

**LOYZ ENERGY LIMITED**  
(Incorporated in Singapore)  
Registration No. 199905693M

---

**REPORT ON FUNDS UTILIZATION AND RESOURCES AND RESERVES UNDER CATALIST  
RULES 705(6) AND 705(7)**

---

The board of directors (the “**Board**”) of Loyz Energy Ltd (the “**Company**”) is pleased to provide a report (attached as Appendix A) which discloses the funds utilization and resources and reserves required under Rules 705(6) and 705(7) of the SGX-ST Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”).

The attached summary of reserves and resources does not include the Company’s share from its concessions in the US, for which the Company has commissioned an Independent Qualified Person’s Report (“**US IQPR**”). As and when the US IQPR is finalised, the Company will make the necessary announcement to notify shareholders and circulate the US IQPR.

The Board confirms that, to the best of its knowledge, nothing has come to its attention which may render such information provided false or misleading in any material aspect.

By Order of the Board

Lee Chye Cheng, Adrian  
Director

Kwan Weng Kwong  
Director

14 November 2013

---

*This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor (the “**Sponsor**”), Canaccord Genuity Singapore Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by 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 Alex Tan, CEO, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.*

**A SUMMARY OF THE MATERIAL EXPENDITURE INCURRED ON THE EVALUATION, DEVELOPMENT AND/OR PRODUCTION ACTIVITIES FOR 1st QUARTER OF FY2014 & 2nd QUARTER OF FY2014**
**A RULE 705(6) (a)**
The actual expenditure for 1st quarter of FY2014, period from 1 July 2013 to 30 September 2013 is as follows:

	S\$
Evaluation, Exploration & Development Expenditure	3,292,420
Fixed Assets	17,871
Administrative Expenses	367,782
	<u>3,678,073</u>

The projected expenditure for 2nd quarter of FY2014, period from 1 October 2013 to 31 December 2013 is as follows:

	S\$
Evaluation, Exploration & Development Expenditure	1,853,072
Fixed Assets	-
Administrative Expenses	45,168
	<u>1,898,240</u>

**B RULE 705 (7) (a)**
Details of exploration and/or production activities undertaken by the Group in Q1 FY2014:-

Country	Work Done	Expenditure for Q1	Previous projections	Variance	Note
		FY2014	for the last period		
		S\$			
		<a>	<b>	<c>=<a>-<b>	
1 Australia	Processing of the seismic data has been completed. Interpretation work is ongoing and it 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. No expenditure was incurred during the quarter.	-	NA	NA	No previous projections for the last period
2 New Zealand	The Group is still processing the interpretation work and it 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.	132,425	NA	NA	No previous projections for the last period
3 United States	The Schlak # 2 well in North Dakota ("ND") was flow tested for the hydrocarbon section identified in the previous quarter. After various tests the well was suspended with the intent to use it as a potential injector. The Schlak # 3 well in ND commenced drilling in August and hydrocarbon pay zones were identified. Perforation was done and jetting was applied to increase the perforation reach. Flow testing is ongoing in the Schlak # 3 well. The Alexander # 10-1 well in ND was spudded in August and reached target depth in early September. Logging and coring was done. The well was deemed non-commercial and hence plugged and abandoned. In Colorado, operations began on two deviated wells in the Whitewater area on the Mansur location. The Mansur 33-1-N well was cased at target depth and logged. Drilling of the second well in Colorado, the Mansur 33-1-L commenced.	3,032,435	NA	NA	No previous projections for the last period
4 India	Well stimulation was carried out in Baola-8 yielding a low heavy oil production rate. The Modhera field resource assessment was carried out by an independent international third party approved by the Directorate General of Hydrocarbons. Geological modelling of both fields is ongoing.	127,560	NA	NA	No previous projections for the last period
		<u>3,292,420</u>			

Details of projected Exploration and/or production activities undertaken by the Group in Q2 FY2014:-

Country	Work to be done	Projected Expenditure
		for Q2 FY2014
		S\$
1 Australia	Interpretation of the seismic data is ongoing and it 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.	338,888
2 New Zealand	The Group is still processing the interpretation work and it 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.	314,099
3 United States	Jetting operations has been carried out, followed by swabbing and flow tests in the Schlak #3 well in ND. Production equipment will be installed in Schlak #3 with a target to start production within the quarter. The Mansur 33-1-L was spudded in the last quarter and drilled to target depth in this quarter. Logging, perforation and acidizing job has been performed. Flow testing and completion activities have commenced on the Mansur 33-1-L well. This will be followed by completion activities on the Mansur 33-1-N well.	875,000
4 India	Well stimulation was carried out in Baola-8 yielding a low heavy oil production rate. The Modhera field resource assessment was carried out by an independent international third party approved by the Directorate General of Hydrocarbons. Geological modelling of both fields is still ongoing.	325,084
		<u>1,853,072</u>

C RULE 705 (7) (b)

SUMMARY OF OIL AND GAS RESERVES AND RESOURCES

Name of Country: Australia

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
<b>Reserves</b>				
<b>Oil Reserves</b>				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
<b>Natural Gas Reserves</b>				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
<b>Natural Gas Liquids Reserves</b>				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
<b>Contingent Resources</b>				
<b>Oil</b>				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
<b>Natural Gas</b>				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
<b>Natural Gas Liquids</b>				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
<b>Prospective Resources</b>				
<b>Oil</b>				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-
<b>Natural Gas</b>				
Low Estimate	34	17	-	-
Best Estimate	416	212	-	-
High Estimate	945	482	-	-

**Legend:**

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of barrels

Bcf: Billions of cubic feet

Name of Qualified person:

Brett Rogers of Rogers Adams Petroleum Consultants

Date:

30 September 2013

Professional Society Affiliation / Membership:

Society of Petroleum Engineers

**SUMMARY OF OIL AND GAS RESERVES AND RESOURCES**

Name of Country: New Zealand

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
<b>Reserves</b>				
<b>Oil Reserves</b>				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
<b>Natural Gas Reserves</b>				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
<b>Natural Gas Liquids Reserves</b>				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
<b>Contingent Resources</b>				
<b>Oil</b>				
1C	0.4	0	-	-
2C	1.7	0.17	-	-
3C	4.2	0.4	-	-
<b>Natural Gas</b>				
1C	9	0.9	-	-
2C	26	2.6	-	-
3C	57	5.7	-	-
<b>Natural Gas Liquids</b>				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
<b>Prospective Resources</b>				
<b>Oil</b>				
Low Estimate	6	4.6	-	-
Best Estimate	36	26	-	-
High Estimate	78	57	-	-
<b>Natural Gas</b>				
Low Estimate	102	74	-	-
Best Estimate	603	440	-	-
High Estimate	1309	953	-	-

**Legend:**

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of barrels

Bcf: Billions of cubic feet

Name of Qualified person:

Brett Rogers of Rogers Adams Petroleum Consultants

Date:

30 September 2013

Professional Society Affiliation / Membership:

Society of Petroleum Engineers

**SUMMARY OF OIL AND GAS RESERVES AND RESOURCES**

Name of Country: India

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
<b>Reserves</b>				
<b>Oil Reserves</b>				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
<b>Natural Gas Reserves</b>				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
<b>Natural Gas Liquids Reserves</b>				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
<b>Contingent Resources*</b>				
<b>Oil</b>				
1C	0.2	0.1	-	-
2C	0.4	0.17	-	-
3C	0.8	0.3	-	-
<b>Natural Gas</b>				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
<b>Natural Gas Liquids</b>				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
<b>Prospective Resources</b>				
<b>Oil</b>				
Low Estimate	1	0.4	-	-
Best Estimate	4	1.8	-	-
High Estimate	17	7.0	-	-
<b>Natural Gas</b>				
Low Estimate	0	0.1	-	-
Best Estimate	0	0.2	-	-
High Estimate	1	0.3	-	-

**Legend:**

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of barrels

Bcf: Billions of cubic feet

\*contingent resources for Baola are awaiting Indian government approval and are not included in this table

Name of Qualified person:

Brett Rogers of Rogers Adams Petroleum Consultants

Date:

30 September 2013

Professional Society Affiliation / Membership:

Society of Petroleum Engineers