



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

EMPHASIS OF MATTER IN INDEPENDENT AUDITOR'S REPORT ON THE AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

In accordance with Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board of Directors (the "**Board**") of GSS Energy Limited (the "**Company**") and together with its subsidiaries, the "**Group**") wishes to announce that the Group's independent auditors, BDO LLP (the "**Independent Auditor**"), had, without modifying its audit opinion, included an emphasis of matter in their audit report (the "**Independent Auditor's Report**") on the audited financial statements of the Group for the financial year ended 31 December 2021 ("**FY2021**") (the "**FY2021 Audited Financial Statements**") in respect of the approval for extension of oil and gas exploration period in Indonesia that was not received by an associate, PT Sarana GSS Trembul, as at the date of the FY2021 Audited Financial Statements.

For further details, please refer to the extracts of the Independent Auditor's Report and Note 19 to the FY2021 Audited Financial Statements, as annexed to this announcement.

Shareholders of the Company are advised to read this announcement in conjunction with the Independent Auditor's Report and the FY2021 Audited Financial Statements in full, electronic copies of which will be available on the Company's website and SGXNet on 14 April 2022 as part of the Company's annual report for FY2021.

The Board is of the opinion that sufficient information has been disclosed for trading of the Company's shares to continue in an orderly manner, and confirms that all material disclosures have been provided for trading of the Company's shares to continue.

By Order of the Board of
GSS ENERGY LIMITED

Anthony Kuek
Chairman
14 April 2022

This announcement has been reviewed by the Company's sponsor, Stamford Corporate Services Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Bernard Lui, Telephone number: 6389 3000 Email: Bernard.lui@morganlewis.com

EXTRACT OF THE EMPHASIS OF MATTER FROM THE INDEPENDENT AUDITOR'S REPORT

Emphasis of Matter

We draw attention to Note 19 to the financial statements, which discloses that the associate has failed to deliver the required banker's guarantee amongst others, to fulfil the relevant requirements within the time-frame as required by the Indonesian state-owned entity on 18 February 2022, to secure an extension of the exploration period till February 2024. The banker's guarantee was only subsequently submitted to the Indonesian state-owned entity on 4 March 2022.

The associate had breached the terms and condition of the Operation Cooperation Agreement ("OCA") dated 2 November 2016 and the Indonesian state-owned entity has the right to terminate the OCA.

The formal approval for the extension of exploration period has not been received as at date of these financial statements. Notwithstanding this, the associate and the Indonesian state-owned entity continued to have meetings and discussions after submission of the required banker's guarantee. The Board of Directors and management have assessed that this is not expected to have significant impact on the accompanying financial statements. Our Opinion is not modified in respect of this matter.

EXTRACT OF NOTE 19 TO THE FINANCIAL STATEMENTS FOR FY2021

The associate is engaged in the exploration of oil and gas in Indonesia. The amount due from an associate forms part of the Group's and the Company's net investment in an associate and is non-trade in nature, unsecured, non-interest bearing and has no fixed terms of repayment. The settlement of such balances is not planned and is dependent upon the generation of revenue from the evaluation and exploration asset.

Subsequent to the financial year end, the associate has failed to deliver the required banker's guarantee amongst others, to fulfil the relevant requirements within the time-frame required by the Indonesian state-owned entity on 18 February 2022, to secure an extension of the exploration period till February 2024. The banker's guarantee was only subsequently submitted to the Indonesian state-owned entity on 4 March 2022.

The associate had breached the terms and condition of the Operation Cooperation Agreement ("OCA") dated 2 November 2016 and the Indonesian state-owned entity has the right to terminate the OCA.

The formal approval for the extension of exploration period has not been received as at date of these financial statements. Notwithstanding this, the associate and the Indonesian state-owned entity continued to have meetings and discussions after submission of the required banker's guarantee.

The impairment assessment of the Group's and the Company's investment in the associate is based on the progress of the exploration project including but not limited to the future plans for the evaluation and exploration projects. The Group carried out a review on the recoverable amount on the investment in an associate and concluded that no impairment loss to be made as at 31 December 2021.

The Group and the Company have reviewed the expected credit loss in respect of the amount due from associate based on the lifetime expected credit loss model in accordance with SFRS(I) 9 Financial Instruments and concluded that no expected credit loss to be made for the amount due from the associate.