



Loyz Energy completes purchase of Thailand assets, securing its first Asian oil-producing concessions

- ◆ Its 20% stake in 3 Thailand onshore concessions will see immediate returns and positive cashflows, effective April 2014
- ◆ Gross production rate rose from 1,200 bopd in February 2014 to 3,000 bopd in early April 2014; expected to surge to 4,000 bopd by May 2014
- ◆ Growing recurrent income from these producing fields will enable the Group to invest in other strategic concessions

SINGAPORE ◆ 5 May 2014

For immediate release

Loyz Energy Limited (Loyz Energy or the Group), a fast-growing Singapore-based upstream energy group, has taken a major step forward in its plans to build a stable of prime producing assets that will augment its earnings stream, having successfully completed its purchase of stakes in three onshore petroleum concessions in Thailand.

In February 2014, the Group's wholly-owned subsidiary, Loyz Thailand Oil Pte Ltd, entered into a sale-and-purchase agreement with Carnarvon Thailand Limited to acquire a 20% stake in each of the three producing concessions – SW1, L44/43 and L33/43 – located in the Phetchabun Basin, which lies about 300 kilometres north of Bangkok. Carnarvon Thailand is a wholly-owned subsidiary of Carnarvon Petroleum Ltd, an oil and gas exploration company listed on the Australian Securities Exchange.

Now that the transaction has been completed, for an aggregate consideration of US\$65 million, the Group will enjoy immediate returns from the producing wells at the concessions, earning positive cashflows with effect as of 1 April 2014.

Mr Adrian Lee (黎才庆), the Group's Managing Director, said: "From the outset, we have set our sights on acquiring choice assets that would ultimately provide the Group with a robust revenue stream. These assets already include exploration concessions that offer significant growth potential.



“With this latest deal, we have secured our very first producing concessions, marking an exciting new chapter for Loyz. Moreover, the recurring income derived from these fields will enable us to boost production at our other operations while helping to fuel further exploration initiatives.

“So far, the growth strategy we have embraced for the Group is yielding clear returns. To bring our plans to fruition, we will continue to seek out and acquire other strategic assets designed to enhance our portfolio and lock in new revenue streams.”

Currently, the Thailand concessions are producing at a combined rate of around 3,000 barrels of oil per day (bopd) – a significant increase from the 1,200 bopd achieved in February 2014. Based on the field development plans in place, Loyz expects the rate to rise even further, reaching 4,000 bopd by May 2014.

A new drilling programme for 15 wells has been put in place for the concessions. Of the three new wells drilled so far, all have produced oil shows, and the test results are pending. Loyz expects the remaining 12 wells to be drilled within the next 7 months, which should significantly jack up daily production. The cashflows from their production are expected to fund the entire drilling programme.

The estimated 2P¹ oil reserves of the three concessions combined are 29.6 million barrels, based on the independent qualified person’s report dated 1 January 2014 prepared by Chapman Petroleum Engineering Ltd. Based on its 20% interest, the Group is entitled to 5.92 million barrels of oil over the 20-year concession period. This output level would potentially generate an undiscounted cashflow of approximately US\$144 million, markedly strengthening the Group’s balance sheet.

Of the US\$65 million consideration, US\$33 million will be paid in cash and the remaining US\$32 million via future royalty payments based on revenues generated by the producing fields in the Thailand concessions.

¹ Proven plus probable



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ABOUT THE COMPANY

SGX SESDAQ (Catalist) listing: December 1999

Home-grown Loyz Energy Limited (Loyz Energy or the Group) is well on its way to establishing itself as an independent exploration and production (E&P) energy company in the Asia-Pacific.

Loyz Energy is working to build a balanced portfolio of prime, producing oil and gas concessions, which will generate a steady earnings stream to gird up its balance sheet, as well as exploration assets that will drive long-term growth. In addition, Loyz will seek drilling partnerships to reduce risks at the exploration and development stages.

The Group has begun to acquire producing assets. Recently, it purchased a 20% stake in three producing concessions in Thailand. It intends to selectively add more such assets, using the ensuing cashflows to step up the pace of development at its concessions in the US and elsewhere in the Asia-Pacific.

Within its balanced portfolio, Loyz Energy, through wholly owned Loyz Oil Pte Ltd, also owns two petroleum exploration permits (PEPs) – one for New Zealand's Taranaki Basin and the other for an area off the coast of Victoria in Australia – and a petroleum service contract for Area 14 in the East Palawan Basin, off the Philippines.

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M E D I A R E L E A S E

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