

CAPALLIANZ HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199905693M)

KEY UPDATES ON OIL AND GAS RESERVES ESTIMATES AND OPERATIONS OF THE PHETCHABUN BASIN, THAILAND

1. INTRODUCTION

The board of directors (the “**Board**” or the “**Directors**”) of Capallianz Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that ECO Orient Resources (Thailand) Limited (the “**Operator**”), the operator and holder of 60% of the working interest in the onshore oil concessions located in Phetchabun Basin, Thailand (the “**Concessions**”), and its fellow subsidiary, ECO Orient Energy (Thailand) Limited had commissioned an independent third party, Chapman Petroleum Engineering Ltd (“**Chapman**”), to prepare and issue two updated appraisal reports of the oil reserves of the Concessions as at 31 December 2022 (collectively known as the “**2022 Reserves Statement**”).

The Group is the holder of 20% of the working interest in the Concessions and as a minority stakeholder, the Group is reliant upon the Operator of the Concessions for all technical reporting. The 2022 Reserves Statement was prepared in accordance with the standards set out in the Canadian Oil and Gas Evaluation Handbook prepared jointly by the Society of Petroleum Evaluation Engineers and the Canadian Institute of Mining, Metallurgy and Petroleum. As such, the 2022 Reserves Statement was not prepared in accordance with any of the standards of reporting specified under the Singapore Exchange Securities Trading Limited Listing Manual Section B: Rules of Catalist.

This announcement should be read in conjunction with the 2022 Reserves Statement, a copy of which is available for inspection by the Company’s shareholders during normal business hours at the registered address of the Company at 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095.

2. KEY UPDATES ON OIL & GAS RESERVES ESTIMATES

Based on the 2022 Reserves Statement, the oil and gas reserves estimates attributable to the Group as at 31 December 2022 is set out in the table below. Further details are set out in the 2022 Reserves Statement.

Category	Gross Attributable to the Concessions (Mmbbl / Mboe ⁽¹⁾)	Net Attributable to the Group ⁽²⁾		Remarks
		(Mmbbl / Mboe ⁽¹⁾)	Change from Previous Update ⁽³⁾ (%)	
Oil Reserves (Mmbbl)				
1P	3.55	0.71	(15.48)	-
2P	11.46	2.29	(20.76)	-
3P	12.27	2.45	(20.20)	-
Gas Reserves (Mboe)				
1P	236	47.2	(17.19)	-
2P	503	100.6	(11.75)	-
3P	503	100.6	(11.75)	-

Legend:

1P: Proved

2P: Proved + Probable

3P: Proved + Probable + Possible

Notes:

- (1) Mmbbl / Mboe is defined as Millions of barrels / Thousands barrels of oil equivalent.
- (2) This refers to the Group's share after deduction of other interest holders, but before deduction of royalty.
- (3) Previous Update refers to the section entitled "Summary of Oil and Gas Reserves and Resources" set out in the Company's annual report for the financial year ended 30 June 2022.

The 2022 Reserves Statement reflects a gross attributable to the Concessions for 2P oil and gas reserves of approximately 11.46 Mmbbl and 503 Mboe respectively, which equates to a pre-tax net present value of 10% of approximately US\$377 million (2021: US\$388 million).

With the Operator's focus mainly on igneous reservoir prospects, Chapman had considered that some of the clastic prospects in the area of the Concessions would not be developed and recovered. This, together with oil production from the existing producing wells during 2022, resulted in a reduction in the 2P reserves, which was partially offset by the new reserves added arising from well recovery and performance after Chapman's regular review in 2022.

3. UPDATES ON OPERATIONS IN THAILAND

Oil prices continue to be volatile. In its Monthly Oil Market Report for February 2023⁽¹⁾, Organization of the Petroleum Exporting Countries ("**OPEC**") has raised its 2023 global oil demand growth forecast in its first upward revision for months, due to China's relaxation of COVID-19 restrictions, and trimmed supply forecasts for Russia and other non-OPEC producers, pointing to a tighter market. OPEC expects Chinese demand to grow by 590,000 barrels per day (bpd) in 2023, up from January 2023's forecast of 510,000 bpd. China's oil consumption dropped for the first time in years in 2022, held back by its COVID-19 containment measures. Global oil demand is expected to rise in 2023 by 2.32 million bpd, or 2.3%.

The Concessions' joint operators are in the midst of a new drilling campaign, which will be fully funded by the positive cash flow generated from the sale of oil drawn from the existing producing wells of the Concessions and credit facilities granted to the Concessions.

(1) https://www.opec.org/opec_web/en/publications/338.htm

4. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution when trading in the Company's shares as the information herein may be updated or amended in line with future exploration and studies to be conducted. When in doubt as to the action they should take, shareholders and potential investors of the Company should consult their financial, tax or other advisers.

By order of the Board

Pang Kee Chai, Jeffrey
Vice Chairman and Executive Director
2 March 2023

*This announcement has been prepared by CapAllianz Holdings Limited (the "**Company**") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

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 Ms Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.