

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER AND  
HALF YEAR ENDED 31 DECEMBER 2014

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*This announcement has been prepared by Loyz Energy Limited (“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.*

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FINANCIAL STATEMENTS 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.

Consolidated Statement of Comprehensive Income	2Q FY2015 <sup>1</sup> US\$'000	2Q FY2014 <sup>2</sup> US\$'000	Change %	1H FY2015 <sup>3</sup> US\$'000	1H FY2014 <sup>4</sup> US\$'000	Change %
Revenue	5,671	(Restated) 5,415	5	12,538	(Restated) 7,415	69
Cost of sales	(2,011)	(5,813)	(65)	(3,828)	(8,414)	(55)
Gross profit	3,660	(398)	NM <sup>5</sup>	8,710	(999)	NM <sup>5</sup>
<i>Other items of income</i>						
Interest income	25	3	733	26	9	189
Other income	443	4,659	(90)	718	4,744	(85)
<i>Other items of expense</i>						
Distribution costs	-	-	-	(5)	(2)	150
Administrative expenses	(1,519)	(1,821)	(17)	(3,048)	(2,606)	17
Finance costs	(453)	(225)	101	(950)	(395)	141
Other expenses	(346)	(869)	(60)	(721)	(1,886)	(62)
Other charges	(7)	(141)	(95)	(7)	(13)	(46)
Profit/(loss) before income tax	1,803	1,208	49	4,723	(1,148)	NM <sup>5</sup>
Income tax (expense)/credit	(1,662)	2	NM <sup>5</sup>	(4,072)	2	NM <sup>5</sup>
<b>Profit/(loss) for the financial period</b>	141	1,210	(88)	651	(1,146)	NM <sup>5</sup>
<b>Other comprehensive income:</b>						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Exchange differences on translating foreign operations	(128)	(160)	(20)	(238)	458	NM <sup>5</sup>
Income tax relating to items that will or may be reclassified	-	-	-	-	-	-
Other comprehensive income for the financial period, net of tax	(128)	(160)	(20)	(238)	458	NM <sup>5</sup>
<b>Total comprehensive income for the financial period</b>	13	1,050	(99)	413	(688)	NM <sup>5</sup>
<b>Profit/(loss) attributable to:</b>						
Owners of the parent	177	1,224	(86)	718	(405)	NM <sup>5</sup>
Non-controlling interests	(36)	(14)	157	(67)	(741)	(91)
	141	1,210	(88)	651	(1,146)	NM <sup>5</sup>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	112	1,072	(90)	601	(41)	NM <sup>5</sup>
Non-controlling interests	(99)	(22)	350	(188)	(647)	(71)
	13	1,050	(99)	413	(688)	NM <sup>5</sup>

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

	<b>2Q FY2015<sup>1</sup></b> <b>US\$'000</b>	<b>2Q FY2014<sup>2</sup></b> <b>US\$'000</b>	<b>1H FY2015<sup>3</sup></b> <b>US\$'000</b>	<b>1H FY2014<sup>4</sup></b> <b>US\$'000</b>
<b>Other credits</b>				
Foreign exchange gain, net	140	-	369	-
Waiver of loan by non-controlling interest of a subsidiary	-	4,658	-	4,658
Other income	303	1	349	86
	443	4,659	718	4,744
<b>Finance costs</b>				
Interest expense	(453)	(225)	(950)	(395)
<b>Other charges</b>				
Foreign exchange loss, net	-	(141)	-	(13)

<sup>1</sup> "2Q FY2015": Period from 1 October 2014 to 31 December 2014

<sup>2</sup> "2Q FY2014": Period from 1 October 2013 to 31 December 2013

<sup>3</sup> "1H FY2015": Period from 1 July 2014 to 31 December 2014

<sup>4</sup> "1H FY2014": Period from 1 July 2013 to 31 December 2013

<sup>5</sup> "NM": Not Meaningful

**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.**

	Group			Company		
	Unaudited 31-Dec-14 US\$'000	Unaudited 30-Sep-14 US\$'000	Unaudited 30-Jun-14 US\$'000	Unaudited 31-Dec-14 US\$'000	Unaudited 30-Sep-14 US\$'000	Unaudited 30-Jun-14 US\$'000
<b>Statements of Financial Position</b>						
<b>ASSETS</b>			(Restated)			(Restated)
Non-Current Assets:						
Exploration, evaluation and development assets	32,009	31,851	31,522	-	-	-
Oil and gas properties	59,881	57,493	56,586	-	-	-
Other property, plant and equipment	1,612	1,616	1,642	-	-	-
Investments in subsidiaries	-	-	-	34,077	33,745	33,597
Available-for-sale financial asset	41,400	41,400	41,400	-	-	-
Intangible assets	53,884	53,878	53,889	-	-	-
Other receivables	-	-	-	70,199	61,966	56,128
Prepayments	2,830	2,830	2,830	-	-	-
<b>Total Non-Current Assets</b>	<b>191,616</b>	<b>189,068</b>	<b>187,869</b>	<b>104,276</b>	<b>95,711</b>	<b>89,725</b>
Current Assets:						
Inventories	2,820	2,979	2,863	-	-	-
Trade and other receivables	2,199	2,790	2,835	-	-	-
Other assets	1,552	1,556	947	-	-	-
Prepayments	292	370	152	225	239	39
Cash and cash equivalents	7,431	8,025	6,761	282	1,246	902
<b>Total Current Assets</b>	<b>14,294</b>	<b>15,720</b>	<b>13,558</b>	<b>507</b>	<b>1,485</b>	<b>941</b>
<b>Total Assets</b>	<b>205,910</b>	<b>204,788</b>	<b>201,427</b>	<b>104,783</b>	<b>97,196</b>	<b>90,666</b>
<b>EQUITY AND LIABILITIES</b>						
Equity:						
Ordinary shares	79,839	79,279	76,279	79,839	79,279	76,279
Reserves (Accumulated losses)/retained earnings	1,301 (7,172)	1,587 (7,357)	1,483 (8,272)	2,000 4,621	2,828 3,674	2,672 3,678
Equity attributable to owners of the parent	73,968	73,509	69,490	86,460	85,781	82,629
Non-controlling interests	2,342	2,441	2,530	-	-	-
<b>Total Equity</b>	<b>76,310</b>	<b>75,950</b>	<b>72,020</b>	<b>86,460</b>	<b>85,781</b>	<b>82,629</b>
Non-Current Liabilities:						
Bank borrowings	22,371	24,804	23,758	-	-	-
Finance lease payables	26	32	38	-	-	-
Provision for restoration costs	13	13	45	-	-	-
Other payable	27,981	27,673	27,364	-	-	-
Deferred tax liabilities	26,611	26,098	25,360	-	-	-
<b>Total Non-Current Liabilities</b>	<b>77,002</b>	<b>78,620</b>	<b>76,565</b>	<b>-</b>	<b>-</b>	<b>-</b>
Current Liabilities:						
Current income tax payable	2,148	715	1,484	-	-	-
Trade and other payables	28,737	20,915	17,989	18,323	11,415	8,037
Bank borrowings	21,691	28,564	33,344	-	-	-
Finance lease payables	20	21	22	-	-	-
Other liabilities	2	3	3	-	-	-
<b>Total Current Liabilities</b>	<b>52,598</b>	<b>50,218</b>	<b>52,842</b>	<b>18,323</b>	<b>11,415</b>	<b>8,037</b>
<b>Total Liabilities</b>	<b>129,600</b>	<b>128,838</b>	<b>129,407</b>	<b>18,323</b>	<b>11,415</b>	<b>8,037</b>
<b>Total Equity and Liabilities</b>	<b>205,910</b>	<b>204,788</b>	<b>201,427</b>	<b>104,783</b>	<b>97,196</b>	<b>90,666</b>

## 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 Dec 2014 (US\$'000)		As at 30 Jun 2014 (US\$'000)(restated)	
Secured	Unsecured	Secured	Unsecured
19,953	26,583	33,108	9,170

### Amount repayable after one year

As at 31 Dec 2014 (US\$'000)		As at 30 Jun 2014 (US\$'000) (restated)	
Secured	Unsecured	Secured	Unsecured
18,397	4,000	23,796	-

### Details of any collaterals

#### Finance lease

The finance lease of the Group is secured by one motor vehicle under a finance lease agreement. The motor vehicle was purchased by the subsidiary of the Company, Loyz Oil Pte Ltd ("**Loyz Oil**").

#### Short-term loans

As at 31 December 2014, Interlink Petroleum Limited ("**Interlink**"), a subsidiary of the Company, drew down US\$0.4M (INR27.4M) from an overdraft facility entered with YES Bank Limited. The overdraft is secured by a Standby Letter of Credit.

#### Long-term loans

During the financial year ended 30 June 2013, Loyz Rex Drilling Services LLC ("**Loyz Rex**"), a subsidiary of the Company, made a drawdown of US\$18.2M pursuant to a term loan from OCBC Bank to finance the acquisition of two drilling units. The loan is secured by the two drilling units.

During the financial year ended 30 June 2014, Loyz Oil drew down US\$32.0M pursuant to the term loans from OCBC Bank to finance the acquisition of petroleum interests held by Carnarvon Thailand Limited. The loan is secured by pledges of shares in Loyz Oil Thailand Pte Ltd ("**Loyz Thai**"), Loyz Oil's cash balances in the accounts maintained with and as designated by OCBC Bank, all earnings and other cash flow of Loyz Thai, as well as corporate guarantees by the Company, Loyz Thai and the controlling shareholder of the Company, Jit Sun Investments Pte Ltd.

**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.**

<b>Consolidated Statement of Cash Flows</b>	<b>2Q FY2015<sup>1</sup> US\$'000</b>	<b>2Q FY2014<sup>2</sup> US\$'000</b>	<b>1H FY2015<sup>3</sup> US\$'000</b>	<b>1H FY2014<sup>4</sup> US\$'000</b>
<b>Operating activities</b>				
Profit/(loss) before income tax	1,803	1,208	4,723	(1,148)
Adjustments for:				
Amortisation of intangible assets	7	-	9	-
Depreciation of plant and equipment	49	365	97	747
Depletion of oil and gas properties	839	-	1,613	-
Waiver of loan by a non-controlling interest of a subsidiary	-	(4,658)	-	(4,658)
Loss on disposal of plant and equipment	7	1	7	1
Share-based payment expenses	353	591	973	695
Reversal of share options	(6)	-	(96)	-
Interest income	(25)	(3)	(26)	(10)
Interest expense	453	225	950	395
Operating cash flows before working capital changes	3,480	(2,271)	8,250	(3,978)
Working capital changes:				
Inventories	159	(4)	43	27
Trade and other receivables	591	2,954	636	723
Other assets	4	18	(605)	(39)
Prepayments	78	171	(140)	42
Trade and other payables	(409)	(343)	(2,452)	243
Other liabilities	-	(5,348)	-	(3,038)
Cash generated from /(used in) operations	3,903	(4,823)	5,732	(6,020)
Interest received	25	3	26	10
Income tax refund/(paid)	284	2	(2,157)	2
Net cash generated from/(used in) operating activities	4,212	(4,818)	3,601	(6,008)
<b>Investing activities</b>				
Proceeds from disposal of plant and equipment	-	9	-	9
Purchase of plant and equipment	(73)	(316)	(107)	(1,298)
Additions to oil and gas properties	(2,638)	-	(4,010)	-
Purchase of exploration, evaluation and development assets	(220)	(1,195)	(483)	(2,906)
Purchase of intangible assets	(22)	-	(22)	-
Net cash used in investing activities	(2,953)	(1,502)	(4,622)	(4,195)
<b>Financing activities</b>				
Interest paid	(527)	(177)	(688)	(348)
Proceeds from bank borrowings	44	-	1,292	5,000
Increase in cash pledge	68	(2,869)	76	(2,395)
Short-term loans	12,836	-	20,470	-
Repayment of short-term loans	(4,902)	-	(4,902)	-
Repayment of finance lease payables	(7)	(6)	(14)	(11)
Repayment of bank borrowings	(9,340)	(438)	(14,316)	(620)
Net proceeds from issue of ordinary shares	-	13,910	-	13,910
Net cash (used in)/from financing activities	(1,828)	10,420	1,918	15,536
Net change in cash and cash equivalents	(569)	4,100	897	5,333
Foreign currency translation adjustments	43	53	(151)	(42)
Cash and cash equivalents at beginning of financial period	7,457	3,949	6,185	2,811
Cash and cash equivalents at end of financial period	*6,931	*8,102	*6,931	*8,102

\*Net of cash restricted in use – 2Q FY2015,1H FY2015: US\$0.5M & 2Q FY2014, 1H FY2014:US\$4.095M

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

<b>Statement of Changes in Equity</b>	<b>Ordinary shares</b>	<b>Share option/ award reserve</b>	<b>Foreign currency translation account</b>	<b>(Accumulated losses)/ retained earnings</b>	<b>Equity attributable to owners of the parent</b>	<b>Non-controlling interests</b>	<b>Total equity</b>
<b>Group</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Balance as at 1 July 2014 (Restated)	76,279	2,065	(582)	(8,272)	69,490	2,530	72,020
<b>Profit for the financial period</b>	-	-	-	541	541	(31)	510
<b>Other comprehensive income for the period:</b>							
Exchange differences on translating foreign operations	-	-	(52)	-	(52)	(58)	(110)
<b>Total comprehensive income for the financial period</b>	-	-	(52)	541	489	(89)	400
Issue of shares	3,000	-	-	-	3,000	-	3,000
Grant of share options/awards to employees	-	620	-	-	620	-	620
Share options/awards cancelled	-	(464)	-	374	(90)	-	(90)
Balance as at 30 September 2014	79,279	2,221	(634)	(7,357)	73,509	2,441	75,950
Balance as at 1 October 2014	79,279	2,221	(634)	(7,357)	73,509	2,441	75,950
<b>Profit/(loss) for the financial period</b>	-	-	-	177	177	(36)	141
<b>Other comprehensive income for the period:</b>							
Exchange differences on translating foreign operations	-	-	(65)	-	(65)	(63)	(128)
<b>Total comprehensive income for the financial period</b>	-	-	(65)	177	112	(99)	13
Share awards exercised	560	(560)	-	-	-	-	-
Grant of share options/awards to employees	-	353	-	-	353	-	353
Share options/awards cancelled	-	(14)	-	8	(6)	-	(6)
Balance as at 31 December 2014	79,839	2,000	(699)	(7,172)	73,968	2,342	76,310

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 US\$'000	Share option/ award reserve US\$'000	Convertible preference shares US\$'000	Foreign currency translation account US\$'000	(Accumulated losses)/ retained earnings US\$'000	Equity attributable to owners of the parent US\$'000	Non- controlling interests US\$'000	Total equity US\$'000
<b>Group</b>								
(Restated) Balance as at 1 July 2013	54,194	212	3,467	(1,777)	(328)	55,768	2,451	58,219
<b>Loss for the financial period</b>	-	-	-	-	(1,629)	(1,629)	(727)	(2,356)
<b>Other comprehensive income for the period:</b>								
Exchange differences on translating foreign operations	-	-	-	516	-	516	102	618
<b>Total comprehensive income for the financial period</b>	-	-	-	516	(1,629)	(1,113)	(625)	(1,738)
Convertible preference shares exercised	4,621	-	(3,467)	-	-	1,154	-	1,154
Grant of share options/awards to employees	-	103	-	-	-	103	-	103
Balance as at 30 September 2013	58,815	315	-	(1,261)	(1,957)	55,912	1,826	57,738
Balance as at 1 October 2013	58,815	315	-	(1,261)	(1,957)	55,912	1,826	57,738
<b>Loss for the financial period</b>	-	-	-	-	1,224	1,224	(14)	1,210
<b>Other comprehensive income for the period:</b>								
Exchange differences on translating foreign operations	-	-	-	(152)	-	(152)	(8)	(160)
<b>Total comprehensive income for the financial period</b>	-	-	-	(152)	1,224	1,072	(22)	1,050
Issue of shares	13,910	-	-	-	-	13,910	-	13,910
Share awards exercised	75	(75)	-	-	-	-	-	-
Grant of share options/awards to employees	-	591	-	-	-	591	-	591
Acquisition of non-controlling interests in subsidiary	-	-	-	-	(5,058)	(5,058)	557	(4,501)
Balance as at 31 December 2013	72,800	831	-	(1,413)	(5,791)	66,427	2,361	68,788



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					
Company	Ordinary shares US\$'000	Share option/ award reserve US\$'000	Foreign currency translation account US\$'000	Retained earnings US\$'000	Total equity US\$'000
Balance at 1 July 2014 (Restated)	76,279	2,065	607	3,678	82,629
<b>Loss for the financial period, representing total comprehensive income for the financial period</b>	-	-	-	(11)	(11)
Issue of shares	3,000	-	-	-	3,000
Grant of share options/awards to employees	-	620	-	-	620
Share options/awards cancelled	-	(464)	-	7	(457)
Balance at 30 September 2014	79,279	2,221	607	3,674	85,781
Balance at 1 October 2014	79,279	2,221	607	3,674	85,781
<b>Profit for the financial period, representing total comprehensive income for the financial period</b>	-	-	-	332	332
Share awards exercised	560	(560)	-	-	-
Share options/awards cancelled	-	(14)	-	8	(6)
Grant of share options/awards to employees	-	353	-	-	353
Balance at 31 December 2014	79,839	2,000	607	4,014	86,460

Statement of Changes in Equity					
Company	Ordinary shares US\$'000	Share option/ award reserve US\$'000	Foreign currency translation account US\$'000	Retained earnings US\$'000	Total equity US\$'000
(Restated)					
Balance at 1 July 2013	54,194	212	(660)	3,540	57,286
<b>Loss for the financial period</b>	-	-	-	(177)	(177)
<b>Other comprehensive income for the period:</b>					
Exchange differences on translating foreign operations	-	-	651	-	651
<b>Total comprehensive income for the financial period</b>	-	-	651	(177)	474
Convertible preference shares exercised	4,621	-	-	-	4,621
Grant of share options/awards to employees	-	103	-	-	103
Balance at 30 September 2013	58,815	315	(9)	3,363	62,484
Balance at 1 October 2013	58,815	315	(9)	3,363	62,484
<b>Loss for the financial period</b>	-	-	-	(1,848)	(1,848)
<b>Other comprehensive income for the period:</b>					
Exchange differences on translating foreign operations	-	-	(422)	-	(422)
<b>Total comprehensive income for the financial period</b>	-	-	(422)	(1,848)	(2,270)
Issue of shares	13,910	-	-	-	13,910
Share awards exercised	75	(75)	-	-	-
Grant of share options/awards to employees	-	591	-	-	591
Balance at 31 December 2013	72,800	831	(431)	1,515	74,715

**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.**

<b>Share capital – Ordinary shares</b>	<b>Number of shares</b>	<b>US\$</b>
Balance as at 1 October 2014	422,582,127	79,279,353
Exercise of share awards	1,770,000	560,426
Balance as at 31 December 2014	424,352,127	79,839,779

The Company did not have any treasury shares as at 31 December 2014 and 30 September 2014

**Outstanding share options/awards**

	<b>Number of options/awards</b>
<b>Loyz Energy Employee Share Option Scheme (“ESOS”):</b>	
As at 1 October 2014	22,520,000
Options granted	4,300,000
Options forfeited	(200,000)
As at 31 December 2014	<u>26,620,000</u>
<b>Loyz Energy Performance Share Plan (“PSP”):</b>	
As at 1 October 2014	1,770,000
Awards exercised	(1,770,000)
Awards granted	4,950,000
As at 31 December 2014	<u>4,950,000</u>

As at 31 December 2014, the number of outstanding share options/awards under the ESOS and the PSP were 26,620,000 and 4,950,000 respectively (31 December 2013 - ESOS: 27,860,000 share options and PSP: 2,070,000 awards).

**(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.**

	<b>31-Dec-14</b>	<b>30-Jun-14</b>
Total number of issued shares excluding treasury shares	424,352,127	411,281,127

**(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 by the Company's auditors.

**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 as adopted in the audited financial statements of the last financial year, except as disclosed under Note 5 below and the adoption of the new or revised Singapore Financial Reporting Standards (“FRS”) and Interpretations of FRS (“INT FRS”) which have become effective for the current financial year. The adoption of 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.**

With effect from 1 July 2014, the Company and certain subsidiaries changed their functional currency from their respective local currencies to the United States dollars due to its increasing influence over the entities' primary economic environments.

Following the above change in functional currency of the entities, the Group changed its presentation currency from the Singapore dollars to the United States dollars.

The audited Singapore dollar amounts as at 30 June 2014 have been restated into the United States dollars to conform with the presentation of the financial statements for the current financial year ending 30 June 2015.

The comparative amounts in the Singapore dollar have been translated to the United States dollar at the relevant closing rates of exchange and relevant average rates of exchange for the consolidated statement of financial position and consolidated statement of comprehensive income respectively.

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

Earnings/(loss) per share of the Group based on profit/(loss) attributable to owners of the parent	2Q FY2015	2Q FY2014	1H FY2015	1H FY2014
		(Restated)		(Restated)
- on weighted average number of shares (US cents)	0.04	0.34	0.17	(0.11)
- on a fully diluted basis (US cents)	0.04	0.33	0.17	(0.11)

**Notes:**

The earnings per share for 2Q FY2015 and 1H FY2015 are calculated based on 422,631,692 weighted average ordinary shares in issue. The earnings/(loss) per share for 2Q FY2014 and 1H FY2014 are calculated based on 365,318,301 weighted average ordinary shares in issue.

On a fully diluted basis, the earnings per share for 2Q FY2015 and 1H FY2015 are calculated based on 427,581,692 ordinary shares in issue. The earnings per share for 2Q FY2014 and 1H FY2014 are calculated based on 367,388,301 and 365,318,301 ordinary shares in issue respectively. Diluted loss per share for 1H FY2014 is the same as the loss per share because the potential ordinary shares to be converted are anti-dilutive.

**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-Dec-14	Group 30-Jun-14	Company 31-Dec-14	Company 30-Jun-14
		(Restated)		(Restated)
Net asset value per share based on existing issued share capital as at the end of the respective periods (US cents)	17.43	16.90	20.37	20.09

**Note:**

The net asset value per share as at 31 December 2014 and 30 June 2014 are calculated based on 424,352,127 and 411,281,127 ordinary shares in issue respectively.

**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 2Q FY2015 vs 2Q FY2014**

Consolidated Statement of Comprehensive Income

Revenue and cost of sales for 2Q FY2015 mainly relate to the Group's share of sale of crude oil from its Thailand concessions. The oil production volume for 2Q FY2015 was 88,485 barrels, being the Group's 20% share. Revenue for 2Q FY2014 mainly pertains to revenue derived from the two drilling rigs.

Other income decreased by US\$4.3M, from US\$4.7M in 2Q FY2014 to US\$0.4M in 2Q FY2015 mainly due to the absence of the waiver of loan by non-controlling interest, amounting to US\$4.7M, in 2Q FY2014. This is partially offset

by the foreign exchange gain arising from the stronger United States dollars against the Singapore dollars on revaluation of payables balances.

Administrative expenses decreased by US\$0.3M, from US\$1.8M in 2Q FY2014 to US\$1.5M in 2Q FY2015 mainly due to a decrease in staff costs attributed to the cessation of drilling operation in the United States and lower share-based expenses recorded.

The increase in finance costs of US\$0.3M, from US\$0.2M in 2Q FY2014 to US\$0.5M in 2Q FY2015 was due to the increase in the Group's borrowings.

Other expenses decreased by US\$0.6M, from US\$0.9M in 2Q FY2014 to US\$0.3M in 2Q FY2015 mainly due to the absence of the drilling rigs expenses pursuant to the disposal, in connection with the completion of the acquisition of 20% equity interest in Fram Exploration ASA, in June 2014.

As a result of the above, the Group recorded a profit after income tax of US\$0.1M in 2Q FY2015 as compared to a profit after income tax of US\$1.2M in 2Q FY2014.

#### Consolidated Statement of Financial Position

The Group's non-current assets increased by US\$2.5M, from US\$189.1M as at 30 September 2014 to US\$191.6M as at 31 December 2014. The increase was mainly due to (i) increase in exploration, evaluation and development assets of US\$0.2M mainly attributed to expenditure incurred for the India assets and 3D seismic work performed in New Zealand and Australia, and (ii) addition of oil and gas properties of US\$2.4M attributed to additional wells drilled in Thailand.

The Group's current assets decreased by US\$1.4M, from US\$15.7M as at 30 September 2014 to US\$14.3M as at 31 December 2014. The decrease was mainly due to a decrease in cash and cash equivalents of US\$0.6M (please refer to the explanation of cash and cash equivalents below) and a decrease in trade and other receivables of US\$0.6M mainly attributed to lower trade receivables recorded as a result of a decrease in revenue due to the declining oil prices.

The Group's non-current liabilities decreased by US\$1.6M, from US\$78.6M as at 30 September 2014 to US\$77.0M as at 31 December 2014. The decrease was mainly due to the reclassification of loans which fall due within 1 year, amounting to US\$2.4M, from non-current to current liabilities. This is partially offset by the increase in other payable of US\$0.3M due to the amortisation of deferred consideration coupled with the increase of US\$0.5M in deferred tax liability attributed to the operations in Thailand.

The Group's current liabilities increased by US\$2.4M, from US\$50.2M as at 30 September 2014 to US\$52.6M as at 31 December 2014. The increase was mainly due to (i) an increase in current income tax payable of US\$1.4M which was mainly due to the additional accrual for petroleum tax recorded by the Thailand operations; and (ii) an increase in trade and other payables of US\$7.8M mainly due to short-term loans obtained. This is partially offset by a decrease in bank borrowings of US\$6.9M which was mainly due to the repayment of bank loans.

The Group reported a negative working capital of US\$38.3M as at 31 December 2014 and US\$34.5M as at 30 September 2014. However, cash and cash equivalents have remained on a relatively stable level in 2Q FY2015, with positive cash flows from operating activities continue to come in from our profitable Thailand operations. The Group has also restructured some of its loans and is in the midst of reviewing and strengthening its capital structure.

#### Consolidated Statement of Cash Flows

The Group's net cash generated from operating activities for 2Q FY2015 was US\$4.2M. Major movements mainly comprised (i) cash generated from a decrease in inventories of US\$0.2M, (ii) cash generated from a decrease in trade and other receivables of US\$0.6M, (iii) income tax refund of US\$0.3M in relation to the Thailand operations, (iv) cash absorbed by a decrease in trade and other payables of US\$0.4M; and (v) an operating cash flows before working capital changes of US\$3.5M.

Net cash used in investing activities for 2Q FY2015 of US\$3.0M was mainly due to expenditure incurred for the India assets, payment made for the 3D seismic work performed in Australia and New Zealand, as well as the drilling cost incurred in Thailand.

Net cash used in financing activities for 2Q FY2015 of US\$1.6M was mainly due to the net repayment of bank borrowings and short-term loans.

As a result of the above, and taking into accounts foreign currency translation adjustments, cash and cash equivalents decreased by US\$0.6M, from US\$7.5M as at 30 September 2014 to US\$6.9M as at 31 December 2014.

#### **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. No forecast or prospect statement had been previously disclosed to shareholders.

**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 2014 drilling campaign was highly successful and delivered sterling results.

Production from our Thailand fields increased significantly in Q2 FY2015 and reached an exit rate of 6,000 bopd (gross) as at end December 2014, in excess of the initial target of 5,000 bopd. This represents a 300% increase over the production of 1,500 barrels per day since the completion of the acquisition of the Thailand assets in March 2014.

A 14-well drilling campaign has been planned for 2015, with a number of follow-ups to the successful producing wells drilled in 2014. The capex will be fully funded by the existing production and the 14-well drilling campaign is expected to commence in April 2015.

Despite the lower oil price, the Group managed to turn in a profit after tax of US\$141K for Q2 FY2015, benefitting from the increase in net production and low operating cost per barrel of approximately US\$14 per barrel.

Barring any unforeseen circumstances, the contribution from our Thailand fields is expected to continue to grow significantly in FY2015 and will help to offset weaker oil prices.

The Group will continue to review its capital position and explore various fund raising options to augment its working capital. The Group will also continue to seek opportunities for collaboration and acquisition of producing oil and gas properties with a view to enhance shareholder value.

**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/recommendeded, a statement to that effect**

No dividend has been declared or recommended for the second quarter and half year ended 31 December 2014.

**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. There are no interested person transactions of S\$100,000 or more during the financial period under review.

**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.

**18a. Rule 705(6)(a) of the Catalist Rules in relation to the use of funds/ cash for the quarter and projection on the use of funds/ cash for the next immediate quarter, including principal assumptions.**

Please refer to the separate announcement made in accordance with Rule 705(6)(a) of the Catalist Rules on 9 February 2015.

**18b. Rule 705(6)(b) of the Catalist Rules in relation to the director's confirmation**

Please refer to the separate announcement made in accordance with Rule 705(6)(b) of the Catalist Rules on 9 February 2015.

**19a. Rule 705(7) of the Catalist Rules in relation to details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the Company and a summary of the expenditure incurred on those activities, including explanation for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.**

Please refer to the separate announcement made in accordance with Rule 705(7) of the Catalist Rules on 9 February 2015.

**19b. Rule 705(7) of the Catalist Rules in relation to an update on its reserves and resources, where applicable, in accordance with the requirements set out in Practice Note 4C, including a summary of reserves and resources as set out in Appendix 7D.**

Please refer to the separate announcement made in accordance with Rule 705(7) of the Catalist Rules on 9 February 2015.

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

On behalf of the board of directors ("**Board**") of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board which may render the unaudited financial statements and dividend announcement for the second quarter and half year ended 31 December 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lee Chye Cheng, Adrian  
Managing Director

Chan Eng Yew  
Non-Executive Director

BY ORDER OF THE BOARD

Lee Chye Cheng, Adrian  
9 February 2015

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