



KrisEnergy Ltd.
1st Informal Investor Meeting 10 September 2019



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Important notes

This informal meeting is being convened for the purpose of providing the Group's shareholders and other securities holders (the "**Securitiesholders**") with an overview of the financial position of the Group and to engage in a discussion with Securitiesholders in anticipation of the Group's cash flow challenges going forward.

Kindly note that:

- the informal meeting is not intended to and does not amount to a meeting under or in connection with the Trust Deed(s) relating to the securities;
- the informal meeting has been called solely for the dissemination of information and no decisions or voting will be made at the informal meeting;
- the informal meeting is private and confidential and will be held on an entirely without prejudice basis; and
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Meeting Protocol

- Without prejudice
- Informal Meeting
- No recording nor photography
- Identification for Q&A

Agenda

- I. Business Overview
- II. Challenges to Liquidity Management
- III. 2016/2017 Restructuring
- IV. Current Situation & Next Steps
- V. Q&A

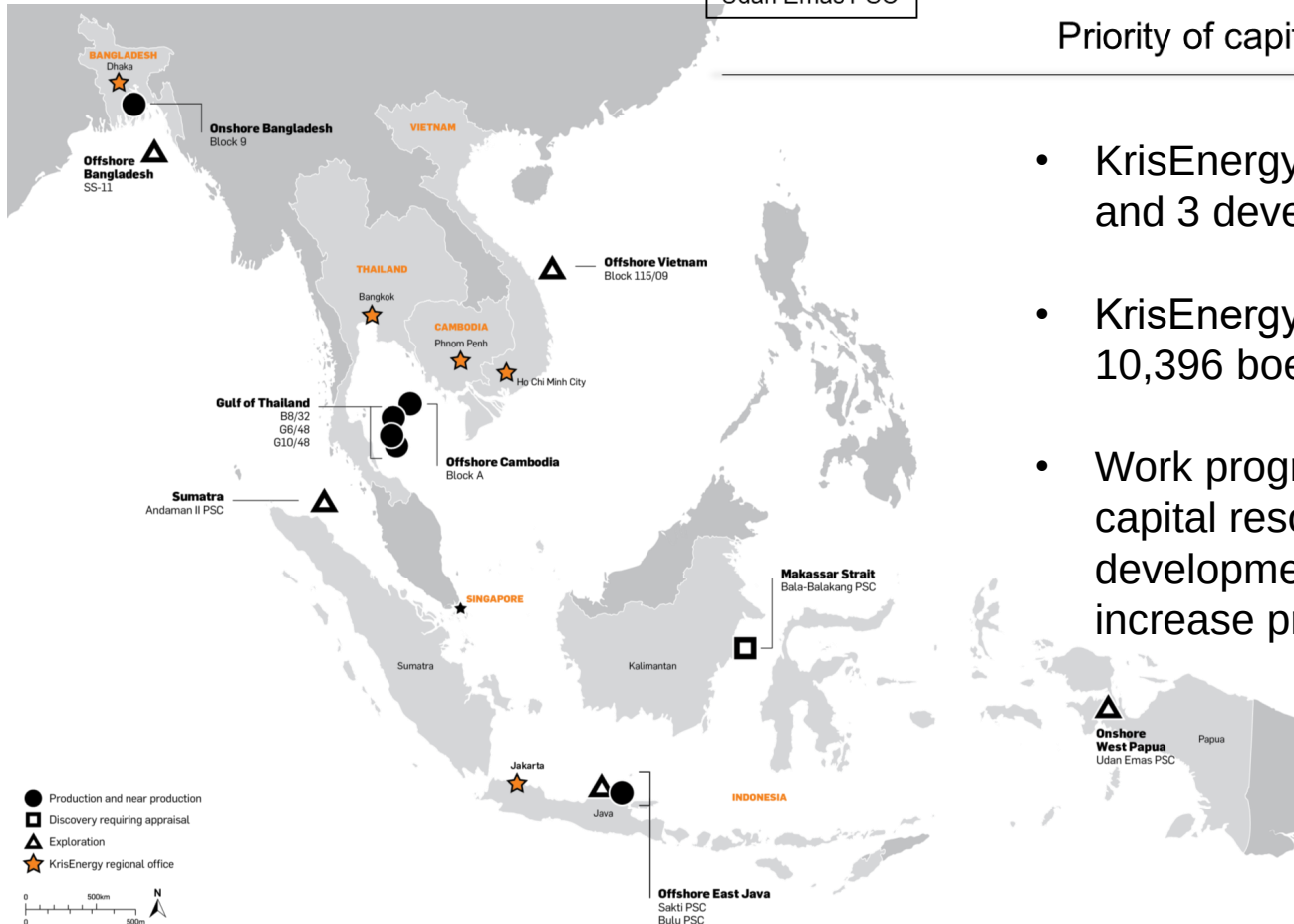
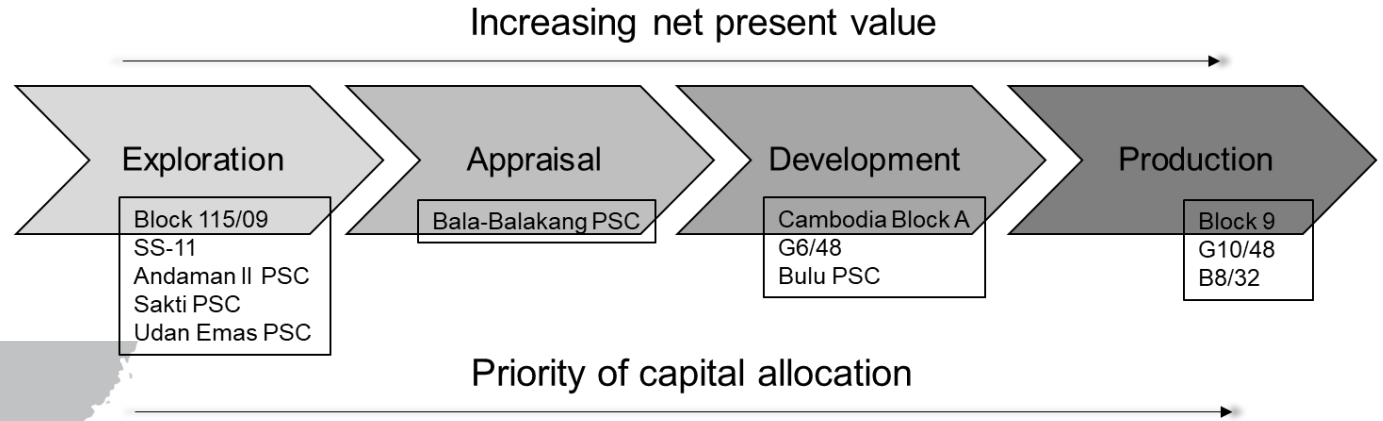


Business Overview



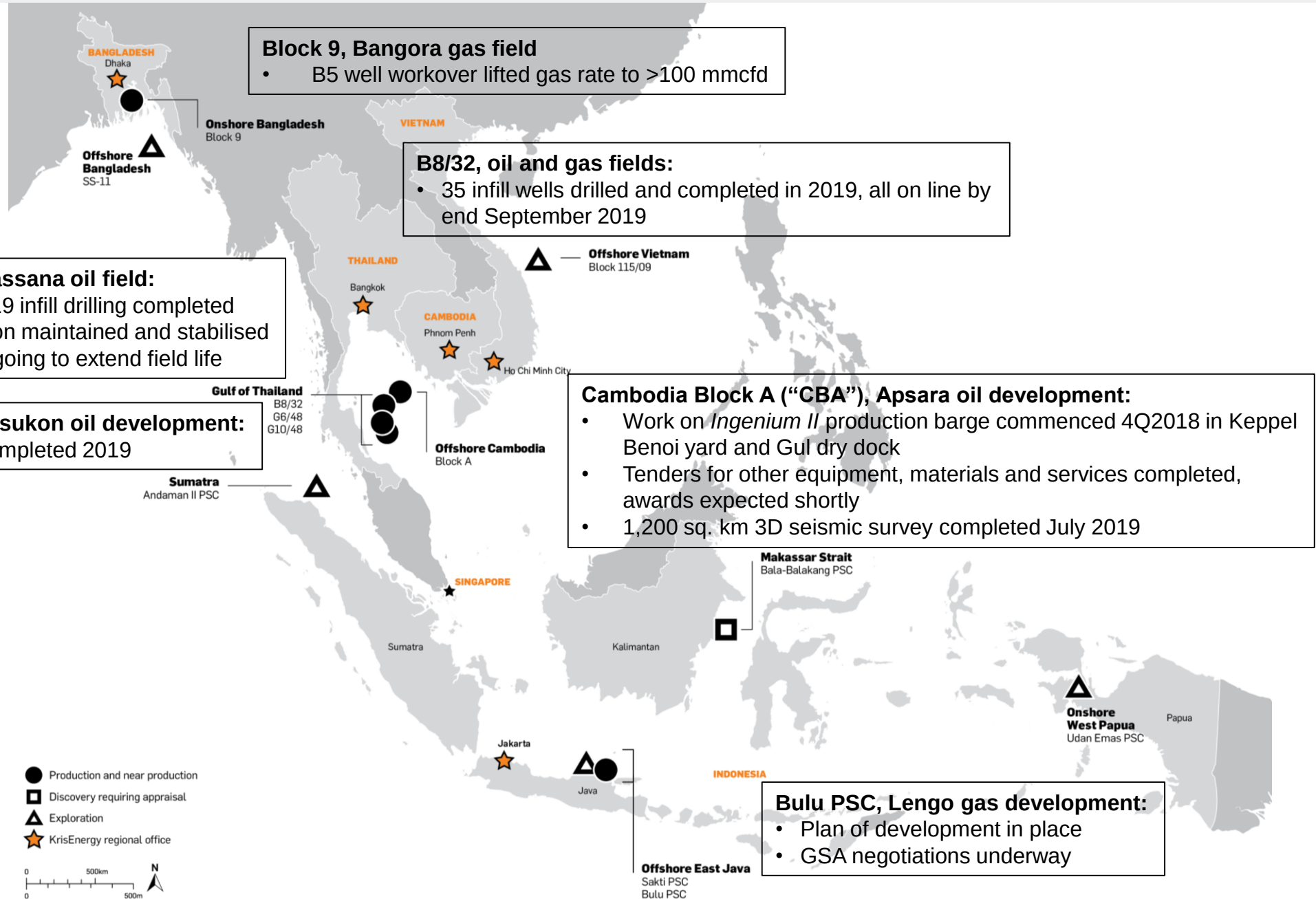
Who we are and what we do

KrisEnergy is an upstream oil and gas company with 12 assets in Bangladesh, Cambodia, Indonesia, Thailand and Vietnam



- KrisEnergy operates 2 of 3 producing assets and 3 development projects
- KrisEnergy's share of average production 10,396 boepd in 1H2019
- Work programs adjusted since 2016 to direct capital resources to existing production and development projects to maintain and increase production, sales and cash flow

Portfolio & Operations as at 31 August 2019





Challenges to Liquidity Management



Liquidity Challenges

- Sharp and prolonged downturn in oil prices
- Group production peaked in January 2016 at 12-year oil price low
- Reduced cash flow to invest in operations and lower valuations led to asset impairments and writedowns
- Erosion of Group equity and increased gearing
- Capital markets closed to E&P and offshore marine sectors

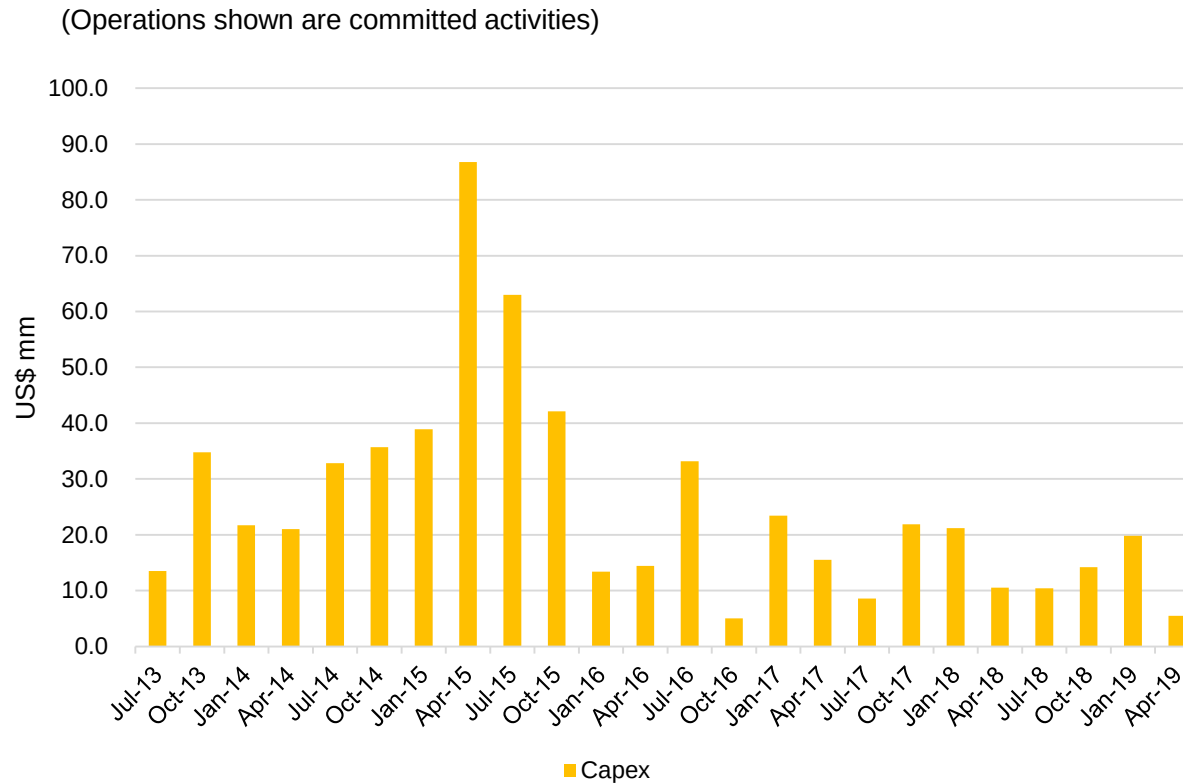
To improve liquidity and financial condition, the Company took several actions including the 2016 consent solicitation exercise and the 2017 preferential offering

Capital expenditure considerations

- Company bound to certain expenditures through licence agreements with governments, e.g. exploration commitments / development deadlines
- 6-12 month lead times for materials and equipment, longer for field developments
- Final investment decision (“**FID**”) for greenfield development is a commitment to governments to develop/produce petroleum reserves

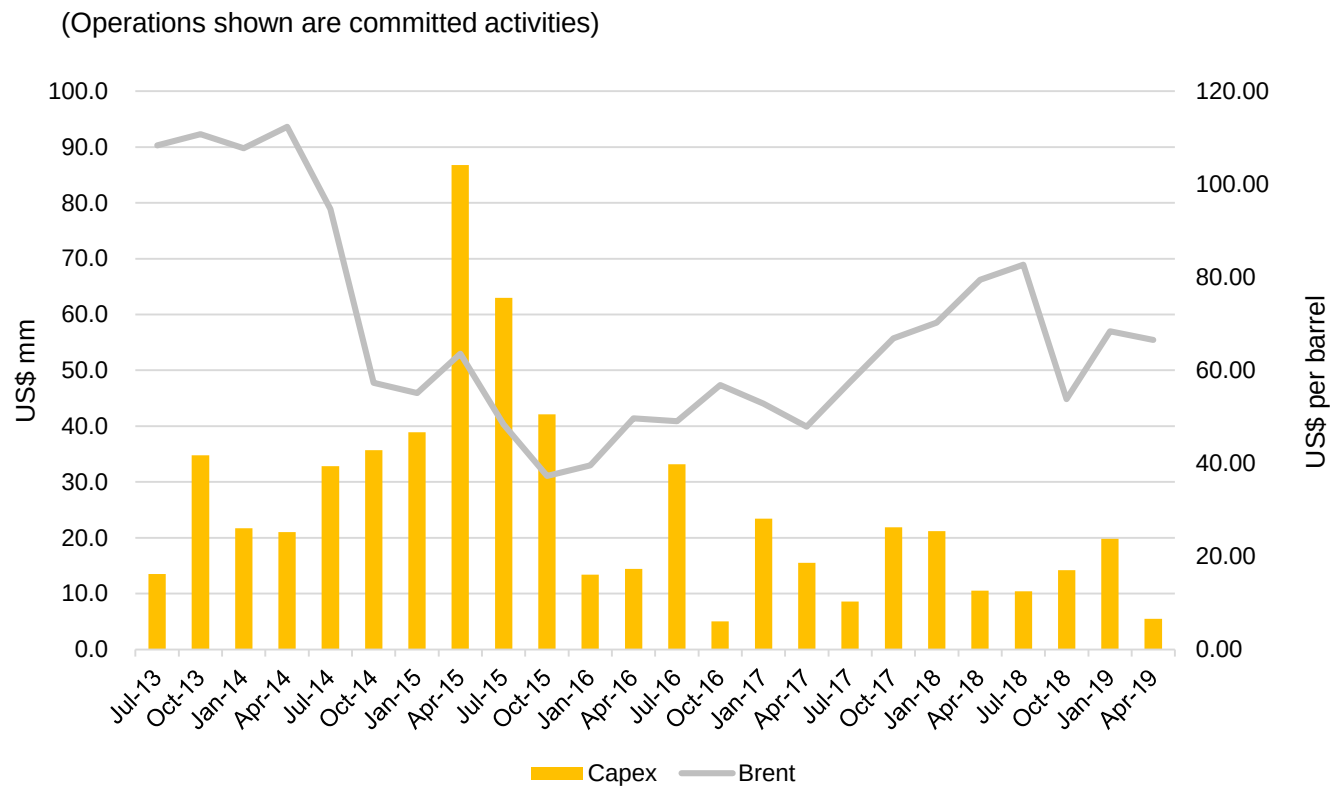
KrisEnergy committed to Nong Yao project in August 2013 and Wassana development in June 2014 when oil price was approx. US\$100/bbl. Maximum capital expenditure in 2015 came at same time as oil prices were deteriorating to 12-year lows

KrisEnergy Quarterly Capex¹ vs Oil Price



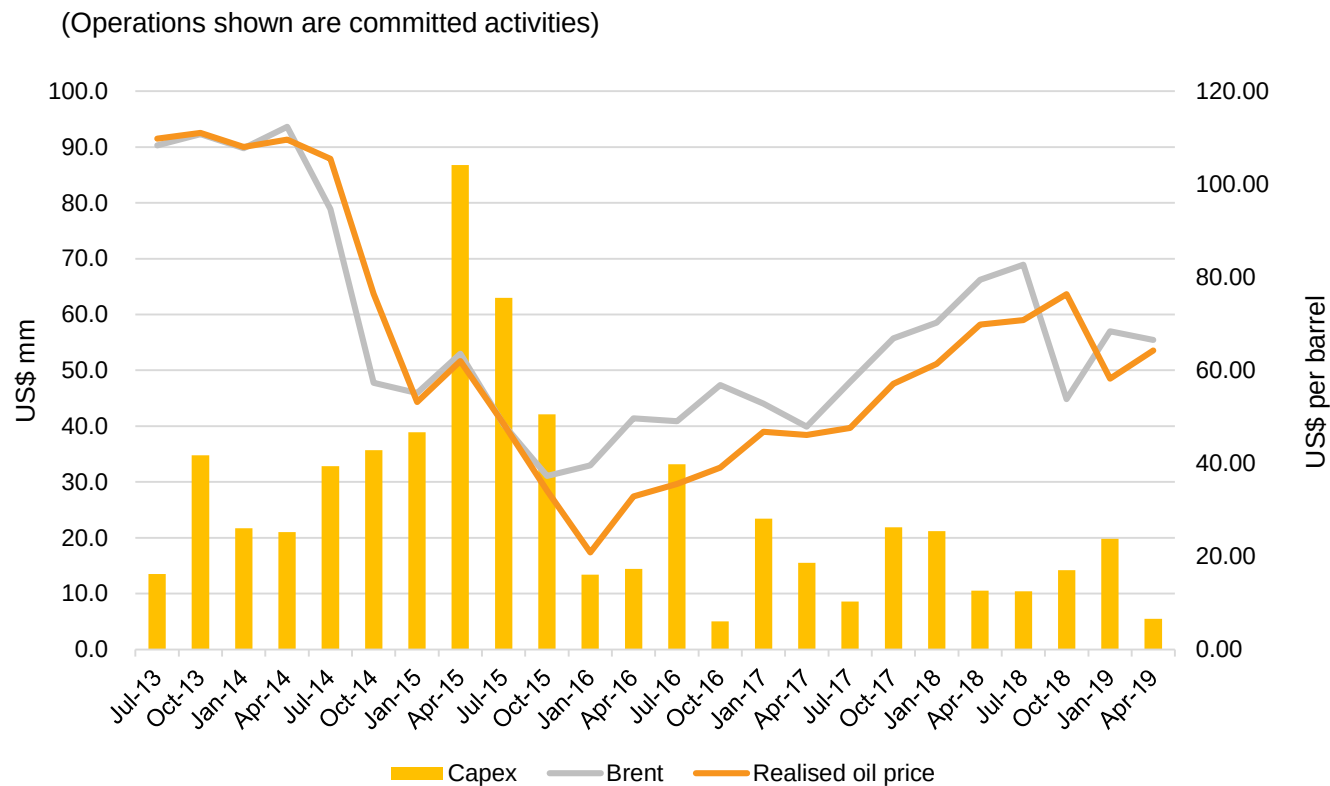
¹ This refers to KrisEnergy's net share of capital expenditure ("**capex**")

KrisEnergy Quarterly Capex¹ vs Oil Price



¹ This refers to KrisEnergy’s net share of capital expenditure (“capex”)

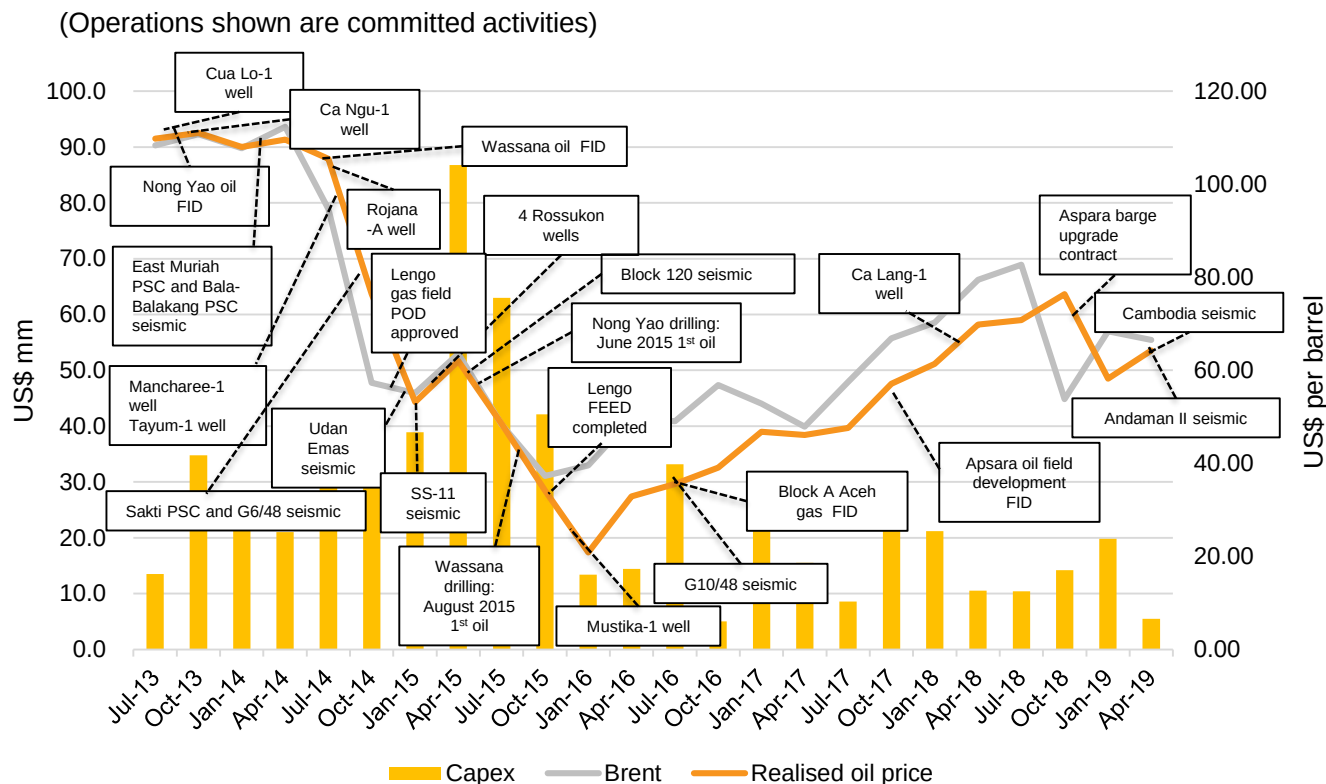
KrisEnergy Quarterly Capex¹ vs Oil Price



¹ This refers to KrisEnergy's net share of capital expenditure ("capex")

KrisEnergy Quarterly Capex¹ vs Oil Price

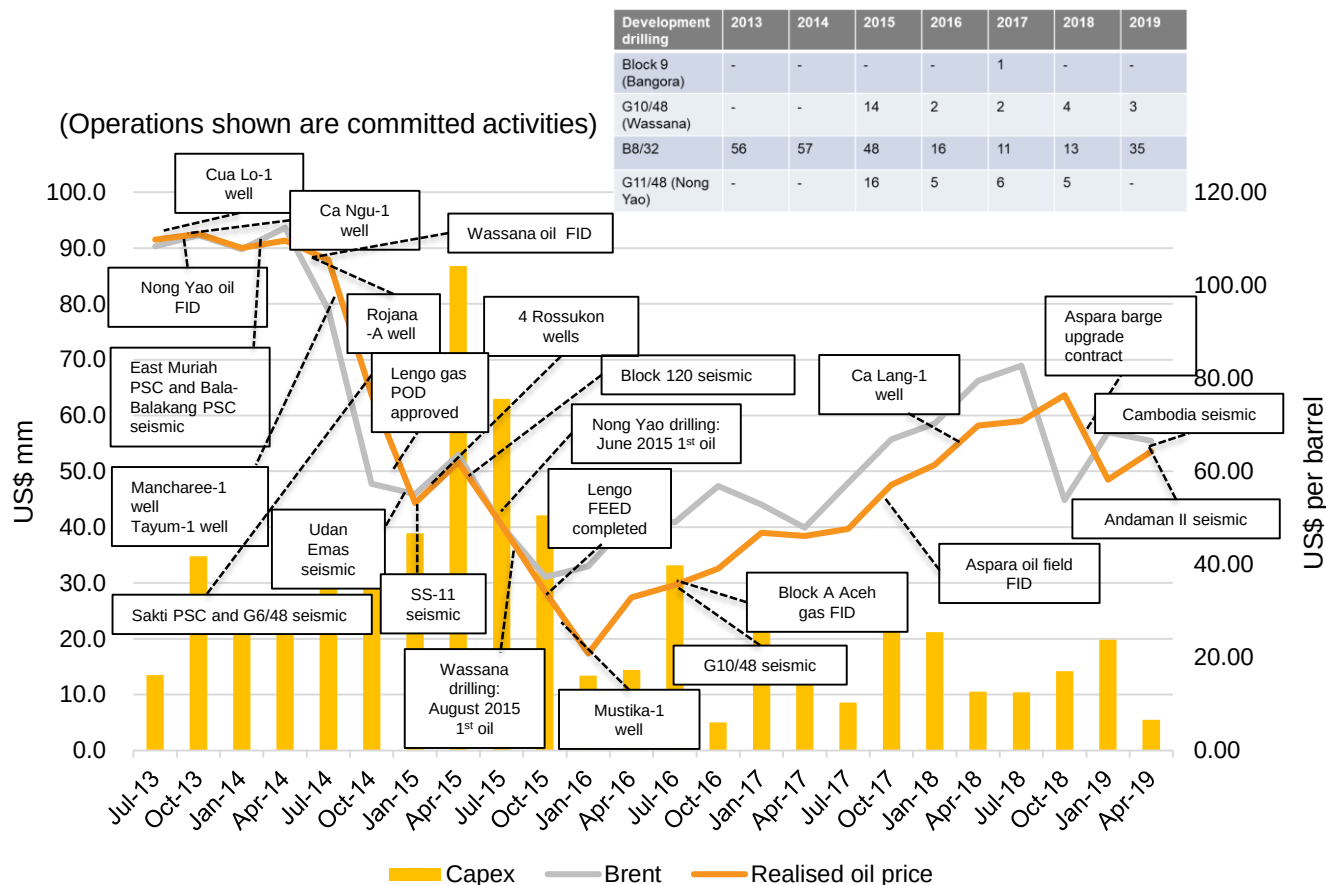
KrisEnergy pre-committed to significant amounts of capital expenditure when oil prices were much higher



¹ This refers to KrisEnergy's net share of capital expenditure ("capex")

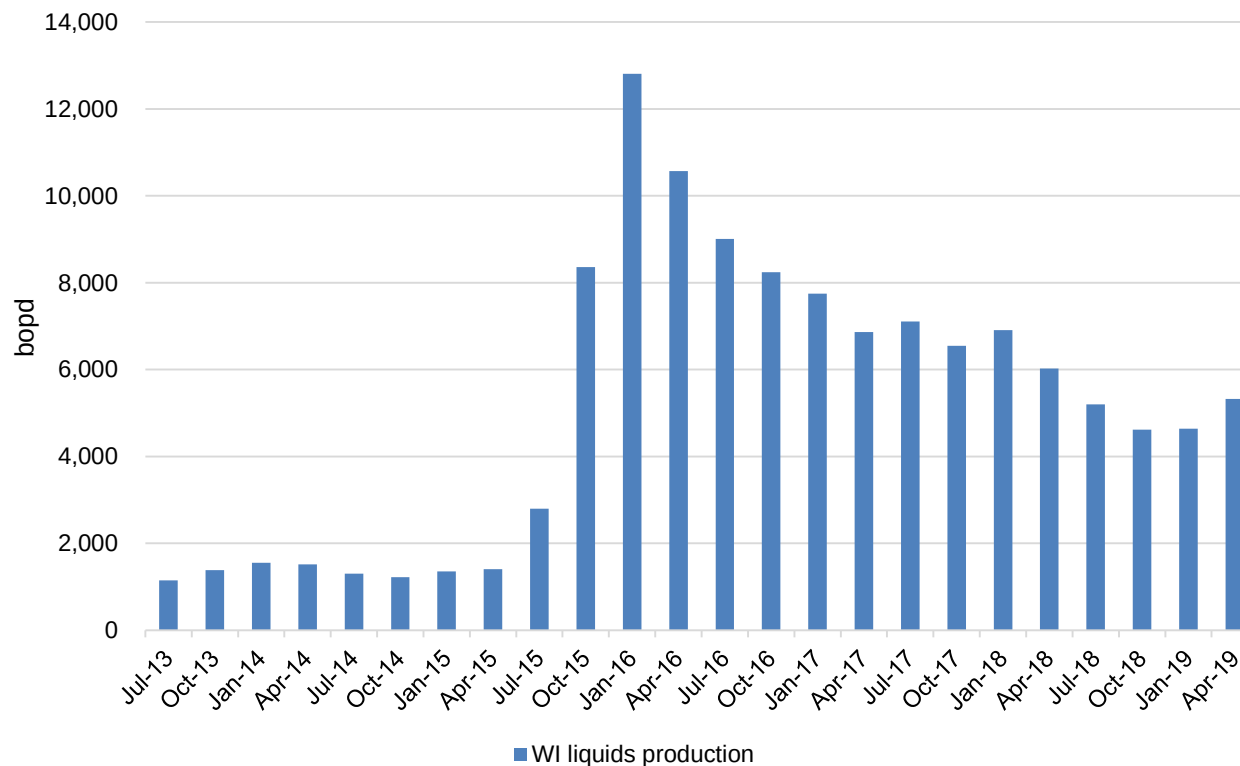
KrisEnergy Quarterly Capex¹ vs Oil Price

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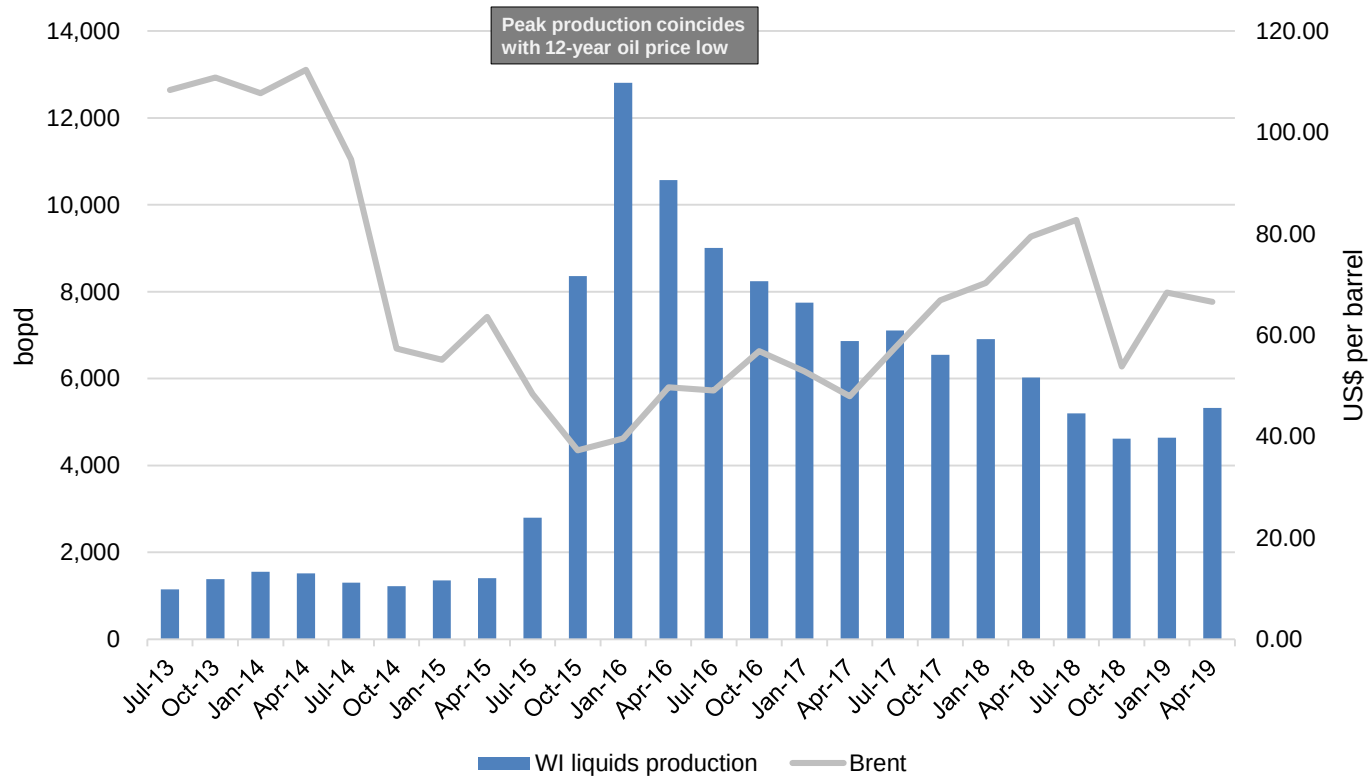
¹ This refers to KrisEnergy's net share of capital expenditure ("capex")

KrisEnergy Quarterly Liquids Production¹ vs Oil Price



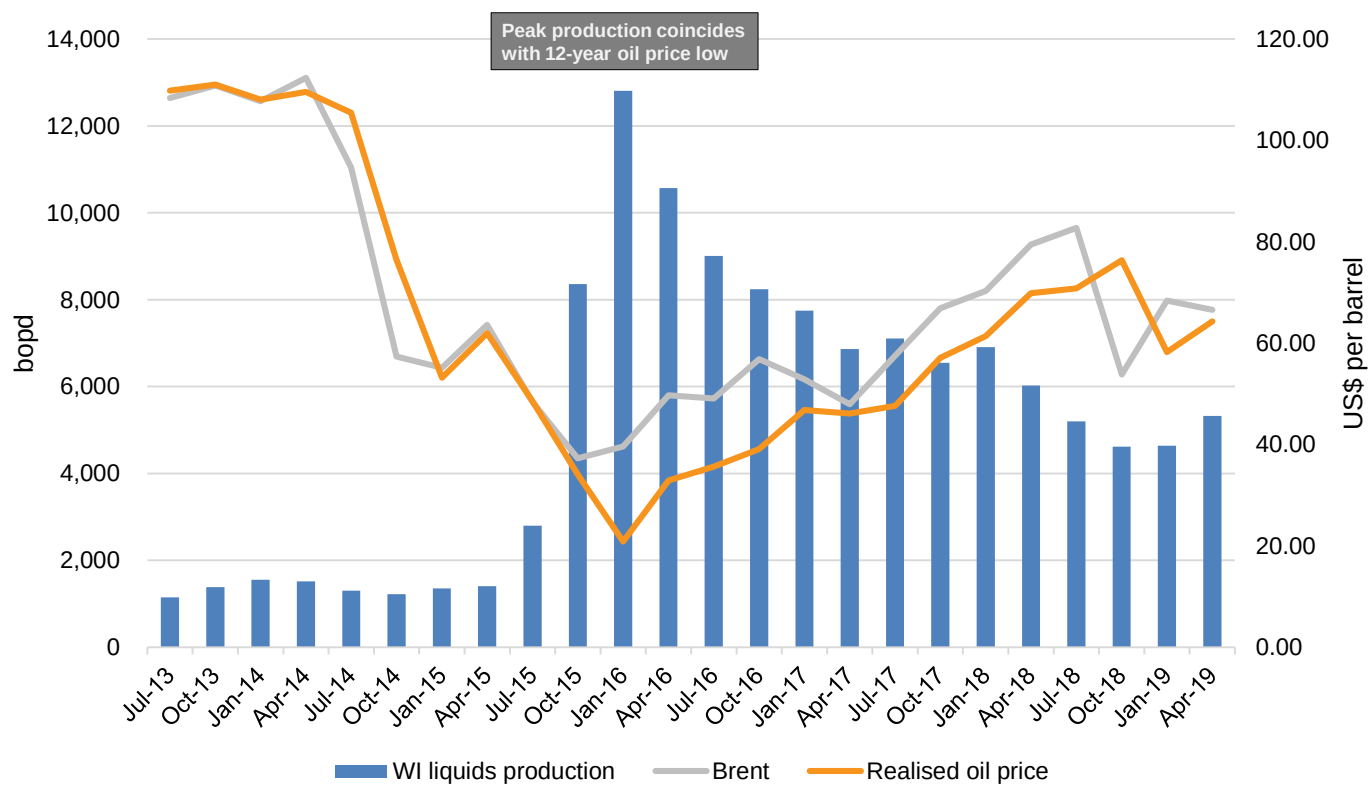
¹ This refers to KrisEnergy's net share of production

KrisEnergy Quarterly Liquids Production¹ vs Oil Price



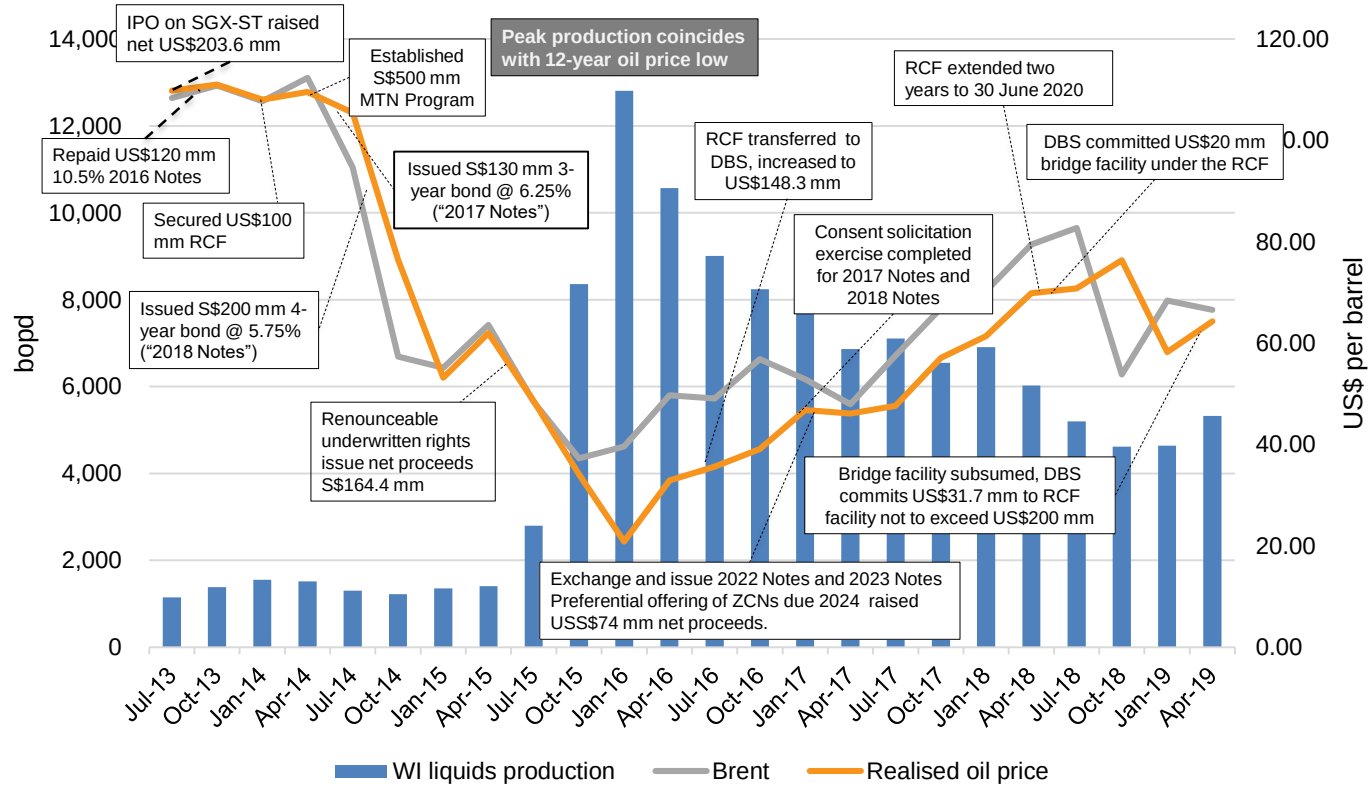
¹ This refers to KrisEnergy's net share of production

KrisEnergy Quarterly Liquids Production¹ vs Oil Price



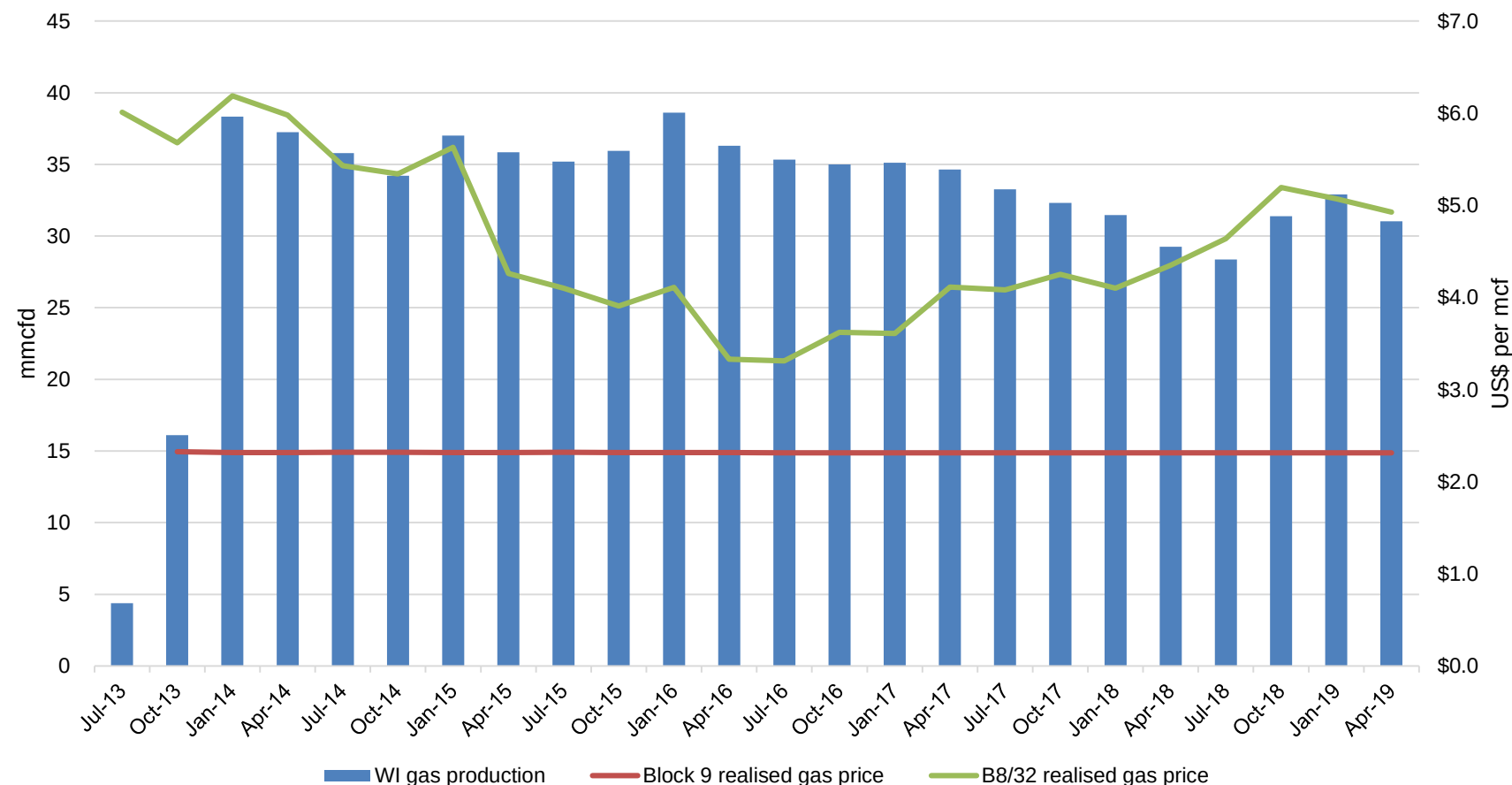
¹ This refers to KrisEnergy's net share of production

KrisEnergy Quarterly Liquids Production¹ vs Oil Price



¹ This refers to KrisEnergy's net share of production

KrisEnergy Quarterly Gas Production¹ vs Gas Price



¹ This refers to KrisEnergy's net share of production



2016/2017 Restructuring



2016/2017 Restructuring

Shareholders	RCF	Unsecured Noteholders
• Injected S\$140 mm of new funds via issuance of Zero Coupon Notes (“ZCNs”) • Detachable warrants issued with ZCNs	• Existing RCF maturity extended • RCF lender provided conditional US\$50 mm bridge upside	• 5-year maturity extension • Lower coupons, first 5 payments partial cash-partial accrued with oil price kicker

MEASURES PROVED INSUFFICIENT TO ACHIEVE SUSTAINABLE CAPITAL STRUCTURE

- Lower-than-anticipated production and depressed oil prices resulted in lower revenue and cash flow
- Sale and farm-out of assets not achievable due to weak investor sentiment and buyer/seller pricing mis-match due to volatile oil and gas commodity markets
- Continued challenge to raise funding to support working capital and capital expenditure to grow production and cash flow
- Debt servicing costs limited KrisEnergy’s ability to fund capital expenditures from existing cash flow



Current Situation & Next Steps

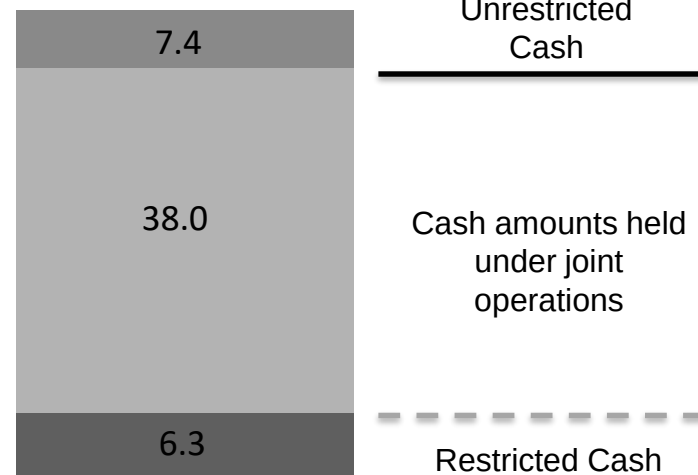


Cash Flow

Highlights (US\$ mm)	2013	2014	2015	2016	2017	2018	1H2019
1. Net cash generated from operating activities	17.8	13.9	22.2	9.4	34.0	51.0	11.8
2. Net amounts paid to lenders	(1.6)	(7.6)	(5.0)	(13.7)	(10.9)	(15.7)	(6.7)
3. Amounts paid to 2022 and 2023 Noteholders	-	(3.1)	(14.0)	(15.3)	(7.1)	(6.2)	(5.0)
4. Capex to maintain production	(7.2)	(24.0)	(3.9)	(5.1)	(16.4)	(19.5)	(15.2)
Total net amounts paid to lenders, 2022 and 2023 Noteholders (2) + (3) + (4)	(8.8)	(34.6)	(22.8)	(34.2)	(34.4)	(41.5)	(26.9)
Net cash after finance cost (1) + (2) + (3) + (4)	9.0	(20.7)	(0.6)	(24.7)	(0.4)	9.5	(15.2)

Cash Balance (US\$ mm)

As at 30 June 2019



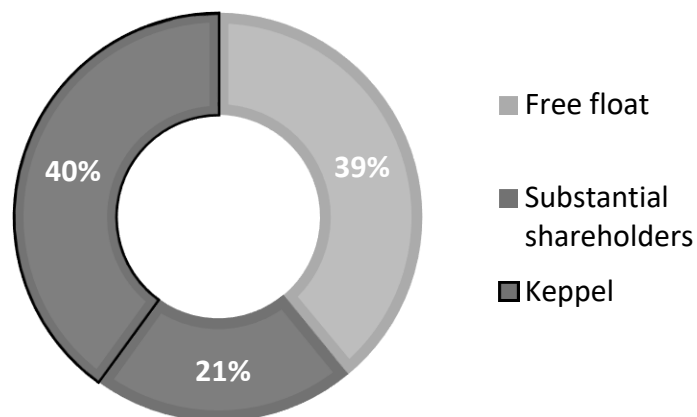
- Group is generating positive cash flow from operations
- Financing costs of debt have eroded free cash flow available for revenue generating and value creation activities
- The Group is no longer able to raise additional capital given its current financial condition and overleveraged capital structure
- Host governments require licence holders to invest in exploring and developing the assets to bring them into production and to continually invest to maintain and increase existing production. **This imposes significant costs on the KrisEnergy Group which it cannot currently fund**

Capital Structure Overview as at 30 June 2019

Capital Structure ¹ (US\$ mm)	
RCF	177.4
2024 Zero Coupon Notes	103.1
Total Secured Debt	280.5
Unsecured Term Loans	34.4
2022 Notes	96.1
2023 Notes	147.8
Total Unsecured Debt	278.3
Total Debt	558.8

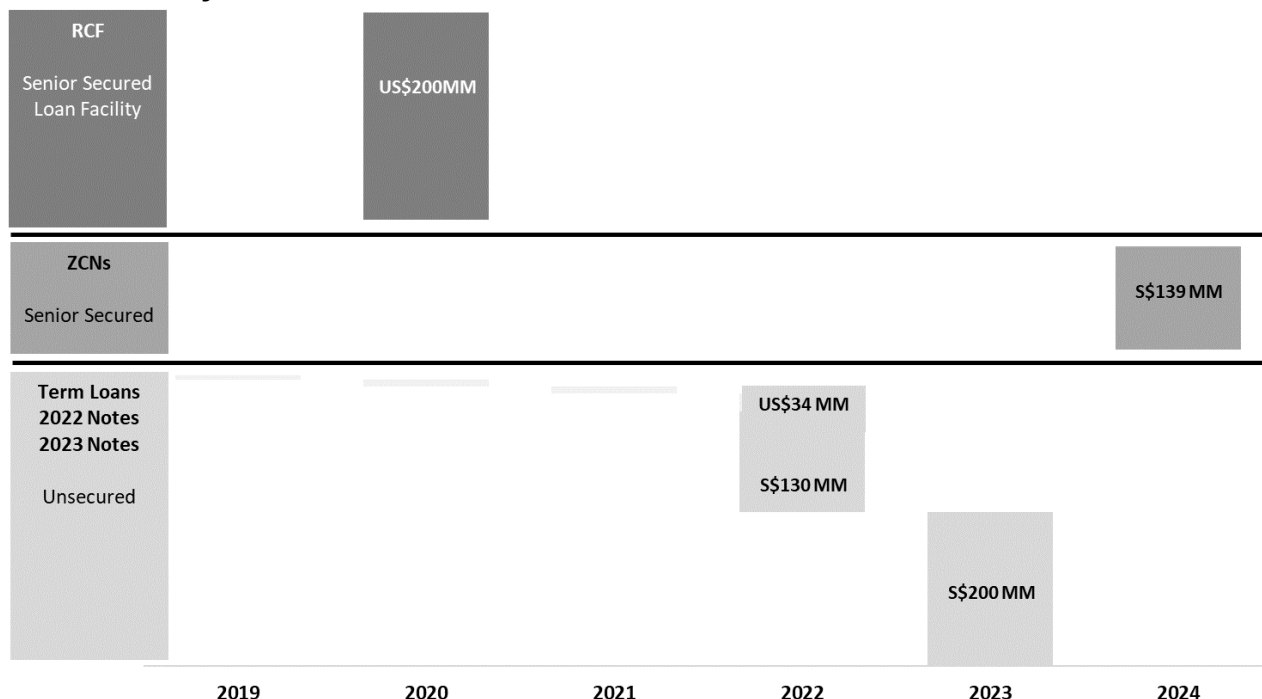
¹ Debt facilities at face value using US\$/S\$ rate of 1.35 as at 30 June 2019

Shareholding



Continuing erosion of Group equity has resulted in gearing rising to 110.8% as at 30 June 2019

Debt Maturity



US\$200 mm Secured Revolving Credit Facility

- Comprehensive first ranking security package over the Group assets
- Keppel holds an indirect interest in the RCF through a bilateral contract between Keppel and the RCF lender DBS Bank Ltd

S\$139.5 mm Zero Coupon Notes due 2024

- Comprehensive second ranking security package over Group assets secured under RCF, and first ranking security over the shares and certain accounts of SJ Production Barge Ltd (a wholly-owned subsidiary of KrisEnergy)
- 76.9% held by Keppel

Actions and Alternatives Taken by Management

Management has explored every solution to improve liquidity and relocate capital from debt servicing to capital-generating activities:

1

Asset Development

- Production Area Application for Rossukon oil field approved in November 2015
- Production Permit Application for Apsara oil field in Cambodia approved August 2017

2

Asset Sales & Farmouts

- Asset sales / farmouts to mitigate risk and capital expenditure exposure explored with limited success due to prevailing market conditions

3

Prepayments (Offtake Financing)

- Additional working capital support sourced pre- / post-first oil and paid down over time via offtake contracts. Represents advance payment for future revenue

4

Project / Vendor Financing

- Limited access to project / vendor financing to fund capital investment into assets given the Group's financial condition
- Secured vendor financing for the CBA production barge upgrade and refurbishment

5

Opex Deferment / Renegotiation

- Continual negotiations on terms with suppliers/contractors to manage liquidity
- Current financial position is not conducive to improve working capital terms absent additional credit support (e.g., bank or shareholder guarantees)

6

Capex Deferments

- Deferment of non-mandatory capital expenditure to preserve liquidity

7

Debt / Equity Issuance

- Company upsized the existing RCF by US\$31 mm to US\$200 mm in April 2019
- Capital markets are generally closed to the Company given its current financial position

Cost Savings Efforts

The Group's continuing cost rationalisation exercise since 2015 has resulted in significant reductions in operating expenses and corporate general and administrative expenses

Reduction in operating related expenses

- Reduction in operational expenses
- Relinquished exploration properties to reduce risk and capex
- Reduced licence / PSC fees and administrative charges

Reduction in corporate expenses

- Salary and benefits cut across the Group
- Directors fees reduced
- Reduction of headcount in Indonesia, Singapore and Vietnam

Corporate general and administrative expenses have decreased >50% since 2015

Strategic Review Process

Strategic Review

- Continuous efforts to prioritise near-term liquidity and debt service have severely constrained Company to deliver on business plan and maximise long-term value of asset portfolio
- Management has exhausted all available options within its control and the business remains over leveraged and undercapitalised
- The Company has undertaken a strategic review of the Group's capital structure. Houlihan Lokey has been retained as financial advisor and Drew & Napier as legal advisor
- The advisors are responsible for assisting the Board to explore, develop and implement all viable options available to the Group to improve its financial condition

Strategic Review Process

Process to Date

- The advisors are working with the Company to raise liquidity to fund the Group's operations in both the near and long-term
 - **Stabilising Near-Term Liquidity:** Secured a US\$31.7 mm upside on the RCF from DBS
 - **Capital Structure Review:** Undertook a broad marketing process and approached over 100 financial and strategic investors to pursue:
 - Corporate-level sale transaction at the ListCo level
 - Targeted sale of individual and/or portfolios of assets
 - Capital raise via debt and/or equity at both the ListCo and OpCo level
- Process has attracted a large number of prospective investors. However, as of the date of this presentation, no definitive agreements have been entered into by any member of the Group
- Notwithstanding, the strategic review is well advanced and the outcome will form the basis of a restructuring proposal that will be presented to the Group's stakeholders at the appropriate time

Securities Suspension & Moratorium

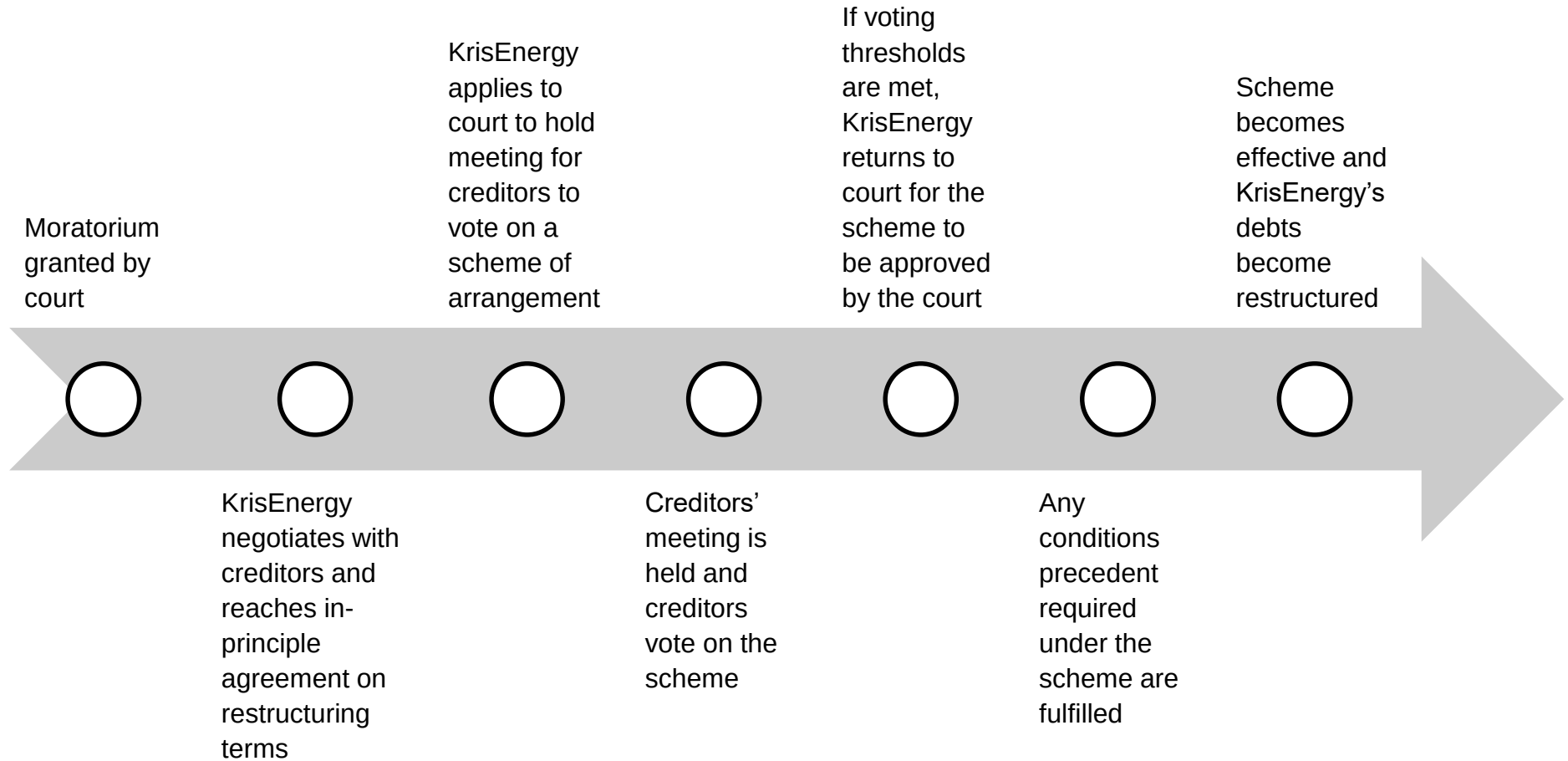
Securities Suspension

- On 14 August 2019, the Company requested a suspension of trading of its securities on the SGX
- This is to ensure that no person is trading in the shares and related securities of the Company without sufficient information required to enable an investor to make an informed decision

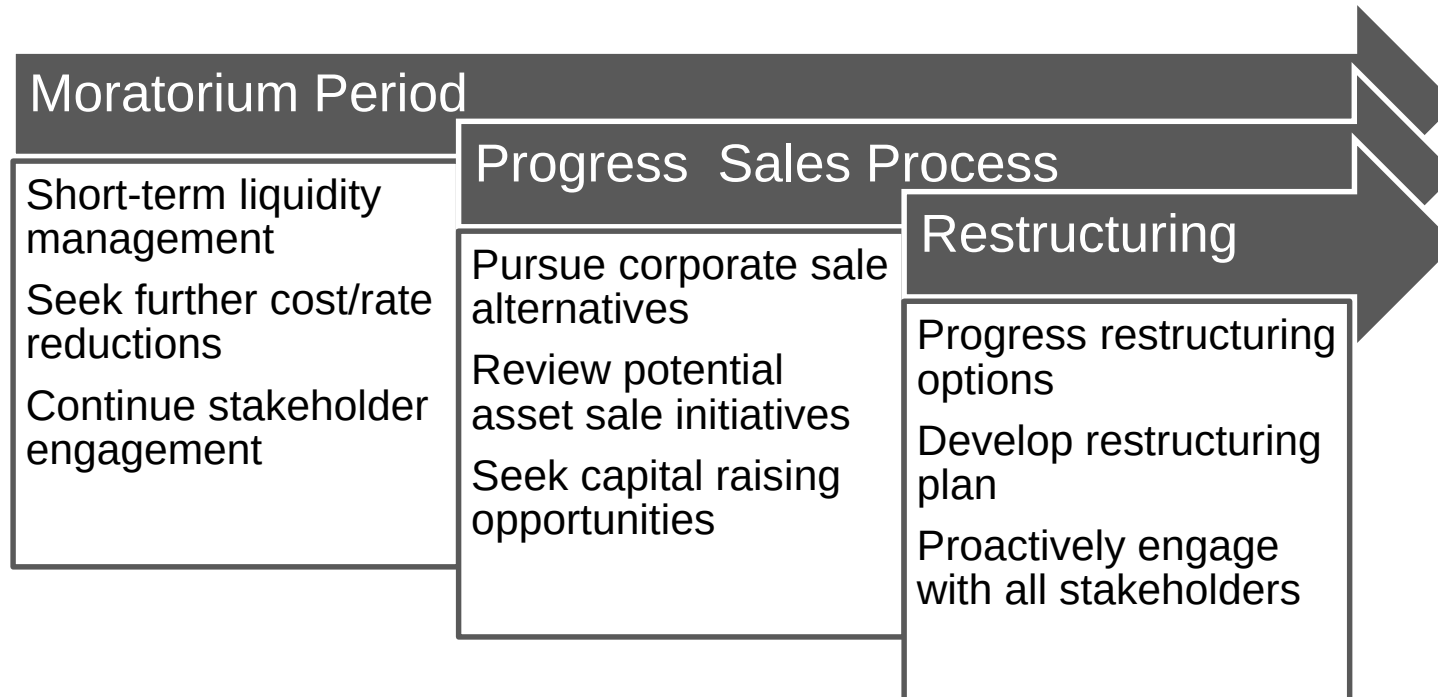
Moratorium Application

- On 14 August 2019, the Company made an application to the High Court of Singapore pursuant to section 211B of the Companies Act to (i) commence a court-supervised process to reorganise its liabilities; and (ii) seek a moratorium against enforcement actions and legal proceedings by creditors against the Company
- Subsequently, on 9 September 2019, the High Court of Singapore granted a 3-month moratorium to 14 November 2019
- The moratorium will provide the Company with the essential breathing room to allow it to engage and work with key stakeholders and advisors to pursue a restructuring process

Court Restructuring Process



Group Action Plan



Way forward:

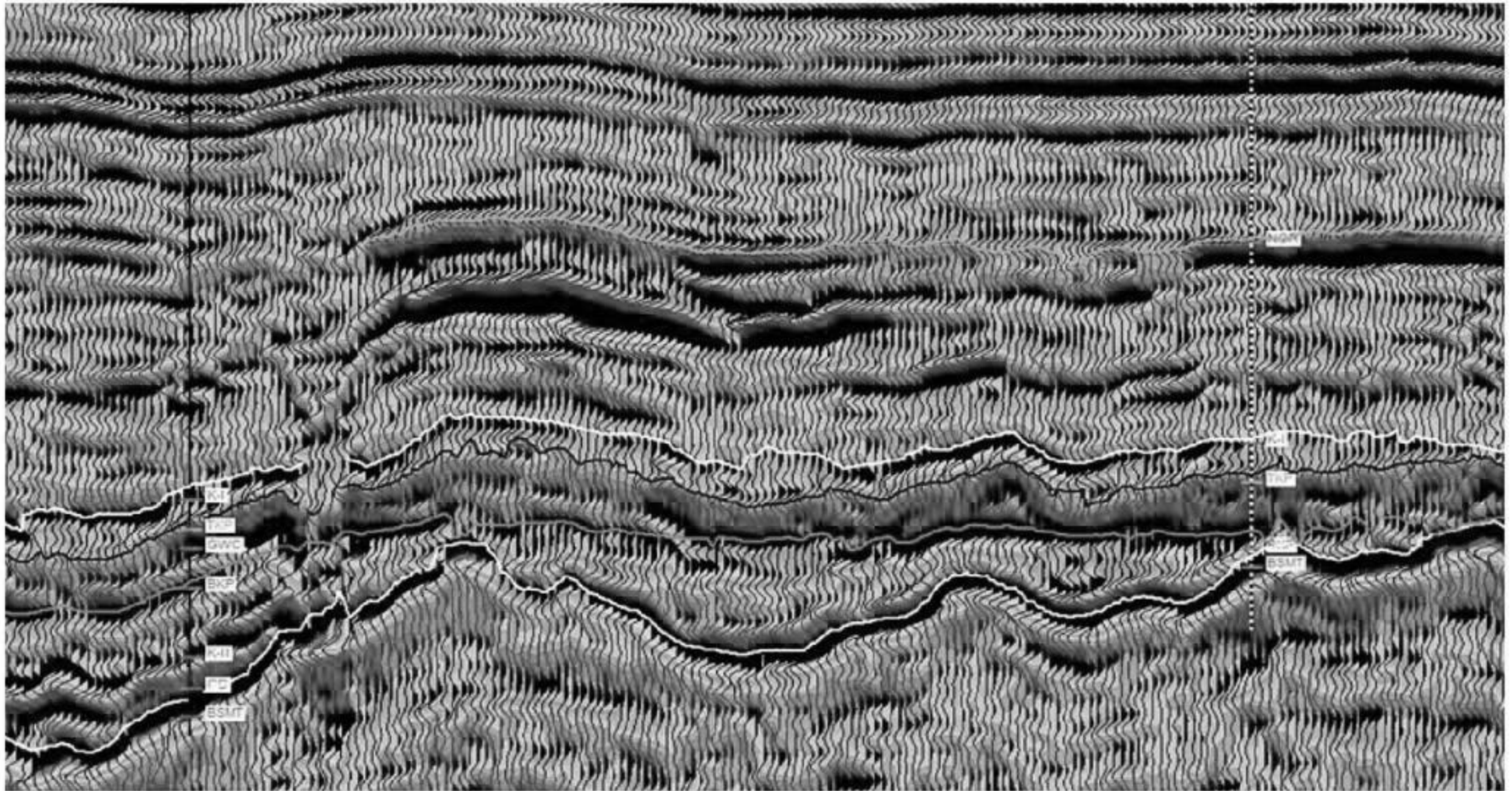
- Continue discussions with vendors to defer and renegotiate payment
- Take definitive decision on sales process and refine documentation
- Outcome of sales process will form basis of financial restructuring proposal

KrisEnergy intends to engage with all stakeholders during the moratorium process and will provide information to all stakeholders as developments progress

The Company will share a restructuring proposal as soon as possible

All information is available at

<https://krisenergy.com/Investors/restructuring-information-centre/>



Q&A

