



Loyz Energy Rides on Rising Oil Prices, Records Net Profit of US\$0.9M in 2QFY17

- Higher average realised oil price of US\$44.85/bbl in 2QFY17 lifted revenue to US\$2.6M
- Improving outlook on global oil prices charts the course for Loyz Energy's growth, further strengthening the Group's earnings and financial position
- The Group has commenced with its planned drilling campaign, which aims to increase production, reserves and value of its Thailand oil concessions

SINGAPORE 01 FEBRUARY 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 it has reversed its net loss attributable to shareholders of US\$0.6 million from a year ago for the second quarter ended 31 December 2015 ("2QFY16"), to a net profit attributable to shareholders of US\$0.9 million for the second quarter ended 31 December 2016 ("2QFY17"). The improved results were on the back of an 8% increase in revenue to US\$2.6 million, as well as an increase in other income of US\$0.8 million, in 2QFY17. Higher revenue was attributed to higher average oil prices of US\$44.85/bbl in 2QFY17, as compared to US\$34.66/bbl in 2QFY16.

The Group continued with its cost optimisation efforts and saw operating expenses reduced by 41% to US\$0.7 million in 2QFY17, from US\$1.2 million in 2QFY16. Higher interest income as well as an increase in other income of US\$0.8 million (arising from a net gain in 2QFY17 on the redemption of a bond receivable via an offset with the outstanding balance due to the Group's bond issuer, Fram Exploration ASA) further lifted the Group's earnings.

Commenting on the results, Mr. Jeffrey Pang (彭润程), Chief Executive Officer and Executive Director of Loyz Energy said, "Our initiatives to strengthen our balance sheet and operational performance have placed Loyz Energy in a firm position to ride on the rising oil prices and enjoy better returns. We are committed to further strengthen our fundamentals through additional work on our Thailand concessions and to pursue new opportunities. To maximise the potential of our Thailand concessions, we have



commenced with our new drilling campaign in late January 2017. This drilling campaign is fully funded with internal funds and the cash flow generated from our existing producing oilfields.”

Net asset position of US\$29.7 million as at 31 December 2016 was higher as compared to US\$28.6 million as at 30 September 2016. Net asset value per share has also increased from 2.73 US cents as at 30 September 2016 to 2.80 US cents as at 31 December 2016.

Business Prospects

The Organisation of Petroleum Exporting Countries (“OPEC”) and non-OPEC producers have agreed to cut oil production by approximately 1.8 million barrels per day for an initial six months, starting from January 2017. This agreement which will reduce global oil supply, has provided strong support to oil prices. Sentiments are improving and various agencies and analysts have upgraded their oil price forecasts.

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This media release is to be read in conjunction with the Company’s unaudited interim results announcement posted on the SGX website on 01 February 2017.

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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



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