



Loyz Energy draws first oil in the US, one year after inking its landmark E&P deal

- ◆ Milestone underlines the Group's mettle and competency as a full-fledged independent E&P player
- ◆ Loyz Energy will step up the pace as it brings other concessions to production and selectively adds more producing assets

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For immediate release

Just over a year after concluding its largest exploration and production (E&P) deal, Loyz Energy Limited (Loyz Energy or the Group), a relatively young Singapore-based upstream energy group, has drawn first oil in North Dakota and Colorado in the United States of America (US), where it is currently far progressed into the first leg of its well-drilling campaign.

The onshore drilling programme represents the Group's first foray into the US and is part of a landmark participation-and-exploration agreement covering almost 60,000 acres of exploration and production leases owned by Fram Exploration ASA within the resource-rich plains of North Dakota and Colorado. The aforesaid agreement provides the Group with a 20% share of net revenue interest for each producing well.

Mr Adrian Lee, the Group's Managing Director, said: "We have demonstrated that Loyz Energy has the know-how and proficiency to manage the entire E&P process, from exploration to the eventual production of hydrocarbons.

"The first well was spudded in North Dakota on 7 May 2013. Production flow is already underway in the Schlak #3 well in North Dakota, where initial flow tests indicate varying flow rates up to 50 barrels per day. In Colorado, two deviated wells have been drilled in the Whitewater area, namely the Mansur 33-1-N and Mansur 33-1-L wells. Initial electric logs show gross potential pay intervals of up to 90 feet in each well. Flow tests are being carried out now and will continue over the next few weeks, the results of which will be announced in due course."



Mr Lee noted: “We will now press forward with field development of the discovery in the Schlak area, as well as the South Greene discovery, both in North Dakota. We are currently analysing the best approach to exploit the discoveries, applying state of the art technologies and industry practices. We are especially excited about log readings, which show a potentially significant discovery in the Spearfish formation. Our first priority is to turn the discoveries into producing assets and then use the ensuing cash flows to increase the pace of development as we bring our other fields into production and add more producing assets to our portfolio.”

Loyz Energy’s strategy to build a balanced portfolio of exploration and producing concessions is manifested in the awarding of its most recent petroleum service contract for Area 14 in the East Palawan Basin, located offshore the Philippines.

ABOUT THE COMPANY

SGX SESDAQ (Catalist) listing: December 1999

Singapore based Loyz Energy is well on its way to becoming a reputable independent E&P energy company in the Asia-Pacific.

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.

The Group has achieved first oil in the US through the major onshore E&P deal it inked in 2012, under which Loyz and its partners are carrying out a drilling campaign in North Dakota and Colorado. Loyz will receive a 20% share of the net revenue interest in every producing well.

In addition, one of the Group’s concessions in India, the Baola field, has commenced the production and supply of natural gas. Loyz owns two production-sharing contracts (PSCs) in Gujarat, for the onshore Baola and Modhera fields, held under a Bombay-listed subsidiary, Interlink Petroleum Limited.

The Group has also acquired 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. Loyz’s latest win – a petroleum service contract for Area 14 in the East Palawan Basin, off the Philippines – will bring it closer to its target of building a balanced portfolio of exploration and producing concessions.

FOR FURTHER ENQUIRIES



LOYZ ENERGY LIMITED

15 Hoe Chiang Road
Tower Fifteen, #27-00
Singapore 089316

Tel: +65 6521 9048
Fax: +65 6225 4945

MS CAROL CHONG	+65 9475 3167	OAKTREE ADVISERS carolchong@oaktreadvisers.com
MS NORA CHENG	+65 9634 7450	OAKTREE ADVISERS noracheng@oaktreadvisers.com

Other media releases on the company can be accessed at www.oaktreadvisers.com

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The contact person for the Sponsor is:-
Mr Alex Tan
CEO, Canaccord Genuity Singapore Pte Ltd
Tel: (65) 6854-6160