

UNAUDITED FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SECOND QUARTER AND HALF YEAR ENDED 31 DECEMBER 2018

*This announcement has been prepared by CWX Global Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor (the “**Sponsor**”), ZICO Capital Pte. Ltd., for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. 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.

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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	Unaudited 2Q FY2019¹ US\$'000	Unaudited 2Q FY2018² US\$'000	Change %	Unaudited 1H FY2019³ US\$'000	Unaudited 1H FY2018⁴ US\$'000	Change %
Revenue	1,475	1,272	16	3,216	2,255	43
Cost of sales	(890)	(643)	38	(1,749)	(1,297)	35
Gross profit	585	629	(7)	1,467	958	53
<i>Other items of income</i>						
Interest income	66	56	18	138	90	53
Other income	27	1,563	(98)	106	1,622	(93)
<i>Other items of expense</i>						
Administrative expenses	(329)	(388)	(15)	(696)	(765)	(9)
Finance costs	(254)	(388)	(35)	(492)	(785)	(37)
Other expenses	(178)	(158)	13	(355)	(389)	(9)
Other charges	(234)	(27)	NM ⁵	(323)	(27)	NM ⁵
Share of results of associate company	(107)	(4)	NM ⁵	(252)	(4)	NM ⁵
(Loss)/profit before income tax	(424)	1,283	NM ⁵	(407)	700	NM ⁵
Income tax expense	(225)	(227)	(1)	(598)	(311)	92
(Loss)/profit for the financial period	(649)	1,056	NM⁵	(1,005)	389	NM⁵
Other comprehensive income/(loss):						
<i>Items that may be reclassified subsequently to profit or loss</i>						
Currency translation differences arising from consolidation	(25)	(11)	127	9	(5)	NM ⁵
Net change in fair value of cash flow hedges	-	-	-	-	29	(100)
Other comprehensive (loss)/income for the financial period, net of tax	(25)	(11)	127	9	24	(63)
Total comprehensive (loss)/income for the financial period	(674)	1,045	NM⁵	(996)	413	NM⁵
(Loss)/profit attributable to:						
Owners of the Company	(652)	1,041	NM ⁵	(1,004)	371	NM ⁵
Non-controlling interests	3	15	(80)	(1)	18	NM ⁵
	(649)	1,056	NM ⁵	(1,005)	389	NM ⁵
Total comprehensive (loss)/income attributable to:						
Owners of the Company	(463)	1,157	NM ⁵	(1,081)	463	NM ⁵
Non-controlling interests	(211)	(112)	88	85	(50)	NM ⁵
	(674)	1,045	NM ⁵	(996)	413	NM ⁵

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

	Unaudited 2Q FY2019 ¹ US\$'000	Unaudited 2Q FY2018 ² US\$'000	Unaudited 1H FY2019 ³ US\$'000	Unaudited 1H FY2018 ⁴ US\$'000
Other income				
Foreign exchange gain, net	12	87	17	141
Write back of deposits	11	-	11	-
Reversal of accrued interest payable	-	-	73	-
Gain on settlement of payables via issuance of shares	-	1,467	-	1,467
Other income	4	9	5	14
	27	1,563	106	1,622
Finance costs				
Interest expense	(254)	(388)	(492)	(785)
Other charges				
Loss on disposal of other property, plant and equipment	-	(26)	-	(26)
Net fair value changes in investment carried at fair value through profit or loss	(234)	-	(323)	-
Other property, plant and equipment written off	-	(1)	-	(1)
	(234)	(27)	(323)	(27)
Others				
Depreciation of other property, plant and equipment	22	18	53	39
Depletion of oil and gas properties	378	244	718	480
	400	262	771	519

¹“2Q FY2019”: Period from 1 October 2018 to 31 December 2018

²“2Q FY2018”: Period from 1 October 2017 to 31 December 2017

³“1H FY2019”: Period from 1 July 2018 to 31 December 2018

⁴“1H FY2018”: Period from 1 July 2017 to 31 December 2017

⁵“NM”: Not Meaningful

1(b)(i) A statement of financial position (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-18 US\$'000	Unaudited 30-Sep-18 US\$'000	Audited 30-Jun-18 US\$'000	Unaudited 31-Dec-18 US\$'000	Unaudited 30-Sep-18 US\$'000	Audited 30-Jun-18 US\$'000
Statements of Financial Position						
ASSETS						
Non-Current Assets						
Exploration, evaluation and development assets	19,926	19,926	19,926	-	-	-
Oil and gas properties	53,815	54,024	53,747	-	-	-
Other property, plant and equipment	1,376	1,403	1,406	-	-	-
Investments in subsidiaries	-	-	-	72,890	72,730	72,049
Investment in associate	1,545	1,654	1,796	2,018	2,018	2,018
Intangible assets	24,612	24,612	24,612	-	-	-
Investment securities	235	468	558	-	-	-
Other receivables	4,499	4,423	4,372	4,499	4,423	4,372
Total Non-Current Assets	106,008	106,510	106,417	79,407	79,171	78,439
Current Assets						
Inventories	2,222	2,152	2,110	-	-	-
Trade and other receivables	1,918	2,329	1,803	5,608	5,561	5,320
Deposits	106	95	92	-	-	-
Prepayments	115	120	74	14	17	10
Cash and bank balances	3,877	3,719	5,675	1,492	1,859	3,022
Total Current Assets	8,238	8,415	9,754	7,114	7,437	8,352
Total Assets	114,246	114,925	116,171	86,521	86,608	86,791
EQUITY AND LIABILITIES						
Equity						
Share capital	140,245	140,245	140,250	140,245	140,245	140,250
Reserves	(365)	(554)	(288)	-	-	-
Accumulated losses	(78,650)	(77,998)	(77,646)	(53,836)	(53,800)	(53,726)
Equity attributable to owners of the Company	61,230	61,693	62,316	86,409	86,445	86,524
Non-controlling interests	(10,429)	(10,218)	(10,514)	-	-	-
Total Equity	50,801	51,475	51,802	86,409	86,445	86,524
Non-Current Liabilities						
Bank borrowings	17,314	17,396	17,478	-	-	-
Other payables	768	768	768	-	-	-
Deferred tax liabilities	38,070	38,138	37,819	-	-	-
Total Non-Current Liabilities	56,152	56,302	56,065	-	-	-
Current Liabilities						
Income tax payables	945	685	960	-	-	-
Trade and other payables	1,990	2,036	2,798	112	163	267
Bank borrowings	4,358	4,427	4,546	-	-	-
Total Current Liabilities	7,293	7,148	8,304	112	163	267
Total Liabilities	63,445	63,450	64,369	112	163	267
Total Equity and Liabilities	114,246	114,925	116,171	86,521	86,608	86,791

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 2018 (US\$'000)		As at 30 Jun 2018 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
3,851	507	4,030	516

Amount repayable after one year

As at 31 Dec 2018 (US\$'000)		As at 30 Jun 2018 (US\$'000)	
Secured	Unsecured	Secured	Unsecured
17,314	-	17,478	-

Details of any collaterals**Loans**

During the financial year ended 30 June 2014, the Company's wholly-owned subsidiary, Loyz Oil Pte. Ltd. ("Loyz Oil"), drew down US\$32.0M pursuant to the term loan from OCBC Bank to finance the acquisition of petroleum interests held by Carnarvon Thailand Limited. The loan is secured by pledges of shares in the Company's wholly-owned subsidiary, 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, and a shareholder of the Company, Jit Sun Investments Pte. Ltd. ("Jit Sun").

On 8 May 2017, Loyz Oil obtained a revolving loan facility of US\$1,000,000 from OCBC Bank for general working capital requirements. The facility is secured by pledges of shares in 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, Loyz Thai's intercompany loans, as well as corporate guarantees by the Company, Loyz Thai and Jit Sun.

In June 2017, the Group has restructured the payment terms of the term loan, taken up in 2015, from DBS Bank. The restructured loan is secured by a pledge of the Company's shares in Loyz Oil, and corporate guarantees by the Company, as well as Jit Sun and certain of its subsidiaries.

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.

Consolidated Statement of Cash Flows	Unaudited 2Q FY2019 US\$'000	Unaudited 2Q FY2018 US\$'000	Unaudited 1H FY2019 US\$'000	Unaudited 1H FY2018 US\$'000
Operating activities				
(Loss)/profit before income tax	(424)	1,283	(407)	700
Adjustments for:				
Share of results of associate company	107	4	252	4
Depreciation of other property, plant and equipment	22	18	53	39
Depletion of oil and gas properties	378	244	718	480
Reversal of accrued interest payable	-	-	(73)	-
Gain on settlement of payables via issuance of shares	-	(1,467)	-	(1,467)
Write back of deposits	(11)	-	(11)	-
Other property, plant and equipment written off	-	1	-	1
Loss on disposal of other property, plant and equipment	-	26	-	26
Net fair value changes in investment carried at fair value through profit or loss	234	-	323	-
Share-based payment expenses	-	-	-	29
Interest income	(66)	(56)	(138)	(90)
Interest expense	254	388	492	785
Operating cash flows before working capital changes	494	441	1,209	507
Working capital changes:				
Inventories	(70)	-	(112)	(56)
Trade and other receivables	396	(240)	(117)	(91)
Deposits	-	125	(3)	426
Prepayments	5	40	(41)	57
Trade and other payables	(46)	(297)	(735)	(724)
Cash generated from operations	779	69	201	119
Interest received	5	4	13	5
Income tax paid	(33)	(43)	(362)	(250)
Net cash from/ (used in) operating activities	751	30	(148)	(126)
Investing activities				
Proceeds from disposal of other property, plant and equipment	-	104	-	104
Purchase of plant and equipment	(1)	(94)	(29)	(94)
Additions to oil and gas properties	(169)	(58)	(786)	(152)
Investment in associate	-	(742)	-	(742)
Other receivables	-	(4,856)	-	(4,856)
Net cash used in investing activities	(170)	(5,646)	(815)	(5,740)
Financing activities				
Interest paid	(201)	(125)	(386)	(329)
Proceeds from bank borrowings	-	130	-	530
Net proceeds/(expenses) from issuance of ordinary shares	-	12,538	(5)	12,538
Repayment of finance lease payables	-	(48)	-	(52)
Repayment of bank borrowings	(225)	(895)	(450)	(985)
Net cash (used in)/from financing activities	(426)	11,600	(841)	11,702
Net change in cash and cash equivalents	155	5,984	(1,804)	5,836
Foreign currency translation adjustments	3	3	6	7
Cash and cash equivalents at beginning of financial period	3,719	1,516	5,675	1,660
Cash and cash equivalents at end of financial period	3,877	*7,503	3,877	*7,503

*Included in cash and cash equivalents are cash balances pledged to the banks, amounting to US\$0.8M, for each of 2Q FY2018 and 1H FY2018, in relation to loan/bank overdraft taken up.

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

Statement of Changes in Equity Group	Share capital US\$'000	Foreign currency translation account US\$'000	Accumulated losses US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance as at 1 July 2018	140,250	(336)	(77,598)	62,316	(10,514)	51,802
Reclassification of adoption of SFRS(I) 1*	-	48	(48)	-	-	-
Balance as at 1 July 2018 (restated)	140,250	(288)	(77,646)	62,316	(10,514)	51,802
Loss for the financial period	-	-	(352)	(352)	(4)	(356)
Other comprehensive (loss)/income for the financial period:						
Currency translation differences arising from consolidation	-	(266)	-	(266)	300	34
Total comprehensive (loss)/income for the financial period	-	(266)	(352)	(618)	296	(322)
Share issuance expenses	(5)	-	-	(5)	-	(5)
Balance as at 30 September 2018	140,245	(554)	(77,998)	61,693	(10,218)	51,475
Balance as at 1 October 2018	140,245	(554)	(77,998)	61,693	(10,218)	51,475
Loss for the financial period	-	-	(652)	(652)	3	(649)
Other comprehensive income/(loss) for the financial period:						
Currency translation differences arising from consolidation	-	189	-	189	(214)	(25)
Total comprehensive income/(loss) for the financial period	-	189	(652)	(463)	(211)	(674)
Balance as at 31 December 2018	140,245	(365)	(78,650)	61,230	(10,429)	50,801

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 Group	Share capital US\$'000	Deemed capital contribution US\$'000	Share option/ award reserve US\$'000	Foreign currency translation account US\$'000	Hedging reserve US\$'000	Accumulated losses US\$'000	Total US\$'000	Non-controlling interests US\$'000	Total equity US\$'000
Balance as at 1 July 2017	124,343	2,103	126	(48)	(29)	(78,324)	48,171	(10,841)	37,330
Reclassification of adoption of SFRS(I) 1*	-	-	-	48	-	(48)	-	-	-
Balance as at 1 July 2017 (restated)	124,343	2,103	126	-	(29)	(78,372)	48,171	(10,841)	37,330
(Loss)/profit for the financial period	-	-	-	-	-	(670)	(670)	3	(667)
Other comprehensive (loss)/income for the financial period:									
Currency translation differences arising from consolidation	-	-	-	(53)	-	-	(53)	59	6
Net change in fair value of cash flow hedges	-	-	-	-	29	-	29	-	29
Total comprehensive (loss)/income for the financial period	-	-	-	(53)	29	(670)	(694)	62	(632)
Grant of share options/awards to employees	-	-	29	-	-	-	29	-	29
Balance as at 30 September 2017	124,343	2,103	155	(53)	-	(79,042)	47,506	(10,779)	36,727
Balance as at 1 October 2017	124,343	2,103	155	(53)	-	(79,042)	47,506	(10,779)	36,727
Profit for the financial period	-	-	-	-	-	1,041	1,041	15	1,056
Other comprehensive income/(loss) for the financial period:									
Currency translation differences arising from consolidation	-	-	-	116	-	-	116	(127)	(11)
Total comprehensive income/(loss) for the financial period	-	-	-	116	-	1,041	1,157	(112)	1,045
Issuance of shares	15,755	-	-	-	-	-	15,755	-	15,755
Share awards exercised	155	-	(155)	-	-	-	-	-	-
Balance as at 31 December 2017	140,253	2,103	-	63	-	(78,001)	64,418	(10,891)	53,527

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	Share capital US\$'000	Foreign currency translation account US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 July 2018	140,250	607	(54,333)	86,524
Reclassification of adoption of SFRS(I) 1*	-	(607)	607	-
Balance at 1 July 2018 (restated)	140,250	-	(53,726)	86,524
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	(74)	(74)
Share issuance expenses	(5)	-	-	(5)
Balance at 30 September 2018	140,245	-	(53,800)	86,445
Balance at 1 October 2018	140,245	-	(53,800)	86,445
Loss for the financial period, representing total comprehensive income for the financial period	-	-	(36)	(36)
Balance at 31 December 2018	140,245	-	(53,836)	86,409

Statement of Changes in Equity					
Company	Share capital US\$'000	Share option/ award reserve US\$'000	Foreign currency translation account US\$'000	Accumulated losses US\$'000	Total equity US\$'000
Balance at 1 July 2017	124,343	126	607	(53,730)	71,346
Reclassification of adoption of SFRS(I) 1*	-	-	(607)	607	-
Balance at 1 July 2017 (restated)	124,343	126	-	(53,123)	71,346
Loss for the financial period, representing total comprehensive loss for the financial period	-	-	-	(148)	(148)
Grant of share options/awards to employees	-	29	-	-	29
Balance at 30 September 2017	124,343	155	-	(53,271)	71,227
Balance at 1 October 2017	124,343	155	-	(53,271)	71,227
Loss for the financial period, representing total comprehensive income for the financial period	-	-	-	(123)	(123)
Issuance of shares	15,755	-	-	-	15,755
Share awards exercised	155	(155)	-	-	-
Balance at 31 December 2017	140,253	-	-	(53,394)	86,859

*The Group and the Company have adopted SFRS(I) 1 on 1 July 2018 and have elected for the optional exemption to reset its foreign currency translation differences for all foreign operations to nil at the date of transition on 1 July 2017. Please refer to item 5 for more details.

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Share capital – Ordinary shares	Number of shares	US\$
Balance as at 1 October 2018 and 31 December 2018	3,900,018,070	140,244,670

Outstanding convertibles

Number of outstanding convertibles

Warrants:

- As at 31 December 2018	487,502,256
- As at 31 December 2017	487,502,256

Save for the above, there were no other outstanding convertibles as at 31 December 2018 and 31 December 2017.

The Company did not have any treasury shares or subsidiary holdings as at 31 December 2018 and 31 December 2017.

(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.

	31-Dec-18	30-Jun-18
Total number of issued shares excluding treasury shares	3,900,018,070	3,900,018,070

The Company did not have any treasury shares as at 31 December 2018 and 30 June 2018.

(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, as the Company did not have any treasury shares during and as at the end of the financial period ended 31 December 2018.

(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable, as the Company did not have any subsidiary holdings during and as at the end of the financial period ended 31 December 2018.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures 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.

Except as disclosed under item 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the financial year ended 30 June 2018.

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.

Singapore-incorporated companies listed on the Singapore Exchange are required to apply a new financial reporting framework, the Singapore Financial Reporting Standards (International) (SFRS(I)s), that is identical to the International Financial Reporting Standards (IFRS) for annual periods beginning on or after 1 January 2018. The Group and the Company have adopted the new financial reporting framework, SFRS(I)s, on 1 July 2018 and have prepared its financial information under SFRS(I)s for the second quarter and half year ended 31 December 2018. The Group and the Company have elected for the optional exemption to reset its foreign currency translation differences for all foreign operations to nil at the date of transition on 1 July 2017. As a result, the Group's and the Company's cumulative foreign currency translation loss and gain of US\$0.05M and US\$0.6M respectively, was reclassified from foreign currency translation reserves to accumulated profits as at 1 July 2017. After the date of transition, any gain or loss on disposal of any foreign operation will exclude translation reserves that arose before the date of transition.

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.

(Loss)/earnings per share of the Group based on (loss)/profit attributable to owners of the Company	2Q FY2019	2Q FY2018	1H FY2019	1H FY2018
- Basic (US cents)	(0.017)	0.06	(0.026)	0.02
- On a fully diluted basis (US cents)	(0.017)	0.06	(0.026)	0.02

Notes:

The basic loss per share for 2Q FY2019 and 1H FY2019 are calculated based on 3,900,018,070 weighted average number of ordinary shares in issue. The basic earnings per share for 2Q FY2018 and 1H FY2018 are calculated based on 1,788,923,506 weighted average number of ordinary shares in issue.

On a fully diluted basis, the loss per share for 2Q FY2019 and 1H FY2019 are calculated based on 3,900,018,070 weighted average number of ordinary shares in issue. The diluted earnings per share for 2Q FY2018 and 1H FY2018 are calculated based on 1,788,923,506 weighted average number of ordinary shares in issue. Diluted loss/earnings per share for each of 2Q FY2019, 1H FY2019, 2Q FY2018 and 1H FY2018 is the same as the basic loss/earnings 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-18	Group 30-Jun-18	Company 31-Dec-18	Company 30-Jun-18
Net asset value per share (US cents)	1.57	1.60	2.22	2.22

Note:

The net asset value per share as at 31 December 2018 and 30 June 2018 are calculated based on 3,900,018,070 ordinary shares in issue.

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 FY2019 vs 2Q FY2018

Consolidated Statement of Comprehensive Income

Revenue increased by US\$0.2M or 16%, from US\$1.3M in 2Q FY2018 to US\$1.5M in 2Q FY2019, due to the increase in revenue from the oil and gas business segment. The increase was mainly due to higher average oil price of US\$66.17 in 2Q FY2019 as compared to US\$54.27 in 2Q FY2018, which outweighs the impact of a tad decrease in oil production volume from its Thailand concession of 1,705 barrels, from 24,584 barrels in 2Q FY2018 to 22,879 in 2Q FY2019. Cost of sales increased by US\$0.3M or 38%, from US\$0.6M in 2Q FY2018 to US\$0.9M in 2Q FY2019, mainly due to the increase in depletion. Consequently, gross profit declined by US\$0.04M, from US\$0.63M in 2Q FY2018 to US\$0.59M in 2Q FY2019.

Interest income increased by US\$10,000 or 18% in 2Q FY2019 as compared to 2Q FY2018, which was mainly due to the increase in accrued interest arising from a long-term loan extended by the Company to an associate company (FIT Global Pte Ltd (“**Fit Global**”)).

Other income decreased by US\$1.6M in 2Q FY2019 as compared to 2Q FY2018, which was mainly due to an absence of a US\$1.5M gain on settlement of amount due to Carnarvon Thailand Limited (“CVN”) via issuance of the Company's new ordinary shares to CVN in 2Q FY2018.

Administrative expenses decreased by US\$0.1M, from US\$0.4M in 2Q FY2018 to US\$0.3M in 2Q FY2019. This was mainly due to a decrease in staff costs and corporate expenses.

Finance costs decreased by US\$0.1M, from US\$0.4M in 2Q FY2018 to US\$0.3M in 2Q FY2019, mainly due to the reduction in the interest rate spread of a bank loan following the successful restructuring of the loan.

Other expenses increased by US\$20,000 in 2Q FY2019 as compared to 2Q FY2018, mainly due to the increase in legal and professional fees.

Other charges increased by US\$0.2M in Q2 FY2019 as compared to Q2 FY2018, which was mainly due to the decrease in fair value of a quoted investment security.

Share of results of associate company related to the Company's associate company (Fit Global). Fit Global commenced operations in late 2Q FY2018 and had incurred set-up costs in respect of its bilateral trading business, which provides access to exchange-traded and over-the-counter markets, including spot and derivative contracts. As Fit Global is a new startup, revenue and profits will take time to build up.

As a result of the above, the Group recorded a loss after income tax of US\$0.6M in 2Q FY2019 as compared to a profit after income tax of US\$1.1M in 2Q FY2018.

Consolidated Statement of Financial Position

The Group's non-current assets decreased by US\$0.5M, from US\$106.5M as at 30 September 2018 to US\$106.0M as at 31 December 2018. The decrease was mainly due to the depletion and depreciation of oil and gas properties and other property, plant and equipment, coupled with the decrease in (i) investment in associate following the share of losses incurred for the period; and (ii) investment securities mainly due to the recent unfavourable global stock market condition.

The Group's current assets decreased by US\$0.2M, from US\$8.4M as at 30 September 2018 to US\$8.2M as at 31 December 2018. The decrease was mainly due to the decrease in trade receivables as lower revenue was recorded in 2Q FY2019 as compared to 1Q FY2019, partially offset by an increase in cash and bank balances, inventories and deposits.

The Group's non-current liabilities decreased by US\$0.1M, from US\$56.3M as at 30 September 2018 to US\$56.2M as at 31 December 2018. This was mainly due to the reclassification of bank borrowings, which is due within 1 year, from non-current liabilities to current liabilities and the decrease in deferred tax liabilities in relation to the Thailand operation.

The Group's current liabilities increased by US\$0.2M, from US\$7.1M as at 30 September 2018 to US\$7.3M as at 31 December 2018. This was mainly due to the increase in income tax payables due to additional accrued tax expense recorded for the Thailand operation during the financial period, partially offset by the decrease in bank borrowings due to repayment made.

The Group reported a positive working capital position of US\$0.9M as at 31 December 2018, as compared to US\$1.3M as at 30 September 2018.

Consolidated Statement of Cash Flows

The Group generated net cash of approximately US\$0.8M from its operating activities for 2Q FY2019. Major movements of the cash flow from operating activities mainly comprised (i) decrease in trade and other receivables of US\$0.4M; (ii) increase in inventories of US\$0.1M; and (iii) operating cash flows before working capital changes of US\$0.5M.

The Group used net cash of US\$0.2M for its investing activities in 2Q FY2019 mainly related to the expenses incurred in preparation for the drilling campaign in Thailand which commenced in January 2019.

The Group used net cash of US\$0.4M from its financing activities in 2Q FY2019 mainly due to the repayment of bank borrowings and interest paid.

As a result of the above, and taking into account foreign currency translation adjustments, cash and cash equivalents increased by US\$0.2M from US\$3.7M as at 30 September 2018 to US\$3.9M as at 31 December 2018.

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.

Oil and gas business

On 7 December 2018, the Organization of the Petroleum Exporting Countries (“OPEC”) and several non-OPEC countries announced a production cut of 1.2 million barrels of oil daily beginning in January 2019 and running for the following six months. Oil prices have rebounded since, but remain sensitive to geopolitical and actual supply and demand factors.

The Thailand Joint Venture has finalised its plan for a 4-well drilling campaign in 1H 2019, which commenced in January 2019. The drilling campaign is expected to be completed around early April 2019. The profits and cash generated from the oil sales are expected to be sufficient to fund the drilling campaign. The Thailand Joint Venture will review the drilling results and oil prices mid-year and consider plans for another drilling campaign in 2H 2019.

With the focus on increasing production rate, barring unforeseen circumstances, the Group expects the performance of its Oil and Gas division to improve.

Investment and trading-related activities

The Group’s associate company, Fit Global, currently provides over-the-counter commodity contracts offerings to customers who require exposure to the commodity markets. This is permitted under the Monetary Authority of Singapore Exempted Broker Exemption for OTC products. Fit Global is a new startup and the main expenditure is on technology infrastructure including the setting up of a platform that allows users to trade Chinese futures, and exchange-cleared OTC products on a single platform. As Fit Global is a new startup, revenue and profits will take time to build up.

For the Group’s investment business, in January 2019, the Group successfully obtained a Money Lending License in Hong Kong. This license enables the Group to lend to retail customers in Hong Kong. The Group is also exploring tie-ups with potential partners in the lending business in Hong Kong.

The Group’s investment business and Fit Global’s trading business is expected to grow gradually due to the current weak global sentiments.

The Group will continue to source for new opportunities to deliver value to its shareholders while working towards raising oil production and revenue.

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 2018.

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 were no interested person transactions above S\$100,000 entered into by the Group in the second quarter ended 31 December 2018.

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 Catalyst 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.

The summary of the expenditure for 2Q FY2019 (period from 1 October 2018 to 31 December 2018) is as follows:

	US\$'000
Evaluation, Exploration & Development Expenditure	-
Fixed Assets	-
Administrative Expenses	-

Projected expenditure for 3Q FY2019 (period from 1 January 2019 to 31 March 2019) is as follows:

	US\$'000
Evaluation, Exploration & Development Expenditure	-
Fixed Assets	-
Administrative Expenses	-

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

The Board of Directors ("Board") of the Company 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.

19. Rule 705(7) of the Catalyst 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.

Details of exploration, development and/or production activities undertaken by the Group in 2Q FY2019:

Country	Work Done	Expenditure for 2Q FY2019	Previous projections for the last period	Variance/Note
		US\$'000	US\$'000	US\$'000
New Zealand	The Group is in discussion with the relevant New Zealand authorities on the steps to proceed with the relinquishment of PEP38479.	-	-	-
USA	There are currently no plans to develop the assets in USA.	-	-	-

For the Group's assets in Thailand, the Group did not fund any exploration, development and production activities in 2Q FY2019 as the activities are self-funded.

Details of exploration, development and/or production activities to be undertaken by the Group in 3Q FY2019:

Country	Work to be done	Projected Expenditure for 3Q FY2019
		US\$'000
New Zealand	As described above, the Group has decided to relinquish PEP38479 and is currently in contact with the New Zealand authorities on how the Group can proceed with the relinquishment of PEP38479.	-
USA	As described above, there are currently no plans to develop the assets in USA.	-

For the Group's assets in Thailand, the Group is not expected to fund any exploration, development and production activities in 3Q FY2019 as the activities are self-funded.

20. Use of proceeds

The Company completed a renounceable non-underwritten rights cum warrants issue (the "Rights cum Warrants Issue") in December 2017. The Company raised net proceeds of approximately S\$16,990,000 (the "Net Proceeds"), after deducting all expenses in connection with the Rights cum Warrants Issue. Please refer to the Company's offer information statement dated 23 November 2017 for more information on the Rights cum Warrants Issue.

As at 31 December 2018, there is no further update to the utilisation of the Net Proceeds following the status update on the use of proceeds made by the Company in the unaudited financial statements and dividend announcement for the first quarter ended 30 September 2018. The Company will make periodic announcements via SGXNet as and when the balance of the Net Proceeds is materially utilised.

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

On behalf of the Board, 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 2018 to be false or misleading in any material aspect.

On behalf of the Board

Pang Kee Chai, Jeffrey
Chief Executive Officer and Executive Director

Lee Chye Cheng, Adrian
Non-Executive Director

22. Confirmation from the Company under Rule 720(1) of the Catalist Rules

The Company confirms that all the required undertakings under Rule 720(1) of the Catalist Rules have been obtained from all its directors and executive officers in the format set out in Appendix 7H of the Catalist Rules.

BY ORDER OF THE BOARD

Pang Kee Chai, Jeffrey
Chief Executive Officer and Executive Director
25 January 2019
