



Loyz Energy reports significant increase in oil production and reserves following successful drilling campaign in Thailand

- ◆ Drilling campaign delivers new wells that have delivered a combined production rate in excess of 4,000 bopd
- ◆ Independent qualified person's report shows proved and probable oil reserves in the Thailand fields had increased by 14.9% to 34.0 million barrels as at 31 December 2014
- ◆ Increase in production is in line with Loyz Energy's strategy to grow a strong recurrent income base

SINGAPORE ◆ 31 AUGUST 2015

For immediate release

Loyz Energy Limited ("**Loyz Energy**", and together with its subsidiaries, the "**Group**"), a fast-growing Singapore-based upstream energy group, has seen positive results from its 20% equity investment in the oil producing concession located in the Phetchabun Basin, Thailand (the "**Concession**").

Loyz Energy is pleased to announce the successful completion of the recent drilling programme in Thailand. Three wells in the programme were completed as production wells, with the fourth successfully appraising the reservoir's oil water contact. In total, the three new production wells delivered an initial combined production rate in excess of 4,000 barrels of oil per day ("**bopd**") on testing, with gross field production at 9,466 bopd as at 1 July 2015. Whilst total well capacity is in excess of 10,000 bopd, total production will likely be set at the 4,000 to 6,000 bopd level for the rest of 2015 to manage reservoir performance and value for the long term.

Based on an independent qualified person's report dated 1 January 2015 on the updated oil reserves estimates as of 31 December 2014 prepared by Chapman Petroleum Engineering Ltd, proved reserves have increased by 46.5% to 11.6 million barrels and proved and probable reserves have increased by 14.9% to 34.0 million barrels. For the avoidance of doubt, the figures stated herein relate to the entire Concession, in which the Group has an equity interest of 20%.



Mr. Adrian Lee (黎才庆), the Group's Managing Director, commented: "The impact of these new wells and reserve estimates are positive for Loyz Energy. These are sub-US\$14/bbl operating cost barrels that helped us achieve EBITDAX of US\$13.3 million in FY2015; a key target for the business. We look forward to the second phase of the drilling programme in the later part of 2015, which will be fully funded by cash flows generated from the on-going production at the SW1, L44 and L33 concessions in Thailand. The enhanced geological knowledge from the recent successful drilling programme means we are hopeful to carry on increasing reserves, valuation and improving cash generation from this concession and for our business. Over the last twelve months, we have increased the focus on cost and capital discipline and we are better positioned to exploit new opportunities."



Loyz Energy's onshore oilfield operations in Thailand

"Having reduced the operating costs in the current oil price environment, Loyz Energy is well-positioned to take advantage of an oil price rebound," Mr. Adrian Lee added.

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This media release is to be read in conjunction with the Company's announcement on the business update posted on the SGX website on 31 Aug 2015.



ABOUT LOYZ ENERGY LIMITED

SGX STOCK CODE: 594

Home-grown Loyz Energy Limited ("**Loyz Energy**", and together with its subsidiaries, the "**Group**") is fast establishing itself as an independent exploration and production 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 Energy 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 cash flows 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 – one for New Zealand's Taranaki Basin and the other for an area off the coast of Victoria in Australia – and is in negotiations with the Philippine government for a petroleum service contract for Area 14 in the East Palawan Basin, off the Philippines.

FOR FURTHER ENQUIRIES

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