

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

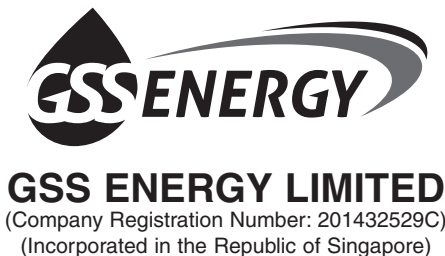
If you have sold or transferred all your shares in the capital of GSS Energy Limited (the “**Company**”), you should immediately forward this Circular (including the Notice of Extraordinary General Meeting and the Proxy Form) to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

For investors who have used their Central Provident Fund (“**CPF**”) monies to buy shares in the capital of the Company, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely for information only.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Stamford Corporate Services Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.

The Sponsor has not independently verified the contents of this Circular including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements or opinions made or reports contained in this Circular. This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr. Bernard Lui.
(Tel: 6389 3089 or email: bernard.lui@stamfordlaw.com.sg)



CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED SELECTIVE CAPITAL REDUCTION

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	25 November 2015 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	27 November 2015 at 10.00 a.m.
Place of Extraordinary General Meeting	:	Blk 4012 Ang Mo Kio Avenue 10 #05-01 Techplace I Singapore 569628

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or otherwise stated:

“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore.
“Accumulated Losses”	:	Has the meaning ascribed to it in Section 2.3 of this Circular.
“Acquisition”	:	Has the meaning ascribed to it in Section 2.2 of this Circular.
“Agreement”	:	The sale and purchase agreement dated 31 May 2014 entered into by the Company, GEIHL and JPEL, as amended by the supplemental agreements dated 2 July 2014 and 20 August 2014.
“Articles of Association”	:	The articles of association of the Company for the time being in force as originally framed, or as amended or modified from time to time.
“Board”	:	The board of Directors of the Company, as at the Latest Practicable Date.
“Capital Reduction Resolution”	:	Has the meaning ascribed to it in Section 2.1 of this Circular.
“Catalist”	:	The SGX-ST sponsor-supervised listing platform.
“CDP”	:	The Central Depository (Pte) Limited.
“Circular”	:	This Circular to Shareholders dated 5 November 2015.
“Companies Act”	:	The Companies Act (Cap. 50) of Singapore, as amended or modified from time to time.
“Company”	:	GSS Energy Limited (f.k.a. GSS Energy Pte. Ltd. and renamed “GSS Energy Limited” on its conversion to public company status)
“Comptroller of Income Tax”	:	The Comptroller of Income Tax appointed under Section 3(1) of the Income Tax Act (Cap. 134) of Singapore.
“Consideration Shares”	:	Has the meaning ascribed to it in Section 2.2 of this Circular.
“Controlling Shareholder”	:	A person who holds directly or indirectly 15% or more of the issued Shares (excluding treasury shares) (subject to the SGX-ST determining that such a person is not a Controlling Shareholder) or a person who in fact exercises control over the Company.
“Cooperation Agreement”	:	Has the meaning ascribed to it in Section 2.2 of this Circular.
“Court”	:	The High Court of the Republic of Singapore.
“Directors”	:	The directors of the Company, including alternate directors of the Company (if any), as at the Latest Practicable Date, and “ Director ” means any of them.
“EGM”	:	The extraordinary general meeting of the Company to be convened on 27 November 2015, notice of which is given on pages N-1 to N-2 of this Circular.
“EPS”	:	Earnings per share.

DEFINITIONS

“Group”	: The Company and its Subsidiaries.
“GEIHL”	: GSS Energy Investment Holdings Limited (f.k.a. Giken Sakata Investment Holdings Limited) (BVI Company No. 1822606), a company incorporated in the British Virgin Islands, and having its registered address at P.O. Box 957, Offshore Incorporations Centre Road Town, Tortola, British Virgin Islands.
“GSS”	: Giken Sakata (S) Limited (Company Registration No. 197903879W), a company incorporated in Singapore and having its registered address at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623.
“JPEL”	: Java Petral Energy Pte. Ltd. (Company Registration No. 201302594W), a company incorporated in Singapore and having its registered address at 45 Cantonment Road, Singapore 089748.
“KUD SP”	: Village Cooperative (<i>Koperasi Unit Desa</i>) Sumber Pangan.
“Latest Practicable Date”	: 27 October 2015, being the latest practicable date prior to the printing of this Circular.
“Listing Manual”	: The rules in Section B: Rules of Catalist of the Listing Manual of the SGX-ST, as amended, supplemented or modified from time to time.
“Memorandum”	: The memorandum of the Company as amended, supplemented or modified from time to time.
“NAV”	: Net asset value.
“Notice”	: The Notice of EGM dated 5 November 2015, as set out on pages N-1 to N-2 of this Circular.
“Objection Period”	: Has the meaning ascribed to it in Section 2.7 of this Circular.
“PT CSE”	: PT Cepu Sakti Energy, a company incorporated in Indonesia.
“Proposed Selective Capital Reduction”	: The selective capital reduction exercise to be carried out by the Company, pursuant to Section 78A read with Section 78C of the Companies Act, to reduce the share capital of the Company from S\$73,458,011.92851 to S\$50,658,011.92851 by the cancellation of the Relevant Shares, being the share capital of the Company that has been lost or no longer represented by available assets to the extent of S\$22,800,000.
“Proxy Form”	: The proxy form in respect of the EGM which is attached to the Notice.
“Register of Members”	: Register of members of the Company.
“Relevant Shares”	: Has the meaning ascribed to it in Section 2.2 of this Circular.
“Restructuring”	: Has the meaning ascribed to it in Section 2.2 of this Circular.
“Settlement Agreement”	: Has the meaning ascribed to it in Section 2.2 of this Circular.
“SGXNET”	: A system network used by companies listed on the SGX-ST to send information and announcements to the SGX-ST or any other system network prescribed by the SGX-ST.

DEFINITIONS

“ SGX-ST ”	:	Singapore Exchange Securities Trading Limited.
“ Shareholders ”	:	Registered holders of the Shares, except that where the registered holder is CDP, the term “ Shareholders ” shall, where the context admits, mean the Depositors whose securities accounts maintained with the CDP are credited with the Shares.
“ Shares ”	:	Ordinary shares in the capital of the Company.
“ Sponsor ”	:	Stamford Corporate Services Pte. Ltd.
“ Subsidiary ”	:	A company which is for the time being a subsidiary of any other company, as defined by Section 5 of the Companies Act.
“ Substantial Shareholder ”	:	A Shareholder who has an interest in 5% or more of the voting shares of the Company.
“ Target ”	:	Cepu Sakti Energy Pte. Ltd.
“ Termination ”	:	Has the meaning ascribed to it in Section 2.2 of this Circular.
Currencies, Units and Others		
“ S\$ ”	:	Singapore Dollars.
“ % ”	:	Per centum or percentage.

The terms “**Depositors**”, “**Depository**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them, respectively, in Section 130A of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine shall, where applicable, include the feminine and neuter gender and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

GSS ENERGY LIMITED

(Company Registration Number: 201432529C)
(Incorporated in the Republic of Singapore)

Board of Directors:

Mr. Chin Siew Gim (Non-Executive Chairman, Independent Director)
Mr. Yeung Kin Bond, Sydney (Executive Director)
Mr. Tan Kay Guan (Executive Director)
Mr. Ng Say Tiong (Executive Director)
Mr. Suyulianto Badung Tariono (Executive Director)
Mr. Chee Sanford (Independent Director)
Mr. Kuek Eng Chye, Anthony (Independent Director)

Registered Office:

50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

5 November 2015

To: The Shareholders of GSS Energy Limited

Dear Sir / Madam

THE PROPOSED SELECTIVE CAPITAL REDUCTION

1. INTRODUCTION

The Directors are convening the EGM to seek Shareholders' approval for the Proposed Selective Capital Reduction. The purpose of this Circular is to provide the Shareholders with details in respect of the Proposed Selective Capital Reduction.

The SGX-ST and the Sponsor take no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Circular.

2. THE PROPOSED SELECTIVE CAPITAL REDUCTION

2.1 Introduction

As announced by the Company on 23 October 2015, the Company intends to undertake the Proposed Selective Capital Reduction to cancel the 76,000,000 Relevant Shares issued and allotted to JPEL as part of the consideration for the Acquisition. The Proposed Selective Capital Reduction is being undertaken pursuant to Section 78A read with Section 78C of the Companies Act.

It is a requirement under the Companies Act that a company proposing to undertake a capital reduction exercise should, *inter alia*, obtain the approval of its shareholders at a general meeting by way of a special resolution ("**Capital Reduction Resolution**"), to be tabled at such general meeting.

2.2 Background and Rationale

On 10 September 2014, GEIHL (a wholly owned subsidiary of the Company) acquired 624,079 ordinary shares representing 53.6842% of the issued share capital of the Target from JPEL for an aggregate consideration of up to S\$48,000,000 (the "**Acquisition**"). The consideration was satisfied by a combination of cash and the issuance of 76,000,000 new ordinary shares ("**Consideration Shares**") in the capital of GSS at an issue price of S\$0.30 per Consideration Share. As a result of the Acquisition, JPEL became a Controlling Shareholder of GSS. At this time, GSS was listed on Catalist.¹

¹ Please refer to the Company's circular to Shareholders dated 7 August 2014 for more information on the Acquisition.

LETTER TO SHAREHOLDERS

As at the Latest Practicable Date, a total of S\$37,800,000, comprising S\$15,000,000 in cash and S\$22,800,000 in Consideration Shares, has been paid in consideration of the Acquisition.

On 10 November 2014, GSS and the Company commenced a restructuring exercise by way of a scheme of arrangement, pursuant to which the Company replaced GSS as the listed company. GSS and the Company undertook a scheme of arrangement under Section 210 of the Companies Act, following which the Company acquired all the shares in GSS, in exchange for new Shares, which were issued to all shareholders of GSS on a one (1) for one (1) basis (the “**Restructuring**”). As a result of the Restructuring:

- (a) all the shareholders of GSS became Shareholders of the Company, including JPEL, whose Consideration Shares were replaced with 76,000,000 new ordinary shares in the capital of the Company (“**Relevant Shares**”); and
- (b) GSS was delisted and the Shares of the Company were listed and quoted on Catalist.

The Target’s wholly owned subsidiary, PT CSE, was party to a cooperation agreement with KUD SP, under which it was granted exclusive rights to cooperate in conducting operations for extracting oil from the Dandangilo-Wonocolo fields in Bojonegoro, East Java, Indonesia (the “**Cooperation Agreement**”). These operations were the core business of the Target.

As announced on 24 July 2015, PT CSE was informed that KUD SP would no longer require the services of PT CSE for the management of old wells in Dandangilo-Wonocolo, and that the Cooperation Agreement would be terminated (the “**Termination**”).

Due to the Termination, the Company and JPEL entered into a settlement agreement on 17 August 2015 to reduce the consideration under the Acquisition (the “**Settlement Agreement**”). To effect the Settlement Agreement, the Company is proposing to undertake the Proposed Selective Capital Reduction to cancel the Relevant Shares issued to JPEL.

2.3 Details of the Proposed Selective Capital Reduction

The Directors propose to carry out the Proposed Selective Capital Reduction pursuant to Section 78A read together with Section 78C of the Companies Act.

The Proposed Selective Capital Reduction will reduce the Company’s issued and fully paid up share capital from S\$73,458,011.92851 divided into 472,618,657 ordinary shares, to S\$50,658,011.92851 divided into 396,618,657 ordinary shares by the cancellation of the Relevant Shares.

The amount of S\$22,800,000, being the credit arising from the Proposed Selective Capital Reduction, shall be applied to set off the accumulated losses of the Company arising from impairments made in the carrying values of investments in, amounts due from subsidiaries and past acquisition fees for investment in subsidiaries² (the “**Accumulated Losses**”).

Pursuant to Section 78C(2) of the Companies Act, the Company is not required to meet the solvency requirements under Section 78C(1)(b) of the Companies Act as the Proposed Selective Capital Reduction will be effected by way of cancellation of the issued and fully paid-up share capital of the Company which is lost or no longer represented by available assets.

2.4 Resultant Effect on the Share Capital of the Company

As at the Latest Practicable Date, the Company has a paid-up share capital of S\$73,458,011.92851. Upon completion of the Proposed Selective Capital Reduction, the Company will have a paid-up share capital of S\$50,658,011.92851.

The Proposed Selective Capital Reduction will reduce the accumulated losses of the Company by the cancellation of the Relevant Shares to the extent of S\$22,800,000.

² Please refer to the Company’s announcement of its financial results for the six months ended 30 June 2015 dated 14 August 2015 for more information on the impairment provisions made following the Termination.

LETTER TO SHAREHOLDERS

The Proposed Selective Capital Reduction is an accounting procedure that reduces the existing share capital of the Company to write off the Accumulated Losses. The Proposed Selective Capital Reduction is simply a change in the composition of equity and does not entail any outflow of cash or change in the net assets of the Company.

2.5 Financial Effects

For illustration only and based on the unaudited consolidated financial statements of the Group for the half year ended 30 June 2015 (“**1H2015**”), a summary of the financial effects of the Proposed Selective Capital Reduction is set out below. The financial effects of the Proposed Selective Capital Reduction as illustrated, are based on, *inter alia*, the assumption that the Proposed Selective Capital Reduction was completed on 1 January 2015.

(a) Share Capital

Assuming that the Proposed Selective Capital Reduction was completed on 31 December 2014, the share capital of the Company for 1H2015 would be as follows:

	Before the Proposed Selective Capital Reduction	After the Proposed Selective Capital Reduction
Number of issued and paid-up Shares	472,618,657	396,618,657
Share Capital	73,458,011.92851	50,658,011.92851

The Proposed Selective Capital Reduction will reduce the paid-up share capital of the Company by S\$22,800,000 to write off the Accumulated Losses.

The number of issued Shares held by Shareholders will remain unchanged immediately after the Proposed Selective Capital Reduction.

(b) Equity attributable to Shareholders

Assuming that the Proposed Selective Capital Reduction was completed on 31 December 2014, the share capital of the Group and Company for 1H2015 would be as follows:

	Group		Company	
	Before the Proposed Selective Capital Reduction (S\$'000)	After the Proposed Selective Capital Reduction (S\$'000)	Before the Proposed Selective Capital Reduction (S\$'000)	After the Proposed Selective Capital Reduction (S\$'000)
Share Capital	73,458	50,658	73,458	50,658
Currency translation reserve	290	290	–	–
Capital Reserve	(22,800)	–	–	–
Other reserve	380	380	–	–
Accumulated losses	(32,324)	(32,324)	(24,814)	(2,014)
Shareholders' Fund	19,004	19,004	48,644	48,644

LETTER TO SHAREHOLDERS

(c) EPS

Assuming that the Proposed Selective Capital Reduction was completed on 31 December 2014, the EPS of the Group for 1H2015 would be as follows:

	Before the Proposed Selective Capital Reduction	After the Proposed Selective Capital Reduction
Losses⁽¹⁾ attributable to equity holders of the Company (S\$'000)	(30,708)	(30,708)
Weighted average number of Shares ('000)	472,618	396,618
EPS (S'pore cents)	(6.50)	(7.74)

Note:

(1) Losses mean the loss before income tax and minority interests.

(d) NAV

Assuming that the Proposed Selective Capital Reduction had been completed on 31 December 2014, the NAV per Share of the Group as at 30 June 2015 would be as follows:

	Before the Proposed Selective Capital Reduction	After the Proposed Selective Capital Reduction
Consolidated NAV⁽¹⁾ attributable to equity holders of the Company (S\$'000)	19,004	19,004
Number of issued and paid-up Shares ('000)	472,618	396,618
NAV per Share (S'pore cents)	8.45	10.54

Note:

(1) NAV means the net asset value excluding minority interests.

(e) Gearing

The Proposed Selective Capital Reduction will not have any impact on the gearing of the Company and the Group.

2.6 Conditions

The Proposed Selective Capital Reduction is subject to, *inter alia*, the following:

- the approval of Shareholders by way of a special resolution passed at the EGM;
- notification to the Comptroller of Income Tax that the Capital Reduction Resolution has been passed at the EGM, within eight (8) days beginning with the date of the Capital Reduction Resolution;
- compliance with the relevant publicity requirements as prescribed in the Companies Act;
- no application having been made for the cancellation of the Capital Reduction Resolution by any creditor of the Company to the Court within the timeframe prescribed in the Companies Act, or if such application was made, the dismissal thereof by the judicial authorities; and

LETTER TO SHAREHOLDERS

- (e) lodgement of the relevant documents with the ACRA after the end of six (6) weeks (but before the end of eight (8) weeks) commencing from the date of the passing of the Capital Reduction Resolution.

The Company will make an immediate announcement on SGXNET to update Shareholders if any of the conditions for the Proposed Selective Capital Reduction as set out in this section is not met.

2.7 Creditor Objections

In the event that during the six (6) weeks beginning with the Capital Reduction Resolution date (“**Objection Period**”), one (1) or more applications for the cancellation of the Capital Reduction Resolution is made under Section 78D(2) of the Companies Act, for the Proposed Selective Capital Reduction to take effect, the following conditions must be satisfied:

- (a) the Company must give to the ACRA notice of the application(s) for the cancellation of the Capital Reduction Resolution as soon as possible after such application(s) have been served on the Company by the creditor(s);
- (b) the proceedings in relation to each application for the cancellation of the Capital Reduction Resolution must be brought to an end by either the dismissal of the application under Section 78F of the Companies Act, or without determination (for example, because the application has been withdrawn); and
- (c) the Company must, within fifteen (15) days beginning with the date on which the last such proceedings were brought to an end in accordance with Section (b) above, lodge with the ACRA:
 - (i) a statement made by the Directors confirming that the requirements under Section 78C(1)(a) and (c) and Section 78D(4) of the Companies Act have been complied with, and that the proceedings in relation to each such application have been brought to an end by the dismissal of the application or without determination;
 - (ii) in relation to each such application which has been dismissed by the Court, a copy of the order of the Court dismissing the application; and
 - (iii) a notice containing the Proposed Selective Capital Reduction information.

2.8 Effective Date

After Shareholders’ approval has been obtained for the Proposed Selective Capital Reduction at the EGM, the Company will within eight (8) days beginning with the date of the Capital Reduction Resolution send a notice to the Comptroller of Income Tax stating, *inter alia*, that the Capital Reduction Resolution has been duly passed at the EGM.

If no application is received from any creditor of the Company for the cancellation of the Capital Reduction Resolution within six (6) weeks commencing with the date of the Capital Reduction Resolution, the Company will after the end of the aforesaid six (6) weeks and before the end of the eight (8) weeks, beginning with the date of the Capital Reduction Resolution, lodge the relevant documents required under Section 78E(2)(i) and (ii) of the Companies Act with the ACRA, upon which the Proposed Selective Capital Reduction will take effect.

If, however, a creditor objects to, and makes an application to the Court for the cancellation of, the Capital Reduction Resolution, within the Objection Period, the Capital Reduction will only take effect if the Court dismisses the creditor’s application.

The Company will thereafter publicly announce and notify Shareholders of the effective date of the Proposed Selective Capital Reduction through an SGXNET announcement.

LETTER TO SHAREHOLDERS

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, as recorded in the Company's Register of Directors' Interest and Register of Substantial Shareholders' Interest in the Shares, are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Mr. Tan Kay Guan	652,000	0.14	–	–
Mr. Yeung Kin Bond, Sydney	–	–	76,275,000 ⁽²⁾	16.14
Substantial Shareholders (excluding Directors)				
Roots Capital Asia Limited	76,275,000	16.14	–	–
JPEL	76,000,000	16.08	–	–
Blue Water Engineering Pte Ltd	2,000,000	0.42	76,000,000 ⁽³⁾	16.08
Mr. Charles Madhavan	–	–	83,446,000 ⁽⁴⁾	17.66
Mr. Anthony Clive Reudavey	1,000,000	0.21	78,000,000 ⁽⁵⁾	16.50

Notes:

- (1) The percentage of issued share capital is calculated on the basis of 472,618,657 Shares, as at the Latest Practicable Date.
- (2) Mr. Yeung Kin Bond, Sydney is deemed to have an interest in the 76,275,000 Shares held by Roots Capital Asia Limited.
- (3) Blue Water Engineering Pte Ltd is deemed to have an interest in the 76,000,000 Shares held by JPEL.
- (4) Mr Charles Madhavan is deemed to have an interest in the 2,000,000 Shares held by Blue Water Engineering Pte Ltd, the 76,000,000 Shares deemed to be held by Blue Water Engineering Pte Ltd and the 5,446,000 Shares held by his spouse, Sng Lee Leng.
- (5) Mr. Anthony Clive Reudavey is deemed to have an interest in the 2,000,000 Shares held by Blue Water Engineering Pte Ltd and the 76,000,000 Shares deemed to be held by Blue Water Engineering Pte Ltd.

4. DIRECTORS' RECOMMENDATIONS

The Board, having considered, *inter alia*, the terms and the rationale of the Proposed Selective Capital Reduction, is of the view that the Proposed Selective Capital Reduction is in the best interests of the Company, and accordingly recommend that the Shareholders vote in favour of the special resolution relating to the Proposed Selective Capital Reduction to be proposed at the EGM as set out in the Notice.

5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out is given on pages N-1 to N-2 of this Circular, will be held at Blk 4012 Ang Mo Kio Avenue 10, #05-01 Techplace I, Singapore 569628 on 27 November 2015 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the resolutions set out in the Notice.

6. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf are requested to complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, not less than forty-eight (48) hours before the time fixed for the EGM.

LETTER TO SHAREHOLDERS

The completion and lodgement of the Proxy Form by a Shareholder will not prevent him from attending and voting in person at the EGM if he subsequently wishes to do so. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least forty-eight (48) hours before the time appointed for the EGM.

7. ABSTENTION FROM VOTING

As the Proposed Selective Capital Reduction proposes to cancel all the Relevant Shares owned by JPEL pursuant to the Settlement Agreement, JPEL has a direct interest in the Proposed Selective Capital Reduction. As such, the Sponsor has directed that JPEL and its associates shall abstain from voting in respect of the Proposed Selective Capital Reduction at the EGM. JPEL and its associates shall also not accept nominations to act as proxy, corporate representatives or attorney to vote in respect of all of the Proposed Capital Reduction unless the Shareholders appointing any of them have indicated clearly how votes are to be cast.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Selective Capital Reduction, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

9. CAUTION IN TRADING

Shareholders and potential investors of the Company are advised to read this Circular and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, during normal business hours from the date of this Circular to the date of the forthcoming EGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the annual report of the Company for the year ended 31 August 2014.

Yours faithfully,
For and on behalf of the Board of Directors of
GSS ENERGY LIMITED

Yeung Kin Bond, Sydney
Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

GSS ENERGY LIMITED

(Company Registration Number: 201432529C)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of the Shareholders of GSS Energy Limited (the “**Company**”) will be held at Blk 4012 Ang Mo Kio Avenue 10, #05-01 Techplace I, Singapore 569628 on 27 November 2015 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions:

SPECIAL RESOLUTION

PROPOSED SELECTIVE CAPITAL REDUCTION

That pursuant to Article 11(A) of the Articles of Association of the Company, and Section 78A read with Section 78C of the Companies Act:

- (a) the issued and paid-up capital of the Company be reduced from S\$73,458,011.92851 to S\$50,658,011.92851 and that such reduction be effected and satisfied by the cancellation of the 76,000,000 shares in the capital of the Company (“**Relevant Shares**”) issued and allotted to JPEL at an issue price of S\$0.30 per Relevant Share as part of the consideration for the Acquisition, being the share capital of the Company that has been lost or is unrepresented by available assets to the extent of S\$22,800,000; and
- (b) the Directors be and are hereby authorised to do and complete all such acts and things, including without limitation, to execute all such documents and to approve any amendments, alteration or modification to any documents as they may consider necessary, desirable or expedient to give full effect to this Special Resolution.

BY ORDER OF THE BOARD

Ng Say Tiong
Company Secretary
5 November 2015

Notes:

1. A member of the Company entitled to attend and vote at this meeting may appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a Shareholder of the Company.
2. Where a member appoints more than one (1) proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
4. The form of proxy in the case of an individual shall be signed by the appointor or his attorney, and in the case of a corporation, either under its common seal or under the hand of an officer or attorney duly authorised.
5. If the form of proxy is returned without any indication as to how the proxy shall vote, the proxy will vote or abstain as he thinks fit.
6. If no name is inserted in the space for the name of your proxy on the form of proxy, the Chairman of the Meeting will act as your proxy.

NOTICE OF EXTRAORDINARY GENERAL MEETING

7. The form of proxy or other instruments of appointment shall not be treated as valid unless deposited at the registered office of the Company at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, not less than forty-eight (48) hours before the time appointed for holding the meeting and at any adjournment thereof.
8. For depositors holding their shares through The Central Depository (Pte) Limited in Singapore, the Directors have determined that it is more practicable for the depositor proxy form to be delivered to, collected, collated, reviewed and checked at the Company's registered office at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623 and as such will be counted as valid in regards to this meeting pursuant to the Company's Articles of Association. The depositor proxy form, duly completed, must be deposited by the depositor(s) at the abovementioned office not less than forty-eight (48) hours before the commencement of the EGM.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company and/or a Depositor (i) consents to the collection, use and disclosure of the personal data of the member and/or Depositor by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes, and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member and/or Depositor discloses the personal data of the proxy(ies) and/or representative(s) of the member and/or Depositor to the Company (or its agents), the member and/or Depositor has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of the proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member and/or the Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the breach of warranty of the member and/or Depositor.

GSS ENERGY LIMITED

(Company Registration Number: 201432529C)
(Incorporated in the Republic of Singapore)

IMPORTANT:

CPF Investors

- For investors who have used their CPF money to buy Shares in GSS Energy Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
- This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- CPF investors who wish to attend the EGM as OBSERVERS must submit their requests through their respective CPF Approved Nominees within the timeframe specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 5 November 2015.

PROXY FORM

*I/We (Name) _____

of (Address) _____

being *a member/members of **GSS ENERGY LIMITED** (the “Company”), hereby appoint:

Name	Address	*NRIC / Passport Number	Proportion of shareholdings to be represented by proxy	
			Number of Shares	%
*and/or				

or failing *him/them the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf and, if necessary, to demand a poll, at the Company’s extraordinary general meeting of the Company (the “EGM”) to be held on 27 November 2015 at 10.00 a.m. at Blk 4012 Ang Mo Kio Avenue 10, #05-01 Techplace I, Singapore 569628 .

*I/We direct *my/our *proxy/proxies to vote for or against the resolutions to be proposed at the EGM as indicated with an “X” in the spaces provided hereunder. If no specified directions as to voting are given, the *proxy/proxies will vote or abstain from voting at *his/their discretion.

	Number of votes for ⁽¹⁾	Number of votes against ⁽¹⁾
Special Resolution		
To approve the Proposed Selective Capital Reduction		

Notes:

- (1) If you wish to use all your votes “For” or “Against”, please indicate with an “X” within the box provided. Otherwise, please indicate the number of votes.

Dated this _____ day of _____ 2015

Total Number of Shares in:	
(a) CDP Register	
(b) Register of Members	

Signature(s) of Member(s) or
Common Seal of Corporate Shareholder

*Please delete accordingly

Important: Please read notes overleaf.



Notes:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint one (1) or two (2) proxies to attend and vote in his stead.
2. Where a member appoints more than one (1) proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A proxy need not be a member of the Company.
4. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, (Cap. 50) of Singapore, you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
5. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 50 Raffles Place #32-01 Singapore Land Tower, Singapore 048623, not less than forty-eight (48) hours before the time set for the EGM.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a shareholder of the Company may, in accordance with Section 179 of the Companies Act (Cap. 50) of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if a shareholder of the Company, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at forty-eight (48) hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.