

LOYZ ENERGY LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 199905693M)

PROPOSED PLACEMENT OF AN AGGREGATE 102,454,000 NEW ORDINARY SHARES IN THE CAPITAL OF LOYZ ENERGY LIMITED AT AN ISSUE PRICE OF S\$0.0268 PER NEW ORDINARY SHARE

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Loyz Energy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that, on 30 May 2016, the Company entered into a placement agreement (the “**Placement Agreement**”) with subscribers set out in paragraph 2 below (collectively, the “**Subscribers**”) in relation to the non-underwritten placement of an aggregate of 102,454,000 new ordinary shares in the capital of the Company (the “**New Shares**”) at an issue price of S\$0.0268 per New Share (the “**Issue Price**”) to the Subscribers.

Pursuant to the Placement Agreement, the Company has agreed to allot and issue to each of the Subscribers, and each of the Subscribers has agreed to subscribe and pay for, an aggregate of 102,454,000 New Shares, in the proportion as set out in paragraph 2 below, for which listing and quotation on Catalist shall be sought, on the terms and subject to the conditions of the Placement Agreement, at the Issue Price, raising gross proceeds of approximately S\$2.75 million (the “**Placement**”).

The New Shares are to be issued to the Subscribers pursuant to Section 272B of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”). Hence, no prospectus or offer information statement in connection with the Placement will be lodged with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) acting as agent on behalf of the Monetary Authority of Singapore.

Pursuant to Rule 803 of Listing Manual Section B: Rules of Catalist of the SGX-ST (the “**Rules of Catalist**”), the Company has confirmed that it will not, pursuant to the Placement, issue the New Shares to transfer a controlling interest of the Company without the prior approval of shareholders of the Company (“**Shareholders**”) in a general meeting. The New Shares will not be issued to any person who is a Director or a substantial Shareholder, or any other person falling within the categories set out in Rule 812(1) of the Rules of Catalist.

2. THE PLACEMENT

The Issue Price of S\$0.0268 represents a discount of approximately 8.53% to the volume weighted average price (“**VWAP**”) of S\$0.0293 per share of the Company (“**Share**”), based on trades done on Catalist on 25 May 2016, being the full market day on which Shares were traded prior to the trading halt of the Company’s shares commencing on 26 May 2016. The Issue Price was arrived at pursuant to discussions with the Subscribers, taking into account, among others, the VWAP of the Shares quoted on Catalist on 25 May 2016. The New Shares will be allotted and issued to, and subscribed and paid for, by each of the Subscribers in the following proportion:

Name of Subscriber	Number of New Shares
Lim Tow Ghee	1,000,000
Bruce Douglas Morris	1,785,000
Keatsanee Chareonsup	1,800,000
Bobby Lim Chye Huat	2,000,000
Tay Buang Kim	3,732,000
Tay Kok Leong	3,732,000
Kwan Weng Kwong	3,732,000
Gay Soon Watt	7,463,000
Chen Xiong Zhao	9,550,000
Nikolay Yashenkov	11,000,000
Lai Kai Jin Michael	18,660,000
Fortune Asia Long Short Fund ⁽¹⁾	38,000,000
	102,454,000

Note:

(1) The Fortune Asia Long Short Fund is managed by Fortune Capital Management Pte Ltd and seeks to achieve long-term capital growth through investments in equities which are publicly traded and listed in recognised stock exchanges in Asia (excluding Japan) and/or equities which are publicly traded or listed in recognised stock exchanges outside Asia, of issuers whose revenue is derived substantially from business activities or operations in Asia.

There is no placement agent appointed for the Placement. The Company was introduced to the Subscribers through Teo Hui Ni Sumiko Jill, who will be paid an introducer fee of S\$110,000. The Subscribers are subscribing for the New Shares for investment purposes.

The Company will make an application to the Sponsor (as defined herein) and the SGX-ST for the dealing in, listing of and quotation for the New Shares to be issued pursuant to the Placement on Catalist of the SGX-ST.

3. NEW SHARES

As of the date of this announcement ("**Announcement**"), the Company has an issued and paid-up share capital of 852,361,945 Shares and has no treasury Shares.

The 102,454,000 New Shares represent approximately 12.02% and 10.73% of the existing and enlarged issued and paid-up share capital of the Company, respectively.

The New Shares are to be issued pursuant to the existing share issue mandate approved by Shareholders at the annual general meeting of the Company held on 30 October 2015 (the "**General Mandate**"). The General Mandate authorizes the Directors to allot and issue new shares not exceeding 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which the aggregate number of shares to be issued other than on pro rata basis to existing shareholders of the Company shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company. As at the date of the Company's annual general meeting on 30 October 2015, the Company had 825,984,945 issued shares (excluding treasury shares). Accordingly, the Company could issue up to 825,984,945 new Shares on a pro-rata basis and up to not more than 412,992,472 new Shares on a non pro-rata basis under the General Mandate.

As at the date of this announcement, the Company has issued 21,597,000 new ordinary shares on a non pro-rata basis pursuant to the General Mandate, at an issue price of S\$0.040. The shares were issued to satisfy a payment of US\$602,000 payable to Carnarvon Thailand Limited. Please refer to the announcement dated 18 January 2016 for further details. Accordingly, the proposed allotment and issuance of the New Shares falls within the limit of the General Mandate.

The New Shares, when issued and fully-paid, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the Shares as at the date of issue of the New Shares save that they will not rank for any dividend, rights, allotments or other distributions, the record of which falls on or before the date of completion of the allotment and issuance of the New Shares.

4. RATIONALE AND USE OF PROCEEDS

The Placement is proposed to raise funds to improve the Company's financial position by increasing the cash available for general corporate requirements. The Placement is beneficial to the Company as it enlarges the shareholder base of the Company and is also expected to improve the level of trading liquidity of the Shares. The estimated net proceeds from the Placement are approximately S\$2.64 million (after deducting expenses of approximately S\$0.11 million). The Company intends to allocate the net proceeds from the Placement as follows:

- (i) 40% for development expenditures relating to its Thailand oil fields in Phetchabun Basin; and
- (ii) 60% for general corporate requirements, including administrative expenses.

Pending the deployment of the net proceeds, such proceeds may be deposited with banks and/or financial institutions, used for investment in short-term money markets instruments and/or marketable securities and/or used for any other purposes on a short-term basis, as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company shall announce the use of the net proceeds as and when such funds are materially disbursed and whether such a use is in accordance with the stated use and percentage allocated in this Announcement, and where there is any material deviation from the stated use of proceeds, the Company shall announce the reasons for such deviation. The Company shall also provide a status report on the use of net proceeds in its annual report.

5. DIRECTORS' OPINION

The Directors are of the opinion that, barring any unforeseen circumstances, after taking into consideration:

- (i) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and
- (ii) the present bank facilities and net proceeds of the issue, the working capital available to the Group is sufficient to meet its present requirements.

Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Placement will enable the Company to improve its financial position by increasing the cash available for general corporate requirements.

6. FINANCIAL EFFECTS OF THE PLACEMENT

The proforma financial effects of the Placement are presented for illustration purposes only and are not intended to be indicative or reflect the actual future financial situation of the Company and the Group after the completion of the Placement.

The proforma financial effects of the Placement have been computed based on the audited consolidated financial statements of the Group for the financial year ended 30 June 2015 ("FY2015") as well as the following assumptions:

- (i) the financial effect on the consolidated net asset value ("NAV") per Share is computed based on the assumption that the Placement was completed on 30 June 2015;
- (ii) the financial effect on the loss per Share is computed based on the assumption that the Placement was completed on 1 July 2014;
- (iii) Placement of 102,454 000 New Shares at the Issue Price of S\$0.0268;
- (iv) expenses relating to the Placement of approximately S\$0.11 million; and

- (v) for the avoidance of doubt, the financial effects on the NAV per Share and loss per Share have not taken into account the issuance of new Shares by the Company subsequent to 30 June 2015 up to the date of this announcement.

Share capital and NAV per Share

	Before the Placement	After the Placement
Number of Shares as at 30 June 2015	825,984,945	928,438,945
Share capital (US\$'000)	110,554	112,464
NAV attributable to Shareholder (US\$'000)	43,829	45,739
NAV per Share (cents)	5.31	4.93

Loss per Share

	Before the Placement	After the Placement
Net loss attributable to Shareholders in FY2015 (US\$'000)	(63,101)	(63,101)
Weighted average number of Shares	456,793,642	559,247,642
Loss per Share (cents)	(13.81)	(11.28)

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Other than interests held through the Company as Shareholders, none of the Directors or substantial Shareholders and their respective associates has any interest, direct or indirect, in the Placement.

8. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in the Shares in relation to this Announcement as there is no certainty that the Placement will be completed as it is subject to the fulfillment of the terms and conditions set out in the Placement Agreement. When in doubt as to the action they should take, Shareholders and potential investors should consult their financial, tax or other advisers.

9. ANNOUNCEMENTS

Further announcements on the Placement, including the receipt of the listing and quotation notice from the SGX-ST, will be made in due course as and when appropriate.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Announcement constitutes full and true disclosure of all material facts about the Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Announcement misleading. Where information in this Announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

11. CONDITIONS PRECEDENT

Completion of the Placement is conditional upon, *inter alia*, the following:-

- a. the receipt by the Company and the Subscribers of all authorisations, consents, clearances, permissions and approvals as are necessary or required by the Company and the Subscribers

under any and all applicable laws (including any corporate approvals and authorisations of the Company and the Subscribers) and third parties, for or in respect of the Placement;

- b. the listing and quotation notice being obtained from the SGX-ST for the listing of and quotation for the New Shares on Catalist upon the allotment and issuance hereof (the “**LQN**”);
- c. any conditions attached to the LQN which are required to be fulfilled on or before the date of completion of the Placement being fulfilled on or before that date to the satisfaction of or waived by the SGX-ST;
- d. the allotment, issue and subscription of the New Shares not being prohibited by any statute, order, rule or regulation promulgated hereafter by any legislative, executive or regulatory body or authority of Singapore;
- e. the representations and warranties of the Company and the Subscribers being true, accurate and correct in all material respects as if made on the date of completion of the Placement, with reference to the then existing circumstances and the relevant Party having performed in all material respects all of its obligations herein to be performed on or before the date of completion of the Placement; and
- f. the execution of the Escrow Agreement between the Company and one of the Subscribers, the Fortune Asia Long Short Fund.

12. DOCUMENT FOR INSPECTION

A copy of the Placement Agreement is available for inspection by Shareholders during normal business hours at the registered address of the Company at 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095 for three months from the date of this Announcement.

By order of the Board

Jeffrey Pang
Chief Executive Officer and Executive Director
31 May 2016

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the SGX-ST. 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 Mr Sebastian Jones, Associate Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.