

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 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

9 February 2015

*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 2ND QUARTER OF FY2015 & 3rd QUARTER OF FY2015
A RULE 705(6)
The summary of the expenditure for Q2 FY2015, period from 1 October 2014 to 31 December 2014 is as follows:

	<u>US\$</u>
Evaluation, Exploration & Development Expenditure	64,105
Fixed Assets	-
Administrative Expenses	47,663
	<u>111,768</u>

Projected expenditure for Q3 FY2015, period from 1 January 2015 to 31 March 2015 is as follows:

	<u>US\$</u>
Evaluation, Exploration & Development Expenditure	167,154
Fixed Assets	-
Administrative Expenses	288,385
	<u>455,539</u>

Principal assumptions used:

Actual expenditures have been used for the periods as disclosed above.

B RULE 705 (7)a
Details of exploration, development and/or production activities undertaken by the Group in Q2 FY2015:

Country	Work Done	Expenditure for Q2 FY2015	Previous projections for the last period	Variance	Note
		US\$ <a>	US\$ 	US\$ <c>=<a>-	
1 Australia	In October 2014, the first Operating Committee Meeting with Loyz as Operator of Record took place in Singapore. This meeting established the positions within the Operating Committee (OC) and the members of the Technical Committee. The Work Program and Budget (WP&B) for the period covering Jul-2014 to Jul-2015 was presented to the OC for approval. Phase 1 of the WP&B was approved with the understanding that approval of Phase 2 will be contingent on the findings of Phase 1. Commencement of Phase 1 (Basin Study) occurred in Nov-2014 with anticipated completion in Feb-2015.	7,960	84,990	(77,030)	Expenditure deferred due to commencement of Phase 1 of the WP&B.
2 New Zealand	Due to the short supply of suitable offshore drilling rigs operating within New Zealand, the commencement of the New Zealand drilling campaign is directly linked to the availability of the only drill rig (Enesco 107). This rig is still under contract with OMV NZ Ltd, and is currently behind its planned schedule. Thus prior estimates of the rig availability are no longer valid. In Dec-2014, Loyz submitted a request to the New Zealand Petroleum and Minerals department for a change to the conditions of the Permit (PEP 38479). In conjunction, conceptual development concepts are being researched in-house so that a formal mining permit can be submitted.	34,629	157,500	(122,871)	Expenditure deferred due to drill rigs timing.
3 India	Modhera static modeling including deeper Cambay and Olpad evaluation remains partially completed including additional fault and horizon picking at both the Cambay and Olpad levels. Periodic monitoring and recording of wellhead pressure data was also carried out.	21,517	106,587	(85,070)	Decrease in G&A expenses
		<u>64,106</u>	<u>349,077</u>		

For the Group's assets in Thailand and USA, the Group did not fund any exploration, development and production activities in Q2 FY2015 as the activities are self-funded.

Details of exploration, development and/or production activities to be undertaken by the Group in Q3 FY2015:

Country	Work to be done	Projected expenditure for Q3 FY2015
		US\$ <a>
1 Australia	Phase 1 of the WP&B commenced in Nov-2014 and the anticipated completion will be in Feb-2015. This study includes the preliminary basin analysis and interpretation. Upon completion of the study, the subsequent corporate review and decision is expected to extend beyond Q3 FY2015. The findings of Phase 1 will dictate the commencement of Phase 2. As part of the transfer of the Operatorship, the ancillary transition/transfer of outstanding items will conclude in Mar-2015.	40,690
2 New Zealand	Received the approval from the New Zealand Petroleum and Minerals department on the request for the change of condition to the Permit (PEP 38479). Continue to optimize the existing drilling schedule and estimate to capture changes in the current market environment. The internal conceptual studies on different development concepts will continue. It is expected to be completed by Mar-2015.	82,237
3 India	Obtain a final opinion of Cambay sand potential, in order to finalize the enhanced recovery technique in Modhera-2. Review of downhole status of Modhera-1 to evaluate scope/feasibility of workover. Olpad evaluation will also be emphasized with reference to the success in Olpad exploration and production results from other analogous areas.	44,227
		<u>167,154</u>

For the Group's assets in Thailand and USA, the Group is not expected to fund any exploration, development and production activities in Q3 FY2015.

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 %	
Reserves				
Oil Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources				
Oil				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-
Natural Gas				
Low Estimate	34	23.8	-	70% interest
Best Estimate	416	291.2	-	70% interest
High Estimate	945	661.5	-	70% interest

Legend:

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbl: Millions of barrels

Bcf: Billions of cubic feet

Name of Qualified Person:

Brett Rogers of Rogers Adams Petroleum Consultants

Date:

30/9/2013

Professional Society Affiliation / Membership:

Society of Petroleum Engineers

The Vice President Subsurface, Dr Bruce Morris, confirms as at 31 December 2014, there have been no new resource estimates.

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 %	
Reserves				
Oil Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources				
Oil				
1C	0.4	-	-	51% interest
2C	1.7	0.17	-	51% interest
3C	4.2	0.4	-	51% interest
Natural Gas				
1C	9.0	0.9	-	51% interest
2C	26.0	2.6	-	51% interest
3C	57.0	5.7	-	51% interest
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	6.4	4.6	-	51% interest
Best Estimate	36.0	26.0	-	51% interest
High Estimate	78.0	56.6	-	51% interest
Natural Gas				
Low Estimate	102	74.2	-	51% interest
Best Estimate	603	439.5	-	51% interest
High Estimate	952	952.5	-	51% interest

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:

30/9/2013

Professional Society Affiliation / Membership:

Society of Petroleum Engineers

The Vice President Subsurface, Dr Bruce Morris, confirms as at 31 December 2014, there have been no new resource estimates.

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 %	
Reserves				
Oil Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources*				
Oil				
1C	0.18	0.07	-	51.8% interest
2C	0.42	0.17	-	51.8% interest
3C	0.76	0.31	-	51.8% interest
Natural Gas				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	0.94	0.38	-	51.8% interest
Best Estimate	4.39	1.76	-	51.8% interest
High Estimate	17.35	6.97	-	51.8% interest
Natural Gas				
Low Estimate	0.24	0.08	-	51.8% interest
Best Estimate	0.49	0.17	-	51.8% interest
High Estimate	0.89	0.31	-	51.8% interest

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: 30/9/2013
Professional Society Affiliation / Membership: Society of Petroleum Engineers

The Vice President Subsurface, Dr Bruce Morris, confirms as at 31 December 2014, there have been no new resource estimates.

SUMMARY OF OIL AND GAS RESERVES AND RESOURCES

Name of Country: North America

Category	Gross Attributable to licence	Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %	
Reserves				
Oil Reserves				
1P	14.90	2.40	-	20% interest
2P	20.40	3.30	-	20% interest
3P	26.50	4.30	-	20% interest
Natural Gas Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Natural Gas Liquids Reserves				
1P	-	-	-	-
2P	-	-	-	-
3P	-	-	-	-
Contingent Resources*				
Oil				
1C	0.16	0.026	-	20% interest
2C	0.27	0.043	-	20% interest
3C	0.38	0.061	-	20% interest
Natural Gas				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Natural Gas Liquids				
1C	-	-	-	-
2C	-	-	-	-
3C	-	-	-	-
Prospective Resources				
Oil				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-
Natural Gas				
Low Estimate	-	-	-	-
Best Estimate	-	-	-	-
High Estimate	-	-	-	-

Legend:

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

MMbbl: Millions of barrels

Bcf: Billions of cubic feet

Name of Qualified Person:

Peter Eckhard Oehms Walter Olgemann of OPK Resources GMBH

Date:

30/3/2013

Professional Society Affiliation / Membership:

Society of Petroleum Evaluation Engineers

The Vice President Subsurface, Dr Bruce Morris, confirms as at 31 December 2014, there have been no new resource estimates.

SUMMARY OF OIL AND GAS RESERVES AND RESOURCES

Name of Country: Thailand

Category	Gross Attributable to licence		Net Attributable to the Company		Remarks
	(MMbbl / Bcf)	(MMbbl / Bcf)	Change from previous update %		
Reserves					
Oil Reserves					
1P	7.95	1.59	-	-	20% interest
2P	29.60	5.92	-	-	20% interest
3P	82.49	16.50	-	-	20% interest
Natural Gas Reserves					
1P	-	-	-	-	-
2P	-	-	-	-	-
3P	-	-	-	-	-
Natural Gas Liquids Reserves					
1P	-	-	-	-	-
2P	-	-	-	-	-
3P	-	-	-	-	-
Contingent Resources*					
Oil					
1C	-	-	-	-	-
2C	-	-	-	-	-
3C	-	-	-	-	-
Natural Gas					
1C	-	-	-	-	-
2C	-	-	-	-	-
3C	-	-	-	-	-
Natural Gas Liquids					
1C	-	-	-	-	-
2C	-	-	-	-	-
3C	-	-	-	-	-
Prospective Resources					
Oil					
Low Estimate	-	-	-	-	-
Best Estimate	-	-	-	-	-
High Estimate	-	-	-	-	-
Natural Gas					
Low Estimate	-	-	-	-	-
Best Estimate	-	-	-	-	-
High Estimate	-	-	-	-	-

Legend:

1P: Proved
 2P: Proved + Probable
 3P: Proved + Probable + Possible

MMbbl: Millions of barrels
 Bcf: Billions of cubic feet

Name of Qualified Person: Charles Chapman of Chapman Petroleum Engineering Ltd
Date: 1/1/2014
Professional Society Affiliation / Membership: Society of Petroleum Evaluation Engineers

The Vice President Subsurface, Dr Bruce Morris, confirms as at 31 December 2014, there have been no new resource estimates.