

10000/055/2018

20 June 2018

Subject: Notification of the Investment in OKEA AS

To: Directors and Manager

The Stock Exchange of Thailand

Bangchak Corporation Public Company Limited (the “**Company**”) wishes to disclose information, details as elaborated as follows:

As the meeting of the Board of Directors No. 8/2018 of the Company held on 14 June 2018 has resolved to approve the investment plan to establish a subsidiary, which will be incorporated in Thailand (“**BCPR Thailand**”), to which BCPR Thailand will then establish another subsidiary, which will be incorporated in Singapore (“**BCPR**”) in order to jointly invest with Seacrest Capital Group (“**Seacrest**”) in the petroleum fields Draugen Field and Gjøa Field from A/S Norske Shell (“**Shell**”) through the investment by means of subscribing new shares of OKEA AS (“**OKEA**”), a company established under Norwegian law, which has developed and produced petroleum in Norway. The details of the transaction can be summarised as follows:

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| 1. Date of an entry into of the Transaction | On 19 June 2018, the Company signed the Binding Term sheet in relation to OKEA AS and the Deposit Repayment Agreement, which is effective upon the signing of the Sale Purchase Agreement (“SPA”) between OKEA and Shell. And OKEA and Shell has entered into the SPA agreement on 20 June 2018. |
| 2. Relevant contract parties                | <p>(a) <u>Binding Term Sheet in relation to OKEA AS</u>: The Company signed with Seacrest, OKEA and OKEA Holdings Ltd.</p> <p>(b) <u>Deposit Repayment Agreement</u>: The Company signed with OKEA</p>   |

Remark: When BCPR has been validly established under the law of its incorporation, the Company will transfer the

rights and duties in accordance with agreements in (a) and (b) to BCPR.

3. General characteristics of transaction

The Company invests through its subsidiary, BCPR, which would subscribe new shares in OKEA, detailed as follow:

3.1 Characteristics

Binding Term Sheet in relation to OKEA AS

1. BCPR will agree to subscribe new shares from OKEA in the proportion up to 90% of the increased capital of OKEA with the total value of which is not more than NOK 939 million (or approximately THB 3,760 million<sup>1</sup>). Finally, BCPR will hold approximately 45% of total OKEA shares.
2. OKEA will use the payment of subscribed shares as the consideration of the assignment of participation interests in Draugen Field and Gjøa Field in Norway to pay to Shell in accordance with the agreements regarding the assignment of participating interests in Draugen Field and Gjøa Field between Shell and OKEA (the “**Assignment of Participating Interest Agreements**”)

Deposit Repayment Agreement

In order to receive the rights of participating in the investment, the Company agree to pay the deposit in cash or procure the Standby Letter of Credit as a deposit in the amount of NOK 369 million (or approximately THB 1,480 million) on behalf of OKEA in accordance with the Assignment of Participating Interest Agreements. Shell shall return the deposit or the Standby Letter of Credit to the Company upon the completion of the assignments under the Assignment of Participating Interest Agreements.

3.2 The size of transaction

The size of transaction is approximately NOK 939 million (or approximately THB 3,760 million) which is less than fifteen percent (15%) according to the Rule for Acquisition and Disposition of Assets of Listed Companies

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<sup>1</sup> The exchange rate is 4 THB per 1 NOK

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| 4. Pre-Completion Undertakings                     | Upon the fact that all conditions precedent under the Assignment of Participating Interest Agreements between OKEA and Shell are fulfilled, OKEA will increase its share capital in order to use the payments of share subscription to pay to Shell in accordance with the Assignment of Participating Interest Agreements. The Company expects the completion under the Assignment of Participating Interest Agreements and the capital increase in OKEA will occur around the fourth quarter of 2018. The Company expects to enter into the share subscription agreement in November 2018 and further enter into the shareholders agreement, including other related agreements. |
| 5. Expected Benefits                               | It is in line with the Company's strategy to invest in natural resources business, which is jointly investing with Seacrest in the world class assets with significant remaining field life. This Joint Partnership investment will provide value added and risk management for further natural resources business growth.   |
| 6. Board of Directors 's opinion on the investment | The Board of Directors unanimously approved the investment.  |

The investment in OKEA AS is not a connected transaction. In addition, the size of each transaction is not required to disclose information under the Rule for Acquisition and Disposition of Assets of Listed Companies.

Yours sincerely,

-signed-

(Mr. Chaiwat Kovavisarach)

President and Chief Executive Officer

Investor Relations Division

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