

DISPOSAL OF THE ENTIRE SHAREHOLDING IN THE ISSUED AND FULLY PAID UP SHARE CAPITAL OF BORNEO INVESTMENTS LIMITED ("BIL") BY BORNEO OIL & GAS CORPORATION SDN BHD ("BOG") A WHOLLY OWNED SUBSIDIARY OF BORNEO OIL BERHAD ("THE COMPANY")

1. INTRODUCTION

The Board of Directors of the Company is pleased to announce that BOG has entered into a Shares Sale Agreement dated 25th April 2018 ("the said Disposal or Agreement") with Borneo International Limited (Co. No. LL05714) to dispose of its wholly owned subsidiary, BIL.

This announcement is made pursuant to Chapter 9 – Para 19 (24) of Bursa Malaysia Securities Berhad's Listing Requirements for the Main Market.

2. INFORMATION ON THE SAID DISPOSAL

(a) Information on BIL

- (i) BIL was incorporated in Wilayah Persekutuan Labuan with an issued and fully paid up share capital of RM4.
- (ii) BIL was set up to trade on gold spot contracts.

(b) Basis of determining the sale consideration

The sale consideration for the said Disposal of RM25,000.00 to be paid in cash was arrived at after taking into consideration the followings:-

- (i) A willing buyer willing seller basis.
- (ii) BIL's net tangible asset of RM19,031.05 based on its management accounts as at 31 March, 2018.
- (iii) BIL's present inactive status.

(c) Rationales for the said Disposal

BIL was set up to trade on gold spot contracts. Since the Company is no longer conducting any gold spot trading, it is best to rationalize by disposing off the same from the mining and energy division.

3. OTHER INFORMATION

(a) Effects of the said Disposal

The said Disposal has no material effect on the Company's share capital, substantial shareholders' shareholdings, gearing, net assets and earnings based on its audited accounts as at 31st January, 2017.

(b) Approvals Required

The said Disposal does not require the approval of the Company's shareholders or any other governmental authorities.

(c) Director's and major shareholder's interest

None of the directors or major shareholders of the Company or persons connected to them have any interest, direct or indirect in the said Disposal.

(d) Statement by the Directors

The Board of Directors of Borneo Oil Berhad is of the opinion that the said Disposal is in the best interest of the Group.

This Announcement is dated 25th April 2018.