



GSS ENERGY LIMITED

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

GSS ENERGY COMPLETES DRILLING OF 1ST WELL (WELLSGT-01) IN TREMBUL OPERATING AREA AND MAKE HYDROCARBON DISCOVERY

- (1) The Board of Directors (the “**Board**”) of GSS Energy Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), refers to the announcements of 5 October 2016 and 3 November 2016, and is pleased to inform that the Group’s 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**”).
- (2) Well SGT-01 spudding commenced in late September 2017 and since then, we have drilled and reached the total depth (“**TD**”) of 1,255 meters under the KSO Scheme with Pertamina. At this TD and after performing necessary production testing, PT SGT is pleased to conclude that multiple layers of hydrocarbon discovery were encountered.
- (3) At 1,255 meters TD, a total of eight columns of hydrocarbon bearing sandstone reservoir with 37 meters of total net pay zone were confirmed. Pertamina has approved commencing the monetization of two zones at the depth of 863-869 meters and 910-915 meters within the lower Ngrayong formation as the first phase of the hydrocarbon discovery commercialisation. An estimated 1.5 MMSCFD (million standard cubic feet per day) 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). The Group will be acquiring independent 2D seismic survey to assist in PT SGT’s plan to drill more wells by proving PT SGT with enhanced knowledge of the sub-surface in the Trembul Operation area. The monetization of the two gas zones is expected to be in 2018 after a series of technical discussions with Pertamina, commercial negotiations with the gas buyer, as well as seeking for permits and approval from SKK Migas, while ongoing discussion with Pertamina on monetization plan of other pay zones are currently taking place.
- (4) In addition, the Group is also pleased to update that SGT-01 hydrocarbon discovery has led to the uncovering perspective for P1 well drilling data (an exploration well drilled by Pertamina in 2005). Three potential pay zones in well P1 were left unrecognised due to inconclusive low resistivity wireline readings which are now supported by the discoveries of hydrocarbon at SGT-01. The Group is now in the process of reentering P1 well with a dedicated workover program to potentially commercialise suspected liquid hydrocarbon encountered.
- (5) In parallel, the Group is in the process of seeking additional production of liquid hydrocarbon from selected old wells previously drilled by Nederlandsche Koloniale Petroleum Maatschappij (known as Stanvac). On record, the selected old wells on which the workover program is being initiated used to deliver up to 640 BOPD (barrels of oil per

day) per well. Most of the production came from shallow reservoirs within the period of 1935 to 1942 when the field was then abandoned.

- (6) 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.
- (7) The Company will continue to update shareholders on material developments relating to the Joint Operation, if any.
- (8) The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Joint Operation, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.
- (9) Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board
GSS Energy Limited

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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 ("**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 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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