

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD QUARTER ENDED
31 MARCH 2016

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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 3Q FY2016 ¹ US\$'000	Unaudited 3Q FY2015 ² US\$'000	Change %	Unaudited 9M FY2016 ³ US\$'000	Unaudited 9M FY2015 ⁴ US\$'000	Change %
Revenue	1,805	4,695	(62)	8,198	17,233	(52)
Cost of sales	(1,142)	(2,070)	(45)	(3,904)	(5,898)	(34)
Gross profit	663	2,625	(75)	4,294	11,335	(62)
<i>Other items of income</i>						
Interest income	3	1	200	15	27	(44)
Other income	15	739	(98)	25	1,457	(98)
<i>Other items of expense</i>						
Distribution costs	-	(5)	NM ⁵	-	(10)	NM ⁵
Administrative expenses	(626)	(1,412)	(56)	(2,571)	(4,460)	(42)
Finance costs	(134)	(384)	(65)	(399)	(1,334)	(70)
Other expenses	(344)	(291)	18	(868)	(1,012)	(14)
Other charges	(22,803)	(5)	NM ⁵	(23,967)	(12)	NM ⁵
(Loss)/profit before income tax	(23,226)	1,268	NM ⁵	(23,471)	5,991	NM ⁵
Income tax expense	(131)	(1,197)	(89)	(1,512)	(5,269)	(71)
(Loss)/profit for the financial period	(23,357)	71	NM⁵	(24,983)	722	NM⁵
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating foreign operations	(17)	59	NM ⁵	430	(179)	NM ⁵
Income tax relating to items that will or may be reclassified	-	-	-	-	-	-
Other comprehensive income for the financial period, net of tax	(17)	59	NM ⁵	430	(179)	NM ⁵
Total comprehensive income for the financial period	(23,374)	130	NM⁵	(24,553)	543	NM⁵
(Loss)/profit attributable to:						
Owners of the parent	(18,186)	100	NM ⁵	(19,400)	818	NM ⁵
Non-controlling interests	(5,171)	(29)	NM ⁵	(5,583)	(96)	NM ⁵
	(23,357)	71	NM ⁵	(24,983)	722	NM ⁵
Total comprehensive income attributable to:						
Owners of the parent	(18,196)	132	NM ⁵	(19,178)	733	NM ⁵
Non-controlling interests	(5,178)	(2)	NM ⁵	(5,375)	(190)	NM ⁵
	(23,374)	130	NM ⁵	(24,553)	543	NM ⁵

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

	Unaudited 3Q FY2016 ¹ US\$'000	Unaudited 3Q FY2015 ² US\$'000	Unaudited 9M FY2016 ³ US\$'000	Unaudited 9M FY2015 ⁴ US\$'000
Other credits				
Foreign exchange gain, net	-	659	-	1,028
Other income	15	80	25	429
	15	739	25	1,457
Finance costs				
Interest expense	(134)	(384)	(399)	(1,334)
Other charges				
Foreign exchange loss, net	(170)	-	(1,056)	-
Fixed assets written off	-	(5)	-	(5)
Loss on disposal of plant and equipment	(1)	-	(3)	(7)
Impairment loss on exploration, evaluation and development assets	(10,514)	-	(10,514)	-
Prepayment written off	(2,830)	-	(2,830)	-
Impairment loss on available-for-sale financial assets	(7,289)	-	(7,289)	-
Impairment loss on goodwill	(1,500)	-	(1,500)	-
Impairment loss on intangible assets	(499)	-	(499)	-
Write off of inventories	-	-	(205)	-
Allowance for inventories obsolescence	-	-	(39)	-
Write off of other assets	-	-	(32)	-
	(22,803)	(5)	(23,967)	(12)
Others				
Amortisation of intangible assets	4	9	12	18
Depreciation of plant and equipment	33	51	116	148
Depletion of oil and gas properties	556 ⁶	990 ⁶	1,826 ⁶	2,603 ⁶

¹ "3Q FY2016": Period from 1 January 2016 to 31 March 2016

² "3Q FY2015": Period from 1 January 2015 to 31 March 2015

³ "9M FY2016": Period from 1 July 2015 to 31 March 2016

⁴ "9M FY2015": Period from 1 July 2014 to 31 March 2015

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-Mar-16 US\$'000	Unaudited 31-Dec-15 US\$'000	Audited 30-Jun-15 US\$'000	Unaudited 31-Mar-16 US\$'000	Unaudited 31-Dec-15 US\$'000	Audited 30-Jun-15 US\$'000
Statements of Financial Position						
ASSETS						
Non-Current Assets:						
Exploration, evaluation and development assets	19,848	30,367	30,340	-	-	-
Oil and gas properties	59,224	62,965	61,423	-	-	-
Other property, plant and equipment	1,459	1,616	1,629	-	-	-
Investments in subsidiaries	-	-	-	61,445	61,293	62,492
Available-for-sale financial asset	-	7,289	7,289	-	-	-
Intangible assets	26,475	28,477	28,484	-	-	-
Other receivables	-	-	-	5,693	5,046	4,934
Prepayments	-	2,830	2,830	-	-	-
Total Non-Current Assets	107,006	133,544	131,995	67,138	66,339	67,426
Current Assets:						
Inventories	2,356	2,392	2,699	-	-	-
Trade and other receivables	1,003	1,041	2,880	24	24	-
Other assets	816	797	1,144	-	-	-
Prepayments	839	845	980	777	790	836
Cash and cash equivalents	2,129	4,383	7,604	38	284	570
Total Current Assets	7,143	9,458	15,307	839	1,098	1,406
Total Assets	114,149	143,002	147,302	67,977	67,437	68,832
EQUITY AND LIABILITIES						
Equity:						
Ordinary shares	111,819	111,220	110,554	111,819	111,220	110,554
Reserves	2,920	2,932	4,266	1,672	1,674	3,240
(Accumulated losses)/retained earnings	(90,546)	(71,003)	(70,991)	(48,342)	(47,926)	(47,516)
Equity attributable to owners of the parent	24,193	43,149	43,829	65,149	64,968	66,278
Non-controlling interests	(10,601)	(5,423)	(5,226)	-	-	-
Total Equity	13,592	37,726	38,603	65,149	64,968	66,278
Non-Current Liabilities:						
Bank borrowings	17,298	18,095	18,889	-	-	-
Finance lease payables	59	65	86	-	-	-
Provision for restoration costs	12	12	13	-	-	-
Other payable	26,640	26,334	27,352	-	-	-
Deferred tax liabilities	33,485	36,880	36,733	-	-	-
Total Non-Current Liabilities	77,494	81,386	83,073	-	-	-
Current Liabilities:						
Current income tax payable	1,951	1,915	3,420	-	-	-
Trade and other payables	14,542	15,432	14,090	2,828	2,469	2,554
Bank borrowings	6,533	6,508	8,079	-	-	-
Finance lease payables	36	34	36	-	-	-
Other liabilities	1	1	1	-	-	-
Total Current Liabilities	23,063	23,890	25,626	2,828	2,469	2,554
Total Liabilities	100,557	105,276	108,699	2,828	2,469	2,554
Total Equity and Liabilities	114,149	143,002	147,302	67,977	67,437	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 Mar 2016 (US\$'000)		As at 30 Jun 2015 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
2,036	12,111	2,061	13,484

Amount repayable after one year

As at 31 Mar 2016 (US\$'000)		As at 30 Jun 2015 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
17,357	-	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 3Q FY2016¹ US\$'000	Unaudited 3Q FY2015² US\$'000	Unaudited 9M FY2016³ US\$'000	Unaudited 9M FY2015⁴ US\$'000
Operating activities				
(Loss)/profit before income tax	(23,226)	1,268	(23,471)	5,991
Adjustments for:				
Amortisation of intangible assets	4	9	12	18
Depreciation of plant and equipment	33	51	116	148
Depletion of oil and gas properties	556	990	1,826	2,603
Impairment loss on exploration, evaluation and development assets	10,514	-	10,514	-
Impairment loss on available-for-sale financial asset	7,289	-	7,289	-
Impairment loss on goodwill	1,500	-	1,500	-
Impairment loss on intangible assets	499	-	499	-
Prepayment written off	2,830	-	2,830	-
Write off of inventories	-	-	205	-
Allowance for inventories obsolescence	-	-	39	-
Write off of other assets	-	-	32	-
Loss on disposal of plant and equipment	1	-	3	7
Fixed assets written off	-	5	-	5
Share-based payment expenses	16	330	399	1,303
Reversal of share options	(1)	-	(82)	(96)
Interest income	(3)	(1)	(15)	(27)
Interest expense	134	384	399	1,334
Operating cash flows before working capital changes	146	3,036	2,095	11,286
Working capital changes:				
Inventories	36	(12)	99	31
Trade and other receivables	37	225	1,841	861
Other assets	(31)	38	283	(567)
Prepayments	6	(143)	141	(283)
Trade and other payables	(678)	(1,030)	(1,264)	(3,010)
Cash generated from operations	(484)	2,114	3,195	8,318
Interest received	3	1	15	27
Income tax paid	-	(60)	(2,671)	(2,277)
Net cash (used in)/generated from operating activities	(481)	2,055	539	6,068
Investing activities				
Purchase of plant and equipment	(25)	(109)	(97)	(216)
Additions to oil and gas properties	(1,080)	(698)	(3,148)	(4,708)
Purchase of exploration, evaluation and development assets	-	(220)	(27)	(703)
Purchase of intangible assets	-	-	-	(22)
Net cash used in investing activities	(1,105)	(1,027)	(3,272)	(5,649)
Financing activities				
Interest paid	(63)	(336)	(171)	(1,024)
Proceeds from bank borrowings	-	54	-	1,369
Short-term loans	149	4,000	149	23,501
Repayment of short-term loans	-	(5,268)	-	(9,674)
Repayment of finance lease payables	(4)	(5)	(27)	(16)
Repayment of bank borrowings	(775)	(940)	(2,700)	(15,280)
Deposit received from the equity exercise	-	4,439	-	4,439
Net cash (used in)/from financing activities	(693)	1,944	(2,749)	3,315
Net change in cash and cash equivalents	(2,279)	2,972	(5,482)	3,734
Foreign currency translation adjustments	25	(315)	432	(407)

Cash and cash equivalents at beginning of financial period	4,383	7,431	7,179	6,761
Cash and cash equivalents at end of financial period	*2,129	*10,088	*2,129	*10,088

*Included in cash and cash equivalent are cash balances pledged to the banks, amounting to US\$0.9M for 3Q FY2016 and 9M FY2016 and US\$0.54M for 3Q FY2015 and 9M 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	-	-	-	-	(1,214)	(1,214)	(412)	(1,626)
Other comprehensive income for the period:								
Exchange differences on translating foreign operations	-	-	-	232	-	232	215	447
Total comprehensive income for the financial period	-	-	-	232	(1,214)	(982)	(197)	(1,179)
Grant of share options/awards to employees	-	-	383	-	-	383	-	383
Share awards exercised	666	-	(666)	-	-	-	-	-
Share options/awards cancelled	-	-	(1,283)	-	1,202	(81)	-	(81)
Balance as at 31 December 2015	111,220	2,103	1,067	(238)	(71,003)	43,149	(5,423)	37,726
Balance as at 1 January 2016	111,220	2,103	1,067	(238)	(71,003)	43,149	(5,423)	37,726
Effect of change in functional currency of a joint operation	-	-	-	-	(1,374)	(1,374)	-	(1,374)
	111,220	2,103	1,067	(238)	(72,377)	41,775	(5,423)	36,352
Loss for the financial period	-	-	-	-	(18,186)	(18,186)	(5,171)	(23,357)
Other comprehensive income for the period:								
Exchange differences on translating foreign operations	-	-	-	(10)	-	(10)	(7)	(17)
Total comprehensive income for the financial period	-	-	-	(10)	(18,186)	(18,196)	(5,178)	(23,374)
Issue of shares	599	-	-	-	-	599	-	599
Share options/awards cancelled	-	-	(18)	-	17	(1)	-	(1)
Grant of share options/awards to employees	-	-	16	-	-	16	-	16
Balance as at 31 March 2016	111,819	2,103	1,065	(248)	(90,546)	24,193	(10,601)	13,592

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	Ordinary shares	Share option/ award reserve	Foreign currency translation account	(Accumulated losses)/ retained earnings	Equity attributable to owners of the parent	Non-controlling interests	Total equity
Group	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	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	-	-	-	718	718	(67)	651
Other comprehensive income for the period:							
Exchange differences on translating foreign operations	-	-	(117)	-	(117)	(121)	(238)
Total comprehensive income for the financial period	-	-	(117)	718	601	(188)	413
Issue of shares	3,000	-	-	-	3,000	-	3,000
Share awards exercised	560	(560)	-	-	-	-	-
Grant of share options/awards to employees	-	973	-	-	973	-	973
Share options/awards cancelled	-	(478)	-	382	(96)	-	(96)
Balance as at 31 December 2014	79,839	2,000	(699)	(7,172)	73,968	2,342	76,310
Balance as at 1 January 2015	79,839	2,000	(699)	(7,172)	73,968	2,342	76,310
Profit for the financial period	-	-	-	100	100	(29)	71
Other comprehensive income for the period:							
Exchange differences on translating foreign operations	-	-	32	-	32	27	59
Total comprehensive income for the financial period	-	-	32	100	132	(2)	130
Grant of share options/awards to employees	-	330	-	-	330	-	330
Balance as at 31 March 2015	79,839	2,330	(667)	(7,072)	74,430	2,340	76,770

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	-	-	-	(410)	(410)
Share awards exercised	666	(666)	-	-	-
Grant of share options/awards to employees	-	383	-	-	383
Share options/awards cancelled	-	(1,283)	-	-	(1,283)
Balance at 31 December 2015	111,220	1,067	607	(47,926)	64,968
Balance at 1 January 2016	111,220	1,067	607	(47,926)	64,968
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	(416)	(416)
Issue of shares	599	-	-	-	599
Grant of share options/awards to employees	-	16	-	-	16
Share options/awards cancelled	-	(18)	-	-	(18)
Balance at 31 March 2016	111,819	1,065	607	(48,342)	65,149

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
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	321	321
Issue of shares	3,000	-	-	-	3,000
Share awards exercised	560	(560)	-	-	-
Grant of share options/awards to employees	-	973	-	-	973
Share options/awards cancelled	-	(478)	-	15	(463)
Balance at 31 December 2014	79,839	2,000	607	4,014	86,460
Balance at 1 January 2015	79,839	2,000	607	4,014	86,460
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	381	381
Grant of share options/awards to employees	-	330	-	-	330
Balance at 31 March 2015	79,839	2,330	607	4,395	87,171

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 January 2016	830,764,945	111,220,463
Issuance of shares for the settlement of deferred consideration due	21,597,000	604,848
Less: Share issue expense	-	(5,993)
Balance as at 31 March 2016	852,361,945	111,819,318

Outstanding share options/awards

	Number of options/awards
Loyz Energy Employee Share Option Scheme ("ESOS"):	
As at 31 March 2016	12,140,000

Loyz Energy Performance Share Plan ("PSP"):	
As at 31 March 2016	1,081,000

As at 31 March 2015, 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-Mar-16	30-Jun-15
Total number of issued shares excluding treasury shares	852,361,945	825,984,945

The Company did not have any treasury shares as at 31 March 2016 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.

With effect from 1 January 2016, the Group's joint operation in Thailand changed its functional currency from Thai Baht to United States dollars due to its increasing influence over the joint operation's primary economic environments.

The change in functional currency has been applied prospectively from the date of change.

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	3Q FY2016	3Q FY2015	9M FY2016	9M FY2015
- Basic (US cents)	(2.19)	0.02	(2.33)	0.19
- On a fully diluted basis (US cents)	(2.19)	0.02	(2.33)	0.19

Notes:

The basic loss per share for 3Q FY2016 and 9M FY2016 are calculated based on 831,201,872 weighted average number of ordinary shares in issue. The earnings per share for 3Q FY2015 and 9M FY2015 are calculated based on 423,196,799 weighted average number of ordinary shares in issue.

On a fully diluted basis, the loss per share for 3Q FY2016 and 9M FY2016 are calculated based on 831,201,872 weighted average number of ordinary shares in issue. The earnings per share for 3Q FY2015 and 9M FY2015 are calculated based on 428,146,799 weighted average number of ordinary shares in issue. Diluted loss per share for each 3Q FY2016 and 9M 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-Mar-16	Group 30-Jun-15	Company 31-Mar-16	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)	2.84	5.31	7.64	8.02

Note:

The net asset value per share as at 31 March 2016 and 30 June 2015 are calculated based on 852,361,945 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 3Q FY2016 vs 3Q FY2015**Consolidated Statement of Comprehensive Income**

Revenue decreased by US\$2.9M, from US\$4.7M in 3Q FY2015 to US\$1.8M in 3Q FY2016, mainly due to the sharp fall in oil price from an average of US\$46.96/bbl to US\$24.75/bbl.

The decrease in other income by US\$0.7M was mainly due to an absence of a foreign exchange gain in 3Q FY2016.

Administrative expenses decreased by US\$0.8M, from US\$1.4M in 3Q FY2015 to US\$0.6M in 3Q FY2016, mainly due to the reduction of staff costs.

The decrease in finance costs of US\$0.3M, from US\$0.4M in 3Q FY2015 to US\$0.1M in 3Q FY2016, was due to the decrease in the Group's borrowings.

Other charges increased by US\$22.8M mainly due to non-cash impairment losses recognised on the Group's assets in New Zealand and United States, as well as the Group's goodwill. The impairment is taken with a conservative view on the oil prices, despite the Management's view that the assets will generate some revenue on divestment.

As a result of the above, the Group recorded a loss after income tax of US\$23.4M in 3Q FY2016 as compared to a profit after income tax of US\$0.1M in 3Q FY2015.

Consolidated Statement of Financial Position

The Group's non-current assets decreased by US\$26.5M, from US\$133.5M as at 31 December 2015 to US\$107.0M as at 31 March 2016. The decrease was mainly due to (i) impairment loss of US\$22.6M recognised on the Group's assets in New Zealand and United States, as well as the Group's goodwill, which is taken with a conservative view on the oil prices, despite the Management's view that the assets will generate some revenue on divestment, and (ii) the change in functional currency of the Thailand joint operation which has resulted in an adjustment of US\$4.8M. This was partially offset by the addition to oil and gas properties attributed to the ongoing drilling activities in Thailand.

The Group's current assets decreased by US\$2.4M, from US\$9.5M as at 31 December 2015 to US\$7.1M as at 31 March 2016. This was mainly due to the decrease in cash and cash equivalents (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\$3.9M, from US\$81.4M as at 31 December 2015 to US\$77.5M as at 31 March 2016. The decrease was mainly due (i) decrease of US\$3.4M in deferred tax liabilities, being the result of the adjustment recorded for the change in functional currency of the Thailand joint operation, and (ii) reclassification of bank borrowings of US\$0.8M, which is due within 1 year, from non-current liabilities to current liabilities.

The Group's current liabilities decreased by US\$0.8M, from US\$23.9M as at 31 December 2015 to US\$23.1M as at 31 March 2016. This was mainly due to the repayment of deferred consideration during the period.

The Group reported a negative working capital of US\$15.9M as at 31 March 2016 and US\$14.4M as at 31 December 2015. The increase was mainly attributed to reclassification of bank borrowings, which are due within 1 year, from non-current liabilities to current liabilities.

Consolidated Statement of Cash Flows

The Group's net cash used in operating activities for 3Q FY2016 was US\$0.5M. Major movements mainly comprised (i) cash absorbed by a decrease in trade and other payables of US\$0.7M mainly incurred for previous quarter's drilling activities; and (iii) operating cash flows before working capital changes of US\$0.1M.

Net cash used in investing activities for 3Q FY2016 of US\$1.1M was mainly due to drilling cost incurred in Thailand.

Net cash used in financing activities for 3Q FY2016 of US\$0.7M 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\$2.3M, from US\$4.4M as at 31 December 2015 to US\$2.1M as at 31 March 2016.

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. Constant effort is being made to reduce its already low operating costs, which is around US\$12 per barrel currently.

Current oil prices do not seem to be supportive of sustainable oil production for the industry, resulting in decrease in production in many non-OPEC countries. It is widely expected by analysts, Organisation of the Petroleum Exporting Countries (OPEC), and the US Energy Information Agency that oil supply and demand will gradually balance in 2016/2017.

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 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 third quarter ended 31 March 2016.

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 3Q 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 3Q FY2016 (excluding transactions less than S\$100,000)
	US\$'000	US\$'000
Jit Sun Investments Pte. Ltd. (Interest on loans)	94	-

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 6 May 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 6 May 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 6 May 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 6 May 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 third quarter ended 31 March 2016 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
6 May 2016
