

FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

**PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR RESULTS**

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

On 1 April 2013, the Company announced that the proposed sale of the entire equity interest, being 2,000,000 ordinary shares, held by the Company in Sim Siang Choon Hardware (S) Pte Ltd (“**SSCH**”) to Mr Sim Siang Choon (the “**Purchaser**”) at a consideration of Singapore Dollars Nine Million only (S\$9,000,000) (the “**Consideration**”) had been completed.

The Company had on 31 March 2013 received the net consideration of S\$7.3M from the Purchaser. The net consideration was derived after reducing the Consideration by the Director’s loan of S\$1.7M payable by the Company to the Purchaser. The completion was effected at the close of business on 31 March 2013 and effectively on 1 April 2013, SSCH ceased to be a subsidiary of the Company.

As at 31 March 2013, SSCH remains as a subsidiary of the Company and its financial results were consolidated as part of the Group’s 3Q FY2013 results. The financial results of SSCH will be de-consolidated in the Group’s FY2013 results.

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income	3Q FY2013¹ S\$'000	3Q FY2012² S\$'000	Change %	9M FY2013³ S\$'000	9M FY2012⁴ S\$'000	Change %
Revenue	3,175	3,603	(12)	11,709	12,666	(8)
Cost of sales	(1,708)	(1,822)	(6)	(6,029)	(6,458)	(7)
Gross profit	1,467	1,781	(18)	5,680	6,208	(9)
<i>Other items of income</i>						
Interest income	24	19	26	63	96	(34)
Other credits	2,046	339	502	2,976	875	240
<i>Other items of expense</i>						
Distribution costs	(60)	(170)	(65)	(255)	(1,210)	(79)
Administrative expenses	(1,698)	(1,348)	26	(5,003)	(3,797)	32
Finance costs	(2)	(1)	100	(5)	(3)	66
Other expenses	(1,572)	(1,437)	9	(4,813)	(4,120)	17
Other charges	(35)	(16)	118	(4)	-	NM ⁵
Profit/(loss) before income tax	170	(833)	NM ⁵	(1,361)	(1,951)	(30)
Income tax expense	46	8	475	(8)	(23)	(65)
Profit/(loss) for the financial period	216	(825)	NM⁵	(1,369)	(1,974)	(31)
Other comprehensive income:						
Exchange differences on translating foreign operations	477	(113)		348	(966)	
Other comprehensive income for the financial period, net of tax	477	(113)		348	(966)	
Total comprehensive income for the financial period	693	(938)		(1,021)	(2,940)	
Profit/(loss) attributable to:						
Owners of the parent	637	(818)		(907)	(1,960)	
Non-controlling interests	(421)	(7)		(462)	(14)	
	216	(825)		(1,369)	(1,974)	
Total comprehensive income attributable to:						
Owners of the parent	1,022	(868)		(586)	(2,452)	
Non-controlling interests	(329)	(70)		(435)	(488)	
	693	(938)		(1,021)	(2,940)	

¹ "3Q FY2013": Period from 1 January 2013 to 31 March 2013

² "3Q FY2012": Period from 1 January 2012 to 31 March 2012

³ "9M FY2013": Period from 1 July 2012 to 31 March 2013

⁴ "9M FY2012": Period from 1 July 2011 to 31 March 2012

⁵ "NM": Not Meaningful

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

	3Q FY2013¹ S\$'000	3Q FY2012² S\$'000	9M FY2013³ S\$'000	9M FY2012⁴ S\$'000
Other credits				
Foreign exchange gain, net	-	-	-	8
Gain on disposal of plant and equipment	-	3	114	3
Amortisation of deferred revenue	274	265	821	796
Preliminary expenses written off	-	-	-	-
Write back of allowance for doubtful non-trade receivables	1,550	63	1,750	63
Other income	222	8	291	5
	2,046	339	2,976	875
Finance costs				
Interest expense	(2)	(1)	(5)	(3)
Other charges				
Foreign exchange loss, net	(35)	(8)	(4)	-
Preliminary expenses written off	-	(8)	-	-
	(35)	(16)	(4)	-

1(b)(i) A Balance Sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position	Group			Company		
	31-Mar-13 \$'000	31-Dec-12 \$'000	30-Jun-12 \$'000	31-Mar-13 \$'000	31-Dec-12 \$'000	30-Jun-12 \$'000
ASSETS						
Non-Current Assets:						
Property, plant and equipment	1,048	1,115	877	-	-	-
Exploration and evaluation assets	32,295	26,258	17,612	-	-	-
Intangible assets	34,854	34,844	34,871	-	-	-
Investments in subsidiaries	-	-	-	41,581	41,581	41,614
Prepayments	3,644	2,450	2,425	-	-	-
Total Non-Current Assets	71,841	64,667	55,785	41,581	41,581	41,614
Current Assets:						
Inventories	7,862	8,529	9,008	-	-	-
Trade and other receivables	976	1,016	1,043	25,367	16,720	567
Other assets	9,977	4,961	2,393	-	-	-
Prepayments	91	228	112	10	9	-
Cash and cash equivalents	15,004	16,629	7,664	9,172	9,286	261
Total Current Assets	33,910	31,363	20,220	34,549	26,015	828
Total Assets	105,751	96,030	76,005	76,130	67,596	42,442
EQUITY AND LIABILITIES						
Equity:						
Ordinary shares	68,014	68,014	42,229	68,014	68,014	42,229
Convertible preference shares	4,388	4,388	8,775	-	-	-
Reserves	(674)	(1,059)	(941)	17	17	71
Retained earnings / (Accumulated losses)	399	(238)	1,306	(1,177)	(2,432)	(1,786)
Equity attributable to owners of the parent	72,127	71,105	51,369	66,854	65,599	40,514
Non-controlling interests	3,341	3,670	3,478	-	-	-
Total Equity	75,468	74,775	54,847	66,854	65,599	40,514
Non-Current Liabilities:						
Convertible preference shares	-	-	1,500	-	-	-
Bank loans	11,101	10,881	11,481	-	-	-
Finance lease payables	186	193	102	-	-	-
Provision for restoration costs	92	89	91	-	-	-
Other liabilities	775	775	775	-	-	-
Total Non-Current Liabilities	12,154	11,938	13,949	-	-	-
Current Liabilities:						
Convertible preference shares	1,500	1,500	1,500	-	-	-
Current income tax payable	47	104	65	-	-	-
Trade and other payables	15,964	6,833	4,190	9,276	1,997	1,928
Finance lease payables	56	84	94	-	-	-
Other liabilities	562	796	1,360	-	-	-
Total Current Liabilities	18,129	9,317	7,209	9,276	1,997	1,928
Total Liabilities	30,283	21,255	21,158	9,276	1,997	1,928
Total Equity and Liabilities	105,751	96,030	76,005	76,130	67,596	42,442

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 Mar 2013 (\$'000)		As at 30 Jun 2012 (\$'000)	
Secured	Unsecured	Secured	Unsecured
1,556	-	1,594	-

Amount repayable after one year

As at 31 Mar 2013 (\$'000)		As at 30 Jun 2012 (\$'000)	
Secured	Unsecured	Secured	Unsecured
11,287	-	13,083	-

Details of any collaterals

Finance lease

The finance leases of the Group are secured by the three motor vehicles under finance lease. Motor vehicles are purchased by the subsidiaries of the Company, Sim Siang Choon Hardware (S) Pte Ltd and Loyz Oil Pte Ltd.

Long-term bank loan

Interlink Petroleum Limited, a subsidiary of the Company, has a US\$9M term loan with DBS Bank Ltd. These are secured by a fixed deposit account charge over a fixed deposit amounting to US\$4.5M. The US\$4.5M fixed deposit account is under Jit Sun Investments Pte Ltd. There was no fee charged by Jit Sun Investments Pte Ltd for the provision of the security.

The balance of US\$4.5M is secured by the corporate guarantee from Jit Sun Investments Pte Ltd.

Preference shares

Loyz Oil Pte Ltd, a subsidiary of the Company, issued 12,000,000 redeemable exchangeable preference shares on 25 July 2011, to Venstar Investments Ltd and Venstar Investments II Ltd. Based on the terms and conditions set out in the subscription agreement, the preference shareholders may exchange the preference shares into new ordinary shares of the holding company (i.e. Loyz Energy Limited).

The share pledge deed was issued on 30 April 2012 to secure the performance of the obligations owed by the Company and its subsidiary, Loyz Oil Pte Ltd, to Venstar Investments Ltd and Venstar Investments II Ltd under the Subscription Agreement. The Company has agreed to pledge all of the ordinary shares in respect of the entire issued share capital of Loyz Oil Pte Ltd.

On 23 August 2012, Venstar Investments Ltd and Venstar Investments II Ltd converted a total of 6,000,000 redeemable preference shares into 15,000,000 new Loyz Energy Limited shares at an exchange price of S\$0.40.

As at 31 March 2013, the remaining 6,000,000 redeemable exchangeable preference shares are recognised at the Exchange Price under Current Liabilities amounting to S\$1.5M.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows	3Q FY2013¹ S\$'000	3Q FY2012² S\$'000	9M FY2013³ S\$'000	9M FY2012⁴ S\$'000
Operating activities				
Profit/(loss) before income tax	170	(833)	(1,361)	(1,951)
Adjustments for:				
Amortisation of intangible assets	1	29	2	29
Amortisation of deferred revenue	(274)	(265)	(821)	(796)
Depreciation of plant and equipment	86	57	237	155
Writeback of allowance for doubtful non-trade receivables	(1,550)	-	(1,750)	-
Gain on disposal of plant and equipment	-	(3)	(114)	(3)
Reversal of share options	-	-	(54)	-
Interest income	(24)	(19)	(63)	(96)
Interest expense	2	1	5	3
Operating cash flows before working capital changes	(1,589)	(1,033)	(3,919)	(2,659)
Working capital changes:				
Inventories	667	333	1,146	154
Trade and other receivables	1,590	97	1,817	481
Other assets	116	(345)	240	181
Prepayments	137	(613)	21	(2,761)
Trade and other payables	1,412	(1,573)	2,112	(2,019)
Other liabilities	40	515	23	(52)
Cash generated from / (used) in operating activities	2,373	(2,619)	1,440	(6,675)
Interest received	24	19	63	96
Income tax refund	-	2	-	2
Income tax paid	(11)	(145)	(26)	(344)
Net cash generated from / (used) in operating activities	2,386	(2,743)	1,477	(6,921)
Investing activities				
Proceeds from disposal of plant and equipment	-	3	119	3
Purchase of plant and equipment	-	-	(408)	(475)
Advance payment received for disposal of a subsidiary	9,000	-	9,000	-
Purchase of exploration and evaluation assets	(5,039)	-	(12,228)	(4,247)
Deposit paid for the acquisition of two drilling units	(4,713)	-	(8,114)	(2,791)
Purchase of intangible assets	(7)	(303)	(9)	(303)
Prepayments for pre-exploration data	(1,194)	-	(1,219)	-
Net cash used in investing activities	(1,953)	(300)	(12,859)	(7,813)
Financing activities				
Interest paid	(2)	(1)	(5)	(3)
Increase in borrowings	-	397	-	1,272
Loan received from a director	-	-	1,000	-
Repayment of loan received from a director	(1,700)	-	(1,700)	(715)
Repayment of finance lease payables	(35)	(16)	(99)	(50)
Dividend paid	-	-	-	(665)
Net proceeds from issue of ordinary shares	-	-	19,576	-
Proceeds from exercise of share options	-	-	322	-
Net proceeds from issue of preference shares	-	-	-	12,000
Net cash from financing activities	(1,737)	380	19,094	11,839
Net change in cash and cash equivalents	(1,304)	(2,663)	7,712	(2,895)
Foreign currency translation adjustments	(321)	(195)	(372)	(87)
Cash and cash equivalents at beginning of financial period	14,938	9,691	5,973	9,815
Cash and cash equivalents at end of financial period	13,313	6,833	13,313	6,833

*Exclude cash restricted in use over 3 months: \$1.691M

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Statement of Changes in Equity Group	Ordinary shares S\$'000	Share option reserve S\$'000	Convertible preference shares S\$'000	Foreign currency translation Account S\$'000	Retained earnings S\$'000	Equity attributable to owners of the parent S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Balance as at 1 July 2012	42,229	71	8,775	(1,012)	1,306	51,369	3,478	54,847
Loss for the financial period	-	-	-	-	(1,544)	(1,544)	(41)	(1,585)
Other comprehensive income for the period:								
Exchange differences on translating foreign operations	-	-	-	(64)	-	(64)	(65)	(129)
Total comprehensive income for the financial period	-	-	-	(64)	(1,544)	(1,608)	(106)	(1,714)
Issue of shares	25,463	-	-	-	-	25,463	-	25,463
Share options exercised	322	(54)	-	-	-	268	-	268
Convertible preference shares exercised	-	-	(4,387)	-	-	(4,387)	-	(4,387)
Subscription of shares by non-controlling interest in newly incorporated subsidiary	-	-	-	-	-	-	298	298
Balance as at 31 December 2012	68,014	17	4,388	(1,076)	(238)	71,105	3,670	74,775
Balance as at 1 January 2013	68,014	17	4,388	(1,076)	(238)	71,105	3,670	74,775
Profit for the financial period	-	-	-	-	637	637	(421)	216
Other comprehensive income for the period:								
Exchange differences on translating foreign operations	-	-	-	385	-	385	92	477
Total comprehensive income for the financial period	-	-	-	385	637	1,022	(329)	693
Balance as at 31 March 2013	68,014	17	4,388	(691)	399	72,127	3,341	75,468

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Continued)

Statement of Changes in Equity Group	Ordinary shares S\$'000	Share option reserve S\$'000	Convertible preference shares S\$'000	Foreign currency translation Account S\$'000	Retained earnings S\$'000	Equity attributable to owners of the parent S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Balance as at 1 July 2011	42,229	71	-	(194)	7,085	49,191	4,870	54,061
Loss for the financial period	-	-	-	-	(1,142)	(1,142)	(7)	(1,149)
Other comprehensive income for the period:								
Exchange differences on translating foreign operations	-	-	-	(442)	-	(442)	(411)	(853)
Total comprehensive income for the financial period	-	-	-	(442)	(1,142)	(1,584)	(418)	(2,002)
Issue of shares by subsidiary	-	-	9,000	-	-	9,000	-	9,000
Dividend	-	-	-	-	(665)	(665)	-	(665)
Balance as at 31 December 2011	42,229	71	9,000	(636)	5,278	55,942	4,452	60,394
Balance as at 1 January 2012	42,229	71	9,000	(636)	5,278	55,942	4,452	60,394
Loss for the financial period	-	-	-	-	(818)	(818)	(7)	(825)
Other comprehensive income for the period:								
Exchange differences on translating foreign operations	-	-	-	(50)	-	(50)	(63)	(113)
Total comprehensive income for the financial period	-	-	-	(50)	(818)	(868)	(70)	(938)
Balance as at 31 March 2012	42,229	71	9,000	(686)	4,460	55,074	4,382	59,456

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (Continued)

Statement of Changes in Equity	Ordinary shares	Share option reserve	Retained earnings	Total Equity
Company	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2012	42,229	71	(1,786)	40,514
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(646)	(646)
Issue of shares	25,463	-	-	25,463
Share option exercised	322	(54)	-	268
Balance at 31 December 2012	68,014	17	(2,432)	65,599
Balance at 1 January 2013	68,014	17	(2,432)	65,599
Profit for the financial period, representing total comprehensive income for the financial period	-	-	1,255	1,255
Balance at 31 March 2013	68,014	17	(1,177)	66,854

Statement of Changes in Equity	Ordinary shares	Share option reserve	Retained earnings	Total Equity
Company	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2011	42,229	71	1,535	43,835
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(565)	(565)
Dividend paid	-	-	(665)	(665)
Balance at 31 December 2011	42,229	71	305	42,605
Balance at 1 January 2012	42,229	71	305	42,605
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(334)	(334)
Balance at 31 March 2012	42,229	71	(29)	42,271

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital – Ordinary shares	Number of Shares	\$
Balance at 1 January 2013	333,780,910	68,013,901
Issue of shares	-	-
Balance at 31 March 2013	333,780,910	68,013,901

As at 31 March 2013, there are no other outstanding convertibles other than the remaining 6,000,000 (31 March 2012: 12,000,000) redeemable exchangeable preference shares issued to Venstar Investments Ltd and Venstar Investments II Ltd. 15,000,000 (31 March 2012: 30,000,000) new shares may be issued on the conversion of these outstanding convertibles.

(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31-Mar-13	30-Jun-12
Total number of issued shares excluding treasury shares	333,780,910	266,520,910

(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not Applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The above financial statements have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not Applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The financial information has been prepared in accordance with the same accounting policies and methods of computation adopted in the audited financial statements of the last financial year, except for the adoption of the new or revised Singapore Financial Reporting Standards ("**FRS**") and Interpretations of FRS ("**INT FRS**") which became effective for the current financial year. The adoption of these FRS and INT FRS did not result in any substantial changes to the Group's accounting policies.

5. If there were any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the company for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per shares (EPS)	3Q FY2013¹	3Q FY2012²	9M FY2013³	9M FY2012⁴
- on weighted average number of shares	0.20 cents	(0.31 cents)	(0.29 cents)	(0.74 cents)
- on a fully diluted basis	0.19 cents	(0.31 cents)	(0.29 cents)	(0.74 cents)

Notes:

The profit/(loss) per ordinary share for both 3Q FY2013 and 9M FY2013 are calculated based on 312,448,501 ordinary shares in issue on a weighted average basis. The loss per ordinary share for 3Q FY2012 and 9M FY2012 are calculated based on 266,520,910 ordinary shares in issue.

On a fully diluted basis, the profit/(loss) per ordinary share for 3Q FY2013 and 9M FY2013 are calculated based on 327,448,501 and 312,448,501 ordinary shares in issue on a weighted average basis respectively. The loss per ordinary share for the previous quarter 3Q FY2012 and 9M FY2012 are calculated based on 266,520,910 ordinary shares in issue. Diluted loss per share for 9M FY2013, 3Q FY2012 and 9M FY2012 is the same as the basic loss per share because the potential ordinary shares to be converted are anti-dilutive as the effect of the shares conversion would be to decrease the loss per share.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current period reported on; and
(b) immediately preceding financial year**

	Group 31-Mar-13	Group 30-Jun-12	Company 31-Mar-13	Company 30-Jun-12
Net asset value per share based on existing issued share capital as at the respective period	21.61 cents	19.27 cents	20.03 cents	15.20 cents

Note:

The net asset value per ordinary share as at 31 March 2013 and 30 June 2012 are calculated based on 333,780,910 and 266,520,910 ordinary shares respectively in issue.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current period reported on.**

Review for 3Q FY2013, period from 1 January 2013 to 31 March 2013:-

Consolidated Statement of Comprehensive Income

Total revenue for 3Q FY2013 decreased by 12% as compared to 3Q FY2012 mainly due to lesser retail sales in the current quarter.

The decrease in cost of sales for 3Q FY2013 is in line with the decrease in revenue.

Gross profit margin in 3Q FY2013 at 46.2% decreased from 49.4% in the previous corresponding period mainly due to promotional activities.

Other credits increase by S\$1.71M mainly due to bad debts recovered from Empire Holdings Limited.

Distribution costs decreased by S\$0.11M mainly due to lesser spending in advertising and travelling costs for sanitary hardware business as compared with previous corresponding period.

Administrative expenses and other expenses increased by a total of S\$0.48M mainly due to increase in staff cost and legal and professional fees incurred in relation to the expansion of the oil and gas division.

Consolidated Statement of Financial Position

Property, plant and equipment decreased by S\$0.07M, from S\$1.12M in 1H FY2013 to S\$1.05M in 3Q FY2013. This is mainly due to depreciation charged during the period.

Exploration and evaluation assets increased by S\$6.04M, from S\$26.26M in 1H FY2013 to S\$32.30M in 3Q FY2013. This is mainly due to the capitalisation of the cost of completion for our Australian 3D seismic work for exploration permit VIC/P62.

Prepayment increased by S\$1.06M over the previous quarter, mainly due to prepayment for the usage of Rex's proprietary technologies.

Inventory decreased by S\$0.67M, from S\$8.53M in 1H FY2013 to S\$7.86M in 3Q FY2013. This is mainly due to the decrease in the purchase of sanitary hardwares in view of the decline in demand.

Other assets increased by S\$5.02M from S\$4.96M in 1H FY2013 to S\$9.98M in 3Q FY2013. This increase is mainly due to deposit paid for the acquisition of two drilling units.

Cash and cash equivalents decreased by S\$1.31M. This is mainly due to the payment made for VIC/P62-3D seismic works, deposit paid for the acquisition of two drilling units and further prepayment made for the usage of Rex's proprietary technologies. This is partially offset by the net consideration received for the sale of the Company's entire equity interest in SSCH. Further details are given in the review of Consolidated Statement of Cash Flows.

Trade and other payables increased by S\$9.13M, from S\$6.83M in 1H FY2013 to S\$15.96M in 3Q FY2013. This was mainly due to the net consideration received for the sale of the Company's entire equity interest in SSCH. The consideration was received in the form of a cheque on 31 March 2013 and the Company's loss of control in the subsidiary took effect on 1 April 2013. In addition, the increase was due to outstanding progress payment for the acquisition of two drilling units.

Consolidated Statement of Cash Flows

Net cash generated from operating activities of S\$2.39M in the 3Q FY2013 was due mainly to the successful recovery of S\$1.55M from Empire Holdings Limited, coupled with active management of working capital including inventories and trade payables.

Net cash used in investing activities was mainly due to the payment for 3D seismic work for exploration permit VIC/P62, deposit paid for the acquisition of two drilling units and further prepayment for the usage of Rex's proprietary technologies, partially offset by the net consideration received for the sale of the Company's entire equity interest in SSCH.

Net cash used in financing activities was mainly for the repayment of loan from director and finance leases.

As a result of the above, cash and cash equivalents decreased by S\$1.31M in 3Q FY2013.

9. Where a forecast, or a prospect statement, has been previously disclosed to our shareholders, any variance between it and the actual results.

Not Applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The price of crude oil has seen volatility over the past few months. Despite short term fluctuations the price has stayed at a level that supports the Exploration and Production Industry. The U.S. Energy Information Administration expects that Brent crude oil spot price will average above US\$100 in the second half of 2013.

The Group has recently announced that it will be drilling into the prolific Mission Canyon Formation located in North Dakota, USA. The first well was spudded on 7 May 2013 and the results are expected to be known in approximately 4 weeks' time. The wells will be drilled and completed by Loyz Rex Drilling Services LLC, the Company's 51% owned subsidiary. The Group is now preparing its drilling campaign in Colorado and is expecting to commence drilling there in approximately 6 weeks' time.

The Group's subsidiary in India has also announced the commencement of production and sale of natural gas from its Baola field with effect from 12 April 2013. Necessary work overs to increase the gas production and supply from the field will be undertaken.

With the commencement of the USA operations and the India gas sales, the Group is expecting to record its first revenues from the Oil & Gas business in Q4 FY2013.

3D seismic work has been completed for both our Australian and New Zealand permits. The data collected is being processed and the Group expects that processing and interpretation work will be completed over the coming months. The Group will be able to identify drilling locations with the interpretation results and work towards drilling in these permits.

The proposed sale of entire equity interest, being 2,000,000 ordinary shares held by the Company in Sim Siang Choon Hardware (S) Pte Ltd ("**SSCH**") to Mr Sim Siang Choon (the "**Purchaser**") at a

consideration of Singapore Dollars Nine Million only (S\$9,000,000) (the “**Consideration**”) has been completed. The completion was effected at the close of business on 31 March 2013 and effectively on 1 April 2013, SSCH ceased to be a subsidiary of the Company.

The financial results of SSCH will be de-consolidated in the Group’s full year results.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

12. If no dividend has been declared/recommended, a statement to that effect

No dividend is recommended for this period.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Not Applicable.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not Applicable.

16. A breakdown of sales

Not Applicable.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable.

18. Requirement under Rule 705(5) of the Listing Manual

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the quarter ended 31 March 2013 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lee Chye Cheng, Adrian
Managing Director

Kwan Weng Kwong
Non-Executive Director

BY ORDER OF THE BOARD

Lee Chye Cheng, Adrian

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 the Exchange. The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the Exchange and the Exchange 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. Ng Joo Khin
Tel: 6389 3000 Email: jookhin.ng@stamfordlaw.com.sg*