

## **ACQUISITION OF JAMBEROO LIMITED**

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The Board of Directors of Genting Berhad ("Genting" or "the Company") wishes to announce that Golden Hope Limited ("GHL") has on 17 June 1999 accepted the Company's offer to acquire the entire issued Ordinary Share Capital of Jamberoo Limited ("Jamberoo") comprising 2 ordinary shares of US\$1 each for a purchase consideration of US\$9.22 million ("Proposed Acquisition"). The acquisition will be made through its indirect wholly-owned subsidiary, Genting Oil and Gas Limited ("GOGL").

GOGL, a company incorporated in the Isle of Man, is a wholly-owned subsidiary of Genting International Paper Holdings Ltd ("GIPHL"), another Isle of Man incorporated company, which in turn is wholly-owned by Genting.

GOGL currently owns and operates various oil and gas exploration interests through its wholly-owned subsidiaries, namely the Muturi Concession in Irian Jaya held by Cairns Limited; the Zhuangxi Eor Project in China owned by Genting Oil & Gas (China) Limited, Exploration Block WA-274-P in Western Australia owned by Coveyork Pty Limited and Exploration Block M4 in Myanmar owned by Roundhay Limited.

Jamberoo, a company incorporated in the Isle of Man, is wholly-owned by GHL acting as trustee for Golden Hope Unit Trust ("GHUT"). It is mainly involved in the exploration and production of petroleum. It owns Exploration Block M3 in the Northern Martaban Basin, off Myanmar. Initial prospecting and interpretation suggests potential gas reserves of 1.2TCF. Adjacent to Exploration Block M3 is Block M4 owned by Roundhay, a wholly-owned subsidiary of GOGL. The latter indicates potential gas reserves of 6TCF. The two blocks cover an area of 17,700 square kilometres.

Both Exploration Blocks M3 and M4 were signed on identical terms with the Myanmar Oil & Gas Enterprise ("MOGE"), an entity owned by the Ministry of Energy. The Myanmar authorities have always viewed the two blocks as a single entity. Being the operator for both blocks, GOGL views that it would be more expedient for it to own and operate them together.

Blocks M3 and M4 complement each other in terms of risk and operational philosophy. M3 has smaller but more fields and more certainty while M4 has a very large field but with more risks. Depending on the gas market, capital resources and rigs available, M3, M4 or both fields could be drilled. There will be substantial savings in exploration costs and office overheads and economies of scale if both blocks are not only operated but also owned by the same entity.

The purchase consideration will be satisfied through the issue of 30,260 Ordinary Shares of US\$1 each and 9,189 6% Non-Convertible, Non-Cumulative Redeemable Preference Shares of US\$1 each at a share premium of US\$999 per share in GOGL. Consequently, GHL will secure a 3.026% equity stake in GOGL. In this connection, GIPHL will subscribe for 969,738 Ordinary Shares of US\$1 each at par in GOGL which together with its existing 2 Ordinary Shares represents its revised 96.974% stake in GOGL's Ordinary Shares.

The purchase consideration has been arrived at on a willing-buyer willing-seller basis after taking into consideration of the total costs incurred by Jamberoo amounting to USD9.22 million in relation to Block M3. GHL will undertake to waive the entire loan owing by Jamberoo to them. The number of ordinary shares in GOGL to be issued to GHL is based on

the the total costs of US\$9.22 million incurred by Jamberoo relative to GOGL's Group net tangible asset value (NTA) as at 30th April, 1999, adjusted for the estimated commercial value of the Muturi Concession in Irian Jaya based on its recently transacted price and costs incurred in respect of GOGL's other oil and gas interests resulting in a total value of US\$295.51 million.

Resulting from the Proposed Acquisition, Genting's stake in GOGL will be reduced from 100% to 96.974%.

The Proposed Acquisition will not have any material effect on the net tangible assets of the Genting Group based on its audited accounts for the year ended 31st December, 1998 and is not expected to have any material effect on the earnings of the Group for the financial year ending 31st December, 1999.

Tan Sri Lim Goh Tong is a Director, shareholder and share option holder of Genting. Tan Sri Lim Goh Tong is also a preference unit holder of the GHUT, of which GHL is a trustee. GHL, as trustee of GHUT is a substantial shareholder of Jamberoo and Genting. Tan Sri Lim Goh Tong also has a deemed interest in the units of GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in GHUT.

Dato' Lim Kok Thay, a son of Tan Sri Lim Goh Tong, is a director, shareholder and share option holder of Genting. Dato' Lim Kok Thay is also a director of Jamberoo Limited, a director of Roundhay Limited, a director of GHL, the trustee of GHUT, a preference unit holder of GHUT and has a deemed interest in the units of GHUT by virtue of being a beneficiary of a discretionary trust which holds the units in the GHUT.

Mr Teo Eng Siong is an alternate Director of Genting and a director of GHL.

Tan Sri Lim Goh Tong, Dato' Lim Kok Thay and Mr Teo Eng Siong are deemed to be interested in the Proposed Acquisition and have accordingly abstained from voting on the Proposed Acquisition at the relevant Board Meetings of Genting.

The Proposed Acquisition is not subject to any approval.

The percentage ratios for the Proposed Acquisition, computed on the basis as set out in the Main Board Listing Requirements of the Kuala Lumpur Stock Exchange and based on the audited consolidated accounts of Genting for the year ended 31 December 1998, is less than 5% and accordingly, the Proposed Acquisition does not require the approval of the shareholders of Genting or the appointment of an independent adviser.

The Board of Directors are of the opinion that the Proposed Acquisition is in the best interests of the Company.