



# Asean Energy Corp

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**For Immediate Release**

**October 30, 2014**

## **ASEAN ENERGY ANNOUNCES PLAN OF ARRANGEMENT**

**Vancouver, B.C., October 30, 2014 – Asean Energy Corp. (CSE: ASA) (“Asean Energy”)** (the “**Company**”) is pleased to announce a plan of arrangement (the “**Arrangement**”) whereby (1) the Company spins-out as a separate reporting issuer its domestic subsidiary 1016183 B.C. Ltd. (“**Spinco**”) to the benefit of existing shareholders, and (2) Spinco acquires 100% of Servomarine Sdn. Bhd. (“**SSB**”) (the “**Transaction**”), headquartered in Kuala Lumpur, Malaysia, under the terms and conditions further described herein.

The Company previously entered into an arms-length assignable letter of intent (the “**LOI**”) with SSB dated September 15, 2014. The Company proposes to transfer and assign all rights to the LOI to Spinco.

As a result of the Arrangement, each Asean Energy shareholder will receive that number of shares in Spinco equal to the number of Asean Energy shares held by the shareholder at the close of business on the share distribution record date (which is expected to occur ten business days after the date of the Company’s annual general meeting or such other date agreed to by the Company and its subsidiary), subject to any adjustment for changes to the issued shares and the conversion factor.

The Transaction is intended to occur by way of acquisition of shares, with Spinco continuing the business of Servomarine Sdn. Bhd. in Malaysia and the Middle East, through a wholly-owned subsidiary. A definitive agreement has not yet been entered into.

The Arrangement is subject to approval of the shareholders of Asean Energy and Servomarine Sdn. Bhd., and the Supreme Court of British Columbia to become effective. The Transaction will require approval of shareholders of 1016183 B.C. Ltd. and SSB to become effective. Announcement of the date of the meeting along with additional details will be issued under separate news release.

### **Servomarine Sdn. Bhd.**

On completion of the Arrangement and proposed Transaction, 1016183 B.C. Ltd. will undergo a name change and commence business providing offshore oilfield services and inspection, a high-growth recession-resistant sector of the oil and gas industry.

The immediate objective of Asean Energy and SSB’s management is to fund initial operations in fulfillment of specific manpower servicing requirements of large offshore companies, and their worldwide operations, under contract. SSB’s business model employs, supports, certifies, and contracts out qualified engineers for specific onshore and offshore oil and gas projects, and is expected to include the provision of additional goods and services as a preferred subcontractor. Headquarters are in Kuala Lumpur, Malaysia, with a branch office to be established in the Middle East.

On completion of the proposed Arrangement and Transaction, Mr. Heshameldin Fathi Mohamed Khalil will be appointed Managing Director of Servomarine Sdn. Bhd. The Company recently announced the

appointment of Mr. Fathi as President of Asean Energy Holdings Corp., a 100%-owned BVI-based subsidiary of the Company formed to finance and develop selected upstream and downstream oil and gas projects in Southeast Asia, a mandate that will continue.

It is anticipated that a separate 100%-owned BVI-based subsidiary will be formed by Spinco to hold 100% of Servomarine Sdn. Bhd. Mr. Fathi's dual leadership roles at the helm of both these companies are expected to result in significant operational and transactional synergies. The companies are independent and have distinct business objectives, and should not create any conflicts of interest between them.

Mr. Fathi has 30 years of extensive Middle East and Malaysian large-project management experience, including positions as Managing Director of Algahanem Group (Tarek Algahamen-Kuwait) which had USD\$4.5 billion turnover and completed inspection and surveillance on the offshore oil and gas Rawdten Field's 134 drilling platforms; Managing Director of Snas Group (Sheikh Mohammed Rihan) with oversight for 14 operational companies; Managing Director of Golden Group Heritage (Sheikh Saleh Al Monsor) which initiated the US\$1.2 billion Arab City project in Malaga Province, Malaysia; and Managing Director of Arab Gulf Oilfield Equipments (AGC) which was the first UAE company to be awarded a drilling tender in Iraq after the war.

In 2009 Mr. Fathi was listed as the 11th most important influential person in Malaysia (Oxford Business Group), and has demonstrated an ability to clearly define strategy and focus, to deliver strong performance from his management teams and to drive growth and profitability in complex energy markets.

### **Transaction Summary**

The Transaction is expected to be effected by way of a share purchase agreement whereby SSB becomes a wholly-owned subsidiary of Spinco through a holding company. It is expected that as a Reporting Issuer Spinco will change its name to reflect the new business.

Costs of the Arrangement and proposed Transaction will be borne by the respective parties to the LOI. The annual audited financial statements and MD&A of the Company for the year ended April 30, 2014 and the Quarter ended July 31, 2014 are available under the Company's profile at [www.sedar.com](http://www.sedar.com).

The full particulars of the Arrangement and the proposed Transaction will be described in the management information circular, which will be mailed to the shareholders of Asean Energy Corp, and will be available under the Company's profile at [www.sedar.com](http://www.sedar.com).

### **Private Placement**

In connection with or prior to closing the Arrangement, the Company will complete a private placement financing (the "Private Placement") of \$500,000 through the issuance of up to 10 million units (each a "Unit") at a price of \$0.05 per Unit. Each Unit shall consist of one Common Share of Asean Energy Corp., the right to acquire, for no additional consideration one-half of a Common share of Spinco, and the right to acquire for no consideration one-half share purchase warrant (a "Warrant") of Spinco, with each full Warrant exercisable to acquire one additional Common Share of Spinco at a price of \$0.10 for a period of one year from Closing.

### **Conditions Precedent to Completing the Transaction**

The parties' obligations to complete the Transaction are subject to the satisfaction of a number of conditions including, but not limited to, completion of satisfactory due diligence reviews, negotiation and execution of definitive documentation including a formal share purchase agreement (the "Definitive Agreement"), completion of the Private Placement, Exchange approval, the approval of the shareholders of Asean Energy and Servomarine Sdn. Bhd., approval of the Supreme Court of British Columbia, and, if applicable, approval of any stock exchange on which a listing application is submitted, and other conditions customary for a transaction of this type. The proposed Arrangement cannot close until the required shareholder approval is obtained. There can be no assurance that the proposed Arrangement, including the proposed Transaction, will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or any listing statement to be prepared in connection with the proposed Arrangement, including any proposed share purchase agreement, and any proposed listing application, any information released or received with respect to the proposed Arrangement may not be accurate or complete and should not be relied upon. Trading in the securities of any start-up company should be considered highly speculative.

No stock exchange has passed upon the merits of the proposed Arrangement, including the proposed Transaction, and has neither approved nor disapproved the contents of this press release.

### **About Asean Energy**

Asean Energy is Canadian-based oil and gas issuer listed on the CSE, under the symbol "ASA". Operations are primarily focused on oil field redevelopment (EOR) and near-production opportunities, as well as well-positioned large-target exploration fields in Southeast Asia. The Company employs a strategy of attracting farm-in and joint venture participation to reduce risk and shareholder dilution. Additional information is available under Asean Energy's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **ON BEHALF OF ASEAN ENERGY CORP.**

(signed) "Robert van Santen"  
Chief Executive Officer

### **For further information, please contact:**

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*The Company will provide further updates respecting these initiatives as developments occur. There can be no assurance that interests in any or all of these or additional projects being pursued will be acquired, funded and/or commercialized.*

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