

KRISENERGY LTD

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

Unaudited First Quarter 2015 Financial Statements Announcement



14 May 2015

The initial public offering of the Company was sponsored by CLSA Singapore Pte Ltd and Merrill Lynch (Singapore) Pte. Ltd. (the **"Joint Issue Managers, Global Coordinators, Bookrunners and Underwriters"**). The Joint Issue Managers, Global Coordinators, Bookrunners and Underwriters assume no responsibility for the contents of this announcement.

The following announcement may contain forward-looking statements by KrisEnergy Ltd. (our “**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 our 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 our 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 our 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 our Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

Financial and Operations Update

We are 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 our unaudited financial statements, which reflect our financial and operating results for the three months ended 31 March 2015 (our “**Results**” or “**1Q2015**”). 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		
	2015	2014	% Change
	(US\$ thousands, except where otherwise indicated)		
Financial			
Sale of crude oil & liquids	6,405.8	13,652.3	(53.1)
Sale of gas	5,013.8	7,556.7	(33.7)
Revenue	11,419.6	21,209.0	(46.2)
EBITDAX⁽¹⁾	9,266.9	9,853.0	(5.9)
Capital expenditure	57,712.2	21,723.9	165.7
Cash and bank balances	38,443.5	51,334.1	(25.1)
Operations⁽²⁾			
Production volumes (boepd)	7,699	8,097	(4.9)
Sales volumes (boepd)	7,490	7,932	(5.6)
Average sales price			
• Oil and liquids (US\$/bbl)	53.20	108.04	(50.8)
• Gas – B8/32 and B9A (US\$/mcf)	5.63	6.19	(9.0)
• Gas – Block 9 (US\$/mcf)	2.32	2.32	-
Average lifting costs (US\$/boe)	5.72	4.96	15.3

Notes:

(1) Earnings before interest, taxation, depreciation, amortisation, geological and geophysical expenses and exploration expenses (“**EBITDAX**”). EBITDAX is a non-IFRS measure

(2) Non-IFRS measures

First Quarter 2015 Financial Update

Revenue, and hence the Group's gross margin, was materially impacted by continued volatility in global oil prices. However, our cost of production, and lifting costs, remained on a downward trend quarter-on-quarter and the Company continued to focus on near-term development activities with the primary objective to deliver first oil from two fields in the Gulf of Thailand, which remain on track.

- Working interest production in 1Q2015 averaged 7,699 barrels of oil equivalent (“**boepd**”), flat from the 2014 average of 7,612 boepd, and higher compared with the preceding quarter (4Q2014: 7,082 boepd) as we began to reap the benefit from development well drilling in the B8/32 & B9A fields in the Gulf of Thailand following installation of new platforms in 2014.
- Revenue for 1Q2015 decreased 46.2% to US\$11.4 million (1Q2014: US\$21.2 million) as the fall in global oil prices resulted in a 50.8% decline to US\$53.20 per barrel (1Q2014: US\$108.04/bbl) in the average oil and liquids sales price realised by the Group. Gas prices in Asia were less impacted by the volatility: the average realised gas price for B8/32 & B9A in 1Q2015 was US\$5.63 per thousand cubic feet (“**mcf**”), 9.0% lower than a year ago (1Q2014: US\$6.19/mcf). The gas price achieved at the Bangora gas field in Bangladesh was constant for both reporting periods at US\$2.32/mcf.
- Cost control and maximising production efficiencies will continue to be a strategic focus for the Group. Year-on-year, lifting costs rose 15.3% to US\$5.72 per barrel of oil equivalent (“**boe**”) in 1Q2015 versus US\$4.96/boe, largely due to the higher production in 1Q2014. However, the Group's lifting costs have declined for the last two reporting periods and were 16.7% lower in 1Q2015 compared with the preceding quarter (4Q2014: US\$6.87/boe).
- EBITDAX in 1Q2015 was US\$9.3 million (1Q2014: US\$9.9 million) and net profit after tax was US\$47.2 million compared to a net loss of US\$18.0 million in the same period in 2014. The increase in net profit was primarily attributed to a one-off gain, being provisional negative goodwill of US\$45.2 million as a result of our acquisition of our working interest in the Block A Aceh production sharing contract (“**PSC**”), which completed on 12 January 2015. In addition, we recognised a US\$7.3 million gain from the transfer of working interest from Neon Energy for Block 105-110/04 (“**Block 105**”) and Block 120 in Vietnam.
- During 1Q2015, operating cash flows before changes in working capital increased 37.8% to US\$13.5 million (1Q2014: US\$9.8 million).
- Unused sources of liquidity as at 31 March 2015 amounted to US\$96.1 million and the Group's gearing was 35.4%, which remains within the middle of our target debt to debt-and-equity range.

First Quarter 2015 Operational Update

During 1Q2015, the Company progressed its development projects in Thailand and Indonesia and drilled several successful exploration wells. These activities are in line with the Group's strategy of growth through increasing reserves and resources, as well as production and cash flow with the goal to build a sustainable upstream oil and gas company.

Development

- Construction and installation of the platform facilities for the Nong Yao oil development in the G11/48 licence in the Gulf of Thailand, where Mubadala Petroleum is the operator, have been completed and activities are progressing on track for first oil .
- Development activities at the G10/48 Wassana field remain on track for first oil. Refurbishment of the mobile offshore production unit ("**MOPU**"), *MOPU Ingenium*, and the *Rubicon Vantage* floating storage and offloading ("**FSO**") vessel has been completed and preparations are underway for installation at the Wassana field location of the MOPU, FSO and other key equipment such as the catenary anchor leg mooring buoy and related pipelines ahead of development drilling.
- During 1Q2015, 19 (1Q2014: 15) development wells were drilled in the B8/32 & B9A oil and gas complex. Up to 60 development wells are scheduled to be drilled in 2015.

Exploration

- During March and April, the *Key Gibraltar* jack-up rig drilled four successful exploration wells in the KrisEnergy-operated G6/48 licence in the Gulf of Thailand:
 - Rossukon-2 exploration well was drilled to a total depth of 5,460 feet measured depth ("**MD**"), or -4,924 feet true vertical depth subsea ("**TVDSS**"). Preliminary well logs indicated that the well intersected approximately 69 feet true vertical depth ("**TVD**") of net oil-bearing sandstones and 37 feet TVD of net gas-bearing sandstones;
 - Rossukon-2 sidetrack exploration well was drilled to a total depth of 7,270 feet MD (-5,263 feet TVDSS). Preliminary well logs indicated that the well intersected approximately 40 feet TVD of net oil-bearing sandstones and 100 feet TVD of net gas-bearing sandstones;
 - Rossukon-3 exploration well was drilled to a total depth of 7,497 feet MD (-6,235 feet TVDSS). Preliminary interpretation of well logs indicated that the well intersected approximately 75 feet TVD of net oil-bearing sandstones and 49 feet TVD of net gas-bearing sandstones; and
 - Rossukon-3 sidetrack exploration well reached a total depth of 6,645 feet MD (-4,500 feet TVDSS). Preliminary interpretation of well logs indicated that the well intersected approximately 85 feet TVD of net oil-bearing sandstones and 63 feet TVD of net gas-bearing sandstones.
- Recording of a 300 km 2D seismic acquisition program commenced in January 2015 in the Udan Emas PSC, onshore West Papua. See announcement *KrisEnergy begins 2D seismic recording in West Papua* dated 28 January 2015 for more details.

- A 3,146 km 2D seismic acquisition program was completed in January 2015 in the SS-11 exploration block offshore Bangladesh. See announcement *2D seismic program completes in SS-11 offshore Bangladesh* dated 22 January 2015 for more details.

Portfolio management

- On 12 January, we completed the acquisition of the entire issued and paid up share capital of Premier Oil Sumatra (North) B.V., since renamed to KrisEnergy (Block A Aceh) BV, which holds a 41.6666% non-operated working interest in the Block A Aceh PSC. On 28 January, the operator of Block A Aceh, P.T. Medco E&P Malaka, announced it had signed a gas sales contract for a daily contracted quantity of 58 billion British thermal units with an agreed gas price of US\$9.45 per million British thermal units. See announcements *KrisEnergy completes Block A Aceh acquisition* dated 12 January 2015 and *Block A Aceh gas sales contract signed with Pertamina* dated 28 January 2015 for more details.
- On 9 March, we announced we had increased our working interest in Block 105 and taken over operatorship of the PSC, which is subject to the approval of the Ministry of Industry and Trade of Vietnam (“**MoIT**”). In January 2015, MoIT granted a 12-month extension for the Phase 1 Exploration Period until 2 February 2016. See announcement *KrisEnergy becomes operator of Vietnam Block 105* dated 9 March 2015 for more details.
- On 5 February, we completed the sale of 14.67% shareholding in KrisEnergy Management Ltd to Palang Sophon Offshore (“**PSO**”), a wholly-owned entity of Palang Sophon Limited. KrisEnergy Management Ltd holds 100% of KrisEnergy G10 (Thailand) Ltd, which holds 75% working interest of Block G10/48. Our wholly owned entity, KrisEnergy (Gulf of Thailand) Ltd, holds the remaining 25% working interest in and the operatorship of G10/48. The transaction reduced KrisEnergy’s effective interest in G10/48 to 89%.
- On 13 February, we received the amended investment certificates from the MoIT for each of our respective working interests in Block 105 and Block 120 pursuant to the subsequent withdrawal of Neon Energy (Song Hong) Pty Ltd. See announcement *Vietnam Block 105 and 120 – Partner Update* dated 16 February 2015 for more details.

For developments since 31 March 2015, see paragraph 10 of these Results entitled *Recent Developments*.

Capital Expenditure

Please see paragraph 1(c) of these Results entitled *Net cash flow used in investing activities* for a further breakdown of capital expenditure during 1Q2015.

	For the three months ended 31 March	
	2015	2014
	(US\$ thousands)	
Capital expenditure:		
Exploration and appraisal expenditure ⁽¹⁾	44,987.1	19,778.7
Development expenditure ⁽²⁾	1,845.5	1,922.0
Others ⁽³⁾	10,879.6	23.2
Total capital expenditure	57,712.2	21,723.9

Notes:

- (1) Expenditure incurred for not yet producing development and exploration blocks, including (i) G10/48 and G11/48 of US\$12.2 million and US\$5.8 million, respectively; (ii) transfer of Neon Energy's working interest share of expenditure for Block 105 and Block 120 of US\$14.0 million; and (iii) seismic related expenditure at the Udan Emas and SS-11 PSCs of US\$7.4 million
- (2) Expenditure incurred for producing assets B8/32, B9A and Block 9
- (3) Expenditure incurred in connection with the MOPU and marine-related assets

Financial Statements Announcement

First Quarter ended 31 March 2015

Figures for the three months ended 31 March 2015 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	
	2015	2014
	<i>(unaudited)</i>	
	<i>(US\$ thousands)</i>	
Sales of crude oil	6,405.8	13,652.3
Sales of gas	5,013.8	7,556.7
Revenue	11,419.6	21,209.0
Cost of sales:		
Operating costs	(3,961.7)	(3,614.5)
Thai petroleum special remuneratory benefits and royalties paid	(969.4)	(2,043.1)
Depreciation, depletion and amortisation	(7,057.5)	(6,810.2)
Gross (loss)/profit	(569.0)	8,741.2
Other income	59,607.8	1,429.0
General and administrative expenses	(8,019.9)	(8,225.6)
Other operating expenses	(606.0)	(6,141.8)
Finance income	82.0	152.0
Finance costs	(3,799.5)	(10,441.6)
Profit/(loss) before tax	46,695.4	(14,486.8)
Tax credit/(expense)	474.8	(3,484.0)
Profit/(loss) after tax for the period	47,170.2	(17,970.8)
Attributable to:		
Owners of the Group	46,297.4	(17,970.8)
Non-controlling interests	872.8	-
Profit/(loss) after tax for the period	47,170.2	(17,970.8)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(94.7)	(26.8)
Total comprehensive income for the period	47,075.5	(17,997.6)
Attributable to:		
Owners of the Group	46,202.7	(17,997.6)
Non-controlling interests	872.8	-
Total comprehensive income for the period	47,075.5	(17,997.6)
Profit/(loss) per share attributable to owners of the Group (cents per share)		
Basic	4.4	(1.7)
Diluted	4.4	(1.7)

Extraordinary items

There were no extraordinary items during the period.

EBITDAX Computation

	For the three months ended 31 March	
	2015	2014
	(unaudited)	
	(US\$ thousands)	
Adjusted profit/(loss) before tax	46,695.4	(14,486.8)
Add:		
Finance costs	3,799.5	10,441.6
Depreciation, depletion and amortisation	7,251.7	6,886.3
Excess of fair value of net assets acquired over consideration paid	(45,164.7)	-
Net fair value adjustment on financial instruments	597.8	6,137.2
EBITDA	13,179.7	8,978.3
Geological and geophysical expense	(3,921.0)	870.1
Exploration expense	8.2	4.6
EBITDAX	9,266.9	9,853.0

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 loss/profit 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 2015	As at 31 December 2014	As at 31 March 2015	As at 31 December 2014
	(unaudited)			
	(US\$ thousands)			
ASSETS				
Non-current assets				
Exploration and evaluation assets	529,605.8	402,778.7	-	-
Oil and gas properties	131,122.8	136,334.8	-	-
Other property, plant and equipment	7,543.1	1,161.2	-	-
Intangible assets	91,452.9	91,452.9	-	-
Other investment	216.0	-	-	-
Investment in subsidiaries	-	-	331,072.4	330,557.2
Other receivables	-	-	672,887.4	645,465.0
	759,940.6	631,727.6	1,003,959.8	976,022.2
Current assets				
Inventories	31,052.2	14,670.1	-	-
Trade and other receivables	62,926.7	65,165.4	5.1	-
Prepayments	2,316.1	1,545.3	158.8	126.8
Cash and bank balances	38,443.5	51,334.1	2,221.8	1,610.5

	134,738.5	132,714.9	2,385.7	1,737.3
Assets held for sale	13,484.1	64,986.9	-	-
Total Assets	908,163.2	829,429.4	1,006,345.5	977,759.5
EQUITY AND LIABILITIES				
Equity				
Ordinary shares	1,310.0	1,310.0	1,310.0	1,310.0
Share premium	604,582.8	604,582.8	604,582.8	604,582.8
Other reserves	4,705.7	225.2	2,155.9	1,689.4
Accumulated losses	(140,853.6)	(187,151.0)	10,399.3	(19,760.5)
	469,744.9	418,967.0	618,448.0	587,821.7
Non-controlling interests	16,875.9	-	-	-
Total Equity	486,620.8	418,967.0	618,448.0	587,821.7
Non-current liabilities				
Employee benefit liability	1,396.6	1,483.6	-	-
Loans and borrowings	267,078.2	257,440.5	237,078.2	247,440.5
Deferred tax liabilities	39,569.4	40,309.7	-	-
Provisions	38,831.2	38,602.1	-	-
Other payables	-	-	117,374.3	119,062.8
	346,875.4	337,835.9	354,452.5	366,503.3
Current liabilities				
Trade and other payables	23,814.9	27,393.1	2,814.3	3,770.2
Accrued operating expenses	14,009.5	20,191.5	282.0	275.7
Derivative liabilities	30,348.7	19,388.6	30,348.7	19,388.6
Withholding tax payable	1,092.0	561.3	-	-
Tax payable	5,401.9	5,092.0	-	-
	74,667.0	72,626.5	33,445.0	23,434.5
Total Liabilities	421,542.4	410,462.4	387,897.5	389,937.8
Total Equity And Liabilities	908,163.2	829,429.4	1,006,345.5	977,759.5

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 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
30,000.0	14,502.4	10,000.0	15,088.3

Amount repayable after one year

As at 31 March 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
-	271,358.7	-	286,042.0

Details of any collateral

As at 31 December 2014, certain subsidiaries of the Company pledged assets with respect to a US\$100 million revolving credit facility established in March 2014 (the “**2014 RCF**”). For further information on the 2014 RCF, see section entitled *Borrowings* and the announcement *KrisEnergy secures US\$100 million revolving credit facility* dated 25 March 2014.

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	
	2015	2014
	(unaudited)	
	(US\$ thousands)	
Operating activities:		
Profit/(loss) before tax	46,695.4	(14,486.8)
Adjustments for:		
Depreciation, depletion and amortisation	7,057.5	6,810.2
Depreciation of property, plant and equipment	194.2	76.1
Employee defined benefit	(87.1)	-
Excess of fair value of net assets acquired over consideration paid	(45,164.7)	-
Equity-settled transactions with employees	466.5	956.8
Net fair value loss on embedded derivatives	-	6,137.2
Net fair value loss on hedge	597.8	-
Finance cost	3,646.3	10,281.1
Unwinding of discount on decommissioning provisions	153.2	160.5
Interest income	(82.0)	(152.0)
Operating cash flows before changes in working capital	13,477.1	9,783.1
Increase in inventories	(6,245.4)	(1,214.0)
Decrease/(increase) in trade and other receivables	6,762.4	(4,838.5)
Decrease in trade and other payables	(18,711.6)	(15,051.6)
Cash flows used in operations	(4,717.5)	(11,321.0)
Interest received	82.0	152.0
Interest paid	(1,237.5)	(2,087.5)
Net cash flows used in operating activities	(5,873.0)	(13,256.5)
Investing activities:		
Additions to exploration and evaluation assets	(44,987.1)	(19,778.7)
Addition to oil and gas properties	(1,845.5)	(1,922.0)
Acquisition of subsidiary	(50,456.5)	-
Expenditure on assets refurbishment	(5,280.5)	-
Proceeds from assets held for sale	61,111.1	-
Proceeds from sale of shares in subsidiary	20,111.8	-
Purchase of other plant, property and equipment	(5,599.1)	(23.2)
Net cash flows used in investing activities	(26,945.8)	(21,723.9)
Financing activities:		
Repayment of bond	-	(126,300.0)
Payment of bond interest	-	(6,615.6)
Proceeds from bank borrowings	79,000.0	40,000.0
Repayment of bank borrowings	(59,000.0)	-
Decrease in short-term deposits	-	4,000.0
Increase in cash collateralised	-	(3,758.8)
Decrease in cash collateralised	758.8	-
Net cash flows from/(used in) financing activities	20,758.8	(92,674.4)

Net decrease in cash and cash equivalents	(12,060.0)	(127,654.8)
Cash and cash equivalents at beginning of the period	47,575.3	247,809.7
Net effect of exchange rate changes	(71.8)	(24.7)
Cash and cash equivalents at end of the period	35,443.5	120,130.2

As at 31 March 2015, aggregate cash and cash equivalents was US\$35.4 million compared with US\$120.1 million as at 31 March 2014 and unused sources of liquidity as at 31 March 2015 amounted to US\$96.1 million.

Net Cash Flow used in Operating Activities

In 1Q2015, net cash flow used in operating activities was US\$5.9 million versus US\$13.3 million in 1Q2014 as a result of movements in working capital.

Net Cash Flow used in Investing Activities

In 1Q2015, net cash flow used in investing activities amounted to US\$26.9 million compared with US\$21.7 million in 1Q2014. Material capital expenditure in 1Q2015 included (i) acquisition of working interest in Block A Aceh amounting to US\$50.5 million, as a result of which we recognised higher inventory of US\$10.1 million during the quarter in relation to the block; (ii) US\$1.8 million representing the working interest share of development well drilling in the B8/32 and B9A complex; (iii) expenditure of US\$17.5 million relating to exploration and development activities in G10/48, including the refurbishment of the MOPU and fabrication of the associated equipment; (iv) development costs in G11/48 of US\$5.8 million; (v) exploration drilling expenditure in G6/48 of US\$2.3 million (vi) costs relating to seismic acquisitions in the Udan Emas and SS-11 PSCs of US\$7.4 million in aggregate, and (vi) transfer of Neon Energy's working interest share of expenditure for Block 105 and 120 of US\$14.0 million. We also received partial proceeds for the disposal of certain assets relating to the Wassana development, the transaction for which is expected to complete in 2015, and for the sale of an effective working interest of 11% in G10/48 to PSO through sale of shares in a subsidiary.

Net Cash Flow from Financing Activities

In 1Q2015, net cash flow from financing activities amounted to US\$20.8 million compared with net cash flows used in financing activities of US\$92.7 million in 1Q2014, as a result of utilisation of the 2014 RCF.

Borrowings

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 2018 Notes were issued with a fixed rate coupon, payable semi-annually in arrears, of 6.25% and 5.75%, respectively. As at 31 March 2015, the book value of the issued notes under the MTN Program amounted to US\$237.1 million.

As at 31 March 2015, US\$60.6 million of the 2014 RCF was undrawn and in April 2015, we increased the facility up to US\$122.0 million in alignment with an increase at the end of 2014 in 2P reserves for those assets secured under the 2014 RCF, being our existing producing and development assets in the Gulf of Thailand and Block 9 in Bangladesh.

Our gearing was 35.4% as at 31 March 2015, which remains within the Group's target debt-to-debt and equity range.

Capital Expenditure and Capital Investment

The following table shows capital expenditure and capital investments for the three months ended 31 March 2015 and 2014. Exploration and development expenditure includes, among others, exploration and appraisal well expenditure, geological and geophysical activities, general and administrative costs, platform and facility costs, and pipeline and equipment expenditure.

	For the three months ended 31 March	
	2015	2014
	(US\$ thousands)	
Capital expenditure and capital investment:		
Exploration and appraisal expenditure ⁽¹⁾	44,987.1	19,778.7
Development expenditure ⁽²⁾	1,845.5	1,922.0
Acquisition of subsidiary ⁽³⁾	50,456.5	-
Expenditure on asset refurbishment ⁽⁴⁾	5,280.5	-
Proceeds from assets held for sale	(61,111.1)	-
Proceeds from sale of shares in subsidiary	(20,111.8)	-
Others	5,599.1	23.2
Total capital expenditure and capital investment	26,945.8	21,723.9

Notes:

- (1) Expenditure incurred for not yet producing development and exploration blocks, including (i) G10/48 and G11/48 of US\$12.2 million and US\$5.8 million, respectively; (ii) transfer of Neon Energy's working interest share of expenditure for Block 105 and 120 of US\$14.0 million; and (iii) seismic related expenditure at the Udan Emas and SS-11 PSCs of US\$7.4 million
- (2) Expenditure incurred for producing assets B8/32, B9A and Block 9
- (3) Consideration paid for the acquisition of Block A Aceh
- (4) Expenditure incurred in connection with the MOPU and marine-related assets

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							
	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	Premium on acquisition of non-controlling interests	Non-controlling interests	Total Equity
	(US\$ thousands)							
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 comprehensive income:</u>								
Exchange differences on translation of foreign operations	-	-	-	(94.7)	-	-	-	(94.7)
Total comprehensive income for the period	-	-	46,297.4	(94.7)	-	-	872.8	47,075.5
Equity-settled transactions with employees	-	-	-	-	466.5	-	-	466.5

Acquisition of non-controlling interests without a change 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

THE GROUP	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	Total Equity
	(US\$ thousands)					
At 1 January 2014	1,307.7	602,938.3	(136,641.4)	(1,299.7)	527.8	466,832.7
Loss net of tax	-	-	(17,970.8)	-	-	(17,970.8)
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	-	-	(26.8)	-	(26.8)
Total comprehensive income for the period	-	-	(17,970.8)	(26.8)	-	(17,997.6)
Equity-settled transactions with employees	-	-	-	-	956.8	956.8
At 31 March 2014	1,307.7	602,938.3	(154,612.2)	(1,326.5)	1,484.6	449,791.9

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

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Reserve	Total Equity
	(US\$ thousands)				
At 1 January 2014	1,307.7	602,938.3	(1,481.4)	527.8	603,292.4
Loss net of tax	-	-	(753.6)	-	(753.6)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	(753.6)	-	(753.6)
Equity-settled transactions with employees	-	-	-	956.8	956.8
At 31 March 2014	1,307.7	602,938.3	(2,235.0)	1,484.6	603,495.6

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 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 31 March 2015 (31 March 2014: 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 2015, 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.

As at 31 March 2015, 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) 9,453,964 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 our Executive Directors.

As at 31 March 2015, our issued share capital was 1,047,963,898 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 31 March 2015		As at 31 December 2014	
	(unaudited)			
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid ordinary shares				
At 1 January	1,047,963,898	1,309,955	1,046,154,000	1,307,693
Vesting of equity-settled transactions with employees on 21 July 2014	-	-	1,809,898	2,262
At reporting date	1,047,963,898	1,309,955	1,047,963,898	1,309,955

SHARE PREMIUM	As at 31 March 2015	As at 31 December 2014
	(unaudited)	
	US\$	
At 1 January	604,582,768	602,938,278
Vesting of equity-settled transactions with employees on 21 July 2014	-	1,644,490
At reporting date	604,582,768	604,582,768

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 31 March 2015 (31 March 2014: 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 2014, 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 2015. 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 31 March	
	2015	2014
Profit/(loss) per share attributable to owners of the Group:		
(i) Based on a weighted average number of shares (cents per share)	4.4	(1.7)
- Weighted average number of shares	1,047,963,898	1,046,154,000
(ii) On a fully diluted basis (cents per share)	4.4	(1.7)
- Adjusted weighted average number of shares	1,057,417,864	1,051,583,691

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 31 March	As at 31 December	As at 31 March	As at 31 December
	2015	2014	2015	2014
		(Unaudited)		
		(US\$)		
Net asset value per ordinary share ⁽¹⁾	0.46	0.40	0.59	0.56
Net tangible asset per ordinary share ⁽¹⁾	0.39	0.40	0.58	0.58

Note:

(1) Based on share capital of 1,047,963,898 ordinary shares as at 31 March 2015 and 31 December 2014.

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 three months ended 31 March 2015.

For the three months ended 31 March		
	2015	2014
	<i>(unaudited)</i>	
	<i>(US\$ thousands)</i>	
Sales of crude oil	6,405.8	13,652.3
Sales of gas	5,013.8	7,556.7
Revenue	11,419.6	21,209.0
Cost of sales:		
Operating costs	(3,961.7)	(3,614.5)
Thai petroleum special remuneratory benefits and royalties paid	(969.4)	(2,043.1)
Depreciation, depletion and amortisation	(7,057.5)	(6,810.2)
Gross (loss)/profit	(569.0)	8,741.2
Other income	59,607.8	1,429.0
General and administrative expenses	(8,019.9)	(8,225.6)
Other operating expenses	(606.0)	(6,141.8)
Finance income	82.0	152.0
Finance costs	(3,799.5)	(10,441.6)
Profit/(loss) before tax	46,695.4	(14,486.8)
Tax credit/(expense)	474.8	(3,484.0)
Profit/(loss) after tax for the period	47,170.2	(17,970.8)

Attributable to:		
Owners of the Group	46,297.4	(17,970.8)
Non-controlling interests	872.8	-
Profit/(loss) after tax for the period	47,170.2	(17,970.8)

For the three months ended 31 March		
	2015	2014
	<i>(unaudited)</i>	
	<i>(US\$ thousands)</i>	
Revenue	11,419.6	21,209.0
Adjusted operating costs	(3,961.7)	(3,614.5)
Thai petroleum special remuneratory benefits and royalties paid	(969.4)	(2,043.1)
Gross profit before depreciation, depletion and amortisation	6,488.5	15,551.4
Corporate general and administrative expense	2,778.4	(5,698.4)
EBITDAX	9,266.9	9,853.0
Geological and geophysical expense	3,921.0	(870.1)
Exploration expense	(8.2)	(4.6)
EBITDA	13,179.7	8,978.3

Revenue

Revenue for 1Q2015 decreased to US\$11.4 million, 46.2% lower than 1Q2014 as the fall in global oil prices resulted in a 50.8% decline to US\$53.20 per barrel (1Q2014: US\$108.04/bbl) in the average oil and liquids sales price realised by the Group. Gas prices in Asia were less impacted by the volatility: the average realised gas price for B8/32 & B9A in 1Q2015 was US\$5.63/mcf, 9.0% lower than a year ago (1Q2014: US\$6.19/mcf). The gas price achieved at the Bangora gas field in Bangladesh was constant for both reporting periods at US\$2.32/mcf.

Working interest production in 1Q2015 averaged 7,699 boepd versus 8,097 boepd in 1Q2014. Although lower than 1Q2014, it marked an increase compared with the immediately preceding quarter (4Q2014: 7,082 boepd) as we began to reap the benefit from development well drilling in the B8/32 & B9A fields following installation of new platforms in 2014.

	For the three months ended 31 March	
	2015	2014
Production volumes		
Oil and liquids (bopd)	1,350	1,547
Gas (mmcf)	38.1	39.3
Total (boepd)	7,699	8,097
Sales volumes		
Oils and liquids (bopd)	1,353	1,546
Gas (mmcf)	36.8	38.3
Total (boepd)	7,490	7,932
Average sales price		
Oils and liquids (US\$/bbl)	53.20	108.04
Gas – B8/32 and B9A (US\$/mcf)	5.63	6.19
Gas – Block 9 (US\$/mcf)	2.32	2.32

Cost of Sales

Cost of sales decreased to US\$12.0 million in 1Q2015 compared with US\$12.5 million in 1Q2014 due to lower Thai royalties paid as a result of the lower average realised selling prices for oil and gas.

The average lifting cost in 1Q2015 was US\$5.72/boe, a 15.3% increase compared with 1Q2014 due to higher operating costs and lower production. The Group remains focused on cost control and maximising production efficiencies, as evident as Group's lifting costs have declined for the last two reporting periods and were 16.7% lower in 1Q2015 compared with the preceding quarter (4Q2014: US\$6.87/boe).

	For the three months ended 31 March	
	2015	2014
Average lifting cost		
Oil, liquids and gas (US\$/boe)	5.72	4.96
Operating costs (US\$'000)	3,961.7	3,614.5
Total production (boe)	692,945	728,691

Other income

Other income of US\$59.6 million in 1Q2015 compared with US\$1.4 million in 1Q2014. The significant increase was mainly attributable to a one-off gain on the recognition of provisional negative goodwill (US\$45.2 million) as a result of the completion on 12 January 2015 of the acquisition of Block A Aceh and the recognition of a US\$7.3 million gain from the transfer of working interest for Block 105 and Block 120 from Neon Energy. In addition, we recognised a partial gain on sale of US\$5.1 million in connection with assets held for sale and as recognised at 31 December 2014.

General and administrative expenses

General and administrative expenses decreased 2.5% to US\$8.0 million in 1Q2015 (1Q2014: US\$8.2 million). The decrease was primarily attributable to a decrease in employee benefits expenses.

Other operating expenses

Other operating expense was US\$0.6 million in 1Q2015 compared with US\$6.1 million in 1Q2014 when we recognised a one-off, non-cash adjustment loss of US\$6.1 million, representing the net fair value adjustment of the embedded derivatives associated with the 10.5% US\$120.0 million senior guaranteed secured bonds (the “**2016 Notes**”) which were redeemed in January 2014.

Finance income

Finance income decreased to US\$0.1 million in 1Q2015 (1Q2014: US\$0.2 million) in line with lower average cash balances.

Finance costs

Finance costs amounted US\$3.8 million in 1Q2015 (1Q2014: US\$10.4 million). Finance costs were higher in 1Q2014 as a result of one-time costs relating to the redemption of the 2016 Notes and upfront fees associated with the establishment of the 2014 RCF.

Profit / loss before tax

We recorded a profit before tax of US\$46.7 million in 1Q2015 compared with a loss before tax of US\$14.5 million in 1Q2014 due to the recognition of one-off gains from our acquisition of Block A Aceh and transfer of working interest for Block 105 and Block 120, which was offset by lower revenue.

Tax credit / expense

We recognised a tax credit of US\$0.5 million in 1Q2015 compared to a tax expense of US\$3.5 million in 1Q2014, in line with lower revenue recognised at B8/32 and B9A.

Profit / loss after tax

We recorded a profit after tax of US\$47.2 million in 1Q2015 compared with a loss of US\$18.0 million in 1Q2014 as a result of the above mentioned factors.

In line with the divestment of an indirect 11% effective working interest in G10/48, we recognised in 1Q2015 profit after tax attributable to a non-controlling interest of US\$0.9 million.

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

The outlook for the global oil market remains challenging. There is potential for price volatility to remain high in the near to medium terms due to heightening geopolitical tensions and/or uncertainty over the global economic outlook resulting in concerns over supply-demand dynamics. Likewise, any cost deflation in third-party services, equipment and materials is yet to be fully quantifiable.

As at the date of these Results and save for the fluctuations in commodity prices, availability of third-party services, equipment and materials, the Company is not aware of any other factor or event that may significantly affect the Group in the next reporting period and the next 12 months.

Recent Developments

- On 30 April 2015, we announced the completion of the Rayrai-1 exploration well in G10/48. Rayrai-1 reached a total depth of 6,382 feet MD (-5,281 feet TVDSS) and intersected approximately 50 feet TVD of net oil-bearing sandstones. The well is located in a water depth of 170 feet and lies 2.25 km north of the Niramai oil discovery drilled in 2009. See announcement *KrisEnergy completes Gulf of Thailand exploration well* dated 30 April 2015 for more details.
- On 13 April 2015, we announced the award of the front-end engineering and design contract to PT. Synergy Engineering for the Lengo gas development in the Bulu PSC offshore East Java in Indonesia, and the start of geophysical and geotechnical surveys conducted by Indonesian-based survey contractor, Java Offshore, at the platform site, along the proposed platform-to-shore pipeline route and at the onshore receiving terminal location. See announcement *KrisEnergy awards FEED tender for Indonesia gas project* dated 13 April 2015 for more details.
- On 21 April 2015, a 575 sq. km 3D seismic acquisition program was completed in the non-operated Block 120 exploration licence offshore central Vietnam.

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 2015.

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, Keith Cameron 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 first quarter ended 31 March 2015 to be false or misleading in any material aspect.

On behalf of the board of directors.

Keith Cameron
Executive Director &
Chief Executive Officer

Christopher Gibson-Robinson
Executive Director &
Director Exploration & Production

Singapore, 14 May 2015