



Tests at Loyz Energy's India concession yield welcome results

- ◆ Well in Baola field in Gujarat produces 9.3 barrels of oil per day over test period; further testing and trials have been started to evaluate commercial viability
- ◆ Bombay-listed unit has begun talks for crude oil sales deal

SINGAPORE ◆ 13 December 2012

For immediate release

Loyz Energy Limited (Loyz or the Group), a Singapore-based upstream energy group, has announced that testing operations conducted at a well in one of its two fields in Gujarat, India, have yielded a flow of test oil.

The Group's concessions in India are held under its Bombay-listed subsidiary, Interlink Petroleum Limited (IPL). The 51%-owned unit has production-sharing contracts (PSCs) with the Indian government for the Baola field, where the tests were conducted, as well as for the Modhera field, both located onshore in the highly prospective Cambay Basin of Gujarat state.

Operations conducted from 20 October 2012 at Well No. 8 in the Baola field have produced test oil (along with dissolved gas and emulsified water) at an estimated average rate of 9.3 barrels a day in self-flow mode. Oil was first discovered at the well after test drilling conducted in October 2010; until then, Baola had been categorised mainly as a natural gas field.

To optimise production at the well, the Group is trialling several methodologies, including intermittent steam application and chemical dosing. It believes production there can be increased further by using other technologically advanced applications currently being considered.

The Baola field produced natural gas for sale from 2001 to 2004, until production was halted because of water ingress. However, following flow tests conducted in 2011 at



Wells No. 1 and No. 5, IPL estimates that the two wells together can produce about 8,300 cubic metres of natural gas per day. It is actively negotiating gas supply and crude oil sales agreements with some consumers in the area, which are expected to generate operational revenues starting from 2013.

Meanwhile, at the Modhera field, the latest resource assessment report say it has 2C contingent resources amounting to 1.535 million barrels of oil. The estimates were provided by an internationally reputable consulting firm, Roxar Flow Measurement Sdn Bhd, appointed by IPL.

Mr Adrian Lee (黎才庆), the Executive Director of Loyz Energy, said: “This latest news is encouraging for the Group, coming in the wake of our recent move to transform Loyz into a full-fledged exploration and production (E&P) company by divesting all our non-core businesses. By dedicating all our resources to growing our upstream energy business, we have moved closer to reaching our ultimate goal of establishing ourselves as a significant independent player in the E&P sector.

“The findings for Baola demonstrate that the portfolio of concessions we have built up so far offers compelling potential for long-term growth. To maximise this potential, we have mapped out a measured exploration and development programme that we expect to yield further results over the next few years and help Loyz to generate a robust and sustained earnings stream.”

ABOUT THE COMPANY

SGX SESDAQ (Catalist) listing: December 1999

Home-grown Loyz Energy Limited (Loyz Energy or the Group) is set on becoming a reputable independent exploration and production (E&P) energy company in the Asia-Pacific region.

The Group, through its E&P subsidiary Loyz Oil Pte Ltd (Loyz), plans to build up a portfolio of prime, producing oil and gas (O&G) concessions, which will generate a steady earnings stream from the hydrocarbons identified using cutting-edge technologies.

In line with its growth strategy, Loyz has signed a cooperation agreement with GEO EAST Co., Ltd, which will give it access to capabilities and resources to acquire and process seismic data for existing and prospective concessions. Loyz has also inked a separate agreement with Rex Oil & Gas Limited (Rex) to jointly explore 35 areas in the Asia-Pacific, using the latter’s technologies.



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The Group owns two production-sharing contracts (PSCs) for the onshore Baola and Modhera fields in Gujarat in India, held under a Bombay-listed subsidiary, Interlink Petroleum Limited. It recently announced the acquisition of two petroleum exploration permits (PEPs) – one for New Zealand’s Taranaki Basin and the other for an area off the coast of Victoria in Australia. The Group has also inked its first major onshore E&P deal in the US, where Loyz and Rex will carry out a drilling campaign for 80 onshore wells located in Colorado and North Dakota. Loyz targets to build a balanced portfolio of producing and exploration concessions.

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