

CIRCULAR DATED 12 OCTOBER 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Loyz Energy Limited (the “Company”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

Unless otherwise stated, capitalized terms on this cover are defined in this Circular under the section titled “Definitions”.

If you have sold or transferred all your shares in the capital of the Company held through CDP, you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company which are not deposited with the CDP, you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

An application will be made to the SGX-ST by the Sponsor on behalf of the Company for the dealing in, listing of, and quotation for, the Carnarvon Shares, the AIPL Shares, the Rights Shares, the Warrants and the New Shares on Catalist. The Company will make the necessary announcements on SGXNET upon the receipt of the listing and quotation notice from the SGX-ST.

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

This Circular has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the Catalist Rules. The Sponsor has not independently verified the contents of this Circular. The contact person for the Sponsor is Ms. Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.



(Incorporated in the Republic of Singapore)
(Company Registration No. 199905693M)

CIRCULAR TO SHAREHOLDERS in relation to

- (1) THE PROPOSED DIVERSIFICATION OF THE BUSINESS SCOPE OF THE GROUP TO INCLUDE UNDERTAKING INVESTMENT AND TRADING-RELATED ACTIVITIES;**
- (2) THE PROPOSED ALLOTMENT AND ISSUANCE OF 331,653,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “CARNARVON SHARES”) TO CARNARVON THAILAND LIMITED AT AN ISSUE PRICE OF S\$0.01615 PER CARNARVON SHARE;**
- (3) THE PROPOSED ALLOTMENT AND ISSUANCE OF 76,628,352 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (THE “AIPL SHARES”) TO ARCTOS INVESTMENTS PTE. LTD. AT AN ISSUE PRICE OF S\$0.01305 PER AIPL SHARE; AND**
- (4) THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 1,950,009,035 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY (“RIGHTS SHARES”) AT AN ISSUE PRICE OF S\$0.009 FOR EACH RIGHTS SHARE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY ONE EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY, WITH UP TO 487,502,258 FREE DETACHABLE AND TRANSFERABLE WARRANTS (“WARRANTS”), EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY (“NEW SHARE”) AT AN EXERCISE PRICE OF S\$0.015 FOR EACH NEW SHARE, ON THE BASIS OF ONE WARRANT FOR EVERY FOUR RIGHTS SHARES, HELD BY ENTITLED SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED.**

IMPORTANT DATES AND TIMES

- Last date and time for lodgement of Proxy Form : 25 October 2017 at 10.30 a.m.
- Date and time of Extraordinary General Meeting : 27 October 2017 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)
- Place of Extraordinary General Meeting : TKP Conference Center
55 Market Street
#03-01 Singapore 048941

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

- “5 October Circular”** : The circular to Shareholders dated 5 October 2017 in relation to the Proposed Change of Name
- “Acquisition”** : Has the meaning set out in Section 3.1 of this Circular
- “Acquisition Agreement”** : Has the meaning set out in Section 3.1 of this Circular
- “AIPL”** : Arctos Investments Pte. Ltd.
- “AIPL Issue Price”** : S\$0.01305 per AIPL Share
- “AIPL Shares”** : 76,628,352 new shares in the capital of the Company to be issued and allotted by the Company to AIPL, pursuant to the MOU
- “ARE”** : Application and acceptance form for Rights Shares and Excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Proposed Rights cum Warrants Issue
- “ARS”** : Application and acceptance form for Rights Shares to be issued to purchasers of the provisional allotments of Rights Shares under the Proposed Rights cum Warrants Issue traded on the SGX-ST through the book-entry (scripless) settlement system
- “associate”** : (a) In relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Balance Payment”** : Has the meaning set out in Section 3.1 of this Circular
- “Board”** : The board of Directors of the Company as at the date of this Circular
- “Carnarvon Issue Price”** : S\$0.01615 per Carnarvon Share
- “Carnarvon Shares”** : 331,653,000 new shares in the capital of the Company to be allotted and issued by the Company to Carnarvon, pursuant to the Supplemental Agreement
- “Cash Consideration”** : Has the meaning set out in Section 3.1 of this Circular
- “Catalist”** : The Catalist board of the SGX-ST
- “Catalist Rules”** : Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time

“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This circular to Shareholders dated 12 October 2017
“Closing Date”	: The time and date to be determined by the Directors and announced by the Company in due course, being the last time and date for acceptance and/or excess application and payment, and renunciation and payment of the Rights Shares under the Proposed Rights cum Warrants Issue through CDP or the Share Registrar; or the last time and date for acceptance and/or excess application and payment of the Rights Shares under the Proposed Rights cum Warrants Issue through an Electronic Application
“Code”	: The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“Companies Act”	: The Companies Act, Chapter 50 of Singapore as amended, modified or supplemented from time to time
“Company”	: Loyz Energy Limited
“Concessions”	: Has the meaning set out in Section 3.1 of this Circular
“Controlling Shareholder”	: A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company; or (b) in fact exercises control over a company
“CPF”	: Central Provident Fund
“CPF Funds”	: The CPF account savings of CPFIS Members under the CPF Investment Scheme – Ordinary Account
“CPF Investment Account”	: An account opened by CPFIS Members from which CPF funds may be withdrawn for, among others, payment to subscribe for the Rights Shares pursuant to the Proposed Rights cum Warrants Issue
“CPFIS Member”	: Investor who had bought Shares under the CPF Investment Scheme – Ordinary Account
“Deed Poll”	: The deed poll to be executed by the Company for the purpose of constituting the Warrants and containing, among others, provisions for the protection of the rights and interests of the Warrantholders
“Directors”	: The directors of the Company as at the date of this Circular
“EGM”	: The extraordinary general meeting of the Company to be convened on 27 October 2017, notice of which is given in the Notice of EGM
“EPS”	: Earnings per Share
“Entitled Depositors”	: Shareholders with Shares entered against their names in the Depository Register, maintained by CDP, as at the Books Closure Date and whose registered addresses with the CDP are in Singapore as at the Books Closure Date or who have, at least three Market Days prior to the Books Closure Date, provided CDP, with addresses in Singapore for the service of notices and documents

“Entitled Scripholders”	: Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company are in Singapore as at the Books Closure Date or who have, at least three Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
“Entitled Shareholders”	: Entitled Depositors and Entitled Scripholders
“Excess Rights Shares”	: Rights Shares, which are available for application by the Entitled Shareholders subject to the terms and conditions in the Offer Information Statement, (if applicable) Constitution of the Company and the ARE, comprising Rights Shares not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renouncer(s) or purchaser(s) of provisional allotments of the Rights Shares, together with the aggregated fractional entitlements to the Rights Shares (if any) and any Rights Shares that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the ARE, the Offer Information Statement and (if applicable) the Constitution of the Company.
“Exercise Period”	Has the meaning set out in Section 5.4 of this Circular
“Exercise Price”	The sum payable in respect of each New Share to which the Warrantholder will be entitled to subscribe for, upon the exercise of a Warrant, which shall be S\$0.015, subject to certain adjustments in accordance with the terms and conditions of the Warrants set out in the Deed Poll
“Existing Issued Share Capital”	: The issued and paid-up share capital of the Company of S\$136,159,155.36 comprising 1,541,727,683 Shares, as at the Latest Practicable Date
“FMC”	: The fund management company, to be incorporated and wholly-owned by the JV Company, to manage third party funds
“FMC Investment Committee”	: The internal investment committee of the FMC
“Foreign Purchasers”	: Persons purchasing the provisional allotment of Rights Shares through the book entry (scripless) settlement system and whose registered addresses with CDP are outside Singapore and who had not, at least three Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
“Foreign Shareholders”	: Shareholders whose registered addresses with the Company or CDP are outside Singapore as at the Books Closure Date and who had not, at least three Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
“FY”	: Financial year ended 30 June
“Group”	: The Company and its subsidiaries
“Investment Company”	: The investment company to be incorporated by the Company to undertake the New Business, using internal funds and on a proprietary basis
“Issue Price”	: The issue price of S\$0.009 for each Rights Share
“JV”	: The incorporation of the JV Company
“JV Company”	: Fit Global Pte Ltd, the new joint-venture company to be incorporated to undertake the New Business, pursuant to the MOU
“JVC Management Team”	: Has the meaning set out in Section 2.8 of this Circular

“Latest Practicable Date”	: The latest practicable date prior to the printing of this Circular, being 6 October 2017
“Loyz Oil”	: Loyz Oil Thailand Pte Ltd, a wholly-owned subsidiary of the Company
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“MAS”	: Monetary Authority of Singapore
“MOU”	: The binding memorandum of understanding entered into between the Company and AIPL on 8 September 2017 in relation to the JV
“NAV”	: Net asset value
“New Business”	: The proposed new business of the Group, being the undertaking of investment and trading-related activities, pursuant to the Proposed Diversification
“New Shares”	: Up to 487,502,258 new Shares to be allotted and issued by the Company upon the exercise of all Warrants, in accordance with the Deed Poll
“Notice of EGM”	: Notice of EGM, on pages i to v of this Circular
“Offer Information Statement”	: The offer information statement to be issued by the Company and to be lodged with SGX-ST, acting as an agent on behalf of the MAS in connection with the Proposed Rights cum Warrants Issue and, where the context admits, the ARE, the ARS, the PAL and any supplementary or replacement document which may be issued by the Company in connection with the Proposed Rights cum Warrants Issue
“Ordinary Resolution”	: A resolution to be passed by not less than 50.0% in value of Shareholders present and voting either in person or by proxy at the EGM
“Original Business”	: The existing core business of the Group, in the exploration for and production of oil and gas
“PAL”	: The provisional allotment letter to be issued to the Entitled Scripholders, setting out the provisional allotment of Rights Shares with Warrants under the Proposed Rights cum Warrants Issue
“Post Completion Payments”	: Has the meaning set out in Section 3.1 of this Circular
“Proposed AIPL Shares Issue”	: The proposed allotment and issuance of the AIPL Shares at the AIPL Issue Price to AIPL pursuant to the MOU
“Proposed Carnarvon Shares Issue”	: The proposed allotment and issuance of the Carnarvon Shares at the Carnarvon Issue Price to Carnarvon pursuant to the Supplemental Agreement
“Proposed Change of Name”	: The proposed change of name of the Company from “Loyz Energy Limited” to “CWX Global Limited” (威信国际)
“Proposed Diversification”	: The proposed diversification of the Group’s business to include the New Business
“Proposed Rights cum Warrants Issue”	: The proposed renounceable non-underwritten rights cum warrants issue of up to 1,950,009,035 Rights Shares at the Issue Price of S\$0.009 for each Rights Share on the basis of one Rights Share for every one existing Share, with up to 487,502,258 Warrants, each Warrant carrying the right to subscribe for one New Share at an Exercise Price of S\$0.015 for each New Share, on the basis of one Warrant for every four Rights Shares, held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded

“Record Date”	: In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may be notified by the Company) on which Shareholders must be registered with the Company, the Share Registrar, or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
“Register of Members”	: Register of members of the Company
“Register of Warrantheolders”	: Register of Warrantheolders of the Company
“RFMC”	: Registered Fund Management Company
“Rights Shares”	: Up to 1,950,009,035 new Shares to be allotted and issued by the Company pursuant to the Proposed Rights cum Warrants Issue
“Sale”	: Has the meaning set out in Section 3.1 of this Circular
“Sale Proceeds”	: Has the meaning set out in Section 3.1 of this Circular
“Securities Account”	: Securities accounts maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“SFA”	: Securities and Futures Act, Chapter 289 of Singapore as amended, modified or supplemented from time to time
“SGXNET”	: The internet-based submission system operated by the SGX-ST
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholders”	: Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors whose Securities Accounts are credited with Shares
“Share Registrar”	: M & C Services Private Limited
“Shares”	: Ordinary shares in the capital of the Company
“Special Resolution”	: A resolution to be passed by not less than 75.0% in value of Shareholders present and voting either in person or by proxy at the EGM
“Sponsor”	: ZICO Capital Pte. Ltd.
“Substantial Shareholder”	: A person who, in accordance with the Companies Act, has an interest in not less than 5% of the issued voting Shares
“Supplemental Agreement”	: The supplemental sale and purchase agreement entered into between Carnarvon and Loyz Oil dated 1 May 2017 for the amendment of certain term in the Acquisition Agreement, details as set out in Section 3.1 of this Circular
“VWAP”	: Volume-weighted average price
“Warrant Agent”	: The warrant agent to be appointed, at the discretion of the Directors, in connection with the exercise of the Warrants in accordance with the terms and subject to the conditions of a warrant agency agreement to be executed by the Company
“Warrantheolders”	: Registered holders of the Warrants in the Register of Warrantheolders, except where the registered holder is CDP, the term “Warrantheolders” shall, in relation to such Warrants and where the context so admits, mean the Depositors whose Securities Account are credited with such Warrants

- “Warrants”** : Up to 487,502,258 free detachable warrants in registered form to be allotted and issued by the Company together with the Rights Shares pursuant to the Proposed Rights cum Warrants Issue, each Warrant carrying the right to subscribe for one New Share at the Exercise Price, subject to the terms and conditions set out in the Deed Poll
- “%”** : Per centum or percentage
- “S\$” and “cents”** : The lawful currency for the time being of the Republic of Singapore
- “US\$”** : The lawful currency for the time being of the United States of America

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act. The term “subsidiary” shall have the meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act or the Catalist Rules or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act or the Catalist Rules or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “if”, “would”, “should”, “could”, “may” and “might”. However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company assumes no obligation to update publicly or revise any forward-looking statement.

LETTER TO SHAREHOLDERS

LOYZ ENERGY LIMITED
(Incorporated in the Republic of Singapore)
Company Registration No. 199905693M

Board of Directors

Mr. Cheong Weixiong
(*Non-Executive Chairman and Independent Director*)

Mr. Jeffrey Pang Kee Chai
(*Chief Executive Officer and Executive Director*)

Mr. Lee Chye Cheng Adrian
(*Non-Executive Director*)

Mr. Ong Beng Chye
(*Independent Director*)

Registered Office

8 Wilkie Road
#03-01 Wilkie Edge
Singapore 228095

12 October 2017

To: The Shareholders of the Company

Dear Sir/Madam

- (1) **THE PROPOSED DIVERSIFICATION OF THE BUSINESS SCOPE OF THE GROUP TO INCLUDE UNDERTAKING INVESTMENT AND TRADING-RELATED ACTIVITIES;**
- (2) **THE PROPOSED ALLOTMENT AND ISSUANCE OF 331,653,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO CARNARVON THAILAND LIMITED AT AN ISSUE PRICE OF S\$0.01615 PER CARNARVON SHARE;**
- (3) **THE PROPOSED ALLOTMENT AND ISSUANCE OF 76,628,352 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY TO ARCTOS INVESTMENTS PTE. LTD. AT AN ISSUE PRICE OF S\$0.01305 PER AIPL SHARE; AND**
- (4) **THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE OF UP TO 1,950,009,035 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.009 FOR EACH RIGHTS SHARE ON THE BASIS OF ONE RIGHTS SHARE FOR EVERY ONE EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY, WITH UP TO 487,502,258 FREE DETACHABLE AND TRANSFERABLE WARRANTS, EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY AT AN EXERCISE PRICE OF S\$0.015 FOR EACH NEW SHARE, ON THE BASIS OF ONE WARRANT FOR EVERY FOUR RIGHTS SHARES, HELD BY ENTITLED SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED.**

1 INTRODUCTION

The Board refers to a separate circular to Shareholders dated 5 October 2017 (the “**5 October Circular**”) in relation to the Proposed Change of Name. As set out in the 5 October Circular, the Board is seeking Shareholders’ approval for the Proposed Change of Name as a special resolution (“**Special Resolution 1**”), at an extraordinary general meeting to be convened on the same day and at the same place as the EGM as contemplated by this Circular.

The Board is convening the EGM to seek Shareholders’ approval for the following:

- (a) the Proposed Diversification (as Ordinary Resolution 1, contingent upon the passing of Ordinary Resolution 3 and Special Resolution 1 as set out in the 5 October Circular);
- (b) the Proposed Carnarvon Shares Issue (as Ordinary Resolution 2);
- (c) the Proposed AIPL Shares Issue (as Ordinary Resolution 3, contingent upon the passing of Ordinary Resolution 1 and Special Resolution 1 as set out in the 5 October Circular); and
- (d) the Proposed Rights cum Warrants Issue (as Ordinary Resolution 4, contingent upon the passing of Ordinary Resolution 1, Ordinary Resolution 3 and Special Resolution 1 as set out in the 5 October Circular).

Shareholders should note that, in view of the above, if any of Special Resolution 1, Ordinary Resolution 1 and Ordinary Resolution 3 is not approved, all of Special Resolution 1, Ordinary Resolution 1, Ordinary Resolution 3 and Ordinary Resolution 4 would not be passed. For the avoidance of doubt, Shareholders should also note that Ordinary Resolution 2 is not conditional upon the passing of any of other resolutions.

The purpose of this Circular is to provide Shareholders with relevant information relating to, and explaining the rationale for, the aforesaid transactions and to seek Shareholders' approval in relation thereto at the EGM. The Notice of EGM is set out on pages i to v of this Circular.

An application will be made to the SGX-ST by the Sponsor on behalf of the Company for the dealing in, listing of, and quotation for, the Carnarvon Shares, the AIPL Shares, the Rights Shares, the Warrants and the New Shares on Catalist. The Company will make the necessary announcements on SGXNET upon the receipt of the listing and quotation notice from the SGX-ST.

The SGX-ST takes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made of reports contained in this Circular.

2 THE PROPOSED DIVERSIFICATION

2.1 Background

Currently, the Group is principally engaged in the exploration for and production of oil and gas (the "**Original Business**"). The Group's key asset is its 20% stake in the Thailand onshore oil concessions ("**Concessions**") located at Phetchabun Basin, which currently generates a steady income stream from its existing oil producing wells. There are currently nine producing production area licences under the Concessions, covering an area of 101.5 square kilometres. The Concessions hold 2P reserves of 27.2 million barrels of oil as at 31 December 2016, for further development as well as significant potential exploration upside that may create value enhancement and sustainable long-term growth. Given the relatively low oil prices and the current difficult environment, the Group had taken a prudent view of its portfolio of concessions and had fully impaired its investments in its non-core and non-performing assets in Australia, New Zealand, Philippines, USA and India. Please refer to the Company's annual report for FY2017 for further information on its Original Business.

The Company continues to review strategic options on an ongoing basis and hold discussions with different parties regarding possible new businesses which include, amongst others, mergers and acquisitions. In its continued search for new business opportunities and to bring in more revenue and income streams as well as to improve Shareholders' value and return, the Company has been exploring opportunities in potential new businesses.

Pursuant to the aforementioned review, the Company intends to pursue a diversification of business scope to allow the Group to undertake investment and trading-related activities (the "**New Business**", and the proposed diversification into the New Business, the "**Proposed Diversification**"). The New Business, which involves both third party funds (to be conducted by the JV Company, details as set out in Section 2.2 of this Circular) and internal funds (to be conducted by the Investment Company, details as set out in Section 2.2 of this Circular), will include (i) investments in private equity deals; (ii) investments in pre-initial public offering (mature stage) transactions or placement tranche of initial public offerings or secondary offerings; (iii) trading in equities, commodities, fixed income, hybrid instruments and other financial instruments; and (iv) undertaking market-making activities by providing buy and sell quotes in financial instruments or securities on recognized exchanges to facilitate trading liquidity.

On 8 September 2017, the Company announced that it had, on 7 September 2017, entered into the MOU with AIPL for the incorporation of the JV Company. The JV Company, to be named as "FIT Global Pte Ltd", shall be principally engaged in the New Business. The JV Company shall be incorporated with an issued and paid-up share capital of S\$1,000,000, comprising 100 ordinary shares held by AIPL (60 ordinary shares, representing 60% shareholding interest of the JV Company) and the Company (40 ordinary shares, representing 40% shareholding interest of the JV Company). The JV Company shall have only one class of shares, i.e. ordinary shares. Please refer to Section 4.1 of this Circular for further details of the capital contribution by each of AIPL and the Company.

AIPL, a private company incorporated in the Republic of Singapore, has a team of experienced investment and trading professionals led by an experienced management team. The business focus of AIPL is in trading of equities and commodities and private equity investments.

The Proposed Diversification will involve the Group expanding its Original Business to include the New Business. As the Proposed Diversification changes the existing risk profile of the Group, the Company is seeking the approval of Shareholders for the Proposed Diversification at the EGM pursuant to the Catalist Rules.

2.2 New Business

The JV Company shall be the vehicle through which the Group conducts the segment of the New Business that involves investment and trade-related activities using third party funds. The JV Company intends to incorporate a wholly-owned FMC to undertake the fund management business and apply for the requisite license from the MAS. Trading-related activities will be conducted at the JV Company. The activities of the fund management business will include, but is not limited to, the managing and maintaining of investment portfolios, conducting investments, producing research notes as well as formulating and implementing investment strategies and solutions for customers, on a discretionary basis. The revenue for the fund management business is expected to be substantially derived from performance fees calculated as an agreed profit sharing of the profits achieved by the funds under its management.

The Company also intends to incorporate a new wholly-owned subsidiary (the “**Investment Company**”) to undertake the New Business that involves investing internal funds on a proprietary basis. The Investment Company, and consequently the Group, will also have the opportunity to earn additional investment income from investing and trading its own capital (alongside that of the JV Company’s customers) and from the carried interest the Investment Company receives from its internal funds. A carried interest entitles the sponsor of a fund to a specified percentage of investment gains that are generated on investors’ funds that is invested. The Company intends that the Investment Company will initially invest and trade by placing its funds with the JV Company. The Group will establish policies relating to any actual and/or potential conflicts of interest that may arise in the course of the New Business, between the Group (through the Investment Company) and the JV Company’s third-party investors.

The Group may also, as part of the New Business, invest in or acquire or dispose of shares or interests in any entity whose principal business is in the New Business. The Group, through either the Investment Company or the JV Company, may also explore joint ventures and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the New Business.

2.3 Requirements under the Catalyst Rules

Upon approval by Shareholders for the Proposed Diversification at the EGM, the New Business, together with the Original Business, will constitute the Group’s ordinary course of business. Any acquisition which is in or in connection with the New Business may be deemed to be in the ordinary course of business and therefore not fall under the definition of a “major transaction” under the Catalyst Rules for which Shareholders’ approval is required. However, Paragraph 7(b) of Practice Note 10A of the Catalyst Rules requires that when an acquisition would change the risk profile of the Company, the Company will have to seek Shareholders’ approval, notwithstanding that the acquisition will not change the main business of the Company. The following factors, amongst others, will have to be considered in determining whether the risk profile of the Company has been changed:

- (i) when the acquisition is a very substantial acquisition which will increase the scale of the Company’s existing operations such that any of the relative figures computed on the bases as set out in Rule 1006(c) and Rule 1006(d) of the Catalyst Rules is 100% or more;
- (ii) when the acquisition will result in a change of control of the Company which may be treated as reverse takeover;
- (iii) when the acquisition will have a significant adverse impact on the Company’s earnings, working capital, and gearing; and
- (iv) when the acquisition will result in an expansion of the Company’s business to a new geographical market and/or a new business sector.

With the Proposed Diversification, the Group will, in its ordinary course of business, be able to enter into any transaction relating to the New Business without the need for further Shareholders’ approval even if the relative figures computed on the bases set out in Rule 1006 of the Catalyst Rules exceed the thresholds set out in Rule 1014 of the Catalyst Rules, unless such transaction changes the risk profile of the Group, as set out above.

Where the Proposed Diversification would involve an interested person transaction as defined under the Catalyst Rules, the Company will also comply with the provisions of Chapter 9 of the Catalyst Rules which include the requirement to seek Shareholders’ approval.

2.4 Rationale for the Proposed Diversification

Notwithstanding the risks associated with the New Business as set out in Section 2.9 of this Circular, the Board believes that the Proposed Diversification is in the interests of Shareholders for the following reasons:

- (a) The Proposed Diversification may provide a more diversified business and income base, reducing reliance on the Original Business

With the continuing weakness and volatility in the oil price environment which has persisted since 2014, there are global concerns of both oil and gas producers as well as oilfield services operators resulting in a worldwide reduction in all activities in the exploration for, and development and production of oil and gas. The Group expects the conditions for the Original Business to remain challenging for some time. The Proposed Diversification would reduce the Group's reliance on the Original Business by diversifying its revenue stream, as well as improve future prospects and better support the growth of the Group, so as to enhance Shareholders' value for the Company.

- (b) The Proposed Diversification is expected to provide additional and recurrent revenue streams with a view to achieving long-term growth

The Directors believe that the New Business is expected to provide additional and recurrent revenue streams for the Group which may include, among others, capital gains, recurring dividend income from its investments in quoted and/or unquoted securities of investee companies and carried interest through the Investment Company, as well as fund management fees, performance fees, and investment income through the JV Company. The Group aims to venture into the New Business prudently, with a view to enhance Shareholders' value over the long-term and achieving long-term growth.

- (c) The Proposed Diversification will give the Group the flexibility to enter into transactions relating to the New Business in the ordinary course of business

As set out in Section 2.3 of this Circular, upon the approval of Shareholders for the Proposed Diversification, the Group may, in the ordinary course of business, enter into transactions relating to the New Business without having to seek Shareholders' approval. This can be done as long as such transactions do not change the Group's risk profile, and will eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when potential transactions relating to the New Business arise. This will allow the Group greater flexibility to pursue business opportunities which may be time-sensitive in nature, and will substantially reduce the expenses associated with the convening of general meetings from time to time.

2.5 Regulatory Requirements

The New Business, in particular, the fund management business, is a regulated activity in Singapore under SFA, and is subject to the supervision and regulation of the MAS. Pursuant to the terms and conditions of the MOU, APL shall, on behalf of the FMC, be responsible for the application of a fund management licence to the MAS. It is intended that the FMC apply to MAS as a Registered Fund Management Company ("**RFMC**"). For the avoidance of doubt, as currently contemplated, the Investment Company will not apply for any licence from the MAS as the Investment Company will be investing in internal funds on a proprietary basis.

RFMCs may carry on the business of fund management in Singapore with no more than 30 qualified investors (of which no more than 15 may be funds or limited partnership fund structures), and the total value of the assets managed does not exceed S\$250 million.

To apply to MAS for registration as a fund management company, the FMC must meet, among others, the following requirements:

- (a) Competency of key individuals

A fund management company should ensure that the minimum competency requirements, such as (i) the number of directors (at least two directors and one of them is an executive director); (ii) the minimum years of relevant experience for the directors (at least five years); (iii) the minimum years of relevant experience for the chief executive officer (at least five years); (iv) the number of relevant professionals residing in Singapore (at least two); (v) the minimum years of relevant experience for such professionals (at least five years); and (vi) the number of representatives residing in Singapore (at least two), as prescribed by MAS are met.

- (b) Fit and proper

A fund management company should satisfy MAS that its shareholders, directors, representatives and employees, as well as the fund management company itself, are fit and proper, in accordance with the relevant guidelines issued by MAS.

(c) Base capital

A fund management company shall at all times meet the base capital thresholds set out in the relevant regulations of the SFA (being S\$250,000) upon obtaining its licence or being registered with MAS.

(d) Risk management framework

A fund management company shall put in place a risk management framework to identify, address and monitor the risks associated with customers' assets that it manages, as required by the relevant regulations of the SFA. Such framework should address (i) the governance, independence and competency of the risk management function; (ii) identification and measurement of risks associated with customer assets; (iii) timely monitoring and reporting of risks to management; and (iv) documentation of risk management policies, procedures and reports.

(e) Internal audit and independent annual audit

A fund management company's business activities shall be subject to adequate internal audit, which should be commensurate with the scale, nature and complexity of its operations. In addition, a fund management company shall meet the annual audit requirements as set out in SFA as well as any applicable regulations.

2.6 Investment Objectives, Policy and Strategy

The key investment objective of the Investment Company and the JV Company is to invest in a portfolio of assets which provides competitive rate of return and achieves capital growth. The Investment Company and the JV Company intend to invest in assets to create a portfolio with predictable cash flows, potential for long-term capital growth, and diversity across sectors and geographies.

The Investment Company and the JV Company will seek to make their investments through different means to achieve the desired exposures to the risks and rewards of the assets. In addition to direct asset ownership, such methods may include swaps, credit default swaps, stapled securities consisting of debt and equity, guarantees of assets and performance, securities lending and participating in loan agreements.

The Investment Company and the JV Company plan to achieve their investment objectives and policies through (a) acquisition growth strategy; (b) active portfolio management strategy; and (c) financing and risk management strategy.

(a) Acquisition growth strategy

The Investment Company and the JV Company intend to actively seek new assets across any sectors with attractive risk-return characteristics in terms of generating positive cashflow and the potential for profits. In assessing future investment opportunities, the Investment Company and the JV Company will seek assets that provide attractive risk-adjusted returns and enhance their overall portfolio.

(b) Active portfolio management strategy

The Investment Company and the JV Company will actively manage their portfolio of investments and economic exposures by acquiring new assets, selling assets, considering the capital structure of its assets and seeking alternative methods of financing their assets which will deliver value to the Investment Company and the JV Company.

(c) Financing and risk management strategy

The New Business will be conducted through the Investment Company and the JV Company, and are as such, separate from the rest of the Group companies that currently conduct the Original Business. The Investment Company and the JV Company aim to create value by putting in place the optimal capital structure for their respective investments and economic exposures on an individual asset basis, and in terms of the overall capital structure for each of the Investment Company and the JV Company. It is the current intention to use a combination of internal resources and debt to fund future investments. In addition, the Investment Company may consider tapping the capital markets in various ways to increase the proprietary funds, including issue of new securities as and when necessary and appropriate. The Company is proposing the Proposed Rights cum Warrants Issue whereby it intends to utilise approximately 60% of the net proceeds from the Proposed Rights cum Warrants Issue for the New Business, details of which are set out in Section 5.8 of this Circular.

The Group is considering several investment opportunities for the New Business upon obtaining Shareholders' approval for the Proposed Diversification at the EGM, but no specific opportunities have been selected or confirmed as at the date of this Circular.

2.7 Risk Management Measures and Safeguards

The Board recognises the importance of internal control and risk assessment for the smooth running of the Group's business, including the New Business. To address the risks presented by the New Business to the Group, the Group currently has in place a system of risk management and internal controls as required by the Singapore Code of Corporate Governance 2012. If the Proposed Diversification is approved by Shareholders at the EGM, the risks presented by the New Business to the Group will be managed under the existing system of risk management and internal controls, which will determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives. In addition, the Board intends to implement additional risk management practices which cover credit risks, market risks and internal controls to enable continuous monitoring of risks arising from the New Business.

The FMC will establish an internal investment committee (the "**FMC Investment Committee**") with defined terms of reference to, amongst others, determine the type and scope of investments for third-party investors.

Credit risk is the risk arising from the uncertainty of a counterparty's ability to perform its contractual obligations. The Investment Company and the JV Company will establish specific credit criteria to define the type and characteristic of its preferred counterparties. These criteria would ordinarily include the business track record vis-à-vis industry peers and key financial indicators such as equity, profitability, leverage and cash flow. The Investment Company and the JV Company will also set exposure limits for single counterparty and group of related counterparties. Such limit would be dependent on industries, economic sectors and geographic regions of the counterparties.

Market risk is the risk resulting from movements in market prices, in particular, changes in interest rates, foreign exchange rates, credit spreads and prices of equity and commodity. In managing market risk, the Investment Company and the JV Company will take into account the general market and macroeconomic conditions in which they operate. They will adopt policies and market risk management procedures that are adequate for monitoring and countering the impact of potential stress developments, including significant deterioration of market liquidity conditions.

The Investment Company and the JV Company will establish a system of effective internal controls, comprising policies, procedures and processes established by the Board to provide reasonable assurance on the safety, effectiveness and efficiency of the operations of the Investment Company and the JV Company.

While the respective board of directors will approve and oversee the implementation of the overall strategic direction, risk appetite and strategy of the Investment Company and the JV Company, the FMC Investment Committee will have the general executive responsibility for the day-to-day conduct of business and affairs of the FMC.

In addition, the Audit Committee of the Company will:

- (a) on a quarterly basis, review with the management, external and internal auditors of the Company, the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance and informational technology risks relating to the New Business; and
- (b) as and when required, commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating results and/ or financial position.

2.8 Key Management Personnel for the New Business

Key Management Personnel of the JV Company

Pursuant to the MOU, the board of directors of the JV Company shall comprise three directors (one of whom will be appointed by the Company, and two to be appointed by AIPL) and the management team of the JV Company shall be appointed by AIPL, which will include the trading team, the risk management team, as well as the personnel in charge of accounting, system and business origination ("**JVC Management Team**"). The JVC Management Team shall be responsible for providing the overall strategy and business plans of the JV Company, subject to the approval of the board of directors of the JV Company. Monthly accounts will also be prepared by the JVC Management Team and provided to the Company.

The FMC Investment Committee will comprise five individuals to be appointed, to be appointed by the JV Company, after Shareholders' approval is obtained for the Proposed Diversification at the EGM.

The JV Company will be led by Mr. Wong Yat Foo, the managing director of AIPL, as an executive director of the JV Company. Mr. Wong Yat Foo, an investment veteran in the capital markets, has more than 25 years of experience in a diverse range of cross-border deals, including both regional and international ones. He has considerable depth of knowledge and expertise, having overseen many successful capital market transactions that included mergers and acquisitions, initial public offerings and private equity investments. He is the founder and chairman of ESW Manage Pte Ltd, a private equity firm, which manages funds in excess of US\$50 million with branches in Hong Kong, Macau and Indonesia. Mr. Wong holds a Master Degree in Business Administration.

Key Management Personnel of the Investment Company

Upon approval by Shareholders for the Proposed Diversification at the EGM, the Investment Company will employ other experienced professionals possessing the relevant and appropriate expertise to assist with the operations of the New Business.

2.9 Risk Factors

To the best of the Directors' knowledge and belief, all the risk factors that are material to Shareholders in making an informed judgment on the Proposed Diversification are set out below. The New Business involves a number of risks, some of which, including market, liquidity, credit, operational, legal and regulatory risks, may be material. Some risks are not yet known to the Company and there may be risks which the Company currently believes are not material but may subsequently turn out to be. Although the following should not be construed as a comprehensive list of all risk factors relating to the New Business, Shareholders should still carefully consider and evaluate the following risk factors and all other information contained in this Circular before deciding on whether to vote in favour of the Proposed Diversification.

This Circular may contain projections or other forward-looking statements regarding future events or future financial performance of countries, markets, or companies. Such projections and statements are only predictions and actual events or results may differ materially. Such projections and statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. The Company believes these factors include those described under this section of the Circular. These factors should be read in conjunction with any other cautionary statements that are included in this Circular and in other announcements by the Company. The Company does not undertake any obligation to publicly update or review any projection or forward-looking statement, whether as a result of new information, future developments, or otherwise.

The New Business is exposed to a variety of risks which the Investment Company and the JV Company (including the FMC) are not able to control or mitigate

The operating and financial performance of the New Business is dependent on the investments made, which in turn is influenced by a variety of general economic and business conditions. Such conditions include the level of inflation, unemployment, interest rates, exchange rates, credit spreads, asset and commodity prices and government fiscal, monetary and regulatory policies in the places where the New Business' investments are in, or where its underlying assets and economic exposures are located. A deterioration in general economic conditions, including a decrease in consumer and business demand, may have a material adverse effect on the financial condition and the results of the New Business operated under the Investment Company and the JV Company (including the FMC).

The FMC may not be able to obtain its requisite registration and/or licence to engage in the New Business

Upon Shareholders' approval for the Proposed Diversification, the FMC intends to apply to MAS for the registration of the FMC as a RFMC. If required, the Group may also need to apply for requisite licences, permits, approvals and/or exemptions from the relevant authorities in the jurisdictions in which the Group may operate, in order to conduct the New Business. Any failure to obtain, maintain and/or renew the FMC's licences, permits, approvals and/or exemptions may impede or hinder the operations of the FMC, and may adversely affect the prospects and business plans of the FMC, and in turn, the Group.

The initial assets and economic exposures may be unable to produce the expected level of income

The income to be derived from the New Business from its initial portfolio of assets and economic exposures may be adversely affected by default by counterparties, movements in interest rates, credit spreads, exchange rates, adverse changes in tax and regulatory rules, the priority of more senior ranking indebtedness, and prepayment. Under the New Business, the assets that the Investment Company and/or the JV Company (including the FMC) invest in may have no historical information or lack historical information through different economic cycles and therefore the income received may be different to the income it expects to receive. If any of these or other factors results in a decrease in the New Business's income, it may have a material adverse effect on the financial condition and the results of the Investment Company and the JV Company (including the FMC).

The New Business may have future investments in illiquid assets that it may be unable to sell for a price equal to its valuation

The Investment Company and the JV Company (including the FMC) may invest in assets that are not listed on a stock exchange and for which there are only a limited number of potential buyers. These investments may include private equity deals or pre-initial public offerings (mature stage). There may also be regulatory restrictions on selling certain assets to some classes of potential purchasers. Such investments may be relatively illiquid and the illiquidity may affect the Investment Company and the JV Company (including the FMC)'s ability to vary its investment portfolio or liquidate part of its assets in response to changes in economic or other conditions. Illiquidity can also result in there being a lack of recent market data with which to make an informed decision on whether a particular price represents fair value. As a consequence, the realisable value of an asset may be less than the full value based on its estimated future cash flows. Any realisation of these assets under such circumstances may have a material adverse effect on the financial condition and the results of the Investment Company and the JV Company (including the FMC).

The investment strategy of the New Business may not be executed successfully

The primary strategic objective of the Investment Company and the JV Company (including the FMC) is to make investments and economic exposures that meet their investment objectives, policy and strategy. In order to make such investments, the Investment Company and the JV Company (including the FMC) will generally require funding from external sources. As the timing and size of such investments cannot be readily predicted, the Investment Company and the JV Company (including the FMC) may need to obtain funding at short notice to take advantage of such opportunities. As a result of a lack of necessary funding, the Investment Company and the JV Company (including the FMC) may not be able to pursue the investment strategy successfully.

The Investment Company and the JV Company (including the FMC) expects to face competition for investment opportunities, and some of their competitors may have greater financial resources or access to financing on more favourable terms than the Investment Company and the JV Company (including the FMC) will. This competition may limit the investment opportunities of the Investment Company and/or the JV Company (including the FMC), leading to higher investment prices and reduced returns and yields. Investments involve a number of special risks, including failure of the investments to achieve expected results and failure to identify material risks or liabilities associated with the investments prior to their investment, some or all of which may have a material adverse effect on the businesses and cash flows of the Investment Company and/or the JV Company (including the FMC).

The assets and economic exposures of the New Business will often have different maturities from its liabilities

While the management of the Investment Company and/or the JV Company (including the FMC) will exercise due care, the assets and economic exposures in which the Investment Company and/or the JV Company (including the FMC) will invest in may often have different maturities from its liabilities, which could result in the Investment Company and/or the JV Company (including the FMC) being exposed to interest rate and/or cash flow mismatches. With short-term funding against longer term assets, the Investment Company and/or the JV Company (including the FMC) may not be able to obtain new financing to replace maturing short-term funding on equal or better terms than those applicable to its existing financing or at all. The inability to obtain financing on equal or better terms or at all may adversely affect the income to and financial conditions of the New Business and this may adversely affect the cash flow of the Investment Company and/or the JV Company (including the FMC).

The fund management business is subject to factors in a competitive market

The success of the fund management business will depend to a large extent on the FMC's ability to establish itself in the investment and fund management markets, and build its clientele on an economically viable scale and in line with the FMC's business objectives. The FMC will have to compete with other investment and fund management institutions, some of which may be more established, larger, have more capital, offer a wider and more diverse range of services, have access to greater human resources, be subject to less regulation, and be able to offer the same services for a more competitive price. There can be no assurance that the FMC's plan to penetrate these markets will be commercially successful. Furthermore, the competitive market environment may increase pressure on the FMC's margins for the New Business, consequently compromising the FMC's financial performance. If the FMC fails to compete effectively in this environment, it may lose clients. The FMC will need to increase its expenditure on marketing activities to develop market awareness and relationships with potential clients. If such expenditure does not result in a corresponding increase in revenue, this may have an adverse impact on the FMC's growth prospects and financial performance.

The success of the New Business depends on the ability of the Investment Company and the JV Company (including the FMC) to attract highly skilled personnel

The success of the Investment Company and the JV Company (including the FMC) in the New Business depends on their ability to attract, motivate, train and retain skilled employees and professionals in the relevant fields of expertise and with the relevant track record for the New Business. If the Investment Company and the JV Company (including the FMC) are unable to attract, motivate and/or retain the necessary highly skilled personnel, there may be a material adverse effect on their business, growth prospects, results of operations and/or financial condition. The Investment Company and the JV Company (including the FMC)'s ability to recruit, retain and motivate skilled employees and professionals is dependent on its ability to offer attractive remuneration and incentives, among other benefits. Efforts to recruit, retain and motivate such personnel may result in significant additional expenses, which could adversely affect the financial condition of the Investment Company and the JV Company (including the FMC).

Changes in law, regulations, accounting standards and policy in the jurisdictions that the Investment Company and the JV Company (including the FMC) invests in, and tax rules or their interpretation, may adversely affect the returns received on its assets and economic exposures and cash flow

The initial portfolio of assets and economic exposures of the Investment Company and the JV Company (including the FMC) may be located in a number of different jurisdictions and their assets are therefore subject to a variety of laws, regulations and policies. Significant aspects of the activities of their initial assets will also be subject to various laws, regulations and policies. Changes in any law, regulation or policy affecting the activities of their initial assets (which may or may not have retrospective effect) may have a significant impact on the performance of the Investment Company and the JV Company (including the FMC). Further, the tax rules or their interpretation in relation to their initial and future assets and economic exposures may change. In particular, both the level and basis of taxation applicable to the assets and economic exposures of the Investment Company and the JV Company (including the FMC) may change. Changes that affect their initial and future assets and economic exposures may affect the returns to the respective companies' businesses.

In addition to affecting the assets and economic exposures of Investment Company and the JV Company (including the FMC), changes in, or the interpretation of, laws, regulations, accounting standards and policy may have legal, tax or accounting consequences that are adverse to the respective companies.

Interest rate fluctuations may adversely affect the income generated from the New Business, the value of its investments and its ability to obtain funding

A rising interest rate market can often increase default rates by counterparties thus reducing the income generated from the New Business and the value of such investments. The ability to obtain funding for the New Business may also be adversely affected. Higher interest rates may cause the New Business's investee companies to devote more of its income to repaying senior lenders, thereby inhibiting its ability to service its debts owing to junior lenders or pay dividends on its equity to investors. If this develops into actual events, income from the New Business and the value of its portfolio of investments may decrease, which will adversely affect its financial conditions and profitability and that of the Investment Company and the JV Company (including the FMC). It can also result in more of the income from collateral being used to service the interest payable on debt that ranks in priority to its investments, thereby reducing the income available to service the interest payable on the investments held under the New Business.

The Investment Company and the JV Company (including the FMC) will take its exposures to assets in a variety of manners, which may involve structural risks arising from complex documentation

The Investment Company and the JV Company (including the FMC) may have both a direct ownership of investments as well as structured exposures to assets which deliver to the Investment Company and the JV Company (including the FMC) the economic risk and reward of such assets ("**Structured Investments**"). The structures, documentation and legal relationships may be complex and these complexities may create risks associated with enforcement and recovery of their investments. Such risks may include the possibility that an adjudicating court may interpret the agreements in a manner different from that intended by the parties thereto. If the relevant court interprets the agreements in a manner that is adverse to the commercial interests of the Investment Company and the JV Company (including the FMC), the respective companies may suffer losses on the relevant Structured Investments. This will in turn adversely affect the financial conditions and profitability of the Investment Company and the JV Company (including the FMC).

The New Business' exposures in fixed income or debt instruments may be unsecured and will often be subordinated, and subject to enforcement and recovery risk

Some of the Investment Company and the JV Company (including the FMC) 's exposures in fixed income or debt instrument, if any, may be unsecured, therefore providing no security rights to it. Even if debt instrument is secured, it may often be subordinated to other lenders or investors and the Investment Company and the JV Company (including the FMC) will rank behind senior lenders and, in addition, may not have a separate enforcement right from the senior secured lender. In such event, the debt instrument is secured as to recovery only, but the Investment Company and the JV Company (including the FMC) must wait for the senior secured lender to act to enforce the security. A failure to act quickly may lead to penalty interest accruing to a senior secured lender which ranks ahead of repayments which will flow to the Investment Company and the JV Company (including the FMC). Further, if the amount realised on enforcement of the security over an asset is less than the amount required by the issuer of such debt instrument to repay the senior secured lender and the Investment Company and the JV Company (including the FMC) in full, the Investment Company and the JV Company (including the FMC) may not be able to recover some or all of the amounts due to it. If this occurs, the Investment Company and the JV Company (including the FMC)'s net asset value is likely to be adversely affected. In addition, a loss of capital will have a material adverse effect on the financial condition and the results of the Investment Company and the JV Company (including the FMC).

3 THE PROPOSED CARNARVON SHARES ISSUE

3.1 Background

Pursuant to a sale and purchase agreement dated 28 February 2014 (as amended on 15 January 2016 and 23 January 2017) (the "**Acquisition Agreement**") entered into between Loyz Oil and Carnarvon, Loyz Oil acquired a 20.0% participating interest in SW1 / L33 / L44 oil concessions located at Phetchabun Basin, Thailand (the "**Concessions**", and the acquisition of the Concessions, the "**Acquisition**").

The consideration for the Acquisition amounted to US\$65 million, of which US\$33 million shall be satisfied in cash by the date of completion of the Acquisition (the "**Cash Consideration**"), while the remaining US\$32 million shall be satisfied by scheduled annual repayments, after completion of the Acquisition (the "**Post Completion Payments**"), which is based on an amount equal to 12% of the revenue of the Concessions for each financial year, not exceeding US\$10,000,000 for each repayment. Each of such Post Completion Payments shall fall on 30 November each year, with the first payment date being 30 November 2015. The Acquisition was announced by the Company on 3 March 2014, and was completed on 30 April 2014. The Cash Consideration was paid in full on the date of completion of the Acquisition. Please refer to the Company's announcements on 3 March 2014 and 2 May 2014 for further details of the Acquisition.

On 15 January 2016, Loyz Oil entered into a supplemental sale and purchase agreement with Carnarvon, pursuant to which Loyz Oil and Carnarvon agreed that the first tranche of the Post Completion Payment which amounted to US\$702,000 shall be satisfied by way of (i) a cash payment of US\$100,000, which was paid on 30 December 2015; and (ii) a payment of US\$602,000, which was satisfied by the issue and allotment of 21,597,000 new Shares on 26 February 2016. Please refer to the Company's announcements on 18 January 2016, 1 February 2016 and 26 February 2016 for further details on the aforementioned supplemental sale and purchase agreement as well as the allotment and issuance of 21,597,000 new Shares to Carnarvon.

On 1 May 2017, Loyz Oil entered into a supplemental sale and purchase agreement with Carnarvon (the "**Supplemental Agreement**") for the amendment of certain terms in the Acquisition Agreement, pursuant to which Loyz Oil and Carnarvon agreed that the payment of the balance of the Post Completion Payments amounting to approximately US\$31.2 million shall be amended and paid to Carnarvon in the following manner:

- (i) A payment of US\$4.0 million, of which a non-refundable deposit made by a cash payment of US\$0.05 million shall be paid on the date of the Supplemental Agreement (or such other date as the parties may mutually agree) and the balance of US\$3.95 million ("**Balance Payment**") shall be paid on or before 30 June 2017 (or such other date as the parties may mutually agree) in cash or a combination of cash and new Shares; and
- (ii) in the event that the Concessions is sold by Loyz Oil in a single tranche to an unrelated third party (the "**Sale**") and such Sale proceeds ("**Sale Proceeds**") exceed US\$45.0 million, a cash payment amounting to 12% of such Sale Proceeds that is in excess of US\$45.0 million shall be paid by Loyz Oil to Carnarvon. If the Sale Proceeds is less than US\$45.0 million, no amount shall be payable by Loyz Oil to Carnarvon. For the avoidance of doubt, in the event that there is no Sale, no amount shall be payable by Loyz Oil to Carnarvon.

On 30 June 2017, the Company announced that the settlement date of the payment of the Balance Payment had been extended from 30 June 2017 to 31 August 2017.

On 5 September 2017, the Company announced that, as provided for in the Supplemental Agreement, the Company shall issue and allot 331,653,000 Carnarvon Shares at the Carnarvon Issue Price of S\$0.01615 per Carnarvon Share, in full and final settlement of the Balance Payment to Carnarvon.

The Proposed Carnarvon Shares Issue is subject to the approval of Shareholders at the EGM, as Ordinary Resolution 2.

3.2 Information on Carnarvon

Carnarvon, a limited company incorporated and existing under the laws of the British Virgin Islands, is principally involved in oil and gas exploration and has operations mainly in Australia. Its registered address is Level 2, 76 Kings Park Road, West Perth, Western Australia 6005. Carnarvon is a wholly-owned subsidiary of Carnarvon Petroleum Ltd, a company listed on the Australian Securities Exchange.

None of the directors or controlling shareholders of Carnarvon is related to the Directors, the Substantial Shareholders and/or their respective associates. As at the Latest Practicable Date, Carnarvon does not hold any Shares, direct or deemed, in the Company, and Carnarvon is not any of the persons falling within the categories set out in Rule 812(1) of the Catalist Rules.

3.3 Carnarvon Issue Price

The Carnarvon Issue Price of S\$0.01615 was arrived at pursuant to discussions with Carnarvon, taking into account, among others, the VWAP of the Shares quoted on Catalist for the 30 market days prior to 31 August 2017. The Carnarvon Issue Price represents (i) a premium of approximately 0.9% to the VWAP of S\$0.0160 per Share, based on trades done on Catalist on 31 August 2017, being the full market day on which the Shares were traded prior to the determination of the Carnarvon Issue Price between the Company and Carnarvon; and (ii) a discount of approximately 15.0% to the VWAP of S\$0.019 per Share, based on trades done on Catalist for the 30 market days prior to 31 August 2017.

3.4 Carnarvon Shares

Based on the Existing Issued Share Capital of 1,541,727,683 Shares, the 331,653,000 Carnarvon Shares represent approximately (i) 21.51% of the Existing Issued Share Capital; and (ii) 17.70% of the enlarged issued and paid-up share capital of the Company immediately after the allotment and issuance of the Carnarvon Shares, assuming no further issuance of new Shares by the Company. Accordingly, upon completion of the Proposed Carnarvon Shares Issue and assuming no further issuance of new Shares by the Company, Carnarvon will become a Controlling Shareholder of the Company.

Pursuant to Rule 803 of the Catalist Rules, the Company must not issue securities to transfer a controlling interest without prior approval of its Shareholders in a general meeting. In addition, pursuant to Rule 805 of the Catalist Rules (except as provided in Rule 806 of the Catalist Rules), the Company must obtain the prior approval of Shareholders in general meeting for, among others, the issue of Shares or the grant of options carrying rights to subscribe for Shares. Accordingly, the Company is seeking Shareholders' approval at the EGM for the Proposed Carnarvon Shares Issue.

The Carnarvon 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 Carnarvon 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 Carnarvon Shares.

The Carnarvon Shares are to be issued to Carnarvon pursuant to Section 275 of the SFA. Hence, no prospectus or offer information statement in connection with the Proposed Carnarvon Shares Issue will be issued by the Company and lodged with the SGX-ST (acting as agent on behalf of the MAS).

3.5 Rationale for the Proposed Carnarvon Shares Issue

The Carnarvon Shares are to be issued and allotted to Carnarvon as full and final settlement of the Balance Payment of US\$3.95 million under the Supplemental Agreement. Please see Section 3.1 of this Circular for further details. As such, there will be no proceeds raised by the Company from the Proposed Carnarvon Shares Issue.

The Proposed Carnarvon Shares Issue will improve the Company's financial position by reducing the overall debt profile, while conserving the cash position of the Group. Based on the audited consolidated financial statements of the Group for FY2017, the Group recorded net working capital deficit of approximately US\$5.82 million and a gearing ratio of 32%. Upon completion of the Proposed Carnarvon Shares Issue, *ceteris paribus*, the Group's immediate net working capital position will improve by US\$3.95 million and gearing ratio reduced to 30%.

3.6 Directors' Opinion for the Proposed Carnarvon Shares Issue

The Directors are of the opinion that, barring any unforeseen circumstances, after taking into consideration the Group's present bank facilities, internal resources and operating cash flows, the working capital available to the Group is sufficient to meet its present requirements. No proceeds will be raised by the Company from the Proposed Carnarvon Shares Issue.

Notwithstanding the present sufficiency of working capital, the Directors are of the opinion that the Proposed Carnarvon Shares Issue will enable the Group to improve its financial position by conserving its cash position while reducing its overall debt profile, and strengthens its balance sheet to enable it to drive growth and business in the midst of volatility in the oil and gas industry.

3.7 Financial Effects of the Proposed Carnarvon Shares Issue

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

The proforma financial effects of the Proposed Carnarvon Shares Issue have been computed based on the audited consolidated financial statements of the Group for FY2017 as well as the following assumptions:

- (i) the financial effects on the consolidated NAV per Share and gearing ratio are computed based on the assumption that the Proposed Carnarvon Shares Issue was completed on 30 June 2017;
- (ii) the financial effect on the EPS is computed based on the assumption that the Proposed Carnarvon Shares Issue was completed on 1 July 2016;
- (iii) the 15,200,000 new Shares allotted and issued by the Company on 2 October 2017 pursuant to the vesting of share awards had been issued on 30 June 2017 instead;
- (iv) no further new Shares are issued and allotted by the Company, including the AIPL Shares, the Rights Shares and the New Shares; and
- (v) expenses relating to the Proposed Carnarvon Shares Issue of approximately US\$10,000.

Share capital and NAV per Share

	Before the Proposed Carnarvon Shares Issue	After the Proposed Carnarvon Shares Issue
Number of Shares as at 30 June 2017	1,541,727,683	1,873,380,683
Share capital (US\$'000)	124,498	128,438
NAV attributable to Shareholders (US\$'000)	48,171	52,111
NAV per Share (US cents)	3.12	2.78

EPS

	Before the Proposed Carnarvon Shares Issue	After the Proposed Carnarvon Shares Issue
Net profit attributable to Shareholders in FY2017 (US\$'000)	12,882	12,882
Weighted average number of Shares	1,204,163,622	1,535,816,622
EPS (US cents)	1.07	0.84

Gearing

<i>As at 30 June 2017</i>	Before the Proposed Carnarvon Shares Issue	After the Proposed Carnarvon Shares Issue
Total borrowings (US\$'000)	22,529	22,529
Total shareholders' funds (US\$'000)	48,171	52,111
Gearing ratio	32%	30%

4 THE PROPOSED AIPL SHARES ISSUE

4.1 Background

On 8 September 2017, the Company announced that it had, on 7 September 2017, entered into the MOU with AIPL for the incorporation of the JV Company. The principal business of the JV Company shall be in the New Business. Please refer to Section 2 of this Circular for further details on the New Business and the Proposed Diversification.

The JV Company shall have an issued and paid-up capital of S\$1,000,000, which the Company shall contribute S\$1,000,000 in cash while AIPL shall contribute by way of its network, team of investment and trading professionals and risk management expertise. Pursuant to the MOU, in consideration of AIPL's contribution to the JV Company, the Company shall also issue and allot to AIPL, such number of fully paid-up new Shares (being, the AIPL Shares) at an issue price to be agreed (being, the AIPL Issue Price), amounting to S\$1,000,000.

The JV Company shall be incorporated with 100 ordinary shares. The Company shall hold 40 shares (representing 40% shareholding interest of the JV Company) while AIPL shall hold 60 shares (representing 60% shareholding interest of the JV Company). The JV Company shall have only one class of shares, i.e. ordinary shares.

On 30 September 2017, the Company and AIPL agreed that the AIPL Issue Price shall be S\$0.01305 per AIPL Share. Accordingly, pursuant to the MOU, 76,628,352 AIPL Shares shall be issued by the Company to AIPL.

The Proposed AIPL Shares Issue is subject to the approval of Shareholders at the EGM, as Ordinary Resolution 3.

4.2 Information on AIPL

AIPL is a private company incorporated in the Republic of Singapore with a highly experienced team of investment and trading professionals led by an experienced management team. The business focus of AIPL is in trading of equities and commodities and private equity investments.

None of the directors and shareholders of AIPL is related to the Directors, the Substantial Shareholders and/or their respective associates. As at the Latest Practicable Date, AIPL does not hold any Shares, direct or deemed, in the Company, and AIPL is not any of the persons falling within the categories set out in Rule 812(1) of the Catalyst Rules.

4.3 AIPL Issue Price

The AIPL Issue Price of S\$0.01305 was arrived at pursuant to discussions with AIPL, taking into account, among others, the VWAP of the Shares quoted on Catalyst on 28 September 2017, being the full market day on which the Shares were traded prior to the determination of the AIPL Issue Price between the Company and AIPL. The AIPL Issue Price represents a discount of approximately 10.0% to the VWAP of S\$0.0145 per Share, based on trades done on Catalyst on 28 September 2017.

4.4 AIPL Shares

Based on the Existing Issued Share Capital of 1,541,727,683 Shares, the 76,628,352 AIPL Shares represent approximately (i) 4.97% of the Existing Issued Share Capital; and (ii) 4.73% of the enlarged issued and paid-up share capital of the Company immediately after the allotment and issuance of the AIPL Shares, assuming no further issuance of new Shares by the Company.

Pursuant to Rule 805 of the Catalyst Rules (except as provided in Rule 806 of the Catalyst Rules), the Company must obtain the prior approval of Shareholders in general meeting for, among others, the issue of Shares or the grant of options carrying rights to subscribe for Shares. Accordingly, the Company will be seeking Shareholders' approval at the EGM for the Proposed AIPL Shares Issue.

The AIPL 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 AIPL 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 AIPL Shares.

The AIPL Shares are to be issued to AIPL pursuant to Section 275 of the SFA. Hence, no prospectus or offer information statement in connection with the Proposed AIPL Shares Issue will be issued by the Company and lodged with the SGX-ST (acting as agent on behalf of the MAS).

4.5 Rationale for the Proposed AIPL Shares Issue

The Proposed AIPL Shares Issue is required pursuant to the terms of the MOU as well as necessary in furtherance of the Proposed Diversification. The AIPL Shares are to be issued and allotted to AIPL as part of AIPL's contribution to the JV Company, being the contribution of its network, team of investment and trading professionals and risk management expertise. As such, there will be no proceeds raised by the Company from the Proposed AIPL Shares Issue.

The MOU and the JV is expected to improve the Company's future prospect by enabling the Company to enter into the New Business and reduce the Group's reliance on the Original Business by diversifying its revenue stream, as well as improve future prospects and better support the growth of the Group.

4.6 Financial Effects of the Proposed AIPL Shares Issue

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

The proforma financial effects of the Proposed AIPL Shares Issue have been computed based on the audited consolidated financial statements of the Group for FY2017 as well as the following assumptions:

- (i) the financial effects on the consolidated NAV per Share and gearing ratio are computed based on the assumption that the Proposed AIPL Shares Issue was completed on 30 June 2017;
- (ii) the financial effect on the EPS is computed based on the assumption that the Proposed AIPL Shares Issue was completed on 1 July 2016;
- (iii) the 15,200,000 new Shares allotted and issued by the Company on 2 October 2017 pursuant to the vesting of share awards had been issued on 30 June 2017 instead;
- (iv) no further new Shares are issued and allotted by the Company, including the Carnarvon Shares, the Rights Shares and the New Shares; and
- (v) expenses relating to the Proposed AIPL Shares Issue of approximately US\$10,000.

Share capital and NAV per Share

	Before the Proposed AIPL Shares Issue	After the Proposed AIPL Shares Issue
Number of Shares as at 30 June 2017	1,541,727,683	1,618,356,035
Share capital (US\$'000)	124,498	125,223
NAV attributable to Shareholders (US\$'000)	48,171	48,896
NAV per Share (US cents)	3.12	3.02

EPS

	Before the Proposed AIPL Shares Issue	After the Proposed AIPL Shares Issue
Net profit attributable to Shareholders in FY2017 (US\$'000)	12,882	12,882
Weighted average number of Shares	1,204,163,622	1,280,791,974
EPS (US cents)	1.07	1.01

Gearing

<i>As at 30 June 2017</i>	Before the Proposed AIPL Shares Issue	After the Proposed AIPL Shares Issue
Total borrowings (US\$'000)	22,529	22,529
Total shareholders' funds (US\$'000)	48,171	48,896
Gearing ratio	32%	32%

5 THE PROPOSED RIGHTS CUM WARRANTS ISSUE

5.1 Overview of the Proposed Rights cum Warrants Issue

On 30 September 2017, the Company announced the Proposed Rights cum Warrants Issue, to be undertaken by the Company on a non-underwritten basis. Further to the aforementioned announcement and as at the date of this Circular, the Company is engaging in discussions with certain Shareholders to secure irrevocable undertakings from them to subscribe for and pay in full for their respective pro-rata entitlements for the Rights Shares, and to subscribe for Excess Rights Shares pursuant to the Proposed Rights cum Warrants Issue ("**Potential Undertakings**"). Subject to all applicable laws and regulations, if any of these Shareholders provide such Potential Undertakings to the Company ("**Undertaking Shareholders**"), the Company may pay the Undertaking Shareholders a commission equivalent to 3.0% of the number of Rights Shares undertaken by each of them, multiplied by the Issue Price of S\$0.009. The Company will make the necessary announcements on SGXNET regarding the Potential Undertakings and the agreed commission, if any.

The Proposed Rights cum Warrants Issue is subject to the approval of Shareholders at the EGM, as Ordinary Resolution 4.

The terms and conditions of the Proposed Rights cum Warrants Issue are subject to such changes as the Board may, and in its absolute discretion, deem fit. The final terms and conditions of the Proposed Rights cum Warrants Issue will be contained in the Offer Information Statement to be lodged with the SGX-ST (acting as agent on behalf of the MAS), in connection with the Proposed Rights cum Warrants Issue and to be despatched by the Company to the Entitled Shareholders in due course, subject to, *inter alia*, the approval of Shareholders for the Proposed Rights cum Warrants Issue at the EGM.

5.2 Basis of the Proposed Rights cum Warrants Issue

As at the Latest Practicable Date, the Company has:

- (i) an Existing Issued Share Capital of 1,541,727,683 Shares and has no treasury Shares or outstanding convertibles;
- (ii) on 5 September 2017, announced the proposed allotment and issuance of 331,653,000 Carnarvon Shares pursuant to the Proposed Carnarvon Shares Issue (details as set out in Section 3 of this Circular); and
- (iii) on 30 September 2017, announced the proposed allotment and issuance of the 76,628,352 AIPL Shares pursuant to the Proposed AIPL Shares Issue (details as set out in Section 4 of this Circular).

Based on the foregoing, up to 1,950,009,035 Rights Shares will be issued at the Issue Price of S\$0.009 for each Rights Share on the basis of one Rights Share for every one Share, with up to 487,502,258 Warrants, and each Warrant carrying the right to subscribe for one New Share at the Exercise Price of S\$0.015 for each New Share, on the basis of one Warrant for every four Rights Shares, held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

5.3 Principal Terms of the Proposed Rights cum Warrants Issue

Number of Rights Shares	:	Up to 1,950,009,035 Rights Shares (together with Warrants).
Basis of Provisional Allotment	:	One Rights Share for every one existing Share held Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
Issue Price	:	S\$0.009 per Rights Share, payable in full on acceptance and (if applicable) application.

The Issue Price of S\$0.009 for each Rights Share represents:

- (a) a discount of approximately 35.71% to the closing price of S\$0.014 per Share ("**Closing Price**") for trades done on Catalist on 29 September 2017, being the last trading day on which the Shares were traded on Catalist prior to the date of the announcement of the Proposed Rights cum Warrants Issue; and
- (b) a discount of approximately 21.74% to the theoretical ex-rights price ("**TERP**")¹ of S\$0.0115 per Share.

Note:

- (1) The TERP per Share is equal to sum of the Closing Price and the Issue Price, divided by two.

- Eligibility to Participate in the Proposed Rights cum Warrants Issue : Please see Section 5.6 of this Circular for further details.
- Status of the Rights Shares : The Rights Shares shall, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the Record Date for which falls on or after the date of issue of the Rights Shares.
- Listing of the Rights Shares : An application will be made to the SGX-ST by the Sponsor on behalf of the Company for the dealing in, listing of, and quotation for, the Rights Shares (together with the Warrants and the New Shares) on Catalist. The Company will make the necessary announcements on SGXNET upon the receipt of the listing and quotation notice from the SGX-ST. The issue of the listing and quotation notice from the SGX-ST is not an indication of the merits of the Proposed Rights cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Company, the subsidiaries and their securities.
- Trading of the Rights Shares : Upon the listing and quotation of the Rights Shares on the SGX-ST, the Rights Shares will be traded on the SGX-ST under the book-entry (scripless) settlement system. For the purposes of trading on the SGX-ST, each board lot of Shares will comprise 100 Shares, or such other number of Shares as may be notified by the Company. Odd lots of Shares in board lots of one (1) Share may be traded on the Unit Share Market of the SGX-ST.
- Trading of Rights : Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on Catalist can do so during the trading period for the Rights Shares. Entitled Depositors should note that the provisional allotments of Rights Shares are expected to be tradeable in board lot sizes of 100. Entitled Depositors who wish to trade in lot sizes other than this board lot size, can do so on the SGX-ST's Unit Share Market.
- Non-underwritten : The Proposed Rights cum Warrants Issue will not be underwritten as the Directors are of the opinion that there is no minimum amount which must be raised from the Proposed Rights cum Warrants Issue. In view of the savings in cost to the Company as a result of not having to pay for any underwriting fees, the Company has decided to proceed with the Proposed Rights cum Warrants Issue without having it underwritten by any financial institution. The Proposed Rights cum Warrants Issue will not be withdrawn after commencement of the ex-rights trading of the Shares pursuant to Rule 820(1) of the Catalist Rules.

As at the date of this Circular, the Company is in discussions with certain Shareholders to secure irrevocable undertakings from them to subscribe for and pay in full for their respective pro-rata entitlements for the Rights Shares, and to subscribe for Excess Rights Shares pursuant to the Proposed Rights cum Warrants Issue. Subject to all applicable laws and regulations, if any of these Shareholders provide such undertakings to the Company, the Company may pay such undertaking shareholders a commission equivalent to 3.0% of the number of Rights Shares undertaken by each of them, multiplied by the Issue Price of S\$0.009. The Company will make the necessary announcements on SGXNET regarding such undertakings and agreed commission, if any.

- Acceptance, excess/ additional application and payment procedures : Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or in the case of Entitled Depositors, trade their provisional allotments of the Rights Shares on Catalist during the provisional allotment trading period prescribed by SGX-ST and will be eligible to apply for the Excess Rights Shares.
- Provisional allotments of Rights Shares which are not taken up for any reason shall be aggregated and used to satisfy excess applications for Rights Shares (if any) or otherwise dealt with in such manner as the Board may in its absolute discretion deem fit in the interests of the Company.
- In the allotment of Excess Rights Shares, preference will be given to Entitled Shareholders in satisfaction of their application for Excess Rights Shares, if any, provided that where there are insufficient Excess Rights Shares to allot to each application, the Company shall allot the Excess Rights Shares to Entitled Shareholders such that preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Proposed Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board, will either be ineligible for Excess Rights Shares, or if eligible, rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares. The procedures for acceptance, payment and excess application by Entitled Depositors and the procedures for acceptance, payment, splitting, renunciation and excess application by Entitled Scripholders will be set out in the Offer Information Statement to be despatched to Entitled Shareholders in due course, subject to, among others, the Proposed Rights cum Warrants Issue being approved by Shareholders at the EGM.
- Fractional entitlements : Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy applications for Excess Rights Shares (if any), or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.
- Use of CPF Funds : Members under the CPF Investment Scheme-Ordinary Account may use their CPF account saving (subject to the availability of investible savings) ("**CPF Funds**") for the payment of the Issue Price to subscribe for their provisional allotments of Rights Shares and/or apply for Excess Rights Shares, subject to the applicable CPF rules and regulations. Such members who wish to accept the provisional allotment of Rights Shares and (if applicable) apply for Excess Rights Shares using the CPF Funds will need to instruct their respective approved banks, where they hold their CPF Investment Accounts, to accept and (if applicable) apply for the Rights Shares on their behalf in accordance with the terms and conditions of the Offer Information Statement. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.
- Scaling Down Option : Depending on the level of subscription for the Rights Shares, the Company will, if necessary, and upon the approval of the SGX-ST and/or the Sponsor, scale down the subscription and (if applicable) excess applications for the Rights Shares by any of the Shareholders (if such Shareholder chooses to subscribe for its pro-rata Rights Shares entitlements and (if applicable) apply for Excess Rights Shares) to avoid placing the relevant Shareholder and parties acting in concert with it (as defined in the Code)) in the position of incurring a mandatory general offer obligation under the Code as a result of other Shareholders not taking up their Rights Shares entitlement fully.
- Governing Law : Laws of the Republic of Singapore.

5.4 Principal Terms of the Warrants

- Number of Warrants : Up to 487,502,258 Warrants (together with the Rights Shares).
- Basis of Allotment : One Warrant with every four Rights Shares subscribed, fractional entitlements to be disregarded.
- Detachability and Trading : The Warrants will be detached from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on the SGX-ST under the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on the SGX-ST, subject to, among others, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants. Each board lot of Warrants will consist of 100 Warrants or such other number as may be notified by the Company. Arrangements made for the trading of odd lots of Rights Shares will apply to that of the Warrants.
- Listing of the Warrants and the New Shares : An application will be made to the SGX-ST by the Sponsor on behalf of the Company for the dealing in, listing of, and quotation for, the Warrants and the New Shares (together with the Rights Shares) on Catalist. The Company will make the necessary announcements on SGXNET upon the receipt of the listing and quotation notice from the SGX-ST. The issue of the listing and quotation notice from the SGX-ST is not an indication of the merits of the Proposed Rights cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Company, the subsidiaries and their securities.
- Form and Subscription Rights : The Warrants will be issued in registered form and will be constituted by the Deed Poll. Subject to the terms and conditions of the Warrants as set out in the Deed Poll, each one Warrant shall entitle the Warrantholder, at any time during the Exercise Period, to subscribe for one New Share at the Exercise Price in force on the relevant date of exercise of the Warrants.
- Exercise Price : S\$0.015 per New Share.
- Exercise Period : The Warrants may be exercised at any time during the period commencing on and including the date of issue of the Warrants and expiring at 5.00 p.m. on the date immediately preceding the fifth anniversary of such date of issue, unless such date is a date on which the Register of Members and/or Register of Warrantholders of the Company is closed or is not a Market Day, in which event the Exercise Period shall end on the date prior to the closure of the Register of Members or the immediately preceding Market Day, as the case may be (but excluding such period(s) during which the Register of Warrantholders may be closed), subject to the terms and conditions of the Warrants as set out in the Deed Poll. Warrants remaining unexercised at the expiry of the Exercise Period shall lapse and cease to be valid for any purpose. The right to exercise the Warrants will not be extended beyond the Exercise Period.
- End of Exercise Period : Not less than one month before the end of the Exercise Period, the Company shall, *inter alia*:
- (i) give notice to the Warrantholders in accordance with the terms and conditions set out in the Deed Poll of the expiry of the Exercise Period and announce to the SGX-ST via an announcement on the SGXNET; and
 - (ii) take all reasonable steps to despatch to the Warrantholders notice in writing to their addresses recorded in the Register of Warrantholders or Depository Register, as the case may be, of the expiry of the Exercise Period.

- Mode of Payment for Exercise of Warrants : Warrantheolders who exercise their Warrants by way of (a) a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank operating in Singapore in favour of the Company; or (b) subject to the Warrants being listed on Catalist, by debiting the relevant Warrantheolder's CPF Investment Account with the specified CPF Approved Bank for the credit of the Special Account (each term as defined in the Deed Poll); (c) subject to the Warrants being listed on Catalist, partly in the form of remittance in Singapore currency by the banker's draft or cashier's order drawn on a bank in Singapore and/or partly by debiting such Warrantheolder's CPF Investment Account with the specified CPF Approved Bank for the credit of the Special Account.
- Adjustments : The Exercise Price and/or the number of Warrants to be held by each Warrantheolder will, after their issue, be subject to adjustments under certain circumstances provided for in the terms and conditions of the Warrants as set out in the Deed Poll. Such circumstances include, without limitation, consolidation or subdivision of the Shares, capitalisation issues, rights issues and certain capital distributions.
- Any additional Warrants issued pursuant to such adjustments shall rank *pari passu* with the Warrants issued under the Proposed Rights cum Warrants Issue and will for all purposes form part of the same series. Any such adjustments shall (unless otherwise provided under the Catalist Rules from time to time) be announced by the Company on the SGXNET.
- Status of New Shares : The New Shares arising from the exercise of the Warrants will, upon allotment and issue, rank *pari passu* in all respects with the then issued Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which precedes the date of exercise of the Warrants.
- Modifications of rights of the Warrantheolders : The Company may, without the consent of the Warrantheolders but in accordance with the terms and conditions of the Deed Poll, effect any modification to the terms and conditions of the Deed Poll including, without limitation, the terms and conditions of the Warrants, which, in the opinion of the Company is:
- (i) not materially prejudicial to the interests of the Warrantheolders;
 - (ii) of a formal, technical or minor nature or to correct a manifest error or to comply with mandatory provisions of Singapore law or the rules and regulations of the SGX-ST; or
 - (iii) to vary or replace provisions relating to the transfer or exercise of the Warrants, including the issue of New Shares arising from the exercise thereof or meetings of Warrantheolders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the SGX-ST.
- Any such modification shall be binding on all Warrantheolders and all persons having an interest in the Warrants and shall be notified to them in accordance with the terms and conditions of the Warrants as set out in the Deed Poll, as soon as practicable thereafter.
- Without prejudice to any provision of the Deed Poll, any material alteration in the terms and conditions of the Warrants to the advantage of the Warrantheolders and/or prejudicial to Shareholders is subject to the approval of Shareholders in general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants as set out in the Deed Poll.

- Transfer and Transmission : The Warrants shall be transferable in lots entitling Warranholders to subscribe for whole numbers of New Shares. A Warrant may only be transferred in the manner prescribed in the terms and conditions of the Warrants set out in the Deed Poll including, among others, the following:
- (i) Warrants not registered in the name of CDP – a Warranholder whose Warrants are registered otherwise than in the name of CDP (the “**Transferor**”) shall lodge, during normal business hours on any Market Day so as to be received at the specified office of the Warrant Agent, the Transferor’s Warrant certificate(s) together with an instrument of transfer (the “**Transfer Form**”) duly completed and signed by, or on behalf of, the Transferor and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty and accompanied by the fees and expenses set out in the Deed Poll, provided that the Warrant Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Warrants to it;
 - (ii) Deceased Warranholder – the executors or administrators of a deceased Warranholder whose Warrants are registered otherwise than in the name of CDP (not being one of several joint holders) or, if the registered holder of the Warrants is CDP, of a deceased Depositor and, in the case of the death of one or more of several joint Warranholders, the survivor or survivors of such joint holders shall be the only persons recognised by the Company and the Warrant Agent as having any title to the Warrants registered in the name of the deceased Warranholder. Such persons shall, on producing to the Warrant Agent such evidence as may be required by the Warrant Agent to prove their title, and on the completion of a Transfer Form and the payment of the fees and expenses set out in the Deed Poll, be entitled to be registered as a holder of the Warrants or to make such transfer as the deceased Warranholder could have made;
 - (iii) Warrants registered in the name of CDP – where the Warrants are registered in the name of CDP and the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by CDP by way of book-entry; and
 - (iv) Effective date of transfer – A transferor or Depositor, as the case may be, shall be deemed to remain a Warranholder until the name of the transferee is entered in the Register of Warranholders by the Warrant Agent or the Depository Register by CDP, as the case may be.
- Winding-up : Where there is a members’ voluntary winding-up of the Company (other than a winding-up for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement), the Warranholders may elect to be treated as if they had immediately prior to the commencement of such winding-up exercised the Warrants and had on such date been the holders of the Shares to which they would have been entitled pursuant to such exercise, and the liquidator of the Company shall, if permitted by law, give effect to such election accordingly. The Company shall give notice to the Warranholders in accordance with the terms and conditions of the Deed Poll of the passing of any such resolution within seven days after the passing thereof.
- Subject to the foregoing, if the Company is wound up for any other reason, all Warrants which have not been exercised at the date of the passing of such resolution shall lapse and cease to be valid for any purpose.
- Further Issues : Subject to the terms and conditions of the Warrants as set out in the Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and to issue further subscription rights, upon such terms and conditions as the Company sees fit but the Warranholders shall not have any participating rights in such further issues of Shares or subscription rights unless otherwise resolved by the Company in a general meeting.

Warrant Agent	:	The warrant agent to be appointed, at the discretion of the Directors, in connection with the exercise of the Warrants in accordance with the terms and subject to the conditions of a warrant agency agreement to be executed by the Company.
Governing Law	:	Laws of the Republic of Singapore

The terms and conditions of the Proposed Rights cum Warrants Issue are subject to such changes as the Board may, and in its absolute discretion, deem fit. The final terms and conditions of the Proposed Rights cum Warrants Issue will be contained in the Offer Information Statement to be lodged with the SGX-ST (acting as agent on behalf of the MAS), in connection with the Proposed Rights cum Warrants Issue and to be despatched by the Company to the Entitled Shareholders in due course, subject to, *inter alia*, the approval of Shareholders for the Proposed Rights cum Warrants Issue at the EGM.

5.5 Conditions for the Proposed Rights cum Warrants Issue

The Proposed Rights cum Warrants is subject to, among others, the following:

- (a) the approval in-principle from the SGX-ST for the listing of and quotation for the Rights Shares, the Warrants and the New Shares pursuant to the Proposed Rights cum Warrants on the Official List of the SGX-ST not having been withdrawn or revoked as at the date of completion of the Proposed Rights cum Warrants Issue;
- (b) the approval of Shareholders at the EGM for the proposed allotment and issuance of the Rights Shares, the Warrants and the New Shares;
- (c) the lodgement by the Company of the Offer Information Statement, together with all other accompanying documents (if applicable), with the SGX-ST, acting as agent on behalf of the MAS; and
- (d) the receipt of the other necessary consents, approvals and waivers required from any person, financial institution or regulatory body or authority of Singapore or elsewhere under any and all agreements applicable to the Company and/or applicable laws for the Proposed Rights cum Warrants Issue and to give effect to the Proposed Rights cum Warrants Issue being obtained and not having been revoked or amended.

An application will be made to the SGX-ST by the Sponsor on behalf of the Company for the dealing in, listing of, and quotation for, the Rights Shares, the Warrants and the New Shares on Catalyst. The Company will make the necessary announcements on SGXNET upon the receipt of the listing and quotation notice from the SGX-ST. The issue of the listing and quotation notice from the SGX-ST is not an indication of the merits of the Proposed Rights cum Warrants Issue, the Rights Shares, the Warrants, the New Shares, the Company, the subsidiaries and their securities.

5.6 Eligibility of Shareholders to Participate in the Proposed Rights cum Warrants Issue

(a) Entitled Shareholders

Entitled Shareholders will be entitled to participate in the Proposed Rights cum Warrants Issue and receive the Offer Information Statement together with the AREs or PALs, as the case may be, and the accompanying documents at their respective Singapore addresses as maintained with the records of the CDP or the Share Registrar, as the case may be. Entitled Depositors who do not receive the Offer Information Statement and the AREs may obtain them from CDP during the period up to the Closing Date. Entitled Scripholders who do not receive the Offer Information Statement and the PALs may obtain them from the Share Registrar during the period up to the Closing Date.

Entitled Shareholders will be provisionally allotted the Rights Shares with Warrants under the Proposed Rights cum Warrants Issue on the basis of their shareholdings as at the Books Closure Date.

Entitled Depositors, who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for Excess Rights Shares, may only do so through CDP. Full details of the Proposed Rights cum Warrants Issue, including an indicative timetable of the key events, will be set out in the Offer Information Statement to be despatched to the Entitled Shareholders in due course.

All dealings in and transactions of the provisional allotments of the Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs to be issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the SGX-ST.

5.6.1 Entitled Scripholders

Entitled Scripholders are encouraged to open Securities Accounts if they have not already done so and to deposit such share certificates with CDP before the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the provisional allotments of Rights Shares. Entitled Scripholders should note that their Securities Accounts will only be credited with the Shares on the 12th Market Day from the date of lodgement of the share certificates with CDP or such later date as CDP may determine. Entitled Scripholders should also note that all correspondence and notices will be sent to their last registered addresses in the Register of Members.

5.6.2 Entitled Depositors

Entitled Depositors should note that all correspondence and notices will be sent to their latest registered addresses with CDP. Entitled Depositors are reminded that any request to effect any change in address must reach CDP not later than three Market Days before the Books Closure Date.

(b) **Foreign Shareholders**

The Offer Information Statement and its accompanying documents have not been and will not be despatched, lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various securities laws requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Offer Information Statement and its accompanying documents will NOT be despatched to Foreign Shareholders and accordingly, the Rights Shares will NOT be offered to Foreign Shareholders.

Foreign Shareholders will not be entitled to participate in the Proposed Rights cum Warrants Issue. Accordingly, no provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof and application (if applicable) for any excess Rights Shares therefor by any Foreign Shareholder will be valid.

The Offer Information Statement and its accompanying documents will also NOT be despatched to Foreign Purchasers. Foreign Purchasers may not accept any "nil-paid" rights credited to their Securities Account unless the Company and its counsel are satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

Entitlements to Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders will, if practicable to do so and at the absolute discretion of the Company, be sold "nilpaid" on Catalist, as soon as practicable, after dealings in the provisional allotments of Rights Shares commence. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the depository register maintained by CDP as at the Books Closure Date and sent to them at their own risk by ordinary post. If the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall be dealt with as the Board may, in its absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company and/or CDP in connection therewith.

Where the provisional allotments of Rights Shares are sold "nil-paid" on Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, the Share Registrar and/or their respective officers in connection therewith. If such provisional allotments of Rights Shares cannot be sold or are not sold on Catalist as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the new Shares represented by such provisional allotments will be allotted and issued to satisfy applications for Excess Rights Shares or disposed of or dealt with in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP, the Share Registrar and/or their respective officers in connection therewith.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE PROPOSED RIGHTS CUM WARRANTS ISSUE MAY PROVIDE AN ADDRESS IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS BY NOTIFYING IN WRITING, AS THE CASE MAY BE, (I) THE CENTRAL DEPOSITORY (PTE) LIMITED AT 9 NORTH BUONA VISTA DRIVE, #01-19/20 THE METROPOLIS TOWER 2, SINGAPORE 138588 OR (II) LOYZ ENERGY LIMITED C/O THE SHARE REGISTRAR, M & C SERVICES PRIVATE LIMITED, AT 112 ROBINSON ROAD, #05-01, SINGAPORE 068902, IN EACH CASE, AT LEAST THREE MARKET DAYS PRIOR TO THE BOOKS CLOSURE DATE.

5.7 Provisional Allotments and Excess Applications

Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or, in the case of Entitled Depositors only, trade (during the “nil-paid” rights trading period prescribed by the SGX-ST) their provisional allotments of the Rights Shares and will also be eligible to apply for Rights Shares in excess of their provisional allotments under the Proposed Rights cum Warrants Issue.

Entitlements which are not allotted or taken up for any reason (including any fractions of a Rights Share (with one Warrant)) will be aggregated and issued to satisfy applications, if any, for Excess Rights Shares or otherwise disposed of or dealt with in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company.

Fractional entitlements to the Rights Shares, if any, will be disregarded in arriving at the Entitled Shareholders’ entitlements and will, together with the provisional allotments of the Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for Excess Rights Shares (if any), or be disposed of or otherwise dealt with in such manner as the Board may in its absolute discretion, deem fit for the benefit of the Company subject to applicable laws and the Catalyst Rules.

In the allotment of Excess Rights Shares, preference will be given to Entitled Shareholders in satisfaction of their application for Excess Rights Shares, if any, provided that where there are insufficient Excess Rights Shares to allot to each application, the Company shall allot the Excess Rights Shares to Entitled Shareholders such that preference will be given to the rounding of odd lots. Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Group or the terms of the Proposed Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.

The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sale of the provisional allotments of the Rights Shares and for the applications for Excess Rights Shares, including each different mode of acceptance or application and payment, will be contained in the Offer Information Statement, the ARE, the ARS and the PAL.

5.8 Rationale for the Proposed Rights cum Warrants Issue and Use of Proceeds

The Company is undertaking the Proposed Rights cum Warrants Issue to raise funds to strengthen the Group’s financial position by augmenting the Group’s balance sheet and capital base. The Proposed Rights cum Warrants Issue will also provide Shareholders with an opportunity to further participate in the equity of the Company, and will allow the Group to be less reliant on external sources of funding for general corporate activities including, but not limited to, the New Business (details as set out in Section 2 of this Circular), acquisitions, joint ventures and/or strategic alliances. As and when the Warrants are exercised, the Group’s financial position will be improved further.

In the event that all the Rights Shares are fully subscribed, the estimated net proceeds from the Proposed Rights cum Warrants Issue (the “**Net Proceeds**”), after deducting estimated expenses of approximately S\$100,000 incurred in connection with the Proposed Rights cum Warrants Issue, is expected to be approximately S\$17.45 million. The Company intends to utilise the Net Proceeds in the following proportions:

Use of Net Proceeds	Proportion of Net Proceeds
To fund the New Business, in particular, to invest in initial portfolio of assets	Approximately 60%
For general corporate and working capital purposes, including but not limited to the Group’s operating costs, as well as capital expenditure for the Original Business	Approximately 40%

Assuming the maximum number of 487,502,258 Warrants are issued and further assuming that all the Warrants are exercised, the Company will raise additional gross proceeds of approximately S\$7.31 million. As and when the Warrants are exercised, the proceeds arising from the exercise of Warrants (the “**Warrants Proceeds**”) may be applied towards the Group’s general corporate and working capital requirements and/or such other purposes as the Directors may in their absolute discretion deem fit.

Pending deployment of the Net Proceeds and the Warrants Proceeds (as and when the Warrants are exercised), such proceeds may, subject to relevant laws and regulations, be deposited with banks and/or financial institutions, and/or used for repayment of short-term borrowings and/or used for any other purpose on a short-term basis as the Board may, in its absolute discretion, deem fit.

The Company will make periodic announcements on the utilisation of the Net Proceeds and the Warrant Proceeds as and when such proceeds are materially utilised. The Company will also provide a status report on the use of such proceeds in the interim and full year financial statement(s) of the Company issued pursuant to Rule 705 of the Catalist Rules and in the annual report(s) of the Company, until such time the proceeds have been fully utilised. Where the proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the proceeds have been applied in the announcements and annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviations.

In the event that any part of the Company's proposed uses of the Net Proceeds does not materialise or proceed as planned, the Directors will carefully evaluate the situation and may reallocate the proceeds to other purposes and/or hold such funds on short-term deposits for as long as the Directors deem it to be in the interest of the Company and the Shareholders. Any change in the use of the Net Proceeds will be subject to the Catalist Rules and appropriate announcements will be made by the Company on SGXNET.

5.9 Adequacy of Working Capital

There is no minimum amount to be raised from the Proposed Rights cum Warrants Issue. As at the Latest Practicable Date, the Board is of the opinion that:

- (i) after taking into consideration the present banking facilities and operating cash flows of the Group, the working capital available to the Group is sufficient to meet its present requirements, the reasons for the Proposed Rights cum Warrants Issue and the intended use of the Net Proceeds as stated above in Section 5.8 of this Circular; and
- (ii) after taking into consideration the present banking facilities and operating cash flows of the Group as well as the Net Proceeds (if any), the working capital available to the Group is sufficient to meet its present requirements.

5.10 Financial Information of the Group

The consolidated statements of comprehensive income, the cash flow statements and the balance sheet and the working capital position of the Group for FY2015, FY2016 and FY2017 are set out in Appendix A of this Circular.

5.11 Financial Effects of the Proposed Rights cum Warrants Issue

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

The proforma financial effects of the Proposed Rights cum Warrants Issue have been computed based on the audited consolidated financial statements of the Group for FY2017 as well as the following assumptions:

- (i) all Shareholders subscribe for their respective entitlements of Rights Shares under the Proposed Rights cum Warrants Issue;
- (ii) all Rights Shares are issued pursuant to the Proposed Rights cum Warrants Issue;
- (iii) all Warrants are exercised immediately upon the completion of the Proposed Rights cum Warrants Issue in accordance with the Deed Poll, and all 487,502,258 New Shares are allotted and issued by the Company pursuant thereto;
- (iv) the financial effects on the consolidated NAV per Share and gearing ratio are computed based on the assumption that the Proposed Rights cum Warrants Issue, the Proposed Carnavon Shares Issue, the Proposed AIPL Shares Issue were completed on 30 June 2017;
- (v) the financial effect on the EPS is computed based on the assumption that the Proposed Rights cum Warrants Issue, the Proposed Carnavon Shares Issue, the Proposed AIPL Shares Issue were completed on 1 July 2016;
- (vi) the 15,200,000 new Shares allotted and issued by the Company on 2 October 2017 pursuant to the vesting of share awards had been issued on 30 June 2017 instead;

- (vii) the Company did not enter into any Potential Undertakings and no commission was paid pursuant to Proposed Rights cum Warrants Issue; and
- (viii) expenses relating to the Proposed Rights cum Warrants Issue of approximately US\$100,000.

Share capital

	Number of Shares	Share Capital (US\$'000)
Existing Issued Share Capital as at 30 June 2017	1,541,727,683	124,498
Add: the Carnarvon Shares	331,653,000	3,940
Add: the AIPL Shares	76,628,352	725
	1,950,009,035	129,163
Add: the Rights Shares	1,950,009,035	12,804
	3,900,018,070	141,967
Add: the New Shares	487,502,258	5,377
Enlarged share capital after the allotment and issuance of the Carnarvon Shares, the AIPL Shares, the Rights Shares and the New Shares (pursuant to the exercise of all the Warrants)	4,387,520,328	147,344

NAV per Share

	NAV attributable to Shareholders (US\$'000)	Number of Shares	NAV per Share (US cents)
As at 30 June 2017	48,171	1,541,727,683	3.12
After the allotment and issuance of the Carnarvon Shares and the AIPL Shares, but before the Proposed Rights cum Warrants Issue	52,856	1,950,009,035	2.71
After the allotment and issuance of the Carnarvon Shares, the AIPL Shares, the Rights Shares, but before the allotment and issuance of the New Shares (pursuant to the exercise of all the Warrants)	65,661	3,900,018,070	1.68
After the Proposed Carnarvon Shares Issue, the Proposed AIPL Shares Issue, the allotment and issuance of all the Rights Shares and the New Shares upon exercise of all the Warrants	71,038	4,387,520,328	1.62

Gearing

	Total Borrowings (US\$'000)	Total Shareholders' Funds (US\$'000)	Gearing
As at 30 June 2017	22,529	48,171	32%
After the allotment and issuance of the Carnarvon Shares, the AIPL Shares, but before the Proposed Rights cum Warrants Issue	22,529	52,856	30%
After the allotment and issuance of the Carnarvon Shares, the AIPL Shares, the Rights Shares, but before the allotment and issuance of the New Shares (pursuant to the exercise of all the Warrants)	22,529	65,661	26%
After the allotment and issuance of the Carnarvon Shares, the AIPL Shares, the Rights Shares and the New Shares (pursuant to the exercise of all the Warrants)	22,529	71,038	24%

5.12 Offer Information Statement

An Offer Information Statement will be despatched to the Entitled Shareholders subject to, among others, the approval of Shareholders for the Proposed Rights cum Warrants Issue being obtained at the EGM. Acceptances and applications under the Proposed Rights cum Warrants Issue may only be made in the manner as prescribed in the Offer Information Statement, the ARE, the ARS and the PAL.

5.13 Books Closure Date

The Books Closure Date for the purpose of determining the Shareholders' entitlements under the Proposed Rights cum Warrants Issue will be announced at a later date.

6 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares, as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders, are as follows:

	As at the Latest Practicable Date ⁽¹⁾				Immediately after the allotment and issuance of the Carnarvon Shares, the AIPL Shares and the Rights Shares ⁽²⁾			
	Number of Shares				Number of Shares			
	Direct Interest	Deemed Interest	Total Interest	Total Interest (%)	Direct Interest	Deemed Interest	Total Interest	Total Interest (%)
Directors								
Cheong Weixiong	-	-	-	-	-	-	-	-
Jeffrey Pang Kee Chai	11,743,000	-	11,743,000	0.76	11,743,000	-	11,743,000	0.30
Lee Chye Cheng Adrian	1,103,000	-	1,103,000	0.07	1,103,000	-	1,103,000	0.03
Ong Beng Chye	-	-	-	-	-	-	-	-
Substantial Shareholders								
Jit Sun Investments Pte Ltd	109,091	151,300,000 ⁽³⁾	151,409,091	9.92	109,091	151,300,000 ⁽³⁾	151,409,091	3.88
Lee Chye Tek Lionel	-	151,409,091 ⁽⁴⁾	151,409,091	9.92	-	151,409,091 ⁽⁴⁾	151,409,091	3.88
Wave Link L.P.	137,318,000	-	137,318,000	9.00	137,318,000	-	137,318,000	3.52
Wave Link Investments Limited	-	137,318,000 ⁽⁵⁾	137,318,000	9.00	-	137,318,000 ⁽⁵⁾	137,318,000	3.52
Hui Yin Rong	-	137,318,000 ⁽⁵⁾	137,318,000	9.00	-	137,318,000 ⁽⁵⁾	137,318,000	3.52
Fram Exploration ASA	91,344,700	-	91,344,700	5.98	91,344,700	-	91,344,700	2.34
Carnarvon	-	-	-	-	331,653,000	-	331,653,000	8.50

Notes:

- (1) The issued and paid-up share capital of the Company as at the Latest Practicable Date comprises 1,541,727,683 Shares.
- (2) The enlarged issued share capital of the Company on a fully diluted basis comprises 3,900,018,070 Shares, after adjusting for the allotment and issuance of the Carnarvon Shares, the AIPL Shares and the Rights Shares (but before the exercise of any of the Warrants).
- (3) Jit Sun Investments Pte Ltd ("Jit Sun") is deemed interested in the (a) 60,000,000 Shares held by HSBC (Singapore) Nominees Pte Ltd; (b) 13,000,000 Shares held by United Overseas Bank Nominees (Pte) Ltd; (c) 20,300,000 Shares held by Citibank Nominees Singapore Pte Ltd, and (d) 58,000,000 Shares held by RHB Bank Nominees Pte Ltd.
- (4) Lee Chye Tek Lionel is the sole shareholder of Jit Sun and is accordingly deemed interested in the 151,409,091 Shares held by Jit Sun as at the Latest Practicable Date.
- (5) Wave Link Investments Limited is the general partner of Wave Link L.P., a limited partnership. Wave Link Investments Limited has full control over the business and affairs of Wave Link L.P., including making all investment and divestment decisions and voting arrangements with respect to securities and interests held by it on behalf of Wave Link L.P. Hui Yin Rong has a direct interest in 100.0% of the ordinary shares in, and controls, Wave Link Investments Limited. Accordingly, Wave Link Investments Limited and Hui Yin Rong are deemed interested in the 137,318,000 Shares held by Wave Link L.P as at the Latest Practicable Date.

None of the Directors or Controlling Shareholders and their respective associates has any interest, direct or indirect, in the Proposed Diversification, the Proposed Carnarvon Shares Issue, the Proposed AIPL Shares Issue and the Proposed Rights cum Warrants Issue (other than through their respective shareholding interests in the Company).

7 DIRECTORS' RECOMMENDATION

The Directors, having considered the terms of and rationale for the Proposed Diversification, the Proposed Carnarvon Shares Issue, the Proposed AIPL Shares Issue and the Proposed Rights cum Warrants Issue, after discussion with the management of the Company, are of the view that the Proposed Diversification, the Proposed Carnarvon Shares Issue, the Proposed AIPL Shares Issue and the Proposed Rights cum Warrants Issue are in the best interests of the Company and its Shareholders, and they unanimously recommend that Shareholders vote in favour of the Ordinary Resolutions with respect to the Proposed Diversification, the Proposed Carnarvon Shares Issue, the Proposed AIPL Shares Issue and the Proposed Rights cum Warrants Issue.

In giving the above recommendations, the Directors have not had regard to the general or specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers immediately.

8 EXTRAORDINARY GENERAL MEETING

The EGM will be held at TKP Conference Center, 55 Market Street #03-01, Singapore 048941, on 27 October 2017 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without any modifications, the resolutions set out in the Notice of EGM on pages i to v of this Circular.

9 ACTIONS TO BE TAKEN BY SHAREHOLDERS

9.1 Appointment of Proxies

Shareholders will find enclosed with this Circular, the Notice of EGM and a Proxy Form. If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend, speak and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095 not later than 10.30 a.m. on 25 October 2017. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he subsequently wishes to do so. In such an event, the Proxy Form shall be deemed to be revoked.

9.2 When Depositor regarded as Shareholder

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP as at 72 hours before the EGM.

In the event that Shareholders and other investors are in doubt about the actions they should take, they should consult their stockbroker, bank managers, solicitors, accountants, tax advisers or other professional advisers.

10 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Diversification, the Proposed Carnarvon Shares Issue, the Proposed AIPL Shares Issue and the Proposed Rights cum Warrants Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

11 DOCUMENTS FOR INSPECTION

Copies of the following documents are 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 from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2017;
- (c) the Supplemental Agreement; and
- (d) the MOU.

Yours faithfully
For and on behalf of the Board of Directors of
LOYZ ENERGY LIMITED

Cheong Weixiong
Non-Executive Chairman and Independent Director

APPENDIX A - FINANCIAL INFORMATION

Shareholders should read the following selected financial information and relevant commentaries in conjunction with the full text of the annual reports for FY2015, FY2016 and FY2017.

(A) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

The audited consolidated income statement of the Group in FY2017, FY2016 and FY2015 are set out below:-

Consolidated Statement of Comprehensive Income	Audited FY2017 US\$'000	Audited FY2016 US\$'000	Audited FY2015 US\$'000
Revenue	8,959	10,728	23,077
Cost of sales	(4,291)	(5,060)	(7,801)
Gross profit	4,668	5,668	15,276
<i>Other items of income</i>			
Interest income	102	20	51
Other income	23,217	3,550	708
<i>Other items of expense</i>			
Distribution costs	-	-	(13)
Administrative expenses	(2,013)	(2,953)	(5,875)
Finance costs	(2,485)	(2,858)	(4,591)
Other expenses	(914)	(1,184)	(1,473)
Other charges	(7,781)	(24,053)	(71,380)
Profit/(loss) before income tax	14,794	(21,810)	(67,297)
Income tax expense	(1,900)	(2,156)	(7,036)
Profit/(loss) for the financial year	12,894	(23,966)	(74,333)
Other comprehensive (loss)/income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation	(152)	639	201
Fair value change on cash flow hedges	(29)	-	-
Other comprehensive (loss)/income for the financial year, net of tax	(181)	639	201
Total comprehensive income/(loss) for the financial period/year	12,713	(23,327)	(74,132)
Profit/(loss) attributable to:			
Equity holders of the Company	12,882	(18,274)	(66,487)
Non-controlling interests	12	(5,692)	(7,846)
	12,894	(23,966)	(74,333)
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company	12,944	(17,943)	(66,375)
Non-controlling interests	(231)	(5,384)	(7,757)
	12,713	(23,327)	(74,132)

A review of the operations, business and financial performance of the Group is set out below:

FY2017 vs FY2016

Revenue declined from US\$10.7 million in FY2016 to US\$9.0 million in FY2017, on the back of a 31.5% decrease in oil production volume from the Concessions from 313,702 barrels in FY2016 to 214,895 barrels in FY2017. The reduction in oil production volume was due to natural decline of existing wells over the year.

In FY2017, other income mainly consists one-time gain of US\$23.0 million arising from the successful renegotiation of the consideration for the Acquisition from Carnarvon and gain on partial redemption of bonds receivable. In FY2016, other income mainly consists of one-time gain of re-measurement of deferred consideration in relation to the Acquisition of US\$3.4 million.

Administrative costs declined by approximately US\$0.9 million, from US\$2.9 million in FY2016 to US\$2.0 million in FY2017, mainly due to a decrease in staff costs salaries and other operating expenses.

Reduction in finance cost in FY2017 was mainly due to the repayment of bank loans and settlement of a shareholder's loan during FY2017.

Other charges in FY2017 mainly relate to a non-cash impairment loss made to oil and gas properties and intangible assets of the Concessions of US\$7.0 million, as compared to a non-cash impairment loss of US\$20.0 million made on non-core assets of the Group in FY2016. There was also a decrease in the prepayment written off of US\$2.1 million in FY2017, as compared to FY2016.

As a result of the above, the Group recorded a profit before income tax of US\$14.8M in FY2017, as compared to a loss before income tax of US\$21.8M in FY2016.

FY2016 vs FY2015

Revenue declined from US\$23.1 million in FY2015 to US\$10.7 million in FY2016, which was significantly undermined by the sharp fall in oil price from an average of US\$61.58 per barrel in FY2015 to US\$34.20 per barrel in FY2016.

Other income in FY2016 mainly relates to a one-time gain of US\$3.4 million in respect of re-measurement of deferred consideration in relation to the Concessions, whereas other income in FY2015 of US\$0.7 million mainly relates to foreign exchange gain and insurance refund in connection with two drilling rigs.

The decline in administrative costs from US\$5.9 million in FY2015 to US\$3.0 million in FY2016, was due to the Group's internal restructuring which saw a significant decrease in staff costs and other operating expenses.

Finance costs decreased from US\$4.6 million in FY2015 to US\$2.9 million in FY2016, mainly due to the repayment of bank loans and shareholder's loan during late FY2015.

Other charges in FY2016 mainly relate to non-cash impairment loss of US\$20.0 million made on the Group's non-core asset in New Zealand. Other charges in FY2015 mainly relate to non-cash impairment loss of US\$71.3 million made on the Group's non-core assets in India, Australia and the United States.

As a result of the above, the Group recorded a loss before income tax of US\$21.8 million in FY2016, as compared to a loss before income tax of US\$67.3 million in FY2015.

(B) Statement of Financial Position

The statement of financial position of the Group as at 30 June 2017, 30 June 2016 and 30 June 2015 are set out below:-

Statements of Financial Position	Audited 30 June 2017 US\$'000	Audited 30 June 2016 US\$'000	Audited 30 June 2015 US\$'000
ASSETS			
Non-Current Assets:			
Exploration, evaluation and development assets	19,926	19,926	30,340
Oil and gas properties	53,873	58,282	57,922
Other property, plant and equipment	1,502	1,563	1,629
Available for sale financial asset	-	-	7,289
Intangible assets	24,612	26,471	28,484
Prepayments	-	-	2,830
Bond receivable	502	-	-
Total Non-Current Assets	100,415	106,242	128,494
Current Assets:			
Inventories	2,174	2,350	2,699
Trade and other receivables	729	1,245	2,880
Other assets	549	755	1,144
Bond receivable	-	2,627	-
Prepayments	97	1,011	980
Cash and cash equivalents	1,660	2,461	7,604
Total Current Assets	5,209	10,449	15,307
Total Assets	105,624	116,691	143,801
EQUITY AND LIABILITIES			
Equity:			
Share capital	124,343	115,440	110,554
Reserves	2,152	2,753	4,266
Accumulated losses	(78,324)	(91,970)	(75,172)
Equity attributable to owners of the Company	48,171	26,223	39,648
Non-controlling interests	(10,841)	(10,610)	(5,226)
Total Equity	37,330	15,613	34,422
Non-Current Liabilities:			
Bank borrowings	18,960	19,317	18,889
Finance lease payables	35	55	86
Provision for restoration costs	-	-	13
Other payables	768	23,844	27,352
Deferred tax liabilities	37,502	36,971	36,733
Total Non-Current Liabilities	57,265	80,187	83,073
Current Liabilities:			
Trade and other payables	6,954	15,405	14,770
Bank borrowings	3,516	4,323	8,079
Finance lease payables	17	16	36
Derivative financial liabilities	29	-	-
Deposit received	-	1	1
Income tax payables	513	1,146	3,420
Total Current Liabilities	11,029	20,891	26,306
Total Liabilities	68,294	101,078	109,379
Total Equity and Liabilities	105,624	116,691	143,801

A review of the operations, business and financial performance of the Group is set out below:

As at 30 June 2017 vs as at 30 June 2016

Non-current assets decreased from US\$106.2 million as at 30 June 2016 to US\$100.4 million as at 30 June 2017, mainly due to the continued weak oil prices which resulted in a non-cash impairment loss of US\$5.1 million in oil and properties and US\$1.9 million in intangible assets relating to the Concessions in FY2017. In FY2016, non-cash impairment loss of US\$1.5 million was made on the Concessions. This was partially off-set by the reclassification of the bond receivable of US\$0.5 million from current-assets to non-current assets in FY2017.

Current trade and other receivables decreased from US\$1.2 million as at 30 June 2016 to US\$0.7 million as at 30 June 2017, mainly due to a decrease in revenue from the Concessions. Bond receivable of US\$2.6 million as at 30 June 2016 was partially redeemed via an offset with the outstanding balance due to the bond issuer. Due to the continued weak oil prices, the Company fully impaired prepayment expenses of US\$0.7 million in relation to the multicurrency medium term notes programme.

Non-current other payables decreased from US\$23.8 million as at 30 June 2016 to US\$0.8 million as at 30 June 2017, mainly due to the successful renegotiation with Carnarvon on the consideration for the Acquisition.

Current trade and other payables decreased from US\$15.4 million as at 30 June 2016 to US\$7.0 million as at 30 June 2017, mainly due to the settlement of shareholder's loan of US\$8.6 million (whereby the Shareholder, Jit Sun Investments Pte Ltd, assigned the loan to certain new investors, which the Group subsequently repaid via the allotment and issuance of 465,870,855 new Shares at an issue price of \$0.026 each, to these investors). Current income tax payable decreased in FY2017 by US\$0.6 million, mainly due to a decrease in the Group's revenue from Concessions.

As at 30 June 2016 vs as at 30 June 2015

Non-current assets decreased from US\$128.5 million in FY2015 to US\$106.2 million FY2016. The decrease was mainly due to the non-cash impairment made to (i) the exploration, evaluation and development assets of US\$10.4 million in New Zealand; (ii) intangible assets of US\$2.0 million in New Zealand; and (iii) available for sale financial assets of US\$7.3 million in USA. Prepayment of US\$2.8 million, in relation to the utilisation of certain proprietary technology to obtain information of the possible presence of oil and gas reserves in the Group's non-core assets' areas, was written off in FY2016.

Current trade and other receivables decreased from US\$2.9 million as at 30 June 2015 to US\$1.2 million as at 30 June 2016, mainly due to a decrease in revenue from the Concessions.

In FY2016, the Company acquired bonds, amounting to US\$2.6M, issued by Fram Exploration ASA ("**Fram**").

Current bank borrowings decreased from US\$8.1 million as at 30 June 2015 to US\$4.3 million as at 30 June 2016 mainly due to the repayments of bank borrowings. The banks had also consented to restructure the terms of repayment which resulted in the reclassification from current bank borrowings to non-current bank borrowings.

Share capital of the Company increased from US\$110.5 million as at 30 June 2015 to US\$115.4 million as at 30 June 2016. The increase was mainly due to (i) the Acquisition which was completed in April 2014, whereby the Company made the first post-acquisition payment to Carnarvon of US\$702,000, of which US\$100,000 was paid in cash and the balance of US\$602,000 satisfied by the issuance of 21,597,000 new Shares at an issue price of S\$0.040 each; (ii) issue of 88,882,853 new Shares at an issue price of S\$0.0268 to the sellers in relation to the acquisition of the bonds issued by Fram; and (iii) the Company issued an aggregate of 102,454,000 new Shares at an issue price of S\$0.0268 each, pursuant to a placement exercise, raising net proceeds of S\$2.64 million.

(C) CONSOLIDATED STATEMENT OF CASH FLOWS

The audited consolidated statement of cash flows of the Group in FY2017, FY2016 and FY2015 are set out below:-

Consolidated Statement of Cash Flows	Audited FY2017 US\$'000	Audited FY2016 US\$'000	Audited FY2015 US\$'000
Operating activities			
Profit/(loss) before income tax	14,794	(21,810)	(67,297)
Adjustments for:			
Amortisation of intangible assets	2	16	31
Depletion of oil and gas properties	2,235	2,402	3,357
Depreciation of other property, plant and equipment	96	142	206
Gain on partial settlement of bond receivable	(755)	-	-
Impairment loss on exploration, evaluation and development assets	-	10,431	21,882
Impairment loss on oil and gas properties	5,122	-	-
Impairment loss on intangible assets	1,857	1,999	15,200
Impairment loss on available for sale financial assets	-	7,289	34,111
Reversal of provision for restoration cost	-	(12)	-
Prepayment written off	716	2,830	-
Write-down of inventories	55	244	-
Write off of other assets	2	32	-
Gain on derecognition of deferred consideration	(22,011)	-	-
Impairment loss on other plant and equipment	-	-	155
Loss on disposal of oil and gas properties	12	-	-
(Gain)/loss on disposal of plant and equipment	-	(29)	26
Other property, plant and equipment written off	17	-	6
Share-based payment expenses	142	415	1,631
Reversal of share options	(1)	(117)	(121)
Gain on re-measurement of deferred consideration	-	(3,441)	-
Interest expense	2,485	2,858	4,591
Interest income	(102)	(20)	(51)
Operating cash flows before working capital changes	4,666	3,229	13,727
Working capital changes:			
Inventories	121	105	164
Trade and other receivables	511	1,600	475
Other assets	204	357	(197)
Prepayments	119	(117)	(828)
Trade and other payables	406	(1,437)	(2,802)
Cash generated from operations	6,027	3,737	10,539
Interest received	10	20	51
Income tax paid	(2,002)	(4,163)	(3,690)
Net cash generated from/(used in) operating activities	4,035	(406)	6,900
Investing activities			
Acquisition of interest in Thailand operations, net of cash acquired	-	-	(312)
Acquisition of exploration, evaluation and development assets	-	(17)	(836)
Additions to oil and gas properties	(2,964)	(2,762)	(5,488)
Acquisition of other plant and equipment	(52)	(111)	(1,074)
Proceeds from disposal of plant and equipment	-	55	15,547
Proceeds from disposal of oil and gas properties	4	-	-
Purchase of intangible assets	-	-	(22)
Net (cash used in)/generated from investing activities	(3,012)	(2,835)	7,815

Consolidated Statement of Cash Flows	Audited FY2017 US\$'000	Audited FY2016 US\$'000	Audited FY2015 US\$'000
Financing activities			
Interest paid	(1,081)	(931)	(2,288)
Proceeds from bank borrowings	400	-	1,348
(payment of share issuance expense) / Net proceeds from issue of ordinary shares	(11)	1,535	4,595
Repayment of finance lease payables	(19)	(51)	(23)
Repayment of bank borrowings	(980)	(2,884)	(31,436)
Decrease/(Increase) in cash pledge	422	(20)	76
Advances and short-term loans	-	417	23,716
Repayment of short-term loans	(3)	(209)	(10,061)
Net cash generated used in financing activities	(1,272)	(2,143)	(14,073)
Net change in cash and cash equivalents	(249)	(5,384)	642
Foreign currency translation adjustments	(130)	646	282
Cash and cash equivalents at beginning of financial year	1,941	6,679	5,755
Cash and cash equivalents at end of financial year	1,562	1,941	6,679

A review of the cash flow of the Group is set out below:

FY2017 vs FY2016

The Group's net cash generated from operating activities for FY2017 was US\$4.0 million, as compared to net cash used in operating activities of US\$0.4 million in FY2016. Major movement comprised the increase of US\$1.8 million in cash from the higher trade and other payables and lower income tax paid amounting to US\$2.0 million in FY2017.

Net cash used in financing activities for FY2017 was US\$1.2 million, as compared to US\$2.1 million in FY2016. Major movements mainly comprised (i) proceeds from bank borrowings of US\$0.4 million; (ii) decrease in repayment of bank borrowings of US\$1.9 million; (iii) decrease in cash pledge of US\$0.4 million; and (iv) decrease in repayment of short-term loans of US\$0.2 million.

FY2016 vs FY2015

The Group's net cash used in operating activities for FY2016 was US\$0.4 million, as compared to net cash generated from operating activities of US\$6.9 million in FY2015. Major movement comprised (i) increase of US\$1.1 million in cash from the decrease in trade and other receivables; (ii) increase of US\$0.6 million in cash from the decrease in other assets; (iii) decrease of US\$0.7 million in cash used in relation to an increase in prepayments; (iv) decrease of US\$ 1.4 million in cash used in relation to the increase in trade and other payables; and (v) higher income tax paid amounting to US\$0.5 million in FY2016.

Net cash used in investing activities for FY2016 was US\$2.8 million, as compared to net cash generated from investing activities of US\$7.8 million in FY2015. Major movements mainly comprised (i) decrease in acquisition of exploration, evaluation and development assets of US\$0.8 million; (ii) decreased in additional drilling costs of US\$2.7 million; (iii) decrease in acquisition of plant and equipment of US\$0.9 million; (iv) decrease in proceeds from disposal of plant and equipment of US\$15.5 million; (v) decrease in cash pledge of US\$0.4 million; and (vi) decrease in repayment of short-term loans of US\$0.2 million.

Net cash used in financing activities for FY2016 was US\$2.1 million as compared to US\$14.1 million in FY2015. Major movements mainly comprised (i) decrease in interest paid of US\$1.3 million; (ii) decrease in bank proceeds of US\$1.3 million; (iii) decrease in net proceeds from issue of Shares of US\$3.0 million; (iv) decrease in repayment of bank borrowings of US\$28.6 million; (v) decrease in advances and short term loans of US\$23.3 million; and (vi) decrease in repayment of short-term loans of US\$9.8 million.

(D) WORKING CAPITAL

The total current assets, total current liabilities and working capital of the Group as at 30 June 2017, 30 June 2016 and 30 June 2015 are set out below:-

	Audited 30 June 2017 US\$'000	Audited 30 June 2016 US\$'000	Audited 30 June 2015 US\$'000
Total Current Assets	5,209	10,449	15,307
Total Current Liabilities	11,029	20,891	26,306
Working Capital	(5,820)	(10,442)	(10,399)

A review of the working capital of the Group is set out below:

As at 30 June 2017 vs as at 30 June 2016

Working capital improved as at 30 June 2017 as compared to as at 30 June 2016, mainly due to the settlement of shareholder's loan of US\$8.56 million owing to its shareholder, Jit Sun Investments Pte Ltd (which was assigned by the said shareholder to certain investors) whereby the Company repaid via the issuance of new Shares.

In FY2017, notwithstanding the Group's negative working capital position, the Directors of the Company carried out a detailed review of the Group's cash flow forecast prepared by the management for the next 12 months. Based on the cash flow forecast, the Directors of the Company are of the opinion that there is adequate liquidity to finance the working capital requirements of the Group and the Company for the next 12 months. The Group will be able to raise adequate funds via Proposed Rights cum Warrants Issue for the next 12 months and the Group is currently pursuing new business opportunities for strategic growth and build new income stream via the MOU.

As at 30 June 2016 vs as at 30 June 2015

Working capital deteriorated as at 30 June 2016 as compared to as at 30 June 2015, mainly due to a decrease in cash and cash equivalents of US\$5.1 million as revenue from Concessions declined due to the weakening of oil prices.

In FY2016, notwithstanding the Group's negative working capital position, the Group's substantial shareholder, Jit Sun Investments Pte Ltd, who is financially able to do so, provided to the Group a letter of financial support to enable the Group and the Company to continue as going concerns and support their operating activities for the next 18 months; (ii) the Directors of the Company carried out a detailed review of the Group's cash flow forecast prepared by the management for the next 18 months. Based on the cash flow forecast, the Directors of the Company are of the opinion that there is adequate liquidity to finance the working capital requirements of the Group and the Company for the next 18 months.

LOYZ ENERGY LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration No. 199905693M)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Unless otherwise defined, all capitalised terms used herein shall bear the same meanings as used in the circular dated 12 October 2017 issued by Loyz Energy Limited (“Circular”).

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“EGM”) of Loyz Energy Limited (the “Company”) will be held at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) on 27 October 2017 at TKP Conference Center 55 Market Street #03-01, Singapore 048941 for the purpose of considering and, if thought fit, passing with or without amendment, the following resolutions:

AS AN ORDINARY RESOLUTION

RESOLUTION 1: THE PROPOSED DIVERSIFICATION

Resolved that, subject to and contingent upon the passing of Resolution 3 and Resolution 4 as well as the resolution on the Proposed Change of Name:

- (a) the Company’s proposed diversification of the business scope of the Group to include undertaking investment and/or trading-related activities be and is hereby approved; and
- (b) the Directors of the Company or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this Resolution.

AS AN ORDINARY RESOLUTION

RESOLUTION 2: THE PROPOSED CARNARVON SHARES ISSUE

Resolved that, approval be and is hereby given for the Directors to:

- (a) allot and issue 331,653,000 Carnarvon Shares at an issue price of S\$0.01615 per Carnarvon Share to Carnarvon subject to and otherwise in accordance with the terms and conditions of the Supplemental Agreement, whereby such Carnarvon Share shall rank *pari passu* in all respect with the then existing Shares except for any dividend, rights, allotment and other distributions, the record date in respect of which falls on or before the relevant dates on which the Carnarvon Shares are issued;
- (b) enter into, take such steps, make such amendments to the terms and conditions of the Supplemental Agreement and exercise such discretion as the Directors may from time to time deem fit, advisable, desirable, expedient or necessary in connection with all or any of the above matters; and
- (c) complete and do and/or procure to be done all such acts and things including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they may consider necessary, desirable or expedient to give full effect to this Resolution.

AS AN ORDINARY RESOLUTION

RESOLUTION 3: THE PROPOSED AIPL SHARES ISSUE

Resolved that, subject to and contingent upon the passing of Resolution 1 and Resolution 4 as well as the resolution on the Proposed Change of Name, approval be and is hereby given for the Directors to:

- (a) allot and issue 76,628,352 AIPL Shares at an issue price of S\$0.01305 per AIPL Share to AIPL subject to and otherwise in accordance with the terms and conditions of the MOU, whereby such AIPL Share shall rank *pari passu* in all respect with the then existing Shares except for any dividend, rights, allotment and other distributions, the record date in respect of which falls on or before the relevant dates on which the AIPL Shares are issued;
- (b) enter into, take such steps, make such amendments to the terms and conditions of the MOU and exercise such discretion as the Directors may from time to time deem fit, advisable, desirable, expedient or necessary in connection with all or any of the above matters; and
- (c) complete and do and/or procure to be done all such acts and things including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they may consider necessary, desirable or expedient to give full effect to this Resolution.

AS AN ORDINARY RESOLUTION

RESOLUTION 4: THE PROPOSED RIGHTS CUM WARRANTS ISSUE

Hereby resolve that, subject to and contingent upon the passing of Resolution 1 and Resolution 3 as well as the resolution on the Proposed Change of Name:

- (a) the Company's proposed renounceable non-underwritten Rights cum Warrants Issue ("**Proposed Rights cum Warrants Issue**") of up to 1,950,009,035 new ordinary shares in the capital of the Company (the "**Rights Shares**") at an issue price of S\$0.009 per Rights Share on the basis of one Rights Share for every one existing Share, with up to 487,502,258 free detachable warrants (the "**Warrants**"), with each Warrant carrying the right to subscribe for one new ordinary share in the capital of the Company (the "**New Share**") at the exercise price of S\$0.015 per New Share, on the basis of one Warrant for every four Rights Shares, held by shareholders of the Company (the "**Shareholders**") as at the Books Closure Date, fractional entitlements to be disregarded, be and is hereby approved;
- (b) the Board of Directors be and is hereby authorised to:
- (i) create and issue:
- a. such number of Rights Shares as the Directors may determine up to a maximum of 1,950,009,035 Rights Shares at an issue price of S\$0.009 per Rights Share;
 - b. such number of free detachable Warrants as the Directors may determine up to a maximum of 487,502,258 free Warrants to be issued together with the Rights Shares, with each Warrant carrying the right to subscribe for one New Share at an exercise price of S\$0.015 per New Share during the period commencing on and including the date of issue of the Warrants and expiring on the day immediately preceding the fifth anniversary of such date of issue, subject to the terms and conditions of the Deed Poll constituting the Warrants to be executed by the Company on such terms and conditions as the Directors may deem fit;
 - c. such further Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Deed Poll (any such further Warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the Deed Poll);
- (ii) provisionally allot and issue up to 1,950,009,035 Rights Shares with up to 487,502,258 free Warrants, at an issue price of S\$0.009 per Rights Share, on the basis of one Rights Share for every one Share held by Shareholders as at the Books Closure Date, fractional entitlements to be disregarded, and one Warrant for every four Rights Share subscribed, fractional entitlements to be disregarded, on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may think fit:
- a. the provisional allotments of the Rights Shares under the Proposed Rights cum Warrants Issue shall be made on a renounceable basis to Shareholders whose names appear in the Register of Members of the Company or the records of the Central Depository (Pte) Limited ("**CDP**") as at the Books Closure Date and who have not, at least three Market Days prior thereto, provided to CDP or the share registrar of the Company (the "**Share Registrar**"), as the case may be, addresses in Singapore for the service of notices and documents;
 - b. no provisional allotments of the Rights Shares shall be made in favour of, and no application form or other documents in respect thereof shall be issued or sent to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three Market Days prior thereto, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**");
 - c. the entitlements to the Rights Shares which would otherwise accrue to Foreign Shareholders shall be disposed of or dealt with by the Company in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit, including without limitation to be sold "nil-paid" on the SGX-ST and to pool and thereafter distribute the net proceeds thereof, if any (after deducting all expenses), proportionately among such Foreign Shareholders in accordance with their respective shareholdings as at the Books Closure Date provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall instead be dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company;

- d. provisional allotments of the Rights Shares which are not taken up or allotted for any reason, or which represent fractional entitlements disregarded in accordance with the terms of the Rights cum Warrants Issue, shall be used to satisfy Excess Applications or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company;
 - e. the Rights Shares when issued and fully paid-up will rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments or other distribution, the Record Date for which falls before the date of issue of the Rights Shares;
 - f. the New Shares to be issued on exercise of the Warrants will rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments or other distribution, the Record Date for which falls before the date of exercise of the Warrants;
- (iii) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:
- (a) a maximum of 487,502,258 New Shares on the exercise of the Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the Deed Poll, such New Shares (when issued and paid) to rank *pari passu* in all respects with the then existing Shares (save as may otherwise be provided in the terms and conditions of the Deed Poll) save for any dividends, rights, allotments or other distribution, the Record Date for which falls before the date of exercise of the Warrants;
 - (b) on the same basis as paragraph (c)(i) above, such further New Shares as may be required to be allotted and issued on the exercise of any of the Warrants referred to in paragraph (b) above; and
- (iv) the Directors be and are hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Proposed Rights cum Warrants Issue, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this ordinary resolution or the transactions contemplated pursuant to or in connection with the Proposed Rights cum Warrants Issue.

By Order of the Board

Jeffrey Pang
Chief Executive Officer and Executive Director

Singapore
12 October 2017

Notes:

1. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM on his/her behalf. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy (expressed as a percentage as a whole) shall be specified in the proxy form. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.
- (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form. In relation to a relevant intermediary who wishes to appoint more than two proxies, it should annex to the proxy form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of shares, class of shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF/SRS investors as its proxies shall comply with this note.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be lodged at the registered office of the Company at 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095 not less than 48 hours before the time appointed for the EGM. Completion and return of the instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.
4. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and vote thereat unless his name appears on the Depository Register 72 hours before the time appointed for the EGM.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM, and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This notice has been prepared by the Company and its contents have been reviewed by ZICO Capital Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this notice.*

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

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.

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LOYZ ENERGY LIMITED
 (Incorporated in the Republic of Singapore)
 (Company Registration No. 199905693M)

PROXY FORM

EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. For investors who have used their CPF monies to buy LOYZ ENERGY LIMITED shares, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the EGM as an observer must submit their requests through their CPF Approved nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to their CPF approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We _____ (Name)

of _____ (Address)

being a member/members of LOYZ ENERGY LIMITED (the “Company”), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the extraordinary general meeting (“EGM”), as my/our proxy/proxies to vote for me/us on my/our behalf at the EGM to be held at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) on 27 October 2017 at TKP Conference Center 55 Market Street #03-01, Singapore 048941 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions as set out in the Notice of EGM. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, my/our proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the EGM and at any adjournment thereof.

(Please indicate your vote “For” or “Against” with an “X” within the box provided.)

	For	Against
Ordinary Resolution To approve the Proposed Diversification		
Ordinary Resolution To approve the Proposed Carnarvon Shares Issue		
Ordinary Resolution To approve the Proposed AIPL Shares Issue		
Ordinary Resolution To approve the Proposed Rights cum Warrants Issue		

* Voting will be conducted by poll. If you wish to exercise all your votes “For” or “Against” the relevant resolution, please tick (√) in the relevant box provided. Alternatively, if you wish to exercise your votes both “For” and “Against” the relevant resolution, please indicate the number of shares in the boxes provided.

Dated this _____ day of _____ 2017

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

 Signature(s) of Shareholder(s)/Common Seal
 of Corporate Shareholder



IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. (a) A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the EGM on his/her behalf. Where such member's proxy form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy (expressed as a percentage as a whole) shall be specified in the proxy form. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of the shareholdings and the second named proxy shall be deemed to be an alternate to the first named proxy.
- (b) A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form. In relation to a relevant intermediary who wishes to appoint more than two proxies, it should annex to the proxy form the list of proxies, setting out, in respect of each proxy, the name, address, NRIC/Passport Number and proportion of shareholding (number of shares, class of shares and percentage) in relation to which the proxy has been appointed. For the avoidance of doubt, a CPF Agent Bank who intends to appoint CPF/SRS investors as its proxies shall comply with this note.

"Relevant Intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

2. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be lodged at the registered office of the Company at 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095, not less than 48 hours before the time appointed for the EGM. Completion and return of the instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy, to the EGM.
4. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
5. Where a member appoints two proxies, the appointments shall be treated as an alternative to the first named unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
6. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified true copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 79 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being an appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 12 October 2017.