



Indonesia Tanjung Aru PSC – Partner Update

Singapore, 5 May 2014 – KrisEnergy Ltd (“KrisEnergy” or the “Company”), an independent upstream oil and gas company, announces the following in relation to the Tanjung Aru production sharing contract (“PSC”), offshore Kalimantan in Indonesia:

KrisEnergy, the operator of the Tanjung Aru exploration and appraisal PSC, issued a default notice on 7 April 2014 (“Default Notice”) to Neon Energy (Indonesia) Pty Ltd (“Neon Energy”) in respect of Neon Energy’s outstanding due and unpaid cash calls amounting to US\$1,000,000, including default interest at LIBOR plus 3% (“Default Amount”), relating to a 502 sq km 3D broadband seismic acquisition program completed in the Tanjung Aru PSC in April 2014.

KrisEnergy holds a 43% working interest in the Tanjung Aru PSC, with Neon Energy holding 42% and the remaining 15% held by Natuna Ventures Pte Ltd (“Natuna”). Under the PSC’s joint operating agreement (“JOA”) KrisEnergy and Neon Energy entered into a deed of carry with Natuna to pay a portion, up to a capped amount, of Natuna’s share of costs associated with the Tanjung Aru PSC until December 2016. KrisEnergy therefore assumed the full costs of Neon Energy’s Default Amount. KrisEnergy’s assumption of the Default Amount has no material effect on the Company’s financial condition or business operations.

Under the JOA, Neon Energy had 20 calendar days from the date of the Default Notices (“Default Notice Period”) to repay the Default Amount. The Default Notice Period has elapsed and Neon Energy has not effected full payment of the Default Amount, and therefore Neon Energy will be required to withdraw from the contract area, pursuant to the JOA. Neon Energy’s 42% working interest will accordingly be transferred entirely to KrisEnergy and the Company’s working interest will increase to 85%. Upon production from any area within the Tanjung Aru PSC, KrisEnergy will be entitled to reimbursement for the costs associated with the carry arrangement with Natuna.

Richard Lorentz, Director Business development, commented: “We are entering an exciting phase of exploration in the Tanjung Aru block where there are two previous gas discoveries for which we carry contingent resources. We have just completed a 3D broadband seismic survey and once the data is processed, we have completed our interpretation and mapped the additional prospects and leads, we will likely look for partners to join us in the drilling phase.”

Notwithstanding the withdrawal by Neon Energy, it remains responsible for the Default Amount, which is due to KrisEnergy.

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 Tanjung Aru PSC covers 4,191 sq km over the offshore southern margin of the Kutai Basin in the Makassar Strait. Water depths in the area range from 20 metres to more than 1,000 metres.

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About KrisEnergy:

KrisEnergy Ltd. is an independent upstream company focused on the exploration for, and the development and production of oil and gas in Southeast Asia. Our strategy is to acquire assets in countries and basins where our technical team has expertise derived from decades of experience. Since 2009, we have built a portfolio of 17 contract areas in Bangladesh, Cambodia, Indonesia, Thailand and Vietnam, spanning the entire exploration-to-production life cycle. We have also entered into an agreement to acquire an operated working interest in the G6/48 contract area in the Gulf of Thailand. Once government approval for the transaction is received, we will have 18 contract areas in five countries. Our asset portfolio provides a solid foundation from which we intend to grow our business in Southeast Asia.

KrisEnergy's shares are listed on the mainboard of the Singapore Exchange Securities Trading Ltd under the ticker SK3.

For more information, visit www.krisenergy.com