



Loyz Energy Expects to Report a Gain of US\$19.3M on Full and Final Settlement of the Outstanding Payment for Its Onshore Oil Concessions in Thailand

- Full and final settlement of the outstanding payment due to Carnarvon for the Group's 20% stake in its onshore oil concessions in Thailand
- Group expects to report a gain of approximately US\$19.3 million arising from this settlement in Q4 FY2017
- Strengthened fundamentals enables the Group's pursuit of strategic and accretive opportunities to build up sustainable, diversified and stable earnings

SINGAPORE 02 MAY 2017

For immediate release

Loyz Energy Limited ("Loyz Energy" or the "Company", and together with its subsidiaries, the "Group"), an independent exploration and production upstream energy player, today announced that Loyz Oil Thailand Pte Ltd ("Loyz Oil") (a wholly-owned subsidiary of the Company) has entered into a supplemental sale and purchase agreement (the "Supplemental Agreement") with Carnarvon Thailand Limited ("Carnarvon") in relation to the full and final settlement of the outstanding payment due to Carnarvon by Loyz Oil ("Outstanding Payment") on the Group's acquisition of 20% participating interest in three onshore oil concessions located at Phetchabun Basin, Thailand completed in April 2014 (the "Acquisition").

Commenting on the full and final settlement of the Outstanding Payment, Mr. Jeffrey Pang (彭润程), Chief Executive Officer and Executive Director of Loyz Energy said, "This settlement is expected to give the Group a significant gain of approximately US\$19.3 million in the current financial year ending 30 June 2017. This, together with the full settlement of our shareholders' loan earlier in the year with equity, will significantly improve our balance sheet. With this turnaround, we are now ready to pursue new strategic and accretive opportunities. We will steer towards delivering sustainable and stable earnings in the long term, as well as to enhance value for shareholders."



The consideration for the Acquisition was US\$65 million, payable by (a) US\$33 million in cash by the date of completion of the Acquisition; and (b) the remaining US\$32 million to be satisfied as a debt due and payable in annual instalments.

To date, the Outstanding Payment amounted to approximately US\$31.2 million and the accounting book value of the Outstanding Payment (based on discounted cash flow) amounted to approximately US\$25.9 million. The Outstanding Payment shall be fully settled with a payment of US\$4.0 million, to be completed by 30 June 2017, pursuant to the Supplemental Agreement.

The Group recorded consolidated net assets value ("**NAV**") of approximately US\$29.8 million and NAV per share of US\$0.028 (equivalent to S\$0.0392, based on an exchange rate of S\$1.40 : US\$1.00) based on its unaudited consolidated financial statements as at 31 December 2016. Upon the full and final settlement of the Outstanding Payment, *ceteris paribus*, the Group's NAV will increase to approximately US\$49.1 million and NAV per share will increase to US\$0.046 (equivalent to S\$0.0644, based on an exchange rate of S\$1.40 : US\$1.00).

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This press release is to be read in conjunction with the Company's announcement posted on the SGX website on 02 May 2017.

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LOYZ ENERGY LIMITED

15 Hoe Chiang Road
Tower Fifteen, #06-01A
Singapore 089316

Tel: +65 6521 9048
Fax: +65 6225 4945

ABOUT LOYZ ENERGY LIMITED

(STOCK CODES – SGX: 594 | BLOOMBERG: LOYZ SP | REUTERS: LOYZ.SI)

Loyz Energy Limited (“**Loyz Energy**”, and together with its subsidiaries, the “**Group**”) is an independent exploration and production upstream energy company with its focus in the Asia-Pacific region.

The Group’s key asset is its 20% stake in the Thailand onshore oilfields located at Phetchabun Basin, which currently generates a steady income stream from its existing oil producing wells. This asset holds significant proven reserves for development as well as significant potential exploration upside that will ensue in value enhancement and sustainable long-term growth.

Based on the qualified person’s report as at 31 December 2015, the Thailand onshore oilfields have an aggregate of 54.74 (Proved + Probable + Possible) millions of barrels of oil reserves, of which 10.95 (Proved + Probable + Possible) millions of barrels are net attributable to the Group. Loyz Energy together with its partners intend to roll out the planned drilling campaign progressively to expand oil production capacity.

For more information, please visit the Group’s website at www.loyzenergy.com

FOR FURTHER ENQUIRIES



For more information, please contact:

Ms. Rosalina Soh (苏坤熙)

Office: (65) 6221 8308

Email: rosalina.soh@eqtq.com.sg

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LOYZ ENERGY LIMITED

15 Hoe Chiang Road
Tower Fifteen, #06-01A
Singapore 089316

Tel: +65 6521 9048
Fax: +65 6225 4945

The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

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