

LOYZ ENERGY LIMITED
(Incorporated in Singapore)
Registration No. 199905693M

**REPORT ON FUNDS UTILIZATION AND RESOURCES AND RESERVES UNDER CATALIST
RULES 705(6) AND 705(7)**

The board of directors (the “**Board**”) of Loyz Energy Limited (the “**Company**”) is pleased to provide a report (attached as Appendix A) which discloses the funds utilization and resources and reserves required under Rules 705(6) and 705(7) of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”).

The Board confirms that, to the best of its knowledge, nothing has come to its attention which may render such information provided false or misleading in any material aspect.

By Order of the Board

Lee Chye Cheng, Adrian
Director

Chan Eng Yew
Non-Executive Director

8 May 2014

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor (the “**Sponsor**”), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (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 Alex Tan, CEO, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.

A SUMMARY OF THE MATERIAL EXPENDITURE INCURRED ON THE EVALUATION, DEVELOPMENT AND/OR PRODUCTION ACTIVITIES FOR 3rd QUARTER OF FY2014 & 4th QUARTER OF FY2014

A RULE 705(6) (a)

The actual expenditure for Q3 FY2014, period from 1 January 2014 to 31 March 2014 is as follows:-

	<u>S\$</u>
Evaluation, Exploration & Development Expenditure	496,075
Fixed Assets	-
Administrative Expenses	66,322
	<u>562,397</u>

The projected expenditure for Q4 FY2014, period from 1 April 2014 to 30 June 2014 is as follows:-

	<u>S\$</u>
Evaluation, Exploration & Development Expenditure	316,237
Fixed Assets	-
Administrative Expenses	1,467,264
	<u>1,783,501</u>

B RULE 705 (7) (a)

Details of exploration and/or production activities undertaken by the Group in Q3 FY2014:-

Country	Work done	Expenditure for Q3 FY2014 S\$ <a>	Previous projections for the last period S\$ 	Variance S\$ <c>-<a>-	Note
1 Australia	The seismic interpretation report was completed for the 3D which fulfilled the terms of the farm-in agreement with Trident. The JV made application to National Offshore Petroleum Titles Administrator (NOPTA) for transfer from Trident to a 70% equity position and Operatorship for Loz. Also, as a result of the interpretation, the JV agreed to apply to NOPTA for a five year extension to the permit to allow for further geological and geophysical studies and the drilling of a well by the end of Year 3.	43,432	-	43,432	The variance is mainly due to one-off additional expenditure incurred by the joint operations.
2 New Zealand	Interpretation of the new 3D seismic and the reprocessed older 3D seismic data continued with the aim of ranking several identified potential drilling locations. Project scoping studies were commenced for the drilling of a well in Q2/15 using the Ensco 107 jack up drilling rig.	142,091	150,209	(8,118)	The variance is mainly due to differences in foreign exchange rate.
3 United States	Schlack 3 re-commenced production and two exploration wells were drilled in Williston Basin. The Naylor Trust #1 was cased and suspended as a potential producer and Helmers #1 plugged and abandoned. A total of 18 lines (84.1 miles) of 2D seismic data were acquired in March to better delineate prospects and to conduct Rex Virtual Drilling. At Whitewater the two completed Mansur wells remain shut in while awaiting further testing and evaluation.	-	-	-	
4 India	Completed the Modhera Static Modeling for upper Kalol section and evaluation of prospective area at Kalol level with special emphasis on the Modhera main structure enveloping the wells viz. Modhera-1 and Modhera-2 w.r.t. further activity to be carried out in both the wells in order to evaluate the production potential of Kalol reservoir units. Periodic monitoring of wellhead pressure data. Re-construction of Baola static model by incorporating dummy wells with special emphasis to Miocene Basal Sand along with distribution Oolite sand reservoir and Baola Marker Zone in order to identify additional prospective limits; job is in progress. Periodic monitoring of wellhead pressure data.	310,552	322,236	(11,684)	It is mainly due to lower expenses incurred than anticipated for testing of production.
		<u>496,075</u>	<u>472,445</u>		

Details of projected Exploration and/or production activities undertaken by the Group in Q4 FY2014:-

Country	Work to be done	Projected Expenditure for Q4 FY2014 S\$	Note
1 Australia	Define prospect de-risking technical work programme for Year 1 of the new permit term, subsequent to the permit extension being granted. Once the permit extension has been granted, details of the geological and geophysical work programme will be developed accordingly. Several potential drilling locations identified on the 3D seismic will be de-risked technically and economically as part of the finalised work programme.	20,000	
2 New Zealand	Complete ranking the several identified potential drilling locations using the results of the 3D seismic interpretation and facies studies. Define the preferred drilling target and commence drilling regulatory approval process, long lead item procurement, detailed well planning and secure service contracts.	150,000	
3 United States	Process and interpret the Williston Basin seismic. Undertake geological and geophysical studies in both Williston and Whitewater in light of the recent drilling results.	-	We do not expect any significant expenditure to be incurred in the Q4 FY2014
4 India	To continue Modhera static modeling for deeper Cambay and Olpad Section and re-evaluate the prospectivity and correlating the feasibility of hydrofracturing in Cambay sand intervals. Periodic monitoring of wellhead pressure data. To acquire expert opinion prior to finalizing any action plan for either Modhera-1 or Modhera-2. To continue Baola Static modeling. Periodic monitoring of wellhead pressure data. Planning to re-open and check flow potential from Baola Marker Zone (BMZ) in the well Baola-1 based on the increased STHP & SCHK data; to continue testing and measurement of pressure-production data provided any gas flow sustains. Re-interpretation of Baola Static Model BMZ potential based on test results.	146,237	
		<u>316,237</u>	

C RULE 705 (7) (b)

SUMMARY OF OIL AND GAS RESERVES AND RESOURCES

Name of Country: Australia

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
Reserves				
Oil Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources				
Oil				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-
Natural Gas				
Low Estimate	34	23.8	40	change from 50% to 70% equity
Best Estimate	416	291.2	37	change from 50% to 70% equity and correction of previous rounding error
High Estimate	945	661.5	37	change from 50% to 70% equity and correction of previous rounding error

Legend:

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of barrels

Bcf: Billions of cubic feet

Name of Qualified persons:

Brett Rogers of Rogers Adams Petroleum Consultants

Date:

2/10/2013

Professional Society Affiliation / Membership:

Society of Petroleum Engineers

SUMMARY OF OIL AND GAS RESERVES AND RESOURCES

Name of Country: New Zealand

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
Reserves				
Oil Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources				
Oil				
1C	0.4	0	-	-
2C	1.7	0.17	-	-
3C	4.2	0.4	-	-
Natural Gas				
1C	9	0.9	-	-
2C	26	2.6	-	-
3C	57	5.7	-	-
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	6	4.6	-	-
Best Estimate	36	26	-	-
High Estimate	78	57	-	-
Natural Gas				
Low Estimate	102	74	-	-
Best Estimate	603	440	-	-
High Estimate	1309	953	-	-

Legend:

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of barrels

Bcf: Billions of cubic feet

Name of Qualified persons:

Brett Rogers of Rogers Adams Petroleum Consultants

Date:

2/10/2013

Professional Society Affiliation / Membership:

Society of Petroleum Engineers

SUMMARY OF OIL AND GAS RESERVES AND RESOURCES

Name of Country: India

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
Reserves				
Oil Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources*				
Oil				
1C	0.2	0.1	-	-
2C	0.4	0.17	-	-
3C	0.8	0.3	-	-
Natural Gas				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	1	0.4	-	-
Best Estimate	4	1.8	-	-
High Estimate	17	7.0	-	-
Natural Gas				
Low Estimate	0	0.1	-	-
Best Estimate	0	0.2	-	-
High Estimate	1	0.3	-	-

Legend:

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of barrels

Bcf: Billions of cubic feet

*contingent resources for Baola are awaiting Indian government approval and are not included in this table

Name of Qualified persons:

Brett Rogers of Rogers Adams Petroleum Consultants

Date:

2/10/2013

Professional Society Affiliation / Membership:

Society of Petroleum Engineers

SUMMARY OF OIL AND GAS RESERVES AND RESOURCES

Name of Country: North America

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
Reserves				
Oil Reserves				
1P	14.90	2.40	-	20% interest
2P	20.40	3.30	-	20% interest
3P	26.50	4.30	-	20% interest
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources*				
Oil				
1C	0.16	0.026	-	-
2C	0.27	0.043	-	-
3C	0.38	0.061	-	-
Natural Gas				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-
Natural Gas				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-

Legend:

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of barrels

Bcf: Billions of cubic feet

Name of Qualified persons:

Peter Eckhard Oehms Walter Olgemann

Date:

31/03/2013

Professional Society Affiliation / Membership:

Society of Petroleum Evaluation Engineers