



GSS ENERGY LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 201432529C)

Entry into Operations Cooperation Agreement with PT Pertamina EP For Petroleum Production in the Trembul Operating Area

The Board of Directors (the “**Board**”) of GSS Energy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 5 October 2016 on the award by PT Pertamina EP (“**Pertamina**”) to the Group’s subsidiary, PT Sarana GSS Trembul (“**PT SGT**”), as a partner for joint operation for production (the “**Joint Operation**”) for the Trembul Operation Area (“**Operation Area**”).

The Board is pleased to announce that Pertamina and PT SGT had, on 2 November 2016, entered into an Operations Cooperation (Kerja Sama Operasi) Agreement (“**Agreement**”) to set out the terms of their Joint Operation.

TERMS OF THE AGREEMENT

The key terms of the Agreement are as follows:

- (i) PT SGT is to assist Pertamina in the production of petroleum (including mineral oil and gas) in the Operating Area.
- (ii) The Agreement is for a period of fifteen (15) years.
- (iii) The Operation Area has a size of 47.63 square kilometres and there are no depth limitations.
- (iv) PT SGT shall commit to a work programme for the initial commitment period of three (3) years, which amounts to US\$7,858,000.00.
- (v) PT SGT shall submit an unconditional irrevocable bank guarantee to Pertamina for the amount of US\$1,500,000.00 for the initial commitment period of three (3) years. The bank guarantee is to be provided within sixty (60) days from the date of the Agreement.
- (vi) PT SGT shall commence production upon the submission of the bank guarantee to Pertamina.
- (vii) There shall be no minimum level of production required.

- (viii) Pertamina shall have the right to market and sell all the petroleum produced in the Operating Area.
- (ix) PT SGT will get recovery over all the operating cost from the petroleum produced and sold from the Operation Area, under the regulation governing cost recovery for production sharing contracts in Indonesia.
- (x) PT SGT shall be entitled to receive each year :
 - 23.5294% of the petroleum produced, after accounting for operating costs; and
 - 31.3725% of the natural gas produced, after accounting for operating costs.
- (xi) PT SGT may transfer the rights and obligations of the Agreement if it has completed its work programme for the initial commitment period of three (3) years and received Pertamina's approval.

INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or the controlling shareholders of the Company or their respective associates has any interest, direct or indirect, in the Joint Operation and the Agreement, other than through their respective shareholdings in the Company.

FURTHER ANNOUNCEMENTS

The Company will update shareholders on material developments relating to the Joint Operation and the Agreement, if any.

RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Joint Operation and the Agreement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement 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.

By Order of the Board
GSS Energy Limited

Ng Say Tiong
Chief Financial Officer
3 November 2016

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This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd ("**Sponsor**"), for compliance with the relevant rules of Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by SGX-ST and SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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