

**UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE THIRD
QUARTER ENDED 31 MARCH 2014**

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FINANCIAL STATEMENT 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 FY2014 ¹ S\$'000	3Q FY2013 ² S\$'000	Change %	9M FY2014 ³ S\$'000	9M FY2013 ⁴ S\$'000	Change %
Continuing operations						
Revenue	2,779	-	NM ⁵	12,131	-	NM ⁵
Cost of sales	(3,534)	-	NM ⁵	(14,147)	-	NM ⁵
Gross profit	(755)	-	NM ⁵	(2,016)	-	NM ⁵
<i>Other items of income</i>						
Interest income	1	21	(95)	13	55	(76)
Other credits	382	1,772	(78)	6,352	2,007	216
<i>Other items of expense</i>						
Distribution costs	-	(1)	(100)	(1)	(15)	(93)
Administrative expenses	(2,201)	(930)	137	(5,490)	(2,693)	104
Finance costs	(282)	-	NM ⁵	(780)	-	NM ⁵
Other expenses	(1,179)	(492)	140	(3,558)	(1,487)	139
Other charges	-	(36)	NM ⁵	(1)	(7)	(86)
(Loss)/profit from continuing operations, before income tax	(4,034)	334	NM ⁵	(5,481)	(2,140)	156
Income tax (expense)/credit	-	(2)	NM ⁵	3	(2)	NM ⁵
(Loss)/profit from continuing operations, after income tax	(4,034)	332	NM ⁵	(5,478)	(2,142)	156
Discontinued operations						
(Loss)/profit from discontinued operations, after income tax (See page 7)	-	(116)	NM ⁵	-	773	NM ⁵
Net (loss)/profit for the financial period	(4,034)	216	NM ⁵	(5,478)	(1,369)	300
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating foreign operations	611	477	28	718	348	106
Other comprehensive income for the financial period, net of tax	611	477	28	718	348	106
Total comprehensive income for the financial period	(3,423)	693	NM ⁵	(4,760)	(1,021)	366
(Loss)/profit attributable to: Owners of the Parent						
-Continuing operations	(3,937)	753	NM ⁵	(4,440)	(1,680)	164
-Discontinued operations	-	(116)	NM ⁵	-	773	NM ⁵
(Loss)/profit for the financial period attributable to owners of the Parent	(3,937)	637	NM ⁵	(4,440)	(907)	390
Non-controlling interests						
-Continuing operations	(97)	(421)	(77)	(1,038)	(462)	125
	(4,034)	216	NM ⁵	(5,478)	(1,369)	300
Total comprehensive income attributable to: Owners of the Parent						
-Continuing operations	(3,607)	1,138	NM ⁵	(4,095)	(1,359)	201
-Discontinued operations	-	(116)	NM ⁵	-	773	NM ⁵
	(3,607)	1,022	NM ⁵	(4,095)	(586)	599
Non-controlling interests						
-Continuing operations	184	(329)	NM ⁵	(665)	(435)	53
	(3,423)	693	NM ⁵	(4,760)	(1,021)	366

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

	3Q FY2014¹ S\$'000	3Q FY2013² S\$'000	9M FY2014³ S\$'000	9M FY2013⁴ S\$'000
Other credits				
Foreign exchange gain, net	328	-	313	-
Write back of allowance for doubtful non-trade receivables	-	1,550	-	1,750
Waiver of loan by non-controlling interest of a subsidiary	12	-	5,888	-
Other income	42	222	151	257
	382	1,772	6,352	2,007
Finance costs				
Interest expense	(282)	-	(780)	-
Other charges				
Foreign exchange loss, net	-	(36)	(1)	(7)

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

² "3Q FY2013": Period from 1 January 2013 to 31 March 2013

³ "9M FY2014": Period from 1 July 2013 to 31 March 2014

⁴ "9M FY2013": Period from 1 July 2012 to 31 March 2013

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		
	31-Mar-14	31-Dec-13	30-Jun-13	31-Mar-14	31-Dec-13	30-Jun-13
Statements of Financial Position	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS						
Non-Current Assets:						
Property, plant and equipment	35,479	35,676	35,208	-	-	-
Oil and gas properties	-	442	-	-	-	-
Exploration, evaluation and development assets	39,301	41,776	38,135	1,067	1,067	-
Intangible assets	34,827	34,804	34,811	-	-	-
Investments in subsidiaries	-	-	-	39,565	39,565	39,564
Other receivables	-	-	-	58,932	48,288	30,821
Prepayments	3,644	3,644	3,644	-	-	-
Total Non-Current Assets	113,251	116,342	111,798	99,564	88,920	70,385
Current Assets:						
Inventories	282	294	328	-	-	-
Trade and other receivables	9,114	2,384	3,296	6	42	16
Other assets	1,450	163	114	-	-	-
Prepayments	104	327	380	43	48	-
Cash and cash equivalents	1,040	15,397	5,712	780	11,796	2,398
Total Current Assets	11,990	18,565	9,830	829	11,886	2,414
Total Assets	125,241	134,907	121,628	100,393	100,806	72,799
EQUITY AND LIABILITIES						
Equity:						
Ordinary shares	95,882	91,481	68,014	95,882	91,481	68,014
Convertible preference shares	-	-	4,388	-	-	-
Reserves	678	(488)	(1,284)	1,882	1,046	265
Retained earnings/(Accumulated losses)	(11,989)	(8,052)	(1,202)	2,406	1,792	4,345
Equity attributable to owners of the parent	84,571	82,941	69,916	100,170	94,319	72,624
Non-controlling interests	3,244	3,060	3,192	-	-	-
Total Equity	87,815	86,001	73,108	100,170	94,319	72,624
Non-Current Liabilities:						
Bank loans	10,028	16,134	27,692	-	-	-
Finance lease payables	54	61	75	-	-	-
Provision for restoration costs	63	61	64	-	-	-
Deferred tax liability	89	84	80	-	-	-
Total Non-Current Liabilities	10,234	16,340	27,911	-	-	-
Current Liabilities:						
Convertible preference shares	-	-	1,500	-	-	-
Trade and other payables	4,450	3,021	2,656	223	175	175
Bank loans	22,710	23,832	6,713	-	6,312	-
Finance lease payables	27	27	27	-	-	-
Other liabilities	5	5,686	9,713	-	-	-
Total Current Liabilities	27,192	32,566	20,609	223	6,487	175
Total Liabilities	37,426	48,906	48,520	223	6,487	175
Total Equity and Liabilities	125,241	134,907	121,628	100,393	100,806	72,799

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 2014 (S\$'000)		As at 30 Jun 2013 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
22,737	-	8,240	-

Amount repayable after one year

As at 31 Mar 2014 (S\$'000)		As at 30 Jun 2013 (S\$'000)	
Secured	Unsecured	Secured	Unsecured
10,082	-	27,767	-

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.

Short-term bank loans

On 11 September 2013, the Company made a drawdown of US\$5.0M pursuant to a term loan from HSBC Bank to finance the development of the Group's assets in the United States and for general corporate working capital purposes. The loan matured on 31 March 2014. The loan was secured by pledges of the shares and assets, of and assignments of rights under certain contracts and intercompany loans by, the Company, and/or certain of its subsidiaries, as well as a corporate guarantee by the controlling shareholder of the Company, Jit Sun Investments Pte. Ltd. The loan was repaid as at 31 March 2014.

As at 31 March 2014, Interlink Petroleum Limited ("Interlink"), a subsidiary of the Company, drew down S\$0.5M (INR24.4M) from an overdraft facility entered with YES bank Limited. The overdraft is secured by the fixed deposit placed with the bank.

Long-term bank loans

Interlink has a US\$9.0M term loan with DBS Bank Ltd. The term loan is secured by a US\$4.5M fixed deposit provided by Jit Sun Investments Pte Ltd and the remaining US\$4.5M is secured by a corporate guarantee from Jit Sun Investments Pte Ltd. There was no fee charged by Jit Sun Investments Pte Ltd for the provision of the security.

In prior year, 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.

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 FY2014¹ S\$'000	3Q FY2013² S\$'000	9M FY2014³ S\$'000	9M FY2013⁴ S\$'000
Operating activities				
(Loss)/profit before income tax from continuing operations	(4,034)	334	(5,481)	(2,140)
(Loss)/profit before income tax from discontinued operation	-	(164)	-	779
(Loss)/profit before income tax	(4,034)	170	(5,481)	(1,361)
Adjustments for:				
Amortisation of intangible assets	1	1	1	2
Amortisation of deferred revenue	-	(274)	-	(821)
Depreciation of plant and equipment	499	86	1,441	237
Waiver of loan by a non-controlling interest of a subsidiary	(12)	-	(5,888)	-
Write back of allowance for doubtful non-trade receivables	-	(1,550)	-	(1,750)
Loss/(gain) on disposal of plant and equipment	1	-	1	(114)
Share-based payment expenses	836	-	1,713	-
Reversal of share options	-	-	-	(54)
Interest income	(1)	(24)	(13)	(63)
Interest expense	282	2	780	5
Operating cash flows before working capital changes	(2,428)	(1,589)	(7,446)	(3,919)
Working capital changes:				
Inventories	12	667	46	1,146
Trade and other receivables	(2,519)	1,590	(1,607)	1,817
Other assets	(10)	116	(59)	240
Prepayments	223	137	276	21
Trade and other payables	1,387	1,412	1,752	2,112
Other liabilities	12	40	(3,820)	23
Cash (used in)/generated from operating activities	(3,323)	2,373	(10,858)	1,440
Interest received	1	24	13	63
Income tax (paid)/refund	-	(11)	3	(26)
Net cash (used in)/generated from operating activities	(3,322)	2,386	(10,842)	1,477
Investing activities				
Proceeds from disposal of plant and equipment	-	-	11	119
Purchase of plant and equipment	(419)	-	(2,056)	(408)
Advance payment received for disposal of a subsidiary	-	9,000	-	9,000
Deposit paid for the acquisition of petroleum interest in Thailand	(1,277)	-	(1,277)	-
Purchase of exploration and evaluation assets	(211)	(5,039)	(3,877)	(12,228)
Deposit paid for the acquisition of two drilling units	-	(4,713)	-	(8,114)
Purchase of intangible assets	(19)	(7)	(19)	(9)
Prepayments for pre-exploration data	-	(1,194)	-	(1,219)
Net cash used in investing activities	(1,926)	(1,953)	(7,218)	(12,859)
Financing activities				
Interest paid	(240)	(2)	(738)	(5)
Proceeds from bank borrowings	509	-	6,816	-
Repayment of borrowings	(7,449)	-	(8,231)	-
Acquisition of non-controlling interest	(1,264)	-	(1,264)	-
Loan received from a director	-	-	-	1,000
Repayment of loan received from a director	-	(1,700)	-	(1,700)
Repayment of finance lease payables	(7)	(35)	(21)	(99)
Net proceeds from issue of ordinary shares	-	-	17,492	19,576
Decrease in cash pledge	4,507	-	1,487	-
Proceeds from exercise of share options	-	-	-	322
Net cash used in financing activities	(3,944)	(1,737)	15,541	19,094

Net change in cash and cash equivalents	(9,192)	(1,304)	(2,519)	7,712
Foreign currency translation adjustments	(658)	(321)	(666)	(372)
Cash and cash equivalents at beginning of financial period	10,228	14,938	3,563	5,973
Cash and cash equivalents at end of financial period	378	13,313	378	13,313

*Net of cash restricted in use – 3Q FY2014, 9M FY2014: S\$0.66M & 3Q FY2013, 9M FY2013: S\$1.69M

Discontinued operations

On 1 April 2013, the Company announced the completion of the disposal of the entire equity interest of Sim Siang Choon Hardware (S) Pte Ltd (“**SSCH**”) to Mr Sim Siang Choon at a consideration of S\$9.0M. Accordingly, SSCH ceased to be a subsidiary of the Company.

As such, please find below the table showing the relevant contributions from SSCH to the Group.

Statement of comprehensive income

	Unaudited 3Q FY2014 S\$'000	Unaudited 3Q FY2013 S\$'000	Unaudited 9M FY2014 S\$'000	Unaudited 9M FY2013 S\$'000
Revenue	-	3,175	-	11,709
Cost of sales	-	(1,709)	-	(6,029)
Gross profit	-	1,466	-	5,680
<i>Other items of income</i>				
Interest income	-	3	-	8
Other credits	-	275	-	973
<i>Other items of expense</i>				
Distribution costs	-	(59)	-	(240)
Administrative expenses	-	(767)	-	(2,310)
Finance costs	-	(2)	-	(6)
Other expenses	-	(1,080)	-	(3,326)
Other charges	-	-	-	-
(Loss)/profit before income tax	-	(164)	-	779
Income tax expense	-	48	-	(6)
(Loss)/profit after income tax	-	(116)	-	773

Statement of cash flows

	Unaudited 3Q FY2014 S\$'000	Unaudited 3Q FY2013 S\$'000	Unaudited 9M FY2014 S\$'000	Unaudited 9M FY2013 S\$'000
Operating activities	-	(205)	-	1,372
Investing activities	-	(11)	-	(199)
Financing activities	-	(41)	-	93
Net cash (outflows)/inflows	-	(257)	-	1,266

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 S\$'000	Share option/ award reserve S\$'000	Convertible preference shares S\$'000	Foreign currency translation account S\$'000	(Accumulated losses)/ Retained earnings S\$'000	Equity attributable to owners of the parent S\$'000	Non- controlling interests S\$'000	Total Equity S\$'000
Group								
Balance as at 1 July 2013	68,014	265	4,388	(1,549)	(1,202)	69,916	3,192	73,108
Loss for the financial period	-	-	-	-	(503)	(503)	(941)	(1,444)
Other comprehensive income for the period:								
Exchange differences on translating foreign operations	-	-	-	15	-	15	92	107
Total comprehensive income for the financial period	-	-	-	15	(503)	(488)	(849)	(1,337)
Issue of shares	17,492	-	-	-	-	17,492	-	17,492
Convertible preference shares exercised	5,879	-	(4,388)	-	-	1,491	-	1,491
Share awards exercised	96	(96)	-	-	-	-	-	-
Grant of share options/awards to employees	-	877	-	-	-	877	-	877
Acquisition of non-controlling interests in subsidiary	-	-	-	-	(6,347)	(6,347)	717	(5,630)
Balance as at 31 December 2013	91,481	1,046	-	(1,534)	(8,052)	82,941	3,060	86,001
Balance as at 1 January 2014	91,481	1,046	-	(1,534)	(8,052)	82,941	3,060	86,001
Loss for the financial period	-	-	-	-	(3,937)	(3,937)	(97)	(4,034)
Other comprehensive income for the period:								
Exchange differences on translating foreign operations	-	-	-	330	-	330	281	611
Total comprehensive income for the financial period	-	-	-	330	(3,937)	(3,607)	184	(3,423)
Issue of shares	4,401	-	-	-	-	4,401	-	4,401
Grant of share options/awards to employees	-	836	-	-	-	836	-	836
Balance as at 31 March 2014	95,882	1,882	-	(1,204)	(11,989)	84,571	3,244	87,815

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 S\$'000	Share option reserve S\$'000	Convertible preference shares S\$'000	Foreign currency translation account S\$'000	Retained earnings S\$'000	Equity attributable to owners of the parent S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Balance as at 1 July 2012	42,229	71	8,775	(1,012)	1,306	51,369	3,478	54,847
Loss for the financial period	-	-	-	-	(1,544)	(1,544)	(41)	(1,585)
Other comprehensive income for the period:								
Exchange differences on translating foreign operations	-	-	-	(64)	-	(64)	(65)	(129)
Total comprehensive income for the financial period	-	-	-	(64)	(1,544)	(1,608)	(106)	(1,714)
Issue of shares	25,463	-	-	-	-	25,463	-	25,463
Share options exercised	322	(54)	-	-	-	268	-	268
Convertible preference shares exercised	-	-	(4,387)	-	-	(4,387)	-	(4,387)
Subscription of shares by non-controlling interest in newly incorporated subsidiary	-	-	-	-	-	-	298	298
Balance as at 31 December 2012	68,014	17	4,388	(1,076)	(238)	71,105	3,670	74,775
Balance as at 1 January 2013	68,014	17	4,388	(1,076)	(238)	71,105	3,670	74,775
Profit for the financial period	-	-	-	-	637	637	(421)	216
Other comprehensive income for the period:								
Exchange differences on translating foreign operations	-	-	-	385	-	385	92	477
Total comprehensive income for the financial period	-	-	-	385	637	1,022	(329)	693
Balance as at 31 March 2013	68,014	17	4,388	(691)	399	72,127	3,341	75,468

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 reserve	Retained earnings	Total equity
Company	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2013	68,014	265	4,345	72,624
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(2,553)	(2,553)
Issue of shares	17,492	-	-	17,492
Share awards exercised	96	(96)	-	-
Convertible preference shares exercised	5,879	-	-	5,879
Grant of share options/awards to employees	-	877	-	877
Balance at 31 December 2013	91,481	1,046	1,792	94,319
Balance at 1 January 2014	91,481	1,046	1,792	94,319
Loss for the financial period, representing total comprehensive income for the financial period	-	-	614	614
Issue of shares	4,401	-	-	4,401
Grant of share options/awards to employees	-	836	-	836
Balance at 31 March 2014	95,882	1,882	2,406	100,170

Statement of Changes in Equity	Ordinary shares	Share option reserve	Retained earnings	Total Equity
Company	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2012	42,229	71	(1,786)	40,514
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(646)	(646)
Issue of shares	25,463	-	-	25,463
Share option exercised	322	(54)	-	268
Balance at 31 December 2012	68,014	17	(2,432)	65,599
Balance at 1 January 2013	68,014	17	(2,432)	65,599
Profit for the financial period, representing total comprehensive income for the financial period	-	-	1,255	1,255
Balance at 31 March 2013	68,014	17	(1,177)	66,854

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	S\$
Balance at 1 January 2014	399,020,910	91,481,401
Issue of shares pursuant to the acquisition of the 49% interest in Loyz Rex Drilling Services, LLC	12,260,217	4,401,290
Balance at 31 March 2014	411,281,127	95,882,691

The Company did not have any treasury shares as at 31 March 2014 and 31 December 2013.

(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-14	30-Jun-13
Total number of issued shares excluding treasury shares	411,281,127	333,780,910

(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 last financial year, except for 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 company 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 profit/(loss) attributable to owners of the Company	3Q FY2014¹	3Q FY2013²	9M FY2014³	9M FY2013⁴
<u>Continuing operations</u>				
- on weighted average number of shares	(1.04 cents)	0.24 cents	(1.17 cents)	(0.54 cents)
- on a fully diluted basis	(1.04 cents)	0.23 cents	(1.17 cents)	(0.54 cents)
<u>Discontinued operations</u>				
- on weighted average number of shares	-	(0.04 cents)	-	0.25 cents
- on a fully diluted basis	-	(0.04 cents)	-	0.24 cents

Notes:

The loss per share for 3Q FY2014 and 9M FY2014 are calculated based on 378,760,003 ordinary shares in issue. The earnings/(loss) per share for 3Q FY2013 and 9M FY2013 are calculated based on 312,448,501 ordinary shares in issue.

On a fully diluted basis, the loss per share for 3Q FY2014 and 9M FY2014 are calculated based on 378,760,003 ordinary shares in issue. Diluted earnings per share for continuing operations for 3Q FY2013 and discontinued operations for 9M FY2013 are calculated based on 327,688,501 ordinary shares in issue. Diluted loss per share for discontinued operations for 3Q FY2013 and continuing operations for 9M FY2013 are calculated based on 312,448,501 ordinary shares in issue. Diluted loss per share for continuing operations for 3Q FY2014, 9M FY2014 and 9M FY2013, and discontinued operations for 3Q FY2013 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-14	Group 30-Jun-13	Company 31-Mar-14	Company 30-Jun-13
Net asset value per share based on existing issued share capital as at the respective period	20.56 cents	20.95 cents	24.36 cents	21.76 cents

Note:

The net asset value per share as at 31 March 2014 and 30 June 2013 are calculated based on 411,281,127 and 333,780,910 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 FY2014 vs 3Q FY2013

Consolidated Statement of Comprehensive Income – Continuing Operations

Revenue and cost of sales for 3Q FY2014 mainly relates to the additional work performed on the 3 wells in the United States, being Schlak 3, Mansur 33-1-L and Mansur 33-1-N.

Other credits decreased by S\$1.4M, from S\$1.8M in 3Q FY2013 to S\$0.4M in 3Q FY2014 mainly due to the absence of a write back of an allowance for doubtful debts of S\$1.6M in relation to the deposit due from Empire Holding Limited, partially offset by the gain in foreign exchange.

Administrative expenses increased by S\$1.3M, from S\$0.9M in 3Q FY2013 to S\$2.2M in 3Q FY2014 mainly due to employee share based payment expenses of S\$0.8M and the increase in staff costs of S\$0.5M attributed to the growing operations of the Group.

Finance costs for 3Q FY2014 of S\$0.3M comprised mainly interest on the HSBC and OCBC term loans as disclosed under note 1b(ii).

Other expenses increased by S\$0.7M, from S\$0.5M in 3Q FY2013 to S\$1.2M in 3Q FY2014 mainly due to an increase in depreciation charge of S\$0.5M in relation to the two drilling units and an increase in insurance cost of S\$0.2M in connection with the operations in the United States.

As a result of the above, the Group recorded a loss after income tax of S\$4.0M in 3Q FY2014 as compared to a profit after income tax of S\$0.3M in 3Q FY2013.

Consolidated Statement of Financial Position

The Group's non-current assets decreased by S\$3.0M, from S\$116.3M as at 31 December 2013 to S\$113.3M as at 31 March 2014. The decrease was mainly due a decrease in oil and gas properties and exploration, evaluation and development assets of S\$2.9M due to the transfer of exploration and evaluation cost to Fram Exploration ASA ("**Fram**"), as part of the consideration for the proposed acquisition of the 20% share capital in Fram.

The Group's current assets decreased by S\$6.6M, from S\$18.6M as at 31 December 2013 to S\$12.0M as at 31 March 2014. The decrease was mainly due to a decrease in cash and cash equivalents of S\$14.4M (please refer to the explanation of cash and cash equivalents below). This was partially offset by (i) an increase in trade and other receivables by S\$6.7M which was mainly due to billing of additional work performed on the 3 wells in the United States, as well as the transfer of exploration and evaluation cost to Fram; and (ii) an increase in other assets by S\$1.3M mainly attributable to the deposit paid for the acquisition of the 20% petroleum concessions held by Carnarvon Thailand Limited.

The Group's non-current liabilities decreased by S\$6.1M, from S\$16.3M as at 31 December 2013 to S\$10.2M as at 31 March 2014. The decrease was mainly due to the reclassification of bank loans, which fall due within 1 year, amounting to S\$6.1M, from non-current to current liabilities.

The Group's current liabilities decreased by S\$5.4M, from S\$32.6M as at 31 December 2013 to S\$27.2M as at 31 March 2014. The decrease was mainly due to (i) repayment of bank loans amounting of S\$7.5M; and (ii) settlement of the S\$5.7M owed to Rex US Ventures LLC, in relation to the acquisition of the 49% interest in Loyz Rex Drilling Services, LLC, by the issuance of shares and cash payment. These are partially offset by (i) reclassification of bank loans, which fall due within 1 year, amounting to S\$6.1M from non-current to current liabilities; (ii) increase in trade and other payables of S\$1.4M mainly relates to the increase of payables due to suppliers for the additional work performed on the 3 wells in the United States; and (iii) the bank overdraft amounting to S\$0.5M from YES bank Limited as disclosed under note 1b(ii).

The Group reported a negative working capital of S\$15.2M as at 31 March 2014 and S\$14.0M as at 31 December 2013.

Consolidated Statement of Cash Flows

The Group's net cash used in operating activities for 3Q FY2014 was S\$3.3M. Major movements mainly comprised (i) cash generated by an increase in trade and other payables of S\$1.4M, (ii) cash generated by a decrease in prepayments of S\$0.2M, (iii) cash absorbed by an increase in trade and other receivables of S\$2.5M, and (iv) an operating loss before working capital changes of S\$2.4M.

Net cash used in investing activities for 3Q FY2014 of S\$1.9M was mainly due to the payment for upgrades and maintenance for the two drilling units, deposit paid for the acquisition of the 20% petroleum concessions held by Carnarvon Thailand Limited and the payment for the 3D seismic work performed in Australia and New Zealand.

Net cash used in financing activities for 3Q FY2014 of S\$3.9M was mainly due to the repayment of bank loans and the payment for the acquisition of the 49% interest in Loyz Rex Drilling Services, LLC which was partially offset by the decrease in cash pledged.

As a result of the above and taking into account of the foreign currency translation adjustments of S\$0.7M, cash and cash equivalents decreased by S\$9.9M, from S\$10.2M as at 1 January 2014 to S\$0.4M as at 31 March 2014.

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.

In 3Q FY2014, the Group turned in a net loss of S\$4.0M mainly due to the termination of its turnkey drilling contract in the United States mainly due to the proposed acquisition of 20% of the issued and paid-up share capital of Fram.

As announced on 2 May 2014, the Group has successfully completed its acquisition of a 20% stake in a Thailand producing field. The Group is entitled to its share of the reserves, production and cash flows from 1 April 2014. Currently the production of the field averages around 4,000 barrels of oil per day and there are firm plans to ramp up the production. The production is expected to generate surplus cash to fund the capital expenditures for the field and provide additional cash flows to the Group.

Besides developing our existing oil and gas properties, the Group is also seeking opportunities to acquire producing oil and gas properties with a view to enhancing shareholder value.

The Group also intends to explore various fund raising options in the coming months to fund its commitments, working capital and potential acquisitions.

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/recommendeded, a statement to that effect

No dividend is recommended for the third quarter ended 31 March 2014.

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. There are no interested person transactions of S\$100,000 or more during the financial period under review.

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 8 May 2014.

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 8 May 2014.

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 8 May 2014.

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 8 May 2014.

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 2014 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
8 May 2014