

**RESERVE AND ECONOMIC EVALUATION
OIL PROPERTIES**

**PHETCHABUN BASIN
THAILAND**

INDEPENDENT QUALIFIED PERSON'S REPORT

Prepared for

LOYZ ENERGY LIMITED

**January 1, 2014
(December 31, 2013)**

Chapman Petroleum Engineering Ltd.

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March 17, 2014

Loyz Energy Limited
15 Hoe Chiang Rd., # 19-01
Singapore
089316

Attention: Mr. Bruce Morris

Dear Sir:

Re: Evaluation of Reserves – Loyz Energy Limited
Phetchabun Basin, Thailand – January 1, 2014

In accordance with your authorization we have prepared an independent qualified person's report on the reserves located in Phetchabun Basin, Thailand being acquired by Loyz Energy Limited (the "Company") for an effective date of December 31, 2013.

This report has been carried out in accordance with standards set out in the Petroleum Resource Management System (PRMS), the Canadian Oil and Gas Evaluation Handbook ("COGEH"), and the Valmin Code and the Rules of Catalist of SGX-ST. The report has been prepared and/or supervised by a "Qualified Person" as demonstrated on the accompanying Certificate of Qualification of the author(s), contained in the Introduction.

The EXECUTIVE SUMMARY presents the values for the reserves and by category in accordance with the requirements of the Singapore Stock Exchange, Appendix 7D.

The INTRODUCTION contains the particulars of the "Qualified Persons" responsible for this report, the Purpose, Scope and Use of the Report, the Basis of the Report, and the Evaluation Standard used, in accordance with Practice Note 4c.

The DISCUSSION contains a property description of the interests and burdens, history, resources and geology, production forecasts, product prices, capital and operating costs and a map and further supporting attachments of each property. The economic results and cash flow forecasts are also presented for the Reserves in the respective sections of the Report.

The SUMMARY OF RESERVES AND ECONOMICS is found in Table 4 of the Discussion of the property containing reserves.

The net present values presented in this report do not necessarily represent the fair market value of the reserves evaluated in this report. All monetary values presented in this report are expressed in terms of US dollars.

Because the reserve data are based on judgments regarding future events, actual results will vary and the variations may be significant. We have no responsibility to update our report for events and circumstances which may have occurred since the preparation date of this report.

Prior to public disclosure of any information contained in this report, or our name as author, our written consent must be obtained, as to the information being disclosed and the manner in which it is presented. This report may not be reproduced, distributed or made available for use by any other party without our written consent and may not be reproduced for distribution at any time without the complete context of the report, unless otherwise reviewed and approved by us.

We consent to the submission of this report, in its entirety, to securities regulatory agencies and stock exchanges, by the Company.

It has been a pleasure to prepare this report and the opportunity to have been of service is appreciated.

Yours very truly,

Chapman Petroleum Engineering Ltd.

[Original Signed By:]

Charles William Chapman

Charles William Chapman, P. Eng.,
President

cwc/lml/5941
attachments

PERMIT TO PRACTICE	
CHAPMAN PETROLEUM ENGINEERING LTD.	
[Original Signed By:]	
Signature	<u>Charles William Chapman</u>
Date	<u>April 10, 2014</u>
PERMIT NUMBER: P 4201	
The Association of Professional Engineers and Geoscientists of Alberta	

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Appendix 7D-2: Summary of Oil and Gas Reserves, L33/43 Concession, Phetchabun Basin, Thailand

Appendix 7D-3: Summary of Oil and Gas Reserves, L44/43 Concession, Phetchabun Basin, Thailand

Table 1: Summary of Company Reserves and Economics

Table 1T: Summary of Company Reserves and Economics (After Income Tax and G&A)

EXECUTIVE SUMMARY

DISCUSSION

The SW1, L44/43 and L33/43 concessions cover the Phetchabun Basin, a Tertiary rift basin, located in central Thailand approximately 300 km north of Bangkok.

The concessions include 106 km² within production licenses.

The license areas have four general geological trends comprising the sandstone and volcanic (igneous) reservoirs of the Wichian Buri, Wichian Buri Extension and L33/43 igneous and sandstone fields in the north; sandstone and igneous exploration potential to the west; the Si Thep sandstone reservoirs in the south of L44/43; and the Na Sanun and Na Sanun East complex of volcanic reservoirs together with the Bo Rang North and L44W Fields to the east of L44/43 and L33/43.

The production licenses operate under a Thai III fiscal regime, which is a royalty tax regime, under the supervision of the Department of Mineral Fuels ("DMF") in the Kingdom of Thailand. The Thai III fiscal regime comprises a royalty payable to the DMF between 5% and 15% dependent on volume of oil sold per month. The royalty is tax deductible. The Thai III fiscal regime also incorporates a Special Remuneratory Benefit (SRB) of between 0 to 75% based on revenue described by the summation of the total depth wells drilled plus a constant. SRB losses can be carried forward and is a deduction for Petroleum Income Tax purposes. The Petroleum Income Tax rate in the Kingdom of Thailand is 50%.

Exploration concessions are held for up to 9 years after which any production areas may be converted into production licenses. Production licenses have an initial term of 20 years with additional 10 year extensions possible. The L33/43 and L44/43 production licenses commenced their 20 year terms in July 2012. The SW1 production license is due for renewal in 2017 for an additional ten years.

The oil fields are developed using individual wells and simple surface separator and tanks. Oil is transported to market via individual tanker trucks.

Environmental approvals for drilling and production are via Environmental Impact Assessment ("EIA"). Currently there are over 60 sites with approved EIA ready for drilling and development. The joint venture buys the necessary land before drilling commences so there is no need for external planning process.

No liability is required for abandonment as the concession license stipulates that at the end of the production license all fields and equipment must be returned to the DMF.

There are no contingent resources calculated for this report because all the discovered accumulations are currently being produced, and are included within the reserve estimates. All the producing wells are contained within existing production licenses.

Potentially there are exploration prospects, but there current level of technical understanding and knowledge in these areas outside the production licenses is not sufficient at this time to quantify prospective resources.

The L33/43 and L44/43 Concessions were granted to Pacific Tiger Energy (Thailand) Ltd in 2003, and Pan Orient Energy took over operatorship in 2005.

In 2006 Pan Orient Energy acquired the Wichian Buri 3D seismic program. The company also drilled 9 wells in that year: 8 wells in the WB PL I and II, and one discovery well (POE-9) in the Na Sanun PA. Although the POE-9 well was in the Na Sanun PA, it proved up an oil pool on the high side of the main fault, where previous oil was on the low side.

The discovery of the Na Sanun East South pool (NSE East) was followed up in 2007 with an aggressive drilling program of 14 wells in L44/43 that included 5 wells in the NSE-East pool. Other exploration wells discovered oil at L44-H, the Na Sanun East Central Pool (NSE Central), and L44-GD1, the Na Sanun East North Pool (NSE North). The Bo Rang 3D seismic program was acquired in 2007 and one well was drilled in L33/43.

With the granting of the Na Sanun East Production Area, drilling in 2008 was primarily in the NSE Central Pool area, following up on the L44-H discovery. Wells were also drilled in NSE South Pool, and one well was drilled in the Bo Rang area (L44-VD1) but tested tight. The well NSE-E1 drilled on the downthrown side of the fault area of the NSE Central Pool was a new pool discovery. An exploration well was drilled at L44-R and had oil in the fractured volcanics, but this well was not put on production. In all, over 25 wells were drilled in L44/43. One well (L33-3) was drilled in L33/43.

Pan Orient was very active drilling 40 wells/sidetracks during 2009 with the further development of the Na Sanun East Pools and the discovery of new pools. The NSE E Pool was followed up with two further wells. The NSE F1 Pool was discovered east of NSE Central. The L44W Volcanic Pool was discovered and followed up with several wells. The Bo Rang A and B Volcanic Pools were also discovered and

followed up with more drilling. The Bo Rang North Production Area was granted. The L44-R discovery was delineated with the well L44-R2, also with oil in fractured volcanics.

Pan Orient drilled more than 35 wells in 2010 including 2 in L33/43, with further development wells completed in the NSE F1 Pool, the Bo Rang A and B Volcanic Pools, NSE Central Pool, and the NSE E1 Pool. In addition, new discoveries in the L33/43 concession (L33-1 and L33-2 discoveries) and in the Wichian Buri extension area (WBEXT) resulted in significant appraisal drilling activity and production, especially in WBEXT where a total of 596 Mbbls of oil were produced during the 90 day test periods for each well. A new Production Area was granted in the L33/43 concession based on the L33-1 and L33-2 wells.

Early in 2011, the WBEXT Production Area was granted, and this area saw significant development drilling. More than 25 wells were drilled in L44/43 this year, and 7 wells/sidetracks in L33/43. Wells were drilled in L33/43 to delineate the L33-2 Pool. Development wells were drilled in the NSE F1 Pool, the Bo Rang A Volcanic Pool and elsewhere. Exploration wells were drilled at L44-F, L44-G, NSW-A, and elsewhere.

The reserves tables for each concession in compliance with Appendix 7D of the SGX-Catalist rules follow.

A Summary of the Company Reserves and Economics, before and after income tax, are presented in Table 1 and Table 1T following the Appendix 7D tables

Appendix -L
Summary of Licences

Loyz Energy Limited
January 1, 2014

Asset name /Country	SW1	L33/43	L44/43
Issuer's Interest	20%	20%	20%
Development status	Producing	Producing	Producing
Licence expiry date	July 2016	July 2032	July 2032
Licence area	14.5 Km2	79.5 Km2	12 Km2
Type of mineral, oil or gas deposit	Oil	Oil	Oil
Remark			

Appendix 7D-1
Summary Of Oil and Gas Reserves
SW1 Concession, Phetchabun Basin, Thailand, Country

Category	Gross Attributable to License (MMbbl/Bcf)	Net Attributable to Issuer [1]		Remarks
		(MMbbl/Bcf)	Change from Previous Update (%)	
RESERVES				
Oil Reserves				
1P	1.359	0.272	[2]	
2P	3.745	0.749	[2]	
3P	7.371	1.474	[2]	
Natural Gas Reserves				
1P	-	-		
2P	-	-		
3P	-	-		
Natural Gas Liquids Reserves				
1P	-	-		
2P	-	-		
3P	-	-		

Notes: [1] - Net Attributable to Issuer means the Company's share after deduction of other interest holders, but before deduction of royalty.

[2] - No previous evaluation for Loys Energy Limited.

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of Barrels

Bcf: Billions of Cubic Feet

Name of Qualified Person: Charles W. Chapman, P.Eng.

Date: March 17, 2014

Professional Society Membership: Association of Professional Engineers and Geoscientists of Alberta (APEGA)
Australasian Institute of Mining and Metallurgy (AusIMM)

Appendix 7D-2
Summary Of Oil and Gas Reserves
L33/43 Concession, Phetchabun Basin, Thailand, Country

Category	Gross Attributable to License (MMbbl/Bcf)	Net Attributable to Issuer [1]		Remarks
		(MMbbl/Bcf)	Change from Previous Update (%)	
RESERVES				
Oil Reserves				
1P	0.288	0.058	[2]	
2P	0.806	0.161	[2]	
3P	7.616	1.523	[2]	
Natural Gas Reserves				
1P	-	-		
2P	-	-		
3P	-	-		
Natural Gas Liquids Reserves				
1P	-	-		
2P	-	-		
3P	-	-		

Notes: [1] - Net Attributable to Issuer means the Company's share after deduction of other interest holders, but before deduction of royalty.

[2] - No previous evaluation for Loys Energy Limited.

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of Barrels

Bcf: Billions of Cubic Feet

Name of Qualified Person: Charles W. Chapman, P.Eng.

Date: March 17, 2014

Professional Society Membership: Association of Professional Engineers and Geoscientists of Alberta (APEGA)

Australasian Institute of Mining and Metallurgy (AusIMM)

Appendix 7D-3
Summary Of Oil and Gas Reserves
L44/43 Concession, Phetchabun Basin, Thailand, Country

Category	Gross Attributable to License (MMbbl/Bcf)	Net Attributable to Issuer [1]		Remarks
		(MMbbl/Bcf)	Change from Previous Update (%)	
RESERVES				
Oil Reserves				
1P	6.301	1.260	[2]	
2P	25.049	5.010	[2]	
3P	67.505	13.501	[2]	
Natural Gas Reserves				
1P	-	-		
2P	-	-		
3P	-	-		
Natural Gas Liquids Reserves				
1P	-	-		
2P	-	-		
3P	-	-		

Notes: [1] - Net Attributable to Issuer means the Company's share after deduction of other interest holders, but before deduction of royalty.

[2] - No previous evaluation for Loys Energy Limited.

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of Barrels

Bcf: Billions of Cubic Feet

Name of Qualified Person: Charles W. Chapman, P.Eng.

Date: March 17, 2014

Professional Society Membership: Association of Professional Engineers and Geoscientists of Alberta (APEGA)
Australasian Institute of Mining and Metallurgy (AusIMM)

Table 1
Summary of Company Reserves and Economics
Before Income Tax and G&A
January 1, 2014
Loyz Energy Limited

Forecast Prices & Costs

Description	Reserves				Cumulative Cash Flow (BIT) - MUS\$				
	Light and Medium Oil MSTB		Sales Gas MMscf		Undisc.	Discounted at:			
	Gross	Net	Gross	Net		5%/year	10%/year	15%/year	20%/year
Proved Developed Producing									
SW1	719	144	0	0	7,648	6,560	5,747	5,121	4,627
L44	992	198	0	0	9,403	8,539	7,821	7,217	6,704
L33	56	11	0	0	303	277	255	236	220
Total Proved Developed Producing	1,767	353	0	0	17,354	15,375	13,822	12,575	11,552
Proved Undeveloped									
SW1	640	128	0	0	5,087	3,735	2,821	2,178	1,711
L44	5,309	1,062	0	0	64,006	52,021	43,402	36,975	32,036
L33	232	46	0	0	2,117	1,863	1,655	1,483	1,338
Total Proved Undeveloped	6,181	1,236	0	0	71,209	57,619	47,879	40,636	35,085
Total Proved	7,948	1,590	0	0	88,564	72,995	61,701	53,210	46,636
Probable									
Probable Developed Producing									
SW1	339	68	0	0	3,366	2,216	1,555	1,149	886
L44	438	88	0	0	1,938	1,393	1,020	759	573
L33	18	4	0	0	365	323	288	259	234
Total Probable Developed Producing	795	159	0	0	5,669	3,931	2,862	2,167	1,693
Probable Undeveloped									
SW1	2,047	409	0	0	20,400	15,395	12,067	9,742	8,050
L44	18,310	3,662	0	0	227,035	162,178	120,376	92,160	72,375
L33	500	100	0	0	4,671	4,006	3,479	3,056	2,710
Total Probable Undeveloped	20,857	4,171	0	0	252,107	181,678	135,923	104,958	83,135
Total Probable	21,652	4,330	0	0	257,776	185,609	138,785	107,124	84,828
Total Proved Plus Probable	29,600	5,920	0	0	346,339	258,604	200,486	160,334	131,464
Possible									
SW1	3,626	725	0	0	40,667	29,810	23,016	18,454	15,218
L44	42,456	8,491	0	0	542,519	365,353	256,133	185,665	138,424
L33	6,810	1,362	0	0	73,087	48,419	33,125	23,310	16,816
Total Possible	52,892	10,578	0	0	656,273	443,582	312,274	227,429	170,458
Total Proved Plus Probable Plus Possible	82,492	16,498	0	0	1,002,613	702,086	512,760	387,763	301,923

MUS\$ means thousands of United State dollars.

Gross reserves are 100% working interest include royalties.

Net reserves are the Company's 20% working interest.

Columns may not add precisely due to accumulative rounding of values throughout the report.

Table 1T
Summary of Company Reserves and Economics
After Income Tax and G&A
January 1, 2014

Loyz Energy Limited

Description	Cumulative Cash Flow - MUS\$								
	Oil MSTB		Sales Gas MMscf		Undisc.	Discounted at:			
	Gross	Net	Gross	Net		5%/year	10%/year	15%/year	20%/year
Proved Developed Producing									
Total Proved Developed Producing (BIT)	1,767	353	0	0	17,354	15,375	13,822	12,575	11,552
G&A	-	-	-	-	(10,200)	(7,006)	(5,883)	(5,029)	(4,362)
Special Remuneratory Benefit (SRB)	-	-	-	-	0	0	0	0	0
Corporate Income Tax	-	-	-	-	(2,870)	(2,590)	(2,363)	(2,178)	(2,023)
Total Proved Developed Producing (AIT)	1,767	353	0	0	4,284	5,779	5,576	5,368	5,167
Proved Undeveloped									
Total Proved Undeveloped (BIT)	6,181	1,236	0	0	71,209	57,619	47,879	40,636	35,085
G&A	-	-	-	-	(16,400)	(9,655)	(5,982)	(3,875)	(2,609)
Special Remuneratory Benefit (SRB)	-	-	-	-	0	0	0	0	0
Corporate Income Tax	-	-	-	-	(30,967)	(26,152)	(22,484)	(19,622)	(17,344)
Total Proved Undeveloped (AIT)	6,181	1,236	0	0	23,842	21,812	19,413	17,138	15,132
Total Proved (AIT)	7,948	1,590	0	0	28,126	27,591	24,989	22,506	20,299
Probable									
Total Probable (BIT)	21,652	4,330	0	0	257,776	185,509	138,785	107,124	84,828
G&A	-	-	-	-	(7,667)	(3,085)	(1,326)	(611)	(303)
Special Remuneratory Benefit (SRB)	-	-	-	-	(15,360)	(12,113)	(9,685)	(7,840)	(6,419)
Corporate Income Tax	-	-	-	-	(119,032)	(87,177)	(66,221)	(51,846)	(41,627)
Total Probable (AIT)	21,652	4,330	0	0	115,717	83,135	61,553	46,827	36,479
Total Proved Plus Probable (AIT)	29,600	5,920	0	0	143,843	110,726	86,542	69,334	56,778
Possible									
Total Possible (BIT)	52,892	10,578	0	0	656,273	443,582	312,274	227,429	170,458
G&A	-	-	-	-	(3,267)	(1,360)	(627)	(317)	(174)
Special Remuneratory Benefit (SRB)	-	-	-	-	(178,640)	(128,211)	(94,257)	(70,793)	(54,195)
Corporate Income Tax	-	-	-	-	(239,603)	(160,468)	(112,456)	(81,873)	(61,560)
Total Possible (AIT)	52,892	10,578	0	0	234,763	153,543	104,933	74,445	54,529
Total Proved Plus Probable Plus Possible (AIT)	82,492	16,498	0	0	378,606	264,269	191,478	143,779	111,307

MUS\$ means thousands of United State dollars

Gross reserves are 100% working interest include royalties.

Net reserves are the Company's 20% working interest.

Columns may not add precisely due to accumulative rounding of values throughout the report.