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26 June 2006

## **SOUND OIL ACQUIRES MITRA ENERGIA AND RAISES £11.7 MILLION IN PLACING**

Sound Oil (AIM: SOU), the upstream oil and gas company with cash assets of approximately £10 million is to acquire Mitra, an unquoted gas exploration and development company with interests in Indonesia, in a reverse takeover. Sound Oil will acquire Mitra in consideration of an issue of new Ordinary Shares.

### Highlights

- Sound Oil is to acquire Mitra, an unquoted gas exploration and development company with interests in Indonesia, in a reverse takeover. Mitra holds a 34 per cent. interest in the Bangkanai Block onshore central Kalimantan and a 20 per cent. interest in the Citarum Block onshore central Java.
- Sound Oil, an AIM quoted company with cash of approximately £10 million, will acquire Mitra in consideration of an issue of 223,376,623 new Ordinary Shares which values Mitra at approximately £16.2 million at the Placing Price.
- Sound Oil has raised £11.7 million before expenses at an issue price of 7.25p per share in a conditional placing of new Ordinary Shares.
- The market capitalisation of the Enlarged Group at the Placing Price is approximately £50 million.
- Sound Oil's cash resources as increased by the net proceeds of the Placing will be used principally for the development of Mitra's gas interests in Indonesia.
- The transaction is subject to the approval of Sound Oil shareholders at an extraordinary general meeting to be held on 12 July 2006.
- The Company expects the Placing Shares and Consideration Shares to be admitted to AIM following the EGM.

Commenting on the Acquisition and Placing, Gerry Orbell, Chairman and Chief Executive of Sound Oil said, "This is a very good deal for Sound. Within a few months we will have started drilling the first of four high impact exploration wells on our licences in Java and Kalimantan. In addition we shall be developing the Kerendan gas field in Kalimantan which we expect to give us a 20 year cash flow starting 2008".

This summary should be read in conjunction with the full text of this announcement.

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The Admission Document will be available on the Company's website [www.soundoil.co.uk](http://www.soundoil.co.uk)

**Proposed acquisition of Mitra Energia Limited**  
**Proposed waiver of rule 9 of the Code**  
**Proposed placing and re-admission to trading on AIM**

**Introduction**

On 20 March 2006, Sound Oil announced that it had reached agreement in principle for the acquisition of certain energy resource assets in Asia. As the Acquisition will constitute a reverse takeover under the AIM Rules, trading in the Ordinary Shares was suspended pending publication of an AIM admission document in respect of the proposed Enlarged Group and is expected to resume on 26 June 2006. Having completed its due diligence, the Company has entered into a formal agreement to acquire the whole of the issued share capital of Mitra. The consideration under the Acquisition values Mitra at £16.2 million (at the Placing Price) and will be satisfied by the allotment of the Consideration Shares. The Company is proposing to raise £11.7 million (before expenses) through the Placing. The net proceeds of the Placing will be used to provide working capital to support the growth and development of the Enlarged Group.

The Acquisition will constitute a reverse takeover of the Company under the AIM Rules and therefore requires approval of Shareholders at the Extraordinary General Meeting.

Following Admission, certain of the vendors of Mitra who are deemed to be acting in concert by the Panel will between them be interested in 209,415,584 Ordinary Shares representing approximately 30.2 per cent. of the Enlarged Share Capital. The Panel has agreed, however, to waive the obligation to make a general offer under Rule 9 of the Code that would otherwise arise on completion of the Acquisition, subject to the approval of the independent Shareholders at the Extraordinary General Meeting voting on a poll. Accordingly, Shareholders' consent will be sought at the Extraordinary General Meeting to approve the waiver of the requirement for a general offer to be made.

**Information on Sound Oil**

Sound Oil was incorporated on 27 January 2005 and first admitted to trading on AIM on 29 June 2005 when it raised £10.8 million (after expenses) with the then stated intention of evaluating and making investments in energy resource business opportunities in North and West Africa.

The Company has evaluated a number of investments since it was first admitted to trading on AIM. Initially the Company focused its efforts on offshore areas of West Africa, but towards the end of 2005 the Company began to extend the area of evaluation outside Africa to decide whether there was better value elsewhere, while also continuing to review opportunities in that region. The Company subsequently entered into discussions with the directors of Mitra with a view to acquiring Mitra. The Existing Directors believe that the Acquisition will enhance shareholder value and be in the best interests of both companies and their shareholders. Through the Acquisition the Company will obtain a 34.99 per cent. working interest in the Bangkanai PSC and a 20 per cent. working interest in the Citarum PSC.

On 22 May 2006, the Company announced that it had entered into an agreement under which it may acquire an interest in a production sharing agreement relating to an exploration area in Bangladesh (the "Bangladesh PSC"). The operator of the PSC is Ocean Bangladesh Corporation. This transaction is subject to the extension of the PSC and the approval of, the appropriate Bangladesh authorities.

Further information on Mitra, the Bangkanai PSC, the Citarum PSC and the Bangladesh Block 22 is set out below.

**Information on Mitra**

Mitra is an unquoted Mauritian company formed in 2004 by its three directors who are interested in 93.7 per cent. of Mitra's issued ordinary shares. Mitra has a 34 per cent. interest in the Bangkanai PSC and a 20 per cent. interest in the Citarum PSC. Mitra has not generated any revenue to date; it incurred a loss of US\$1.2 million in the year ended 31 December 2005 and its net assets at that date were US\$0.7 million.

#### Bangkanai Production Sharing Contract

The Bangkanai PSC encompasses an area of 6,976 km<sup>2</sup>, located approximately 200 kilometres west of Balikpapan and 330 kilometres north of Banjarmasin, the provincial capitals of East and West Kalimantan respectively. The block is situated on the west side of the Kutei Basin and the northern edge of the stable Barito Shelf. The area was previously part of a larger production sharing contract awarded to Unocal in 1972. During this period Unocal shot two 2D seismic surveys in 1975 and 1985/1986 and drilled ten exploration wells and two appraisal wells. The only discovery to date is the Kerendan gas field made in 1982. Although Unocal's plan of production for Kerendan was approved in 1997, they were unable to secure a gas sales agreement for the gas, and relinquished the contract in 2000. The Bangkanai PSC, covering a large area in which only six wells have been drilled, including three Kerendan wells, was awarded to EBE on 30 December 2003 for a 30 year period, including an exploration period of 10 years. In September 2004 MEB (a subsidiary of Mitra) farmed in to the licence (49 per cent.) (the "MEB Farm-In"). It has recently signed a sale and purchase agreement for the sale of part of its farm-in interest to Medco (the "Medco Farm-In"). This sale is not yet complete, but at completion the resulting interests will be: EBE 51 per cent. operator; MEB 34 per cent.; and Medco 15 per cent..

#### Citarum Production Sharing Contract

The Citarum PSC covers an area of 4,440 km<sup>2</sup> in Central West Java. The northern margin of the block is characterised by hilly terrain which is moderately populated. The southern block is generally more mountainous and in part covered by volcanic rock. The block is situated on the southern margin of the active oil and gas producing areas of the North West Java Basin and includes fields such as Subang, Jatibarang, Tambun and Pondok Tengah. Consequently the northern margin of the block is located close to PT Pertamina (Persero)'s well-developed oil and gas pipeline network. The Citarum PSC was awarded to BPREC on 7 October 2005 and no wells have yet been drilled in the block. BPREC is a company with the following shareholdings: Ranhill Energy 60% operator; BPE 20 per cent.; and MEC 20 per cent.. On 21 June 2006 BPREC (acting by its liquidator) entered into a Deed of Assignment whereby BPREC assigned its 100 per cent. working interest in the Citarum PSC to BPREC Pte. BPREC Pte. is a company with the following shareholdings: West Java Energy 60 per cent. operator; BPE 20 per cent.; and MEC 20 per cent..

#### Bangladesh Block 22 Production Sharing Contract

The Bangladesh production sharing contract (the "Bangladesh PSC") relates to Block 22 which covers approximately 1,250 km<sup>2</sup> in the Chittagong Hills area in eastern Bangladesh. Block 22 lies to the south of gas producing fields in India and is to the east of nearby gas discoveries and the producing Sangu field operated by Cairn energy. The operator of the PSC is Ocean Bangladesh Corporation ("OBC"). Sound Oil Bangladesh Limited ("SOB") has entered an agreement with OBC under which OBC will assign to SOB 50 per cent. of its interest in the PSC. This assignment is subject to the extension of the PSC and the approval of both the government of Bangladesh and the Bangladesh Oil, Gas and Mineral Corporation. Sound Oil has entered into an option agreement under which Sound Oil may be required to acquire SOB for a consideration of 14,634,813 new Sound Oil shares (or cash of US\$2.0 million if agreed by both parties). The exercise price of the option is reduced to 2,195,222 new Sound Oil shares (or cash of US\$0.3 million) if the option is exercised before the assignment of OBC's interest in the PSC has become effective. Sound Oil may exercise its call option to acquire SOB at any time in the four months from 19 May 2006 and a put option may be exercised to require Sound Oil to acquire SOB at any time after four months have elapsed from the date of the agreement, until 19 May 2086.

#### Intentions and strategy

The purpose of the Enlarged Group will be the exploration and production of hydrocarbons, either as a joint venture partner with a direct ownership in a licence or as a shareholder. The Enlarged Group may be either a non-operating party or an operator depending on the circumstances. The Enlarged Group intends to acquire discoveries at the appraisal stage and take the properties to production. Exploration properties will be acquired which have a potentially high positive impact on the worth of the company (such as Citarum), but with the risk mitigated, for example by farm out. Other exploration and production companies may be acquired which have a strategic fit with the Enlarged Group. The Enlarged Group will be geographically unrestricted but will focus on Asia and Africa in the first instance. No redeployment of the Company's fixed assets is anticipated. Save for the Existing Directors, Sound Oil does not have any employees. Following Admission, it is intended that the Existing Directors will continue to be directors of the Company, and it is proposed that three new

directors, who are currently shareholders (through their shareholdings in the three companies which prior to the Acquisition own 93.75% of Mitra) and directors of Mitra, will also be appointed to the Board.

#### New Board

It is intended that the Board following Admission will comprise the following Existing and Proposed Directors:

#### Existing Directors

##### Gerry Orbell *Chairman and Chief Executive (Aged 59)*

Gerry Orbell is a petroleum geologist with over 30 years of technical, managerial and director level experience in the hydrocarbon and utilities sectors. Gerry has previously held the position of executive director of Fina Exploration and Fina Development, in charge of all Fina's hydrocarbon exploration and production activities for the UK. He was subsequently director of exploration and production at Premier Oil plc and was responsible for that company's investments in areas including Pakistan, the North Sea and the Mediterranean. After Premier Oil, he became managing director of North West Water International, in charge of all water and waste water operations and businesses around the world. Gerry is currently the chairman of Antrim Energy Inc. (quoted on AIM) where he oversees business development and hydrocarbon exploration in the North Sea. He is also a member of the board, and chairman of the audit committee, at the compliance company Valpak Limited. Gerry has been a director of Sound Oil since April 2005.

##### Tony Heath *Finance Director (Aged 69)*

Tony Heath has over thirty years financial and general management experience in a variety of roles. Qualifying as a chartered accountant in 1964, Tony joined Burmah Oil's motor fuels development business in 1968. He then spent four years as finance manager for Burmah Oil's North Sea oil exploration activity which was followed by a further four years as finance director of Halford's retailing group which included managing its Dutch and factoring businesses. He then became group controller of Burmah Oil and was responsible for all financial information and control of the international oil group covering operations in thirty-five countries. Tony joined the board of Premier Oil plc as group finance director in 1990 where he had overall responsibility for all financial matters in the oil exploration and production business in many countries around the world. He managed a £400 million financing in the UK and USA, the financial aspects of a major takeover and the trading of Premier Oil's oil production. Tony left Premier at the age of 60 in 1997 and is currently chairman of a pension fund and adviser to a charity. He has been a director of Sound Oil since May 2005.

##### Simon Davies *Non-executive Director (Aged 47)*

Simon Davies is chief executive of Threadneedle Asset Management, which manages over £62 billion in equities, bonds, property and hedge funds for individual and corporate investors. Simon began his career in 1981 with Rothschild Asset Management, where he worked as an analyst and fund manager. In 1986 he moved to Gartmore Investment Management as a pension fund manager and was subsequently appointed to the board of Gartmore Pension Fund Managers. In 1990 he transferred to the international side of Gartmore's investment management business, becoming head of global funds and then head of international equities. In 1995 he joined Threadneedle as chief investment officer and was appointed chief executive in January 1999. Outside Threadneedle, Simon is a director of the Investment Management Association and JP Morgan Fleming Overseas Investment Trust and is also on the investment committee of Westminster Abbey. Simon has been a director of Sound Oil since April 2005.

##### Michael Nobbs *Non-executive Director (Aged 57)*

Michael Nobbs has a thirty year track record in investment banking, with a focus on corporate and project finance. He was a managing director and senior credit officer for Citigroup/Citibank and was the group finance director for Tishman International Companies, a major global real estate development and investment business. He is currently a non-executive director of GTL Resources Plc and Ithaca Energy plc, both of which are quoted on AIM. In his career, Michael has participated in many capital raisings, both debt and equity, and in the areas of securitisation and initial public offerings. He has held positions in London, New York and Los Angeles. He has been a director of Sound Oil since April 2005.

## Proposed Directors

### Jusuf (Jossy) Rachmantio *Proposed Executive Director (Aged 45)*

Jossy Rachmantio obtained a BSc in Material Engineering in 1985 from the Case Western Reserve University USA and subsequently received his Masters in International Management in 1987. From February 1990 to July 1994 Jossy was head of marketing at PT. Karya Titan in Jakarta. Jossy was a director of Repindo Info Media in Jakarta from January 1999 to September 2000. From 1999 to 2000 Jossy was also president director of Repindo Nusa Jaya, a company which developed power projects in Indonesia with the national state utility company. After this he joined Flotec as managing director, where his responsibilities included setting up the Indonesian market for bandwidth optimisation software. From September 2001 to September 2004 Jossy was a Managing Partner at Profescipta Wahana, where he acted as adviser to a number of clients on company restructuring and other strategic issues. Jossy co-founded Mitra with Patrick Alexander and Ilham Habibie in 2004.

### Patrick Alexander *Proposed Non-executive Director (Aged 53)*

Patrick Alexander has over 25 years of investment banking experience and is currently Managing Director of Batavia Investment Management Ltd (previously Peregrine Batavia Investment Management Ltd), where he has worked since 1993. Patrick began his career at the Australian Department of Foreign Affairs, where he worked for four years. He moved on to work at Chase Manhattan from 1980 to 1988 in New York, Indonesia and finally Hong Kong, where he rose to position of director. He was subsequently appointed Chief Executive Officer of Robina Investments Hong Kong, and thereafter worked at Morningside Asia Investment in Hong Kong, from 1989. From 1991 Patrick was executive director of Lippo Asia Investment Management Ltd, before moving to Peregrine Batavia Investment Management Ltd in 1993. Patrick is currently an Independent Commissioner of PT Astra International, one of Indonesia's largest listed companies and a dominant company in Indonesia's automotive industry. Patrick co-founded Mitra in 2004, together with Jossy Rachmantio and Ilham Habibie.

### Ilham Habibie *Proposed Non-executive Director (Aged 43)*

After qualifying as an engineer in Germany in 1987, Ilham worked as a scientist and lecturer at the Technical University of Munich for seven years. He went on to work as an engineer at the Boeing Commercial Airplane Group in the United States, from 1994 to 1996. While working in the United States, Ilham also assisted the President Director of Industri Pesawat Terbang Nusantara ("IPTN") the state-owned aerospace company in Indonesia, on the N2130 Regional Jet Program. This project eventually evolved into leading engineers and technicians in the design of a new and highly technologically advanced regional jet. In 1996 Ilham advanced to become the Executive Vice President/Program Manager for the Regional Jet Division at IPTN, subsequently the Executive Vice President of the Airplane Business Unit and then the Operation & Commercial Executive Vice President there, a position he held until 2000. During the year 2000, IPTN changed its name to Pt. Dirgantara Indonesia (Indonesian Aerospace). Ilham left PT. Dirgantara Indonesia in June 2001 to pursue his career in the private sector. From 1996 to 1998 Ilham was also the assistant to the Chairman of Badan Pengkajian dan Penerapan Teknologi ("BPPT") for Aeronautics and Advanced Technology. Since 2002 Ilham has held senior positions at a number of Indonesian companies in the private sector, including CEO/President Director of PT. Ilthabi Rekatama and Commissioner of PT. Citra Tubindo tbk, a company listed on the Jakarta stock exchange. He has also been CEO/President of a number of aerospace and other companies which he founded. Ilham owns 50 per cent. of Ilthabi Ltd, a company which owns 100 per cent. of Ilthabi Sdn Bhd. As well as its stake in Mitra (prior to Mitra's acquisition by the Company), Ilthabi Sdn Bhd also has an investment in Aviation Support Ltd, a start up company which is to provide aviation services. Ilham holds a PhD in aeronautical engineering from the Technical University of Munich and a MBA from the University of Chicago. Ilham co-founded Mitra in 2004, together with Jossy Rachmantio and Patrick Alexander.

## The Acquisition

Under the terms of the Acquisition Agreement, Sound Oil is, subject to the satisfaction of certain conditions, to acquire the entire issued share capital of Mitra in consideration of the allotment and issue of the Consideration Shares. The value of the Consideration Shares at the Placing Price is approximately £16.2 million. The Consideration Shares will be issued credited as fully paid and will, in aggregate, represent approximately 32 per cent. of the Enlarged Share Capital. The Acquisition is conditional, *inter alia*, on: (i) approval at the EGM; (ii) the Placing having become unconditional in all respects save as regards completion of the Acquisition and Admission; and (iii) Admission becoming effective.

### The Placing

The Company proposes to raise approximately £10.7 million (net of expenses) through the Placing. Pursuant to the Placing Agreement, Hichens has agreed to act as the Company's agent in relation to the Placing. However, Hichens will not be underwriting the issue of the Placing Shares. The Placing is conditional upon the Placing Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms by Hichens or Smith & Williamson. The Placing Shares will be issued credited as fully paid and will, in aggregate, represent approximately 23 per cent. of the Enlarged Share Capital. The Placing Agreement is conditional, *inter alia*, upon approval of the Acquisition and the Waiver at the EGM, the completion (subject only to Admission) of the Acquisition and the Admission of the Placing Shares.

The net proceeds of the Placing will be used principally to fund the development and exploration programmes at Bangkanai and Citarum during the remainder of 2006 and 2007. It is expected that during this period four development wells (including two re-entry wells) and two exploration wells will be completed at Bangkanai and one exploration well will be completed at Citarum. The Company expects production to commence at Bangkanai in 2008 and to fund further exploration and development work after 2007 at Citarum and potentially in Bangladesh from trading cash inflows, debt funding, farm-in(s) and/or the issue of further Ordinary Shares as appropriate in the circumstances.

### Extraordinary General Meeting

A notice convening an Extraordinary General Meeting of the Company, which is to be held at 10.30a.m. on 12 July 2006 at the offices of Smith & Williamson Corporate Finance Limited, 25 Moorgate, London EC2R 6AY will be set out in the Admission Document. The resolutions to be proposed at the EGM will be as follows:

- (1) to approve the Acquisition for the purposes of Rule 14 of the AIM Rules; and
- (2) to approve the Waiver.

As required by the Panel, resolution 2 will be decided on a poll. Resolutions 1 and 2 will be proposed as ordinary resolutions and are conditions of the Acquisition, which will only proceed if both the Resolutions are carried.

### Dealings and trading

Application will be made by the Company for the Enlarged Share Capital to be admitted to AIM following publication of the Admission document. It is expected that Admission will take place and trading in the Ordinary Shares will commence on the first dealing day following that on which the Resolutions and relating to the Acquisition are passed at the Extraordinary General Meeting. All Ordinary Shares, including the Consideration Shares, may be held in either certificated or uncertificated form (i.e. in CREST).

### General

The Admission Document, which contains details of the Proposals, was sent to Shareholders on 23 June 2006 and copies are available at the offices of Smith & Williamson Corporate Finance Limited, 25 Moorgate, London EC2R 6AY.

The Admission Document is not being made, directly or indirectly, in or into the United States, Canada, Australia, South Africa or Japan.

Smith & Williamson Corporate Finance Limited, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting exclusively for Sound Oil and no one else in connection with the Proposals and the matters described herein and will not be responsible to anyone other than Sound Oil for providing the protections afforded to its customers or for giving advice in relation to the proposals or any other matter referred to herein.

This announcement does not constitute, or form part of, any offer for, or any solicitation of any offer for, securities.

## Definitions

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“Acquisition”	the proposed acquisition of the entire issued share capital of Mitra from the Vendors by the Company
“Acquisition Agreement”	the share purchase agreement for the entire issued share capital of Mitra dated 23 June 2006 between: (1) the Vendors; (2) Mitra; (3) Sound Oil International Limited and (4) the Company
“Admission”	the re-admission of the Existing Shares and the admission of the New Shares to trading on AIM becoming effective in accordance with the AIM Rules following the Acquisition and the Placing
“Admission Document”	the document sent to Shareholders containing information on the Proposals
“AIM”	the AIM market operated by the London Stock Exchange
“AIM Rules”	the rules governing the operation of AIM as published by the London Stock Exchange from time to time
“Bangladesh PSC”	the Production Sharing Contract dated 16 February 1997 relating to Bangladesh Block 22 (Chittagong Hill Tracts) entered into between OBC, the Government of the People’s Republic of Bangladesh and Bangladesh Oil, Gas and Mineral Corporation
“Bangkanai PSC”	the Production Sharing Contract dated 30 December 2003 in respect of the Bangkanai Block East Kalimantan entered into by Badan Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi and EBE
“Board” or “Directors”	the Existing Directors and the Proposed Directors
“BPE”	PT. Bumi Parahyangan Energi
“BPREC”	PT. Bumi Parahyangan Ranhill Energia Citarum
“BPREC Pte.”	BumiParahyangan Ranhill Energia Citarum Pte. Ltd, a company incorporated under the laws of Singapore, with registered number 200600938R
“Citarum PSC”	the Production Sharing Contract dated 7 October 2005 in respect of the Citarum Block West Java entered into by Badan Pelaksana Kegiatan Usaha Hulu Minyak Dan Gas Bumi and BPREC
“Code” or “Takeover Code”	the City Code on Takeovers and Mergers
“Company” or “Sound Oil”	Sound Oil plc
“Concert Party”	Ilham Habibie, Thareq Habibie, Jusuf Rachmantio and Patrick Alexander
“Consideration Shares”	the 223,376,623 new Ordinary Shares to be allotted to the Vendors on completion of the Acquisition in accordance with the terms of the Acquisition Agreement

“CREST”	the relevant system (as defined in the CREST Regulations) in respect of which CRESTCo is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form
“CRESTCo”	CRESTCo Limited
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 20001/3755) including (i) any enactment or subordinate legislation which amends or supersedes those regulations and (ii) any applicable rules made under those regulations or such enactment or subordinate legislation for the time being in force
“EBE”	Elnusa Bangkanai Energy Limited
“Enlarged Group”	the Company and its subsidiaries, associated companies and investments as enlarged by the Acquisition
“Enlarged Share Capital”	the issued share capital of the Company at Admission comprising the Existing Shares and the New Shares
“Existing Directors”	the existing directors of the Company, who are Gerry Orbell, Tony Heath, Simon Davies and Michael Nobbs
“Existing Shares”	the existing 300,272,309 Ordinary Shares in issue as at the date of this announcement
“Extraordinary General Meeting” or “EGM”	an extraordinary general meeting of the Company to be held at 10.30a.m. on 12 July 2006, or any adjournment thereof
“FSA”	the Financial Services Authority
“FSMA”	the Financial Services and Markets Act 2000
“Hichens”	Hichens Harrison & Co. plc
“London Stock Exchange”	London Stock Exchange plc
“MEB”	Mitra Energia Bangkanai Limited, a company incorporated under the laws of Mauritius, with Registered No. 53167/C2/GBL and wholly owned by Mitra
“MEB Farm-In”	The farm-in agreement between EBE and MEB dated 1 October 2004
“MEC”	Mitra Energia Citarum Limited, a company incorporated under the laws of Mauritius with Registered No. 58947/C2/GBL and wholly owned by Mitra
“Medco”	PT Medco E&P Bangkanai
“Medco Farm-In”	The share sale and purchase agreement entered into by Medco, MEB, Mitra and PT Medco Energi International TBK dated 14 March 2006
“Mitra”	Mitra Energia Limited, a company incorporated under the laws of Mauritius, with Registered No. 53116/C2/GBL
“New Shares”	the 392,155,039 new Ordinary Shares to be issued by the

Company pursuant to the Acquisition (223,376,623 Ordinary Shares) and the Placing (161,500,000 Ordinary Shares) and including certain Ordinary Shares issued to professional advisers and Existing Directors (7,278,416 Ordinary Shares)

“Notice of EGM”	notice of the EGM
“Official List”	the Official List of the UK Listing Authority
“Ordinary Shares”	ordinary shares of 0.1p each in the capital of the Company
“Panel”	the Panel on Takeovers and Mergers
“Placing”	the placing of the Placing Shares at the Placing Price
Placing Agreement”	“the agreement dated 23 June 2006, between (1) the Company, (2) the Existing Directors, (3) the Proposed Directors, (4) Hichens and (5) Smith &Williamson relating to the Placing
“Placing Price”	7.25p per Ordinary Share
“Placing Shares”	the 161,500,000 new Ordinary Shares to be issued by the Company pursuant to the Placing
“Proposals”	the Acquisition, Waiver, Placing and Admission
“Proposed Directors”	the proposed directors of the Company following Admission, who are Jossy Rachmantio, Patrick Alexander and Ilham Habibie
“Ranhill Energy”	Ranhill Energy SDN BHD
“Resolutions”	the resolutions referred to in the Notice of EGM
“Shareholders”	holders of Ordinary Shares
“Shares”	ordinary shares of 0.1p each in the capital of the Company
“Smith & Williamson”	Smith & Williamson Corporate Finance Limited
“UK Listing Authority”	the Financial Services Authority in its capacity as the competent authority for the purposes of the admission of securities to the Official List
“United States”	the United States of America (including any states of the United States of America and the District of Columbia), its possessions and territories, and all other areas subject to its jurisdiction
“US person”	a US person as defined in Regulation S under the United States Securities Act of 1933 (as amended)
“Vendors”	Patrick Alexander, Jusuf Rachmantio, Ilham Habibie and Thareq Habibie, who, through intermediate holding companies, together own approximately 93.75 per cent. of the issued share capital of Mitra, together with Hichens as legal owner of approximately 6.25 per cent. of the issued share capital of Mitra held in trust by Hichens for and on behalf of the beneficial owners of such shares
“Waiver”	the waiver by the Panel of the obligation of the Concert Party to

make a general offer under Rule 9 of the Code

“West Java Energy”

West Java Energy Pte Ltd, a company incorporated under the laws of Singapore