



## **Loyz Energy raises US\$16M from disposal of two rigs and reduces gearing**

- ◆ Fram Exploration ASA returns Loyz Energy its two rigs for a termination fee of US\$13.8M
- ◆ Fram Exploration ASA will be paid US\$2.5M in cash and given 136.5M new Loyz Energy shares at S\$0.11 each. Shares will be locked up for nine months
- ◆ Loyz Energy onsells the two rigs to controlling shareholder, Jit Sun Investments Pte. Ltd., for US\$16M
- ◆ Group's net bank debt reduced by US\$20.8M with the proceeds from the disposal of rigs and use of placement proceeds raised in April 2015

SINGAPORE ◆ 14 May 2015

For immediate release

Loyz Energy Limited (Loyz Energy or the Group), a fast-growing Singapore-based upstream energy group, has announced that they have entered into an agreement to terminate their existing five-year lease with Fram Exploration ASA (Fram) (Termination).

In consideration for the early Termination, a termination fee of US\$13.8M shall be payable to Fram, which is to be satisfied by a US\$2.5M payment in cash and 136.5M of new Loyz Energy shares, to be issued at S\$0.11 each. Fram has also committed to a nine-month lock-up period for these new shares.

The issuance of the 136.5M new Loyz Energy shares is conditional upon approval from shareholders of Loyz Energy, listing and quotation notice granted by the Singapore Exchange and the issuance of new Loyz Energy shares to Jit Sun Investments Pte. Ltd. (Jit Sun) pursuant to a conversion of its existing outstanding loan to Loyz Energy, such that Fram will not, at any single time, be the single largest shareholder of Loyz Energy. Demonstrating its on-going support to the Group, Jit Sun has agreed to buy the 2 rigs from Loyz Energy for US\$16M in cash (Disposal, and together with the Termination, the



Transactions). This allows the Group to reduce its borrowings and further strengthen its balance sheet.

Mr Adrian Lee (黎才庆), the Group's Managing Director, commented: "The back-to-back Transactions in relation to the rigs are beneficial to the Group, as it allows us to reduce our gearing and finance costs significantly, and continue to focus on our core assets. With our Thai asset delivering sterling results coupled with a stronger balance sheet after the Transactions, we are well positioned to accelerate growth plans as oil prices stabilise and rebound."

The Transactions are to be approved by shareholders and expected to complete by June.

With the completion of the Transactions, the Group is poised to deliver an EBITDAX of approximately US\$12M for the current financial year ending 30 June 2015. Strong EBITDAX growth is expected as the Group continues to focus and develop its core assets.

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#### ABOUT THE COMPANY

SGX SESDAQ (Catalist) listing: December 1999

Home-grown Loyz Energy Limited (Loyz Energy or the Group) is fast establishing itself as an independent exploration and production (E&P) energy company in the Asia-Pacific.

Loyz Energy is working to build a balanced portfolio of prime, producing oil and gas concessions, which will generate a steady earnings stream to gird up its balance sheet, as well as exploration assets that will drive long-term growth. In addition, Loyz will seek drilling partnerships to reduce risks at the exploration and development stages.

The Group has begun to acquire producing assets. In March 2014, it purchased a 20% stake in three producing concessions in Thailand. It intends to selectively add more such assets, as the ensuing cashflows will enable Loyz Energy to step up the pace of development at its concessions in the Asia-Pacific.

Within its balanced portfolio, Loyz Energy, through wholly owned Loyz Oil Pte Ltd, also owns 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 – and a petroleum service contract for Area 14 in the East Palawan Basin, off the Philippines.



LOYZ ENERGY LIMITED

15 Hoe Chiang Road  
Tower Fifteen, #19-01  
Singapore 089316

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

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FOR FURTHER ENQUIRIES

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MR ADRIAN LEE

+65 6521 9006

[Adrian.lee@loyzenergy.com](mailto:Adrian.lee@loyzenergy.com)

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MR JEFFREY PANG

+65 6521 9007

[Jeffrey.pang@loyzenergy.com](mailto:Jeffrey.pang@loyzenergy.com)

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The contact person for the Sponsor is Ms Alice Ng, Director and Head of Continuing Sponsorship, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.