

THIS NOTIFICATION IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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THIS NOTIFICATION IS FOR YOUR INFORMATION ONLY. NO ACTION IS REQUIRED TO BE TAKEN.



M3ENERGY BERHAD

(Company No. 206596-H)

(Incorporated in Malaysia under the Companies Act, 1965)

NOTIFICATION TO SHAREHOLDERS OF M3ENERGY BERHAD

IN RELATION TO THE

**RECEIPT OF NOTICE OF CONDITIONAL TAKE-OVER OFFER
DATED 12 SEPTEMBER 2008**

FROM

MELEWAR EQUITIES (BVI) LTD

This Notification is dated 19 September 2008



M3ENERGY BERHAD

(Company No.206596-H)
(Incorporated in Malaysia under the Companies Act, 1965)

Registered Office:-
Suite 20.03, 20th Floor,
Menara MAA, No. 12
Jalan Dewan Bahasa,
50460 Kuala Lumpur

19 September 2008

Board of Directors:

Dato' Zulkifly @ Sofi bin Haji Mustapha (*Non-Independent Non-Executive Chairman*)
Dato' Seri Abdul Azim bin Mohd Zabidi (*Executive Vice-Chairman*)
Datuk Shahrizi bin Sha'ari (*Group Managing Director/ Chief Executive Officer*)
Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah (*Non-Independent Non-Executive Director*)
Tunku Soraya Dakhlah binti Tunku Tan Sri Abdullah (*Non-Independent Non-Executive Director*)
Datuk Lim Kim Chuan (*Non-Independent Non-Executive Director*)
Dato' Jaffar Indot (*Independent Non-Executive Director*)
Sharif Lough bin Abdullah (*Independent Non-Executive Director*)
Onn Kien Hoe (*Independent Non-Executive Director*)
Uwe Ahrens (*Non-Independent Non-Executive Director*)

To: The Shareholders of the M3nergy Berhad ("M3")

Dear Sir/Madam,

RECEIPT OF NOTICE OF UNCONDITIONAL TAKE-OVER OFFER DATED 12 SEPTEMBER 2008 FROM MELEWAR EQUITIES (BVI) LTD ("MEBL")

1. INTRODUCTION

Your Board of Directors ("Board") wishes to inform you that on 12 September 2008, MEBL had served a notice of conditional take-over offer ("Notice") on your Board to acquire all the remaining ordinary shares of RM1.00 each in M3 ("M3 Shares") and such number of new M3 Shares that may be issued pursuant to the exercise of any outstanding options granted under M3's employees' share option scheme ("ESOS") prior to the close of the offer, which are not already owned by MEBL and the Concerted Parties ("Offer Shares") for a cash consideration of RM1.20 for each M3 Share ("Offer Price") ("Offer").

On 12 September 2008, your Board had also informed Bursa Malaysia Securities Berhad ("Bursa Securities") and made an announcement of the receipt of the offer Notice.

2. APPOINTMENT OF INDEPENDENT ADVISER

Your Board will appoint an Independent Adviser in relation to the Offer in due course and an announcement will be made upon such appointment.

3. DOCUMENTS RELATING TO THE OFFER

The purpose of this notification is to inform you of the Offer and does not constitute an offer.

The document containing particulars of the Offer ("Offer Document") will be dispatched by OSK, on behalf of MEBL, no later than the requisite twenty one (21) days from the date of the Notice.

The Independent Advice Circular from the Independent Adviser will be dispatched to you within ten (10) days from the date of dispatched of the Offer Document.

4. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors have seen and approved this Notification and they collectively and individually accept full responsibility for the accuracy of the information given in this Notification. As far as it relates to M3, the Directors confirm that after having made all reasonable enquiries and to the best of their knowledge and belief, there are no other material facts, the omission of which may cause any statement in this Notification to be false or misleading.

YOU ARE ADVISED NOT TO TAKE ANY ACTION WHICH MAY BE PREJUDICIAL TO YOUR INTERESTS AND TO READ THE OFFER DOCUMENT AND THE INDEPENDENT ADVICE CIRCULAR CAREFULLY BEFORE TAKING ANY ACTION.

Yours faithfully,
For and on behalf of the Board of Directors of
M3ENERGY BERHAD

DATUK SHAHRAZI BIN SHA'ARI
Group Managing Director

**NOTICE OF CONDITIONAL VOLUNTARY TAKE-OVER OFFER
DATED 12 SEPTEMBER 2008 FROM MELEWAR EQUITIES (BVI) LTD**

MELEWAR EQUITIES (BVI) LTD

2nd Floor, Mahkota Melewar
Jalan Parlimen 50480 Kuala Lumpur
Tel: 03-2913333 Fax:03-2916060 Telex: TMC33007
GPO Box 12222, 50770 Kuala Lumpur, Malaysia.

12 September 2008

The Board of Directors
M3ENERGY BERHAD
Level 25, Wisma UOA II
21, Jalan Pinang
50450 Kuala Lumpur

Dear Sirs,

NOTICE OF CONDITIONAL VOLUNTARY TAKE-OVER OFFER ("NOTICE")

1. INTRODUCTION

We, Melewar Equities (BVI) Ltd ("**MEBL**" or "**Offeror**"), wish to notify you of our intention to undertake a conditional voluntary take-over offer ("**Offer**") to acquire the following :

- (a) all the outstanding 124,235,972 ordinary shares of RM1.00 each in M3nergy Berhad ("**M3**") ("**M3 Shares**"), representing 100% of the issued and paid-up share capital of M3 (excluding treasury shares) as at 29 August 2008; and
- (b) all the M3 Shares that may be allotted and issued up to the close of the Offer (as defined below) pursuant to the exercise of the outstanding options ("**Options**") granted to the employees of M3 under the Employee Share Option Scheme of M3 which came into effect on 8 June 2007 ("**ESOS**"),

for a cash consideration of RM1.20 per Offer Share ("**Offer Price**"), subject to the provisions for adjustments as set out in Section 4.1 below.

All the M3 Shares which are the subject of the Offer are hereinafter referred to as the "**Offer Shares**".

As present, we do not hold any M3 Shares whilst certain persons acting in concert with us ("**PAC**") directly and collectively hold 32,926,678 M3 Shares, representing 26.50% of the issued and paid-up share capital of M3. We intend to procure irrevocable undertakings from the relevant PAC such that these PAC will not be accepting the Offer ("**Irrevocable Undertakings**"). The persons deemed to be acting in concert with us in relation to the Offer and the details of the shareholdings of the PAC in M3 are set out in Section 7 of this Notice.

2. THE OFFER

We, as the Offeror hereby serve this Notice of the Offer ("**Notice**") on the Board of Directors ("**Board**") of M3 to acquire the Offer Shares. Subject to the provisions for adjustments as set out in Section 4.1 below, the total consideration for the Offer Shares shall be RM109,571,152.80 (excluding the M3 Shares held by the PAC of which the Irrevocable Undertakings will be procured by us) or at the Offer Price of RM1.20 per Offer Share. The Offer Price of RM1.20 per share represents premiums of approximately 48% and 49% over the 5-days volume weighted average market price and the closing market price as at 11 September 2008 of RM0.8104 per M3 Share and RM0.805 per M3 Share respectively.

Holders of the Offer Shares ("**Holders**") who wish to accept the Offer should refer to the procedures for acceptances which will be detailed in the offer document outlining the Offer ("**Offer Document**"), together with the accompanying Form of Acceptance and Transfer, to be despatched in due course, subject to the consent of the Securities Commission ("**SC**"). The Offer will be made to each Holder for all their Offer Shares (save for the Offer Shares held by the PAC upon the receipt by us of the PAC's respective Irrevocable Undertakings).

Employees of M3 must validly exercise their options in accordance with the by-laws for the ESOS, and be allotted and issued new M3 Shares before the close of the Offer.

The Offer is not extended to the M3 Shares currently held as treasury shares by M3 ("**Treasury Shares**"). In the event these Treasury Shares are disposed in the open market or distributed as share dividends by M3 prior to the close of the Offer, the Offer would be extended to include such number of Treasury Shares so disposed or distributed as share dividends by M3. On the other hand, should M3 purchase any further M3 Shares from the open market, the Offer would only involve such number of remaining M3 Shares which are not held as treasury shares.

3. INFORMATION ON THE OFFEROR

MEBL was incorporated in the British Virgin Islands on 20 September 1993 under the BVI Business Companies Act, 2004. It is principally an investment holding company.

It has an authorised share capital of USD50,000 comprising 50,000 ordinary shares of USD1.00 each, of which USD1.00 have been issued and fully paid-up.

4. TERMS AND CONDITIONS OF THE OFFER

The principal terms and conditions of the Offer, unless otherwise directed or permitted to be varied by the SC, will be as follows:-

4.1 Consideration for the Offer

The Holders who accept the Offer shall be paid RM1.20 in cash for each Offer Share, in accordance with the terms to be set out in the Offer Document.

If M3 declares any dividend and/or other distributions before the close of the Offer and the Holder is entitled to retain such dividend and/or other distributions, we will reduce the consideration for each Offer Share by the quantum of the net dividend and/or other distributions per M3 Share which such Holder is entitled to retain.

Holders may accept the Offer in respect of all or part of their Offer Shares. Fractions of a sen will not be paid to the accepting Holders and entitlements to the cash payment will be rounded down to the nearest whole sen.

4.2 Conditions of the Offer

The Offer is conditional upon us receiving valid acceptances in respect of the minimum number of Offer Shares which would result in us and the PAC (upon receipt by us of the Irrevocable Undertakings) holding in aggregate, together with such M3 Shares that are already acquired, held or entitled to be acquired or held by us and the PAC, more than 50% of the issued and paid-up share capital in M3.

The Offer is also conditional upon the following:-

- (a) approval of the Equity Compliance Unit of the SC ("ECU") approving under the Foreign Investment Committee's Guideline on the Acquisition of Interests, Mergers and Take-Overs by Local and Foreign Interests;
- (b) the clearance of the SC of the Offer Document;
- (c) approvals of any other relevant parties, if required; and
- (d) receipt by us of the Irrevocable Undertakings from the PAC.

In any case, the above conditions will have to be fulfilled within twenty-one (21) days after the First Closing Date (as defined in Section 4.5 below) or after the Offer is declared unconditional as to acceptances (whichever is the later) or such other period as may be approved by the SC, failing which the Offer shall lapse.

4.3 Despatch of the Offer Document

Barring unforeseen circumstances or unless otherwise directed or permitted by the SC to defer in doing so, the Offer will be made and the Offer Document shall be despatched not later than twenty-one (21) days from the date of this Notice. We will via our financial adviser make an application to the SC if the posting of the Offer Document is deferred beyond the requisite twenty-one (21) days.

We will via our financial adviser post the Offer Document to the Board of M3 and to all the Holders whose names appear in the Record of Depositors of M3 as at the latest practicable date prior to the despatch of the Offer Document.

4.4 Warranty

The Offer Shares are to be acquired by us on the basis of an acceptance of the Offer by a Holder in accordance with the Offer Document. Such acceptance will be deemed to constitute a warranty by the Holder that the Offer Shares, to which the acceptance relates, are sold:-

- (a) free from all moratorium, claims, charges, liens, encumbrances, options, rights of pre-emption, third party rights and equities; and
- (b) with all rights, benefits and entitlements attaching thereto, including the rights to all dividends rights, allotments and/or any other distributions declared, paid or made on or after the date of the Offer Document.

4.5 Duration of the Offer

- (a) Provided that we do not withdraw the Offer with the SC's approval and every person is released from any obligation incurred under the Offer, the Offer will remain open for acceptances from the date of posting of the Offer Document ("**Posting Date**") for a period of not less than twenty-one (21) days from the Posting Date ("**First Closing Date**"), unless we revise or extend the Offer (such revised or extended date shall be referred to hereinafter as the "**Closing Date**").

- (b) If the Offer is revised after the Posting Date, it will remain open for acceptances for a period of at least fourteen (14) days from the date of posting of the written notification of the revision to the Holders. Where any of the terms of the Offer are revised, the Holders who have previously accepted the Offer shall also be entitled to receive the revised consideration that is to be paid or provided for the acceptance of the Offer.

The Offer may not be revised after the forty-sixth (46th) day from the Posting Date.

- (c) If there is any announcement of an extension of the Offer, the next expiry date of the Offer will be stated.
- (d) If the Offer has become or is declared unconditional as to acceptances on any day on or before the forty-sixth (46th) day from the Posting Date, the Offer will remain open for acceptances for not less than fourteen (14) days from the date on which the Offer becomes or is declared unconditional which shall, in any event, not be later than the sixtieth (60th) day from the Posting Date.
- (e) Where the Offer has become or is declared unconditional as to acceptances on any day after the forty-sixth (46th) day from the Posting Date, the Offer will remain open for acceptances for not less than fourteen (14) days from the date on which the Offer becomes or is declared unconditional which shall, in any event, not be later than the seventy fourth (74th) day from the Posting Date.
- (f) We shall give at least fourteen (14) days' notice in writing ("**Closing Notice**") to the Holders of the Offer Shares before closing the Offer. Save and subject to the SC's approval, no Closing Notice shall be given where the Offer has become unconditional as to acceptances before an expiry date and where the Offer Document clearly states that the Offer will be closed on a specific date.
- (g) We shall not give the Closing Notice where a competing offer has been announced unless the competing offer has reached its conclusion or the holders of 50% or more of the voting shares of M3 have irrevocably rejected the competing offer in favour of the Offer.

4.6 Rights of withdrawal by an accepting Holder

- (a) All acceptances of the Offer by a Holder **SHALL BE IRREVOCABLE**. However, a Holder is entitled to withdraw his/her acceptance in the event we fail to comply with any of the requirements set out in Section 4.9(a) below by the close of trading on the market day following the day on which the Offer is closed, revised or extended ("**Relevant Day**"). In such an event, the Holder is entitled to withdraw his/her acceptance immediately after the Relevant Day.
- (b) The SC may terminate the above right of withdrawal if:-
- (i) we have complied with the requirements of Section 4.9(a) below within eight (8) days from the Relevant Day, provided that the expiry of the eight (8)-day period from the Relevant Day shall not fall after the sixtieth (60th) day from the Posting Date; and
- (ii) we have confirmed in a statement by way of a press notice given to at least three (3) daily newspapers circulating generally throughout Malaysia, one of which shall be in Bahasa Malaysia and one in the English language ("**Press Notice**"), that the Offer is still unconditional as to acceptances.

Notwithstanding the foregoing, the rights of any person who has already withdrawn his/her acceptance under Section 4.6(a) above shall not be prejudiced by the termination of such right of withdrawal by the SC.

4.7 Withdrawal of the Offer by the Offeror

We may only withdraw the Offer with the prior written approval of the SC.

4.8 Method of settlement

The settlement of the consideration for the Offer will be effected via the remittance in the form of cheques, banker's drafts and/or cashier's orders which will be despatched by ordinary mail to the accepting Holders (or their designated agents, as they may direct) in respect of valid acceptances, at their own risk.

The settlement of the Offer shall be in the following manner:-

- (a) where the valid acceptances are received during the period when the Offer is still conditional, the consideration for the Offer Shares shall be posted within twenty-one (21) days from the date the Offer becomes or is declared unconditional; or
- (b) where the valid acceptances are received during the period when the Offer has become or has been declared unconditional, settlement shall be within twenty-one (21) days from the date the valid acceptances are received.

Except with the consent of the SC, which would only be granted in certain circumstances in which all Holders are to be treated similarly, and save for our right to reduce the cash consideration of the Offer Shares as set out in Section 4.1 above, settlement of the consideration to which any accepting Holder is entitled under the Offer will be implemented in full, in accordance with the terms of the Offer, without regard to any lien, right of set-off, counter-claim or other analogous rights to which we may otherwise be, or claim to be, entitled against the accepting Holder. This, however, is without prejudice to our rights to make any claim against the accepting Holder after such full settlement in respect of a breach of the warranty as set out in Section 4.4 above.

4.9 Announcement of acceptances

- (a) We shall inform the SC and Bursa Malaysia Securities Berhad ("**Bursa Securities**") and simultaneously announce by way of Press Notice before trading in the securities of M3 commences on Bursa Securities on the Relevant Day:-
 - (i) the position of the Offer, that is, as to whether the Offer is closed, revised or extended; and
 - (ii) the total number of Offer Shares (together with the percentage of the issued and paid-up share capital of M3 represented by such shares):-
 - (aa) for which acceptances of the Offer have been received after the Posting Date;
 - (bb) held by us and the PAC as at the Posting Date (subject to the receipt by us of the Irrevocable Undertakings); and
 - (cc) acquired or agreed to be acquired by us during the offer period.

- (b) In computing the acceptances of Offer Shares represented for announcement purposes, we may include or exclude acceptances which are not in order in all respects or which are subject to verification.
- (c) References to the making of an announcement or the giving of notice by us include the following:-
 - (i) release of an announcement by our financial adviser or our advertising agent(s) to the press; or
 - (ii) delivery of or transmission by telex, facsimile or Bursa Securities' Listing Information Network (also known as Bursa LINK) of an announcement to Bursa Securities.
- (d) An announcement made otherwise than to Bursa Securities shall be notified simultaneously to Bursa Securities.

4.10 Purchases in the open market

Should we or any of the PAC purchase or agree to purchase Offer Shares during the offer period at a consideration that is higher than RM1.20 per Offer Share, we shall increase the consideration for the Offer to be not less than the highest price (excluding stamp duty and commission) paid or agreed to be paid by us or the PAC for Offer Shares during the offer period.

4.11 General

- (a) All communications, notices, documents and payments to be delivered or despatched to the Holders or their designated agents will be despatched by ordinary mail to the Holders' registered address last maintained with Bursa Malaysia Depository Sdn Bhd at their own risk. Unless the contrary is proved, delivery of the communication, notice, document or payment shall be presumed to be effected by properly addressing, prepaying and posting by ordinary mail the communication, notice, document or payment and shall be presumed to have been effected at the time when the document would have been delivered in the ordinary course of the mail.
- (b) The Offer and all acceptances received under the Offer will be construed under and governed by Malaysian law. It will be provided in the Offer Document that the Offeror and the Holders shall submit to the exclusive jurisdiction of the courts of Malaysia.
- (c) Holders may accept the Offer made to them in respect of all or part of their Offer Shares.
- (d) The Form of Acceptance and Transfer which will accompany the Offer Document will contain the following:-
 - (i) provisions for the acceptance of the Offer and the transfer of the Offer Shares to the Offeror or their appointed nominees;
 - (ii) instructions to complete the Form of Acceptance and Transfer; and
 - (iii) other matters incidental to the acceptance of the Offer and the transfer of the Offer Shares to the Offeror.

No acknowledgement of the receipt of the Form of Acceptance and Transfer will be issued.

- (e) All costs and expenses of or incidental to the preparation and posting of the Offer Document (other than professional fees and other costs relating to the Offer incurred by M3) will be borne by us. Malaysian stamp duty and Malaysian transfer fees, if any, resulting from acceptances of the Offer will also be borne by us. For the avoidance of doubt, the payment of any transfer fees, taxes, duties, costs, expenses or other requisite payments due in a jurisdiction outside Malaysia or the payment of any levy for the repatriation of capital or income tax shall not be borne by us.
- (f) The accidental omission to despatch the Offer Document and the Form of Acceptance and Transfer to any person to whom the Offer is made shall not invalidate the Offer in any way.

5. LISTING STATUS OF M3 AND COMPULSORY ACQUISITION

5.1 Listing status of M3

Under Rule 8.15 of the Listing Requirements of Bursa Securities ("**Listing Requirements**"), in order to ensure the continued listing of M3, M3 must satisfy the public shareholding spread requirement that at least 25% of the total issued and paid-up share capital of M3 are in the hands of a minimum of 1,000 public shareholders holding not less than 100 M3 Shares each.

A listed issuer which fails to maintain the required shareholding spread may request for an extension of time to rectify the situation. Where no extension of time is granted by Bursa Securities, Bursa Securities may suspend trading in the securities of the listed issuer and/or de-list the listed issuer.

In the event that the public shareholding spread of a listed issuer is equal to or below 10% of the total number of its listed shares, Bursa Securities shall:-

- (a) in the case of a take-over offer whereby 90% or more of the listed shares of the said listed issuer are being held by a shareholder either singly or jointly with associates of the said shareholder, suspend the trading in the listed issuer's shares immediately upon the expiry of five (5) market days from the date of the immediate announcement in view that 90% or more of the listed shares of the listed issuer are held by a shareholder either singly or jointly with associates of the said shareholder;
- (b) in any other case whereby the listed issuer becomes aware, either in conjunction with the preparation of its semi-annual returns or otherwise, that its public shareholding spread is 10% or less of the total number of listed shares, suspend the trading in the listed issuer's shares immediately upon the expiry of thirty (30) market days from the date of the immediate announcement in view that the public shareholding spread of the listed issuer is equal to or below 10% of the total number of listed shares.

Notwithstanding the paragraph above, in relation to a take-over offer, all the securities of the listed issuer shall be removed from the Official List of Bursa Securities upon announcement by the listed issuer pursuant to the paragraph above unless the offeror has provided in the offer document:-

- (a) its intention to maintain the listing status of the listed issuer and not to invoke the provisions under Section 34 of the Securities Commission Act, 1993 ("**SCA**"); and
- (b) detailed plans, the complete implementation of which would result in full compliance by the listed issuer with all the provisions of the Listing Requirements.

We do not intend to maintain the listing status of M3 in the event M3 does not comply with the shareholding spread requirement of Bursa Securities as a result of acceptances received under the Offer. As such, we do not intend to take any steps in resolving any failure of M3 to meet the minimum 25% public shareholding spread requirement, as a result of which Bursa Securities may suspend trading in M3's securities and thereafter de-list M3. If necessary, we may procure M3 to apply to Bursa Securities for the withdrawal of M3's listing from the Official List of Bursa Securities in accordance with the Listing Requirements of Bursa Securities.

5.2 Compulsory acquisition

Section 34(1) of the SCA states:-

"Subject to Section 34B, where a take-over offer by an offeror to acquire all the shares or all the shares in any particular class or classes in an offeree has, within four (4) months after the making of the take-over offer, been accepted by the holders of not less than nine-tenths in the nominal value of those shares or of the shares of that class or classes (other than shares already held at the date of the take-over offer by the offeror or by a nominee for or a related corporation of the offeror), the offeror may, at any time within two (2) months after the take-over offer has been so accepted, give notice in the manner prescribed under the Code to any dissenting shareholder that it desires to acquire his shares together with a statutory declaration by the offeror that the conditions for the giving of the notice are satisfied."

In the event we are able to obtain acceptances in respect of nine-tenths (9/10) or more in the nominal value of the Offer Shares (other than M3 Shares already held at the date of the Notice by us and the PAC, which will be subject to the receipt by us of the Irrevocable Undertakings) upon completion of the Offer, we intend to invoke the provisions of Section 34 of the SCA to compulsorily acquire any remaining Offer Shares from the Holders who have elected not to accept the Offer.

Notwithstanding the above, in the event we receive acceptances from the Holders resulting in us and the PAC holding not less than nine-tenths in nominal value for the existing issued and paid-up share capital of M3 on or before the Closing Date, a Holder may exercise his/her rights, pursuant to Section 34A of the SCA, by serving a notice on us to require us to acquire his/her M3 Shares on the same terms as set out in the Offer Document or such other terms as may be agreed upon by us and the Holder concerned, subject to Section 34B of the SCA. Pursuant to Section 34B of the SCA, when a Holder exercises his/her rights under Section 34A of the SCA, the Court may, on an application made by such Holder or us, order that the terms on which we shall acquire the shares shall be as the Court thinks fit.

An announcement will be made should the non-accepting Holders of the Offer Shares invoke the provisions of Section 34A of the SCA to require the compulsory acquisition by us of any outstanding Offer Shares after the Offer.

Each non-accepting Holder whose Offer Shares are compulsorily acquired will receive the consideration on the same basis as the Offer and in accordance with Section 34 of the SCA.

6. FINANCIAL RESOURCES OF THE OFFEROR

The total cash consideration payable for the Offer, assuming that all Holders of the Offer Shares as at 29 August 2008 accept the Offer, is approximately RM109,571,152.80 for 91,309,294 Offer Shares (excluding the M3 Shares held by the PAC of which the Irrevocable Undertakings will be procured by us).

We confirmed that the Offer will not fail due to any insufficient financial capability and that every Holder who wishes to accept the Offer will be paid in full by cash.

The Offer will be fully financed by us via a loan facility. We have mandated TAE Management Co. (Cayman) Ltd as the arranger for the loan facility and have accepted their term sheet for the loan facility. Based on this acceptance, TAE Management Co. (Cayman) Ltd is reasonably satisfied that there are sufficient financial resources available to the Offeror such that the Offer would not fail due to the insufficient financial capability of the Offeror and that every Holder who wishes to accept the Offer will be paid in full by cash.

7. DISCLOSURE OF INTERESTS IN M3

As at 29 August 2008, the direct and/or indirect interests of the Offeror and the PAC in M3 Shares are as follows:-

	Direct		Indirect	
	No. of M3 Shares	%	No. of M3 Shares	%
MEBL	-	-	32,926,678 ⁽¹⁾	26.50
Melewar Steel Services Sdn Bhd	28,249,678	22.73		
Malaysian Assurance Alliance Berhad	4,677,000	3.76		
Tunku Dato' Ya'acob bin Tunku Tan Sri Abdullah	-	-	32,926,678 ⁽¹⁾	26.50

Notes:-

(1) Deemed interested through his substantial shareholdings in Melewar Steel Services Sdn Bhd and Malaysian Assurance Alliance Berhad pursuant to Section 6A of the Act.

As at the date of this Notice, neither we nor the PAC has received any irrevocable undertaking from any Holder of the Offer Shares to accept the Offer.

Neither we nor the PAC has any options or has entered into any agreements for any options to acquire any additional Offer Shares.

As at the date of this Notice, we are not aware of any existing or proposed agreement, arrangement or understanding in relation to the Offer Shares between us or the PAC, and the Holders of the Offer Shares.

8. DIRECTORS' RESPONSIBILITY STATEMENT

Our Directors have seen and approved this Notice, and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no false or misleading statements or other material facts, the omission of which would make any statement in this Notice false or misleading.

9. PUBLIC RELEASE

In accordance with the provisions of the Malaysian Code on Take-Overs and Mergers, 1998, copies of this Notice will be released to the press and forwarded to the SC and Bursa Securities for public release.

We would be grateful if you would acknowledge receipt by signing and returning to us the duplicate of this Notice.

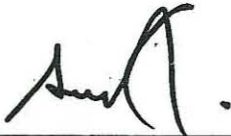
Yours faithfully,
For and behalf of
MELEWAR EQUITIES (BVI) LTD



**TUNKU DATO' YA'ACOB BIN
TUNKU TAN SRI ABDULLAH**
Director

TO: MELEWAR EQUITIES (BVI) LTD

We, M3nergy Berhad, hereby acknowledge receipt of this Notice of Conditional Voluntary Take-Over Offer dated 12 September 2008.



Authorised Signatory

DATUK SHAHRAZI SHA'ARI
Group Managing Director/
Chief Executive Officer

Designation

Name

12 SEP 2008

Date