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Giken Sakata expands its oilfield assets portfolio in Indonesia with interest in two additional oil fields

- **Substantial net revenue interest and rights to manage 70 additional wells**
- **The additional oil fields are expected to contribute to the Group's earnings in FY2015**
- **Oil production from existing oil fields increased to 880 barrels of crude oil per day, up 31% in three months**

Singapore, 22 September 2014 – The board of directors ("Board") of **Giken Sakata (S) Limited** ("Giken Sakata", together with its subsidiaries, the "Group") is pleased to announce that PT Cepu Sakti Energy ("PT CSE"), a subsidiary of the Group, has entered into two cooperation agreements (collectively known as the "Agreements") with a local government-owned corporation based in Central Java, PT Sarana Patra Jateng ("PT SPJ").

The Agreements, namely Trembul Agreement and Gabus Agreement (collectively, the "**Agreements**") for two additional oil fields, were signed between PT CSE and PT SPJ on 15 September 2014 and 17 September 2014, respectively. The Trembul Agreement will grant PT CSE the rights to manage 24 wells while the Gabus Agreement will allow PT CSE to manage an additional 46 wells. Under the Agreements, PT CSE is responsible for the procurement of equipment, transportation, manpower and working capital, in return for net revenue interest of 80% from the sales of oil that will be produced from the two oil fields. The Agreements are valid for a period of 5 years from 15 December 2011 and PT CSE is currently in the process of discussing with PT SPJ to extend the validity period of the said Agreements for an additional 10 years.

In addition to the Agreements, the Group wishes to update on the oil production profile of its existing Dandangilo-Wonocolo and Tungkul Oil Fields. PT CSE has continued to make steady progress on its drilling and production programme. As a result, PT CSE's current oil production has increased to 880 barrels of crude oil per day ("bopd"), up from 670 bopd in June 2014, with 15 wells now in production.

Commenting on the recently inked agreements and PT CSE's oil production growth, the Group's CEO, Mr. Sydney Yeung said,

"We are pleased that our drilling and production programme has been progressing steadily and that we continue to acquire further rights to operate additional oil fields."

The Group believes that Indonesia will continue to provide us with ample opportunities for growth. We will continue to focus on increasing our production while assessing further oil field opportunities as they arise."

- End -

ABOUT GIKEN SAKATA (S) LIMITED (Bloomberg Ticker: GSS SP)

Giken Sakata was established in 1979 and was subsequently listed on the Singapore Stock Exchange in February 1993. The company has manufacturing plants spanning Singapore, Indonesia and China.

Since the 1980s, Giken Sakata has built a name for itself around the world as an integrated contract manufacturer. With a team of passionate leaders, committed staff and sound financial status, the company has continued to grow with its customers, suppliers and business associates.

In 2014, Giken Sakata has diversified into onshore oil production in Indonesia through the acquisition of 53.7% stake in Cepu Sakti Energy Pte Ltd.

For more information, please visit www.giken.com.sg

Issued for and on behalf of Giken Sakata (S) Limited

By Financial PR Pte Ltd

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