

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER AND
HALF YEAR ENDED 31 DECEMBER 2016

This announcement has been prepared by Loyz Energy Limited (the "Company") and its contents have been reviewed by the Company's sponsor (the "Sponsor"), ZICO Capital Pte. Ltd., for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst. 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	Unaudited 2Q FY2017 ¹ US\$'000	Unaudited 2Q FY2016 ² US\$'000	Change %	Unaudited 1H FY2017 ³ US\$'000	Unaudited 1H FY2016 ⁴ US\$'000	Change %
Revenue	2,573	2,376	8	4,987	6,393	(22)
Cost of sales	(989)	(1,107)	(11)	(2,060)	(2,762)	(25)
Gross profit	1,584	1,269	25	2,927	3,631	(19)
<i>Other items of income</i>						
Interest income	33	4	NM ⁵	35	12	NM ⁵
Other income	780	3	NM ⁵	1,033	10	NM ⁵
<i>Other items of expense</i>						
Administrative expenses	(469)	(914)	(49)	(821)	(1,945)	(58)
Finance costs	(124)	(132)	(6)	(250)	(265)	(6)
Other expenses	(223)	(257)	(13)	(474)	(524)	(10)
Other charges	(56)	(194)	(71)	(56)	(1,164)	(95)
Profit/(loss) before income tax	1,525	(221)	NM ⁵	2,394	(245)	NM ⁵
Income tax expense	(617)	(503)	23	(1,224)	(1,381)	(11)
Profit/(loss) for the financial period	908	(724)	NM⁵	1,170	(1,626)	NM⁵
Other comprehensive income:						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Currency translation differences arising from consolidation	18	97	(81)	(125)	447	NM ⁵
Other comprehensive income/(loss) for the financial period, net of tax	18	97	(81)	(125)	447	NM ⁵
Total comprehensive income/(loss) for the financial period	926	(627)	NM⁵	1,045	(1,179)	NM⁵
Profit/(loss) attributable to:						
Equity holders of the Company	922	(631)	NM ⁵	1,129	(1,214)	NM ⁵
Non-controlling interests	(14)	(93)	(85)	41	(412)	NM ⁵
	908	(724)	NM ⁵	1,170	(1,626)	NM ⁵
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company	835	(581)	NM ⁵	968	(982)	NM ⁵
Non-controlling interests	91	(46)	NM ⁵	77	(197)	NM ⁵
	926	(627)	NM ⁵	1,045	(1,179)	NM ⁵

¹ "2Q FY2017": Period from 1 October 2016 to 31 December 2016

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

³ "1H FY2017": Period from 1 July 2016 to 31 December 2016

⁴ "1H FY2016": Period from 1 July 2015 to 31 December 2015

⁵ "NM": Not Meaningful

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

	Unaudited 2Q FY2017 US\$'000	Unaudited 2Q FY2016 US\$'000	Unaudited 1H FY2017 US\$'000	Unaudited 1H FY2016 US\$'000
Other income				
Foreign exchange gain, net	23	-	258	-
Net gain on settlement of bond receivable	755	-	755	-
Other income	2	3	20	10
	780	3	1,033	10
Finance costs				
Interest expense	(124)	(132)	(250)	(265)
Other charges				
Foreign exchange loss, net	-	(163)	-	(882)
Loss on disposal of plant and equipment	-	(2)	-	(2)
Write off of inventories	-	-	-	(208)
Allowance for inventories obsolescence	(39)	(29)	(39)	(39)
Write off of other assets	-	-	-	(33)
Plant and equipment written off	(17)	-	(17)	-
	(56)	(194)	(56)	(1,164)
Others				
Amortisation of intangible assets	-	4	2	8
Depreciation of plant and equipment	22	38	46	83
Depletion of oil and gas properties	477*	484*	996*	1,270*

* Included in Cost of sales

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

	Group			Company		
	Unaudited 31-Dec-16 US\$'000	Unaudited 30-Sep-16 US\$'000	Audited 30-Jun-16 US\$'000	Unaudited 31-Dec-16 US\$'000	Unaudited 30-Sep-16 US\$'000	Audited 30-Jun-16 US\$'000
Statements of Financial Position						
ASSETS						
Non-Current Assets:						
Exploration, evaluation and development assets	19,926	19,926	19,926	-	-	-
Oil and gas properties	60,979	60,676	60,511	-	-	-
Other property, plant and equipment	1,522	1,522	1,563	-	-	-
Investments in subsidiaries	-	-	-	69,579	69,485	69,836
Intangible assets	26,469	26,469	26,471	-	-	-
Bond receivable	426	-	-	-	-	-
Other receivables	-	-	-	2,130	2,110	-
Total Non-Current Assets	109,322	108,593	108,471	71,709	71,595	69,836
Current Assets:						
Inventories	2,302	2,342	2,350	-	-	-
Trade and other receivables	1,158	982	1,245	-	14	2,089
Other assets	575	1,210	755	-	-	-
Bond receivable	-	2,627	2,627	-	-	-
Prepayments	863	966	1,011	814	875	931
Cash and cash equivalents	3,007	1,833	2,461	15	182	621
Total Current Assets	7,905	9,960	10,449	829	1,071	3,641
Total Assets	117,227	118,553	118,920	72,538	72,666	73,477
EQUITY AND LIABILITIES						
Equity:						
Capital and reserves attributable to equity holders of the Company						
Ordinary shares	115,722	115,440	115,440	115,722	115,440	115,440
Reserves	1,852	1,935	2,753	656	652	1,396
Accumulated losses	(87,848)	(88,770)	(89,741)	(52,408)	(52,272)	(52,259)
	29,726	28,605	28,452	63,970	63,820	64,577
Non-controlling interests	(10,533)	(10,624)	(10,610)	-	-	-
Total Equity	19,193	17,981	17,842	63,970	63,820	64,577
Non-Current Liabilities:						
Bank borrowings	20,523	20,805	19,317	-	-	-
Finance lease payables	43	50	55	-	-	-
Other payables	24,396	24,120	23,844	-	-	-
Deferred tax liabilities	36,850	36,909	36,971	-	-	-
Total Non-Current Liabilities	81,812	81,884	80,187	-	-	-
Current Liabilities:						
Income tax payable	1,691	1,057	1,146	-	-	-
Trade and other payables	11,890	15,084	15,405	8,568	8,846	8,900
Bank borrowings	2,625	2,530	4,323	-	-	-
Finance lease payables	15	16	16	-	-	-
Other liabilities	1	1	1	-	-	-
Total Current Liabilities	16,222	18,688	20,891	8,568	8,846	8,900
Total Liabilities	98,034	100,572	101,078	8,568	8,846	8,900
Total Equity and Liabilities	117,227	118,553	118,920	72,538	72,666	73,477

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

Amount repayable in one year or less, or on demand

As at 31 Dec 2016 (US\$'000)		As at 30 Jun 2016 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
2,120	7,582	3,816	7,947

Amount repayable after one year

As at 31 Dec 2016 (US\$'000)		As at 30 Jun 2016 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
20,566	-	19,372	-

Details of any collaterals

Finance lease

The finance lease of the Group is secured by a motor vehicle under the finance lease agreement. The motor vehicle was 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 loan from OCBC Bank to finance the acquisition of petroleum interests held by Carnarvon Thailand Limited. The loan is 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 substantial shareholder of the Company, Jit Sun Investments Pte. Ltd.

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

Consolidated Statement of Cash Flows	Unaudited 2Q FY2017 US\$'000	Unaudited 2Q FY2016 US\$'000	Unaudited 1H FY2017 US\$'000	Unaudited 1H FY2016 US\$'000
Operating activities				
Profit/(loss) before income tax	1,525	(221)	2,394	(245)
Adjustments for:				
Amortisation of intangible assets	-	4	2	8
Depreciation of plant and equipment	22	38	46	83
Depletion of oil and gas properties	477	484	996	1,270
Net gain on settlement of bond receivable	(755)	-	(755)	-
Write off of inventories	-	-	-	208
Allowance for inventories obsolescence	39	29	39	39
Write off of other assets	-	-	-	33
Plant and equipment written off	17	-	17	-
Loss on disposal of plant and equipment	-	2	-	2
Share-based payment expenses	44	97	65	383
Reversal of share options	-	-	(1)	(81)
Interest income	(33)	(4)	(35)	(12)
Interest expense	124	132	250	265
Operating cash flows before working capital changes	1,460	561	3,018	1,953
Working capital changes:				
Inventories	1	143	9	60
Trade and other receivables	(176)	154	(74)	1,804
Other assets	635	503	180	314
Prepayments	82	128	105	135
Trade and other payables	(94)	517	(430)	(592)
Cash generated from operations	1,908	2,006	2,808	3,674
Interest received	2	4	4	12
Income tax paid	(43)	-	(800)	(2,671)
Net cash from operating activities	1,867	2,010	2,012	1,015
Investing activities				
Purchase of plant and equipment	(42)	(56)	(50)	(72)
Additions to oil and gas properties	(480)	(1,682)	(789)	(2,068)
Purchase of exploration, evaluation and development assets	-	(19)	-	(27)
Net cash used in investing activities	(522)	(1,757)	(839)	(2,167)
Financing activities				
Interest paid	(30)	(59)	(57)	(108)
Repayment of short-term loans	(2)	-	(2)	-
Repayment of finance lease payables	(8)	(8)	(13)	(23)
Repayment of bank borrowings	(180)	(1,150)	(495)	(1,925)
Net cash used in financing activities	(220)	(1,217)	(567)	(2,056)
Net change in cash and cash equivalents	1,125	(964)	606	(3,208)
Foreign currency translation adjustments	49	82	(60)	412
Cash and cash equivalents at beginning of financial period	1,833	5,265	2,461	7,179
Cash and cash equivalents at end of financial period	*3,007	*4,383	*3,007	*4,383

*Included in cash and cash equivalents are cash balances pledged to the banks, amounting to US\$0.1M for 2Q FY2017 and 1H FY2017 and US\$2.0M for 2Q FY2016 and 1H FY2016, 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	Ordinary Shares US\$'000	Deemed capital contribution US\$'000	Share option/ award reserve US\$'000	Foreign currency translation account US\$'000	Accumulated losses US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Group								
Balance as at 1 July 2016	115,440	2,103	789	(139)	(89,741)	28,452	(10,610)	17,842
Profit for the financial period	-	-	-	-	207	207	55	262
Other comprehensive income for the financial period:								
Currency translation differences arising from consolidation	-	-	-	(74)	-	(74)	(69)	(143)
Total comprehensive (loss)/income for the financial period	-	-	-	(74)	207	133	(14)	119
Grant of share options/awards to employees	-	-	21	-	-	21	-	21
Share options/awards cancelled	-	-	(765)	-	764	(1)	-	(1)
Balance as at 30 September 2016	115,440	2,103	45	(213)	(88,770)	28,605	(10,624)	17,981
Balance as at 1 October 2016	115,440	2,103	45	(213)	(88,770)	28,605	(10,624)	17,981
Profit/(loss) for the financial period	-	-	-	-	922	922	(14)	908
Other comprehensive income for the financial period:								
Currency translation differences arising from consolidation	-	-	-	(87)	-	(87)	105	18
Total comprehensive income/(loss) for the financial period	-	-	-	(87)	922	835	91	926
Issues of shares	242	-	-	-	-	242	-	242
Share awards exercised	40	-	(40)	-	-	-	-	-
Grant of share options/awards to employees	-	-	44	-	-	44	-	44
Balance as at 31 December 2016	115,722	2,103	49	(300)	(87,848)	29,726	(10,533)	19,193

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

Statement of Changes in Equity Group	Ordinary shares US\$'000	Deemed capital contribution US\$'000	Share option/ award reserve US\$'000	Foreign currency translation account US\$'000	Accumulated losses US\$'000	Total US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
Balance as at 1 July 2015	110,554	2,103	2,633	(470)	(71,671)	43,149	(5,226)	37,923
Loss for the financial period	-	-	-	-	(583)	(583)	(319)	(902)
Other comprehensive income for the financial period:								
Currency translation differences arising from consolidation	-	-	-	182	-	182	168	350
Total comprehensive income/(loss) for the financial period	-	-	-	182	(583)	(401)	(151)	(552)
Grant of share options/awards to employees	-	-	286	-	-	286	-	286
Share options/awards cancelled	-	-	(1,283)	-	1,202	(81)	-	(81)
Balance as at 30 September 2015	110,554	2,103	1,636	(288)	(71,052)	42,953	(5,377)	37,576
Balance as at 1 October 2015	110,554	2,103	1,636	(288)	(71,052)	42,953	(5,377)	37,576
Loss for the financial period	-	-	-	-	(631)	(631)	(93)	(724)
Other comprehensive income for the financial period:								
Currency translation differences arising from consolidation	-	-	-	50	-	50	47	97
Total comprehensive income/(loss) for the financial period	-	-	-	50	(631)	(581)	(46)	(627)
Share awards exercised	666	-	(666)	-	-	-	-	-
Grant of share options/awards to employees	-	-	97	-	-	97	-	97
Balance as at 31 December 2015	111,220	2,103	1,067	(238)	(71,683)	42,469	(5,423)	37,046

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 2016	115,440	789	607	(52,259)	64,577
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	-	(257)	(257)
Grant of share options/awards to employees	-	21	-	-	21
Share options/awards cancelled	-	(765)	-	244	(521)
Balance at 30 September 2016	115,440	45	607	(52,272)	63,820
Balance at 1 October 2016	115,440	45	607	(52,272)	63,820
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	(136)	(136)
Issue of shares	242	-	-	-	242
Share awards exercised	40	(40)	-	-	-
Grant of share options/awards to employees	-	44	-	-	44
Balance at 31 December 2016	115,722	49	607	(52,408)	63,970

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 loss for the financial period	-	-	-	(165)	(165)
Grant of share options/awards to employees	-	286	-	-	286
Share options/awards cancelled	-	(1,283)	-	-	(1,283)
Balance at 30 September 2015	110,554	1,636	607	(47,681)	65,116
Balance at 1 October 2015	110,554	1,636	607	(47,681)	65,116
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	-	(245)	(245)
Share awards exercised	666	(666)	-	-	-
Grant of share options/awards to employees	-	97	-	-	97
Balance at 31 December 2015	111,220	1,067	607	(47,926)	64,968

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

Share capital – Ordinary shares	Number of shares	US\$
Balance as at 1 October 2016	1,043,698,798	115,440,205
Vesting of share awards	689,000	39,863
Issue of shares	16,269,000	247,770
Share issue expense	-	(5,971)
Balance as at 31 December 2016	1,060,656,798	115,721,867

Outstanding share options/awards

	Number of outstanding options/awards
Loz Energy Employee Share Option Scheme (“ESOS”):	
As at 31 December 2016	-
As at 31 December 2015	12,440,000
Loz Energy Performance Share Plan (“PSP”):	
As at 31 December 2016	15,200,000
As at 31 December 2015	1,161,000

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

	31-Dec-16	30-Jun-16
Total number of issued shares excluding treasury shares	1,060,656,798	1,043,698,798

The Company did not have any treasury shares as at 31 December 2016 and 30 June 2016.

(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 December 2016.

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 2016, 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 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 Company	2Q FY2017	2Q FY2016	1H FY2017	1H FY2016
- Basic (US cents)	0.09	(0.08)	0.11	(0.15)
- On a fully diluted basis (US cents)	0.09	(0.08)	0.11	(0.15)

Notes:

The basic earnings per share for 2Q FY2017 and 1H FY2017 are calculated based on 1,046,796,347 weighted average number of ordinary shares in issue. The basic loss per share for 2Q FY2016 and 1H FY2016 are calculated based on 827,309,836 weighted average number of ordinary shares in issue.

On a fully diluted basis, the earnings per share for 2Q FY2017 and 1H FY2017 are calculated based on 1,061,996,347 (taking into account share awards granted on 8 September 2016) weighted average number of ordinary shares in issue. The diluted loss per share for 2Q FY2016 and 1H FY2016 are calculated based on 827,309,836 weighted average number of ordinary shares in issue. Diluted loss per share for each 2Q FY2016 and 1H FY2016 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive.

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

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

	Group 31-Dec-16	Group 30-Jun-16	Company 31-Dec-16	Company 30-Jun-16
Net asset value per share (US cents)	2.80	2.73	6.03	6.19

Note:

The net asset value per share as at 31 December 2016 and 30 June 2016 are calculated based on 1,060,656,798 and 1,043,698,798 ordinary shares in issue respectively.

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

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

Review for 2Q FY2017 vs 2Q FY2016

Consolidated Statement of Comprehensive Income

The Group's revenue in 2Q FY2017 and 2Q FY2016 were derived from its oil fields in Thailand. Revenue increased by US\$0.2M to US\$2.6M in 2Q FY2017, as compared to US\$2.4M in 2Q FY2016. This was mainly due to the recent increase in oil price from an average of US\$34.66/bbl in 2Q FY2016 to an average of US\$44.85/bbl in 2Q FY2017.

Other income increased by US\$0.8M in 2Q FY2017, as compared to 2Q FY2016. This was mainly due to a net gain recorded in 2Q FY2017 attributable to the redemption of bond receivable via an offset with the outstanding balance due to the bond issuer, Fram Exploration ASA ("Fram").

Administrative expenses decreased by US\$0.4M, from US\$0.9M in 2Q FY2016 to US\$0.5M in 2Q FY2017. This was mainly due to a decrease in staff costs, which was in line with the Group's effort to reduce operation cost.

Other expenses decreased by US\$0.1M, from US\$0.3M in 2Q FY2016 to US\$0.2M in 2Q FY2017, mainly due to a decrease in office rental and administrative expenses.

Other charges decreased by US\$0.1M, to US\$0.1M in 2Q FY2017 as compared to US\$0.2M in 2Q FY2016, mainly due to the absence of foreign exchange loss in 2Q FY2017.

As a result of the above, the Group recorded a profit after income tax of US\$0.9M in 2Q FY2017 as compared to a loss after income tax of US\$0.7M in 2Q FY2016.

Consolidated Statement of Financial Position

The Group's non-current assets increased by US\$0.7M, from US\$108.6M as at 30 September 2016 to US\$109.3M as at 31 December 2016. The increase was mainly due to an increase in oil and gas properties related to the appraisal cost incurred in Thailand, coupled with the reclassification of bond receivable from current assets to non-current assets upon the extension of maturity date from December 2016 to December 2018.

The Group's current assets decreased by US\$2.1M, from US\$10.0M as at 30 September 2016 to US\$7.9M as at 31 December 2016. The decrease was mainly due to (i) a decrease of US\$2.6M in bond receivable as a result of its redemption via an offset with the outstanding balance due to Fram, and the reclassification of the remaining bond receivable amount from current assets to non-current assets due to an extension of maturity date from December 2016 to December 2018; and (ii) a decrease in other assets of US\$0.6M mainly due to the refund of

deposit paid to the Department of Mineral Fuels of Thailand. The decrease was partially offset by an increase of US\$1.2M 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\$0.1M from US\$81.9M as at 30 September 2016 to US\$81.8M as at 31 December 2016. The decrease was mainly due to the reclassification of bank borrowings, which are due within one year from non-current liabilities to current liabilities, coupled with the decrease in deferred tax liabilities. The decrease was partially offset by an increase in other payables due to the amortization of deferred amortization.

The Group's current liabilities decreased by US\$2.5M from US\$18.7M as at 30 September 2016 to US\$16.2M as at 31 December 2016. The decrease was mainly due to the redemption of the bond receivable via an offset with the outstanding balance due to Fram. This was partially offset by an increase of US\$0.6M in current income tax payable mainly due to the accrual of income tax for 2Q FY2017.

The Group reported a negative working capital of US\$8.3M as at 31 December 2016 and US\$8.7M as at 30 September 2016. Notwithstanding this, the Directors of the Company are of the opinion that the Group and the Company are able to meet their obligations as and when they fall due having regard to the reviews performed as set out in Company's Annual Report 2016 (Note 4 to the Financial Statements on "Going Concern" on pages 79 and 80).

Consolidated Statement of Cash Flows

In 2Q FY2017, the Group generated net cash from its operating activities of US\$1.9M. Major movements mainly comprised (i) cash absorbed by an increase in trade and other receivables of US\$0.2M; (ii) cash from a decrease in other assets of US\$0.6M; (iii) cash absorbed by a decrease in trade and other payables of US\$0.1M; and (iv) operating cash flows before working capital changes of US\$1.5M.

The Group used net cash of US\$0.5M for its investing activities mainly related to the appraisal cost incurred in Thailand.

The Group used net cash of US\$0.2M for its financing activities mainly for repayment of bank loans and interest charges.

As a result of the above, and taking into account foreign currency translation adjustments, cash and cash equivalents increased by US\$1.2M from US\$1.8M as at 30 September 2016 to US\$3.0M as at 31 December 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.

The Group recorded a profit after income tax of US\$0.9M for 2Q FY2017 on the back of rising oil prices and net gain recorded on the redemption of the bond receivable.

Oil prices have been on the rise since December 2016 when the Organisation of Petroleum Exporting Countries ("OPEC") and non-OPEC producers agreed to cut production for six months starting in January 2017, to reduce the global oil supply glut. According to the U.S. Energy Information Administration, oil prices are expected to average around US\$53 per barrel in the first half of 2017 and US\$54 per barrel in the second half of 2017.

The Group has just commenced on a new drilling campaign in late January 2017. The campaign aims to increase the production, reserves and value of our oil fields in Thailand.

The Group will continue to keep its operating costs low, while it focuses on increasing production and revenue, as well as seeking strategic options to enhance value for shareholders.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the second quarter and half year ended 31 December 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 2Q FY2017 (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 during 2Q FY2017 (excluding transactions less than S\$100,000)
	US\$'000	US\$'000
Jit Sun Investments Pte. Ltd. (Interest on loans)	92	-

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 1 February 2017.

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 1 February 2017.

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 1 February 2017.

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 1 February 2017.

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

On behalf of the board of directors ("**Board**") of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the unaudited financial statements and dividend announcement for the second quarter and half year ended 31 December 2016 to be false or misleading in any material aspect.

On behalf of the Board

Jeffrey Pang
Chief Executive Officer and Executive Director

Lee Chye Cheng, Adrian
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

Jeffrey Pang
1 February 2017
