

LOYZ ENERGY LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199905693M)

ISSUANCE OF 3,538,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.0212 PER NEW ORDINARY SHARE

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning to the Announcement (as defined below).

1. INTRODUCTION

The Board of the Company refers to the Company's announcement on 30 September 2016 (the "**Announcement**") in relation to the issuance of an aggregate of 12,731,000 new ordinary shares in the capital of the Company ("**Shares**") at the Issue Price of S\$0.0212 each, to seven Subscribers (the "**Share Issue**").

Further to the Announcement, the Board wishes to announce that the Company had, on 11 November 2016, entered into an agreement ("**New Agreement**") with one of the Subscribers, Mr Simon Charles Lockett ("**Mr Lockett**") pursuant to which the Company will issue and allot 3,538,000 additional new Shares ("**Additional Shares**") to Mr Lockett at the Issue Price ("**Additional Share Issue**").

The Additional Share Issue, together with the Share Issue, shall be henceforth referred to as the "**Total Share Issue**", whereby the Company will issue and allot an aggregate of 16,269,000 new Shares (the "**Revised New Shares**") at the Issue Price to the Subscribers, including Mr Lockett who will, in aggregate, be issued and allotted 4,240,000 new Shares, representing approximately 0.4% of the enlarged issued and paid-up share capital of the Company of 1,060,656,798 Shares.

The Issue Price was arrived at pursuant to discussions between the Company and Mr Lockett. The Issue Price represents a premium of approximately 17.12% to the VWAP of S\$0.0181 for trades done on the Shares on SGX-ST on 11 November 2016, being the full market day prior to the signing of the New Agreement.

2. ADDITIONAL SHARES

The Additional Shares are to be issued to Mr Lockett pursuant to Section 272B of the Securities and Futures Act (Cap. 289 of Singapore). Hence, no prospectus or offer information statement will be issued by the Company in connection therewith.

The Additional Shares will not be issued to any person who is a Director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the Catalyst Rules. Pursuant to Rule 803 of the Catalyst Rules, the Company confirms that it will not, pursuant to the Additional Share Issue, issue the Additional Shares to transfer a controlling interest of the Company without the prior approval of Shareholders in a general meeting.

The Company will make an application to the Sponsor and the SGX-ST for the dealing in, listing of and quotation for the Additional Shares to be issued pursuant to the Additional Share Issue on Catalyst.

As of the date of this announcement, the Company has an issued and paid-up share capital of 1,044,387,798 Shares and has no treasury Shares.

The 3,538,000 Additional Shares represent approximately 0.33% of the existing as well as the enlarged issued and paid-up share capital of the Company. The 16,269,000 Revised New Shares

represent approximately 1.56% and 1.53% of the existing and enlarged issued and paid-up share capital of the Company, respectively.

The Additional Shares are to be issued pursuant to the existing share issue mandate approved by Shareholders at the 2016 AGM held on 27 October 2016 (the “**2016 General Mandate**”). The 2016 General Mandate authorises the Directors to allot and issue new Shares not exceeding 100% of the total number of issued Shares (excluding treasury Shares) in the capital of the Company, of which the aggregate number of Shares to be issued other than on *pro rata* basis to existing shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury Shares) in the capital of the Company. As at the date of the 2016 AGM, the Company had 1,043,698,798 issued Shares (excluding treasury Shares). Accordingly, the Company could issue up to 1,043,698,798 new Shares on a *pro-rata* basis or 521,849,399 new Shares on a non *pro-rata* basis, under the 2016 General Mandate.

As at the date of this announcement, the Company has not issued any new Shares under the 2016 General Mandate. Accordingly, taking into account both the Share Issue and the Additional Share Issue, the proposed allotment and issuance of the Revised New Shares falls within the limit of the 2016 General Mandate.

The Additional Shares, when issued and fully-paid, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the Shares as at the date of issue of the Additional Shares save that they will not rank for any dividend, rights, allotments or other distributions, the record of which falls on or before the date of completion of the allotment and issuance of the Additional Shares.

3. RATIONALE FOR THE ADDITIONAL SHARE ISSUE

Mr Lockett was formerly an independent director of the Company who resigned from the Board with effect from 10 May 2016, and is currently an advisor to the Board. The Additional Share Issue is *in lieu* of S\$75,000 due from and payable by the Company to Mr Lockett in respect of advisory fees for the financial period from 11 May 2016 to 31 December 2016.

Pursuant to the Additional Share Issue, the Group will conserve cash amounting to S\$75,000.

The Board is of the opinion that the Additional Share Issue is in the best interests of the Company and its Shareholders. The Board is also of the opinion that, barring unforeseen circumstances, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements. Please refer to Section 4 of the Announcement for further details on the rationale for the Share Issue (which applies to the Additional Share Issue).

4. FINANCIAL EFFECTS

The proforma financial effects of the Total Share Issue are presented for illustration purposes only and are not intended to be indicative or reflect the actual future financial situation of the Company and the Group after the completion of the Total Share Issue.

The proforma financial effects of the Total Share Issue have been computed based on the audited consolidated financial statements of the Group for FY2016 as well as the following assumptions:

- (i) the financial effect on the consolidated NAV per Share is computed based on the assumption that the Total Share Issue was completed on 30 June 2016;
- (ii) the financial effect on the loss per Share is computed based on the assumption that the Total Share Issue was completed on 1 July 2015;
- (iii) for the avoidance of doubt, the financial effects on the NAV per Share and loss per Share

have not taken into account the issuance of new Shares by the Company subsequent to 30 June 2016 up to the date of this announcement.

Share capital and NAV per Share

	Before Share Issue	After Share Issue
Number of Shares as at 30 June 2016	1,043,698,798	1,059,967,798
Share capital (US\$'000)	115,440	115,695
NAV attributable to Shareholders (US\$'000)	28,453	28,708
NAV per Share (cents)	2.73	2.71

Loss per Share

	Before Share Issue	After Share Issue
Net loss attributable to Shareholders in FY2016 (US\$'000)	(19,546)	(19,546)
Weighted average number of Shares	842,126,035	858,395,035
Loss per Share (cents)	(2.32)	(2.28)

5. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save for any interests held through the Company as Shareholders, none of the Directors or substantial Shareholders and their respective associates has any interest, direct or indirect, in the Additional Share Issue.

6. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in the Shares in relation to this announcement as there is no certainty that the Additional Share Issue and the Share Issue will be completed. When in doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax or other advisers.

7. FURTHER ANNOUNCEMENTS

Further announcements on the Total Share Issue, including the receipt of the listing and quotation notice from the SGX-ST, will be made in due course as and when appropriate.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Total Share Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

9. DOCUMENT FOR INSPECTION

The New Agreement is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the registered office of the Company at 8 Wilkie Road, #03-01, Wilkie Edge, Singapore 228095 for a period of three (3) months from the date of this announcement.

By order of the Board

Jeffrey Pang
Chief Executive Officer and Executive Director
15 November 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.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.