

KRISENERGY LTD

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

Unaudited Third Quarter & Nine Months ended 30 September 2016 Financial Statements Announcement



3 November 2016

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 exploration, 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 19 contract areas in Asia, 13 of which we operate, balancing cash flow from oil and gas production with significant development potential and exploration upside. Today, we present unaudited financial statements reflecting our financial and operating results for the three-month (“3Q2016”) and nine-month (“9M2016”) periods ended 30 September 2016 (the “Results”). 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 30 September			For the nine months ended 30 September		
	2016	2015	% Change	2016	2015	% Change
(US\$ thousands, except where otherwise indicated)						
Financial						
Sale of crude oil & liquids	39,247.2	8,162.7	380.8	92,848.8	21,596.0	329.9
Sale of gas	5,154.8	4,553.0	13.2	15,372.9	14,185.3	8.4
Revenue	44,402.0	12,715.7	249.2	108,221.7	35,781.3	202.5
EBITDAX⁽¹⁾	4,183.7	1,629.3	156.8	35,794.6	32,606.1	9.8
Cash and bank balances	40,135.6	52,026.7	(22.9)	40,135.6	52,026.7	(22.9)
Operations⁽²⁾						
Production volumes (boepd) ⁽³⁾	14,895	8,847	68.4	16,833	8,042	109.3
Average sales price ⁽³⁾						
• Oil and liquids (US\$/bbf)	35.61	48.48	(26.5)	28.92	53.36	(45.8)
• Gas – B8/32 and B9A (US\$/mcf)	3.31	4.10	(19.3)	3.59	4.69	(23.5)
• Gas – Block 9 (US\$/mcf)	2.32	2.32	-	2.32	2.32	-
Average lifting costs (US\$/boe) ^(3,4)	24.52	8.76	179.8	14.35	7.21	99.1

Notes:

- (1) EBITDAX is a non-IFRS measure and is defined as earnings before interest, taxation, depreciation, 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 IFRS operating cost

Third Quarter 2016 Financial Update

The upstream oil and gas industry continues to endure one of its most challenging cyclical downturns in decades. Although the Brent crude oil price benchmark has shown some signs of improvement, the oil markets continue to be volatile and uncertain. The Group recorded a negative working capital position for the third consecutive quarter in 2016, due primarily to the S\$130 million 6.25% notes due 2017 (the “**2017 Notes**”) remaining classified as a Current Liability.

- Working interest production in 3Q2016 averaged 14,895 barrels of oil equivalent (“**boepd**”), a 68.4% increase as compared to the same period last year (3Q2015: 8,847 boepd). The increase was primarily attributed to a full quarter of sustained production at peak levels at the Nong Yao field in G11/48, increased levels of production from the Wassana field in G10/48 versus a year ago and improved production efficiencies at the B8/32 & B9A complex.
- Revenue for 3Q2016 more than tripled to US\$44.4 million (3Q2015: US\$12.7 million) due to the increase in crude oil sales from the Wassana and Nong Yao fields, despite the fall in average realised selling prices versus levels a year ago.
- The average realised crude oil and liquids sales price in 3Q2016 was US\$35.61 per barrel (“**bbl**”), 8.2% higher than the preceding quarter (2Q2016: US\$32.90/bbl), but 26.5% lower than the same period last year (3Q2015: US\$48.48/bbl). The reduction in the average crude oil selling price reflected movements in global benchmark markets, which also affected in the average realised gas price achieved at the B8/32 & B9A fields in the Gulf of Thailand, which was US\$3.31 per thousand cubic feet (“**mcf**”) in 3Q2016, 19.3% lower than a year ago (3Q2015: US\$4.10/mcf).
- Operating costs increased to US\$33.6 million in 3Q2016 (3Q2015: US\$6.6 million), in line with a full quarter contribution from the Wassana and Nong Yao oil fields in 3Q2016. As the June 2016 oil offloads from the Wassana and Nong Yao fields were completed in July 2016, the Group recognised operating costs associated with the June 2016 offload in 3Q2016. Lower production and higher operating costs resulted in an increase in lifting costs during the quarter (3Q2016: US\$24.52/boe compared with 2Q2016: US\$8.86/boe).
- Depreciation, depletion and amortisation (“**DDA**”) charges increased to US\$22.1 million in 3Q2016 (3Q2015: US\$11.8 million), which was solely a function of higher production volumes in 3Q2016 compared to 3Q2015 where three full months of production was recognised in 3Q2016 versus production ramping up in each of the Wassana and Nong Yao fields in the same 2015 period.
- Corporate general and administrative expenses decreased 16.3% to US\$2.9 million (3Q2015: US\$3.5 million) mainly as a result of reduced expenditure incurred from cost cutting and headcount reduction measures previously implemented by the Group.
- EBITDAX increased to US\$4.2 million in 3Q2016 (3Q2015: US\$1.6 million) due to higher revenue and lower corporate general and administrative expenses.

- The net loss after tax in 3Q2016 was US\$31.6 million compared to a net profit after tax of US\$9.3 million in 3Q2015. In addition to higher non-cash DDA expenses in relation to producing assets, higher finance costs and higher interest expense on the Group's borrowings recognised in 3Q2016, the year-on-year decrease was attributable to the gain recognised on the transfer of working interests in Block 105 and Bala-Balakang PSC in 3Q2015.
- Unused sources of liquidity as at 30 September 2016 amounted to US\$36.9 million and the Group's gearing was 48.9%.

Third Quarter 2016 Operational Update

Production and Development

- Average gross production in the G10/48 Wassana field in 3Q2016 was approximately 6,200 barrels of oil per day (“**bopd**”). This was lower than in the preceding quarter primarily due to mechanical issues with five wells and declining well productivity. Well performance improved following re-perforation work in October 2016 and consideration is being given to further works. Two other wells will have pumps replaced with larger capacity pumps during workover activity commencing in December 2016. Planning is ongoing for the potential drilling of three additional development wells targeting newly discovered oil reserves in the field and for side-tracking of two existing wells to convert into more productive horizontal completions. If approved, drilling is envisaged to be carried out in the second half of 2017. Since first Wassana production in August 2015, there have been nine cargoes offloaded for export without incident.
- The Nong Yao oil field in G11/48 reported an average gross production of approximately 9,000 bopd in 3Q2016. Four new infill wells were completed in mid-September 2016, which led to an increase in production.
- B8/32 & B9A continued to produce at the highest rates in more than three years as a result of wireline zonal recompletions. Average gross oil production in 3Q2016 was approximately 29,150 bopd and average gross gas production in the quarter was a little over 148 mmcf.
- In the Bangora gas field in Block 9, onshore Bangladesh, the Bangora-6 (previously disclosed as Bangora-F) development well commenced drilling on 4 September. Bangora-6 is being drilled from the Golpanagar site in the northern section of Block 9 and is planned to reach total depth at 3,786 metres measured depth (“**MD**”), or 3,053 metres total vertical depth subsea (“**TVDSS**”). The field was shut-in for scheduled maintenance on 14 and 15 September 2016. Average gross gas production was approximately 95 mmcf in 3Q2016.
- The Block A Aceh joint venture partners unanimously approved the final investment decision for the project on 26 July 2016. This follows the award of the first and second engineering procurement and construction for the flowlines, trunklines and pipelines for the gas development in March and July, respectively,

Exploration

- The CGG *Amadeus* commenced an 884 sq. km 3D seismic acquisition program in the G10/48 contract area in the Gulf of Thailand on 18 July 2016. The seismic program covered two sub-areas in the G10/48 licence and was completed on 17 August 2016. The seismic data is being integrated with the existing geological model for the further identification of prospects and leads in the concession.

For activities and developments since 30 September 2016, see paragraph 10 of these Results entitled *Recent Developments*.

Financial Statements Announcement

Third Quarter and Nine Months ended 30 September 2016

Figures for the period ended 30 September 2016 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 30 September		For the nine months ended 30 September	
	2016	2015	2016	2015
	(unaudited) (US\$ thousands)			
Sales of crude oil	39,247.2	8,162.7	92,848.8	21,596.0
Sales of gas	5,154.8	4,553.0	15,372.9	14,185.3
Revenue	44,402.0	12,715.7	108,221.7	35,781.3
Cost of sales:				
Operating costs	(33,606.6)	(6,581.2)	(66,199.7)	(15,376.3)
Thai petroleum special remuneratory benefits and royalties paid	(3,666.9)	(984.9)	(8,902.2)	(2,987.0)
Depreciation, depletion and amortisation	(22,135.8)	(11,820.1)	(72,860.9)	(26,269.7)
Gross loss	(15,007.3)	(6,670.5)	(39,741.1)	(8,851.7)
Other income	1,173.4	26,835.8	14,254.0	107,865.7
General and administrative expenses	(8,414.8)	(6,831.2)	(24,510.1)	(22,556.7)
Other operating (expenses)/income	(124.1)	(61.2)	161.6	194.3
Finance income	75.4	65.4	184.6	224.4
Finance costs	(7,935.5)	(4,932.3)	(25,074.7)	(13,311.8)
(Loss)/profit before tax	(30,232.9)	8,406.0	(74,725.7)	63,564.2
Tax (expense)/credit	(1,376.0)	915.6	(2,127.4)	1,649.9
(Loss)/profit after tax for the period	(31,608.9)	9,321.6	(76,853.1)	65,214.1
Attributable to:				
Owners of the Group	(31,608.9)	9,504.2	(75,070.0)	65,443.4
Non-controlling interests	-	(182.6)	(1,783.1)	(229.3)
(Loss)/profit after tax for the period	(31,608.9)	9,321.6	(76,853.1)	65,214.1
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss</u>				
Exchange differences on translation of foreign operations	6.7	(87.4)	(52.5)	(201.2)
Total comprehensive (loss)/income for the period	(31,602.2)	9,234.2	(76,905.6)	65,012.9
Attributable to:				
Owners of the Group	(31,602.2)	9,416.8	(75,122.5)	65,242.2
Non-controlling interests	-	(182.6)	(1,783.1)	(229.3)
Total comprehensive (loss)/income for the period	(31,602.2)	9,234.2	(76,905.6)	65,012.9
(Loss)/profit per share attributable to owners of the Group (cents per share)				

Basic	(2.1)	0.8	(5.0)	5.8
Diluted	(2.1)	0.8	(5.0)	5.7

Extraordinary items

There were no extraordinary items during the period.

EBITDAX Computation

	For the three months ended 30 September		For the nine months ended 30 September	
	2016	2015	2016	2015
	(unaudited)			
	(US\$ thousands)			
Adjusted (loss)/profit before tax	(30,232.9)	8,406.0	(74,725.7)	63,564.2
Add:				
Finance costs	7,935.5	4,932.3	25,074.7	13,311.8
Depreciation, depletion and amortisation	22,293.1	12,017.8	73,378.4	26,871.9
Excess of fair value of net assets acquired over consideration paid	-	-	-	(45,164.7)
Net fair value gain on financial instruments	124.1	(50.3)	(161.6)	(338.8)
EBITDA	119.8	25,305.8	23,565.8	58,244.4
Geological and geophysical expense	4,063.9	2,202.0	12,228.8	7,458.0
Gain on transfer of working interests	-	(25,992.8)	-	(33,244.1)
Exploration expense	-	114.3	-	147.8
EBITDAX	4,183.7	1,629.3	35,794.6	32,606.1

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 30 September	As at 31 December	As at 30 September	As at 31 December
	2016	2015	2016	2015
	(unaudited)			
	(US\$ thousands)			
ASSETS				
Non-current assets				
Exploration and evaluation assets	486,723.0	447,405.0	-	-
Oil and gas properties	331,557.4	415,068.1	-	-
Other property, plant and equipment	10,997.2	11,219.6	-	-
Intangible assets	33,049.6	33,183.0	-	-
Other investment	216.0	216.0	-	-
Investment in subsidiaries	-	-	334,708.3	333,298.4

Other receivables	-	-	887,142.1	884,507.2
	862,543.2	907,091.7	1,221,850.4	1,217,805.6
Current assets				
Inventories	28,463.4	28,272.4	-	-
Trade and other receivables	58,453.8	66,226.3	7.5	-
Prepayments	958.6	2,507.5	87.5	151.5
Cash and bank balances	40,135.6	29,351.6	289.0	433.3
	128,011.4	126,357.8	384.0	584.8
Total Assets	990,554.6	1,033,449.5	1,222,234.4	1,218,390.4
EQUITY AND LIABILITIES				
Equity				
Ordinary shares	1,870.0	1,867.6	1,870.0	1,867.6
Share premium	728,657.3	727,245.1	728,657.3	727,245.1
Other reserves	(8,811.7)	1,494.9	1,619.0	1,676.9
Accumulated losses	(303,593.7)	(228,523.7)	(37,265.6)	(21,433.8)
	418,121.9	502,083.9	694,880.7	709,355.8
Non-controlling interests	-	(6,833.8)	-	-
Total Equity	418,121.9	495,250.1	694,880.7	709,355.8
Non-current liabilities				
Employee benefit liability	789.8	1,888.8	-	-
Loans and borrowings	291,490.8	304,571.9	148,220.8	229,571.9
Deferred tax liabilities	39,397.9	40,959.9	-	-
Provisions	49,581.3	48,472.9	-	-
Other payables	-	34,843.3	259,438.5	239,785.9
	381,259.8	430,736.8	407,659.3	469,357.8
Current liabilities				
Trade and other payables	41,053.8	31,911.9	26.1	3,349.3
Accrued operating expenses	30,153.4	38,015.4	2,933.8	782.5
Loans and borrowings	94,432.6	-	94,432.6	-
Derivative liabilities	22,301.9	35,545.0	22,301.9	35,545.0
Withholding tax payable	1,138.3	734.9	-	-
Tax payable	2,092.9	1,255.4	-	-
	191,172.9	107,462.6	119,694.4	39,676.8
Total Liabilities	572,432.7	538,199.4	527,353.7	509,034.6
Total Equity And Liabilities	990,554.6	1,033,449.5	1,222,234.4	1,218,390.4

1 (b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 September 2016		As at 31 December 2015	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
-	108,674.5 ⁽¹⁾	-	13,967.4

Amount repayable after one year

As at 30 September 2016		As at 31 December 2015	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
143,270.0	155,334.6 ⁽¹⁾	75,000.0	250,825.0

Note:

(1) Includes coupon payable

Details of any collateral

As at 30 September 2016, certain subsidiaries of the Company have assets pledged under the US\$148.3 million revolving credit facility (the “Facility”). The Facility was transferred to a single lender, DBS Bank Ltd, on 30 June 2016 and upsized to US\$148.3 million on 11 July 2016. For further information on the Facility, see section entitled *Borrowings* and the announcement *KrisEnergy announces transfer of revolving credit facility to DBS Bank Ltd* dated 1 July 2016.

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 30 September		For the nine months ended 30 September	
	2016	2015	2016	2015
	(unaudited) (US\$ thousands)			
Operating activities:				
(Loss)/profit before tax	(30,232.9)	8,406.0	(74,725.7)	63,564.2
Adjustments for:				
Depreciation, depletion and amortisation	22,135.8	11,820.1	72,860.9	26,269.7
Depreciation of property, plant and equipment	157.3	197.7	517.5	602.2
Decommissioning provisions	-	12,645.0	-	12,645.0
Employee defined benefits	(290.9)	227.9	(1,099.0)	437.7
Equity-settled transactions with employees	333.4	266.7	1,356.7	1,215.5
Excess of fair value of net assets acquired over consideration paid	-	-	-	(45,164.7)
Gain on disposal of assets	-	-	-	(24,558.7)
Gain on sale of subsidiary	-	-	(10,607.1)	-
Loss on disposal of property, plant and equipment	44.5	-	44.5	-
Net fair value gain on financial instruments	124.1	(50.3)	(161.6)	(338.8)
Finance cost	7,359.1	4,702.5	23,329.8	12,622.4
Unwinding of discount on decommissioning provisions	576.4	229.8	1,744.9	689.4
Interest income	(75.4)	(65.4)	(184.6)	(224.4)
Operating cash flows before changes in working capital	131.4	38,380.0	13,076.3	47,759.5
Decrease/(increase) in inventories	12,323.2	(8,890.7)	(1,560.0)	(20,771.8)
Decrease in other current assets	-	61.6	-	-
Decrease/(increase) in trade and other receivables	14,383.0	(5,537.3)	(262.7)	(6,205.6)
(Decrease)/Increase in trade and other	(19,570.3)	(6,065.8)	11,586.0	33,513.0

payables				
Cash flows from operations	7,267.3	17,947.8	22,839.6	54,295.1
Interest received	75.4	65.4	184.6	224.4
Interest paid ⁽¹⁾	(1,529.0)	(1,384.7)	(10,040.7)	(2,731.6)
Tax paid	(1,829.7)	(1,385.8)	(3,031.9)	(6,474.0)
Net cash flows from operating activities	3,984.0	15,242.7	9,951.6	45,313.9
Investing activities:				
Addition to exploration and evaluation assets	(24,971.7)	(37,091.4)	(39,318.0)	(88,257.7)
Addition to oil and gas properties	(7,784.7)	(75,329.1)	(16,655.2)	(164,074.1)
Acquisition of subsidiary	-	-	-	(50,456.5)
Proceeds from disposal of assets	-	-	-	110,000.0
Proceeds from disposal of property, plant and equipment	2.0	-	2.0	-
Proceeds from sale of subsidiary	-	-	821.6	-
Proceeds from sale of shares in subsidiary	-	-	-	20,111.8
Purchase of other plant, property and equipment	-	(20.3)	(3.3)	(5,685.9)
Subsequent expenditure on assets refurbishment	(89.5)	(35.5)	(304.4)	(21,318.0)
Net cash flows used in investing activities	(32,843.9)	(112,476.3)	(55,457.3)	(199,680.4)
Financing activities:				
Proceeds from issuance of shares	-	121,115.0	-	121,115.0
Payment of bond interest	(4,464.3)	(3,973.2)	(11,918.6)	(10,888.7)
Proceeds from bank borrowings	35,000.0	20,000.0	68,270.0	169,000.0
Repayment of bank borrowings	-	(65,000.0)	-	(124,000.0)
Increase in short-term deposits	-	-	(8,270.0)	-
Decrease in cash collateralised	-	1,500.0	1,500.0	2,258.8
Net cash flows from financing activities	30,535.7	73,641.8	49,581.4	157,485.1
Net increase/(decrease) in cash and cash equivalents	1,675.8	(23,591.8)	4,075.7	3,118.6
Cash and cash equivalents at beginning of the period	30,188.8	74,191.0	27,851.6	47,575.3
Net effect of exchange rate changes	1.0	(72.5)	(61.7)	(167.2)
Cash and cash equivalents at end of the period	31,865.6	50,526.7	31,865.6	50,526.7

Note:

(1) Includes interest expense relating to the Facility and non-recurring arrangement fees relating to the transfer of the Facility to DBS

As at 30 September 2016, aggregate cash and cash equivalents was US\$31.9 million compared with US\$50.5 million as at 30 September 2015 and unused sources of liquidity as at 30 September 2016 amounted to US\$36.9 million.

Net Cash Flow from Operating Activities

Net cash flow from operating activities was US\$4.0 million in 3Q2016 compared with US\$15.2 million in 3Q2015, which was primarily a result of a net loss before tax position compared with profit before tax for 3Q2015 and movements in working capital relating to the settlement of trade and other payables.

Net Cash Flow used in Investing Activities

In 3Q2016, net cash flow used in investing activities amounted to US\$32.8 million compared with US\$112.5 million in 3Q2015. Material capital expenditure in 3Q2016 included (i) development activities in Block A Aceh amounting to US\$21.4 million; (ii) development drilling expenditure in G11/48 amounting to US\$4.1 million; and (iii) expenditure relating to the seismic acquisition in G10/48 amounting to US\$2.6 million.

Net Cash Flow from Financing Activities

In 3Q2016, net cash flow from financing activities amounted to US\$30.5 million compared with US\$73.6 million in 3Q2015. During 3Q2016, US\$35.0 million was drawn from the Facility, and the Company made coupon payments amounting to US\$4.5 million to noteholders in relation to the S\$200.0 million 5.75% notes due 2018 ("**2018 Notes**").

Borrowings

As at 30 September 2016, the total amount drawn on the Facility was US\$143.3 million and unused sources of liquidity (comprising cash and cash equivalents) amounted to US\$36.9 million. The Group's gearing was 48.9%.

An aggregate S\$330.0 million was issued in 2014 under the S\$500.0 million multi-currency Medium-Term Note program (the "**MTN Program**"). The 2017 Notes and the 2018 Notes were issued with a fixed-rate coupon, payable semi-annually in arrears. As at 30 September 2016, the book value of the issued notes under the MTN Program amounted to US\$242.6 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						Non-controlling interests	Total Equity
	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	Premium on acquisition of non-controlling interests		
	(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)
Other comprehensive income:								
Exchange differences on translation of foreign operations	-	-	-	(23.2)	-	-	-	(23.2)
Total comprehensive loss for the period	-	-	(18,286.0)	(23.2)	-	-	(1,783.1)	(20,092.3)
Equity-settled transactions with employees	-	-	-	-	503.5	-	-	503.5
Acquisition of ownership interest in	-	-	-	-	-	(10,196.2)	8,616.9	(1,579.3)

subsidiary,
without a loss of
control

**At 31 March
2016**

<u>1,867.6</u>	<u>727,245.1</u>	<u>(246,809.7)</u>	<u>(1,720.4)</u>	<u>2,180.4</u>	<u>(8,681.0)</u>	<u>-</u>	<u>474,082.0</u>
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Loss net of tax
Other
comprehensive
income:

Exchange
differences on
translation of
foreign
operations

-	-	(25,175.1)	-	-	-	-	(25,175.1)
-	-	-	(36.0)	-	-	-	(36.0)

Total
comprehensive
loss for the
period

Equity-settled
transactions with
employees

-	-	(25,175.1)	(36.0)	-	-	-	(25,211.1)
-	-	-	-	519.8	-	-	519.8

**At 30 June
2016**

<u>1,867.6</u>	<u>727,245.1</u>	<u>(271,984.8)</u>	<u>(1,756.4)</u>	<u>2,700.2</u>	<u>(8,681.0)</u>	<u>-</u>	<u>449,390.7</u>
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Loss net of tax
Other
comprehensive
income:

Exchange
differences on
translation of
foreign
operations

-	-	(31,608.9)	-	-	-	-	(31,608.9)
-	-	-	6.7	-	-	-	6.7

Total
comprehensive
loss for the
period

Equity-settled
transactions with
employees

-	-	(31,608.9)	6.7	-	-	-	(31,602.2)
2.4	1,412.2	-	-	(1,081.2)	-	-	333.4

At 30

**September
2016**

<u>1,870.0</u>	<u>728,657.3</u>	<u>(303,593.7)</u>	<u>(1,749.7)</u>	<u>1,619.0</u>	<u>(8,681.0)</u>	<u>-</u>	<u>418,121.9</u>
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Attributable to owners of the Company

THE GROUP	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve (US\$ thousands)	Employee Share Reserve	Premium on acquisition of non- controlling interests	Non- controlling interests	Total Equity
At 1 January 2015	1,310.0	604,582.8	(187,151.0)	(1,464.2)	1,689.4	-	-	418,967.0
Profit net of tax	-	-	46,297.4	-	-	-	872.8	47,170.2
<u>Other</u> <u>comprehensive</u> <u>income:</u>								
Exchange differences on translation of foreign operations	-	-	-	(94.7)	-	-	-	(94.7)
Total comprehensive	-	-	46,297.4	(94.7)	-	-	872.8	47,075.5

income for the period								
Equity-settled transactions with employees	-	-	-	-	466.5	-	-	466.5
Disposal of ownership in interest in subsidiary, without a loss of control	-	-	-	-	-	4,108.7	16,003.1	20,111.8
At 31 March 2015	1,310.0	604,582.8	(140,853.6)	(1,558.9)	2,155.9	4,108.7	16,875.9	486,620.8
Profit net of tax	-	-	9,641.8	-	-	-	(919.6)	8,722.2
<u>Other comprehensive income:</u>								
Exchange differences on translation of foreign operations	-	-	-	(19.1)	-	-	-	(19.1)
Total comprehensive income for the period	-	-	9,641.8	(19.1)	-	-	(919.6)	8,703.1
Equity-settled transactions with employees	-	-	-	-	482.3	-	-	482.3
Disposal of ownership in interest in subsidiary, without a loss of control	-	-	-	-	-	15,938.9	(15,938.9)	-
At 30 June 2015	1,310.0	604,582.8	(131,211.8)	(1,578.0)	2,638.2	20,047.6	17.4	495,806.2
Profit net of tax	-	-	9,504.2	-	-	-	(182.6)	9,321.6
<u>Other comprehensive income:</u>								
Exchange differences on translation of foreign operations	-	-	-	(87.4)	-	-	-	(87.4)
Total comprehensive income for the period	-	-	9,504.2	(87.4)	-	-	(182.6)	9,234.2
Equity-settled transactions with employees	2.5	1,606.8	-	-	(1,342.6)	-	-	266.7
Issuance of shares	550.2	123,785.9	-	-	-	-	-	124,336.1
Shares issuance expenses	-	(3,660.5)	-	-	-	-	-	(3,660.5)
At 30 September 2015	1,862.7	726,315.0	(121,707.6)	(1,665.4)	1,295.6	20,047.6	(165.2)	625,982.7

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share 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 loss for the period	-	-	(5,308.7)	-	(5,308.7)
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
Loss net of tax	-	-	(4,534.7)	-	(4,534.7)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	(4,534.7)	-	(4,534.7)
Equity-settled transactions with employees	-	-	-	519.8	519.8
At 30 June 2016	1,867.6	727,245.1	(31,277.2)	2,700.2	700,535.7
Loss net of tax	-	-	(5,988.4)	-	(5,988.4)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	(5,988.4)	-	(5,988.4)
Equity-settled transactions with employees	2.4	1,412.2	-	(1,081.2)	333.4
At 30 September 2016	1,870.0	728,657.3	(37,265.6)	1,619.0	694,880.7

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Reserve	Total Equity
	(US\$ thousands)				
At 1 January 2015	1,310.0	604,582.8	(19,760.5)	1,689.4	587,821.7
Profit net of tax	-	-	30,159.8	-	30,159.8
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	30,159.8	-	30,159.8
Equity-settled transactions with employees	-	-	-	466.5	466.5
At 31 March 2015	1,310.0	604,582.8	10,399.3	2,155.9	618,448.0
Loss net of tax	-	-	(4,369.0)	-	(4,369.0)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	(4,369.0)	-	(4,369.0)
Equity-settled transactions with employees	-	-	-	482.3	482.3
At 30 June 2015	1,310.0	604,582.8	6,030.3	2,638.2	614,561.3
Loss net of tax	-	-	(4,776.2)	-	(4,776.2)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	(4,776.2)	-	(4,776.2)
Equity-settled transactions with employees	2.5	1,606.8	-	(1,342.6)	266.7
Issuance of shares	550.2	123,785.9	-	-	124,336.1
Shares issuance expenses	-	(3,660.5)	-	-	(3,660.5)
At 30 September 2015	1,862.7	726,315.0	1,254.1	1,295.6	730,727.4

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as the end of the corresponding period of the immediately preceding financial year

The Company did not hold any treasury shares as at 30 September 2016 (30 September 2015: 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 30 September 2016, 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 30 September 2016, 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) 12,689,948 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 our 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.

As at 30 September 2016, our issued share capital was 1,495,972,523 shares.

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 30 September 2016		As at 31 December 2015	
	(unaudited)		(unaudited)	
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid ordinary shares				
At 1 January	1,494,051,245	1,867,564	1,047,963,898	1,309,955
Vesting of equity-settled transactions with employees on 20 July 2015	-	-	2,025,674	2,532
Rights issue on 11 August 2015	-	-	440,144,838	550,181
Vesting of equity-settled transactions with employees on 31 December 2015	-	-	3,916,835	4,896
Vesting of equity-settled transactions with employees on 19 July 2016	1,921,278	2,402	-	-
At reporting date	1,495,972,523	1,869,966	1,494,051,245	1,867,564
SHARE PREMIUM				
	As at 30 September 2016		As at 31 December 2015	
	(unaudited)		(unaudited)	
	US\$		US\$	
At 1 January	727,245,039		604,582,768	
Vesting of equity-settled transactions with employees on 20 July 2015	-		1,606,818	
Rights issue on 11 August 2015	-		123,785,875	
Rights issue expense	-		(3,660,530)	

Vesting of equity-settled transactions with employees on 31 December 2015	-	930,108
Vesting of equity-settled transactions with employees on 19 July 2016	1,412,187	-
At reporting date	728,657,226	727,245,039

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

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 30 September 2016 (30 September 2015: 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.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of 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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2015, except for those disclosed under paragraph 5.

5. If there are 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

The Group has adopted the new and revised standards that are effective for annual periods beginning on or after 1 January 2016. The adoption of these standards did not have any material effect on the financial performance of the Group for the current financial period.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	For the three months ended 30 September		For the nine months ended 30 September	
	2016	2015	2016	2015
(Loss)/profit per share attributable to Owners of the Group:				
(i) Based on a weighted average number of shares (cents per share)	(2.1)	0.8	(5.0)	5.8

Weighted average number of shares	1,494,570,130	1,130,730,422	1,494,570,130	1,130,730,422
(ii) On a fully diluted basis (cents per share)	(2.1)	0.8	(5.0)	5.7
Adjusted weighted average number of shares	1,509,147,982	1,139,464,886	1,509,147,982	1,139,464,886

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	The Group		The Company	
	As at 30 September 2016	As at 31 December 2015	As at 30 September 2016	As at 31 December 2015
			(Unaudited) (US\$)	
Net asset value per ordinary share ⁽¹⁾	0.28	0.33	0.46	0.47
Net tangible asset per ordinary share ⁽¹⁾	0.26	0.31	0.46	0.47

Note:

- (1) Based on share capital of 1,495,972,523 and 1,494,051,245 ordinary shares as at 30 September 2016 and 31 December 2015.

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) 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 financial period reported on

The following table sets forth a selected summary of our income statement and non-IFRS financial data for the three months and nine months ended 30 September 2016.

	For the three months ended 30 September		For the nine months ended 30 September	
	2016	2015	2016	2015
			(unaudited) (US\$ thousands)	
Sales of crude oil	39,247.2	8,162.7	92,848.8	21,596.0
Sales of gas	5,154.8	4,553.0	15,372.9	14,185.3
Revenue	44,402.0	12,715.7	108,221.7	35,781.3
Cost of sales:				
Operating costs	(33,606.6)	(6,581.2)	(66,199.7)	(15,376.3)
Thai petroleum special remuneratory benefits and royalties paid	(3,666.9)	(984.9)	(8,902.2)	(2,987.0)
Depreciation, depletion and amortisation	(22,135.8)	(11,820.1)	(72,860.9)	(26,269.7)
Gross loss	(15,007.3)	(6,670.5)	(39,741.1)	(8,851.7)
Other income	1,173.4	26,835.8	14,254.0	107,865.7

General and administrative expenses	(8,414.8)	(6,831.2)	(24,510.1)	(22,556.7)
Other operating (expenses)/income	(124.1)	(61.2)	161.6	194.3
Finance income	75.4	65.4	184.6	224.4
Finance costs	(7,935.5)	(4,932.3)	(25,074.7)	(13,311.8)
(Loss)/profit before tax	(30,232.9)	8,406.0	(74,725.7)	63,564.2
Tax (expense)/credit	(1,376.0)	915.6	(2,127.4)	1,649.9
(Loss)/profit after tax for the period	(31,608.9)	9,321.6	(76,853.1)	65,214.1
Attributable to:				
Owners of the Group	(31,608.9)	9,504.2	(75,070.0)	65,443.4
Non-controlling interests	-	(182.6)	(1,783.1)	(229.3)
(Loss)/profit after tax for the period	(31,608.9)	9,321.6	(76,853.1)	65,214.1

	For the three months ended 30 September		For the nine months ended 30 September	
	2016	2015	2016	2015
		(unaudited)		
		(US\$ thousands)		
Revenue	44,402.0	12,715.7	108,221.7	35,781.3
Adjusted operating costs	(33,606.6)	(6,581.2)	(66,199.7)	(15,376.3)
Thai petroleum special remuneratory benefits and royalties paid	(3,666.9)	(984.9)	(8,902.2)	(2,987.0)
Gross profit before depreciation, depletion and amortization	7,128.5	5,149.6	33,119.8	17,418.0
Corporate general and administrative expense	(2,944.8)	(3,520.3)	(7,932.3)	(9,370.6)
Gain on sale of subsidiary	-	-	10,607.1	-
Gain on disposal of assets	-	-	-	24,558.7
EBITDAX	4,183.7	1,629.3	35,794.6	32,606.1
Geological and geophysical expense	(4,063.9)	(2,202.0)	(12,228.8)	(7,458.0)
Gain on transfer of working interests	-	25,992.8	-	33,244.1
Exploration expense	-	(114.3)	-	(147.8)
EBITDA	119.8	25,305.8	23,565.8	58,244.4

Revenue

Working interest production in 3Q2016 averaged 14,895 boepd, a 68.4% increase compared with the same period last year (3Q2015: 8,847 boepd). The increase was primarily attributable to full quarter of sustained production at peak levels at the Nong Yao field in G11/48, increased levels of production versus a year ago from the Wassana field in G10/48 and improved production efficiencies at the B8/32 & B9A complex.

Revenue for 3Q2016 more than tripled to US\$44.4 million, from a year ago (3Q2015: US\$12.7 million) due to the increase in crude oil sales from the Wassana and Nong Yao fields, despite the fall in average realised selling prices.

The average realised oil and liquids sales price in 3Q2016 was US\$35.61/bbl, 8.2% higher than the preceding quarter (2Q2016: US\$32.90/bbl), but 26.5% lower than the same period last year (3Q2015: US\$48.48/bbl). The reduced average crude oil selling price reflected movements in global benchmark markets, which also affected the average realised gas price

achieved for gas sales from B8/32 & B9A at US\$3.31/mcf in 3Q2016, 19.3% lower than a year ago (3Q2015: US\$4.10/mcf).

	For the three months ended 30 September		For the nine months ended 30 September	
	2016	2015	2016	2015
Production volumes				
Oil and liquids (bopd) ⁽¹⁾	9,007	2,778	10,785	1,850
Gas (mmcf)	35.3	36.4	36.3	37.2
Total (boepd)	14,895	8,847	16,833	8,042
Average sales price				
Oils and liquids (US\$/bbl)	35.61	48.48	28.92	53.36
Gas – B8/32 and B9A (US\$/mcf)	3.31	4.10	3.59	4.69
Gas – Block 9 (US\$/mcf)	2.32	2.32	2.32	2.32

Note:

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

Cost of Sales

Operating costs increased to US\$33.6 million in 3Q2016 (3Q2015: US\$6.6 million), in line with a full quarter contribution from the Wassana and Nong Yao oil fields in 3Q2016. The June 2016 lifting from the Wassana field was delayed to July 2016 resulting in the Group's operating costs for 3Q2016 to be represented as four liftings in three months (as opposed to three). We recognised higher operating costs and hence lifting costs during the quarter (3Q2016: US\$24.52/boe compared with 3Q2015: US\$8.76/boe). Lifting costs in 3Q2016 were also adversely impacted by lower production output from the Wassana field following mechanical issues and well workover costs associated with analysing and repairing those wells.

In line with higher revenue, Thai royalty payments in 3Q2016 also more than tripled to US\$3.6 million (3Q2015: US\$1.0 million).

DDA charges increased to US\$22.1 million in 3Q2016 (3Q2015: US\$11.8 million) which was solely a function of higher production volumes in 3Q2016 compared to 3Q2015 where three full months of production was recognised in 3Q2016 versus production ramping up in each of the Wassana and Nong Yao fields in 2015.

	For the three months ended 30 September		For the nine months ended 30 September	
	2016	2015	2016	2015
Average lifting cost⁽¹⁾				
Oil, liquids and gas (US\$/boe)	24.52	8.76	14.35	7.21
Operating costs (US\$'000) ⁽²⁾	33,606.6	6,581.2	66,199.7	15,376.3
Total production (boe)	1,370,380	750,903	4,612,221	2,132,620

Note:

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

(2) Based on IFRS operating cost

Other income

Other income was US\$1.2 million in 3Q2016 compared with US\$26.8 million in 3Q2015. The year-on-year decrease was attributable to the gain recognised on the transfer of working interests in Block 105 and Bala-Balakang PSC in 3Q2015.

General and administrative expenses

General and administrative expenses increased 23.2% to US\$8.5 million in 3Q2016 (3Q2015: US\$6.8 million) primarily due to the recognition of general and administrative expenses allocated to G10/48 and G11/48.

Other operating expenses/income

Other operating expenses of US\$0.1 million in 3Q2016 was stable compared with 3Q2015.

Finance income

Finance income was higher year-on-year due to higher average bank balances in 3Q2016.

Finance costs

Finance costs amounted to US\$7.9 million in 3Q2016 (3Q2015: US\$4.9 million). The increase was mainly attributable to financial advisory fees and higher interest expense attributable to the Facility.

Loss / profit before tax

The loss before tax of US\$31.6 million in 3Q2016 compared with a profit before tax of US\$9.3 million in 3Q2015 is a result of recognition of incremental DDA expenses on producing assets and higher finance costs.

Tax expense / credit

Tax expense amounted to US\$1.4 million in 3Q2016 compared to a tax credit of US\$0.9 million in 3Q2015, mainly due to higher provision of tax expenses in line with higher revenue and reversal of previously recognised deferred tax assets.

Loss / profit after tax

The net loss after tax was US\$31.6 million in 3Q2016 compared with a profit of US\$9.3 million in 3Q2015 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

There continues to be a great deal of uncertainty in the oil markets. Speculation that deep cuts to capital expenditure across the upstream industry would lead to a rebalancing of supply has yet to find any firm evidence and any uptick in oil prices has been capped as

industry data continues to indicate burgeoning stocks of crude oil and petroleum productions in major consuming countries.

Depressed oil prices and the resulting impact on KrisEnergy's revenue streams will continue to put pressure on the Company's earnings, book equity and overall financial covenants. Due to the overall negative sentiment towards the oil and gas industry, the Company's ability to raise financing has been severely curbed. Recognising that certain covenants under existing debt instruments may come under stress in the near term, the Company is actively evaluating all viable and available options with the primary focus to strengthen the Group's capital structure.

Recent Developments

- An agreement to transfer 28.5% and 14.25% working interest in Cambodia Block A from Mitsui Oil Exploration Co. Ltd and GS Energy Corporation, respectively, to KrisEnergy, was signed on 31 August 2016 and completed on 7 October 2016. As of completion, KrisEnergy's working interest in Cambodia Block A increased from 52.25% to 95.0%.

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 30 September 2016.

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

Other than the interested person transactions as disclosed in the Prospectus under the section "*Interested Person Transactions and Conflicts of Interests – Present and Ongoing Interested Person Transactions*" which has been deemed approved by our Shareholders (which collectively amount to transactions under S\$100,000), there were no other interested person transactions during the financial period under review.

The Group does not have any general IPT mandate from shareholders for interested person transactions that is to be disclosed under Rule 920(1)(a)(ii).

CONFIRMATION BY THE BOARD OF DIRECTORS

Pursuant to SGX Listing Rule 705(5), we, Jeffrey S. MacDonald and Christopher Gibson-Robinson, 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 third quarter and nine months ended 30 September 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors.

Jeffrey S. MacDonald
Executive Director &
Interim Chief Executive Officer

Christopher Gibson-Robinson
Executive Director &
Director Exploration & Production

Singapore, 3 November 2016