

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of Borneo Oil Berhad ("Bornoil" or the "Company") will be held at 2nd Floor, Victoria Point, Jalan OKK Awang Besar, 87007 Wilayah Persekutuan Labuan on Tuesday, 9 September 2014 at 8.00 a.m., for the purpose of considering and if thought fit, passing with or without modifications, the following resolutions:-

SPECIAL RESOLUTION 1

PROPOSED PAR VALUE REDUCTION VIA THE CANCELLATION OF RM0.90 OF THE PAR VALUE OF EVERY EXISTING ORDINARY SHARE OF RM1.00 EACH IN THE ISSUED AND PAID-UP SHARE CAPITAL OF BORNOIL PURSUANT TO SECTION 64 OF THE COMPANIES ACT, 1965 ("ACT") ("PROPOSED PAR VALUE REDUCTION")

"THAT, subject to and conditional upon the passing of Special Resolution 2 and the approvals of all relevant authorities/ parties being obtained, where required, including but not limited to the confirmation by the High Court of Malaya pursuant to Section 64 of the Act, approval be and is hereby given for Bornoil to effect the par value of every existing ordinary share of RM1.00 each in the Company be reduced to RM0.10 each;

THAT the credit arising therefrom be and is hereby applied towards crediting into a capital reserve account;

AND THAT the Board of Directors of Bornoil ("Board") be and is hereby authorised with full powers to take all such steps as they may deem necessary to:-

- i. assent to any conditions, modifications, variations as may be imposed or permitted by the relevant authorities and/ or the High Court of Malaya;
- ii. lodge an office copy of the order of the High Court of Malaya referred to in this Special Resolution 1 with the Companies Commission of Malaysia on such date the Directors may determine; and
- iii. do all such acts, deeds and to execute, sign and deliver on behalf of the Company all such documents and/ or agreements and/ or things incidental and/ or as may be required or as they consider necessary and/ or expedient to finalise and implement in the best interest of the Company, to give full effect to and complete the Proposed Par Value Reduction."

SPECIAL RESOLUTION 2

PROPOSED AMENDMENTS TO THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF BORNOIL ("PROPOSED AMENDMENTS")

"THAT, subject to the passing of Special Resolution 1, approval be and is hereby given to the Company to alter, modify, vary and amend the Memorandum and Articles of Association of Bornoil in the following manner:-

Clause Item 5 of the Memorandum of Association of Bornoil

Existing

The authorised capital of the Company is Ringgit Malaysia Five Hundred Million divided into 500,000,000 shares of RM1.00 each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise

Proposed

The authorised capital of the Company is Ringgit Malaysia Five Hundred Million divided into **5,000,000,000** shares of **RM0.10** each. The shares in the original or any increased capital may be divided into several classes and there may be attached thereto respectively any preferential, deferred or other special rights, privileges, conditions or restrictions as to dividends, capital, voting or otherwise

Article 14(a) of the Articles of Association of Bornoil

Existing

The authorised capital of the Company at the date of adoption of these Articles is Ringgit Malaysia Five Hundred Million (RM500,000,000) divided into 500,000,000 ordinary shares of RM1.00 each

Proposed

The authorised capital of the Company at the date of adoption of these Articles is Ringgit Malaysia Five Hundred Million (RM500,000,000) divided into **5,000,000,000** ordinary shares of **RM0.10** each"

ORDINARY RESOLUTION 1

PROPOSED PRIVATE PLACEMENT OF UP TO 20% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF BORNOIL AT AN ISSUE PRICE TO BE DETERMINED LATER AFTER THE PROPOSED PAR VALUE REDUCTION ("PROPOSED PRIVATE PLACEMENT")

"THAT, subject to the passing of Special Resolutions 1 and 2, and the approvals of all relevant authorities being obtained, approval be and is hereby given to the Board to allot and issue up to 20% of the issued and paid-up share capital of Bornoil (excluding treasury shares) ("Placement Share(s)") to third party investor(s) to be identified at an issue price to be determined later, after taking into consideration the prevailing market conditions and the five (5)-day weighted average market price ("WAMP") of the ordinary shares of RM0.10 each in Bornoil after the Proposed Par Value Reduction ("Bornoil Share(s)") immediately preceding the price-fixing date. The discount for the issue price of the Placement Shares, if any, shall not be more than 10% to the five (5)-day WAMP of Bornoil Shares immediately preceding the price-fixing date and such issue price shall not be lower than the par value of Bornoil Shares of RM0.10 each after the Proposed Par Value Reduction;

THAT the proceeds of the Proposed Private Placement be utilised for the purposes as set out in the circular to shareholders of the Company dated 18 August 2014 ("Circular"), and the Directors be authorised with full powers to vary the manner and/ or purpose of utilisation of such proceeds in such manner as the Directors may deem fit, necessary and/ or expedient, subject to the approval of the relevant authorities, where required;

THAT the Placement Share will, upon allotment and issuance, rank *pari passu* in all respects with the then existing Bornoil Shares, save and except that the Placement Shares will not be entitled to any dividends, rights, allotments and/ or other forms of distribution that may be declared, made or paid for which the entitlement date precedes the date of allotment and issuance of the Placement Shares;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Private Placement with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Private Placement."

ORDINARY RESOLUTION 2

PROPOSED DIVERSIFICATION OF THE EXISTING CORE BUSINESSES OF BORNOIL AND ITS SUBSIDIARY COMPANIES ("BORNOIL GROUP") TO INCLUDE MINING AND ITS RELATED ACTIVITIES ("PROPOSED DIVERSIFICATION")

"THAT approval be and is hereby given to the Board to diversify the existing core businesses of Bornoil Group to include mining and its related activities;

AND THAT the Board be and is hereby authorised to sign and execute all documents, do all things and acts as may be required to give effect to the Proposed Diversification with full power to assent to any conditions, variations, modifications and/ or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps to enter into all such agreement, arrangement, undertaking, indemnities, transfer, assignment and guarantee with any party or parties and to do all acts and things in any manner as they may deem necessary or expedient to implement, finalise and give full effect to the Proposed Diversification."

By Order of the Board

CHIN SIEW KIM (L.S. 000982)
CHIN CHEE KEE, J.P. (MIA 3040)
Company Secretaries

Wilayah Persekutuan Labuan
18 August 2014

Notes:-

1. In respect of deposited securities, only members whose names appear in the Company's Record of Depositors as at 29 August 2014 shall be eligible to attend, speak and vote at this meeting or appoint proxy(ies) to attend, speak and vote on his/ her behalf.
2. A member of the Company who is entitled to attend, speak and vote at this meeting is entitled to appoint not more than two (2) proxies, and in the case of a corporation, a duly authorised representative to attend, speak and vote in its stead.
3. A proxy may but need not be a member of the Company, an advocate, an approved company auditor or a person approved by the Registrar (the provisions of Section 149(1) of the Companies Act, 1965 shall not apply). Where a member appoints more than one (1) proxy, he shall specify the proportions of his shareholdings to be represented by each proxy.
4. Where a member of the company is an exempt authorised nominee which holds ordinary shares in the company for multiple beneficial owners in one omnibus account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if the appointer is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised in writing.
6. The original instrument appointing a proxy must be deposited at the Registered Office of the Company situated at 1st & 2nd Floor, Victoria Point, Jalan OKK Awang Besar, 87007 Wilayah Persekutuan Labuan, not less than forty-eight (48) hours before the time set for holding this meeting or at any adjournment thereof.