

This Prospectus is dated 5 July 2013

PROSPECTUS

SONA

SONA PETROLEUM BERHAD

(formerly known as Titanium Windfall Sdn Bhd)

(Company No. 945626-P)

(Incorporated in Malaysia under the Companies Act, 1965)

INITIAL PUBLIC OFFERING OF UP TO 1,100,000,000 NEW ORDINARY SHARES OF RM0.01 EACH IN SONA PETROLEUM BERHAD (FORMERLY KNOWN AS TITANIUM WINDFALL SDN BHD) ("SONA PETROLEUM") ("SHARES") ("PUBLIC ISSUE SHARES"), TOGETHER WITH UP TO 1,100,000,000 FREE DETACHABLE WARRANTS ("WARRANTS") ATTACHED ON THE BASIS OF ONE (1) WARRANT TO EVERY ONE (1) PUBLIC ISSUE SHARE, AT AN ISSUE PRICE OF RM0.50 PER PUBLIC ISSUE SHARE AND ATTACHED WARRANT, IN CONJUNCTION WITH THE LISTING OF AND QUOTATION FOR THE SHARES AND WARRANTS ON THE MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD, COMPRISING:

- (I) THE RETAIL OFFERING OF 141,000,000 PUBLIC ISSUE SHARES TOGETHER WITH 141,000,000 ATTACHED WARRANTS TO THE MALAYSIAN PUBLIC; AND
- (II) THE INSTITUTIONAL OFFERING OF UP TO 959,000,000 PUBLIC ISSUE SHARES TOGETHER WITH UP TO 959,000,000 ATTACHED WARRANTS BY WAY OF PLACEMENT TO SELECTED INVESTORS, COMPRISING:
 - UP TO 176,340,000 PUBLIC ISSUE SHARES TOGETHER WITH UP TO 176,340,000 ATTACHED WARRANTS TO BUMIPUTERA INVESTORS APPROVED BY THE MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY; AND
 - UP TO 782,660,000 PUBLIC ISSUE SHARES TOGETHER WITH UP TO 782,660,000 ATTACHED WARRANTS TO MALAYSIAN INSTITUTIONAL AND SELECTED INVESTORS AND FOREIGN INSTITUTIONAL AND SELECTED INVESTORS,

SUBJECT TO THE CLAWBACK AND REALLOCATION PROVISIONS.

Joint Principal Advisers, Joint Placement Agents, Joint Managing Underwriters and Joint Underwriters



CIMB Investment Bank Berhad (18417-M)
(A Participating Organisation of Bursa Malaysia Securities Berhad)



RHB Investment Bank Berhad
RHB Investment Bank Berhad (19663-P)
(A Participating Organisation of Bursa Malaysia Securities Berhad)

Joint Underwriters



A Participating Organisation of Bursa Malaysia Securities Berhad



MDF AMANAH INVESTMENT BANK BERHAD (20076-K)

Custodian



Deutsche Bank
Deutsche Trustees Malaysia Berhad (763590-H)

SONA

SONA PETROLEUM BERHAD

PROSPECTUS

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

FOR INFORMATION CONCERNING CERTAIN RISK FACTORS WHICH PROSPECTIVE INVESTORS SHOULD CONSIDER,
SEE "RISK FACTORS" IN SECTION 4 OF THIS PROSPECTUS.

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 NOT TO BE DISTRIBUTED OUTSIDE MALAYSIA.

LISTING SOUGHT: MAIN MARKET OF BURSA MALAYSIA SECURITIES BERHAD

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 that there are no false or misleading statements or other facts, the omission of which would make any statement in this Prospectus false or misleading.

CIMB and RHB, as the Joint Principal Advisers, Joint Placement Agents, Joint Managing Underwriters and Joint Underwriters for our IPO each acknowledges that, based on all available information, and to the best of their knowledge and belief, this Prospectus constitutes a full and true disclosure of all material facts on our IPO.

The SC had on 11 June 2013 approved our IPO 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 our IPO 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 our Shares and Warrants 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. IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION TO BE TAKEN, YOU SHOULD CONSULT YOUR STOCKBROKERS, BANK MANAGERS, SOLICITORS, ACCOUNTANTS OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

Our Company has obtained the approval from Bursa Securities for the listing of and quotation for our Shares and Warrants, and for our new Shares to be issued pursuant to the exercise of the Warrants, on the Main Market of Bursa Securities. Admission to the Official List of Bursa Securities is not to be taken as an indication of the merits of our IPO, our Company or our Shares and Warrants.

A copy of this Prospectus and the accompanying Application Form, have also been lodged with the Registrar of Companies of Malaysia who takes no responsibility for its contents.

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.

You are advised to note that recourse for false or misleading statements or acts made in connection with this Prospectus is directly available through Sections 248, 249 and 357 of the CMSA.

You should not take the agreement by the Joint Managing Underwriters and Joint Underwriters to underwrite our Public Issue Shares as an indication of the merits of our IPO.

This Prospectus is published solely in connection with our IPO. Our Public Issue Shares and attached Warrants being offered in our IPO are offered solely on the basis of the information contained and representations made in this Prospectus. Our Company, Promoters, Management Team, Joint Principal Advisers, Joint Managing Underwriters, Joint Underwriters and Joint Placement Agents have not authorised anyone to provide any information or to make any representation not contained in this Prospectus, and any information or representation must not be relied upon as having been authorised by our Company, Promoters, Management Team, Joint Principal Advisers, Joint Managing Underwriters, Joint Underwriters, Joint Placement Agents, any of their respective Directors, or any other person involved in our IPO.

The distribution of this Prospectus and our IPO are subject to the laws of Malaysia. This Prospectus will not be distributed outside Malaysia except insofar as it is a part of the offering memorandum distributed to foreign institutional and selected investors outside Malaysia in connection with our IPO. Our Company, Promoters, Management Team, Joint Principal Advisers, Joint Managing Underwriters, Joint Underwriters and Joint Placement Agents have not authorised and take no responsibility for the distribution of this Prospectus outside Malaysia except insofar as it is a part of the offering memorandum distributed to foreign institutional and selected investors outside Malaysia in connection with our IPO. No action has been taken to permit a public offering of our Public Issue Shares together with attached Warrants in any jurisdiction other than Malaysia. Accordingly, this Prospectus may not be used for the purpose of and does not constitute an offer for subscription or purchase or invitation to subscribe for or purchase, any Public Issue Shares together with attached Warrants under our IPO in any jurisdiction in which such offer or invitation in any jurisdiction or in any circumstances in which such an offer is not authorised or lawful or to any person to whom it is unlawful to make such offer or invitation. The distribution of this Prospectus and the sale of our Public Issue Shares together with attached Warrants in certain other jurisdictions may be restricted by law. Persons who may be in possession of this Prospectus are required to inform themselves of and to observe such restrictions.

This Prospectus has been prepared in the context of an initial public offering under the laws of Malaysia. It 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 legislation or by any regulatory authority of any jurisdiction other than Malaysia.

Our Company has not been registered under the US Investment Company Act of 1940, as amended ("**US Investment Company Act**"), and the Public Issue Shares and attached Warrants have not been and will not be registered under the US Securities Act, or any state securities law in the United States and may not be offered, sold, pledged or transferred within the United States or to US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The Public Issue Shares and the attached Warrants are being offered and sold solely outside the United States in offshore transactions to non-US Persons in reliance on Regulation S under the US Securities Act and the applicable laws of each jurisdiction where those offers and sales occur.

Our Shares and attached Warrants have not been recommended, approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US state or federal regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of our IPO or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

ELECTRONIC PROSPECTUS

The contents of the Electronic Prospectus and the copy of this Prospectus registered with the SC are the same. You may view a copy of the Electronic Prospectus, from the website of Bursa Securities at www.bursamalaysia.com. In addition, you may also view a copy of the Electronic Prospectus from our Company's website at www.sonapetroleum.com.

The internet is not a fully secure medium. Your Internet Share 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 the Electronic Prospectus, you should immediately request from us, our Joint Principal Advisers or our Issuing House, a paper/printed copy of this 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 is identical to the copy of this Prospectus registered with the SC shall prevail.

In relation to any reference in this Prospectus to third party internet sites ("**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 Third Party 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, 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, file or other material.

Where the 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 the 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 the 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 the Electronic Prospectus, the accuracy and reliability of the 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 the 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 following events are intended to take place on the following indicative dates:

Events	Date
Opening of Institutional Offering ⁽¹⁾	5 July 2013
Opening of Retail Offering	10 a.m., 5 July 2013
Closing of Retail Offering	5 p.m., 12 July 2013
Closing of Institutional Offering	17 July 2013
Balloting of Applications	17 July 2013
Allotment of the Public Issue Shares and attached Warrants to successful applicants	26 July 2013
Listing	30 July 2013

Note:

- (1) *Excludes the Institutional Offering to the Cornerstone Investors. The master cornerstone placing agreement for the acquisition of the Public Issue Shares by the Cornerstone Investors was entered into on 24 June 2013.*

Our Directors and Joint Managing Underwriters may decide in their absolute discretion, to extend the closing time and date for the Applications to any later date. If they decide to extend the closing date for the Applications, the dates for the balloting of the Applications, allotment of the Public Issue Shares and attached Warrants to successful applicants and our Listing will be extended accordingly. We will announce any extension in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

All defined terms used in this Prospectus are defined under "Presentation of Financial and Other Information", "Definitions", "Glossary of Technical Terms and Acronyms" and "Oil and Gas Units of Measurement" commencing on pages (viii), (xi), (xviii) and (xxiv) respectively.

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PRESENTATION OF FINANCIAL AND OTHER INFORMATION

All references to “our Company” or “the Company” or “Sona Petroleum” in this Prospectus are to Sona Petroleum Berhad (formerly known as Titanium Windfall Sdn Bhd) and references to “we”, “us”, “our” and “ourselves” are to our Company. Unless the context otherwise requires, references to “Management Team” are to the members of our management team as at the date of this Prospectus as set out in Section 8.3 of this Prospectus, and statements as to our beliefs, expectations, estimates and opinions are those of our Directors and Management Team.

This Prospectus contains references to the completion of our Qualifying Acquisition. As we are a SPAC, the completion of our Qualifying Acquisition is a significant milestone for our continuity. Investors should note that under the Equity Guidelines, the completion of the qualifying acquisition is deemed as the point of time whereupon all the conditions precedent set out in the sale and purchase agreement governing the qualifying acquisition have been fulfilled. Therefore, in line with the Equity Guidelines, all references in this Prospectus to the completion of our Qualifying Acquisition refer to the point in time whereupon all the conditions precedent set out in the sale and purchase agreement governing our Qualifying Acquisition have been fulfilled or waived (as the case may be) as opposed to completion of the transaction for our Qualifying Acquisition, unless otherwise indicated.

In this Prospectus, references to the “Government” are to the Government of Malaysia; references to “Ringgit Malaysia”, “RM” and “sen” are to the currency of Malaysia. Any discrepancies in the tables between the amounts listed and the totals in this Prospectus are due to rounding. Words denoting the singular only shall include the plural and vice versa and words denoting the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. Reference to persons shall include corporations.

Any reference 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.

All reference to dates and times are reference to dates and times in Malaysian time, unless otherwise stated.

This Prospectus includes statistical data provided by us and various third parties and cites third-party projections regarding growth and performance of the industry which we intend to operate in. This data is taken or derived from information published by industry sources. In each such case, the source is acknowledged in this Prospectus, provided that where no source is acknowledged, it can be assumed that the information originated from us. In particular, certain information in this Prospectus is extracted or derived from the report prepared by Infield for inclusion in this Prospectus. We have appointed Infield to provide an independent market and industry review. In compiling their data for the review, Infield relied on industry sources, published materials, its own private databanks and direct contacts within the industry. The information on the industry as contained in this Prospectus and the other statistical data and projections cited in this Prospectus is intended to help prospective investors understand the major trends in the industry which we intend to operate in. However, our Company, Directors, Management Team and Promoters, and the Joint Principal Advisers, Joint Placement Agents, Joint Managing Underwriters and Joint Underwriters, and their respective advisers have not independently verified these figures.

Neither we nor our Directors, Management Team and Promoters, and our Joint Principal Advisers, Joint Placement Agents, Joint Managing Underwriters and Joint Underwriters, and their respective advisers make any representation as to the correctness, accuracy or completeness of such data and accordingly prospective investors 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. No assurance are or can be given that estimated figures will be achieved, and you should not place undue reliance on the third-party projections cited in this Prospectus.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION *(cont'd)*

References to the "LPD" in this Prospectus are to 18 June 2013, which is the latest practicable date for certain information to be obtained and disclosed in this Prospectus prior to the registration of this Prospectus with the SC.

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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 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, performance or achievements or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. 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:

- (a) our business strategies;
- (b) our plans and objectives for future operations;
- (c) our financial position;
- (d) the regulatory environment and the effects of future regulation; and
- (e) our future earnings, cash flows and liquidity.

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:

- (a) the general economic, business, social, political and investment environment in Malaysia and globally;
- (b) government policy, legislation and regulation;
- (c) interest rates, foreign exchange rates and tax rates;
- (d) the competitive environment in the industry which we intend to operate in; and
- (e) 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 entitled "Risk Factors". 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. Save as required by Section 238(1) of the CMSA, we expressly disclaim any obligation or undertaking to release publicly any update or revision to any forward-looking statement contained in this Prospectus to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

DEFINITIONS

The following terms in this Prospectus bear the same meaning as set out below unless the term is defined otherwise or the context requires otherwise.

“Act”	:	Companies Act, 1965 as amended from time to time and any re-enactment thereof
“Admission”	:	Admission of our Company to the Official List of the Main Market of Bursa Securities
“Application Form(s)”	:	Printed application forms for application for the Public Issue Shares under the Retail Offering
“Applications”	:	Applications for the Public Issue Shares under the Retail Offering by way of Application Forms, Electronic Share Application or Internet Share Application
“Articles of Association”	:	The articles of association of our Company as may be amended from time to time
“Authorised Financial Institution(s)”	:	Authorised financial institution(s) participating in the Internet Share Application in respect of the payments for the Public Issue Shares under the Retail Offering
“Authorised Person”	:	One (1) or more persons that our Company shall from time to time appoint or remove by mandate given under a board of directors’ resolution to give relevant instructions and notifications in writing to the Custodian pursuant to the Custodian Agreement
“Board” or “our Board”	:	Board of Directors of our Company
“Bumiputera”	:	Malays, aborigines and the natives of Sabah and Sarawak as specified in the Federal Constitution of Malaysia
“Bursa Depository” or “Depository”	:	Bursa Malaysia Depository Sdn Bhd
“Bursa Securities”	:	Bursa Malaysia Securities Berhad
“Cash Trust Account”	:	The bank account maintained by the Custodian to hold and deal with the Cash Trust Assets on behalf of our Company, for purposes of and in accordance with the Equity Guidelines
“Cash Trust Assets”	:	All cash monies derived from or attributable to the IPO Trust Proceeds and (if applicable) the Subsequent Rights Issue Trust Proceeds
“China”	:	People’s Republic of China
“CIMB”	:	CIMB Investment Bank Berhad
“CMSA”	:	Capital Markets and Services Act 2007, as amended from time to time and any re-enactment thereof
“Cornerstone Investors”	:	Collectively, CIMB-Principal Asset Management Berhad, Davidson Kempner European Partners, LLP, Hong Leong Asset Management Bhd, Kenanga Investors Berhad, RHB Investment Management Sdn Bhd and the Segantii Asia-Pacific Equity Multi-Strategy Fund

DEFINITIONS (cont'd)

“Custodian” or “Escrow Agent”	:	Deutsche Trustees Malaysia Berhad
“Custodian Agreement”	:	Custodian agreement dated 21 June 2013 between our Company and the Custodian for custodian services provided by the Custodian to our Company in respect of the funds to be held in the Cash Trust Account for an acceptance fee of RM6,000 and annual administration fee of RM45,000, to be fully paid in cash (as amended by the Supplemental Custodian Agreement)
“Deed Poll”	:	The deed poll dated 21 June 2013 constituting the Warrants, as approved by our Company
“Derivative Assets”	:	The securities, rights, benefits, advantages, dividends, interest, accretions or other property whether of a capital or income nature accruing, offered, issued or derived 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 our Qualifying Acquisition at the EGM convened to consider our Qualifying Acquisition
“Electronic Prospectus”	:	A copy of this Prospectus that is issued, circulated or disseminated via the internet, and/or an electronic storage medium, including but not limited to compact disc (read-only-memory) (also known as “ CD-ROMs ”)
“Electronic Share Application”	:	An application for the Public Issue Shares under the Retail Offering through a Participating Financial Institution’s ATM
“Equity Guidelines”	:	Equity Guidelines issued by the SC as amended, supplemented or modified from time to time
“IMR Report”	:	Independent market research report prepared by Infield dated 21 June 2013
“Infield”	:	Infield Systems Limited, being our independent market researcher
“Initial Investors”	:	Investors who have invested in our Company prior to our IPO under the Subscription by the Initial Investors
“Initial Investors’ Moratorium”	:	The irrevocable contractual obligation imposed on the Initial Investors in terms of a moratorium on the sale, transfer and assignment of the Initial Investors’ Shares from the date of Listing until the completion of our Qualifying Acquisition
“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 for the Subscription by the Initial Investors

DEFINITIONS (cont'd)

"Institutional Offering"	:	Offering of up to 959,000,000 Public Issue Shares at the Issue Price together with 959,000,000 attached Warrants to Malaysian institutional and selected investors and foreign institutional and selected investors (including the Cornerstone Investors)
"Internet Participating Financial Institution"	:	The participating financial institutions for the Internet Share Application as listed in Section 14.6 of this Prospectus
"Internet Share Application"	:	Application for the Public Issue Shares under the Retail Offering through an Internet Participating Financial Institution
"IPO" or "Public Issue"	:	Initial public offering of up to 1,100,000,000 Public Issue Shares together with up to 1,100,000,000 attached Warrants on the basis of one (1) Warrant to every one (1) Public Issue Share, at the Issue Price
"IPO Investors"	:	Investors who subscribe for the Public Issue Shares
"IPO Trust Proceeds"	:	90% of the gross proceeds raised by our Company from our IPO
"Issue Price"	:	RM0.50 per Public Issue Share
"Issuing House" or "MIH"	:	Malaysian Issuing House Sdn Bhd
"Joint Managing Underwriters"	:	CIMB and RHB collectively
"Joint Placement Agents" or "Joint Placement Managers"	:	CIMB and RHB collectively
"Joint Principal Advisers"	:	CIMB and RHB collectively
"Joint Underwriters"	:	CIMB, RHB, Kenanga and MIDF collectively
"Kenanga"	:	Kenanga Investment Bank Berhad
"Liquidation Amount"	:	Amount then held in the Cash Trust Account, net of any taxes payable and expenses related to the Liquidation Distribution
"Liquidation Distribution"	:	In the event we do not complete our Qualifying Acquisition, the return of the Liquidation Amount to relevant shareholders upon the expiry of the Permitted Timeframe
"Listing"	:	Admission and the listing of and quotation for our entire issued and paid-up ordinary share capital together with Warrants on the Main Market of Bursa Securities
"Listing Requirements"	:	Main Market Listing Requirements of Bursa Securities, as amended from time to time
"LPD"	:	18 June 2013, being the latest practicable date prior to the printing of this Prospectus
"Market Day"	:	A day when Bursa Securities is open for securities trading

DEFINITIONS *(cont'd)*

“Management Team”	:	The management team of our Company, presently comprising Dato' Sri Hadian bin Hashim, Dato' Maznah binti Abdul Jalil, Haji Akbar Tajudin bin Abdul Wahab, Dato' Saw Choo Boon, Andria anak Dundang @ Andria Gelayan, Dr. Tan Teck Choon @ Teck Kiew, Mohamed Sabri bin Mohamed Zain, Anton Tjahjono, Myo Thant and such other relevant future employees of our Company (if any) as referred to under the Equity Guidelines
“Maximum Scenario”	:	The scenario whereby an amount of RM550 million is raised pursuant to our IPO
“Memorandum”	:	Memorandum of Association of our Company
“MIDF”	:	MIDF Amanah Investment Bank Berhad
“MITI”	:	Ministry of International Trade and Industry, Malaysia
“Minimum Scenario”	:	The scenario whereby an amount of RM150 million is raised pursuant to our IPO
“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”	:	The obligation on Platinum Autumn (including, where applicable, persons connected to our Management Team) and the Initial Investors to not participate in the Qualifying Acquisition Share Repurchase and the Liquidation Distribution
“Non-Participation Obligations”	:	Comprising the Non-Entitlement Obligations and the obligation on our Promoters and persons connected to them to abstain from voting on a resolution approving our Qualifying Acquisition
“Official List”	:	A list specifying all securities which have been admitted for listing on Bursa Securities and not removed
“OPEC”	:	Organization of the Petroleum Exporting Countries
“Participating Financial Institution(s)”	:	Participating financial institution(s) for the Electronic Share Applications as listed in Section 14.5.2 of this Prospectus
“Permitted Investments”	:	Securities issued by the Government, money-market instruments and AAA-rated papers
“Permitted Timeframe”	:	36 months after the date of Listing
“PETRONAS”	:	Petroleum Nasional Berhad
“Placement Agreement”	:	Agreement to be entered into by our Company and the Joint Placement Agents in respect of the Institutional Offering
“Platinum Autumn”	:	Platinum Autumn Sdn Bhd
“Platinum Autumn Share(s)”	:	Ordinary shares of RM1.00 each in Platinum Autumn

DEFINITIONS (cont'd)

“Platinum Autumn Shareholders’ Agreement”	:	The shareholders’ agreement dated 18 February 2013 entered into amongst the shareholders of Platinum Autumn, and Platinum Autumn which gives effect to the intentions and objectives of the shareholders of Platinum Autumn and regulates their relationship as shareholders of Platinum Autumn
“Pre-IPO Events”	:	Comprising Tranche 1 Conversion of RCPS and Subscription by the Initial Investors
“Promoters”	:	The promoters of our Company are Platinum Autumn and our Management Team who exercise significant influence in making strategic decisions of our Company
“Prospectus”	:	This Prospectus dated 5 July 2013 issued by our Company in respect of our IPO
“PT”	:	A limited liability company in Indonesia
“Public Issue Share(s)”	:	New Shares to be issued pursuant to our IPO subject to the terms and conditions of this Prospectus
“Qualifying Acquisition”	:	As described in the Equity Guidelines, one (1) or more initial acquisition of assets and/or business by our Company which has an aggregate fair market value equal to at least 80% of the aggregate amount then in the Cash Trust Account, such acquisition(s) being in line with the business strategies of our Company, as described in Section 7.2 of this Prospectus
“Qualifying Acquisition Share Repurchase”	:	The repurchase by our Company of Shares held by Dissenting Shareholders in the event our Qualifying Acquisition is completed
“RCPS”	:	Redeemable convertible preference shares of RM0.01 each in our Company
“RCPS Subscription Agreement”	:	RCPS subscription agreement dated 19 February 2013 between our Company and Platinum Autumn for the subscription of 28,217,000 RCPS at a subscription price of RM0.10 per RCPS by Platinum Autumn, satisfied via the cash advances from Platinum Autumn (as amended by the Supplemental RCPS Subscription Agreement)
“Regulation S”	:	Regulation S under the US Securities Act, as amended from time to time and any re-enactment thereof
“Relevant Event”	:	(a) the requisite approval of the shareholders of our Company for a Qualifying Acquisition pursuant to Article 61C(6) of the Articles of Association; or (b) the proposed winding-up and liquidation of our Company pursuant to Article 61C(7) of the Articles of Association, as may be applicable
“Retail Offering”	:	Offering of 141,000,000 Public Issue Shares at the Issue Price together with 141,000,000 attached Warrants to the Malaysian public
“RHB”	:	RHB Investment Bank Berhad
“Rules of the Depository”	:	The rules of Bursa Depository, including any amendment that may be made from time to time

DEFINITIONS *(cont'd)*

“SC”	:	Securities Commission Malaysia
“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
“Sona Petroleum” or the “Company”	:	Sona Petroleum Berhad (formerly known as Titanium Windfall Sdn Bhd)
“SPAC”	:	Special purpose acquisition company as defined in Chapter 2 of the Equity Guidelines
“SPAC Moratorium”	:	Moratorium on the sale, transfer or assignment of all the securities in our Company held by Platinum Autumn from the date of Listing until after our Company generates one (1) year of audited revenue from the commercial production of the asset(s) acquired under our Qualifying Acquisition as described in Section 10.2.1 of this Prospectus
“SPE”	:	Society of Petroleum Engineers
“SPE-PRMS”	:	Society of Petroleum Engineering Petroleum Resource Management System - classification system used to divide resources according to their relative degree of uncertainty and status
“SSB”	:	Sarawak Shell Bhd, Malaysia
“Subscription by the Initial Investors”	:	Subscription of 28,571,500 new Shares together with 28,571,500 attached Warrants at a subscription price of RM0.35 per new Share, fully paid in cash by the Initial Investors prior to our IPO
“Subscription by Platinum Autumn”	:	Subscription of 28,217,000 RCPS at a subscription price of RM0.10 per RCPS by Platinum Autumn
“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 our Qualifying Acquisition (if any)
“Substantial Shareholder”	:	A shareholder who has an interest of not less than 5% of the aggregate of the nominal amount of all the voting shares in a company
“Supplemental Custodian Agreement”	:	A supplemental agreement to the Custodian Agreement dated 2 July 2013 between our Company and the Custodian to amend, modify and/or vary the Custodian Agreement on the terms and conditions contained therein
“Supplemental RCPS Subscription Agreement”	:	A supplemental agreement to the RCPS Subscription Agreement dated 21 June 2013 entered into between our Company and Platinum Autumn to further amend, modify and/or vary the RCPS Subscription Agreement on the terms and condition contained therein
“Tranche 1 Conversion of RCPS”	:	Conversion of 8,214,260 RCPS by Platinum Autumn into 82,142,600 new Shares together with 82,142,600 attached Warrants

DEFINITIONS *(cont'd)*

“Tranche 2 Conversion of RCPS”	:	Conversion of such number of RCPS by Platinum Autumn into new Shares and attached Warrants such that it will hold 20% of the enlarged issued and paid-up ordinary share capital of our Company upon Listing
“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)
“UK”	:	United Kingdom of Great Britain and Northern Ireland
“Underwriting Agreement”	:	Conditional underwriting agreement dated 24 June 2013 between our Company, the Joint Managing Underwriters and the Joint Underwriters to underwrite 141,000,000 Public Issue Shares each attached with a Warrant under the Retail Offering at an underwriting commission to be paid in cash as set out in Section 3.10.3 of this Prospectus
“United States” or “US” or “USA”	:	United States of America, its territories and possessions, any state of the United States of America, and the District of Columbia.
“US Persons”	:	As defined in Regulation S under the US Securities Act
“US Securities Act”	:	US Securities Act of 1933, as amended from time to time and any re-enactment thereof
“Warrant(s)”	:	Free detachable warrant(s) in our Company to be issued to Platinum Autumn, Initial Investors and IPO Investors
“Warrantholder(s)”	:	Holder(s) of Warrant(s) in our Company

Currency, Unit and Others:

“RM” and “sen”	:	Ringgit Malaysia and sen, respectively
“USD”	:	United States Dollar
“%”	:	Per centum
“°F”	:	Fahrenheit degrees
“Kg”	:	Kilogram

GLOSSARY OF TECHNICAL TERMS AND ACRONYMS

To facilitate a better understanding of our business after the completion of our Qualifying Acquisition, the following glossary provides a simple description of the technical terms commonly used in the E&P industry. The terms and their assigned meanings may not correspond to standard industry meanings or usage of these terms:

TECHNICAL TERMS

- “Commercial” : 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 five (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
- “Conventional Resources” and “Unconventional Resources” : Conventional resources exist in discrete naturally occurring deep subsurface petroleum accumulations in porous and permeable reservoir rocks, and which can be produced by drilling a well
- Unconventional resources exist in petroleum accumulations which are often found at or near the surface that are pervasive throughout a large area in formations which do not necessarily have a structural trap. Examples include coal bed methane (CBM), shale gas, and tarsands. Typically, such accumulations require more expensive specialised extraction technology (e.g. dewatering of CBM, fracturing programmes for shale gas, use of steam and/or solvents for tarsands)
- “Crude Oil Prices” : The price of crude oil as quoted in news generally refers to the spot price per barrel in USD of benchmark crudes such as West Texas Intermediate / light crude or Brent crude. Other important benchmarks include Dubai crude and Tapis crude. The prices of other crudes, dependent on their quality and location, are then priced based on these benchmark crudes
- “Field Development Study and Plan” : A field development study quantifies the range of reserves and production forecasts, determines the optimal number of wells and infrastructure required for production, and identifies the risks involved and mitigation
- Based on the study, a FDP is drawn up which details the design specifications, cost estimates and execution plan, which includes, for example, well design, drilling and production methods, processing facilities, transportation and assurance on HSE
- “Hydrocarbons” : A hydrocarbon is an organic compound consisting entirely of hydrogen and carbon. As crude oil and natural gas consist mainly of hydrocarbons, they are often referred to as hydrocarbons
- “Integrated Oil Company” or “International Oil Company” : A publicly owned oil and gas international company such as ExxonMobil Corporation, BP plc. and Chevron Corporation with operations across various aspect of the oil and gas business including discovery, production, refining, marketing and distribution of oil and gas

GLOSSARY OF TECHNICAL TERMS AND ACRONYMS (cont'd)

- “National Oil Company” : An oil and gas company fully, or majority owned by a national government. Examples include Saudi Aramco in Saudi Arabia and Petroleo Brasileiro S.A. (Petrobras) in Brazil
- “Offshore Facilities and Structures” : An offshore platform is a large structure with facilities to drill wells, to extract and process oil and gas, and to temporarily store product until it can be delivered. The types of platforms include:
- (a) Fixed platforms are built on concrete or steel legs, or both, firmly fixed into the seabed, supporting a deck with space for drilling rigs, production facilities and crew quarters. By virtue of their immobility, they are designed for very long term use
 - (b) Semi-submersible platforms have hulls of sufficient buoyancy to cause the structure to float, but of weight sufficient to keep the structure upright. They can be moved from place to place
 - (c) Jack-up drilling units are rigs that can be jacked up above the sea using legs that can be lowered, much like jacks. They are typically used in water depths up to 400 feet (120 meters), and are designed to move from place to place
 - (d) FPSO (floating production, storage, and offloading system) installations are the main types of floating production systems. FPSOs are generally equipped with processing facilities. A variant called FSO (floating storage and offloading system) or FSU (floating storage unit), is used exclusively for storage purposes
 - (e) Tension-Leg platforms (TLP) are floating platforms tethered to the seabed in a manner that eliminates most vertical movement of the structure. TLPs are used in water depths up to about 6,000 feet (2,000 meters)
 - (f) Spar platforms are moored to the seabed like TLPs, but whereas a TLP has vertical tension tethers, a spar has more conventional mooring lines
- “Oil and Gas Recovery” : The first stage of extraction of petroleum from reservoirs begins with utilising only the natural energy available in the reservoirs to move fluids and gas through the reservoir rock to the point of recovery, and is referred to as primary recovery
- Over the production life of a field, the reservoir energy falls and at some point there will be reduced production, and recovery techniques to increase production are then applied, which includes use of pumps or gas/water injection or flooding. This stage is often called improved oil recovery or secondary recovery
- Enhanced oil recovery (tertiary recovery) refers to application of advanced techniques, to certain suitable reservoirs, to enhance the fluid flow properties and recovery efficiencies of oil above the levels achievable under primary and secondary techniques

GLOSSARY OF TECHNICAL TERMS AND ACRONYMS (cont'd)

- “Oil and Gas Well(s)” : An oil and gas well is created by drilling a long hole into the earth with a drilling rig. A steel pipe (casing) is placed in the hole to provide structural integrity. Holes are then made in the base of the well to enable oil and gas to pass into the bore. Finally a collection of valves are fitted to the top to regulate pressure and control flow. Wells are drilled for different purposes:
- (a) Exploration Well – to gather information/data to establish the presence of oil and gas in a new area
 - (b) Appraisal Well – to establish and assess the amount of oil and gas accumulation and the flow rates of a proven oil and gas field
 - (c) Development/Production Well – to develop and produce oil and gas from the field following a field development study and in accordance with the implementation of the FDP
- Horizontal wells are wells which are drilled at high angles (>70 degrees) from the vertical, thereby approaching the horizontal position
- “Oilfield Simulation Studies” : Oilfield simulation studies are engineering studies in which computer simulation models are used to predict the flow of fluids (typically, oil, gas and water) through the reservoir rock formation, to generate production forecasts in the development of oil and gas fields
- “Petroleum” : Petroleum is a naturally occurring flammable liquid consisting of a complex mixture of hydrocarbons, found in geologic formations beneath the Earth's surface or sea bed. In its strictest sense, petroleum includes only crude oil, but in common usage it includes all liquid, gaseous, and solid hydrocarbons, commonly termed as oil and gas
- “Petroleum Geology” : Petroleum geology refers to the specific set of geological disciplines that are applied to the exploration, development and production of oil and gas. It involves the study and evaluation of the nature of the rocks, the porosity and permeability of the reservoirs, seals and traps, the thermal history of the source rock and migration of hydrocarbons
- “Petroleum Reservoir” : A petroleum reservoir, or oil and gas reservoir, is a subsurface volume of hydrocarbons contained in porous or fractured rock formations. The naturally occurring hydrocarbons, such as crude oil or natural gas, are trapped by overlying rock formations with lower permeability
- “Production” : A SPE-PRMS classification defined as “the cumulative quantity of petroleum that has been recovered at a given date”
- “Production Sharing Contracts” or “PSC” or “PSA” : Production Sharing Contracts or agreements are the most widely used model of standard production license between a government and an oil and gas company. The agreement/contract spells out, amongst others, the operation duration and equity of each party

GLOSSARY OF TECHNICAL TERMS AND ACRONYMS (cont'd)

- “Reserves” : The SPE-PRMS defined Reserves as that part of oil and gas resources which are commercially recoverable from existing wells and facilities or have been justified for future development by the implementation of approved projects on known accumulations.
- Depending on their degree of uncertainty, Reserves can be further categorised as Proved Reserves, Probable Reserves, and Possible Reserves.
- The highest valued category of reserves is “proved” reserves. “Proved Reserves” are the petroleum reserves 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”.
- “Probable” or “Possible” reserves are lower categories of reserves, commonly combined and referred to as “unproved reserves,” with decreasing levels of technical certainty. Probable reserves are volumes that are defined as “less likely to be recovered than proved, but more certain to be recovered than Possible Reserves”. Possible reserves are reserves which analysis of geological and engineering data suggests are less likely to be recoverable than probable reserves.
- The term 1P is frequently used to denote proved reserves, 2P (equals P1 + P2), is the sum of proved and probable reserves and 3P (equals P1 + P2 + P3) is the sum of proved (P1), probable (P2) and possible (P3) reserves. The best estimate of recovery from committed projects is generally considered to be the 2P (sum of proved and probable reserves or P1 + P2) and are usually treated by investors as the medium case estimate; whilst 3P (equals P1 + P2 + P3) are usually treated by investors as the high case estimate.
- “Resource Classification” : Resources are classified according to their relative degree of uncertainty and chance of commercial maturity. One of the most widely used classification system is the SPE-PRMS document, which classifies the recoverable resources into the following major groups: Production, Reserves, Contingent Resources, Prospective Resources, and Unrecoverable Petroleum
- “Resources – Contingent and Prospective” : Contingent Resources is a SPE-PRMS classification defined as “the estimated potentially recoverable petroleum, but which are not currently considered to be commercially recoverable” due to contingencies, such as environmental, economic, political and legislative conditions. They could be further categorised according to their degree of uncertainty, with 1C associated with low uncertainty, 2C medium and 3C high
- Prospective Resources is a SPE-PRMS classification defined as “those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects”. Such resources carry both the risk of discovery as well as the risk of a successful project development

GLOSSARY OF TECHNICAL TERMS AND ACRONYMS (cont'd)

- "Reserve Replacement Ratio" : The reserve replacement ratio measures the amount of proved reserves added to a company's reserve base during the year relative to the amount of oil and gas produced. A company's reserve replacement ratio should be at least 100% for the company to stay in business long-term; otherwise, it will eventually run out of oil and gas. This ratio is one (1) of the metrics used by investors to judge the operating performance of an E&P company
- "Reservoir Engineering" : Reservoir engineering is a branch of petroleum engineering that applies scientific and engineering principles in conjunction with numerical modeling to evaluate the flow of reservoir fluids (oil, gas and water) in oil and gas reservoirs. Reservoir engineers work in collaboration with other petroleum disciplines to make predictions of future reservoir performance, design and target productions and injection wells to optimise production and maximise economic recovery of oil and gas from the petroleum accumulations
- "Subsurface" : Subsurface refers to the rocks or layers of rocks below the Earth's surface
- "Trap" : Stable underground geological structure of such nature as to trap and hold liquid or gaseous hydrocarbons. They usually consist of reservoir rocks (reservoir rocks are sands or other type of porous rocks with permeability that allow fluids to flow) overlain by impervious rocks such as shale formations which is called the cap rock which provide the seal to trap the hydrocarbons. There are many different types of hydrocarbon traps which result from various configuration and combination of geological structures, reservoir rocks and sealing mechanisms
- "Unrecoverable Petroleum" : A SPE-PRMS classification defined as "the portion of petroleum quantity which is estimated not to be recoverable by future development projects"
- "Well Engineering" : Well engineering deals with achieving optimal performance from oil and gas wells – from design and construction to operations and ongoing maintenance that delivers maximum value throughout an oil or gas field's life-cycle

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GLOSSARY OF TECHNICAL TERMS AND ACRONYMS (cont'd)**ACRONYMS**

"ADA"	:	Authorised Depository Agent
"ADNOC"	:	Abu Dhabi National Oil Company
"ASEAN"	:	Association of Southeast Asian Nations
"ATM"	:	Automated teller machine
"CAGR"	:	Compound Annual Growth Rate
"CDS"	:	Central Depository System
"E&P"	:	Exploration and Production
"EGM"	:	Extraordinary general meeting
"EOR"	:	Enhanced Oil Recovery (Please refer to "Glossary of Technical Terms and Acronyms under "Oil and Gas Recovery", as set out on page xix of this Prospectus for its meaning)
"FDP"	:	Field Development Plan
"FPE"	:	Financial period ended/ending
"FYE"	:	Financial year ended/ending
"FPSO"	:	Floating Production, Storage and Offloading vessel
"GDP"	:	Gross Domestic Product
"GASEX"	:	Gas Information Exchange for the Western Pacific
"HSE"	:	Health, safety and environment
"IOC"	:	Integrated/International Oil Company
"IOR"	:	Improved Oil Recovery (Please refer to "Glossary of Technical Terms and Acronyms under "Oil and Gas Recovery", as set out on page xix of this Prospectus for its meaning)
"IT"	:	Information Technology
"LNG"	:	Liquefied Natural Gas
"NA"	:	Net assets
"NL"	:	Net liabilities
"NOC"	:	National oil company
"UAE"	:	United Arab Emirates

OIL AND GAS UNITS OF MEASUREMENT

OIL AND GAS UNITS OF MEASUREMENT

Crude oil is normally measured by volume in US barrels, or by weight in tons or tonnes. Crude oil prices are generally quoted in USD per barrel.

Gas is usually measured by volume and is stated in cubic feet or cubic meters under standard conditions of pressure and temperature. The pricing of gas is based on its energy content. The most common unit is USD per million British thermal unit. One (1) British thermal unit is approximately the amount of energy needed to heat one (1) pound (0.454 kg) of water by one (1) °F at atmospheric conditions.

In order to quantify the total oil and gas resources found in a field, country or region, in a single equivalent unit of measurement, the amount of gas can be converted into barrels or tonnes of oil equivalent. A barrel or tonne of oil equivalent is a unit of energy based on the approximate energy released by burning one (1) barrel or tonne of crude oil.

Prefixes represent steps of 1,000 and they are:

k (kilo)	= 1,000
m (million)	= 1,000,000
b (billion)	= 1,000,000,000
t (trillion)	= 1,000,000,000,000

The abbreviations of units of measurements used in this Prospectus are:

bbbl	- barrel
kbpd	- kilo barrels per day
mbpd	- million barrels per day
mmBtu	- million British thermal units
bcm	- billion cubic meters
tcm	- trillion cubic meters
boepd	- barrel of oil equivalent per day
mboe	- million barrels of oil equivalent
mtoe	- million tonnes of oil equivalent

INTRODUCTION

This Prospectus is dated 5 July 2013.

We have registered this Prospectus with the SC. We have also lodged a copy of this Prospectus together with the Application Forms with the Registrar of Companies, Malaysia, who takes no responsibility for its contents.

We received the SC's approval for our IPO on 11 June 2013. The approval of the SC shall not be taken to indicate that the SC recommends our IPO.

You are advised to make your own independent assessment of our Company and should rely on your own evaluation to assess the merits and risks of our IPO and an investment in our Company.

We have applied to Bursa Securities and received its approval on 18 June 2013 for (i) the Admission and Listing and (ii) listing of and quotation for our new Shares to be issued pursuant to the exercise of the Warrants on the Main Market of Bursa Securities. Our Shares and Warrants will be admitted to the Official List of the Main Market of Bursa Securities and official quotation will commence upon receipt of confirmation from Bursa Depository that all the Shares and Warrants have been credited into the respective CDS accounts of the successful applicants and the notices of allotment of the Public Issue Shares and attached Warrants have been despatched to all successful applicants. Admission to the Official List of the Main Market of Bursa Securities shall not be taken as an indication of the merits of our Company, our Shares and Warrants or our IPO.

Pursuant to Section 14(1) of the SICDA, Bursa Securities has prescribed our Shares and Warrants as a prescribed security. Consequently, our Shares and Warrants will be deposited directly with Bursa Depository. Any dealings in our Shares and Warrants will be carried out in accordance with the SICDA and the Rules of Bursa Depository. We will not issue any share certificates to successful applicants.

Pursuant to the Listing Requirements, at least 25% of the total number of Shares for which listing is sought must be held by at least 1,000 public shareholders holding not less than 100 shares each at the point of our Listing. We expect to achieve this at the time of our Listing. In the event that the above requirement is not met, we may not be allowed to proceed with our Listing. Should such an event occur, we will return in full, without interest, monies paid in respect of all Applications and if such monies are not returned in full within 14 days after we become liable to do so, in accordance with the provision of subsection 243(2) of the CMSA, in addition to the liability of our Company, the officers of our Company shall be jointly and severally liable to return such monies with interest at the rate of 10% per annum or at such other rate as may be prescribed by the SC from the expiration of that period.

1. CORPORATE INFORMATION

BOARD OF DIRECTORS

<u>Name</u>	<u>Address</u>	<u>Occupation</u>	<u>Nationality</u>
Andreas Johannes Raymundus van Strijp (Independent Non-Executive Chairman)	PT7377, Rumah Banglo Jalan Pantai Batu 12 ½ (Belakang Rumah Rakyat) Pasir Panjang 71050 Port Dickson Negeri Sembilan Darul Khusus Malaysia	Company Director	Dutch
Dato' Sri Hadian bin Hashim (Managing Director, Non- Independent Executive Director)	33, Jalan Maktab Off Jalan Semarak 54000 Kuala Lumpur Wilayah Persekutuan Malaysia	Company Director	Malaysian
Dato' Maznah binti Abdul Jalil (Non-Independent Executive Director)	Lot 2, Changkat Suria 1 The Residence Mont Kiara No. 6, Jalan Kiara 2 Mont Kiara 50480 Kuala Lumpur Wilayah Persekutuan Malaysia	Company Director	Malaysian
Myo Thant (Non-Independent Non- Executive Director)	No. 2A/2 Kone Myint Yeiktha Road 7 Miles, Mayangone Township Yangon Myanmar	Company Director	Burmese
Anton Tjahjono (Non-Independent Non- Executive Director)	Jalan Bukit Hijau III/11 008/013 Pondok Pinang Kebayoran Lama Jakarta Selatan Indonesia	Company Director	Indonesian
Mohamed Sabri bin Mohamed Zain (Non-Independent Non- Executive Director)	No. 39, TAR Villas Off Jalan 4K Ampang Jaya 68000 Ampang Selangor Darul Ehsan Malaysia	Company Director	Malaysian
Dato' Mohamed Khadar bin Merican (Independent Non-Executive Director)	A17-8 Mutiara Upper East Ampang 39, Jalan 1/76 Desa Pandan 55100 Kuala Lumpur Wilayah Persekutuan Malaysia	Company Director	Malaysian

1. CORPORATE INFORMATION (cont'd)

Name	Address	Occupation	Nationality
Datuk Seri Panglima Sulong bin Matjeraie (Independent Non-Executive Director)	"PADI" 575 Jalan Wan Alwi Tabuan Jaya 93350 Kuching Sarawak Malaysia	Company Director	Malaysian

AUDIT COMMITTEE

Name	Designation	Directorship
Dato' Mohamed Khadar bin Merican	Chairman	Independent Non-Executive Director
Andreas Johannes Raymundus van Strijp	Member	Independent Non-Executive Chairman
Datuk Seri Panglima Sulong bin Matjeraie	Member	Independent Non-Executive Director
Myo Thant	Member	Non-Independent Non-Executive Director

NOMINATION AND REMUNERATION COMMITTEE

Name	Designation	Directorship
Datuk Seri Panglima Sulong bin Matjeraie	Chairman	Independent Non-Executive Director
Anton Tjahjono	Member	Non-Independent Non-Executive Director
Dato' Mohamed Khadar bin Merican	Member	Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

Name	Designation	Directorship
Andreas Johannes Raymundus van Strijp	Chairman	Independent Non-Executive Chairman
Dato' Maznah binti Abdul Jalil	Member	Non-Independent Executive Director
Mohamed Sabri bin Mohamed Zain	Member	Non-Independent Non-Executive Director
Dato' Mohamed Khadar bin Merican	Member	Independent Non-Executive Director

1. CORPORATE INFORMATION (cont'd)

- COMPANY SECRETARY** : Jasmindar Kaur A/P Sarban Singh (MAICSA 7002687)
18, Jalan TK1/6
Taman Kinrara
7th Mile Jalan Puchong
47180 Puchong
Selangor Darul Ehsan
Malaysia
- REGISTERED OFFICE** : B-13-15 Level 13
Menara Prima Tower B
Jalan PJU 1/39
Dataran Prima
47301 Petaling Jaya
Selangor Darul Ehsan
Malaysia
Tel no.: +603 7491 4318
Fax no.: +603 7887 2318
- HEAD/MANAGEMENT OFFICE** : Level 24, Menara 3 PETRONAS
Persiaran KLCC
Kuala Lumpur City Centre
50088 Kuala Lumpur
Malaysia
Tel no.: +603 2164 3318
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www.sonapetroleum.com
- SHARE REGISTRAR** : Symphony Share Registrars Sdn Bhd
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47301 Petaling Jaya
Selangor Darul Ehsan
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Tel no.: +603 7841 8000
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- CUSTODIAN** : Deutsche Trustees Malaysia Berhad
Level 20, Menara IMC
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- AUDITORS / REPORTING ACCOUNTANTS** : Ernst & Young
Level 23A Menara Milenium
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Malaysia
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1. CORPORATE INFORMATION (cont'd)

PRINCIPAL BANKERS	: CIMB Bank Berhad Lot C04-05, Concourse Level Petronas Tower 3 Suria KLCC, Jalan Ampang 50088 Kuala Lumpur Malaysia Tel no.: 1 300 880 900 Fax no.: +603 2161 8284 Hong Leong Islamic Bank Berhad Level 1, Wisma Hong Leong 18, Jalan Perak 50450 Kuala Lumpur Malaysia Tel no.: +603 2164 3939 Fax no.: +603 2161 1278
JOINT PRINCIPAL ADVISERS, JOINT PLACEMENT AGENTS JOINT MANAGING UNDERWRITERS AND JOINT UNDERWRITERS	: CIMB Investment Bank Berhad 10 th Floor, Bangunan CIMB Jalan Semantan Damansara Heights 50490 Kuala Lumpur Malaysia Tel no.: +603 2084 8888 Fax no.: +603 2092 3913 RHB Investment Bank Berhad Level 10, Tower One, RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Malaysia Tel no.: +603 9287 3888 Fax no.: +603 9287 2233 / 3355
JOINT UNDERWRITERS	: Kenanga Investment Bank Berhad 8th Floor, Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur Malaysia Tel no.: +603 2164 9080 Fax no.: +603 2161 4990 MIDF Amanah Investment Bank Berhad Level 8, 9, 10, 11 & 12 Menara MIDF 82, Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Tel no.: +603 2173 8888 Fax no.: +603 2173 8877
INDEPENDENT MARKET RESEARCHER	: Infield Systems Limited London Office Suite 502, 1 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)

TRANSACTION SOLICITORS FOR THE LISTING EXERCISE <i>(save and except in relation to the Underwriting Agreement and the Placement Agreement where they are the solicitors for the Joint Managing Underwriters and the Joint Underwriters or the Joint Placement Agents (as the case may be))</i>	: As to Malaysian Law Adnan Sundra & Low Level 11, Menara Olympia No.8, Jalan Raja Chulan 50200 Kuala Lumpur Malaysia Tel no.: +603 2070 0466 Fax no.: +603 2078 3382
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 Malaysia Tel no.: +603 7841 8000 Fax no.: +603 7841 8150
LISTING SOUGHT	: Main Market of Bursa Securities

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2. SUMMARY INFORMATION

This section is only a summary of the salient information about us and our IPO and is extracted and summarised from the full text of this Prospectus. You should read and understand this section together with the entire Prospectus before you decide as to whether or not to invest in our Public Issue Shares. Prospective investors are advised to read the risk factors described in Section 4 of this Prospectus for an understanding of the risks associated with an investment in our Company.

2.1 OVERVIEW

We intend to list on the Main Market of Bursa Securities as a SPAC. A SPAC is a company which has no operations or income generating business at the point of initial public offering but undertakes an initial public offering for the purpose of raising funds to acquire operating companies or assets, otherwise known as Qualifying Acquisition.

We are formed by a group of experienced senior executives who are active in the oil and gas industry, in particular, in E&P. Our Company's intention is to acquire assets in the E&P phases of the oil and gas value chain. Our Management Team formed our Company on the belief that recent developments and the current conditions of the oil and gas industry, present both a favourable environment for acquisitions and an attractive operating environment of E&P assets.

The type and size of the asset to be acquired for our Qualifying Acquisition would depend on, amongst others, the actual amount to be raised from our IPO and the acquisition opportunities available at the relevant point of time. The asset to be acquired, however, shall meet the criteria to be applied on assets within the different E&P phases (as described in Section 7.2.1) and shall be located in the Regions of Interest (as described in Section 7.2.2). Additionally, such assets should also possess characteristics that meet our other selection criteria as set out in Section 7.2.3 of this Prospectus.

In the event our Company raises the minimum amount of RM150 million, depending on the acquisition opportunities available at the relevant time, we intend to acquire rights/equity interests in small production assets¹ with approximately 5 million bbl to 10 million bbl of proved Reserves as our Qualifying Acquisition. Under the Maximum Scenario, we intend to acquire production assets with higher amount of proved Reserves or a combination of production and development²/exploration³ assets.

Upon completion of our Qualifying Acquisition, we intend to operate as an independent E&P company, headquartered in Kuala Lumpur, Malaysia.

As a SPAC, we believe that our strength is closely tied to the capabilities of our Board and Management Team which comprises members with professional and technical expertise and operational experience across the E&P phases and have experience in the management of significant integrated oil and gas companies and businesses. They also possess business contacts and relationships with industry players and local governments in various oil and gas producing regions that have been developed through their extensive industry experience. In addition, several of our Board members have experience in board operations and implementing corporate governance practices, having served on the board of various public listed companies.

¹ Comprise assets in the "On Production" maturity sub-classes as defined in Section 7.2.1 of this Prospectus where resources are classified as Reserves.

² Comprise assets in the "Approved for Development" and "Justified for Development" maturity sub-classes as defined in Section 7.2.1 of this Prospectus where resources are classified as Reserves, as well as assets in the "Development Pending" and "Development Unclassified or On Hold" maturity sub-classes as defined in Section 7.2.1 of this Prospectus where resources are classified as contingent resources.

³ Comprise assets in the "Prospect", "Lead" and "Play" maturity sub-classes as defined in Section 7.2.1 of this Prospectus where resources are classified as prospective resources.

2. SUMMARY INFORMATION (cont'd)

Please refer to Sections 6 and 7 of this Prospectus for further details of our Company and business.

2.2 DETAILS OF OUR IPO

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

Our IPO consists of a Public Issue of up to 1,100,000,000 Public Issue Shares, representing up to approximately 78% of our enlarged issued and paid-up ordinary share capital upon Listing, together with up to 1,100,000,000 attached Warrants. These Public Issue Shares will be issued at the Issue Price and are offered in the following manner:

(a) Retail Offering

141,000,000 Public Issue Shares, representing approximately 10% of the maximum enlarged issued and paid-up share capital of our Company upon Listing, together with 141,000,000 attached Warrants are available for application by the Malaysian public and are subject to balloting, of which 50% is to be set aside for Bumiputera investors.

(b) Institutional Offering

Up to 959,000,000 Public Issue Shares, representing up to approximately 68% of the enlarged issued and paid-up share capital of our Company upon Listing, together with up to 959,000,000 attached Warrants are to be placed in the following manner by way of placement:

- (i) up to 176,340,000 Public Issue Shares together with up to 176,340,000 attached Warrants will be offered to Bumiputera institutional and selected investors approved by MITI; and
- (ii) up to 782,660,000 Public Issue Shares together with up to 782,660,000 attached Warrants will be offered to Malaysian institutional and selected investors, and foreign institutional and selected investors who are non-US Persons outside the US in reliance on Regulation S (including the Cornerstone Investors).

On 21 June 2013, our Company together with the Joint Placement Agents, had entered into the master cornerstone placing agreement with the Cornerstone Investors pursuant to which the Cornerstone Investors agreed to acquire in aggregate 275 million Public Issue Shares together with 275 million attached Warrants, representing approximately 20% of the maximum enlarged issued and paid-up share capital of our Company at the Issue Price, subject to the terms and conditions contained therein. Under the Maximum Scenario, none of the Cornerstone Investors will individually acquire 5% or more of the maximum enlarged issued and paid-up share capital of our Company upon Listing under the master cornerstone placing agreement. However, in the event our Company raises less than RM550 million from our IPO, a Cornerstone Investor's shareholding upon Listing may be 5% or more of the enlarged issued and paid-up share capital of our Company. In addition, a Cornerstone Investor may acquire additional Public Issue Shares in our IPO such that its aggregate holding of our Shares at the date of the Admission may be 5% or more of the enlarged issued and paid-up share capital of our Company.

2. SUMMARY INFORMATION (cont'd)

The individual cornerstone placing agreements are conditional upon, *inter alia*, the Underwriting Agreement and Placement Agreement being entered into, having become unconditional and not having been terminated pursuant to their respective terms.

2.3 UTILISATION OF PROCEEDS

We will set aside 90% of our IPO proceeds for our Qualifying Acquisition. After completion of our Qualifying Acquisition, the remaining funds from the IPO Trust Proceeds, if any, may be utilised for our future acquisition of other assets. For illustration purposes, based on the Minimum Scenario and Maximum Scenario, we intend to utilise the proceeds raised from our IPO, through the Subscription by Platinum Autumn and the Subscription by the Initial Investors in the following manner:

Details of Utilisation	Expected time frame for utilisation upon Listing	Note	Minimum Scenario	Maximum Scenario
			RM'000	RM'000
Acquisition of asset(s)	Within 36 months from the Listing	1	135,000	495,000
Redemption of RCPS	Immediately after Listing	2	2,000	_(2)
Working capital	Within 36 months from the Listing	3	16,979	46,522
Estimated Listing expenses	Within one (1) month from the Listing	4	8,843	21,300
Gross proceeds			162,822	562,822

Notes:

- Please refer to Section 7.2 of this Prospectus for further details on the asset(s) to be acquired.
- The remaining RCPS that have not been converted into Shares and the attached Warrants will be redeemed by our Company immediately after the Listing. The amount required for the redemption of RCPS under the Maximum Scenario is RM274.
- A total of approximately RM17.0 million and RM46.5 million from the proceeds under the Minimum Scenario and the Maximum Scenario, respectively, will be used as working capital to finance our Company's day-to-day administrative and operating expenses, including, amongst others, office rental and expenses associated with the acquisition of an asset such as legal and accounting due diligence, procurement of industry reports and valuation of the asset.

The amount allocated for working capital also includes approximately RM3.6 million per annum (or approximately RM10.7 million during the Permitted Timeframe), to be utilised for payment of our Directors' and Management Team's remuneration, fees and benefits in-kind.
- Our Company will bear all the expenses and fees incidental to our Listing which is estimated to amount up to approximately RM8.8 million and RM21.3 million under the Minimum Scenario and Maximum Scenario, respectively.

If the actual Listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual Listing expenses are lower than budgeted, the excess proceeds will be utilised for working capital purposes.

Please refer to Section 3.8 of this Prospectus for detailed information on the utilisation of proceeds from our IPO.

2. SUMMARY INFORMATION (cont'd)

2.4 PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 30 APRIL 2013

The following table sets out the Pro Forma Statements of Financial Position of our Company as at 30 April 2013, 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' report as set out in Section 9.5 of this Prospectus.

Minimum Scenario

	Audited as at 30 April 2013 RM	After Public Issue, RCPS and payments of expenses RM	Pro Forma I After redemption of RCPS and payments of expenses RM	Pro Forma II After Pro Forma I and completion of Qualifying Acquisition RM	Pro Forma III After Pro Forma II and full exercise of Warrants RM
ASSETS					
NON-CURRENT ASSETS					
Plant and equipment	450,120	450,120	450,120	450,120	450,120
Qualifying Acquisition	-	-	-	135,000,000 ^(a)	135,000,000 ^(a)
	450,120	450,120	450,120	135,450,120	135,450,120
Current Assets					
Receivables	82,068	82,068	82,068	82,068	82,068
Deferred expenditure	897,190	-	-	-	-
Cash and bank balances	10,970,480	151,356,223	151,356,223	16,356,223	160,106,158
	11,949,738	151,438,291	151,438,291	16,438,291	160,188,226
Total Assets	12,399,858	151,888,411	151,888,411	151,888,411	295,638,346
EQUITY AND LIABILITIES					
Equity					
Share capital	1,107,143	4,107,143	4,107,143	4,107,143	8,214,284
Share premium	3,114,293	5,547,398	5,547,398	56,062,873	289,305,684
Other reserve	6,600,017	15,300,017	15,300,017	93,600,017	-
Accumulated losses	(603,683)	(2,063,436)	(2,063,436)	(2,063,436)	(2,063,436)
Total Equity	10,217,770	22,891,122	22,891,122	151,706,597	295,456,532

2. SUMMARY INFORMATION (cont'd)

	Audited as at 30 April 2013 RM	After Public Issue, RCPS and payments of Listing expenses RM	Pro Forma I After Pro Forma I and completion of Qualifying Acquisition RM	Pro Forma II After Pro Forma II and full exercise of Warrants RM
Liabilities				
Current Liabilities				
Sundry payables	128,631	128,631	128,631	128,631
Amount due to directors	43,491	43,491	43,491	43,491
RCPS ⁽¹⁾	2,000,274	-	-	-
Provision for tax	9,692	9,692	9,692	9,692
	2,182,088	181,814	181,814	181,814
Non-current liabilities				
Financial liability component of the Public Issue Shares	-	128,815,475	-	-
	-	128,815,475	-	-
Total liabilities	2,182,088	128,997,289	181,814	181,814
Total Equity and Liabilities	12,399,858	151,888,411	151,888,411	295,638,346
Number of Shares	110,714,300	410,714,300	410,714,300	821,428,400
NA (RM)	10,217,770	22,891,122	151,706,597 ⁽³⁾	295,456,532
NA per Share (RM)	0.09	0.06	0.37	0.36

Notes:

- (1) The RCPS, unless earlier converted, will be redeemed immediately after Listing.
- (2) Assuming the entire IPO Trust Proceeds will be utilised for the acquisition of asset pursuant to our Qualifying Acquisition.
- (3) Upon the completion of our Qualifying Acquisition, our Company has no further obligation to refund the IPO Trust Proceeds held in the Cash Trust Account. As such, the financial liability component of the Public Issue Shares will be reclassified as equity resulting in the increase in the pro forma net assets by RM128,815,475.

2. SUMMARY INFORMATION (cont'd)

Maximum Scenario

	Audited as at 30 April 2013 RM	Pro Forma I After Public Issue, conversion and redemption of RCPS and payments of Listing expenses RM	Pro Forma II After Pro Forma I and completion of Qualifying Acquisition RM	Pro Forma III After Pro Forma II and full exercise of Warrants RM
ASSETS				
NON-CURRENT ASSETS				
Plant and equipment	450,120	450,120	450,120	450,120
Qualifying Acquisition	-	-	495,000,000 ⁽²⁾	495,000,000 ⁽²⁾
	450,120	450,120	495,450,120	495,450,120
Current Assets				
Receivables	82,068	82,068	82,068	82,068
Deferred expenditure	897,190	-	-	-
Cash and bank balances	10,970,480	540,899,223	45,899,223	539,649,158
	11,949,738	540,981,291	45,981,291	539,731,226
Total Assets	12,399,858	541,431,411	541,431,411	1,035,181,346
EQUITY AND LIABILITIES				
Equity				
Share capital	1,107,143	14,107,143	14,107,143	28,214,284
Share premium	3,114,293	13,091,333	203,502,222	1,008,745,033
Other reserve	6,600,017	38,500,017	325,600,017	-
Accumulated losses	(603,683)	(1,959,785)	(1,959,785)	(1,959,785)
Total Equity	10,217,770	63,738,708	541,249,597	1,034,999,532
Liabilities				
Current Liabilities				
Sundry payables	128,631	128,631	128,631	128,631
Amount due to directors	43,491	43,491	43,491	43,491
RCPS ⁽¹⁾	2,000,274	-	-	-
Provision for tax	9,692	9,692	9,692	9,692
	2,182,088	181,814	181,814	181,814
Non-current liabilities				
Financial liability component of the Public Issue Shares	-	477,510,889	-	-
	-	477,510,889	-	-
Total liabilities	2,182,088	477,692,703	181,814	181,814
Total Equity and Liabilities	12,399,858	541,431,411	541,431,411	1,035,181,346

2. SUMMARY INFORMATION (cont'd)

	Audited as at 30 April 2013	Pro Forma I After Public Issue, conversion and redemption of RCPS and payments of Listing expenses	Pro Forma II After Pro Forma I and completion of Qualifying Acquisition	Pro Forma III After Pro Forma II and full exercise of Warrants
Number of Shares	110,714,300	1,410,714,300	1,410,714,300	2,821,428,400
NA (RM)	10,217,770	63,738,708	541,249,597 ⁽³⁾	1,034,999,532
NA per Share (RM)	0.09	0.05	0.38	0.37

Notes:

- (1) The RCPS, unless earlier converted, will be redeemed immediately after Listing.
- (2) Assuming the entire IPO Trust Proceeds will be utilised for the acquisition of asset pursuant to our Qualifying Acquisition.
- (3) Upon the completion of our Qualifying Acquisition, our Company has no further obligation to refund the IPO Trust Proceeds held in the Cash Trust Account. As such, the financial liability component of the Public Issue Shares will be reclassified as equity resulting in the increase in the pro forma net assets by RM477,510,889.

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2. SUMMARY INFORMATION *(cont'd)*

2.5 RISK FACTORS

Prior to making an investment decision, you should carefully consider the risks and investment considerations summarised below, along with other matters in this Prospectus. The following is not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have a material and adverse effect on our Shares and Warrants.

2.5.1 Risks relating to our business and operations prior to completion of our Qualifying Acquisition

- (a) Our Company does not have any operating history and trading record, and accordingly, IPO Investors may not have a conventional basis on which they may evaluate our ability to achieve our business objectives.
- (b) Our Company has yet to select an asset with which to complete a Qualifying Acquisition and IPO Investors are therefore unable to ascertain the merits or risks of the asset which our Company may ultimately acquire.
- (c) Our ability to successfully complete a Qualifying Acquisition and operate the asset will be dependent upon the expertise and experience of our Board and Management Team.
- (d) If our Company is unable to complete a Qualifying Acquisition within the Permitted Timeframe and is forced to liquidate and distribute the funds in the Cash Trust Account, our shareholders (including Dissenting Shareholders) will receive less than the Issue Price and our Warrants will expire.
- (e) We may not be able to complete a Qualifying Acquisition within the Permitted Timeframe.
- (f) If the funds available to us outside of the Cash Trust Account are insufficient to allow us to operate during the Permitted Timeframe, our Company may be unable to complete a Qualifying Acquisition.
- (g) The requirement to undertake the Qualifying Acquisition Share Repurchase and our potential inability to obtain financing may limit our ability to pursue our desired Qualifying Acquisition.
- (h) We may not be able to pursue our desired Qualifying Acquisition because of our limited financial resources.
- (i) The requirement for us to complete a Qualifying Acquisition within the Permitted Timeframe may affect our ability to obtain optimal terms.
- (j) Our financial resources may only allow us to complete the acquisition of one (1) asset as our Qualifying Acquisition.

2.5.2 Risks relating to our business and operations post completion of our Qualifying Acquisition

- (a) A foreign asset could be subject to additional risks in its operating environment that may negatively impact our business.
- (b) Our Company is exposed to operational risks in relation to the acquired asset.

2. SUMMARY INFORMATION *(cont'd)*

- (c) Our Company is exposed to corporate governance issues in relation to the acquired asset/company.
- (d) Our Company is exposed to evaluation risks particularly in relation to exploration and development of oil and gas fields.
- (e) Our Company's performance is dependent on oil and gas prices.
- (f) Changes in government initiatives, policies, regulations and laws towards the oil and gas industry may materially affect our ability to realise the expected benefits from our Qualifying Acquisition.
- (g) Our Company is exposed to risks in the financial markets.
- (h) Our Company is exposed to risks in relation to management of costs, IT and technology.
- (i) High standards of HSE management are crucial to our Company's operations.
- (j) The oil and gas industry is exposed to exploration, development and production risks.
- (k) The long term potential value of an E&P company is reliant on its oil and gas reserves.
- (l) There is an on-going shortage of skilled and experienced manpower in the oil and gas industry.
- (m) There is strong competition for access to oil and gas resources.
- (n) Our Company is reliant on the infrastructure of third party providers.
- (o) Our Management Team through Platinum Autumn would control 20% interest in our Company and thus may influence certain actions requiring shareholders' vote.
- (p) We may issue additional Shares or debt securities or source for external borrowings in the future.
- (q) Our Company may in future enter into business arrangements with some attendant risks.

2.5.3 Risks relating to our IPO

- (a) There is no prior market for our Shares and Warrants, and an active market for our Shares and Warrants may not develop after Listing.
- (b) IPO Investors would face immediate and substantial dilution in the NA per Share after our IPO.
- (c) Investment in the capital market exposes our shareholders to capital market risk.
- (d) Unforeseeable events could result in the delay in Listing or the termination of the Listing exercise.

2. SUMMARY INFORMATION *(cont'd)*

- (e) Delay between Admission and trading of the Public Issue Shares and Warrants may result in prolonged delays or the inability for investors to recover monies paid in respect of the Public Issue Shares.
- (f) The determination of the Issue Price is more arbitrary compared with the pricing of securities for an operating company.

Please refer to Section 4 of this Prospectus for detailed discussion on the risks associated with investing in our Company.

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3. PARTICULARS OF OUR IPO

3.1 OPENING AND CLOSING OF APPLICATIONS

Applications for the Public Issue Shares under the Retail Offering will open at 10 a.m. on 5 July 2013 and will remain open until 5 p.m. on 12 July 2013, or such other date or dates as our Board and the Joint Managing Underwriters may decide in their absolute discretion.

3.2 INDICATIVE TIMETABLE

The following events are intended to take place on the following indicative dates:

Events	Date
Opening of Institutional Offering ⁽¹⁾	5 July 2013
Opening of Retail Offering	10 a.m., 5 July 2013
Closing of Retail Offering	5 p.m., 12 July 2013
Closing of Institutional Offering	17 July 2013
Balloting of Applications	17 July 2013
Allotment of the Public Issue Shares and attached Warrants to successful applicants	26 July 2013
Listing	30 July 2013

Note:

(1) *Excludes the Institutional Offering to the Cornerstone Investors. The master cornerstone placing agreement for the acquisition of the Public Issue Shares by the Cornerstone Investors was entered into on 24 June 2013.*

Our Board and the Joint Managing Underwriters may decide in their absolute discretion, to extend the closing time and date for the Applications to any later date. If they decide to extend the closing date for the Applications, the dates for the balloting of the Applications, allotment of the Public Issue Shares to successful applicants and our Listing will be extended accordingly. We will announce any extension in widely circulated English and Bahasa Malaysia daily newspapers within Malaysia.

3. PARTICULARS OF OUR IPO (cont'd)

3.3 OUR IPO

3.3.1 Public Issue

Our IPO consists of a Public Issue of up to 1,100,000,000 Public Issue Shares, representing up to approximately 78% of our enlarged issued and paid-up ordinary share capital upon Listing, together with up to 1,100,000,000 attached Warrants. These Public Issue Shares will be issued at the Issue Price and are offered in the following manner:

(a) Retail Offering

141,000,000 Public Issue Shares, representing approximately 10% of the maximum enlarged issued and paid-up share capital of our Company upon Listing, together with 141,000,000 attached Warrants are available for application by the Malaysian public and are subject to balloting, of which 50% is to be set aside for Bumiputera investors. Any Public Issue Shares not subscribed for by such Bumiputera investors will be made available for application by other Malaysian investors under the Retail Offering.

All the 141,000,000 Public Issue Shares available under the Retail Offering have been fully underwritten by our Joint Underwriters based on the terms and conditions of the Underwriting Agreement.

(b) Institutional Offering

Up to 959,000,000 Public Issue Shares, representing up to approximately 68% of the enlarged issued and paid-up share capital of our Company upon Listing, together with up to 959,000,000 attached Warrants shall be placed by our Joint Placement Agents in the following manner by way of placement:

- (i) up to 176,340,000 Public Issue Shares together with up to 176,340,000 attached Warrants will be offered to Bumiputera institutional and selected investors approved by MITI; and
- (ii) up to 782,660,000 Public Issue Shares together with up to 782,660,000 attached Warrants will be offered to Malaysian institutional and selected investors and foreign institutional and selected investors who are non-US Persons outside the US in reliance on Regulation S (including the Cornerstone Investors).

On 21 June 2013, our Company together with the Joint Placement Agents, had entered into the master cornerstone placing agreement with the Cornerstone Investors pursuant to which the Cornerstone Investors agreed to acquire in aggregate 275 million Public Issue Shares together with 275 million attached Warrants, representing approximately 20% of the maximum enlarged issued and paid-up share capital of our Company upon Listing, at the Issue Price, subject to the terms and conditions contained therein. Under the Maximum Scenario, none of the Cornerstone Investors will individually acquire 5% or more of the maximum enlarged issued and paid-up share capital of our Company upon Listing under the master cornerstone placing agreement. However, in the event our Company raises less than RM550 million from our IPO, a Cornerstone Investor's shareholding upon Listing may be 5% or more of the enlarged issued and paid-up share capital of our Company. In addition, a Cornerstone Investor may acquire additional Public Issue Shares in our IPO such that its aggregate holding of our Shares at the date of the Admission may be 5% or more of the enlarged issued and paid-up share capital of our Company.

3. PARTICULARS OF OUR IPO (cont'd)

The individual cornerstone placing agreements are conditional upon, *inter alia*, the Underwriting Agreement and Placement Agreement being entered into, having become unconditional and not having been terminated pursuant to their respective terms.

In summary, the maximum number of Public Issue Shares allocated is as set out below:

Categories	No. of Public Issue Shares	% of enlarged share capital
Retail Offering	141,000,000	10.0
- Bumiputera	70,500,000	5.0
- Non-Bumiputera Malaysian	70,500,000	5.0
Institutional Offering:	959,000,000	68.0
- MITI approved Bumiputera investors	176,340,000	12.5
- Other institutional and selected investors (including the Cornerstone Investors)	782,660,000	55.5
Total	1,100,000,000	78.0

3.3.2 Clawback and reallocation

The Retail Offering and Institutional Offering shall be subject to the following clawback and reallocation provisions:

- (i) If there is an under-application in the Retail Offering and the applications under the Institutional Offering exceed 159,000,000 Public Issue Shares (being the minimum number of Public Issue Shares to be subscribed for under the Institutional Offering to raise the minimum amount of RM150 million under our IPO and with the Retail Offering being fully underwritten by our Joint Underwriters), the Public Issue Shares applied for under the Institutional Offering that is in excess of 159,000,000 Public Issue Shares may be clawed back from the Retail Offering and allocated to the Institutional Offering;
- (ii) If there is an under-application in the Institutional Offering such that the maximum offering under the Institutional Offering of 959,000,000 Public Issue Shares is not achieved and there is an over-application in the Retail Offering, the Public Issue Shares may be clawed back from the Institutional Offering and allocated to the Retail Offering; and
- (iii) If the Public Issue Shares allocated to Bumiputera investors approved by MITI are not fully taken up by such investors, the Public Issue Shares which are not taken up may be allocated to such other institutional and selected investors under the Institutional Offering.

The clawback and reallocation shall not apply in the event of over-application in both the Retail Offering and the Institutional Offering.

3. PARTICULARS OF OUR IPO (cont'd)

3.3.3 Minimum requirement

The minimum number of Public Issue Shares to be subscribed under our IPO is 300,000,000 which will raise RM150 million as required in respect of a SPAC in accordance with the Equity Guidelines. Of the 300,000,000 Public Issue Shares which form our minimum number of Public Issue Shares to be issued under our IPO, only 141,000,000 Public Issue Shares offered under the Retail Offering are underwritten. Therefore, in the event any of the remaining 159,000,000 Public Issue Shares is not issued to IPO Investors under the Institutional Offering or clawed back for subscription under the Retail Offering, we do not intend to and will not proceed to complete the Public Issue and Listing. In such an event, we will return in full, without interest, all monies received in respect of any Application accepted, subject to the risks as set out in Sections 4.3.4 and 4.3.5 of this Prospectus.

3.4 PURPOSES OF OUR IPO

Our IPO enables us to list on the Main Market of Bursa Securities as a SPAC and to raise funds from the capital market to undertake a Qualifying Acquisition and our future acquisition, if any. Please refer to Section 3.8 of this Prospectus for details on the utilisation of proceeds to be raised from our IPO.

We believe that by raising RM150 million (being the minimum amount to be raised under our IPO), we would have sufficient proceeds to acquire an asset as our Qualifying Acquisition. However, we are offering up to 1,100,000,000 Public Issue Shares so as to raise up to RM550 million under our IPO as we believe that a larger capital base may give us more options in our search to acquire an asset as our Qualifying Acquisition. Nonetheless, our Management Team believes that any amount of proceeds that we may raise of between RM150 million (being the minimum amount to be raised under our IPO) and RM550 million would still place us in a favourable position to complete our Qualifying Acquisition.

3.5 SECURITIES OFFERED UNDER OUR IPO

3.5.1 Public Issue Shares

As at the LPD, there are two (2) classes of shares in our Company, namely the RCPS and Shares. All outstanding RCPS shall be redeemed immediately after the Listing. Therefore, immediately after our Listing, there will only be one (1) class of shares, namely the Shares.

The Public Issue Shares shall 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, save and except that they will not be subject to the Non-Participation Obligations to which our Management Team and/or Initial Investors are required to comply with.

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 save for the holders of the Shares who are subject to the Non-Participation Obligations. In respect of the whole of any surplus in the event of the winding-up of our Company, 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.

3. PARTICULARS OF OUR IPO (cont'd)

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

3.5.2 Warrants

The Warrants shall be issued in registered form and are constituted by the Deed Poll. The salient terms of the Warrants are as follows:

- | | | |
|-----------------------------|---|---|
| Expiry date | : | (a) five (5) years from the date of Listing if our Qualifying Acquisition is completed within the Permitted Timeframe, or

(b) three (3) years from the date of Listing if our Qualifying Acquisition is not completed within the Permitted Timeframe. |
| Exercise period | : | The Warrants can be exercised anytime during the period commencing from and inclusive of the date of completion of our 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 price | : | RM0.35 per Warrant. |
| Exercise rights | : | Each Warrant shall entitle the holder to subscribe for one (1) new Share at the exercise price at any time during the exercise period and shall be subject to adjustments made in accordance with the provisions of the Deed Poll. |
| Listing | : | Main Market of Bursa Securities. |
| Rights of the Warranholders | : | The Warranholders 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 Warranholders exercise their Warrants into new Shares. |
| Ranking | : | The new Shares arising from the exercise of Warrants shall, upon allotment and issue, rank <i>pari passu</i> 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. |

3. PARTICULARS OF OUR IPO (cont'd)

- 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 Warranholder 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 : After our IPO, the Warrants shall be transferable in the manner in accordance with the Deed Poll and any appendices thereto, subject always to the provisions of SICDA and the Rules of the Depository.⁽¹⁾
- Winding-up : (a) Where our Company is wound-up or liquidated pursuant to the Equity Guidelines due to the non-completion of a Qualifying Acquisition within the Permitted Timeframe, the Warranholders will not have any rights, entitlements or interest in respect of such winding-up/liquidation. Save for the above, 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, merger or privatisation either through selective capital reduction, major disposal of assets or otherwise in which our Company is the continuing corporation) to which the Warranholders, 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 Warranholders; and
 - (ii) in any other case, every Warranholder shall be entitled within six (6) weeks after passing of such resolution for a members' voluntary winding-up of our Company or six (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 commencement of such winding-up or such compromise or arrangement. If our Company is wound-up or such compromise or arrangement is completed, all exercise rights which have not been exercised within six (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 Cash Trust Account upon any liquidation of our Company.
- Governing laws : Laws of Malaysia

3. PARTICULARS OF OUR IPO (cont'd)

Note:

- (1) There will be a moratorium imposed on the sale, transfer or assignment of Warrants held by Platinum Autumn. Please refer to Section 10.2 of this Prospectus for information on moratorium on the Warrants.

The market prices of the Warrants, like all listed securities traded on Bursa Securities, are subject to fluctuations and will be influenced by, amongst others, the market prices and volatility of the price of our Shares as well as the remaining exercise period of the Warrants.

In addition, there can be no assurance that the Warrants will be in the money during the exercise period, which expires on the day falling five (5) years from the date of Listing if our Qualifying Acquisition is completed within the Permitted Timeframe or three (3) years from the date of Listing if our Qualifying Acquisition is not completed within the Permitted Timeframe ("**Expiry Date**"). Further, the Warrants can only be exercised during the period commencing from and inclusive of the date of completion of our Qualifying Acquisition up to and including the Expiry Date. Any Warrants which are not exercised will expire worthless after the Expiry Date.

3.6 MARKET CAPITALISATION

Based on the Issue Price, the market capitalisation of our Company upon Listing shall be up to approximately RM705.4 million depending on the level of subscription of the Public Issue Shares.

3.7 BASIS OF ARRIVING AT THE ISSUE PRICE

The Issue Price was determined and agreed upon by our Board and our Joint Principal Advisers, after taking into account, *inter-alia*, the following factors:

- (a) the minimum amount of proceeds to be raised by a SPAC as required by the Equity Guidelines of RM150 million;
- (b) the general condition of the securities markets at the time of our IPO;
- (c) the optimum amount of proceeds to be raised so that our Company may be well-placed to seek out a suitable asset for the purpose of completing our Qualifying Acquisition within the Permitted Timeframe; and
- (d) the minimum issue price allowable for an initial public offering of RM0.50.

Applicants should also note that the market price of our Shares and Warrants upon Listing are subject to the vagaries of market forces and other uncertainties which may affect the trading prices of our Shares and Warrants.

3. PARTICULARS OF OUR IPO (cont'd)

3.8 UTILISATION OF PROCEEDS

Under the Equity Guidelines, the minimum gross proceeds to be raised from our IPO is RM150 million. However, considering the purposes of our IPO, we would like to raise between RM150 million and RM550 million for our IPO.

We will set aside 90% of our IPO proceeds (which will be placed in the Cash Trust Account to be administered by our Custodian in accordance with the terms and conditions of the Custodian Agreement) for our Qualifying Acquisition. After completion of our Qualifying Acquisition, the remaining funds from the IPO Trust Proceeds, if any, may be utilised for our future acquisition of other assets. Please refer to Annexure C of this Prospectus for the salient terms of the Custodian Agreement. The balance of our IPO proceeds will be placed in interest-bearing account(s) with licensed financial institution(s), and will be utilised to first defray Listing expenses and then as working capital.

The Subscription by Platinum Autumn and Subscription by the Initial Investors raised gross proceeds of approximately RM2.8 million and RM10.0 million respectively. Upon completion of the Public Issue, the total proceeds raised by our Company will be as follows:

	Minimum Scenario	Maximum Scenario
	RM'000	RM'000
Subscription by Platinum Autumn	2,822	2,822
Subscription by the Initial Investors	10,000	10,000
	12,822	12,822
Proceeds from the Public Issue	150,000	550,000
	162,822	562,822

For illustration purposes, based on the Minimum Scenario and Maximum Scenario, we intend to utilise the proceeds in the following manner:

			Minimum Scenario	Maximum Scenario
Details of utilisation	Estimated time frame for utilisation upon Listing	Note	RM'000	RM'000
Acquisition of asset(s)	Within 36 months from the Listing	1	135,000	495,000
Redemption of RCPS	Immediately after Listing	2	2,000	⁽²⁾
Working capital	Within 36 months from the Listing	3	16,979	46,522
Estimated Listing expenses	Within one (1) month from the Listing	4	8,843	21,300
Gross proceeds			162,822	562,822

Notes:

- (1) Please refer to Section 7.2 of this Prospectus for further details on the asset(s) to be acquired.
- (2) The remaining RCPS that have not been converted into Shares and the attached Warrants will be redeemed by our Company immediately after the Listing. The amount required for the redemption of RCPS under the Maximum Scenario is RM274.

3. PARTICULARS OF OUR IPO (cont'd)

- (3) A total of approximately RM17.0 million and RM46.5 million from the proceeds under the Minimum Scenario and the Maximum Scenario, respectively, will be used as working capital to finance our Company's day-to-day administrative and operating expenses, including, amongst others, office rental and expenses associated with the acquisition of an asset such as legal and accounting due diligence, procurement of industry report and valuation of the asset.

The amount allocated for working capital also includes approximately RM3.6 million per annum (or approximately RM10.7 million during the Permitted Timeframe), to be utilised for payment of our Directors' and Management Team's remuneration, fees and benefits in-kind.

- (4) Our Company will bear all the expenses and fees incidental to our Listing as follows:

	Minimum Scenario	Maximum Scenario
	RM'000	RM'000
Estimated professional fees	2,618	2,618
Underwriting/placement commissions and brokerage fees	4,635	17,032
Fees payable to authorities	544	544
Other fees and expenses such as printing, advertising, travel and road show expenses incurred in connection with our IPO	790	790
Miscellaneous expenses and contingencies	256	316
Total	8,843	21,300

Professional fees include, amongst others, the fees for our Joint Principal Advisers, Transaction Solicitors, Reporting Accountants, Custodian, Company Secretary, Issuing House and Independent Market Researcher.

If the actual Listing expenses are higher than budgeted, the deficit will be funded out of the portion allocated for working capital. Conversely, if the actual Listing expenses are lower than budgeted, the excess will be utilised for working capital purposes.

The maximum amount to be raised from the exercise of our Warrants after the completion of our Qualifying Acquisition is approximately RM493.7 million. The actual proceeds raised from the exercise of our Warrants, will depend on the actual number of Warrants exercised. We will utilise the proceeds from the exercise of our Warrants for business expansion, as working capital or such other purpose as we may deem fit, the precise allocation of which has yet to be determined.

The proceeds from the exercise of the Warrants will be placed in interest-bearing account(s) with licensed financial institution(s), pending future investment/utilisation by our Company.

3.9 DILUTION

Dilution is the amount by which the Issue Price / exercise price of the Warrants exceeds our pro forma NA per Share after our IPO. Subsequent to the Pre-IPO Events, our IPO, conversion and redemption of RCPS and after adjusting for the estimated Listing expenses, IPO Investors will experience an immediate dilution due to accounting classification whereby the IPO Trust Proceeds placed under the Cash Trust Account would be deemed as a liability to our Company prior to completion of our Qualifying Acquisition. As a SPAC, our Company is obligated to return the IPO Trust Proceeds under the Cash Trust Account to our shareholders if our Qualifying Acquisition is not completed within the Permitted Timeframe. Consequently, under the Minimum Scenario, our pro forma NA per Share, based on our enlarged issued and paid-up ordinary share capital of 410,714,300 Shares, would be RM0.06, translating to a dilution of RM0.44. Under the Maximum Scenario, our pro forma NA per Share, based on our enlarged issued and paid-up ordinary share capital of 1,410,714,300 Shares, would be RM0.05, translating to a dilution of RM0.45.

3. PARTICULARS OF OUR IPO (cont'd)

With the completion of our Qualifying Acquisition, the liability reflecting the IPO Trust Proceeds (after deducting the amount used for the Qualifying Acquisition Share Repurchase, if any) is expected to be classified as our equity as we would have no further obligation to refund the IPO Trust Proceeds to our shareholders. Accordingly, our pro forma NA per Share will increase to RM0.37 and RM0.38 under the Minimum Scenario and the Maximum Scenario, respectively. This reduces the dilution in pro forma NA per Share to RM0.13 and RM0.12 under the Minimum Scenario and Maximum Scenario, respectively.

Assuming full exercise of all the Warrants at RM0.35 per Warrant during the exercise period and based on our enlarged issued and paid-up ordinary share capital of 821,428,400 and 2,821,428,400 Shares under the Minimum Scenario and the Maximum Scenario respectively, our pro forma NA per Share would be RM0.36 and RM0.37 under the Minimum Scenario and the Maximum Scenario, respectively. This represents a dilution in pro forma NA per Share of RM0.14 and RM0.13 under the Minimum Scenario and the Maximum Scenario, respectively.

For illustrative purposes, we set out below the dilution to IPO Investors based on the Minimum and Maximum Scenario. The following should be read together with the Reporting Accountants' report in Section 9.5 of this Prospectus.

	Minimum Scenario RM	Maximum Scenario RM
Issue Price	0.50	0.50
<u>Pro forma NA per Share subsequent to our IPO, conversion and redemption of RCPS and after adjusting for the estimated Listing expenses ("Pro Forma I Events")</u>	0.06	0.05
Dilution in pro forma NA per Share	0.44	0.45
Dilution in pro forma NA per Share as a percentage of the Issue Price	88.0%	90.0%
<u>Pro forma NA per Share subsequent to the Pro Forma I Events and approval of our Qualifying Acquisition[^] ("Pro Forma II Events")</u>	0.37	0.38
Dilution in pro forma NA per Share	0.13	0.12
Dilution in pro forma NA per Share as a percentage of the Issue Price	26.0%	24.0%
<u>Pro forma NA per Share subsequent to the Pro Forma II Events and full exercise of the Warrants ("Pro Forma III Events")</u>	0.36	0.37
Dilution in pro forma NA per Share	0.14	0.13
Dilution in pro forma NA per Share as a percentage of the Issue Price	28.0%	26.0%

Note:

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

3. PARTICULARS OF OUR IPO (cont'd)

Under both the Minimum Scenario and the Maximum Scenario, as the exercise price of the Warrants of RM0.35 is below our pro forma NA per Share after the Pro Forma III Events of RM0.36 and RM0.37 respectively, the Warrantholders will not experience any dilution in terms of their pro forma NA per Share in comparison to the exercise price of the Warrants.

The following table summarises the total number of Shares acquired/to be acquired (pursuant to the Tranche 1 Conversion of RCPS and Tranche 2 Conversion of RCPS, where applicable), and the total consideration paid, under the Minimum Scenario and the Maximum Scenario, respectively, and the effective cash cost per Share, for both Platinum Autumn and the IPO Investors:

	Minimum Scenario		Maximum Scenario		Effective cash cost per Share
	No. of Shares acquired / to be acquired ⁽¹⁾	Total consideration	No. of Shares acquired / to be acquired ⁽¹⁾	Total consideration	
		RM		RM	
Platinum Autumn	82,142,600	821,426	282,142,600	2,821,426	0.01
IPO Investors	300,000,000	150,000,000	1,100,000,000	550,000,000	0.50

Note:

(1) Shares acquired/to be acquired include Warrants that are attached on the basis of one (1) Warrant to every one (1) Share acquired, save for the 200 initial subscriber Shares held by Platinum Autumn. The RCPS were issued to Platinum Autumn in consideration for shareholder's advances extended by Platinum Autumn to our Company for us to defray our expenses leading to our IPO.

3.10 BROKERAGE, PLACEMENT COMMISSION AND UNDERWRITING FEE

3.10.1 Brokerage

We will pay brokerage in respect of the 141,000,000 Public Issue Shares at the rate of 1.0% of the Issue Price in respect of successful Applications bearing the stamp of participating organisations of Bursa Securities, members of the Association of Banks in Malaysia, members of the Malaysian Investment Banking Association or the Issuing House.

The Joint Placement Agents are entitled to charge brokerage commission to successful applicants under the Institutional Offering. For avoidance of doubt, such brokerage commission under the Institutional Offering will not be payable by us.

3.10.2 Placement commission

We will pay each of the Joint Placement Agents a placement commission at the rate of up to 2.50% and a discretionary fee of up to 0.50% of the value of the Public Issue Shares (i.e. the number of Public Issue Shares placed out multiplied by the Issue Price) placed out to places pursuant to the Institutional Offering in accordance with the terms of the Placement Agreement.

3.10.3 Underwriting fee

We will pay the Joint Underwriters a commission of 2% of the value of the Public Issue Shares offered under the Retail Offering and the Joint Managing Underwriters a managing underwriting fee of 0.5% of the value of the Public Issue Shares offered under the Retail Offering in accordance with the terms of the Underwriting Agreement.

3. PARTICULARS OF OUR IPO (cont'd)

3.11 DETAILS OF THE UNDERWRITING

We have entered into the Underwriting Agreement with the Joint Managing Underwriters and the Joint Underwriters to underwrite 141,000,000 Public Issue Shares ("**Underwritten Shares**") under the Retail Offering, subject to the clawback and reallocation provisions set out in Section 3.3.2, for the underwriting commission set out in Section 3.10.3 above.

The number of Underwritten Shares underwritten by each Joint Underwriter is as follows:

Joint Underwriter	Number of Underwritten Shares
CIMB	65,500,000
RHB	65,500,000
Kenanga	5,000,000
MIDF	5,000,000

Below are the salient terms of the Underwriting Agreement:

The underwriting obligations of our Joint Managing Underwriters and Joint Underwriters are several and not joint (not joint and several), and are subject to certain conditions precedent being satisfied by the third Market Day after the closing date of the Retail Offering which in any case shall not be later than 17 July 2013 or such later date as consented to in writing by the Joint Managing Underwriters.

The Joint Managing Underwriters (acting on behalf of themselves and all the Joint Underwriters), may by notice in writing to our Company given at any time before the Listing, terminate, cancel and withdraw their underwriting commitment under the Underwriting Agreement upon the occurrence of any one of the following events:

- (a) there is any breach by our Company of any of the representations, warranties or undertakings set out in the Underwriting Agreement in any respect;
- (b) our Company withholds any material information from the Joint Managing Underwriters, which, in the reasonable opinion of the Joint Managing Underwriters, will likely have a Material Adverse Effect. "**Material Adverse Effect**" means any material adverse effect or change, whether individually or in the aggregate, and whether or not arising in the ordinary course of business, on:
 - (i) the condition (financial or otherwise), results of operations or business affairs or prospects of our Company;
 - (ii) the ability of our Company to perform in any material respect its obligations under or with respect to, or to consummate the transactions contemplated by this Prospectus, the Underwriting Agreement, the Placement Agreement, the individual cornerstone placing agreements and the master cornerstone agreement;
 - (iii) our IPO; or
 - (iv) as determined by the Joint Managing Underwriters.

3. PARTICULARS OF OUR IPO (cont'd)

- (c) there shall have occurred, happened or come into effect any event or series of events beyond the reasonable control of our Company by reason of Force Majeure (as defined herein) which would have or can reasonably be expected to have, a Material Adverse Effect or the success of our IPO or which is likely to have the effect of making any material obligation under the Underwriting Agreement incapable of performance in accordance with its terms. "Force Majeure" means causes which are unpredictable and beyond the reasonable control of the party claiming Force Majeure which could not have been avoided or prevented by reasonable foresight, planning and implementation including but not limited to:
- (i) war, acts of warfare, sabotages, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy, civil war or commotion, hijacking, terrorism, state of emergency;
 - (ii) riot, uprising against constituted authority, civil commotion, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military or usurped power; or
 - (iii) natural catastrophe including but not limited to tsunamis, earthquakes, floods, landslide, fire, storm, lightning, tempest, explosions, accident, respiratory or virus outbreak, epidemics or other Acts of God;
- (d) any government requisition or other occurrence of any nature whatsoever which is likely to have a Material Adverse Effect on the success of our IPO;
- (e) any material adverse change in national or international monetary, financial and capital markets (including stock market conditions and interest rates), political or economic conditions or exchange control or currency exchange rates which in the opinion of the Joint Managing Underwriters is likely to, have a Material Adverse Effect in the primary market or in respect of dealings in the secondary market. For the avoidance of doubt, if the FTSE Bursa Malaysia KLCI ("**Index**") is, at the close of normal trading on Bursa Securities, on any Market Day:
- (i) on or after the date of the Underwriting Agreement; and
 - (ii) prior to the closing date of the Retail Offering,
- lower than 85% of the level of Index at the last close of normal trading on the relevant exchange on the Market Day immediately prior to the date of the Underwriting Agreement and remains at or below that level for at least three (3) consecutive Market Days, it shall be deemed a material adverse change in the stock market condition;
- (f) trading of all securities on Bursa Securities has been suspended or other material form of general restriction in trading for three (3) consecutive Market Days or more;
- (g) any new law or regulation or change in law, regulation, directive, policy or ruling in any jurisdiction which in the opinion of the Joint Managing Underwriters is likely to prejudice the success of our IPO and Listing or which may or is likely to have the effect of making any obligation under the Underwriting Agreement incapable of performance in accordance with its terms;
- (h) the Institutional Offering and/or the Retail Offering is stopped by our Company for any reason whatsoever (unless such stoppage has been approved by the Joint Managing Underwriters, such approval not to be unreasonably withheld);
- (i) our Listing does not take place by 16 August 2013 or such other extended date as may be agreed in writing by the Joint Managing Underwriters and our Company;

3. PARTICULARS OF OUR IPO (cont'd)

- (j) any commencement of legal proceedings or action against our Company or any of our Directors, which in the opinion of the Joint Managing Underwriters, would have a Material Adverse Effect or make it impracticable to market our IPO or to enforce contracts to allot and issue the Shares;
- (k) if the SC or any other relevant authority issues an order pursuant to Malaysian laws such as to make it, in the reasonable opinion of the Joint Managing Underwriters (after consultation with our Company), impracticable to market IPO or to enforce contracts to allot and transfer the Shares; or
- (l) there is any breach by our Company of any of its obligations under the Underwriting Agreement and where such breach is capable of remedy, the same not being remedied within two (2) Market Days from the date of a written notice to our Company by the Joint Managing Underwriters; or
- (m) the Placement Agreement, individual cornerstone placing agreement and master cornerstone placing agreement shall have been terminated or rescinded in accordance with the terms therein.

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4. RISK FACTORS

In making your decision whether to invest in our securities, you should take note that we are a SPAC and are therefore subject to risks related to a SPAC. Subsequent to the successful completion of our Qualifying Acquisition, we expect to be 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. Many of the possible risks that may arise are beyond our control. Prior to making an investment decision, you should carefully consider the risks and investment considerations set out below along with the other matters set forth in this Prospectus before you make your investment decision.

The list of risks and investment considerations set out below is not exhaustive. Additional risks and uncertainties, whether known or unknown, may in the future have a material and adverse effect on our Shares and Warrants.

4.1 RISKS RELATING TO OUR BUSINESS AND OPERATIONS PRIOR TO COMPLETION OF OUR QUALIFYING ACQUISITION

4.1.1 **Our Company does not have any operating history and trading record, and accordingly, IPO Investors may not have a conventional basis on which they may evaluate our ability to achieve our business objective**

We are a recently incorporated company with no operating revenue. As we do not have any operating history or trading record since incorporation and we have yet to identify or select an asset as our Qualifying Acquisition, IPO Investors may not have a conventional basis to evaluate our ability to achieve our business objective, which is to acquire an asset in the E&P industry. We are not permitted to carry on any business other than the identification and evaluation of potential assets for our Qualifying Acquisition until after the completion of our Qualifying Acquisition. As such, we will not generate any revenue or other significant income until, at the earliest, after the completion of our Qualifying Acquisition.

4.1.2 **Our Company has yet to select an asset with which to complete a Qualifying Acquisition and IPO Investors are therefore unable to ascertain the merits or risks of the asset which our Company may ultimately acquire**

As mentioned in Section 4.1.1 above, we have yet to identify or select an asset as our Qualifying Acquisition. Therefore, IPO Investors currently have no basis to evaluate the possible merits or risks of the asset. IPO Investors will be relying on our Board and Management Team's ability to source for an asset, evaluate its risks and merits, and conduct due diligence and negotiations. Notwithstanding that our Board and Management Team will carry out this process to the best of their ability, we are unable to assure IPO Investors that all risks will be adequately ascertained. Any uncertainties that our Board and Management Team may face in assessing an asset may limit our ability to fully realise the expected benefits arising from our Qualifying Acquisition.

4. RISK FACTORS (cont'd)**4.1.3 Our ability to successfully complete a Qualifying Acquisition and operate the asset will be dependent upon the expertise and experience of our Board and Management Team**

Our ability to successfully identify, negotiate and complete a Qualifying Acquisition and thereafter to manage and operate the asset is dependent upon the expertise and experience of our Board and Management Team. Therefore, the retention of our Board and Management Team is critical to achieve this objective. There can be no assurance that our Company can retain our Board and Management Team even though our non-independent Directors (as disclosed in Section 1 of this Prospectus) and our Management Team own Shares and Warrants through Platinum Autumn, which are subject to the SPAC Moratorium as set out in Section 10.2 of this Prospectus. In the event any of our Board or Management Team members leave our Company, such departure may affect our ability to complete a Qualifying Acquisition and/or manage and operate the asset purchased pursuant to our Qualifying Acquisition, all of which may have an adverse impact on our Company.

4.1.4 If our Company is unable to complete a Qualifying Acquisition within the Permitted Timeframe and is forced to liquidate and distribute the funds in the Cash Trust Account, our shareholders (including Dissenting Shareholders) will receive less than the Issue Price and our Warrants will expire

We are required to complete our Qualifying Acquisition within the Permitted Timeframe. If we do not achieve this, we are obliged to liquidate our Company and distribute the funds in the Cash Trust Account to our shareholders. During the Permitted Timeframe, 90% of the proceeds raised from our IPO will be held in trust in the Cash Trust Account until utilised. Under no circumstances will our shareholders have any right or interest of any kind to the Cash Trust Account except in the event we do not complete our Qualifying Acquisition within the Permitted Timeframe and our Company is subsequently liquidated, or pursuant to the Qualifying Acquisition Share Repurchase.

In the event our Company is liquidated due to our inability to complete our Qualifying Acquisition within the Permitted Timeframe, the per-Share liquidation distributions will be less than the Issue Price due to the expenses incurred from our IPO, general and other expenses as well as the anticipated costs of identifying an asset for our Qualifying Acquisition and liquidating our Company. Therefore, our shareholders (including Dissenting Shareholders) will receive less than the Issue Price. Furthermore, there will be no distribution with respect to our Warrants which will expire.

4.1.5 We may not be able to complete a Qualifying Acquisition within the Permitted Timeframe

We may not be able to find a suitable asset within the Permitted Timeframe. Even if a suitable asset is identified, there is no assurance that we will be able to complete a Qualifying Acquisition within the Permitted Timeframe. In addition, our negotiating position and our ability to conduct adequate due diligence on the potential asset may reduce as we approach the end of the Permitted Timeframe. If we are unable to complete our Qualifying Acquisition within the Permitted Timeframe, we may be forced to liquidate our Company.

4. RISK FACTORS (cont'd)

4.1.6 If the funds available to us outside of the Cash Trust Account are insufficient to allow us to operate during the Permitted Timeframe, our Company may be unable to complete a Qualifying Acquisition

We believe that the funds available to us outside of the Cash Trust Account, together with interest earned, will allow us to operate and defray our day-to-day administrative and operating expenses within the Permitted Timeframe. However, there is no assurance that the amount of expenses incurred to secure an asset will be within our estimates.

4.1.7 The requirement to undertake the Qualifying Acquisition Share Repurchase and our potential inability to obtain financing may limit our ability to pursue our desired Qualifying Acquisition

If our shareholders vote against our Qualifying Acquisition, they will be entitled to exchange their Shares for a cash sum equivalent to their pro-rata portion of the amount then held in the Cash Trust Account (net of any taxes payable and expenses related to the Qualifying Acquisition Share Repurchase), provided that such Qualifying Acquisition is completed within the Permitted Timeframe. This effectively reduces the amount of proceeds in the Cash Trust Account that are available for our Qualifying Acquisition. Therefore, there can be no assurance that the amount of IPO proceeds remaining in the Cash Trust Account will be sufficient for us to pursue our desired Qualifying Acquisition. Any such shortfall may be sourced from credit facilities or issuance of rights shares. However, there can be no assurance that we will be able to procure such financing.

4.1.8 We may not be able to pursue our desired Qualifying Acquisition because of our limited financial resources

We may face competition from other entities, including venture capital funds, private equity firms and conglomerates, in pursuing our desired Qualifying Acquisition. Many of these entities are well established and have extensive experience in identifying and effecting acquisitions and may possess greater financial resources than we do. Depending on the outcome of our IPO, we expect our financial resources to be relatively limited when compared with these entities. While we believe that there are numerous potential assets that we could acquire with the proceeds from our IPO that are held in the Cash Trust Account, our ability to compete in acquiring certain sizeable assets would be limited by our available financial resources. Furthermore, the obligation that we have to seek our shareholders' approval for our Qualifying Acquisition may increase the lead time required to complete the transaction which may be viewed unfavourably by the vendor.

4.1.9 The requirement for us to complete a Qualifying Acquisition within the Permitted Timeframe may affect our ability to obtain optimal terms

Our listing status will depend on our ability to complete our Qualifying Acquisition within the Permitted Timeframe. This may constrain our ability to complete our Qualifying Acquisition upon terms that we may deem to be optimal as we may have less time to carry out due diligence and negotiations in completing the transaction. In addition, any party with whom we enter into negotiations concerning acquisition of an asset will be aware that we must complete a Qualifying Acquisition within the Permitted Timeframe. Consequently, such parties may have leverage over us in the negotiations.

4. RISK FACTORS (cont'd)

4.1.10 Our financial resources may only allow us to complete the acquisition of one (1) asset as our Qualifying Acquisition

Our Qualifying Acquisition must have an aggregate fair market value equal to at least 80% of the aggregate amount then on deposit in the Cash Trust Account (net of any taxes payable). Although we are allowed to simultaneously acquire several assets at the same time, given the proposed size of our IPO and the constraints that may arise in completing multiple acquisitions at the same time, it is possible that our Qualifying Acquisition may entail the acquisition of only one (1) asset. In which case, our business will be dependent on the performance of this single asset until we acquire further assets.

4.2 RISKS RELATING TO OUR BUSINESS AND OPERATIONS POST COMPLETION OF OUR QUALIFYING ACQUISITION

The following is a non-exhaustive and brief description of the potential risks that we may face after the completion of our Qualifying Acquisition. Further description of these risks, where applicable to our business after the completion of our Qualifying Acquisition, will be set out in the circular to our shareholders for our Qualifying Acquisition.

4.2.1 A foreign asset could be subject to additional risks in its operating environment that may negatively impact our business

Acquisition of foreign assets could subject us to additional risks peculiar to their home jurisdictions, including, amongst others, any one or more of the following:

- changes in rules and regulations (e.g. changes in foreign equity participation rules and local content policies);
- foreign currency exposure;
- changes in political environment;
- ability to repatriate funds;
- security;
- tariffs and trade barriers;
- customs and import/export matters;
- tax issues;
- cultural, tribal and language differences; and
- employment regulations.

If we are unable to adequately address these risks, the expected benefits to be derived from the acquisition may not be fully realised.

4.2.2 Our Company is exposed to operational risks in relation to the acquired asset

We will be exposed to operational risks in the drilling, extraction, transmission/transportation 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 the oil and gas infrastructure as well as operating procedures and emergency response contingency planning. Weaknesses, such as poor design and procedures may materially affect our business.

4. RISK FACTORS (cont'd)

Additionally, save for our Management Team, we currently do not have any employees as we have yet to select any asset as our Qualifying Acquisition. As such, we currently do not have the staff with the necessary skills to manage and operate the asset that we may acquire and we may not have adequate policies and processes to attract such staff. We may temporarily rely on the asset's existing human resource practices, policies and processes. However, there is no assurance that they may be adequate to attract and retain competent employees.

4.2.3 Our Company is exposed to corporate governance issues in relation to the acquired asset/company

The acquired asset/company may not practise good corporate governance. They may also not be completely free of any fraud and/or mismanagement issues such as excessive risk taking and non-compliance with standard operating procedures, by employees and/or contractors. We intend to adopt and impose a robust corporate governance structure in line with the Corporate Governance Guide issued by Bursa Malaysia Berhad. However, this will require some time.

4.2.4 Our Company is exposed to evaluation risks particularly in relation to exploration and development of oil and gas fields

The evaluation of a particular oil and gas asset can be uncertain in terms of estimating the reserves and production potential, and the associated costs to develop and to produce them. Such uncertainty can arise particularly from newly discovered oil and gas fields that may require further appraisal or testing and data gathering.

In a situation of competition for purchase of oil and gas 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 assets. Such estimated upside may not be realised and consequently we may not fully achieve our financial projections after the purchase of such assets.

4.2.5 Our Company's performance is dependent on oil and gas prices

Prices for oil and gas are generally volatile and tend to fluctuate based on a variety of factors, including, amongst others, the following:

- demand for energy, which is affected by worldwide population growth and general economic and business conditions;
- the ability of OPEC to set and maintain production levels for oil;
- oil and gas production by non-OPEC countries;
- speculative trading activities on oil and gas;
- political and economic uncertainty and socio-political unrest;
- the level of worldwide oil and gas exploration and production activity;
- the cost of exploring for, producing and delivering oil and gas;
- technological advances affecting energy consumption; and
- weather conditions.

4. RISK FACTORS (cont'd)

Demand for oil and gas on the other hand is relatively inelastic with respect to the fluctuations in oil and gas prices in view of their wide usage. As such, lower oil and gas prices may reduce the revenue and profit margin from oil and gas products while not necessarily inducing a corresponding increase in demand to maintain the amount of revenue earned. Furthermore, in periods of sustained low oil and gas prices which are below the cost of production, we may elect not to produce or scale back production from certain wells. The reduction in oil and/or gas production will result in lower revenue/reduced earnings which may adversely affect our profitability. As such, any material and prolonged decline in oil and gas prices may have a material and adverse effect on our business.

4.2.6 Changes in government initiatives, policies, regulations and laws towards the oil and gas industry may materially affect our ability to realise the expected benefits from our Qualifying Acquisition

Governments employ various initiatives and policies towards the oil and gas industry to influence the level of E&P activities in their respective countries. They encourage such activities to increase income and investment. These objectives are normally achieved through offering of PSCs or concessions to the E&P companies. As such, any change to these initiatives and policies may affect our business materially and adversely. Examples of adverse changes would include imposition of new or higher taxes or a requirement for producers to set aside a portion of the production to be sold domestically at a significant discount.

Governments also subject the oil and gas industry to extensive regulations and laws. There could be changes in these regulations and laws with the promulgation of new ones or in the interpretation of existing ones, which could result in increased cost for E&P companies.

For example, the construction and operation of oil and gas projects require numerous permits and approvals from governmental agencies. If we are unable to obtain or renew these permits or approvals, we may be forced to suspend or cease our operations altogether. In addition, obtaining all necessary permits and approvals may result in us incurring substantial cost, which may materially affect our business.

As a result of the oil spill incident in the Gulf of Mexico, there has been an increase in regulatory oversight in the oil and gas industry globally. Such a trend is expected to continue in the future. This may cause increased restrictions of access to oil and gas fields and may result in excessive costs, particularly for the smaller E&P companies.

We may also be exposed to counter-party risks such as non-performance of obligations by our suppliers and/or customers in our transactions with them as a result of a change in the regulatory environment of the jurisdiction in which the counter-party operates.

4.2.7 Our Company is exposed to risks in the financial markets

Our Company may be 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 our Qualifying Acquisition or if we have deposits with financial institutions.

Our revenue may be denominated in foreign currencies. However, a portion of our expenses may be denominated in RM and/or other currencies of the countries where our asset is located. As such, an appreciation of the RM against the relevant foreign currencies may materially affect our business.

4. RISK FACTORS (cont'd)

4.2.8 Our Company is exposed to risks in relation to management of costs, IT and technology

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 and adjusting for the specific considerations of the project. Since costs remain an estimate until the full payment and completion of the project, there is a possibility of cost overruns. These cost overruns may be caused by unforeseen increases in the cost of raw materials such as steel which is used for the construction of infrastructure and equipment as well as an increase in the cost of services in relation to the design and installation of such infrastructure and equipment.

IT - We expect to be 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 programmes. These IT programmes may malfunction and expose us to systems failures. Such failures may cause loss of data and delay operations. Further, software applications may require updates to improved versions and these may require upgrades of IT infrastructure and as such, may result in further costs to be incurred. In addition, we cannot be certain that we will be able to upgrade the IT infrastructure on a timely basis and at an acceptable cost.

Technology – The oil and gas industry and related infrastructures are substantially affected by rapid and significant changes in technology. These changes may render certain existing technologies obsolete. We cannot assure you that the technologies used by or relied upon by the acquired asset will not be subject to such obsolescence. While we may attempt to adapt and apply newer technologies, we cannot assure you that we will have sufficient resources to fund these changes or that these changes will ultimately prove to be successful.

4.2.9 High standards of HSE management are crucial to our Company's operations

The oil and gas industry requires high standards of HSE practices in view of the nature of the industry which deals with flammable and toxic hydrocarbons and operates under extreme environments such as operating in high pressures and high temperatures to extract oil and gas from the fields. As such, E&P operations may have adverse impacts on the people and the surrounding environment, particularly in the event of major disasters such as oil spills, blowouts or fires.

Governments worldwide subject the oil and gas industry to stringent HSE regulations and laws. Compliance with these regulations and laws could require substantial cost while failure to comply due to unforeseen oversights could result in the imposition of severe penalties. These costs and liabilities could materially and adversely affect our business.

Additionally, HSE management can influence the ability to secure projects as governments and/or awarders of PSCs and concessions are increasingly focusing on the E&P companies' standard of HSE management and their ability to respond effectively to an adverse event or emergency. Therefore, E&P companies with lesser HSE capabilities and/or track record, particularly new E&P companies such as ours, may be disadvantaged in competing for oil and gas projects as compared to major and/or long-standing E&P companies.

4. RISK FACTORS (cont'd)

4.2.10 The oil and gas industry is exposed to exploration, development and production risks

Exploration - The exploration for oil and gas is inherently associated with a high degree of uncertainty including the possibility of non-discoveries, i.e. 'dry wells', or the discovery of an insufficient quantity of oil and gas to be commercialised. This risk is associated with the inherent geological nature of the Earth and the existence (or non existence) of oil and gas in the sub-surface reservoir rocks and its characteristics in the given geological basin. For a producible reserve to exist, these geological basins must have appropriate geological trapping mechanisms and structure to warrant conducting extensive data gathering, such as a seismic survey before embarking on further investigation, like drilling an exploration well. As this process requires financial capital which may be significant, there is exposure 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.

In addition, there are physical risks during the drilling operations such as a sudden release of high pressure gas and liquid, and poor safety procedures or equipment failures. The geological environment of the area for exploration may further complicate and increase the level of risks involved. It is technically easier to conduct E&P operations on flat land or shallow offshore area rather than rugged mountainous terrain or deep water offshore areas.

Development - The development of any discovered oil and gas fields is necessary to realise the value of resource potential. The required infrastructure, which includes wells, platforms, process equipment, pipelines and storage, has to be constructed to produce and transport the oil and gas for sale. Estimation of production quantities must first be carried out in order for the appropriate design of infrastructure to be made. As the design of the infrastructure is reliant on estimates of production quantities, such design is exposed to uncertainties, including production rate and pressure/temperature of the fluid flow. Inadequacy of such design may lead to incidents such as an oil spill or fire.

The construction of the infrastructure requires good management and coordination to minimise the risks of cost overruns, accidents and delays. Further, various forms of approvals and permits may be required and failure or delay in obtaining them pose significant risks to the project.

The development of oil and gas fields is relatively capital intensive and requires large capital commitments. Cost overruns and/or delays, including any material increase in estimated capital expenditure requirements such as development expenditure, operating costs and/or unavailability or delay in delivery of equipment and services, may have a material and adverse effect on our business.

Production – Production risks are inherent in any oil and gas operation which deals with volatile and flammable hydrocarbon mixtures often in a pressurised condition, which poses a major risk. Failure to operate such equipment soundly and in accordance with strict operating and safety standards may lead to adverse incidents which could result in the loss of life or damage to properties or assets that render such equipment inoperable. Furthermore, there is no assurance that comprehensive maintenance will completely eliminate the production risks arising from the degradation of oil and gas infrastructure as such degradation may not be readily detectable with the current technologies and/or methods in a cost effective manner.

4. RISK FACTORS (cont'd)

Production mishaps, such as oil spills, could also adversely impact the surrounding environment. These incidents will result in financial loss through penalties and litigation, or may even result in the loss of license to operate. In addition, as mentioned in Section 4.2.14 of this Prospectus, the production of oil and gas may involve the reliance on infrastructure of third party providers, such as pipelines and storage tanks, which we do not have complete control in terms of quality, capacity and availability. Failures, improper handling and/or weaknesses in third party infrastructure may also expose our Company to production risks and indirect legal exposure.

4.2.11 The long term potential value of an E&P company is reliant on its oil and gas reserves

Companies in the E&P industry such as our Company, must continually explore, develop and/or acquire new reserves. If replacement reserves grow at a rate lower than the current production rate, the reserves and production of an E&P company will decline over time, which would adversely affect its performance in the long term.

The ability to continue to grow our reserves is dependent on the level of investment in exploration activities and level of success in discovering or acquiring additional reserves.

4.2.12 There is an 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. The increase in E&P activities due to higher oil and gas prices has resulted in a spike in the demand and competition for skilled and experienced staff. This can be attributed to the previous lack of investment in manpower training and development during the low oil price period of the early 1990s. While training has expanded recently, there is still a shortage. This may present a challenge to us to recruit skilled and experienced manpower, which may have a material and adverse effect on our operations.

4.2.13 There is 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. Political unrest has in the past and may in the future create uncertainty over future access to oil and gas resources in certain areas. This may result in increased competition for oil and gas resources in more stable countries. Increase in competition for resources will increase the acquisition cost.

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

4. RISK FACTORS (cont'd)

4.2.14 Our Company is reliant on the infrastructure of third party providers

We may not own or maintain the entire infrastructure that produce, process and transport oil and gas. Such infrastructure, which includes pipelines and storage tanks, is often leased from third party providers and we do not have complete 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 a material impact on our business.

4.2.15 Our Management Team through Platinum Autumn would control 20% interest in our Company and thus may influence certain actions requiring shareholders' vote

Upon our Listing, our Management Team will, through Platinum Autumn, hold 20% of our enlarged issued and paid-up share capital. As a Substantial Shareholder, Platinum Autumn will be able to influence matters requiring shareholders' approval (other than matters relating to our Qualifying Acquisition and matters in which our Management Team has an interest), including the election and appointment of Directors and significant corporate transactions. As such, the interests of our Management Team and our shareholders may not always be aligned.

4.2.16 We may issue additional Shares or debt securities or source for external borrowings in the future

Subsequent to our Qualifying Acquisition, we may need to raise additional capital to fund the on-going development and expansion of our business, the amount of which cannot be quantified at this juncture. The fund raising exercises may, amongst others, involve the issuance of Shares, other forms of securities, debt securities and/or external borrowings.

The issuance of additional Shares or securities may significantly dilute your interest in our Company in the event you do not participate in the fund raising exercise. If we issue debt securities or resort to external borrowings, it may result in default and foreclosure on our assets if our operating cash flows are insufficient to meet our debt obligations. In addition, certain credit facilities may contain covenants that could limit our ability to make additional acquisitions or obtain additional financing. Our ability to meet our payment obligations and fund our capital expenditure will depend on the success of our business strategies and our ability to generate sufficient cash flows to satisfy our debt obligation, which are subject to many uncertainties and contingencies beyond our control. Any inability to meet our payment obligations or to fund our capital expenditure may have a material effect on our business. Further, our ability to pay dividends may also be limited by the availability of excess funds after meeting our debt obligations.

4. RISK FACTORS (cont'd)

4.2.17 Our Company may in future enter into business arrangements with some attendant risks

Our Company may after the completion of our Qualifying Acquisition co-invest with third parties through partnerships, joint ventures or other entities to acquire non-controlling interests in or jointly manage the affairs of an asset. In such circumstances, we may not be in a position to exercise sole decision-making authority regarding the asset. Investments in partnerships, joint ventures or other entities may, under certain circumstances, involve other risks such as the possibility that our partners might become insolvent or fail to fund their portion of the required capital contributions. Partners may have economic or other business interests or goals which may not be consistent with our business interests or goals, and they may be in a position to take actions contrary to our policies or objectives. Such investments may also have the potential risk of impasses on decisions, such as a sale, because neither we nor the partner would have sole decision-making authority. Disputes between us and our partners may result in litigation or arbitration that would increase our expenses. Consequently, actions by, or disputes with, our partners might subject the owners of the assets held under the partnership or joint venture to additional risks. We may also, in certain circumstances, be liable for the actions of our partners. For example, in the future, our Company may agree to guarantee indebtedness incurred by a partnership, joint venture or other entity. Such guarantee may be on a joint and several basis with our partner in which case we may be liable in the event our partner defaults on its obligations under the guarantee.

4.3 RISKS RELATING TO OUR 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 our 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 upon or subsequent to our Listing or, if developed, that such a market will be sustained. You may not be able to sell the Shares and/or Warrants unless a market can be established or sustained. We believe that a variety of factors could cause the prices of our Shares and Warrants 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 3.7 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 IPO Investors would face immediate and substantial dilution in the NA per Share after our IPO

The Issue Price is higher than our NA per Share before our IPO. This is largely because our Management Team and the Initial Investors effectively paid RM0.01 and RM0.35 per Share, respectively, when they first invested in our Company. In addition, our pro forma NA per Share after our IPO does not fully reflect the IPO proceeds as the IPO Trust Proceeds are deemed as our liability before we complete our Qualifying Acquisition. As a SPAC, we are required to return the proceeds under the Cash Trust Account to our shareholders if our Qualifying Acquisition is not completed within the Permitted Timeframe. Therefore, our shareholders will experience an immediate dilution of RM0.44 per Share based on our pro forma NA per Share of RM0.06 under the Minimum Scenario or a dilution of RM0.45 per Share based on our pro forma NA per Share of RM0.05 under the Maximum Scenario, after our IPO and adjusting for the estimated Listing expenses.

4. RISK FACTORS (cont'd)

After the completion of our Qualifying Acquisition, the IPO Trust Proceeds (after deducting the amount used for the Qualifying Acquisition Share Repurchase, if any) would be reclassified as equity as we would have no further obligation to refund the IPO Trust Proceeds. As a result, our then pro forma NA per Share will be RM0.37 under the Minimum Scenario and RM0.38 under the Maximum Scenario, and you will experience dilution in the pro forma NA per Share of RM0.13 per Share under the Minimum Scenario and RM0.12 per Share under the Maximum Scenario. Thereafter, assuming full exercise of the Warrants, our pro forma NA per Share will be RM0.36 under the Minimum Scenario and RM0.37 under the Maximum Scenario, and you will experience dilution of RM0.14 under the Minimum Scenario and RM0.13 per Share under the Maximum Scenario. Further information on dilution to the IPO Investors is set out in Section 3.9 of this Prospectus.

4.3.3 Investment in the capital market exposes our shareholders to capital market risk

Notwithstanding the performance of our Company, the market value of our securities is dependent on the performance of the local bourse and other prevailing external factors such as the performance of the regional and world bourses and the inflow or outflow of foreign funds. Market sentiments are also largely driven by internal factors such as the economic and political conditions of Malaysia 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 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;
- changes in our operating results;
- changes in securities analysts' recommendation and estimates of our financial performance;
- 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 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:

- (a) we are unable to meet the public spread requirement as determined by Bursa Securities, i.e. at least 25% of the total number of Shares for which Listing is sought 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;
- (b) we are unable to raise at least RM150 million, being the minimum amount to be raised under our IPO; or
- (c) the Joint Underwriters exercising their rights pursuant to the Underwriting Agreement to discharge themselves from their obligations thereunder.

4. RISK FACTORS (cont'd)

In such an event, our Board will endeavour to take the necessary steps in the best interests of our Company and our shareholders as well as the economic conditions at that point in time, including, subject to restrictions set out in Section 4.3.5 below, return in full without interest, all monies paid in respect of any Application accepted. Our Directors will endeavour to ensure compliance with the various requirements for our successful Listing.

4.3.5 Delay between Admission and trading of the Public Issue Shares and Warrants 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, which would occur at least two (2) 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 the sanction of the Malaysian High Court, which sanction and timing thereof is not within the control of our Company.

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

Prior to our IPO, 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 amount of proceeds to be raised by a SPAC as required by the Equity Guidelines of RM150 million;
- the general condition of the securities markets at the time of our IPO;
- the optimum amount of proceeds to be raised so that our Company may be well-placed to seek out a suitable asset for the purpose of completing our Qualifying Acquisition within the Permitted Timeframe; and
- the minimum issue price allowable for an initial public offering of RM0.50.

Although these factors were considered, the determination of our Issue Price is more arbitrary than the pricing of securities for an operating company since it is not based on our financial performance.

The theoretical fair value of the Warrants was derived in part from the value of the Public Issue Shares, and also based on certain assumptions including the expected Share price volatility as well as the exercise of Warrants taking place after completion of our Qualifying Acquisition at the end of the third year from our date of Listing.

No assurance can be given that Warrants will trade at this theoretical fair value after our Listing.

5. INDUSTRY OVERVIEW



PRIVATE AND CONFIDENTIAL

Date: 21 JUN 2013

The Board of Directors
 Sona Petroleum Berhad
 (formerly known as Titanium Windfall Sdn Bhd)
 B-13-15, Level 13
 Menara Prima Tower B
 Jalan PJU 1/39, Dataran Prima
 47301 Petaling Jaya
 Selangor Darul Ehsan

Dear Sirs

**SONA PETROLEUM BERHAD (FORMERLY KNOWN AS TITANIUM WINDFALL SDN BHD)
 ("SONA PETROLEUM")**

**INDEPENDENT MARKET RESEARCH REPORT ASSESSING THE EXPLORATION AND
 PRODUCTION MARKETS IN WHICH SONA PETROLEUM WILL BE OPERATING**

We, Infield Systems Limited ("**Infield**"), have prepared an Independent Market Research Report ("**Report**") assessing the exploration and production markets in which Sona Petroleum will be operating. This Report is included in the Prospectus of Sona Petroleum in relation to the Company's initial public offering ("**IPO**") and its listing on the Main Market of Bursa Malaysia Securities Berhad ("**Prospectus**").

This Report was completed on 18th June 2013. Infield is aware that this Report will be included in the Prospectus and we further confirm that we are aware of our responsibilities under Section 214 of the Capital Markets and Services Act, 2007. We acknowledge that if we are aware of any significant changes affecting the contents of this Report between the date of completion of this Report and the date of issue of the Prospectus, we have an on-going obligation to either cause this Report to be updated for the changes and, where applicable, cause Sona Petroleum to issue a supplementary prospectus, or withdraw our consent for the inclusion of this Report in the Prospectus.

Infield has prepared this Report in an independent and objective manner and has taken all adequate care to ensure the accuracy and completeness of this Report. We believe that this 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 this Report. This Report should also not be considered as a recommendation to buy or not to buy the securities of any company or companies.

Yours faithfully,
James Hall, Director

For and on behalf of
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5. INDUSTRY OVERVIEW *(cont'd)*

1 EXECUTIVE OVERVIEW

This independent market report is prepared for inclusion in the Prospectus of "Sona Petroleum Berhad" (formerly known as Titanium Windfall Sdn Bhd) ("**Sona Petroleum**"). It is intended to highlight the market drivers, key influences and trends within the exploration and production ("**E&P**") industry for an independent oil and gas producer, which Sona Petroleum plans to be after completing its qualifying acquisition. In preparing this report, we have relied on Sona Petroleum's representation that for its qualifying acquisition, it intends to acquire assets in South East Asia ("**SEA**"), the Middle East and/or certain countries in Africa and as such we have focused our report on these regions.

Infield Systems Limited ("**Infield Systems**") permits the inclusion of sentences, paragraphs and sections of this report to be included in the Prospectus dated 5 July 2013.

1.1 Summary

We believe that the level of activity in the E&P industry will remain significant as a result of continued increase in energy demand and long-term upward trend of oil and gas prices. As such, we expect increased levels of capital expenditure spending within the E&P industry, and with that, opportunities for independent oil and gas producers to continue to acquire and operate oil and gas assets.

In establishing our conclusion above, this report will contain the following:

1. Executive overview
 - a. Summary
 - b. Global energy industry trends & prospects
2. Introduction to the E&P industry
 - a. Role of oil and gas within global energy industry
 - b. Industry structure
 - c. E&P market structure
3. Key drivers of activity in the E&P Industry
 - a. Recent global energy market performance
 - b. Global energy demand
 - c. Commodity prices
 - d. Depletion of existing reserves
 - e. Role of government
4. Investment levels in the E&P Industry
 - a. Global E&P expenditure outlook by region
 - b. Investment overview
5. Regional analysis
 - a. SEA
 - b. Africa
 - c. Middle East
6. Appendix
 - a. Risks in relation to business: operational & financial

The oil and gas industry is one of the truly global industries and its developments are driven by a myriad of factors, some of which are specific to certain geographical regions or markets. This report is not intended to be comprehensive in covering all aspects of the E&P industry. It is focused towards discussing certain key factors which we believe would be relevant for the business that Sona Petroleum is intending to undertake.

5. INDUSTRY OVERVIEW *(cont'd)*

1.2 Global energy industry trends & prospects

With oil and gas demand stabilising in the traditional Western markets of North America and Europe, and demand in SEA, the Middle East and Africa increasing, appetite from National Oil Companies (“**NOC**”) and Integrated Oil Companies (“**IOC**”) to invest locally and internationally has increased considerably post 2010.

Infield Systems expects the increased demand for oil and gas to be met with heightened investment into assets in outperforming regions and sectors; resulting in the government approval for new oil and gas projects and the increase in regional opportunities as investment escalates, in addition to new oil and gas projects as well as partnerships among adjacent markets.

On this basis Infield Systems believes that the formation and accumulation of quality assets in SEA, the Middle East and Africa should be successful as investment increases from the range of NOCs, IOCs and independent operators (“**Independent**”). Infield Systems expects the period between 2013 and 2017 to display greater mergers and acquisitions (“**M&A**”) activity from both IOCs and Independents with a specific focus on Asia and Africa as outperformers.

In summary, Infield Systems believes that the identification and exploitation of quality reserves as well as effective project management will prove a successful strategy for Sona Petroleum.

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5. INDUSTRY OVERVIEW (cont'd)

2 INTRODUCTION TO THE E&P INDUSTRY

2.1 Role of oil and gas within global energy industry

2.1.1 Structure of the industry from upstream to downstream

The oil and gas industry is one of the truly global industries. Oil and gas 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 the following areas:

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

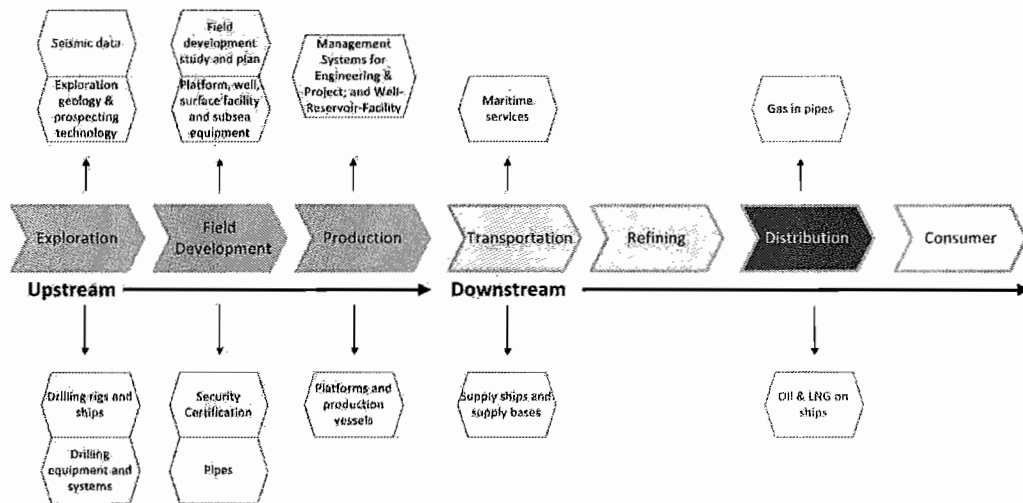


Figure 2-1: Structure of the Oil and Gas Industry [Source: Infield Systems 2013]

2.1.2 Field life cycle

The E&P process covers all the steps in the upstream portion of the oil and gas value chain, from exploration to production. As such, the activities undertaken by the E&P industry largely revolve around the life cycle of oil and gas fields as summarised in the diagram below:

5. INDUSTRY OVERVIEW (cont'd)

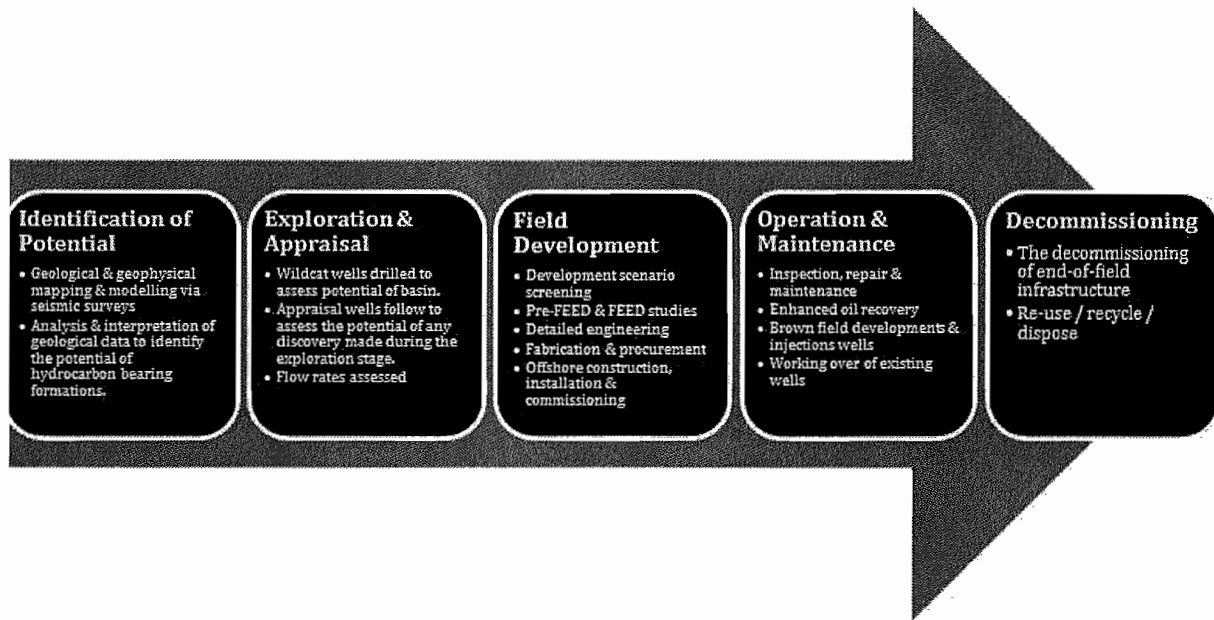


Figure 2-2: Life Cycle of an Oil and Gas field [Source: Infield Systems 2013]

This report covers the onshore and offshore segments of the upstream oil and gas industry. Oil and gas fields have five distinct phases in their life cycles. The first is the identification of potential reserves which follows an initial license award. The second phase is a series of exploration and appraisal drilling programmes designed to ascertain the quantity and quality of resources in the field. The third phase is the field development phase which encompasses the development selection, engineering fabrication and construction of relevant production infrastructure such as platforms, pipelines and subsea equipment. The fourth phase is the operations and maintenance of the field with oil and gas flowing from the array of wells to the asset. After a number of years (a time period which ranges between field type, region, resource and marketability) the field will eventually reach its decommissioning phase.

2.1.3 Exploration

Oil and gas 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. Once acreage has been secured, the companies will either conduct a seismic survey, or if a seismic study has been conducted, the companies will proceed to estimate drilling zones with a high probability of finding recoverable oil and gas and formulate a drilling plan to maximise reservoir probability. 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 drilling commences at the targeted area.

Historically, the level of exploration and appraisal activity across the upstream industry has broadly risen and fallen on a 12-month lag to crude oil prices. Depending on location and geological factors, exploration well success rates varies highly. Some companies such as Tullow Oil plc have historically enjoyed a high success rate with exploration while some others may have lower rates of success. Factors that affect success rates include geological modelling, seismic processing and interpretation, the presence of a reservoir seal or trap and porosity and permeability. Infield Systems believes that exploration success rates lie between 10% and 35% both onshore and offshore with an average of between about 15% and 17% as an industry wide level of success in terms of discovering oil and gas.

5. INDUSTRY OVERVIEW (cont'd)

Infield Systems believes that many of the oil and gas companies with drilling programs that are fully funded (clear prospect list and enough capital to drill through prospects) 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. The reserve replacement ratio is the total proved reserves added to the operators' total proved reserves as at the beginning or end of a period (usually a year) divided by the total produced product in the same period. If the reserve replacement ratio is one or higher, it indicates that operators are discovering more reserves than they are producing and is normally seen in a positive light within the industry. A reserve replacement of less than one, on the other hand indicates that if production is continued the operator will eventually run out of reserves to produce and thus additional drilling is required in order to preserve production operations.

Infield Systems believes that by 2017 operators will drill close to 1,800 wells globally, with Africa, Latin and North America witnessing the largest growth going forward [Source: Infield Systems 2013]. In Asia a stable level of exploration and appraisal activity is expected alongside a larger emphasis on development and production programs. The bulk of the activity in Asia comprises shallow water (up to 500 metres of water) investment across Malaysia, Indonesia and China. Of the projects currently under development or classified as 'probable,' we expect 60% to be in shallow waters over the next five years.

Within China the development of a shale gas program may reduce the level of offshore activity that may materialise within the 2013 to 2017 forecast period. However, as the shale gas industry remains immature we believe that such progress within the five year period between 2013 and 2017 is unlikely to materialise. That said, we note the threat of unconventional exploration to traditional onshore and offshore drilling.

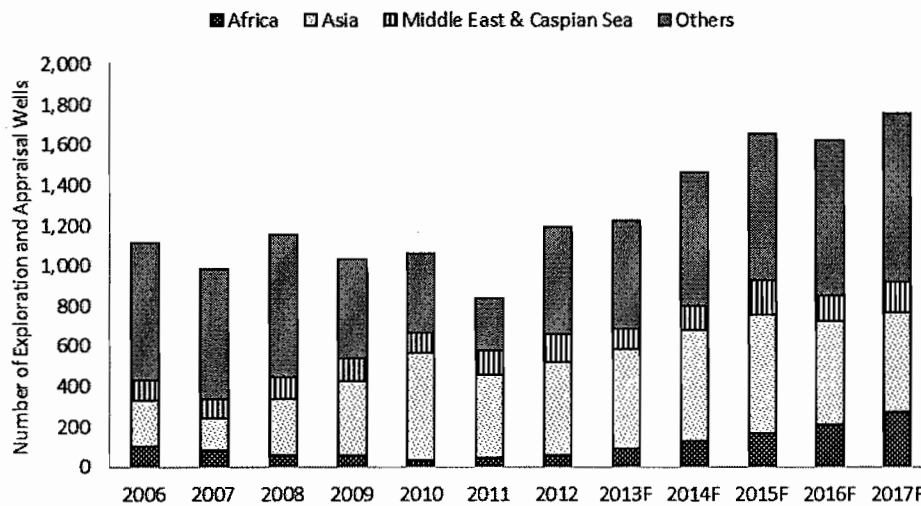


Figure 2-3: Exploration and Appraisal Wells Forecast 2006 – 2017 [Source: Infield Systems 2013]

5. INDUSTRY OVERVIEW (cont'd)

2.1.4 Development

After prospects have been assessed and if viable, approved by rigorous project sanctioning programs undertaken by host governments and the prospect operator, fields are then developed. Since 1970, the lag between the period when fields are discovered/ approved and when the same fields are brought on-stream has traditionally varied widely from as little as six months in some regions and up to fifty years in others. What is clear from figures 2.4 to 2.7 below is that the average lag has materially reduced and on average currently sits at just over five years from discovery until 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 2-4: Lead time from Exploration till On-stream [Source: Infield Systems 2013]

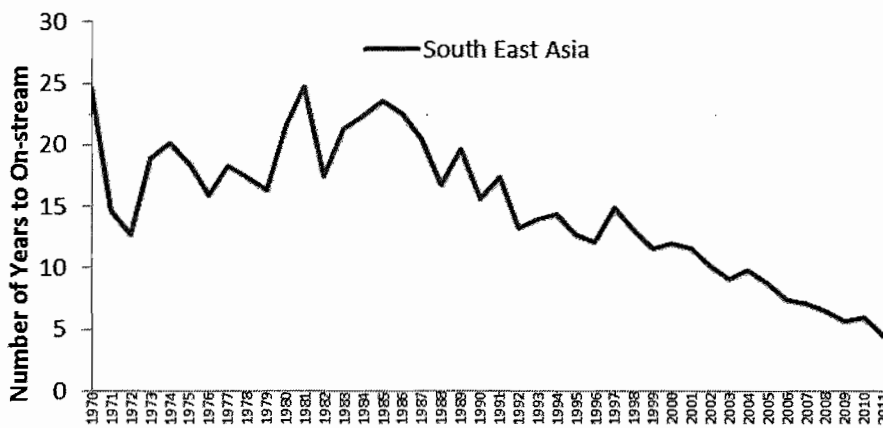


Figure 2-5: Lead time from Exploration till On-stream – South East Asia [Source: Infield Systems 2013]

5. INDUSTRY OVERVIEW (cont'd)

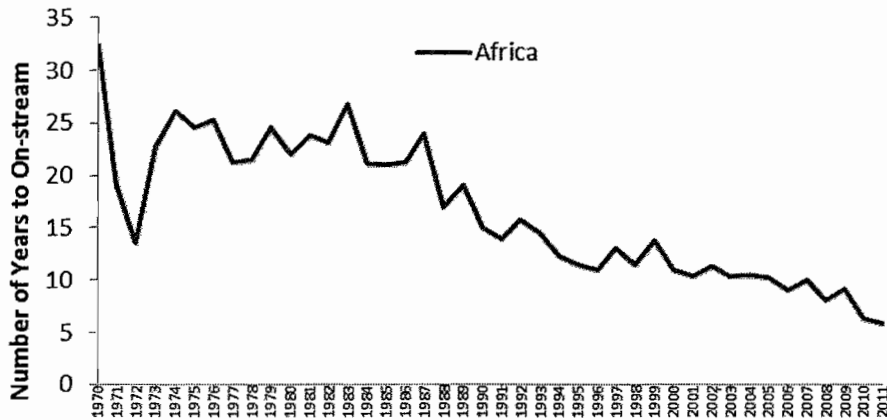


Figure 2-6: Lead time from Exploration till On-stream - Africa [Source: Infield Systems 2013]

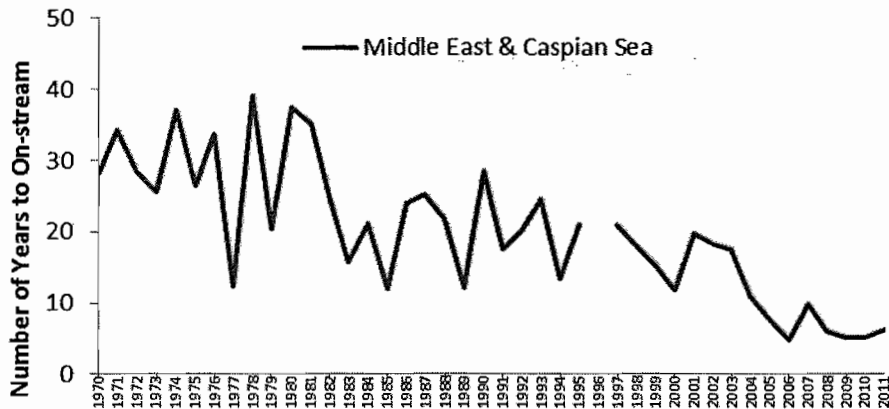


Figure 2-5: Lead time from Exploration till On-stream – Middle East & Caspian [Source: Infield Systems 2013]¹

The development phase for large fields may require substantial capital outlays, and depending on local regulations, may give rise to a significant local oil and gas services industry as seen in the United Kingdom (“UK”) and Norway.

Ideally, the total amount of oil and gas waiting to be discovered in a basin would be known to all parties. The government could then ensure it creates terms that maximise its revenues and could make long-term economic plans, while oil companies could drill with greater certainty of success and the oil and gas service industry could be established with capacity that takes into account the amount of work that is forthcoming. However, this is rarely the case; in reality the industry can make estimates of what reserves remain to be discovered and such estimates can be highly inaccurate and can be revised both upwards and downwards.

¹ Gap between 1995 and 1997 indicates that there were no fields brought on-stream in 1996

5. INDUSTRY OVERVIEW (cont'd)

2.1.5 *Production and Maintenance / Modification*

This phase includes the maintenance and modification and the continuous operational management of offshore and onshore facilities. Many of the additional services and management of these operations are outsourced to companies such as Schlumberger Limited and Halliburton Company. The additional maintenance services include well injection to maintain production levels, well chemical stimulation to improve flow as well as perforation of the reservoir to increase or decrease pressure accordingly.

Many of the mature oil and gas producing regions in the world such as Azerbaijan, Saudi Arabia, Russia, the Gulf of Mexico and the North Sea have facilities that have surpassed their initial intended design life and are well over 20 years old and the operational expenditure associated with keeping these assets on stream is relatively high. However, due to the ability of these assets to generate cashflow over and above the operational expenditure required to keep them on stream, the useful life of these mature assets has been extended beyond their intended design life.

In offshore markets Infield Systems believes that post-Macondo² operators will put more emphasis on maintenance and modification work in the coming period. This, when mixed with the trend of deeper, further and harsher environment for E&P points towards an environment with increasing operating costs for operators. In order to manage this potential escalation in costs, operators have begun to jointly contract for inspection programmes with initiatives such as the DSVi in North Sea. DSVi is an initiative where five operators³ have combined to charter one dive support construction vessel to perform inspection, repair and maintenance of their infrastructure around the year.

2.1.6 *Resource classification and recoverable quantities*

There is a significant range of uncertainty involved in the process of estimating the underlying recoverable resources of a field, especially in its early stage of appraisal. Unpredictable factors such as oil and gas price variations, could affect the commerciality of producible resources leading to reassessment of the recoverable estimates. Acquiring new seismic or production data could lead to better understanding of a reservoir's behaviour and its petro-physical properties that subsequently could lead to new reserve and resources estimates for the particular field.

Oil and gas resources are classified according to their range of uncertainty and chance of commerciality. One of the most widely used classification systems is the "*Petroleum Resource Management System*"⁴ ("**SPE-PRMS**") which was jointly developed by the Society of Petroleum Engineers ("**SPE**"), American Association of Petroleum Geologists ("**AAPG**"), World Petroleum Council ("**WPC**") and the Society of Petroleum Evaluation Engineers ("**SPEE**"). Oil and gas resources are classified into the following major groups:

² Operators BP, Anadarko & Mitsui along with outsourced contractors Transocean and Halliburton experienced a pressure surge of gas, while drilling an appraisal well in the Mississippi Canyon Block 252 Macondo prospect on the 20th of April 2010. The resulting gas flowed up the drilling pipe to the rig, and subsequently ignited resulting in the destruction of Transocean's Deep Water Horizon drilling rig. This resulted in oil and gas from this well to continuing to spill out into the Gulf of Mexico unabated for a number of months till BP and the other companies mentioned above could get the spillage under control. Apart from the ecological damage, this incident has resulted in numerous punitive damages for many of the companies listed above.

³ DSVi consortium includes Chevron, Hess, Nexen, Talisman and Dana Petroleum

⁴ Source: www.spe.org/industry/reserves/prms.php

5. INDUSTRY OVERVIEW (cont'd)

- Production;
- Reserves;
- Contingent Resources;
- Prospective Resources; and
- Unrecoverable petroleum.

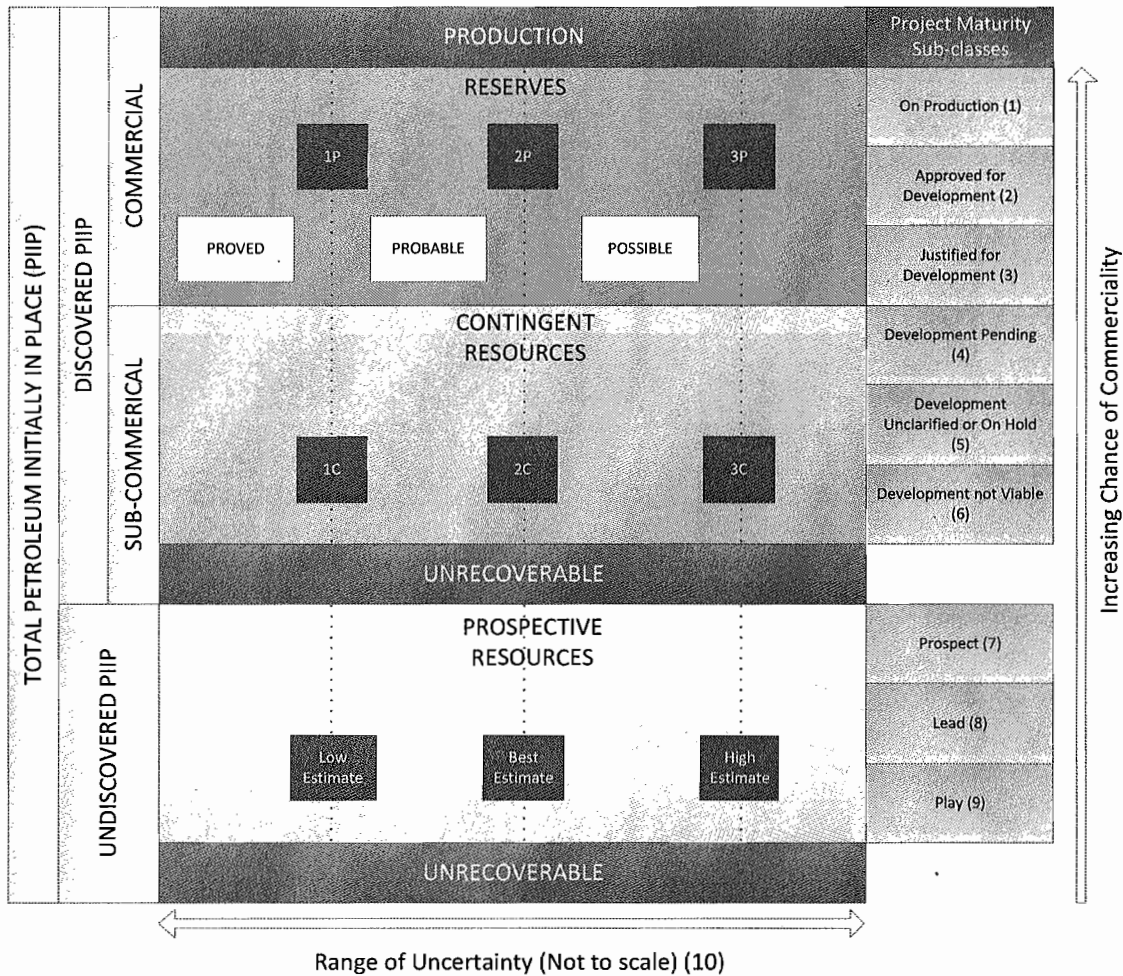


Figure 2-6: Major Classifications of Petroleum Resources [Source: SPE-PRMS]

Notes:

- (1) Under SPE-PRMS, a project is classified as "On Production" when it is evident that the project is producing and selling petroleum to market as at the effective date of the evaluation. Although implementation of the project may not be fully complete at that date, and hence some of the reserves may still be undeveloped, the full project must have all necessary approvals and contracts in place, and capital funds committed. If a part of the development plan is still subject to approval and/or commitment of funds, this part should be classified as a separate project in the appropriate subclass.
- (2) Under SPE-PRMS, a project is classified as "Approved for Development" if it has all approvals/contracts in place, and capital funds have been committed. Construction and installation of project facilities should be underway or due to start imminently. Only an unforeseeable change in circumstances that is beyond the control of the developers would be an acceptable reason for failure of the project to be developed within a reasonable time frame.
- (3) Under SPE-PRMS, a project is classified as "Justified for Development" when it covers the period between (a) the operator and its partners agreeing that the project is commercially viable and deciding to proceed with development on the basis of an agreed development plan (i.e., there is a "firm intent"), and (b) the point at which all approvals and contracts are in place (particularly regulatory approval of the development plan, where relevant) and a "final investment decision" has been made by the developers to commit the necessary capital funds. In SPE-PRMS, the recommended benchmark is that development would be expected to be initiated within five (5) years of assignment to this subclass.

5. INDUSTRY OVERVIEW (cont'd)

- (4) Under SPE-PRMS, a project is classified as "Development Pending" when it is actively subject to project-specific technical activities, such as appraisal drilling or detailed evaluation that is designed to confirm commerciality and/or to determine the optimum development scenario. In addition, it may include project that has non-technical contingencies, provided these contingencies are currently being actively pursued by the developers and are expected to be resolved positively within a reasonable time frame. Such project would be expected to have a high probability of becoming a commercial development (i.e., a high chance of commerciality).
- (5) Under SPE-PRMS, a project which is classified as "Development Unclassified or On Hold" may fall under two situations. A project that is classified as "On Hold" would generally be a project that is considered to have at least a reasonable chance of commerciality, but would require major non-technical contingencies (e.g., environmental issues) that need to be resolved before the project can move towards development. The primary difference between "Development Pending" and "On Hold" is that in the former case, the only significant contingencies are ones that can be, and are being, directly influenced by the developers (e.g., through negotiations), whereas in the latter case, the primary contingencies are subject to the decisions of others over which the developers may have less or no direct influence and both the outcome and the timing of those decisions is subject to significant uncertainty.
- A project is considered to be "Unclassified" if it is still under evaluation (e.g., a recent discovery) or require significant further appraisal to clarify the potential for development, and where the contingencies have yet to be fully defined. In such cases, the chance of commerciality may be difficult to assess with any confidence.
- (6) Under SPE-PRMS, a project is classified as "Development not Viable" when a technically viable project has been assessed as being of insufficient potential to warrant any further appraisal activities or any direct efforts to remove commercial contingencies. Projects in this subclass would be expected to have a low chance of commerciality.
- (7) Under SPE-PRMS, "Prospect" is a project associated with an undiscovered potential accumulation that is sufficiently well defined to represent a viable drilling target.
- (8) Under SPE-PRMS, "Lead" is a project associated with an undiscovered potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation in order to be classified as a prospect.
- (9) Under SPE-PRMS, "Play" is a project associated with a prospective trend of potential prospects, but which requires more data acquisition and/or evaluation in order to define specific leads or prospects.
- (10) Range of uncertainty reflects a range of estimated quantities potentially recoverable from an accumulation (or a 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.

Under SPE-PRMS, the range of uncertainty is characterised 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. For instance, 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 term 1P is frequently used to denote Proved Reserves. It corresponds to the low estimate of reserves volume. There should be at least a 90% probability (P90) that the hydrocarbon volumes forecast to be recovered after the committed projects are implemented will equal or exceed the 1P or low estimate of reserves.

The term 2P is frequently used to denote the sum of Proved and Probable Reserves. It corresponds to the best estimate of reserves volume. There should be at least a 50% probability (P50) that the hydrocarbon volumes forecast to be recovered will equal or exceed the 2P or best estimate of reserves.

The term 3P is frequently used to denote the sum of Proved, Probable and Possible Reserves. It corresponds to the high estimate of reserves volume. There should be at least a 10% probability (P10) that the hydrocarbon volumes forecast to be recovered will equal or exceed the 3P or high estimate of reserves.

When the range of uncertainty is represented by a probability distribution, a low (1P, 1C or 1U), best (2P, 2C or 2U), and high (3P, 3C or 3U) estimates shall be provided. "C" denotes Contingent Resources and "U" denotes Prospective Resources.

However, if it is required to report a single representative result, the 'best estimate' is considered the most realistic assessment of recoverable quantities. As the distribution of uncertainty in an estimate of reserves will generally be similar to a lognormal shape, the correct answer (the actual recoverable quantities) will be more likely to be close to the best estimate than to the low or high estimates.

5. INDUSTRY OVERVIEW (cont'd)

As per the SPE-PRMS definitions, "Production" is defined as *"the cumulative quantity of petroleum (oil and gas) that has been recovered at a given date"*.

Reserves are defined as that part of oil and gas resources which are commercially recoverable from existing wells and facilities or have been justified for future development by the implementation of approved projects on known accumulations. Depending on their degree of uncertainty, reserves can be further categorised as Proved Reserves, Probable Reserves, and Possible Reserves.

The highest valued category of reserves is "Proved" Reserves. "Proved Reserves" are the petroleum reserves 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".

"Probable" or "Possible" reserves are lower categories of reserves, commonly combined and referred to as "unproved reserves," with decreasing levels of technical certainty. Probable Reserves are volumes that are defined as "less likely to be recovered than Proved Reserves, but more certain to be recovered than Possible Reserves". Possible Reserves are reserves which analysis of geological and engineering data suggests are less likely to be recoverable than Probable Reserves.

"Contingent Resources" are defined as *"the estimated potentially recoverable petroleum, but which are not currently considered to be commercially recoverable"* due to contingencies, such as environmental, economic, political, legislative conditions. They could be further categorised according to their degree of uncertainty, with 1C associated with low uncertainty, 2C medium and 3C high.

"Prospective Resources" are *"those quantities of petroleum which are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects"*. Prospective Resources carry both the risk of discovery as well as the risk of a successful project development. Depending on the level of uncertainties in the estimates, prospective resources are denoted by 1U, 2U (U1 + U2) and 3U (U1 + U2 + U3).

"Unrecoverable" is the portion of petroleum quantity which is estimated, as of a given date, not to be recoverable by future development projects. This class exists for both discovered and undiscovered resources.

5. INDUSTRY OVERVIEW (cont'd)

2.2 Industry structure

SUPPLY CHAIN CATEGORIES AND ACTIVITIES

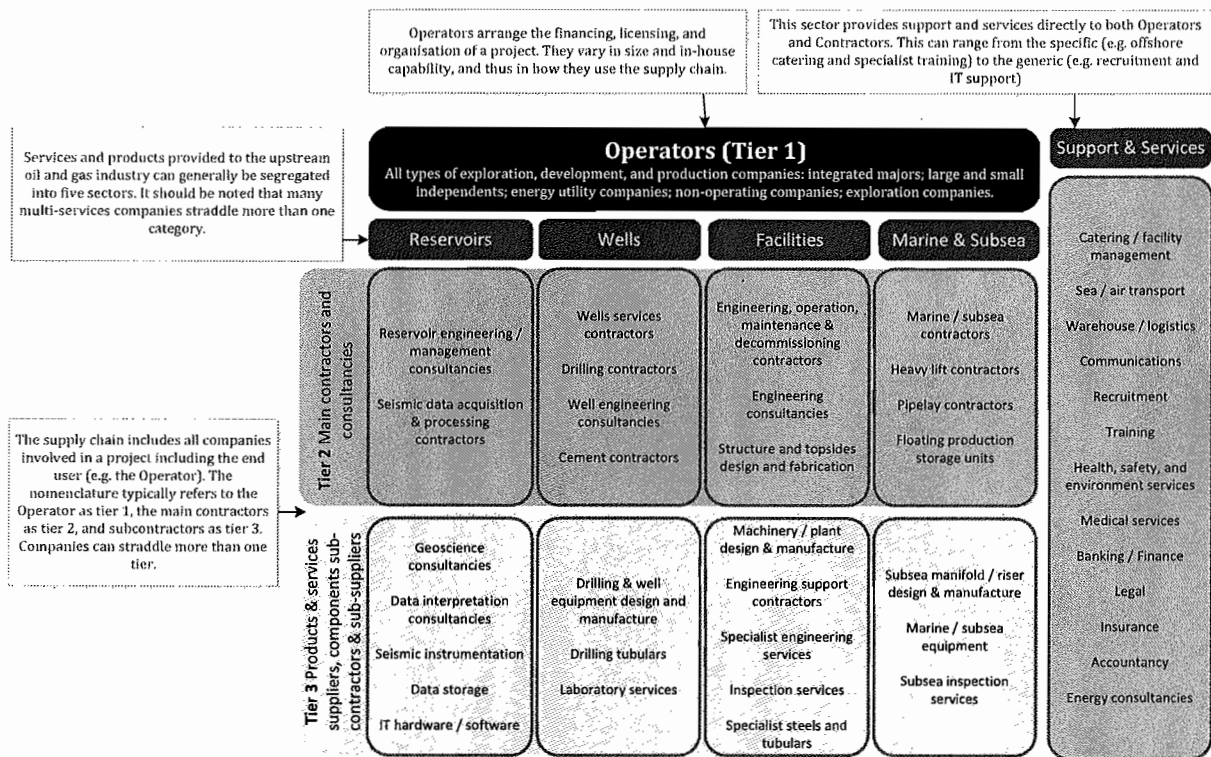


Figure 2-9: Supply Chain and Activities of the Oil and Gas Market [Source: Infield Systems 2013]

There are three key layers of market players; the oil company (or field operator), the primary contractor, and the sub-contractor. Companies within each of these key layers have different operational capabilities and different organisational aims. The oil company is at the head of the supply chain, and as owner of the field, has the responsibility for raising finance for its development. The oil companies generally comprise NOC, IOC and Independents.

2.3 E&P market structure

2.3.1 Role of Independents, IOCs and NOCs

The term IOC is taken to mean a large international oil company (for example ExxonMobil, Shell, Chevron, BP etc) whereas a NOC is taken to mean a large majority state owned oil company that has grown out of large domestic reserves such as Saudi Aramco or Petróleos de Venezuela S.A (“PDVSA”). NOCs vary with skill and experience; for example, Petrobras, Petronas and Statoil often spearheading new technologies whilst others such as Equatorial Guinea’s GEPetrol, hold stakes in fields with no operational exposure. Independent oil and gas companies are generally defined as those that generate revenues from production only (i.e. without downstream operations) and have exposure to the exploration, development and production phases of the oil and gas industry.

5. INDUSTRY OVERVIEW (cont'd)

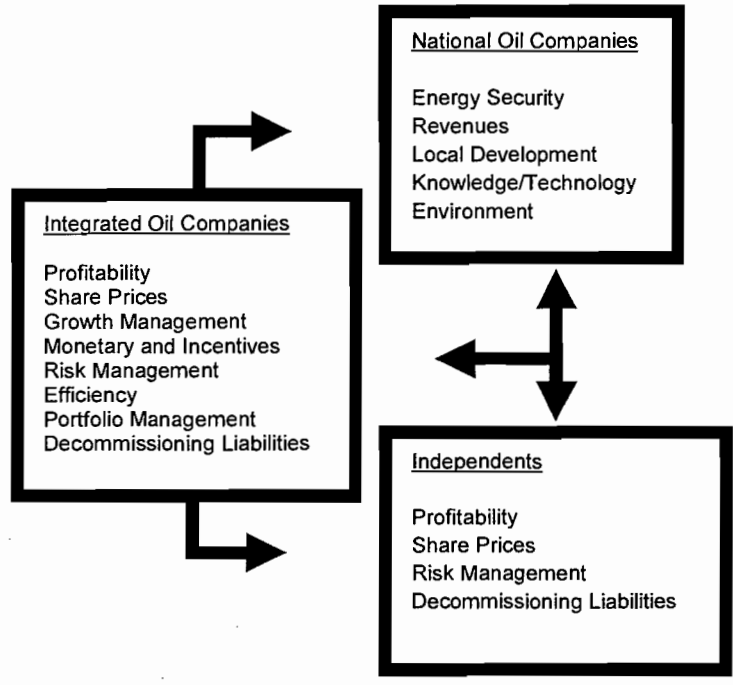


Figure 2-7: Relationship between Independents, IOCs and NOCs [Source: Infield Systems 2013]

The figure above sets out a generalisation of the relationships among Independents, IOCs and NOCs and their motivation in oil and gas exploration. The arrows linking the stakeholders reflect the interaction between them.

IOCs

IOCs are large, publicly listed, oil companies that operate upstream, midstream and downstream operations on an international basis. Examples include the oil ‘majors’ ExxonMobil, Royal Dutch Shell, Chevron, BP and Total, as well as a number of large integrated independents such as Eni and Repsol.

IOCs’ relationship with NOCs tends to be on an initial ‘quid pro quo’ basis with IOCs obtaining access to markets from NOCs while sharing operational and technical knowledge with NOCs. This relationship is multifaceted and varies with Independents acting at the margins picking up unique fields from NOCs but also taking up some less appealing older fields from IOCs and prolonging the life of these assets before decommissioning. Where IOCs’ and NOCs’ motivations diverge is that IOCs aim to yield a respectable rate of return for their capital invested whereas NOCs aim to deliver products to their local markets. Often local prices and international prices are not at par and compromises have to be made by both parties.

From a reserves perspective it would seem that the NOCs (and hence resource holding nations of the Middle East, Russia and Venezuela) should have the bulk of industry power through reserves controlled. But this is only true in a market that is short of oil, and for most of the last century the world has basically been in an oversupply situation. For the last few years, however, supply/demand has been relatively tight and if this persists, the superior growth potential of the NOCs in comparison to the IOCs is clear.

5. INDUSTRY OVERVIEW (cont'd)

NOCs

NOCs have become increasingly important as the offshore oil and gas industry has matured away from the traditional production zones found in the United States of America (“USA”) and the UK, and moved towards developing countries such as Nigeria, Brazil and Malaysia. The NOCs primary role is to maximise the revenue generated for a country by selling its natural resources. However, a NOC may take into account ‘non-commercial’ considerations when acting, and is likely to prioritise indigenous companies, or companies with operations in the NOC’s country, when developing its resources. This procurement practice can be viewed both as a threat and as an opportunity. Companies established in countries which have a strong NOC presence, such as Malaysia, Brazil, Nigeria, Angola and Saudi Arabia, would be well placed to capitalise on any future opportunities which may materialise in those countries. Conversely, for those companies not within the country, Infield Systems believes that the entry costs, technology, and regulatory hurdles can be a prohibitive and a deterring factor.

Independents

Independents are typically smaller oil companies. They may or may not be publicly listed. They may have no producing reserves and may purchase acreage to sell later, or they may have a number of fields already in production. Generally an Independent is well placed to save costs when needed, as it will typically have little in-house capacity to manage or execute projects, and will often rely on external investment for exploration or production activity. Within this category there is an increasing number of companies that are purely financially driven and play a crucial role in enhanced oil recovery (“EOR”), local content⁵ and marginal fields.

The Independents are typically nimble companies that have a cost effective structure but are still commercially driven. These companies have typically witnessed fast growth in terms of company size, regions of operation, values, production and proven reserves. Examples of Independents are Hess Corporation, Tullow Oil plc, Anadarko Petroleum Corporation, Apache Corporation, Murphy Oil Corporation and Talisman Energy Inc. Sona Petroleum intends to operate in this category.

Independents secure acreage in numerous ways. In the conventional markets of the North Sea and Gulf of Mexico, and to some extent within SEA and Africa, Independents have secured producing assets as opposed to speculative, or non-producing assets. A number of transactions have been carried out where larger IOCs such as BP have divested its non-core assets to Independents with lower cost structures such as Perenco and production has continued on fields in excess of 30 years after becoming operational. In other regions such as Africa, where there are few older producing fields, Independents have managed the full life cycle of developments, often with the support of local NOCs. An example of this relationship is the recent development of Ghanaian fields by Tullow Oil plc, backed by Ghana National Petroleum Corporation (“GNPC”), the local NOC.

⁵ Local content refers to a given share of an oil and gas project that must be developed using the domestic services industry. High profile examples include Brazil and Nigeria.

5. INDUSTRY OVERVIEW (cont'd)

3 KEY DRIVERS OF ACTIVITY IN THE E&P INDUSTRY

3.1 Recent global energy market performance

Between 2007 and 2012, the traditional demand and supply dynamics of energy markets were changed by the accelerated industrialisation of developing countries, especially those in Asia as well as Russia, Brazil and Turkey. On the supply side, the majority of 'supergiant'⁶ discoveries have been made offshore with an increasing number of large fields in deep and ultra-deep waters and harsh environments. High-impact discoveries onshore have largely been limited to 'unconventional' oil sands and tight oil plays in addition to conventional finds in previously underexplored areas such as Iraqi Kurdistan, Venezuela, Colombia, East Africa and Eastern Siberia.

The 2008/09 financial crisis brought Brent crude oil prices down to USD30 per barrel ("bbl") from USD147/bbl in 6 months. During the financial crisis, energy companies were drilling fewer oil and gas wells and cutting back spending on refineries, pipelines, and power stations. Many on-going capital expenditure projects slowed and a number of planned projects were postponed or cancelled due to an adjusted profitability expectation. Between October 2008 and April 2009, about 20 planned large-scale upstream oil and gas projects (with total value of USD170 billion and involving around 2 million barrels per day ("mbpd") of oil production capacity and 1 billion cubic feet per day ("bcfpd") of gas capacity) were cancelled. However, as the price depression lasted for a relatively short period, very few fields were shut down for a prolonged period.

From the low point of the financial crisis, energy markets have recovered with current Brent crude oil prices exceeding USD100/bbl. 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 increase 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. The Fukushima earthquake in April 2011 has contributed to enhanced demand for natural gas as Asian and European economies in particular look to replace nuclear power with natural gas and liquefied natural gas ("LNG").

As Western economies have been recovering from the depths of recession seen during the financial crisis, the recovery especially in the G8⁷ countries continues to be a fragile one, particularly in the Eurozone. Business confidence remains low and as such there has been little willingness to invest in labour and boost output. In the USA, 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 United Nations and International Energy Agency ("IEA") to be pursuing a nuclear weapons program, has threatened to close the Strait of Hormuz if the USA continues to increase its military presence in the region. Given that around 20%⁸ of all globally traded oil is traded through the Strait of Hormuz, any military action by Iran, however short lived, would send crude prices to potentially record levels, which is potentially compounded by the 3.5mbpd of crude equivalent that Iran produces.

⁶ A field with reserves greater than 10 billion barrels of oil equivalent ("bboe")

⁷ USA, Germany, France, UK, Italy, Canada, Japan and Russia

⁸ This equates to 17 million barrels

5. INDUSTRY OVERVIEW (cont'd)

The following section aims to present the key drivers of activity within the oil and gas industry. Three key drivers are analysed: the increased demand for oil and gas, the current and expected high commodity prices and the depletion of easily accessible oil fields and the associated effort of operators to replace reserves.

3.2 Global energy demand

We expect global total energy demand to grow by 36% between 2011 and 2030⁹ driven mainly by rapid population growth and industrialisation in emerging economies.

Perhaps most significantly, world population is projected to grow to about 8.3 billion by 2030 from the current population of about 7 billion. During the same period, world income is expected to double in real terms, driving a huge increase in energy needs.

The fastest growing energy sources are renewables with growth averaging 10.3% per annum (“p.a.”); (CAGR) from 2011 to 2020. Indeed, by 2030, these alternative sources of energy are expected to make up 5.6% of total energy demand, up from just 1.6% in 2011.

Among fossil fuels, oil and gas supplied 57% of the global energy consumption in 2011. However, that share is set to drop to 54% by 2030, as alternative sources of energy make up a larger share of demand. Nevertheless, in absolute terms, demand for oil and gas will still grow by about 30% by 2030.

Among fossil fuels, gas grows the fastest at 2.5% p.a. to 2020, followed by coal (2.3%) and oil (0.9%).

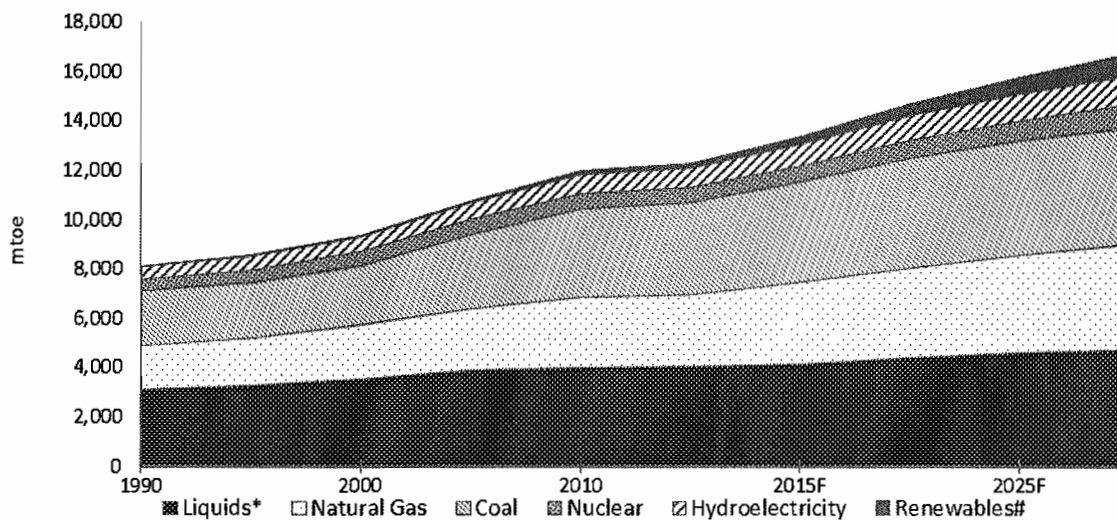


Figure 3-1: Global Total Energy Consumption by Energy Source [Source: BP World Energy Outlook 2013, Infield Systems]

* Includes oil, biofuels, gas-to-liquids and coal-to-liquids
 # Includes wind power, solar electricity and other renewable

⁹ Source: BP Energy Outlook 2030, January 2013

5. INDUSTRY OVERVIEW (cont'd)

More than 90% of the energy demand growth is in non-Organisation for Economic Co-operation and Development (“OECD”) countries, which are anticipated to consume close to 9 billion tonnes of oil equivalent in 2020, 33% above the 2011 level of 6.7 billion. By 2030 emerging economies are forecasted to account for 65% of world demand, up from 55% in 2011.

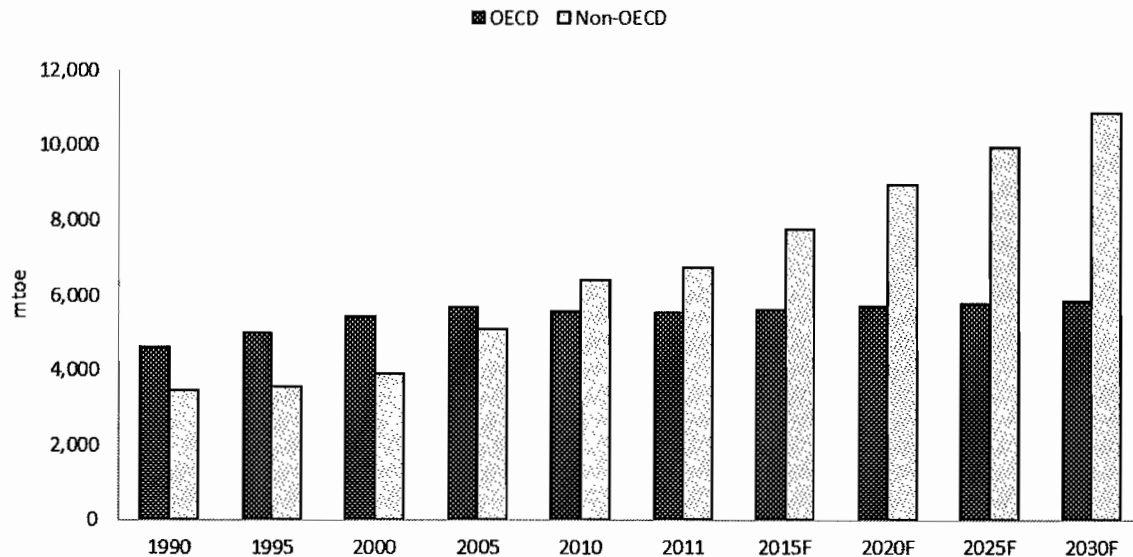


Figure 3-2: OECD and non-OECD Total Energy Consumption [Source: BP World Energy Outlook 2013]

Demand for both oil and gas has increased significantly over the last 30 years. Demand growth for gas has been more substantial driven by increased consumption in the Middle East (driven by population growth, the substitution of oil-fired electricity generation and increasing industrialisation), the Asia Pacific, Africa and South and Central America. Despite other regions’ significant demand growth, Europe and North America continue to be the key areas in terms of gas consumption despite the former region’s recent decline in oil and gas demand due to the Euro-crisis.

With regard to oil consumption, the most significant growth areas include the Middle East, Asia Pacific, Africa and South and Central America. Oil consumption in the European Union during 2012 was down 12% compared to the 1980 levels [Source: BP Statistical Review of Energy 2013], underlying the region’s efforts to rely less on oil and more on cleaner and less supply-shock intensive forms of energy such as gas and renewables. The Asia Pacific, North America and Europe remain the key regions in terms of oil consumption.

3.2.1 Role of onshore and offshore oil and gas within the energy industry

The figure below helps illustrate the importance of oil and gas to global primary energy consumption. In 2012, 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 Systems believes that in the medium to long term nuclear energy will provide a diminished influence with natural gas and renewables taking a relatively larger share. Although Infield Systems is sceptical on the supply-demand dynamics for renewables, from its smaller base, scenarios can be envisaged where output doubles or triples over the next decade.

5. INDUSTRY OVERVIEW (cont'd)

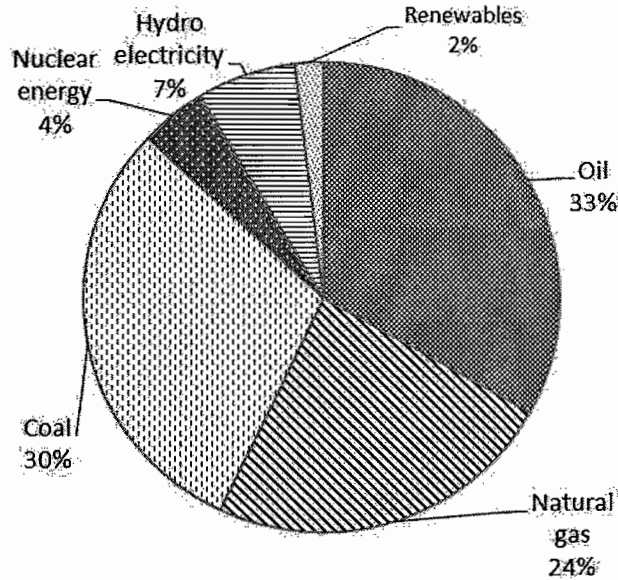


Figure 3-3: Global Primary Fuel Consumption 2012 [Source: BP Statistical Review 2013]

Oil and gas 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 oil and gas, 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.

3.2.2 Substitute products for oil and gas (diversified energy production portfolio, diversification within oil and gas energy)

Within the offshore market a number of threats and substitutions do exist and these are highlighted in the following section.

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. Other challenges to the development of shale reserves include strong environmental opposition in Europe and lack of an appropriate technical knowledge base outside of North America.

Infield Systems 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 compared to coal.

5. INDUSTRY OVERVIEW (cont'd)

Coal

The biggest challenge to the future development of oil and gas resource basins comes from 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 making it a more cost effective alternative as opposed to oil and gas. 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 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 change¹⁰. Infield Systems 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 USA and Russia in terms of coal reserves [World Energy Council (WEC), BP Statistical Review of World Energy 2013].

Nuclear

Except in China, France and Iran the political will of nuclear energy following the Fukushima Daiichi nuclear disaster has been reduced substantially. However, Infield Systems believes that nuclear energy will continue to affect the demand for oil and gas energy well into the next decade, but due to the lead times of between 5 and 20 years for new nuclear plants it is expected that nuclear will complement rather than be a substitute for oil and gas.

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.

Green Initiatives

Over the past decade many government 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, wind farms drive the bulk of 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 Systems believes there are many synergies between the offshore wind farm market and offshore oil markets, especially in the procurement of materials, engineering, installation of projects and the connection of these wind farms to grids. These synergies are expected to offer contractors significant opportunities as the sector gains momentum over the next five years.

¹⁰ The process of 'global warming' caused by human activity, principally the release of green-house gasses into the atmosphere as a result of the widespread use of fossil fuels.

5. INDUSTRY OVERVIEW (cont'd)

3.3 Commodity Prices

Oil Price

Another key driver of activity within the oil and gas industry is the oil price. Infield Systems anticipates Brent crude oil prices will trade within a USD100/bbl - 120/bbl range in 2013 and 2014. Brent crude prices have been trading within this narrow range in 2011 and 2012. This range is high enough to support new supply being placed into the market, but not too high to add drag to the economic recovery.

Whilst it is possible that Brent prices may decline below the trading range of between USD100/bbl and USD120/bbl, we believe that any reduction below the USD90/bbl floor will only be sustained over short periods of time as low prices will likely spur supply responses from oil producing countries. For instance, Saudi Arabia could reduce supply to balance the market. The country produced a 30-year high of 10.1mbpd in June 2012, but has since reduced to 9.5mbpd in response to a prospective worsening global economy and in order to bolster prices.

In contrast, a period of sustained high prices exceeding USD120/bbl will likely meet with demand responses. For example, OECD countries could release their strategic petroleum reserves and thus reduce demand for additional supply. In summary, without unexpected geopolitical tensions and supply outages, oil prices are likely to remain in the tight range in the year ahead.

In the long run, Infield Systems continues to believe that demand/supply fundamentals are strong enough to support oil price appreciation. However, after controlling for a number of negative factors such as the shale revolution in the USA and weaker Chinese demand, our long-run forecasts deviate from the super-cycle momentum seen in the past decade and reach an average price of USD116/bbl in 2017 as shown in Figure 3-4. This is expected to further increase to USD125/bbl by 2020.

Infield Systems 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. Using price data from 2002, in addition to variables such as regional GDP growth rates and oil supply and demand forecasts, Infield Systems has developed a price model to depict the long-term momentum for Brent as follows:

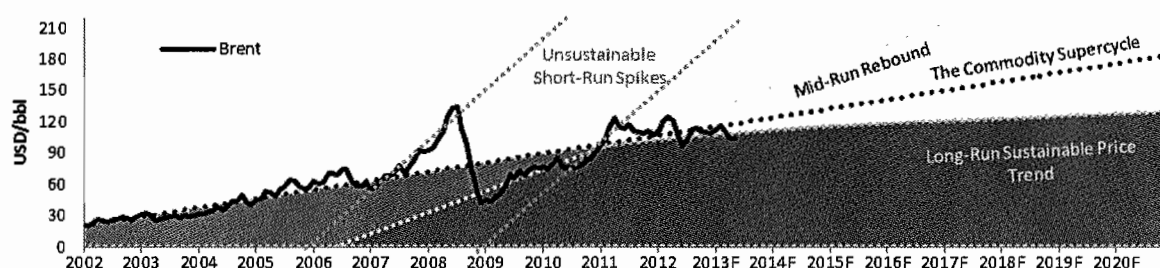


Figure 3-4: Long-term Oil Price Forecast [Source: Infield Systems 2013]

5. INDUSTRY OVERVIEW (cont'd)

The commodity super-cycle, which has seen oil prices rise from an annual average of USD25/bbl in 2002 to USD111/bbl in 2012, has been supported by the ever increasing demand from China, fast depletion of easy to access oil reserves, and a long-term depreciation of the USD. The mid-run rebound, shown in Figure 3-4, was driven by a rebound from lower extreme, government support, and flourishing liquidity. Infield Systems believes that the short-run price spikes seen in 2008 and 2010 were driven by temporary factors hence unsustainable.

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.

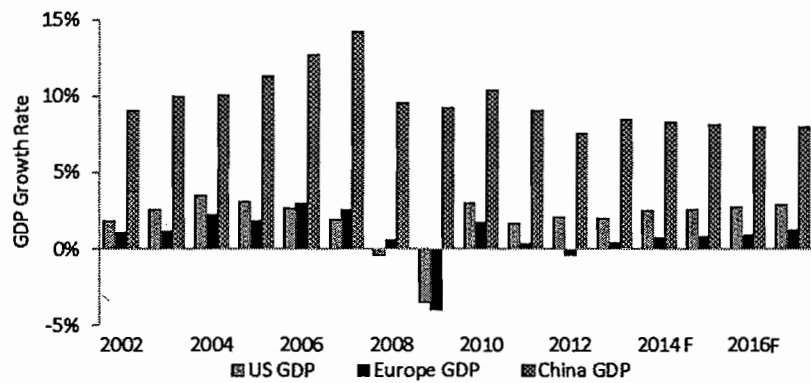


Figure 3-5: GDP Growth Rate (USA/Europe/China) [Source: Infield Systems 2013]

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 USD, driven by an economic incentive to boost exports and a national strategy to reduce debt.

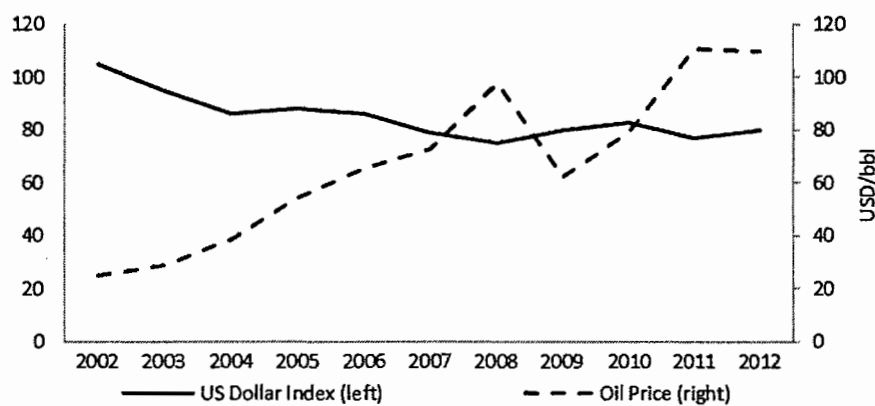


Figure 3-6: USD Index and Brent Prices [Source: Infield Systems]

5. INDUSTRY OVERVIEW (cont'd)

The correlation between the Brent crude oil price and the USD index has been persistently negative over the past decade. In general it is believed that dollar weakness would boost the price of dollar-denominated commodities such as crude oil. In the USA, a weak dollar environment will spur exports and reduce debt load in real term. We believe that the USA Federal Reserve’s policies of quantitative easing and near zero official interest rates are likely to remain and hence support dollar depreciation in the long-run. This weak-dollar environment, in turn, will have positive effects on crude oil prices.

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

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.

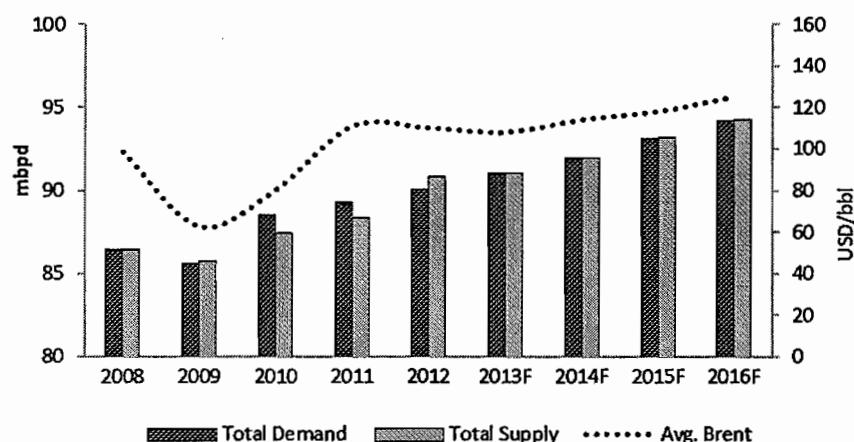


Figure 3-7: Global Crude Oil Demand and Supply Forecast [Source: Infield Systems 2013, IEA, EIA¹¹]

Dramatic short-run spikes such as those that happened in late 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. Infield Systems believes that the drivers for the rebound, which included government stimuli, 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.

The drivers of the long-run momentum are likely to remain firmly rooted over the next decade. Oil production is moving into increasingly expensive forms such as deepwater, Arctic, shale oil and heavy oil. 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 Systems believes that the long-run momentum is sustainable.

¹¹ US Energy Information Agency

5. INDUSTRY OVERVIEW (cont'd)

Gas Price

The global gas market has three distinct regional segments. Gas price is suppressed in the USA 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 USA 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 localised issues. Apart from pipelines where transportation of oil and gas is relatively similar, gas is less mobile over large distances as compared to crude, due to the technology needed to transport liquefied natural gas whereas tankers have now become a commoditised transportation solution.

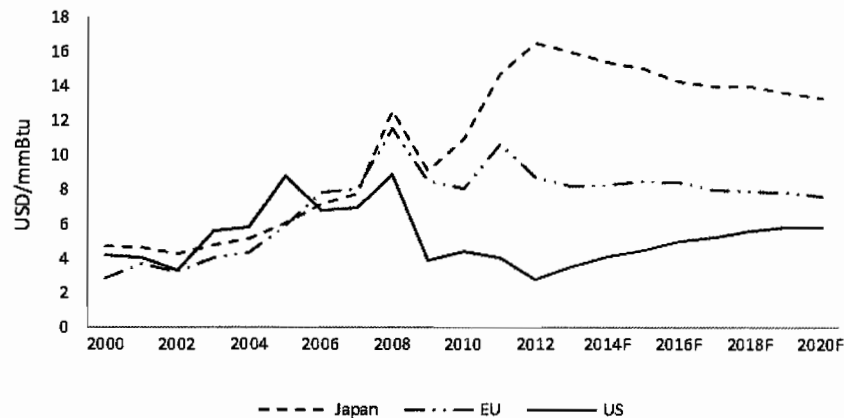


Figure 3-8: Long-term Gas Price Forecast [Source: Infield Systems 2013]

For 2013, Infield Systems expects a general upward correction of USA natural gas prices, which need to at least reach USD4/mmBtu¹² to ensure marginal suppliers receive a rate of return equivalent to the cost of capital. While for Japan, Infield Systems anticipates the price of its 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 Fukushima nuclear disaster.

Infield Systems 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.

¹² 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 mmBtu/barrel.

5. INDUSTRY OVERVIEW (cont'd)

Investment Sensitivity (Field Sanction Points¹³)

The following section looks at the Infield Systems estimate of the production cost ranges at which different oil and oil related oil and gas resources become economic, as well as estimates of the available quantity for each oil related resource. Infield Systems 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 are comfortably set for deepwater production as the cost of most deepwater projects fall within the range of USD40-USD70/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.

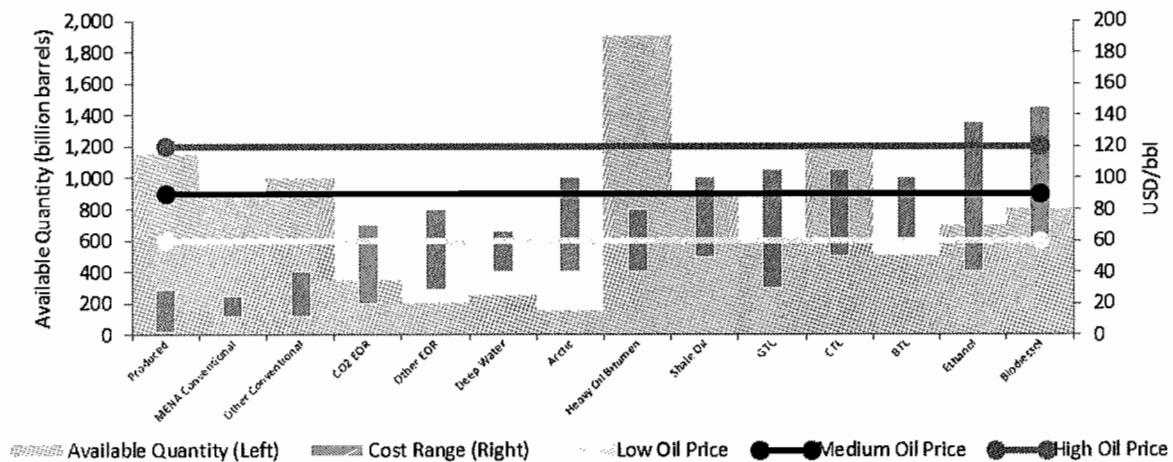


Figure 3-9: Economic Sanction Price Range for Fields [Source: IEA, Infield Systems 2013]

3.4 Depletion of existing reserves

Another key driver of the offshore oil and gas market is the depletion of easily accessible reserves both onshore and in shallow waters. In order for supply to keep up with the increasing demand primarily from developing and emerging markets, operators (NOCs, IOCs and Independents) are increasingly focusing their exploration and development efforts on deeper water basins. These efforts range across the globe but recent developments include pre-salt Brazil, the lower tertiary trend area in the USA Gulf of Mexico (“USGoM”) and the Barents Sea in Europe among others.

¹³ 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.

5. INDUSTRY OVERVIEW (cont'd)

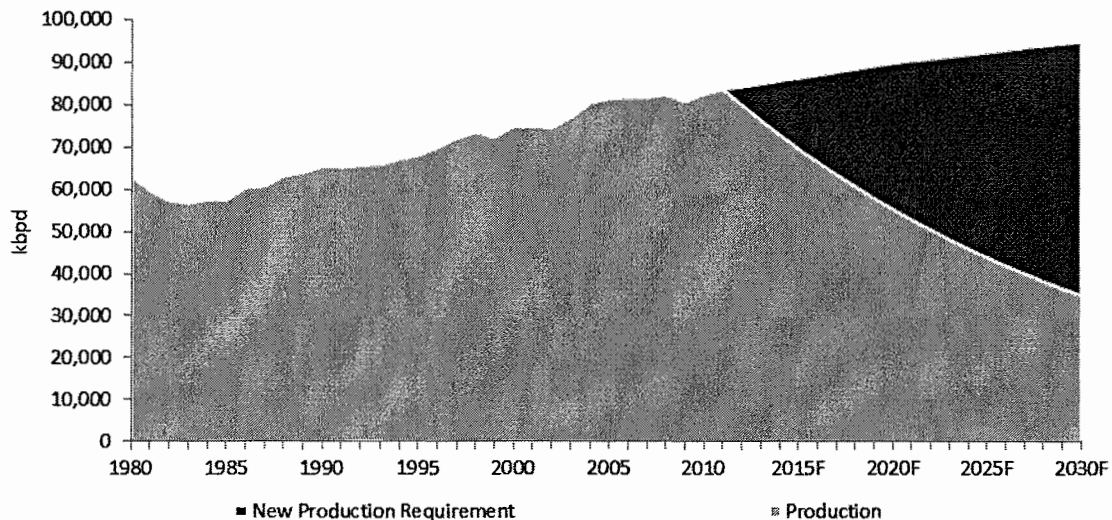


Figure 3-10: Depletion of Oil Fields – All Liquids (onshore + offshore) and Operators' Reserve Replacement [Source: BP, IEA, Infield Systems 2013]

IOCs are increasingly motivated to replace and increase production numbers. Operators are required to replace production from existing fields as output depletes and gradually reaches zero.

IOCs are fighting against this increased depletion as well as for increased access to reserves as they strive to achieve a positive reserve replacement ratio. In regards to access to reserves, conventional resources such as shallow water E&P are increasingly being retained by local NOCs. With this being the case, IOCs such as Total and BP have had to invest in acreage in deep waters and remote locations.

Whilst Independents such as Tullow Oil plc have recently succeeded in bringing deepwater reserves on-stream, the bulk of Independents have secured acreage in shallow waters. The lower capital requirements associated with shallow water fields (a reflection of their lower risk and easy access to export infrastructure) make the sector attractive for Independent operators. Furthermore, the ability to better manage marginal reserves through lower cost structures makes the market particularly attractive for Independents in comparison to IOCs and NOCs. In general, the relatively small size of these reserves makes their exploitation less attractive to IOCs and NOCs.

3.5 Role of government

3.5.1 Regulatory Framework

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. In the UK licenses are typically awarded for 25 years, whereas in the USA 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 and royalty concession.

5. INDUSTRY OVERVIEW *(cont'd)*

PSCs or Production Sharing Agreements (“**PSAs**”) are the most widely applied model of shared production licence, particularly in countries where a high degree of state involvement is present such as Indonesia. The PSA model was first implemented in 1966 in Indonesia when the government introduced the “Indonesian formula”; through which the state would retain ownership of the resources and negotiate a profit-sharing system.

Whilst the PSA system is now widely used across SEA, Thailand employs a concessionary contract system, whereby the concessionaire pays the government royalties, Special Remuneratory Benefits and taxes. In addition to this, within the Joint Development Area between Thailand and Malaysia, a separate PSA system is in place, which is governed by the Malaysia-Thailand Joint Authority. Until 2005, Algeria also operated under a PSA system, and although the 2005 Hydrocarbons Law in Algeria attempted to liberalise the system, no longer requiring foreign contractors to enter PSAs with the national oil company Sonatrach, in practice, the NOC retains significant influence in E&P licenses.

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5. INDUSTRY OVERVIEW (cont'd)

4 INVESTMENT LEVELS IN THE E&P INDUSTRY

4.1 Global E&P expenditure outlook by region

Infield Systems believes E&P capital expenditure will surpass USD670 billion in 2013 increasing 10% over the corresponding figure during 2012 [Source: Barclays E&P Survey June 2013]. This is despite lower gas prices and the challenging macroeconomic situation in Europe and North America. Outside of North America, E&P spending is expected to increase at over 13%.

Investment growth within Latin America 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.

After three years of limited contracting activity due to the macroeconomic uncertainty surrounding the Western world, global capital expenditure rebounded in 2011 and grew significantly in 2012 driven by consistently high oil prices, high energy demand in developing and emerging markets, the slow USA recovery, goals to decrease import dependence and operators' efforts to replace declining production with new reserves.

Going forward, Infield Systems expects offshore capital expenditure to grow at 7.4% CAGR from 2013 to 2017. Growth is driven by activity in West Africa and Australia while established basins such as the North Sea, SEA, Brazil and the USGoM will continue to dominate, requiring more than half of the 2013-2017 capital expenditure.

The following chart depicts offshore oil and gas capital expenditure from 2007 to 2017. The capital expenditure includes all development drilling, engineering, fabrication and installation investment but excludes exploration and appraisal drilling investment.

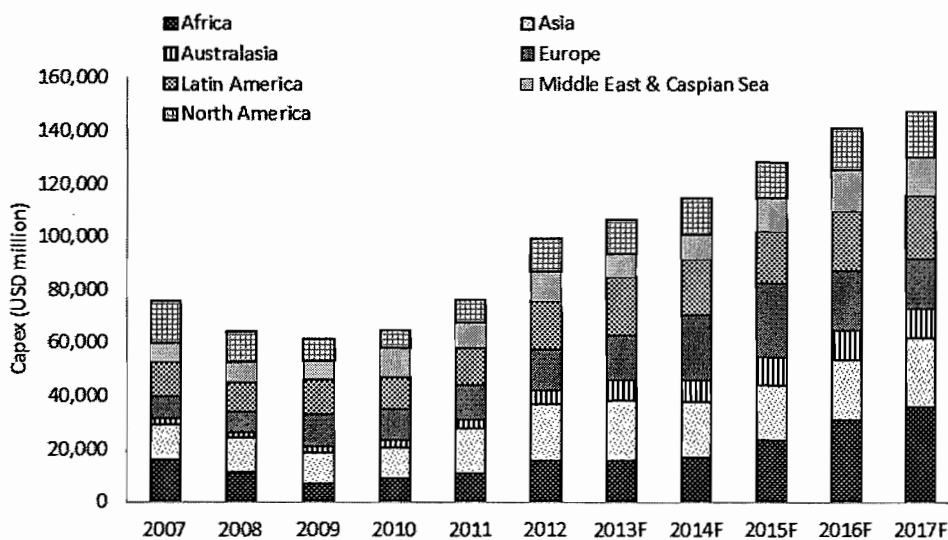


Figure 4-1: Offshore Oil and Gas Capex [Source: Infield Systems 2013]

5. INDUSTRY OVERVIEW *(cont'd)*

Offshore oil field related investment is forecast to grow strongly in West Africa, Latin America and the USGoM whereas capital expenditure on gas developments is expected to be strongest in Australia, the North Sea, Israel, Cyprus, Asia and the Middle East. Onshore shale gas in the USA is already posing as a big threat to offshore gas production with the initial effect being felt in shallow water gas activity within the USGoM basin. Fears that Australian gas exports will also be affected are also evident. However, Australian gas has already been committed to long-term contracts with Asian economies such as Japan as it aims dramatically to reduce its dependence on nuclear power. Japanese operator Inpex and Japanese electricity companies like Kyushu and Chubu Electricity have already entered the Australian offshore market as partners in key future LNG projects such as Ichthys and Wheatstone.

In terms of product and service requirements, more high-spec equipment and thus higher capital expenditure is expected to be required in increased water depth/complexity areas such as Brazil, West Africa and the deep water USGoM.

4.2 Investment overview

In 2012 transactions in the oil and gas market amounted to a value of USD402 billion, a significant increase of the USD337 billion in 2011 and eclipsing the USD393 billion from 2010. In terms of deals completed the market amounted to 1,616 transactions, a slight reduction from the 1,664 deals completed in 2011 [Source: Ernst & Young Global Oil and Gas Transactions Review 2012].

In 2012, the largest transaction completed was Rosneft's purchase of TNK-BP, a joint venture between UK listed IOC BP and the Alfa-Access-Renova ("AAR") consortium in two deals which amounted to USD60 billion (including excess working capital). The completed transaction consisted of two divestments by BP and the AAR consortium selling their 50% in the TNK-BP makes Rosneft one of the world's largest listed oil and gas companies.

Whilst oilfield service transactions such as the purchase of Dockwise Ltd by Royal Boskalis N.V. accounted for a high proportion of growth, upstream transactions accounted for some 71% (USD284 billion) of total deal values [Source: Ernst & Young Oil and Gas Transactions Review 2012]. The combined investment within the market was diverse, with upstream transactions spread between IOCs seeking to optimise portfolios and NOCs continuing a process of international expansion whilst larger independents have continue to expand.

During 2012, there were a total of 1,152 transactions within the upstream sector with many of these deals focussed on unconventional resources such as shale gas. The year's second largest transaction was Chinese NOC, China National Offshore Oil Company's ("CNOOC") USD20 billion acquisition of Nexen whilst PetroChina's USD2.2 billion acquisition of a 49.9% interest in Encana's Duvernay acreage in west central Alberta was further evidence of Asian NOCs investing in international resources.

Transactions in the downstream market fell in 2012 in comparison to 2011 as activity within the United States and South America slowed considerably. Despite an overall global downturn, transaction volumes in Asia increased on the back of continued demand growth for oil products in the region. The largest downstream transaction during 2012 was the acquisition of a gas transmission system in Germany by the Macquarie European Infrastructure Fund from E.ON AG, the holding company of the world's largest investor-owned electric utility service provider based in Germany, with a total value of over USD4 billion.

5. INDUSTRY OVERVIEW *(cont'd)*

As with 2011, the key areas of growth on a regional basis included the activity of Asian NOCs, deals in Latin America and North America. Elsewhere, 2012 also saw a series of deals completed in Northern Europe, with the likes of Abu Dhabi National Energy Company PJSC (“TAQA”) acquiring USD1.1 billion of BP’s interests in central North Sea oil and gas fields.

Private equity continued to play an important role within the oil and gas market throughout 2012. Private equity firms were involved in 45 upstream transactions either directly or through portfolio companies [Source: Ernst & Young Global Oil and Gas Transactions Review 2012]. These private equity firms include Cobalt International Energy, partly owned by Riverstone, The Carlyle Group, Goldman Sachs and First Reserve Corporation in addition to Kohlberg, Kravis and Roberts. Outside of private equity backed transactions, the continued development of production focused transactions is expected to increase, especially with Asian NOCs seeking to secure additional reserves.

In 2012, transactions announced involved both offshore and onshore assets. The offshore market was characterised by investments in construction focused companies, maintenance related companies and the producing companies. During 2013, the positive momentum in the market has been 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. Nevertheless, capital markets remain a key source of funding for 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 Systems believes that the oil and gas M&A market remains robust with compelling valuations.

In the following section, Infield Systems examines the implications of some of the headline E&P transactions since 2011.

Global Investment Overview

Since 2008, there has been very little interest in large scale upstream industry consolidations. Having said this there has been a number of high profile acquisitions, some of which are awaiting regulatory due process. These transactions will shape the basis of competition of most jurisdictions.

During 2012, CNOOC accepted management and employment conditions set by the Canadian government as it seeks to buy Nexen Inc (a Canadian Independent) for USD20 billion. The Canadian government accepted the sale of Nexen 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 barrels valuing the approach at USD7.51/bbl of 2P reserves. The transaction gave CNOOC larger access to Canadian reserves through its interest in unconventional resources at Alberta oil sand and the Horn River shale gas.

CNOOC had preferred to build stakes in fields in West Africa and Brazil as partners since its failed USD18.5 billion all cash bid in 2005 of Unocal (a USA Independent). This public rebuttal from political bodies prevented Chinese oil companies from attempting to invest in North America for many years.

5. INDUSTRY OVERVIEW (cont'd)

Meanwhile, Nexen is not the only Canadian E&P company that has attracted international interest. Canada has recently rejected then accepted PETRONAS' (the Malaysian NOC) CAD5.2 billion bid for Progress Energy (a Canadian independent) and the transaction was completed in December 2012.

On 22 October 2012, BP (a UK IOC) announced that it had signed heads of terms for a proposed transaction to sell its 50% share in TNK-BP (a joint venture between BP and a number of Russian oligarchs) to Rosneft (a Russian NOC). 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). In addition to purchasing BP's stake in TNK-BP, Rosneft also purchased the remaining 50% in TNK-BP and the completed deal was the largest transaction of 2012.

Earlier in 2012, activity kicked off with Shell's (an Anglo-Dutch IOC) approach of Cove Energy ("Cove") (a UK Independent) which was followed by a counter bid by PTT Exploration & Production of Thailand ("PTTEP"), the Thai NOC, in April 2012. Shell subsequently raised its initial bid to match PTTEP's bid of USD1.8 billion or 220p a 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 240p a 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.

Premier Oil Plc, a UK Independent, acquired EnCore Oil Plc, another UK Independent, for GBP221 million at the end of 2011. In 2011, one of the most notable transactions was the entry of BHP (an Australian mining group) into the USA onshore sector, acquiring Fayetteville gas assets from Chesapeake, a USA independent for USD4.75 billion and purchasing Petrohawk for USD15.2 billion. BP acquired Reliance's (an Indian independent) 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.

Oil and gas M&A activity continues to be dominated by two prevailing trends. Firstly, NOCs, particularly those from emerging economies in Asia Pacific, are looking to secure access to energy supplies via acquisition rather than organic growth. Asian NOCs have been particularly active in the market for new 'unconventional' resources such as Canadian oil sands as well as tight oil and shale gas.

Secondly, exploration-focused independents that lack the financial capability to develop new discoveries are divesting or 'farming out' stakes to larger independents and IOCs and NOCs that can more easily foot the bill and shoulder operation risk.

5. INDUSTRY OVERVIEW (cont'd)

5 REGIONAL ANALYSIS

5.1 SEA

5.1.1 Overview

The SEA region comprises 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 barrels. This figure rose to 14.7 billion barrels by 2000, 17.5 billion barrels by 2006, before falling in 2012 to 14.5 billion barrels. 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 barrels in 2000 to 3.7 billion barrels in 2012. Malaysia's oil reserves also declined from 4.5 billion barrels in 2000 to about 3.7 billion barrels in 2012. In contrast, Vietnam boosted its oil reserves from 2 billion barrels in 2000 to 4.4 billion barrels in 2012, because of increased offshore discoveries.

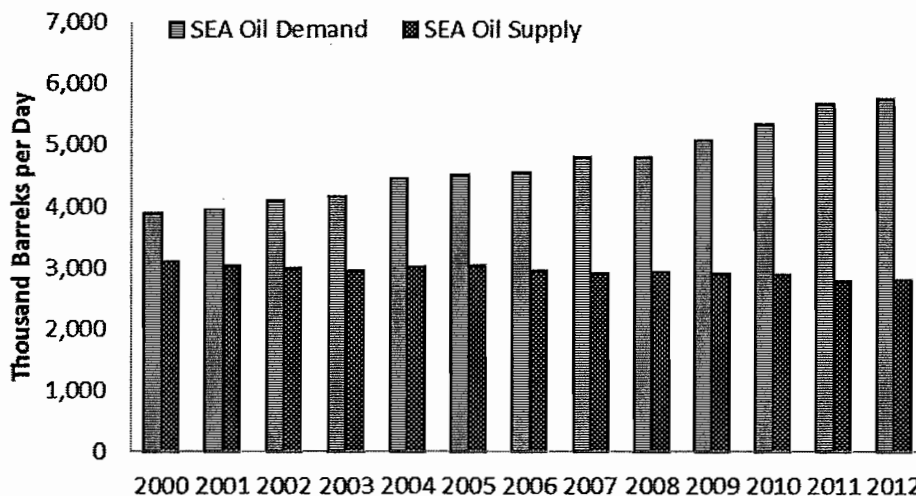


Figure 5-1: SEA Oil Demand and Supply [Source: BP Statistical Review 2013]

Oil production has been falling in the SEA region, with a decline rate of 0.6% CAGR per year over the past decade. This is contrasted by the robust and consistent increase in oil demand in the region, which grew 3.5% annually over the same period. In 2012, regional production of crude oil amounted to 2.8mbpd whilst consumption stood at over 5mbpd, leaving the region highly dependent on imports. The ratio of imported crude to total consumption rose to the historical level of around 51% in 2012, a sharp increase from just over 20% ten years ago.

About 70% of the region's proven gas reserves are in Indonesia and Malaysia. At the end of 2012, Indonesia's reserves stood at 2.9 trillion cubic metres ("tcm") a 0.3tcm increase from 2002. Malaysia's reserves declined significantly over the past decade from 2.5tcm in 2002 to 1.2tcm in 2012.

5. INDUSTRY OVERVIEW (cont'd)

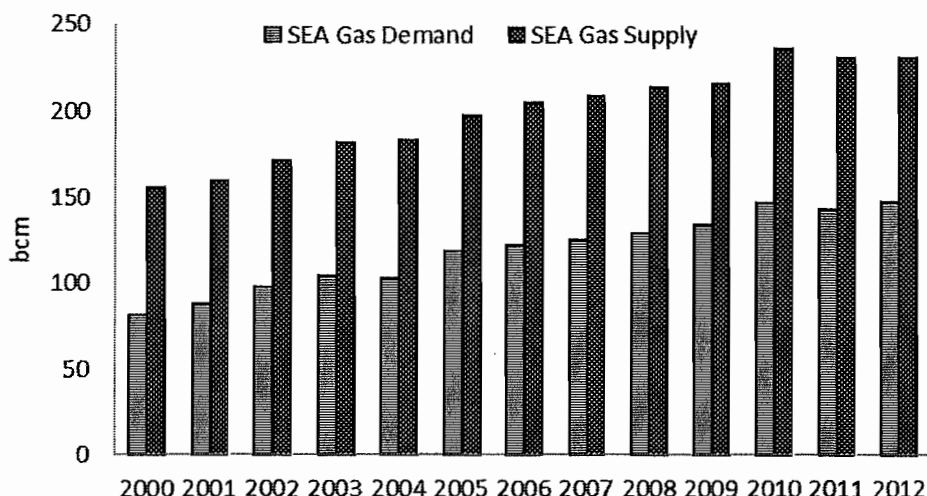


Figure 5-2: SEA Gas Demand and Supply [Source: BP Statistical Review 2013]

As with oil, the demand of gas is increasing at a faster rate than supply. Between 2002 and 2012, gas production rose by an annual CAGR of 3% whereas consumption increased at a CAGR of 4.3%. 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 economies of Japan, South Korea and Taiwan. Gas exports from the SEA region rose from 69 billion cubic metres (“bcm”) in 2011 to 78bcm 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.

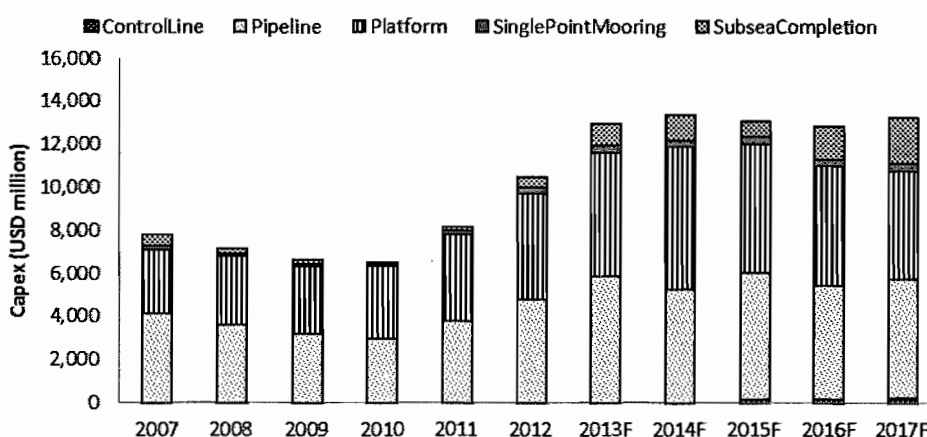


Figure 5-3: SEA Offshore Capex [Source: Infield Systems 2013]

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

5. INDUSTRY OVERVIEW (cont'd)

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.

In line with the wider global market, the SEA offshore oil and gas sector was adversely affected by the global financial crisis and regional capital expenditure decreased in 2008 from USD7.2 billion to USD6.7 billion in 2009. The region saw a robust rebound in 2011 and 2012, to finish at a peak of over USD10.5 billion in 2012. The primary driver of this sharp recovery has been the development of pipeline and platform projects such as those on the Zawtilla (Myanmar), Gumusut (Malaysia), Erawan (Thailand) and Kim Long (Vietnam) fields. Projects such as these are driving the step up in offshore oil and gas activity in the region and providing the impetus for a relatively high level of capital expenditure (around USD13 billion p.a.) within the period between 2012 and 2017.

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 Systems 2013]

5.1.2 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 amounted to 1,739 assets. Infield Systems 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.

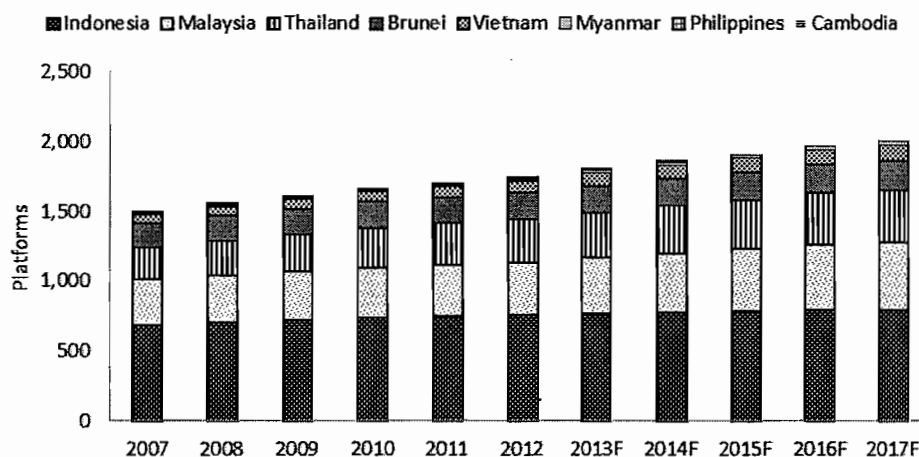


Figure 5-4: SEA Cumulative Production Platforms [Source: Infield Systems 2013]

5. INDUSTRY OVERVIEW *(cont'd)*

At the end of 2012, Infield Systems estimates that there were 1,739 operational assets 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 1,739 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 Floating Production, Storage and Offloading (“FPSOs”), semi-sub, spars, tension leg platforms (“TLPs”) and floating storage and offloading vessels (“FSOs”).

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 Gumusut Kakap 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, 61 are installed in less than 100 metres of water.

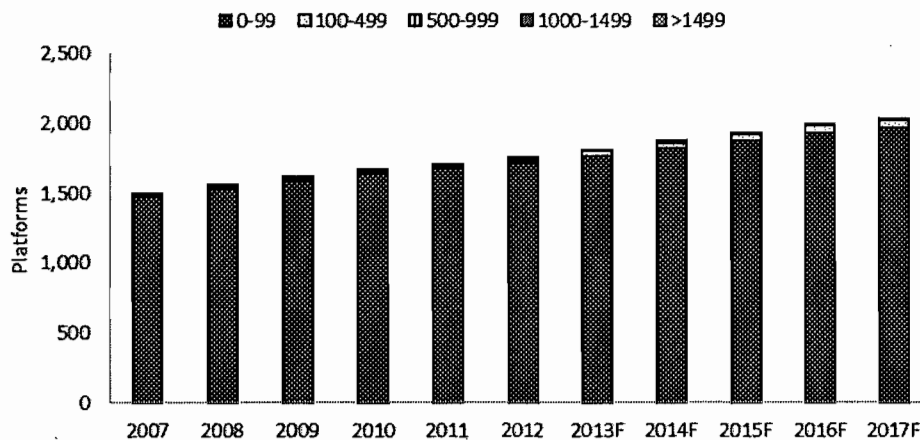


Figure 5-5: SEA Cumulative Production Platforms by Water Depth Groups [Source: Infield Systems 2013]

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 a fixed central processing platform which produces and processes the oil and gas before storing the product in a nearby moored FPSO. 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.

5. INDUSTRY OVERVIEW *(cont'd)*

5.1.3 **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 thousand (kilo) barrels per day (“**kbpd**”) of crude oil from Saudi Aramco, while the remaining 300kbpd of imports comes from Asian markets such as China and Malaysia. Malaysia imports 350-400 kbpd 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.

5.1.4 **SEA investment overview**

In July 2012, Pan Orient Energy Corp (a Calgary, Canada based Independent) sold assets to an undisclosed buyer for USD162 million for 2P reserves of approximately 17 million barrels of oil equivalent (“**mboe**”) in Thailand.

In February 2012, ConocoPhillips (a USA IOC) agreed to sell its Vietnam operations for USD1.29 billion to Perenco SA (an Anglo-French Independent), exiting the country after more than 15 years. This transaction highlights the focus of ConocoPhillips tightening up its production portfolio. ConocoPhillips 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 20kbpd of oil production from Vietnam in 2011, which Infield Systems believes is most likely better managed by an independent rather than an IOC.

Perenco SA has been very active in buying stakes from IOCs with recent acquisitions from BP in the North Sea but historically from Shell, Exxon and BG Group plc. In spite of this transaction, Infield Systems remains positive on Vietnam due to 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 E&P side of the business.

In December 2011, EMP International (BVI) Limited, an Independent oil and gas firm controlled by Indonesia's Bakrie group acquired CNOOC ONWJ Ltd., a subsidiary of China's CNOOC, which holds a 36.7% working interest in Offshore North West Java Production Sharing Contract (“**ONWJ PSC**”), for USD212 million. This transaction demonstrates CNOOC's strategy of concentrating on USA 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, a natural gas company, 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.

5. INDUSTRY OVERVIEW (cont'd)

Infield Systems expects both Japanese and Korean utilities and NOCs 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/mmBtu. Additionally, Asian companies have been proactive in acquiring Australian LNG stakes with Shell farming down 17.5% of Prelude to Inpex of Japan, 10% to Korea Gas Corporation and 5% CPC Corp of Korea. Further demand for Australian output is expected to come from domestic sources such as power generators, miners such as Rio Tinto and the Australian manufacturing sector.

In November 2011, the Independent producer Brightoil Petroleum agreed to acquire 100% interest in Win Business Petroleum Group, another Independent 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**”), a further Chinese NOC. The value of the proved plus probable net entitlement reserves of the target company in the PSC 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 represents a further independent to independent transaction. 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, Australian based Independent Otto Energy became operator of the Galoc oilfield offshore Palawan, in the Philippines, paying USD18.7 million to Vitol BV, another independent, to boost its stake to a 33% direct interest in the field. A front end engineering and design study has 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 of which results are pending. Otto Energy, formerly known as Ottoman Energy, is looking to increase 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, the Independent Serica Energy accepted the offer from Pace Petroleum, another Independent, 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 Systems does not view this transaction as an exit for Serica Energy 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 oil and gas basins due to the relative size of discovery, the distance between jurisdictions and other oil and gas hubs. As a result, they are less interesting to IOCs and remain a clear opportunity for Independents if project economics are good and obstacles to getting product to end markets is solved.

In the oilfield service market, SapuraKencana Petroleum Bhd and Seadrill Ltd entered into a non-binding MOU to integrate their tender rig businesses in November 2012. Under the terms of the agreement, SapuraKencana will take over the full suite of tender rigs for an enterprise value of USD2.9 billion whilst Seadrill will receive at least USD350 million in new shares of SapuraKencana.

5. INDUSTRY OVERVIEW *(cont'd)*

5.1.5 *SEA industry players*

Petronas

Created in 1974 by the government, Petronas remains the only Malaysian NOC. Petronas has close historical and technical links with Royal Dutch Shell having commenced LNG exports from Sarawak in 1983. Petronas is expected to be increasingly focused on gas going forward and especially interested in owning and operating LNG assets in the form of liquefaction and regasification capacity.

Petronas has an extensive global footprint, especially in Egypt, Australia and Iran. Internationally, Petronas is BG¹⁴'Groups partner in the Milford Haven Dragon LNG regasification facility in Wales. Petronas also holds a large stake in the Majnoon Oilfield as Shell's partner in Iraq. Petronas endured protracted negotiations with the Canadian Government to buy Progress Energy which has been accepted pending some national terms of the Canadian government.

Pertamina

The Indonesian NOC, the Indonesian State Oil and Natural Gas Mining Company was created by the merger of Pertamina and Permina and is also like Petronas above very active in the LNG market. Historically Pertamina had major distribution partnership with Caltex, Chevron's Asia downstream division, and Total. Pertamina is also very active downstream and an owner of six refineries in Asia as well as the largest distribution network of filling stations in Indonesia.

Coastal Energy

Coastal Energy is an Independent oil and gas E&P company with principal assets in Thailand and Malaysia. The company has 149.1mboe net 2P reserves and 500mboe prospective and contingent resources. The company produces more than 22kbpd from three offshore oil fields and expects substantial near-term increases to this rate. It owns and operates 100% of Blocks G5/43 and G5/50 in the Gulf of Thailand as well as varying interests onshore northeast Thailand. In 2012, Coastal entered into a contract with Petronas for the development and production from the Kapal, Banang and Meranti cluster of small fields offshore Peninsular Malaysia, where it intends to hold a 70% equity interest. The company also began development of the KBM field cluster offshore Malaysia in late 2012.

PT Energi Mega Persada Tbk ("Energi Mega Persada")

Energi Mega Persada is an Independent upstream oil and gas company headquartered in Jakarta, Indonesia. The company has operations spanning the Indonesian archipelago from the northern part of Sumatra, to East Kalimantan, Java and Eastern Indonesia. Energi Mega Persada operates 12 oil, gas assets, and coal bed methane assets with net 2P reserves of 586mboe. In 2012, its net production rate is 29,700 barrels of oil equivalent per day ("boepd").

¹⁴ Formerly British Gas, created in 1997 when British Gas plc divested Centrica and became BG plc which was reorganised in 1999 as BG Group plc

5. INDUSTRY OVERVIEW *(cont'd)*

Salamander Energy

Established in 2005, Salamander Energy is an Independent oil and gas E&P company with principal assets in SEA. In 2012, the company's average production rate was 12,000boepd and is expected to grow above 20,000boepd in the next few years. The Bualuang oil field (Gulf of Thailand) development in 2008 was the first field brought on-stream by Salamander Energy. The Kambuna gas-condensate field was brought on-stream in August 2009. The top 15 prospects in Salamander Energy's drilling programme over 2012/2013 are targeting 925mboe of resource at an average chance of success of 1 in 4.

Nido Petroleum Limited

Nido Petroleum Limited is an Independent oil and gas company engaged in E&P offshore Philippines. Through its subsidiaries Nido Production (Galoc) Pty Ltd and Nido Petroleum Philippines Pty Ltd, it holds a combined 23% interest in Service Contract SC 14C1 which contains the Galoc oil field development. The company's wholly owned subsidiary, Nido Production (Galoc) Pty Ltd, holds a 22% working interest in the Nido oil field and a 28% working interest in the Matinloc oil field. Nido Petroleum Philippines Pty Ltd, holds a 42% working interest in the SC 54A block while Nido Petroleum Philippines Pty Ltd, owns a 60% working interest in SC 54 Block B.

Jubilant Energy N.V.

Jubilant Energy N.V. is an Independent upstream oil and gas company with assets in major proven and prolific oil and gas basins in India such as Krishna Godavari, Assam-Arakan, Cambay and Cauvery. In all, the company holds nine Indian blocks, with one producing field (Kharsang) and various others at differing stages of appraisal and development.

5.2 Africa

5.2.1 Overview

Africa is a significant player in the global oil market. At the end of 2012, oil reserves were estimated to be around 130.3 billion barrels, equivalent to 37.7 years of current production and 7.8% of world's reserves. Libya and Nigeria lead the way with 48 and 37.2 billion barrels respectively, with Angola following with 12.7 billion barrels. Elsewhere, Gabon holds 2 billion barrels, Congo (Brazzaville) 1.6 billion, and Equatorial Guinea 1.7 billion barrels.

In terms of natural gas, the African region holds 14.5tcm, or around 7.7% of global resources. Nigeria is the most significant regional gas player with total proven reserves of 5.2tcm. Algeria is second with 4.5tcm, while Egypt and Libya hold 2tcm and 1.5tcm, respectively. Elsewhere, continued exploration and appraisal activity, particularly in the offshore provinces of Mozambique and Tanzania, are adding significant volumes to the region's reserve profile.

[Source: BP Statistical Review 2013]

5. INDUSTRY OVERVIEW (cont'd)

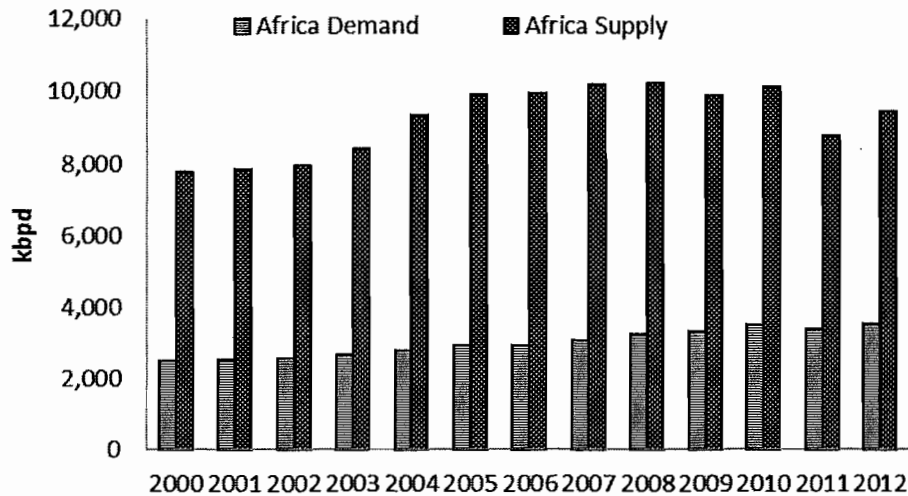


Figure 5-6: Africa Oil Demand and Supply [Source: BP Statistical Review 2013]

Regional oil production in 2012 reached 9.4mbpd, or 10.9% of global output. The largest producers are Nigeria, Angola, Algeria, Egypt, Libya and Sudan. Equatorial Guinea, Gabon, Congo (Brazzaville), Chad, Cameroon and Cote D'Ivoire also contribute relatively small volumes, while Mozambique, Tanzania and Uganda are currently net-importers, though Uganda has significant future oil production potential.

Unrest in North Africa, Libya in particular, in recent years is reflected in the bell-shaped production curve, which shows that Africa's oil production peaked in 2008 with an average of 10.3mbpd. Libya's production rose 215% from 2011 (0.48mbpd) to 2012 (1.5mbpd) due to the recovery from the civil war. Elsewhere, Angola and Sudan's production almost doubled over the past decade. The total effect of these on Africa production is a 1.8% (CAGR) annual increase in production over the past 10 years

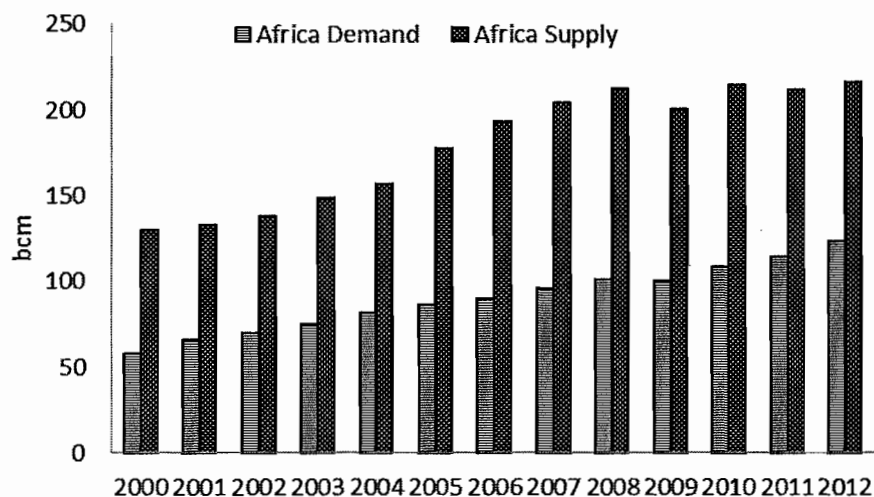


Figure 5-7: Africa Gas Demand and Supply [Source: BP Statistical Review 2013]

5. INDUSTRY OVERVIEW (cont'd)

In terms of gas, regional production in 2012 hit 216bcm, equivalent to 6.4% of the world total. By far the biggest players are Algeria, Egypt and Nigeria with substantial contributions also coming from Libya, Equatorial Guinea and Mozambique. Africa's gas production profile is similar to that of oil. Gas output rose sharply in the 2002-2007 timeframe but remained stagnant thereafter due to political unrest, unplanned outages and the effects of the global financial crisis.

High oil prices have driven a wave of new interest in sub-Saharan Africa's underexplored basins in recent years. New exploration has uncovered a number of plays that have the potential to boost regional production and exports substantially. The most notable examples include the onshore rift basins of Uganda, Kenya and Ethiopia, the offshore Rovuma basin in Mozambique and Tanzania, the Lamu basin in Kenya, and West Africa's Atlantic margin from Sierra Leone in the North to Ghana in the south.

In addition to the identification of new basins, substantial production potential exists in deepwater plays offshore Angola and Congo (Brazzaville) where there is substantial industry interest in ultra-deep water acreage which mirrors the geological features of Brazil's prolific pre-salt Santos, Campos and Espirito Santos basins. Nigeria's deepwater acreage is also highly prospective. However, uncertainty over the legal and financial framework for the oil industry is likely to curtail investment until the passage of the new Petroleum Industry Bill ("PIB").

Most oil and gas contracts are based on PSAs with national oil companies holding minority stakes in key projects operated by international partners. The NOCs of Nigeria (NNPC) and Angola (Sonangol) are taking operatorship of some projects, particularly those onshore or in very shallow waters. However, the majority of offshore developments remain under the control of international oil companies.

Infield Systems anticipates robust prospects on offshore oil and gas investment in Africa in the 2013-2015 timeframe. Capex is expected to remain high at around USD12-17 billion reflecting the recovery from financial crisis and the rebuilding of platforms/pipelines affected by the recent unrests. Despite this, a real boost in investment is unlikely to happen before 2015. Two reasons are behind this delay. First, Angola is a member state of the Organization of the Petroleum Exporting Countries ("OPEC") and the country has reached its production ceiling capped by the organisation. Potential projects are therefore being pushed back to later years.

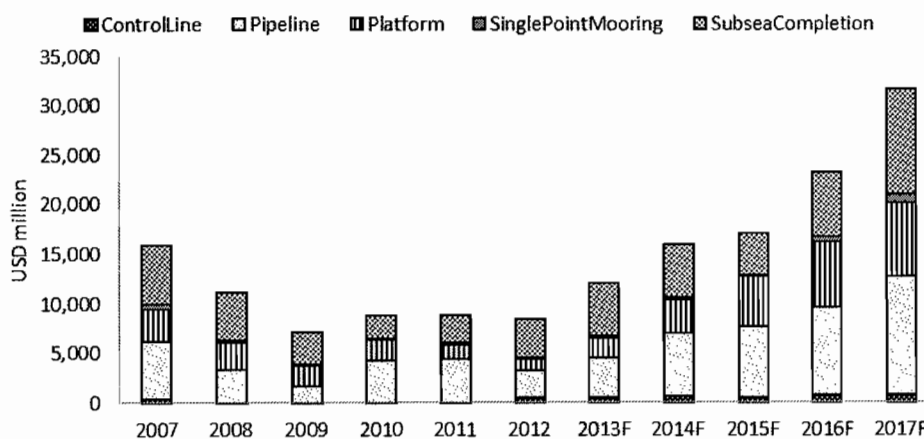


Figure 5-8: Africa Offshore Capex [Source: Infield Systems 2013]

5. INDUSTRY OVERVIEW *(cont'd)*

Second, the unstable political situation in Nigeria also delays major operators' investment decisions. In particular, Nigerian authorities are considering a significant rise in the tax rate quoted by the PIB; an act of legal and regulatory framework for the Nigerian oil and gas industry. Foreign operators are unlikely to make any major offshore investment decisions until the PIB is settled. For example, Total's Egina filed has been stalled completely due to this unstable political situation. However, once the political clouds are cleared, investment should reflect the potential of the region's oil and gas industry, which are reflected in the anticipated investment boom in the 2015-2017 timeframe. In the 2016-2017 timeframe capital expenditure is expected to increase considerably to between USD 23 billion and USD 31 billion.

5.2.2 *Drivers for the development of the industry within Africa*

Driven by demand growth from non-OECD nations located elsewhere, Africa's offshore industry has seen a great deal of activity from both the western Majors and Independent operators alike. In West Africa, this has opened up a huge deep and ultra-deep water industry in Nigeria and Angola in addition to new production in Ghana with further potential evident elsewhere along the gold coast. More recently, South and East Africa has also seen significant levels of exploration activity, with East Africa set to become a natural gas exporter over the next decade following major discoveries in Tanzania (Mzia, Jodari and Zafarani) and Mozambique (Golfinho, Windjammer, Camarao and Lagosta).

5.2.3 *Overview of where energy is sourced from these markets*

Low levels of industrialisation, GDP per capita, refining capacity and vehicle ownership mean that the vast majority of the region's substantial oil and gas resources are prepared for export. Consequently, Africa's energy consumption remains the lowest of any region. Indeed, the sub-Saharan African region has access to 4.1% of the world's total proven oil reserves and contributes less than 2% of daily global oil consumption. This is in stark contrast to the Asia-Pacific region which has access to just 2.5% of proven oil reserves but accounts for 32% of daily global oil production. This is in stark contrast to the Asia-Pacific region which has access to just 2.5% of proven oil reserves but accounts for 33% of daily global oil consumption.

5.2.4 *Africa investment overview*

Throughout 2012 there were 97 transactions completed in Africa, an increase on the 93 during 2011 [Source: Ernst & Young Global Oil and Gas Transactions Review 2012]. In October 2012, the Independent Melrose Resources sold fields with 2P reserves of approximately 27.1 million barrels to another Independent, Petroceltic for USD396 million valuing the transaction at USD11.47/bbl.

In September 2012, a consortium of Shell, Total and ENI sold stakes in a number of assets to Heritage Oil and Shoreline Power Company for USD850 million with 2P reserves of around 217 million barrels valuing reserves at around USD3.92/bbl. Elsewhere, Oando PLC, a Nigerian Independent purchased ConocoPhillips' Nigerian business for USD1.8 billion whilst in East Africa the Thai NOC PTT Exploration paid USD1.8 billion for Cove Energy, a UK Independent with an 8.5% interest in the Rovuma Basin in Mozambique.

5. INDUSTRY OVERVIEW *(cont'd)*

5.2.5 *Africa industry players*

Nigeria National Petroleum Corporation (“NNPC”)

NNPC was established in 1977 as a merger of the Nigeria National Oil Cooperation and the Federal Ministry of Mines and Steel. NNPC by law manages the joint venture between the Nigerian federal government and a number of foreign multinational corporations. Nearly all of Nigeria’s oil and gas are developed and funded through joint ventures with IOCs with NNPC being the major shareholder. The remaining contracts are PSCs with international IOCs and these are predominantly the deepwater blocks. Traditionally Shell has been very active both onshore and offshore in Nigeria.

Sociedade Nacional de Combustíveis de Angola (“Sonangol”)

Sonangol is part operator and part regulator in Angola having being established in 1976. Historically, Chevron has been very active with its predecessor in the region the Cabinda Gulf Oil Company commencing E&P in the 1950’s. Sonangol has a number of key partnerships with Exxon, Total, BP and Chevron. Offshore Angola remains very important to international oil companies going forward due to reserves available, the quality of light sweet oil perfect for European and North American refineries and the business friendly environment post Angola’s 27 year civil war which ended in 2002.

Tullow Oil plc (“Tullow”)

Tullow is a UK Independent company which was established in 1985. Tullow is included here due to the fact that it has been extremely successful in discovering oil and gas in Africa and has subsequently brought these reserves to production. It has discovered new oil provinces in Ghana, Uganda and Kenya, produces oil and gas in 6 countries and has exploration projects in 13 countries. The company has a primary listing on the London Stock Exchange and is a constituent of the FTSE 100 index with a market capitalisation of approximately GBP12.5 billion. Tullow has total proven commercial reserves of 290.5mboe. The company has a 70% success rate with exploration and appraisal wells, which is double the industry average. In 2012, it produced around 85,000boepd.

Afren Plc

Afren Plc is an Independent E&P Company listed on the London Stock Exchange and is a constituent of the FTSE 250. It mainly operates in East and West Africa countries such as Nigeria, Ghana, Congo, Ethiopia, Kenya, Tanzania and Côte d’Ivoire. The company has 995mboe net 2P reserves and contingent resources, and 7,128.5mboe of net prospective resources. In 2012, Afren Plc’s net production stands around 43,000boepd.

Anadarko Petroleum Company (“Anadarko”)

Anadarko is a USA Independent established in 1959 and has been successful discovering and producing oil in Africa. Anadarko is Tullow’s partner in the Jubilee Field in Ghana and in 2010 discovered gas reserves in East Africa. Other holdings include vast acreage in the Marcellus and Eagleford USA Onshore shale plays as well as deepwater Gulf of Mexico, Brazil and Mozambique.

5. INDUSTRY OVERVIEW (cont'd)

Madagascar Oil Limited

Madagascar Oil Limited is an Independent engaged in the exploration and development of heavy oil and conventional oil deposits on five contiguous onshore blocks in Madagascar. The company's 100% owned blocks include Tsimiroro, Manambolo, Morondava, and Manandaza. The company also holds a 40% interest in the Bemolanga block, alongside partner Total.

On February 15th 2013, Madagascar Oil Limited announced that it had successfully raised GBP50 million from an equity offering. The cash will be used to fund further exploration and appraisal on the Tsimiroro and Bemolanga blocks.

Hyperdynamics Corporation

Hyperdynamics Corporation is an Independent oil and gas explorer holding a 37% non-operator interest in an offshore concession in the Republic of Guinea. The company's share in the block fell following the farm-out of a 40% interest to Tullow in December 2012 for up to USD101 million. The consideration will include full drilling carry on the next exploration well up to a total gross cost of USD100 million.

The first well on the licence, Sabu-1, reached a planned total depth of 3,600 metres in February 2012, revealing uncommercial oil shows. Further 3D seismic analysis of the deepwater section of the concession was completed in 2012.

5.3 Middle East

5.3.1 Overview

Middle Eastern nations control an estimated 808 billion barrels of oil and 81tcm of natural gas. That equates to 48.4% and 43% of global proven oil and natural gas resources, respectively. This reserves base has been steadily growing over the last three decades, increasing at a CAGR of 2.5% (oil) and 3.8% (gas) since 1980.

These reserves are primarily located in Saudi Arabia (266 billion barrels, 8.2tcm), Iran (157 billion barrels, 33.1tcm), Iraq (143 billion barrels, 3.6tcm), Kuwait (102 billion barrels, 1.6tcm), UAE (98 billion barrels, 6.1tcm) and Qatar (24 billion barrels, 25tcm). Both Iran and Iraq have increased proven oil reserves sharply, by 20% and 30% respectively, over the past 10 years due mainly to 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.

5. INDUSTRY OVERVIEW (cont'd)

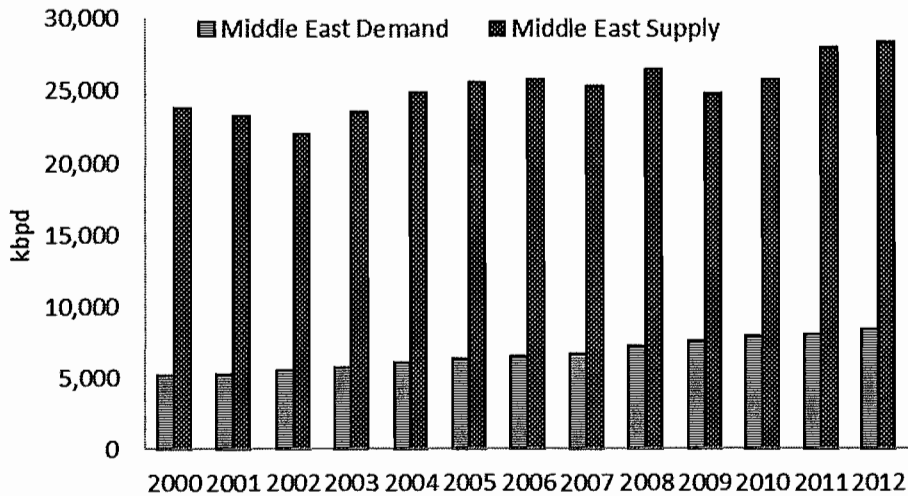


Figure 5-9: Middle East Oil Demand and Supply [Source: BP Statistical Review 2013]

Oil production has increased dramatically in the Middle East region, with a growth rate of 2.6% (CAGR) per year over the past decade. In all, the region produced 28.3mbpd in 2012, around 33% of the global total. While output has been rising, domestic demand has surged, growing 4.4% annually over the same period. Despite this rise, the region remains the most important oil exporter in the world shipping net exports of 20mbpd to international markets in 2012 [Source: BP Statistical Review 2013].

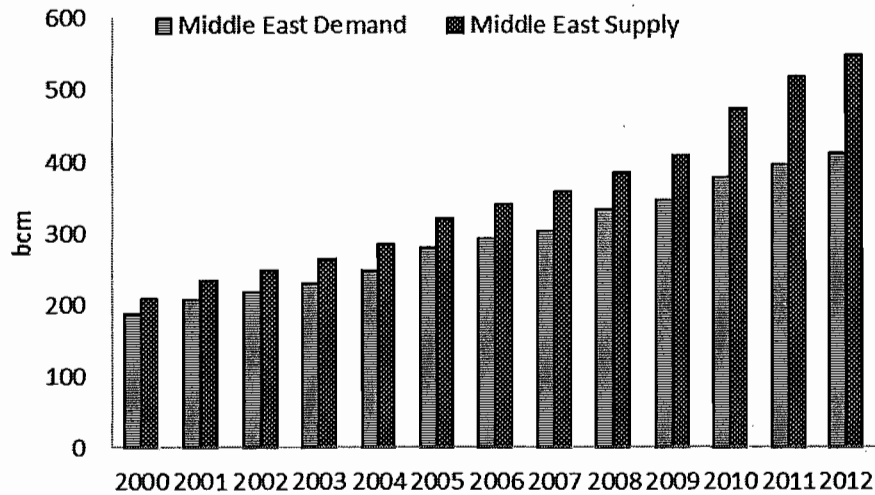


Figure 5-10: Middle East Gas Demand and Supply [Source: BP Statistical Review 2013]

Between 2002 and 2012, gas production in the Middle East region rose sharply by an annual rate of 8.3% (CAGR) with consumption also increasing nearly as fast, at 6.6%.

Gas production has risen in all four major Middle East gas-producing countries, namely Iran (160.5bcm), Qatar (157bcm), Saudi Arabia (102.8bcm) and UAE (51.7bcm). However, despite being the third largest gas producing region in the world, its position in the global gas market is not as dominant as that of oil.

5. INDUSTRY OVERVIEW (cont'd)

A key driver for offshore development in the Middle East region has been, and will likely continue to be, the strong growth in natural gas demand in the Persian Gulf region and the broader Middle East. The Persian Gulf has an abundance of reserves of natural gas but only Qatar is a significant exporter. Indeed, Iran has the second-largest gas reserves in the world but its failure to develop an export sector to date has meant that these reserves primarily supply the domestic market. Ironically, Iran is a net importer of natural gas, and the government faces the challenge of heavy local gas consumption from its population of more than 70 million which enjoys heavily subsidised energy supplies.

A raft of gas projects across the Middle Eastern region are expected to drive capital spending across with developments such as Qatar's North Field, Iran's South Pars, Israel's Leviathan field (Mediterranean), Saudi Arabia's Dorra, Manifa, Hasbah and Arabiyah developments and Egypt's Raven being key in this respect.

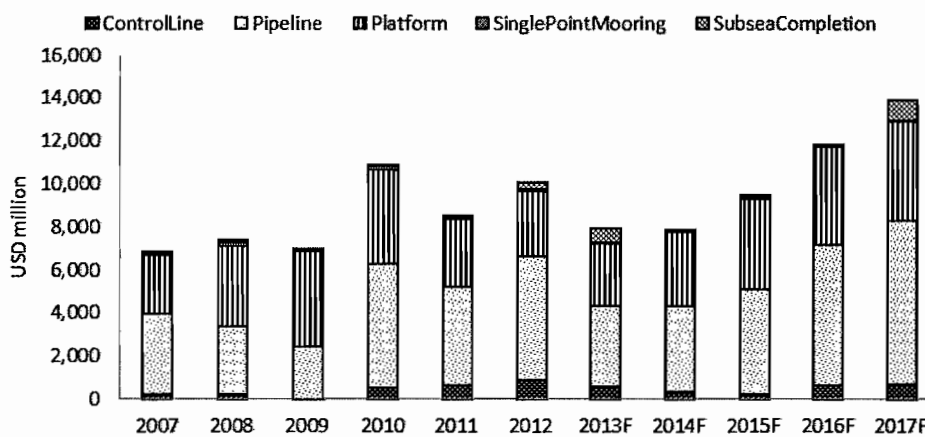


Figure 5-11: Middle East Offshore Capex [Source: Infield Systems 2013]

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 oil and gas infrastructure.

The new round of investment boom is expected to start in 2015 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. In all, the Middle East is expected to draw offshore Capex of approximately USD51 billion, or 9% of global offshore spending, between 2013 and 2017.

5.3.2 Drivers for the development of the industry within the Middle East

The MENA region continues to be a major supplier for global oil markets, providing just over 30mbpd on average in 2011, or about a third of global demand. Oil production has also increased by 12% since 2001, whereas oil consumption has risen 47% in the same time period, reaching just over nine mbpd in 2011. Rapid economic and demographic growth enabled by high oil prices and heavily subsidised local energy have been major drivers of domestic demand. Indeed, Saudi Arabia, the key OPEC nation, is not only the region's primary oil producer; it is now also the world's fifth largest oil consumer. Natural gas consumption and production have followed a similar trend, both nearly doubling in the last decade. Regional gas consumption reached over 480bcm in 2011, compared to a production output of 670bcm.

5. INDUSTRY OVERVIEW *(cont'd)*

While Iran has large gas reserves and is the region's leading producer, Qatar is the only significant gas exporter. The pan-regional growth of domestic gas consumption is driven by the wider use of gas instead of oil in the electricity sector and the practice of re-injecting natural gas in mature oilfields to maintain or increase production levels. In response to rising demand, MENA countries are starting aggressive exploration campaigns to discover new gas fields, with some limited success. The majority of offshore oil and gas production still comes from giant offshore fields such as Safaniya in Saudi Arabia, the earlier phases of South Pars in Iran and North Field and Al Shaheen in Qatar.

The consumption of primary energy has grown rapidly in the MENA region over the last decade. In 2000, total primary energy consumption fell just short of 500 million tonnes of oil equivalent ("mtoe") - eleven years later this figure had grown by 75% to reach 870mtoe. The most significant driver of this demand growth has stemmed from natural gas (+112% growth).

5.3.3 *Overview of where energy is sourced from these markets*

Regional demand for oil has also seen significant growth over the last decade, having increased by over 50% from 280mtoe in 2000 to 420mtoe by 2011. This rate of energy consumption growth is only matched by the non-OECD countries in Asia. The key driver of this energy growth is the Kingdom of Saudi Arabia, which saw oil consumption increase from 1.5mbpd in 2000 to over 2.7mbpd in 2011. With a population of 28 million, this puts Saudi Arabia's per capita oil consumption on par with that of North America. Other countries in the Middle East have also followed suit, with Kuwait, Qatar and the United Arab Emirates ("UAE") collectively seeing oil consumption almost double over the same period to over 1.3mbpd in 2011. Saudi Arabia has increased oil burning to produce electricity, for which demand has increased as air-conditioning use has increased and a number of desalination plants have been built. The introduction of subsidies making petroleum and fuel very cheap have encouraged consumption, while the Arab Spring has made governments across MENA wary of taking these away from the population, in fear of further social unrest.

The trend for gas consumption growth follows much the same path as that of oil, driven by similar demand dynamics. Saudi Arabia has seen natural gas consumption double from just under 50bcm in 2000 to almost 100bcm in 2011, while the UAE has also seen consumption increase by 93% over the same period. However, the key regional driver is Iran, which consumed more natural gas in 2011 than the UK and Germany put together. With some of the largest oil and gas reserves in the world, the MENA region is able to cope with these trends at present, however these dynamics are clearly unsustainable in the very long-term. Given the size of the resource base in the key MENA countries, there has been little incentive to invest in alternative fuels to date.

With much of the oil and gas consumed in the Middle East originating in its member countries the region has very little reliance on imports from other regions.

5.3.4 *Middle East investment overview*

In August 2012, Genel Energy Plc (a UK based Independent) acquired a 23% stake in the Bina Bawi exploration licence in the Kurdistan region of Iraq via its USD175 million takeover of A&T Petroleum Company Ltd from Petoil Petroleum and Petroleum Products International Exploration and Production, Inc. The licence lies alongside the producing Taq Taq oilfield where current potential output is 80kbpd and is projected to rise to 200kbpd.

5. INDUSTRY OVERVIEW *(cont'd)*

In January 2012, DNO International (a Norwegian based Independent) merged with RAK Petroleum's (a UAE based Independent) oil and gas units in the Middle East. The transaction values DNO at USD1.64 billion (AED6.02 billion), or 9.50 kroner a share, and RAK's operating subsidiaries at USD250 million.

5.3.5 *Middle East industry players*

Saudi Aramco

Saudi Aramco is the NOC of Saudi Arabia created in 1933 from an offshoot of Standard Oil of California (Chevron) which was awarded a concession in return for the provision of loans to the government. Saudi Aramco is an extensive conventional onshore and offshore operator in the Kingdom with nearly all oil and gas activity in the country conducted solely by Aramco. For much of the last decade total oil production levels have remained between 8 and 9mbpd with production fluctuating with global demand. Saudi Arabia is known as OPEC's swing producer with Aramco willing to supply or reduce production accordingly.

Abu Dhabi National Oil Company ("ADNOC")

ADNOC was created in 1971 and restructured in 1988. The supreme Petroleum Council has overall policy responsibility for the industry as well as management control over the state oil company. ADNOC has onshore and offshore holdings and is especially dependent on natural gas and LNG exports. ADNOC owns and manages two downstream assets.

National Iranian Oil Company ("NIOC")

Established in 1948, NIOC is a corporation owned by the Ministry of Petroleum of Iran. NIOC is the third largest producer in the world after Saudi Aramco and Gazprom. However, NIOC's production is primarily weighted towards the production of natural gas. NIOC has found it increasingly challenging to adopt the newest technologies for production due to the extensive USA sanctions. Traditionally, NIOC has relationships with Total which have lessened over the past decade. NIOC currently enjoys partnerships and a positive working relationship with Petronas.

Qatar Petroleum

Qatar Petroleum is the state owned petroleum company in Qatar. The company operates all oil and gas activities in the country. Qatar Petroleum was established in 1974. Qatar is one of the largest exporters to Europe, particularly the UK which sources close to 90% of its imported gas from Qatar. Qatar Petroleum also maintains a major partnership with Shell in the USD12 billion Pearl GTL project.

State Oil Company of Azerbaijan Republic ("SOCAR")

Azerbaijan is one of the oldest producing nations in the world. The Azeri national oil company SOCAR has lacked technology and finance to develop new prospects and has leant on partnerships such as BP to develop more complex fields such as the Azeri Chirag Guneshli and Shah Deniz Projects. Other partnerships include Lukoil and Exxon. SOCAR seems to be very open to investment and Infield Systems believes this to be a distinct opportunity for a newly formed fully funded oil and gas company.

5. INDUSTRY OVERVIEW (cont'd)

Gulfsands Petroleum Plc (“Gulfsands”)

Gulfsands is an Independent oil and gas E&P company focused on the Middle East. In Syria, Gulfsands is the operator of Block 26 with a 50% working interest. Operations on the block have been largely suspended by the ongoing Syrian civil war.

Gulfsands also has non-operated working interests in two exploration permits in Tunisia (the Chorbane and Kerkouane Permits) and one exploration permit in Southern Italy. In addition, the company owns a portfolio of non-operated oil and gas properties in the shallow-water Gulf of Mexico offshore Texas and Louisiana. These consist of interests in 14 leases containing nine producing fields. In January 2013, the Company acquired Cabre Maroc Limited.

Tethys Petroleum Limited (“Tethys”)

Tethys is an Independent oil and gas E&P company. Through its subsidiaries, the company is engaged in the exploration and development of oil and gas resources in Central Asia and the Middle East.

In Oman, the company holds a 30% interest in Block 4 alongside CC Energy Development and Mitsui E&P. The Independent confirmed oil shows in the Lower Al Bashir, Buah, Khufai and Masirah Bay formations during drilling in February 2013.

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5. INDUSTRY OVERVIEW (cont'd)

6 APPENDIX

6.1 Risks in relation to business: operational & financial

The following outlines the four key business risks in the oil and gas market, specifically within the Asia-Pacific region. The four risks that have been chosen are those that Infield Systems believes have the most impact on the market in general, and specifically the Asia-Pacific region.

6.1.1 *Uncertain Energy Policies/Carbon Climate Concerns*

The Asia-Pacific region faces three key energy policy risks. The first relates to the introduction of measures to reduce carbon emissions in line with international agreements such as the Kyoto protocol. In the long term, the requirement to reduce carbon emissions, which are high in oil and gas, has the potential to limit investment in oil and gas and move investment towards cleaner forms of energy such as renewables.

The second is derived from high energy prices which continue to put strain upon fiscal balances in countries with substantial energy subsidies. If oil prices remain persistently high, many governments will be forced to liberalise energy prices which could have a profound effect on regional energy demand dynamics. In a liberalised market, governments would cease to control prices and in all likelihood, the price of oil and gas would increase. A significant increase in the price of oil and gas could see demand fall considerably in local markets accustomed to government welfare policies where prices are capped to support an increase in living standards.

Lastly, the size and importance of the energy industry in many emerging economies can result in significant policy uncertainty as governments seek to manipulate this 'strategic' sector. The uncertainty that surrounds the sector manipulation can cause considerable investment risk, particularly for international companies. The most extreme example of this intervention is asset expropriation seen in Venezuela, Russia and, most recently, in Argentina over the last decade.

6.1.2 *Dependency on OPEC nations*

Infield Systems estimates that NOCs control over 70% of proven global reserves concentrated in the OPEC nations of Angola, Iran, Iraq, Nigeria, Saudi Arabia, Qatar and Venezuela. This gives the cartel very strong pricing power in the global oil and gas markets.

Asia-Pacific markets are particularly vulnerable to the activities of OPEC nations because of the region's relatively scarce domestic resource base and consequent dependence on OPEC countries for a large proportion of their energy supply. In addition, the pricing of the oil and gas produced within the Asia-Pacific region are largely influenced by activities of OPEC nations. Any radical changes in OPEC policy could therefore be extremely destabilising for energy markets in Asia-Pacific.

5. INDUSTRY OVERVIEW *(cont'd)*

6.1.3 **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 policies, expropriation or nationalisation 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.

In addition, instability among OPEC countries can have dramatic effects on oil prices, as exemplified by the Iranian Revolution and, more recently, by the social uprising in the Middle East region more generally referred to as the 'Arab Spring'.

6.1.4 **Access to Credit Facilities**

Oil and gas companies, particularly small Independents which are largely or entirely debt-financed, are exposed to credit risks. These include the ability to raise capital in debt markets that is essential to funding growth and meeting existing obligations.

The global financial crisis in 2008 and 2009 and subsequent introduction of strict capital controls on banks has highlighted this risk as a number of small Independents have struggled to raise enough capital to fund E&P activities, despite record high oil prices. While access to credit facilities is improving, there remain clear financial risks particularly if systemic financial 'contagion' were to emerge from any disorderly default of a Eurozone economy.

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6. INFORMATION ON OUR COMPANY

6.1 INTRODUCTION

6.1.1 Background

Our Company was incorporated in Malaysia under the Act as a private company limited by shares on 23 May 2011 under the name of Titanium Windfall Sdn Bhd. On 8 November 2012, our Company changed its name from Titanium Windfall Sdn Bhd to Sona Petroleum Sdn Bhd and was subsequently converted from a private limited company to a public limited company, assuming its present name on 25 February 2013. The principal activity of our Company is as an investment holding company. Our Company has yet to commence business operations as a SPAC.

We intend to list on the Main Market of Bursa Securities as a SPAC. A SPAC is a company which has no operations or income generating business at the point of initial public offering but undertakes an initial public offering for the purpose of raising funds to acquire operating companies or assets, otherwise known as qualifying acquisition.

6.2 KEY CRITERIA OF A SPAC

Our Company meets the following key criteria of a SPAC as provided for under the Equity Guidelines:

<u>Key criteria for SPAC</u>	<u>Our Company</u>
<p><u>Minimum funds raised</u> A SPAC must raise at least RM150 million through its initial public offering.</p>	<p>The minimum amount to be raised under our IPO is RM150 million.</p>
<p><u>Management team</u> Members of the management team of the SPAC must own at least ten percent (10%) of the SPAC upon its initial public offering.</p>	<p>Our Management Team will own 20% of the enlarged issued and paid-up ordinary share capital of our Company upon our Listing.</p>
<p><u>IPO proceeds</u> A SPAC must place at least 90% of the gross proceeds from its initial public offering in a trust account immediately upon receipt of all proceeds. The monies in the trust account may only be released by the custodian of the trust account 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 initial public offering, being 10% of the proceeds, may be utilised to defray expenses related to the initial public offering 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>We will be placing at least 90% of the gross proceeds from our IPO in the Cash Trust Account immediately upon receipt of all IPO proceeds and will be dealt with in the manner as set out in Annexure C of this Prospectus. The proceeds in the Cash Trust Account may be invested in Permitted Investments and any interest generated will accrue to the Cash Trust Account.</p> <p>We will use the balance of the IPO proceeds, being 10% of the total IPO proceeds, to defray Listing expenses and for working capital purposes. Please refer to Section 3.8 of this Prospectus for our proposed utilisation of proceeds raised from our IPO.</p>

6. INFORMATION ON OUR COMPANY (cont'd)

Key criteria for SPACQualifying acquisition

An initial acquisition of target company or asset which has an aggregate fair market value of at least 80% of the aggregate amount in the trust account (net of any taxes payable). This acquisition is to be completed no later than 36 months from the date of listing of the SPAC on the Main Market of Bursa Securities. 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.

Shareholders' approval for qualifying acquisition

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 one (1) acquisition, each acquisition must be approved by the shareholders of the SPAC in the same manner.

The management team and persons connected to the management team must abstain from voting.

Refund to dissenting shareholders

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.

Custodian

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.

Our Company

Our Qualifying Acquisition will have an aggregate fair market value of at least 80% of the aggregate amount in the Cash Trust Account (net of any taxes payable). The Qualifying Acquisition is to be completed within the Permitted Timeframe. In the event we do not complete our Qualifying Acquisition within the Permitted Timeframe, we will be delisted from the Main Market of Bursa Securities. Completion of Qualifying Acquisition is as defined in the Equity Guidelines i.e. the point of time whereupon all the conditions precedent set out in the sale and purchase agreement governing the Qualifying Acquisition have been fulfilled.

The resolution on our 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 the EGM. Where our Qualifying Acquisition comprises more than one (1) acquisition, we will subject each acquisition to the approval of our shareholders in the same manner.

Platinum Autumn, our Management Team and persons connected to them, must abstain from voting at the EGM to be convened for the approval of our Qualifying Acquisition.

Provided we complete the Qualifying Acquisition within the Permitted Timeframe, our Articles of Association (as set out in Section 13.2(h) of this Prospectus) provide for the Qualifying Acquisition Share Repurchase to be made within seven (7) Market Days after our Qualifying Acquisition has been fully and duly completed in accordance with the Equity Guidelines. The details of when the completion of our Qualifying Acquisition will take place will be set out in the circular to our shareholders relating to the Qualifying Acquisition. We will cancel the Shares tendered under the Qualifying Acquisition Share Repurchase.

We have appointed the Custodian to hold the monies in the Cash Trust Account in accordance with Article 61B(6) of our Articles of Association as set out in Section 13.2(g) of this Prospectus.

6. INFORMATION ON OUR COMPANY (cont'd)**Key criteria for SPAC**

The roles and responsibilities of the custodian are as follows:

- (a) the custodian must hold in trust, the proceeds from an issuance of securities by the SPAC, in accordance with the custodian agreement, the Equity Guidelines and applicable laws;
- (b) 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:
 - (i) proper accounting records and other records as are necessary are kept in relation to the trust account; and
 - (ii) custody and control of monies held in the trust account is in accordance with the provisions of the custodian agreement;
- (c) the custodian may be provided a mandate by the management team to invest the amounts held in the trust account in permitted investments; and
- (d) the custodian may only distribute and/or liquidate the funds held in the trust account in accordance with the provisions in 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 and 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.

Our Company

The roles and responsibilities of the Custodian are in accordance with the requirements of the SC and are set out in Annexure C of this Prospectus.

Please refer to Annexure C of this Prospectus for the salient terms of the Custodian Agreement.

If we do not complete our Qualifying Acquisition within the Permitted Timeframe, we will be liquidated. In accordance with our Articles of Association, in such an event, the Cash Trust Account (net of any taxes payable and direct expenses related to the Liquidation Distribution) will be distributed to our 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 Cash Trust Account will form part of the Liquidation Distribution. Platinum Autumn, the Initial Investors, our Management Team and persons connected to them may not participate in the Liquidation Distribution, except for Shares purchased by them pursuant to our IPO and/or after our Listing.

6. INFORMATION ON OUR COMPANY (cont'd)

Key criteria for SPAC**Our Company**

Please refer to Section 6.2.2 of this Prospectus for the basis of computation of the Liquidation Distribution.

6.2.1 Basis of computation for the amount to be paid to Dissenting Shareholder under the Qualifying Acquisition Share Repurchase

The basis of computation for the amount to be paid to Dissenting Shareholder under the Qualifying Acquisition Share Repurchase is as follows:

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

Where:

- X = Amount per Share payable to the Dissenting Shareholder
- Y = Amount then held in Cash 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 Platinum Autumn, our Management Team, persons connected to our Management Team and the Initial Investors⁽¹⁾

Note:

- (1) *Except in relation to Shares purchased by the Initial Investors pursuant to our IPO and/or after the Listing.*

In order to exercise the right to require our Company to purchase Shares under the Qualifying Acquisition Share Repurchase, a Dissenting 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 amount to be paid under the Qualifying Acquisition Share Repurchase shall be effected by our Company in favour of each Dissenting Shareholder within seven (7) Market Days after our Qualifying Acquisition has been fully and duly completed in accordance with the Equity Guidelines. The details of when the completion of our Qualifying Acquisition will take place will be set out in a circular to our shareholders relating to the Qualifying Acquisition. Such payment to the Dissenting Shareholders shall be effected in the same manner as provided in Articles 154 and 155 of our Articles of Association. Please refer to Section 13.2 of this Prospectus for the relevant extracts from our Articles of Association. We will cancel all the Shares that we may repurchase under the Qualifying Acquisition Share Repurchase.

In the event that our Qualifying Acquisition cannot be completed even after the conditions precedent set out in the sale and purchase agreement governing our Qualifying Acquisition have been fulfilled or waived (as the case may be), the Dissenting Shareholders would not be paid and we shall search for another Qualifying Acquisition so long as it is within the Permitted Timeframe.

6. INFORMATION ON OUR COMPANY *(cont'd)*

6.2.2 Basis of computation for the Liquidation Distribution

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 Platinum Autumn, our Management Team, persons connected to our Management Team and the Initial Investors⁽¹⁾

Note:

- (1) *Except in relation to Shares purchased by persons connected to our Management Team and Initial Investors pursuant to the IPO as well as Shares purchased by Platinum Autumn, our Management Team, persons connected to our Management Team and the Initial Investors after Listing.*

The Liquidation Amount shall be distributed to our 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 Platinum Autumn, our Management Team, persons connected to our Management Team and the Initial Investors shall renounce their entitlement to (and shall not participate in) the Liquidation Distribution, except in relation to Shares purchased by persons connected to our Management Team and Initial Investors pursuant to the IPO as well as Shares purchased by Platinum Autumn, our Management Team, persons connected to our Management Team and the Initial Investors after Listing.

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6. INFORMATION ON OUR COMPANY (cont'd)

6.3 OUR SECURITIES

As at the LPD, our Company has issued and allotted two classes of securities, namely the Shares and the RCPS. Our authorised share capital is RM50,000,000 comprising 4,970,000,000 Shares and 30,000,000 RCPS of which 110,714,300 Shares and 20,002,740 RCPS are issued and fully paid-up.

The details of the changes in our issued and paid-up share capital since our incorporation on 23 May 2011 until the LPD are as follows:

<u>Date of allotment/ subdivision/ conversion</u>	<u>No. of Shares / RCPS</u>	<u>Par value (RM)</u>	<u>Consideration</u>	<u>Cumulative issued and paid- up share capital (RM)</u>
Shares				
23 May 2011	2	1.00	Cash	2
19 February 2013	200	0.01	Nil (subdivision of Shares) ⁽¹⁾	2
19 February 2013	82,142,600	0.01	Conversion of RCPS ⁽²⁾	821,428
20 February 2013	28,571,500	0.01	Cash subscription ⁽³⁾	1,107,143
RCPS				
19 February 2013	28,217,000	0.01	Capitalisation of advances	282,170
19 February 2013	(8,214,260)	0.01	Conversion of RCPS ⁽²⁾	200,027

Notes:

- (1) On 19 February 2013, our Company had undertaken the subdivision of every one (1) ordinary share of RM1.00 each in our Company into 100 Shares.
- (2) On 19 February 2013, Platinum Autumn converted 8,214,260 RCPS into 82,142,600 new Shares which were issued to them at par together with 82,142,600 attached Warrants which will be issued and allotted to Platinum Autumn on the same date of allotment of the Public Issue Shares and the Warrants to the IPO Investors. The Tranche 1 Conversion of RCPS was undertaken such that Platinum Autumn will hold 20% of the enlarged issued and paid-up ordinary share capital of our Company after our IPO assuming the minimum 300,000,000 Public Issue Shares is subscribed under our IPO to raise RM150 million. The deferred issuance of Warrants to Platinum Autumn is to facilitate the issuance and allotment of all Warrants (which form the same series and to be constituted under the Deed Poll) at the same time. Please refer to Annexure B for the salient terms of the RCPS.
- (3) On 20 February 2013, the Initial Investors entered into the Master Initial Investors' Subscription Agreement with our Company to subscribe for a total of 28,571,500 Shares together with 28,571,500 attached Warrants at a subscription price of RM0.35 per new Share. The 28,571,500 Warrants will be issued and allotted to the Initial Investors on the same date as the allotment of the Public Issue Shares and Warrants to the IPO Investors. The deferred issuance is to facilitate the issuance and allotment of all the Warrants (which form the same series and to be constituted under the Deed Poll) at the same time.

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

When the number of Public Issue Shares subscribed is made known to our Company, at a time between the closing of the Applications and prior to the issuance and allotment of the Public Issue Shares, Platinum Autumn will undertake the Tranche 2 Conversion of RCPS, where it 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 upon Listing.

6. INFORMATION ON OUR COMPANY (cont'd)

Immediately after the Listing, the remaining RCPS will be redeemed by our Company. For example, assuming that the Public Issue Shares are fully subscribed, Platinum Autumn will convert 20,000,000 RCPS into 200,000,000 Shares together with 200,000,000 attached Warrants under the Tranche 2 Conversion of RCPS. The remaining 2,740 RCPS will be fully redeemed by our Company immediately after the Listing.

We will also be issuing up to 1,410,714,100 Warrants comprising the following:

- (a) 28,571,500 Warrants to the Initial Investors pursuant to the Subscription by the Initial Investors;
- (b) 82,142,600 Warrants to Platinum Autumn pursuant to the Tranche 1 Conversion of RCPS
- (c) up to 200,000,000 Warrants to Platinum Autumn pursuant to the Tranche 2 Conversion of RCPS; and
- (d) up to 1,100,000,000 Warrants to IPO Investors pursuant to our IPO.

The Warrants will be issued simultaneously in one (1) series. Details in relation to the terms and conditions of the Warrants are set out in Section 3.5.2 of this Prospectus.

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

The effects of the issuance of Shares and Warrants following our IPO are illustrated below, assuming the Minimum Scenario and Maximum Scenario:

- (a) Shares

Our issued and paid-up ordinary share capital upon Listing will be as follows:

	Minimum Scenario		Maximum Scenario	
	No. of Shares	RM	No. of Shares	RM
As at the LPD	110,714,300	1,107,143	110,714,300	1,107,143
New Shares to be issued as fully paid-up pursuant to our IPO	300,000,000	3,000,000	1,100,000,000	11,000,000
New Shares to be issued as fully paid-up upon Tranche 2 Conversion of RCPS	-	-	200,000,000	2,000,000
Enlarged ordinary share capital upon Listing	410,714,300	4,107,143	1,410,714,300	14,107,143
New Shares to be issued as fully paid-up upon full exercise of Warrants	410,714,100	4,107,141	1,410,714,100	14,107,141
Enlarged ordinary share capital after full exercise of the Warrants	821,428,400	8,214,284	2,821,428,400	28,214,284