

KRISENERGY LTD

Company Registration No: 231666
(Incorporated in the Cayman Islands)

Unaudited First Quarter 2017 Financial Statements Announcement



12 May 2017

The following announcement may contain forward-looking statements by KrisEnergy Ltd. (the “**Company**”) relating to financial trends for future periods.

Some of the statements in this presentation, which are not historical facts, are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. These forward-looking statements are based on the Company’s current views, intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks and uncertainties. Because actual results could differ materially from the Company’s current views, intentions, plans, expectations, assumptions and beliefs about the future, such forward-looking statements are not and should not be construed as a representation, forecast or projection of future performance of the Company. It should be noted that our actual performance may vary significantly from such statements. No undue reliance should be placed on these forward-looking statements and the Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

Financial and Operations Update

*KrisEnergy Ltd. is an independent upstream oil and gas company focused on the appraisal, development and production of oil and gas in Asia. As at the date of this announcement, we hold working interests in a diverse portfolio of 16 contract areas in Asia, 10 of which we operate, balancing cash flow from oil and gas production with significant development potential and exploration upside. Today, we present our unaudited financial statements reflecting the financial and operating results for the three months ended 31 March 2017 (the “**Results**” or “**1Q2017**”). References made to the Company pertain to KrisEnergy Ltd. and references made to the Group pertain to the Company and its subsidiaries.*

	For the three months ended 31 March		
	2017	2016	% Change
	(US\$ thousands, except where otherwise indicated)		
Financial			
Sale of crude oil & liquids	26,416.4	27,632.1	(4.4)
Sale of gas	5,387.4	5,478.9	(1.7)
Revenue	31,803.8	33,111.0	(3.9)
EBITDAX^(1,2)	17,166.3	19,677.2	(12.8)
Cash and bank balances	57,957.2	65,212.7	(11.1)
Operations⁽²⁾			
Production volumes (boepd) ⁽³⁾	13,610	19,014	(28.4)
Average sales price ⁽³⁾			
• Oil and liquids (US\$/bbl)	46.82	20.85	124.6
• Gas – B8/32 & B9A (US\$/mcf)	3.61	4.11	(12.2)
• Gas – Block 9 (US\$/mcf)	2.32	2.32	-
Average lifting costs (US\$/boe) ^(3,4)	10.08	10.18	(1.0)

Notes:

- (1) EBITDAX is a non-IFRS measure and is defined as earnings before interest, taxation, depreciation, depletion, amortisation, geological and geophysical expenses and exploration expenses
- (2) Non-IFRS measures
- (3) Adjusted for KrisEnergy's 89.0% working interest in G10/48
- (4) Based on operating cost as incurred under IFRS

First Quarter 2017 Financial Update

In 1Q2017, the Group's primary objective was to continue with the implementation and execution of the financial restructuring plan approved by the Board in the fourth quarter 2016 ("4Q2016"). Maximising operational efficiencies, managing liquidity and the Group's capital structure remain core objectives, which are similar to many other oil and gas companies worldwide due to prevailing highly volatile market conditions.

- Working interest production in 1Q2017 was 13,610 barrels of oil equivalent per day ("boepd"), was 28.4% lower than a year ago (1Q2016: 19,014 boepd) when production reached a Company record. The year-on-year decrease was mostly attributable to lower production due to a combination of natural decline and ongoing mechanical issues at the Wassana oil field in the Gulf of Thailand. Production in 1Q2017 was stable compared to the preceding quarter.
- The average realised price for our oil and liquids significantly increased to US\$46.82 per barrel ("bbl") in 1Q2017 versus 1Q2016 when the average realised price was at the lowest since the Company's establishment at US\$20.85/bbl. The increase in average realised prices cushioned the impact of lower production on 1Q2017 revenue which decreased 3.9% to US\$31.8 million (1Q2016: US\$33.1 million). The Thai gas price formula is calculated at six-month intervals on 1 April and 1 October of each year taking into account, among other factors, the price of fuel oil for the prior six-month period. Given the recovery in oil prices in the second half of 2016, it would be expected that the gas price achieved in Thailand in the second and third quarters of 2017 would be higher than in 1Q2017.
- In line with lower sales, operating costs declined 35.7% to US\$12.4 million in 1Q2017 (1Q2016: US\$19.2 million). The average lifting cost in 1Q2017 was stable at US\$10.08 per barrel of oil equivalent ("boe") compared to the same period a year ago (1Q2016: US\$10.18/boe), as both periods included a full quarter of production from both the Wassana and Nong Yao oil fields.
- Depreciation, depletion and amortisation ("DD&A") charges reduced to US\$15.3 million (1Q2016: US\$28.0 million) as a result of decreased production and lower asset carrying value due to the impairment charges the Group recognised in 2016.
- EBITDAX in 1Q2017 amounted to US\$17.2 million (1Q2016: US\$19.7 million), a 12.8% decrease from the same period due primarily to the recognition in 1Q2016 of a US\$10.6 million gain from the sale of one of the Group's subsidiaries. The Group reported a gross profit in 1Q2017 compared to a loss position in 1Q2016 and nearly halved corporate general and administrative expenses to US\$1.1 million (1Q2016: US\$2.1 million).
- Net profit after tax was US\$55.7 million in 1Q2017 compared with a net loss after tax of US\$20.1 million in 1Q2016. The 1Q2017 net profit after tax was mainly attributable to:
 - the incurrence of lower operating costs, primarily driven by lower production from the Wassana field during 1Q2017;

- recognition of other operating income, which was all non-cash. During the quarter, we recognised a net fair value gain on financial instruments relating to the exchange of the S\$130.0 million 6.25% notes due 2017 (“**2017 Notes**”) and the S\$200.0 million 5.75% notes due 2018 (“**2018 Notes**”) to the longer dated S\$130.0 million 4.0% notes due 2022 (“**2022 Notes**”) and S\$200.0 million 4.0% notes due 2023 (“**2023 Notes**”) issued pursuant to the financial restructuring process. This net fair value gain of US\$73.9 million will be reversed in subsequent quarters, recognised as accretion of bond discount expense under finance costs, as we progress towards the maturity date of the 2022 Notes and 2023 Notes; and
- although we incurred US\$20.6 million in finance costs during the quarter, approximately US\$7.3 million relate to the financial restructuring which were one-off in nature, and US\$7.7 million was recognised as non-cash accretion of bond discount expense, with respect to the 2022 Notes, 2023 Notes and the S\$139.5 million zero coupon notes due 2024 (“**Zero Coupon Notes**”), using the effective interest method, in line with the Group’s accounting policy.
- The Group’s cash and cash equivalents amounted to US\$49.7 million and after taking into account the Group’s restricted cash of US\$8.3 million, the Group’s cash and bank balances, as reported, amounted to US\$58.0 million as at 31 March 2017. Total unused sources of liquidity as at 31 March 2017 amounted to US\$74.7 million, which includes the Group’s cash and cash equivalents and unutilised amounts of the RCF. Gearing decreased to 51.0% (31 December 2016: 61.8%) on the back of the decrease in accumulated losses and increases in other reserves as a result of the issue of 1,255,183,632 warrant securities.

First Quarter 2017 Operational Update

With the Group's primary focus being production and development the following is a summary of the key operational events in 1Q2017.

Production and Development

- Average gross production at the Wassana oil field in the KrisEnergy-operated G10/48 concession was 5,063 barrels of oil per day ("**bopd**") in 1Q2017, working interest share of production in the same period was 4,506 bopd. Production at the Wassana oil field in G10/48 remains constrained following mechanical issues at five wells as reported last year. The Company's focus remains to improve production at existing wells, with preparations underway to drill up to five infill wells in the second half of 2017.
- Average gross production at the Nong Yao field in G11/48 concession was 8,332 bopd in 1Q2017, slightly lower when compared to the preceding quarter. Working interest share of production in 1Q2017 was 1,875 bopd. The Nong Yao-B wellhead platform was shut in 29-30 April 2017 for the positioning of the *Atwood Orca* jack-up rig in preparation for an up to four-well infill drilling program.
- Production performance in the B8/32 & B9A oil and gas complex remained stable in 1Q2017 compared to the preceding quarter. Average gross oil production was 27,670 bopd and gas production was 132.0 million cubic feet per day ("**mmcf**d"). Three new development wells were drilled in the quarter. Working interest share of production averaged 2,302 boepd in 1Q2017. In January 2017, the Thai authorities approved the extension of the B8/32 production period to 2030.
- Average gross production at the onshore Bangora gas field in the Block 9 production sharing contract was 285 barrels of condensate and 99.7 mmcf, working interest share of production averaged 4,927 boepd. Gas production was higher compared to the preceding quarter as a result of the completion of the Bangora-6 development well, which was put into production in January 2017.
- The Thai authorities approved on 6 March 2017 the second relinquishment of G11/48 reducing the licence area to 991.68 sq. km from 1,079 sq. km.

For activities and developments since 31 March 2017, see paragraph 10 of these Results entitled *Recent Developments*.

Financial Statements Announcement

First Quarter ended 31 March 2017

Figures for the three months ended 31 March 2017 have not been audited.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL-YEAR RESULTS

1 (a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	For the three months ended 31 March	
	2017	2016
	<i>(unaudited)</i>	
	<i>(US\$ thousands)</i>	
Sales of crude oil	26,416.4	27,632.1
Sales of gas	5,387.4	5,478.9
Revenue	31,803.8	33,111.0
Cost of sales:		
Operating costs	(12,350.1)	(19,196.2)
Thai petroleum royalties paid	(2,657.3)	(2,719.2)
Depreciation, depletion and amortisation	(15,342.8)	(27,975.9)
Gross profit/(loss)	1,453.6	(16,780.3)
Other income	5,650.9	11,964.5
General and administrative expenses	(7,026.4)	(7,605.5)
Other operating income	77,520.6	71.8
Finance income	87.0	47.6
Finance costs	(20,572.2)	(7,364.2)
Profit/(loss) before tax	57,113.5	(19,666.1)
Tax expense	(1,390.6)	(403.0)
Profit/(loss) after tax for the period	55,722.9	(20,069.1)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(26.1)	(23.3)
Total comprehensive income for the period	55,696.8	(20,092.4)
Attributable to:		
Owners of the Group	55,722.9	(18,286.0)
Non-controlling interests	-	(1,783.1)
Profit/(loss) after tax for the period	55,722.9	(20,069.1)
Attributable to:		
Owners of the Group	55,696.8	(18,309.3)
Non-controlling interests	-	(1,783.1)
Total comprehensive income for the period	55,696.8	(20,092.4)
Profit/(loss) per share attributable to owners of the Company (cents per share)		
Basic	3.7	(1.2)
Diluted	3.7	(1.2)

Extraordinary items

There were no extraordinary items during the period.

EBITDAX Computation

	For the three months ended 31 March	
	2017	2016
	(unaudited)	
	(US\$ thousands)	
Adjusted profit/(loss) before tax	57,113.5	(19,666.1)
Add/(less):		
Depreciation, depletion and amortisation	15,436.6	28,167.0
Finance costs	20,572.2	7,364.2
Net fair value gain on financial instruments	(77,520.6)	(71.8)
EBITDA	15,601.7	15,793.3
Geological and geophysical expenses	1,564.6	3,883.9
EBITDAX	17,166.3	19,677.2

EBITDAX and EBITDA are supplemental measures of our performance that are not required by, or presented in accordance with IFRS. EBITDAX and EBITDA are not measurements of financial performance or liquidity under IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities as a measure of liquidity. Adjusted profit/loss before tax deducts SRB taxes from the calculation of EBITDAX and EBITDA. In addition, EBITDAX and EBITDA are not standardised terms, hence, a direct comparison between companies using such terms may not be possible.

1 (b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	The Group		The Company	
	As at 31 March 2017 (unaudited)	As at 31 December 2016 (audited)	As at 31 March 2017 (unaudited)	As at 31 December 2016 (audited)
	(US\$ thousands)			
ASSETS				
Non-current assets				
Exploration and evaluation assets	528,301.8	507,419.2	-	-
Oil and gas properties	193,577.7	207,418.6	-	-
Other property, plant and equipment	10,988.1	11,018.5	-	-
Intangible assets	8,444.9	8,444.9	-	-
Investment in subsidiaries	-	-	335,215.3	335,047.5
Other receivables	13,778.0	11,966.3	981,222.2	887,546.4
	755,090.5	746,267.5	1,316,437.5	1,222,593.9
Current assets				
Inventories	36,491.3	26,802.4	-	-
Trade and other receivables	61,285.5	64,283.4	-	-
Prepayments	2,158.7	1,584.3	119.0	149.8
Other current assets	-	1,919.7	-	1,919.7

Cash and bank balances	57,957.2	45,792.3	360.8	4,986.9
	157,892.7	140,382.1	479.8	7,056.4
Total Assets	912,983.2	886,649.6	1,316,917.3	1,229,650.3
EQUITY AND LIABILITIES				
Equity				
Ordinary shares	1,874.5	1,874.5	1,874.5	1,874.5
Share premium	729,530.3	729,529.1	729,530.3	729,529.1
Other reserves	30,912.3	(9,516.1)	41,466.3	1,011.8
Accumulated losses	(407,971.2)	(463,694.1)	20,215.3	(43,811.0)
Total Equity	354,345.9	258,193.4	793,086.4	688,604.4
Non-current liabilities				
Employee benefit liability	1,410.8	1,410.8	-	-
Loans and borrowings	368,802.6	287,911.7	245,532.6	139,641.7
Deferred tax liabilities	38,016.6	38,404.5	-	-
Provisions	51,045.8	50,406.9	-	-
Derivatives	4,008.9	-	4,008.9	-
Other payables	-	-	270,876.3	269,397.2
	463,284.7	378,133.9	520,417.8	409,038.9
Current liabilities				
Trade and other payables	63,571.4	50,987.1	894.0	4,537.0
Accrued operating expenses	25,423.7	27,952.1	2,519.1	444.8
Loans and borrowings	-	129,051.1	-	89,051.1
Derivative liabilities	-	37,974.1	-	37,974.1
Withholding tax payable	1,023.7	1,044.0	-	-
Tax payable	5,333.8	3,313.9	-	-
	95,352.6	250,322.3	3,413.1	132,007.0
Total Liabilities	558,637.3	628,456.2	523,830.9	541,045.9
Total Equity And Liabilities	912,983.2	886,649.6	1,316,917.3	1,229,650.3

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 March 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
-	-	40,000.0	-

Amount repayable after one year

As at 31 March 2017		As at 31 December 2016	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
178,145.7 ⁽¹⁾	190,657.0 ⁽²⁾	148,270.0	231,189.6

Note:

(1) Aggregate of the RCF and Zero Coupon Notes

(2) Aggregate of the 2022 Notes, 2023 Notes and the US\$34.4 million unsecured term loan



Details of any collateral

As at 31 March 2017, certain subsidiaries of the Company have assets pledged under the revolving credit facility (“RCF”). The RCF was transferred to a single lender, DBS Bank Ltd, on 30 June 2016 and upsized from US\$108.27 million to US\$148.27 million on 11 July 2016. Certain terms and covenants of the RCF were amended, including an extension of the maturity date to 30 June 2018, through various stages of the restructuring process from November 2016 to April 2017.

The Zero Coupon Notes, issued under the terms of the Preferential Offering, have a first ranking security interest over the shares and certain accounts of SJ Production Barge Ltd., a wholly-owned subsidiary of the Company, and a junior ranking security interest over the assets secured or to be secured from time to time under the RCF.

For further information on the RCF security and the financial restructuring, see the offering circular for the Preferential Offering dated 6 January 2017 and the final information memorandum in relation to the 2022 Notes and 2023 Notes dated 11 January 2017.

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

	The Group	
	For the three months ended 31 March	
	2017	2016
	<i>(unaudited)</i>	
	<i>(US\$ thousands)</i>	
Operating activities:		
Profit/(loss) before tax	57,113.5	(19,666.1)
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation, depletion and amortisation	15,342.8	27,975.9
Depreciation of other property, plant and equipment	93.8	191.1
Employee retirement benefits	-	(583.1)
Equity-settled transactions with employees	154.2	503.5
Gain on sale of subsidiary	-	(10,607.1)
Net fair value gain on financial instruments	(77,520.6)	(71.8)
Finance cost	12,203.0	6,772.2
Unwinding of discount on bonds	7,730.3	-
Unwinding of discount on decommissioning provisions	638.9	592.0
Interest income	(87.0)	(47.6)
Operating cash flows before changes in working capital	15,668.9	5,059.0
Increase in inventories	(9,688.8)	(5,420.8)
Decrease in other current assets	1,919.7	-
Decrease/(increase) in trade and other receivables	611.7	(19,645.4)
Increase in trade and other payables	10,905.6	51,590.5
Cash flows from operations	19,417.1	31,583.3
Interest received	87.0	47.6
Interest paid	(3,080.6)	(3,211.5)
Net cash flows from operating activities	16,423.5	28,419.4
Investing activities:		
Additions to exploration and evaluation assets	(20,882.7)	(6,316.2)
Additions to oil and gas properties	(1,501.9)	(7,683.6)
Expenditure on assets refurbishment	(57.1)	(117.5)
Proceeds from sale of subsidiary	-	821.6
Purchase of other plant, property and equipment	-	(3.3)

Net cash flows used in investing activities	(22,441.7)	(13,299.0)
Financing activities:		
Proceeds from bank borrowings	8,000.0	25,000.0
Repayment of bank borrowings	(73,000.0)	-
Proceeds from issuance of bond	94,404.1	-
Proceeds from warrants exercised	0.9	-
Payment of bonds interest	(3,924.4)	(4,236.0)
Financial restructuring expense	(7,265.1)	-
Net cash flows from financing activities	18,215.5	20,764.0
Net increase in cash and cash equivalents	12,197.3	35,884.4
Cash and cash equivalents at beginning of the period	37,522.3	27,851.6
Net effect of exchange rate changes	(32.4)	(23.3)
Cash and cash equivalents at end of the period	49,687.2	63,712.7
Add: restricted cash	8,270.0	1,500.0
Cash and bank balances at end of the period	57,957.2	65,212.7

As at 31 March 2017, aggregate cash and cash equivalents were US\$49.7 million compared with US\$63.7 million as at 31 March 2016 and unused sources of liquidity as at 31 March 2017 amounted to US\$74.7 million.

Net Cash Flow from Operating Activities

In 1Q2017, net cash flow from operations amounted to US\$16.4 million compared with US\$28.4 million in 1Q2016 as a result of movements in working capital.

Net Cash Flow used in Investing Activities

In 1Q2017, net cash flow used in investing activities amounted to US\$22.4 million compared with US\$13.3 million in 1Q2016. The most significant investing activity undertaken in 1Q2017 related to the recognition of US\$19.3 million of development related activities in Block A Aceh.

Net Cash Flow from Financing Activities

In 1Q2017, net cash flow from financing activities amounted to US\$18.2 million compared with US\$20.8 million in 1Q2016. In 1Q2017, the Group received net proceeds of US\$94.4 million from the preferential offering, and repaid US\$65.0 million drawn on the RCF. Financial restructuring expenses and bond coupon payments amounted to US\$11.2 million.

Borrowings

As at 31 March 2017, the total amount drawn from the RCF was US\$123.27 million. Unused sources of liquidity (comprising cash and cash equivalents and undrawn amounts on the RCF) amounted to US\$74.7 million.

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

THE GROUP	Attributable to owners of the Company						Total Equity
	Share Capital	Share Premium	Accumulated Losses	Foreign Currency	Employee Share Reserve	General Reserve	

	Translation Reserve (US\$ thousands)						
At 1 January 2017	1,874.5	729,529.1	(463,694.1)	(1,846.9)	1,011.8	(8,681.0)	258,193.4
Profit net of tax	-	-	55,722.9	-	-	-	55,722.9
<u>Other comprehensive income:</u>							
Exchange differences on translation of foreign operations	-	-	-	(26.1)	-	-	(26.1)
Total comprehensive income for the period	-	-	55,722.9	(26.1)	-	-	55,696.8
Grant of equity-settled transactions with employees	-	-	-	-	154.2	-	154.2
Issuance of warrants	-	-	-	-	-	40,300.7	40,300.7
Issuance of shares on warrants exercised	-	1.2	-	-	-	(0.4)	0.8
At 31 March 2017	1,874.5	729,530.3	(407,971.2)	(1,873.0)	1,166.0	31,619.3	354,345.9

THE GROUP	Attributable to owners of the Company							
	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	General Reserve	Non-controlling interests	Total Equity
	(US\$ thousands)							
At 1 January 2016	1,867.6	727,245.1	(228,523.7)	(1,697.2)	1,676.9	1,515.2	(6,833.8)	495,250.1
Loss net of tax	-	-	(18,286.0)	-	-	-	(1,783.1)	(20,069.1)
<u>Other comprehensive income:</u>								
Exchange differences on translation of foreign operations	-	-	-	(23.3)	-	-	-	(23.3)
Total comprehensive income for the period	-	-	(18,286.0)	(23.3)	-	-	(1,783.1)	(20,092.4)
Grant of equity-settled transactions with employees	-	-	-	-	503.5	-	-	503.5
Acquisition of ownership in interest in subsidiary, without a loss of control	-	-	-	-	-	(10,196.2)	8,616.9	(1,579.3)
At 31 March 2016	1,867.6	727,245.1	(246,809.7)	(1,720.5)	2,180.4	(8,681.0)	-	474,081.9

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Option Reserve	General Reserve	Total Equity
	(US\$ thousands)					
At 1 January 2017	1,874.5	729,529.1	(43,811.0)	1,011.8	-	688,604.4
Profit net of tax	-	-	64,026.3	-	-	64,026.3
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	64,026.3	-	-	64,026.3
Grant of equity-settled transactions with employees	-	-	-	154.2	-	154.2
Issuance of warrants	-	-	-	-	40,300.7	40,300.7
Issuance of shares on warrants exercised	-	1.2	-	-	(0.4)	0.8

At 31 March 2017	1,874.5	729,530.3	20,215.3	1,166.0	40,300.3	793,086.4
THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Option Reserve	Total Equity	
			(US\$ thousands)			
At 1 January 2016	1,867.6	727,245.1	(21,433.8)	1,676.9	709,355.8	
Loss net of tax	-	-	(5,308.7)	-	(5,308.7)	
Other comprehensive income	-	-	-	-	-	
Total comprehensive income for the period	-	-	(5,308.7)	-	(5,308.7)	
Grant of equity-settled transactions with employees	-	-	-	503.5	503.5	
At 31 March 2016	1,867.6	727,245.1	(26,742.5)	2,180.4	704,550.6	

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

The Company did not hold any treasury shares or have any subsidiary holdings as at 31 March 2017 (31 March 2016: Nil).

KrisEnergy Employee Share Option Scheme ("KrisEnergy ESOS")

The KrisEnergy ESOS was implemented and adopted during the Company's initial public offering ("IPO"). The duration of the KrisEnergy ESOS is 10 years commencing from 10 July 2013. As at 31 March 2017, there were no outstanding options under the KrisEnergy ESOS.

KrisEnergy Performance Share Plan ("KrisEnergy PSP")

The KrisEnergy PSP was implemented and adopted during the IPO. The duration of the KrisEnergy PSP is 10 years commencing from 10 July 2013. The awards granted under the KrisEnergy PSP are as follows:

- As disclosed and further described in the Prospectus dated 12 July 2013, under the management shareholders-awards ("**MS-Awards**") granted pursuant to the KrisEnergy PSP during the IPO, up to 3.0% of the issued ordinary shares in the capital of the Company ("**Shares**") may be vested upon the satisfaction of the conditions of the MS-Awards.

- On 13 November 2013, awards comprising 5,429,689 Shares were granted to employees, including 963,624 Shares to the Executive Directors.
- On 25 June 2014, awards comprising 1,713,111 Shares were granted to employees, including 963,624 Shares to the Executive Directors.
- On 31 December 2014, awards comprising 3,473,737 Shares were granted to employees, including 1,680,840 Shares to the Executive Directors.
- On 17 March 2015, awards comprising 647,325 Shares were granted to employees. No awards were granted to any Executive Directors.
- On 9 November 2015, awards comprising 11,613,474 Shares were granted to employees, including 1,622,244 Shares to the Executive Directors.

As at 31 March 2017, the number of Shares granted as awards under the KrisEnergy PSP, but not yet vested was (a) up to 3.0% of the issued ordinary shares in the capital of the Company at the time when the conditions of the MS-Awards granted have been satisfied and (b) 8,805,776 Shares.

The awards vested under the KrisEnergy PSP are as follows:

- On 21 July 2014, pursuant to the partial vesting of awards granted on 13 November 2013 under the KrisEnergy PSP, 1,809,898 Shares were allotted and issued to employees, including 321,207 Shares to Executive Directors.
- On 20 July 2015, pursuant to the partial vesting of awards granted on 13 November 2013 and 17 March 2015 under the KrisEnergy PSP, 2,025,674 Shares were allotted and issued to employees, including 321,207 Shares to Executive Directors.
- On 31 December 2015, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP 3,916,835 Shares were allotted and issued to employees, including 540,747 Shares to Executive Directors.
- On 19 July 2016, pursuant to the partial vesting of awards granted on 13 November 2013 and 17 March 2015 under the KrisEnergy PSP, 1,921,278 Shares were allotted and issued to employees, including 214,140 Shares to Executive Directors.
- On 30 December 2016, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP, 3,649,501 Shares were allotted and issued to employees, including 360,498 Shares to Executive Directors.

On 2 February 2017, along with the Zero Coupon Notes, 1,255,183,632 Warrants were issued by the Company. Each Warrant converts to one share in the ordinary share capital of the Company.

On 17 February 2017 and 7 March 2017, 9,000 Warrants and 2,376 Warrants were exercised and converted into 9,000 Shares and 2,376 Shares, respectively.

As at 31 March 2017, the Company's issued share capital was 1,499,633,400 Shares and outstanding Warrants was 1,255,172,256.

1 (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 end of the immediately preceding year

SHARE CAPITAL	As at 31 March 2017		As at 31 December 2016	
	(unaudited)			
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid ordinary shares				
At 1 January	1,499,622,024	1,874,528	1,494,051,245	1,867,564
Vesting of equity-settled transactions with employees on 19 July 2016	-	-	1,921,278	2,402
Vesting of equity-settled transactions with employees on 30 December 2016	-	-	3,649,501	4,562
Warrants exercised on 17 February 2017	9,000	11	-	-
Warrants exercised on 7 March 2017	2,376	3	-	-
At reporting date	1,499,633,400	1,874,542	1,499,622,024	1,874,528

SHARE PREMIUM	As at 31 March 2017		As at 31 December 2016	
	(unaudited)			
	US\$			
At 1 January	729,529,098		727,245,039	
Vesting of equity-settled transactions with employees on 19 July 2016	-		1,412,187	
Vesting of equity-settled transactions with employees on 30 December 2016	-		871,872	
Warrants exercised on 17 February 2017	978		-	
Warrants exercised on 7 March 2017	259		-	
At reporting date	729,530,336		729,529,098	

1 (d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at end of the current financial period reported on.

There were no sales, transfer, cancellation and/or use of treasury shares as at 31 March 2017 (31 March 2016: Nil).

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

There were no sales, transfer, cancellation and/or use of subsidiary holdings as at 31 March 2017 (31 March 2016: Nil).

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The financial statements have not been audited or reviewed by the Group's external auditors.

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 (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonable or cyclical factors and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

The following table sets forth a selected summary of our income statement and non-IFRS financial data for the first quarter ended 31 March 2017.

	For the three months ended 31 March	
	2017	2016
	<i>(unaudited)</i>	
	<i>(US\$ thousands)</i>	
Sales of crude oil	26,416.4	27,632.1
Sales of gas	5,387.4	5,478.9
Revenue	31,803.8	33,111.0
Cost of sales:		
Operating costs	(12,350.1)	(19,196.2)
Thai petroleum royalties paid	(2,657.3)	(2,719.2)
Depreciation, depletion and amortisation	(15,342.8)	(27,975.9)
Gross profit/(loss)	1,453.6	(16,780.3)
Other income	5,650.9	11,964.5
General and administrative expenses	(7,026.4)	(7,605.5)
Other operating income	77,520.6	71.8
Finance income	87.0	47.6
Finance costs	(20,572.2)	(7,364.2)
Profit/(loss) before tax	57,113.5	(19,666.1)
Tax expense	(1,390.6)	(403.0)
Profit/(loss) after tax for the year	55,722.9	(20,069.1)

	For the three months ended 31 March	
	2017	2016
	<i>(unaudited)</i>	
	<i>(US\$ thousands)</i>	
Revenue	31,803.8	33,111.0
Adjusted operating costs	(12,350.1)	(19,196.2)
Thai petroleum royalties paid	(2,657.3)	(2,719.2)
Gross profit before depreciation, depletion and amortisation	16,796.4	11,195.6
Corporate general and administrative expense	(1,068.6)	(2,125.5)
Gain on restructuring of the 2017 Notes to 2022 Notes and the 2018 Notes to 2023 Notes	1,438.4	-
Gain on sale of subsidiary	-	10,607.1
EBITDAX	17,166.3	19,677.2
Geological and geophysical expense	(1,564.6)	(3,883.9)
EBITDA	15,601.7	15,793.3

Revenue

Working interest production in 1Q2017 was 13,610 boepd, was 28.4% lower than a year ago (1Q2016: 19,014 boepd) when production reached a Company record. The year-on-year decrease was mostly attributable to lower production due to a combination of natural decline and ongoing mechanical issues at the Wassana oil field in the Gulf of Thailand. Production in 1Q2017 was stable compared to the preceding quarter.

The average realised price for our oil and liquids significantly increased to US\$46.82/bbl in 1Q2017 versus 1Q2016 when the average realised price was at the lowest since the Company's establishment at US\$20.85/bbl. The increase in average realised prices cushioned the impact of lower production on 1Q2017 revenue which decreased 3.9% to US\$31.8 million (1Q2016: US\$33.1 million). The Thai gas price formula is calculated at six-month intervals on 1 April and 1 October of each year taking into account, among other factors, the price of fuel oil for the prior six-month period. Given the recovery in oil prices in the second half of 2016, it would be expected that the gas price achieved in Thailand in the second and third quarters of 2017 would be higher than in 1Q2017.

	For the three months ended 31 March	
	2017	2016
Production volumes		
Oil and liquids (bopd) ⁽¹⁾	7,749	12,796
Gas (mmcf)	35.2	37.3
Total (boepd)	13,610	19,014
Average sales price		
Oils and liquids (US\$/bbl)	46.82	20.85
Gas – B8/32 and B9A (US\$/mcf)	3.61	4.11
Gas – Block 9 (US\$/mcf)	2.32	2.32

(1) Adjusted for KrisEnergy's 89.0% working interest in G10/48

Cost of Sales

In line with lower production, operating costs declined 35.7% to US\$12.4 million in 1Q2017 (1Q2016: US\$19.2 million). The average lifting cost in 1Q2017 was stable at US\$10.08/ boe compared to the same period a year ago (1Q2016: US\$10.18/boe), as both periods included a full quarter of production from both the Wassana and Nong Yao oil fields.

DD&A charges reduced to US\$15.3 million (1Q2016: US\$28.0 million) as a result of decreased production and lower asset carrying value due to the impairment charges the Group recognised in 2016.

	For the three months ended	
	2017	2016
Average lifting cost		
Oil, liquids and gas (US\$/boe) ⁽¹⁾	10.08	10.18
Operating costs (US\$'000)	12,350.1	19,196.2
Total production (boe) ⁽¹⁾	1,224,877	1,730,239

(1) Adjusted for KrisEnergy's 89.0% working interest in G10/48



Other Income

Other income of US\$5.7 million was recognised in 1Q2017 compared with US\$12.0 million in 1Q2016 resulting from a non-cash net gain on foreign exchange differences as compared to the same period last year where a gain on sale of a subsidiary with an 11.0% working interest in G10/48 was recorded.

General and Administrative Expenses

General and administrative expenses decreased 7.6% to US\$7.0 million in 1Q2017 (1Q2016: US\$7.6 million). The decrease was primarily attributable to lower general and administrative expenses incurred at the Company's Thailand office.

Other Operating Income

Other operating income, which was all non-cash in nature, amounted to US\$77.5 million in 1Q2017 (1Q2016: US\$0.1 million). This was largely attributed to a net fair value gain of US\$73.9 million relating to the exchange of 2017 Notes and 2018 Notes to 2022 Notes and 2023 Notes. This gain will be reversed in subsequent quarters, recognised as accretion of bond discount expense under finance costs, as we progress towards the maturity date of the 2022 Notes and 2023 Notes.

Finance Income

Finance income of US\$0.1 million in 1Q2017 was flat when compared to 1Q2016.

Finance Costs

Finance costs more than doubled to US\$20.6 million (1Q2016: US\$7.4 million). Approximately US\$7.3 million relate to the financial restructuring which were one-off in nature, and US\$7.7 million was recognised as non-cash accretion of bond discount expense, with respect to the 2022 Notes, 2023 Notes and the Zero Coupon Notes, using the effective interest method, in line with the Group's accounting policy.

Profit/Loss Before Tax

Profit before tax was US\$57.1 million in 1Q2017 compared with a loss before tax of US\$19.7 million in 1Q2016 due to lower operating costs and DD&A charges, coupled with net fair value gain on financial instruments.

Tax Expense

Tax expense amounted to US\$1.4 million in 1Q2017 (1Q2016: US\$0.4 million) as a result of higher provision of tax expenses in line with the higher average realised sales price.

Profit/Loss After Tax

We recorded a profit of US\$55.7 million in 1Q2017 compared with a loss of US\$20.1 million in 1Q2016 as a result of the above mentioned factors.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement was previously provided.

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

Given the considerable uncertainty over the timing of any sustainable recovery in oil prices, the Company has taken all measures to reduce its cost base and curtail discretionary operational expenditure for the foreseeable future.

Recent Developments

- Pursuant to the Group entering into a farm-out agreement with Medco on 9 November 2016, the Group received the necessary governmental approvals in April 2017. Following completion of this farm-out, the Group now holds a 15.0% working interest in the Block A Aceh PSC, with PT Medco E&P Melaka (“**Medco**”), as the operator, holding the remaining 85.0% working interest.

11. Dividend

(a) Any dividend declared for the current financial period reported on

None.

(b) Any dividend declared for the corresponding period of the immediately preceding financial year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared / recommended, a statement to that effect

No dividend has been declared or recommended for the three months ended 31 March 2017.

13. If the group has obtained a general mandate from shareholders for Interested Person Transactions (“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

There were no other interested person transactions during the financial period under review.

As at 31 March 2017, the Group did not have any general IPT mandate from shareholders for interested person transactions that is to be disclosed under Rule 920(1)(a)(ii).

14. Disclosure of the status on the use of proceeds from the Preferential Offering

Pursuant to the Preferential Offering, on 2 February 2017, the Company received net proceeds from the issue of the Zero Coupon Notes of S\$135.3 million (US\$95.8 million) after deducting for related expenses of approximately S\$2.7 million (US\$2.0 million). The following table sets out the use of the Preferential Offering net proceeds as at the date of these Results, the Company will continue to make periodic announcements on the use of the Preferential Offering proceeds as and when funds are materially disbursed.

	Allocation of Preferential Offering Proceeds⁽¹⁾	Preferential Offering Proceeds utilised as at 15 March 2017	Preferential Offering Proceeds utilised as at 23 April 2017	Balance of Preferential Offering Proceeds
		<i>(US\$ million)</i>		
Capital expenditures (relating to the Group's existing assets)	41.2	14.9	34.3 ⁽²⁾	6.9
Repay Bridge Upsize	48.0	48.0	48.0	-
General working capital	6.6	6.6	6.6 ⁽³⁾	-
Total	95.8	69.4	88.9	6.9

Notes:

- (1) Estimated net proceeds from the Preferential Offering disclosed in the Offering Memorandum dated 6 January 2017 were US\$94.8 million and the actual net proceeds received by the Company were US\$95.8 million.
- (2) Mostly related to expenditure at the producing blocks G10/48, G11/48 and Block 9.
- (3) Mostly related to costs related to the financial restructuring and corporate general and administrative expenses.

15. Confirmation that the Company has procured undertakings from all its Directors and Executive Officers under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

CONFIRMATION BY THE BOARD OF DIRECTORS

Pursuant to SGX Listing Rule 705(5), we, Tan Ek Kia and Jeffrey S. MacDonald, being two directors of KrisEnergy Ltd. (the “**Company**”), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the first quarter ended 31 March 2017 to be false or misleading in any material aspect.

On behalf of the board of directors.

Tan Ek Kia
Non-Executive Chairman

Jeffrey S. MacDonald
Executive Director &
Interim Chief Executive Officer

Singapore, 12 May 2017