

GSS ENERGY LIMITED

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



SGX/MEDIA RELEASE – FOR IMMEDIATE RELEASE

GSS ENERGY MAKES HYDROCARBON DISCOVERY IN ITS TREMBUL OPERATING AREA

- **Group intends to harvest and commercialize the sweet gas found**
- **Group also seeks additional oil production with a workover program on another Well P1**

Singapore, 13 December 2017 – The Board of Directors (the “**Board**”) of **GSS Energy Limited** (“**GSS Energy**”, and together with its subsidiaries, the “**Group**”) is delighted to announce that its subsidiary PT Sarana GSS Trembul (“**PT SGT**”) has completed the first phase of its 1st well in the Trembul Operating Area in Central Java, Indonesia (“**Well SGT-01**”) pursuant to the Kerja Sama Operasi scheme (“**KSO Scheme**”) with PT Pertamina EP (“**Pertamina**”). The Group holds an 89% economic interest in PT SGT and is the operator for the Trembul Kerja Sama Operasi block while the remaining 11% is held by the Central Java Provincial Government-owned enterprise.

PT SGT started spudding Well SGT-01 in late September 2017 and has drilled up to 1,255 meters in depth under the KSO Scheme signed with Pertamina in 2016. Well SGT-01 discovered eight columns of hydrocarbon bearing sandstone reservoir with 37 metres of total net pay zone. Pertamina has agreed to commence commercialization of two of the eight zones at a depth of 863 – 869 meters and 910 - 915 meters respectively within the lower Ngrayong formation. An estimated 1.5 million standard cubic feet per day (MMSCFD) of sweet gas (91% CH₄ with no H₂S and a negligible amount of CO₂) plateau production can be expected for 14 years. The preliminary in-house well basis estimates for 1P recoverable reserve for the two gas zones was 8.49 BCF (billion cubic feet) of sweet gas, while the 1P recoverable reserve estimates for the other six oil zones stands at 2.83 MMBBLS (million barrels). Barring any unforeseen circumstances, the monetization of the two gas zones is expected to be in 2018.

In addition, the Group is in active discussions with Pertamina on harvesting the other pay zones as well.

In-line with the Group's strategy of securing onshore oil projects with proven oil reserves, the Group will be exploring additional production of oil by commencing workover programs in some selected potential wells previously drilled by Nederlandsche Koloniale Petroleum Maatschappij (known as Stanvac). From 1935 to 1942 before these oil fields were being abandoned, the wells delivered up to 640 barrels of oil per day (BOPD).

The data obtained from Well SGT-01 has opened up uncovered perspective for Well P1, an exploration well previously drilled by Pertamina in 2005, in which three potential zones were left unrecognised at that time due to inconclusive low resistivity wireline readings which are now supported by discoveries of hydrocarbon at SGT-01. The Group intends to re-enter Well P1 with a dedicated workover program to maximize the commercialization of the potential oil zones.

Commenting on the completion of the drilling and the hydrocarbon discovery, Mr. Sydney Yeung, CEO of GSS Energy, said, ***"It was a remarkable achievement that we will remember for 2017. Over the past two years, our management and operations team have become increasingly stable and experienced, and our thorough planning, diligent execution, and the persistent hard work paid off.***

Not only that the hydrocarbon discovery will be commercialized in the foreseeable future, the data obtained is also positive and will be used for our other oil zones. With the favorable commercial terms, our oil & gas business is expected to enhance the revenue and profit of the Group. GSS Energy will have a twin engine consisting of both the precision engineering and oil & gas businesses going forward, and we are determined to bring the financial performance to the next level."

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

GSS Energy has two core operating businesses: Oil and Gas (“**O&G**”) and Precision Engineering (“**PE**”). The O&G business is engaged in oil production in Indonesia, while the PE business is engaged in precision engineering, with a presence in Singapore, Indonesia and China.

GSS Energy officially started trading on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) 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.gssenergy.com.sg

Issued for and on behalf of GSS Energy Limited

By Financial PR Pte Ltd

For more information, please contact:

Romil SINGH / Reyna MEI / Colin LUM

gssenergy@financialpr.com.sg

Tel: (65) 6438 2990, Fax: (65) 6438 0064

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte. Ltd. (“**Sponsor**”), 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 the 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.

The details of the contact person for the Sponsor is Mr Bernard Lui

Tel: (65) 6389 3000

Email: bernard.lui@morganlewis.com