

LOYZ ENERGY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199905693M)

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

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

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

By Order of the Board

Jeffrey Pang
Chief Executive Officer and Executive Director

17 August 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist. 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.

A SUMMARY OF MATERIAL EXPENDITURE INCURRED/TO BE INCURRED ON THE EVALUATION, DEVELOPMENT AND/OR PRODUCTION ACTIVITIES FOR FOURTH QUARTER OF FY2017 ("Q4 FY2017") & FIRST QUARTER OF FY2018("Q1 FY2018")

A RULE 705(6)

The summary of the expenditure for Q4 FY2017 (period from 1 April 2017 to 30 June 2017) is as follows:

	<u>US\$</u>
Evaluation, Exploration & Development Expenditure	-
Fixed Assets	-
Administrative Expenses	7,500
	<u>7,500</u>

Projected expenditure for Q1 FY2018 (period from 1 July 2017 to 30 September 2017) is as follows:

	<u>US\$</u>
Evaluation, Exploration & Development Expenditure	-
Fixed Assets	-
Administrative Expenses	7,500
	<u>7,500</u>

Principal assumptions used:

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

B RULE 705 (7)a

Details of exploration, development and/or production activities undertaken by the Group in Q4 FY2017:

Country	Work Done	Expenditure for Q4 FY2017		Previous projections	Variance	Note
		US\$	<a>	US\$	US\$	
				for the last period	<c>=<a>-	
1	Australia	Loyz Energy Limited ("Loyz") has been conducting final prospect evaluation within permit VIC/P62. In conjunction with feasibility studies that have been conducted alongside, Loyz will relinquish the permit.	-	-	-	
2	New Zealand	Loyz has conducted a series of feasibility studies regarding PEP38479.	-	-	-	
3	USA	There are currently no plans to develop the assets in USA.	-	-	-	
			<u>-</u>	<u>-</u>		

For the Group's assets in Thailand, the Group did not fund any exploration, development and production activities in Q4 FY2017 as the activities are self-funded.

Details of exploration, development and/or production activities to be undertaken by the Group in Q1 FY2018:

Country	Work to be done	Projected expenditure for Q1 FY2018
		US\$
		<a>
1	Australia	As described above, Loyz has decided to relinquish the permit and will be in contact with the Australian Government on the necessary procedures.
2	New Zealand	Loyz will continue to conduct a series of feasibility studies regarding PEP38479.

For the Group's assets in Australia, New Zealand, Thailand and USA, the Group is not expected to fund any exploration, development and production activities in Q1 FY2018.

SUMMARY OF OIL AND GAS RESERVES AND RESOURCES

Name of Country: Australia

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

Legend:

- 1P: Proved
- 2P: Proved + Probable
- 3P: Proved + Probable + Possible

MMbbl: Millions of barrels
Bcf: Billions of cubic feet

Name of Qualified Person: Brett Rogers of Rogers Adams Petroleum Consultants
Date: 30/9/2013
Professional Society Affiliation / Membership: Society of Petroleum Engineers

The Vice President Subsurface, Dr Bruce Morris, confirms as at 30 June 2017, there have been no new resource or reserve estimates.

SUMMARY OF OIL AND GAS RESERVES AND RESOURCES

Name of Country: New Zealand

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
Reserves				
Oil Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources				
Oil				
1C	0.4	0.04	-	-
2C	1.7	0.17	-	-
3C	4.2	0.42	-	-
Natural Gas				
1C	9.0	0.9	-	-
2C	26.0	2.6	-	-
3C	57.0	5.7	-	-
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	1.4	1.4	-	-
Best Estimate	8.0	8.0	-	-
High Estimate	17.0	17.0	-	-
Natural Gas				
Low Estimate	22	22	-	-
Best Estimate	129	129	-	-
High Estimate	282	282	-	-

Legend:

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of barrels

Bcf: Billions of cubic feet

Name of Qualified Person:

Brett Rogers of Rogers Adams Petroleum Consultants

Date:

30/9/2013

Professional Society Affiliation / Membership:

Society of Petroleum Engineers

The Vice President Subsurface, Dr Bruce Morris, confirms as at 30 June 2017, there have been no new resource or reserve estimates.

SUMMARY OF OIL AND GAS RESERVES AND RESOURCES

Name of Country: North America

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
Reserves				
Oil Reserves				
1P	14.90	1.70	-	-
2P	20.40	2.30	-	-
3P	26.50	3.00	-	-
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources				
Oil				
1C	0.16	0.02	-	-
2C	0.27	0.03	-	-
3C	0.38	0.04	-	-
Natural Gas				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-
Natural Gas				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-

Legend:

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of barrels

Bcf: Billions of cubic feet

Name of Qualified Person:

Peter Eckhard Oehms Walter Olgemann of OPK Resources GMBH

Date:

30/3/2013

Professional Society Affiliation / Membership:

Society of Petroleum Evaluation Engineers

The Vice President Subsurface, Dr Bruce Morris, confirms as at 30 June 2017, there have been no new resource or reserve estimates.

SUMMARY OF OIL AND GAS RESERVES AND RESOURCES

Name of Country: Thailand

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
Reserves				
Oil Reserves				
1P	9.73	1.95	(29.35)	The decrease is due to revision in production forecast
2P	27.20	5.44	(20.00)	The decrease is due to revision in production forecast
3P	38.21	7.64	(30.23)	The decrease is due to revision in production forecast
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources				
Oil				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-
Natural Gas				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-

Legend:

1P: Proved
 2P: Proved + Probable
 3P: Proved + Probable + Possible

MMbbl: Millions of barrels
 Bcf: Billions of cubic feet

Name of Qualified Person: Charles Chapman of Chapman Petroleum Engineering Ltd*
Date: 31/12/2016
Professional Society Affiliation / Membership: Society of Petroleum Evaluation Engineers

The Vice President Subsurface, Dr Bruce Morris, confirms as at 30 June 2017, there have been no new resource or reserve estimates.

* ECO Orient Resources (Thailand) Limited, the operator and holder of 60% of the working interest in the concessions in Phetchabun Basin, Thailand (the "Concessions"), which the Group is the holder of 20% of the working interest, had commissioned an independent third party, Chapman Petroleum Engineering Ltd ("QP"), to prepare and issue an independent qualified person's report dated 1 January 2017 on the updated oil reserves estimates of the Concessions as of 31 December 2016 ("2016 IQPR").

The 2016 IQPR was prepared in accordance with the standards set out in the Canadian Oil and Gas Evaluation Handbook prepared jointly by the Society of Petroleum Evaluation Engineers and the Canadian Institute of Mining, Metallurgy and Petroleum. A copy of the 2016 IQPR is available for inspection by the Company's shareholders during normal business hours at the registered address of the Company at 8 Wilkie Road, #03-01, Wilkie Edge Singapore 228095.

UPDATE ON THE THAILAND DRILLING CAMPAIGN 2017

The joint partners of the Concessions commenced a drilling campaign for nine wells in early 2017, which was fully funded by the cash flows generated from the Concessions. Initially six exploration wells were drilled, of which three discovered commercial accumulations of oil. This equates to a success rate of 50%, which is well above the industry average of 20-25% and is a pleasing technical result to the joint partners. The combined rate of production of these three discovered commercial wells during testing was roughly 1,500 barrels of oil per day. The Concessions currently generate about US\$21 per barrel of cash flow after tax at the prevailing oil price of US\$50 per barrel. The operator of the Concessions is currently working with the Thailand authorities to obtain Production Area licenses to put its new wells on production and develop the new reserves. There are currently nine producing Production Area licenses under the Concessions, covering an area of 101.5 square kilometres. The operator will also be working to obtain certification of the new reserves by an independent qualified person.

The Concessions have showed excellent resilience in the face of oil-price fluctuations. At an average cost of drilling of US\$1.3 million per well, the drilling campaign for the nine wells in 2017 were funded by existing cash flow from production and the project has remained profitable. Plans are being made for the next drilling campaign, and barring unforeseen circumstances, are projected to commence in January 2018 which involves several in-fill producing wells to increase production rates.

The Company will update its shareholders as and when necessary when there are material developments to the aforementioned activities.