

On 4/4/2017 at 4:09 PM, "paul wallace" <pfwallace@msn.com> wrote:

Hi

FEC doesn't have any valuation at the time of the privatisation of Forum. In fact because PXP was making a cash offer of around 30 cents at the time the fairness advice was given to the independent directors of Forum however the other Forum directors including myself never saw it. You will remember the prospectus said PXP's offer of 30 cents was fair, so you should assume the valuation was within 2% of that or lower and the information would have been reviewed by the lawyers and the NOMAD and the London Stock Exchange all of whom approved the prospectus .

please stop asking for stuff that FEC doesn't have. There is no smoking gun,

Seriously, I hope you will respond to my earlier email. Otherwise there seems little point in engaging with you. Let's assume that depending on your response to my questions we agree FEC will get a professional valuation of Forum prior to taking further action, do you think you can reply on that basis,

Regards Paul

On 4 Apr 2017, at 5:36 pm, "" < > wrote:

Paul,

We want to see ANY evaluation report before, during or after the privatization of FEP.

Nothing will be considered below until you show some transparency and corporate governance with us.

On 4/4/2017 at 1:55 PM, "paul wallace" <pfwallace@msn.com> wrote:

Hi

I have tried to answer your questions on valuation reports. So can I ask if you have had an opportunity to think about my email below

Thanks

From: paul wallace <pfwallace@msn.com>

Date: 3 April 2017 at 5:32:12 pm AEST

To: "" < >

Subject: Re: PXP announcement

Hi

I think we need to consider the future of FEC. We can do a couple of things that we would prefer to have Asia Coast's support for.

1. We could agree to put FEC into liquidation and appoint a professional liquidator to sell the assets and distribute the cash to the shareholders.

2. We could agree that a price of 30 cents per Forum share is better than any price a liquidator could achieve. So the shareholders including Asia Coast could agree to sell the Forum shares to PXP/First Pacific at 30 cents and then liquidate FEC. This I think would give you more cash than option 1 above.

3. I might be able to get PXP to buy Asia Coast position but I suspect the price for a 20% stake would be circa \$400,000.

The alternative would be to ask the courts to appoint a liquidator which would be more expensive and mean less cash for you.

The last option is to continue to run the company and burn \$250k per year doing US and Canadian filings.

Anyway think about it as I would be interested to know what you think.

Paul

On 3 Apr 2017, at 10:34 am, "" < > wrote:

pxp is trading at 3.5 - 5 pesos with 1.7 in issue , call it 4pesos or \$136million - why isn't that number taken in consideration of the evaluation?

5.8tcf of gas is nearly a billion barrels of oil so why isn't that considered in the evaluation?

we want to see the evaluation Paul and cannot accept no this time.

On 4/3/2017 at 5:17 AM, "paul wallace" <pfwallace@msn.com> wrote:

Sorry

Last bit should read any new shares it issues.

Look at the price offered when Forum was delisted in June 2015 and since then Galoc field has gone down in value and nobody was valuing SC 72 at more than \$25million . No change in value of SC72 since then

Paul

On 3 Apr 2017, at 7:05 am, paul wallace <pfwallace@msn.com> wrote:

Hi

FEC has no say in how Forum prices any new shares it

On 2 Apr 2017, at 8:53 pm, "" <> wrote:

how do expect us to accept not seeing the financial schedules or the evaluations that are driving our share value into the worthless stage?

On 4/2/2017 at 6:12 PM, "paul wallace" <pfwallace@msn.com> wrote:

That is not available to you

On 2 Apr 2017, at 19:21, "" <> wrote:

Paul,

We'd need to see the evaluations that pertain to our stock dilution on each event.

On 4/1/2017 at 11:09 AM, "paul wallace" <pfwallace@msn.com> wrote:

Over the past couple of years PXP has had several valuations of Forum for various purposes

On 31 Mar 2017, at 6:15 pm, "" <> wrote:

Where did they get that value Paul?

On 3/31/2017 at 2:55 PM, "paul wallace" <pfwallace@msn.com> wrote:

Round numbers that is \$2million divided. By 400 million shares so about half a cent per FEC share if my maths is right

On 31 Mar 2017, at 16:58, "" <> wrote:

They paid 30cents a share - what does that equate to FEC share price?

How many FEP shares do we have now?

On 3/31/2017 at 1:49 PM, "paul wallace" <pfwallace@msn.com> wrote:

Hi

I don't think either PXP or Mr Ongpin believe they got the shares at a discount .

Forum's net assets have increased from approx \$12.5million to approx \$25 million so although FEC owns only owns 8% its stake is still worth \$2 million (8% of 25 and previously it was 16% of 12.5)

The reason FEC doesn't have pre-emptive rights is because Forum is no longer a public/listed company. However this is a bit academic as FEC doesn't have cash to invest in new Forum.shares even if they were offered.

I think we need to consider the future of FEC as there is little prospect of avoiding the annual running costs and FEC will have to sell more Forum shares to keep going.

Paul

On 31 Mar 2017, at 16:28, "" < > wrote:

Paul,

It doesn't seem fair that PXP and Ongpin were giving the opportunity to protect their share position an buy stock for a discount price and we take a more than 50% dilution with no opportunity to protect our position.

Please explain how this happened.

On 3/30/2017 at 3:10 PM, wrote:

Paul,

Asian Coast appreciates your explanation and now better understands what happened.

Was there an offering for this share purchase and how was the share price evaluation calculated?

On 3/30/2017 at 9:51 AM, "paul wallace" <pfwallace@msn.com> wrote:

Forum issued new shares firstly to Tidemark (Mr Ongpin) who paid \$2 million cash. Philex Petroleum received new shares in exchange for forgiving approx \$11 million of the 3 year term loan which became due November 2016. This loan was approved and all details were disclosed when it was put in place in 2013. If these arrangements had not been agreed by PXP and Tidemark Forum would have been in default on the loan and potentially put into liquidation.

FEC was not involved in any of these discussions and FEC was not required to approve any new share issue by Forum. In short FEC is not in a position to object to the fact that its ownership in Forum has been diluted . I cant see how Asian Coast can do anything other than to accept the current position

Paul

On 30 Mar 2017, at 12:54, "" < > wrote:

Paul,

Your Last email was accidentally deleted - please resend it.

On 3/29/2017 at 1:18 PM, wrote:
the mechanics of the First Pacific debentures is how we were diluted?
we need to see and know what instrument allowed them to dilute us.
we need a detailed report on how this happened Paul - this isn't something we're taking lightly.

On 3/29/2017 at 12:59 PM, "paul wallace" <pfwallace@msn.com> wrote:
The valuation was related to Forum and nothing to do with Fc

On 29 Mar 2017, at 13:50, "" < > wrote:
Paul,
It's important for us to know who made our evaluation and how they came up the the price we are worth.

On 3/29/2017 at 4:05 AM, "paul wallace" <pfwallace@msn.com> wrote:
There was no decision made or asked of FEC board of directors in relation to the share issued at Forum. The report was referenced to by Forum directors in their decision to value new Forum shares .

Happy to have a call next week if it would help
Regards Paul

On 28 Mar 2017, at 7:13 pm, "" < > wrote:
when is this board going to show some transparency?
we deserve to see the report;
you have me at my limits paul;
my asian coast board wants to see that report authorizing our dilution to 8%.

On 3/28/2017 at 2:17 PM, "paul wallace" <pfwallace@msn.com> wrote:
% owned by PXP and Asian Coast in FEC has not changed for years . PXP is 51%
Report not cleared by authors for public distribution. This is normal practise.

On 28 Mar 2017, at 6:01 pm, "" < > wrote:
what percentage does philex have and what percentage does asian coast have in fec?
why can't we see the report paul?

On 3/28/2017 at 1:53 PM, "paul wallace" <pfwallace@msn.com> wrote:
Hi
I am currently working in Fiji and email is a bit hit and miss

1. The dilution was in FEC percentage in Forum
2. If you are asking about the shareholdings in Forum it is Philex 69.5% Tidemark (mr Ongpin) 20% FEC 8% and the other 2.5% by small investors
3. FEC has enough cash as per the financials to be filed this week to last into 2018
4. The valuation isn't available to you

Hope this helps

On 28 Mar 2017, at 00:06, "" < > wrote:

Paul,

We would appreciate some more information on the latest dilution to 8%.

When will we be notified of the current ownership percentages of Asian Coast and PXP?

Also, we would like to see the independent evaluation report mentioned below.

It seems we are quickly losing share value and would appreciate your cooperation.

On 3/27/2017 at 11:24 AM, wrote:

Paul,

We were recently diluted to 18% and now to 8%.

Who owns what now and what are the percentages of ownership?

What is our cash position?

What are our shares worth per share?

On 3/27/2017 at 10:31 AM, "paul wallace" <pfwallace@msn.com> wrote:

Hi

All newly issued Forum shares valued at 30 US cents . This is in line with independent valuation by one of the Big 4 accounting firms . Tidemark put in \$2 million cash and Philex converted \$11 million of its \$18 million loan

Hope that helps .

This implies valuation of FEC \$1.8 million

Cheers paul

On 27 Mar 2017, at 1:10 pm, "" <> wrote:

Paul,

It's hard to understand what happened based on the announcement.

How much did they pay for our FEC shares or what was the value they put on the shares?

Regards,

On 3/27/2017 at 6:33 AM, "paul wallace" <pfwallace@msn.com> wrote:

Hi

Just in case you haven't already seen the attached announcement

Following these transactions FEC's interest in Forum has been reduced to approx 8% .

Thanks Paul

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