



**GSS ENERGY LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration No. 201432529C)

**(I) TERMINATION OF AGREEMENT BETWEEN PT CEPU SAKTI ENERGY AND KOPERASI UNIT DESA SUMBER PANGAN**

**(II) PROFIT GUIDANCE**

**1. Introduction**

1.1 The Board of Directors (the “**Board**”) of GSS Energy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the circular dated 7 August 2014 (the “**Circular**”) and the announcement dated 22 August 2014, by Giken Sakata (S) Limited.

1.2 Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meaning as ascribed to them in the Circular.

**2. Termination of Cooperation Agreement**

2.1 The Board wishes to inform that on 16 July 2015, the Company was informed by its subsidiary, PT Cepu Sakti Energy (“**PT CSE**”), that they were notified by Village Cooperative (*Koperasi Unit Desa*) Sumber Pangan (“**KUD SP**”) that PT Pertamina EP (“**PEP**”) had terminated the Production of Oil from Old Wells Agreement dated 31 October 2012 entered into between PEP and KUD SP, and as such, KUD SP would no longer require the services of PT CSE for the management of old wells in Dandangilo-Wonocolo, and accordingly, KUD SP would be terminating the Cooperation Agreement dated 25 March 2013 entered into between KUD SP and PT CSE for the management of old wells at Dandangilo-Wonocolo and Ngrayong Fields in Kedewan-Bojonegoro, East Java (the “**Cooperation Agreement**”).

2.2 The Company had on 10 September 2014 acquired from Java Petral Energy Pte. Ltd. (“**JPEL**”) 53.68% of the issued share capital of the Cepu Sakti Energy Pte. Ltd. (“**CSE**”) (the “**Acquisition**”), which in turn owns 95% of the issued share capital of PT CSE. In connection with the Acquisition, JPEL had given certain representations and warranties in the underlying sale and purchase agreement dated 31 May 2014, which relate to, *inter alia*, the existence and enforceability of operations in Dandangilo-Wonocolo. In light thereof, the Company is seeking legal advice on the termination of the Cooperation Agreement and will make further announcements, as appropriate, to update its shareholders.

**3. Profit Guidance**

3.1 Based on the foregoing, the Group expects to record a loss for the second quarter financial period ending 30 June 2015 (“**2Q2015**”) and for the rest of the financial year ending 31 December 2015. This is because the termination by KUD SP of the Cooperation Agreement will affect the carrying value of the Company’s investment in CSE.

3.2 Further details will be disclosed when the Company announces its unaudited financial results for 2Q2015 on or before 14 August 2015.

#### 4. Trading Caution

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

#### 5. Comments by the CEO

5.1 The Group's Chief Executive Officer, Mr Sydney Yeung, had the following comments:

"We are disappointed by the termination. We had acquired the stake in CSE, the holding company of PT CSE, in September 2014, on the basis that PT CSE would be able to participate in the oil extraction services business in these areas. With this termination, we would have to re-evaluate our investment in CSE.

The termination does not, however, affect our overall strategy and activity in the oil and gas services sector. In May 2015, we entered into an agreement with Ramba Energy Limited to participate in the exploration programme at the West Jambi Block in Sumatra, Indonesia. In June 2015, we entered into an agreement with AFCO Energy Pte Ltd to jointly set up GSS-AFCO Pte Ltd to engage in the marketing and distribution of mineral oil and crude oil products and related businesses in Indonesia.

We have continued to actively seek new opportunities in the oil and gas services sector in Indonesia, focusing on regions where we have leverage. We will continue to work hard to remain a viable player in the oil and gas services sector."

By Order of the Board  
**GSS Energy Limited**

Ng Say Tiong  
Chief Financial Officer  
24 July 2015

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This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd ("**Sponsor**"), for compliance with the relevant rules of Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by SGX-ST and SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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