

GSS ENERGY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201432529C)



SGX/MEDIA RELEASE - FOR IMMEDIATE RELEASE

GSS Energy Limited Reaches Settlement with Joint Venture Partner, Java Petral Energy Pte Ltd, to Increase Shareholding in PT Cepu Sakti Energy to 95%

- GSS Energy Limited (“GSS Energy”) would continue to, through its subsidiary PT Cepu Sakti Energy (“PT CSE”), operate on the Tungkul, Trembul, Gabus and Kawengan oil fields in Java, Indonesia
- Joint venture partner, Java Petral Energy Pte Ltd (“JPEL”), has agreed to a cancellation of the 76.0 million Consideration Shares that had been previously issued to it on 10 September 2014 as part of the purchase consideration
- GSS Energy will not be required to pay JPEL the Second Tranche of the Cash Consideration, being the sum of S\$10.2 million, that is part of the purchase consideration agreed on 1 June 2014
- GSS Energy will acquire JPEL’s stake in Cepu Sakti Energy Pte Ltd (“CSE”) for a cash consideration of S\$1.00 dollar to increase its shareholding in CSE to 100%

Singapore, 17 August 2015 – GSS Energy (“the Company”) is pleased to announce that the Company had, on 14 August 2015, entered into a settlement agreement (the “**Settlement Agreement**”) with JPEL to adjust the purchase consideration under the Sales and Purchase Agreement dated 31 May 2014 (the “**SPA**”). The Settlement Agreement was entered into due to the termination of the agreement between PT CSE and Koperasi Unit Desa Sumber Pangan (“**KUD SP**”) dated 24 July 2015. The terms of the Settlement Agreement are as follows:

- (a) the 76.0 million Consideration Shares previously issued to JPEL as part of the purchase consideration shall be returned to GSS Energy and cancelled via way of capital reduction;
- (b) GSS Energy shall no longer be required to fulfil the Second Tranche of the Cash Consideration, being the sum S\$10.2 million, which shall be waived in full;
- (c) GSS Energy shall acquire JPEL’s remaining 46.32% in the issued and paid-up capital of CSE for a cash consideration of S\$1.00, thus increasing its total stake in CSE to 100%; and
- (d) the loans extended by the Company and by JPEL and its associates to CSE and its subsidiaries shall be fully waived.

Pursuant to the Settlement Agreement, GSS Energy will acquire 100% of the total issued and paid-up capital of CSE for a total cash consideration of S\$15.0 million and S\$1.00, instead of

the previously agreed consideration of S\$48.0 million for 53.7% of the issued and paid-up capital of CSE under the SPA. This acquisition represents a complete purchase of JPEL's stake, rights and claims to the economic benefits and assets of CSE.

Before the Settlement Agreement

Shareholders	Number of Shares Held in CSE	Approximate % of Shareholding in CSE	Original Consideration
GSS Energy	624,079	53.7	S\$48,000,000
JPEL	538,421	46.3	N.A.*

*N.A. means Not Applicable

After the Settlement Agreement

Shareholders	Number of Shares Held in CSE	Approximate % of Shareholding in CSE	Revised Consideration
GSS Energy	1,162,500	100.0	S\$15,000,001

Commenting on the settlement and acquisition, Mr. Sydney Yeung, CEO of GSS Energy, commented, **"GSS Energy is pleased to announce the settlement with JPEL to take-over the remaining shares of our subsidiary, CSE. The settlement was done in a short time. The Board of GSS Energy appreciates the full cooperation of JPEL in working out this settlement with us. With the take-over of CSE, GSS Energy will now be able to deal with the issues that are impacting on some of our oil extraction business in Indonesia.**

In the meantime, we have taken the prudent steps of providing for impairment in our Group's first half financial results ending 30 June 2015 ("1H2015"). We would be re-reviewing all our operations and streamlining our remaining assets in our Oil and Gas ("O&G") business segment and integrating them in all our energy sector business in Indonesia.

Our precision engineering business has been performing satisfactorily with sales and higher margins to generate improved revenue and profits, providing us with sustainable recurring income. Together with the exploration programme at the West Jambi Block in Sumatra, Indonesia with Ramba Energy Limited and GSS-AFCO Pte Ltd's marketing and distribution capabilities of crude oil products, we are confident our Group would continue to grow its presence in the region and the O&G sector.

¹CSE owns 95% of the issued and paid-up capital of PT CSE, while the remaining 5% of PT CSE is equally owned by Muhammad Saleh and Ario Dkoko Damar, who are also shareholders of JPEL. PT CSE owns the exclusive rights to cooperate in conducting operations for extracting oil from the Tungkul and Trumbul fields in Blora, Central Java and Dandangilo-Wonocolo and Ngrayong fields in East Java, Indonesia. On 19 September 2014, PT CSE has also entered into a cooperation agreement with PT Sarana Patra Jateng to manage the Trembul and Gabus oil fields in Central Java, Indonesia.

²GSS Energy Limited together with its subsidiaries is known as "the Group"

ABOUT GSS ENERGY LIMITED (Bloomberg Ticker: GSSE SP EQUITY)

GSS Energy has two core operating subsidiaries: CSE and Giken Sakata (S) Limited ("Giken Sakata"). CSE is engaged in oil production in Indonesia, and Giken Sakata is engaged in precision engineering, with a presence in Singapore, Indonesia and China.

GSS Energy officially started trading on SGX on February 12, 2015. Pursuant to a scheme of arrangement under Section 210 of the Companies Act, undertaken by Giken Sakata, Giken Sakata became a wholly-owned operating subsidiary of GSS Energy. Giken Sakata had been listed on SGX since 1993 and its listing status was transferred to GSS Energy with effect from February 12, 2015.

For more information, please visit www.giken.com.sg

Issued for and on behalf of GSS Energy Limited

By Financial PR Pte Ltd

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This announcement has been prepared by the Company and its contents have been reviewed by the company's Sponsor, Stamford Corporate Services Pte. Ltd., for compliance with the relevant rules of Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's Sponsor has not independently verified the contents of this announcement.

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

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