

**REPORT ON FUNDS UTILIZATION AND RESOURCES AND RESERVES UNDER CATALIST  
RULES 705(6) AND 705(7)**

---

The board of directors (the “**Board**”) of Loyz Energy Ltd (the “**Company**”) is pleased to provide a report (attached as Appendix A) which discloses the funds utilization and resources and reserves required under Rules 705(6) and 705(7) of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”).

The Board confirms that, to the best of its knowledge, nothing has come to its attention which may render such information provided false or misleading in any material aspect.

By Order of the Board

Lee Chye Cheng, Adrian  
Director

10 November 2014

---

*This announcement has been prepared by 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 SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

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

*The contact person for the Sponsor is Mr Alex Tan, CEO, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.*

**A SUMMARY OF THE MATERIAL EXPENDITURE INCURRED ON THE EVALUATION, DEVELOPMENT AND/OR PRODUCTION ACTIVITIES FOR 1ST QUARTER OF FY2015 & 2ND QUARTER OF FY2015**
**A RULE 705(6)**

The summary of the expenditure for Q1 FY2015, period from 1 July 2014 to 30 September 2014 is as follows:

	US\$
Evaluation, Exploration & Development Expenditure	296,755
Fixed Assets	-
Administrative Expenses	88,222
	<u>384,977</u>

Projected expenditure for Q2 FY2015, period from 1 October 2014 to 31 December 2014 is as follows:

	US\$
Evaluation, Exploration & Development Expenditure	349,077
Fixed Assets	-
Administrative Expenses	258,310
	<u>607,387</u>

Principal assumptions used:

Actual expenditures have been used for the periods as disclosed above.

**B RULE 705 (7)a**

Details of exploration, development and/or production activities undertaken by the Group in Q1 FY2015:

Country	Work Done	Expenditure for Q1 FY2015 <a>	Previous projections for the last period <b>	Variance <c>=<a>-<b>	Note
1 Australia	On 11 July 2014, the JV received confirmation from the National Offshore Petroleum Titles Administrator (NOPTA) renewing the permit for a further term of five years. This renewal includes a drilling commitment by the end of year three. Loyz now holds a 70% (previously 50%) interest as a result of acquiring, processing and interpreting 245 sqkm of 3D seismic. Operatorship has now been transferred to Loyz. Approximately 50% of the permit area was relinquished as a requirement of the renewal, reducing the size from 4630 sq km to 2480 sq km. A draft work programme and budget for the new permit term was drafted and awaits JV confirmation.	34,858	54,436	(19,578)	Expenditure delayed while waiting on NOPTA extension.
2 New Zealand	Work continued on determining the preferred option for the drilling commitment well. Negotiations on the rig contract progressed with Enesco for the Enesco 107, project management resources were identified and detailed well design commenced. It is unclear exactly when the Enesco 107 jack up drilling rig, which is the only suitable rig operating in New Zealand, will be available because the current client (OMV NZ Ltd) has a range of optional wells available to them after their current programme. Scheduling is taking into account the expectation that the rig could become available sometime between July and December 2015.	84,001	325,000	(240,999)	Project start date deferred due to rig timing.
3 India	Modhera static modeling including deeper Cambay and Olpad evaluation remains partially completed including additional fault and horizon picking at both Cambay and Olpad level. Periodic monitoring and recording of wellhead pressure data.	177,896	222,188	(44,292)	Decrease in G&A expenses
		<u>296,755</u>	<u>601,624</u>		

For regions in the USA and Thailand, the Group did not fund any exploration, development and production activities in 1Q FY2015.

Details of exploration, development and/or production activities to be undertaken by the Group in Q2 FY2015:

Country	Work to be done	Projected expenditure for Q2 FY2015 <a>
1 Australia	Commence committed work programme in accordance with the recent permit renewal conditions. Phase 1 - Preliminary basin analysis collating and interpreting all available data using local experts. Phase 2 - Full basin analysis with reconstruction of the basin to predict distribution of source, reservoir and seal facies and apply regional thermal gradients to examine the thermal maturation history.	84,990
2 New Zealand	Finalise preferred drilling option. Well planning with drilling engineer and logistics support to procure long lead items, finalise services contracts, final well design and regulatory Health Safety Environment documentation and approvals.	157,500
3 India	Obtain final opinion of Cambay sand potential specifically, in order to finalize the enhanced recovery technique in Modhera-2. Review of down hole status of Modhera-1 to evaluate scope/feasibility of workover. Olpad evaluation will also be emphasized with reference to the success in Olpad exploration and production results from other analogous areas.	106,587
		<u>349,077</u>

For regions in the USA and Thailand, the Group is not expected to fund any exploration, development and production activities in 2Q FY2015.

# SUMMARY OF OIL AND GAS RESERVES AND RESOURCES

Name of Country: Australia

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
Reserves				
Oil Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources				
Oil				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-
Natural Gas				
Low Estimate	34	23.8	-	70% interest
Best Estimate	416	291.2	-	70% interest
High Estimate	945	661.5	-	70% interest

## Legend:

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of barrels

Bcf: Billions of cubic feet

Name of Qualified Person:

Dr Bruce Morris

Date:

30/6/2014

Professional Society Affiliation / Membership:

American Association of Petroleum Geologists

The Vice President Subsurface, Dr Bruce Morris, confirms as at 30 September 2014, there have been no new resource estimates.

# SUMMARY OF OIL AND GAS RESERVES AND RESOURCES

Name of Country: New Zealand

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
Reserves				
Oil Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources				
Oil				
1C	0.4	-	-	51% interest
2C	1.7	0.17	-	51% interest
3C	4.2	0.4	-	51% interest
Natural Gas				
1C	9.0	0.9	-	51% interest
2C	26.0	2.6	-	51% interest
3C	57.0	5.7	-	51% interest
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	6.4	4.6	-	51% interest
Best Estimate	36.0	26.0	-	51% interest
High Estimate	78.0	56.6	-	51% interest
Natural Gas				
Low Estimate	102	74.2	-	51% interest
Best Estimate	603	439.5	-	51% interest
High Estimate	952	952.5	-	51% interest

## Legend:

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of barrels

Bcf: Billions of cubic feet

Name of Qualified Person:

Dr Bruce Morris

Date:

30/6/2014

Professional Society Affiliation / Membership:

American Association of Petroleum Geologists

The Vice President Subsurface, Dr Bruce Morris, confirms as at 30 September 2014, there have been no new resource estimates.

**SUMMARY OF OIL AND GAS RESERVES AND RESOURCES**

Name of Country: India

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
Reserves				
Oil Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources*				
Oil				
1C	0.18	0.07	-	51.8% interest
2C	0.42	0.17	-	51.8% interest
3C	0.76	0.31	-	51.8% interest
Natural Gas				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	0.94	0.38	-	51.8% interest
Best Estimate	4.39	1.76	-	51.8% interest
High Estimate	17.35	6.97	-	51.8% interest
Natural Gas				
Low Estimate	0.24	0.08	-	51.8% interest
Best Estimate	0.49	0.17	-	51.8% interest
High Estimate	0.89	0.31	-	51.8% interest

**Legend:**

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of barrels

Bcf: Billions of cubic feet

**\*contingent resources for Baola are awaiting Indian government approval and are not included in this table**

**Name of Qualified Person:**

Dr Bruce Morris

**Date:**

30/6/2014

**Professional Society Affiliation / Membership:**

American Association of Petroleum Geologists

The Vice President Subsurface, Dr Bruce Morris, confirms as at 30 September 2014, there have been no new resource estimates.

# SUMMARY OF OIL AND GAS RESERVES AND RESOURCES

Name of Country: North America

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
Reserves				
Oil Reserves				
1P	14.90	2.40	-	20% interest
2P	20.40	3.30	-	20% interest
3P	26.50	4.30	-	20% interest
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources*				
Oil				
1C	0.16	0.026	-	20% interest
2C	0.27	0.043	-	20% interest
3C	0.38	0.061	-	20% interest
Natural Gas				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-
Natural Gas				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-

## Legend:

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of barrels

Bcf: Billions of cubic feet

Name of Qualified Person:

Peter Eckhard Oehms Walter Olgemann of OPK Resources GMBH

Date:

30/3/2013

Professional Society Affiliation / Membership:

Society of Petroleum Evaluation Engineers

The Vice President Subsurface, Dr Bruce Morris, confirms as at 30 September 2014, there have been no new resource estimates.

**SUMMARY OF OIL AND GAS RESERVES AND RESOURCES**

Name of Country: Thailand

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
Reserves				
Oil Reserves				
1P	7.95	1.59	-	20% interest
2P	29.60	5.92	-	20% interest
3P	82.49	16.50	-	20% interest
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources*				
Oil				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-
Natural Gas				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-

**Legend:**

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of barrels

Bcf: Billions of cubic feet

Name of Qualified Person:

Dr Bruce Morris

Date:

30/6/2014

Professional Society Affiliation / Membership:

American Association of Petroleum Geologists

The Vice President Subsurface, Dr Bruce Morris, confirms as at 30 September 2014, there have been no new resource estimates.