sdn. Bhd. proposed block acquisition, conducting a comprehensive study of the D35 Field which comprise a FFR, formulation of FDP, rock and fluid laboratory work, and EOR evaluation, and Luconia regional study for Carbon Dioxide (CO_2) sequestration project. EQ has completed numerous projects for E&P operating companies and stake holders in Southeast Asia, Central Asia, Middle East, Central Africa and Central America. Some of the work accomplished outside Malaysia include Golshan and Firdawsi FDP Study (Iran), Joknyang and Thoan FDP Study (Sudan), Block evaluation for five blocks at India NELP-V PSC block, Nigeria block evaluation/geological study and Reservoir management study for 14 gas fields in Bangladesh.

As an end-to-end upstream O&G Consulting company, EQ is able to provide customized solutions through proactive client consultation, leveraging on technology and proven work processes to meet our clients' needs.

Except for the provision of professional services on a fee basis, EQ has no commercial or financial arrangement with any person or company involved in the interest that is the subject of this report.

I, Allida Muhammad Said, am a Principal Commercial Consultant to EQ responsible for conducting this evaluation. I am a professional Upstream Oil & Gas consultant with more than 30 years of industry experience (please refer to Appendix 3 for the Competent Valuer details).

Yours faithfully,

Allida Muhammad Said
Principal Commercial Consultant
For and on behalf of Energy Quest Sdn. Bhd.

Table of Contents

List of Tables

List of Figures

1 Introduction

This report presents the Competent Valuer's Report (CVR) that was prepared by Energy Quest Sdn. Bhd. (EQ) at the request of Sapura Energy Berhad (SEB). EQ was tasked to conduct a valuation assessment of gas producing assets currently held by SapuraOMV Upstream Sdn. Bhd. (SOMV) under Production Sharing Contracts (PSC) in Malaysia, i.e., Blocks SK408 and SK310 (subject assets) located in the Central Luconia Province offshore Sarawak. The subject assets comprise the Best Estimate (2P) volumes and reserves based on the production from existing operations in PSC Blocks SK408 (Larak, Bakong and Gorek fields) and SK310 (B15 field), and the expected production from the sanctioned Bakong Phase-II development project and Jerun gas field development. The brief descriptions of the subject asset are presented in the following sections of this report.

Note that additional valuation on the Contingent Resources from the planned gas developments projects in PSC Block SK408 (Teja and Pepulut fields) was conducted for the purpose of determining Net Entitlement Contingent Resources and shall not be part of the net asset valuation. On the same note, a sensitivity valuation was also conducted for selected assets i.e., Toutouwai oil discovery located in Exploration Permit PEP60093 in the South Taranaki Basin, offshore New Zealand, and Kan oil discovery located in Block 30 in the Sureste Basin, offshore Mexico. These assets are viewed as potentially recoverable resources that require further appraisal and maturation to be considered viable for development commercially.

1.1 Sources of Information

In conducting the valuation, EQ relied on the accuracy and completeness of all information received from SEB and SOMV and has made reasonable enquiries where possible. To the best of EQ's knowledge, the information provided is not false and/or misleading and as such, the premise of this report is made in good faith and in the belief that the information provided is representative of prevailing physical and economic circumstances.

EQ was given access to a repository of technical and commercial data and information via Virtual Data Room (VDR), which comprised documents and data which were sufficient to conduct the valuation. We have utilized the information provided by SEB and SOMV, which include data from various presentation materials (e.g., SOMV management review packages, Annual Review of Petroleum Resources (ARPR), Quarterly Audited Accounts (QAA), and Work Program and Budget (WPB) submission), as well as information on the established PSC terms, fiscal terms, and Upstream Gas Commercial Arrangements (UGSA). The technical bases for the assessment were extracted from the Competent Person's Report (CPR) prepared by EQ, effective date 1st January 2024, for the estimated gross resources as of end December 2023.

1.2 Requirements

In accordance with your instructions to us we confirm that:

- We are professionally qualified and a member in good standing of a self-regulatory organization of engineers and/or geoscientists;
- We have over 500 man-years relevant experience in the estimation, assessment and evaluation of oil and gas assets;
- We are independent of SEB, its directors, senior management and advisors;
- We will be remunerated by way of a time-based fee and not by way of a fee that is linked to the admission or value of SEB; and
- We are not a sole practitioner.

1.3 Standards Applied

The valuation has been conducted within our understanding of petroleum legislation, taxation and other regulations that currently apply to the subject assets, in accordance with the 2018 Petroleum Resources Management System (PRMS). The report represents EQ's best professional judgement and should not be considered a guarantee or prediction of results. It should be understood that any valuation, particularly one involving future performance and development activities may be subject to significant variations over a short period of time as new information becomes available.

1.4 Site Visit

No site visit was required. Data review was performed via desktop review, where the data pertaining to this project was available digitally (i.e., no physical data room review was conducted).

1.5 Quality, Health, Safety and Environment

A statement on the health, safety, security and environment policies governing the operations of the SOMV assets is observed:

"At Sapura Energy, we are committed to preventing injuries, occupational illnesses, property damage & environmental pollution in all locations where we operate. In **Quality**, we are committed to the highest quality standards in our approach, asset integrity and service delivery. We care about the **Health** of our people by providing a socially, psychologically and physically-suitable working environment. We believe in **Safety Always** culture, with a strong intent to record a Perfect Day everyday where our people are able to go home safely without harm. In **Environment**, we ensure all our operations follow proper waste management procedures and directives. We aim to achieve Zero Spills, and is making steady progress of incorporating Green House Gas reduction in our operations. All our actions are guided by our **Core Values** where we believe **Safety, Honesty, Accountability, Respect & Professionalism (S.H.A.R.P) builds Trust**."

"The recent adoption of Nine (9) Life Saving Rules, as developed by the International Association of Oil & Gas Producers (IOGP), is another step to support SEB's zero-injury goal. It will simplify yet make more robust and user-friendly standards and procedures, backed up by the courage employees have to exercise their STOP WORK Authority as empowered to all SEB employees by the President and Group Chief Executive Officer (PGCEO) whenever the situation is deemed not safe. SEB will continue to further embed a strong safety culture, focusing on strengthening the capabilities of its employees as well as using new technology to make its systems simpler, smarter and more fit for purpose."

1.6 Liability

All interpretations and conclusions presented herein are opinions based on the information available. The report represents EQ best professional judgement and should not be considered a guarantee of results. It should be noted that EQ is not liable for any future changes in estimates of hydrocarbon resources, economic criteria, regulatory requirements, or any special factors that would affect the operation of the assets and which would require additional information for their proper appraisal/evaluation. The use of this material and report is at the user's own discretion and risk.

1.7 Consent

We hereby consent, and have not revoked such consent, to:

- The inclusion of this report, and a summary of portions of this report, in documents prepared by SEB and its advisors;
- The filing of this report with any stock exchange and other regulatory authority;
- The electronic publication of this report on websites accessible by the public, including a website of SEB; and
- The inclusion of our name in documents prepared in connection with commercial or financial activities.

The report relates specifically and solely to the subject assets and is conditional upon various assumptions that are described herein. The report must therefore be read in its entirety. This report was provided for the sole use of SEB on a fee basis. This report may not be reproduced or redistributed, in whole or in part, to any other person or published, in whole or in part, for any other purpose without the express written consent of EQ.

2 Overview of the Subject Assets

Asset overview and information were extracted from the CPR and summarized in the following section of this CVR. SOMV has equity ownership in the Production Sharing Contracts (PSCs) of the subject assets located in the Sarawak region of offshore Malaysia in the South China Sea. The locations of the subject assets are shown in Figure 2-1, and information on the PSCs with respect to the subject assets (as of February 2024) are summarized in Table 2-1.

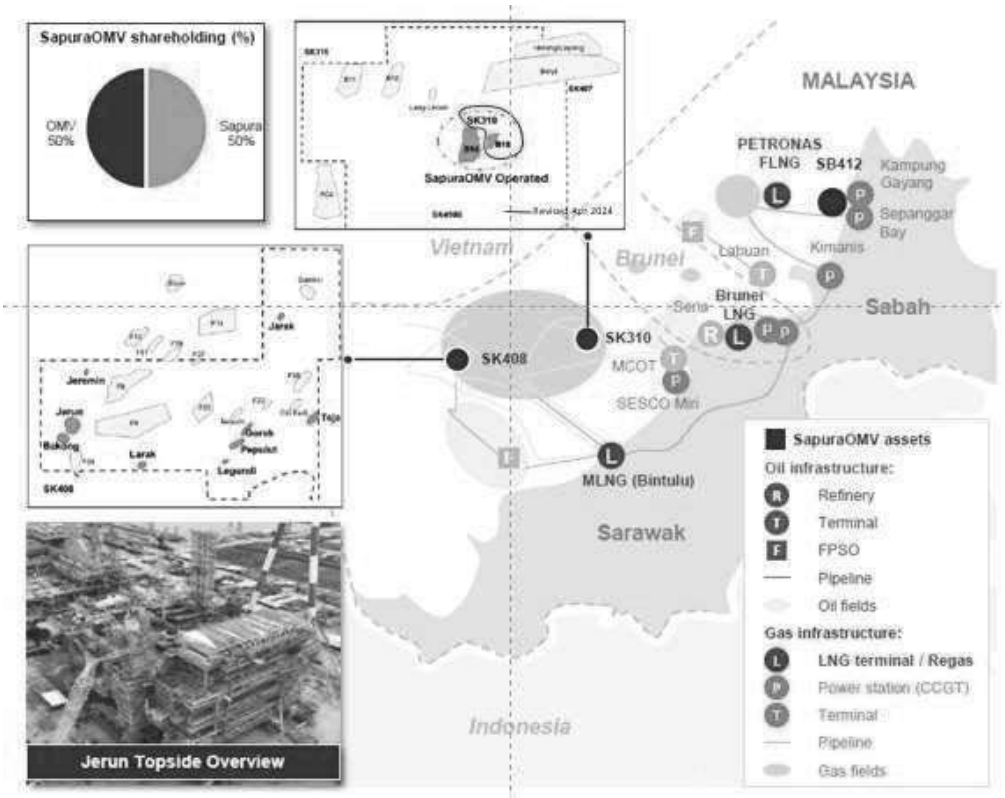


Figure 2-1: Location of the subject assets (Source:SOMV)

PSC Block	Effective Dates	Participating Interest	First Commercial Production (FCP)	Production Period	Expiry Date
SK310	June 17, 2008	30% SOMV 30% Diamond Energy Sarawak (DES) 40% PCSB	December 1, 2017	20 years after FCP	December 1, 2037
SK408	Dec 12, 2012	40% SOMV 30% Sarawak Shell Berhad (SSB) 30% PCSB	February 17, 2020	20 years after FCP	February 16, 2040

Table 2-1: Summary of PSC basic information

2.1 SK408

The SK408 PSC is a joint venture between SOMV, PETRONAS Carigali Sdn. Bhd. (PCSB) and Sarawak Shell Bhd. (SSB), at 40%, 30% and 30% working interest, respectively. The development and operations activities in SK408 are executed under a Dual Operatorship Agreement, where fields can be grouped into two sub-blocks i.e., SK408 West and SK408 East. SK408 West is operated by SOMV and comprises Larak, Bakong, Jerun and Jeremin fields, whilst SK408 East is operated by SSB and comprises Gorek, Teja, Pepulut, Jarak and Legundi fields. The Upstream Gas Sales Agreement (UGSA) dated 6th September 2019 took effect from the First Gas Date (FGD) for the block on 9th January 2020, for a period of 20 years. The Annual Contract Quantity (ACQ) covers two phases of SK408 development, as follows:

- Phase 1: to deliver an annual average quantity of 400 MMscfd from Larak, Bakong and Gorek fields until the day immediately before the start date of Phase 2.
- Phase 2 (per the SK408 UGSA Addendum dated 18th August 2022): to deliver an annual average quantity of 500 MMscfd for the first seven years from Jerun gas field (Jerun Gas Field ACQ), and the remaining volume from Phase 1 gas, taking into consideration the natural decline of the fields. The approved FGD for Jerun is by no later than Q3, 2024.

On 10th November 2020, PETRONAS approved SOMV's application for Gas Holding Areas (GHA) and delineation of Teja, Pepulut, Jarak, Legundi and Jeremin gas fields for a period of five years from 12th June 2020 until 11th June 2025, subject to the following conditions, failing which the fields shall be unconditionally relinquished to PETRONAS:

- Submission of an Area Development Plan (ADP) for the fields by 30th September 2021, which has been fulfilled by SOMV.
- MR4 for Teja and Pepulut by 30th September 2023, for which the target FDP submission is by December 2024, to meet the planned FID approval in 2025.
- MR4 for Jarak, Legundi and Jeremin by 31st March 2024.

2.1.1 Larak

The field was discovered with the drilling of the Larak-1 exploration well in June 2014. Larak was developed as a WHP tie-in to F6 BIM processing hub, and first gas from the field was reported in December 2019. Two gas producing wells (each with a 7-inch tubing string installed with a permanent downhole gauge, PDG) were drilled and completed in the field (both are currently active). In December 2023, the average gross sales from the field were approximately 87 MMscfd of gas. As of end December 2023, a total of 151 Bscf cumulative gas production (sales and non-sales) was recorded. Larak reserves are all Developed (P50 Developed, 280 Bscf), and there are no ongoing studies and no plans for future projects for the field.

2.1.2 Bakong

The field was discovered with the drilling of the Bakong-1 exploration well in July 2014. Bakong field adopts a two-phased development strategy, targeted for early gas sales opportunity. Bakong Phase-I development was a WHP tie-in to F6 BIM processing hub, and first gas from the field was reported in June 2020. Bakong Phase-I development comprised drilling of two gas producing wells (each completed with a 7-inch tubing string), and both wells are currently active. Bakong Phase-II development is an extension of Phase-I production, with an additional supply of sweet gas from F6 complex

to blend down Bakong CO_2, via the F6 VLAP (Very Low Abandonment Pressure) project. In December 2023, the average gross sales from the field were approximately 212 MMscfd of gas. As of end December 2023, a total of 236 Bscf cumulative gas production (sales and non-sales) was recorded. Bakong reserves comprise both Developed (P50 Developed, 427 Bscf) reserves from the existing base production, and Undeveloped (P50 Undeveloped, 289 Bscf) reserves from Bakong Phase-II development (F6 VLAP) project. The incremental sweet gas from F6 VLAP project (First Gas Date, FGD) is expected in April 2026.

2.1.3 Gorek

The field was discovered with the drilling of the Gorek-1 exploration well in April 2014. Gorek was developed as a WHP tie-in to F6 BIM processing hub, and first gas from the field was reported in May 2020. Two gas producing wells (each with a 7-inch tubing string installed with a permanent downhole gauge, PDG) were drilled and completed in the field (both are currently active). In December 2023, the average gross sales from the field were approximately 139 MMscfd of gas. As of end December 2023, a total of 140 Bscf cumulative gas production (sales and non-sales) was recorded. Gorek reserves comprise both Developed (P50 Developed, 184 Bscf) reserves from the existing base production, and Undeveloped (P50 Undeveloped, 40 Bscf) reserves associated with the Bakong Phase-II development (F6 VLAP) project (FS SK408 Gorek Fac). A plan to execute FFR activities for Gorek in 2026 was also indicated.

2.1.4 Jerun

The field was discovered with the drilling of the Jerun-1 exploration well in October 2015. Jerun FDP that was approved in February 2022 comprised the plan to develop the field via six gas producers i.e., development wells i.e., Jerun-A1, A2, A3, A4, A5 and A6, which consist of vertical and deviated single gas producers completed with pre-drilled liners and 7-inch tubing strings. The forecasted gas sales from Jerun shown indicates a seven-year plateau production of 500 MMscfd gas to meet ACQ, to be sold to the MLNG in Bintulu. A future gas compression facility i.e., JRN-K will be installed on a separate platform structure in Q3 2028 to sustain the gas plateau at 500 MMscfd annual

average. In ARPR 1.1.2024, the volumes associated with the six well development of NAG pinnacle carbonate reservoir without compression (FDP SK408 Gas Jerun GFD), and the benefit from the compression project (FDP SK408 Jerun Fac) from 2028 onwards as per the approved FDP/FID, are classified as Undeveloped reserves (P50) estimated to be at 1,148 Bscf and 1,018 Bscf, respectively, giving a total of 2,166 Bscf for the project.

2.1.5 Pepulut

The field was discovered with the drilling of the Pepulut-1 exploration well in 2018. One gas well is planned for the field, and a new WHP is planned to be installed to tie-back to the F23 processing hub and a co-development with Teja WHP via a daisy chain pipeline setup. The recoverable volume for Pepulut is estimated to be at 280 Bscf (P50 Contingent Resources) and is classified under CR1 potential recoverable resource category in ARPR 1.1.2024 (FDP SK408 Gas Pepulut). The development concept and FGD timing will be revisited during MR4 planned in May 2024, along with the latest gas demand outlook by MPM. FDP approval is targeted in April 2025 to meet the planned FID approval by June 2025 per the GHA, and the expected first gas is in September 2027.

2.1.6 Teja

The field was discovered in 2014 with the drilling of Teja-1 exploration well. The field straddles across two different PSC blocks i.e., SK408, and SK316 held by PCSB, with an equity split between the PSC Blocks assumed to be at 80% and 20%, based on the Teja unitization close-out in August 2022. One gas well with a new WHP are planned for the field. Conceptually, the tie-in would be via a co-development with Pepulut WHP. Teja FWS is sent to Pepulut WHP, is commingled with Pepulut FWS and then sent to F23 hub. The recoverable volume for the Teja field (for SK408 based on equity split at 80%) is estimated to be at 140 Bscf (P50 Contingent Resource) and is classified under CR1 potential recoverable resource category in ARPR 1.1.2024 (FDP SK408 Gas Teja GFD). The development concept and FGD timing will be revisited during MR4 planned in May 2024, along with the latest gas demand outlook by MPM. FDP approval is

targeted in April 2025 to meet the planned FID approval by June 2025 per the GHA, and the expected first gas is in September 2027.

2.2 SK310

The SK310 PSC is a joint venture between SOMV, PCSB and Diamond Energy Sarawak (DES), a wholly owned subsidiary of Mitsubishi Corporation, at 30%, 40% and 30% equity interests, respectively. SOMV is the field operator.

For B15, the first UGSA was signed on 23rd June 2016 for the provision of gas supply at the minimum contractual rate of 100 MMscfd (exclusive of CO_2), for a period of 5 ½ years from the first gas date. With first gas from B15 field on 18th February 2018, the expiry date for the UGSA is on 17th August 2023. For the purpose of continuing B15 gas production and monetizing additional reserves from the field, an extension to the UGSA was granted on 24th July 2023 (effective on 18th August 2023), until either the economic depletion of B15 gas field, or the expiry or termination of SK310 PSC, whichever is earlier.

2.2.1 B15

The field was discovered by B15-1 exploration well in 2010. B15 field is a single gas well development (B15-A1ST1), drilled at the crest of the pinnacle structure. The well was completed in August 2017, and first gas was reported in October 2017. In December 2023, the average gross sales from the field were approximately 133 MMscfd of gas. As of end December 2023, a total of 253 Bscf cumulative gas production (sales and non-sales) was recorded. B15 reserves are all Developed (P50 Developed, 43 Bscf), and the field is approaching end of field life, where the Cease of Production (CoP) is expected to be by December 2024 per ARPR 1.1.2024 (P50 case), subject to gas sales rates and overall field performance.

3 Categorisation of Reserves and Contingent Resources

SK408 and SK310 Gross Reserves per ARPR 1.1.2024 and as specified in the CPR are shown in Table 3-1 and Table 3-2 and illustrated in Figure 3-1 and Figure 3-2, for Gas sales and Natural Gas Liquids (NGL, which is a combination of both Condensate and Plant Liquid Return, PLR). The gross recoverable estimates comprise the Base Case which reflects the Best Estimate i.e., P50 (2P), the Low Estimate i.e., P90 (1P) and the High Estimate i.e., P10 (3P).

PSC	Gross Gas Reserves (Bscf)*		
	Low (1P)	**Base (2P)**	**High (3P)**
SK408	2,843	3,386	3,732
SK310	27	43	63
TOTAL	**2,870**	**3,429**	**3,795**

Table 3-1: Gross Gas Reserves (ARPR 1.1.2024)

*Note * Gross Reserves are post-economic limit test*

PSC	Gross NGL Reserves (MMstb)*		
	Low (1P)	**Base (2P)**	**High (3P)**
SK408	56	77	94
SK310	0.3	0.5	0.7
TOTAL	**56**	**78**	**95**

Table 3-2: Gross NGL Reserves (ARPR 1.1.2024)

*Note * Gross Reserves are post-economic limit test*

SK408 and SK310 Gross Contingent Resources per ARPR 1.1.2024 and as specified in the CPR are shown in Table 3-3 and Table 3-4 and illustrated in Figure 3-1 and Figure 3-2, for Gas sales and NGL.

PSC	Gross Gas Contingent Resources (Bscf)*		
	1C	2C	3C
SK408	132	455	881
SK310	-	-	-
TOTAL	**132**	**455**	**881**

Table 3-3: Gross Gas Contingent Resources (ARPR 1.1.2024)

*Note * Gross Contingent Resources are post-economic limit test*

PSC	Gross NGL Contingent Resources (MMstb)*		
	1C	2C	3C
SK408	2	8	15
SK310	-	-	-
TOTAL	**2**	**8**	**15**

Table 3-4: Gross NGL Contingent Resources (ARPR 1.1.2024)

*Note * Gross Contingent Resources are post-economic limit test*

For the purpose of valuation, the Best Estimate (2P i.e., P50) is utilized, whilst the Low (1P i.e., P90) and High (3P i.e., P10) estimates are only run as sensitivities.

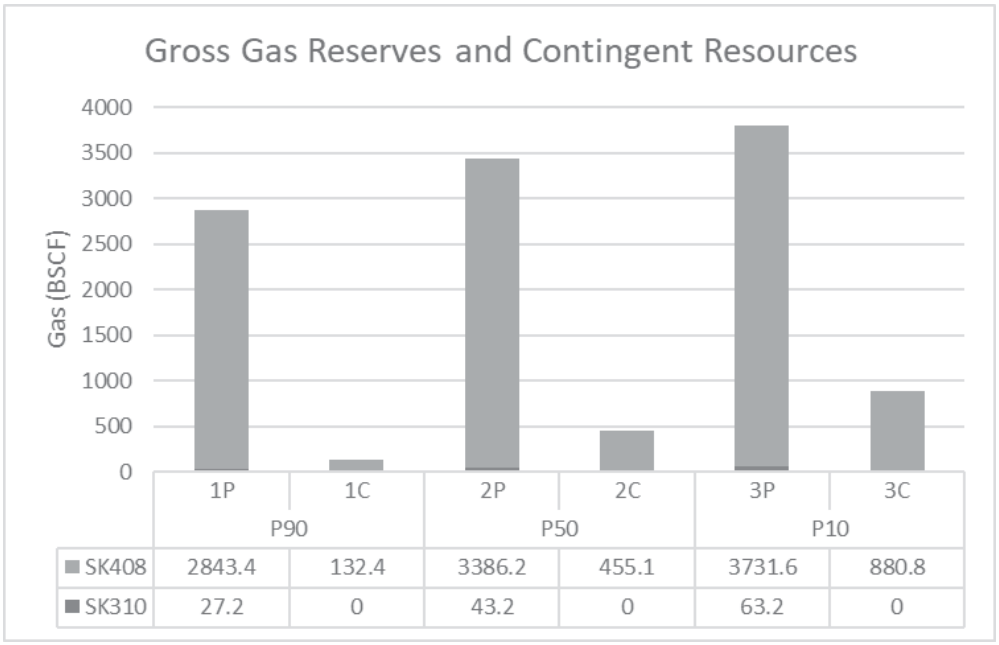


Figure 3-1: Gross Gas Reserves and Contingent Resources (ARPR 1.1.2024)

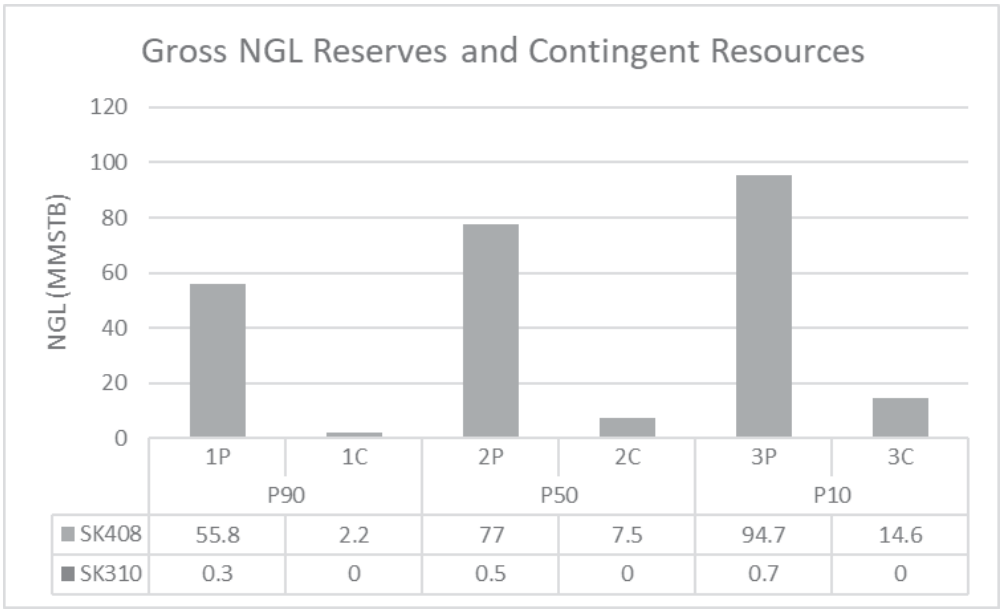


Figure 3-2: Gross NGL Reserves and Contingent Resources (ARPR 1.1.2024)

4 Production Profiles

Production profiles for all the fields are based on ARPR 1.1.2024, and as specified in the CPR, where the 2P Reserves and their corresponding flowstreams are utilized as the Base case. In the production profiles presented below, "gas" denotes gas sales.

4.1 SK408

The currently producing fields in SK408 are Larak, Bakong and Gorek. Based on ARPR 1.1.2024, Jerun is expected to come onstream in August 2024.

4.1.1 Larak

Larak production is expected to continue until 2037. In November 2027, the production is expected to increase and will be under the Medium Pressure (MP) mode due to lowering of the topside system pressure to 500 psi. The Larak gas and NGL production profiles are shown in Figure 4-1.

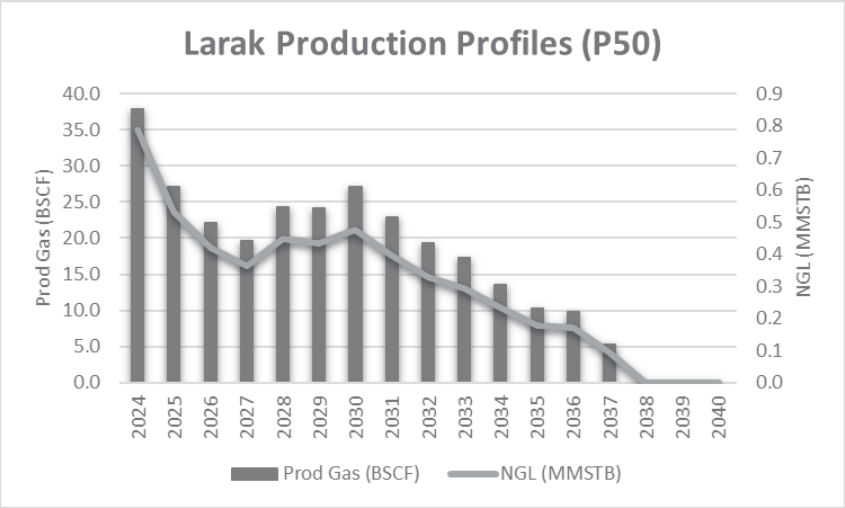


Figure 4-1: Larak Gas and NGL Production Profiles (2P)

4.1.2 Bakong

Bakong field production is expected to continue until 2039. The additional volume associated with F6 VLAP project is also expected to be produced starting from 2026. In November 2027, the production will be under the MP mode due to lowering of topside system pressure to 500 psi. Bakong gas and NGL production profiles are shown in Figure 4-2 and Figure 4-3.

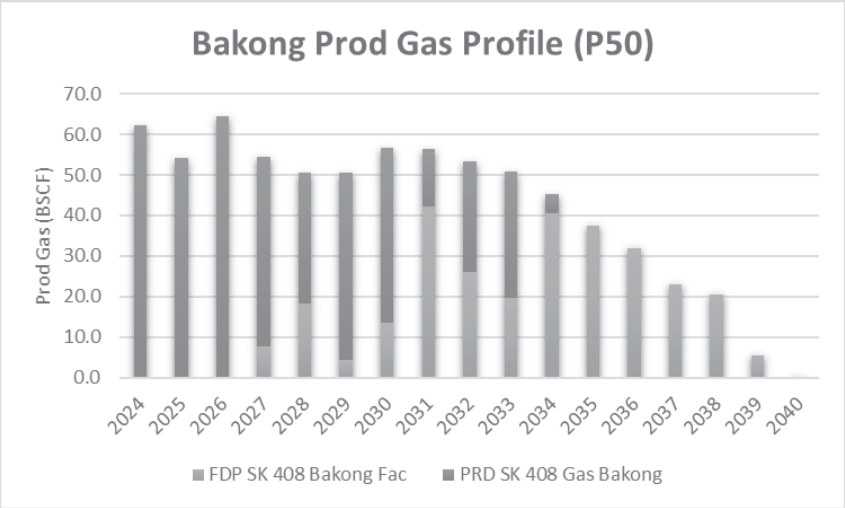


Figure 4-2: Bakong Gas Production Profile (2P)

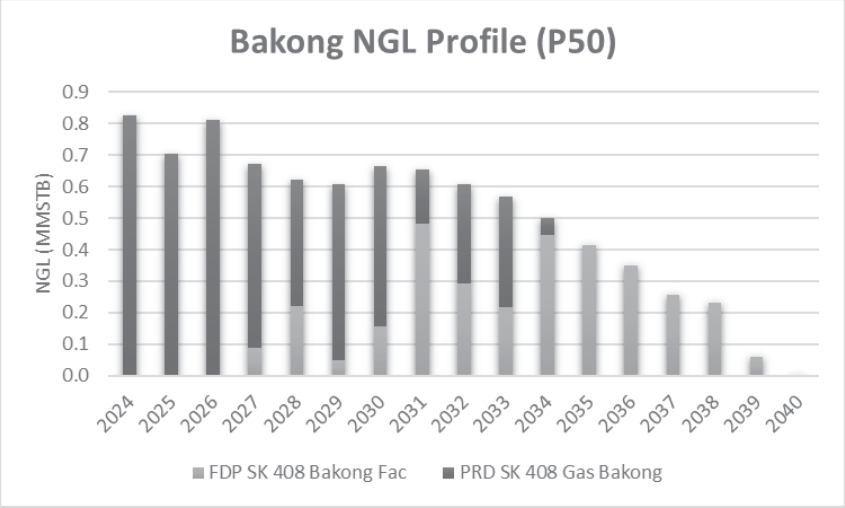


Figure 4-3: Bakong NGL Production Profile (2P)

4.1.3 Gorek

Gorek field is expected to continue producing until 2035. The current production policy gives priority to and maximizes Bakong gas production over Gorek (Bakong has a higher GIIP and higher H_2S and CO_2 contents). As such, Gorek gas production is only ramped up when there is ullage from Bakong's decline. The additional sweet gas available for blending from the F6 VLAP in Bakong Phase-II development project is expected to also benefit Gorek. In November 2027, the production will be under MP mode due to lowering of topside system pressure to 500 psi. Gorek gas and NGL production profiles are shown in Figure 4-4.

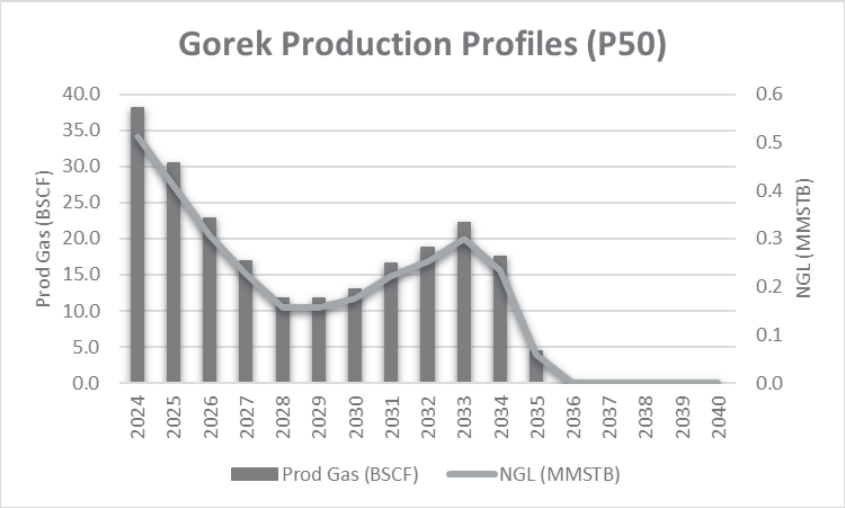


Figure 4-4: Gorek Gas and NGL Production Profiles (2P)

4.1.4 Jerun

Jerun first gas is expected in August 2024. To sustain the production plateau rate at 500 MMscfd for seven years per the Annual Contract Quantity (ACQ), a gas compression system will be installed in Q3 2028. Jerun gas and NGL production profiles are shown in Figure 4-5 and Figure 4-6.

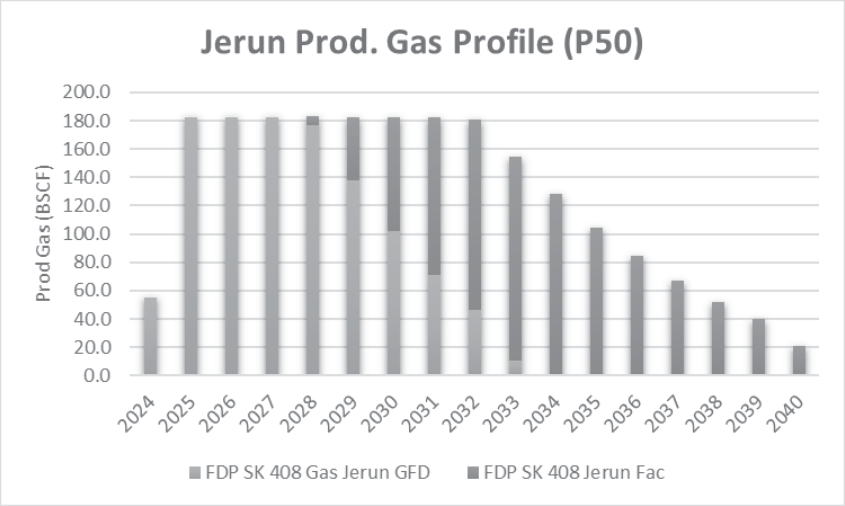


Figure 4-5: Jerun Gas Production Profile (2P)

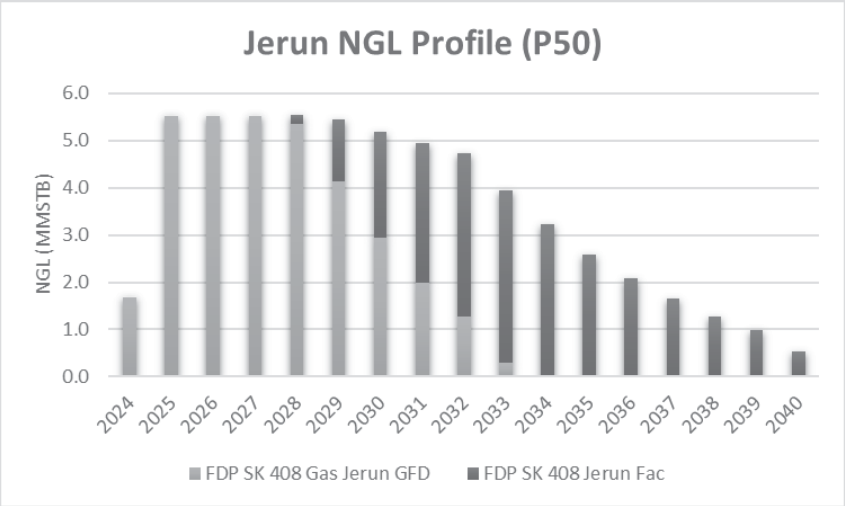


Figure 4-6: Jerun NGL Production Profile (2P)

4.2 SK310

In SK310, B15 field has been in production since December 2017.

4.2.1 B15

The B15 field is expected to cease production by December 2024. Well plug and abandonment activities are planned to be carried out within 2025 and 2026 with the facilities decommissioning is expected to commence in 2027. The gas and NGL production profiles for B15 field are shown in Figure 4-7.

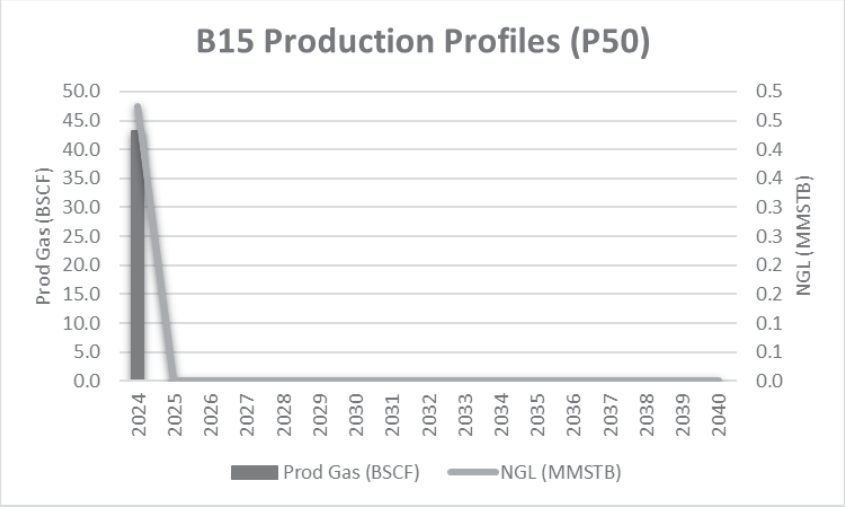


Figure 4-7: B15 Gas and Production Profiles (2P)

5 Economics

5.1 PSC Terms

The key elements of the SK408 and SK310 PSCs are described in the following sections.

5.1.1 SK408 PSC

Equity Parties

SOMV owns a 40% working interest in SK408 PSC (SOMV is a 50:50 joint venture between SEB and OMV Aktiengesellschaft) and is the operator of Larak and Bakong fields. Sarawak Shell Berhad owns 30% working interest and is the operator of Gorek field. PETRONAS Carigali Sdn. Bhd. holds the remaining 30% working interest.

Contract Duration

This PSC was effective on December 12, 2012, with First Commercial Production (FCP) achieved on February 17, 2020. The PSC will expire on February 16, 2040.

Cash Payment

Cash Payment to the government is assessed at 10% of gross oil and/or gas sales volumes.

Research Cess

Research cess is assessed at 0.5% of the sum of Cost Oil and/or Cost Gas and contractors' portion of Profit Oil and/or Profit Gas as set by the PSC.

Recovery of Costs and Division of Profit

The percentage of gross production that shall be applicable for cost recovery and sharing of Profit Oil and/or Profit Gas shall be determined based on contractors' Revenue-Over-Cost (R/C) ratios and the specified threshold volumes of cumulative gas and liquid production.

Export Duty

Export duty is only applicable on the contractors' portion of Profit Oil on oil exported internationally based on the prevailing customs and excise regulations.

Supplemental Payments

If the prevailing cumulative R/C ratio exceeds one, the contractors are obligated to pay PETRONAS a Supplemental Payment which is an amount that is equal to 70% (for oil) and 60% (for gas) of the excess difference between the realised oil or gas price and prevailing base price on the Profit Oil or Profit Gas portion, less the export duties.

Abandonment Cess Payment

The contractors are required to pay to PETRONAS an abandonment cess payment on the first anniversary of production. The quantum of the annual payments is based on the abandonment estimates distributed over the remaining life of the PSC. The amounts paid to PETRONAS are cost recoverable under Cost Oil or Cost Gas. For SK408, the abandonment cess payment covers both the facilities decommissioning costs and the well plug and abandonment costs.

Petroleum Income Tax (PITA)

Petroleum Income Tax is assessed at 38% of taxable income as per the 1967 Petroleum (Income Tax) Act. For marginal fields, the Income Tax is reduced to 25% of taxable income.

Capital Allowances

Capital allowances are allowed in determination of taxable income as per Malaysian tax guidelines provided by the Malaysian Inland Revenue Board.

Training Commitment

Training commitment that is agreeable by the parties is used for training of PETRONAS' personnel in respect of petroleum operations. Costs related to training commitment are recoverable.

5.1.2 SK310 PSC

Equity Parties

SOMV owns a 30% working interest in SK310 PSC (SOMV is a 50:50 joint venture between SEB and OMV Aktiengesellschaft) and is the current operator of the PSC. Diamond Energy Sarawak Sdn. Bhd. owns 30% working interest and PETRONAS Carigali Sdn. Bhd. holds the remaining 40% working interest.

Contract Duration

This PSC was effective on June 17, 2008 and currently expires on June 16, 2037.

Cash Payment

Cash Payment to the government is assessed at 10% of gross oil and/or gas sales volumes.

Recovery of Costs and Division of Profit

The percentage of gross production that shall be applicable for cost recovery and sharing of Profit Oil and/or Profit Gas shall be determined based on contractors' Revenue-Over-Cost (R/C) ratios and the specified threshold volumes (THV) of cumulative gas and liquid production.

Supplemental Payments

If the prevailing cumulative R/C ratio exceeds one, the contractors are obligated to pay PETRONAS a Supplemental Payment which is an amount that is equal to 70% (for oil) and 60% (for gas) of the excess difference between the realised oil or gas price and prevailing base price on the Profit Oil or Profit Gas portion, less the export duties.

Research Cess

Research cess is assessed at 0.5% of the sum of Cost Oil and/or Cost Gas and contractors' portion of Profit Oil and/or Profit Gas as set by the PSC.

Export Duty

Export duty is only applicable on the contractors' portion of Profit Oil on oil exported internationally based on the prevailing customs and excise regulations.

Abandonment Cess Payment

The contractors are required to pay to PETRONAS an abandonment cess payment on the first anniversary of production. The quantum of the annual payments is based on the abandonment estimates distributed over the remaining life of the PSC using unit of production basis. The amounts paid to PETRONAS are cost recoverable under Cost Oil or Cost Gas. For SK310, the abandonment cess payment covers only the facilities decommissioning costs and does not include the well plug and abandonment costs.

Petroleum Income Tax (PITA)

Petroleum Income Tax is assessed at 38% of taxable income as per the 1967 Petroleum (Income Tax) Act. For marginal fields, the Income Tax is reduced to 25% of taxable income.

Capital Allowances

Capital allowances are allowed in determination of taxable income as per Malaysian tax guidelines provided by the Malaysian Inland Revenue Board.

Training Commitment

Training commitment that is agreeable by the parties is used for training of PETRONAS personnel in respect of petroleum operations. Costs related to training commitment are recoverable.

5.2 Fiscal Assumptions

The following fiscal assumptions are used in the valuation:

1. Petroleum income tax is assessed at 38% of taxable income for Bakong and Jerun fields.
2. Petroleum income tax is assessed at 25% of taxable income for marginal fields namely Gorek, Larak and B15.
3. Waive of Export Duty due to NGL sold at domestic market.
4. Liquid sales are subjected to 5% Sarawak State Sales Tax.
5. Gas and liquid THVs are revised accordingly based on the P90 Ultimate Recovery (UR), as specified in ARPR 1.1.2024 (subject to the lesser of each field's UR and 30 MMSTB for oil reserves and 750 BSCF for gas reserves, except for Jerun which the limit is 1500 BSCF), as follows (Table 5-1):

PSC	Oil THV (MMSTB)	Gas THV (BSCF)
SK408	51	3,020
SK310	3	279

Table 5-1: Gas and Liquid THVs for SK408 and SK310

5.3 Gas and Condensate Prices

Gas selling prices for SK408 and SK310 are based on the Upstream Gas Sales Agreement (UGSA) with PETRONAS, which are guided by monthly prices of Japan Custom Cleared (JCC) and Malaysia Reference Price (MRP). In forecasting the future prices for both JCC and MRP, the historical relationship between these prices with the Brent crude prices from year 2017 until 2023 were observed and used in the valuation.

The condensate selling price which is also known as the Bintulu Condensate (BNC) price, is based on the Sale and Purchase Agreement (SPA) with PETCO Trading Labuan Company Limited on an annual renewal basis. Similar with the forecast for the gas selling prices, the historical relationship between BNC and the Brent crude prices is used for BNC forecast in the valuation.

5.3.1 SK408

The original UGSA was signed in September 2019 to cater for Phase 1 Gas Development which consists of Larak Bakong and Gorek fields. In August 2022, an addendum to the UGSA was put in place to cater for Phase 2 Gas Development which consists of Jerun, Pepulut and Teja fields. For the purpose of this valuation, the price from the Addendum will be used as the gas selling price for SK408. Based on the historical data, the average ratio of the MRP over the Brent crude prices is about 0.13.

5.3.2 SK310

The original UGSA was signed in June 2016 for the B15 gas sales. However, in August 2023, an addendum to the UGSA was published to revise the gas selling price for B15. For the purpose of this valuation, the price from the UGSA Addendum will be used as the gas selling price for B15. Based on the historical data, the JCC and Brent prices were on par with each other.

5.3.3 Bintulu Condensate (BNC)

The BNC prices were affected by high North West Shelf differential in recent years, as published by the Platts Crude Oil Marketwire, ranging from – USD 4/bbl up to – USD 17/bbl, For the purpose of this valuation, an average of – USD 5/bbl, calculated based on the historical from January 2021 until August 2023, from the Brent crude price will be used as the BNC price.

5.3.4 Brent Crude Price

Brent prices for 2024 and 2025 are based on the U.S. Energy Information Administration (EIA)'s Short Term Energy Outlook (STEO) dated January 2024 of USD 82.49/bbl and USD 79.48/bbl respectively. From 2026 until 2040, the Brent crude price is expected to escalate from USD 75/bbl (Base case) at 2% per annum. For the purpose of this valuation and to cover for the price uncertainty, Low and High cases are considered in the valuation which assume USD 65/bbl and USD 85/bbl as the price in 2026, and escalated at 2% per annum until 2040.

5.3.5 Price Forecasts

The forecasted Base Case gas and BNC selling prices for SK408 and SK310 are shown in Table 5-2.

Year	Crude Price (MOD - US$/bbl)	Condensate Price (MOD - US$/bbl)	Gas Price SK310 (MOD - US$/Mscf)	Gas Price SK408 (MOD - US$/Mscf)
2024	82.5	77.5	3.8	4.6
2025	79.5	74.5	3.6	4.5
2026	75.0	70.0	3.4	4.2
2027	76.5	71.5	3.5	4.3
2028	78.0	73.0	3.6	4.4
2029	79.6	74.6	3.6	4.5
2030	81.2	76.2	3.7	4.5
2031	82.8	77.8	3.8	4.6
2032	84.5	79.5	3.9	4.7
2033	86.2	81.2	3.9	4.8
2034	87.9	82.9	4.0	4.9
2035	89.6	84.6	4.1	5.0
2036	91.4	86.4	4.2	5.1
2037	93.3	88.3	4.3	5.2
2038	95.1	90.1	4.3	5.3
2039	97.0	92.0	4.4	5.4
2040	99.0	94.0	4.5	5.5

Table 5-2: Hydrocarbon Price Schedule – Base Case

5.4 Cost Assumptions

Consistent with the production profiles and reserves, ARPR 1.1.2024 is used as the main source for the determination of capital expenditures (CAPEX), operating expenditures (OPEX), and abandonment expenditures (ABEX) for the production and development of the fields in SK408 and SK310. EQ has reviewed the costs (which are consistent with WPB 2024 and used for cost recovery purposes) to be reasonable. The CAPEX, OPEX and ABEX for each field are discussed in the following sub-sections. All the costs mentioned are in nominal basis, unless stated otherwise.

5.4.1 Inflation and Exchange Rates

The inflation and the exchange rates used for converting the costs from RM Money of the Day (in ARPR 1.1.2024) to USD Real Terms are shown in Table 5-3 and Table 5-4. Note that for Gorek, Pepulut Teja fields, due to absence of data, the inflation and exchange rates used are 2% and 4.5 RM/USD respectively. For the purpose of this valuation, the inflation rate is assumed to be at 2% per annum.

Field	Inflation Rate (%)		
	CAPEX	OPEX	ABEX
Bakong	2%	2%	1%
Larak	2%	2%	1%
Jerun	2%	2%	3%
B15	3.1%	3.1%	2%

Table 5-3: Inflation Rates by Field (Source: ARPR 1.1.2024)

Field	Exchange Rate (USD to RM)		
	CAPEX	OPEX	ABEX
Bakong	4.5	4.5	4.5
Larak	4.5	4.5	4.5
Jerun	4.255	4.5	4.255
B15	4.5	4.5	4.5

Table 5-4: Exchange Rates by Field (Source: ARPR 1.1.2024)

5.4.2 Cost Allocation

Table 5-5 reflects the percentage of gas and liquid (oil and/or condensate) cost allocation used in ARPR 1.1.2024 for each field.

Field	Liquid Cost Allocation (%)	Gas Cost Allocation (%)
Bakong	6%	94%
Jerun	14%	86%
Larak	6%	94%
Gorek	6%	94%
B15	7%	93%

Table 5-5: Gas and Liquid Cost Allocation by Field

For the cost allocation by PSC block, the annual percentage is calculated based on the liquid and gas cost summation against the total cost, per the cost phasing specified in ARPR 1.1.2024, as shown in Table 5-6.

Year	SK310		SK408	
	Liquid Cost Allocation (%)	Gas Cost Allocation (%)	Liquid Cost Allocation (%)	Gas Cost Allocation (%)
2024	13%	87%	11%	89%
2025	7%	93%	10%	90%
2026	7%	93%	7%	93%
2027	7%	93%	5%	95%
2028	7%	93%	9%	91%
2029	7%	93%	9%	91%
2030	7%	93%	8%	92%
2031	7%	93%	8%	92%
2032	7%	93%	8%	92%
2033	7%	93%	8%	92%
2034	7%	93%	8%	92%
2035	7%	93%	8%	92%
2036	7%	93%	8%	92%
2037	7%	93%	7%	93%
2038	7%	93%	9%	91%
2039	7%	93%	12%	88%
2040	7%	93%	14%	86%

Table 5-6: Gas and Liquid Cost Allocation by PSC

5.4.3 Costs for Production, Operation and Development

The costs (CAPEX, OPEX and ABEX) associated with the production and operation of the producing fields (Larak, Bakong, Gorek and B15), and the development costs for Jerun are presented below.

5.4.3.1 SK408 – Larak

Less than USD 1 million will be spent on Larak's CAPEX due to no further development project planned for the field. However, relatively high OPEX amounting to around USD 310 million are forecasted to be incurred for the next fourteen years. The estimated remaining Abandonment Cess for the field is around USD 10 million.

Figure 5-1 illustrates the cost phasing for Larak Base case.

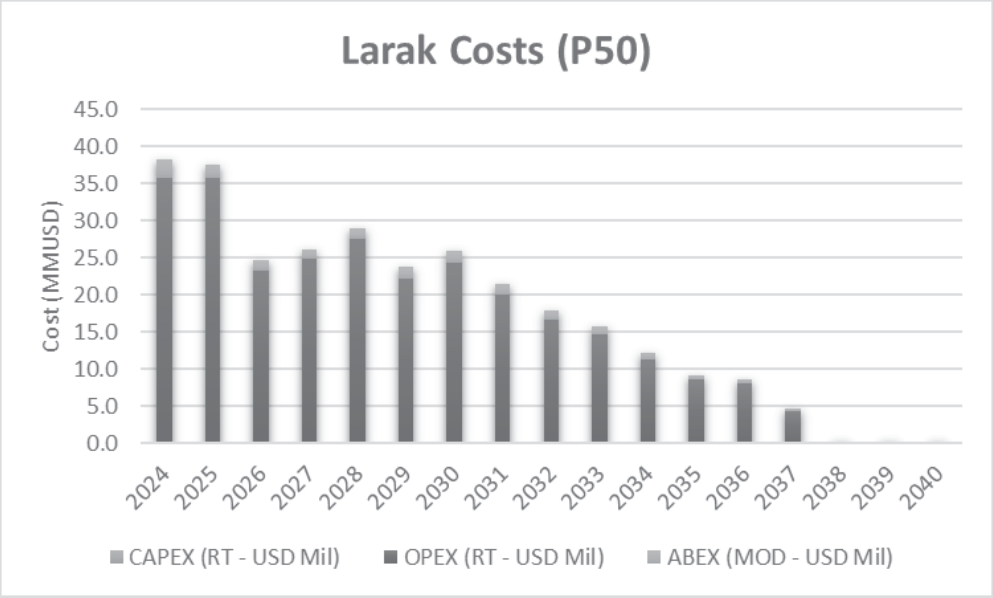


Figure 5-1: Larak Cost Profiles (2P)

The corresponding cost profiles for the Low and High cases are shown in Figure 5-2 and Figure 5-3 respectively.

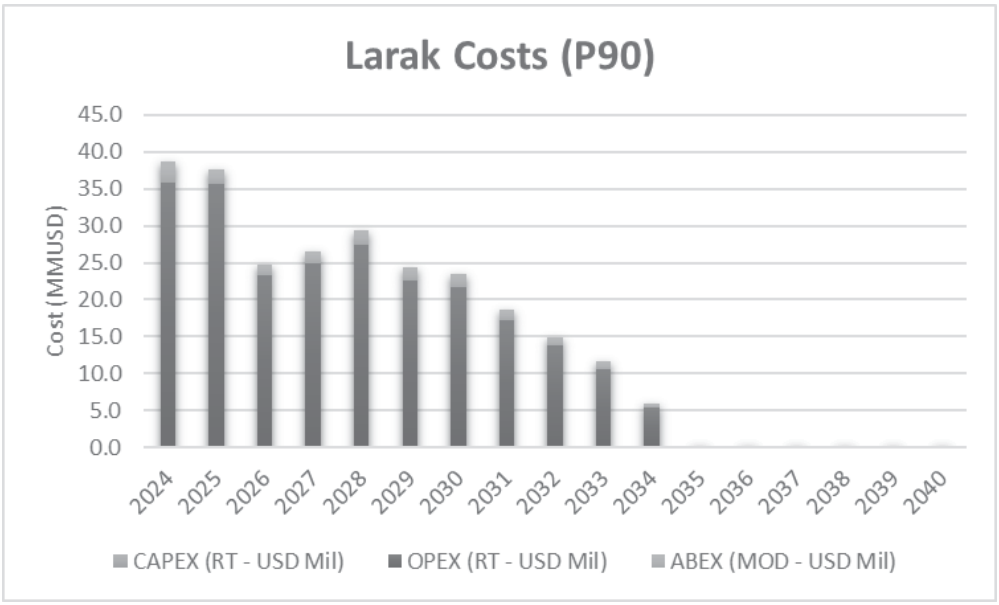


Figure 5-2: Larak Cost Profiles (1P)

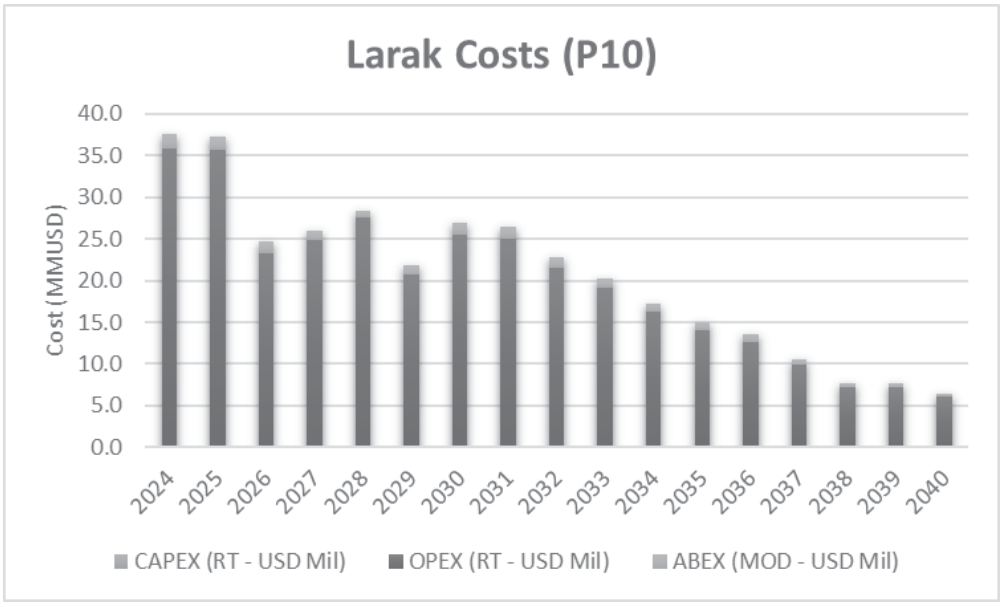


Figure 5-3: Larak Cost Profiles (3P)

5.4.3.2 SK408 – Bakong

No major CAPEX is planned for Bakong field. A total of around USD 676 million will be spent as the OPEX for Bakong Phase 1 and Phase 2 production from 2024 until 2039. The estimated remaining Abandonment Cess for the field is around USD 10 million.

Figure 5-4 shows the cost phasing for Bakong Base case.

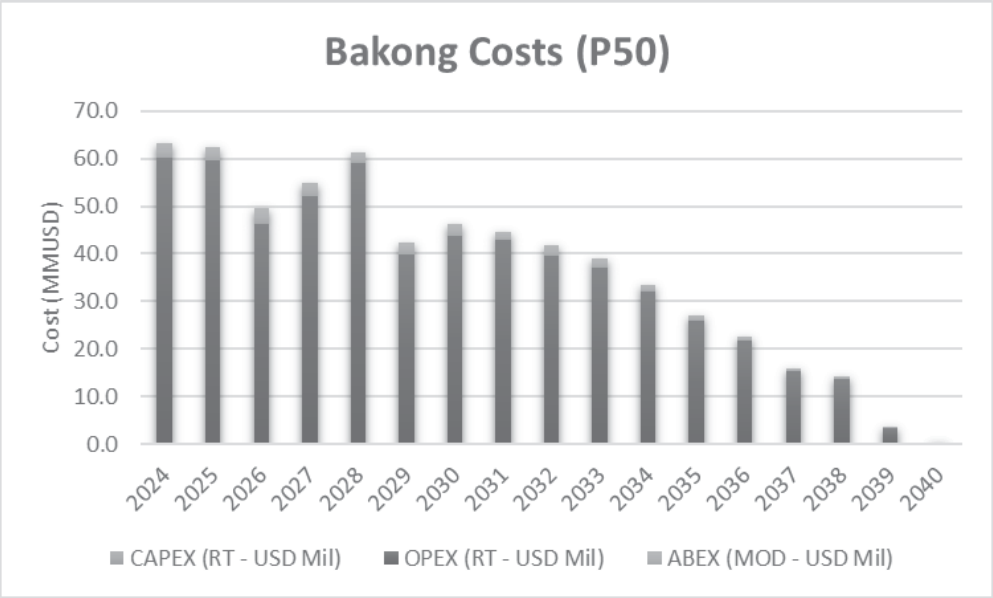


Figure 5-4: Bakong Cost Profiles (2P)

The corresponding cost profiles for the Low and High cases are shown in Figure 5-5 and Figure 5-6 respectively.

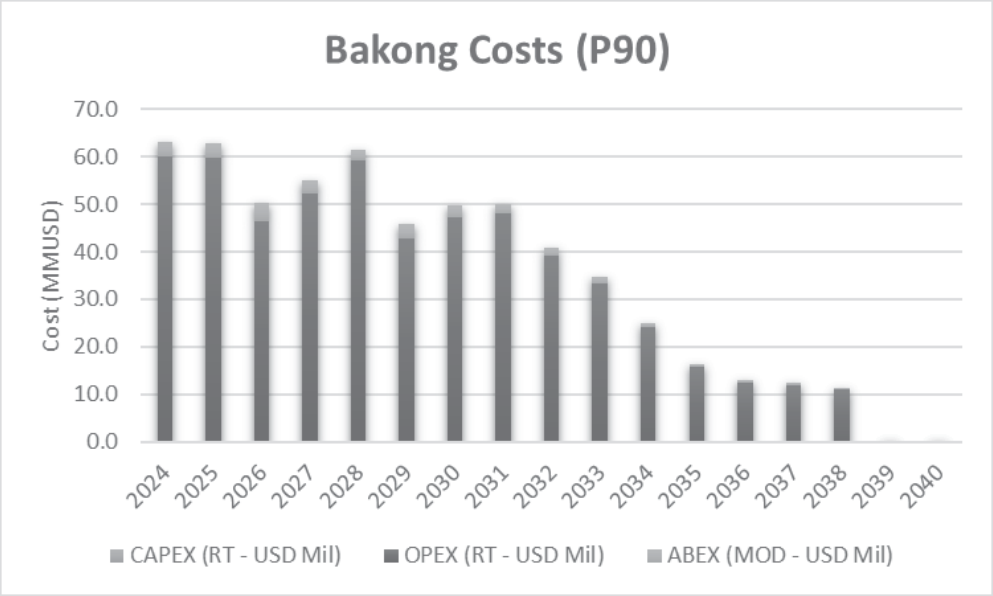


Figure 5-5: Bakong Cost Profiles (1P)

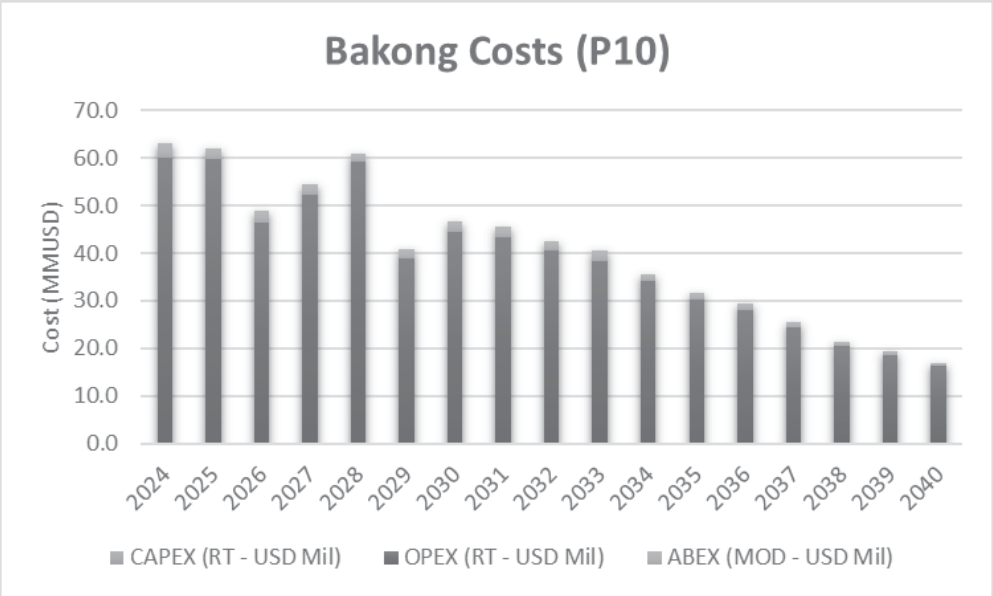


Figure 5-6: Bakong Cost Profiles (3P)

5.4.3.3 SK408 - Gorek

Around USD 29 million will be spent as the CAPEX for Gorek field from 2024 until 2028, mainly for the F6 rejuvenation project. A total OPEX of around USD 222 million will be spent from 2024 until the expected cease of production in 2035. The remaining Abandonment Cess for the field is around USD 24 million.

Figure 5-7 depicts the cost phasing for Gorek Base case.

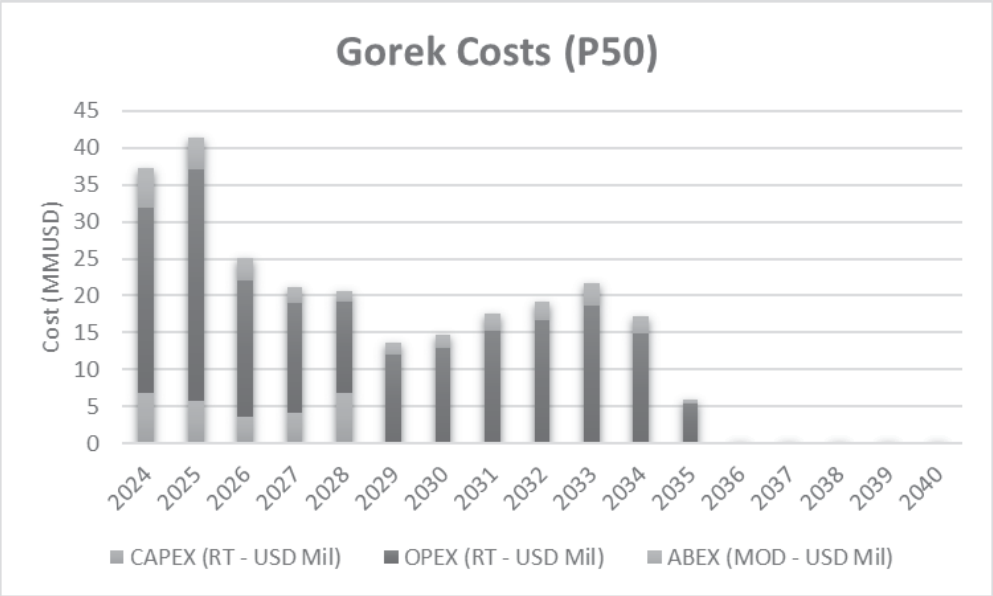


Figure 5-7: Gorek Cost Profiles (2P)

The corresponding cost profiles for the Low and High cases are shown in Figure 5-8 and Figure 5-9 respectively.

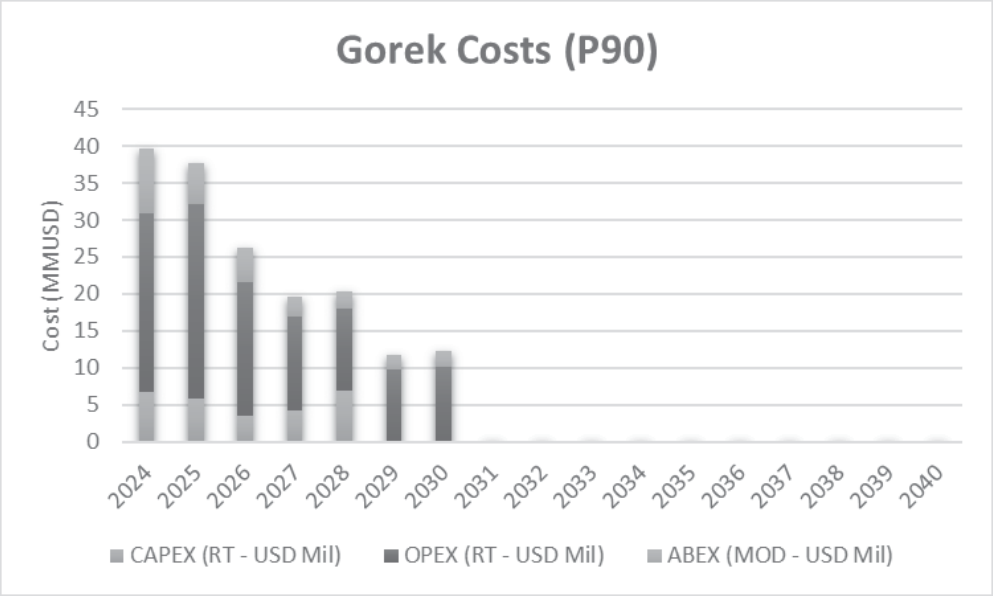


Figure 5-8: Gorek Cost Profiles (1P)

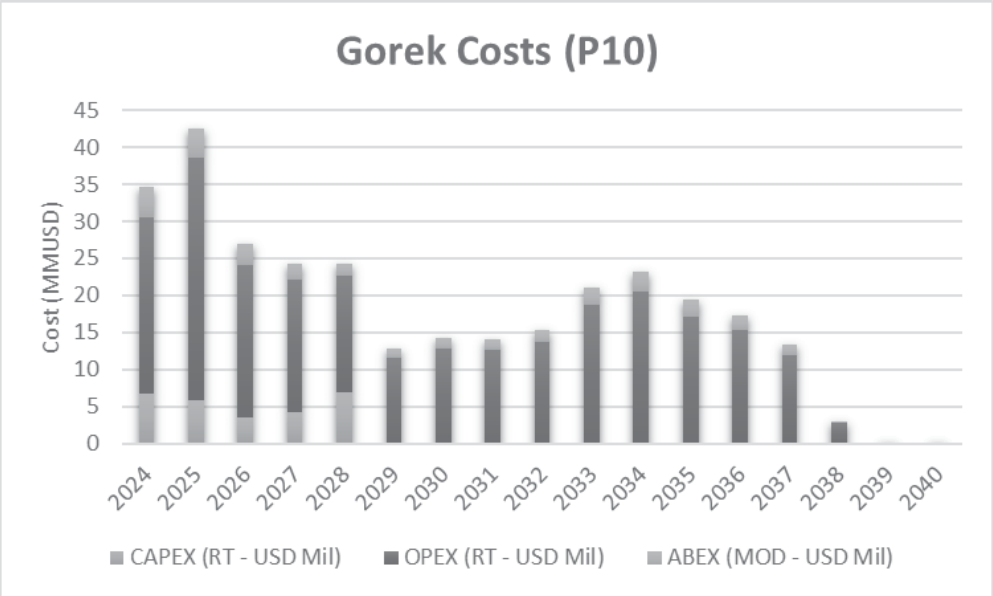


Figure 5-9: Gorek Cost Profiles (3P)

5.4.3.4 SK408 - Jerun

Around USD 620 million will be spent as the CAPEX for Jerun field development from 2024 until 2028. The estimated total OPEX of around USD 814 million will be incurred from 2024 until 2040 whilst the estimated Abandonment Cess for the field is around USD 263 million.

Figure 5-10 illustrates the cost phasing for Jerun Base case.

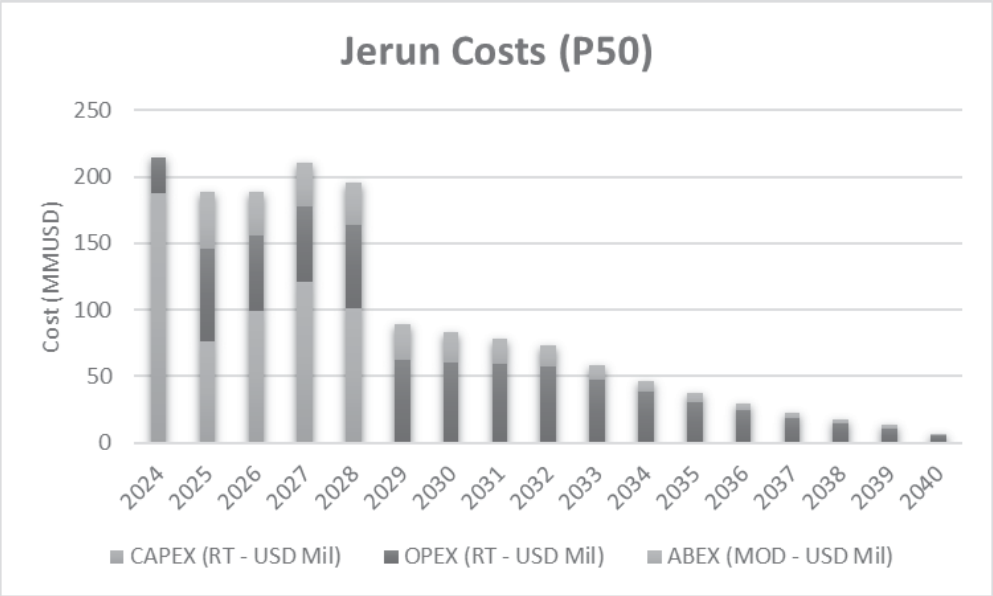


Figure 5-10: Jerun Cost Profiles (2P)

The corresponding cost profiles for the Low and High cases are shown in Figure 5-11 and Figure 5-12 respectively.

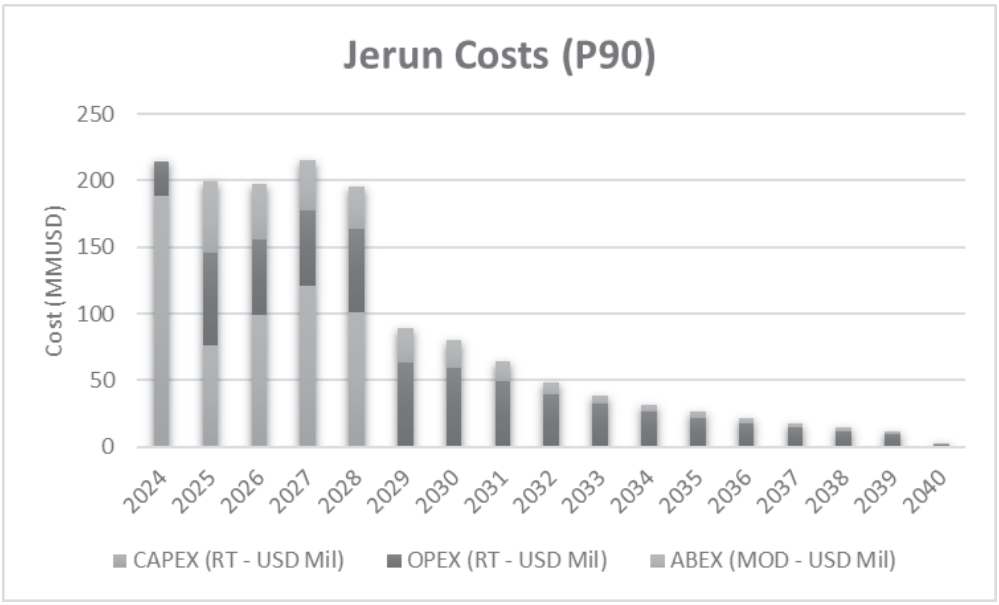


Figure 5-11: Jerun Cost Profiles (1P)

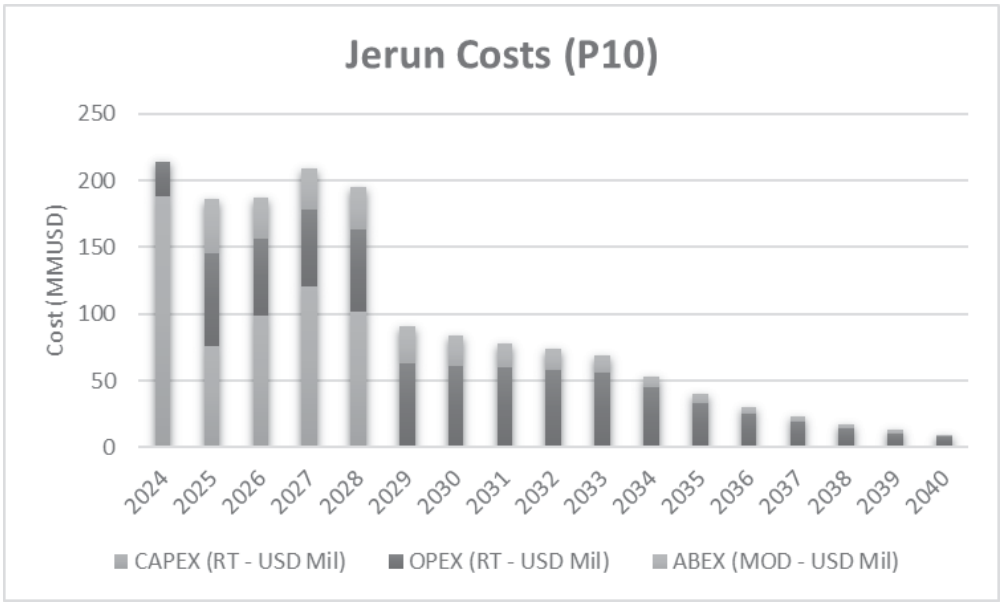


Figure 5-12: Jerun Cost Profiles (3P)

5.4.3.5 SK310 - B15

Around USD 7 million is required for the well plug and abandonment activities scheduled in 2026. The cumulative Abandonment Cess paid to-date of around USD 18 million will be used for the facilities decommissioning planned in 2027.

Figure 5-13 illustrates the cost phasing for B15 Base case.

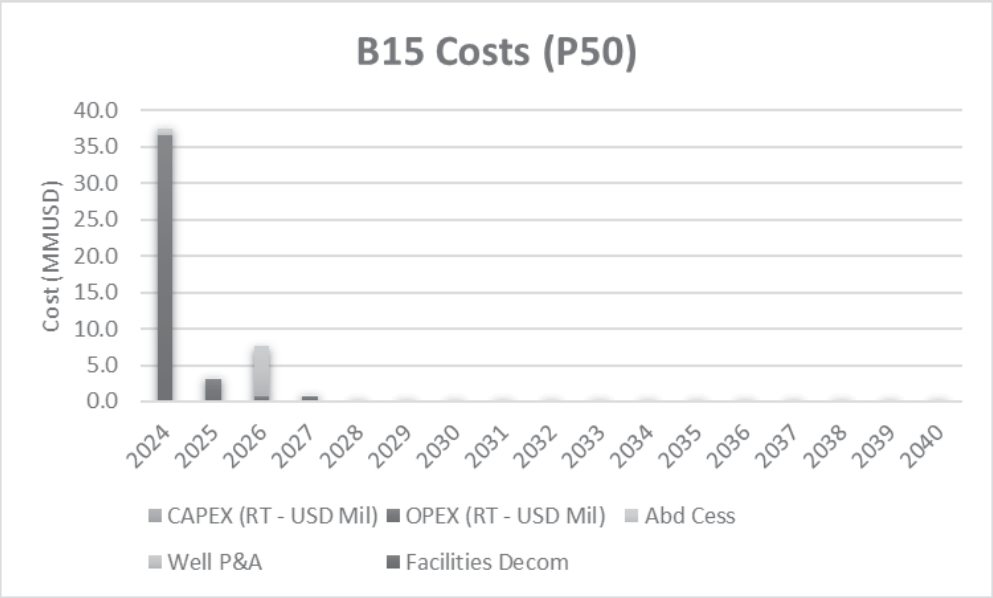


Figure 5-13: B15 Cost Profiles (2P)

The corresponding cost profiles for the Low and High cases are shown in Figure 5-14 and Figure 5-15 respectively.

Figure 5-14: B15 Cost Profiles (1P)

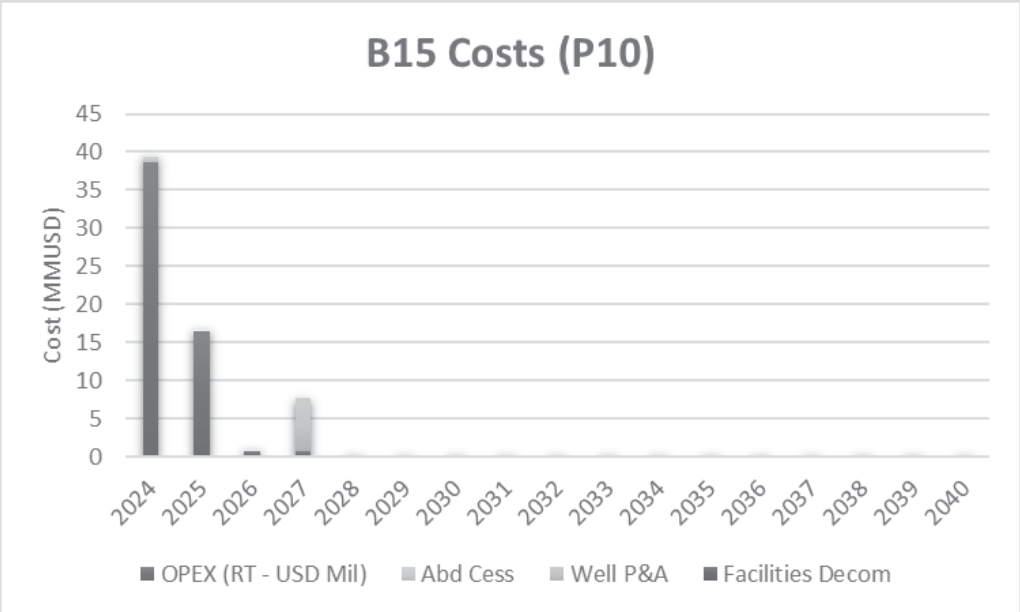


Figure 5-15: B15 Cost Profiles (3P)

5.4.4 CAPEX and Unit Development Cost (UDC)

The highest CAPEX to be incurred based on ARPR 1.1.2024 is for the Jerun development at USD 620 million with UDC of USD 1.5/BOE. Table 5-7 and Figure 5-16 show the details of CAPEX and UDC by field.

Field	CAPEX (MOD - MMUSD)	Reserves (MMBOE)	UDC (US$/BOE)
Bakong	0.4	128	0.0
Larak	0.2	52	0.0
Jerun	620	421	1.5
Gorek	29	40	0.7
B15	0.1	8	0.0

Table 5-7: CAPEX and Unit Development Cost by Field

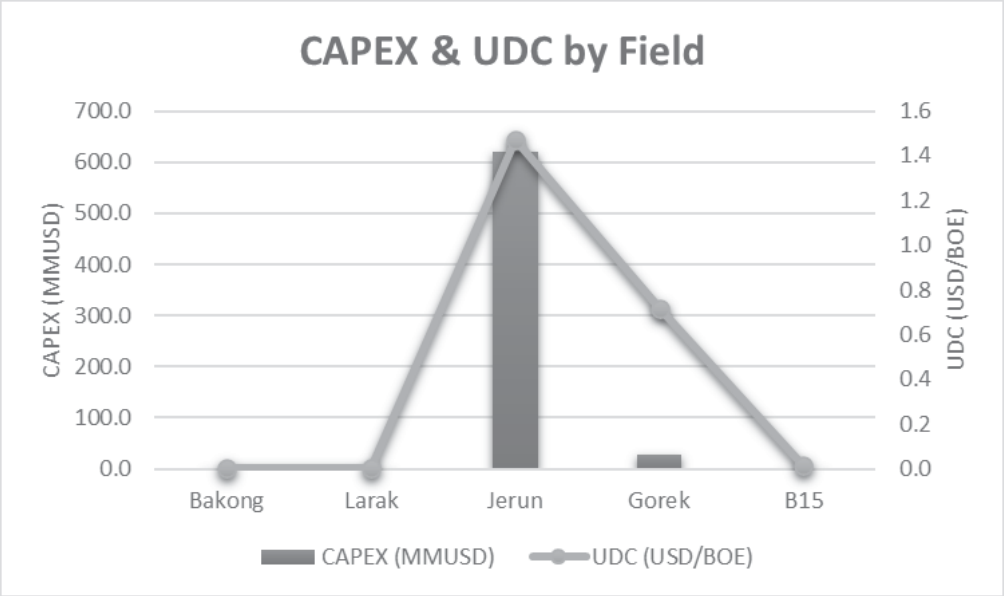


Figure 5-16: CAPEX and Unit Development Cost by Field

No changes in terms of CAPEX for the Low, Base and High cases, as specified in the ARPR 1.1.2024 and shown in Table 5-8 and Figure 5-17.

PSC	CAPEX (MOD - MMUSD)		
	Low (1P)	Base (2P)	High (3P)
SK408	649	649	649
SK310	0	0	0
TOTAL	649	649	649

Table 5-8: CAPEX by Reserves Categories

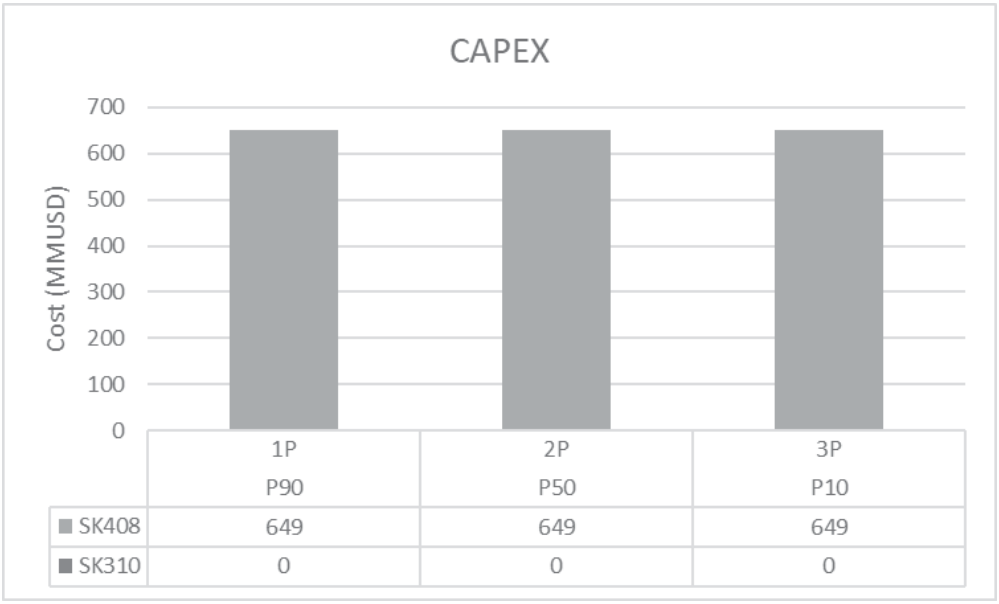


Figure 5-17: CAPEX by Reserves Categories

5.4.5 OPEX and Unit Operating Cost (UOC)

Jerun field is expected to incur the highest OPEX of around USD 814 million; however, the field UOC is expected to be low at USD 1.9/BOE. Current producing fields such as Bakong, Larak and Gorek fields indicate UOC of around USD 5/BOE. Table 5-9 and Figure 5-18 show the OPEX and UOC breakdown by field.

Field	OPEX (MOD - MMUSD)	Reserves (MMBOE)	UOC (US$/BOE)
Bakong	676	128	5.3
Larak	310	52	6.0
Jerun	814	421	1.9
Gorek	222	40	5.5
B15	42	8	5.5

Table 5-9: OPEX and Unit Operating Cost by Field

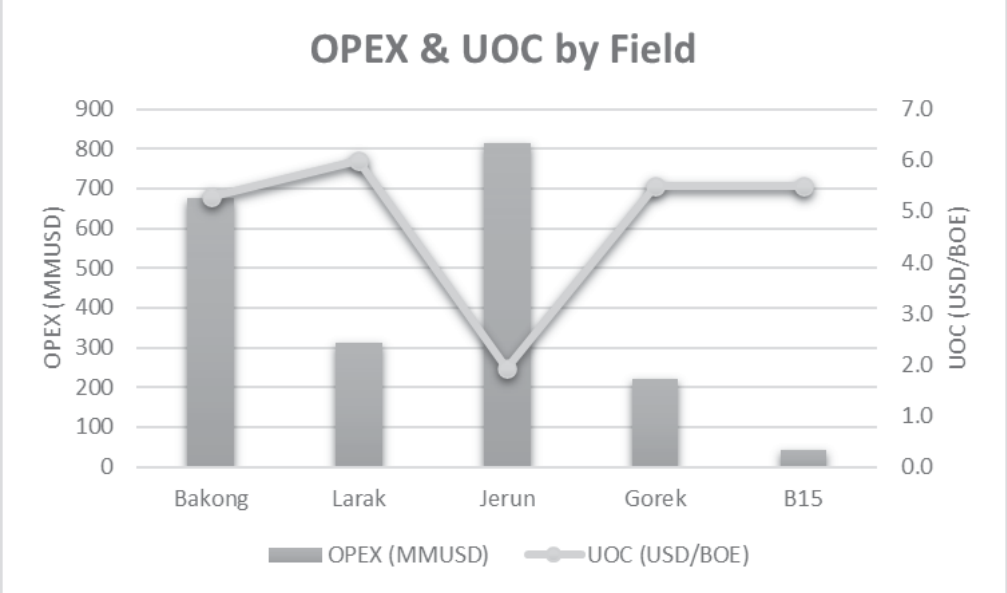


Figure 5-18: OPEX and Unit Operating Cost by Field

Total OPEX for the Low, Base and High cases are around USD 1.8 billion, USD 2.1 billion and USD 2.3 billion. Table 5-10 and Figure 5-19 show the OPEX details by Reserves categories.

PSC	OPEX (MOD - MMUSD)		
	Low (1P)	Base (2P)	High (3P)
SK408	1,726	2,022	2,267
SK310	30	42	58
TOTAL	1,756	2,064	2,325

Table 5-10: OPEX by Reserves Categories

Figure 5-19: OPEX by Reserves Categories

5.4.6 ABEX and Unit Abandonment Cost (UAC)

The Jerun field is the highest contributor for ABEX, due to high well count and large facilities. All the fields indicate UAC lower than USD 1/BOE. Table 5-11 and Figure 5-20 show the ABEX and UAC details by field.

Field	ABEX (MOD - MMUSD)	Reserves (MMBOE)	UAC (US$/BOE)
Bakong	9	128	0.1
Larak	9	52	0.2
Jerun	263	421	0.6
Gorek	20	40	0.5
B15	8	8	1.0

Table 5-11: ABEX and Unit Abandonment Cost by Field

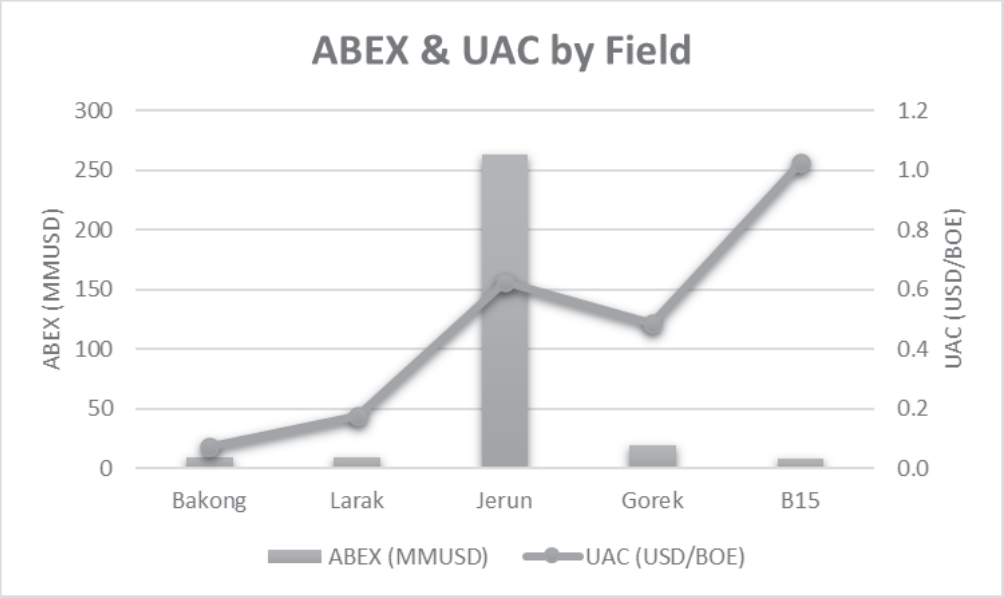


Figure 5-20: ABEX and Unit Abandonment Cost by Field

No major changes in terms of ABEX for the Low, Base and High cases, as specified in the ARPR 1.1.2024 and shown in Table 5-12 and Figure 5-21. Around USD 310 million is required for the abandonment of all the fields in SK310 and SK408.

PSC	ABEX (MOD - MMUSD)		
	Low (1P)	Base (2P)	High (3P)
SK408	298	302	303
SK310	8	8	8
TOTAL	306	310	311

Table 5-12: ABEX by Reserves Categories

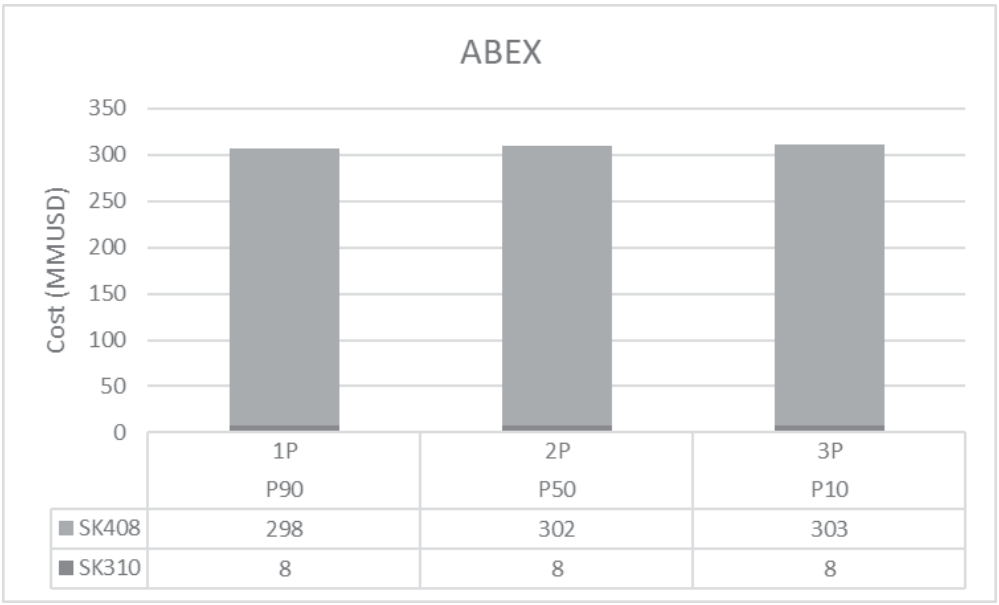


Figure 5-21: ABEX by Reserves Categories

5.4.7 Total Cost and Unit Technical Cost (UTC)

Based on ARPR 1.1.2024, Jerun field will incur the highest total cost of around USD 1.7 billion, with UTC of USD 4/BOE. All producing fields exhibit reasonably low UTC of around USD 6/BOE, as shown in Table 5-13 and Figure 5-22.

Field	Total Cost (MOD - MMUSD)	Reserves (MMBOE)	UTC (US$/BOE)
Bakong	686	128	5.4
Larak	320	52	6.2
Jerun	1,697	421	4.0
Gorek	270	40	6.7
B15	50	8	6.5

Table 5-13: Total Cost and Unit Technical Cost by Field

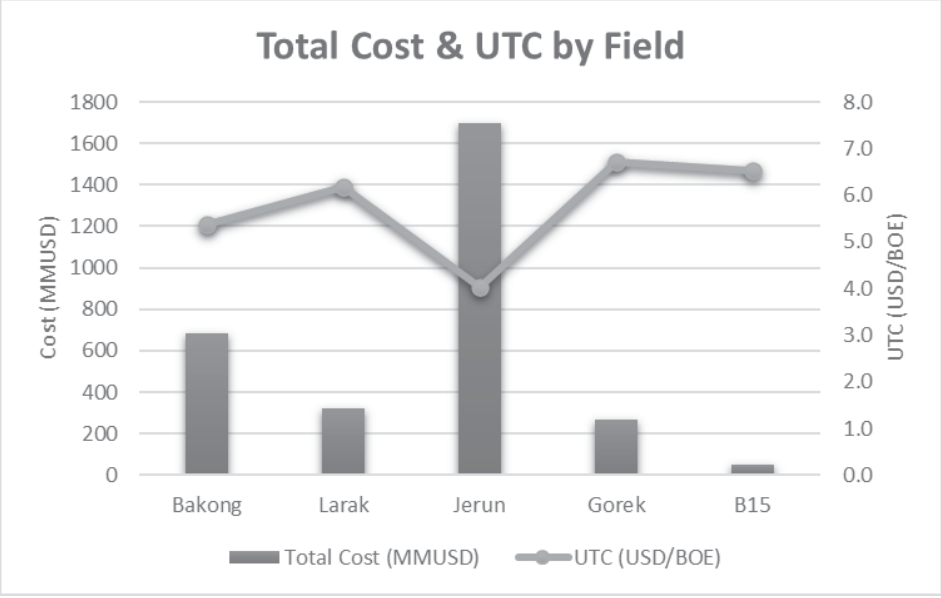


Figure 5-22: Total Cost and Unit Technical Cost by Field

Table 5-14 and Figure 5-23 show the total cost for Low, Base and High cases based on ARPR 1.1.2024.

PSC	Total Cost (MOD - MMUSD)		
	Low (1P)	Base (2P)	High (3P)
SK408	2,673	2,973	3,219
SK310	38	50	66
TOTAL	2,711	3,023	3,285

Table 5-14: Total Cost by Reserves Categories

Figure 5-23: Total Cost by Reserves Categories

5.5 Valuation Methodology

The valuation is conducted based on the following sequence:

1. Review of PSCs, gas commercial arrangements and the CPR.
2. Validate and update the economic model based on the bases and assumptions, taking into account of PSC and gas commercial arrangement terms and Malaysia oil and gas fiscal regime.
3. Determine net present values for the Base case (2P) based on the net cash flow incorporating economic limits using 10% discount rate based on industry benchmarks with sensitivity of 9% and 11%.
4. Conduct sensitivity analyses based on the Low (1P) and High (3P) cases to reflect the robustness of the valuation due to uncertainties in production profiles, reserves, costs and prices.
5. Compare the income-based valuation results with the market approach using similar historical transactions.

5.6 Valuation of Asset

The Economic Limit Test (ELT) which reflects the year when the cumulative net cash flow becomes negative based on the post-tax undiscounted Net Cash Flow Money of the Day (MOD) estimates that the economic limit for SK408 will be in 2040, which is the end of its PSC period whilst for SK 310, the economic limit will be in 2027, consistent with the B15 facilities decommissioning planned in the same year. The detailed asset valuation results are summarized in the following sections.

5.6.1 Base Case

Net to SOMV

The estimated net CAPEX, OPEX and ABEX for the Base case are USD 260, USD 821 and USD123 million respectively. The resulted Net Entitlement Reserves (2P) are around 138 MMBOE, which consist of 781 Bscf Net Entitlement Gas and 8 MMstb Net Entitlement NGL reserves, as shown in Table 5-15.

PSC	Net Entitlement Reserves (2P) to SOMV		
	NGL (MMSTB)	Gas (BSCF)	TOTAL (MMBOE)
SK408	8	772	137
SK310	0	9	1
TOTAL	**8**	**781**	**138**

Table 5-15: Net Entitlement Reserves (2P) to SOMV

The estimated Asset Value (Net to SOMV) at NPV@ 0% and 10% are USD 1,893 million and USD 1,131 million respectively. More than 75% of the Asset Value is contributed by the production of 2P reserves from Jerun field. In terms of PSC block contribution, SK408 contributes more than 98% to the Asset Value. Table 5-16 shows the independently generated net asset to SOMV at NPV@0% and 10% (post-tax) for the Base case. The corresponding net cash flow for the Base case is shown in Figure 5-24.

PSC	Net Asset to SOMV – Base Case (2P), MMUSD	
	NPV @ 0%	NPV @ 10%
SK408	1,878	1,116
SK310	15	15
TOTAL	**1,893**	**1,131**

Table 5-16: Asset Values at NPV @ 0% and 10% (Net to SOMV)

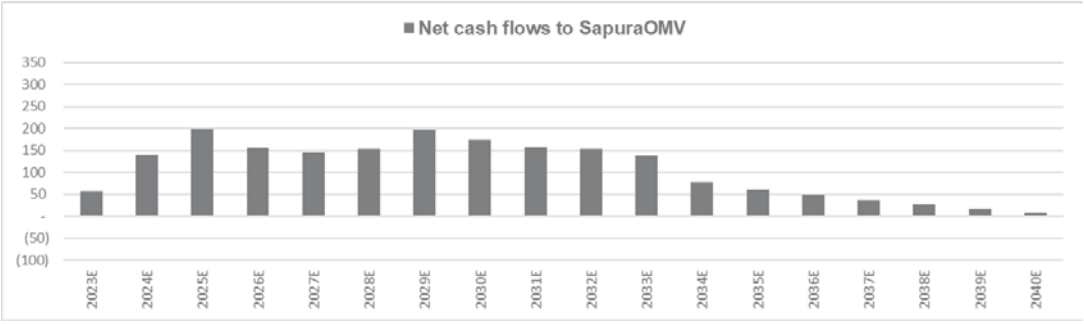


Figure 5-24: Net Cash Flow to SOMV

Net to SEB

The estimated net CAPEX, OPEX and ABEX for the Base case are USD 130, USD 411 and USD 62 million respectively. The Net Entitlement Reserves (2P) to SEB for the Base case are 69 MMBOE, as shown in Table 5-17.

PSC	Net Entitlement Reserves (2P) to SEB		
	NGL (MMSTB)	Gas (BSCF)	TOTAL (MMBOE)
SK408	4	386	68
SK310	0	4	1
TOTAL	**4**	**390**	**69**

Table 5-17: Net Entitlement Reserves (2P) to SEB

The Asset Value (Net to SEB) at NPV@ 0% and 10% (post-tax) for the Base case are USD 946 million and USD 566 million respectively, as shown in Table 5-18.

PSC	Net Asset to SEB – Base Case (2P), MMUSD	
	NPV @ 0%	**NPV @ 10%**
SK408	939	558
SK310	7	8
TOTAL	**946**	**566**

Table 5-18: Asset Values at NPV @ 0% and 10% (Net to SEB)

Figure 5-25 illustrates the net cash flow to SEB for the Base case.

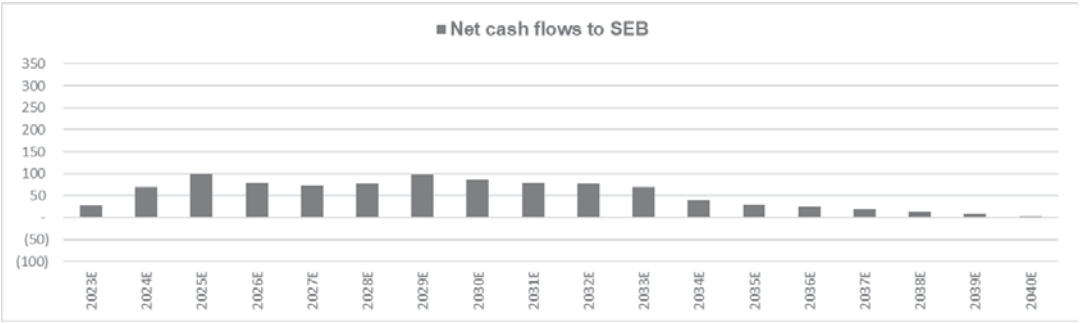
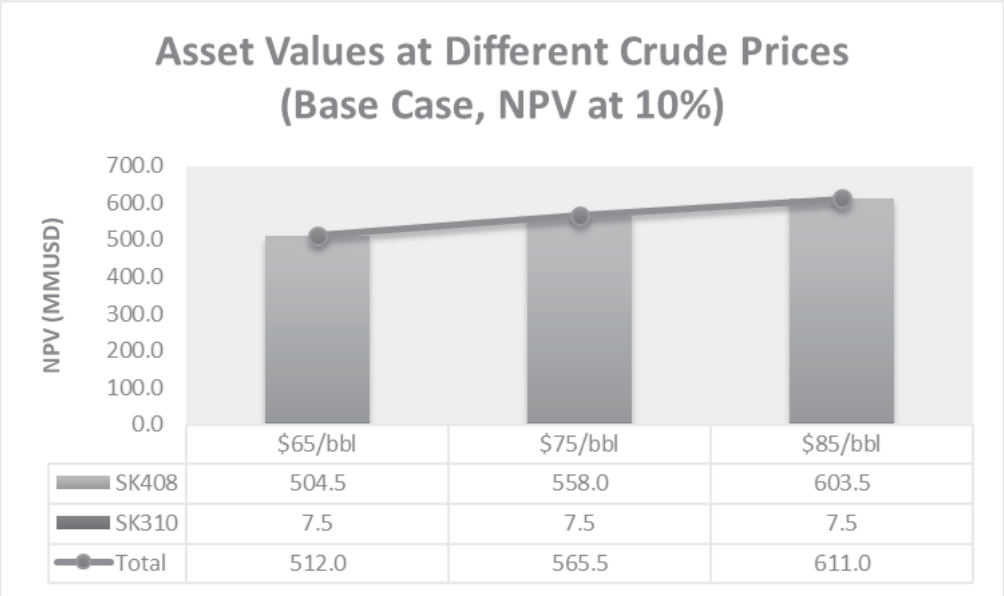


Figure 5-25: Net Cash Flow to SEB

5.6.1.1 Base Case: Asset Valuation by Using Different Crude Prices

The Base case is sensitized against different crude prices of USD 65/bbl and USD 85/bbl to determine the possible ranges of Asset Value (Net to SEB) due to uncertainties in the prices, as shown in Figure 5-26.



	$65/bbl	$75/bbl	$85/bbl
SK408	504.5	558.0	603.5
SK310	7.5	7.5	7.5
Total	512.0	565.5	611.0

Figure 5-26: Asset Values at Different Prices (Net to SOMV)

Using a low crude price of USD 65/bbl in 2026 (with 2% escalation per annum) indicates the minimum Asset Value (Net to SEB, NPV @10%) of around USD 512 million, whilst a higher price of USD 85/bbl gives the maximum Asset Value of around USD 611 million.

5.6.1.2 Base Case: Asset Valuation by Using Different Discount Rates

The Base case is further sensitized against different discount rates of 9% and 11% to determine the possible ranges of Asset Value (Net to SEB), as shown in Figure 5-27.

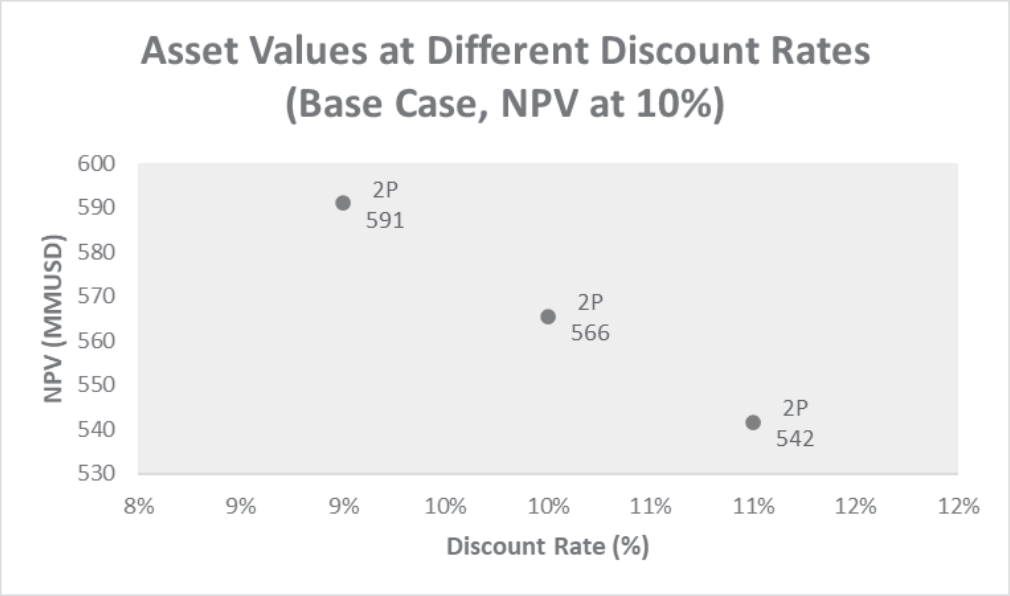
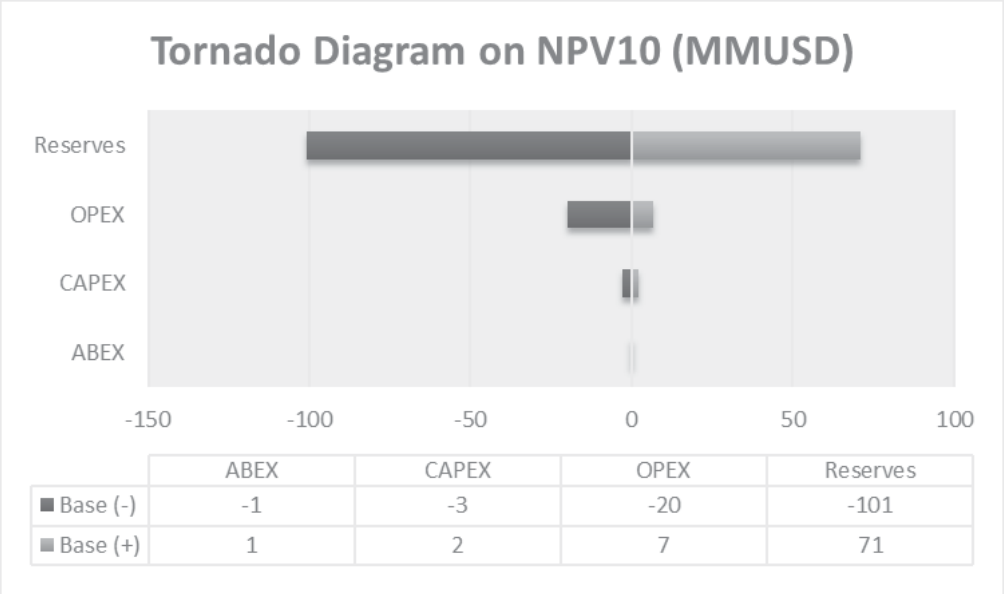


Figure 5-27: Asset Values at Different Discount Rates (Net to SOMV)

The maximum Asset Value (Net to SEB) is given by the NPV at 9% of around USD 591 million whilst the minimum Asset Value is given by the NPV at 11% of around USD 542 million.

5.6.1.3 Base Case: Tornado Diagram

A tornado diagram is generated to indicate the robustness of the Asset Value (Net to SEB, NPV @10%) due to changes in the Reserves and costs, as shown in Figure 5-28.



	ABEX	CAPEX	OPEX	Reserves
Base (-)	-1	-3	-20	-101
Base (+)	1	2	7	71

Figure 5-28: Tornado Diagram for the Base Case (Net to SOMV)

The most sensitive parameter is the Reserves, with 20% changes in Reserves will result in an increase or a reduction of NPV of around USD 100 million.

5.6.2 High Case

This valuation captures potential gains from favourable future changes in the economic parameters:

- P10 production profiles and reserves per ARPR 1.1.2024.
- P10 costs per ARPR 1.1.2024.
- Increase in Brent crude price from 75 to 85 USD/bbl from 2026 onwards.
- Higher MRP and JCC prices due to increase in the Brent crude price forecast.

The Net Entitlement Reserves to SOMV and to SEB from the High case (3P) are shown in Table 5-19 and Table 5-20.

PSC	Net Entitlement Reserves (3P) to SOMV		
	NGL (MMstb)	Gas (Bscf)	TOTAL (MMBOE)
SK408	9	791	141
SK310	0	12	2
TOTAL	**9**	**803**	**143**

Table 5-19: Net Entitlement Reserves (3P) to SOMV

PSC	Net Entitlement Reserves (3P) to SEB		
	NGL (MMstb)	Gas (Bscf)	TOTAL (MMBOE)
SK408	5	395	71
SK310	0	7	1
TOTAL	**5**	**402**	**72**

Table 5-20: Net Entitlement Reserves (3P) to SEB

Table 5-21 and Table 5-22 reflect the net asset to SOMV and to SEB at NPV@10% (post-tax) for the High case.

PSC	Net Asset to SOMV at NPV @ 10% (post-tax) – High Case (3P), MMUSD
SK408	1,266
SK310	23
TOTAL	**1,289**

Table 5-21: High Case Valuation (Net to SOMV)

PSC	Net Asset to SEB at NPV @ 10% (post-tax) – High Case (3P), MMUSD
SK408	633
SK310	11
TOTAL	**644**

Table 5-22: High Case Valuation (Net to SEB)

Table 5-23 show the gains from the High case versus the Base case.

Description	Net Asset to SEB at NPV @ 10% (post-tax), MMUSD
Base Case	566
High Case	644
Gains	78

Table 5-23: High Case Summary (Net to SEB)

5.6.3 Low Case

The valuation addresses potential losses from detrimental future changes in the economic parameters:

- P90 production profiles and reserves per ARPR 1.1.2024.
- P90 costs per ARPR 1.1.2024.
- Decrease in Brent crude price from 75 to 65 USD/bbl from 2026 onwards.
- Lower MRP and JCC prices due to decrease in the Brent crude price forecast.

The Net Entitlement Reserves to SOMV and to SEB from the Low case (1P) are shown in Table 5-24 and Table 5-25.

PSC	Net Entitlement Reserves (1P) to SOMV		
	NGL (MMstb)	Gas (Bscf)	TOTAL (MMBOE)
SK408	7	699	124
SK310	0	5	1
TOTAL	**7**	**704**	**125**

Table 5-24: Net Entitlement Reserves (1P) to SOMV

PSC	Net Entitlement Reserves (1P) to SEB		
	NGL (MMstb)	Gas (Bscf)	TOTAL (MMBOE)
SK408	4	349	62
SK310	0	3	0
TOTAL	**4**	**352**	**62**

Table 5-25: Net Entitlement Reserves (1P) to SEB

Table 5-26 and Table 5-27 indicate the net asset to SOMV and to SEB at NPV@10% (post-tax) for the Low case.

PSC	Net Asset to SOMV at NPV @ 10% (post-tax) – Low Case (1P), MMUSD
SK408	903
SK310	8
TOTAL	**911**

Table 5-26: Low Case Valuation (Net to SOMV)

PSC	Net Asset to SEB at NPV @ 10% (post-tax) – Low Case (1P), MMUSD
SK408	451
SK310	5
TOTAL	**456**

Table 5-27: Low Case Valuation (Net to SEB)

Table 5-28 show the losses from the Low case versus the Base case.

Description	Net Asset to SEB at NPV @ 10% (post-tax), MMUSD
Base Case	566
Low Case	456
Losses	(110)

Table 5-28: Low Case Summary (Net to SEB)

5.7 Net Entitlement Contingent Resources (Teja and Pepulut Fields)

Additional valuation was conducted to determine the Net Entitlement Contingent Resources for Teja and Pepulut fields, as shown in Table 5-29 until Table 5-31.

PSC	Net Entitlement Gas Contingent Resources to SEB, Bscf		
	1C	2C	3C
SK408	33	57	75
SK310	0	0	0
TOTAL	33	57	75

Table 5-29: Net Entitlement Gas Contingent Resources to SEB

PSC	Net Entitlement NGL Contingent Resources to SEB, MMstb		
	1C	2C	3C
SK408	0	0	1
SK310	0	0	0
TOTAL	0	0	1

Table 5-30: Net Entitlement NGL Contingent Resources to SEB

PSC	Net Entitlement Gas and NGL Contingent Resources to SEB, MMBOE		
	1C	2C	3C
SK408	6	10	13
SK310	0	0	0
TOTAL	6	10	13

Table 5-31: Net Entitlement Gas and NGL Contingent Resources to SEB

5.8 Screening Economics (Kan and Toutouwai Discoveries)

In addition to the subject assets, a sensitivity valuation was also conducted for selected assets i.e., Kan oil discovery located in Block 30 in the Sureste Basin, offshore Mexico and Toutouwai oil discovery located in Exploration Permit PEP60093 in the South Taranaki Basin, offshore New Zealand. These assets are viewed as potentially recoverable resources that require further appraisal and maturation to be considered viable for development commercially. Notwithstanding the outcome from the drilling of Kan-2 and Toutouwai-2 appraisal wells, a screening economics was conducted based on the limited information available, to determine the asset value for Kan and Toutouwai discoveries.

5.8.1 Kan Discovery

SOMV owns 30% working interest in the PSC, Wintershall Dea is the operator and owns 40% working interest while Harbour Energy holds the remaining 30% working interest. Information from the TCM Meeting dated May 2023 which indicated three possible development options for Kan were used as the resources and costs bases for the valuation, as shown in Figure 5-29, Figure 5-30 and Figure 5-31.

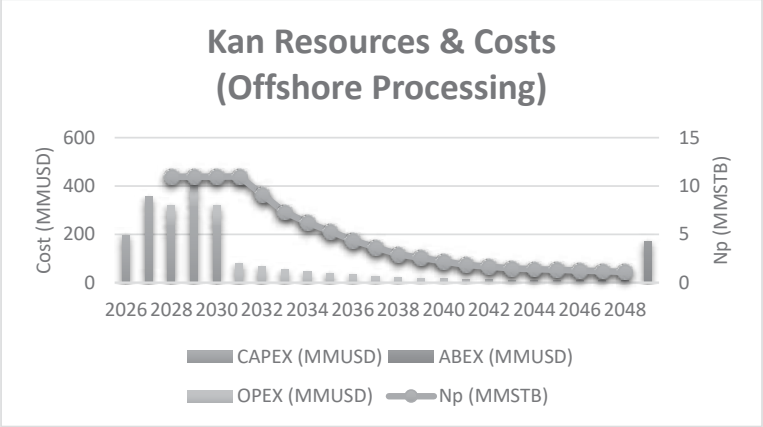


Figure 5-29: Kan Resources and Costs (Offshore Processing)

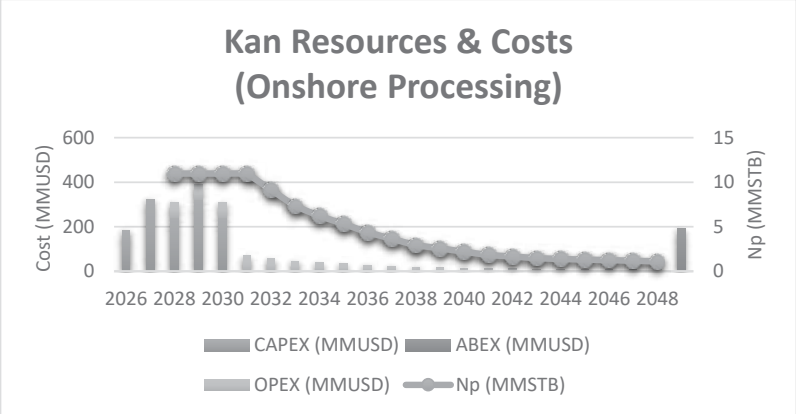


Figure 5-30: Kan Resources and Costs (Onshore Processing)

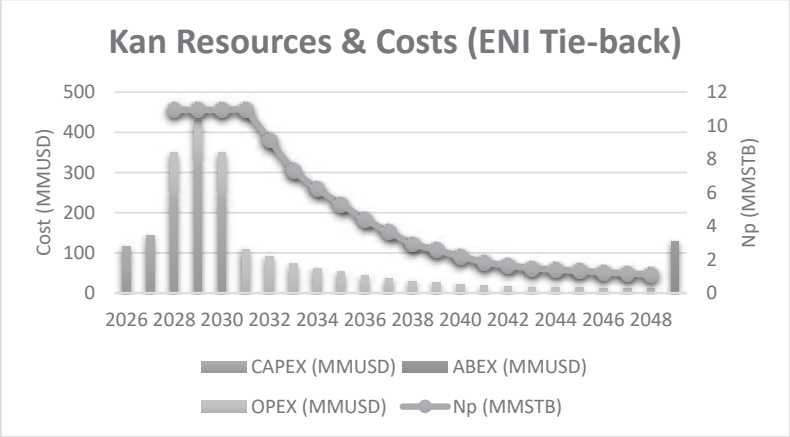


Figure 5-31: Kan Resources and Costs (ENI Tie-back)

The details of the PSC and fiscal terms are based on the PSC document for the Exploration and Extraction of Hydrocarbon for Block 30 dated June 2018. Other bases include in the valuation are as follows:

- Brent crude price forecast for the Base case is used as the price basis.
- Inflation rate of 2% per annum

Based on the valuation, the net entitlement resources are around 13 MMSTB. Table 5-32 and Table 5-33 show the net asset to SOMV and SEB at NPV@10% (post-tax) for the Base case.

Discovery	Net Asset to SOMV at NPV @ 10% (post-tax) – Base Case, MMUSD		
	Offshore Processing	Onshore Processing	ENI Tie-back
Kan	121	122	106

Table 5-32: Kan Valuation (Net to SOMV)

Discovery	Net Asset to SEB at NPV @ 10% (post-tax) – Base Case, MMUSD		
	Offshore Processing	Onshore Processing	ENI Tie-back
Kan	61	61	53

Table 5-33: Kan Valuation (Net to SEB)

5.8.2 Toutouwai Discovery

SOMV owns 30% working interest in the PSC whilst OMV New Zealand holds the remaining 70% working interest. Limited information from the Project Dagang Information Memorandum dated May 2023 on the conceptual development plan, production profile and costs (CAPEX and OPEX) were used as the bases for the valuation, as shown in Figure 5-32.

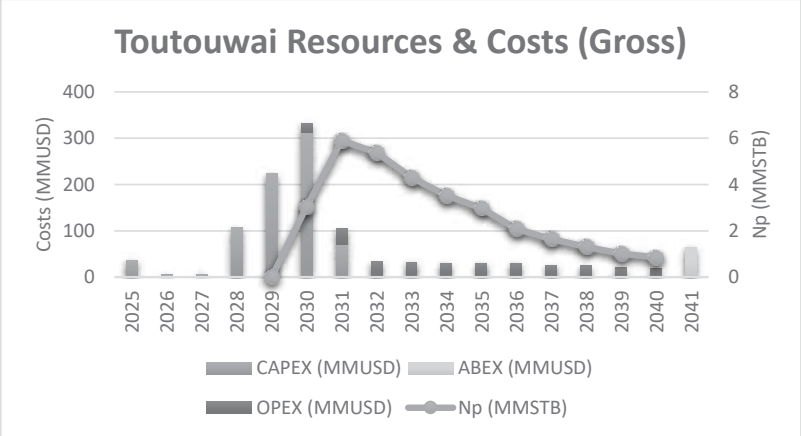


Figure 5-32: Toutouwai Resource and Costs

The economic model was constructed based on the royalty and tax fiscal regime for New Zealand. The Brent crude price forecast for the Base case is used as the price basis for this valuation.

Based on the valuation, the net entitlement resources are around 8 MMSTB. Table 5-34 and Table 5-35 show the net asset to SOMV and SEB at NPV@10% (post-tax) for the Base case.

Discovery	**Net Asset to SOMV at NPV @ 10% (post-tax) – Base Case, MMUSD**
Toutouwai	64

Table 5-34: Toutouwai Valuation (Net to SOMV)

Discovery	**Net Asset to SEB at NPV @ 10% (post-tax) – Base Case, MMUSD**
Toutouwai	32

Table 5-35: Toutouwai Valuation (Net to SEB)

5.9 Income-based Valuation Summary and Conclusion

For the subject assets in PSC Blocks SK408 and SK310, the valuation results are adequately robust which yield an independently generated net asset to SOMV at NPV@10% (post-tax) of USD 1,131 million with a range of USD 911 million and USD 1,289 million for the Low and High cases respectively, as shown in Table 5-36.

PSC	NPV (Net to SOMV) at 10% discount rate (post-tax), MMUSD		
	Low (1P)	Base (2P)	High (3P)
SK408	903	1,116	1,266
SK310	8	15	23
TOTAL	**911**	**1,131**	**1,289**

Table 5-36: Asset Value Using NPV at 10% (Net to SOMV)

Correspondingly, the estimated net asset to SEB at NPV@10% (post-tax) is USD 566 million with a range of USD 456 million and USD 644 million for the Low and High cases respectively, as indicated in Table 5-37.

PSC	NPV (Net to SEB) at 10% discount rate (post-tax), MMUSD		
	Low (1P)	Base (2P)	High (3P)
SK408	451	558	633
SK310	5	8	11
TOTAL	**456**	**566**	**644**

Table 5-37: Asset Value Using NPV at 10% (Net to SEB)

The Net Entitlement Reserves for Low, Base and High cases based on this valuation are shown in Table 5-38 until Table 5-40 (Net to SOMV) and Table 5-41 until Table 5-43 (Net to SEB).

PSC	Net Entitlement Gas Reserves to SOMV, Bscf		
	Low (1P)	Base (2P)	High (3P)
SK408	699	772	791
SK310	5	9	12
TOTAL	**704**	**781**	**803**

Table 5-38: Net Entitlement Gas Reserves to SOMV

PSC	Net Entitlement NGL Reserves to SOMV, MMstb		
	Low (1P)	Base (2P)	High (3P)
SK408	7	8	9
SK310	0	0	0
TOTAL	**7**	**8**	**9**

Table 5-39: Net Entitlement NGL Reserves to SOMV

PSC	Net Entitlement Gas and NGL Reserves to SOMV, MMBOE		
	Low (1P)	Base (2P)	High (3P)
SK408	124	137	141
SK310	1	1	2
TOTAL	**125**	**138**	**143**

Table 5-40: Net Entitlement Gas and NGL Reserves to SOMV

PSC	Net Entitlement Gas Reserves to SEB, Bscf		
	Low (1P)	Base (2P)	High (3P)
SK408	349	386	395
SK310	3	4	7
TOTAL	**352**	**390**	**402**

Table 5-41: Net Entitlement Gas Reserves to SEB

PSC	Net Entitlement NGL Reserves to SEB, MMstb		
	Low (1P)	Base (2P)	High (3P)
SK408	4	4	5
SK310	0	0	0
TOTAL	**4**	**4**	**5**

Table 5-42: Net Entitlement NGL Reserves to SEB

PSC	Net Entitlement Gas and NGL Reserves to SEB, MMBOE		
	Low (1P)	Base (2P)	High (3P)
SK408	62	68	71
SK310	0	1	1
TOTAL	**62**	**69**	**72**

Table 5-43: Net Entitlement Gas and NGL Reserves to SEB

The valuation conducted on selected assets i.e., Kan and Toutouwai, also indicates a considerable estimated potential gain of 93 MMUSD (NPV@10%, Net to SEB) from the development of these discoveries.

5.10 Market Approach

The market approach is employed to complement the income-based approach in asset valuation by comparing acquisition unit prices with historical transactions of similar assets in the country, which are available in the public domain.

Details such as the specific terms from Petroleum Arrangement Contracts and the corresponding Net Entitlement volumes are usually not disclosed in the public domain, and as such, for the purpose of this CVR, the comparative analysis conducted was based on both Net Working Interest and Net Entitlement when available; the market transactions tabulated in the table below are used only as a subjective indicator. Note that in some cases, the transactions relate to the acquisition of corporations that own the assets, as opposed to the acquisition of the O&G asset itself. In such cases, the published acquisition price may have been adjusted to include any cash and/or debt adjustments relating to the acquired corporation. Therefore, it may not be accurate to rely solely on the market approach to determine the valuation of SapuraOMV assets. It can, however, be used to complement the income-based approach for valuation, details of which are discussed in Section 5.8.

Between the years 2021 and 2024, it was noted that several similar transactions in Malaysia were completed; however, as limited information is available in the public domain, not all cases could be used for the market comparable analysis. This is especially true when non-public listed companies are involved in the transactions, as they are not obligated to disclose the transaction details. Such examples include the acquisition of 50% interest in the Samarang PSC by SMJ Sdn. Bhd. in 2023, and the acquisition of 40% of the non-operated interests in the Amended 2011 Baram Delta EOR Production Sharing Contract ("BDO PSC") and 50% in the SK 307 Production Sharing Contract ("SK307 PSC") by PETROS in 2023.

For the purpose of this CVR, the market comparable analysis includes the 2022 acquisition of Repsol assets by Hibiscus Petroleum, valued at 6.2 USD/BOE on a net entitlement basis. In comparison, the valuation of SapuraOMV assets in the base case appears favourable for SEB at 8.2 USD/BOE, reflecting a stronger asset valuation. A good benchmark would be the ongoing acquisition of OMV's 50% equity interest in

SOMV, the shareholder of SapuraOMV assets, with an implied acquisition price of $8.0 USD/BOE. However, it should be noted that the implied acquisition price includes cash and debt adjustments attributable to SOMV, further details of which are not disclosed in the public domain. Nevertheless, this is close to the valuation of SapuraOMV assets for the base case where the asset is valued at $8.2 USD/BOE on a net entitlement basis (to SEB). Another acquisition included in the market comparable analysis is the 2021 acquisition of SapuraOMV producing assets in Peninsular Malaysia by Jadestone Energy, which was completed with an implied acquisition price of $0.7 USD/BOE on a Net Working Interest basis. We note the very low acquisition price and attribute it to many possible factors including the market environment during the acquisition.

Year	**Acquisition by (Company Name)**	**Asset Location**	**Net Asset Value* (MMUSD)**	**Net Entitlement (MMBOE)**	**USD$/BOE**
2024 (CVR)	N/A	SK408 & SK310 (SEB)	566	69	8.2
** Net Asset to SEB at NPV @ 10% (post-tax) – Base Case, MMUSD; Net Asset Value reflects SEB Working Interest, and it excludes considerations on Cash and Debt.*					
Year	**Acquisition by (Company Name)**	**Asset Location**	**Acquisition Price, (MMUSD)**	**Net Entitlement (MMBOE)**	**USD$/BOE**
2024	TOTAL ENERGIES	SK408 & SK310 (OMV)	553	69	8.0
2022	HIBISCUS PETROLEUM	REPSOL: 2012 Kinabalu Oil PSC, PM3 CAA PSC, PM305 PSC, PM314 PSC and Block 46 PSC (Cai Nuoc)	212.5	34.5	6.2

2021	JADESTONE ENERGY	SAPURAOMV: PM318, PM323, PM329 and AAKBNLP	9	12.5**	0.7**
*** on a net working interest*					

Table 5-44: Acquisition Unit Prices with Historical Transactions of Similar Assets in the Country between 2021 and 2024

6 Nomenclature

Term	Definition
2C	Best estimate of Contingent Resources
2D	Two dimensional referring to seismic data
2P	Best estimate of Reserves. The sum of Proved plus Probable Reserves.
3C	High estimate of Contingent Resources
3D	Three dimensional, referring to seismic data
AAPG	American Association of Petroleum Geologists
ACQ	Annual Contract Quantity
ADP	Area Development Plan
AGRU	Acid Gas Removal Unit
AMiR	Asset Management Integrated Review
Aquifer	Water-bearing formation
ARPR	Annual Review of Petroleum Resources
barg	bar gauge, metric unit of pressure
Basin	A large low-lying area or depression in the crust of the Earth, caused by plate tectonic activity and subsidence, in which sediments accumulate
bbl	Barrel
BCO	Behind casing opportunity
Best Estimate (P50)	With respect to resources categorization, the most realistic assessment of recoverable quantities if only a single result were reported. If probabilistic methods are used, there should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
BIM	Brownfield Integrated Module
BOE	Barrel of Oil Equivalent i.e., The term allows for a single value to represent the sum of all the hydrocarbon products that are forecast as resources. Typically, condensate, oil, bitumen, and synthetic crude barrels are taken to be equal (1 bbl = 1 BOE). Gas and NGL quantities are converted to an oil equivalent based on a conversion factor that is recommended to be based on a nominal heating content or calorific value equivalent to a barrel of oil.
Bscf	Billion (standard) cubic feet of gas
BSTAB	Bintulu Stabilization Plant conditions
CAPEX	Capital Expenditure
CGR	Condensate Gas Ratio
CNH	Comisión Nacional de Hidrocarburos, the regulator of Mexico
CO_2	Carbon dioxide
CoC	Change of Conditions
CoP	Cease of Production
CPP	Central Processing Platform
CPR	Competent Person's Report
DES	Diamond Energy Sarawak
DMB	Dynamic Material Balance
DoD	Drill or Drop
DPR	Daily Production Report
DRU	Deep Regional Unconformity
DST	Drill stem test
DWR	Daily Well Report
E	East
E&P	Exploration and Production
EAGE	European Association of Geoscientists & Engineers
ENI	ENI (Ente Nazionale Idrocarburi) is an Italian multinational energy company.
EOR	Enhanced Oil Recovery
EQ	Energy Quest Sdn. Bhd.
EQ-AIMS	EQ - Asset Integrated Monetization System
EQAST	EQ's proprietary in-house system for Production Forecasting
ERD	Extended reach drilling
ESP	Electrical Submersible Pump
EUR	Estimated Ultimate Recovery i.e., Those quantities of petroleum estimated, as of a given date, to be potentially recoverable plus those quantities that have been already produced.
FAEP	First Additional Exploration Period
FBHP	Flowing bottomhole pressure
FDP	Field Development Plan
FFR	Full Field Review
FFT	Fuel Flare Tracking
FGD	First Gas Date
FID	Final Investment Decision i.e., Project approval stage when the participating companies have firmly agreed to the project and the required capital funding.
FPSO	Floating Production Storage and Offtake

Term	Definition
FSA	Facilities Sharing Agreement
ft	feet
FWL	Free Water Level
FWS	Full Well Stream
G&G	Geological and Geophysical
GHA	Gas Holding Area
GIIP	Gas Initially In-place
Gp	Cumulative gas produced
GR	Gamma Ray
GRV	Gross Rock Volume
GSA	Gas Supply Agreement
GWC	Gas-water Contact
H_2S	Hydrogen sulfide
High Estimate (P10)	With respect to resources categorization, this is considered to be an optimistic estimate of the quantity that will actually be recovered from an accumulation by a project. If probabilistic methods are used, there should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate.
HIIP	Hydrocarbon Initially In-place
HP	High Pressure
HPHT	High Pressure High Temperature
IOR	Improved Oil Recovery
JV	Joint Venture
kbd	Thousand barrels per day
km	kilometres
km^2	Square kilometre, sqkm
LaBaGo	Larak, Bakong and Gorek fields. Also referred to as GoLaBa
LAT	Lowest Astronomical Tide
Lead	A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation to be classified as a Prospect. A project maturity sub-class of Prospective Resources.
LCC	Lowest Closing Contours
LLB	Lang Lebah
Low Estimate (P90)	With respect to resources categorization, this is a conservative estimate of the quantity that will actually be recovered from the accumulation by a project. If probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.
LP	Low Pressure
LWD	Logging while Drilling
m	meters
Ma	Mega-annum, million years ago
MC3D	Multi-client 3D
mD	millidarcy, unit for permeability
MD	Measured Depth
MEFS	Minimum Economic Field Size
MLNG	Malaysia Liquefied Natural Gas
MMboe	Million barrels of oil equivalent
MMscfd	Million (standard) cubic feet of gas per day
MMstb	Million (standard) barrels of oil or condensate
MMstb	Thousand (standard) barrels of oil or condensate
MMU	Middle Miocene Unconformity
MODU	Mobile Offshore Drilling Unit
MOM	Minutes of Meeting
MP	Medium Pressure
MPM	Malaysia Petroleum Management acts for and on behalf of PETRONAS in the overall management of Malaysia's petroleum resources throughout the lifecycle of upstream oil and gas assets and is the governing body for Malaysia's petroleum development.
MR	Milestone Review with PETRONAS; usually followed by a number to denote the stage of the review process
mRT	meter (Rotary Table)
MRU	Mercury Removal Unit
Mscfd	Thousand (standard) cubic feet of gas per day
MWC	Minimum Work Commitment
NAG	Non-associated gas
NE	Northeast
Net	Gross multiplied by Working Interest
Net Entitlement	That portion off future production (and thus Resources) legally accruing to an entity under the terms of the development and production contract or license. Under the term of PSCs, the producers have an entitlement to a portion of the production. This entitlement, often referred to as "net entitlement" or "net

Term	Definition
	economic interest", is estimated using a formula based on the contract terms incorporating costs and profits.
NFA	No Further Action
NNE	North Northeast
NOPTA	National Offshore Petroleum Titles Administrator
NTG	Net to Gross ratio
NW	Northwest
OGP	Onshore Gas Plant
OMV	Österreichische Mineralölverwaltung (English: Austrian Mineral Oil Administration), an Austrian integrated oil and gas company
OOIP	Original Oil In-place
Operator	The company responsible for the exploration, development, and production of an oil or gas well or block
ORLI	Overall Resource Life Index
OWC	Oil-water Contact
P&A	Plug & Abandoned
P10	Refer definition for "High Estimate"
P50	Refer definition for "Best Estimate"
P90	Refer definition for "Low Estimate"
PCSB	PETRONAS Carigali Sdn. Bhd.
PDG	Permanent downhole gauge
PETRONAS	Petroliam Nasional Berhad
P_g	Probability of Geological Success
PIIP	Petroleum Initially In-place i.e., The total quantity of petroleum that is estimated to exist originally in naturally occurring reservoirs, as of a given date, discovered and undiscovered, before production.
PLR	Plant Liquid Return
PMCD	Pressurised Mud Cap Drilling
ppm	Parts per million
PRG	PETRONAS Reserves Group
PRMS	Petroleum Resources Management System
Project	A defined activity or set of activities that provides the link between the petroleum accumulation's resources sub-class and the decision-making process, including budget allocation. A project may, for example, constitute the development of a single reservoir or field, an incremental development in a larger producing field, or the integrated development of a group of several fields and associated facilities (e.g. compression) with a common ownership. In general, an individual project will represent a specific maturity level (sub-class) at which a decision is made on whether or not to proceed (i.e., spend money), suspend, or remove. There should be an associated range of estimated recoverable resources for that project. (See also Development Plan.)
Prospect	A project associated with an undrilled potential accumulation that is sufficiently well defined to represent a viable drilling target. A project maturity sub-class of Prospective Resources
PRrMS	PETRONAS Reserves & Resources Management System
PSC	Production Sharing Contract i.e., A contract between a contractor and a host government in which the contractor typically bears the risk and costs for exploration, development, and production. In return, if exploration is successful, the contractor is given the opportunity to recover the incurred investment from production, subject to specific limits and terms. Ownership of petroleum in the ground is retained by the host government; however, the contractor normally receives title to the prescribed share of the quantities as they are produced. (Also termed production-sharing agreement (PSA).
PSDM	Pre-Stack Depth Migration
PSTM	Pre-Stack Time Migration
psi	pounds per square inch
psia	pounds per square inch absolute, common unit of pressure
psig	pounds per square inch gauge, common unit of pressure
PTTEP	PTT Exploration and Production Company Limited, a national petroleum exploration and production company based in Thailand
PVT	Pressure, Volume, Temperature
QAA	Quarterly Audit Accounts
R/P	Reserves to Production ratio
RA	Resource Assessment
RF	Recovery Factor
RLI	Reserves Life Index
RQI	Rock Quality Index
scf	Standard cubic feet of gas
SE	Southeast
SEB	Sapura Energy Berhad
SEG	Society of Exploration Geophysicists
SI	Shut-in
SISGES	Sarawak Integrated Sour Gas Evacuation System
SOCM	Strategic Operations Committee Meeting

Term	Definition
SOMV	SapuraOMV Upstream Sdn. Bhd.
SPE	Society of Petroleum Engineers
SPEE	Society of Petroleum Evaluation Engineers
SPWLA	Society of Petrophysicists and Well Log Analysts
sqkm	Square kilometre, km^2
SRU	Shallow Regional Unconformity
SSB	Sarawak Shell Berhad
SSW	South Southwest
stb	Standard barrel of oil
STOIIP	Oil In-place Volume (Stock Tank Conditions)
SW	Southwest
TCM	Technical Committee Meeting
TD	total depth
TDR	Turndown Rate
TG	Trip Gas
THP	Tubinghead pressure
TOC	Top of Carbonate
TOC	Total Organic Content
Tscf	Trillion (standard) cubic feet of gas
TVD	True Vertical Depth
TVDSS	True Vertical Depth (Subsea)
VDR	Virtual Data Room
VLAP	Very Low Abandonment Pressure
VR	Vitrinite Reflectance
WHP	Wellhead Platform
WI	Working Interest
Working Interest	An entity's equity interest in a project before reduction for royalties or production share owed to others under the applicable fiscal terms.
WPB	Work Program and Budget
WPC	World Petroleum Council

Appendix 1: Energy Quest Track Record

No	Year	Contract Title / Description	Client / Project Location
1.	June-23	Asset evaluation of 2 oil and gas fields in Indonesia	PJBUMI / Hess Indonesia
2.	Jan-23	East Sabah geological fieldwork.	Repsol / Petronas. Malaysia
3.	Sept-22	Block SK334 Prospectivity Study	PETROS / Big Oil Malaysia
4.	July-22	Petrophysical study of production fields	Deleum Berhad Malaysia
5.	Feb-21	Competent Person's Report and CVR for the Independent Technical Evaluation of Samarang PSC Asset, Offshore Sabah	Sabah International Petroleum E&P Sdn Bhd Malaysia
6.	Feb-21	Tembungo Late Life Asset Evaluation, CPR and CVR	MTC and Partners. Malaysia
7.	Feb-21	MASA Late Life Asset Evaluation, CPR and CVR	MTC and Partners. Malaysia
8.	Dec-21	Phase-2 field work and outcrop scouting on onshore peninsular basin.	Salamander Energy (Malaysia) Limited Malaysia
9.	Dec-20	Block Evaluation, Conceptual FDP and Competent Person's Report of Sinamar Field, South West Bukit Barisan Block, West Sumatra & Riau, Sumatra.	Kulim (Malaysia) Berhad Indonesia
10.	Mac-20	Provision of Fieldworks and Outcrops Scouting on Peninsular Malaysia Onshore Basins	Salamander Energy (Malaysia) Limited / Ophir a MEDCOENERGI Company Malaysia
11.	Mac-20	East Sabah Integrated Geological and Geophysical (G&G) Study – Extension-Pinangah CBM works	PETRONAS Malaysia Petroleum Management (MPM) / PETRONAS Carigali Sdn. Bhd. Malaysia
12.	Dec-19	Block Evaluation, Conceptual FDP and Competent Person's Report of Sinamar Field, South West Bukit Barisan Block, West Sumatra & Riau, Sumatra	KULIM (Malaysia) Berhad. Indonesia
13.	Mar-19	East Sabah Integrated Geological and Geophysical (G&G) Study	PETRONAS Malaysia Petroleum Management (MPM) / PETRONAS Carigali Sdn. Bhd. Malaysia
14.	Feb-19	Umbrella Contract for the Provision of Subsurface Consultancy Service for PM8E	Enquest Petroleum Production Malaysia Ltd. Malaysia
15.	Feb-19	Umbrella Contract for the Provision of Subsurface Consultancy Service for Tanjong Baram	Enquest Petroleum Production Malaysia Ltd. Malaysia
16.	Jan-19	Sarawak Deep Water 2A Block Evaluation	Coro Energy Plc. Malaysia

No	Year	Contract Title / Description	Client / Project Location
17.	Jan-19	Provision of 1 Reservoir Engineer for Larut Project for Vestigo (Extension)	UZMA Engineering Sdn. Bhd. / VESTIGO Petroleum Sdn. Bhd. Malaysia
18.	Oct-18	Independent Technical Expert including Valuation Report on the Asset Review and Evaluation of Hydrocarbon Resources of Sapura Exploration & Production's Malaysian and international assets – IVR & ITR	SAPURA Energy Berhad. Malaysia, Australia, New Zealand, Mexico
19.	Oct-18	Provision of a Reservoir Engineer for Larut FDP	UZMA Engineering Sdn. Bhd. / VESTIGO Petroleum Sdn. Bhd. Malaysia
20.	Jul-18	Provision of a Reservoir Engineer for Jitang FDP	UZMA Engineering Sdn. Bhd. / VESTIGO Petroleum Sdn. Bhd. Malaysia
21.	Jul-18	Provision of a team of Reservoir Engineers to conduct study, analysis and develop suitable solutions for Intelligent Gas Forecasting and Optimization (IGFO) System for Petronas Carigali Sdn Bhd (PCSB)	ILAUNCH Sdn. Bhd. Malaysia
22.	Jan-18	Provision of a Reservoir Simulation, a Production Engineer and a Geophysicist for Berantai Full Field Review	UZMA Engineering Sdn. Bhd. / VESTIGO Petroleum Sdn. Bhd. Malaysia
23.	Jan-18	Provision of a Reservoir Simulation Engineer for Tg Baram FDP	UZMA Engineering Sdn. Bhd. / ENQUEST Petroleum Sdn. Bhd. Malaysia
24.	Jan-18	Provision of Basement Fieldwork Service for Block M12, M13, M14 in Myanmar for PCML	PETRONAS Carigali Myanmar (PCML) Limited Myanmar
25.	Jan-18	Asset Evaluation, Conceptual FDP and Economics - Lirik II for Barakah Offshore Petroleum.	BARAKAH Offshore Petroleum Sdn. Bhd. Indonesia
26.	May-17	Production Engineering Studies – Desktop Analysis of Lengo & Camar Field Offshore East Java	Private Investor Indonesia
27.	July-17	Resource Assessment – Resource & Remaining Reserve Assessment for Galapagos	Private Investor United Kingdom
28.	Mar-17	Provision of an integrated team for Comprehensive & Integrated Third Party Geological & Geophysical Block Evaluation for SK331	RHP (Mukah) Pte Ltd Malaysia
29.	Jul-16	Appointment Of Panel Contractors For The Provision Of Subsurface Studies For Routine And Enhanced Oil Recovery (EOR) Services	PETRONAS Malaysia Petroleum Management (MPM) Malaysia
30.	Jul-16	Provision of an integrated for the Petrophysical Analysis of offshore Sarawak block evaluation	UZMA Engineering Sdn. Bhd. Malaysia
31.	Apr-16	Provision of a seismic interpreter and Geomodeler for Seismic Interpretation and Geomodeling Works	UZMA Engineering Sdn. Bhd. Malaysia
32.	Apr-16	Independent Technical Review of the RPS Independent Technical Expert Report and RPS Independent Valuation Report of Emir-Oil Concession Block, Onshore Kazakhstan	Reach Energy Berhad. Kazakhstan

No	Year	Contract Title / Description	Client / Project Location
33.	Aug-15	Provision of technical services and solutions for the Geophysical Services (Umbrella Contract) for Mubadala.	MDC Oil & Gas (SK320) Limited. Malaysia
34.	Aug-15	Prospectivity of Limbang-Klias & Kudat (a) Regional geology and Stuctural analysis (b) Petroleum System analysis (c) Fieldwork Analysis	PETRONAS Carigali Sdn. Bhd. Malaysia
35.	Jun-15	Subsurface Studies For Routine And Enhanced Oil Recovery (EOR) Services including developing RMS Framework and Technical Potential Guidelines for PETRONAS	Orogenic Resources Sdn. Bhd. / PETRONAS Malaysia Petroleum Management (MPM) Malaysia
36.	Dec-14	Asset Evaluation of Pinnacle Energy Gulf of Mexico Assets - LS21484 & BS001 Fields	BARAKAH Offshore Petroleum Sdn. Bhd. Mexico
37.	Oct-14	Technical support for execution of Field Development Plan for KPOC Fields	Kebabangan Petroelum Operating Company (KPOC) Malaysia
38.	Aug-14	Sabah Geological Field Trip KK, Kudat	PETRONAS Malaysia Petroleum Management (MPM) Malaysia
39.	Aug-14	Asset Evaluation of TAQA North Sea Assets (19 Producing Fields, 2 discovered fields & 2 Green fields)	Private Investor United Kingdom
40.	Aug-14	Well Rejuvenation PTT, PTB, KSB fields (a) Decline Curve Analysis (b) KSB seismic revisit interpretation	SAPURA KENCANA Petroleum Berhad. Indonesia
41.	Aug-14	Validated recoverable based on existing dynamic model of the brown field offshore Thailand	SAPURA KENCANA Petroleum Berhad. Thailand
42.	Jul-14	(a) Production Enhancement (Kikeh, D-35) (b) Network Modeling (Betty, Baronia) (c) RMP Study (Baram, St Joseph GI, D35, J4) (d) TP Guidelines (e) Data Management (Dulang Field)	Orogenic Resources Sdn. Bhd. / PETRONAS Malaysia Petroleum Management (MPM) Malaysia
43.	Jun-14	Pulau Redang Geological Field Trip	PETRONAS Malaysia Petroleum Management (MPM) Malaysia
44.	May-14	Data Review at BHP Biliton	ADECO Exploration Limited. Malaysia
45.	Apr-14	Sabah Basin Study (a)Regional structural framework analysis (b)regional petroleum system analysis in relation to CBM Resources (c) Regional Geology Mapping (d) Coal Sampling	PETRONAS Carigali Sdn. Bhd. Malaysia
46.	Apr-14	Asset Evaluation of SB305 Fields	M3NERGY Berhad. Malaysia
47.	Mar-14	Provision of Geological Evaluation of Prospectivity On Tinjar Province	PETRONAS Malaysia Petroleum Management (MPM) Malaysia
48.	Mar-14	Data Review of Exploration Block SK408 (short review)	SAPURA KENCANA Petroleum Berhad. Malaysia
49.	Feb-14	Technical evaluation for Exploration Block DW 2C (Sarawak)	SAPURA KENCANA Petroleum Berhad. Malaysia

No	Year	Contract Title / Description	Client / Project Location
50.	Feb-14	Asset Evaluation of Perlak Field (Indonesia) including Production Enhancement Opportunities	SAPURA KENCANA Petroleum Berhad. Indonesia
51.	Feb-14	Asset Evaluation of Kendal Field (Indonesia) including Production Enhancement Opportunities	SAPURA KENCANA Petroleum Berhad. Indonesia
52.	Feb-14	Asset Evaluation of Newfield China Asset (Bohai Bay 3 Fields & Lu Feng 1 Field)	SAPURA KENCANA Petroleum Berhad. China
53.	Feb-14	Desktop Analysis to Verify Volumes & Recoveries Of Vietnam Block 102 & 106	SAPURA KENCANA Petroleum Berhad. Vietnam
54.	Feb-14	Block Review and Technical Evaluation Of Block OPL 2010	SAPURA KENCANA Petroleum Berhad. Nigeria
55.	Feb-14	Revision And Reconciliation of Final Reserves Numbers for Carigali Hess Thailand Asset	SAPURA KENCANA Petroleum Berhad. Thailand
56.	Jan-14	Bubu Diwangsa FDP Phase 1	SAPURA KENCANA Petroleum Berhad. Malaysia
57.	Nov-13	Provision Of Petrophysicist for Vestigo	UZMA Engineering Sdn. Bhd. / VESTIGO Petroleum Sdn. Bhd. Malaysia
58.	Nov-13	Resource Evaluation and Certification of Newfield Assets for SapuraKencana Asset Acquisition/Security Commission Malaysia Submission.	SAPURA KENCANA Petroleum Berhad. Malaysia
59.	Oct-13	Technical Service for INPEX - Basin Modeling Work	UZMA Engineering Sdn. Bhd. Malaysia
60.	Oct-13	Technical Service for INPEX -Petrophysical Evaluation	UZMA Engineering Sdn. Bhd. Malaysia
61.	Oct-13	Hess Asset Technical Sub-Surface Review of Thailand On-shore Asset	SAPURA KENCANA Petroleum Berhad. Thailand
62.	Oct-13	Asset Evaluation of Seruway PSC Farm Out	SAPURA KENCANA Petroleum Berhad. Indonesia
63.	Sept-13	Regional Geological Mapping – Block CA1 Brunei Deepwater	PETRONAS Carigali Brunei Limited Brunei
64.	Sep-13	MEO Asset Evaluation - Marina Field, Breakwater and Other Prospect Within WA-45	SAPURA KENCANA Petroleum Berhad. Malaysia
65.	Sep-13	Economics Evaluation of Russian Asset	SILVERSAND Sdn. Bhd. Russia
66.	Sept-13	Sepat Gas FDP – Static & dynamic Modeling Sepat Gas Field & FDP	UZMA Engineering Sdn. Bhd. / PETRONAS Malaysia Petroleum Management (MPM) Malaysia
67.	Sept-13	Nosong Bongawan FDP – Static & Dynamic Modeling Nosong & Bongawan Fields and FDP	UZMA Engineering Sdn. Bhd. / PETRONAS Malaysia Petroleum Management (MPM) Malaysia
68.	Jul-13	Asset Evaluation of Newfield China Asset (Bohai Bay 3 Fields & Lu Feng 1 Field)	SAPURA KENCANA Petroleum Berhad. China

No	Year	Contract Title / Description	Client / Project Location
69.	July-13	Well Sample Analysis for Kerupang Fields	PETRONAS Malaysia Petroleum Management (MPM) Malaysia
70.	Jul-13	Asset Evaluation of Newfield Malaysia Asset (4 Exploration Blocks & 13 Producing Fields)	SAPURA KENCANA Petroleum Berhad. Malaysia
71.	July-13	Provision of Reservoir Engineer – Dynamic Modeling for Samudera Field	Carigali HESS Operating Company Sdn. Bhd. Malaysia
72.	Jun-13	Cadlao Brown Field FDP for Asset Evaluation	SAPURA KENCANA Petroleum Berhad. Phillipines
73.	Jun-13	Data Review of Exploration Block SK317	JAPEX Asia & Ocenia Project Division. Malaysia
74.	Apr-13	Technical Evaluation of Tg Baram Field (2 months)	SAPURA KENCANA Petroleum Berhad. Malaysia
75.	Apr-13	Pre LOI-Technical Support for Tg Baram Field	SAPURA KENCANA Petroleum Berhad. Malaysia
76.	Apr-13	(a) Dulang EOR (b) Baram Delta Regional Study	OROGENIC Resources Sdn. Bhd./EPTD Malaysia
77.	Apr-13	PCPP Field Trip - Basement Study Fieldtrip for Block SK305 Sarawak / Malaysia	PCPP Operating Company Sdn. Bhd. Malaysia
78.	Apr-13	Brunei Block L - Asset Evaluation	SAPURA KENCANA Petroleum Berhad. Brunei
79.	Apr-13	Brunei Block L - Asset Evaluation	UZMA Engineering Sdn. Bhd. Brunei
80.	Mar-13	Dynamic Modeling - Samudera Field	Carigali HESS Operating Company Sdn. Bhd. Malaysia
81.	Mar-13	Well Sample Analysis	PETRONAS Malaysia Petroleum Management (MPM) Malaysia
82.	Sep-12	Russia Exploration Block - Asset Evaluation	SAPURA Kencana Petroleum Berhad. Russia
83.	Sep-12	Prospectivity of Tinjar Province (a) Petroleum System Analysis(b) Regional Structure geology (construct regional structure element map) (c). Fieldwork, sampling (site coring), and lab analysis	PETRONAS Carigali Sdn. Bhd. Malaysia
84.	Sep-12	Technical Evaluation for Semangkok Timur, Laba and Laba Barat Fields	PETRONAS Carigali Sdn. Bhd. Malaysia
85.	Sep-12	PMU Field Trip-Limbang/Klias/Kota Kinabalu	PETRONAS Management Unit Malaysia
86.	Sep-12	Fast Track Desktop Screening and Data Room Review Sabah Basin	MMC Petroleum & Resources Sdn. Bhd. Malaysia
87.	Jul-12	Resource Assessment of Sabah Fields	ROC Oil (Malaysia) Pty Limited Malaysia

No	Year	Contract Title / Description	Client / Project Location
88.	Jun-12	Resource Assessment of Sabah Fields	ROC Oil (Malaysia) Pty Limited Malaysia
89.	May-12	Sabah Geological Field Trip	MDC Oil & Gas (SK320) Ltd. Malaysia
90.	May-12	Aceh Exploration Block - Asset Evaluation	SAPURA Kencana Petroleum Berhad. Indonesia
91.	Apr-12	Asset Evaluation -Exxon Mobil Block B	Casa Straits Sdn Bhd Malaysia
92.	Mar-12	Data Room Review and Fast Track Evaluation - Exploration Block SK314A	SAPURA Kencana Petroleum Berhad. Malaysia
93.	Feb-12	Technical Evaluation Balai Cluster Field Development	BC Petroleum Sdn. Bhd. Malaysia
94.	Jan-12	Data Review for Cue Energy At PMU	CUE Energy (M) Sdn. Bhd. Malaysia
95.	Dec-11	Kudat Field Trip 21-23 May 2013	Malaysia Petroleum Management PETRONAS (MPM) Malaysia
96.	Nov-11	Small Field Data Review for Petrofac at Petronas	SAPURA Kencana Petroleum Berhad. Malaysia
97.	Oct-11	Data Room Review and Fast Track Evaluation - Exploration Block PM316 And PM 331	MMC Petroleum & Resources Sdn. Bhd. Malaysia
98.	Aug-11	Asset Evaluation Ketapang and Muriah PSC	M3NERGY Berhad. Indonesia
99.	Jul-11	Data Review for Petronas 21 Small Fields	ROC Oil (Malaysia) PTY LIMITED Malaysia
100.	Jun-11	Ngudal Field Subsurface Evaluation and monitoring	Petrosolve Energy (M) Sdn. Bhd. Indonesia
101.	Jan-11	Provision For Geological Studies for Block SK320 MDC Oil and Gas Ltd	Orogenic Resources Sdn. Bhd. / MDC Malaysia
102.	Jan-11	Block PM305/314 Data Review-Evaluation	Handal Resources Bhd. Malaysia
103.	Sep-10	Geological Study -MDC Oil and Gas Ltd	Orogenic Resources Sdn. Bhd. / MDC Malaysia
104.	Sep-10	The Provision of Resource Assessment for Petrofac Malaysia (Malaysia PM-304) Ltd	OROGENIC RESOURCES SDN BHD / Petrofac Malaysia
105.	April-10	Sabah Geological Field Trip	LUNDIN Malaysia Malaysia
106.	Sep-09	Conducted D35 Field Enhanced Oil Recovery (EOR) Study	PETRONAS Carigali Sdn. Bhd. Malaysia
107.	Aug-09	Geological Study for Angsi Field Development	PETRONAS Carigali Sdn. Bhd. Malaysia

No	Year	Contract Title / Description	Client / Project Location
108.	Jul-09	Iran Gas Field Development Subsurface Study (Golshan And Firdowsi)	PETROFIELD/SKS Iran
109.	July-09	Iran Oil Field Pre-Development Review (Resalat Field)	AMONA International Iran
110.	Oct-08	Complete Geophysical, Geological And Reservoir Engineering Study For Jonkyang Field FDP	WNPOC Sudan
111.	Aug-08	Southern East Coast Peninsular Geological Field Trip	PETRONAS Petroleum Management Unit (PMU) Malaysia
112.	Aug-08	Southern East Coast Peninsular Geological Study	PETRONAS Petroleum Management Unit (PMU) Malaysia
113.	Aug-08	Petrophysical Study For Low Resistivity Low Contrast (LRLC)	PETRONAS Research & Scientific Sdn. Bhd (PRSSB) Malaysia
114.	Jul-08	Geophysical Study For Kinabalu Field Development	PETRONAS Carigali Sdn. Bhd. Malaysia
115.	Jul-08	Geophysical Study For Vietnam Exploration Block	PARADIGM / KNOC Vietnam
116.	May-08	Geophysical Study For Malaysia Basin Fluvial System	PETRONAS Research & Scientific Sdn. Bhd (PRSSB) Malaysia
117.	May-08	Seismic Interpretation Professional Services For Malaysia Basin Migration System	PETRONAS Research & Scientific Sdn. Bhd (PRSSB) Malaysia
118.	April-08	Carbonate Field Study-Cuba	PETRONAS Carigali Cuba Pty.Ltd. Cuba
119.	Mar-08	Geological Evaluation Of Nigeria Fields And Blocks	EERS London
120.	Nov-06	Reservoir Management Project For 14 Gas Fields, Bangladesh	PETROBANGLA Bangladesh
121.	Sep-06	Mahanadi, India Block Study	PARADIGM / ONGC India
122.	Aug-06	D-35 FDP And FFR Study Conducted Full Field Review and formulated Field Development Plan for Infill Program at D35 Field FDP And FFR Study	PETRONAS Carigali Sdn. Bhd. Malaysia
123.	Aug-06	The Development Of New Models, Analogs & Tools For Better Prediction Of Miocene Carbonates Reservoirs (Detailed Petrophysical Study)	PETRONAS Carigali Sdn. Bhd./ PETRONAS Research & Scientific Sdn. Bhd (PRSSB) Malaysia
124.	Jun-06	Luconia Regional Study For Co2 Sequestration	PETRONAS Petroleum Management Unit (PMU) Malaysia
125.	May-06	Nymphe-Nymphe North Resource Assessment	PETRONAS Carigali Sdn. Bhd. Malaysia

No	Year	Contract Title / Description	Client / Project Location
126.	May-06	Benrinnes Field Resource Assessment	PETRONAS Carigali Sdn. Bhd. Malaysia
127.	May-06	Tangga Barat Core & Sedimentological Study, Irong Core & Sedimentological Study	PETRONAS Carigali Sdn. Bhd./ PETRONAS Research & Scientific Sdn. Bhd (PRSSB) Malaysia
128.	Mar-06	Guling-2 Core & Sedimentological Study	PETRONAS Carigali Sdn. Bhd./ PETRONAS Research & Scientific Sdn. Bhd (PRSSB) Malaysia
129.	Jan-06	K5 Field Resource Assessment	PETRONAS Petroleum Management Unit (PMU) / PETRONAS Research & Scientific Sdn. Bhd (PRSSB) Malaysia
130.	Jan-06	J5 Field Resource Assessment	PETRONAS Petroleum Management Unit (PMU) Malaysia
131.	Nov-05	SE Collins Field Resource Assessment	PETRONAS Carigali Sdn. Bhd. Malaysia
132.	Nov-05	Geophysical Study And Block Assessment Of Semboja Area, Indonesia	SCHLUMBERGER Indonesia
133.	Sep-05	Lokan Field Resource Assessment	PETRONAS Carigali Sdn. Bhd. Malaysia
134.	Sep-05	Piatu-East Piatu 3D Seismic Interpretation & H80 Volumetric Re-Assessment	PETRONAS Petroleum Management Unit (PMU) Malaysia
135.	Feb-05	India Nelp-V Blocks Evaluation And Resource Assessment (5 Blocks)	PETRONAS Carigali Sdn. Bhd. India
136.	Feb-05	Yemen Block Review And Assessment (2 Blocks)	M3NERGY Berhad. Yemen
137.	Jan-05	Mutiara Hitam Field Resource Assessment	PETRONAS Carigali Sdn. Bhd./ PETRONAS Research & Scientific Sdn. Bhd (PRSSB) Malaysia
138.	Jan-05	Kuda Terbang Field Resource Assessment	PETRONAS Carigali Sdn. Bhd./ PETRONAS Research & Scientific Sdn. Bhd (PRSSB) Malaysia
139.	Dec-04	Regional Expert For Regional Study Of Malaysia Basin	PETRONAS Carigali Sdn. Bhd./ PETRONAS Research & Scientific Sdn. Bhd (PRSSB) Malaysia
140.	Sep-04	Guling Deep Core & Sedimentological Study	PETRONAS Petroleum Management Unit (PMU) / PETRONAS Research & Scientific Sdn. Bhd (PRSSB) Malaysia
141.	Sept-04	Heglig Field, Sudan Structural Mapping	PETRONAS Research & Scientific Sdn Bhd (PRSSB) Sudan
142.	Aug-04	Reservoir Characterization Study Of Temana Field	UZMA Engineering Sdn. Bhd. / PETRONAS Carigali Sdn. Bhd. Malaysia

No	Year	Contract Title / Description	Client / Project Location
143.	Jul-04	Laba-laba Barat Resource Assessment	PETRONAS Petroleum Management Unit (PMU) / PETRONAS Research & Scientific Sdn. Bhd (PRSSB) Malaysia
144.	July-04	Serok Field Resource Assessment	PETRONAS Petroleum Management Unit (PMU) / PETRONAS Research & Scientific Sdn. Bhd (PRSSB) Malaysia
145.	Mar-04	Piatu-East Piatu Fdp Study (Geology and Reservoir Engineering Portion)	PETRONAS Petroleum Management Unit (PMU) / PETRONAS Research & Scientific Sdn. Bhd (PRSSB) Malaysia

Appendix 2: PRMS Reserves & Resources Definitions

The following figures and tables have been extracted from the 2018 Petroleum Resources Management System (PRMS), prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG), the Society of Petroleum Evaluation Engineers (SPEE), the Society of Exploration Geophysicists (SEG), the Society of Petrophysicists and Well Log Analysts (SPWLA) and the European Association of Geoscientists & Engineers (EAGE). The complete document is available from www.spe.org.

The technical estimation of petroleum resources quantities involves the assessment of quantities and values that have an inherent degree of uncertainty. These quantities are associated with exploration, appraisal, and development projects at various stages of design and implementation. The commercial aspects considered will relate the project's maturity status (e.g., technical, economical, regulatory, and legal) to the chance of project implementation.

Figure A2-1 graphically represents the PRMS resources classification system. The system classifies resources into discovered and undiscovered and defines the recoverable resources classes: Production, Reserves, Contingent Resources, and Prospective Resources, as well as Unrecoverable Petroleum.

Figure A2-2 illustrates the Project Maturity Sub-Classes, where development projects and associated recoverable quantities may be sub-classified according to project maturity levels and the associated actions (i.e., business decisions) required to move a project toward commercial production. The maturity terminology and definitions for each project maturity class and sub-class are provided in Table A2-1.

Once projects satisfy commercial maturity (criteria given in Table A2-1), the associated quantities are classified as Reserves. These quantities may be allocated to sub-divisions provided in Table A2-2, based on the funding and operational status of wells and associated facilities within the reservoir development plan. Upon satisfying the commercial maturity criteria for discovery and/or development, the project quantities will

then move to the appropriate resources sub-class. Table A2-3 provides criteria for the Reserves categories determination.

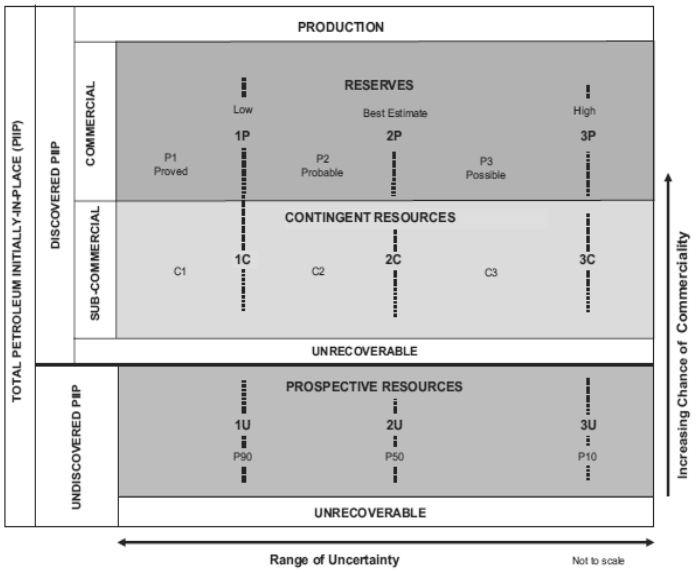


Figure A2- 1: Petroleum Resources Classification Framework

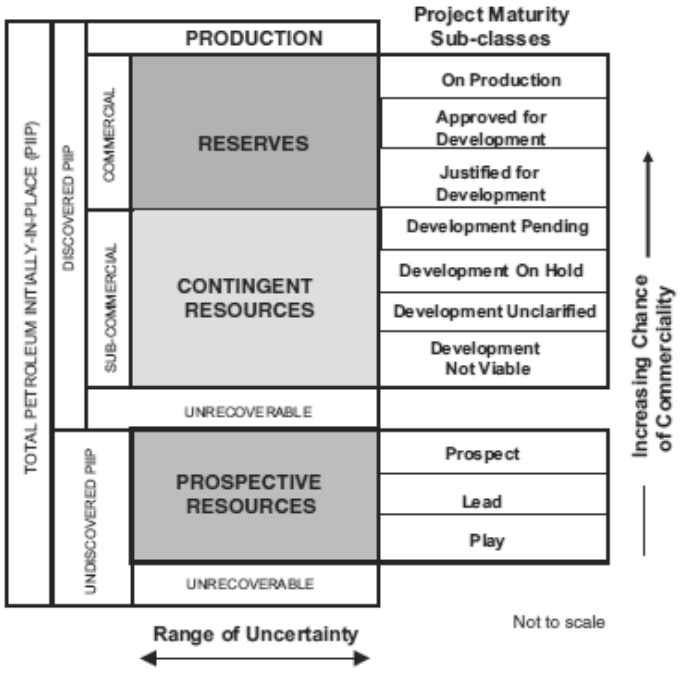


Figure A2- 2: Sub-Classes Based on Project Maturity

Class/Sub-Class	Definition	Guidelines
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.	Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the development and production status. To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability. This includes the requirement that there is evidence of firm intention to proceed with development within a reasonable time-frame. A reasonable time-frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While five years is recommended as a benchmark, a longer time-frame could be applied where, for example, development of an economic project is deferred at the option of the producer for, among other things, market-related reasons or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented. To be included in the Reserves class, there must be a high confidence in the commercial maturity and economic producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.
On Production	The development project is currently producing or capable of producing and selling petroleum to market.	The key criterion is that the project is receiving income from sales, rather than that the approved development project is necessarily complete. Includes Developed Producing Reserves. The project decision gate is the decision to initiate or continue economic production from the project.
Approved for Development	All necessary approvals have been obtained, capital funds have been committed, and implementation of the development project is ready to begin or is under way.	At this point, it must be certain that the development project is going ahead. The project must not be subject to any contingencies, such as outstanding regulatory approvals or sales contracts. Forecast capital expenditures should be included in the reporting entity's current or following year's approved budget. The project decision gate is the decision to start investing capital in the construction of production facilities and/or drilling development wells.
Justified for Development	Implementation of the development project is justified on the basis of reasonable forecast commercial conditions at the time of reporting, and there are reasonable expectations that all necessary approvals/contracts will be obtained.	To move to this level of project maturity, and hence have Reserves associated with it, the development project must be commercially viable at the time of reporting and the specific circumstances of the project. All participating entities have agreed and there is evidence of a committed project (firm intention to proceed with development within a reasonable time-frame}) There must be no known contingencies that could preclude the development from proceeding (see Reserves class). The project decision gate is the decision by the reporting entity and its partners, if any, that the project has reached a level of technical and commercial maturity sufficient to justify proceeding with development at that point in time.
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.	Contingent Resources may include, for example, projects for which there are currently no viable markets, where commercial recovery is dependent on technology under development, where evaluation of the accumulation is insufficient to clearly assess commerciality, where the development plan is not yet approved, or where regulatory or social acceptance issues may exist. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the economic status.
Development Pending	A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future.	The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g., drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time-frame. Note that disappointing appraisal/evaluation results could lead to a reclassification of the project to On Hold or Not Viable status.

Class/Sub-Class	Definition	Guidelines
		The project decision gate is the decision to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity at which a decision can be made to proceed with development and production.
Development on Hold	A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay.	The project is seen to have potential for commercial development. Development may be subject to a significant time delay. Note that a change in circumstances, such that there is no longer a probable chance that a critical contingency can be removed in the foreseeable future, could lead to a reclassification of the project to Not Viable status. The project decision gate is the decision to either proceed with additional evaluation designed to clarify the potential for eventual commercial development or to temporarily suspend or delay further activities pending resolution of external contingencies.
Development Unclarified	A discovered accumulation where project activities are under evaluation and where justification as a commercial development is unknown based on available information.	The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are ongoing to clarify the potential for eventual commercial development. This sub-class requires active appraisal or evaluation and should not be maintained without a plan for future evaluation. The sub-class should reflect the actions required to move a project toward commercial maturity and economic production.
Development Not Viable	A discovered accumulation for which there are no current plans to develop or to acquire additional data at the time because of limited production potential.	The project is not seen to have potential for eventual commercial development at the time of reporting, but the theoretically recoverable quantities are recorded so that the potential opportunity will be recognized in the event of a major change in technology or commercial conditions. The project decision gate is the decision not to undertake further data acquisition or studies on the project for the foreseeable future.
Prospective Resources	Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.	Potential accumulations are evaluated according to the chance of geologic discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration.
Prospect	A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target.	Project activities are focused on assessing the chance of geologic discovery and, assuming discovery, the range of potential recoverable quantities under a commercial development program.
Lead	A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation to be classified as a Prospect.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to confirm whether or not the Lead can be matured into a Prospect. Such evaluation includes the assessment of the chance of geologic discovery and, assuming discovery, the range of potential recovery under feasible development scenarios.
Play	A project associated with a prospective trend of potential prospects, but that requires more data acquisition and/or evaluation to define specific Leads or Prospects.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to define specific Leads or Prospects for more detailed analysis of their chance of geologic discovery and, assuming discovery, the range of potential recovery under hypothetical development scenarios.

Table A2- 1: Recoverable Resources Classes and Sub-Classes

Status	Definition	Guidelines
Developed Reserves	Expected quantities to be recovered from existing wells and facilities.	Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-producing.
Developed Producing Reserves	Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.	Improved recovery Reserves are considered producing only after the improved recovery project is in operation.
Developed Non-Producing Reserves	Shut-in and behind-pipe Reserves.	Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or

		pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.
Undeveloped Reserves	Quantities expected to be recovered through future significant investments.	Undeveloped Reserves are to be produced (1) from new wells on undrilled acreage in known accumulations, (2) from deepening existing wells to a different (but known) reservoir, (3) from infill wells that will increase recovery, or (4) where a relatively large expenditure (e.g., when compared to the cost of drilling a new well) is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

Table A2- 2: Reserves Status Definitions and Guidelines

Category	Definition	Guidelines
Proved Reserves	Those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations.	If deterministic methods are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the estimate. The area of the reservoir considered as Proved includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data. In the absence of data on fluid contacts, Proved quantities in a reservoir are limited by the LKH as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for Proved. Reserves in undeveloped locations may be classified as Proved provided that: A. The locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially mature and economically productive. B. Interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with drilled Proved locations. For Proved Reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogs and sound engineering judgment considering the characteristics of the Proved area and the applied development program.
Probable Reserves	Those additional Reserves that analysis of geoscience and engineering data indicates are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.	It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate. Probable Reserves may be assigned to areas of a reservoir adjacent to Proved where data control or interpretations of available data are less certain. The interpreted reservoir continuity may not meet the reasonable certainty criteria. Probable estimates also include incremental recoveries associated with project recovery efficiencies beyond that assumed for Proved.
Possible Reserves	Those additional reserves that analysis of geoscience and engineering data indicates are less likely to be recoverable than Probable Reserves.	The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability (P10) that the actual quantities recovered will equal or exceed the 3P estimate. Possible Reserves may be assigned to areas of a reservoir adjacent to Probable where data control and interpretations of available data are progressively less certain. Frequently, this may be in areas where

Category	Definition	Guidelines
		geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of economic production from the reservoir by a defined, commercially mature project. Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable.
Probable and Possible Reserves	See above for separate criteria for Probable Reserves and Possible Reserves.	The 2P and 3P estimates may be based on reasonable alternative technical interpretations within the reservoir and/or subject project that are clearly documented, including comparisons to results in successful similar projects. In conventional accumulations, Probable and/or Possible Reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from Proved areas by minor faulting or other geological discontinuities and have not been penetrated by a wellbore but are interpreted to be in communication with the known (Proved) reservoir. Probable or Possible Reserves may be assigned to areas that are structurally higher than the Proved area. Possible (and in some cases, Probable) Reserves may be assigned to areas that are structurally lower than the adjacent Proved or 2P area. Caution should be exercised in assigning Reserves to adjacent reservoirs isolated by major, potentially sealing faults until this reservoir is penetrated and evaluated as commercially mature and economically productive. Justification for assigning Reserves in such cases should be clearly documented. Reserves should not be assigned to areas that are clearly separated from a known accumulation by non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results); such areas may contain Prospective Resources. In conventional accumulations, where drilling has defined a highest known oil elevation and there exists the potential for an associated gas cap, Proved Reserves of oil should only be assigned in the structurally higher portions of the reservoir if there is reasonable certainty that such portions are initially above bubble point pressure based on documented engineering analyses. Reservoir portions that do not meet this certainty may be assigned as Probable and Possible oil and/or gas based on reservoir fluid properties and pressure gradient interpretations.

Table A2- 3: Reserves Category Definitions and Guidelines

Appendix 3: Competent Valuer

Name	Allida Muhammad Said
Address	Energy Quest Sdn Bhd (602734-A) Unit 3A-13-09, Menara Paragon @ Pan'gaea, Persiaran Bestari,Cyberjaya, 63000 Cyberjaya,Selangor.
Qualifications	Bachelor of Science (Civil Engineering), Northwestern University, IL, USA
Years of relevant experience	Oil & Gas (30+ years): ● 1990 – 2004: ExxonMobil Exploration & Production Malaysia Inc (EMEPMI) ● 2004 – Present: Energy Quest Sdn Bhd, an Upstream Oil & Gas Consulting Company Resource Certification (10 years), example: ● SapuraKencana acquisition of Newfield Asset (2013) ● Reach Energy Berhad – Emir Oil Concession Acquisition (2016) ● Sapura Energy Berhad & OMV acquisition– Independent Technical Expert Report (2018) ● Kulim Energy Indonesian Asset Acquisition (2020)
Professional Membership	Society of Petroleum Engineering (SPE) Member ID: 5010665
Details of the recognised professional organization of the competent valuer.	Recognized Professional Organization: Society of Petroleum Engineers (SPE) The Society of Petroleum Engineers (SPE) is a globally recognized professional organization dedicated to the advancement of the petroleum engineering profession. Established in 1957, SPE provides its members with access to technical knowledge, professional development, and a robust network of industry experts. Key Features of SPE: ● Professional Standards: SPE sets high standards for the technical and ethical conduct of petroleum engineers. ● Certification and Accreditation: SPE offers certification programs such as the Petroleum Engineering Certification (PEC) which validates the expertise and competence of engineers in the field. ● Educational Resources: Members have access to a vast repository of technical papers, industry publications, and continuing education programs. ● Global Conferences and Workshops: SPE organizes events worldwide, fostering knowledge exchange and networking among professionals. ● Membership and Community: With over 140,000 members in 144 countries, SPE provides a platform for professional growth and collaboration. As a recognized professional organization, SPE ensures that its members, including competent valuers in the petroleum industry, maintain the highest levels of proficiency and adhere to industry best practices.

Appendix 4: Summary of Production and Cost Profiles and Net Cash Flow for SK 408 and SK 310 (Base Case)

2P (Consolidated)

Year	Gross Gas Sales (MMscfd)	Gross Liquid Sales (kbd)	Net Revenue (MMUSD)	CAPEX (MMUSD)	OPEX (MMUSD)	ABEX (MMUSD)	Liquid Sales Tax (MMUSD)	Total Other Income / (Expenses) (MMUSD)	Income Tax (MMUSD)	SOMV Net Cash Flow (MMUSD)	SEB Net Cash Flow (MMUSD)
2024	190.5	2.5	996.7	(199.4)	(187.1)	(13.0)	(9.1)	(42.0)	(179.9)	140.3	70.2
2025	236.5	3.3	1184.5	(85.4)	(207.4)	(26.8)	(11.2)	(48.9)	(308.6)	198.8	99.4
2026	209.2	2.5	962.9	(109.0)	(154.8)	(33.5)	(8.1)	(30.3)	(239.8)	155.8	77.9
2027	200.2	2.4	937.8	(135.1)	(162.3)	(25.3)	(7.8)	(30.2)	(211.5)	146.3	73.2
2028	195.9	2.5	948.7	(119.5)	(178.0)	(25.0)	(8.3)	(29.9)	(204.9)	153.2	76.6
2029	185.9	2.3	913.8	(0.1)	(153.7)	(24.9)	(7.9)	(30.9)	(205.0)	196.5	98.3
2030	163.4	2.3	835.8	(0.1)	(162.8)	(25.0)	(7.9)	(30.5)	(175.1)	173.8	86.9
2031	162.5	1.0	758.2	(0.1)	(161.0)	(25.1)	(3.5)	(14.0)	(159.5)	158.0	79.0
2032	158.1	0.9	752.8	(0.1)	(155.5)	(24.8)	(3.4)	(13.8)	(170.0)	154.1	77.0
2033	142.7	0.8	688.4	(0.1)	(144.0)	(21.8)	(3.0)	(12.3)	(162.3)	137.9	69.0
2034	84.4	0.7	429.1	(0.1)	(120.9)	(18.0)	(2.5)	(9.6)	(85.4)	77.1	38.5
2035	64.0	0.5	332.3	(0.1)	(89.9)	(13.7)	(2.0)	(7.6)	(68.4)	60.3	30.2
2036	50.9	0.4	270.4	(0.0)	(70.2)	(10.8)	(1.6)	(6.2)	(58.6)	49.2	24.6
2037	38.2	0.3	206.8	(0.0)	(51.1)	(8.5)	(1.2)	(4.9)	(48.7)	37.0	18.5
2038	28.9	0.2	160.1	(0.0)	(37.8)	(6.5)	(1.0)	(3.8)	(42.2)	27.5	13.8
2039	17.5	0.2	100.8	(0.0)	(19.8)	(4.8)	(0.7)	(2.6)	(27.7)	18.1	9.0
2040	7.8	0.1	46.8	(0.0)	(7.8)	(2.5)	(0.4)	(1.3)	(13.2)	8.6	4.3

2P (SK408 PSC)

Year	Gross Gas Sales (MMscfd)	Gross Liquid Sales (kbd)	Net Revenue (MMUSD)	CAPEX (MMUSD)	OPEX (MMUSD)	ABEX (MMUSD)	Liquid Sales Tax (MMUSD)	Total Other Income / (Expenses) (MMUSD)	Income Tax (MMUSD)	SOMV Net Cash Flow (MMUSD)	SEB Net Cash Flow (MMUSD)
2024	167.5	2.3	871.3	(199.3)	(149.9)	(12.3)	(8.2)	(35.4)	(161.7)	121.8	60.9
2025	236.5	3.3	1184.5	(85.4)	(204.2)	(26.8)	(11.2)	(48.9)	(308.6)	199.8	99.9
2026	209.2	2.5	962.9	(109.0)	(154.0)	(26.1)	(8.1)	(30.3)	(239.8)	158.3	79.1
2027	200.2	2.4	937.8	(135.1)	(161.5)	(25.3)	(7.8)	(30.2)	(211.5)	146.6	73.3
2028	195.9	2.5	948.7	(119.5)	(178.0)	(25.0)	(8.3)	(29.9)	(204.9)	153.2	76.6
2029	185.9	2.3	913.8	(0.1)	(153.7)	(24.9)	(7.9)	(30.9)	(205.0)	196.5	98.3
2030	163.4	2.3	835.8	(0.1)	(162.8)	(25.0)	(7.9)	(30.5)	(175.1)	173.8	86.9
2031	162.5	1.0	758.2	(0.1)	(161.0)	(25.1)	(3.5)	(14.0)	(159.5)	158.0	79.0
2032	158.1	0.9	752.8	(0.1)	(155.5)	(24.8)	(3.4)	(13.8)	(170.0)	154.1	77.0
2033	142.7	0.8	688.4	(0.1)	(144.0)	(21.8)	(3.0)	(12.3)	(162.3)	137.9	69.0
2034	84.4	0.7	429.1	(0.1)	(120.9)	(18.0)	(2.5)	(9.6)	(85.4)	77.1	38.5
2035	64.0	0.5	332.3	(0.1)	(89.9)	(13.7)	(2.0)	(7.6)	(68.4)	60.3	30.2
2036	50.9	0.4	270.4	(0.0)	(70.2)	(10.8)	(1.6)	(6.2)	(58.6)	49.2	24.6
2037	38.2	0.3	206.8	(0.0)	(51.1)	(8.5)	(1.2)	(4.9)	(48.7)	37.0	18.5
2038	28.9	0.2	160.1	(0.0)	(37.8)	(6.5)	(1.0)	(3.8)	(42.2)	27.5	13.8
2039	17.5	0.2	100.8	(0.0)	(19.8)	(4.8)	(0.7)	(2.6)	(27.7)	18.1	9.0
2040	7.8	0.1	46.8	(0.0)	(7.8)	(2.5)	(0.4)	(1.3)	(13.2)	8.6	4.3

2P (SK310 PSC)

Year	Gross Gas Sales (MMscfd)	Gross Liquid Sales (kbd)	Net Revenue (MMUSD)	CAPEX (MMUSD)	OPEX (MMUSD)	ABEX (MMUSD)	Liquid Sales Tax (MMUSD)	Total Other Income / (Expenses) (MMUSD)	Income Tax (MMUSD)	SOMV Net Cash Flow (MMUSD)	SEB Net Cash Flow (MMUSD)
2024	8.4	0.1	125.4	(0.1)	(37.3)	(0.6)	(1.0)	(6.6)	(18.2)	18.5	9.2
2025	0.0	0.0	0.0	0.0	(3.3)	0.0	0.0	0.0	0.0	(1.0)	(0.5)
2026	0.0	0.0	0.0	0.0	(0.8)	(7.4)	0.0	0.0	0.0	(2.5)	(1.2)
2027	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2028	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2029	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2030	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2031	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2032	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2033	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2034	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2035	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2036	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2037	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2038	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2039	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2040	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Appendix 5: Summary of Production and Cost Profiles and Net Cash Flow for SK 408 and SK 310 (Low Case)

1P (Consolidated)

Year	Gross Gas Sales (MMscfd)	Gross Liquid Sales (kbd)	Net Revenue (MMUSD)	CAPEX (MMUSD)	OPEX (MMUSD)	ABEX (MMUSD)	Liquid Sales Tax (MMUSD)	Total Other Income / (Expenses) (MMUSD)	Income Tax (MMUSD)	SOMV Net Cash Flow (MMUSD)	SEB Net Cash Flow (MMUSD)
2024	173.0	2.1	887.9	(199.4)	(177.2)	(15.9)	(7.6)	(32.8)	(147.7)	119.2	59.6
2025	225.8	3.5	1158.1	(85.4)	(199.9)	(31.1)	(12.1)	(52.7)	(300.2)	190.8	95.4
2026	211.0	2.3	824.7	(109.0)	(154.3)	(38.2)	(6.2)	(13.9)	(196.4)	123.5	61.7
2027	192.4	2.0	763.4	(135.1)	(159.2)	(27.5)	(5.6)	(13.1)	(154.2)	107.4	53.7
2028	198.9	2.2	817.1	(119.5)	(176.8)	(29.3)	(6.4)	(13.8)	(162.7)	123.5	61.7
2029	186.4	2.0	772.4	(0.1)	(155.6)	(28.8)	(5.8)	(13.7)	(159.0)	163.8	81.9
2030	187.6	1.8	784.6	(0.1)	(159.1)	(28.1)	(5.5)	(13.4)	(165.0)	165.4	82.7
2031	135.9	1.5	588.0	(0.1)	(133.8)	(22.6)	(4.5)	(10.7)	(111.6)	121.9	61.0
2032	112.3	1.2	495.0	(0.1)	(110.9)	(18.7)	(3.7)	(8.9)	(98.1)	101.8	50.9
2033	93.7	0.5	387.0	(0.1)	(92.8)	(15.5)	(1.5)	(4.1)	(80.0)	77.2	38.6
2034	73.3	0.4	308.7	(0.1)	(69.5)	(12.8)	(1.2)	(3.3)	(67.5)	61.7	30.9
2035	38.6	0.3	171.3	(0.1)	(47.2)	(10.3)	(0.9)	(2.3)	(29.3)	32.5	16.3
2036	31.7	0.2	144.1	(0.0)	(38.9)	(8.6)	(0.8)	(1.9)	(26.8)	26.8	13.4
2037	27.4	0.2	126.3	(0.0)	(34.5)	(7.2)	(0.7)	(1.7)	(27.2)	22.0	11.0
2038	23.4	0.2	110.6	(0.0)	(30.4)	(6.0)	(0.6)	(1.5)	(27.4)	17.9	8.9
2039	13.2	0.1	65.0	(0.0)	(12.7)	(4.7)	(0.4)	(1.0)	(17.6)	11.4	5.7
2040	2.9	0.0	14.5	(0.0)	(2.8)	(1.0)	(0.1)	(0.2)	(3.9)	2.6	1.3

1P (SK408 PSC)

Year	Gross Gas Sales (MMscfd)	Gross Liquid Sales (kbd)	Net Revenue (MMUSD)	CAPEX (MMUSD)	OPEX (MMUSD)	ABEX (MMUSD)	Liquid Sales Tax (MMUSD)	Total Other Income / (Expenses) (MMUSD)	Income Tax (MMUSD)	SOMV Net Cash Flow (MMUSD)	SEB Net Cash Flow (MMUSD)
2024	158.2	2.0	807.3	(199.3)	(148.7)	(15.4)	(6.9)	(28.8)	(137.7)	108.2	54.1
2025	225.8	3.5	1158.1	(85.4)	(199.1)	(31.1)	(12.1)	(52.7)	(300.2)	191.0	95.5
2026	211.0	2.3	824.7	(109.0)	(153.6)	(30.8)	(6.2)	(13.9)	(196.4)	125.9	63.0
2027	192.4	2.0	763.4	(135.1)	(159.2)	(27.5)	(5.6)	(13.1)	(154.2)	107.4	53.7
2028	198.9	2.2	817.1	(119.5)	(176.8)	(29.3)	(6.4)	(13.8)	(162.7)	123.5	61.7
2029	186.4	2.0	772.4	(0.1)	(155.6)	(28.8)	(5.8)	(13.7)	(159.0)	163.8	81.9
2030	187.6	1.8	784.6	(0.1)	(159.1)	(28.1)	(5.5)	(13.4)	(165.0)	165.4	82.7
2031	135.9	1.5	588.0	(0.1)	(133.8)	(22.6)	(4.5)	(10.7)	(111.6)	121.9	61.0
2032	112.3	1.2	495.0	(0.1)	(110.9)	(18.7)	(3.7)	(8.9)	(98.1)	101.8	50.9
2033	93.7	0.5	387.0	(0.1)	(92.8)	(15.5)	(1.5)	(4.1)	(80.0)	77.2	38.6
2034	73.3	0.4	308.7	(0.1)	(69.5)	(12.8)	(1.2)	(3.3)	(67.5)	61.7	30.9
2035	38.6	0.3	171.3	(0.1)	(47.2)	(10.3)	(0.9)	(2.3)	(29.3)	32.5	16.3
2036	31.7	0.2	144.1	(0.0)	(38.9)	(8.6)	(0.8)	(1.9)	(26.8)	26.8	13.4
2037	27.4	0.2	126.3	(0.0)	(34.5)	(7.2)	(0.7)	(1.7)	(27.2)	22.0	11.0
2038	23.4	0.2	110.6	(0.0)	(30.4)	(6.0)	(0.6)	(1.5)	(27.4)	17.9	8.9
2039	13.2	0.1	65.0	(0.0)	(12.7)	(4.7)	(0.4)	(1.0)	(17.6)	11.4	5.7
2040	2.9	0.0	14.5	(0.0)	(2.8)	(1.0)	(0.1)	(0.2)	(3.9)	2.6	1.3

1P (SK310 PSC)

Year	Gross Gas Sales (MMscfd)	Gross Liquid Sales (kbd)	Net Revenue (MMUSD)	CAPEX (MMUSD)	OPEX (MMUSD)	ABEX (MMUSD)	Liquid Sales Tax (MMUSD)	Total Other Income / (Expenses) (MMUSD)	Income Tax (MMUSD)	SOMV Net Cash Flow (MMUSD)	SEB Net Cash Flow (MMUSD)
2024	5.4	0.0	80.5	(0.1)	(28.5)	(0.5)	(0.6)	(3.9)	(10.0)	11.1	5.5
2025	0.0	0.0	0.0	0.0	(0.8)	0.0	0.0	0.0	0.0	-0.2	-0.1
2026	0.0	0.0	0.0	0.0	(0.8)	(7.4)	0.0	0.0	0.0	-2.5	-1.2
2027	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2028	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2029	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2030	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2031	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2032	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2033	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2034	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2035	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2036	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2037	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2038	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2039	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2040	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Appendix 6: Summary of Production and Cost Profiles and Net Cash Flow for SK 408 and SK 310 (High Case)

3P (Consolidated)

Year	Gross Gas Sales (MMscfd)	Gross Liquid Sales (kbd)	Net Revenue (MMUSD)	CAPEX (MMUSD)	OPEX (MMUSD)	ABEX (MMUSD)	Liquid Sales Tax (MMUSD)	Total Other Income / (Expenses) (MMUSD)	Income Tax (MMUSD)	SOMV Net Cash Flow (MMUSD)	SEB Net Cash Flow (MMUSD)
2024	194.7	2.8	1036.6	(199.4)	(187.7)	(11.7)	(10.2)	(47.9)	(194.8)	147.4	73.7
2025	251.6	3.8	1285.2	(85.5)	(223.0)	(26.0)	(13.0)	(57.2)	(325.6)	219.6	109.8
2026	211.2	2.8	1123.6	(109.0)	(157.0)	(32.7)	(10.3)	(51.2)	(285.8)	191.9	95.9
2027	198.9	2.6	1078.1	(135.1)	(165.7)	(24.4)	(9.8)	(50.2)	(252.3)	176.3	88.2
2028	189.8	2.7	1065.8	(119.5)	(181.8)	(24.0)	(10.3)	(48.5)	(239.7)	176.8	88.4
2029	152.3	2.6	904.2	(0.1)	(150.6)	(23.7)	(10.1)	(50.5)	(195.5)	189.5	94.7
2030	161.6	1.2	853.3	(0.1)	(165.2)	(24.1)	(4.7)	(23.2)	(184.2)	180.7	90.4
2031	161.3	1.1	865.8	(0.1)	(164.8)	(23.9)	(4.6)	(23.2)	(193.4)	182.3	91.1
2032	158.3	1.1	866.6	(0.1)	(160.2)	(23.9)	(4.5)	(22.9)	(206.0)	179.6	89.8
2033	134.4	1.1	759.4	(0.1)	(160.9)	(23.8)	(4.4)	(22.0)	(177.1)	148.4	74.2
2034	95.8	0.9	562.4	(0.1)	(143.5)	(19.9)	(3.8)	(18.3)	(119.7)	102.8	51.4
2035	78.0	0.7	465.1	(0.1)	(120.7)	(15.6)	(3.0)	(14.8)	(98.6)	84.9	42.5
2036	65.2	0.5	395.5	(0.1)	(105.2)	(12.3)	(2.5)	(12.3)	(84.9)	71.3	35.7
2037	52.3	0.4	321.4	(0.1)	(86.3)	(9.5)	(2.0)	(9.9)	(72.3)	56.6	28.3
2038	37.0	0.3	232.8	(0.0)	(60.4)	(6.6)	(1.4)	(7.4)	(57.7)	39.7	19.8
2039	30.5	0.2	194.9	(0.0)	(49.9)	(5.1)	(1.2)	(6.1)	(48.7)	33.6	16.8
2040	25.2	0.2	164.5	(0.0)	(42.6)	(4.0)	(1.0)	(5.2)	(41.0)	28.3	14.2

3P (SK408 PSC)

Year	Gross Gas Sales (MMscfd)	Gross Liquid Sales (kbd)	Net Revenue (MMUSD)	CAPEX (MMUSD)	OPEX (MMUSD)	ABEX (MMUSD)	Liquid Sales Tax (MMUSD)	Total Other Income / (Expenses) (MMUSD)	Income Tax (MMUSD)	SOMV Net Cash Flow (MMUSD)	SEB Net Cash Flow (MMUSD)
2024	170.2	2.6	903.4	(199.3)	(148.4)	(11.2)	(9.2)	(40.9)	(175.2)	127.7	63.8
2025	242.2	3.7	1236.2	(85.4)	(205.8)	(25.8)	(12.6)	(55.6)	(319.8)	212.5	106.2
2026	211.2	2.8	1123.6	(109.0)	(156.2)	(25.2)	(10.3)	(51.2)	(285.8)	194.3	97.2
2027	198.9	2.6	1078.1	(135.1)	(164.9)	(24.4)	(9.8)	(50.2)	(252.3)	176.5	88.3
2028	189.8	2.7	1065.8	(119.5)	(181.8)	(24.0)	(10.3)	(48.5)	(239.7)	176.8	88.4
2029	152.3	2.6	904.2	(0.1)	(150.6)	(23.7)	(10.1)	(50.5)	(195.5)	189.5	94.7
2030	161.6	1.2	853.3	(0.1)	(165.2)	(24.1)	(4.7)	(23.2)	(184.2)	180.7	90.4
2031	161.3	1.1	865.8	(0.1)	(164.8)	(23.9)	(4.6)	(23.2)	(193.4)	182.3	91.1
2032	158.3	1.1	866.6	(0.1)	(160.2)	(23.9)	(4.5)	(22.9)	(206.0)	179.6	89.8
2033	134.4	1.1	759.4	(0.1)	(160.9)	(23.8)	(4.4)	(22.0)	(177.1)	148.4	74.2
2034	95.8	0.9	562.4	(0.1)	(143.5)	(19.9)	(3.8)	(18.3)	(119.7)	102.8	51.4
2035	78.0	0.7	465.1	(0.1)	(120.7)	(15.6)	(3.0)	(14.8)	(98.6)	84.9	42.5
2036	65.2	0.5	395.5	(0.1)	(105.2)	(12.3)	(2.5)	(12.3)	(84.9)	71.3	35.7
2037	52.3	0.4	321.4	(0.1)	(86.3)	(9.5)	(2.0)	(9.9)	(72.3)	56.6	28.3
2038	37.0	0.3	232.8	(0.0)	(60.4)	(6.6)	(1.4)	(7.4)	(57.7)	39.7	19.8
2039	30.5	0.2	194.9	(0.0)	(49.9)	(5.1)	(1.2)	(6.1)	(48.7)	33.6	16.8
2040	25.2	0.2	164.5	(0.0)	(42.6)	(4.0)	(1.0)	(5.2)	(41.0)	28.3	14.2

3P (SK310 PSC)

Year	Gross Gas Sales (MMscfd)	Gross Liquid Sales (kbd)	Net Revenue (MMUSD)	CAPEX (MMUSD)	OPEX (MMUSD)	ABEX (MMUSD)	Liquid Sales Tax (MMUSD)	Total Other Income / (Expenses) (MMUSD)	Income Tax (MMUSD)	SOMV Net Cash Flow (MMUSD)	SEB Net Cash Flow (MMUSD)
2024	9.0	0.1	133.3	(0.1)	(39.4)	(0.5)	(1.0)	(7.0)	(19.5)	19.7	9.9
2025	3.4	0.0	49.1	(0.0)	(17.2)	(0.2)	(0.4)	(1.6)	(5.9)	7.2	3.6
2026	0.0	0.0	0.0	0.0	(0.8)	(7.4)	0.0	0.0	0.0	(2.5)	(1.2)
2027	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2028	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2029	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2030	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2031	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2032	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2033	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2034	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2035	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2036	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2037	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2038	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2039	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2040	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ENERGY QUEST SDN BHD (602734-A)
Unit 3A-13-09, Menara Paragon @ Pan'gaea, Persiaran Bestari,Cyberjaya,
63000 Cyberjaya, Selangor, Malaysia.
Tel: 603-2163 4228 Fax: 603-2162 4229 email: eqsb@energyquest.com.my
Website: www.energyquest.com.my

Competent Person's Report (CPR) on SapuraOMV Upstream Sdn. Bhd. ("SapuraOMV") Assets and Hydrocarbon Resources prepared for the Proposed Divestment of Sapura Energy Berhad ("SEB") 50% Equity in SapuraOMV

Conducted for

Sapura Energy Berhad (SEB)

By

Energy Quest Sdn. Bhd. (EQ)

1st July 2024

Technical Audit : 

Jawati Abu Naim

Quality Audit : 

Allida Muhammad Said

Release to Client : 

Ngadni Temon

Date Released : 1st July 2024

Energy Quest Sdn. Bhd. has made every effort to ensure that the interpretations, conclusions and recommendations presented herein are in accordance with good industry practice and its own quality management procedures. Energy Quest Sdn. Bhd. does not, however, guarantee the correctness of any such interpretations and shall not be liable or responsible for any loss, costs, damages or expenses incurred or sustained by anyone resulting from any interpretation or recommendation made by any of its officers, agents or employees.

Directors,
Sapura Energy Berhad
Sapura @ Mines, No. 7, Jalan Tasik,
The Mines Resort City,
43300, Seri Kembangan, Selangor, Malaysia.

Dear Sirs,

At the request of Sapura Energy Berhad (SEB), Energy Quest Sdn. Bhd. (EQ) has reviewed the portfolio of assets currently held by SapuraOMV Upstream Sdn. Bhd. (SapuraOMV or SOMV) to produce the Competent Person's Report (CPR) on the technical assessment of the Petroleum Initially In-place (PIIP), recoverable resources and production forecasts. SapuraOMV is a 50:50 joint venture between SEB and OMV Aktiengesellschaft. The assets are located in Malaysia (Sarawak and Sabah), New Zealand, Mexico and Australia operating areas, which comprise gas fields with ongoing production and development activities, also potential exploration prospects.

A separate Competent Valuer's Report (CVR) is also prepared to present the commercial valuation for the assets. The purpose of the CPR and CVR is to prepare an independent technical expert report and independent valuation report in respect of SapuraOMV Group's Oil and Gas (O&G) reserves and resources for the proposed disposal by Sapura Upstream Assets Sdn Bhd, a wholly-owned subsidiary of the SEB, of its entire 50% in SapuraOMV Upstream Sdn Bhd.

EQ conducted the review in accordance with the fundamental principles for the evaluation and classification of petroleum reserves and resources provided in the 2018 Petroleum Resources Management System (PRMS). The effective date of this CPR is 1st January 2024, and the recoverable volumes are expressed as estimated gross and net resources, reported as of end December 2023. Gross resources are defined as the total estimated hydrocarbon to be produced in the event of exploration and/or production success, subject to economic limit.

In this CPR, the Gross reserves and resources reported post Economic Limit Test (ELT) i.e., 2040 for SK408 (end of PSC period) and 2027 for SK310 (facilities

decommissioning planned in the same year). Net Working Interest is defined as that portion of gross resources attributable to SEB's working interest of those produced quantities. Net Entitlement is tabulated by PSC, and the figures are extracted from the work conducted by Energy Quest Sdn. Bhd., documented in the "Competent Valuer's Report (CVR) on SapuraOMV Upstream Sdn Bhd ("SapuraOMV") Assets and Hydrocarbon Resources prepared for the Proposed Divestment of Sapura Energy Berhad ("SEB") 50% Equity in SapuraOMV", of which the effective date is consistent with this CPR.

Standard geoscientific and engineering techniques generally accepted by the petroleum industry were used in estimating the PIIP and recoverable hydrocarbons. These techniques are subject to uncertainties inherent in interpreting such information, and also on the application of geoscientific and engineering interpretation and judgement; hence the estimates of hydrocarbon resources are based on the information currently made available, and should not be construed to be exact quantities.

It should be recognized that such estimates of hydrocarbon resources may change in the future as further production history and additional information become available, and if there are changes to the technical interpretation, economic criteria, regulatory requirements or any special factors that would affect the operation of the asset, which would provide additional information for its proper appraisal/evaluation.

The contents of this CPR, along with our estimates of hydrocarbon resources are based on the information made available to EQ. No representation or warranty, whether expressed or implied, is given by EQ that the information and documents provided will remain unaltered subsequent to the date of these reports.

However, should EQ become aware of any significant change affecting the information contained in the CPR or have reasonable grounds to believe that any statement in these reports is misleading or deceptive or have reasonable grounds to believe that there is material omission in these reports, we will immediately notify SEB.

The CPR has been prepared exclusively for SEB and the rights to use all or part of these reports rest solely with SEB. We acknowledge that the CPR may be included in

its entirety, or portions of these reports summarized, in documents prepared by SEB in connection with commercial or financial activities and that such documents, together with these reports, may be filed with any stock exchange and other regulatory body and may be published electronically on websites accessible by the public, including that of SEB. It should be noted however, that SEB will ensure that when the full CPR or an extract form of it is to be shared, the information is correct and not misleading. EQ shall have no liability arising out of or related to the use of the CPR.

Ngadni Temon
Chief Executive Officer (CEO)
Energy Quest Sdn. Bhd.

Executive Summary

Energy Quest Sdn. Bhd. (EQ) was requested by Sapura Energy Berhad (SEB) to prepare the Competent Person's Report (CPR) on the technical review and evaluation of the Petroleum Initially In-place (PIIP), recoverable hydrocarbon resource volumes and production forecasts of the portfolio of SapuraOMV Upstream Sdn. Bhd. (SapuraOMV or SOMV) assets. SapuraOMV is a 50:50 joint venture between SEB and OMV Aktiengesellschaft. A separate Competent Valuer's Report (CVR) is also prepared to present the commercial valuation for the assets. The purpose of the CPR and CVR is to prepare an independent technical expert report and independent valuation report in respect of SapuraOMV Group's Oil and Gas (O&G) reserves and resources for the proposed disposal by Sapura Upstream Assets Sdn Bhd, a wholly-owned subsidiary of the SEB, of its entire 50% in SapuraOMV Upstream Sdn Bhd.

The CPR provides an independent technical review and evaluation of geological, geophysical, petrophysical and engineering data of SOMV's assets under various contracts, comprising a list of fields and prospects across several countries (Malaysia, New Zealand, Mexico, and Australia). The assets include four gas fields which have been put on production in Malaysia PSC Blocks SK408 (Larak, Bakong and Gorek, i.e., LaBaGo fields) and SK310 (B15 field), one gas field currently under development in SK408 (Jerun field), two gas fields planned for development in SK408 (Teja and Pepulut fields), and also discoveries and potential exploration prospects in Malaysia, New Zealand, Mexico and Australia (refer Table i).

In preparing the CPR, focus was given to the Best Estimate (2P) volumes and reserves, with emphasis on the currently producing fields with historical production data i.e., Malaysia PSC Blocks SK408 (LaBaGo and Jerun fields) and SK310 (B15 field), to validate the production profiles and evaluate the reasonableness of the estimated PIIP and the recoveries attainable from current operations and planned development projects. Technical assessment was also conducted for the Contingent Resources (2C), which comprise gas developments in Malaysia PSC Block SK408 (Teja and Pepulut fields).

The discovered fields in Malaysia PSC Block SK408 (Jarak, Legundi and Jeremin), New Zealand (Toutouwai) and Mexico (Kan) were also reviewed as potentially recoverable resources but requires further appraisal and maturation to be considered viable for development commercially, and as such are categorized as Contingent Resources with a lower Sub-class category, where the development is either "On Hold" or "Unclarified". Less information was available for the assets classified as Prospective Resources, which comprise undrilled exploration prospects in New Zealand, Mexico, Australia, and also the recently signed PSC for exploration Block SB412 in offshore Sabah, Malaysia.

The effective date of this CPR is 1st January 2024, and the recoverable volumes are expressed as estimated gross and net resources, reported as of end December 2023. Gross resources are defined as the total estimated hydrocarbon to be produced in the event of exploration and/or production success, subject to economic limit. In this CPR, the Gross reserves and resources reported post Economic Limit Test (ELT) i.e., 2040 for SK408 (end of PSC period) and 2027 for SK310 (facilities decommissioning planned in the same year). Net Working Interest is defined as that portion of gross resources attributable to SEB's working interest of those produced quantities. Net Entitlement is tabulated by PSC, and the figures are extracted from the work conducted by Energy Quest Sdn. Bhd., documented in the "Competent Valuer's Report (CVR) on SapuraOMV Upstream Sdn Bhd ("SapuraOMV") Assets and Hydrocarbon Resources prepared for the Proposed Divestment of Sapura Energy Berhad ("SEB") 50% Equity in SapuraOMV", of which the effective date is consistent with this CPR.

i. Summary of Estimated Reserves and Resources:

Standard geological and engineering techniques generally accepted by the petroleum industry were used in estimating the Petroleum Initially In-place (PIIP) and recoverable resources, in accordance with the fundamental principles for the evaluation and classification of petroleum reserves and resources provided in the 2018 Petroleum Resources Management System (PRMS), prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG), the Society of Petroleum Evaluation Engineers (SPEE),

the Society of Exploration Geophysicists (SEG), the Society of Petrophysicists and Well Log Analysts (SPWLA) and the European Association of Geoscientists & Engineers (EAGE).

Although the available raw digital data was limited to some degree (note that data such as seismic, well logs, and the static, dynamic simulation, material balance (MBAL), well and surface network models were not provided in the dataset), EQ was provided with a reasonable amount of information in the form of reports and review packages documenting the interpreted analyses and results which have undergone the required review and approval processes, indicating that rigorous technical assessments have been conducted. This repository of data and information were deemed sufficient to conduct a technical assessment for the purpose of this evaluation, and this CPR focused on verifying the volumes and recoveries presented in the Annual Review of Petroleum Resources (ARPR) (i.e., the reasonableness of the bases, assumptions and estimated volumes, the resource classification, and the consistency in reporting).

In this CPR, EQ has reviewed the existing interpretation of the assets with the data made available, and where necessary has undertaken an independent evaluation of critical aspects of the interpretation. Dynamic Material Balance (DMB) analysis via flowing material balance methodology (Mattar-Anderson, 2005) was conducted using EQ's proprietary in-house system for Production Forecasting (EQAST) which is part of EQ-AIMS (Asset Integrated Monetization System), to validate the Gas Initially In-Place (GIIP) volumes for producing gas fields on natural depletion with weak aquifer (i.e., Larak, Bakong and Gorek fields in SK408). The results were compared against the latest reported volumes in ARPR and also the static and dynamic model results, where available. To complement the independent evaluation of GIIP using the DMB analysis, EQ also validated the ranges of in-place volumes reported in the ARPR by verifying the geological parameters underlying the volumetric calculations. It was observed that key factors such as the field outline and geometry (e.g., pinnacle vs. elongated structures), along with fluid contacts estimates, significantly influence the calculation of Gross Rock Volume (GRV) and consequently, the GIIP. The analyses are also supplemented with inferences from analogs of neighbouring wells, reservoirs, or fields, primarily in instances where data is insufficient or unavailable, and also to verify the technical reasonableness of the assumptions used in the evaluation.

Uncertainties associated with reserves estimation are demonstrated by a range of Low (1P i.e., P90), Best (2P i,e., P50) High (3P i.e., P10) estimates, which may be represented probabilistically (via a probability distribution). For the purpose of valuation, the Best Estimate (2P i.e., P50) is utilized, whilst the Low (1P i.e., P90) and High (3P i.e., P10) estimates are only run as sensitivities.

ii. Estimated Reserves (2P):

2P Reserves comprise Developed Reserves from the existing producing wells at Larak, Bakong, Gorek and B15 fields, and Undeveloped Reserves from the ongoing Jerun gas field development and incremental reserves from the producing gas fields Bakong and Gorek associated with the planned Bakong Phase-II development project.

As of end December 2023, the estimated cumulative gas production (sales and non-sales) from the SK408 and SK310 is 526 Bscf and 253 Bscf, delivering an average production of 437 MMscfd and 133 MMscfd of gas sales in December 2023, respectively. As of end December 2023, the gross Reserves (2P) from the gas fields in SK408 (LaBaGo and Jerun) and SK310 (B15) are assessed to be 3,386 Bscf (891 Bscf Developed and 2,495 Bscf Undeveloped) and 43 Bscf (all Developed), respectively.

iii. Estimated Contingent Resources (2C):

Contingent Resources are defined in PRMS as resources that are potentially recoverable but not currently considered matured enough to be commercial due to one or more contingencies, for example, no currently viable markets, or where commercial recovery is dependent on technology under development. Contingent Resources are further categorized in accordance with the range of uncertainty associated with the estimates and sub-classified based on project maturity and/or economic status.

2C Contingent Resources are from the planned gas development projects in Malaysia PSC Block SK408 (Teja and Pepulut fields). At the point of this CPR, the Field Development Plans (FDPs) for these fields have yet to be sanctioned. Furthermore, Gas

Supply Agreements (GSA) for these gas fields have yet to be formalized. EQ has classified the resources for Teja and Pepulut fields in the Contingent category (2C), based on the assessment of SOMV's ongoing work to mature the FDPs and obtain FID approval by June 2025 per the GHA, and to secure the GSA approval from the governing authorities.

In the ARPR for Bakong field, the notional incremental recovery associated with Bakong Study is categorized as Contingent Resources (Development On Hold / Unclarified) with a better F6 VLAP performance or the additional blending availability via future sweet gas tie-in projects, were indicated to be potentially recoverable. This notional project is currently estimated to recover 131 Bscf from Bakong, where the notional first gas is assumed to be in January 2034. As no additional sweet gas has yet been identified for blending, EQ considered these notional volumes as potentials in this CPR, and as such, not included in the 2C Contingent Resources and production forecast. As of end December 2023, the gross 2C Contingent Resources from PSC Block SK408 (Teja and Pepulut fields) is reported to be 455 Bscf.

For the list of SOMV assets evaluated, the estimated Gross and Net Reserves and Resources as of end December 2023 are summarized in Table ii (Gas, Bscf), Table iii (Condensate, MMstb), Table iv (Plant Liquid Return, PLR, MMstb) and Table v (Total, MMboe). For Teja field, the calculated net figures reflect 40% Working Interest (WI) and 80% of the gross total field volume (i.e., the SK408 portion of the field area by applying the agreed 80%/20% split between SK408 and SK316). Note that the conversion used to convert Bscf to MMboe is 6 Bscf = 1 MMboe.

iv. Resources Beyond the 2P and 2C Categories

Limited information was available for the opportunities, discoveries and exploration potential and less focus was given. Resources identified in the assessment include the followings, and are summarized by their respective resource category in Table vi:

(i) Opportunities identified from notional projects, which include Bakong Study which assumes the availability of additional sweet gas for blending, reserves acceleration

from Jerun Optimization project, and viability of Jerun Talus development (currently pending Jerun appraisal post-drill evaluation).

(ii) Discovered resources that are potentially recoverable but require further appraisal and maturation to be considered viable for development commercially, categorized as Contingent Resources with a lower sub-class category, where the development is deemed to be either "On Hold" or "Unclarified". These include the discovered opportunities in Malaysia PSC Block SK408 (Jarak, Legundi and Jeremin), New Zealand (Toutouwai) and Mexico (Kan).

(iii) Prospective Resources from exploration opportunities, defined in PRMS as Resources as resources that are potentially recoverable from undiscovered accumulations by application of future development projects. For Prospective Resources, potential accumulations may mature from Play, to Lead and then to Prospect based on the ability to identify potentially commercially viable exploration projects. These include identified Leads and Prospects located in several exploration blocks in New Zealand, Mexico and Australia, and also from the recently signed PSC for exploration block SB412 offshore Sabah, in Malaysia.

Country	Area	Block/ Permit	Share	Operator	Field/ Permit/ Prospect Name	Asset Type
Malaysia	Offshore Sarawak, East Malaysia	SK408	SOMV (40%), Sarawak Shell Bhd (SSB) (30%), PCSB (30%)	SOMV	Larak	Producing
				SOMV	Bakong	Producing
				SSB	Gorek	Producing
				SOMV	Jerun	Development
				SSB	Teja	Development
				SSB	Pepulut	Development
				SSB	Jarak	Discovery
				SSB	Legundi	Discovery
				SOMV	Jeremin	Discovery
		SK310	SOMV (30%), PCSB (40%), Diamond Energy (30%)	SOMV	B15	Producing
					B14	Relinquished
	Offshore Sabah, East Malaysia	SB412	SOMV (40%), PTTEP (60%)	PTTEP	Maligan South	Exploration
					Kokohitan North	Exploration
					Gajah Hitam NE	Exploration
New Zealand	Offshore New Zealand (Taranaki Basin)	PEP60093	SOMV (30%), OMV New Zealand (70%)	OMV NZ	Toutouwai	Discovery
					Karoro	Exploration
					Riroriro	Exploration
					Riroriro Iti	Exploration
		PEP60092			Longridge	Exploration
					Sandy Point SW	Exploration
					Gladstone Updip SW	Exploration
					Gladstone Updip Moki	Exploration
					Shag	Exploration
					Pihipihi	Exploration
		PEP57075			Cloudy Bay	Exploration
					Brackenridge	Exploration
					Stonyridge	Exploration
					Mensa	Exploration
Mexico	Offshore Gulf of Mexico (Sureste Basin)	Block 30	SOMV (30%), Wintershall Dea (40%), Harbour Energy (30%)	Wintershall Dea	Kan	Discovery
					Ix	Exploration
					Cabrilla	Exploration
Australia	Offshore Western Australia (North West Shelf)	AC/P67	Santos (33.40 %), SOMV (33.30%), ENI (33.30%)	Santos	Magnolia	Surrendered (pending approval)
		AC/P68			Leeuwin	Surrendered
		AC/P69			Birdwing	Exploration (applied for suspension and extension)
		AC/P50	Santos (60 %), SOMV (40%)		Stairway	Surrendered
		WA-412-P	SOMV (70%), Finder Exploration (15%), Fugro Exploration (15%)	SOMV	Kanga	Surrendered

Table i: List of SOMV assets evaluated in the CPR.

		Gross*								Net Working Interest (SEB)							Net Entitlement (SEB)					
Malaysia, PSC Block	**Fields**	**Cumulative (Sales + Non-Sales)**	**1P**	**2P**		**3P**	**1C**	**2C**	**3C**	**1P**	**2P**		**3P**	**1C**	**2C**	**3C**	**1P**	**2P**	**3P**	**1C**	**2C**	**3C**
				Dev	**Undev**						**Dev**	**Undev**											
SK408	Larak	150.9	229.0	280.1	0.0	335.5	0.0	0.0	0.0	45.8	56.0	0.0	67.1	0.0	0.0	0.0	349.3	386.0	395.3	33.0	56.8	75.0
	Bakong	235.6	623.5	427.0	289.3	873.1	0.0	0.0	0.0	124.7	85.4	57.9	174.6	0.0	0.0	0.0						
	Gorek	140.0	129.3	183.7	40.0	294.2	0.0	0.0	0.0	25.9	36.7	8.0	58.8	0.0	0.0	0.0						
	Jerun	0.0	1861.6	0.0	2166.1	2228.8	0.0	0.0	0.0	372.3	0.0	433.2	445.8	0.0	0.0	0.0						
	Teja	0.0	0.0	0.0	0.0	0.0	34.2	175.1	415.8	0.0	0.0	0.0	0.0	5.5	28.0	66.5						
	Pepulut	0.0	0.0	0.0	0.0	0.0	98.2	280.0	465.0	0.0	0.0	0.0	0.0	19.6	56.0	93.0						
SK310	B15	252.7	27.2	43.2	0.0	63.2	0.0	0.0	0.0	4.1	6.5	0.0	9.5	0.0	0.0	0.0	2.7	4.2	6.2	0.0	0.0	0.0
TOTAL, Bscf		**779**	**2870.5**	**934.0**	**2495.4**	**3794.8**	**132.3**	**455.1**	**880.9**	**572.7**	**184.6**	**499.1**	**755.8**	**25.1**	**84.0**	**159.5**	**352.0**	**390.2**	**401.5**	**33.0**	**56.8**	**75.0**

Table ii: Estimated Gross and Net Reserves and Resources for Gas, Bscf (ARPR 1.1.2024, validated).

**Gross reserves and resources reported reflect post Economic Limit Test (ELT).*

		Gross*							Net Working Interest (SEB)							Net Entitlement (SEB)					
Malaysia, PSC Block	**Fields**	**1P**	**2P**		**3P**	**1C**	**2C**	**3C**	**1P**	**2P**		**3P**	**1C**	**2C**	**3C**	**1P**	**2P**	**3P**	**1C**	**2C**	**3C**
			Dev	**Undev**						**Dev**	**Undev**											
SK408	Larak	2.3	3.8	0.0	5.6	0.0	0.0	0.0	0.5	0.8	0.0	1.1	0.0	0.0	0.0	3.0	3.5	3.8	0.1	0.3	0.4
	Bakong	3.1	3.6	2.1	9.7	0.0	0.0	0.0	0.6	0.7	0.4	1.9	0.0	0.0	0.0						
	Gorek	1.3	1.8	0.4	2.9	0.0	0.0	0.0	0.3	0.4	0.1	0.6	0.0	0.0	0.0						
	Jerun	37.7	0.0	51.7	61.5	0.0	0.0	0.0	7.5	0.0	10.3	12.3	0.0	0.0	0.0						
	Teja	0.0	0.0	0.0	0.0	0.6	2.9	6.9	0.0	0.0	0.0	0.0	0.1	0.5	1.1						
	Pepulut	0.0	0.0	0.0	0.0	1.6	4.6	7.7	0.0	0.0	0.0	0.0	0.3	0.9	1.5						
SK310	B15	0.2	0.3	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL, MMstb		**44.6**	**9.5**	**54.2**	**80.2**	**2.2**	**7.6**	**14.6**	**8.9**	**1.9**	**10.8**	**16.0**	**0.4**	**1.4**	**2.6**	**3.0**	**3.5**	**3.8**	**0.1**	**0.3**	**0.4**

Table iii: Estimated Gross and Net Reserves and Resources for Condensate, MMstb (ARPR 1.1.2024, validated).

**Gross reserves and resources reported reflect post Economic Limit Test (ELT).*

		Gross*							Net Working Interest (SEB)							Net Entitlement (SEB)					
Malaysia, PSC Block	**Fields**	**1P**	**2P**		**3P**	**1C**	**2C**	**3C**	**1P**	**2P**		**3P**	**1C**	**2C**	**3C**	**1P**	**2P**	**3P**	**1C**	**2C**	**3C**
			Dev	**Undev**						**Dev**	**Undev**										
SK408	Larak	1.1	1.4	0.0	1.7	0.0	0.0	0.0	0.2	0.3	0.0	0.3	0.0	0.0	0.0	0.7	0.7	0.7	0.1	0.1	0.1
	Bakong	2.4	1.7	1.1	3.4	0.0	0.0	0.0	0.5	0.3	0.2	0.7	0.0	0.0	0.0						
	Gorek	0.5	0.6	0.1	1.0	0.0	0.0	0.0	0.1	0.1	0.0	0.2	0.0	0.0	0.0						
	Jerun	7.4	0.0	8.7	8.9	0.0	0.0	0.0	1.5	0.0	1.8	1.8	0.0	0.0	0.0						
	Teja	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
	Pepulut	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0						
SK310	B15	0.1	0.2	0.0	0.2	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL, MMstb		**11.6**	**3.8**	**9.9**	**15.2**	**0.0**	**0.0**	**0.0**	**2.3**	**0.8**	**2.0**	**3.0**	**0.0**	**0.0**	**0.0**	**0.7**	**0.7**	**0.7**	**0.1**	**0.1**	**0.1**

Table iv: Estimated Gross and Net Reserves and Resources for PLR, MMstb (ARPR 1.1.2024, validated).

**Gross reserves and resources reported reflect post Economic Limit Test (ELT).*

		Gross*							Net Working Interest (SEB)							Net Entitlement (SEB)					
Malaysia, PSC Block	**Fields**	**1P**	**2P**		**3P**	**1C**	**2C**	**3C**	**1P**	**2P**		**3P**	**1C**	**2C**	**3C**	**1P**	**2P**	**3P**	**1C**	**2C**	**3C**
			Dev	**Undev**						**Dev**	**Undev**										
SK408	Larak	41.6	51.8	0.0	63.2	0.0	0.0	0.0	8.3	10.4	0.0	12.6	0.0	0.0	0.0	61.9	68.5	70.4	5.6	9.8	12.9
	Bakong	109.5	76.5	51.5	158.6	0.0	0.0	0.0	21.9	15.3	10.3	31.7	0.0	0.0	0.0						
	Gorek	23.3	33.1	7.2	53.0	0.0	0.0	0.0	4.7	6.6	1.4	10.6	0.0	0.0	0.0						
	Jerun	355.4	0.0	421.4	441.9	0.0	0.0	0.0	71.1	0.0	84.3	88.4	0.0	0.0	0.0						
	Teja	0.0	0.0	0.0	0.0	6.3	32.1	76.2	0.0	0.0	0.0	0.0	1.0	5.1	12.2						
	Pepulut	0.0	0.0	0.0	0.0	18.0	51.3	85.2	0.0	0.0	0.0	0.0	3.6	10.3	17.0						
SK310	B15	4.8	7.7	0.0	11.2	0.0	0.0	0.0	0.7	1.2	0.0	1.7	0.0	0.0	0.0	0.5	0.7	1.1	0.0	0.0	0.0
TOTAL, MMboe		**534.6**	**169.0**	**480.1**	**727.8**	**24.3**	**83.4**	**161.4**	**106.7**	**33.5**	**96.0**	**145.0**	**4.6**	**15.4**	**29.2**	**62.4**	**69.2**	**71.5**	**5.6**	**9.8**	**12.9**

Table v: Estimated Total Gross and Net Reserves and Resources, MMboe (ARPR 1.1.2024, validated).

**Gross reserves and resources reported reflect post Economic Limit Test (ELT).*

Country	Block/ Permit	Assets	Category	Exploration Well	Remarks
Malaysia	SK408	Bakong Study	Contingent Resources (Development On Hold/ Unclarified)	N/A	Gas
		Jerun Optimization Project			Gas; reserves acceleration
		Jerun Talus			Gas; pending Jerun appraisal results
		Jarak		Jarak-1	Gas
		Legundi		Legundi-1	Gas
		Jeremin		Jeremin-1	Gas
	SB412	Maligan South	Prospective Resources	N/A	Pending G&G Studies results
		Kokohitan North			
		Gajah Hitam NE			
New Zealand	PEP60093	Toutouwai	Contingent Resources (Development On Hold/ Unclarified)	Toutouwai-1	Oil
		Karoro	Prospective Resources	N/A	Oil
		Riroriro			Oil
		Riroriro Iti			Oil
	PEP60092	Longridge			Gas
		Sandy Point SW			Gas
		Gladstone Updip SW			Gas
		Gladstone Updip Moki			Gas
		Shag			Oil
		Pihipihi			Oil
	PEP57075	Cloudy Bay			Gas
		Brackenridge			Gas
		Stonyridge			Oil
		Mensa			Oil & Gas
Mexico	Block 30	Kan	Contingent Resources (Development On Hold/ Unclarified)	Kan-1	Oil
		Ix	Prospective Resources	Ix-1	Oil
		Cabrilla	Prospective Resources	N/A	Oil
Australia	AC/P69	Birdwing	Prospective Resources	N/A	Oil; pending extension

Table vi: Summary of Resources Beyond the 2P and 2C Categories.

Professional Qualifications

EQ is a privately-owned independent Upstream Oil and Gas consulting firm with a portfolio of clients encompassing both local and international operators and service companies. Since its establishment in 2004, EQ has provided consulting services to companies such as PETRONAS, PETRONAS Carigali, Mubadala, KPOC, ROC Oil, Hess, Petrofac, Lundin and SapuraKencana, among others (please refer to EQ's track record in Appendix 1 of this report).

EQ is powered by a team of industry professionals, from diverse disciplines such as geology, geophysics, petrophysics, sedimentology, reservoir and production engineering, drilling engineering, facilities engineering and petroleum economics.

Our specialized integrated multi-disciplinary services include a wide range of services throughout the Oil and Gas Exploration and Production (E&P) cycle. The services include geological field work, field/Production Sharing Contract (PSC) block data acquisition, prospect and basin evaluation, Resource Assessment (RA), Field Development Plan (FDP), Full Field Review (FFR), Enhanced/Improved Oil Recovery (EOR/IOR) and other specialized studies such as carbonate petrophysics, sedimentology and core analysis. EQ is also certified by the PETRONAS Reserves Group (PRG) in Reserves and Resources Classification Reporting, under the PETRONAS Reserves & Resources Management System (PRrMS) Guidelines.

Our notable past achievements include producing a Bursa accepted resource evaluation report for the acquisition of Newfield assets by SapuraKencana Sdn. Bhd, producing an Independent Technical Review of Emir-Oil Concession Block, Onshore Kazakhstan for Ferrier Hodgson, FHMH Corporate Advisory Sdn. Bhd. to evaluate Reach Energy Ventures Sdn. Bhd.'s proposed block acquisition, conducting a comprehensive study of the D35 Field which comprises a Full Field Review, formulation of a Field Development Plan, rock and fluid laboratory work, and Enhanced Oil Recovery evaluation, and also completing the Luconia regional study for CO_2 sequestration project. EQ has completed numerous projects for E&P operating companies and stakeholders in Southeast Asia, Central Asia, Middle East, Central Africa and Central America. Some of the work accomplished outside Malaysia include

Golshan and Firdawsi FDP Study (Iran), Joknyang and Thoan FDP Study (Sudan), Block Evaluation for five blocks at India NELP-V PSC block, Nigeria Block Evaluation/Geological Study and Reservoir Management Study for 14 gas fields in Bangladesh.

As an end-to-end Upstream Oil & Gas Consulting company, EQ is able to provide customized solutions through proactive client consultation, leveraging on technology and proven work processes to meet our clients' needs.

Except for the provision of professional services on a fee basis, EQ has no commercial arrangement with any person or company involved in the interest that is the subject of this report.

I, Jawati Abu Naim, am a Principal Commercial Geoscience Consultant with EQ responsible for supervising this evaluation. I am a professional petroleum geologist with over 35 years of oil industry experience gained in major international companies and within EQ (please refer to Appendix 3 for the Competent Valuer details).

Yours faithfully,

Jawati Abu Naim

Principal Commercial Geoscience Consultant
For and on behalf of Energy Quest Sdn. Bhd.

Table of Contents

List of Tables

List of Figures

1 Introduction

This report presents the Competent Person's Report (CPR) that was prepared by Energy Quest Sdn. Bhd. (EQ) at the request of Sapura Energy Berhad (SEB). EQ was tasked to conduct an assessment of the Petroleum Initially In-place (PIIP), recoverable hydrocarbon resource volumes and production forecasts of a portfolio of assets currently held by SapuraOMV Upstream Sdn. Bhd. (SapuraOMV or SOMV). SapuraOMV is a 50:50 joint venture between SEB and OMV Aktiengesellschaft. A separate Competent Valuer's Report (CVR) is also prepared to present the commercial valuation for the assets. The purpose of the CPR and CVR is to prepare an independent technical expert report and independent valuation report in respect of SapuraOMV Group's Oil and Gas (O&G) reserves and resources for the proposed disposal by Sapura Upstream Assets Sdn Bhd, a wholly-owned subsidiary of the SEB, of its entire 50% in SapuraOMV Upstream Sdn Bhd.

The assets comprise Malaysian PSC Blocks located offshore Sarawak and Sabah in East Malaysia, and also non-Malaysian assets comprising blocks and permits located offshore New Zealand, Mexico, and Australia. The assets consist of a combination of fields that are currently producing, under development, discoveries and also exploration prospects, as shown in Table 1-1 and Figure 1-1. The assets include four gas fields which have been put on production in Malaysia Production Sharing Contract (PSC) Blocks SK408 (Larak, Bakong and Gorek, i.e., LaBaGo fields) and SK310 (B15 field), one gas field currently under development in SK408 (Jerun field), and two gas fields planned for development in SK408 (Teja and Pepulut fields). In December 2023, the reported average gross gas sales from these assets are approximately 570 MMscfd gas from the producing PSC Blocks SK408 and SK310, offshore Sarawak, Malaysia.

The effective date of this CPR is 1st January 2024, and the recoverable volumes are expressed as estimated gross and net resources, reported as of end December 2023. Gross resources are defined as the total estimated hydrocarbon to be produced in the event of exploration and/or production success, subject to economic limit. In this CPR, the Gross reserves and resources reported post Economic Limit Test (ELT) i.e., 2040 for SK408 (end of PSC period) and 2027 for SK310 (facilities decommissioning planned in the same year). Net Working Interest is defined as that portion of gross resources

attributable to SEB's working interest of those produced quantities. Net Entitlement is tabulated by PSC, and the figures are extracted from the work conducted by Energy Quest Sdn. Bhd., documented in the "Competent Valuer's Report (CVR) on SapuraOMV Upstream Sdn Bhd ("SapuraOMV") Assets and Hydrocarbon Resources prepared for the Proposed Divestment of Sapura Energy Berhad ("SEB") 50% Equity in SapuraOMV", of which the effective date is consistent with this CPR.

The technical assessment conducted for the purpose of this CPR focused on evaluating the Best Estimate (2P) volumes and reserves based on the production from existing operations in Malaysia PSC Blocks SK408 (LaBaGo fields) and SK310 (B15 field), and the expected production from the sanctioned Bakong Phase-II development project and Jerun gas field development. Technical assessment was also conducted for the Contingent Resources (2C) from the planned gas developments projects in Malaysia PSC Block SK408 (Teja and Pepulut fields).

Also identified in the assessment are resources beyond the 2P and 2C categories which include the followings:

- Opportunities identified from notional projects (e.g., Bakong Study which assumes the availability of additional sweet gas for blending).
- Discovered opportunities in Malaysia PSC Block SK408 (Jarak, Legundi and Jeremin), New Zealand (Toutouwai) and Mexico (Kan) viewed as potentially recoverable resources that require further appraisal and maturation to be considered viable for development commercially (categorized as Contingent Resources with a lower Sub-class category, where the development is either "On Hold" or "Unclarified").
- Exploration prospects in New Zealand, Mexico, Australia and the recently signed PSC for exploration Block SB412 in offshore Sabah, Malaysia.

The brief asset description, field background, study results and findings are presented in the following sections of this report. Less information was available for the opportunities, discoveries and exploration resources beyond the 2P and 2C categories and less focus was given. These resources in the Malaysian and non-Malaysian assets are presented in Section 7 of this report.

Country	Area	Block/ Permit	Share	Operator	Field/ Permit/ Prospect Name	Asset Type
Malaysia	Offshore Sarawak, East Malaysia	SK408	SOMV (40%), Sarawak Shell Bhd (SSB) (30%), PCSB (30%)	SOMV	Larak	Producing
				SOMV	Bakong	Producing
				SSB	Gorek	Producing
				SOMV	Jerun	Development
				SSB	Teja	Development
				SSB	Pepulut	Development
				SSB	Jarak	Discovery
				SSB	Legundi	Discovery
				SOMV	Jeremin	Discovery
		SK310	SOMV (30%), PCSB (40%), Diamond Energy (30%)	SOMV	B15	Producing
					B14	Relinquished
	Offshore Sabah, East Malaysia	SB412	SOMV (40%), PTTEP (60%)	PTTEP	Maligan South	Exploration
					Kokohitan North	Exploration
					Gajah Hitam NE	Exploration
New Zealand	Offshore New Zealand (Taranaki Basin)	PEP60093	SOMV (30%), OMV New Zealand (70%)	OMV NZ	Toutouwai	Discovery
					Karoro	Exploration
					Rironiro	Exploration
					Rironiro Iti	Exploration
		PEP60092			Longridge	Exploration
					Sandy Point SW	Exploration
					Gladstone Updip SW	Exploration
					Gladstone Updip Moki	Exploration
					Shag	Exploration
					Pihipihi	Exploration
		PEP57075			Cloudy Bay	Exploration
					Brackenridge	Exploration
					Stonyridge	Exploration
					Mensa	Exploration
Mexico	Offshore Gulf of Mexico (Sureste Basin)	Block 30	SOMV (30%), Wintershall Dea (40%), Harbour Energy (30%)	Wintershall Dea	Kan	Discovery
					Ix	Exploration
					Cabrilla	Exploration
Australia	Offshore Western Australia (North West Shelf)	AC/P67	Santos (33.40 %), SOMV (33.30%), ENI (33.30%)	Santos	Magnolia	Surrendered (pending approval)
		AC/P68			Leeuwin	Surrendered
		AC/P69			Birdwing	Exploration (applied for suspension and extension)
		AC/P50	Santos (60 %), SOMV (40%)		Stairway	Surrendered
		WA-412-P	SOMV (70%), Finder Exploration (15%), Fugro Exploration (15%)	SOMV	Kanga	Surrendered

Table 1-1: List of SOMV assets evaluated in the CPR.

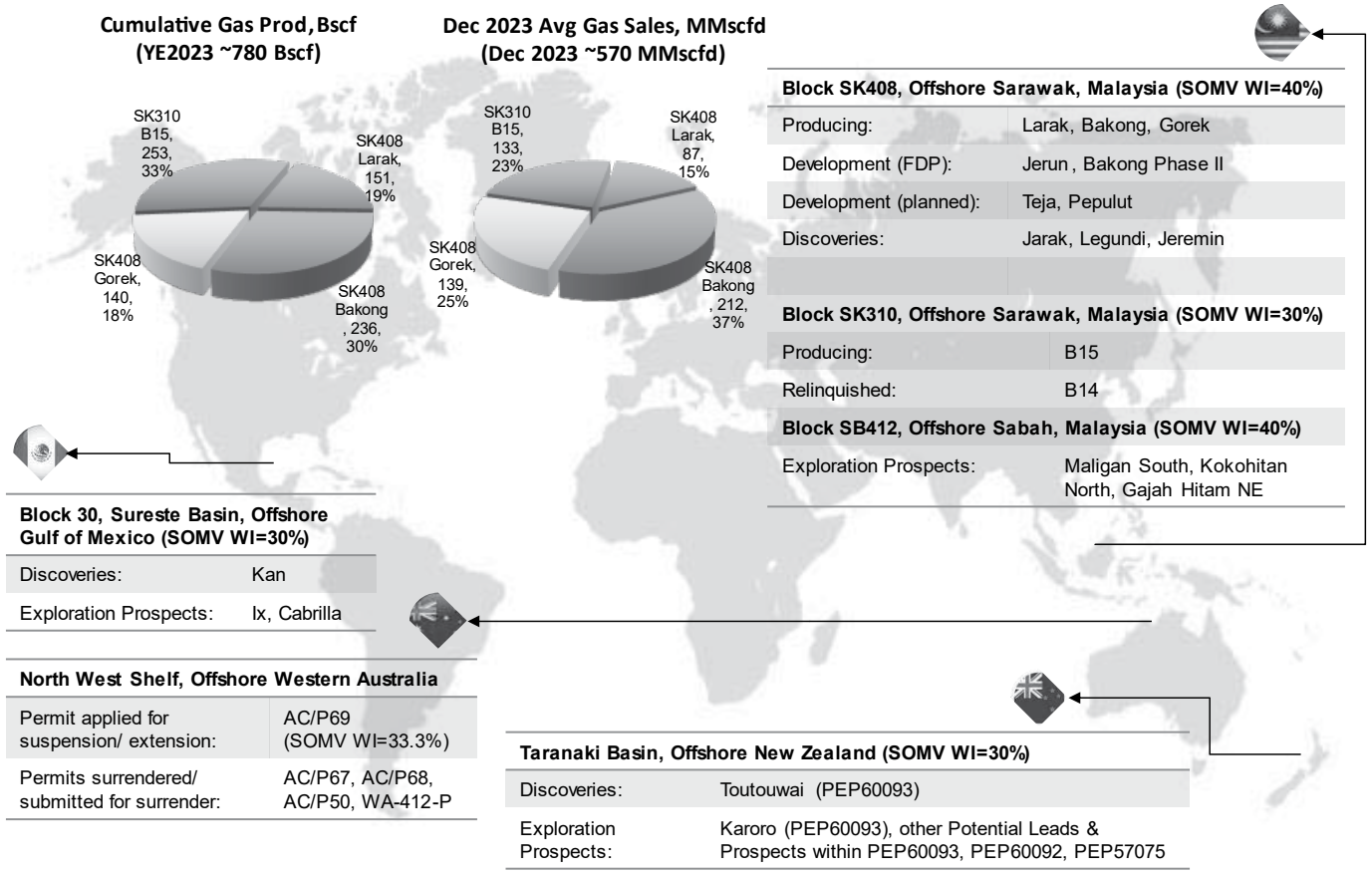


Figure 1-1: SOMV assets overview.

1.1 Sources of Information

Consistent with the PRMS guidelines, the necessary supporting data required to conduct analytical processes, and also the key assumptions in describing the technical and commercial bases to be used in the evaluation must be documented in sufficient detail, and provided to EQ as the reserves evaluator, to clearly understand each project's bases for the estimation, categorization, and classification of recoverable resources quantities and, if appropriate, associated commercial assessment.

In conducting this review, EQ relied on the accuracy and completeness of all information received from SEB and SOMV and has made reasonable enquiries where possible. To the best of EQ's knowledge, the information provided is not false and/or misleading and as such, the premise of this report is made in good faith and in the belief that the information provided is representative of prevailing physical and economic circumstances.

EQ was given access to a repository of technical and commercial data and information via Virtual Data Room (VDR), which comprised documents and data which were sufficient to conduct a technical assessment for the purpose of this evaluation. We have utilized the information provided by SEB and SOMV, which include geological, geophysical, engineering and other data along with various technical reports and presentation materials of previous evaluations conducted (e.g., SOMV management review packages, Annual Review of Petroleum Resources (ARPR), Field Development Plans (FDP), Full Field Review (FFR), Area Development Plan (ADP), Milestone Review (MR), Technical Committee Meeting (TCM), Strategic Operations Committee Meeting (SOCM) reviews). The information supplied included data from the producing fields (e.g., Daily Well Report (DWR), Daily Production Report (DPR), Fuel Flare Tracking (FFT), Quarterly Audited Accounts (QAA), Asset Management Integrated Review (AMiR) packages, and Work Program and Budget (WPB) submission), as well as information on the production and exploration contracts, commercial data, fiscal terms, and other relevant subsurface data.

Limited raw digital data (e.g., seismic data and well logs) were available for independent interpretation and analysis. Static, dynamic simulation, material balance (MBAL), well and surface network models were also not provided in the dataset. The interpreted analyses and results however, can be found in the selected reports and review packages (e.g., FDP, FFR, ARPR, MR and TCM) which have undergone the required review and approval processes, indicating that rigorous technical assessments have been conducted, even though the data and models were not available in the VDR.

We have reviewed the information provided and conducted an independent analysis only where the available data is sufficient. Data available from public sources (for example, published information readily available on Company websites and also any available regional information) was also utilized.

1.2 Requirements

In accordance with your instructions to us we confirm that:

- We are professionally qualified and a member in good standing of a self-regulatory organization of engineers and/or geoscientists;
- We have over 500 man-years relevant experience in the estimation, assessment and evaluation of oil and gas assets;
- We are independent of SEB, its directors, senior management and advisors;
- We will be remunerated by way of a time-based fee and not by way of a fee that is linked to the admission or value of SEB; and
- We are not a sole practitioner.

1.3 Standards Applied

In compiling this report, we have used the definitions and guidelines set out in the 2018 Petroleum Resources Management System (PRMS), prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the World Petroleum Council (WPC), the American Association of Petroleum Geologists (AAPG), the Society of Petroleum Evaluation Engineers (SPEE), the Society of Exploration Geophysicists (SEG), the Society of Petrophysicists and Well

Log Analysts (SPWLA) and the European Association of Geoscientists & Engineers (EAGE). Please refer to Appendix 2 for the list of References.

1.3.1 In-Place Volumes and Recoveries Methodology

As mentioned in Section 1.1, the static, dynamic simulation, material balance (MBAL), well and surface network models were not provided in the dataset. Although the available raw digital data was limited to some degree, EQ was provided with a reasonable amount of information in the form of documents and data which were sufficient to conduct a technical assessment for the purpose of this evaluation. EQ has reviewed the existing interpretation of the assets with the data made available, and where necessary has undertaken an independent evaluation of aspects of the interpretation, only where data is available. As such, this CPR focused on verifying the volumes and recoveries presented in the ARPR (i.e., the reasonableness of the bases, assumptions and estimated volumes, the resource classification, and the consistency in reporting e.g., between ARPR, FDP and AMiR).

Historical production and pressure data from the gas producing fields were extracted from Daily Well Report (DWR), Daily Production Report (DPR), Fuel Flare Tracking (FFT), and Quarterly Audited Accounts (QAA). In this CPR, Dynamic Material Balance (DMB) analysis via flowing material balance methodology (Mattar-Anderson, 2005) was conducted using EQ's proprietary in-house system for Production Forecasting (EQAST) which is part of EQ-AIMS (Asset Integrated Monetization System), to validate the Gas Initially In-Place (GIIP) volumes for producing gas fields on natural depletion with weak aquifer (i.e., Larak, Bakong and Gorek fields in SK408). The results were compared against the latest reported volumes in ARPR 1.1.2024 and also the static and dynamic model results, where available.

To complement the independent evaluation of GIIP using the DMB analysis, EQ also validated the ranges of in-place volumes reported in the ARPR by verifying the geological parameters underlying the volumetric calculations. Uncertainties associated with resources estimation are demonstrated by a range of Low (P90, 1P or 1C), Best (P50, 2P or 2C) and High (P10, 3P, or 3C) estimates of potentially recoverable quantities

categorized by their resource classification, which may be represented probabilistically (via a probability distribution). From EQ's findings, key factors such as the field outline and geometry, along with fluid contacts, significantly influence the calculation of Gross Rock Volume (GRV) and consequently, the GIIP.

For fields with pinnacle structures where fluid contacts have either been observed or estimated, the GIIP typically follows a normal distribution for both the Low and High cases. Fields with observed fluid contacts (e.g., B15 and Bakong), show a smaller difference in GIIP between the Low and High cases, due to less uncertainties. In contrast, for fields where fluid contacts were estimated (e.g., Larak and Jerun), the GIIP shows larger disparities between the Low and High cases.

As for fields with elongated structures, the uncertainties in geological description are greater compared to the ones with pinnacle structures, given the bigger undelineated areas for the same well count (i.e., for Larak, Bakong and Gorek fields, each with one exploration well and two development wells). In addition, for fields where fluid contacts were observed (e.g., Gorek), the GIIP input data follow normal distribution, with limited potential for future volume growth. However, for elongated fields where fluid contacts are estimated (e.g., Pepulut and Teja), the GIIP input data show log-normal distribution with potential for future volume growth, as indicated by the bigger volume differences between the Low and High cases.

Based on the above findings, EQ takes no exception to the reported in-place volumes in ARPR 1.1.2024.

In this study, industry standard techniques and methodologies that were utilized to validate the recoveries include the following:

- Recovery Factor (RF) estimations using Arps API correlations based on statistical performance for the reservoir drive mechanisms of oil reservoirs, e.g., Toutouwai.
- Key resource indicators, i.e. RF, R/P (Reserves to Production), Reserves Life Index (RLI) and Overall Resources Life Index (ORLI) for the gas fields in Malaysia.

Note that these parameters are indicative estimates and do not take into account any change in production behaviour or any new reserves additions, for example those associated with resources yet to be discovered.

For the gas fields, the Estimated Ultimate Recovery (EUR) comprises cumulative production (sales and non-sales), P50 reserves (Developed and Undeveloped), P50 Contingent Resources, as well as fuel and flare/vent volume estimates. Note that fuel and flare/vent is tracked separately in ARPR and reconciled back to the total gas volumes (as part of non-sales volumes).

The range of Recovery Factors (RF) calculated for the Low, Base and High cases from ARPR are based on the expected recoveries from the updated static and dynamic simulation modelling for the fields, where unconstrained production from the dynamic models is further optimized in the surface network models to incorporate facilities constraints, e.g., CO_2 and H_2S limits, and pipeline turndown rate (TDR) limits. The forecasted gas sales from LaBaGo and Jerun fields are also tuned to the expected Annual Contract Quantity (ACQ) for the contract duration specified, and as such, minimum variations are expected in all cases (Low, Base and High) during this period.

For the producing fields (i.e., Larak, Bakong, Gorek and B15), the calculated RFs for the Base case range from 76% to 82%, and the Low and High cases for each field are somewhat similar to the Base case (by +/- 5%). This reflects the drive mechanisms, fluid and rock properties and reservoir pressure decline trends observed in the fields. No significant water production is observed in these fields to date, and variations between the Low, Base and High cases would have incorporated aquifer assumptions (e.g., pure depletion with no aquifer, weak, moderate or strong aquifer) based on historical observed production and pressure data trends, all of which has been incorporated in the static and dynamic simulation models. The LaBaGo fields are produced to meet the gas blending constraints at the F6 hub, where Larak sweet gas production is preserved and kept at minimal (slightly above the pipeline TDR limit), whilst production from Bakong and Gorek is dependent on the availability of sweet gas from Larak, F6 and F28 fields. In all the cases, production from all the fields is observed to cease at their respective pipeline TDR limits.

For the non-producing fields, more variations in RFs are observed between the Low, Base and High cases. For Jerun field, the RF calculated for the High case is relatively low (69%) compared to the Base case (78%) and Low case (79%), possibly due to rapid reservoir pressure decline due to a higher withdrawal rate and/or water breakthrough. For Teja and Pepulut fields, the low RF calculated in the Low case (24% for Teja and 37% for Pepulut) is due to early water breakthrough, causing rapid production decline and early termination for the fields when the TDR limit of 100 MMscfd at F23-11RA pipeline is reached. For Pepulut field, the water breakthrough is probably from the connected aquifer from F1 WNW and Gorek assumed in the Low case, whereas the Base case (63% RF) and High case (72% RF) had assumed weak aquifer strength i.e., limited connectivity with the surrounding aquifer, resulting in better production profiles and recoveries. For Teja, the Base case (50% RF) and High case (52% RF) had also assumed weak aquifer strength. In all cases, the production profiles were terminated due to the decline in Pepulut production which caused the combined production to be below the pipeline TDR limit.

The above analyses are also supplemented with inferences from analogs of neighbouring wells, reservoirs, or fields, primarily in instances where data is insufficient or unavailable, and also to verify the technical reasonableness of the assumptions used in the evaluation. For example, the reservoir mechanism of the gas reservoirs in Central Luconia is generally described as pressure depletion with weak to moderate aquifers, where RFs of more than 70% are observed (Figure 1-2). Based on the available information, review and validation were conducted on the key resource indicators, which suggest that the estimated reservoir recoveries are reasonable, based on the drive mechanism description.

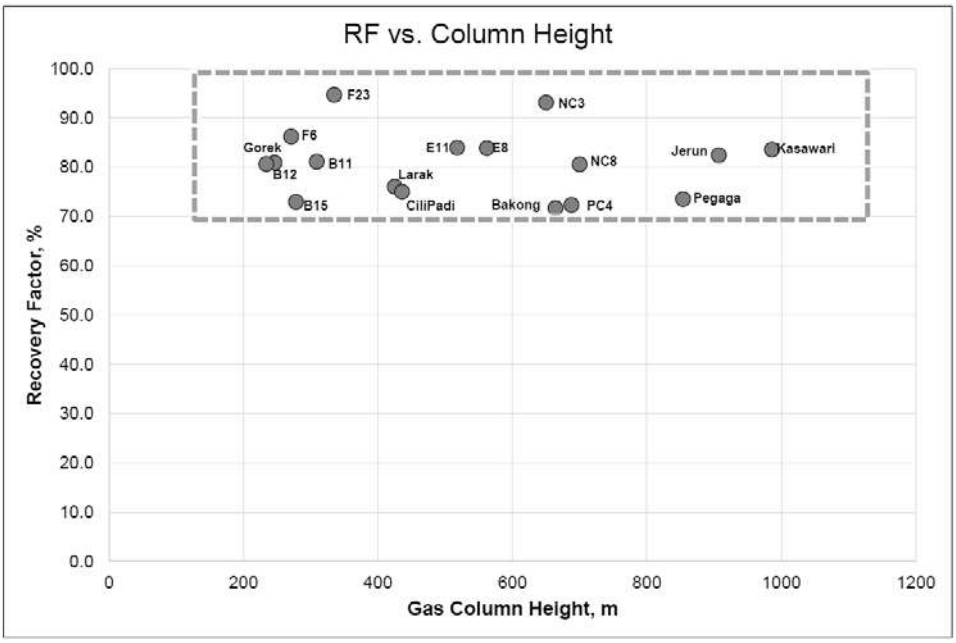


Figure 1-2: Central Luconia gas fields recovery factor (Source: SOMV).

Based on the above findings, EQ takes no exception to the reported recoverable volumes, reserves and resources in ARPR 1.1.2024. The resource classification was further validated, and in the case of the additional volumes indicated to be potentially recoverable associated with a better F6 VLAP performance or the additional blending availability via future sweet gas tie-in projects (currently estimated to recover 131 Bscf), this project is considered notional as no additional sweet gas has yet been identified for blending.

For the purpose of valuation, the Best Estimate (2P i.e., P50) is utilized, whilst the Low (1P i.e., P90) and High (3P i.e., P10) estimates are only run as sensitivities. As such, the focus of this CPR is on the assessment and validation of the 2P volumes for both in-place and recoverables, along with the production flowstreams associated with their developments.

1.3.2 Production Forecast Methodology

EQ has reviewed the existing interpretation of the assets with the data made available, and where necessary has undertaken an independent evaluation of critical aspects of the interpretation, only where data is available. Production forecasts from ARPR 1.1.2024 were provided on field basis from 2024 onwards, where historical production comprised allocated production until May/June 2023, and provisional production from June/July to December 2023. The methodologies applied in the forecast consist of the latest updated static and dynamic modelling results, supplemented by integrated network modelling, if any. Targets and constraints incorporated in the models include facilities limits e.g., BIM gas handling capacity, CO_2 and H_2S contaminant constraints, current production strategies e.g., prioritizing Bakong (vs Gorek) gas for blending with the sweet gas available, and minimizing Larak (vs F6 and F28) to preserve sweet gas for blending, as well as the planned and unplanned downtime assumptions based on WPB 2024, e.g., the planned shutdown for F6 Very Low Abandonment Pressure (VLAP) modification in 2025. Condensate production is calculated from condensate gas ratio (CGR) vs pressure profiles, and the plant liquid return (PLR) forecast is generated from PLR CGR based on historical trends.

As mentioned in Section 1.1, the static, dynamic simulation, material balance (MBAL), well and surface network models were not provided in the dataset. Production forecasts from ARPR 1.1.2024 are available for gas sales, condensate, and PLR flowstreams. The profiles were compared against the flowstreams and information extracted from project briefs (e.g., TCM, SOCM and SOMV management review packages), and validated against the estimated recoveries (and resource classification) reported in ARPR 1.1.2024, to validate the reasonableness of the bases, assumptions and estimated volumes, reserves and resources, for the purpose of this valuation. The reserves and resources classifications were also validated against PRMS and further categorized in accordance with the range of uncertainty associated with the estimates and sub-classified based on project maturity and/or economic status.

The production forecast for Reserves reflects a specific development scenario under a specific recovery process, a certain number and type of wells and particular facilities and infrastructure. There must exist the reasonable expectation to develop the project

in the Best Estimate (2P i.e., P50) production forecast, which is typically used for the economic valuation for the commercial assessment of the project.

Based on the above criteria, the production flowstreams presented in this report comprise 2P Reserves associated with the currently producing fields with recoveries attained from current operations (2P Developed) and reserves potentially recovered from approved development plans (2P Undeveloped).

The reasonableness of the total gas sales profiles was validated against information available e.g., Annual Contract Quantity (ACQ), SK408 Brownfield Integrated Module (BIM) production strategy and contaminant limit and pipeline turndown rate (TDR) limits. Note that the forecasted production from F6 and F28 i.e., non-SK408 fields supplying the sweet gas required for blending, was extracted from ARPR 1.1.2023 estimates. The resulting condensate and PLR profiles were also validated against the CGR assumptions for each field, where available.

The development plans for each field are as described in the following sections of this report, which comprise projects with approved FDPs (i.e., Jerun gas development and Bakong Phase-II development), and fields with feasible development concepts likely to be implemented according to SOMV's documented approach of future plans (i.e., Teja and Pepulut field developments in SK408).

For the purpose of this CPR, assets which comprise notional developments (i.e., potential recoveries from notional projects), developments deemed to be either "On Hold" or "Unclarified" (i.e., discovered resources categorized as Contingent Resources with a lower sub-class category, that are potentially recoverable but require further appraisal and maturation to be considered viable for development commercially), and recoveries estimated from Prospective Resources, are not included in the production forecast.

1.4 No Material Change

The content of this report and our estimates of resources are based on data provided to us by SEB. EQ shall not be liable or responsible for any material change of circumstances or available information prior to and since the report was compiled.

1.5 Site Visit

No site visit was required. Data review was performed via desktop review, where the data pertaining to this project was available digitally (i.e., no physical data room review was conducted).

1.6 Quality, Health, Safety and Environment

A statement on the health, safety, security and environment policies governing the operations of the SOMV assets is observed:

"At Sapura Energy, we are committed to preventing injuries, occupational illnesses, property damage & environmental pollution in all locations where we operate. In **Quality**, we are committed to the highest quality standards in our approach, asset integrity and service delivery. We care about the **Health** of our people by providing a socially, psychologically and physically-suitable working environment. We believe in **Safety Always** culture, with a strong intent to record a Perfect Day everyday where our people are able to go home safely without harm. In **Environment**, we ensure all our operations follow proper waste management procedures and directives. We aim to achieve Zero Spills, and is making steady progress of incorporating Green House Gas reduction in our operations. All our actions are guided by our **Core Values** where we believe **Safety, Honesty, Accountability, Respect & Professionalism (S.H.A.R.P) builds Trust**."

"The recent adoption of Nine (9) Life Saving Rules, as developed by the International Association of Oil & Gas Producers (IOGP), is another step to support SEB's zero-injury goal. It will simplify yet make more robust and user-friendly standards and procedures, backed up by the courage employees have to exercise their STOP WORK Authority as empowered to all SEB employees by the President and Group Chief Executive Officer

(PGCEO) whenever the situation is deemed not safe. SEB will continue to further embed a strong safety culture, focusing on strengthening the capabilities of its employees as well as using new technology to make its systems simpler, smarter and more fit for purpose".

1.7 Liability

All interpretations and conclusions presented herein are opinions based on inferences from geological, geophysical, engineering, or other information available. The report represents EQ best professional judgement and should not be considered a guarantee of results. It should be noted that EQ is not liable for any future increase or decrease in estimates of hydrocarbon resources if there are changes to the technical interpretation, economic criteria, regulatory requirements, or any special factors that would affect the operation of the assets and which would require additional information for their proper appraisal/evaluation. The use of this material and report is at the user's own discretion and risk.

1.8 Consent

We hereby consent, and have not revoked such consent, to:

- The inclusion of this report, and a summary of portions of this report, in documents prepared by SEB and its advisors;
- The filing of this report with any stock exchange and other regulatory authority;
- The electronic publication of this report on websites accessible by the public, including a website of SEB; and
- The inclusion of our name in documents prepared in connection with commercial or financial activities.

The report relates specifically and solely to the subject assets and is conditional upon various assumptions that are described herein. The report must therefore be read in its entirety. This report was provided for the sole use of SEB on a fee basis. This report may not be reproduced or redistributed, in whole or in part, to any other person or

published, in whole or in part, for any other purpose without the express written consent of EQ.

2 Malaysian Assets

The Malaysian SOMV assets covered in this CPR comprise offshore PSC Blocks located in East Malaysia i.e., Blocks SK408 and SK310 in the Sarawak Basin and Block SB412 in the Sabah Basin (refer Figure 2-1 and Figure 2-2). PSC Blocks SK408 and SK310 are located in the Central Luconia province in the Sarawak Basin, in shallow water depths of less than 120 m. The brief asset description, field background, study results and findings are presented in the following sections of this report. The key elements of the SK310 and SK408 PSCs are described in Appendix 4. Potential opportunities, discoveries and Prospective Resources associated with exploration potentials are discussed in Section 7 of this report.

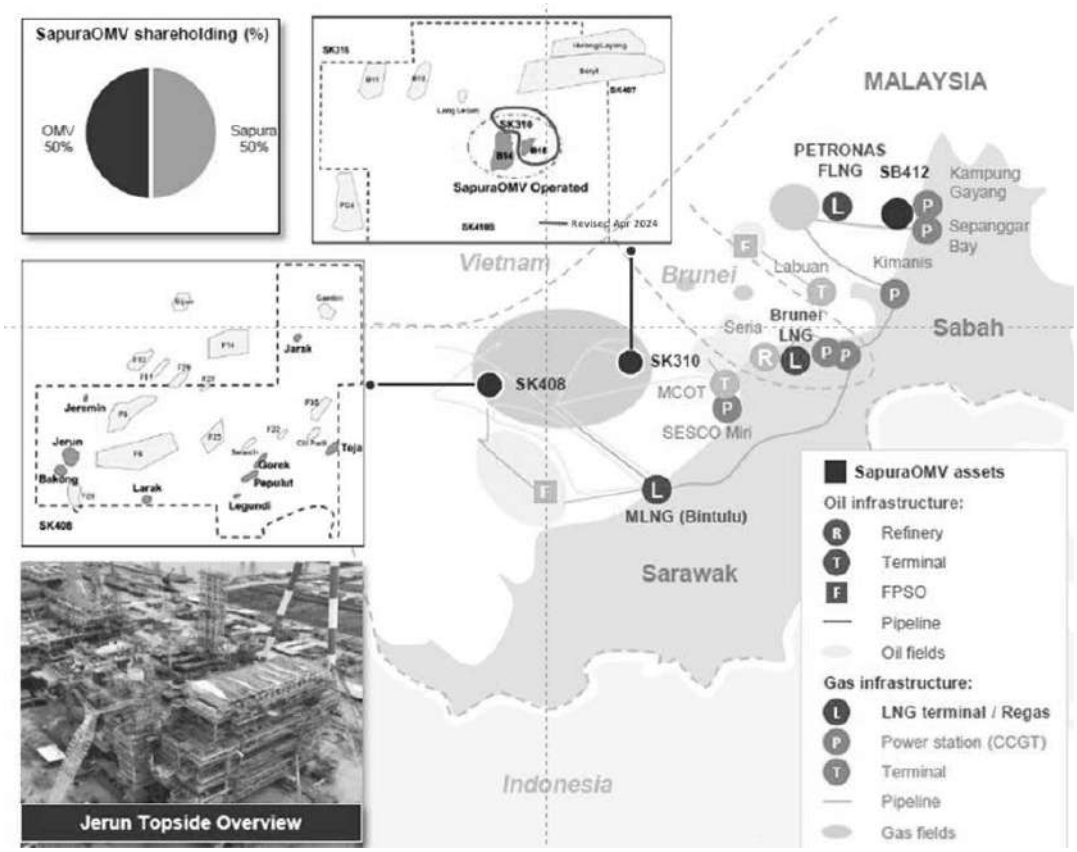


Figure 2-1: Malaysian SOMV Asset Location (Source: SOMV).

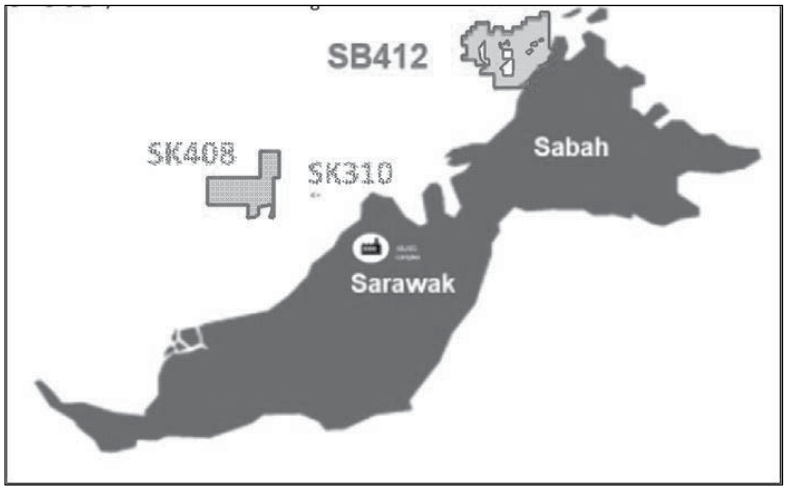


Figure 2-2: Malaysian Asset Location (after PTTEP/SOMV and Offshore Engineer).

The shares held by SOMV and partners are shown in Table 2-1. The SK408 PSC is a joint venture between SOMV, PETRONAS Carigali Sdn. Bhd. (PCSB) and Sarawak Shell Bhd. (SSB), at 40%, 30% and 30% working interest, respectively. The development and operations activities in SK408 are executed under a Dual Operatorship Agreement, where fields can be grouped into two sub-blocks i.e., SK408 West and SK408 East (Figure 2-3). SK408 West is operated by SOMV and comprises Larak, Bakong, Jerun and Jeremin fields, whilst SK408 East is operated by SSB and comprises Gorek, Teja, Pepulut, Jarak and Legundi fields. The PSC agreement was signed on 12th December 2012 for a period of 27 years. The Upstream Gas Sales Agreement (UGSA) dated 6th September 2019 took effect from the First Gas Date (FGD) for the block on 9th January 2020, for a period of 20 years. The Annual Contract Quantity (ACQ) covers two phases of SK408 development, as follows:

- Phase 1: to deliver an annual average quantity of 400 MMscfd from Larak, Bakong and Gorek fields until the day immediately before the start date of Phase 2.
- Phase 2 (per the SK408 UGSA Addendum dated 18th August 2022): to deliver an annual average quantity of 500 MMscfd for the first seven years from Jerun gas field (Jerun Gas Field ACQ), and the remaining volume from Phase 1 gas, taking into consideration the natural decline of the fields. The approved FGD for Jerun is by no later than Q3, 2024.

On 10th November 2020, PETRONAS approved SOMV's application for Gas Holding Areas (GHA) and delineation of Teja, Pepulut, Jarak, Legundi and Jeremin gas fields for a period of five years from 12th June 2020 until 11th June 2025, subject to the following conditions, failing which the fields shall be unconditionally relinquished to PETRONAS:

- Submission of an Area Development Plan (ADP) for the fields by 30th September 2021, which has been fulfilled by SOMV.
- MR4 for Teja and Pepulut by 30th September 2023, for which the target FDP submission is by December 2024, to meet the planned FID approval in 2025.
- MR4 for Jarak, Legundi and Jeremin by 31st March 2024.

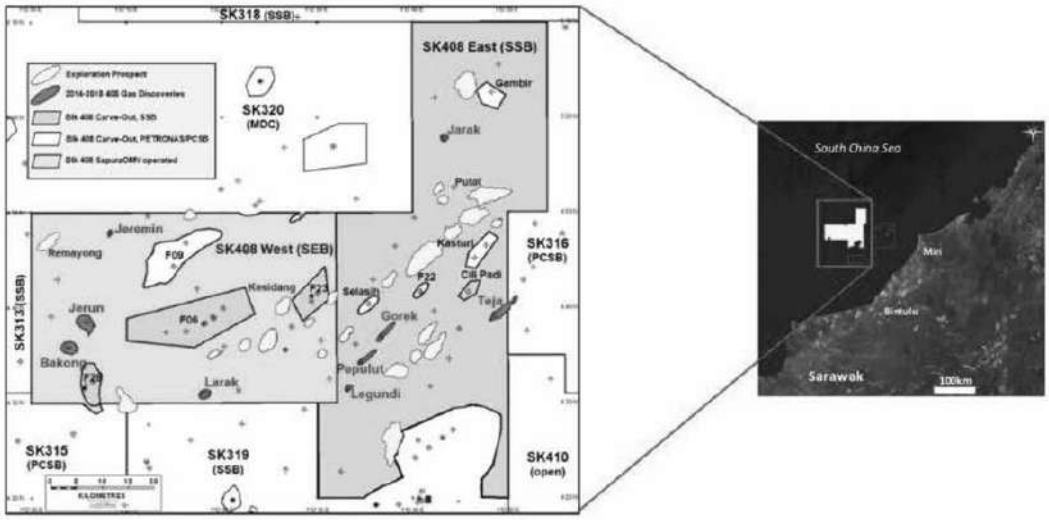


Figure 2-3: SK408 sub-blocks under Dual Operatorship (Source: SOMV)

The PSC for Block SK310 is effective from 17th June 2008 to 16th June 2037 (29 years), with a five-year Exploration Period that expired on 16th June 2013, and an Extended Exploration Period that was granted until 15th June 2014. Having fulfilled the minimum work commitments at the end of the Exploration Period, areas of the PSC which were not defined as gas fields were relinquished to PETRONAS and ceased to be part of the Contract Area, with the exception of GHA in place for B15 and B14 discoveries, secured for a period of five years from 15th June 2014 until 15th June 2019. SOMV is the field operator, and the PSC is held by Joint Venture (JV) partners SOMV, PCSB and

Diamond Energy Sarawak (DES), a wholly owned subsidiary of Mitsubishi Corporation, at 30%, 40% and 30% equity interests, respectively.

For B15, the first UGSA was signed on 23rd June 2016 for the provision of gas supply at the minimum contractual rate of 100 MMscfd (exclusive of CO_2), for a period of 5 ½ years from the first gas date. With first gas from B15 field on 18th February 2018, the expiry date for the UGSA is on 17th August 2023. For the purpose of continuing B15 gas production and monetizing additional reserves from the field, an extension to the UGSA was granted on 24th July 2023 (effective on 18th August 2023), until either the economic depletion of B15 gas field, or the expiry or termination of SK310 PSC, whichever is earlier. Economic depletion refers to when the field is no longer able to produce gas i.e., due to water breakthrough, or having reached its facilities design limit and turndown rate, or economic limit.

For the B14 gas field, an extension for the GHA was granted for two years until 15th June 2021, and by then another extension was approved for two years until 15th June 2023. In July 2023, an "Extended GHA Period" was granted for four months from 16th June 2023 to 15th October 2023, for SOMV and the SK410B PSC Contractor (PTTEP) to finalize the Facilities Sharing Agreement (FSA) between B14 and Lang Lebah gas fields, failing which, the B14 gas field shall be relinquished to PETRONAS. Effective 16th October 2023, the B14 field has been relinquished to PETRONAS.

The producing fields and fields currently under development located in SK408 and SK310 form part of an established gas infrastructure hub for the gas pipeline network system offshore Sarawak (Figure 2-4).

For PSC Block SB412, the PSC was signed on 22nd March 2022 for a term of 28 years. SOMV has a stake of 40%, with PTTEP as the operator owning the remaining 60%. The Exploration Period of up to four years is divided into two phases, each with a period of two years and its own set of Minimum Work Commitments (MWC) as follows:

(i) Phase-1 expiring on 21st March 2024 comprises the acquisition and processing of 500 km^2 of new 3D seismic data, the reprocessing of 2,000 km^2 of existing 3D seismic data, conducting an integrated geological, geophysical, and geochemical (G&G) studies (on a regional scale and at prospect level), and the "Drill or Drop"

(DoD) decision for two wildcat wells in the event that the second exploration phase is entered. On 24th July 2023, PETRONAS approved the change in the original MWC terms, from the acquisition and processing of 500 km^2 of new 3D seismic data, to the reprocessing of 5,000 km^2 of existing 3D seismic data.

(ii) Phase-2 expiring on 21st March 2026 comprises the drilling of two wildcat wells, to be decided upon completion of the technical evaluation in Phase-1.

Block	Participating Interest	PSC Effective Date	PSC Expiry Date	Fields	Operator	GSA Contract Expiry
SK408	SOMV (40%), SSB (30%), PCSB (30%)	12th December, 2012	16th February 2040 (20 years from First Commercial Production (FCP) on 17th February 2020, based on SOMV letter to PETRONAS 31st March 2020)	Gorek	SSB	8th January 2040 (UGSA dated 6th September 2019 took effect from the First Gas Date (FGD) for the block on 9th January 2020, for a period of 20 years. Note that FGD for Jerun is by 1st August 2024).
				Larak	SOMV	
				Bakong	SOMV	
				Jerun	SOMV	
				Teja	SSB	No GSA to date. (GHA expiring 11th June 2025; subject to FID approval targeted in 2025)
				Pepulut	SSB	
				Jeremin	SOMV	No GSA to date. (GHA expiring 11th June 2025; subject to MR4 by 31st March 2024)
				Jarak	SSB	
				Legundi	SSB	
SK310	SOMV (30%), PCSB (40%), Diamond Energy (30%)	17th June, 2008	16th June, 2037	B15	SOMV	FGD 18th February 2018. UGSA granted until either the economic depletion of B15 gas field, or the expiry or termination of SK310 PSC, whichever is earlier.
				B14	SOMV	Extended GHA Period expired on 15th October 2023. Field relinquished to PETRONAS effective 16th October 2023.
SB412	SOMV (40%), PTTEP (60%)	22nd March, 2022	21st March, 2050	Not Applicable (Exploration stage)	PTTEP	Not Applicable (Exploration stage)

Table 2-1: SOMV Assets in Malaysia.

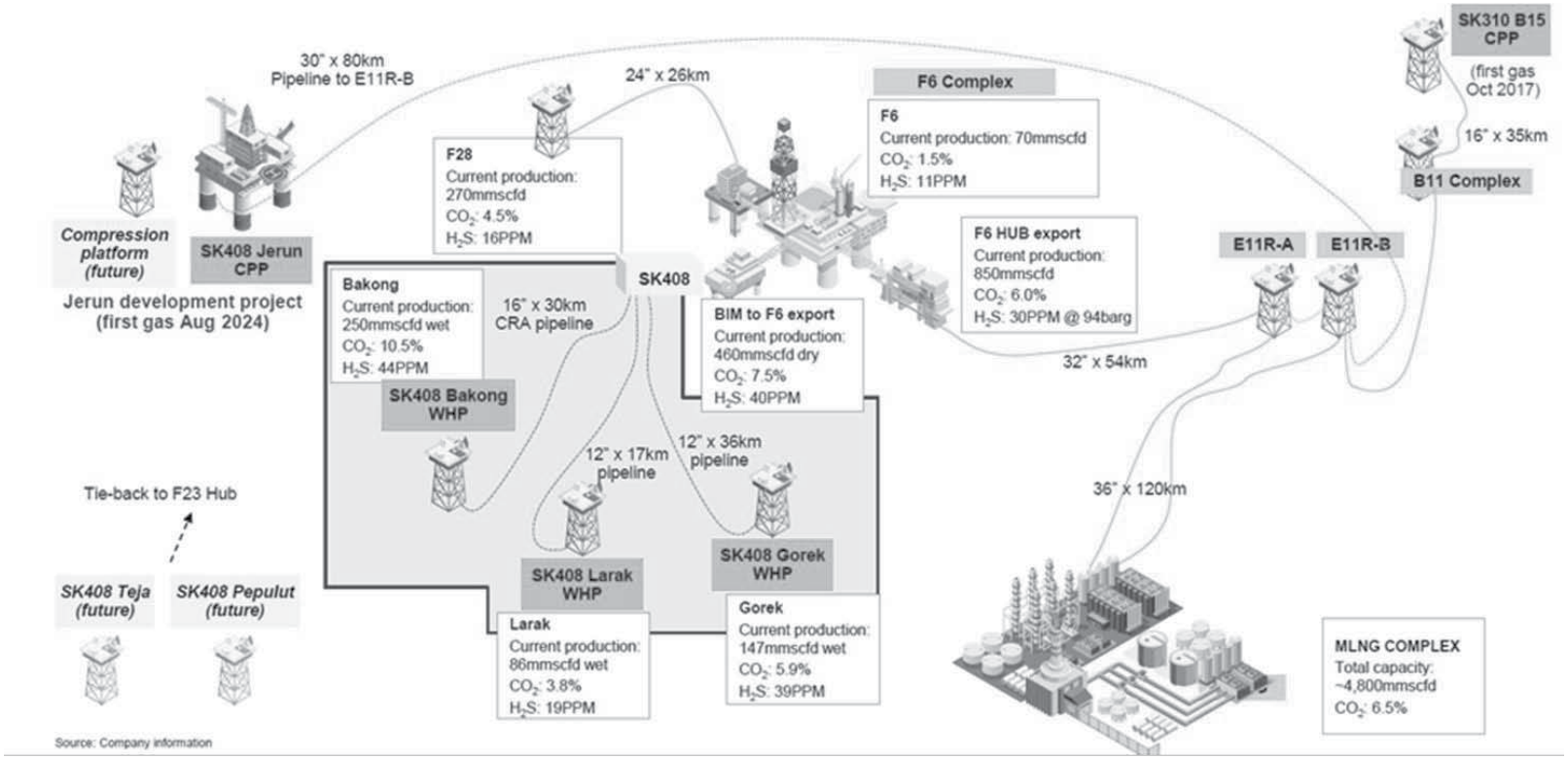


Figure 2-4: Simplified gas pipeline network offshore Sarawak (Source: SOMV).

2.1 Brief Geology of Sarawak and Sabah Basin

2.1.1 Sarawak Basin

Sarawak Basin which covers both onshore and offshore regions of Sarawak is divided into several geological provinces based on their respective structural and stratigraphic elements. PSC Blocks SK408 and SK310 predominantly lie within the Central Luconia geological province (Figure 2-5 and Figure 2-6), generally characterized by extensive development of Miocene to Recent carbonate build-ups that formed on horsts in response to sea level fluctuations. Block SK310 is primarily located in the southeast corner of the Central Luconia province, and small portions of the block extend into other provinces i.e., the West Baram Delta to the northeast and the Balingian Province to the southwest.

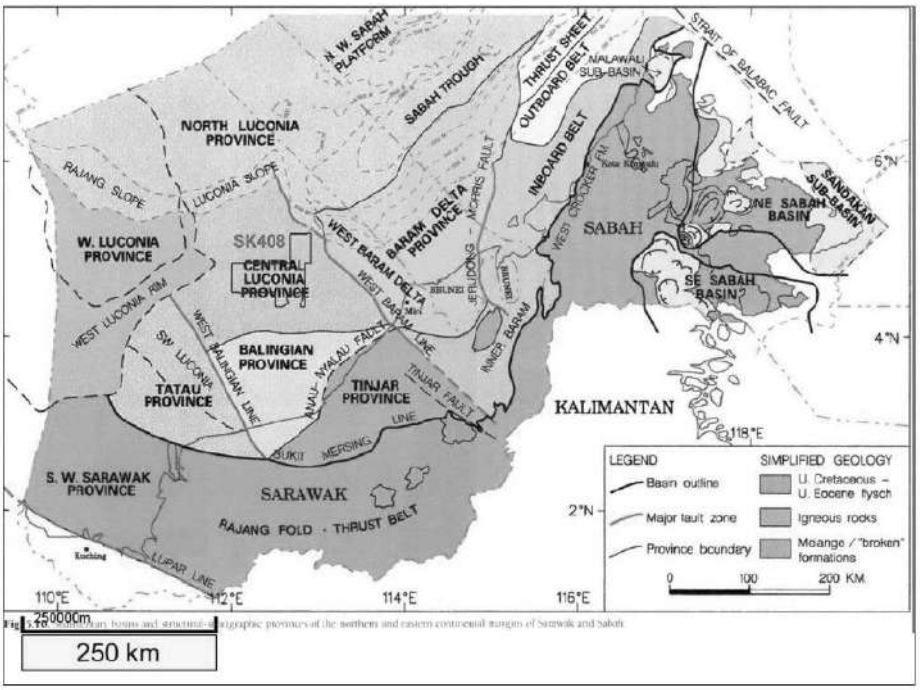


Figure 2-5: SK408 outline and geological province (after PETRONAS, 1999).

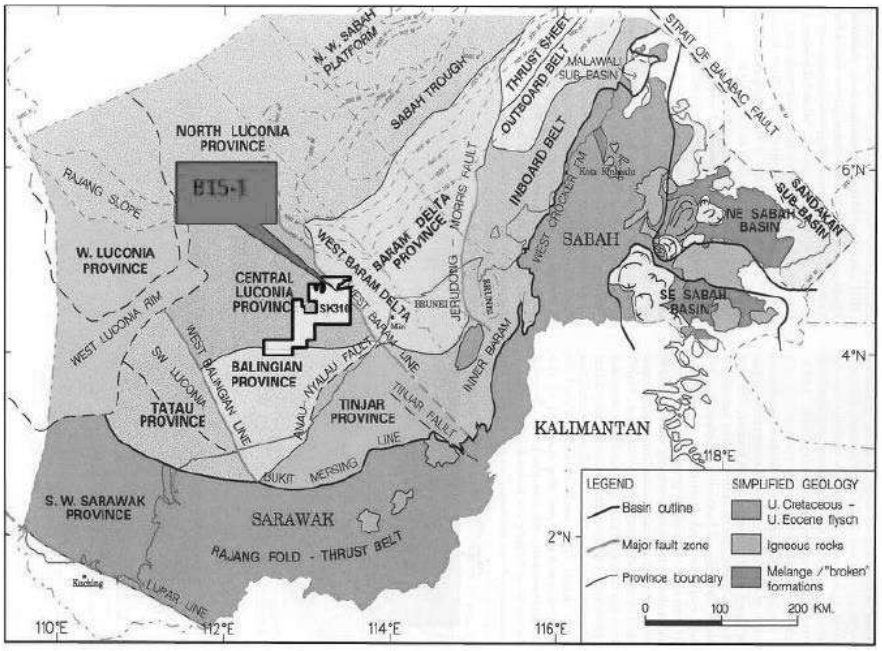


Figure 2-6: SK310 in Central Luconia province, showing the location of B15-1 well (after PETRONAS, 1999).

Central Luconia is distinguished from adjacent tectonic domains based on relatively shallow burial and structural simplicity. The province is flanked by deep basins to the West, North and East sides (Figure 2-7 and Figure 2-8). The West Baram lineament separates Central Luconia from the Baram Delta to the Northeast. In the south, Central Luconia is bounded by the Balingian province dominated by Early to Middle Tertiary compressional tectonics.

The Central Luconia province, named after the micro-continent Luconia Shoals which underlies the province, developed in response to complex tectonics during the opening and spreading of the South China Sea between 32 Ma and 15.5 Ma. By early to middle Oligocene, the collision between the micro-continent and Borneo mainland resulted in the subduction of oceanic basement beneath Borneo forming the Rajang and Crocker fold thrust belts which can be observed onshore Sabah and Sarawak. These thrust belts have been established by many workers and players to be the main source of sediment for the offshore Sarawak basin.

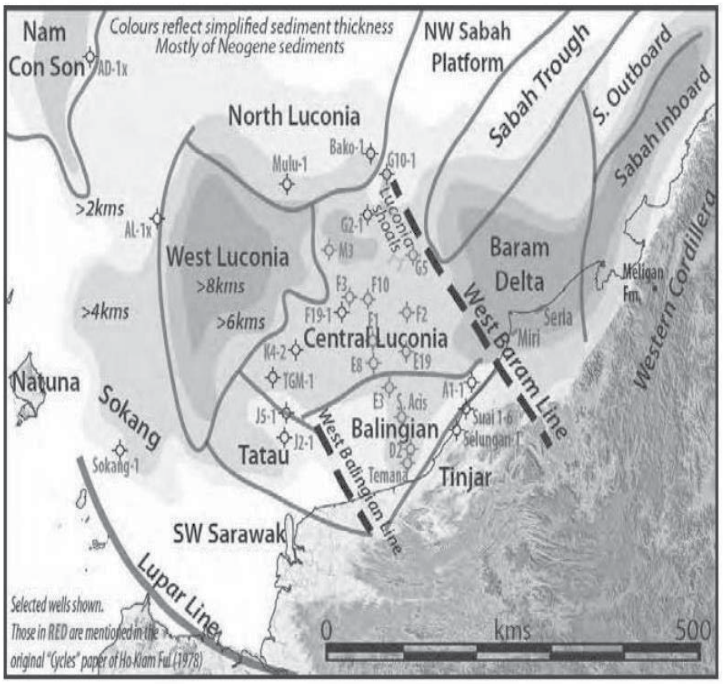


Figure 2-7: Location Map of Sarawak's Geological Provinces (after Sapura).

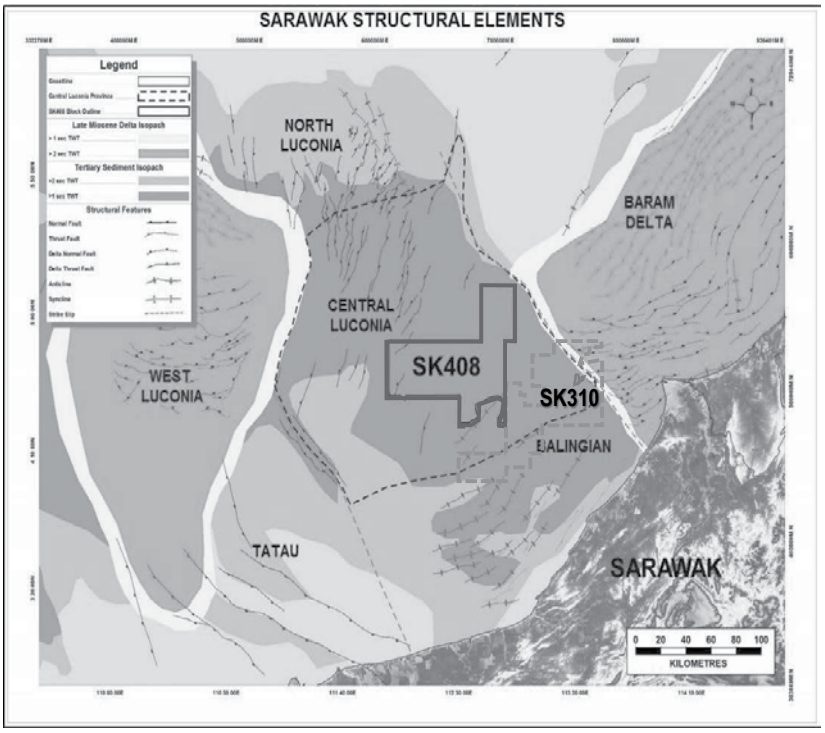


Figure 2-8: Structural Elements of Offshore Sarawak (after Sapura).

Sediment deposition in offshore Sarawak can be subdivided into two tectonostratigraphic phases namely the syn-rift and post-rift sequences, separated by the post-rift or break-up unconformity i.e., the Middle Miocene Unconformity (MMU). The syn-rift sequence is made up of Cycle I, Cycle II and Cycle III ranging in age from Oligocene to Early Middle Miocene while the post-rift sequence comprises Cycle IV to Cycle VII which ranges in age from Middle Miocene to Recent (Figure 2-9). Owing to comparatively low and uniform subsidence followed by a relatively uneventful structural history, the Central Luconia province displays substantially different depositional styles from the neighbouring basins as the clastic strata is comparably thinner, of low inclination and free of large-scale gravity driven deformation. The distribution of syn-rift depositional environments across Luconia ranges from lower coastal plain in the South, bathyal in the North and prograding deltas and neritic shelves entering from the South to North. Coal beds and marine condensed shales within the underlying and surrounding Balingian deltaic deposits are interpreted to be the probable hydrocarbon source rocks for gas accumulations in the area.

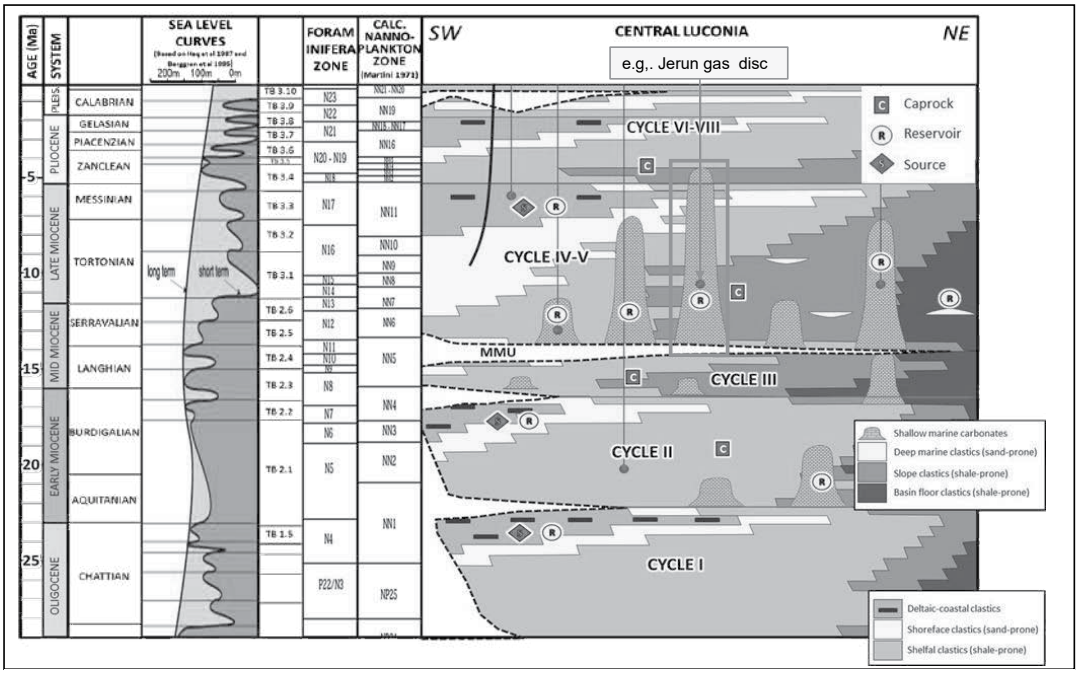


Figure 2-9: Stratigraphic scheme of Central Luconia Basin (after PETRONAS).

Following the Middle Miocene regional extensional event, various post-rift Cycle IV and Cycle V carbonates are found to have developed on the local high horst blocks as seen in PSC Blocks SK310 and SK408. In general, carbonate build-ups are found to terminate earlier and become thinner (less than 500 m) in the South mainly due to sub-aerial exposure (around 2 Ma period) and/or drowning and burial by rapidly prograding Baram deltaics coming from the East as well as Balingian deltaic entering from the South. The platform reefs have a broad, well connected and extensive carbonate base (larger potentially strong water aquifer), where major gas fields were discovered by previous operators (Shell and PETRONAS). In contrast, the tall pinnacle reefs sub-plays are considered a successfully tested and proven sub-plays (identified by PETRONAS and followed up by SOMV), and are generally isolated with less extensive, thinner carbonate base, in places not well connected to the larger platform reefs, possibly with a relatively weaker aquifer support.

Gas accumulation and production is mainly associated with the carbonate mounds and pinnacles as proven by discoveries made in PSC Blocks SK408 and SK310 (Figure 2-10, Figure 2-11 and Figure 2-12). Carbonate deposition was then succeeded by open marine and coastal plain deposition leading to the formation of shale which provides a regional seal over the carbonates. This configuration has led to the most successful carbonate sub-plays (where exploration wells exceed 80% historical drilling success rate) which mainly target Cycle V carbonate reefs sealed by Lower Cycle V or Cycle VI shales (Type 1 and Type 3 sub-plays as classified by SOMV). EQ refers to these 'plays' as the 'sub-plays' of the Luconia Carbonate play, i.e. Type 1 sub-play and Type 3 sub-play.