

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER AND
HALF YEAR ENDED 31 DECEMBER 2015

This announcement has been prepared by Loyz Energy Limited (the “Company”) and its contents have been reviewed by the Company’s sponsor (the “Sponsor”), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The Sponsor has not independently verified the contents of this announcement.

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FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT

PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income	Unaudited 2Q FY2016 ¹ US\$'000	Unaudited 2Q FY2015 ² US\$'000	Change %	Unaudited 1H FY2016 ³ US\$'000	Unaudited 1H FY2015 ⁴ US\$'000	Change %
Revenue	2,376	5,671	(58)	6,393	12,538	(49)
Cost of sales	(1,107)	(2,011)	(45)	(2,762)	(3,828)	(28)
Gross profit	1,269	3,660	(65)	3,631	8,710	(58)
<i>Other items of income</i>						
Interest income	4	25	(84)	12	26	(54)
Other income	3	443	(99)	10	718	(99)
<i>Other items of expense</i>						
Distribution costs	-	-	-	-	(5)	NM ⁵
Administrative expenses	(914)	(1,519)	(40)	(1,945)	(3,048)	(36)
Finance costs	(132)	(453)	(71)	(265)	(950)	(72)
Other expenses	(257)	(346)	(26)	(524)	(721)	(27)
Other charges	(194)	(7)	NM ⁵	(1,164)	(7)	NM ⁵
(Loss)/profit before income tax	(221)	1,803	NM ⁵	(245)	4,723	NM ⁵
Income tax expense	(503)	(1,662)	(70)	(1,381)	(4,072)	(66)
(Loss)/profit for the financial period	(724)	141	NM⁵	(1,626)	651	NM⁵
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating foreign operations	97	(128)	NM ⁵	447	(238)	NM ⁵
Income tax relating to items that will or may be reclassified	-	-	-	-	-	-
Other comprehensive income for the financial period, net of tax	97	(128)	NM ⁵	447	(238)	NM ⁵
Total comprehensive income for the financial period	(627)	13	NM⁵	(1,179)	413	NM⁵
Profit/(loss) attributable to:						
Owners of the parent	(631)	177	NM ⁵	(1,214)	718	NM ⁵
Non-controlling interests	(93)	(36)	158	(412)	(67)	515
	(724)	141	NM⁵	(1,626)	651	NM⁵
Total comprehensive income attributable to:						
Owners of the parent	(581)	112	NM ⁵	(982)	601	NM ⁵
Non-controlling interests	(46)	(99)	(54)	(197)	(188)	5
	(627)	13	NM⁵	(1,179)	413	NM⁵

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

	Unaudited 2Q FY2016 ¹ US\$'000	Unaudited 2Q FY2015 ² US\$'000	Unaudited 1H FY2016 ³ US\$'000	Unaudited 1H FY2015 ⁴ US\$'000
Other credits				
Foreign exchange gain, net	-	140	-	369
Other income	3	303	10	349
	3	443	10	718
Finance costs				
Interest expense	(132)	(453)	(265)	(950)
Other charges				
Foreign exchange loss, net	(163)	-	(882)	-
Loss on disposal of plant and equipment	(2)	(7)	(2)	(7)
Write off of inventories	-	-	(208)	-
Allowance for inventories obsolescence	(29)	-	(39)	-
Write off of other assets	-	-	(33)	-
	(194)	(7)	(1,164)	(7)
Others				
Amortisation of intangible assets	4	7	8	9
Depreciation of plant and equipment	38	49	83	97
Depletion of oil and gas properties	484 ⁶	839 ⁶	1,270 ⁶	1,613 ⁶

¹ “2Q FY2016”: Period from 1 October 2015 to 31 December 2015

² “2Q FY2015”: Period from 1 October 2014 to 31 December 2014

³ “1H FY2016”: Period from 1 July 2015 to 31 December 2015

⁴ “1H FY2015”: Period from 1 July 2014 to 31 December 2014

⁵ “NM”: Not Meaningful

⁶ Included in Cost of sales

1(b)(i) A Balance Sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group			Company		
	Unaudited 31-Dec-15 US\$'000	Unaudited 30-Sep-15 US\$'000	Audited 30-Jun-15 US\$'000	Unaudited 31-Dec-15 US\$'000	Unaudited 30-Sep-15 US\$'000	Audited 30-Jun-15 US\$'000
Statements of Financial Position						
ASSETS						
Non-Current Assets:						
Exploration, evaluation and development assets	30,367	30,350	30,340	-	-	-
Oil and gas properties	62,965	61,448	61,423	-	-	-
Other property, plant and equipment	1,616	1,600	1,629	-	-	-
Investments in subsidiaries	-	-	-	61,293	61,744	62,492
Available-for-sale financial asset	7,289	7,289	7,289	-	-	-
Intangible assets	28,477	28,482	28,484	-	-	-
Other receivables	-	-	-	5,046	4,983	4,934
Prepayments	2,830	2,830	2,830	-	-	-
Total Non-Current Assets	133,544	131,999	131,995	66,339	66,727	67,426
Current Assets:						
Inventories	2,392	2,564	2,699	-	-	-
Trade and other receivables	1,041	1,230	2,880	24	-	-
Other assets	797	1,300	1,144	-	-	-
Prepayments	845	973	980	790	858	836
Cash and cash equivalents	4,383	5,265	7,604	284	91	570
Total Current Assets	9,458	11,332	15,307	1,098	949	1,406
Total Assets	143,002	143,331	147,302	67,437	67,676	68,832
EQUITY AND LIABILITIES						
Equity:						
Ordinary shares	111,220	110,554	110,554	111,220	110,554	110,554
Reserves	2,932	3,451	4,266	1,674	2,243	3,240
(Accumulated losses)/retained earnings	(71,003)	(70,372)	(70,991)	(47,926)	(47,681)	(47,516)
Equity attributable to owners of the parent	43,149	43,633	43,829	64,968	65,116	66,278
Non-controlling interests	(5,423)	(5,377)	(5,226)	-	-	-
Total Equity	37,726	38,256	38,603	64,968	65,116	66,278
Non-Current Liabilities:						
Bank borrowings	18,095	18,492	18,889	-	-	-
Finance lease payables	65	73	86	-	-	-
Provision for restoration costs	12	12	13	-	-	-
Other payable	26,334	27,655	27,352	-	-	-
Deferred tax liabilities	36,880	36,593	36,733	-	-	-
Total Non-Current Liabilities	81,386	82,825	83,073	-	-	-
Current Liabilities:						
Current income tax payable	1,915	1,766	3,420	-	-	-
Trade and other payables	15,432	13,187	14,090	2,469	2,560	2,554
Bank borrowings	6,508	7,262	8,079	-	-	-
Finance lease payables	34	34	36	-	-	-
Other liabilities	1	1	1	-	-	-
Total Current Liabilities	23,890	22,250	25,626	2,469	2,560	2,554
Total Liabilities	105,276	105,075	108,699	2,469	2,560	2,554
Total Equity and Liabilities	143,002	143,331	147,302	67,437	67,676	68,832

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 Dec 2015 (US\$'000)		As at 30 Jun 2015 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
1,634	12,194	2,061	13,484

Amount repayable after one year

As at 31 Dec 2015 (US\$'000)		As at 30 Jun 2015 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
18,160	-	18,975	-

Details of any collaterals

Finance lease

The finance lease of the Group is secured by two motor vehicles under the finance lease agreements. The motor vehicles were purchased by a subsidiary of the Company, Loyz Oil Pte. Ltd. ("**Loyz Oil**").

Term loan

During the financial year ended 30 June 2014, Loyz Oil drew down US\$32.0M pursuant to the term loans from OCBC Bank to finance the acquisition of petroleum interests held by Carnarvon Thailand Limited. The loans are secured by pledges of shares in Loyz Oil Thailand Pte. Ltd. ("**Loyz Thai**"), Loyz Oil's cash balances in the accounts maintained with and as designated by OCBC Bank, all earnings and other cash flow of Loyz Thai, as well as corporate guarantees by the Company, Loyz Thai and the controlling shareholder of the Company, Jit Sun Investments Pte. Ltd.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows	Unaudited 2Q FY2016¹ US\$'000	Unaudited 2Q FY2015² US\$'000	Unaudited 1H FY2016³ US\$'000	Unaudited 1H FY2015⁴ US\$'000
Operating activities				
(Loss)/profit before income tax	(221)	1,803	(245)	4,723
Adjustments for:				
Amortisation of intangible assets	4	7	8	9
Depreciation of plant and equipment	38	49	83	97
Depletion of oil and gas properties	484	839	1,270	1,613
Write off of inventories	-	-	208	-
Allowance for inventories obsolescence	29	-	39	-
Write off of other assets	-	-	33	-
Loss on disposal of plant and equipment	2	7	2	7
Share-based payment expenses	97	353	383	973
Reversal of share options	-	(6)	(81)	(96)
Interest income	(4)	(25)	(12)	(26)
Interest expense	132	453	265	950
Operating cash flows before working capital changes	561	3,480	1,953	8,250
Working capital changes:				
Inventories	143	159	60	43
Trade and other receivables	154	591	1,804	636
Other assets	503	4	314	(605)
Prepayments	128	78	135	(140)
Trade and other payables	517	(409)	(592)	(2,452)
Cash generated from operations	2,006	3,903	3,674	5,732
Interest received	4	25	12	26
Income tax refund/(paid)	-	284	(2,671)	(2,157)
Net cash generated from operating activities	2,010	4,212	1,015	3,601
Investing activities				
Purchase of plant and equipment	(56)	(73)	(72)	(107)
Additions to oil and gas properties	(1,682)	(2,638)	(2,068)	(4,010)
Purchase of exploration, evaluation and development assets	(19)	(220)	(27)	(483)
Purchase of intangible assets	-	(22)	-	(22)
Net cash used in investing activities	(1,757)	(2,953)	(2,167)	(4,622)
Financing activities				
Interest paid	(59)	(527)	(108)	(688)
Proceeds from bank borrowings	-	44	-	1,292
Short-term loans	-	12,836	-	20,470
Repayment of short-term loans	-	(4,902)	-	(4,902)
Repayment of finance lease payables	(8)	(7)	(23)	(14)
Repayment of bank borrowings	(1,150)	(9,340)	(1,925)	(14,316)
Net cash (used in)/from financing activities	(1,217)	(1,896)	(2,056)	1,842
Net change in cash and cash equivalents	(964)	(637)	(3,208)	821
Foreign currency translation adjustments	82	43	412	(151)
Cash and cash equivalents at beginning of financial period	5,265	8,025	7,179	6,761
Cash and cash equivalents at end of financial period	*4,383	*7,431	*4,383	*7,431

*Included in cash and cash equivalent are cash balances pledged to the banks, amounting to US\$2.0M for 2Q FY2016 and 1H FY2016 and US\$0.5M for 2Q FY2015 and 1H FY2015, in relation to loan/bank overdraft taken up.

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Equity Group	Ordinary shares US\$'000	Deemed capital contribution US\$'000	Share option/ award reserve US\$'000	Foreign currency translation account US\$'000	(Accumulated losses)/ retained earnings US\$'000	Equity attributable to owners of the parent US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
Balance as at 1 July 2015	110,554	2,103	2,633	(470)	(70,991)	43,829	(5,226)	38,603
Loss for the financial period	-	-	-	-	(583)	(583)	(319)	(902)
Other comprehensive income for the period:								
Exchange differences on translating foreign operations	-	-	-	182	-	182	168	350
Total comprehensive income for the financial period	-	-	-	182	(583)	(401)	(151)	(552)
Grant of share options/awards to employees	-	-	286	-	-	286	-	286
Share options/awards cancelled	-	-	(1,283)	-	1,202	(81)	-	(81)
Balance as at 30 September 2015	110,554	2,103	1,636	(288)	(70,372)	43,633	(5,377)	38,256
Balance as at 1 October 2015	110,554	2,103	1,636	(288)	(70,372)	43,633	(5,377)	38,256
Loss for the financial period	-	-	-	-	(631)	(631)	(93)	(724)
Other comprehensive income for the period:								
Exchange differences on translating foreign operations	-	-	-	50	-	50	47	97
Total comprehensive income for the financial period	-	-	-	50	(631)	(581)	(46)	(627)
Share awards exercised	666	-	(666)	-	-	-	-	-
Grant of share options/awards to employees	-	-	97	-	-	97	-	97
Balance as at 31 December 2015	111,220	2,103	1,067	(238)	(71,003)	43,149	(5,423)	37,726

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Continued)

Statement of Changes in Equity Group	Ordinary shares US\$'000	Share option/ award reserve US\$'000	Foreign currency translation account US\$'000	(Accumulated losses)/ retained earnings US\$'000	Equity attributable to owners of the parent US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
Balance as at 1 July 2014	76,279	2,065	(582)	(8,272)	69,490	2,530	72,020
Profit for the financial period	-	-	-	541	541	(31)	510
Other comprehensive income for the period:							
Exchange differences on translating foreign operations	-	-	(52)	-	(52)	(58)	(110)
Total comprehensive income for the financial period	-	-	(52)	541	489	(89)	400
Issue of shares	3,000	-	-	-	3,000	-	3,000
Grant of share options/awards to employees	-	620	-	-	620	-	620
Share options/awards cancelled	-	(464)	-	374	(90)	-	(90)
Balance as at 30 September 2014	79,279	2,221	(634)	(7,357)	73,509	2,441	75,950
Balance as at 1 October 2014	79,279	2,221	(634)	(7,357)	73,509	2,441	75,950
Profit/(loss) for the financial period	-	-	-	177	177	(36)	141
Other comprehensive income for the period:							
Exchange differences on translating foreign operations	-	-	(65)	-	(65)	(63)	(128)
Total comprehensive income for the financial period	-	-	(65)	177	112	(99)	13
Share awards exercised	560	(560)	-	-	-	-	-
Grant of share options/awards to employees	-	353	-	-	353	-	353
Share options/awards cancelled	-	(14)	-	8	(6)	-	(6)
Balance as at 31 December 2014	79,839	2,000	(699)	(7,172)	73,968	2,342	76,310

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Continued)

Statement of Changes in Equity					
Company	Ordinary shares US\$'000	Share option/ award reserve US\$'000	Foreign currency translation account US\$'000	Retained earnings US\$'000	Total equity US\$'000
Balance at 1 July 2015	110,554	2,633	607	(47,516)	66,278
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	(165)	(165)
Grant of share options/awards to employees	-	286	-	-	286
Share options/awards cancelled	-	(1,283)	-	-	(1,283)
Balance at 30 September 2015	110,554	1,636	607	(47,681)	65,116
Balance at 1 October 2015	110,554	1,636	607	(47,681)	65,116
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	(245)	(245)
Share awards exercised	666	(666)	-	-	-
Grant of share options/awards to employees	-	97	-	-	97
Balance at 31 December 2015	111,220	1,067	607	(47,926)	64,968

Statement of Changes in Equity					
Company	Ordinary shares US\$'000	Share option/ award reserve US\$'000	Foreign currency translation account US\$'000	Retained earnings US\$'000	Total equity US\$'000
Balance at 1 July 2014	76,279	2,065	607	3,678	82,629
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	(11)	(11)
Issue of shares	3,000	-	-	-	3,000
Grant of share options/awards to employees	-	620	-	-	620
Share options/awards cancelled	-	(464)	-	7	(457)
Balance at 30 September 2014	79,279	2,221	607	3,674	85,781
Balance at 1 October 2014	79,279	2,221	607	3,674	85,781
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	332	332
Share awards exercised	560	(560)	-	-	-
Share options/awards cancelled	-	(14)	-	8	(6)
Grant of share options/awards to employees	-	353	-	-	353
Balance at 31 December 2014	79,839	2,000	607	4,014	86,460

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share capital – Ordinary shares	Number of shares	US\$
Balance as at 1 October 2015	825,984,945	110,553,998
Vesting of share awards	4,780,000	666,921
Less: Share issue expense	-	(456)
Balance as at 31 December 2015	830,764,945	111,220,463

Outstanding share options/awards

	Number of options/awards
Loyz Energy Employee Share Option Scheme ("ESOS"):	
As at 31 December 2015	12,440,000

Loyz Energy Performance Share Plan ("PSP"):	
As at 31 December 2015	1,161,000

As at 31 December 2014, the number of outstanding share options/awards under the ESOS and the PSP were 26,620,000 and 4,950,000 respectively.

(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31-Dec-15	30-Jun-15
Total number of issued shares excluding treasury shares	830,764,945	825,984,945

The Company did not have any treasury shares as at 31 December 2015 and 30 June 2015.

(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The above financial statements have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The financial information has been prepared in accordance with the same accounting policies and methods of computation as adopted in the audited financial statements of the Group for the financial year ended 30 June 2015, except as disclosed under Note 5 below and the adoption of the new or revised Singapore Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") which have become effective for the current financial year. The adoption of FRS and INT FRS did not result in any substantial changes to the Group's accounting policies.

5. If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

(Loss)/earnings per share of the Group based on (loss)/profit attributable to owners of the Company	2Q FY2016	2Q FY2015	1H FY2016	1H FY2015
- Basic (US cents)	(0.08)	0.04	(0.15)	0.17
- On a fully diluted basis (US cents)	(0.08)	0.04	(0.15)	0.17

Notes:

The basic loss per share for 2Q FY2016 and 1H FY2016 are calculated based on 827,309,836 weighted average number of ordinary shares in issue. The earnings per share for 2Q FY2015 and 1H FY2015 are calculated based on 422,631,692 weighted average number of ordinary shares in issue.

On a fully diluted basis, the loss per share for 2Q FY2016 and 1H FY2016 are calculated based on 827,309,836 weighted average number of ordinary shares in issue. The earnings per share for 2Q FY2015 and 1H FY2015 are calculated based on 427,581,692 weighted average number of ordinary shares in issue. Diluted loss per share for each 2Q FY2016 and 1H FY2016 is the same as the loss per share because the potential ordinary shares to be converted are anti-dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current period reported on; and**
(b) immediately preceding financial year

	Group 31-Dec-15	Group 30-Jun-15	Company 31-Dec-15	Company 30-Jun-15
Net asset value per share based on existing issued share capital as at the end of the respective periods (US cents)	5.19	5.31	7.82	8.02

Note:

The net asset value per share as at 31 December 2015 and 30 June 2015 are calculated based on 830,764,945 and 825,984,945 ordinary shares in issue respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.**

Review for 2Q FY2016 vs 2Q FY2015

Consolidated Statement of Comprehensive Income

Revenue decreased by US\$3.3M, from US\$5.7M in 2Q FY2015 to US\$2.4M in 2Q FY2016, mainly due to the sharp fall in oil price from an average of US\$66.74/bbl to US\$34.66/bbl.

The decrease in other income by US\$0.4M was mainly due to an absence of a foreign exchange gain and an insurance refund in connection with the two drilling rigs in 2Q FY2015.

Administrative expenses decreased by US\$0.6M, from US\$1.5M in 2Q FY2015 to US\$0.9M in 2Q FY2016, mainly due to a decrease in staff costs including a reduction in share-based expenses.

The decrease in finance costs of US\$0.4M, from US\$0.5M in 2Q FY2015 to US\$0.1M in 2Q FY2016, was due to a decrease in the Group's borrowings.

Other charges increased by US\$0.2M mainly due to foreign exchange loss in 2Q FY2016, which arose from the revaluation of payable balances denominated in United States dollar to the weaker India Rupee.

As a result of the above, the Group recorded a loss after income tax of US\$0.7M in 2Q FY2016 as compared to a profit after income tax of US\$0.1M in 2Q FY2015.

Consolidated Statement of Financial Position

The Group's non-current assets increased by US\$1.5M, from US\$132.0M as at 30 September 2015 to US\$133.5M as at 31 December 2015. The increase was mainly due to the increase of US\$1.5M in oil and gas properties as a result of the ongoing drilling activities in Thailand.

The Group's current assets decreased by US\$1.8M, from US\$11.3M as at 30 September 2015 to US\$9.5M as at 31 December 2015. The decrease was mainly due to (i) a decrease of US\$0.5M in other assets due to the decrease in reservation deposits paid to the Department of Mineral Fuels of Thailand, and (ii) a decrease in cash and cash equivalents of US\$0.9M (please refer to the explanation of cash and cash equivalents under consolidated statement of cash flows below).

The Group's non-current liabilities decreased by US\$1.4M, from US\$82.8M as at 30 September 2015 to US\$81.4M as at 31 December 2015. This was mainly due to the reclassification of deferred consideration and bank borrowings, which are due within one year, from non-current liabilities to current liabilities.

The Group's current liabilities increased by US\$1.6M, from US\$22.3M as at 30 September 2015 to US\$23.9M as at 31 December 2015. The increase was mainly due to an increase of US\$2.2M in trade and other payables which was due to drilling cost incurred in Thailand and the reclassification of deferred consideration, which is due within 1 year, from non-current liabilities to current liabilities. This was partially offset by the decrease of US\$0.8M in bank borrowings which was mainly due to repayment made during the financial period.

The Group reported a negative working capital of US\$14.4M as at 31 December 2015 and US\$10.9M as at 30 September 2015. The increase was mainly attributed to reclassification of bank borrowings and other payable, which are due within 1 year, from non-current liabilities to current liabilities.

Consolidated Statement of Cash Flows

The Group's net cash generated from operating activities for 2Q FY2016 was US\$2.0M. Major movements mainly comprised (i) cash from a decrease in trade and other receivables of US\$0.2M; (ii) cash from a decrease in other assets of US\$0.5M; (iii) cash from an increase in trade and other payables of US\$0.5M; and (iv) an operating cash flows before working capital changes of US\$0.6M.

Net cash used in investing activities for 2Q FY2016 of US\$1.8M was mainly due to drilling cost incurred in Thailand.

Net cash used in financing activities for 2Q FY2016 of US\$1.2M was mainly due to repayment of bank loan.

As a result of the above, and taking into account foreign currency translation adjustments, cash and cash equivalents decreased by US\$0.9M, from US\$5.3M as at 30 September 2015 to US\$4.4M as at 31 December 2015.

9. Where a forecast, or a prospect statement, has been previously disclosed to our shareholders, any variance between it and the actual results.

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Oil prices continue to be volatile and have a significant impact on the Group's earnings. Despite suffering a 48% drop in oil prices year-on-year, the Group continues to generate positive cash flow, aided by its prudent cost reduction measures. Constant effort is being made to reduce our already low operating costs, which are around US\$12 per barrel currently. The Group is also reviewing its capital expenditure plans for the second half of the financial year ended 30 June 2016.

The Group will continue to review its financial structure and strive to (i) keep its operating costs low, while raising production and revenue, and (ii) seek opportunities for collaboration and acquisition of producing oil and gas properties with a view to enhance shareholders' value.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended for the second quarter and half year ended 31 December 2015.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from shareholders for interested person transactions.

Name of interested person	Aggregate value of all interested person transactions during 2Q FY2016 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 during 2Q FY2016 (excluding transactions less than S\$100,000)
	US\$'000	US\$'000
Jit Sun Investments Pte. Ltd. (Interest on loans)	93	-

14. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not applicable.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable.

16. A breakdown of sales

Not applicable.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

18a. Rule 705(6)(a) of the Catalist Rules in relation to the use of funds/ cash for the quarter and projection on the use of funds/ cash for the next immediate quarter, including principal assumptions.

Please refer to the separate announcement made in accordance with Rule 705(6)(a) of the Catalist Rules on 4 February 2016.

18b. Rule 705(6)(b) of the Catalist Rules in relation to the director's confirmation

Please refer to the separate announcement made in accordance with Rule 705(6)(b) of the Catalist Rules on 4 February 2016.

19a. Rule 705(7) of the Catalist Rules in relation to details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.

Please refer to the separate announcement made in accordance with Rule 705(7) of the Catalist Rules on 4 February 2016.

19b. Rule 705(7) of the Catalist Rules in relation to an update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.

Please refer to the separate announcement made in accordance with Rule 705(7) of the Catalist Rules on 4 February 2016.

20. Requirement under Rule 705(5) of the Listing Manual

On behalf of the board of directors ("**Board**") of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the unaudited financial statements and dividend announcement for the second quarter and half year ended 31 December 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lee Chye Cheng, Adrian
Managing Director

Chan Eng Yew
Non-Executive Director

21. Confirmation from the Company under Rule 720(1) of the Catalist Rules

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

BY ORDER OF THE BOARD

Lee Chye Cheng, Adrian
5 February 2016
