

ANNEX A

**EXTRACT OF THE INDEPENDENT AUDITORS' REPORT TO
THE MEMBERS OF LOYZ ENERGY LIMITED**

Report on the financial statements

We have audited the accompanying financial statements of Loyz Energy Limited (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and of the Company as at 30 June 2013, the consolidated statement of comprehensive income, statements of changes in equity of the Group and of the Company and consolidated statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITORS' REPORT TO
THE MEMBERS OF LOYZ ENERGY LIMITED (Continued)**

Report on the financial statements (Continued)

Opinion

In our opinion, the accompanying financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2013 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Emphasis of matter

We draw attention to Note 6 to the financial statements which describes an application, not yet approved, to the New Zealand Government for approval to delay the drilling of an appraisal well currently due by December 2013 with respect to the Petroleum Exploration Permit No. 38479. Our opinion is not qualified in respect of this matter.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

BDO LLP

Public Accountants and
Chartered Accountants

Singapore
3 October 2013