

PROSPECTUS

CLIQ Energy

CLIQ ENERGY BERHAD

(Company No: 977051-U)
(Incorporated in Malaysia under the Companies Act, 1965)

www.cliqenergy.com

PUBLIC ISSUE OF BETWEEN 200,000,000 AND UP TO 667,000,000 NEW ORDINARY SHARES OF RM0.01 EACH IN OUR COMPANY ("PUBLIC ISSUE SHARES"), TOGETHER WITH BETWEEN 200,000,000 AND UP TO 667,000,000 FREE DETACHABLE WARRANTS ("WARRANTS") ON THE BASIS OF 1 WARRANT FOR EVERY 1 PUBLIC ISSUE SHARE SUBSCRIBED, AT AN ISSUE PRICE OF RM0.75 PER PUBLIC ISSUE SHARE PAYABLE IN FULL UPON APPLICATION COMPRISING:

- BETWEEN 190,000,000 AND UP TO 657,000,000 PUBLIC ISSUE SHARES TOGETHER WITH BETWEEN 190,000,000 AND UP TO 657,000,000 WARRANTS ON THE BASIS OF 1 WARRANT FOR EVERY 1 PUBLIC ISSUE SHARE SUBSCRIBED BY WAY OF PLACEMENT TO SELECTED INVESTORS; AND
- 10,000,000 PUBLIC ISSUE SHARES TOGETHER WITH 10,000,000 WARRANTS ON THE BASIS OF 1 WARRANT FOR EVERY 1 PUBLIC ISSUE SHARE SUBSCRIBED AVAILABLE FOR APPLICATION BY THE MALAYSIAN PUBLIC;

IN CONJUNCTION WITH OUR LISTING ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

PROSPECTUS | CLIQ ENERGY BERHAD

Principal Adviser



Hong Leong Investment Bank Berhad (10209-W)

(Formerly known as MIMB Investment Bank Berhad)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Placement Agents and Underwriters



Hong Leong Investment Bank Berhad (10209-W)

(Formerly known as MIMB Investment Bank Berhad)

(A Participating Organisation of Bursa Malaysia Securities Berhad)



Maybank Investment Bank Berhad (11938-H)

(A Participating Organisation of Bursa Malaysia Securities Berhad)

Custodian

Deutsche Bank Group 

Deutsche Trustees Malaysia Berhad (763590-H)

**INVESTORS ARE ADVISED TO READ AND UNDERSTAND THE CONTENTS OF THIS PROSPECTUS.
IF IN DOUBT, PLEASE CONSULT A PROFESSIONAL ADVISER.**

**THERE ARE CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER.
TURN TO SECTION 4 FOR "RISK FACTORS".**

**WE ARE A SPECIAL PURPOSE ACQUISITION COMPANY.
WE CURRENTLY HAVE NO OPERATIONS OR INCOME-GENERATING BUSINESS.
INVESTING IN OUR SECURITIES MAY BE OF HIGH INVESTMENT RISK.**

This Prospectus is dated 22 March 2013

RESPONSIBILITY STATEMENTS

OUR DIRECTORS AND PROMOTERS HAVE SEEN AND APPROVED THIS PROSPECTUS. THEY COLLECTIVELY AND INDIVIDUALLY ACCEPT FULL RESPONSIBILITY FOR THE ACCURACY OF THE INFORMATION CONTAINED IN THIS PROSPECTUS. HAVING MADE ALL REASONABLE ENQUIRIES, AND TO THE BEST OF THEIR KNOWLEDGE AND BELIEF, THEY CONFIRM THERE ARE NO FALSE OR MISLEADING STATEMENTS OR OTHER FACTS, THE OMISSION OF WHICH WOULD MAKE ANY STATEMENT IN THIS PROSPECTUS FALSE AND/OR MISLEADING.

HONG LEONG INVESTMENT BANK BERHAD, BEING OUR PRINCIPAL ADVISER, PLACEMENT AGENT AND UNDERWRITER ACKNOWLEDGES THAT, BASED ON ALL AVAILABLE INFORMATION, AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THIS PROSPECTUS CONSTITUTES A FULL AND TRUE DISCLOSURE OF ALL MATERIAL FACTS CONCERNING THE PUBLIC ISSUE (AS HEREINAFTER DEFINED).

STATEMENTS OF DISCLAIMER

THE SECURITIES COMMISSION MALAYSIA ("SC") HAS APPROVED THE PUBLIC ISSUE AND A COPY OF THIS PROSPECTUS HAS BEEN REGISTERED WITH THE SC. THE APPROVAL AND REGISTRATION OF THIS PROSPECTUS SHOULD NOT BE TAKEN TO INDICATE THAT THE SC RECOMMENDS THE PUBLIC ISSUE OR ASSUMES RESPONSIBILITY FOR THE CORRECTNESS OF ANY STATEMENT MADE OR OPINION OR REPORT EXPRESSED IN THIS PROSPECTUS. THE SC HAS NOT, IN ANY WAY, CONSIDERED THE MERITS OF THE SECURITIES BEING OFFERED FOR INVESTMENT.

THE SC IS NOT LIABLE FOR ANY NON-DISCLOSURE IN THIS PROSPECTUS BY US AND TAKES NO RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS, MAKES NO REPRESENTATION AS TO ITS ACCURACY OR COMPLETENESS, AND EXPRESSLY DISCLAIMS ANY LIABILITY FOR ANY LOSS YOU MAY SUFFER ARISING FROM OR IN RELIANCE UPON THE WHOLE OR ANY PART OF THE CONTENTS OF THIS PROSPECTUS.

YOU SHOULD RELY ON YOUR OWN EVALUATION TO ASSESS THE MERITS AND RISKS OF THE INVESTMENT IN OUR COMPANY. IN CONSIDERING THE INVESTMENT, IF YOU ARE IN DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

APPROVAL HAS BEEN OBTAINED FROM BURSA MALAYSIA SECURITIES BERHAD ("**BURSA SECURITIES**") FOR THE LISTING OF AND QUOTATION FOR THE SECURITIES BEING OFFERED. ADMISSION TO THE OFFICIAL LIST OF BURSA SECURITIES IS NOT TO BE TAKEN AS AN INDICATION OF THE MERITS OF THE PUBLIC ISSUE, OUR COMPANY OR OUR SECURITIES.

A COPY OF THIS PROSPECTUS, TOGETHER WITH THE APPLICATION FORM, HAS ALSO BEEN LODGED WITH THE REGISTRAR OF COMPANIES WHO TAKES NO RESPONSIBILITY FOR ITS CONTENTS.

THE ACCEPTANCE OF APPLICATIONS FOR THE SECURITIES BEING ISSUED IS CONDITIONAL UPON PERMISSION BEING GRANTED BY BURSA SECURITIES FOR THE LISTING OF AND QUOTATION FOR THE SECURITIES BEING ISSUED ON THE OFFICIAL LIST OF BURSA SECURITIES. IF THE PERMISSION IS NOT APPLIED FOR IN THE FORM FOR THE TIME BEING REQUIRED BY BURSA SECURITIES BEFORE THE THIRD DAY ON WHICH BURSA SECURITIES IS OPEN AFTER THE DATE OF ISSUE OF THIS PROSPECTUS OR NOT GRANTED WITHIN 6 WEEKS FROM THE DATE OF ISSUE OF THIS PROSPECTUS (OR SUCH LONGER PERIOD AS MAY BE SPECIFIED BY THE SC), PROVIDED THAT OUR COMPANY IS NOTIFIED BY BURSA SECURITIES WITHIN THE AFORESAID TIMEFRAME, ALL MONIES PAID IN RESPECT OF ANY APPLICATION ACCEPTED WILL BE RETURNED IN FULL, WITHOUT INTEREST TO THE APPLICANTS, AT THE APPLICANTS' OWN RISK. IF ANY SUCH MONIES ARE NOT RETURNED WITHIN 14 DAYS AFTER OUR COMPANY BECOME LIABLE TO REPAY IT, THE PROVISION OF SUB-SECTION 243(2) OF THE CAPITAL MARKETS AND SERVICES ACT, 2007 ("**CMSA**") SHALL APPLY.

YOU ARE ADVISED TO NOTE THAT RECOURSE FOR FALSE OR MISLEADING STATEMENTS OR ACTS MADE IN CONNECTION WITH THE PROSPECTUS IS DIRECTLY AVAILABLE THROUGH SECTIONS 248, 249 AND 357 OF THE CMSA.

SECURITIES LISTED ON BURSA SECURITIES ARE OFFERED TO THE PUBLIC PREMISED ON FULL AND ACCURATE DISCLOSURE OF ALL MATERIAL INFORMATION CONCERNING THE ISSUE FOR WHICH ANY OF THE PERSONS SET OUT IN SECTION 236 OF THE CMSA, E.G. DIRECTORS AND ADVISERS, ARE RESPONSIBLE.

THIS PROSPECTUS HAS NOT BEEN AND WILL NOT BE MADE TO COMPLY WITH THE LAWS OF ANY JURISDICTION OTHER THAN MALAYSIA, AND HAS NOT BEEN AND WILL NOT BE LODGED, REGISTERED OR APPROVED PURSUANT TO OR UNDER ANY APPLICABLE SECURITIES OR EQUIVALENT LEGISLATION OR BY ANY REGULATORY AUTHORITY OF ANY JURISDICTION OTHER THAN MALAYSIA.

NO ACTION HAS BEEN OR WILL BE TAKEN TO ENSURE THAT THIS PROSPECTUS COMPLIES WITH THE LAWS OF ANY COUNTRIES OR JURISDICTION OTHER THAN THE LAWS OF MALAYSIA. IT SHALL BE YOUR SOLE RESPONSIBILITY TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS ON THE LAWS TO WHICH THE PUBLIC ISSUE OR YOU ARE OR MIGHT BE SUBJECT. NEITHER WE NOR THE PRINCIPAL ADVISER NOR ANY OTHER ADVISERS IN RELATION TO THE PUBLIC ISSUE SHALL ACCEPT ANY RESPONSIBILITY OR LIABILITY IN THE EVENT THAT ANY APPLICATION MADE BY YOU SHALL BECOME ILLEGAL, UNENFORCEABLE, VOIDABLE OR VOID IN ANY COUNTRY OR JURISDICTION.

WE WILL NOT, PRIOR TO ACTING ON ANY ACCEPTANCE IN RESPECT OF OUR PUBLIC ISSUE, MAKE OR BE BOUND TO MAKE ANY ENQUIRY AS TO WHETHER YOU HAVE A REGISTERED ADDRESS IN MALAYSIA AND WE WILL NOT ACCEPT OR BE DEEMED TO ACCEPT ANY LIABILITY IN RELATION THERETO WHETHER OR NOT ANY ENQUIRY OR INVESTIGATION IS MADE IN CONNECTION TO IT. IT IS YOUR SOLE RESPONSIBILITY TO CONSULT YOUR LEGAL AND/OR OTHER PROFESSIONAL ADVISERS AS TO WHETHER THE PUBLIC ISSUE WOULD RESULT IN THE CONTRAVENTION OF ANY LAWS OR JURISDICTIONS OF MALAYSIA.

FURTHER, IT SHALL ALSO BE YOUR SOLE RESPONSIBILITY TO ENSURE THAT YOUR APPLICATION FOR THE PUBLIC ISSUE WOULD BE IN COMPLIANCE WITH THE TERMS OF THE PUBLIC ISSUE AND WOULD NOT BE IN CONTRAVENTION OF ANY LAWS OF COUNTRIES OR JURISDICTIONS OTHER THAN MALAYSIA TO WHICH YOU MAY BE SUBJECTED. WE WILL FURTHER ASSUME THAT YOU HAD ACCEPTED THE PUBLIC ISSUE IN MALAYSIA. HOWEVER, WE RESERVE THE RIGHT, IN OUR ABSOLUTE DISCRETION, TO TREAT ANY ACCEPTANCE AS INVALID IF WE BELIEVE THAT SUCH ACCEPTANCE MAY VIOLATE ANY LAW OR APPLICABLE LEGAL OR REGULATORY REQUIREMENTS.

ELECTRONIC PROSPECTUS

THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE COPY OF THIS PROSPECTUS REGISTERED WITH THE SC ARE THE SAME. THIS PROSPECTUS CAN ALSO BE VIEWED OR DOWNLOADED FROM BURSA SECURITIES WEBSITE AT www.bursamalaysia.com.

YOU ARE ADVISED THAT THE INTERNET IS NOT A FULLY SECURE MEDIUM. YOUR INTERNET APPLICATION MAY BE SUBJECT TO RISKS IN DATA TRANSMISSION, COMPUTER SECURITY THREATS SUCH AS VIRUSES, HACKERS AND CRACKERS, FAULTS WITH COMPUTER SOFTWARE AND OTHER EVENTS BEYOND THE CONTROL OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. THESE RISKS CANNOT BE BORNE BY THE INTERNET PARTICIPATING FINANCIAL INSTITUTION. IF YOU DOUBT THE VALIDITY OR INTEGRITY OF AN ELECTRONIC PROSPECTUS, YOU SHOULD IMMEDIATELY REQUEST FROM US, OUR PRINCIPAL ADVISER OR THE ISSUING HOUSE, A PAPER/PRINTED COPY OF THE PROSPECTUS. IF THERE IS ANY DISCREPANCY BETWEEN THE CONTENTS OF THE ELECTRONIC PROSPECTUS AND THE PAPER/PRINTED COPY OF THIS PROSPECTUS, THE CONTENTS OF THE PAPER/PRINTED COPY OF THIS PROSPECTUS WHICH ARE IDENTICAL TO THE COPY OF THE PROSPECTUS REGISTERED WITH THE SC SHALL PREVAIL.

IN RELATION TO ANY REFERENCE IN THIS PROSPECTUS TO THIRD PARTY INTERNET SITES (REFERRED TO AS "THIRD PARTY INTERNET SITES"), WHETHER BY WAY OF HYPERLINKS OR BY WAY OF DESCRIPTION OF THE THIRD PARTY INTERNET SITES, YOU ACKNOWLEDGE AND AGREE THAT:

- (I) WE DO NOT ENDORSE AND ARE NOT AFFILIATED IN ANY WAY TO THE INTERNET SITES. ACCORDINGLY, WE ARE NOT RESPONSIBLE FOR THE AVAILABILITY OF, OR THE CONTENT OR ANY DATA, FILES OR OTHER MATERIAL PROVIDED ON THE THIRD PARTY INTERNET SITES. YOU BEAR ALL RISKS ASSOCIATED WITH THE ACCESS TO OR USE OF THE THIRD PARTY INTERNET SITES;
- (II) WE ARE NOT RESPONSIBLE FOR THE QUALITY OF PRODUCTS OR SERVICES IN THE THIRD PARTY INTERNET SITES, PARTICULARLY IN FULFILLING ANY OF THE TERMS OF ANY OF YOUR AGREEMENTS WITH THE THIRD PARTY INTERNET SITES. WE ARE ALSO NOT RESPONSIBLE FOR ANY LOSS OR DAMAGE OR COST THAT YOU MAY SUFFER OR INCUR IN CONNECTION WITH OR AS A RESULT OF DEALING WITH THE THIRD PARTY INTERNET SITES OR THE USE OF OR RELIANCE ON ANY DATA, FILE OR OTHER MATERIAL PROVIDED BY SUCH PARTIES; AND
- (III) ANY DATA, INFORMATION, FILE OR OTHER MATERIAL DOWNLOADED FROM THE THIRD PARTY INTERNET SITES IS DONE AT YOUR OWN DISCRETION AND RISK. WE ARE NOT RESPONSIBLE, LIABLE OR UNDER OBLIGATION FOR ANY DAMAGE TO YOUR COMPUTER SYSTEM OR LOSS OF DATA RESULTING FROM THE DOWNLOADING OF ANY SUCH DATA, INFORMATION, FILES OR OTHER MATERIAL.

WHERE AN ELECTRONIC PROSPECTUS IS HOSTED ON THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, YOU ARE ADVISED THAT:

- (I) THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS ONLY LIABLE IN RESPECT OF THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS, TO THE EXTENT OF THE CONTENT OF THE ELECTRONIC PROSPECTUS ON THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION WHICH MAY BE VIEWED VIA YOUR WEB BROWSER OR OTHER RELEVANT SOFTWARE. THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT RESPONSIBLE FOR THE INTEGRITY OF THE CONTENTS OF AN ELECTRONIC PROSPECTUS WHICH HAS BEEN OBTAINED FROM THE WEB SERVER OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION AND SUBSEQUENTLY COMMUNICATED OR DISSEMINATED IN ANY MANNER TO YOU OR OTHER PARTIES; AND
- (II) WHILE ALL REASONABLE MEASURES HAVE BEEN TAKEN TO ENSURE THE ACCURACY AND RELIABILITY OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS, THE ACCURACY AND RELIABILITY OF AN ELECTRONIC PROSPECTUS CANNOT BE GUARANTEED BECAUSE THE INTERNET IS NOT A FULLY SECURE MEDIUM.

THE INTERNET PARTICIPATING FINANCIAL INSTITUTION IS NOT LIABLE (WHETHER IN TORT OR CONTRACT OR OTHERWISE) FOR ANY LOSS, DAMAGE OR COSTS, YOU OR ANY OTHER PERSON MAY SUFFER OR INCUR DUE TO, AS A CONSEQUENCE OF OR IN CONNECTION WITH ANY INACCURACIES, CHANGES, ALTERATIONS, DELETIONS OR OMISSIONS IN RESPECT OF THE INFORMATION PROVIDED IN AN ELECTRONIC PROSPECTUS WHICH MAY ARISE IN CONNECTION WITH OR AS A RESULT OF ANY FAULT WITH WEB BROWSERS OR OTHER RELEVANT SOFTWARE, ANY FAULT ON YOUR OR ANY THIRD PARTY'S PERSONAL COMPUTER, OPERATING SYSTEM OR OTHER SOFTWARE, VIRUSES OR OTHER SECURITY THREATS, UNAUTHORISED ACCESS TO INFORMATION OR SYSTEMS IN RELATION TO THE WEBSITE OF THE INTERNET PARTICIPATING FINANCIAL INSTITUTION, AND/OR PROBLEMS OCCURRING DURING DATA TRANSMISSION WHICH MAY RESULT IN INACCURATE OR INCOMPLETE COPIES OF INFORMATION BEING DOWNLOADED OR DISPLAYED ON YOUR PERSONAL COMPUTER.

INDICATIVE TIMETABLE

The indicative timing of events leading up to the listing of and quotation for our entire enlarged issued and paid-up ordinary share capital and warrants on the Main Market of Bursa Malaysia Securities Berhad ("**Bursa Securities**") is set out below:

Event	Indicative date
Opening date of Application for the Public Issue Shares (as defined herein)	22 March 2013
Closing date of Application for the Public Issue Shares	29 March 2013
Tentative date for balloting of Applications	2 April 2013
Tentative date for allotment for the Public Issue Shares and Warrants (as defined herein) to successful applicants	8 April 2013
Tentative listing date	10 April 2013

Save for the opening date of the application for the Public Issue, these dates are tentative and are subject to changes which may be necessary to facilitate implementation procedures.

Applications will be accepted from 10.00 a.m. on 22 March 2013 and will remain open until 5.00 p.m. on 29 March 2013 or such later date or dates our Board of Directors and HLIB in their absolute discretion may decide.

Our Directors together with HLIB may decide, at their absolute discretion, to extend the closing date of the Applications to a later date. Should the closing date of the Applications be extended, the dates for the balloting, allotment and listing of our entire enlarged issued and paid-up ordinary share capital and warrants on the Main Market of Bursa Securities might be extended accordingly. We will notify all parties via advertisements in widely circulated English and Bahasa Malaysia newspapers in Malaysia in the event there is an extension of time on the closing date of the Applications.

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DEFINITIONS

Except where the context otherwise requires, the following definitions (in alphabetical order) shall apply throughout this Prospectus:

“Act”	:	Companies Act, 1965 as amended from time to time and any re-enactment thereof
“ADA”	:	Authorised Depository Agent
“Admission”	:	Admission of our entire issued and paid-up share capital together with the Warrants to the Official List of Bursa Securities
“AGM”	:	Annual general meeting
“Application(s)”	:	Application(s) for the Public Issue Shares by way of Application Forms, Electronic Share Application or Internet Share Application
“Application Form(s)”	:	The printed Application Form(s) for application for the Public Issue Shares
“Articles of Association”	:	The articles of association of our Company as may be amended from time to time
“ATM”	:	Automated Teller Machine
“Authorised Financial Institution(s)”	:	Authorised financial institution(s) participating in the Internet Share Application in respect of the payments for the Public Issue Shares
“Best Oracle”	:	Best Oracle Sdn Bhd (974066-K)
“Best Oracle Share(s)”	:	Ordinary shares of RM1.00 each in Best Oracle
“Best Oracle Shareholders’ Agreement”	:	The shareholders’ agreement entered into between the members of the Management Team which gives effect to their intentions and objectives and regulates their relationship as shareholders of Best Oracle
“Board” or “our Board”	:	Board of Directors of CLIQ Energy Berhad comprising Dato’ Azmi bin Mohd Ali, Ahmad Ziyad bin Elias, Kamarul Baharin bin Albakri, Abd. Hamid bin Ibrahim and Dato’ Rosman bin Abdullah as at the date of this Prospectus
“Bursa Depository” or “Depository”	:	Bursa Malaysia Depository Sdn Bhd (165570-W)
“Bursa Securities” or “Exchange”	:	Bursa Malaysia Securities Berhad (635998-W)
“Cash Trust Assets”	:	All cash monies derived from or attributable to the IPO Trust Proceeds and (if applicable) the Subsequent Rights Issue Trust Proceeds
“CDS”	:	Central Depository System
“CEO”	:	Chief Executive Officer
“CFO”	:	Chief Financial Officer
“CLIQ” or the “Company”	:	CLIQ Energy Berhad (977051-U)
“CMSA”	:	Capital Markets and Services Act 2007, as amended from time to time and any re-enactment thereof

DEFINITIONS (*Cont'd*)

“Custodian”	:	Deutsche Trustees Malaysia Berhad (763590-H)
“Custodian Agreement”	:	Custodian Agreement dated 6 March 2013 between our Company and the Custodian
“Deed Poll”	:	The deed poll dated 5 March 2013 constituting the Warrants
“Derivative Assets”	:	The securities, rights, benefits, advantages, dividends, interest, accretions or other property whether of a capital or income nature accruing, offered, issued or deriving at any time by way of dividend, interest, bonus, redemption, exchange, purchase, substitution, conversion, consolidation, sub-division, preference option or otherwise in connection with, or attributable to, any of the Trust Property (including, but not limited to, any part thereof)
“Director(s)”	:	Director(s) of our Company and shall have the meaning given in Section 4 of the Act
“Dissenting Shareholder(s)”	:	Shareholders who vote against the Qualifying Acquisition at the EGM convened to consider the Qualifying Acquisition
“EGM”	:	Extraordinary general meeting
“Electronic Share Application”	:	An application for the Public Issue Shares through a Participating Financial Institution’s ATM
“EUR”	:	Euro
“FPE”	:	Financial period ended
“GBP”	:	Great Britain Pound
“HKD”	:	Hong Kong Dollar
“HLIB”	:	Hong Leong Investment Bank Berhad (<i>formerly known as MIMB Investment Bank Berhad</i>) (10209-W)
“IEA”	:	International Energy Agency
“IMR Report”	:	Independent market research report by Infield dated 1 March 2013
“Independent Directors”	:	The independent directors of our Company, namely Dato’ Azmi bin Mohd Ali, Abd. Hamid bin Ibrahim and Dato’ Rosman bin Abdullah as at the date of this Prospectus
“Infield”	:	Infield Systems Limited (02596007), being the Independent Market Researcher
“Initial Investors”	:	Investors who invested in our Company prior to the IPO, comprising Kandiah Subramaniam, Mohd Adam bin Mohd Said, Mohanadass Kanagasabai, Ruslan bin Ibrahim and MKL Resources, collectively
“Initial Investors’ Shares”	:	The Shares subscribed by each of the Initial Investors pursuant to their respective Initial Investors’ Subscription Agreements
“Initial Investors’ Subscription Agreements”	:	The subscription agreements entered into by our Company and each of the Initial Investors in relation to the Subscription by the Initial Investors
“IPO”	:	Initial public offering of the Public Issue Shares
“IPO Investors”	:	Investors who subscribe for the Public Issue Shares

DEFINITIONS (Cont'd)

"IPO Trust Proceeds"	:	90% of the gross proceeds raised by our Company in the IPO
"IRR"	:	Internal rate of return
"Issue Price"	:	RM0.75 per Public Issue Share
"Issuing House" or "MIH"	:	Malaysian Issuing House Sdn Bhd (258345-X)
"LAT"	:	Loss after taxation
"Liquidation Amount"	:	Amount held in the Trust Account, net of any taxes payable and expenses related to the Liquidation Distribution
"Liquidation Distribution"	:	Liquidation of our Company and the return of the Liquidation Amount to relevant shareholders upon the expiry of the Permitted Timeframe without completion of any Qualifying Acquisition by our Company
"Listing"	:	Admission to the Official List of Bursa Securities and the listing of and quotation for our entire issued and paid-up ordinary share capital comprising between 275,000,200 and up to 858,750,200 Shares together with between 275,000,000 and 858,750,000 Warrants on the Main Market of Bursa Securities
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
"LPD"	:	21 February 2013, being the latest practicable date prior to printing of this Prospectus
"Management Team"	:	The management team of our Company, presently comprising Ahmad Ziyad bin Elias, Kamarul Baharin bin Albakri, Dr. Chang Kok Lip, Kamaroll Zaman bin Abd Aziz and YM Tengku Daud Shaifuddin bin Tengku Zainudin and such other relevant future employees of our Company (if any) as referred to under the SC Guidelines
"Market Day"	:	A day when Bursa Securities is open for trading
"Maximum Subscription"	:	The scenario whereby a maximum subscription for 667,000,000 Public Issue Shares is received pursuant to the maximum offering of 667,000,000 Public Issue Shares
"Maybank IB"	:	Maybank Investment Bank Berhad (15938-H)
"Minimum Subscription"	:	The scenario whereby a minimum subscription for 200,000,000 Public Issue Shares is received pursuant to the minimum offering of 200,000,000 Public Issue Shares
"MKL Resources"	:	MKL Resources (L) Ltd (LL08079)
"NA"	:	Net assets
"Non-Cash Trust Assets"	:	All the properties, rights, capital and income (other than Cash Trust Assets) attributable to, or derived from, the IPO Trust Proceeds and (if applicable), the Subsequent Rights Issue Trust Proceeds
"Non-Entitlement Obligations"	:	Comprising the non-entitlement to the Qualifying Acquisition Share Repurchase and non-entitlement to the Liquidation Distribution imposed on Best Oracle (including, where applicable, persons connected to our Management Team and Non-Independent Directors) and the Initial Investors

DEFINITIONS (Cont'd)

"Non-Participation Obligations"	:	Comprising the Non-Voting Obligation and the Non-Entitlement Obligations
"Non-Voting Obligation"	:	The non-voting obligation on a resolution approving the Qualifying Acquisition imposed on Best Oracle (including, where applicable, persons connected to our Management Team and Non-Independent Director)
"OECD"	:	Organisation for Economic Co-operation and Development
"OPEC"	:	Organisation of the Petroleum Exporting Countries
"PAT"	:	Profit after taxation
"Participating Financial Institution(s)"	:	Participating financial institution(s) for the Electronic Share Applications as listed in Section 13 of this Prospectus
"Permitted Investments"	:	Securities issued by the Malaysian government, money-market instruments and AAA-rated papers
"Permitted Timeframe"	:	36 months from the date of Listing
"PETRONAS"	:	Petroleum Nasional Berhad
"PETRONAS Carigali"	:	PETRONAS Carigali Sdn Bhd
"Placement Agents" and "Underwriters"	:	HLIB and Maybank IB
"Pre-IPO Events"	:	Comprising Tranche 1 Conversion of RCPS and Subscription by the Initial Investors
"Principal Adviser"	:	HLIB
"Promoters"	:	The promoters of our Company comprising Ahmad Ziyad bin Elias, Kamarul Baharin bin Albakri, Dr. Chang Kok Lip, Kamaroll Zaman bin Abd Aziz and YM Tengku Daud Shaifuddin bin Tengku Zainudin who exercise significant influence in making strategic decisions of our Company
"Prospectus"	:	This Prospectus dated 22 March 2013 issued by our Company
"Public Issue"	:	The public issue of between 200,000,000 and up to 667,000,000 Public Issue Shares together with between 200,000,000 and up to 667,000,000 Warrants on the basis of 1 Warrant for every 1 Public Issue Share subscribed, at the Issue Price
"Public Issue Share(s)"	:	Between 200,000,000 and up to 667,000,000 new Shares to be issued pursuant to the Public Issue subject to the terms and conditions of this Prospectus
"Qualifying Acquisition"	:	As described in the SC Guidelines, one or more initial acquisition of assets and/or business by the Company which has an aggregate fair market value equal to at least 80% of the aggregate amount then standing in the balance of the Trust Account, such acquisition(s) being in line with the business strategy of our Company, as described in Section 5.2 of this Prospectus
"Qualifying Acquisition Share Repurchase"	:	The repurchase by our Company of Shares held by Dissenting Shareholders

DEFINITIONS (Cont'd)

“RCPS”	:	Redeemable Convertible Preference Shares in our Company as described in Section 3.3.2 of this Prospectus
“Regions of Interest”	:	Asian and Oceania regions
“Relevant Event”	:	(a) the requisite approval of the shareholders of CLIQ for a Qualifying Acquisition pursuant to Article 61C(4) of the Articles of Association; or (b) the proposed winding-up and liquidation of the Company pursuant to Article 61C(7) of the Articles of Association, as may be applicable
“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“Rules of the Depository”	:	The Rules of the Depository, including any amendment that may be made from time to time
“SC”	:	Securities Commission Malaysia
“SC Guidelines”	:	The Equity Guidelines issued by the SC
“Share(s)”	:	Ordinary share(s) of RM0.01 each in our Company
“SICDA”	:	The Securities Industry (Central Depositories) Act, 1991 or any statutory modification, amendment or re-enactment thereof, including all subsidiary legislation made thereafter for the time being in force
“SPAC”	:	Special purpose acquisition company
“SPAC Custodian”	:	A custodian duly qualified and able to act as a custodian for a SPAC in accordance with the SC Guidelines
“SPAC Moratorium”	:	Moratorium on the sale, transfer or assignment of all the securities in our Company held from the Listing until the completion of the Qualifying Acquisition as described in Section 8.2.1 of this Prospectus
“SPE”	:	Society of Petroleum Engineers
“Subdivision of Shares”	:	Subdivision of every 1 ordinary share of RM1.00 each in our Company into 100 Shares
“Subscription by Best Oracle”	:	Subscription of 17,231,000 RCPS at a subscription price of RM0.10 per RCPS by Best Oracle
“Subscription by the Initial Investors”	:	Subscription of 20,000,000 new Shares together with 20,000,000 Warrants at a subscription price of RM0.45 per new Share and Warrant by the Initial Investors prior to the IPO
“Subsequent Rights Issue Trust Proceeds”	:	90% of the gross proceeds raised by our Company in each rights issue of securities undertaken by our Company prior to the completion of the Qualifying Acquisition, if any
“Tranche 1 Conversion of RCPS”	:	Conversion of 5,500,000 RCPS by Best Oracle into 55,000,000 new Shares together with 55,000,000 Warrants resulting in Best Oracle holding 20% in the enlarged issued and paid-up ordinary share capital of our Company under the Minimum Subscription

DEFINITIONS (Cont'd)

"Tranche 2 Conversion of RCPS"	:	Conversion of such number of RCPS by Best Oracle into new Shares and Warrants such that it will hold 20% of the enlarged issued and paid-up ordinary share capital of our Company under the Maximum Subscription
"Trust Account"	:	A trust account maintained with a licensed bank or merchant bank, as defined in the Banking and Financial Institutions Act 1989, by the Custodian to hold and deal with part of the IPO Trust Proceeds on behalf of the Company, for purposes of and in accordance with the SC Guidelines
"Trust Property"	:	Comprising the IPO Trust Proceeds, the Subsequent Rights Issue Trust Proceeds (if any) and the Derivative Assets (including but not limited to the Non-Cash Trust Assets and the Cash Trust Assets)
"UN"	:	United Nations
"Underwriting Agreement"	:	Conditional underwriting agreement dated 7 March 2013 between our Company and the Underwriters to underwrite 10,000,000 Public Issue Shares which are available for application by the Malaysian public
"UK"	:	United Kingdom
"US"	:	United States of America
"USD"	:	United States Dollar
"Warrant(s)"	:	Free detachable warrant(s) in our Company to be issued to Best Oracle, Initial Investors and to IPO Investors

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GLOSSARY OF TECHNICAL TERMS

“1C”	:	Denotes low estimate scenario of Contingent Resources
“2C”	:	Denotes best estimate scenario of Contingent Resources
“2D”	:	Two (2)-dimensional
“3C”	:	Denotes high estimate scenario of Contingent Resources
“3D”	:	Three (3)-dimensional
“Best estimate”	:	With respect to resource categorisation, this is considered to be the best estimate of the quantity that will actually be recovered from the accumulation by the project. It is 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
“bpd”	:	Barrels per day
“bbl”	:	A standard oil measure of 42 gallons, originally known as a blue barrel and abbreviated bbl. 0.16 m ³
“Bcm”	:	Billion cubic meters
“BTU”	:	British Thermal Unit
“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 due to one or more contingencies. Contingent Resources are a class of discovered recoverable resources
“E&A”	:	Oil and gas exploration and appraisal
“E&P”	:	Oil and gas exploration and production
“FSO”	:	Floating storage and offloading vessel
“FPSO”	:	Floating production, storage and offloading vessel
“High estimate”	:	With respect to resource categorisation, 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
“HSE”	:	Health, Safety and Environment
“Improved Oil Recovery”	:	Any of the various methods, chiefly reservoir drive mechanisms and enhanced recover techniques, designed to improve the flow of hydrocarbons from the reservoir to the wellbore or to recover more oil after the primary and secondary methods (water and gas floods) are uneconomic
“IOC”	:	International oil company
“LNG”	:	Liquefied natural gas

GLOSSARY OF TECHNICAL TERMS (Cont'd)

"Low estimate"	:	With respect to resource categorisation, this is considered to be 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
"m3"	:	Cubic meters
"NOC"	:	National oil company
"Petroleum Initially-In-Place"	:	Petroleum Initially-in-Place is the total quantity of petroleum that is estimated to exist originally in naturally occurring reservoirs
"Possible Reserves"	:	An incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Possible Reserves are those additional Reserves which analysis of geoscience and engineering data suggest 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") Reserves, which is equivalent to the high estimate scenario. When probabilistic methods are used, there should be at least a 10% probability that the actual quantities recovered will equal or exceed the 3P estimate
"Probable Reserves"	:	An incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Probable Reserves are those additional Reserves that 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
"Prospective Resources"	:	Those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations
"Proved Reserves"	:	An incremental category of estimated recoverable volumes associated with a defined degree of uncertainty. Proved Reserves are those quantities of petroleum which, 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 that the quantities actually recovered will equal or exceed the estimate. Often referred to as 1P, also as "Proven".
"PSC"	:	Production sharing contract

GLOSSARY OF TECHNICAL TERMS (Cont'd)

- "Range of Uncertainty" : The range of uncertainty of the recoverable and/or potentially recoverable volumes may be represented by either deterministic scenarios or by a probability distribution.
- "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 further satisfy four criteria: They must be discovered, recoverable, commercial, and remaining (as of a given date) based on the development project(s) applied. For Reserves, the general cumulative terms low/best/high estimates are denoted as 1P/2P/3P, respectively. The associated incremental quantities are termed Proved, Probable or Possible.
- "Reserves Replacement Ratio" : The ratio of new reserves discovered to volume of production, an indication of a company's track record in maintaining a stable reserve of oil and gas.
- "Semisubs" : Semi-submersibles, a rig supported by attached pontoons
- "Spars" : Single point anchor reservoir, a floating system with infield flow lines and associated subsea infrastructure to connect the subsea production and injection wells.
- "TLP" : Tension leg platforms, a floating offshore platform held in position by a number of tension-maintaining cables anchored to the seabed. The cables dampen wave action to keep the platform stationary.
- "Wildcat" : A well in a previously undrilled area or an exploratory well

(Source: SPE and Infield)

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include natural persons, firms, companies, bodies corporate and corporations, unless otherwise specified.

Any reference in this Prospectus to any provisions of the statutes, rules, regulations, enactments or rules of stock exchange shall (where the context admits), be construed as reference to provisions of such statutes, rules, regulations, enactments or rules of stock exchange (as the case may be) as modified by any written law or (if applicable) amendments or re-enactment to the statutes, rules, regulations, enactments or rules of stock exchange for the time being in force. Any reference to a time of a day in this Prospectus shall be reference to Malaysian time, unless otherwise stated.

Any references to “our Company” or “the Company” or “CLIQ” in this Prospectus are to CLIQ Energy Berhad and references to “we”, “us”, “our”, and “ourselves” are to our Company. Statements as to our beliefs, expectations, estimates and opinions are those of our Directors and Management Team.

This Prospectus includes statistical data provided by our Management Team and various third parties and cites third-party projections regarding growth and performance of the oil and gas industry. This data is taken or derived from information published by industry sources and from our internal data. In each such case, the source is stated in this Prospectus, provided that where no source is stated, it can be assumed that the information originated from us. We believe that the statistical data and projections cited in this Prospectus are useful in helping you to understand the major trends in the oil and gas industry. However, neither we nor our advisers have independently verified these data. Neither we nor our advisers make any representation as to the correctness, accuracy or completeness of such data and accordingly you should not place undue reliance on the statistical data cited in this Prospectus. Similarly, third-party projections cited in this Prospectus are subject to significant uncertainties that could cause actual data to differ materially from the projected figures. We give no assurance that the projected figures will be achieved, and you should not place undue reliance on the third-party projections cited in this Prospectus.

The information on our website, or any website directly or indirectly linked to such website does not form part of this Prospectus and you should not rely on it.

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FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding our financial position, business strategies, plans and objectives of our Management Team for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, our performance or achievements expressed or implied by such forward-looking statements to be different. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Such forward-looking statements reflect our Company's current view with respect to future events and are not a guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminology such as the words "expect", "believe", "plan", "intend", "estimate", "anticipate", "aim", "forecast", "may", "will", "would", and "could", or similar expressions and include all statements that are not historical facts. Such forward-looking statements include, without limitation, statements relating to:

- i. our business strategies;
- ii. plans and objectives of our Management Team for future operations; and
- iii. our financial position.

Our actual performance or achievements may differ materially from information contained in such forward-looking statements as a result of a number of factors beyond our control, including, without limitation:

- i. the economic, political and investment environment in Malaysia and globally;
- ii. government policy, legislation and regulation;
- iii. the competitive environment in our industry; and
- iv. any other factors beyond our control.

Additional factors that could cause our actual performance or achievements to differ materially include, but are not limited to those discussed in Section 4 of this Prospectus. We cannot give any assurance that the forward-looking statements made in this Prospectus will be realised. Such forward-looking statements are made only as at the date of this Prospectus.

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1. CORPORATE INFORMATION

BOARD OF DIRECTORS

Name	Address	Occupation	Nationality
Dato' Azmi bin Mohd Ali (Independent Non-Executive Chairman)	61, Jalan Keramat Hujung Bukit Keramat 54000 Kuala Lumpur	Corporate Lawyer/ Company Director	Malaysian
Ahmad Ziyad bin Elias (Managing Director/CEO)	3-20-2, The Residence Jalan Wan Kadir 5 Taman Tun Dr Ismail 60000 Kuala Lumpur	Managing Director/CEO	Malaysian
Kamarul Baharin bin Albakri (Executive Director/CFO)	No. 27, Jalan U2/50A Off Persiaran Golf Saujana Resort 40150 Shah Alam Selangor Darul Ehsan	Executive Director/CFO	Malaysian
Abd. Hamid bin Ibrahim (Senior Independent Non-Executive Director)	No.2, Jalan Setiaraya Bukit Damansara 50490 Kuala Lumpur	Company Director	Malaysian
Dato' Rosman bin Abdullah (Independent Non-Executive Director)	No.17, Jalan Jelutong 3/16 40000 Shah Alam Selangor Darul Ehsan	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Rosman bin Abdullah	Chairman	Independent Non-Executive Director
Dato' Azmi bin Mohd Ali	Member	Independent Non-Executive Chairman
Abd. Hamid bin Ibrahim	Member	Senior Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Abd. Hamid bin Ibrahim	Chairman	Senior Independent Non-Executive Director
Dato' Azmi bin Mohd Ali	Member	Independent Non-Executive Chairman
Dato' Rosman bin Abdullah	Member	Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Abd. Hamid bin Ibrahim	Chairman	Senior Independent Non-Executive Director
Dato' Azmi bin Mohd Ali	Member	Independent Non-Executive Chairman
Dato' Rosman bin Abdullah	Member	Independent Non-Executive Director

1. CORPORATE INFORMATION (Cont'd)

COMPANY SECRETARIES	:	Tan Bee Hwee (MAICSA 7021024) Wong Wai Foong (MAICSA 7001358) Level 18, The Gardens North Tower Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur Tel no: +603 2264 8888 Fax no: +603 2282 2733
REGISTERED OFFICE	:	Level 18, The Gardens North Tower Mid Valley City, Lingkaran Syed Putra 59200 Kuala Lumpur Tel no: +603 2264 8888 Fax no: +603 2282 2733
HEAD/MANAGEMENT OFFICE	:	Level 2, Block B, Peremba Square Saujana Resort, Seksyen U2 40150 Shah Alam Selangor Tel no: +603 7734 2727 Fax no: +603 7734 2580 Email: info@cliqenergy.com Website: www.cliqenergy.com
AUDITORS/REPORTING ACCOUNTANTS	:	Ernst & Young Level 23A Menara Milenium Jalan Damanlela Pusat Bandar Damansara 50490 Kuala Lumpur Tel no: +603 7495 8000 Fax no: +603 7495 9076/78
SOLICITORS FOR THE LISTING EXERCISE	:	Lee, Perara & Tan No.55 Jalan Thambypillai Off Jalan Tun Sambanthan Brickfields 50470 Kuala Lumpur Tel no: +603 2273 4307 Fax no: +603 2273 5176/5220
PRINCIPAL BANKER	:	Malayan Banking Berhad Ara Damansara Branch Ground Floor (East Wing) Block G, Oasis Square 2 Jalan PJU 1A/7A Ara Damansara 47301 Petaling Jaya Selangor Darul Ehsan Tel no: +603 7842 4391 Fax no: +603 7842 4037
INDEPENDENT MARKET RESEARCHER	:	Infield Systems Limited London Office Suite 502 Alie Street London E1 8DE United Kingdom Tel no: +44 (0)20 7423 5000 Fax no: +44 (0)20 7423 5050

1. CORPORATE INFORMATION (Cont'd)

ISSUING HOUSE	:	Malaysian Issuing House Sdn Bhd Level 6, Symphony House Pusat Dagangan Dana 1 Jalan PJU 1A/46 47301 Petaling Jaya Selangor Darul Ehsan Tel no: +603 7841 8000 Fax no: +603 7841 8150
SHARE REGISTRAR	:	Tricor Investor Services Sdn Bhd Level 17, The Gardens North Tower Mid Valley City Lingkaran Syed Putra 59200 Kuala Lumpur Tel no: +603 2264 3883 Fax no: +603 2282 1886
CUSTODIAN	:	Deutsche Trustees Malaysia Berhad Level 20, Menara IMC 8 Jalan Sultan Ismail 50250 Kuala Lumpur Tel no: +603 2053 7525 Fax no: +603 2053 7526
PRINCIPAL ADVISER, PLACEMENT AGENT AND UNDERWRITER	:	Hong Leong Investment Bank Berhad <i>(formerly known as MIMB Investment Bank Berhad)</i> Level 23, Menara HLA No. 3, Jalan Kia Peng 50450 Kuala Lumpur Tel no: +603 2168 1168 Fax no: +603 2164 8880
PLACEMENT AGENT AND UNDERWRITER	:	Maybank Investment Bank Berhad 32nd Floor, Menara Maybank 100, Jalan Tun Perak 50050 Kuala Lumpur Tel no: +603 2059 1888 Fax no: +603 2078 4194
LISTING SOUGHT	:	Main Market of Bursa Securities

2. SUMMARY INFORMATION

This is a summary of the salient information in the Prospectus. It may not contain all the information that may be important to you. You should read and understand the entire Prospectus carefully before you decide to invest in our Company.

2.1 OUR BUSINESS

We intend to list on the Main Market of Bursa Securities as a SPAC. SPACs are companies which have no operations or income generating business at the point of IPO but undertake an IPO for the purposes of raising funds to acquire operating companies, businesses or assets, otherwise known as qualifying acquisition(s). Whilst we shall commence business as a SPAC listed on the Main Market of Bursa Securities, we intend to establish our Company as a junior, independent, international E&P company. In general, oil and gas activities consist of the exploration, development and production of oil and gas resources.

For the near and medium term of between 1 to 7 years, we will be focusing on acquiring oil and gas assets located in the Asian and Oceania region. We intend to acquire rights for discovered oil and gas fields of small to medium size with relatively low to moderate risk. Our Company intends to acquire such rights with the objective of our Company having control or joint-control in the development and production of the oil and gas fields.

Further details of our Company and business are set out in Sections 5.1 to 5.2 of this Prospectus.

2.2 RISK FACTORS

We believe that there are certain risks in relation to the nature of a SPAC and the IPO. These risks are set out in Section 4 of this Prospectus and are summarised below:

Risks Relating to Our Business and Operations

- (i) Our Company does not have any operating history and, accordingly, you may not have a conventional basis on which to evaluate our ability to achieve our business objective.
- (ii) If our Company is forced to liquidate before a Qualifying Acquisition and distribute the Trust Account, our public shareholders will receive less than the Issue Price per Share and our Warrants will expire worthless.
- (iii) If our Company is unable to complete a Qualifying Acquisition within the Permitted Timeframe, our public shareholders will be forced to wait until after 36 months from the date of Listing before receiving the Liquidation Distribution.
- (iv) If the net proceeds of this IPO not held in the Trust Account are insufficient to allow us to operate for at least the next 36 months, our Company may be unable to complete a Qualifying Acquisition.
- (v) Our Company has yet to select a target asset with which to complete a Qualifying Acquisition, and our Company is currently unable to ascertain the merits, returns or risks of the asset which our Company may ultimately operate.
- (vi) IPO Investors may not be able to realise returns on their investment in the Public Issue Shares within a period that they would consider reasonable
- (vii) Our ability to successfully effect a Qualifying Acquisition and to successfully operate the company or asset thereafter will be dependent upon the expertise and experience of our Board and Management Team.

2. SUMMARY INFORMATION (Cont'd)

- (viii) Our Company may not be able to complete the acquisition of an attractive target asset because of our relatively limited resources compared with well established entities with similar business objectives.
- (ix) Our Company may be unable to obtain additional financing, if required, to complete a Qualifying Acquisition or to fund the operations and growth of the target asset, which may cause us to restructure or abandon a particular Qualifying Acquisition.
- (x) Our Company may only be able to complete one Qualifying Acquisition with the proceeds of our IPO, which will cause us to be solely dependent on a single company or asset.
- (xi) If our Company simultaneously acquires several companies or assets, we will need the acquisitions to be executed at the same time, thereby making it more difficult for us to complete the acquisitions because of the operational challenges including multiple negotiations and due diligence.
- (xii) The determination of the Issue Price is more arbitrary compared with the pricing of securities for an operating company.
- (xiii) If our Company acquires a target asset which is located outside of Malaysia, we could be subject to a variety of additional risks that may negatively impact our operations.
- (xiv) Our Company is exposed to risks in relation to post-completion of the Qualifying Acquisitions particularly risks in relation to development and production operations.
- (xv) Our Company is exposed to technical risks particularly in the evaluation of oil and gas exploration and development assets.
- (xvi) Our Company is exposed to the risk of having insufficient skilled employees to operate the company and assets acquired pursuant to the Qualifying Acquisition due to the current global shortage of skilled employees in the upstream oil and gas industry.

Risks Relating to the Oil and Gas Industry

- (i) Financial and economic risks
 - (a) Lower oil and gas price will result in lower revenue.
 - (b) Increases in oil and gas prices or changes in government initiatives, policies and regulations towards the oil and gas industry may adversely affect our ability to complete a Qualifying Acquisition and realise the benefits arising from the Qualifying Acquisition.
 - (c) Our Company is exposed to risks in the financial markets including, accounting, counter-party risks and foreign exchange risks.
- (ii) Compliance risks:
 - (a) Risks in relation to future energy policy changes.
 - (b) Government initiatives and policies towards the oil and gas industry may affect the level of E&P activities in the Regions of Interest.

2. SUMMARY INFORMATION (Cont'd)

- (c) Failure to comply with country's regulations covering E&P activities could reduce our profitability following a Qualifying Acquisition and such non-compliance could result in the imposition of penalties, fines or restrictions on operations and remedial liabilities.
- (d) If our Company is unable to acquire or renew permits and approvals required for our operations following a Qualifying Acquisition, our Company may be forced to suspend or cease our operations altogether.
- (iii) Operational risks:
 - (a) The oil and gas industry is exposed to exploration risks including the possibility of non-discoveries or the discovery of insufficient quantity of oil and gas which can be commercialised.
 - (b) The oil and gas industry is exposed to development risks.
 - (c) The oil and gas industry is exposed to production and operational risks.
 - (d) The oil and gas business is reliant on the discovery and production of replacement Reserves.
 - (e) Risks in relation to management of costs.
 - (f) Risks in relation to our dependence on IT in our business operations.
 - (g) Risks in relation to HSE.
 - (h) Risks in relation to on-going shortage of skilled and experienced manpower in the oil and gas industry.
- (iv) Strategic risks:
 - (a) Strong competition for access to oil and gas resources.
 - (b) Our Company is reliant on the infrastructure of third party providers.

Risks Relating to the IPO

- (i) There is no prior market for our Shares and Warrants, and an active market for our Shares and Warrants may not develop after Listing.
- (ii) Our Management Team's effective cash cost per Share is RM0.01 and accordingly, the IPO Investors would face immediate and substantial dilution in the NA per Share after the Public Issue and may experience future dilution.
- (iii) Investment in the capital market exposes the investor to capital market risk.
- (iv) Forward-looking statements may not be reflective of our future prospects.
- (v) Unforeseeable events could result in the delay in Listing or the termination of the Listing exercise.
- (vi) Delay between admission and trading of the Public Issue Shares may result in prolonged delays or the inability for investors to recover monies paid in respect of the Public Issue Shares.

2. SUMMARY INFORMATION (Cont'd)

2.3 HISTORICAL FINANCIAL INFORMATION

The following tables summarise our historical financial information based on the audited financial statements of our Company since incorporation on 3 February 2012. The audited financial statements of our Company for FPE 31 March 2012 and FPE 30 November 2012 were prepared in accordance with Malaysian Financial Reporting Standards and International Financial Reporting Standards.

You should read our audited financial statements in conjunction with the management discussion and analysis of our financial conditions and results of operations as set out in Section 10.2 of this Prospectus and the Reporting Accountants' Letter on Pro Forma Statements of Financial Position as at 30 November 2012 as set out in Section 10.5 of this Prospectus.

2.3.1 Audited statement of comprehensive income

Since its incorporation on 3 February 2012, CLIQ has not generated any revenue, save for interest income. Our Company's expenses mainly comprise of employee benefits expenses and other expenses. The summary of the audited statement of comprehensive income of our Company for FPE 31 March 2012 and FPE 30 November 2012 is as follows:

	<-----Audited----->	
	FPE 31 March 2012	FPE 30 November 2012
	RM	RM
Interest income	-	44,605
Employee benefits expense	-	(1,441,255)
Depreciation	-	(10,622)
Other expenses	(8,805)	(789,345)
Loss before tax	(8,805)	(2,196,617)
Income tax expense	-	(8,475)
Loss net of tax, representing total comprehensive loss for the period	(8,805)	(2,205,092)
No of ordinary shares of RM1.00 each in issue	2	-
Weighted average no of Shares in issue	-	15,720,365
Net loss per share	(4,402.50)	(0.14)
Diluted loss per share ⁽¹⁾	*	*

Note:

- (1) *The diluted loss per share after the Public Issue and upon the full conversion of Warrants is less than RM0.01 for both Minimum Subscription and Maximum Subscription.*

2. SUMMARY INFORMATION (Cont'd)

2.3.2 Pro Forma Statements of Financial Position as at 30 November 2012

The following table sets out the Pro Forma Statements of Financial Position of CLIQ as at 30 November 2012, after adjusting for the IPO and payment of listing expenses, prepared solely for illustrative purposes. The Pro Forma Statements of Financial Position should be read in conjunction with the accompanying notes and assumptions included in the Reporting Accountants' letter on Pro Forma Statements of Financial Position as at 30 November 2012 as set out in Section 10.5 of this Prospectus.

Minimum Subscription Scenario

	Audited as at 30 November 2012 RM	Pro Forma I After Pre-IPO Events RM	Pro Forma II After Pro Forma I and Public Issue RM	Pro Forma III After Pro Forma II and payment of listing expenses RM	Pro Forma IV After Pro Forma III and approval of Qualifying Acquisition ⁽²⁾ RM	Pro Forma V After Pro Forma IV and full exercise of Warrants RM
ASSETS						
Non-current Assets						
Plant and equipment	119,739	119,739	119,739	119,739	119,739	119,739
Current Assets						
Receivables	79,903	79,903	79,903	79,903	79,903	79,903
Deferred expenditure	655,939	655,939	655,939	-	-	-
Cash and bank balances	7,638,584	7,638,584	157,638,584	151,943,093	151,943,093	289,443,093
	8,374,426	8,374,426	158,374,426	152,022,996	152,022,996	289,522,996
Total Assets	8,494,165	8,494,165	158,494,165	152,142,735	152,142,735	289,642,735
EQUITY AND LIABILITIES						
Equity						
Share capital	250,002	750,002	2,750,002	2,750,002	2,750,002	5,500,002
Share premium	4,667,000	4,667,000	10,867,000	10,309,557	79,092,573	285,922,573
Warrant reserve	4,080,000	4,080,000	10,880,000	10,880,000	72,080,000	-
Accumulated losses	(2,213,897)	(2,213,897)	(2,213,897)	(2,990,900)	(2,990,900)	(2,990,900)
Total Equity	6,783,105	7,283,105	22,283,105	20,948,659	150,931,675	288,431,675
Liabilities						
Current Liabilities						
Sundry payables	29,485	29,485	29,485	29,485	29,485	29,485
Provision for taxation	8,475	8,475	8,475	8,475	8,475	8,475
RCPS	1,673,100	1,173,100	1,173,100	1,173,100	1,173,100	1,173,100
	1,711,060	1,211,060	1,211,060	1,211,060	1,211,060	1,211,060

2. SUMMARY INFORMATION (Cont'd)

Minimum Subscription Scenario (Cont'd)

	Audited as at 30 November 2012 RM	Pro Forma I After Pre-IPO Events RM	Pro Forma II After Pro Forma I and Public Issue RM	Pro Forma III After Pro Forma II and payment of listing expenses RM	Pro Forma IV After Pro Forma III and approval of Qualifying Acquisition ⁽²⁾ RM	Pro Forma V After Pro Forma IV and full exercise of Warrants RM
Non-current liabilities	-	-	135,000,000	129,983,016	-	-
Financial liability component of the Public Issue Shares ⁽¹⁾	-	-	135,000,000	129,983,016	-	-
Total liabilities	1,711,060	1,211,060	136,211,060	131,194,076	1,211,060	1,211,060
Total Equity and Liabilities	8,494,165	8,494,165	158,494,165	152,142,735	152,142,735	289,642,735
Number of Shares	25,000,200	75,000,200	275,000,200	275,000,200	275,000,200	550,000,200
NA (RM)	6,783,105	7,283,105	22,283,105	20,948,659	150,931,675	288,431,675
NA per Share (RM)	0.27	0.10	0.08	0.08	0.55	0.52

Notes:

- (1) The Public Issue Shares is a compound financial instrument defined under 'MFRS 132 Financial Instruments: Presentation' with a financial liability and equity component. The financial liability component, being the fair value of the 90% of the gross proceeds, represents our obligation to refund the IPO proceeds held in the Trust Account to the IPO Investors in the event we fail to complete a Qualifying Acquisition within the Permitted Timeframe.
- (2) Pro Forma IV incorporates the effects of Pro Forma III and the effects of the shareholders' approval for the Qualifying Acquisition. Consequently, the financial liability component of the Public Issue Share will be reclassified as equity and recognised through the share premium account and the Warrant reserve account as we have no further obligation to refund the IPO Trust Proceeds held in the Trust Account. For the avoidance of doubt, the increase in the Pro Forma NA is not due to the effect of the completion of the Qualifying Acquisition, which cannot be determined at this point in time.

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2. SUMMARY INFORMATION (Cont'd)

Maximum Subscription Scenario

	Audited as at 30 November 2012 RM	Pro Forma I After Pre- IPO Events RM	Pro Forma II After Pro Forma I and adjustment for Tranche 2 Conversion of RCPS RM	Pro Forma III After Pro Forma II and Public Issue RM	Pro Forma IV After Pro Forma III and payment of listing expenses RM	Pro Forma V After Pro Forma IV and approval of Qualifying Acquisition ⁽²⁾ RM	Pro Forma VI After Pro Forma V and full exercise of Warrants RM
ASSETS							
Non-current Assets							
Plant and equipment	119,739	119,739	119,739	119,739	119,739	119,739	119,739
Current Assets							
Receivables	79,903	79,903	79,903	79,903	79,903	79,903	79,903
Deferred expenditure	655,939	655,939	655,939	655,939	-	-	-
Cash and bank balances	7,638,584	7,638,584	7,638,584	507,888,584	491,593,093	491,593,093	920,968,093
	8,374,426	8,374,426	8,374,426	508,624,426	491,672,996	491,672,996	921,047,996
Total Assets	8,494,165	8,494,165	8,494,165	508,744,165	491,792,735	491,792,735	921,167,735
EQUITY AND LIABILITIES							
Equity							
Share capital	250,002	750,002	1,917,502	8,587,502	8,587,502	8,587,502	17,175,002
Share premium	4,667,000	4,667,000	4,667,000	25,344,000	23,725,613	255,283,130	906,930,630
Warrant reserve	4,080,000	4,080,000	4,080,000	26,758,000	26,758,000	230,860,000	-
Accumulated losses	(2,213,897)	(2,213,897)	(2,213,897)	(2,213,897)	(2,981,457)	(2,981,457)	(2,981,457)
Total Equity	6,783,105	7,283,105	8,450,605	58,475,605	56,089,658	491,749,175	921,124,175
Liabilities							
Current Liabilities							
Sundry payables	29,485	29,485	29,485	29,485	29,485	29,485	29,485
Provision for taxation	8,475	8,475	8,475	8,475	8,475	8,475	8,475
RCPS	1,673,100	1,173,100	5,600	5,600	5,600	5,600	5,600
	1,711,060	1,211,060	43,560	43,560	43,560	43,560	43,560
Non-current liabilities							
Financial liability component of the Public Issue Shares ⁽¹⁾	-	-	-	450,225,000	435,659,517	-	-
	-	-	-	450,225,000	435,659,517	-	-
Total liabilities	1,711,060	1,211,060	43,560	450,268,560	435,703,077	43,560	43,560
Total Equity and Liabilities	8,494,165	8,494,165	8,494,165	508,744,165	491,792,735	491,792,735	921,167,735

2. SUMMARY INFORMATION (Cont'd)

Maximum Subscription Scenario (Cont'd)

	Audited as at 30 November 2012 RM	Pro Forma I		Pro Forma II		Pro Forma III		Pro Forma IV		Pro Forma V		Pro Forma VI	
		After Pre- IPO Events RM	After Pro Forma I and adjustment for Tranche 2 Conversion of RCPS RM	After Pro Forma II and Public Issue RM	After Pro Forma III and payment of listing expenses RM	After Pro Forma IV and approval of Qualifying Acquisition ⁽²⁾ RM	After Pro Forma V and full exercise of Warrants RM						
Number of Shares	25,000,200	75,000,200	191,750,200	858,750,200	858,750,200	858,750,200	858,750,200	858,750,200	858,750,200	1,717,500,200	1,717,500,200	1,717,500,200	1,717,500,200
NA (RM)	6,783,105	7,283,105	8,450,605	58,475,605	56,089,658	491,749,175	491,749,175	491,749,175	491,749,175	921,124,175	921,124,175	921,124,175	921,124,175
NA per Share (RM)	0.27	0.10	0.04	0.07	0.07	0.07	0.07	0.07	0.07	0.54	0.54	0.54	0.54

Notes:

- (1) The Public Issue Shares is a compound financial instrument defined under 'MFRS 132 Financial Instruments: Presentation' with a financial liability and equity component. The financial liability component, being the fair value of the 90% of the gross proceeds, represents our obligation to refund the IPO proceeds held in the Trust Account to the IPO Investors in the event we fail to complete a Qualifying Acquisition within the Permitted Timeframe.
- (2) Pro Forma V incorporates the effects of Pro Forma IV and the effects of the shareholders' approval for the Qualifying Acquisition, of which the financial liability component of the Public Issue Share will be reclassified as equity and recognised through the share premium account and the Warrant reserve account as we have no further obligation to refund the IPO Trust Proceeds held in the Trust Account. For the avoidance of doubt, the increase in the Pro Forma NA is not due to the effect of the completion of the Qualifying Acquisition, which cannot be determined at this point in time.

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2. SUMMARY INFORMATION *(Cont'd)*

2.4 PRINCIPAL STATISTICS OF THE IPO

Issue Size : We have made available between 200,000,000 and up to 667,000,000 Public Issue Shares together with between 200,000,000 and up to 667,000,000 Warrants representing approximately between 72.73% and up to 77.67% of our enlarged issued and paid-up ordinary share capital (after our Public Issue) at the Issue Price, payable in full upon application, as follows:

(i) Selected investors by way of private placement

Between 190,000,000 and up to 657,000,000 Public Issue Shares together with between 190,000,000 and up to 657,000,000 Warrants are available for application by way of private placement to selected investors.

(ii) Malaysian Public

10,000,000 Public Issue Shares together with 10,000,000 Warrants, to be allocated via balloting, will be made available for application by Malaysian citizens, companies, societies, co-operatives and institutions of which 50% is to be set aside strictly for Bumiputera investors.

Issue Price : RM0.75 payable in full upon application.

Ranking of shares : Save for the Non-Participation Obligations, the Public Issue Shares will rank pari passu in all respects with our other existing issued and fully paid-up Shares, including voting rights and rights to all dividends and distributions that may be declared subsequent to the date of allotment thereof.

Purpose of IPO : The purposes of the IPO are to facilitate our listing on the Main Market of Bursa Securities as a SPAC and to raise funds from the capital market for the purposes of undertaking a future acquisition.

Use of proceeds : We shall use the total proceeds from the IPO amounting to between RM150,000,000 and up to RM500,250,000 for the acquisition of a target asset, our working capital requirements and to defray estimated listing expenses. Please refer to Section 3.6 of this Prospectus for further details on the utilisation of proceeds.

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3. PARTICULARS OF THE IPO

A copy of this Prospectus has been registered with the SC and lodged with the Registrar of Companies who takes no responsibility for its contents.

The approval of the SC for the IPO (details of which are set out in Section 8.1 of this Prospectus) was obtained via its letter dated 11 December 2012. The approval of the SC shall not be taken to indicate that the SC recommends the IPO. You should rely on your own evaluation to assess the merits and risks of the IPO.

Bursa Securities has approved our admission to the Official List of the Main Market of Bursa Securities and the listing of and quotation for our entire enlarged issued and paid-up ordinary share capital of between RM2,750,002 and up to RM8,587,502 comprising between 275,000,200 and up to 858,750,200 Shares, between 275,000,000 and up to 858,750,000 Warrants and such new Shares arising from the exercise of the Warrants on the Main Market of Bursa Securities, via its letter dated 8 March 2013. Listing of and quotation for our Shares and Warrants will commence after, amongst others, receipt of confirmation from Bursa Depository of the receipt of allotment and allocation information for the crediting of the Public Issue Shares and Warrants, and receipt of an undertaking that all notices of allotment will be issued and dispatched to all successful applicants prior to the date of listing of and quotation for the Shares and Warrants.

Pursuant to Section 14(1) of the Securities Industry (Central Depositories) Act 1991, Bursa Securities has prescribed our Shares and Warrants as prescribed securities. In consequence thereof, our Shares and Warrants offered through this Prospectus will be deposited directly with Bursa Depository and any dealings in these Shares and Warrants will be carried out in accordance with the aforesaid Act and the Rules of Bursa Depository.

Persons submitting Applications by way of Application Forms or by way of Electronic Share Application or Internet Share Application must have a CDS account. If you do not have a CDS account, you may open one by contacting any of the ADAs listed in Section 13.10 of this Prospectus. In the case of an Application by way of Application Form, an applicant should state his / her CDS account number in the space provided in the Application Form. In the case of an Application by way of Electronic Share Application or Internet Share Application, only an applicant who is an individual and has a CDS account can make an Electronic Share Application or Internet Share Application. A corporation or institution cannot apply for the Public Issue Shares by way of Electronic Share Application or Internet Share Application.

Pursuant to the Listing Requirements, we must have at least 25% of our total number of Shares for which listing is sought in the hands of a minimum of 1,000 public shareholders holding not less than 100 Shares each at the point of Listing. Furthermore, in connection with the Listing of the Warrants, pursuant to the Listing Requirements, we must have at least 100 holders, holding not less than 100 Warrants each. In the event that the above requirements are not met pursuant to the IPO, we may not be allowed to proceed with our Listing on the Main Market of Bursa Securities. In the event thereof, monies paid in respect of all Applications will be returned if the said permission is not granted. The SC and Bursa Securities assume no responsibility for the correctness of any statements made or opinions or reports expressed in this Prospectus. Admission to the Official List of the Main Market of Bursa Securities is not to be taken as an indication of our merit or the merit of our Shares.

No person is authorised to give any information or to make any representation not contained herein in connection with the IPO and if given or made, such information or representation must not be relied upon as having been authorised by us. Neither the delivery of this Prospectus nor any IPO made in connection with this Prospectus shall, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date hereof.

3. PARTICULARS OF THE IPO (Cont'd)

Nonetheless, should we become aware of any subsequent material change or development affecting a matter disclosed in this Prospectus arising from the date of issue of this Prospectus up to the date of Listing, we shall further issue a supplemental or replacement prospectus, as the case may be, in accordance with the provisions of Section 238 of the CMSA.

This Prospectus does not comply with the laws of any jurisdiction other than Malaysia, and has not been and will not be lodged, registered or approved pursuant to or under any applicable securities or equivalent legislation or by any regulatory authority of any jurisdiction other than Malaysia.

No action has been or will be taken to ensure that this Prospectus complies with the laws of any countries or jurisdiction other than the laws of Malaysia. It shall be your sole responsibility to consult your legal and/or other professional advisers on the laws to which the Public Issue or you are or might be subject. Neither we nor the principal adviser nor any other advisers in relation to the Public Issue shall accept any responsibility or liability in the event that any application made by you shall become illegal, unenforceable, voidable or void in any country or jurisdiction.

If you are in doubt concerning this Prospectus, you should consult your stockbroker, bank manager, solicitor, professional accountant, or any other professional advisers.

3.1 DETAILS OF THE PUBLIC ISSUE

We have made available between 200,000,000 and up to 667,000,000 Public Issue Shares together with between 200,000,000 and up to 667,000,000 Warrants representing approximately between 72.73% and up to 77.67% of our enlarged issued and paid-up ordinary share capital at the Issue Price, payable in full upon application, as follows:

(i) Selected investors by way of private placement

Between 190,000,000 and up to 657,000,000 Public Issue Shares together with between 190,000,000 and up to 657,000,000 Warrants are available for application by way of private placement to selected investors ("**Placement Portion**").

(ii) Malaysian Public

10,000,000 Public Issue Shares together with 10,000,000 Warrants, to be allocated via balloting, will be made available for application by Malaysian citizens, companies, societies, co-operatives and institutions of which 50% is to be set aside strictly for Bumiputera investors ("**Retail Portion**").

If there is an under-application in the Placement Portion such that the maximum offering of 657,000,000 Public Issue Shares has not been achieved and there is a corresponding over-application in the Retail Portion, the Public Issue Shares may be clawed back from the Placement Portion and allocated to the Retail Portion, subject always at the discretion of our Directors.

If there is an under-application in the Retail Portion and there is a corresponding over-application in the Placement Portion over and above the minimum offering of 190,000,000 Public Issue Shares, the Public Issue Shares may be clawed back from the Retail Portion and allocated to the Placement Portion.

3. PARTICULARS OF THE IPO (Cont'd)

All the 10,000,000 Public Issue Shares available for application by the Malaysian Public have been fully underwritten by the Underwriters based on the terms and conditions of the Underwriting Agreement. Please refer to Section 3.9 of this Prospectus for further details on the Underwriting Agreement.

The balance of between 190,000,000 and up to 657,000,000 Public Issue Shares available for application by way of private placement to selected investors shall be placed out by our Placement Agents.

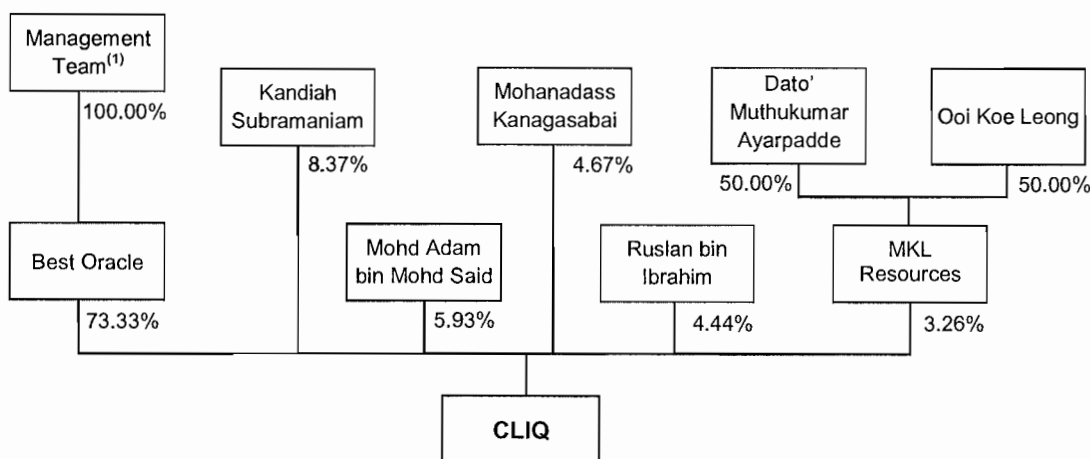
The basis of allocation for the Public Issue Shares shall take into account the desirability of distributing the Public Issue Shares to a reasonable number of applicants in view of broadening our shareholding base to meet the public spread requirements and to establish a liquid and adequate market in the Shares. Applicants for the Placement Portion will be selected in such manner as may be determined by our Directors in the best interest of our Company. Our Directors have the discretion to decide whether to accept or reject any applicants under the Placement Portion. For avoidance of doubt, our Company is not obliged to place out or issue Shares up to the Maximum Subscription, even if there are qualified applications for such Shares.

The amount of Public Issue Shares will not be increased via any over-allotment or "greenshoe" option.

The minimum number of Public Issue Shares to be subscribed under this IPO is 200,000,000 Public Issue Shares raising total proceeds of RM150,000,000. The minimum subscription amount has been determined based on the minimum proceeds of RM150,000,000 to be raised by a SPAC in accordance with the SC Guidelines.

3.2 LISTING SCHEME

Shareholding structure of CLIQ before the IPO



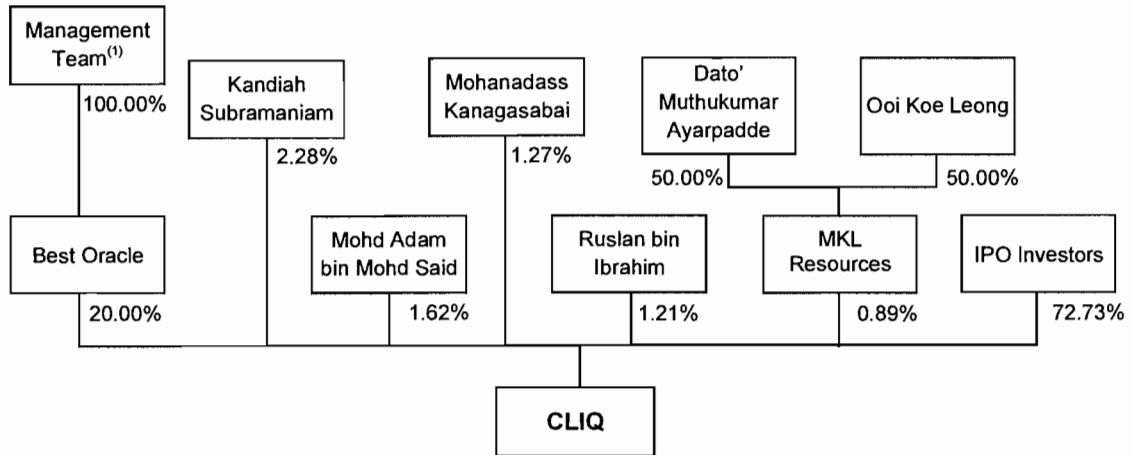
Note:

(1) Please refer to Section 7.3.2 for background information on the shareholders of Best Oracle.

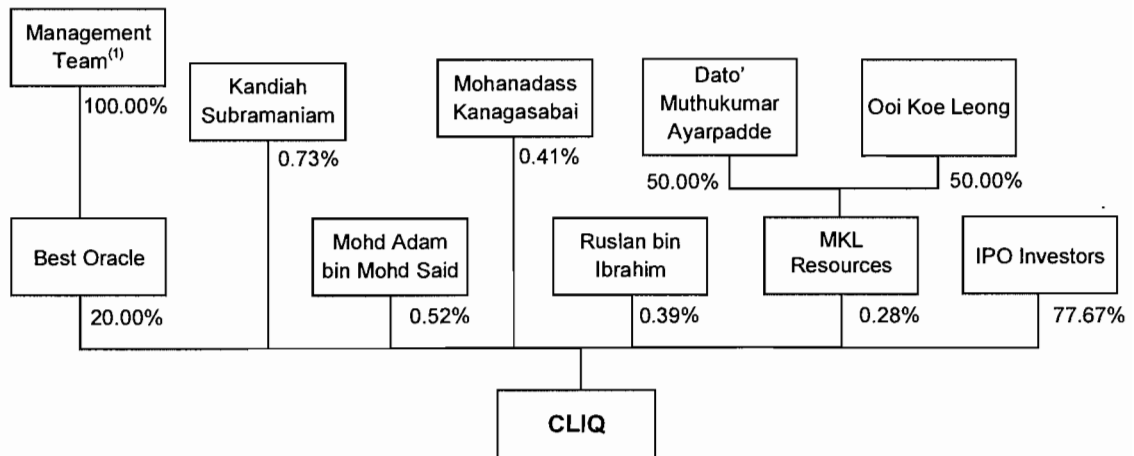
3. PARTICULARS OF THE IPO (Cont'd)

Shareholding structure of CLIQ immediately after the IPO

Minimum Subscription



Maximum Subscription



Note:

(1) Please refer to Section 7.3.2 for background information on the shareholders of Best Oracle.

3. PARTICULARS OF THE IPO (Cont'd)

In conjunction with and as an integral part of the Listing, we undertook the following:

(i) Subscription by Best Oracle

On 21 May 2012 and 14 January 2013, Best Oracle entered into a subscription agreement and supplemental subscription agreement, respectively, with our Company for the subscription of a total of 17,231,000 RCPS at a subscription price of RM0.10 per RCPS. The RCPS were issued on 21 May 2012 and raised total proceeds of RM1,723,100.

The principal terms of the RCPS are as follows:

Subscription Price and Par Value	:	The subscription price for each RCPS shall be RM0.10. Each RCPS shall have a par value of RM0.01.
Premium	:	Each RCPS shall be issued at a premium of RM0.09
Dividends	:	The RCPS shall not be entitled to any dividend.
Liquidation Preference	:	Prior to our Company's due completion of its Qualifying Acquisition:

Upon any winding-up, liquidation or any return of capital of our Company, the holders of RCPS shall not be entitled to participate in any repayment of capital. Accordingly, the RCPS shall not have any priority over any payment to the holders of Shares and all other shares in the capital of our Company in this regard. The RCPS shall also not be entitled to participate in the surplus assets and profits of our Company.

Subsequent to our Company's due completion of its Qualifying Acquisition:

Upon any winding-up, liquidation or any return of capital of our Company, the holders of RCPS shall have priority in the repayment of capital and all monies due (including, without limitation, the par value and the premium paid) over any payment to the holders of Shares and all other shares in the capital of our Company. The RCPS shall not be entitled to participate in the surplus assets and profits of our Company.

Transferability	:	The RCPS shall not be transferable.
Conversion	:	Unless earlier redeemed: <ol style="list-style-type: none"> (a) up to 5,557,000 RCPS shall be mandatorily converted into Shares anytime before the 5th business day after our Company's receipt of approval from the SC; and (b) the holder shall at any time after the mandatory conversion referred to in paragraph (a) above but at least 1 business day before the date of allotment for the new Shares to be issued pursuant to the IPO, convert all or any part of the remaining RCPS it then holds into such number of Shares, as may be

3. PARTICULARS OF THE IPO (Cont'd)

required so that Best Oracle will hold a total number of Shares equivalent to 20% of the enlarged issued and paid-up ordinary share capital of our Company as at the date of Listing, on the following basis:

1 RCPS : 10 Shares (together with 10 Warrants)

Where applicable, for purposes of effecting the conversion, the share premium account of our Company will be utilised to fully pay up the nominal value of the Shares. In this regard, our Company shall ensure that it maintains and has sufficient balance in the share premium account at all times to fully pay up the nominal value of the Shares (as may be required).

Other than as set out in paragraphs (a) and (b) above, the holder shall not be entitled to convert any RCPS into Shares (whether before or after the date of Listing).

Redemption : Subject only to compliance with the requirements of Section 61 of the Act, all RCPS (unless earlier converted into Shares) shall be fully redeemable at the option of the holder, at the Redemption Price:

- (a) on the date falling 12 months after the date of issue of the RCPS if the approval from the SC is not received by our Company by then; or
- (b) on the date falling 14 business days after the Company's receipt of any letter from the SC rejecting or stating its non-approval of our Company's application for the IPO; or
- (c) on any date after the Listing,

whichever occurs first.

Our Company shall use its reasonable endeavours to ensure that it has sufficient funds (whether through profits or a new issue of shares or otherwise), which can be lawfully applied towards redemption of the RCPS at the relevant time.

No RCPS redeemed by our Company shall be capable of reissue.

Redemption Price : RM0.10 per RCPS

Voting Rights : The RCPS shall entitle the holder to the voting rights as referred to in Section 148 (2) of the Act and, to the fullest extent permitted by the Act in relation to preference shares, all other statutory voting rights.

3. PARTICULARS OF THE IPO (Cont'd)

- Protective Provisions : The prior consent of the holders of the RCPS shall also be required for any proposal by our Company which relates to, or involves, any of the following:
- (a) the issue by our Company of any other preference shares or any type of convertible debt/ equity instruments ranking *pari passu* or in priority to the RCPS;
 - (b) any alteration or change to the rights, preferences and privileges of the RCPS;
 - (c) any increase in the number of RCPS to be issued by our Company;
 - (d) anything which results or gives rise to a capital reduction by our Company.
- Status : The RCPS shall not be listed or quoted on any stock exchange.

(ii) Subdivision of Shares

On 21 May 2012, we subdivided every 1 ordinary share of RM1.00 each in our Company into 100 Shares.

(iii) Tranche 1 Conversion of RCPS

Tranche 1 Conversion of RCPS entails the conversion of a total of 5,500,000 RCPS by Best Oracle held into 55,000,000 new Shares together with 55,000,000 Warrants resulting in Best Oracle holding 20% in the enlarged issued and paid-up share capital of the Company under the Minimum Subscription. The Tranche 1 Conversion of RCPS was completed in the following stages:

(a) Stage 1

On 15 June 2012, Best Oracle had converted 500,000 RCPS held into 5,000,000 new Shares together with 5,000,000 Warrants resulting in Best Oracle holding 20% in the issued and paid-up ordinary share capital of our Company after the subscription by the Initial Investors; and

(b) Stage 2

On 18 December 2012, Best Oracle converted an additional 5,000,000 RCPS held into 50,000,000 new Shares together with 50,000,000 Warrants. This will result in Best Oracle holding 20% in the enlarged issued and paid-up ordinary share capital of our Company under the Minimum Subscription.

The 55,000,000 Warrants under the Tranche 1 Conversion of RCPS will be issued and allotted to Best Oracle on the date of issuance and allotment of the Warrants under the Tranche 2 Conversion of RCPS as described in (v) below. The deferred issuance is to facilitate the issue and allotment of all the Warrants (forming the same series under the Deed Poll) at the same time.

3. PARTICULARS OF THE IPO (Cont'd)

(iv) Subscription by the Initial Investors

On 4 July 2012 and 14 January 2013, the Initial Investors entered into separate subscription agreements and supplemental subscription agreements, respectively, with our Company for the subscription of a total of 20,000,000 new Shares together with 20,000,000 Warrants at a subscription price of RM0.45 per new Share. The Subscription by the Initial Investors raised total proceeds of RM9,000,000.

The 20,000,000 Warrants will be issued and allotted to the Initial Investors on the date of allotment of the Public Issue Shares, simultaneously with the Warrants issued under the Public Issue. The deferred issuance is to facilitate the issue and allotment of all the Warrants (forming the same series under the Deed Poll) at the same time.

(v) Tranche 2 Conversion of RCPS

Depending on the number of Public Issue Shares subscribed (where such number exceeds the Minimum Subscription), pursuant to the closing of the Applications and prior to the allotment and issuance of the Public Issue Shares, Best Oracle will convert such number of the balance RCPS that it holds into new Shares and Warrants such that it will hold 20% of the enlarged issued and paid-up ordinary share capital of our Company.

(vi) Public Issue

Our Company is undertaking a Public Issue and the details of the Public Issue have been set out in Section 3.1 of this Prospectus.

Thereafter we will seek an admission to the Official List and for the listing of and quotation for our entire enlarged ordinary share capital of between 275,000,200 and up to 858,750,200 Shares and between 275,000,000 and up to 858,750,000 Warrants on the Main Market of Bursa Securities.

3.3 SHARE CAPITAL, CLASSES OF SECURITIES AND RANKING

On Listing, we will have 3 classes of securities in our Company, namely the Shares, RCPS and the Warrants.

	No of Shares/ RCPS	RM
Authorised share capital		
(i) Shares	2,480,000,000	24,800,000
(ii) RCPS	20,000,000	200,000
	<u>2,500,000,000</u>	<u>25,000,000</u>

3. PARTICULARS OF THE IPO (Cont'd)

3.3.1 The Shares

Issued and paid-up:

The issued and paid-up ordinary share capital of CLIQ upon Listing will depend on the level of subscription for the Public Issue. The minimum size of our issued and paid-up ordinary share capital upon Listing will be RM2,750,002 and the maximum will be RM8,587,502.

	No of Shares	RM
(i) Minimum Subscription		
Existing issued and paid-up	75,000,200	750,002
New Shares to be issued as fully paid-up pursuant to the Public Issue	200,000,000	2,000,000
Enlarged ordinary share capital upon Listing	275,000,200	2,750,002
New Shares to be issued as fully paid-up upon full exercise of the Warrants	275,000,000	2,750,000
Enlarged ordinary share capital after Listing and full exercise of the Warrants	550,000,200	5,500,002

	No of Shares	RM
(ii) Maximum Subscription		
Existing issued and paid-up	75,000,200	750,002
New Shares to be issued as fully paid-up upon Tranche 2 Conversion of RCPS	116,750,000	1,167,500
New Shares to be issued as fully paid-up pursuant to the Public Issue	667,000,000	6,670,000
Enlarged ordinary share capital upon Listing	858,750,200	8,587,502
New Shares to be issued as fully paid-up upon full exercise of the Warrants	858,750,000	8,587,500
Enlarged ordinary share capital after Listing and full exercise of the Warrants	1,717,500,200	17,175,002

Issue Price per Public Issue Share (RM) 0.75

Market capitalisation of our Company upon Listing based on the Issue Price at Minimum Subscription (RM) 206,250,150

Market capitalisation of our Company upon Listing based on the Issue Price at Maximum Subscription (RM) 644,062,650

Save for the Non-Participation Obligations, the Public Issue Shares will rank *pari passu* in all respects with our existing Shares, including the voting rights and the rights to all dividends and distributions that may be declared subsequent to the date of this Prospectus.

3. PARTICULARS OF THE IPO (Cont'd)

Save for the Non-Participation Obligations, subject to the Articles of Association and any special rights attaching to any shares which may be issued by our Company in the future, the holders of Shares in our Company shall, in proportion to the amount paid-up on the Shares held by them, be entitled to share in the whole of the profits paid out by our Company as dividends and other distributions. In respect of the whole of any surplus in the event of winding up of our Company, save for the Non-Participation Obligations, such surplus shall be distributed among our members in proportion to the paid-up capital at the commencement of the winding up, in accordance with the Articles of Association and the provisions of the Act.

Save for the Non-Participation Obligations, at any general meeting of our Company, each shareholder shall be entitled to vote in person or by proxy or by attorney, and, on a show of hands, every person present who is a shareholder or representative or proxy or attorney of a shareholder shall have 1 vote, and, on a poll, every shareholder present in person or by proxy or by attorney or other duly authorised representative shall have 1 vote for each Share held. A proxy may, but need not be, a member of our Company and the provisions of Section 149(1)(b) of the Act shall not apply.

3.3.2 The RCPS

	<u>No of RCPS</u>	<u>RM</u>
(i) Minimum Subscription		
Issued and paid-up as at the Listing date	11,731,000	117,310
(ii) Maximum Subscription		
Issued and paid-up as at the Listing date	56,000	560

Prior to our Company's due completion of its Qualifying Acquisition, upon any winding-up, liquidation or any return of capital of our Company, the holders of RCPS shall not be entitled to participate in any repayment of capital. Accordingly, the RCPS shall not have any priority over any payment to the holders of Shares and all other shares in the capital of our Company in this regard. The RCPS shall also not be entitled to participate in the surplus assets and profits of our Company.

Subsequent to our Company's due completion of its Qualifying Acquisition, upon any winding-up, liquidation or any return of capital of our Company, the holders of RCPS shall have priority in the repayment of capital and all monies due (including, without limitation, the par value and the premium paid) over any payment to the holders of Shares and all other shares in the capital of our Company. The RCPS shall not be entitled to participate in the surplus assets and profits of our Company.

The prior consent of the holders of the RCPS shall also be required for any proposal by our Company which relates to, or involves, any of the following:

- (i) the issue by our Company of any other preference shares or any type of convertible debt / equity instruments ranking *pari passu* or in priority to the RCPS;
- (ii) any alteration or change to the rights, preferences and privileges of the RCPS;
- (iii) any increase in the number of RCPS to be issued by our Company; and
- (iv) anything which results or gives rise to a capital reduction by our Company.

The RCPS shall entitle the holder to the voting rights as referred to in Section 148 (2) of the Act and, to the fullest extent permitted by the Act in relation to preference shares, all other statutory voting rights.

3. PARTICULARS OF THE IPO (Cont'd)

3.3.3 The Warrants

	<u>No of Warrants</u>
(i) Minimum Subscription	
To be issued to Best Oracle:	
- Tranche 1 conversion of RCPS	55,000,000
- Tranche 2 conversion of RCPS	-
To be issued to Initial Investors	20,000,000
To be issued pursuant to the Public Issue	200,000,000
Warrants in issue after the IPO	<u>275,000,000</u>
(ii) Maximum Subscription	
To be issued to Best Oracle:	
- Tranche 1 conversion of RCPS	55,000,000
- Tranche 2 conversion of RCPS	116,750,000
To be issued to Initial Investors	20,000,000
To be issued pursuant to the Public Issue	667,000,000
Warrants in issue after the IPO	<u>858,750,000</u>

The Warrants shall be issued in registered form and are constituted by the Deed Poll. Any fraction arising from the issuance of Warrants will be dealt with in such manner as our Board in our absolute discretion deems fit and expedient in order to minimise the incidence of odd lots, and in the best interest of our Company. The Warrants shall be exercisable at anytime during the period commencing from and inclusive of the date of completion of the Qualifying Acquisition up to and including the expiry date.

Any Warrants not exercised during the Exercise Period will lapse and cease to be valid.

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3. PARTICULARS OF THE IPO (Cont'd)

Salient terms of the Warrants

The salient terms of the Warrants are as follows:

- | | | |
|--|---|--|
| Issue size | : | Up to 858,750,000 Warrants. |
| Form | : | The Warrants will be issued in registered form and constituted by the Deed Poll. |
| Expiry Date | : | 3 years from date of Listing. |
| Exercise Period | : | The Warrants can be exercised anytime during the period commencing from and inclusive of the date of completion of the Qualifying Acquisition up to and including the Expiry Date. |
| | | Any Warrants not exercised during the Exercise Period will lapse and cease to be valid. |
| Exercise Rights | : | Each Warrant shall entitle the holder to subscribe for 1 new Share at the Exercise Price at any time during the Exercise Period and shall be subject to adjustments in accordance with the provisions of the Deed Poll. |
| Exercise Price | : | RM0.50 per Warrant. |
| Listing | : | An application has been made for the admission of the Warrants to the Official List and the listing of and quotation for the Warrants and the new Shares to be issued arising from the exercise of Warrants on the Main Market of Bursa Securities. |
| Rights of the Warrants holders | : | The Warrants holders are not entitled to any voting rights or to participate in any distribution and/or offer of further securities in our Company until and unless such Warrant holders exercise their Warrants into new Shares. |
| Ranking | : | The new Shares arising from the exercise of Warrants shall, upon allotment and issue, rank pari passu with the then existing Shares, save and except that they will not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which precedes the date of allotment of the new Shares. |
| Board lot | : | The Warrants shall be tradable upon listing on Bursa Securities in board lots of 100 Warrants. |
| Adjustment to the Exercise Price and/or number of Warrants | : | Subject to the provisions of the Deed Poll, the Exercise Price of the Warrants and/or the number of Warrants held by each Warrant holder may from time to time be adjusted, calculated or determined by our Board in consultation with an approved principal adviser or auditor and certified by the auditor appointed by our Company, in the event of alteration to the share capital of our Company in accordance with the provisions as set out in the Deed Poll. |
| Transferability | : | The Warrants shall be transferable in the manner in accordance with the Deed Poll subject always to the provisions of the SICDA and the Rules of Bursa Depository and any appendices. |

3. PARTICULARS OF THE IPO (Cont'd)

- Winding up : (a) Except where our Company is wound-up or liquidated pursuant to the SC Guidelines due to its non-completion of a Qualifying Acquisition (the holder of Warrants not having any rights, entitlements or interest in respect of such winding up/ liquidation), and where a resolution has been passed for a members' voluntary winding-up of our Company or there is a compromise or arrangement, then:
- (i) for the purpose of such winding up, compromise or arrangement (other than a consolidation, amalgamation or merger in which our Company is the continuing corporation) to which the Warrant holders, or some persons designated by them of such purposes by a special resolution, will be a party, the terms of such winding-up, compromise or arrangement will be binding on all the Warrant holders; and
 - (ii) in any other case, every Warrant holder shall be entitled within 6 weeks after passing of such resolution for a members' voluntary winding-up of our Company or 6 weeks after the granting of the court order approving the compromise or arrangement, by the irrevocable surrender of the Warrants to our Company, to exercise his Warrants and be treated as if he had exercised the Warrants immediately prior to the commencement of such winding-up or such compromise or arrangement. If our Company is wound up, all exercise rights which have not been exercised within 6 weeks of the passing of such resolution, shall lapse and the Warrants shall cease to be valid for any purpose.
- (b) For the avoidance of doubt and notwithstanding the above and any other provision in the Deed Poll, the Warrants shall not have any entitlement to the funds held in our Company's Trust Account upon any liquidation of our Company.
- Governing laws : Laws of Malaysia

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3. PARTICULARS OF THE IPO (Cont'd)

3.4 BASIS OF ARRIVING AT THE ISSUE PRICE

The Issue Price was determined and agreed upon by us and HLIB as the Principal Adviser, after taking into account, inter-alia the following factors:

- (i) the minimum proceeds to be raised by a SPAC in accordance with the SC Guidelines;
- (ii) the listing scheme as set out in Section 3.2 of this Prospectus; and
- (iii) the general condition of the securities markets at the time of the IPO.

Further, you should also note that the market price of our Shares and Warrants upon Listing are subject to the uncertainties of market forces and other factors, which may affect the trading price of our Shares and Warrants. You should form your own views on the valuation of the Public Issue Shares and Warrants before deciding to invest in our Shares and Warrants.

3.5 PURPOSES OF THE IPO

The purposes of the IPO are to facilitate our listing on the Main Market of Bursa Securities as a SPAC and to raise funds from the capital market for the purposes of undertaking a future acquisition.

3.6 PROCEEDS RAISED AND UTILISATION

3.6.1 Proceeds raised/ to be raised

The Subscription by Best Oracle and Subscription by the Initial Investors raised gross proceeds of approximately RM10.72 million. The Public Issue is expected to raise gross proceeds of between RM150.0 million and up to approximately RM500.25 million for our Company.

The proceeds raised are as follows:

	Minimum Subscription RM'000	Maximum Subscription RM'000
Subscription by Best Oracle	1,723	1,723
Subscription by the Initial Investors	9,000	9,000
	10,723	10,723
Proceeds from the Public Issue	150,000	500,250
	160,723	510,973

3. PARTICULARS OF THE IPO (Cont'd)

3.6.2 Utilisation of Proceeds

The total proceeds raised of between RM160.72 million and up to RM510.97 million shall be utilised in the following manner:

Purpose	Expected time frame for utilisation from Listing	Note	Minimum Subscription RM'000	Maximum Subscription RM'000
Acquisition of target asset(s)	Within 36 months from the Listing	1	135,000	450,225
Redemption of RCPS	Within 12 months from the date of issue of the RCPS	2	1,173	6
Working capital	Within 36 months from the Listing	3	17,950	43,542
Estimated listing expenses	Within 1 month from the Listing	4	6,600	17,200
Gross proceeds			160,723	510,973

Notes:

- Please refer to Section 5.2 of this Prospectus for further details on the target asset(s) to be acquired.
- The balance RCPS that have not been converted into Shares and Warrants will be redeemable at the option of Best Oracle after the Listing, subject to compliance with the requirements of the Act.
- A total of between RM17.95 million and up to RM43.54 million from the proceeds will be used as working capital to finance our Company's day-to-day administrative and operating expenses, including expenses to be incurred during the identification of a target asset which may comprise legal, accounting, valuation and other expenses related to the due diligence, structuring and negotiation of the acquisition of the target asset(s).

The amount allocated for working capital also includes approximately RM3.24 million per annum (or RM9.72 million during the Permitted Timeframe), to be utilised for payment of our Management Team's remuneration and benefits in-kind.

- Our Company will bear the entire listing expenses and fees incidental to our Listing of approximately between RM6.60 million and up to RM17.20 million as follows:

	Minimum Subscription RM'000	Maximum Subscription RM'000
Estimated Professional fees*	1,200	1,200
Underwriting/placement commissions and brokerage fees	4,575	15,085
Fees payable to authorities	165	210
Printing, advertisement and issuing house fees	390	390
Miscellaneous	270	315
Total	6,600	17,200

Note:

- * Professional fees include amongst others, the fees by the Principal Adviser, Solicitors, Reporting Accountants and Custodian.

3. PARTICULARS OF THE IPO (Cont'd)

In the event there are excess proceeds subsequent to the settlement of the listing expenses, such excess will be utilised for our working capital. If the actual listing expenses are higher than estimated, the deficit will be funded out of the portion for working capital.

Pending full utilisation, between RM135.00 million and up to RM450.23 million, being 90% of the proceeds from the Public Issue will be placed in the Trust Account. Please refer to Section 5.1.5 of this Prospectus for further details of the Trust Account. The balance of the proceeds will be placed in interest-bearing account(s) with licensed financial institution(s) pending utilisation.

3.6.3 Proceeds from the exercise of the Warrants

Our Company will raise proceeds of up to RM137,500,000 and up to RM429,375,000 from the exercise of all the Warrants under the Minimum Subscription and Maximum Subscription scenarios respectively. The actual proceeds arising from the exercise of the Warrants will depend on the actual number of Warrants exercised. The proceeds will be utilised for the business expansion and/or the working capital of our Company, the precise allocation of which has yet to be determined. Any investment plans, when they materialise, will be announced to Bursa Securities, and if required, be subject to approval by the relevant authorities and/or shareholders.

Pending future investment/utilisation by our Company, the proceeds will be placed in interest-bearing account(s) with licensed financial institution(s).

3.6.4 Financial impact from the utilisation of proceeds

As stated above, the proceeds will be utilised to acquire target asset(s), working capital of our Company and to defray estimated expenses incidental to our Listing. A total of between RM135,000,000 and up to RM450,225,000 has been earmarked for the acquisition of target asset(s) assuming that all shareholders approve the Qualifying Acquisition. Please refer to Section 5.1.2 of this Prospectus for further information on the minimum requirements of a Qualifying Acquisition. As the final quantum of equity raised via the Public Issue is currently unknown and the target asset(s) has yet to be identified at this juncture, the financial impact on CLIQ from the utilisation of proceeds cannot be ascertained at this point in time.

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3. PARTICULARS OF THE IPO (Cont'd)

3.7 DILUTION

The IPO Investors will be diluted immediately after the Public Issue. The dilution is computed as the difference between the Issue Price paid by the IPO Investors and the Pro Forma NA per Share of our Company immediately after the Public Issue.

Subsequent to the Public Issue and the payment of listing expenses, the Pro Forma NA per Share of our Company as at 30 November 2012 based on our enlarged issued and paid-up ordinary share capital would be RM0.08 and RM0.07 under the Minimum Subscription and Maximum Subscription respectively. The IPO proceeds placed under the Trust Account amounting to RM135,000,000 and RM450,225,000 under the Minimum Subscription and Maximum Subscription respectively, is deemed as a liability to our Company prior to approval for the Qualifying Acquisition, resulting in the decrease in the Pro Forma NA per share of RM0.67 and RM0.68 under the Minimum Subscription and Maximum Subscription respectively. As a SPAC, our Company is required to return the proceeds under the Trust Account to the IPO Investors if the Qualifying Acquisition is not completed within the Permitted Timeframe.

Subsequent to the Public Issue, the payment of listing expenses and the approval for the Qualifying Acquisition and assuming the Qualifying Acquisition is completed within the Permitted Timeframe, the IPO Trust Proceeds placed under the Trust Account will be reclassified from liability to equity and recognised through the share premium and Warrants reserve account as the Company has no further obligation to refund the IPO Trust Proceeds. Accordingly, our Pro Forma NA per Share will increase to RM0.55 and RM0.57 under the Minimum Subscription and Maximum Subscription, respectively. This represents a decrease in Pro Forma NA per Share of RM0.20 and RM0.18 under the Minimum Subscription and Maximum Subscription, respectively. For the avoidance of doubt, the increase in our Pro Forma NA per Share to RM0.55 and RM0.57 under the Minimum Subscription and Maximum Subscription, respectively, is not due to the effect of the completion of the Qualifying Acquisition, which cannot be determined at this point in time.

The dilution to IPO Investors assuming exercise of all the Warrants is computed as the difference between the Issue Price and the Pro Forma NA per Share of our Company immediately after the payment of listing expenses, approval for the Qualifying Acquisition and assuming the Qualifying Acquisition is completed within the Permitted Timeframe and the full exercise of the Warrants.

Subsequent to the Public Issue, the payment of listing expenses, the approval of the Qualifying Acquisition and assuming the Qualifying Acquisition is completed within the Permitted Timeframe and full exercise of the Warrants, the Pro Forma NA per Share of our Company as at 30 November 2012 based on our enlarged issued and paid-up ordinary share capital would be RM0.52 under the Minimum Subscription and RM0.54 under the Maximum Subscription. This represents a decrease in Pro Forma NA per Share of RM0.23 and RM0.21 under the Minimum Subscription and Maximum Subscription respectively.

3. PARTICULARS OF THE IPO (Cont'd)

The following illustrates such dilution on a per Share basis:

	Minimum Subscription RM	Maximum Subscription RM
Issue Price	0.75	0.75
<u>Decrease in Pro Forma NA per Share subsequent to the Public Issue and payment of listing expenses</u>		
Pro Forma NA per Share as at 30 November 2012 after the Public Issue and payment of listing expenses	0.08	0.07
Dilution in Pro Forma NA per Share after the Public Issue and payment of listing expenses	0.67	0.68
Dilution in Pro Forma NA per Share as a percentage of the Issue Price, after the Public Issue and payment of listing expenses	89.3%	90.7%
<u>Decrease in Pro Forma NA per Share subsequent to the Public Issue, payment of listing expenses and approval of the Qualifying Acquisition[^]</u>		
Pro Forma NA per Share as at 30 November 2012 after the Public Issue and payment of listing expenses	0.55	0.57
Dilution in Pro Forma NA per Share after the Public Issue and payment of listing expenses	0.20	0.18
Dilution in Pro Forma NA per Share as a percentage of the Issue Price, after the Public Issue and payment of listing expenses	26.7%	24.0%
<u>Decrease in Pro Forma NA per Share subsequent to the Public Issue, payment of listing expenses, the approval of the Qualifying Acquisition[^] and full exercise of the Warrants</u>		
Pro Forma NA per Share as at 30 November 2012 assuming full exercise of the Warrants	0.52	0.54
Dilution in Pro Forma NA per Share assuming full exercise of the Warrants	0.23	0.21
Dilution in Pro Forma NA per Share as a percentage of the Issue Price, assuming full exercise of the Warrants	30.7%	28.0%

3. PARTICULARS OF THE IPO (Cont'd)

For illustrative purposes, we also set out the difference between the exercise price of the Warrants and the Pro Forma NA per Share of our Company assuming full exercise of the Warrants. Upon completion of the Qualifying Acquisition, the Warrants will be exercisable.

	Minimum Subscription RM	Maximum Subscription RM
Exercise price of Warrants	0.50	0.50
 <u>Decrease in Pro Forma NA per Share subsequent to the Public Issue, payment of listing expenses, the approval of the Qualifying Acquisition[^] and full exercise of the Warrants</u>		
Pro Forma NA per Share as at 30 November 2012 assuming full exercise of the Warrants	0.52	0.54
Difference in Pro Forma NA per Share as compared to the exercise price of Warrants assuming full exercise of the Warrants	(0.02)	(0.04)
Difference in Pro Forma NA per Share as a percentage of the exercise price of Warrants, assuming full exercise of the Warrants	(4.0%)	(8.0%)

Note:

[^] Assuming the Qualifying Acquisition is completed within the Permitted Timeframe.

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3. PARTICULARS OF THE IPO (Cont'd)

The following table summarises the total number of Shares acquired/to be acquired by Best Oracle and the Initial Investors during the period of 3 years prior to the date of Listing, the total consideration paid to our Company and the effective cash cost per Share to them and to the new investors pursuant to our IPO:

Minimum Subscription

	Shares ⁽¹⁾ acquired / to be acquired		Total consideration		Effective cash cost per Share	Attributable Market Capitalisation ⁽²⁾
	No of Shares	%	RM	%	RM	RM
Best Oracle	55,000,200	20.00	550,002	0.35	0.01	41,250,150
Initial Investors	20,000,000	7.27	9,000,000	5.64	0.45	15,000,000
IPO Investors	200,000,000	72.73	150,000,000	94.01	0.75	150,000,000
Total	275,000,200	100.00	159,550,002	100.00	-	206,250,150

Maximum Subscription

	Shares ⁽¹⁾ acquired / to be acquired		Total consideration		Effective cash cost per Share	Attributable Market Capitalisation ⁽²⁾
	No of Shares	%	RM	%	RM	RM
Best Oracle	171,750,200	20.00	1,717,502	0.34	0.01	128,812,650
Initial Investors	20,000,000	2.33	9,000,000	1.76	0.45	15,000,000
IPO Investors	667,000,000	77.67	500,250,000	97.90	0.75	500,250,000
Total	858,750,200	100.00	510,967,502	100.00	-	644,062,650

Notes:

- (1) Shares acquired/to be acquired include free Warrants, on a basis of 1 Warrant for every 1 Share acquired, save for the 200 Shares held by Best Oracle being the initial subscriber shares.
- (2) Based on the issue price of the Shares to IPO Investors of RM0.75 per Share.

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3. PARTICULARS OF THE IPO (Cont'd)

(i) **Difference between the Effective Cash Cost per Share to Best Oracle and IPO Investors**

The issue price of each new Share and Warrant issued to Best Oracle is approximately 99% lower compared to the Issue Price. This is due to the following justifications:

- (a) The initial funding of our Company is partly financed by Best Oracle;
- (b) All the Shares and Warrants held by Best Oracle will be subject to a moratorium on the sale, transfer or assignment of the said Shares and Warrants from the Listing until the completion of the Qualifying Acquisition. Please refer to Section 8.2 of this Prospectus for further information on the SPAC Moratorium; and
- (c) Best Oracle is subject to the Non-Participation Obligations.

Our Management Team has invested in our Company via Best Oracle, i.e., through the Subscription by Best Oracle which was completed on 21 May 2012.

(ii) **Difference between the Effective Cash Cost per Share to the Initial Investors and IPO Investors**

The issue/subscription price of RM0.45 of each new Share and Warrant issued to/subscribed by the Initial Investors is 40% lower compared to the Issue Price with the following justifications:

- (a) The initial funding of our Company is partly financed by the Initial Investors;
- (b) The Initial Investors' Shares will be subject to a moratorium on the sale, transfer or assignment of the said Shares from the Listing until the completion of the Qualifying Acquisition. For the avoidance of doubt, the Warrants held by the Initial Investors will not be subject to the moratorium;
- (c) The Initial Investors are subject to the Non-Entitlement Obligations in respect of the Initial Investors' Shares; and
- (d) Prior to the receipt of the SC's approval for the IPO, the Initial Investors had invested RM9,000,000 in our Company via the Subscription by the Initial Investors.

3.8 UNDERWRITING COMMISSION, BROKERAGE AND PLACEMENT FEE

The Underwriters has entered into the Underwriting Agreement with our Company for the underwriting of 10,000,000 Public Issue Shares, which are available for application by the Malaysian public ("**Underwritten Shares**"). We will pay an underwriting commission in respect of the Underwritten Shares at the rate of 3.0% of the value of the Underwritten Shares.

3. PARTICULARS OF THE IPO (Cont'd)

We will pay brokerage in respect of the 10,000,000 Public Issue Shares described in Section 3.1 of the Prospectus, at the rate of 1.0% on the Issue Price in respect of successful applications bearing the stamp of HLIB, participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

We will pay a placement commission at the rate of 3.0% of the value of the Public Issue Shares placed out to placees identified by the Placement Agents. The Placement Agents are entitled to charge brokerage to successful investors under Section 3.1(i) of this Prospectus. For the avoidance of doubt, the brokerage commission to successful investors under Section 3.1(i) of this Prospectus will not be payable by our Company.

3.9 SALIENT TERMS OF THE UNDERWRITING AGREEMENT

The following are the salient terms contained in the Underwriting Agreement including terms which allow the Underwriters to withdraw from the underwriting obligation after the opening of the Public Issue. The capitalised terms and numbering references used in this section shall have the respective meanings and numbering references as ascribed thereto in the Underwriting Agreement:

- 3.9.1 Pursuant to the terms of the Underwriting Agreement, HLIB has agreed to underwrite up to 7,000,000 Public Issue Shares and Maybank IB has agreed to underwrite up to 3,000,000 Public Issue Shares.
- 3.9.2 The obligation of the Underwriters under the Underwriting Agreement to underwrite the Retail Portion is conditional on the following ("**Conditions Precedent**"):
- (i) the issue and registration of the Prospectus with the SC and the lodgment of the same with the Registrar of Companies in accordance with the CMSA;
 - (ii) the delivery to the Underwriters of the required copies of the Directors and shareholders of CLIQ resolutions to approve the Underwriting Agreement, the Prospectus and the IPO and the confirmation by the Directors to accept full responsibility for the accuracy of all the information stated in the Prospectus;
 - (iii) the approval of the Listing by Bursa Securities and the approval of the IPO by the SC (and that such approval by Bursa Securities and SC remaining in force);
 - (iv) the execution of the placement agreement dated 7 March 2013 between our Company, HLIB and Maybank IB for the placement of up to 657,000,000 Public Issue Shares at a placement commission as set out in Section 3.8 of this Prospectus ("**Placement Agreement**") (and that such Placement Agreement remaining in force);
 - (v) the issuance of Public Issue Shares under the IPO is not being prohibited or impeded by any statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority in Malaysia or any jurisdiction where the Public Issue Shares are offered;

3. PARTICULARS OF THE IPO (Cont'd)

- (vi) no material adverse effect, whether individually or in the aggregate, and whether or not arising in the ordinary course of business, (a) on the condition (financial or otherwise), contractual commitments, general affairs, management, business, assets, liquidity, liabilities, shareholders' equity, prospects, properties or results of operations of the Company, (b) on the ability of the Company to perform in any respect its obligations under or with respect to, or to consummate the transactions to which it is a party contemplated by, the Prospectus and the Application Forms and where the context permits, either one of these documents, the Placement Agreement or Underwriting Agreement, or (c) on the IPO ("**Material Adverse Effect**"), has occurred in relation to the condition of the Company (financial, business, operations or otherwise) from that set out in the Prospectus; and
- (vii) the delivery of the certificate by a duly authorized officer of the Company to the Underwriters on the:
 - (a) last date and time for acceptance of and payment for the Retail Portion in accordance with the Prospectus and the Application Form, or any such other date as may be extended, from time to time subject to the prior written approval of the relevant authority in accordance with the Underwriting Agreement ("**Underwriting Agreement Closing Date**"); and
 - (b) within three (3) Market Days after receipt of the underwriting notice in accordance with the Underwriting Agreement or within one (1) Market Day after the Conditions Precedent have been satisfied or waived, as the case may be, whichever is later,
 confirming that:
 - (a) all the representations, warranties and undertakings of the Company in the Underwriting Agreement are true, accurate and correct and not misleading;
 - (b) there has been no Material Adverse Effect since the date of the Underwriting Agreement; and
 - (c) that allotment and issuance of the Retail Portion pursuant to the IPO are not being prohibited by any statute or regulation in Malaysia.

3.9.3 The Underwriters shall have the right to terminate the Underwriting Agreement if:

- (i) any of the Conditions Precedent is not fulfilled or satisfied three (3) Market Days after the Underwriting Agreement Closing Date;
- (ii) there is a breach of any of the warranties or the undertakings by the Company in accordance with the Underwriting Agreement;
- (iii) the Company withholds any material information from the Underwriters which would have or is reasonably likely to have a Material Adverse Effect;
- (iv) a '*Force Majeure Event*' in accordance with the Underwriting Agreement has occurred which would have or is reasonably likely to have a Material Adverse Effect;
- (v) there has been a government requisition or other occurrence which would have or is reasonably likely to have a Material Adverse Effect;

3. PARTICULARS OF THE IPO (Cont'd)

- (vi) there is any material adverse change in the national or international monetary, financial and capital markets, political or economic conditions or exchange control or currency exchange rates which in the reasonable opinion of the Underwriters would have or is reasonably likely to have a Material Adverse Effect;
- (vii) the trading of all securities on Bursa Securities has been suspended for three (3) consecutive Market Days;
- (viii) the introduction of any new law or regulation or any change in law, regulation, directive, policy or ruling which in the reasonable opinion of the Underwriters may prejudice the success of the IPO;
- (ix) the Placement Portion of the Public Issue and/or the Retail Portion of the Public Issue is stopped or delayed by the Company or the regulatory authorities;
- (x) the Listing does not take place by 10 April 2013 or such other extended date as may be agreed upon;
- (xi) the commencement of any legal proceedings against the Company or any of its Directors which in the reasonable opinion of the Underwriters would have or is likely to have a Material Adverse Effect; or
- (xii) the Placement Agreement has been terminated in accordance with its terms.

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4. RISK FACTORS

Our Company is exposed to a number of possible risks that may arise from economic, business, market and financial factors and developments, which may have an adverse impact on our future performance. You should carefully consider the risks and investment considerations set out below along with the other matters in this Prospectus before you make your investment decision.

The risks and investment considerations set out below are not an exhaustive list of the challenges that our Company currently faces nor that may develop in the future. Additional risks, whether known or unknown, may have a material adverse effect on the financial performance of our Company and/or the prices of our Shares and Warrants.

4.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS

4.1.1 Our Company does not have any operating history and, accordingly, you may not have a conventional basis on which to evaluate our ability to achieve our business objective.

As we do not have any operating history, you may not have a conventional basis upon which to evaluate our ability to achieve our business objective, which is to acquire an operating company or asset in the oil and gas industry. We have no plans, arrangements nor understandings with any prospective acquisition candidates. We will not generate any significant revenues until, at the earliest, after the completion of a Qualifying Acquisition.

4.1.2 If our Company is forced to liquidate before a Qualifying Acquisition and distribute the Trust Account, our public shareholders will receive less than the Issue Price per Share and our Warrants will expire worthless.

There is no assurance that we will be able to complete a Qualifying Acquisition within the Permitted Timeframe and consequently, we may be forced to liquidate our assets. In the event we have to liquidate our assets, the per-share liquidation distributions will be less than the Issue Price due to the expenses incurred from this offering, general and other expenses as well as the anticipated costs of identifying a Qualifying Acquisition. Additionally, there will be no distribution with respect to our outstanding Warrants which will expire worthless if we liquidate before the completion of a Qualifying Acquisition.

4.1.3 If our Company is unable to complete a Qualifying Acquisition within the Permitted Timeframe, our public shareholders will be forced to wait until after 36 months from the date of Listing before receiving the Liquidation Distribution.

We have 36 months to complete a Qualifying Acquisition. As such, we are not obliged to return the funds to investors at any time within the Permitted Timeframe unless we complete a Qualifying Acquisition within the Permitted Timeframe. Upon expiration of the Permitted Timeframe, the public shareholders will be entitled to the Liquidation Distribution if we are unable to complete a Qualifying Acquisition. During the Permitted Timeframe, the investors' funds will be held in trust and may not be returned to you until after 36 months from the date of Listing.

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4. RISK FACTORS (Cont'd)

4.1.4 If the net proceeds of this IPO not held in the Trust Account are insufficient to allow us to operate for at least the next 36 months, our Company may be unable to complete a Qualifying Acquisition.

We currently believe that the funds available to us outside of the Trust Account will be sufficient to allow us to operate for at least the next 36 months, assuming that a Qualifying Acquisition does not occur during that time. However, it is not guaranteed that our estimates will be accurate. We could use a portion of the funds not being placed in trust to pay due diligence costs in connection with a potential Qualifying Acquisition or to pay fees to consultants to assist us with our search for a target asset. We could also use a portion of the funds not being placed in trust as a down payment or to fund a “no-shop” provision (a provision in letters of intent designed to keep the target asset(s) from “shopping” around for transactions with others on terms more favourable to such target asset(s)) with respect to a particular proposed Qualifying Acquisition, although we do not have any current intention to do so. If we entered into such a letter of intent where we paid for the right to receive exclusivity from a target asset and such funds were subsequently forfeited (whether as a result of our breach or otherwise), we might not have sufficient funds to continue searching for or conduct due diligence with respect to any other potential target asset(s).

4.1.5 Our Company has yet to select a target asset with which to complete a Qualifying Acquisition, and our Company is currently unable to ascertain the merits, returns or risks of the asset which our Company may ultimately operate.

We have yet to identify or select a target asset with which to complete a Qualifying Acquisition, therefore, investors in this IPO currently have no basis to evaluate the possible merits or risks of the target asset(s). Notwithstanding our Management Team will evaluate the risks inherent in a particular target asset, we are not able to assure you that they will be able to ascertain all risk factors. As such, we cannot assure you that an investment in our Shares and Warrants will ultimately prove to be more favourable to investors than a direct investment, if such opportunity were available, in a target asset. As we have not selected a target asset with which to complete a Qualifying Acquisition, we believe that any projections of future returns at this stage will not be meaningful and therefore we have not provided any such projections. This is mainly due to the uncertainty in the timing and nature of the Qualifying Acquisition. You should rely on your own evaluation and judgment to assess the merits, likely level of returns and risks of the investment in our Company.

Our Company will however focus on identifying and assessing key risks factors such as risks arising from lack of sufficient information to derive a proper estimate of resources as well as risks arising from third party services and infrastructure not being able to meet our operational requirements. The Management Team will evaluate such risks based on the selection criteria disclosed in Section 5.2.1.1 of this Prospectus. We have also established a risk management committee to enhance our Company’s risk management and procedures.

4.1.6 IPO Investors may not be able to realise returns on their investment in the Public Issue Shares within a period that they would consider reasonable

You should not expect that you will necessarily be able to realise your investment in the Public Issue Shares within a period that you regard as reasonable. Accordingly, the Public Issue Shares may not be suitable for short-term investment. There may also be a risk that you may not be able to recover or receive returns on your investment in the event the Qualifying Acquisition is not profitable or require longer period than expected to be profitable.

4. RISK FACTORS (Cont'd)

Notwithstanding the abovementioned risks, we have established a selection criteria for the Qualifying Acquisition as disclosed in Section 5.2.1.1 of this Prospectus. In identifying the oil and gas asset(s) for the Qualifying Acquisition, we will take into consideration our selection criteria, which include amongst others, a minimum target project IRR of 15% per annum. In evaluating whether the target asset(s) will be able to achieve the minimum target project IRR, we are, to a certain extent, dependent on projections and estimations in respect of the target asset(s) obtained internally and/or externally such as third party experts. The projections and estimations include, amongst others, cash flow projections, projected production rate and timeline as well as estimated future costs in respect of the target asset(s). However, the actual performance of the target asset(s) may differ from the projections and estimations made in respect of the target asset(s). As such, we cannot assure that the target asset(s) acquired pursuant to the Qualifying Acquisition will be able to achieve our minimum target project IRR or if achieved, the quantum and timing of the eventual returns to the IPO Investors.

4.1.7 Our ability to successfully effect a Qualifying Acquisition and to successfully operate the company or asset thereafter will be dependent upon the expertise and experience of our Board and Management Team.

Our ability to successfully effect a Qualifying Acquisition is dependent upon the expertise and experience of our Board and Management Team. Thereafter, we will rely on our Management Team to successfully operate the company or asset upon completion of the Qualifying Acquisition. The retention of our Board and Management Team is critical to ensure that we can successfully identify a target asset and to operate the target asset.

Our Management Team owns Shares and Warrants in our Company through a holding company, Best Oracle. Pursuant to the IPO, our Management Team will collectively hold 20% equity interest in the enlarged issued and paid-up ordinary share capital of our Company. This will ensure that the interests of our Management Team are aligned with that of our Company. Assuming full exercise of all the Warrants, our Management Team will continue to own 20% equity interest in our Company.

In addition, our Management Team has entered into the Best Oracle Shareholders' Agreement to regulate their relationship as shareholders of Best Oracle, to put in place a moratorium on the sale, transfer or assignment of the Best Oracle Shares in accordance with the SC Guidelines and to restrict the sale of the Best Oracle Shares upon the expiry of the moratorium. Please refer to Section 7.4 of this Prospectus for the salient terms of the Best Oracle Shareholders' Agreement. Notwithstanding this, upon the upliftment of the moratorium imposed on the sale, transfer or assignment of the securities held by the Management Team as disclosed in Section 8.2 of this Prospectus, the Management Team via Best Oracle, are entitled to sell, transfer or assign the securities held by them, in accordance with the SC Guidelines. As such, the Management Team may sell, transfer or assign the securities held by them prior to any return being realised by the IPO Investors as disclosed in detail in Section 4.1.6 of this Prospectus.

4.1.8 Our Company may not be able to complete the acquisition of an attractive target asset because of our relatively limited resources compared with well established entities with similar business objectives.

Our Company may face intense competition from entities having a business objective similar to ours, including venture capital funds, private equity firms and operating businesses competing for acquisitions. Many of these entities are well established and have extensive experience in identifying and effecting acquisitions directly or through affiliates. Many of these competitors may possess greater technical, human capital and other resources than we do and our financial resources will be relatively limited when contrasted with those of many of these competitors.

4. RISK FACTORS (Cont'd)

While we believe that there are numerous potential target assets that we could acquire with the net proceeds of this IPO, our ability to compete in acquiring certain sizeable target asset(s) would be limited by our available financial resources. Furthermore, the obligation that we have to seek shareholders' approval for the Qualifying Acquisition may delay the completion of a transaction. If we are unable to complete a Qualifying Acquisition with a target asset within the Permitted Timeframe, we will be forced to liquidate.

4.1.9 Our Company may be unable to obtain additional financing, if required, to complete a Qualifying Acquisition or to fund the operations and growth of the target asset, which may cause us to restructure or abandon a particular Qualifying Acquisition.

If the net proceeds of this offering prove to be insufficient for us to complete a particular Qualifying Acquisition either because of the size of the Qualifying Acquisition, the depletion of the available net proceeds in search of a target asset, or the obligation to convert into cash a significant number of Shares from Dissenting Shareholders, we will be required to seek additional financing. However, the additional financing, if any, may not be available on acceptable terms and we may need to restructure the transaction(s) or abandon that particular Qualifying Acquisition and seek alternative target asset(s) for the Qualifying Acquisition. Additionally, we may require additional financing to fund the operations or growth of the target asset(s) after completion of the Qualifying Acquisition. The failure to secure additional financing may have material adverse effects on the development or growth of the target asset(s). None of our officers, directors or shareholders is required to provide any financing to us in connection with or after a Qualifying Acquisition.

4.1.10 Our Company may only be able to complete one Qualifying Acquisition with the proceeds of our IPO, which will cause us to be solely dependent on a single company or asset.

Our Qualifying Acquisition must have an aggregate fair market value equal to at least 80% of the aggregate amount then on deposit in the Trust Account (net of any taxes payable), although this may entail the simultaneous acquisition of several operating businesses at the same time. The fair market value of the target asset(s) will be determined by our Board based upon one or more standards generally accepted by the financial community (which may include actual and potential revenues, earnings, cash flow and/or book value). By completing a Qualifying Acquisition with only a single entity, we would not be able to diversify our operations and our risks would be concentrated on a particular asset. Accordingly, our growth and prospects may be solely dependent upon the performance of a single company or asset.

4.1.11 If our Company simultaneously acquires several companies or assets, we will need the acquisitions to be executed at the same time, thereby making it more difficult for us to complete the acquisitions because of the operational challenges including multiple negotiations and due diligence.

If we simultaneously acquire several companies or assets and such companies or assets are owned by different vendors, we will need each of the vendors to agree that our acquisition of their company or asset is contingent upon the simultaneous completions of the other acquisitions, which may make it more difficult for us operationally due to multiple negotiations and due diligence, and delay our ability to complete the acquisitions. With multiple acquisitions, we may also face additional risks, including additional burdens and costs with respect to possible multiple negotiations and due diligence investigations (if there are multiple vendors) and the additional risks associated with the subsequent assimilation of the operations and services or products of the acquired companies in a single operating company or asset. If we are unable to adequately address these risks, it could negatively impact our profitability and results of operations.

4. RISK FACTORS (Cont'd)

4.1.12 The determination of the Issue Price is more arbitrary compared with the pricing of securities for an operating company.

Prior to this offering, there has been no public market for any of our securities. Factors considered in determining the prices and terms of the Public Issue Shares and the Warrants include:

- the minimum proceeds to be raised by a SPAC in accordance with the SC Guidelines;
- the listing scheme as set out in Section 3.2 of this Prospectus; and
- the general condition of the securities markets at the time of the IPO.

Although these factors were considered, the determination of our Issue Price is more arbitrary than the pricing of securities for an operating company since we have no historical operations or financial results to compare them to.

4.1.13 If our Company acquires a target asset which is located outside of Malaysia, we could be subject to a variety of additional risks that may negatively impact our operations.

If we acquire a target asset which is located outside of Malaysia, we could be subject to special considerations or risks associated with companies operating in the target asset's home jurisdiction, including any one or more of the following:

- rules and regulations or currency conversion or corporate withholding tax on individuals;
- tariffs and trade barriers;
- regulations relating to customs and import/export matters;
- longer payment cycles;
- tax issues specific to the jurisdiction of the target asset(s) or company(ies);
- currency fluctuations;
- challenges in collecting amounts receivable;
- cultural and language differences; and
- employment regulations.

If we are unable to adequately address these risks, our operations may be adversely affected.

To address the above risks, we intend to conduct country-profiling for the above considerations. Country-profiling entails conducting extensive researches by our Management Team and relying on the vast experience from our Board and Management Team including their extensive network of contacts in the Asian and Oceania regions.

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4. RISK FACTORS (Cont'd)

4.1.14 Our Company is exposed to risks in relation to post-completion of the Qualifying Acquisitions particularly risks in relation to development and production operations.

In view of our business strategy in Section 5 of this Prospectus to acquire oil and gas assets that require development and/or are in production stage, we are exposed to risks in drilling, extraction, piping and processing activities of oil and gas fields. These risks are directly driven by the strength in design, selection, procurement, and installation standards applied to our oil and gas infrastructure as well as operating procedures and emergency response contingency planning during drilling, development and/or production. Weaknesses, such as poor design, poor procedures, inadequate physical strength, and limited capacity may adversely affect our operations. This may range from loss, delays and/or decrease in capacity, to ultimately halting our operations altogether.

Additionally, we are also exposed to risks in relation to poor management and maintenance of equipment/ infrastructure. Operating personnel who lack competency in managing the asset and equipment may cause damage, lessen the shelf life and/or ultimately cause the loss of the oil and gas equipment/ infrastructure.

To mitigate these risks, we aim to adopt global industry standards in the area of design, procurement, operations and maintenance of all our assets. We will also focus on developing robust preventive maintenance and inspection practices, operating philosophies including sparing, and strategic vendor arrangements to ensure we obtain consistent and good quality equipments and infrastructures. Additionally, we intend to focus on only hiring personnel who have attained adequate competency level, training and awareness in order to appropriately operate and maintain our equipments/infrastructure.

4.1.15 Our Company is exposed to technical risks particularly in the evaluation of oil and gas exploration and development assets.

The evaluation of a particular oil and gas asset can be highly uncertain in terms of estimating the volume and production potential, and the associated costs to develop and to produce them. The estimation may also involves subjective judgements and determinations based on geological, technical, contractual and economic information. It is not an entirely exact calculation. There are numerous uncertainties inherent in the basis and assumptions used in the estimation, hence, the actual outcome may vary from the estimation.

Such uncertainties can arise from the newly discovered oil and gas fields that may require further appraisal or testing and data gathering including fields/projects under the Contingent Resources category. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Other contingencies such as environmental issues and requirement to obtain regulatory approvals may also affect the outcome and timing of the development of the oil and gas fields. Further data acquisition and/or studies as well as appraisal/evaluation activities are required in order to move the project to a level of technical and commercial maturity at which a decision can be made on whether to proceed with development and production of the oil and gas fields.

In a situation of competition for purchase of oil and gas fields/assets such as in a block bidding process, results are generally determined by both the level of risk the purchasing parties are willing to take and the extent of premium to be offered in consideration of the estimated upside from the asset. Such estimated upside may be proven to be wrong and consequently we may face severe cost overruns after the purchase of such assets.

4. RISK FACTORS (Cont'd)

These risks can be mitigated by having the right expertise and experienced personnel in the evaluation team including for the studies/appraisal/evaluation activities in order to minimise uncertainties in ascertaining the commercial viability of the resources as well as to formulate an effective field development plan, using appropriate techniques, project management workflow and technologies as well as adopting global industry practices and standards for development of oil and gas fields in areas such as procurement and design.

4.1.16 Our Company is exposed to the risk of having insufficient skilled employees to operate the company and assets acquired pursuant to the Qualifying Acquisition due to the current global shortage of skilled employees in the upstream oil and gas industry.

Our Company may not have sufficient skilled employees to operate the company and assets acquired pursuant to the Qualifying Acquisition due to the current global shortage of skilled employees in the upstream oil and gas industry. This may adversely affect the exploration, development and production capacity of the oil and gas assets acquired pursuant to the Qualifying Acquisition.

Additionally, save for our Board and Management Team, we currently do not have any employees involved in operations of company(ies) and assets as we have yet to select any company(ies) and assets for the Qualifying Acquisition. As such, we currently do not have a comprehensive human resource capital and may not have adequate policies and processes to attract or retain competent employees to operate any company(ies) and assets in the future pursuant to the Qualifying Acquisition (if any). We may temporarily rely on the company(ies)' (acquired pursuant to the Qualifying Acquisition) existing human resource practices, policies and processes. However, there is no assurance that these existing human resource practices may be adequate to attract, retain and train competent employees to operate the oil and gas assets.

To mitigate such risk, we intend to provide competitive and/or attractive i.e. over and above the industry level, remuneration packages to attract the required skilled employees to operate our oil and gas assets acquired pursuant to the Qualifying Acquisition.

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4. RISK FACTORS (Cont'd)

4.2 RISKS RELATING TO THE OIL AND GAS INDUSTRY

The challenges facing the oil and gas industry are categorised as follows:

- (i) Financial and economic risks;
- (ii) Compliance risks;
- (iii) Operational risks; and
- (iv) Strategic risks.

4.2.1 Financial and economic risks

4.2.1.1 Lower oil and gas price will result in lower revenue.

Prices for oil and gas are generally volatile and tend to fluctuate based on a variety of factors including amongst others, political and economic. Growth in the oil and gas industry and its related infrastructure is particularly sensitive to changes in prices in oil and gas. Demand for oil and gas is relatively inelastic in view of the wide usage of oil and gas in our lives and the economy. As such, lower oil and gas prices tend to reduce the profit margin of oil and gas products while not necessarily inducing sufficient increase in demand. The economics of producing oil and/or gas from certain wells may also change as a result of lower prices, hence, we may elect not to produce from certain wells. These factors may contribute to reduction in oil and/or gas production, which will result in lower revenue. Factors that impact price fluctuations include but are not limited to the actions of the members of the OPEC, the level of production by non-OPEC countries, worldwide demand for oil and gas, political tensions involving OPEC and non-OPEC countries.

Hence, any material decline in oil and gas prices may result in lower revenue and adversely affect the future profitability of our Qualifying Acquisition and consequently may have a material adverse effect on our Company's business and financial performance.

4.2.1.2 Increases in oil and gas prices or changes in government initiatives, policies and regulations towards the oil and gas industry may adversely affect our ability to complete a Qualifying Acquisition and realise the benefits arising from the Qualifying Acquisition.

Any significant increases in oil and gas prices would likely increase the valuation of target asset(s). In the event that such valuations exceed the funds available to us through the equity or debt markets, our ability to complete a Qualifying Acquisition would be adversely affected or we may be forced to acquire a smaller interest or asset than originally envisaged. In addition, while governments generally seek to encourage E&P activities, any adverse changes to the governments' current initiatives, policies and regulations towards the oil and gas industry may limit the opportunities available.

Additionally, when oil prices increase, governments can make regulatory changes such as, increasing tax on the oil and gas produced and/or by increasing domestic market obligations ("DMO"). DMOs are obligations by the oil and gas producers to set aside a portion of the production to be sold domestically at a significant discount subject to government policies. An increase in tax will cause foreign operating E&P companies into giving the host country a higher revenue share while increase in DMOs will erode the size of the E&P companies' entitlements to the oil and gas produced.

4. RISK FACTORS (Cont'd)

4.2.1.3 Our Company is exposed to risks in the financial markets including, accounting, counter-party risks and foreign exchange risks.

We are principally involved in the oil and gas industry, however we are intrinsically exposed to risks in relation to the financial markets. Such risks include exposures to interest rate particularly if we are undertaking borrowings to finance our future operations post-completion of the Qualifying Acquisition as well as interest received from deposits in financial institutions and the investors' funds held in the Trust Account.

Our revenues may be denominated in foreign currencies. However, a portion of our expenses is denominated in RM and other currencies where our Qualifying Acquisition may be held in. The RM operates on a managed float basis, and an appreciation of the RM against foreign currencies may materially and adversely affect our financial performance as it may reduce our revenue in RM terms. Accordingly, changes in the foreign currencies to the RM rate could have an adverse impact on our results of operations and financial condition, including translation adjustments in converting foreign currencies to RM for financial statement purposes.

4.2.2 Compliance risks

4.2.2.1 Risks in relation to future energy policy changes.

There has been an increase in regulatory oversight in the oil and gas industry in lieu of recent major environmental disasters involving the oil and gas industry including amongst others, the 2010 oil spill in the Gulf of Mexico. Such trend of stricter energy policies is expected to continue in the future. The increase in regulatory oversight in the oil and gas industry globally may cause increased restrictions of access to oil and gas fields globally. The possible creation of new oversight bodies and imposition of more stringent requirements on the E&P companies may cause offshore E&P efforts to be cost excessive and/or prohibitive particularly for the smaller E&P companies.

4.2.2.2 Government initiatives and policies towards the oil and gas industry may affect the level of E&P activities in the Regions of Interest.

The level of E&P activities is sometimes influenced by governments' initiatives and policies towards the industry. Governments often encourage such activities when they require additional foreign source of income and foreign direct investment. These objectives are normally achieved through offering of PSCs or concessions to the E&P companies by the governments. PSCs or concessions allow E&P companies to undertake E&P activities in a country while the respective government shares a percentage of output from the oil and gas production activities. Any adverse change or development to the current governments' initiatives and policies towards the oil and gas industry may lower the level of E&P activities in the region, hence adversely affecting our future business operations and performance. Adverse changes include, amongst others, imposition by the government of a higher profit sharing ratio to them or limitations imposed for the offering of PSCs and Concessions to E&P companies.

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4. RISK FACTORS (Cont'd)

4.2.2.3 Failure to comply with country's regulations covering E&P activities could reduce our profitability following a Qualifying Acquisition and such non-compliance could result in the imposition of penalties, fines or restrictions on operations and remedial liabilities.

The oil and gas industry is subject to extensive federal, state and local laws and regulatory regimes related to the environment and health and safety aspects of the business. Compliance with these laws, regulations and obligations could require substantial capital expenditures while failure to comply due to unforeseen oversights could result in the imposition of penalties, fines or restrictions on operations and remedial liabilities on the E&P company. These costs and liabilities could adversely affect our operations following the Qualifying Acquisition. These laws, regulations and obligations could change with the promulgation of new laws and regulations or a change in the interpretation of existing laws and regulations, which could result in substantially similar risks. Further, we may not be able to effectively comply with the new regulations introduced.

4.2.2.4 If our Company is unable to acquire or renew permits and approvals required for our operations following a Qualifying Acquisition, our Company may be forced to suspend or cease our operations altogether.

The construction and operation of oil and gas projects require numerous permits and approvals from governmental agencies. We may not be able to obtain all necessary permits and approvals following a Qualifying Acquisition. If we are unable to obtain or renew permits or approvals necessary for the operation of our company or asset following a Qualifying Acquisition, our operations would be adversely affected. In addition, obtaining all necessary permits and approvals may necessitate substantial expenditures and may create a significant risk of expensive delays or loss of value if a project is unable to function as planned due to changing requirements or local opposition.

4.2.3 Operational risks

4.2.3.1 The oil and gas industry is exposed to exploration risks including the possibility of non-discoveries or the discovery of insufficient quantity of oil and gas which can be commercialised.

The exploration for oil and gas is inherently associated with high degree of uncertainties including the possibility of non-discoveries, i.e. wells may be dry or yield no hydrocarbons, or discovery of an insufficient quantity of oil and gas which can be commercialised. As oil and gas exploration requires significant investments, the E&P company may be exposed to the risk of financial loss in the event of non-discoveries or a discovery of insufficient quantity of oil and gas to be commercialised. The key factors in determining the commercial viability are the size of the deposit, extraction costs, recovery rates and commodity price.

In addition, physical exploration activities such as 'wildcat drillings', or drilling in unknown areas may also be exposed to various forms of risks such as blow-outs. Physical risks could be a result of unforeseen adverse events during the drilling operations such as sudden release of high pressured gas and liquid, poor procedures or equipment failures. The geological environment of the area for exploration may further complicate and increase the level of risks involved. A typical flat land or shallow offshore areas is technically easier to conduct E&P operations as compared with rugged mountainous terrain or deepwater offshore areas.

4. RISK FACTORS (Cont'd)

In the event we venture into exploration assets after the completion of the Qualifying Acquisition, our Company will be subject to exploration risks. There is no assurance that any exploration on future assets will result in the discovery of an economic deposit of oil or gas. Even if viable deposits are identified, there is no assurance that it can be commercialised.

4.2.3.2 The oil and gas industry is exposed to development risks.

In order to realise the value of the resource potential in any discovered oil and gas fields, the fields need to be developed with the necessary infrastructure to produce and transport the oil and gas for sale. Infrastructure includes wells, platforms, process equipment, pipelines and storage. Estimation of production quantities and impurities such as carbon dioxide or hydrogen sulphide gas must first be carried out to determine the appropriate design of the infrastructure. As the design of this infrastructure is reliant on estimates, it is exposed to uncertainties, including production rate, or pressure/temperature of the fluid flow. If the design is inadequate, this may lead to incidents such as an oil spill or fire or even potentially loss of life.

Construction of the facilities may involve a significant amount of activity and support services that must be managed and coordinated properly. Further, various forms of approvals and permits may be required during the construction process. Therefore, there may be additional risks involved, including obtaining the required approvals on time and the physical risks such as construction accidents.

In view of the relatively larger capital commitments required, there may be risks in cost overruns and delays during development. Any material increase in estimated capital expenditure requirements including development expenditure, operating costs and unavailability or delay of equipment and services, may have an adverse effect on our business and financial performance.

4.2.3.3 The oil and gas industry is exposed to production and operational risks.

Inherent in any operation is the physical risk of production. One is dealing with volatile and flammable hydrocarbon mixtures often in a pressurised condition that pose a major risk. Equipment must be operated and maintained in accordance with strict operating and safety standards. Failure to operate soundly may lead to adverse incidents which could result in the loss of life or damage to properties or assets or render them inoperable. Furthermore, there is no assurance that comprehensive maintenance will eliminate the production risk arising from the degradation of oil and gas infrastructure as such degradation may not be detected with the current technologies and/or methods.

Production risk can also adversely impact the surrounding environment. Incidents such as oil spills have major potential impacts to the environment and life in the surrounding areas. In view of most countries having environmental laws, damage to the environment may cause the E&P company further financial loss through litigation. Production of oil and gas may involve a third party infrastructure or service e.g. export or storage facilities that are beyond the direct control of the E&P company. Failures, improper handling and/or weakness in the third party infrastructure or services may also expose the E&P company to production risks and indirect legal exposure.

4. RISK FACTORS (Cont'd)

4.2.3.4 The oil and gas business is reliant on the discovery and production of replacement Reserves.

Companies in the oil and gas industry including CLIQ, post-Qualifying Acquisition, must continually explore, develop and acquire new Reserves to replace those produced and sold.

The ability to achieve this objective is dependent, in part, on the level of investment in exploration activities and success in discovering or acquiring additional oil and gas reserves. Exploration and development activities to seek additional Reserves may be exposed to risks associated with drilling as well as the risk that economically recoverable resources will not be discovered. Without Reserve additions, the Reserves and production of an E&P company, including CLIQ, will decline over time as its existing reserves are depleted, which would adversely affect the E&P company's performance in the long term.

4.2.3.5 Risks in relation to management of costs.

E&P companies are inherently exposed to risks arising from cost overruns. Typically E&P companies estimate project costs through market survey, benchmarking with other comparable projects/assets and adjusting for the specific considerations of the asset/project. In view that costs remain an estimate until the full payment and completion of the project, there is the possibility of the actual cost exceeding the projected costs. Cost overruns in relation to E&P companies may be caused by unforeseen increase in cost of raw materials such as steel which is used for construction of oil and gas infrastructures as well as increase in cost of services in relation to design and installation of such infrastructures. Other factors such as delay by third party service providers or contractors as well as variation to the scope of work may also result in cost overruns.

4.2.3.6 Risks in relation to our dependence on IT in our business operations.

We are highly dependent on IT infrastructure and software to support our business operations particularly for the evaluation of oil and gas fields and to a lesser extent, for risk management and administrative purposes. Most of the existing oil and gas operational applications require advanced IT programs to run the necessary software applications as well as to transfer the associated data and information. These IT programs may malfunction and expose us to systems failures.

Such failures may cause loss of data and delay the operations of E&P companies. Further, up-to-date software applications for the operations E&P companies including evaluation of oil and gas fields may require frequent upgrades of IT infrastructure and as such, may result in further costs to be incurred by the company.

To mitigate such risks, we intend to regularly review and where necessary upgrade our IT systems to enable us to utilise the latest software and protection procedures for the operations of the E&P companies.

4.2.3.7 Risks in relation to HSE.

Oil and gas industry requires high standards of health, safety and environmental practices in view of the inherent nature of the business including dealing with flammable and toxic hydrocarbons and the extreme operating environment such as operating in high pressures and high temperatures to extract the oil and gas from the fields. As such, E&P operations may have adverse impacts on the people, and the surrounding environment particularly as a result of major disasters such as oil spills, blowouts or fires.

4. RISK FACTORS (Cont'd)

Additionally, HSE can influence the ability to bid and win projects in the marketplace as governments and/or awarders of PSC/concession are increasingly focusing on how well operating E&P companies are managing health and safety and ability to respond effectively to an adverse event, including major and minor disasters/accidents.

Therefore, E&P companies with lesser health and safety capabilities and/or track record, particularly new E&P companies, may be disadvantaged in competing for oil and gas projects as compared to major and/or long-standing E&P companies.

4.2.3.8 Risks in relation to on-going shortage of skilled and experienced manpower in the oil and gas industry.

There is an on-going shortage of skilled and experienced manpower in the oil and gas industry globally. Increase in the oil and gas prices have led to increase in E&P activities globally. Such increase in activities recently has created a gap of manpower globally. This can be attributed to the previous lack of investment in training/developing skilled and experienced manpower during the low oil price period of the early 1990s by the E&P companies globally. While training of manpower for the oil and gas industry has expanded recently, there is still a shortage of oil and gas employees with sufficient years of experience.

4.2.4 Strategic risks

4.2.4.1 Strong competition for access to oil and gas resources.

Access to oil and gas resources is one of the major risks in the oil and gas industry as the current political unrest in North Africa and the Middle East region has created uncertainty over future access in these regions. There is no guarantee that these regions' political environments will be sufficiently stable to support the exploration, development or production of oil and gas fields. The political unrests in these regions will increase competition for oil and gas resources amongst E&P companies in other more stable oil and gas producing countries which may include countries in our Region of Interests. Increase in competition for resources will affect entry costs which include increase in the purchase value of oil and gas assets.

Further, high oil prices may cause governments to attempt an increase in their share of revenues, leading to the formation of more government-backed oil companies. These companies will command better favour from the government over an independent oil company competing for the same resources in that particular country.

4.2.4.2 Our Company is reliant on the infrastructure of third party providers.

As an E&P company, we may not own or maintain the entire infrastructure that produces, processes and transports oil and gas to our customers. Such infrastructure, which includes pipelines and storage tanks, is often leased from third party providers and we have no control over the quality, capacity and availability of this infrastructure. We may, from time to time, face interruptions due to logistical complications.

In the event that there is a disruption or delay in the availability of this infrastructure, we would be unable to sell our products until the problem is corrected or until we find alternative means to deliver our products to our customers. Such alternative means, if available, would likely result in increased costs, and may have an adverse effect on our future operations, business and profitability.

4. RISK FACTORS (Cont'd)

4.3 RISKS RELATING TO THE IPO

4.3.1 **There is no prior market for our Shares and Warrants, and an active market for our Shares and Warrants may not develop after Listing.**

Prior to this IPO, there has been no public market for our Shares and Warrants. There can be no assurance that an active and liquid market for our Shares and Warrants will develop and continue to develop upon or subsequent to our Listing or, if developed, that such a market will be sustained. We believe that a variety of factors could cause our share price to fluctuate and such fluctuations may adversely affect the market price of our Shares and Warrants. The Issue Price has been determined after taking into consideration a number of factors as stated in Section 3.4 of this Prospectus. There can be no assurance that the Issue Price will correspond to the price at which our Shares will trade on the Main Market of Bursa Securities upon or subsequent to our Listing.

4.3.2 **Our Management Team's effective cash cost per Share is RM0.01 and accordingly, the IPO Investors would face immediate and substantial dilution in the NA per Share after the Public Issue and may experience future dilution.**

The Issue Price is higher than our NA per Share after the Public Issue. Therefore, the IPO Investors will experience an immediate dilution in NA per Share of RM0.67 per Share and RM0.68 per Share under the Minimum Subscription and Maximum Subscription, respectively, after the Public Issue and payment of listing expenses. The decrease in the NA per share to the IPO Investors is due to the IPO proceeds placed under the Trust Account is deemed as a liability to our Company prior to approval for the Qualifying Acquisition. As a SPAC, our Company is required to return the proceeds under the Trust Account to the IPO Investors if the Qualifying Acquisition is not completed within the Permitted Timeframe.

Subsequent to the Public Issue, the payment of listing expenses and the approval for the Qualifying Acquisition and assuming the Qualifying Acquisition is completed within the Permitted Timeframe, the IPO Trust Proceeds placed under the Trust Account will be reclassified from liability to equity as the Company has no further obligation to refund the IPO Trust Proceeds and the dilution in NA per Share will be RM0.20 per Share and RM0.18 per Share under the Minimum Subscription and Maximum Subscription, respectively. The dilution in the Pro Forma NA per Share is mainly attributable to the Management Team's lower effective cash cost of RM0.01 per Share.

Subsequent to the Public Issue, the payment of listing expenses, the approval of the Qualifying Acquisition and assuming the Qualifying Acquisition is completed within the Permitted Timeframe and full exercise of the Warrants, the IPO Investors will experience dilution in NA per Share of RM0.23 per Share and RM0.21 per Share under the Minimum Subscription and Maximum Subscription, respectively.

In the future, after the completion of the Qualifying Acquisition, we may require additional funding and we may consider offering and issuing additional Shares or equity-linked securities. The IPO Investors may experience further dilution in NA per Share if we issue additional Shares or equity-linked securities in the future.

Please refer to Sections 3.3.1, 3.7, 7.1.1.1, 7.2.1.1 and 7.3.1.1 of this Prospectus for information on the dilutive effects of the full exercise of the Warrants on the issued and paid-up share capital, shareholding structure and NA per Share of our Company.

4. RISK FACTORS (Cont'd)

4.3.3 Investment in the capital market exposes the investor to capital market risk.

The performance of the local bourse is very much dependent on external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Sentiments are also largely driven by internal factors such as the economic and political conditions of the country as well as the growth potential of the various sectors of the economy.

These factors invariably contribute to the volatility of trading volumes witnessed on Bursa Securities, thus adding risks to the market price, which may already fluctuate significantly and rapidly as a result, *inter-alia*, of the following factors:

- differences between our Company's actual financial and operating results and those expected by investors and analysts;
- announcements by us or our competitors of significant contracts, acquisitions, strategic alliances, joint ventures or capital commitments;
- fluctuations in stock market prices and volume;
- changes in our Company's operating results;
- changes in securities analysts' estimates of our Company's financial performance and recommendations;
- change in market valuation of similar companies;
- our involvement in litigation, arbitration or other forms of dispute resolution;
- additions or departures of key personnel; and
- changes in general economic and stock market conditions.

4.3.4 Forward-looking statements may not be reflective of our future prospects.

Our Prospectus contains forward-looking statements, which are based on our current expectations and assumptions regarding our business, the economy and other future conditions. Whilst the interpretation of this information may be forward-looking, the contingencies and inherent uncertainties underlying this information should be carefully considered by the investors and should not be regarded as a representation by our Company and our advisers that the objectives and the future plans of our Company will be achieved. Any differences in the expectation of our Company from our actual performance may result in our Company's financial and business performances and plans to be either, materially or immaterially, different from those anticipated.

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4. RISK FACTORS (Cont'd)

4.3.5 Unforeseeable events could result in the delay in Listing or the termination of the Listing exercise.

The occurrence of any one or more of the following events, which may not be exhaustive, may cause a delay in our Listing or cause our Listing to be aborted:

- (i) the Underwriters exercising the rights pursuant to the Underwriting Agreement to discharge themselves from their obligations thereunder;
- (ii) we are unable to meet the public spread requirement as determined by Bursa Securities, i.e. at least 25% of our enlarged issued and paid-up ordinary share capital must be held by a minimum number of 1,000 public shareholders holding not less than 100 Shares each at the point of our Listing; or
- (iii) we are unable to meet the minimum requirement for the listing of the Warrants, that is, at least 100 Warrant holders holding not less than 1 board lot of the Warrants each.

In such an event, our Board will endeavour to take the necessary steps in the best interests of our Company and its shareholders as well as the economic conditions at that point in time, including, subject to restrictions set out in Section 4.3.6 below, return in full without interest, all monies paid in respect of any Applications accepted. Our Directors will endeavour to ensure compliance with the various requirements for our successful Listing.

4.3.6 Delay between admission and trading of the Public Issue Shares may result in prolonged delays or the inability for investors to recover monies paid in respect of the Public Issue Shares.

After the Public Issue Shares and Warrants have been allotted and/or allocated to the respective investors' CDS accounts in Bursa Depository, which would occur at least 2 clear Market Days prior to the anticipated date for Admission, it may not be possible to recover monies paid in respect of the Public Issue Shares and Warrants from us in the event the Admission and the commencement of trading on the Main Market of Bursa Securities do not occur.

Delays in the Admission and the commencement of trading in shares on Bursa Securities have occurred in the past. In respect of the Public Issue Shares, following their allotment and issue to investors, a return of monies to such investors may be effected by way of a reduction of our share capital. A capital reduction would require the approval by special resolution of our shareholders as well as approval by the Malaysian High Court.

Further, such capital reduction shall not be effected if on the date the reduction is to be effected, there are reasonable grounds for believing that we are, or after the reduction would be, unable to pay our liabilities as they become due.

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5. INFORMATION ON OUR BUSINESS

5.1 BACKGROUND INFORMATION

5.1.1 Background

Our Company was incorporated in Malaysia under the Act as a private limited company on 3 February 2012 under the name of CLIQ Energy Sdn Bhd. On 17 July 2012, our Company was converted into a public company under the name of CLIQ Energy Berhad. The principal activity of CLIQ is as an investment holding company and had commenced business operations on 24 September 2012.

We intend to list on the Main Market of Bursa Securities as a SPAC. SPACs are companies which have no operations or income generating business at the point of IPO but undertake an IPO for the purpose of raising funds to acquire operating companies or businesses.

5.1.2 Key criteria of a SPAC

The key criteria of a SPAC, as provided for under the SC Guidelines, are as follows:

Key Criteria	Details
Minimum funds raised	A SPAC must raise at least RM150,000,000 through its IPO.
Interest of management team	Members of the management team of the SPAC must own at least 10% of the SPAC upon IPO.
Management of IPO proceeds	<p>A SPAC must place at least 90% of the gross proceeds from its IPO in a Trust Account immediately upon receipt of all proceeds. The monies in the Trust Account may only be released by the Custodian upon termination of the Trust Account.</p> <p>The proceeds in the Trust Account may be invested in Permitted Investments. Any interest generated by the funds held in the Trust Account including interest/dividend income derived from the Permitted Investments, must accrue to the Trust Account.</p> <p>The balance of the proceeds from the IPO, being 10% of the proceeds, may be utilised to defray expenses related to the IPO and for working capital purposes including but not limited to operating costs, fund the search for a target company or asset and completing the Qualifying Acquisition.</p> <p>For avoidance of doubt, the funds from the Subscription by Best Oracle and Subscription by the Initial Investors will not be included in the Trust Account.</p>
Qualifying Acquisition	An initial acquisition of target company(ies) or asset(s) which has an aggregate fair market value of at least 80% of the aggregate amount in the Trust Account (net of any taxes payable).

5. INFORMATION ON OUR BUSINESS (Cont'd)

Timeframe for completion of a Qualifying Acquisition	<p>Within 3 years from the date of listing of the SPAC. In the event the SPAC fails to complete the Qualifying Acquisition within the Permitted Timeframe, it will be delisted from the Main Market of Bursa Securities.</p>
Shareholders' approval for a Qualifying Acquisition	<p>The resolution on the Qualifying Acquisition must be approved by a majority in number of shareholders representing at least 75% of the total value of shares held by all shareholders present and voting either in person or by proxy at an EGM. Where the Qualifying Acquisition comprises more than 1 acquisition, each acquisition must be approved by the shareholders of the SPAC in the same manner.</p> <p>The management team and persons connected to the management team must abstain from voting.</p>
Refund to dissenting shareholders	<p>Shareholders (other than the management team and persons connected to them) who vote against a Qualifying Acquisition at the EGM will be entitled to receive, in exchange for their Shares, a sum equivalent to a pro rata portion of the amount then held in the Trust Account (net of any taxes payable and expenses related to the facilitation of the exchange), provided that such Qualifying Acquisition is completed within the Permitted Timeframe. The Shares tendered in exchange for cash must be cancelled.</p> <p>Please refer to Section 5.1.3 of this Prospectus for the basis of computation for the Qualifying Acquisition Share Repurchase.</p>
Custodian	<p>The SPAC will secure and maintain custodial arrangements at all times over the monies in the Trust Account until the termination of the Trust Account.</p> <p>The roles and responsibilities of the Custodian are as follows:</p> <ul style="list-style-type: none"> (i) The Custodian must hold in trust, the proceeds from an issuance of securities by the SPAC, in accordance with the Custodian Agreement, the SC Guidelines and applicable laws; (ii) The Custodian must take appropriate measures to ensure the safekeeping of the monies held in the Trust Account. In particular, the Custodian must ensure that: <ul style="list-style-type: none"> (a) proper accounting records and other records as are necessary are kept in relation to the Trust Account; (b) custody and control of monies held in the Trust Account is in accordance with the provisions of the Custodian Agreement;

5. INFORMATION ON OUR BUSINESS (Cont'd)

- (iii) the Custodian may be provided a mandate by the management team to invest the amounts held in the Trust Account in Permitted Investments;
- (iv) the Custodian may only distribute and/or liquidate the funds held in the Trust Account in accordance with the provisions in the Custodian Agreement.

Please refer to Section 5.1.5 of this Prospectus for the salient terms of the Custodian Agreement.

Liquidation

In the event the SPAC fails to complete a Qualifying Acquisition within the Permitted Timeframe, it must be liquidated. The amount then held in the Trust Account (net of any taxes payable and direct expenses related to the Liquidation Distribution), must be distributed to the respective shareholders on a pro rata basis as soon as practicable, as permissible by the relevant laws and regulations. Any interest earned from the Permitted Investments accruing to the Trust Account will form part of the Liquidation Distribution. The management team and persons connected to them may not participate in the Liquidation Distribution, except for securities purchased by them after the date of listing of the SPAC on the Main Market of Bursa Securities.

Please refer to Section 5.1.3 of this Prospectus for the basis of computation for the Liquidation Distribution.

5.1.3 Basis of computation for the Qualifying Acquisition Share Repurchase and the Liquidation Distribution

The basis of computation for the Qualifying Acquisition Share Repurchase (provided that such Qualifying Acquisition is duly approved and completed within the Permitted Timeframe) is as follows:

$$X = \frac{Y}{Z}$$

Where:

- X = Amount per Share payable to the Dissenting Shareholder
- Y = Amount then held in Trust Account (net of any taxes payable and expenses related to the Qualifying Acquisition Share Repurchase)
- Z = Total number of Shares excluding Shares held by the Management Team, persons connected to the Management Team and the Initial Investors⁽¹⁾

Note:

- (1) Except in relation to Shares purchased by the Initial Investors after the Listing or pursuant to the Public Issue.

5. INFORMATION ON OUR BUSINESS (Cont'd)

In order to exercise the right to require our Company to purchase Shares under the Qualifying Acquisition Share Repurchase, a shareholder shall be required to send a notice in writing to our Company (in such format, and within such timeframe as may be prescribed by our Company from time to time).

The satisfaction of the purchase consideration for the Qualifying Acquisition Share Repurchase shall be effected by our Company in favour of each Dissenting Shareholder within 7 Market Days after the Qualifying Acquisition has been fully and duly completed. Such payment to the Dissenting Shareholders shall be effected in the same manner as provided in our Articles of Association in relation to dividends. Please refer to Section 12.2 of this Prospectus for the relevant extracts from our Articles of Association.

In the event that the Qualifying Acquisition cannot be completed, the Dissenting Shareholders shall not be paid and we shall search for another Qualifying Acquisition so long as it is within the Permitted Timeframe.

The basis of computation for the Liquidation Distribution is as follows:

$$A = \frac{B}{C}$$

Where:

A = Amount per Share payable to the Shareholder

B = Liquidation Amount

C = Total number of Shares excluding Shares held by the Management Team, persons connected to the Management Team and the Initial Investors⁽¹⁾

Note:

(1) *Except in relation to Shares purchased by them after the Listing and Shares purchased by the persons connected to the Management Team pursuant to the Public Issue*

The Liquidation Amount shall be distributed to the shareholders on a pro-rata basis as soon as practicable in accordance with the provisions of the Act and other applicable laws and regulations provided always that the Management Team, persons connected to them, the Directors and the Initial Investors shall renounce their entitlement to (and shall not participate in) the Liquidation Distribution, except in relation to Shares purchased by the Management Team, persons connected to them, the Directors and the Initial Investors after the Listing and Shares purchased by the persons connected to the Management Team pursuant to the Public Issue.

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5. INFORMATION ON OUR BUSINESS (Cont'd)

5.1.4 Share capital and changes in share capital

Our present authorised share capital is RM25,000,000 comprising 20,000,000 RCPS and 2,480,000,000 Shares, of which 11,731,000 RCPS and 75,000,200 Shares have been issued and fully paid-up.

The changes in our issued and paid-up share capital since incorporation until the date of this Prospectus are as follows:

(i) Shares

Date of allotment/ subdivision	No of Shares allotted/ subdivided	Par value RM	Consideration	Cumulative issued and paid-up ordinary share capital RM
3 February 2012	2	1.00	Cash	2
21 May 2012	200	0.01	Subdivision of Shares	2
15 June 2012	5,000,000	0.01	Conversion of RCPS	50,002
11 July 2012	20,000,000	0.01	Cash	250,002
18 December 2012	50,000,000	0.01	Conversion of RCPS	750,002

(ii) RCPS

Date of allotment/ conversion	No of RCPS allotted/ converted	Par value RM	Consideration	Cumulative issued and paid- up RCPS RM
21 May 2012	17,231,000	0.01	Cash subscription	172,310
15 June 2012	500,000	0.01	Conversion of RCPS	167,310
18 December 2012	5,000,000	0.01	Conversion of RCPS	117,310

There were no discounts, special term or instalment payment plan in relation to the payment for the abovementioned RCPS and Shares.

In addition to the above, our Company will also be issuing between 275,000,000 and up to 858,750,000 Warrants comprising the following:

- (i) 20,000,000 Warrants to the Initial Investors pursuant to the Subscription by the Initial Investors;
- (ii) Between 55,000,000 and up to 171,750,000 Warrants pursuant to the conversion of RCPS held by Best Oracle; and
- (iii) Between 200,000,000 and up to 667,000,000 Warrants pursuant to the Public Issue.

The Warrants will be issued simultaneously in 1 series. Details in relation to the terms and conditions of the Warrants have been set out in Section 3.3.3 of this Prospectus.

Save as disclosed above, there are no other outstanding warrants, options, convertible securities and uncalled capital in our Company.

5. INFORMATION ON OUR BUSINESS (Cont'd)

5.1.5 Salient terms of the Custodian Agreement

The following are extracts of the salient terms contained in the Custodian Agreement:

(i) Appointment

- (a) The Company appoints the Custodian, and the Custodian agrees to act, as the SPAC Custodian for the Company in accordance with the terms and conditions set forth in the Custodian Agreement, the SC Guidelines and other applicable laws.
- (b) The Custodian hereby confirms, represents and warrants to the Company that it is:
 - (aa) a trust company registered under the Trust Companies Act 1949;
 - (bb) in the list of "Registered Trustees in Relation to Unit Trust Funds" issued by the SC; and
 - (cc) duly qualified to act as a SPAC Custodian under the SC Guidelines and under the Custodian Agreement.
- (c) The Custodian's appointment shall commence on the date of the Custodian Agreement and shall continue until terminated pursuant to the provisions of clause (vi) below.

(ii) Trust and covenants

- (a) The Custodian declares, acknowledges and confirms that it shall hold the Trust Property in trust for the Company subject to the provisions of the Custodian Agreement.
- (b) Other than the right to require the Custodian to comply with the terms of the Custodian Agreement, the Company shall not be otherwise entitled to compel the transfer or distribution or any other dealing or application of the Trust Property or have any other entitlement or interest in relation to the Trust Property or any part thereof, except in accordance with the SC Guidelines.
- (c) The Custodian covenants that it shall duly perform all its obligations and covenants and all terms, conditions and provisions on its part to be performed solely and exclusively in accordance with the Custodian Agreement and warrants that:
 - (aa) it has the power to enter into, and perform the obligations on its part to be performed under, the Custodian Agreement; and
 - (bb) its obligations under the Custodian Agreement are valid, binding and enforceable.

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5. INFORMATION ON OUR BUSINESS (Cont'd)

- (d) Except in accordance with the Custodian Agreement or as directed by a competent court or authority, the Custodian agrees, covenants and undertakes not to assign, transfer, sell, charge, surrender, encumber or otherwise howsoever alienate or deal with the Trust Property or any part thereof or make the same subject to any burden, charge, encumbrance, liability or lien whatsoever, or agree or enter or execute any form of agreement or instrument to assign, transfer, sell, charge, surrender or otherwise howsoever deal with the Trust Property or any part thereof or to make the same subject to any burden, charge, encumbrance, liability or lien whatsoever.

(iii) Responsibilities of Custodian

- (a) The Custodian shall be responsible for the following:
- (aa) Open and maintain the Trust Account;
 - (bb) Deposit the IPO Trust Proceeds and the Trust Assets into the Trust Account immediately upon the Custodian's receipt of the same;
 - (cc) Undertake such Permitted Investments as may be instructed in writing by the authorised person of the Company ("**Authorised Person**"), in accordance with the Custodian Agreement, on behalf of the Company;
 - (dd) Ensure the prompt deposit of all interest, dividend and other income derived from (or attributable to) the Permitted Investments into the Trust Account, unless otherwise instructed in writing by the Authorised Person, in accordance with the Custodian Agreement, to invest the same in the Permitted Investments;
 - (ee) Other than for purposes of (cc) above, not withdraw, transfer, distribute, liquidate or release any of the funds or monies deposited into (or held in) the Trust Account, except in accordance with the Custodian Agreement;
 - (ff) Ensure that proper and complete books, statements and accounting records (including such other records as may be necessary or relevant) are duly kept and maintained in relation to all Trust Property and the Trust Account (including the transactions and dealings carried out by the Custodian in relation thereto);
 - (gg) Ensure that custody and control of the monies held in the Trust Account is in accordance with the provisions of the Custodian Agreement, and the SC Guidelines at all times;
 - (hh) Not exercise any voting or other rights in relation to the Permitted Investments constituting the Trust Property, except in accordance with the written instructions of the Authorised Person; and
 - (ii) Duly release such funds or make such payments out of the Trust Property in accordance with the Custodian Agreement.
 - (jj) Except in accordance with the Custodian Agreement, the Custodian shall not deal as beneficial owner on the sale or purchase of any Trust Property to or from the Company, or, without the consent of the Board, deal with the Company otherwise than as principal.
 - (kk) The Custodian's books and records pertaining to the services provided under the Custodian Agreement shall be opened for inspection and audit at all reasonable times by the auditors of the Company and/or such other duly

5. INFORMATION ON OUR BUSINESS (Cont'd)

authorised representatives of the Company, upon reasonable written notice thereof being given to the Custodian.

- (II) The Custodian shall deliver to the Authorised Person the periodic and other reports listed in Schedule 2 of the Custodian Agreement, such reports to contain the relevant information as agreed by the parties.

(iv) Powers of the Custodian

- (a) The Custodian shall have the following powers:
 - (aa) To do or omit all such acts or things as the Custodian reasonably considers to be necessary or relevant in order to perform its duties under the Custodian Agreement or to comply with any law, order, regulation or direction of any governmental or regulatory authority, without further reference to the Company; and
 - (bb) To invest the IPO Trust Proceeds, Subsequent Rights Issue Trust Proceeds (if any), Trust Assets and other monies held in the Trust Account in such Permitted Investments as may be authorized or instructed in writing by the Authorised Person on behalf of the Company from time to time.
- (b) Unless mutually agreed by the parties, the Custodian shall not delegate its duties, responsibilities or powers under the Custodian Agreement to any other party.
- (c) Notwithstanding any provisions (whether expressed or implied) contained in the Trustee Act, it is expressly declared that the Custodian shall not, to the fullest extent permitted by law, have any other rights or powers over the Trust Property or any interest, title or benefit in relation thereto save as may be expressly provided in the Custodian Agreement.

(v) Fees

In consideration of the Custodian acting in accordance with the Custodian Agreement, the Custodian shall be entitled to charge and be paid its agreed fees and charges and such fees and charges shall be borne or paid by the Company in accordance with the Custodian's accepted fee proposal dated 30 March 2012.

(vi) Termination and duration

- (a) Subject to earlier termination in accordance with the Custodian Agreement, the Custodian Agreement shall continue in force until the expiry of the Permitted Timeframe and all Trust Property has been duly transferred or released by the Custodian to the relevant parties.
- (b) The Custodian Agreement may be terminated by either party with a minimum of three (3) months prior written notice to the other party and the SC, such notice to also set out the reasons for such termination/resignation by the first-mentioned party in accordance with the SC Guidelines.

Without limiting the generality of the above, either party may give notice to terminate the Custodian Agreement if any of the following events (other than a Relevant Event or as may be otherwise contemplated in the Custodian Agreement) occur:

- (aa) the other party is in breach of any material term of the Custodian Agreement and such breach shall not have been remedied within thirty (30) days after service of notice by the first-mentioned party requiring the same to be remedied;

5. INFORMATION ON OUR BUSINESS (Cont'd)

- (bb) the other party shall go into liquidation, a resolution is passed for its winding up, or a receiver or official administrator or similar officer is appointed over any assets of that party (except as contemplated in the Custodian Agreement, including, without limitation, as referred to in the Custodian Agreement, or a voluntary liquidation for the purpose of reconstruction or amalgamation on terms previously approved in writing by the other party);
 - (cc) if the other party ceases or threatens to cease to carry on the whole or a substantial part of its business; or
 - (dd) if the other party becomes insolvent or is unable to pay its debts as they fall due or enters into any composition or arrangement with its creditors.
- (c) The Company shall ensure that:
- (aa) a replacement SPAC Custodian is identified and duly appointed (in accordance with, and for purposes of, the SC Guidelines) within the notice period referred to in the Custodian Agreement; and
 - (bb) the newly appointed SPAC Custodian immediately notifies the SC in writing of its appointment.

The termination referred to in the Custodian Agreement shall only become effective when the appointment of the new SPAC Custodian by the Company becomes effective.

(vii) Release / payment of trust property

- (a) Subject to the instructions of the Company in this regard and compliance with the applicable provisions of the Articles of Association and the SC Guidelines, the Custodian shall liquidate all the Permitted Investments and all Non-Cash Trust Assets into cash, and deposit all the monies into the Trust Account within five (5) business days or such other timeline as may be agreed between the parties after receiving a notice in writing from the Company (together with an appropriate supporting statutory declaration from the Authorised Person) confirming the occurrence of a Relevant Event.
- (b) After the liquidation of Permitted Investments and the deposit of monies into the Trust Account pursuant to clause (vii)(a) above:
 - (aa) where the Relevant Event relates to the relevant Article 61C(4) of the Articles of Association, the Custodian shall first apply the relevant amount of monies (as calculated in accordance with Article 61C(5) of the Articles of Association) from the Trust Account for purposes of the Qualifying Acquisition Share Repurchase (as defined in the Articles of Association and insofar as it is applicable) and shall thereafter release the balance of the monies to the Company (conditional upon the receipt of the relevant supporting documents deemed necessary by the Custodian from the Company for the Custodian's sole purpose of exercising its duties under this clause) for purposes of completion of the Qualifying Acquisition in accordance with the Articles of Association and the SC Guidelines; or
 - (bb) where the Relevant Event relates to Article 61C(7) of the Articles of Association, the Custodian shall release all the monies standing from the balance of the Trust Account in accordance with the provisions of Article 61C(7);

5. INFORMATION ON OUR BUSINESS (Cont'd)

and thereafter, the trust referred to in clause (ii) above (including the holding of the Trust Account by the Custodian) and the Custodian Agreement will terminate accordingly.

- (c) Upon its receipt or issue (as may be applicable) of any termination notice pursuant to clause (vi)(b), the Custodian shall liquidate all the Permitted Investments and all Non-Cash Trust Assets into cash, and deposit all the monies into the Trust Account within five (5) business days thereafter. All the monies standing to the balance of the Trust Account shall then be released as soon as possible to the new SPAC Custodian appointed pursuant to clause (vi)(c) above (and in any event within five (5) business days after the appointment of the new SPAC Custodian), after which the Custodian Agreement will terminate accordingly.
- (d) In respect of a provision of the Custodian Agreement, the Company hereby warrants that all supporting documents to be submitted to the Custodian as copy or specimen documents are genuine, complete and conform to their originals.

(viii) Liability and indemnity

- (a) In consideration of the Custodian agreeing to hold the Trust Property on trust under, and acting in accordance with the terms and conditions of the Custodian Agreement but subject always to the provision of the Custodian Agreement, the Company agrees to indemnify and keep the Custodian fully indemnified on a continuing basis for all monies, claims, actions, demands, costs, charges, losses, expenses and other liabilities of whatsoever nature and howsoever, including without limitation the fees, costs and expenses of legal advisors and other experts (hereinafter collectively referred to as "**Liabilities**") arising that are or may be properly and reasonably sustained or incurred by the Custodian in the performance of its duties and obligations under the Custodian Agreement or the SC Guidelines or in the due exercise, preservation or enforcement, or the attempted exercise, preservation or enforcement, of any of its duties, rights, powers, authorities or discretions vested in it under the Custodian Agreement or the SC Guidelines (save and except where such Liabilities are sustained or incurred as a result of gross negligence, fraud, breach of trust or wilful default on the part of the Custodian). The parties hereto acknowledge that the foregoing indemnities shall survive the resignation or removal of the Custodian or the termination of the Custodian Agreement, to the relevant extent.
- (b) Pursuant to provisions of the Custodian Agreement, as the Custodian is authorised to act on instruction(s) received by way of facsimile from the Company, the Company hereby agrees to indemnify the Custodian against any claims, losses and liability actions, proceeding, demand, damages, reasonable costs and reasonable expenses incurred or sustained by the Custodian or on its behalf, out of or in consequence of acting upon such fax directives and/or instructions or other communications, notwithstanding any error or misunderstanding or lack of clarity in the terms of such notice(s) or instruction(s) or other communication(s).
- (c) For the avoidance of doubt and notwithstanding any other provision in the Custodian Agreement, the Custodian shall not be relieved, exempted or indemnified from any liability for breach of trust or for failure to show the degree of care and diligence required of it as a SPAC Custodian or a custodian / trustee generally and no provision or covenant contained in the Custodian Agreement should be construed as so releasing, exempting or indemnifying the Custodian.

5. INFORMATION ON OUR BUSINESS (Cont'd)

- (d) Subject to clause (viii)(b) above but notwithstanding any other term or provision of the Custodian Agreement to the contrary, neither party shall be liable under any circumstances for special, punitive, indirect or consequential loss or damage of any kind whatsoever including but not limited to loss of profits, whether or not foreseeable, even if that party is actually aware of or has been advised of the likelihood of such loss or damage and regardless of whether the claim for such loss or damage is made in negligence, for breach of contract, breach of trust or otherwise. The provisions of this clause shall survive the termination or expiry of the Custodian Agreement or the resignation or removal of the Custodian, to the relevant extent.
 - (e) Subject to clause (viii)(b) above but notwithstanding any other provision to the contrary in the Custodian Agreement, each party shall not in any event be liable for any failure or delay in the performance of its obligations hereunder if it is prevented from so performing its obligations by any existing or future law or regulation, any existing or future act of governmental authority, Act of God, flood, war whether declared or undeclared, terrorism, riot, rebellion, civil commotion, strike, lockout, other industrial action, general failure of electricity or other supply, aircraft collision, technical failure, accidental or mechanical or electrical breakdown, computer failure or failure of any money transmission system or any reason which is beyond its control.
- (ix) Other provisions relating to the Custodian**
- (a) The Custodian shall not be responsible for recitals, statements, warranties or representations of the Company as contained in the Custodian Agreement or other documents entered into in connection herewith and shall assume the accuracy and correctness thereof or shall not be responsible for the execution, legality, effectiveness, adequacy, genuineness, validity or enforceability or admissibility in evidence of the Custodian Agreement or such other documents.
 - (b) For purposes of the proper performance of its duties under the Custodian Agreement, the Custodian shall be entitled to engage and consult, at the expense of the Company, with any qualified legal adviser and professional adviser selected by it and rely upon any advice so obtained and shall be protected and shall not be liable in respect of any action properly taken, or omitted to be done or suffered to be taken, in accordance with such advice.
 - (c) To the extent provided by law (but subject to the prior written approval of the Company, where applicable), any corporation into which the Custodian may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Custodian shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Custodian shall be the successor to the Custodian hereunder without the execution or filing of any papers or any further act on the part of any of the parties hereto.

5. INFORMATION ON OUR BUSINESS (Cont'd)

5.2 OUR BUSINESS APPROACH

Our Company will begin business as a SPAC listed on the Main Market of Bursa Securities as a company with no operational track record. We intend to focus on acquiring rights for discovered oil and gas fields of small to medium size with relatively low to moderate risk. Our Company intends to acquire such rights with the objective of our Company having control or joint-control in the development and production of the oil and gas fields. We intend to establish our Company as a junior, independent, international E&P company that focuses on oil and gas assets located in the Regions of Interest for the near and medium term of between 1 to 7 years. Our Company's focus to acquire rights for discovered oil and gas fields include those under the Reserves and Contingent Resources categories as described in Section 5.2.1.1 of this Prospectus.

The description of low to moderate risk profile of E&P opportunities/assets is as follows:

Risk profile	Location of E&P opportunity	Key criteria of E&P opportunity
Low	Offshore / Onshore (Regions of Interest)	<ul style="list-style-type: none"> • Undeveloped Proved Reserves • Improved Oil Recovery • Good fiscal terms • Political stability of the country of target assets • Stable partners
Moderate / Medium	Offshore / Onshore (Regions of Interest)	<ul style="list-style-type: none"> • Proven basin • Good data availability • Good fiscal terms • Political stability of the country of target assets • Stable partners

Notwithstanding the above, we will consider opportunities for our Qualifying Acquisition in other geographical areas beyond the Regions of Interest on a selective basis, if such opportunities arise. Additionally, opportunities in other geographical areas must meet our selection criteria described in Section 5.2.1.1 of this Prospectus.

We shall achieve the objectives by leveraging on the strengths of our Management Team, who are advised and guided by our Board. As and when the need arises for our Company to form partnership in achieving the objectives, our Company shall tap on the knowledge, networking and experience of this market sector and region held collectively by our Management Team and members of our Board to identify suitable partners.

5.2.1 Start-up phase

5.2.1.1 Business strategies adopted in identification of prospects

As a SPAC, our stakeholders will initially expect us to identify and propose an appropriate business target as our Qualifying Acquisition. Upon completion of our IPO, when the exact size of our equity base has been finalised, it is our aim to shortlist specific investment opportunities available in our Regions of Interest, which meet our selection criteria, the main considerations being:

- (i) fiscal terms, particularly terms of the PSCs, concession agreements and other similar agreements in the country of which the target asset is located at. Fiscal terms include, amongst others, amount of royalty and tax payable to the government of the host country, cost recovery and profit sharing ratio;

5. INFORMATION ON OUR BUSINESS (Cont'd)

- (ii) level of political and security risks in the area of which the oil and gas asset is located;
- (iii) level of operational, technical and geological risks in respect of the oil and gas asset;
- (iv) minimum target project IRR of 15.0% per annum in respect of the oil and gas asset;
- (v) environmental considerations, particularly in relation to regulatory compliance;
- (vi) the financial commitments required to acquire and develop the oil and gas fields, taking into consideration our financial position, additional capital commitments and our status as a SPAC; and
- (vii) potential upsides of the assets and the associated risks, which may be subject to, amongst others, the level of estimated oil and gas resources and their commercial viability.

The factors above are not meant to be exhaustive. Any evaluation relating to the merits of a particular acquisition of target asset(s) will be based on the above factors as well as other factors deemed important by our Management Team.

After identification based on the selection criteria above, our Management Team will focus on evaluating the candidates/ opportunities for our Qualifying Acquisition which are under the Reserves and Contingent Resources categories. Based on the Petroleum Resource Management System by the SPE, the said categories are illustrated and summarised below:

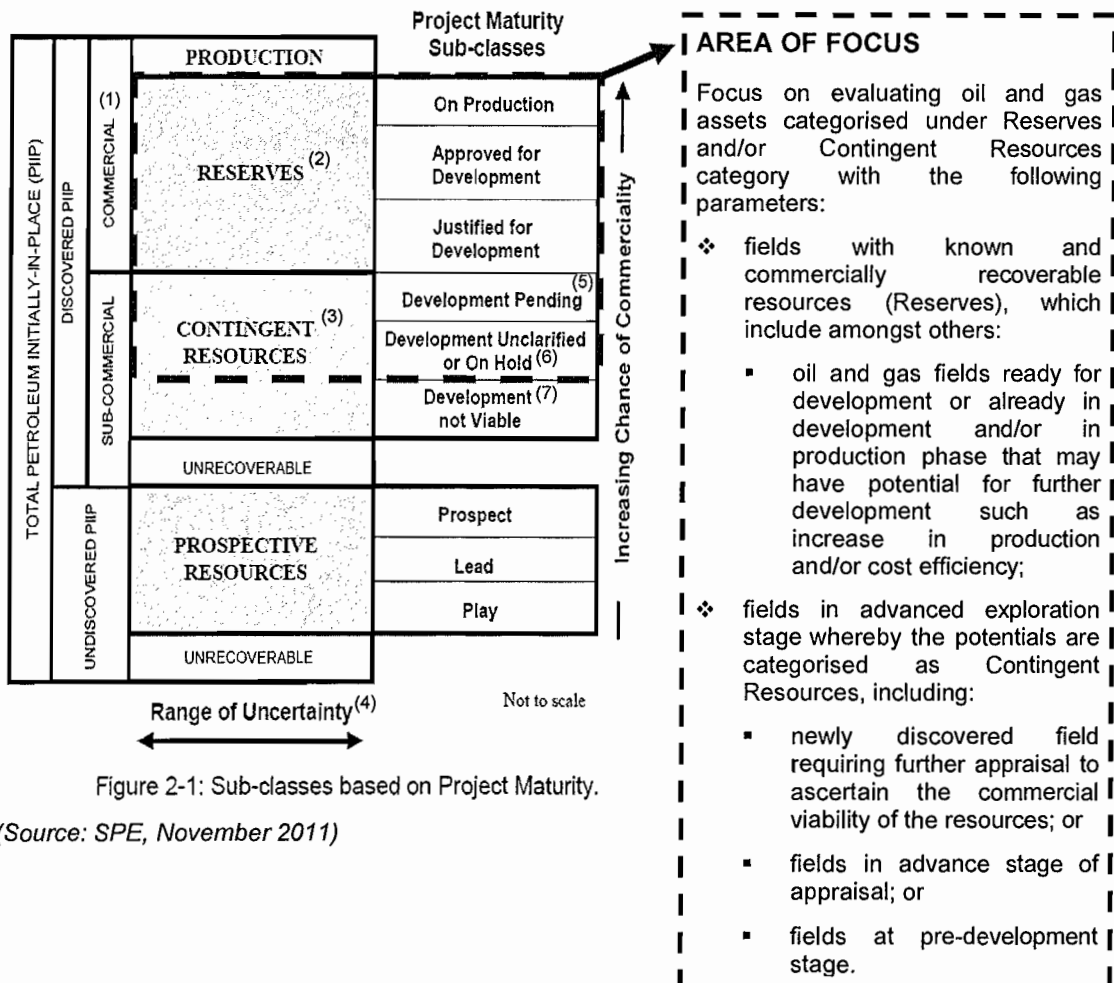


Figure 2-1: Sub-classes based on Project Maturity.

(Source: SPE, November 2011)

5. INFORMATION ON OUR BUSINESS (Cont'd)

Notes:

- (1) *When a project is commercial, this implies that the essential social, environmental and economic conditions are met, including political, legal, regulatory and contractual conditions. In addition, a project is commercial if the degree of commitment is such that the accumulation is expected to be developed and placed on production within a reasonable time frame. While 5 years is recommended as a benchmark, a longer time frame could be applied where, for example, development of economic projects are 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.*
- (2) *Under the SPE guidelines, Reserves must satisfy 4 criteria which are that they must be discovered, recoverable, commercial, and remaining based on the development project(s) applied. Reserves are further subdivided in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by their development and production status.*

To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability. There must be a reasonable expectation that all required internal and external approvals will be forthcoming, and 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 5 years is recommended as a benchmark, a longer time frame could be applied where, for example, development of economic projects are 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 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.

- (3) *Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality (as explained in Note 1 above). Contingent Resources are further categorised in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterised by their economic status.*
- (4) *Range of Uncertainty reflects a range of estimated quantities potentially recoverable from an accumulation (or group of accumulations) by a specific, defined, project. Because all potentially recoverable quantities are estimates that are based on assumptions regarding future reservoir performance (among other things), there will always be some uncertainty in the estimate of the recoverable quantity resulting from the implementation of a specific project. In almost all cases, there will be significant uncertainty in both the estimated in-place quantities and in the recovery efficiency, and there may also be project-specific commercial uncertainties. Where performance-based estimates are used (e.g., based on decline curve analysis), there must still be some uncertainty; however, for very mature projects, the level of technical uncertainty may be relatively minor in absolute terms.*

In Petroleum Resources Management System ("PRMS"), the range of uncertainty is characterized by three specific scenarios reflecting low, best, and high case outcomes from the project. The terminology is different depending on which class is appropriate for the project, but the underlying principle is the same regardless of the level of maturity. In summary, if the project satisfies all the criteria for Reserves, the low, best, and high estimates are designated as Proved (1P), Proved plus Probable (2P), and Proved plus Probable plus Possible (3P), respectively. The equivalent terms for Contingent Resources are 1C, 2C, and 3C, while the terms "low estimate," "best estimate," and "high estimate" are used for Prospective Resources.

5. INFORMATION ON OUR BUSINESS (Cont'd)

- (5) *A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future. The project maturity sub-class reflects the actions required to move a project towards commercial production. 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 re-classification of the project to "On Hold" or "Not Viable" status (as explained in notes 6 and 7 below).*

The project "decision gate", which is the boundary between different levels of project maturity, 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.

- (6) *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 maturity sub-class reflects the actions required to move a project towards commercial production.*

The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are on hold pending the removal of significant contingencies external to the project, or substantial further appraisal/ evaluation activities are required to clarify the potential for eventual commercial development. Development may be subject to a significant time delay. Note that a change in circumstances, such that there is no longer a reasonable expectation that a critical contingency can be removed in the foreseeable future, for example, could lead to a reclassification of the project to "Not Viable" status (as explained in note 7 below). 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.

- (7) *A discovered accumulation for which there are no current plans to develop or to acquire additional data at the time due to limited production potential. The project maturity sub-class reflects the actions required to move a project towards commercial production.*

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 any further data acquisition or studies on the project for the foreseeable future.

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5. INFORMATION ON OUR BUSINESS (Cont'd)

The general characteristics of the assets under the different categories are summarised below:

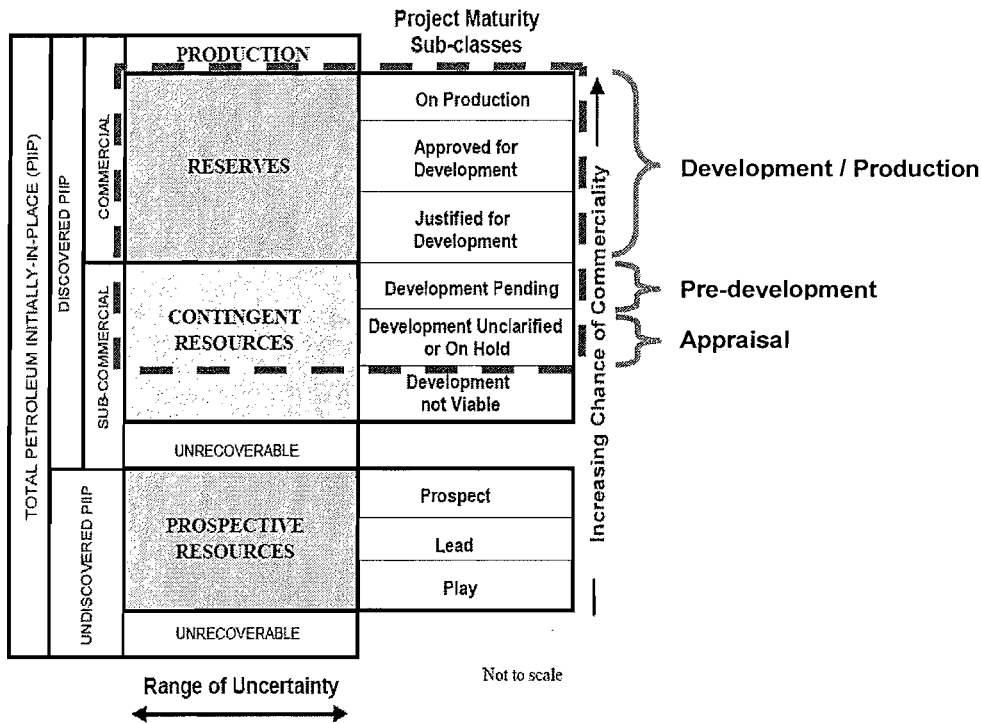


Figure 2-1: Sub-classes based on Project Maturity.

	Development/Production	Pre-development	Appraisal
Estimated initial cash inflow ⁽¹⁾	Immediate (approximately 1 year)	Medium (2 to 4 years)	Long (≥ 5 years)
Capital expenditure ⁽²⁾	None / Low	Medium to High	Medium to High
Risk profile ⁽²⁾	Low	Lower Medium	Higher Medium
Entry cost ⁽²⁾	High	Medium	Low

Notes:

⁽¹⁾ Estimated initial cash inflows are based on our Management Team's expectations. Based on the PRMS issued by the SPE, a project is considered to be commercial when the accumulation is expected to be developed and placed on production within a reasonable timeframe of within 5 years, which is the recommended benchmark for a wide range of projects. Notwithstanding the recommended benchmark by the SPE and taking into consideration our selection criteria, our Management Team expects to be able to develop the acquired oil and gas assets and hence achieve shorter timeframe than the recommended benchmark by the SPE for the initial cash inflows.

⁽²⁾ Based on relative terms in comparison to the three categories of oil and gas assets mentioned above.

5. INFORMATION ON OUR BUSINESS (Cont'd)

Under the Minimum Subscription, we still expect to be able to identify assets that meets our selection criteria in the Contingent Resources category i.e. Pre-development and Appraisal stages. We will focus on discovered oil and gas fields which include amongst others, oil and gas fields that:

- (i) require additional appraisal and studies;
- (ii) at pre-development stage which are, amongst others, pending plan of development;
- (iii) is relatively of smaller size; and/or
- (iv) has relatively lower cost of development.

Taking into consideration the proceeds raised from the Public Issue under the Minimum Subscription, the assets under Contingent Resources may provide us with more options in terms of pricing compared with assets under the Reserves category. We will also need to take into consideration the equity interests to be acquired which may be lower, as well as other terms including joint-control in operating the asset(s). Assets in the Contingent Resources category have multitude potential upside and owners of these assets may be looking for a partner to provide additional financing and/or require further technical inputs to develop the oil and gas fields.

Under the Maximum Subscription, our Company will be able to widen our scope to include assets under the Reserves category i.e. Development/Production stage which may yield earlier cashflow but has higher entry cost compared with assets under the Contingent Resources category. We will also be able to consider more than one asset which may include assets either in the Development/Production, Pre-Development or Appraisal stage or a combination of assets in any of the categories. In addition, we will also be able to consider oil and gas fields that are relatively of larger size and/or acquiring higher equity interests.

Notwithstanding the above, the actual amount to be raised from the Public Issue will determine the positioning of the asset(s) to be acquired for the Qualifying Acquisition. We will capitalise on our Board and Management Team's relevant experience, skills and networks in the oil and gas industry to identify such asset(s) that meet our selection criteria for our Qualifying Acquisition. This strategy will also allow us to maintain our low to moderate/medium risk profile taking into consideration our financial capability.

With the experience and relevant skills of our Board and Management Team as disclosed in Sections 5.2.1.5, 7.1.2 and 7.2.3 of this Prospectus, our Company is expected to be able to create and maximise shareholders' value. As an E&P company, our ability to create and maximise shareholders' value will, to a certain extent, depend on the Company's ability to discover and/or develop oil and gas resources and hence, move these resources into the Production category. The accumulation of oil and gas resources and the movement of these resources into Reserves will enhance the Company's value.

With our strong Management Team consisting of members with extensive expertise, networking experience and knowledge in the Regions of Interest, we believe that we are able to identify asset(s) that meet our selection criteria above.

5.2.1.2 Rationale for our Qualifying Acquisition strategy

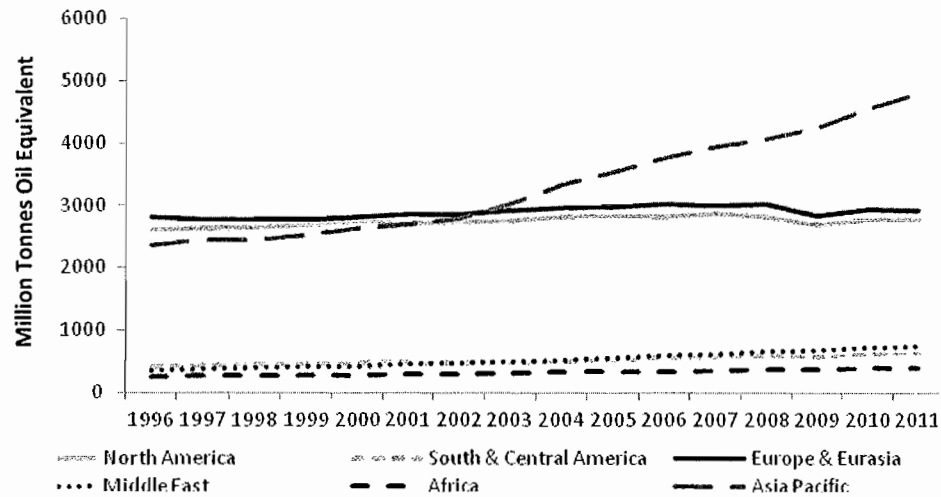
Taking into consideration the current market conditions, the rationale for our Qualifying Acquisition strategy are as follows:

- (i) our Qualifying Acquisition strategy of targeting oil and gas fields under the Reserves and Contingent Resources category has lower risks as compared to Prospective Resources. Additionally, Reserves and Contingent Resources have shorter turnaround time to achieve production as compared to Prospective Resources;

5. INFORMATION ON OUR BUSINESS (Cont'd)

- (ii) there is sustained demand for energy from emerging economies such as China, India, and Indonesia in view of the continued positive economic and population growth in these countries. Based on the Economic Report 2012/2013 issued by the Ministry of Finance Malaysia, these countries are projected to experience positive economic growth, measured in real GDP, of at least 6.5% for 2013. The growth of the emerging economies is expected to contribute positively to demand for energy.

The following chart illustrates the trend of energy consumption in various regions:



Global primary energy consumption by region 1996-2011
(Source: IMR Report)

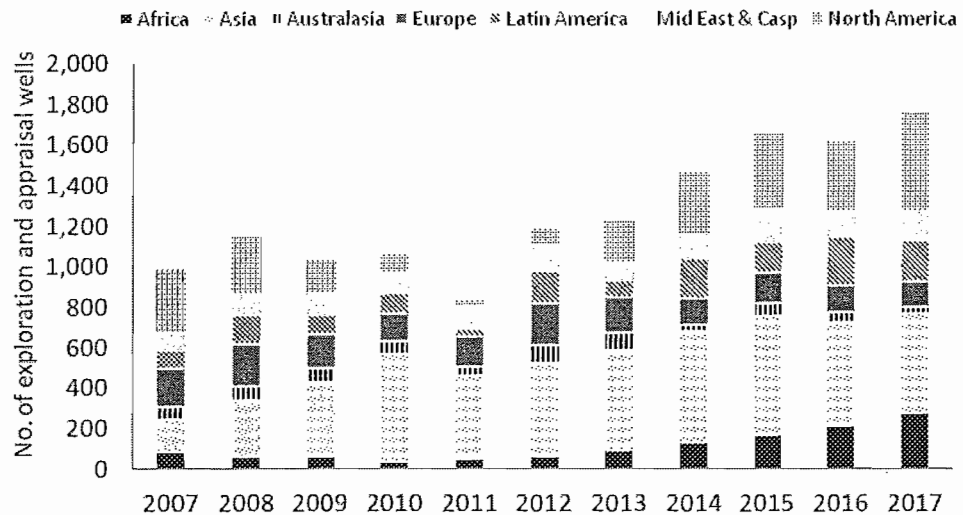
The primary energy consumption in the Asia Pacific region has continued to increase since 1996 and at a much higher rate than other regions globally. Hence, oil and gas demand in the Asia Pacific region is expected to drive the value of oil and gas assets in Asia.

- (iii) the positive outlook in respect of the growth in E&P activities. Based on the IMR Report, the number of exploration and appraisal wells globally is projected to more than double from 800 in 2011 to approximately 1,700 in 2017 with Asia, Australasia and the Middle East & Caspian regions constituting a sizable portion of these wells.

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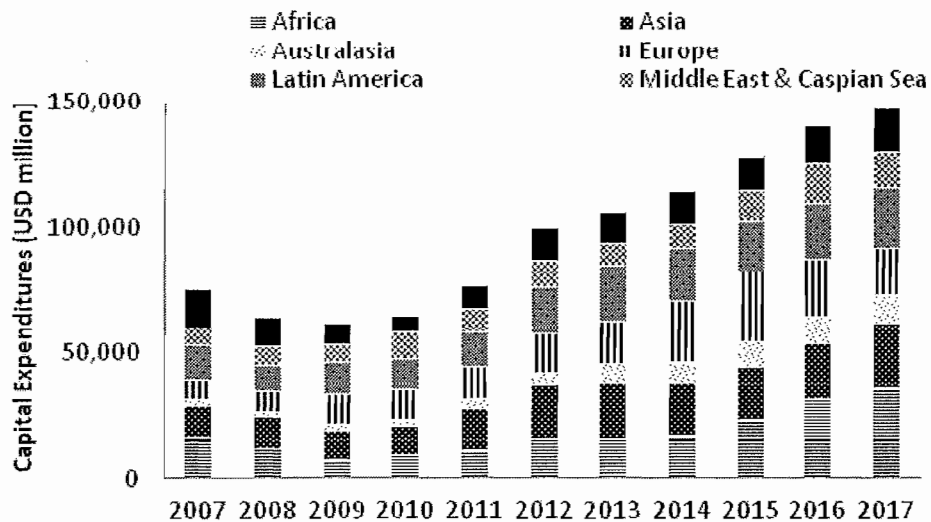
5. INFORMATION ON OUR BUSINESS (Cont'd)

This is illustrated in the chart below:



Exploration and appraisal wells 2007-2017
(Source: IMR Report)

Additionally, based on the IMR Report, development and production activities for offshore oil and gas fields are expected to grow over the next 5 years. Such growth can be reflected from the growth in capital expenditures for offshore E&P activities globally, which is expected to increase from less than USD100 billion in 2012 to more than USD140 billion in 2017, as illustrated in the chart below:



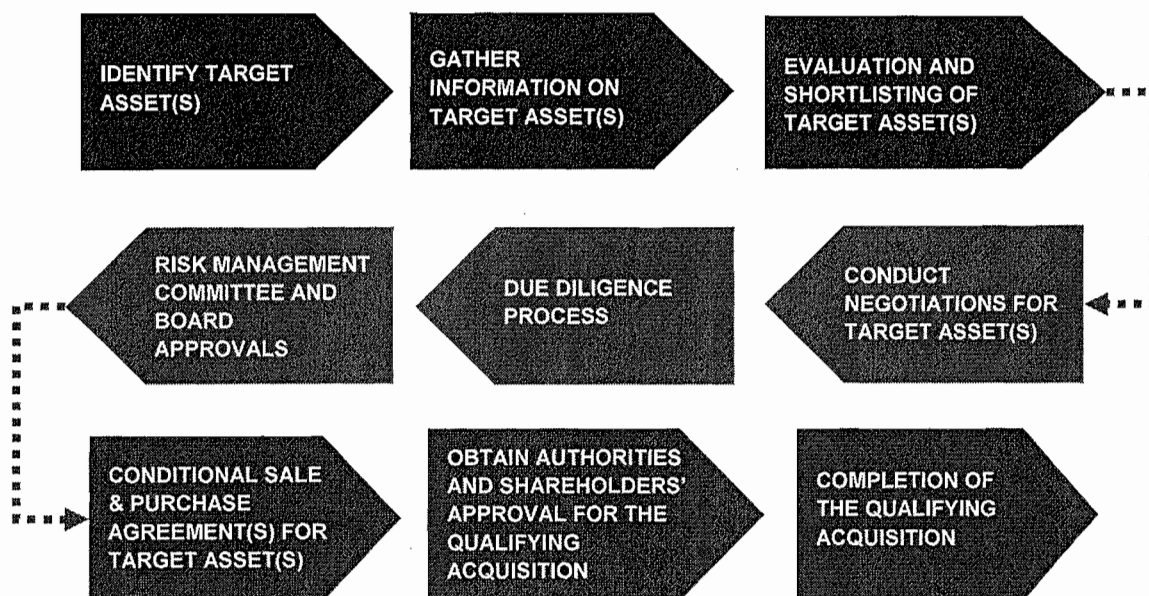
Global capital expenditures by region 2007-2017
(Source: IMR Report)

Further, there has been a recent opening of new oil and gas opportunities in countries such as Timor-Leste, Myanmar, Indonesian provinces of Papua and West Papua and Papua New Guinea who have allowed foreign companies to acquire rights or licenses to oil and gas assets in these countries. This is expected to increase the number of opportunities available in the Regions of Interest for our Qualifying Acquisition.

5. INFORMATION ON OUR BUSINESS (Cont'd)

5.2.1.3 Selection process of target asset(s) for our Qualifying Acquisition

The selection process of target asset(s) for the Qualifying Acquisition that we intend to undertake is illustrated below:



In selecting the target asset(s) for our Qualifying Acquisition, we intend to begin building a list of candidates/opportunities that match our selection criteria described in Section 5.2.1.1 of this Prospectus. Once a list of candidates is in place, we will gather the necessary information on the target asset(s) which will allow us to evaluate and shortlist target asset(s). We will then conduct negotiations with the owners of the shortlisted target asset(s) to select the best candidate for our Qualifying Acquisition before commencing the due diligence process on the target asset(s). The due diligence process encompasses legal, financial, operational and technical verifications and will continue until the completion of our Qualifying Acquisition.

Our Management Team will propose the Qualifying Acquisition to our risk management committee and subsequently to our Board for approval. Our Board's approval will enable us to enter into conditional sale and purchase agreement(s) for the proposed target asset(s), of which we will then seek the relevant authorities and our shareholders' approval for the proposed acquisition of the target asset(s) as our Qualifying Acquisition.

The selection process above will enable us to effectively identify asset(s) that meets our selection criteria and ultimately undertake the Qualifying Acquisition which had gone through comprehensive due diligence process and evaluation by our Management Team and our Board.

5.2.1.4 Comprehensive due diligence process on target asset(s) for our Qualifying Acquisition

As at the date of this Prospectus, we have not identified any target asset(s) for our Qualifying Acquisition nor have we entered into any agreement whether oral or written, binding or non-binding with any parties. Additionally, we have not signed any non-disclosure agreements with any potential parties to evaluate oil and gas assets.

5. INFORMATION ON OUR BUSINESS (Cont'd)

Even though we have yet to identify any candidates for our Qualifying Acquisition, we believe in the capability of our Management Team to propose the target asset(s) for our Qualifying Acquisition within the Permitted Timeframe. In addition, our Management Team has access to independent consultants and advisors who can provide additional insights to assist us in the identification and evaluation of suitable acquisitions.

Our Management Team will conduct the necessary legal, financial, operational and technical due diligence on the target asset(s) which includes information on level of resources and its range of estimates, availability of past and current data, terms of services agreement, experience and/or skill of operators/partners, contractual obligations and liabilities and the condition of physical assets that will fulfill the selection criteria described in Section 5.2.1.1 of this Prospectus.

In addition, the evaluation may include regular meetings with the incumbent operator and their joint-venture partner (if any), their management team, their business partners, host country regulatory body(ies) and site inspection of the facilities. An independent industry expert may be engaged to provide an independent valuation of our Qualifying Acquisition. Any evaluation relating to the merits of a particular acquisition will be based on the selection criteria disclosed in Section 5.2.1.1 of this Prospectus as well as other information or factors deemed important by our Management Team.

It should also be noted that although industry practice generally adopt Proved plus Probable Reserves (best estimate) as a base evaluation, we must also take into consideration the level of Proved Reserves (low estimate) and the Proved plus Probable plus Possible Reserves (high estimate) to ensure that we have the appropriate balance of risks as well as potential upsides.

5.2.1.5 Early competitive strengths

Our competitive strengths as a start-up company lies in these factors:

- (i) extensive experience and relevant skills in our Board and Management Team where:
 - (a) our Board and Management Team comprise of experts with a wide range of experience in the oil and gas industry including amongst others, the oil and gas upstream activities, corporate and business development, financial as well as legal aspects. Therefore, they have the business, technical and operational knowledge as well as the resources and networks in the industry to identify and select asset(s) for our Qualifying Acquisition;
 - (b) our Board and Management Team comprise of individuals with extensive track records and networking in the oil and gas as well as financial and legal industry. We have a common vision to build a substantial oil and gas business focusing on E&P with the aim to growing the company's value from a start-up, junior E&P company to an established independent E&P company;
 - (c) we are focused on creating shareholders' value through our Qualifying Acquisition strategy to acquire oil and gas asset(s) that meet our selection criteria as well as provide us with control or joint-control in the development and production of the oil and gas fields;
 - (d) our Management Team comprises of technical specialists with many years of practical experiences in E&P encompassing the entire value chain of oil and gas upstream activities i.e. the exploration, development and production. They have the practical experience and the technical know-how to employ the latest technologies; and

5. INFORMATION ON OUR BUSINESS (Cont'd)

- (e) the Management Team has extensive expertise and experience to review and evaluate oil and gas resources in different geological settings and is also familiar with the oil and gas operating environment in most of the countries in the Regions of Interest;
- (ii) The key strengths of each member of our Board and the Management Team are as follows:
- (a) Our Chairman, **Dato' Azmi bin Mohd Ali** is a corporate lawyer of 28 years of experience with extensive expertise in areas of mergers and acquisitions, joint ventures, corporate restructuring, privatisation, banking and finance, project finance and energy, oil and gas. He started his legal career in 1984 with PETRONAS. Prior to joining private practice, Dato' Azmi had spent approximately 6½ years as an in-house counsel of PETRONAS where he was involved in projects such as production sharing contracts, gas sales agreements, joint development authorities and petrochemical projects, amongst others. He is also experienced in dealing with cross-border transactions as he has represented various companies in cross border transactions involving the US, UK, Germany, France, Japan, Hong Kong, Saudi Arabia, Austria, Switzerland and Australia, amongst others. Since September 2000, he has been the senior partner of Azmi & Associates, a corporate and commercial law firm in Malaysia.
- (b) Our Managing Director/CEO, **Ahmad Ziyad bin Elias**, has more than 30 years of experience as a geophysicist, engineer and entrepreneur in the oil and gas E&P sector. He has wide international experiences in the E&P sector through his experience in IOCs including Sarawak Shell Berhad and Geco Seismic Sdn Bhd, which is part of the Schlumberger group of companies. In addition to his working experience, Ziyad brings with him a wealth of entrepreneurship and strategic management experiences together with networking in the oil and gas upstream industry through his 17 years helping the Orogenic group of companies. The Orogenic group of companies, of which he founded and led, is principally involved in the provision of exploration and production evaluation services as well as geological, geophysical and geotechnical services to the upstream oil and gas sector and its customers includes both IOCs and NOCs such as PETRONAS, ExxonMobil Corporation, Royal Dutch Shell Plc, Murphy Oil Corporation, Hess Corporation and Nippon Oil Corporation.
- He had successfully steered the Orogenic group to become an integrated E&P Geosolutions and Engineering Specialists. Furthermore, his entrepreneurship achievements in the Orogenic group have also been recognised through the various industry awards received.
- (c) Our Executive Director/CFO, **Kamarul Baharin bin Albakri** has more than 23 years of experience in financial and corporate matters. He is a Chartered Accountant and currently holds memberships in the Malaysian Institute of Accountants and the Association of Chartered Certified Accountants, UK. He has wide experience in accounting and corporate finance particularly in the area of oil and gas accounting, fiscal terms of contracts such as PSC, tax planning, financial capital management and investment and corporate acquisition strategies. Kamarul also has vast experiences in senior and strategic management as he was previously CEO of TH Technologies Sdn Bhd, a subsidiary of Lembaga Tabung Haji, and Petra Energy Berhad. He was instrumental in leading TH Technologies Sdn Bhd and Petra Energy Berhad to successfully procure and complete several large value projects including the construction by TH Technologies Sdn Bhd of a military camp for

5. INFORMATION ON OUR BUSINESS (Cont'd)

the Government of Malaysia and Menara Bank Islam, Kuala Lumpur for a combined value of RM571 million and a hook-up commission contract valued at RM400 million for Petra Energy Berhad.

- (d) Our Director, **Abd. Hamid bin Ibrahim**, a petroleum engineer, has more than 35 years of experience in the oil and gas industry, of which 28 years were with PETRONAS i.e. from 1976 to 2003, in both upstream and downstream oil and gas business. He also has expertise in the area of oil and gas agreements such as PSC, concession and joint operating agreements. He was in the upstream business for the first 15 years before assuming senior management positions in the downstream business where he held several Managing Director/CEO positions in PETRONAS group of companies including Ethylene Malaysia Sdn Bhd, Polyethylene Malaysia Sdn Bhd, Malaysia LNG Sdn Bhd and PETRONAS Gas Bhd. He was also a member of PETRONAS Management Committee from 1996 till 2003. He remains active in industry-based activities through his membership of the Executive Committee of the Malaysian Oil & Gas Services Council (MOGSC).
- (e) Our Director, **Dato' Rosman bin Abdullah**, has over 23 years of experience in business management, corporate and financial matters in the capacity as consultant, senior manager, CEO and board member. Dato' Rosman is a member of the Malaysian Institute of Accountants and the Australian Society of Certified Practising Accountants. He started his career as an audit assistant with Hanafiah Raslan & Mohamad in 1989. He had served as an Executive Director for the Malaysia Airports Holdings Berhad, being responsible for finance, corporate affairs and business development of Malaysia Airports Holdings Berhad for 7 years, and was the Corporate Affairs Director and Group CEO for PECD Berhad for more than 5 years. In 2009, he left PECD Berhad and was appointed as the CEO of Syarikat Air Negeri Sembilan Sdn Bhd ("**SAINS**"). In September 2012, he resigned as the CEO of SAINS and was appointed as the executive chairman of Putrajaya Perdana Berhad. Presently, he is also serving as a non-independent non-executive director of Cuscapi Berhad and as an independent non-executive director of Kumpulan FIMA Berhad and Narra Industries Berhad.
- (f) Our Vice President for Exploration, **Dr. Chang Kok Lip**, is a geophysicist with more than 29 years of exploration and development experience in the oil and gas industry covering different geological settings and structural styles. He has had extensive involvements in exploration and production mappings, regional mappings, sequence stratigraphy and prospect/field evaluation as well as preparing well proposals and field development plans. His experience in the area of appraisal, which includes seismic modelling, review, interpretation, mapping, resource estimation and geophysical works is essential for our Company to evaluate the size and commercial viability of the resources and formulate the field development plans for oil and gas fields including those under Contingent Resources category. Dr. Chang is well versed in international oil and gas exploration as he has worked on various oil and gas opportunities in Australia, Malaysia, Myanmar, Vietnam, Nigeria, Uzbekistan, Indonesia, Papua New Guinea and China, for IOCs and NOC such as the Shell group of companies, PETRONAS Carigali and Santos Ltd.

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5. INFORMATION ON OUR BUSINESS (Cont'd)

- (g) Our Vice President for Development and Production, **Kamaroll Zaman bin Abd Aziz** has more than 32 years of working experience in the oil and gas industry, principally as a reservoir engineer. He has in-depth experience and expertise in field development and production operations which are essential in developing oil and gas fields. His experience encompasses oil recovery processes to further develop oil and gas fields already in production i.e. those under the Reserves category as well as petroleum economics for the evaluation of commercial viability of oil and gas fields and to formulate field development plans. He is also experienced in conducting appraisal of fields including asset valuation, Reserves booking and reporting for audit purposes. He has extensive experience in oil and gas business development and asset acquisition activities. Kamaroll brings with him a wealth of domestic and international experiences in various areas of development and production activities. He has worked with several NOCs and IOCs such as Sarawak Shell Berhad, Esso Production Malaysia Inc., Esso Australia Ltd., Qatar Petroleum and PETRONAS Carigali. Under these companies, he had managed extensive number of development and production projects involving different environments around the world including, amongst others, the Southeast Asia region and the Middle East region.
- (h) Our Vice President for Business Development, **YM Tengku Daud Shaifuddin bin Tengku Zainudin** has more than 28 years of experience in the oil and gas exploration and development. He has more than 14 years of experience with the PETRONAS group of companies as a geophysicist and explorationist, and was instrumental in establishing the international exploration and business developments of PETRONAS Carigali. He was responsible for setting up PETRONAS Carigali's office in Turkmenistan and establishing strong business relationships with various oil and gas companies and authorities there. Ultimately, he successfully led PETRONAS Carigali to secure a PSC from the Ministry of Oil and Gas of Turkmenistan. He also has wide experience in formulation of business strategy as he has held senior management roles in various oil and gas companies including, amongst others, as the CEO of Corro-Shield (M) Sdn Bhd, a subsidiary of Perisai Petroleum Teknologi Bhd, as a co-founder and executive director of Perisai Petroleum Teknologi Bhd, as an independent non-executive director of SAAG Consolidated (M) Bhd and as the senior vice president of Puncak Oil & Gas Sdn Bhd. His experience as a geophysicist and explorationist as well as business development, coupled with his network in the oil and gas industry will allow our Company to establish business relationships including to identify and acquire oil and gas assets.

Please refer to Sections 7.1.2 and 7.2.3 of this Prospectus for the detailed profile of our Board and Management Team, respectively.

We expect the various skill sets, experiences, operations and technical knowledge and corporate backgrounds of our Board and Management Team to be synergistic. The combination of the expertise and experience from every member of our Board and Management Team will enable our Company to identify opportunities, successfully secure the Qualifying Acquisition and enhance the value of our Company. After Listing, we will expand our team and/or procure suitable external expertise to assist the Company in identification, evaluation and development of the oil and gas assets as well as for production operations.

- (iii) Being a public listed company, we believe that we have competitive advantages over privately-held entities having a similar business objective as ours in relation to acquisition of target asset(s) as we have ready access to the equity capital markets which will also facilitate our access to debt capital markets.

5. INFORMATION ON OUR BUSINESS (Cont'd)

5.2.1.6 Focused on applying up-to-date technologies

Our Management Team is cognisant that there are established current technologies which may be beneficial to our Company's operations including for the appraisal of oil and gas fields to ascertain the commercial viability of the resources such as the interpretation of rock and fluid properties (reservoir characterisation), data acquisition and geosteering technology (optimise well placement) and other technologies that may optimise productivity of the assets. We will evaluate these technologies as they become available and apply them appropriately if they are deemed to be effective by our Management Team, taking into consideration the track record, cost reduction benefits and ease of operability throughout their life-cycle of use.

Our Management Team comprises of technical specialists with many years of practical experiences encompassing the entire value chain of the oil and gas upstream activities and possesses the necessary technical knowledge to apply such technologies into our Company's operations. The Management Team will also continuously keep abreast of the latest technologies.

5.2.1.7 Prospective Target Company(ies) or Asset(s)

As at the date of this Prospectus, our Company has not identified any target asset(s) for our Qualifying Acquisition nor have we entered into any agreement whether oral or written, binding or non-binding with any parties. Additionally, we have not signed any non-disclosure agreements with any potential parties for information to evaluate the target asset(s) for the Qualifying Acquisition. Even though we have yet to identify any target asset(s) for our Qualifying Acquisition, we believe in the capability of our Management Team to propose target asset(s) within the Permitted Timeframe. In addition, we have access to independent consultants and advisors to assist us in the identification and evaluation of the said target asset(s), where required.

Our Management Team will take into consideration the selection criteria as disclosed in Section 5.2.1.1 of this Prospectus and conduct comprehensive due diligence on the target asset(s) for our Qualifying Acquisition. Please refer to Section 5.2.1.4 of this Prospectus on the due diligence process.

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5. INFORMATION ON OUR BUSINESS (Cont'd)

5.2.2 Growth phase

5.2.2.1 Business strategies adopted to ensure growth

Subsequent to our Qualifying Acquisition, our Company will continue to pursue strategic mergers and acquisitions to achieve a balanced portfolio of assets. This will enhance shareholders' value and ensure medium to long term business sustainability and growth for our new venture in the oil and gas environment. Our medium to long-term objectives are:

- (i) to create revenue streams from direct and/or indirect interests in producing oil and gas fields; and
- (ii) to identify and acquire lower risk exploration prospects.

To achieve the above objectives, we aim to implement the following initiatives:

(i) Increase our Reserves Replacement Ratio

Maintaining and growing our future Reserves will ensure business sustainability and growth as well as enhance shareholders' value in the long term. Hence, we need to ensure that our future Reserves are being replaced faster than they are being depleted. Our Management Team will continuously assess our Company's Reserves Replacement Ratio and ensure timely actions are taken to maximise this ratio and ensure that the risk of shrinking oil and gas Reserves base is mitigated.

Such strategic actions could involve, but are not limited to, a combination of the following steps:

- (a) conduct frequent geological and geophysical studies to search within the vicinity of our oil and gas fields for additional Reserves;
- (b) conduct frequent enhanced hydrocarbon recovery and engineering studies to devise the efficient methods to maintain production of oil and gas at commercially viable levels and to discover additional opportunities within our existing assets such as enhanced oil and gas recovery and rejuvenation; and
- (c) acquire new oil and gas assets.

(ii) Pursuing a balanced portfolio of assets

Our long-term strategy is to have a balance portfolio of oil and gas assets indicatively in the ratio as follows:

Type of oil and gas assets	Percentage of investment cost
Production and Development	approximately 75%
Exploration	approximately 25%

The rationale of having a balanced portfolio of assets based on the indicative ratios above are as follows:

- (a) to enable our Company to realise asset value in the immediate and near term through development activities and efficient production operations of oil and gas fields which are under the development and/or production stage; and

5. INFORMATION ON OUR BUSINESS (Cont'd)

- (b) to enhance the value of our Company in the long-term by maintaining a portfolio of oil and gas assets in the exploration stage which will enable our Company to continuously add oil and gas resources at a lower cost as compared to developed/ ready for development oil and gas fields.

(iii) Safe operations

It is critical that our Company executes its operations safely, utilising industry accepted best practices. There are no internationally accepted standards for safety practices in the oil and gas industry currently as most of the standards and practices adopted are governed by national regulations, developed internally and/or benchmarked against major international oil and gas companies. Nevertheless, as our Board and Management Team have extensive experience in various domestic and international oil and gas companies, we intend to combine our experiences and knowledge in relation to safety practices to develop comprehensive safety policies for our operations post-Qualifying Acquisition.

(iv) Continuously focusing on reduction of operating costs

In order to meet any new challenges faced in terms of increase in operating costs in the medium and long term, we intend to undertake on-going efforts to study and implement cost reduction measures in the operations of our oil and gas assets. Reduction in operating costs may include, amongst others, cost incurred for operating fixed facilities and equipments, rentals, third party support, logistics, salaries, fees and tariffs. To reduce operating costs, we intend to:

- (a) undertake expansion of the operations of our oil and gas fields i.e. higher production based on the economies of scale. While increasing production of the oil and gas field will increase the revenue provided to us, the operating costs may not necessarily follow the economies of scale and our incremental cost of production per barrel may increase;
- (b) undertake actions to decrease the operating costs and maintain our operating profit margin as our oil and gas fields become more matured. An oil and gas field which is already in production for longer period of time is categorised as more matured than a newly developed oil and gas field. Typically a more matured field experiences higher depletion of Reserves due to the on-going production of oil and gas. As the oil and gas Reserves in the field depletes, the extraction capacity of the oil and gas will decrease and the incremental cost of production may increase. As such, decreasing our operating costs may help offset the incremental cost of production associated with depletion in Reserves; and
- (c) develop an effective maintenance process/management policy to manage our operating costs arising from maintenance. All oil and gas infrastructures will experience certain extent of natural degradation such as loss of physical strength and capacity. An aging oil and gas infrastructure may require repairs or replacement of certain parts of the infrastructure of which the extent will be dependent on the complexity of the process and the damage from natural degradation. By having an effective maintenance process, we will be able to manage the costs incurred for the replacement of equipments and/or infrastructure parts together with repairs services.

6. INDUSTRY OVERVIEW

6.1 OVERVIEW OF THE GLOBAL ECONOMY

The world economic growth momentum picked up gradually in the first quarter of 2012. The stronger than expected performance was partly due to the easing of financial stress and improving investor confidence in the European area following several policy actions taken by the European Union ("EU") leaders. In addition, improved consumption spending backed by better employment and credit conditions in the US contributed to moderate global growth. Meanwhile in Asia, the Japanese economy rebounded strongly supported by robust domestic demand. The resumption of supply chains disrupted by the floods in Thailand led to higher industrial production in Asia.

Global economic activity was moderated during the second quarter of 2012. The establishing effects of the policy actions taken in the European area were temporary and the crisis deepened with heightened political, banking sector and sovereign debt problems. The global economic outlook for the second half 2012 continues to be challenging. Manufacturing activity in the major economies has trended down as reflected in the manufacturing Purchasing Managers Indices (PMIs). In addition, global confidence continued to be adversely affected despite the consensus reached at the EU summit in late June to address the European area crisis as implementation details of the proposed measures remained uncertain.

In view of increasing vulnerabilities which pose significant downside risks to growth, major economies have initiated stimulus measures to support economic activities. Since July 2012, central banks in Brazil, China, the European area, the Republic of Korea and the UK have lowered their policy rates to improve credit and liquidity conditions. In September 2012, the US Federal Reserve Board embarked on the third round of quantitative easing. These measures along with more support from the European Central Bank and core European area countries to resolve the European area crisis, including the Outright Monetary Transactions programme to purchase unlimited amount of sovereign bonds are expected to reduce uncertainties and boost investors confidence. Overall, despite the volatile environment, the International Monetary Fund in its July 2012 World Economic Outlook Update has forecast global growth at 3.5% for 2012. In addition, emerging and developing economies will continue to lead growth with a robust expansion of 5.6%.

During the first eight months of 2012, the average price of Malaysian crude oil Tapis Blend remained elevated at USD120/bbl (January – August 2011: USD118/bbl). However, global oil prices were volatile due to geopolitical tensions in the early part of the year and the worsening euro area debt crisis. Escalating unrest in the Middle East has resulted in the benchmark Dated Brent trading at a six-month peak of USD127/ bbl in February 2012. However, as the euro area debt crisis took centre stage in May, global oil prices slumped with the price of Dated Brent declining to USD95/bbl. Price of Tapis Blend was also volatile and moved to a high of USD134/bbl in March 2012 and a low of USD95/bbl in June. Moving forward, market sentiment will continue to be influenced by the escalation of Middle East tensions due to the sanctions on Iran and the prolonged euro area debt crisis, which will affect the supply and demand of crude oil. According to the International Energy Agency, global demand for crude oil was lower at 88.8 million bpd as at end-June 2012 due to the weaker global economic outlook, while global supply was slightly higher at 90.8 million bpd.

PETRONAS has intensified its exploration activities to increase domestic oil and gas reserves, resulting in the discovery of two new oil fields in offshore Peninsular Malaysia (Irong 6 and Bertam 2) as at end-June 2012. In line with the Government's incentives for the development and production of marginal oil fields, PETRONAS has signed several new PSCs involving offshore and deepwater explorations in Sabah and Sarawak to sustain production and increase the lifespan of the reserves. As at 1 January 2012, crude oil reserves stood at 5.95 billion bbl and are estimated to last 29 years (1 January 2011: 5.86 billion bbl; 25 years).

(Source: Ministry of Finance Malaysia, Economic Report 2012/2013)

6. INDUSTRY OVERVIEW (Cont'd)

The world economic landscape in the fourth quarter of 2012 was characterised mainly by the uneven performance between the advanced and emerging regions. Growth in the major advanced economies weakened, while improvements were recorded in the emerging economies. Economic activity in several advanced economies was constrained by fiscal sustainability concerns, while the slowdown in Japan was partly attributable to weak export performance. In Asia, the growth momentum picked up at a modest pace amid the strengthening of production and regional demand, especially towards the end of the quarter. Several major central banks undertook easing measures to provide further support to economic activity and to boost sentiments.

While conditions in the international financial markets remained volatile during the quarter, the degree of volatility eased significantly from the highs recorded in the second quarter of the year. Financial markets were affected by the developments in Europe and the impending fiscal cliff in the US. At the beginning of the quarter, risk appetites were initially dampened by uncertainties surrounding the US presidential elections. Investors' attention was then refocused on the looming US fiscal cliff issue. Delays over the release of the next tranche of financial aid to Greece, together with weak economic data releases in the euro area, led to further risk aversion and higher volatility in the financial markets in mid-November. As the quarter advanced, market sentiments generally improved following the agreement on a package of measures for Greece and further progress in resolving the European debt crisis. Specifically, the approval of the framework for a single supervisory mechanism centred on the European Central Bank in early December was a crucial move towards establishing a banking union in the euro area. Towards year-end, however, renewed uncertainties surrounding the outcome of the US fiscal cliff negotiations resulted in a brief period of heightened volatility. This subsequently receded as positive sentiments towards the achievement of a resolution of the fiscal issue overcame earlier concerns.

Prices of crude oil¹ averaged at USD110.11/bbl in the fourth quarter (3Q 12: USD109.42). Upward pressures on oil prices due to supply disruptions were partially mitigated by concerns arising from US fiscal policy. Heightened tensions in some Middle Eastern countries and the shutdown of the North Sea oilfields for maintenance resulted in higher oil prices at the beginning of the quarter. Subsequently, the easing of tensions in the Middle East and the return of the North Sea supply resulted in prices declining to a three-month low. In the latter half of the quarter, prices fluctuated within a tight range as markets responded to a confluence of factors. Favourable economic data releases from the People's Republic of China provided upward support to oil prices, while uncertainties surrounding the US fiscal policy provided some offsetting effect. As at end-December 2012, crude oil prices closed at USD111.11/bbl.

Going forward, there are emerging signs of improvements in the global economy. Latest economic indicators also suggest further stabilisation in the growth performance in Asia. Notwithstanding these improvements, considerable structural challenges remain in the advanced economies, which would constrain the prospect for a stronger economic recovery. In particular, several advanced economies will continue to address the issues relating to fiscal sustainability and persistently weak labour market conditions. In the emerging markets, the highly accommodative monetary policy sustained in the major advanced economies requires close surveillance given the potential impact of excessive global liquidity on asset price inflation.

(Source: Quarterly Bulletin Fourth Quarter 2012, Bank Negara Malaysia)

¹ Refers to Brent one-month futures on the Intercontinental Exchange (ICE).

6. INDUSTRY OVERVIEW (Cont'd)

6.2 OVERVIEW OF THE OIL AND GAS INDUSTRY



(Prepared for inclusion in this Prospectus)

Date: 1 March 2013

The Board of Directors
CLIQ Energy Berhad
Level 18, The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

Dear Sirs,

**CLIQ ENERGY BERHAD
INDEPENDENT MARKET RESEARCH REPORT ASSESSING THE CORE EXPLORATION AND
PRODUCTION MARKETS IN WHICH CLIQ ENERGY BERHAD ("CLIQ") WILL BE OPERATING
AND THE PROSPECTS**

We, Infield Systems Limited ("**Infield**"), have prepared the Independent Market Research Report ("**Report**") on the assessment of the core markets in which CLIQ will be operating pursuant to the initial public offering ("**IPO**") of CLIQ in its Prospectus and in relation to the listing of CLIQ on the Main Market of Bursa Malaysia Securities Berhad.

Infield has prepared the Report in an independent and objective manner and has taken all adequate care to ensure the accuracy and completeness of the Report. We believe that the Report presents a true and fair view of the industry within the acceptable limitations of among others, secondary statistics and primary research. Our research has been conducted with an "overall industry perspective" and may not necessarily reflect the actual performance of individual companies in the industry. We are not responsible for the decisions and/or actions of the readers of the Report. The Report should also not be considered as recommendation to buy or not to buy the securities of any company or companies.

Yours faithfully,
Gregory Brown

A handwritten signature in black ink, appearing to read "Gregory Brown".

Infield Systems –
Transaction Services

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Registered in England No 02596007
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6. INDUSTRY OVERVIEW (Cont'd)

A. OVERVIEW OF THE OIL AND GAS INDUSTRY

1. Structure of the industry from upstream and downstream

The oil and gas industry is one of the truly global industries. Hydrocarbon products are required in every country which has a competitive economy and reserves are found in nearly every corner of the globe. The supply chain which has evolved to cater for this complex global industry is broadly split into two areas:

- Upstream – relating to the finding and quantifying of reserves in addition to the procurement of equipment and the production of those reserves
- Downstream – Covering transport, trading of crude oil and natural gas as well as refining and distribution

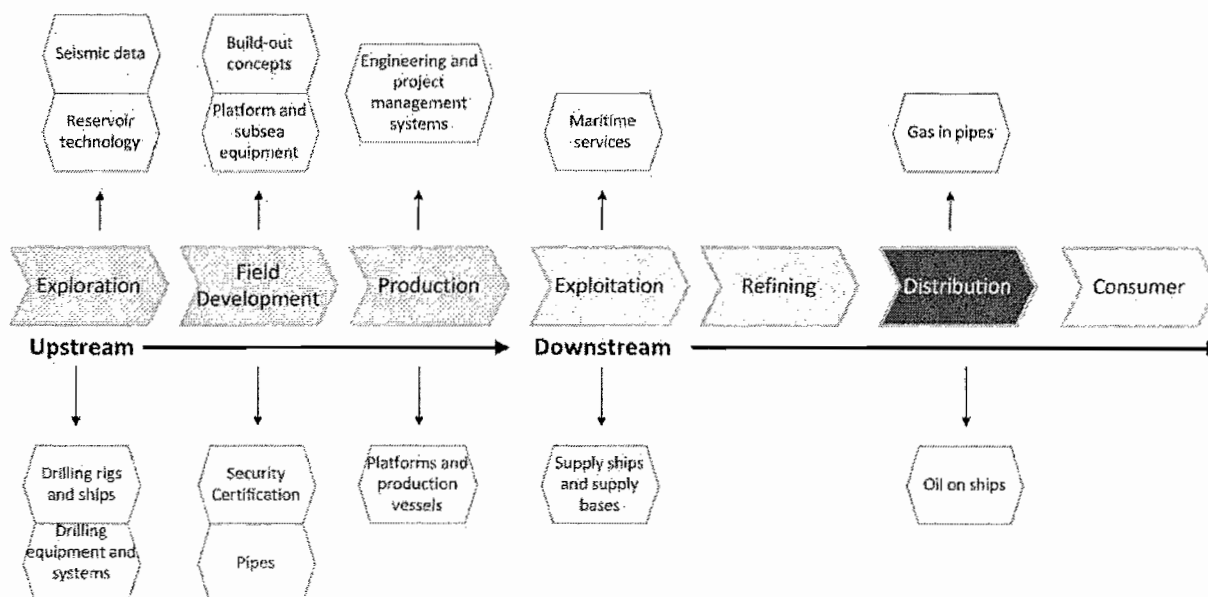


Figure 1: Structure of the Oil and Gas Industry (Source: Infield 2013)

The upstream area will include activities such as:

- Seismic survey activity
- Exploration drilling
- Appraisal drilling
- Engineering
- Procurement
- Project management
- Construction services
- Installation services
- Heavy transport services
- Maintenance and modifications
- Transportation
- Production platforms
- Drilling rigs
- Subsea trees
- Decommissioning and abandonment services

6. INDUSTRY OVERVIEW (Cont'd)

Before undertaking any exploration work in an unexplored basin, companies require a legal framework that may provide a certain degree of guarantee to full or partial ownership of any discoveries. Host governments usually auction leases for exploration acreage at regular intervals and occasionally will commission seismic surveys of the acreage under offer to provide some basic information to prospective bidders. Assuming the acreage is of interest to the industry, bids will be submitted by a certain cut-off date. Each bid may include an upfront fee, and often contains other commitments, such as to acquire a certain amount of seismic data, and/or drill at least a specified number of wells. Lease durations vary greatly around the world; UK licenses are typically awarded for 25 years, whereas in the US the usual initial term is 10 years, although these can usually be extended for a fee or further work commitment. The lease is usually awarded either as; production sharing contracts (“PSCs”) or tax & royalty concession.

Once acreage has been obtained, the companies will either conduct a seismic survey (this is normally done in partnership with other interested parties). Or if a seismic study has been conducted, the companies proceed to estimate high probability drilling zones and formulate a drilling plan to maximise reservoir probability. Oil fields both onshore and offshore are rarely owned by one entity. Firms involved spread the exploration risk by having a collection of diversified ownerships and pooling partnerships in a number of fields, in a variety of regions. From these prospects areas with preferential geologies are classified based on seismic data. Once these prospects have been ranked in order of attractiveness, a drilling company and associated service companies are hired and the target is ‘drilled up’.

Historically, the level of exploration and appraisal (“E&A”) activity across the upstream industry has broadly risen and fallen on a 12-month lag to crude oil prices. Depending on location and geology exploration well success rates varies highly. Some companies such as Tullow Oil plc have historically enjoyed a high success rate with exploration. Others such as Falklands Oil and Gas Limited and Rockhopper Exploration plc have been less successful. Factors that affect success rates are geological modelling, seismic processing and interpretation, the presence of a reservoir seal or trap and porosity and permeability. Infield believes that exploration success rates lies between 10% and 35% in finding oil both onshore and offshore with a weighted average of between about 15% and 17% as an industry wide level of success.

1.1 Exploration

Infield believes that many of the oil companies with drilling programs that are fully funded (clear prospect list and enough capital to drill through prospects) and with operators have turned very bullish towards drilling to replace reserves. One of the key metrics that most operators are judged on other than their profitability and production numbers is their internal reserves replacement ratio.

Infield believes that by 2017 operators will drill close to 1,800 wells with Africa, Latin and North America witnessing the largest growth going forward. In Asia a stable level of exploration and appraisal activity is expected alongside a larger emphasis on development and production programs. This reflects how Asia is slightly further along the cycle of hydrocarbon production than Latin America and Africa. The bulk of this Asian activity is weighted towards shallow water investment across the likes of Malaysia, Indonesia and China.

Within China the development of a shale gas program may reduce the level of offshore activity that may materialise within the forecast period. However, as the shale gas industry remains immature we believe that such progress within the five year period it is unlikely to materialise. That said, we note the threat of unconventional exploration.

6. INDUSTRY OVERVIEW (Cont'd)

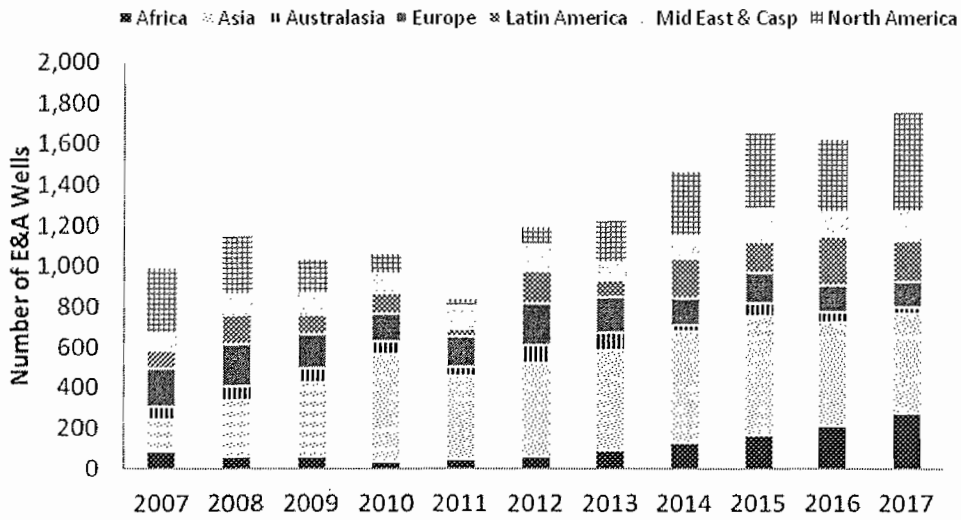


Figure 2: E&A Wells 2007 – 2017 (Source: Infield 2013)

1.2 Development

After prospects have been assessed and if viable, and approved by rigorous project sanctioning programs undertaken by host governments and the prospect operator, fields are then developed. Since 1970, the lag between when fields are discovered/ approved and when the same fields are brought on-stream have traditionally varied widely from as little as six months in some regions up to fifty years in others. What is clear from figure 3 is that the average lag has materially reduced and on average currently sits at just over five years from discovery till first oil/gas. This is occurring even at a time when field development plans are becoming more complex; involving more external consultants and outsourcing of the design, procurement and installation.

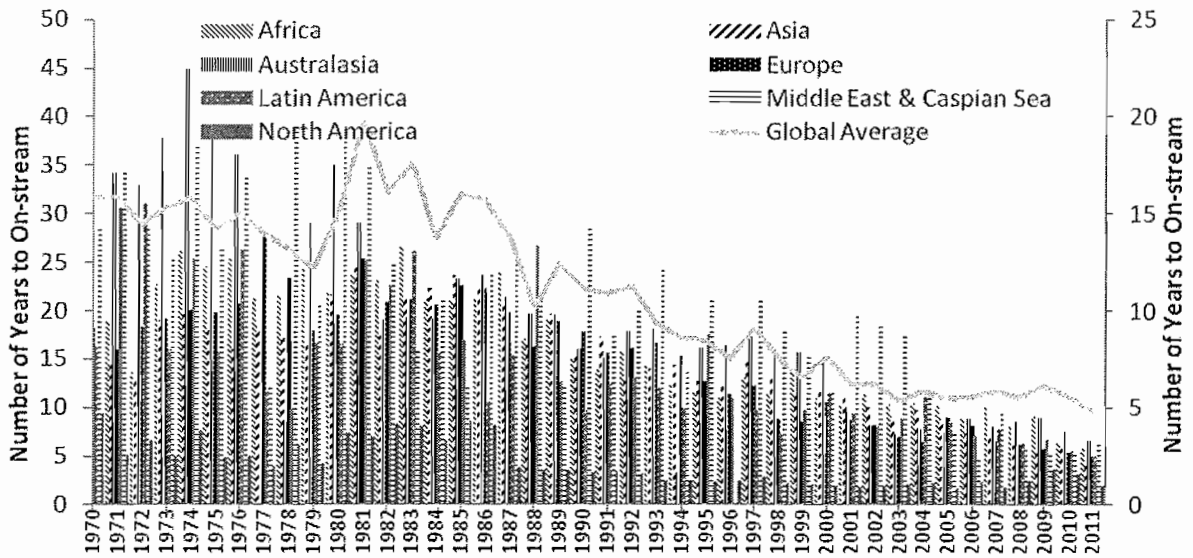


Figure 3: Lead time from Exploration till On-stream (Source: Infield 2013)

6. INDUSTRY OVERVIEW (Cont'd)

The development phase for large fields may require substantial capital outlays, and depending on local regulations, may start a significant local oil and gas services industry as seen in the UK and Norway. Typically an oil company, be it a NOC or IOC will put out tenders to the oil and gas service industry for the front end engineering and design Front End Engineering and Design ("FEED") of any future production installation. FEED includes preliminary detailed planning and trouble shooting of methods available to bring a project on-stream which includes feasibility and project cost estimates.

Once the oil and gas service companies have submitted their bids, the IOC/NOC will assess the economic feasibility of the project, and if the outlook appears positive, selected oil and gas service companies will be contracted to proceed with more advanced and detailed designs and, ultimately, field development. Ideally the total oil waiting to be discovered in a basin would be known to all parties. This includes most preferred competitors in any given area to provide a level starting off point.

The government could then ensure it creates terms that maximise its revenues and could make long-term economic plans, oil companies could drill with greater certainty of success and the oil and gas the service industry could be established with capacity that takes into account the amount of work that is inevitably going to be forthcoming. However, this is rarely the case; in actuality the industry can make estimates of what reserves remain to be discovered and such estimates can be highly inaccurate and can be revised both up and down.

6. INDUSTRY OVERVIEW (Cont'd)

SUPPLY CHAIN CATEGORIES and ACTIVITIES

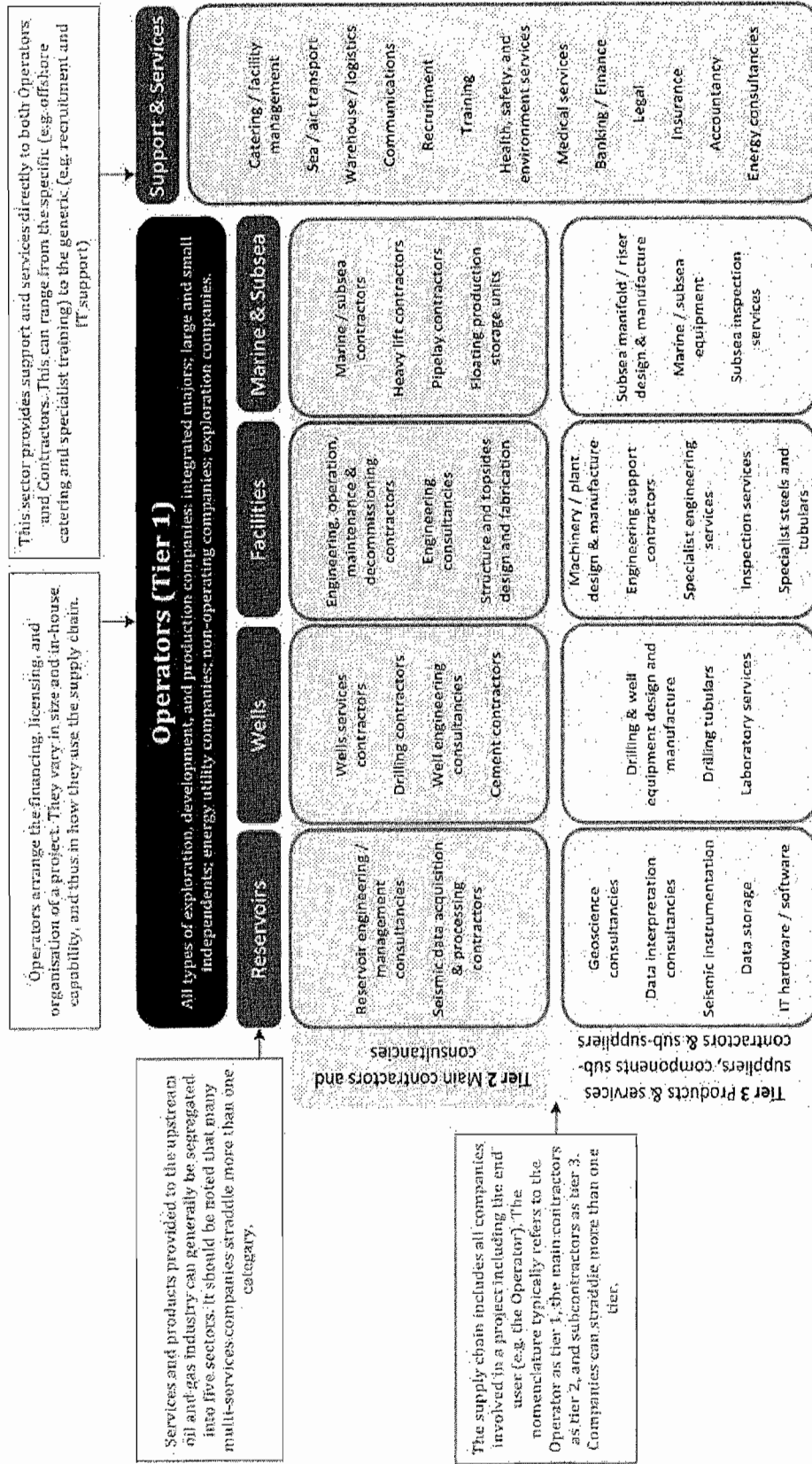


Figure 4: Supply Chain and Activities of the Oil and Gas Market (Source: Oil & Gas UK 2011)

6. INDUSTRY OVERVIEW (Cont'd)

2. Regional E&P Merger and Acquisition Activity

In 2011 a number of high profile upstream acquisitions were made by Asian NOCs in both the US and Latin America. Asian NOC's, were notably active in unconventional plays across North America including China Petrochemical Corporation's acquisition of Daylight Energy Ltd for USD2.1 billion.

In 2011 a total of 1,322 oil and gas transactions were announced to the market (Source: Ernst & Young Global Oil and Gas Transactions Review 2011). This was an increase of 5% from 2010 in terms of the number of transactions. This result reflected strong positive momentum throughout the early part of the year before activity slowed in the third and fourth quarters. The total value of the deals announced was close to USD320 billion in 2011.

In 2011 majority of the deals completed were related to upstream transactions. Key deals announced included Technip S.A.'s purchase of Global Industries Inc for USD1billion, whilst Pride International Inc was purchased by Ensco plc in the drilling market. Total transaction value for upstream assets was USD154.8 billion (Source: Ernst & Young Global Oil and Gas Transactions Review 2011). A notable feature of the market throughout 2011 was that a number of the deals, including those mentioned above, were consolidations. This market dynamic is expected to continue as a function of contracts increasing in value, risk and complexity – particularly in the oilfield service market.

Transactions in the downstream market fell in 2011 in comparison to 2010 whilst natural gas distribution networks and refinery transactions saw an increase number of deals and values. The increase in refinery transactions reflected the IOCs policy to concentrate on Exploration and Production and leave the distribution and marketing businesses.

The key regional areas of growth throughout 2011 were the activity of Asia buyers (where Chinese NOCs were particularly active) in South America and the United States. In Asia a number of transactions took place where Asian NOCs purchased upstream infrastructure such as fields in both local and foreign markets; particularly purchasing stakes within shale gas and other unconventional plays in addition to acreage in South America.

Activity for 2012 has been positive with small, medium and large transactions all being tabled. Throughout the oil and gas market a number of private equity held assets are expected to reach the end of the generic holding period of between four to six years that private equity prefers to hold companies, which will mature in 2012 and in 2013. This is expected to provide an injection of overall activity as these assets will either be sold to trade (i.e. the energy industry) or other private equity companies. These private equity holdings include Cobalt International Energy Inc, partly owned by Riverstone Holdings LLC, the Carlyle Group, Goldman Sachs and First Reserve Corporation, amongst the more prominent private equity companies. The continued development of production focussed transactions is expected to increase, especially with Asian NOCs seeking to secure additional reserves.

2012 transactions announced involve both the offshore and onshore assets. The offshore market has been characterised by investments in construction focussed companies, maintenance related companies and the producing companies. The positive momentum in market is tempered somewhat by on-going sovereign debt issues within the Eurozone, whilst the volatility in commodity pricing has led to a certain trepidation in investment confidence, equity markets have rallied 18.5% so far in 2012 as Asian markets have focused on lacklustre Chinese economic data with the Malaysian bourse up 6.1% year to date. Capital markets remain a key source of funding of both drilling programs as well as financing for transactions. Most forecasts and strategists remain overweight on Energy and Commodities in most regions and with this in mind Infield believes that the oil and gas M&A market remains robust with compelling valuations. Despite lacklustre Chinese data, on-going sovereign debt issues and volatile commodity prices equity markets have rallied.

6. INDUSTRY OVERVIEW (Cont'd)

Below Infield examines the implications of some of the headline E&P transactions over the past 18 months.

2.1 Globally

Since 2008 there has been very little interest in large scale industry consolidations. The circumstances following BP's 2010 blowout at Macondo 252, and the subsequent loss of the Deepwater Horizon drilling rig as well as a full scale oil spill in the Gulf of Mexico, has stimulated some industry mumblings of some sort of acquisition of BP. In terms of valuation BP is currently trading at around USD10.40/barrel ("bbl") of its 2P¹ (proven plus probable) reserves compared to around USD14.00 for Shell and USD16.50 for Exxon. For 2P reserves acquisition costs are running at USD5 - USD10/bbl versus finding costs in the same range.

Having said this there has been a number of high profile attempts some of which are awaiting regulatory due process. These transactions will shape the basis of competition of most jurisdictions.

CNOOC Limited has recently accepted management and employment conditions set by the Canadian government as it seeks to buy Nexen Inc. for USD15.1 billion. The Canadian government has accepted the sale of Nexen Inc. under the country's foreign takeover law, which specifies that transactions must have a "net benefit" to the country in order to win approval. The 2P reserves are estimated at around 2,021 million bbl valuing the approach at USD7.51/bbl of 2P reserves.

CNOOC Limited had preferred to build stakes in fields in West Africa and Brazil as partners since it was involved in a very public failed USD18.5 billion all cash bid in 2005 of Unocal Corp. This public rebuttal from political bodies prevented Chinese oil companies from attempting to invest in North America for many years. Unocal was later absorbed by Chevron in 2005 for USD17.1 billion and became a wholly owned subsidiary.

Meanwhile, Nexen Inc. is not the only Canadian E&P Company that has international interest, Canada has recently rejected and then accepted PETRONAS CAD5.2billion bid for Progress Energy.

On 22 October 2012, BP announced that it had signed heads of terms for a proposed transaction to sell its 50% share in TNK-BP to Rosneft Oil Company ("**Rosneft**"). The proposed transaction consists of two tranches: Firstly BP would sell its 50% shareholding in TNK-BP to Rosneft for cash consideration of USD17.1 billion and Rosneft shares representing a 12.84% stake in Rosneft. Secondly BP intends to use USD4.8 billion of the cash consideration to acquire a further 5.66% stake in Rosneft from the Russian government. BP would acquire the Rosneft shares from the Russian government at a price of USD8 per share (representing a premium of 12% to the Rosneft share closing price on the bid date, 18 October 2012). The deal is agreed in principle and awaiting regulatory approval.

Earlier 2012 activity kicked off with Shell's approach of Cove Energy Plc ("**Cove**") which was followed by a counter bid by PTT Exploration & Production of Thailand ("**PTTEP**") in April 2012. Shell subsequently raised its initial bid to match PTTEP's bid of USD1.8 billion or 220 pence per share. Recently Cove has announced that it has discovered a new natural gas field that has considerable reserves. This resulted in an improved bid of 240 pence per share from PTTEP which has been accepted by the board of Cove. PTTEP are now in the process of integrating the Cove assets into their portfolio.

¹ Reserves are normally measured in Proven (1P), Proven and Probable (2P) and Proven, Probable, Possible (3P)

6. INDUSTRY OVERVIEW (Cont'd)

Premier Oil agreed to acquire EnCore Oil for GBP221 million at the end of 2011 which had been under persistent speculation that a North Sea competitor was interested in its assets but needed to raise money to fund their exploration budget. In 2011 one of the most notable transactions was the entry of BHP Billiton Limited into the US onshore sector, acquiring Fayetteville gas assets from Chesapeake for USD4.75 billion and purchasing Petrohawk Energy Corporation for USD15.2 billion. BP acquired Reliance Industries Limited's offshore India acreage which was the first transaction where the value of the exploration upside had to have a material component part of the value and potentially reflected the difficulties that Reliance has had with the Dhirubhai gas field.

2.2 South East Asia ("SEA")

In July 2012 Pan Orient Energy Corp sold assets to an undisclosed buyer for USD162 million for approximately 2P reserves of 17 million bbl of oil equivalent in Thailand.

In February 2012, ConocoPhillips agreed to sell its Vietnam operations for USD1.29 billion to Perenco SA, exiting the country after more than 15 years. This transaction highlights the focus of ConocoPhillips tightening up its production portfolio. Conoco has completed USD10.7 billion of asset disposals since 2010 and plans to sell another USD10 billion before the end of 2012. ConocoPhillips had the equivalent of around 20,000 bbl a day of oil production from Vietnam in 2011, which Infield believes is most likely better managed by an independent rather than an IOC.

Perenco has been very active in buying stakes from IOCs with recent acquisitions from BP in the North Sea but historically from Royal Dutch Shell Plc., Exxon Mobil Corporation and BG Group Plc. In spite of this transaction Infield remains positive on Vietnam with there being material growth potential in the country, although this is perhaps more challenging for Western majors to navigate. Conoco has subsequently de-merged its refining arm into Phillips 66 which has left the Conoco entity to concentrate on the exploration and production side of the business.

In December 2011, Energi Mega Persada, an oil and gas firm controlled by Indonesia's Bakrie group acquired a 36.7% stake in Offshore North West Java ("**ONWJ**") oil and gas block from China's CNOOC for USD212 million. This transaction demonstrates CNOOC's strategy of concentrating on US onshore blocks, domestic production and mega fields in West Africa and Brazil. Again this transaction plays very much into the hands of newly formed independents which will be able to navigate between the disposal of smaller assets from NOCs as well as the rationalisation of IOC's portfolios.

In December 2011, Korea Gas agreed to buy about half of Mitsubishi Corp.'s 20% stake in Senoro-Toili natural gas field in Indonesia's Central Sulawesi province. The plant is expected to begin supplying LNG in the second half of 2014. The agreement between Mitsubishi and Korea Gas comes as Japanese imports of LNG are on the rise, while oil imports are down following the country's 2011 earthquake and resulting nuclear disaster.

Infield expects both Japanese and Korean utilities and NOC's to be especially proactive on the acquisition front as they attempt to shore up supplies and react to soaring LNG prices which are between USD10 and USD15 per million BTU. Additionally Asian companies have been proactive with Australian LNG stakes with Shell farming down 17.5% of Prelude to Inpex of Japan, 10% to KOGAS of Korea and 5% CPC Corp of Korea. Further demand of Australian product is expected to come from domestic sources such as power generators, miners such as Rio Tinto and the Australian manufacturing sector.

In November 2011, Brightoil Petroleum agreed to acquire 100% interest in Win Business Petroleum Group for HKD581.25 million. The target company entered into a contract for Dina 1 natural gas development and production with China National Petroleum Corporation ("**CNPC**"). The value of the proved plus probable net entitlement reserves of the target company in the PSC

6. INDUSTRY OVERVIEW (Cont'd)

for the contract area is USD100 million a discount of around 25% of the proved plus probable reserves. This transaction is centred on the natural gas production destined for mainland China which should continue with the Chinese strategy of guaranteeing supply at favourable rates for domestic consumption.

In September 2011, Salamander Energy sold a 5% stake in the ONWJ block to Singapore-based Risco Energy for USD56.3 million. This farm down was executed to inject some liquidity into Salamander's balance sheet as well as diversify their portfolio allowing them to focus on more exploration and finance spudding costs on future wells.

In August 2011, Australia-based Otto Energy became operator of the Galoc oilfield offshore Palawan, in the Philippines, paying USD18.7 million to Vitol BV to boost its stake to a 33% direct interest in the field. A FEED study has been commenced for Phase II, which entails the second development plans to augment the first developments, of this project with BHP Billiton being the partner in this development with a well which was drilled in August 2012 with results pending. Otto Energy formally known as Ottoman Energy looks to be increasing its portfolio in the Philippines and it is believed that they will be increasingly focusing on opportunistic acquisitions in both the Philippines and the wider region going forward.

In June 2011, Serica Energy accepted the offer from Pace Petroleum to sell its assets in Indonesia. The deal comprises 25% interest in the Kambuna field, 30% interest in the Kutai exploration block offshore East Kalimantan and 100% interest in the East Seruway block offshore North Sumatra. The cash consideration is USD33 million. Infield does not view this as an exit from the country, with Serica Energy being active in the North Sea (UK, Norway), Africa (Morocco and Namibia) and Indonesia, but rather as an attempt to raise liquidity to pay for the 3D seismic survey in the Luderitz Basin in Namibia, and to further rationalise their portfolio without a departure from Indonesia.

Marginal fields in SEA are more common in comparison to other hydrocarbon basins due to the relative size of discovery, the distance between jurisdictions and other hydrocarbon hubs contribute to make them less interesting to IOCs and remain a clear opportunity if project economics are good and obstacles to getting product to end markets is solved.

3. External Risks and Challenges Facing the Oil and Gas Industry in the Region

3.1 Uncertain Energy Policies/ Carbon Climate Concerns

Externally the most crucial challenge to the region is the uncertainty and fluctuating nature of domestic energy and fiscal policy. Consistent treatment and relationships with governmental departments responsible for hydrocarbon exploitation and NOCs stimulates investment both from international sources but also from local entities.

Energy policy surrounding security of supply can be very positive for investment with market participants encouraged and entrepreneurs given incentives to formulate many companies supplying various operations along the supply chain of the exploration and production value chain. However further pressure from governmental agencies often concludes that the most effective method of managing and regulating this production is fully empowering the NOC.

The most extreme scenario is expropriation of assets which has severe consequences to market participants which in a very short time frame become excluded from energy markets. This has happened at various times and extents over the last decade in Venezuela, Russia and most recently in Argentina.

6. INDUSTRY OVERVIEW (Cont'd)

3.2 Political constraints to access to Reserves

Infield estimates that NOCs control over 70% of proven global reserves, with these entities concentrated in the OPEC nations of Saudi Arabia, Iran, Iraq, Qatar and Venezuela with this in mind and energy security being a chief consideration to energy markets these entities are increasingly powerful in terms of influence. As price increases and decreases the incentives to break quotas dually exist. Infield believes that OPEC has more power in escalating price environments rather than falling price environments and therefore in a run up in commodity prices world consumers face key disruption risk as one of the swing OPEC producers removes supplies from the world market as a means to stimulate higher prices.

3.3 Coal

The biggest challenge to the future development of oil and gas resource basins comes from another hydrocarbon, one with more carbon and oxygen, namely coal. Coal possesses a considerable challenge to the likely progression of the forecast oil and gas demand. This is firstly due to the absolute quantity of coal already discovered. Secondly its calorific value and the energy released during combustion. Lastly the scale of reserves in the developing world such as Africa and China alongside large reserves in North America (albeit very little political will due to the polluting properties of combustion and the readily available natural gas in North America).

It is due to the oversupply of natural gas in North America that global prices and consumption of coal has suffered. Coal has additional criticisms especially in the developed world, where except for its low carbon forms, burning it creates the largest quantities of carbon dioxide emissions. The extraction process of coal is also responsible for releases of considerable quantities of methane, which is 26 times more potent than the carbon dioxide contributing to anthropogenic climate change. With regards to public policy towards coal Infield believes that Chinese decision making with regards to its domestic reserves of coal and how it chooses to exploit them and on what timeline could make coal a strong substitute to natural gas especially for the generation of electricity. China ranks behind the United States and Russia in terms of coal reserves (*Source: World Energy Council (WEC), BP Statistical Review of World Energy 2012*).

3.4 Socio Political Conflict

Oil and gas operations and opportunities exist in countries where political, economic and social transition is taking place. Some countries have experienced, or may experience in the future, political instability, changes to the regulatory environment, changes in taxation, expropriation or nationalization of property, civil strife, strikes, acts of war and insurrections. Any of these conditions occurring could disrupt or terminate operations, causing development activities to be curtailed or terminated in these areas, or production to decline.

3.5 Liquidity Financial capacity and Financial Exposure

All continuing concerns aim to generate an appropriate level of liquidity and financial capacity. This framework constrains the level of assessed capital at risk for the purposes of positions taken in financial instruments. Failure to accurately forecast or maintain sufficient liquidity and credit to meet these needs could impact the ability to operate and result in a financial loss.

A credit crisis affecting banks and other sectors of the economy could impact the ability of counterparties to meet their financial obligations. It could also affect the ability to raise capital to fund growth and to meet obligations.

6. INDUSTRY OVERVIEW (Cont'd)

3.6 Shale Reserves

The past five years have seen an unprecedented boom in unconventional resource developments in North America and around the world. Other than North America these shale reserves are most abundant in China, South Africa, and Eastern Europe within the Ruhr area in Northern Germany and Poland and the Czech Republic.

However the high depletion rate of wells drilled is the clearest limitation to further uptake and exploitation of shale reserves. This dynamic is mixed with severe mistrust in Europe and lack of appropriate technical knowledge base outside of the US, remain the main challenges to this type of developments outside North America.

Infield believes that the clearest casualty associated with shale reserves is not the oil and gas market, but the coal market. This expectation is driven by the fact that these reserves, alongside global natural gas reserves are substantially cleaner and more widely accepted as compared to coal.

3.7 Nuclear

Except in China, France and Iran the political will of nuclear energy following the Fukushima Daiichi nuclear disaster has been completely eroded. Although it now seems that the political fallout of Fukushima is worse than that of Chernobyl due to the fact that the equipment involved was Japanese and American with accepted safety standards. However Infield believes that nuclear energy will continue to affect the demand for hydrocarbon energy well into the next decade, but due to the lead times of between 5 and 20 years for new nuclear plants, it will be a complement rather than a substitute from the hydrocarbon.

Many countries operating nuclear plants have already announced they will undertake full reviews of nuclear safety as well as implement the lessons learned from Fukushima on the remaining stock and in many cases decommission older plants.

3.8 Green Initiatives

Over the past decade many government initiatives have provided stimulus to alternative energy solutions. It is believed that other than subsidies for large scale projects in the developed world and China such initiatives do not have the capability to meaningfully affect the energy supply and demand balance.

Among green initiatives windfarms drive the bulk of material opportunities. Renewable energy sources and the supply chain tasked with developing them are poised for significant growth through the remainder of this decade and up to 2030. Infield believes there are many synergies between the offshore windfarm market and offshore oil markets, especially in the procurement of materials, engineering, installation of projects and the connection of these windfarms to grids. These synergies are expected to offer contractors significant opportunities as the sector gains momentum over the next five years.

6. INDUSTRY OVERVIEW (Cont'd)

B. OUTLOOK OF THE OIL AND GAS INDUSTRY

4. Recent global energy market performance

Over the past five years, the global energy market has had a tumultuous ride. The traditional demand and supply dynamics of energy markets have been thrown out of kilter by the accelerated industrialisation of developing countries, especially those of Asia as well as Russia, Brazil and Turkey. This trend has been met by virtually no new discoveries of giant oil and gas fields onshore with more discoveries coming offshore. The trend towards offshore oil and gas production has been met with increased operational risks from fields in deeper, further and harsher environments.

From the low point of the financial crisis, energy markets have recovered however the fear of recession in the West and a hard landing in China continues to threaten the global recovery. This has been mixed with an uptick in geopolitical instability which is still prevalent across many of the major oil producing regions especially the Middle East. In commodity markets, although volatile, a double dip recession has not materialised although certain warnings such as sovereign debt concerns as well as a number of natural and environmental events have been very noticeable during the last 18 months. In fact one such natural disaster has actually contributed to enhance demand for natural gas— this was the Fukushima earthquake in April 2011 which has gone a long way to thrust cleaner natural gas and LNG into the Asian and European markets at the expense of nuclear power.

Again as Western economies have been recovering from the depths of recession seen during the financial crisis, the recovery especially in the G8² countries continues to be a fragile one, particularly in the Eurozone. The instability caused by Eurozone policy maker's attempts to muddle through steps to avoid potential sovereign debt defaults has not given businesses the confidence to invest in labour and boost output. In the US the story is somewhat different where the economic recovery, which was previously labelled as 'jobless' is beginning to gather strength. On the supply side, Iran, which is believed by the UN and IEA to be pursuing a nuclear weapons program, has threatened to close the Strait of Hormuz if the US continues to increase its military presence in the region. Given that around 20%³ of all globally traded oil is traded through the Strait, any military action by Iran, however short lived, would send crude prices to potentially record levels, this is compounded by the 3.5 million bbl of crude equivalent that Iran produces.

4.1 Long-term Oil Price Forecast⁴

Infield notes that oil price dynamics have changed substantially since the late 1990s when Chinese demand began to soar and access to 'easy oil' started to deplete. However, the rising momentum only became visible post 2002 following the distortions of the Asian financial crisis in 1997, the dot-com bubble in 2000 and the 11th of September attacks in 2001.

² US, Germany, France, UK, Italy, Canada, Japan, Russia

³ This equates to 17 million barrels

⁴ Short run: less than a year
Mid run: one to three years
Long run: three to ten years

6. INDUSTRY OVERVIEW (Cont'd)

Using price data from 2002 Infield has developed a price model to depict the long-term momentum for Brent as follows:

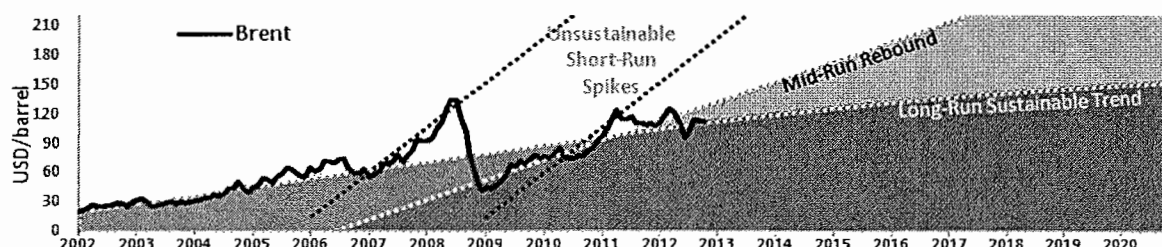


Figure 5: Long-term Oil Price Forecast (Source: Infield 2013)

The price of oil is a good way of gauging economic development and demand for energy. Using the graph above, Infield can observe the price of oil – and implicitly demand for oil based products, back to 2004. The story is relatively straightforward until 2007; between 2004 and the end of 2007 the price of oil increased steadily and consistently. This reflected a steadily growing global economy, and created a positive environment for oil companies to invest in the development of hydrocarbon reserves. Infield subsequently saw more fields coming on-stream, and more production brought to market therefore pushing the supply/demand quantum towards more supply however subsidence of prices except for financial shocks have not materialised. This has been evident by the focus on spare capacity. Except for Saudi Arabia, this spare capacity does not exist with global markets unimpressed by the offer of Saudi Arabia to pick up the slack. In short the energy markets demand light sweet oil rather than heavier Saudi product which is more complicated to refine.

In early 2008 the price of oil started moving with more volatility. This started with a price run, where the price of oil started to accelerate rapidly, symptomatic of a global economy which was overheating, and arguably exaggerated by financial institutions ‘gambling’ within commodities classes. The price of oil reached a record peak of USD147/bbl in July 2008, followed by a price crash as some of the world’s major oil consuming economies entered recession, bottoming out at USD33/bbl in February 2009. The period then from 2008 through to the end of 2011 is one characterised by a number of factors which undermine investment and development within the oil and gas sector. These include; volatile oil prices and lack of forward visibility over oil consumption. Around the financial crisis many operators suffered from a lack of capital available to those looking to invest in delivering new sources of hydrocarbons to market. Ultimately, these factors led to many projects being deferred or delayed.

The long-run oil price trend since 2002 has shown a steady rise that has been driven by a number of factors. The first relates to the unprecedented level of economic growth that has taken place in emerging markets, especially China and India.

The second relates to the increasing cost of developing oil due to fewer large reserve discoveries in easy-to-access areas. Strong growth in oil demand from emerging markets and higher costs of production combine to result in sustained higher oil prices in the long run as operators continue to explore and develop oil in technically more challenging areas, such as deepwater West Africa and Brazil. Finally, there has been a long-term depreciation of the US dollar, driven by an economic incentive to boost exports and a national strategy to reduce debt.

Following the 2008 global financial crisis Infield reassessed price dynamics when oil bounced back from its nadir in 2009. Infield characterised this recovery as the medium-run trend. In addition to the medium-run trend, Infield also identified a short-term trend in early 2011 caused by uprisings in the Middle East and North Africa (“MENA”) region.

6. INDUSTRY OVERVIEW (Cont'd)

The short-run price dynamics reflect a “geopolitical scare premium” resulting from political and social unrest in the MENA region; an area that is crucial to the supply of energy to the global economy.

Dramatic short-run spikes such as those happened in later 2008 and early 2011 may drive oil price away from its long-run trend. However, these spikes are stimulated by temporary factors hence unsustainable in the longer term. The mid-run rebound since early 2009 lost its momentum in Q2 2012. Indeed the drivers for the rebound, which included government stimuli and a recovery from a nadir, were unlikely to continue. However, the long-run price trend, despite being skewed by subdued growth expectations for China, is likely to remain in place.

However, the drivers of the long-run momentum are likely to remain firmly rooted over the next decade. First, Infield expects the US dollar to continue to weaken given that the US is the world's largest debtor. Second, oil production is moving into increasingly expensive forms such as deepwater, Arctic, shale oil and heavy oil. Third, despite lowered growth expectations for China the country's urbanisation continues apace, and India is starting to grow considerably. Therefore oil demand is set to increase in the coming decade. Given that the main drivers of the long-run trend are more than likely to stay in the forecast period, Infield believes that the long-run momentum is sustainable.

4.2 Long-term Gas Price Forecast⁵

The global gas market has three distinct regional segments. Gas price is suppressed in the US driven by abundant shale supply, whilst the price in Asia is spurred by nuclear power generator shut downs in Japan. European gas prices fall somewhere in the middle, well above that of the US but still below the prices quoted for oil-linked Asian buyers. The European market is affected by mixed market dynamics such as the on-going sovereign debt crisis and greater demand in Asia. The major gas markets appear to have decoupled and followed divergent courses from 2011 because of the effects of these localised issues. Apart from pipelines where transportation of oil and gas is relatively similar, gas over large distances is less mobile as compared to crude, this is solely due to the technology needed to transport liquefied natural gas whereas tankers have now become a commoditised transportation solution.

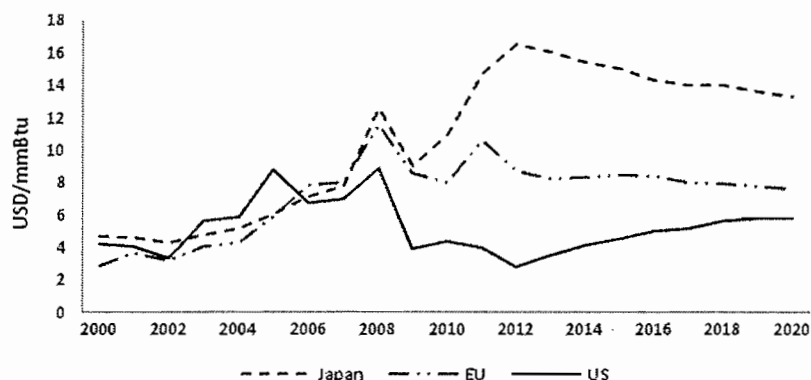


Figure 6: Long-term Gas Price Forecast (Source: Infield 2013)

For Q4 2012 and year 2013, Infield expects a general upward correction of US natural gas prices, which need to at least reach USD4/mmBtu⁶ to ensure marginal suppliers receive a rate of return equivalent to the cost of capital. While for Japan, Infield anticipates the price of its

⁵ Short run: less than a year
Mid run: one to three years
Long run: three to ten years

⁶ mmBtu = 1 million British thermal units. It is approximately the amount of energy needed to heat 1 pound (0.454 kg) of water and is equivalent to 5.78 million BTU/barrel

6. INDUSTRY OVERVIEW (Cont'd)

imported LNG to see a gradual reversion back to its historical averages as the country normalises its gas supply by using long-term contracts rather than the spot contracts utilised in the aftermath of the nuclear crisis.

Infield anticipates the price divergence which has emerged between the world's key gas markets to narrow slowly from 2013 onwards. This is due to a combination of local demand dynamics, global supply increases from shale gas, and differentials in local gas market pricing contracts. However, a fully-fledged global gas market remains unlikely in the near to mid-term.

4.3 Global Primary Energy Consumption

The graph below helps illustrate how demand for energy fell at the end of 2008 and into 2009 in key markets of Europe and North America. However, the chart also highlights another key trend in world energy which is the emergence of soaring hydrocarbon demand from Asia. Driven by an expanding manufacturing sector as well as increasing domestic consumption, this trend is widely expected to continue into the future. Asia emerged from the global recession relatively unscathed, with domestically driven economic growth in China providing buoyancy to the region. China's economy grew at an annual rate of 9.2% in 2011 even after significant policy tightening efforts in the property sector and macro-economy which began in 2010.

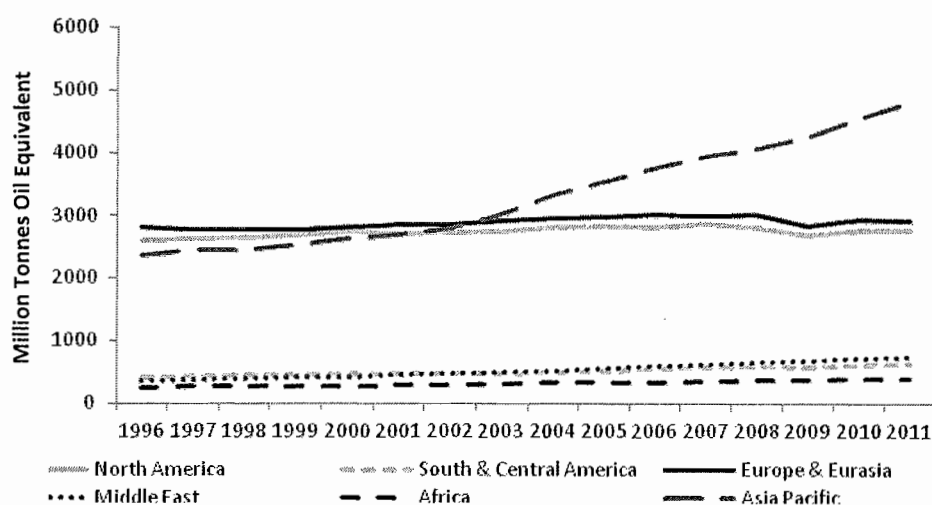


Figure 7: Global primary energy consumption by region 1996 – 2011 (Source: BP Statistical Review 2013)

Together with India, oil demand growth from China (which is expected to continue to remain strong) will be a key driver of investment in offshore exploration and production in Asia. Amid near record oil price levels, the region's countries have an interest in meeting as much domestic demand as possible to boost energy security. This is particularly the case not only for China and India, the region's giants, but also other major energy producing countries including Malaysia and Indonesia who face production decline if they do not take steps to maintain exploration and production activity. Indonesia, once a major oil exporter is now a net oil importer and withdrew from OPEC in 2008.

6. INDUSTRY OVERVIEW (Cont'd)

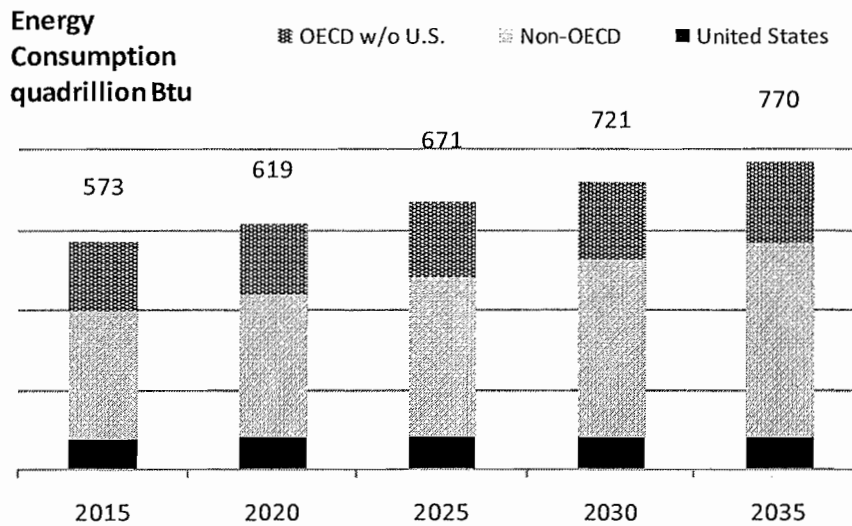


Figure 8: Global energy consumption forecast (Source: Energy Information Administration ("EIA"), global energy outlook 2011)

The chart above shows the latest energy consumption forecast from the EIA. Two key trends are apparent, the first, is that in the longer-term, global energy demand is expected to increase from 522 quadrillion BTU in 2010, to 770 quadrillion BTU in 2035. This is a significant trend in itself, and suggests that those companies involved with developing and delivering energy resource to market will have a sustainable future ahead of them. Second, is that the source of the majority of this growth is forecast to be from countries who are not members of the OECD economies, with the economies of the U.S., and other OECD nations expected to produce static energy demand over the coming years. A second core aspect is also becoming apparent in that we are going to require a more diversified energy production basis in the future.

Often cited as one of the contributing factors to the recent global economic recession are high commodity prices and the impact which inflationary pressures had on consumers spending decisions. In recognition of this, and also factors such as global warming and the impact of extensive carbon burning, Infield is much more likely to see a more diversified energy production portfolio in the future. Following the closely averted nuclear disaster at Fukushima, Japan, Infield is arguably unlikely to see strong investment in nuclear power in the near future. In fact, post-Fukushima, many countries have reversed policies or called for further debate on whether to install further nuclear capacity. Many governments in Europe are currently reviewing the safety of existing capacity and their plans for new installations. In Italy, the Berlusconi Government held a referendum in June 2011 and rejected proposals to develop new nuclear capacity; whilst Germany, Belgium and Switzerland all elected to phase out their nuclear power capacity over the next two decades.

Meanwhile, the previous French President Nicholas Sarkozy reaffirmed the country's commitment to nuclear power and a continuation of current policy. France derives over 75% of its electricity through nuclear energy and earns around EUR3 billion from electricity exports. However, François Hollande stated his intention to close the oldest 24 reactors by 2025.

Infield is also however likely to see more diversification within hydrocarbon energy, as alternative category resources, such as Shale gas and oil and also Coal bed methane gas become more popular. Even within the oil category, as the chart below helps illustrate, we will need to see new sources of oil identified. This is likely to drive the oil industry into looking at more complex projects, or reassessing the feasibility of marginal fields, or opening up new areas for exploration and production activities.

6. INDUSTRY OVERVIEW (Cont'd)

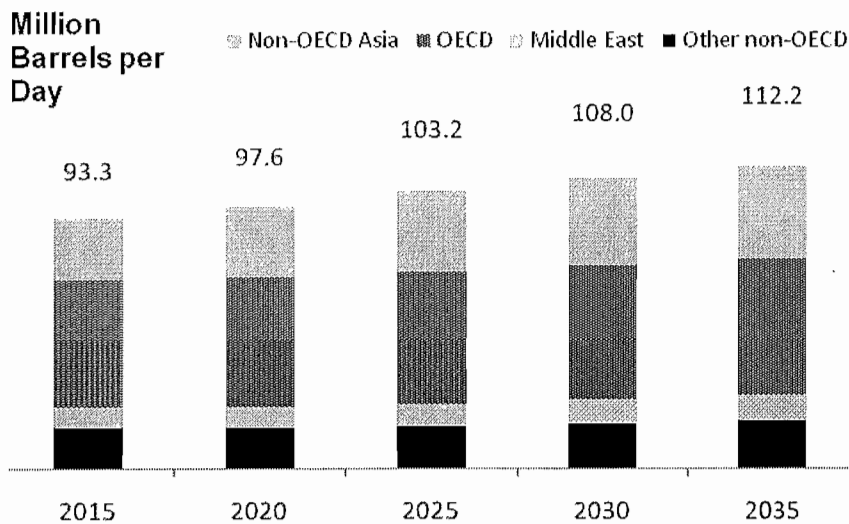


Figure 9: Projected world liquids supply (Source: EIA, 2011)

4.4 Investment Sensitivity (Field Sanction Points⁷)

The following section looks at the Infield estimate of the production cost ranges at which different oil and oil related hydrocarbon resources become economic, as well as estimates of the available quantity for each oil related resource. Infield assesses the feasibility of deepwater oil with three oil price assumptions:

1. Low: USD60/bbl
2. Medium: USD90/bbl
3. High: USD120/bbl

Current oil prices around USD90-100/bbl are comfortably set for deepwater production as the cost of most deepwater projects fall within the range of USD40-70/bbl. While under a scenario of depressed oil price (around USD60/bbl) for a sustained period (2-3 quarters), the majority of new developments will remain economically feasible. With an optimistic price scenario of USD120/bbl, deepwater projects are likely to enjoy a profit level similar to the one for current conventional oil projects.

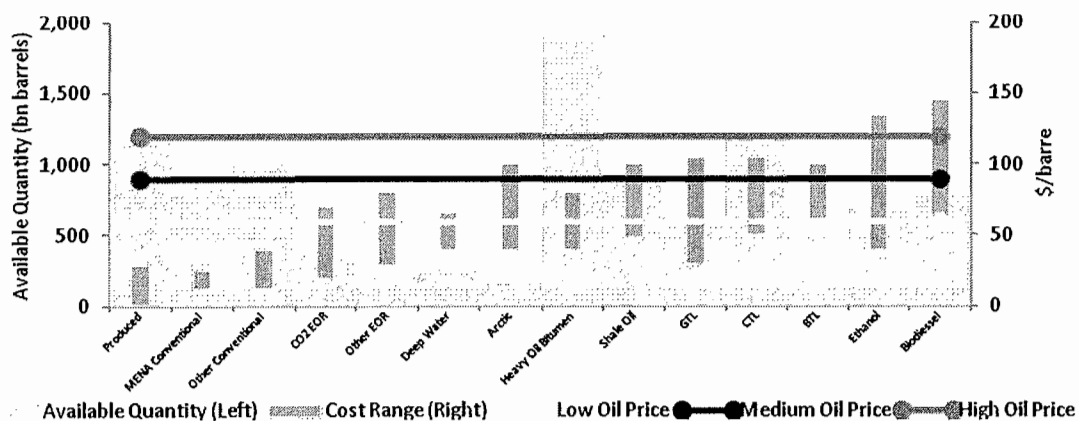


Figure 10: Economic Sanction Price Range for Fields (Source: IEA, Infield)

⁷ Price above break-even points where operators believe the revenue profile justifies investment needed in terms of risk and reward for the initial and continued investment.

6. INDUSTRY OVERVIEW (Cont'd)

5. Role of onshore and offshore oil and gas within the oil and gas industry

The figure below helps illustrate the importance of oil and gas to global primary energy consumption. In 2011, only 43% of energy consumed was not oil and gas related, and of this, only 13% was non-carbon based nuclear or hydro electric energy. Infield believes that in the medium to long term nuclear energy will provide a diminished influence with natural gas and renewables taking a larger relative share. Although Infield is sceptical on the supply-demand dynamics from its smaller base, scenarios can be envisaged where output doubles or triples over the next decade from its relatively small base.

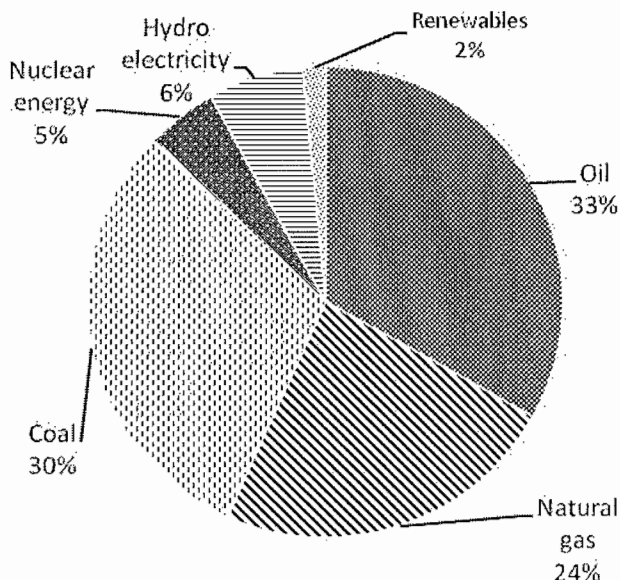


Figure 11: Global primary fuel consumption 2011 (Source: BP Statistical Review 2012)

Hydrocarbon energy is of pivotal importance in day to day life, and it pervades all levels of the global economy. A consequence of this relationship is that when the global economy goes through a period of recession, demand for energy constricts. Conversely, when the global economy is growing rapidly, demand for oil, in particular, increases quickly. This gives the oil and gas industry a broadly cyclical investment dynamic. This can be exemplified by the tight supply and demand balance of hydrocarbons, and the distance between where supply is required and where product is produced. A mere increase or decrease in demand is met by a more than proportional movement in price. Operators are less willing to invest in periods of low prices which can itself lead to a natural improvement in the supply and demand dynamic.

5.1 Key drivers of activity (Depletion, rising demand, national security)

IOCs are increasingly motivated by replacing and increasing production numbers and are assessed on cost of reserves per bbl. BP's oil and gas reserves are valued at just over USD7 a share with USD14 for Shell and USD16 for ExxonMobil.

6. INDUSTRY OVERVIEW (Cont'd)

Furthermore IOCs are fighting against increased depletion as well as for increased access to reserves as they strive to achieve a positive reserve replacement ratio. The reserve replacement ratio is the total proved reserves added to the operators total proved reserves in a given period divided by the total produced product in the same period. If this figure is positive it indicates operators are discovering more product that they are producing and is normally seen in a positive light within the industry. A negative reserve replacement on the other hand indicates if continued the operator will eventually run out of reserves to produce. In regards to access to reserves, conventional resources such as shallow water exploration and production are increasingly being retained by local NOCs. With this being the case the likes of Total and BP have had to invest in acreage in deep waters and remote locations.

5.2 Global E&P Expenditure Outlook by region

Global capital expenditure (“Capex”) for exploration and production is expected to rise for another year. Infield believes in E&P capital expenditure will surpass USD600 billion in 2012 increasing 11% over the corresponding figure during 2011 (*Source: Barclays E&P Survey June 2012*). This is despite lower gas prices and the challenging macroeconomic situation in Europe and North America.

Investment growth within Latin America, China, India and Asia is expected to remain strong alongside robust investment in the Middle East and Africa. It must be noted that growth in these regions is not solely lifted by the spending plans of NOCs but also by the presence of both independents and IOCs.

5.3 Offshore Industry Outlook

Today the offshore industry is an increasingly important part of global oil and gas production. Indeed, as onshore production has levelled-out, and in some cases declined, it has been new offshore developments that have sustained the level of production required to meet increasing global demand for oil and gas. However, like the onshore industry, the offshore industry is maturing and Infield has observed a marked decline in the number of large shallow water discoveries in recent years. As this process of maturing continues, an increasing proportion of exploration and production activity will take place in deeper waters, more remote locations and increasingly harsh climates. For many oil companies, these ‘frontier’ plays form the cornerstone of their offshore operations as the era of ‘easy oil’, where elephant field discoveries in shallow waters, come to a close. For the international large oil companies which typically cover the upstream and downstream oil and gas value chain, the importance of deepwater frontiers is compounded by their technical competitive advantage in these difficult operational environments, and the continued nationalisation of traditional onshore and shallow water reserves.

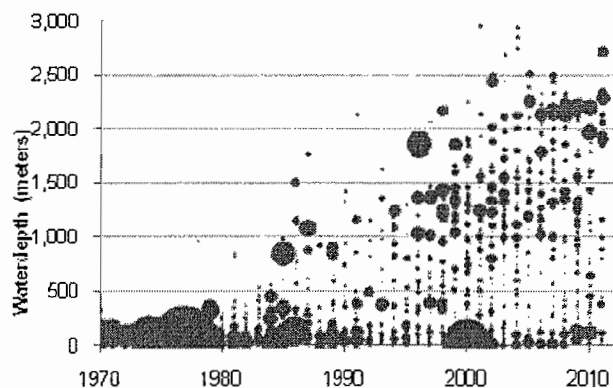


Figure 12: Oil field discoveries by water depth and reserve size (*Source: Infield 2013*)

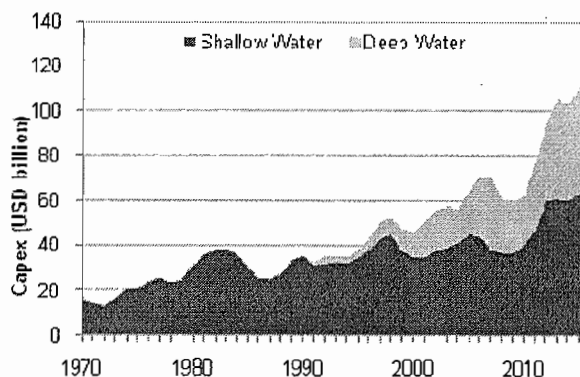


Figure 13: Offshore oil and gas Capex by water depth group (*Source: Infield 2013*)

6. INDUSTRY OVERVIEW (Cont'd)

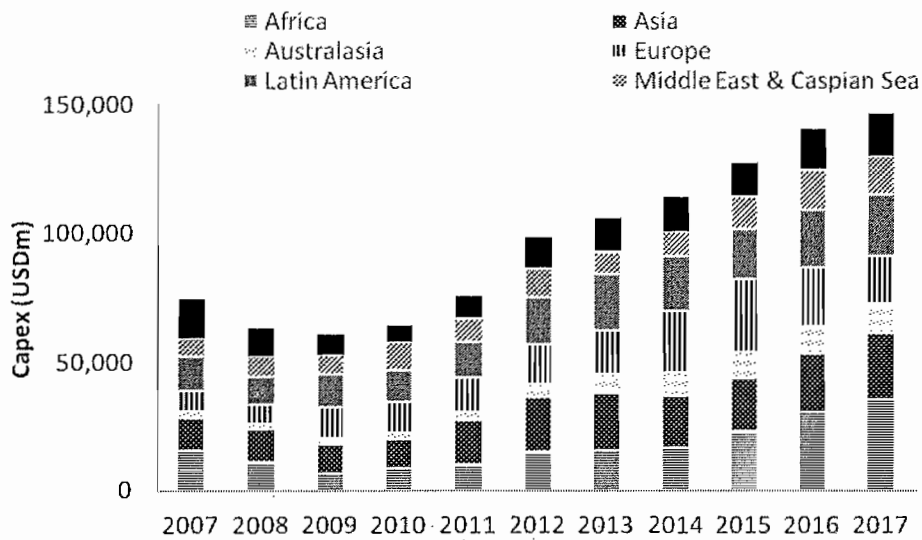


Figure 14: Global Capex by region (Source: Infield 2013)

Whilst these trends towards deeper and harsher environments pervade most pieces of offshore oil and gas analyses, the industry remains firmly rooted in the shallow waters. Indeed, as at the end of 2011, an estimated 78% of producing offshore oil and gas fields were located in waters of less than 100 meters deep. Additionally, Infield estimates that nearly 60% of offshore oil and gas Capex will be directed towards shallow water developments over the next five years, with a great deal of this spend earmarked for development in SEA, the Middle East, Australasia and the Northwest European Continental Shelf (“NWECS”).

Looking at the wider market Infield expects total offshore oil and gas Capex to increase sharply over the next five years. The strong recovery in demand for oil during 2010 has helped maintain oil prices at levels conducive for offshore activity.

6. INDUSTRY OVERVIEW (Cont'd)

6. Overview of the SEA Region

6.1 SEA Macro Market

The SEA comprises of Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam). In 1990, proven oil reserves in SEA amounted to an estimated 11.6 billion bbl. This figure rose to 14.7 billion bbl by 2000, 17.5 billion by 2006, before falling marginally in 2011 to 17 billion bbl. These reserves are primarily located in Malaysia, Indonesia, Vietnam and Brunei. Indonesia is still the region's main producer, but its reserves declined from 5.1 billion bbl in 2000 to 4 billion bbl in 2011. In contrast, Malaysia's oil reserve, which mostly come from offshore fields, increased from 4.5 billion bbl in 2000 to about 6 billion bbl in 2011, making the country's proven reserves the highest in the region. Vietnam also boosted its oil reserves from 2 billion bbl in 2000 to 4.4 billion bbl in 2011, because of increased offshore discoveries.

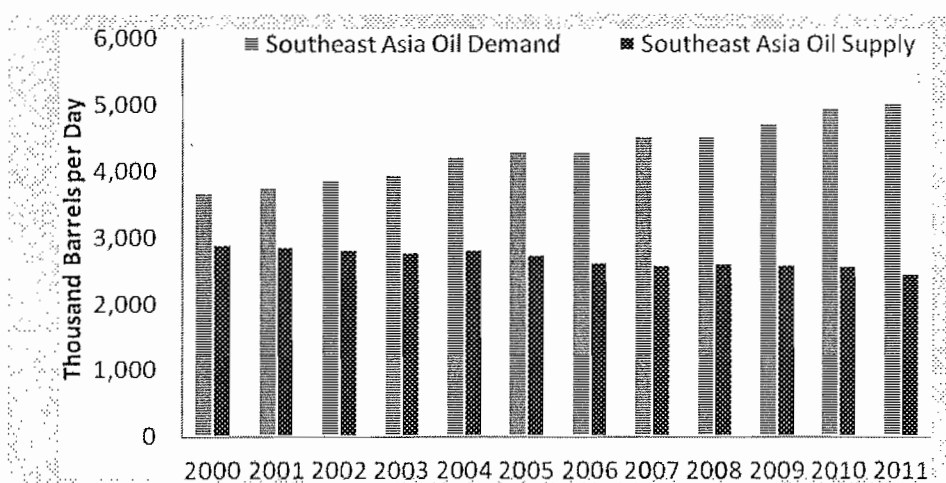


Figure 15: SEA Oil Demand and Supply (Source: BP Statistic Review)

Oil production has been falling in the SEA region, with a decline rate of 1.6% (compound annual growth rate ("CAGR")) per year over the past decade. This is contrasted by the robust and consistent increase in oil demand in the region, which grew 3% annually over the same period. In 2011 regional production of crude oil amounted to 2.4 million barrels per day ("bpd") whilst consumption stood at over 5 million bpd, leaving the region highly dependent on imports. The ratio of imported crude to total consumption rose to the historical level of around 51% in 2011, a sharp increase from just over 20% ten years ago.

About 87% of the region's proven gas reserves are in Indonesia and Malaysia. At the end of 2011 Indonesia's reserve stood at 3 trillion cubic meters ("tcm") a 2.6 tcm increase from 2002. Malaysia's reserves remained flat over the past decade at about 2.4 tcm.

6. INDUSTRY OVERVIEW (Cont'd)

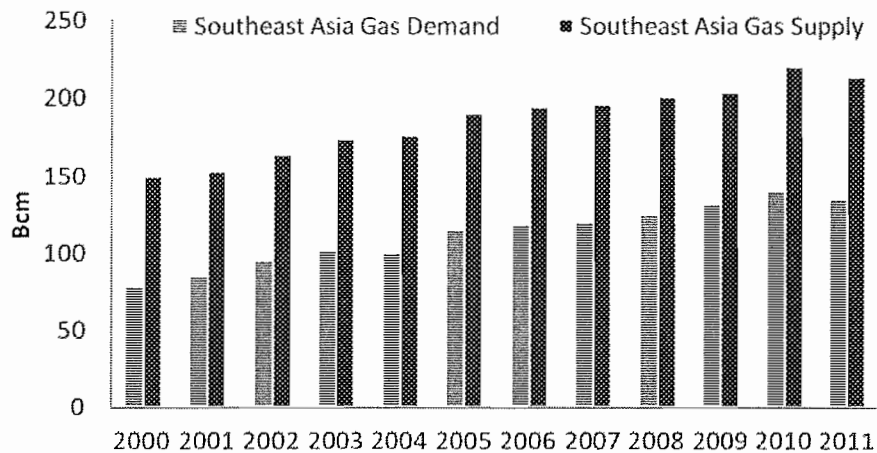


Figure 16: SEA Gas Demand and Supply (Source: BP Statistic Review 2013)

As with oil, the demand of gas is increasing at a faster rate than supply. Between 2002 and 2011, gas production rose by an annual CAGR of 3% whereas consumption increased at a CAGR of 4.1%. Gas production has risen in all five major SEA gas-producing countries, namely Indonesia, Malaysia, Brunei, Thailand and Singapore.

However, the gas prospects are slightly different from generic gas reserves for local markets as SEA is one of the major LNG exporting regions in the world and is well positioned to supply the broader Asia region's two largest economies, China and India, with natural gas. This is in addition to supplying the developed but resource poor economies of Japan, South Korea and Taiwan. Gas export from the SEA region rose from 69 billion cubic meters ("bcm") in 2011 to 78 bcm in 2012 (1.3% CAGR), and is expected to grow further over the next decade give the number of offshore gas fields in Indonesia and Malaysia that are expected to be developed.

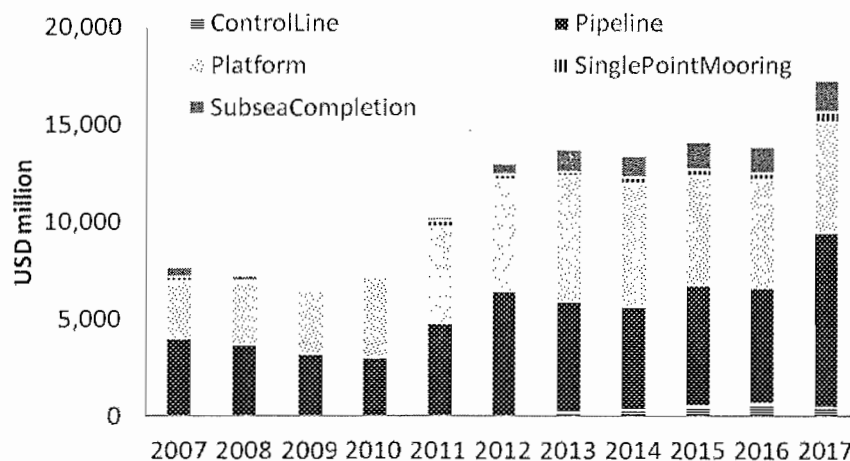


Figure 17: SEA Offshore Capex (Source: Infield 2013)

Reversing the trend of increased dependency on imported oil in SEA will be difficult given that the region's oil demand is rising at twice the global average. Nonetheless regional industry players, both national and private energy companies, are expected to continue their efforts to develop offshore oil and gas prospects within the region itself. Presently, major oil discoveries in the region are mostly located offshore, which means that the SEA offshore oil and gas market will continue to grow and investment activity is likely to be robust over the longer term. This growth is reflected in our offshore capital expenditure forecasts which point to significant growth over the next five-year business cycle.

6. INDUSTRY OVERVIEW (Cont'd)

In line with the wider global market the SEA offshore O&G sector was adversely affected by the global financial crisis and regional capital expenditure decreased in 2008 from USD7.2billion to USD6.7 billion in 2009. The region saw a robust rebound in 2011 and 2012(expected), to finish at a peak of over USD12.5 billion in 2012. The primary driver of this sharp recovery has been the development of pipeline and platform projects such as those on the Zawtila (Myanmar), Gumusut (Malaysia), Erawan (Thailand) and Kim Long (Vietnam) fields. Projects such as these are the driving the step up in offshore O&G activity in the region and providing the impetus for a relatively high level of capital expenditure (USD13-14 billion per annum) within the 2012 and 2016 with a further increase to USD17.3 billion in 2017. The investment boom in 2017 is anticipated to be driven by the development of PTTEP's East Natuna field, which has a high CO₂ content (70%) hence requiring a large quantity of stainless pipelines.

The prospects for continued offshore E&P activity remain bright within the SEA region. Given the crude oil supply and demand dynamics, where consumption outweighs production, the countries in the region are increasingly incentivised to increase domestic production in order to curb the growth rate of crude imports. At the same time exports of natural gas in the form of LNG continue to provide vital income for Indonesia and Malaysia, and the governments of these respective countries will try to ensure that current levels are maintained.(Source: Infield 2012)]

6.2 Drivers for the development of the industry within SEA

At the end of 2012 the cumulative installed base of production platforms in the SEA region is expected to amount to 1,753 assets. Infield anticipates the number of installed assets to increase by 3% (CAGR) annually over the next five years to reach the 2,000 mark in 2017 net of decommissioning. As discussed above, the region's rapidly growing demand for energy and its declining production are the key drivers for the development of the industry within SEA.

At the end of 2012 Infield expects 1,753 current installed assets of offshore production platforms currently installed in the SEA region spread across the eight nations of Brunei, Cambodia, Indonesia, Malaysia, Myanmar, Philippines, Thailand and Vietnam. Given the extensive shallow waters found within the region the vast majority of producing oil and gas fields have been, and will continue to be, developed via conventional fixed platforms. Indeed, of the 1,753 operational assets expected at the end of 2012, over 96% are traditional fixed platforms. The remaining 71 or so assets consist of a variety of floating platforms including FPSOs, semi-subs, spars, tension leg platforms ("TLPs") and floating storage and offloading vessels ("FSOs").

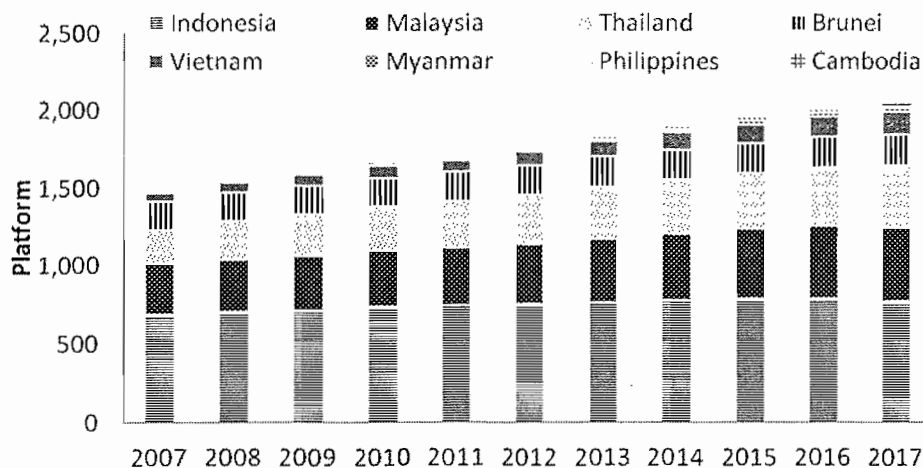


Figure 18: SEA Cumulative Production Platforms (Source: Infield 2013)

6. INDUSTRY OVERVIEW (Cont'd)

Despite the region's relatively high number of floating platform installations just four of the assets are currently considered to be deepwater, these include: the Kikeh T-Spar (Malaysia), the Kikeh FPSO (Malaysia) and the production barge and TLP on the West Seno field (Indonesia). Five additional assets are expected to be operational by 2017, namely the GumusutKakap FPU (Malaysia), Petronas FLNG FPSO (Malaysia), Geronggong FPSO (Brunei), Gendalo FPSO (Indonesia) and the Gehem FPSO (Indonesia). Whilst the deployment of these platforms has been driven by deepwater – the majority of SEA floating platforms are installed in shallow water to undertake storage duties due to the relative remoteness of the oilfield. Indeed, of the 71 producing floating assets in the region, 62 are installed in less than 100 metres of water.

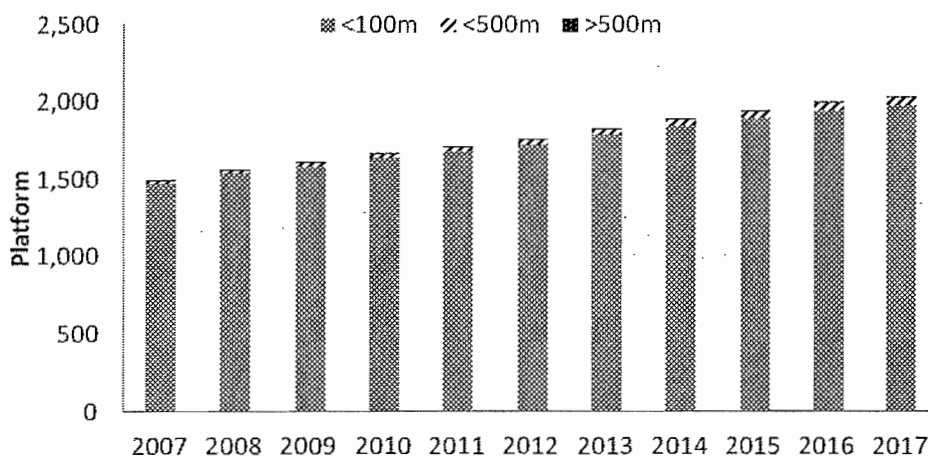


Figure 19: SEA Cumulative Production Platforms by Water Depth Groups
(Source: Infield 2013)

A key field development trend in SEA is the deployment of both fixed and floating platforms on the same field. This development solution often comprises of a fixed central processing platform which produces and processes the hydrocarbons before storing the product in a nearby moored FSO. In cases such as this a floating storage platform is used to avoid the high cost of installing a Capex intensive platform-to-shore export pipeline.

Given this information, the SEA market is predominantly considered a shallow water play. However, it is important to note that deepwater opportunities do exist. Field discoveries such as those at Gehem and Gendalo in Indonesia, Rotan and Gumusut in Malaysia, and Geronggong in Brunei are expected to provide growth opportunities for deepwater service contractors further down the line.

6.3 Overview of where energy is sourced from these markets

Most SEA countries are importers of crude oil, middle distillates and fuel oil. Indonesia imports 60,000 bpd of crude oil from Saudi Aramco, while the remaining 300,000 bpd of imports comes from Asian markets like China and Malaysia. Malaysia imports 350,000-400,000 bpd of crude oil and oil products mainly from Middle East. But the country is still a net exporter since it ships more oil and oil products than it takes in. Vietnam imports crude oil from the Middle East and Venezuela. Countries in the region intend to substitute oil with domestically-produced natural gas (which is already happening in the Philippines) and the substitution looks likely to grow over the coming 10 years.

6. INDUSTRY OVERVIEW (Cont'd)

7. Overview of the Middle East Region

7.1 Middle East Macro Market

For the purposes of this Report the Middle East region has been defined as the Persian Gulf and excludes activity in the Mediterranean Sea, Red Sea and Caspian Sea. From an offshore oilfield activity perspective the Middle East is therefore composed of the nations of Bahrain, Iran, Iraq, Kuwait, the Neutral Divided Zone, Oman, Qatar, Saudi Arabia and the United Arab Emirates ("UAE"). (Source: Infield, 2013)

In context of the wider O&G industry, both onshore and offshore, Middle Eastern nations control an estimated 48% of proven oil reserves and 38% of proven natural gas reserves. In 1990, proven oil reserves in SEA amounted to an estimated 660 billion bbl. This figure climbed to 697 billion bbl by 2000 and 795 billion bbl by in 2011. These reserves are primarily located in Saudi Arabia (265 billion), Iran (151 billion), Iraq (143 billion), Kuwait (102 billion), UAE (98 billion) and Qatar (25 billion). Both Iran and Iraq have increased proven oil reserves sharply, by 16% and 24% respectively, over the past 10 years due to mainly revision of oil-in-place volume and field's recovery factors. Other major Middle East oil producing countries, such as Saudi Arabia and the UAE, saw their proven oil reserves stay flat over the same period.

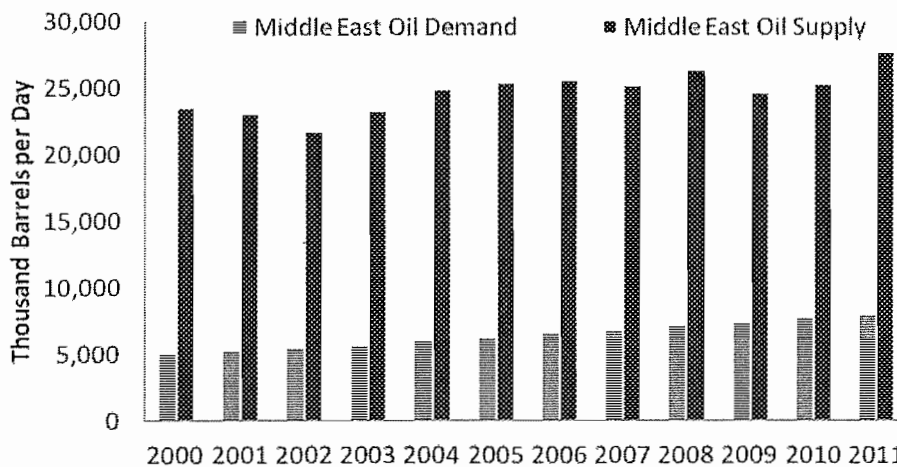


Figure 20: Middle East Oil Demand and Supply (Source: BP Statistic Review 2012)

Oil production has increased dramatically in the Middle East region, with a growth rate of 2.7% (CAGR) per year over the past decade. The regional oil demand has also risen sharply, which grew 4.4% annually over the same period. In 2011 regional production of crude oil amounted to 27.7 million bpd whilst consumption stood at over 8 million bpd, making the region the most important oil exporter in the world. In terms of production rates these figures equate to 33% of global daily oil production and 16% of global natural gas production (Source: BP 2012)

Between 2002 and 2011, gas production in the Middle East region rose sharply by an annual rate of 8.8% (CAGR) whereas consumption also increased at a fast rate at 7.1%. Gas production has risen in all four major Middle East gas-producing countries, namely Iran (151.8 bcm), Qatar (147 bcm), Saudi Arabia (99.2 bcm) and UAE (51.7 bcm). However, despite being a major gas producing region in the world, its position in the global gas market is not as dominant as in the oil one. The Persian Gulf region has an abundance of reserves of natural gas but only Qatar is a significant exporter. Ironically, Iran is a net importer of natural gas due to its soaring domestic gas demand driven by heavily subsidised energy supplies and exporting constraints due to western sanctions.

6. INDUSTRY OVERVIEW (Cont'd)

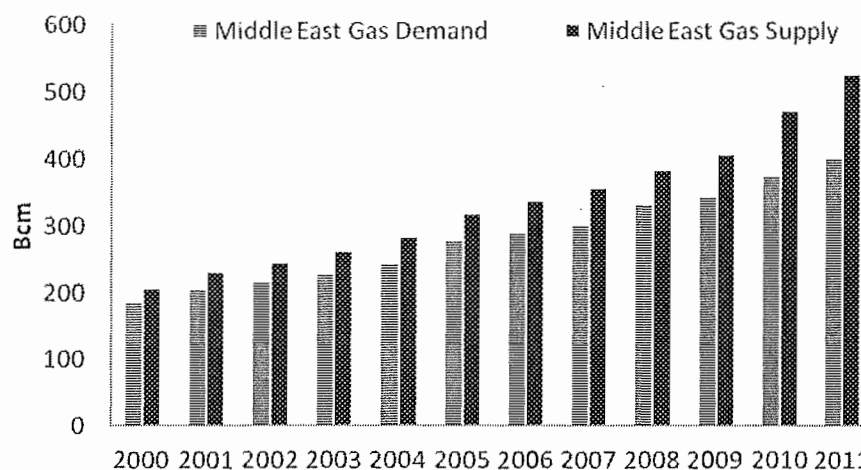


Figure 21: Middle East Gas Demand and Supply (Source: BP Statistic Review 2012)

Qatar's offshore oil and gas sector is dominated by the North Field (the largest non-associated gas field in the world with recoverable reserves of more than 900 tcf), which is the extension of Iran's South Pars gas field. Unlike Iran, Qatar is not subject to any international sanction regimes and thus the development of its offshore hydrocarbons and LNG sector has been free of any geopolitical tensions or constraints. While Iran's gas reserves are primarily developed to supply its domestic market – and currently the country has no LNG export capacity – Qatar's offshore gas reserves primarily serve the export market, and it is also the largest LNG exporter in the world by volume.

In 2005 Qatar introduced a moratorium on further development of the North Field, and it is believed that this will continue until 2015. Qatar is seeking to preserve the longevity of the North Field's reserves, while the current global gas market has become more bearish for suppliers in recent years. Nevertheless production capacity has been increasing due to expansions on existing projects that were already approved or underway at the field when the moratorium was announced; and in 2010 Qatar produced 116.7 bcm of natural gas, compared to 89.3 bcm and 45.8 bcm in 2009 and 2005 respectively.

Given the country's expansive reserves of crude oil and natural gas Saudi Arabia is the key player in global oil markets. Currently, the vast majority of Saudi Arabian crude is produced from onshore sites such as the Ghawar field, which accounts for a considerable proportion of global daily oil crude production alone. However, Saudi Arabian territorial waters contain considerable reserves of crude oil and natural gas. Indeed, the country has the world's largest single accumulation of offshore crude oil in the Safaniya field and also the largest field currently under development, Manifa. Other giant offshore accumulations in Saudi Arabia include Zuluf, Marjan, Abu Safah and Berri – all of which comprise of multi-billion barrel oilfields. The country is also home to significant accumulations of offshore gas reserves including the recently discovered Karan field.

6. INDUSTRY OVERVIEW (Cont'd)

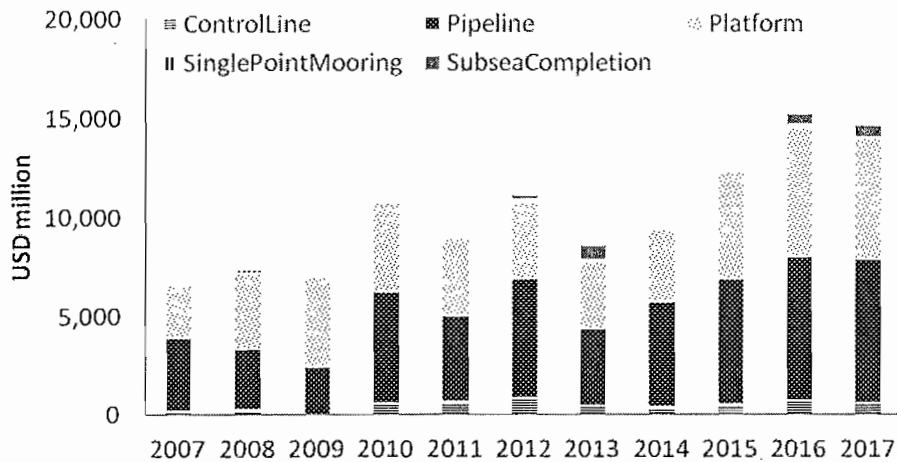


Figure 22: Middle East Offshore Capex (Source: Infield 2013)

The offshore Capex pattern shows roughly two investment boom cycles where the first one spans the period from 2007 to 2012 and the second one starts from 2013. The reduction in investment reflects the delayed effects of the global financial crisis and a scaling back from a round of extensive investment in O&G infrastructures. The new round of investment boom is expected to start next year driven by the need for rebuilding and maintenance of aging platforms, and by the expected production boost to meet the ever rising global oil demand.

A major offshore energy project in the Persian Gulf is the Dolphin project, being an initiative involving the production and processing of natural gas from Qatar’s North Field, and the transport of the refined gas by subsea pipeline across joint Qatari-United Arab Emirates (UAE) waters to the UAE. The project is also connected to onshore pipelines that supply gas to neighbouring Oman. According to Dolphin this 48-inch, 364-kilometer pipeline is the largest and longest subsea gas pipeline in the Middle East. The pipeline’s capacity was originally set at 2 billion standard cubic feet per day, but this could be expanded to 3.2 billion cubic feet per day. The government of Abu Dhabi, through the Mubadala Development Company, has a 51% share in the project, with Total (24.5%) and Occidental (24.5%) being the remaining shareholders.

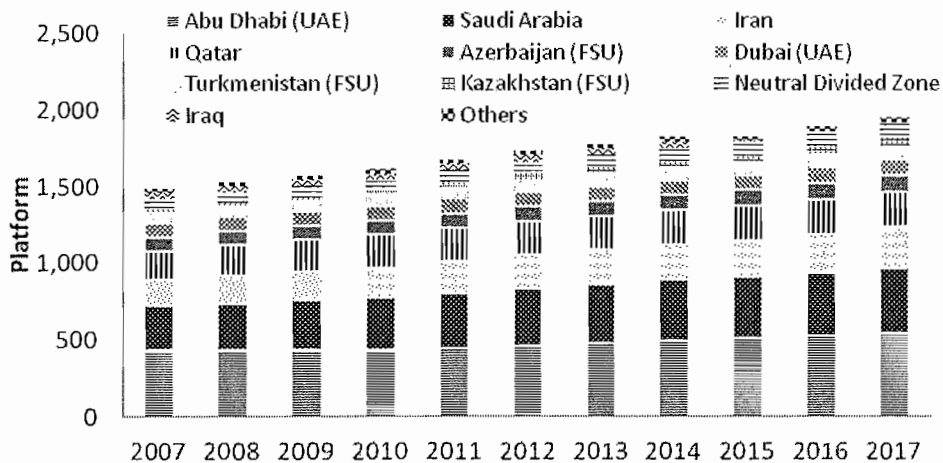


Figure 23: Middle East Cumulative Production Platforms (Source: Infield 2013)

6. INDUSTRY OVERVIEW (Cont'd)

Over the next five year period, Infield estimates that over 200 additional production platforms will be installed in the Persian Gulf. These installations are expected to increase the cumulative installed base of platforms from 1,732 at the end of 2012 to nearly 2,000 by the end of 2017. Much of this additional activity is expected to take place in the UAE, Iran, Saudi Arabia and Qatar. The overwhelming majority of new production platform installations over the next five years will consist of fixed structures in shallow waters. Indeed, just two floating platforms are expected for installation over the same period.

Key projects currently on going in the Persian Gulf include Saudi Arabia's Karan Gas development, Abu Dhabi's Upper Zakum development, Iran's North and South Pars and Qatar's North Field Project. Saudi Aramco has accelerated its development of the Karan Gas project as demand for natural gas in Saudi Arabia continues to increase on the back of rising demand for electricity and a strategy of saving oil for export. In Iran, the South Pars field, an extension of Qatar's North Dome Field (the world's largest accumulation of conventional hydrocarbons), continues to be developed by operator NIOC. The development of South Pars is crucial for Iran as the country relies on imports of natural gas.

Both the installed base of production platforms and the continued development of the region's offshore hydrocarbon reserves will provide contracting opportunities for oilfield services providers offering PSVs over the next five year period.