

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

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.

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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	3Q FY2015 ¹ US\$'000	3Q FY2014 ² US\$'000	Change %	9M FY2015 ³ US\$'000	9M FY2014 ⁴ US\$'000	Change %
Revenue	4,695	(Restated) 2,183	115	17,233	(Restated) 9,598	80
Cost of sales	(2,070)	(2,779)	(26)	(5,898)	(11,193)	(47)
Gross profit	2,625	(596)	NM ⁵	11,335	(1,595)	NM ⁵
<i>Other items of income</i>						
Interest income	1	1	NM ⁵	27	10	170
Other income	739	294	151	1,457	5,025	(71)
<i>Other items of expense</i>						
Distribution costs	(5)	-	NM ⁵	(10)	(2)	400
Administrative expenses	(1,412)	(1,738)	(19)	(4,460)	(4,344)	3
Finance costs	(384)	(222)	73	(1,334)	(617)	116
Other expenses	(291)	(930)	(69)	(1,012)	(2,816)	(64)
Other charges	(5)	-	NM ⁵	(12)	-	NM ⁵
Profit/(loss) before income tax	1,268	(3,191)	NM ⁵	5,991	(4,339)	NM ⁵
Income tax (expense)/credit	(1,197)	-	NM ⁵	(5,269)	2	NM ⁵
Profit/(loss) for the financial period	71	(3,191)	NM ⁵	722	(4,337)	NM ⁵
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating foreign operations	59	502	(88)	(179)	960	NM ⁵
Income tax relating to items that will or may be reclassified	-	-	-	-	-	-
Other comprehensive income for the financial period, net of tax	59	502	(88)	(179)	960	NM ⁵
Total comprehensive income for the financial period	130	(2,689)	NM ⁵	543	(3,377)	NM ⁵
Profit/(loss) attributable to:						
Owners of the parent	100	(3,114)	NM ⁵	818	(3,519)	NM ⁵
Non-controlling interests	(29)	(77)	(62)	(96)	(818)	(88)
	71	(3,191)	NM ⁵	722	(4,337)	NM ⁵
Total comprehensive income attributable to:						
Owners of the parent	132	(2,856)	NM ⁵	733	(2,897)	NM ⁵
Non-controlling interests	(2)	167	NM ⁵	(190)	(480)	(60)
	130	(2,689)	NM ⁵	543	(3,377)	NM ⁵

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

	3Q FY2015¹ US\$'000	3Q FY2014² US\$'000	9M FY2015³ US\$'000	9M FY2014⁴ US\$'000
Other credits				
Foreign exchange gain, net	659	(Restated) 260	1,028	(Restated) 247
Waiver of loan by non-controlling interest of a subsidiary	-	-	-	4,658
Other income	80	34	429	120
	<u>739</u>	<u>294</u>	<u>1,457</u>	<u>5,025</u>
Finance costs				
Interest expense	(384)	(222)	(1,334)	(617)
Other charges				
Fixed assets written off	(5)	-	(5)	-
Loss on disposal of plant and equipment	-	-	(7)	-
	<u>(5)</u>	<u>-</u>	<u>(12)</u>	<u>-</u>
Others				
Amortisation of intangible assets	9	-	18	1
Depreciation of plant and equipment	51	395	148	1,140
Depletion of oil and gas properties	990	-	2,603	-

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

² "3Q FY2014": Period from 1 January 2014 to 31 March 2014

³ "9M FY2015": Period from 1 July 2014 to 31 March 2015

⁴ "9M FY2014": Period from 1 July 2013 to 31 March 2014

⁵ "NM": Not Meaningful

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-15 US\$'000	Unaudited 31-Dec-14 US\$'000	Unaudited 30-Jun-14 US\$'000	Unaudited 31-Mar-15 US\$'000	Unaudited 31-Dec-14 US\$'000	Unaudited 30-Jun-14 US\$'000
Statements of Financial Position						
ASSETS			(Restated)			(Restated)
Non-Current Assets:						
Exploration, evaluation and development assets	32,605	32,009	31,522	-	-	-
Oil and gas properties	60,012	59,881	56,586	-	-	-
Other property, plant and equipment	1,688	1,612	1,642	-	-	-
Investments in subsidiaries	-	-	-	34,385	34,077	33,597
Available-for-sale financial asset	41,400	41,400	41,400	-	-	-
Intangible assets	54,178	53,884	53,889	-	-	-
Other receivables	-	-	-	71,819	70,199	56,128
Prepayments	2,830	2,830	2,830	-	-	-
Total Non-Current Assets	192,713	191,616	187,869	106,204	104,276	89,725
Current Assets:						
Inventories	2,832	2,820	2,863	-	-	-
Trade and other receivables	1,974	2,199	2,835	-	-	-
Other assets	1,514	1,552	947	-	-	-
Prepayments	435	292	152	353	225	39
Cash and cash equivalents	10,088	7,431	6,761	2,187	282	902
Total Current Assets	16,843	14,294	13,558	2,540	507	941
Total Assets	209,556	205,910	201,427	108,744	104,783	90,666
EQUITY AND LIABILITIES						
Equity:						
Ordinary shares	79,839	79,839	76,279	79,839	79,839	76,279
Reserves (Accumulated losses)/retained earnings	1,663 (7,072)	1,301 (7,172)	1,483 (8,272)	2,937 4,395	2,000 4,621	2,672 3,678
Equity attributable to owners of the parent	74,430	73,968	69,490	87,171	86,460	82,629
Non-controlling interests	2,340	2,342	2,530	-	-	-
Total Equity	76,770	76,310	72,020	87,171	86,460	82,629
Non-Current Liabilities:						
Bank borrowings	22,468	22,371	23,758	-	-	-
Finance lease payables	20	26	38	-	-	-
Provision for restoration costs	13	13	45	-	-	-
Other payable	23,950	27,981	27,364	-	-	-
Deferred tax liabilities	26,897	26,611	25,360	-	-	-
Total Non-Current Liabilities	73,348	77,002	76,565	-	-	-
Current Liabilities:						
Current income tax payable	2,939	2,148	1,484	-	-	-
Trade and other payables	35,756	28,737	17,989	17,573	18,323	8,037
Bank borrowings	20,721	21,691	33,344	4,000	-	-
Finance lease payables	20	20	22	-	-	-
Other liabilities	2	2	3	-	-	-
Total Current Liabilities	59,438	52,598	52,842	21,573	18,323	8,037
Total Liabilities	132,786	129,600	129,407	21,573	18,323	8,037
Total Equity and Liabilities	209,556	205,910	201,427	108,744	104,783	90,666

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 2015 (US\$'000)		As at 30 Jun 2014 (US\$'000) (restated)	
Secured	Unsecured	Secured	Unsecured
17,770	26,352	33,108	9,170

Amount repayable after one year

As at 31 Mar 2015 (US\$'000)		As at 30 Jun 2014 (US\$'000) (restated)	
Secured	Unsecured	Secured	Unsecured
19,613	2,875	23,796	-

Details of any collaterals

Finance lease

The finance lease of the Group is secured by one motor vehicle under a finance lease agreement. The motor vehicle was purchased by the subsidiary of the Company, Loyz Oil Pte Ltd ("Loyz Oil").

Overdraft facility

As at 31 March 2015, Interlink Petroleum Limited ("Interlink"), a subsidiary of the Company, drew down US\$0.4M (INR27.2M) from an overdraft facility entered with YES Bank Limited. The overdraft is secured by a Standby Letter of Credit.

Term loans

During the financial year ended 30 June 2013, Loyz Rex Drilling Services LLC ("Loyz Rex"), a subsidiary of the Company, made a drawdown of US\$18.2M pursuant to a term loan from OCBC Bank to finance the acquisition of two drilling units. The loan is secured by the two drilling units.

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	3Q FY2015¹ US\$'000	3Q FY2014² US\$'000	9M FY2015³ US\$'000	9M FY2014⁴ US\$'000
Operating activities		(Restated)		(Restated)
Profit/(loss) before income tax	1,268	(3,191)	5,991	(4,339)
Adjustments for:				
Amortisation of intangible assets	9	-	18	1
Depreciation of plant and equipment	51	395	148	1,140
Depletion of oil and gas properties	990	-	2,603	-
Waiver of loan by a non-controlling interest of a subsidiary	-	-	-	(4,658)
Loss on disposal of plant and equipment	-	1	7	1
Fixed assets written off	5	-	5	-
Share-based payment expenses	330	661	1,303	1,355
Reversal of share options	-	-	(96)	-
Interest income	(1)	(1)	(27)	(10)
Interest expense	384	222	1,334	617
Operating cash flows before working capital changes	3,036	(1,913)	11,286	(5,893)
Working capital changes:				
Inventories	(12)	9	31	36
Trade and other receivables	225	(1,993)	861	(1,272)
Other assets	38	(8)	(567)	(47)
Prepayments	(143)	176	(283)	218
Trade and other payables	(1,030)	1,097	(3,010)	1,386
Other liabilities	-	9	-	(3,023)
Cash generated from /(used in) operations	2,114	(2,623)	8,318	(8,595)
Interest received	1	1	27	10
Income tax (paid)/refund	(60)	-	(2,277)	2
Net cash generated from/(used in) operating activities	2,055	(2,622)	6,068	(8,583)
Investing activities				
Proceeds from disposal of plant and equipment	-	-	-	9
Purchase of plant and equipment	(109)	(332)	(216)	(1,627)
Additions to oil and gas properties	(698)	-	(4,708)	-
Deposit paid for the acquisition of petroleum interest in Thailand	-	(1,010)	-	(1,010)
Purchase of exploration, evaluation and development assets	(220)	(167)	(703)	(3,068)
Purchase of intangible assets	-	(15)	(22)	(15)
Net cash used in investing activities	(1,027)	(1,524)	(5,649)	(5,711)
Financing activities				
Interest paid	(336)	(190)	(1,024)	(584)
Proceeds from bank borrowings	54	403	1,369	5,393
(Increase)/decrease in cash pledge	(35)	3,566	41	1,177
Short-term loans	4,000	-	23,501	-
Repayment of short-term loans	(5,268)	-	(9,674)	-
Repayment of finance lease payables	(5)	(6)	(16)	(17)
Repayment of bank borrowings	(940)	(5,894)	(15,280)	(6,513)
Acquisition of non-controlling interest	-	(1,000)	-	(1,000)
Deposits received from the equity placement exercise	4,439	-	4,439	-
Net proceeds from issue of ordinary shares	-	-	-	13,910
Net cash from/(used in) financing activities	1,909	(3,121)	3,356	12,366
Net change in cash and cash equivalents	2,937	(7,267)	3,775	(1,928)
Foreign currency translation adjustments	(315)	(535)	(407)	(583)
Cash and cash equivalents at beginning of financial period	6,931	8,102	6,185	2,811
Cash and cash equivalents at end of financial period	*9,553	*300	*9,553	*300

*Net of cash restricted in use – 3Q FY2015, 9M FY2015: US\$0.54M & 3Q FY2014, 9M FY2014: US\$0.52M

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	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 (Restated)	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	Ordinary shares US\$'000	Share option/ award reserve US\$'000	Convertible preference shares 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
Group								
(Restated) Balance as at 1 July 2013	54,194	212	3,467	(1,777)	(328)	55,768	2,451	58,219
Loss for the financial period	-	-	-	-	(405)	(405)	(741)	(1,146)
Other comprehensive income for the period:								
Exchange differences on translating foreign operations	-	-	-	364	-	364	94	458
Total comprehensive income for the financial period	-	-	-	364	(405)	(41)	(647)	(688)
Issue of shares	13,910	-	-	-	-	13,910	-	13,910
Convertible preference shares exercised	4,621	-	(3,467)	-	-	1,154	-	1,154
Share awards exercised	75	(75)	-	-	-	-	-	-
Grant of share options/awards to employees	-	694	-	-	-	694	-	694
Acquisition of non-controlling interests in subsidiary	-	-	-	-	(5,058)	(5,058)	557	(4,501)
Balance as at 31 December 2013	72,800	831	-	(1,413)	(5,791)	66,427	2,361	68,788
Balance as at 1 January 2014	72,800	831	-	(1,413)	(5,791)	66,427	2,361	68,788
Loss for the financial period	-	-	-	-	(3,114)	(3,114)	(77)	(3,191)
Other comprehensive income for the period:								
Exchange differences on translating foreign operations	-	-	-	258	-	258	244	502
Total comprehensive income for the financial period	-	-	-	258	(3,114)	(2,856)	167	(2,689)
Issue of shares	3,479	-	-	-	-	3,479	-	3,479
Grant of share options/awards to employees	-	661	-	-	-	661	-	661
Balance at as 31 March 2014	76,279	1,492	-	(1,155)	(8,905)	67,711	2,528	70,239

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 US\$'000	Share option/ award reserve US\$'000	Foreign currency translation account US\$'000	Retained earnings US\$'000	Total equity US\$'000
Company					
Balance at 1 July 2014 (Restated)	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

Statement of Changes in Equity	Ordinary shares US\$'000	Share option/ award reserve US\$'000	Foreign currency translation account US\$'000	Retained earnings US\$'000	Total equity US\$'000
Company					
(Restated)					
Balance at 1 July 2013	54,194	212	(660)	3,540	57,286
Loss for the financial period	-	-	-	(2,025)	(2,025)
Other comprehensive income for the period:					
Exchange differences on translating foreign operations	-	-	229	-	229
Total comprehensive income for the financial period	-	-	229	(2,025)	(1,796)
Issue of shares	13,910	-	-	-	13,910
Convertible preference shares exercised	4,621	-	-	-	4,621
Share awards exercised	75	(75)	-	-	-
Grant of share options/awards to employees	-	694	-	-	694
Balance at 31 December 2013	72,800	831	(431)	1,515	74,715
Balance at 1 January 2014	72,800	831	(431)	1,515	74,715
Profit for the financial period	-	-	-	490	490
Other comprehensive income for the period:					
Exchange differences on translating foreign operations	-	-	261	-	261
Total comprehensive income for the financial period	-	-	261	490	751
Issue of shares	3,479	-	-	-	3,479
Grant of share options/awards to employees	-	661	-	-	661
Balance at 31 March 2014	76,279	1,492	(170)	2,005	79,606

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 2015 and 31 March 2015	424,352,127	79,839,779

The Company did not have any treasury shares as at 31 March 2015 and 31 March 2014.

Outstanding share options/awards

	Number of options/awards
Loyz Energy Employee Share Option Scheme (“ESOS”):	
As at 31 March 2015	<u>26,620,000</u>
Loyz Energy Performance Share Plan (“PSP”):	
As at 31 March 2015	<u>4,950,000</u>

As at 31 March 2014, the number of outstanding share options/awards under the ESOS and the PSP were 28,510,000 and 2,070,000 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-15	30-Jun-14
Total number of issued shares excluding treasury shares	424,352,127	411,281,127

(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 as the Company did not have any treasury shares as at 31 March 2015.

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 last financial year, 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 July 2014, the Company and its certain subsidiaries changed their functional currency from their respective local currencies to the United States dollars due to its increasing influence over the entities' primary economic environments.

Following the above change in functional currency of the entities, the Group changed its presentation currency from the Singapore dollars to the United States dollars.

The audited Singapore dollars amounts as at 30 June 2014 have been restated into the United States dollars to conform with the presentation of the financial statements for the current financial year ending 30 June 2015.

The comparative amounts in the Singapore dollars have been translated to the United States dollars at the relevant closing rates of exchange and relevant average rates of exchange for the consolidated statement of financial position and consolidated statement of comprehensive income respectively.

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.

Earnings/(loss) per share of the Group based on profit/(loss) attributable to owners of the parent	3Q FY2015	3Q FY2014	9M FY2015	9M FY2014
		(Restated)		(Restated)
- Basic (US cents)	0.02	(0.82)	0.19	(0.93)
- on a fully diluted basis (US cents)	0.02	(0.82)	0.19	(0.93)

Notes:

The basic earnings per share for 3Q FY2015 and 9M FY2015 are calculated based on 423,196,799 weighted average number of ordinary shares in issue. The basic loss per share for 3Q FY2014 and 9M FY2014 are calculated based on 378,760,003 weighted average number of ordinary shares in issue.

On a fully diluted basis, 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. The loss per share for 3Q FY2014 and 9M FY2014 are calculated based on 378,760,003 weighted average number of ordinary shares in issue.

Diluted loss per share for 3Q FY2014 and 9M FY2014 are the same as the basic loss per share for 3Q FY2014 and 9M FY2014 respectively, 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-15	Group 30-Jun-14	Company 31-Mar-15	Company 30-Jun-14
		(Restated)		(Restated)
Net asset value per share based on existing issued share capital as at the end of the respective periods (US cents)	17.54	16.90	20.54	20.09

Note:

The net asset value per share as at 31 March 2015 and 30 June 2014 are calculated based on 424,352,127 and 411,281,127 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 FY2015 vs 3Q FY2014

Consolidated Statement of Comprehensive Income

Revenue and cost of sales for 3Q FY2015 mainly relate to the Group's share of sale of crude oil from its Thailand concessions. The oil production volume for 3Q FY2015 was 99,977 barrels, being the Group's 20% share. Revenue for 3Q FY2014 mainly pertains to revenue derived from the two drilling rigs.

Other income increased by US\$0.4M, from US\$0.3M in 3Q FY2014 to US\$0.7M in 3Q FY2015 mainly due to the foreign exchange gain arising from the stronger United States dollars against the Singapore dollars on revaluation of payables balances.

Administrative expenses decreased by US\$0.3M, from US\$1.7M in 3Q FY2014 to US\$1.4M in 3Q FY2015 mainly due to lower share-based expenses recorded.

The increase in finance costs of US\$0.2M, from US\$0.2M in 3Q FY2014 to US\$0.4M in 3Q FY2015 was due to the increase in the Group's borrowings.

Other expenses decreased by US\$0.6M, from US\$0.9M in 3Q FY2014 to US\$0.3M in 3Q FY2015 mainly due to the absence of the drilling rigs expenses pursuant to the disposal of these drilling rigs, in connection with the completion of the acquisition of 20% equity interest in Fram Exploration ASA, in June 2014.

As a result of the above, the Group recorded a profit after income tax of US\$0.1M in 3Q FY2015 as compared to a loss after income tax of US\$3.2M in 3Q FY2014.

Consolidated Statement of Financial Position

The Group's non-current assets increased by US\$1.1M, from US\$191.6M as at 31 December 2014 to US\$192.7M as at 31 March 2015. The increase was mainly due to (i) increase in exploration, evaluation and development assets of US\$0.6M mainly attributed to expenditure incurred for the India assets and 3D seismic work performed in New Zealand and Australia, (ii) addition of oil and gas properties of US\$0.1M attributed to additional wells drilled in Thailand, and (iii) adjustment made, amounting to US\$0.3M, to the goodwill arising from the acquisition of the Thailand concessions, due to under accrual of liability as of the acquisition date.

The Group's current assets increased by US\$2.5M, from US\$14.3M as at 31 December 2014 to US\$16.8M as at 31 March 2015. The increase was mainly due to an increase in cash and cash equivalents of US\$2.7M (please refer to the explanation of cash and cash equivalents below). This is partially offset by a decrease in trade and other receivables of US\$0.2M mainly attributed to lower trade receivables recorded as a result of a decrease in revenue due to the declining oil prices.

The Group's non-current liabilities decreased by US\$3.7M, from US\$77.0M as at 31 December 2014 to US\$73.3M as at 31 March 2015. The decrease was mainly due to the decrease in other payables as a result of the reclassification of deferred consideration which fall due within 1 year, amounting to US\$4.0M, from non-current to current liabilities. This was partially offset by the increase in deferred tax liability of US\$0.3M attributed to the operations in Thailand.

The Group's current liabilities increased by US\$6.8M, from US\$52.6M as at 31 December 2014 to US\$59.4M as at 31 March 2015. The increase was mainly due to (i) an increase in current income tax payable of US\$0.8M which was mainly due to the additional accrual for petroleum tax recorded by the Thailand operations, (ii) increase in trade and other payables of US\$7.0M as a result of the reclassification of deferred consideration which fall due within 1 year, amounting to US\$4.0M, from non-current to current liabilities, coupled with deposits received from the equity placement exercise amounting to US\$4.4M. This is partially offset by a decrease in bank borrowings of US\$1.0M which was mainly due to the repayment of bank loan.

The Group reported a negative working capital of US\$42.6M as at 31 March 2015 and US\$38.3M as at 31 December 2014. However, cash and cash equivalents have increased in 3Q FY2015, with positive cash flows from operating activities continue to come in from our profitable Thailand operations. The Group has also restructured some of its loans and is in the midst of reviewing and strengthening its capital structure.

Consolidated Statement of Cash Flows

The Group's net cash generated from operating activities for 3Q FY2015 was US\$2.1M. Major movements mainly comprised (i) cash generated from a decrease in trade and other receivables of US\$0.2M, (ii) cash absorbed by an increase in prepayment of US\$0.1M, (iii) cash absorbed by a decrease in trade and other payables of US\$1.0M, and (iv) an operating cash flows before working capital changes of US\$3.0M.

Net cash used in investing activities for 3Q FY2015 of US\$1.0M was mainly due to expenditure incurred for the India assets, payment made for the 3D seismic work performed in Australia and New Zealand, additions to plant and equipment attributed to the Thailand operations, as well as the drilling cost incurred in Thailand.

Net cash from financing activities for 3Q FY2015 of US\$1.9M was mainly due to the net funds received from short-term loans and the deposits received from the equity placement exercise completed in April 2015.

As a result of the above, and taking into accounts foreign currency translation adjustments, cash and cash equivalents increased by US\$2.7M, from US\$6.9M as at 31 December 2014 to US\$9.6M as at 31 March 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.

The 2014 drilling campaign was highly successful and delivered sterling results.

Production from our Thailand fields is expected to continue its growth in the coming months as we embark on the 2015 drilling campaign where we will drill at least nine additional wells. The capex for this drilling campaign will be fully funded by the existing production.

Despite lower oil price in Q3 FY2015 as compared to Q2 FY2015, the Group managed to turn in a total comprehensive income of US\$130K for Q3 FY2015, benefitting from the increase in net production and low operating cost per barrel of approximately US\$14 per barrel.

The Group has entered into an agreement to terminate the leasing of the 2 rigs with Fram Exploration ASA for US\$13.8 million, and subsequently, to dispose of the 2 rigs to the Company's controlling shareholder, Jit Sun Investments Pte Ltd, to be completed in Q4 FY2015.

Barring any unforeseen circumstances, the contribution from our Thailand fields is expected to continue to grow significantly going forward and the Group is poised to deliver an EBITDAX of approximately US\$12 million for the current financial year ending 30 June 2015.

The Group will continue to review its capital position and explore various fund raising options to augment its working capital. The Group will also continue to (i) work to 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 third quarter ended 31 March 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 Q3 FY2015 (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 Q3 FY2015 (excluding transactions less than S\$100,000)
	S\$'000	S\$'000
Jit Sun Investments Pte Ltd (Interest on loans)	418	-

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 14 May 2015.

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 14 May 2015.

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 14 May 2015.

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 14 May 2015.

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 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

BY ORDER OF THE BOARD

Lee Chye Cheng, Adrian
14 May 2015
