

KrisEnergy Ltd.
Final Restructuring Proposal 21 August 2020

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Introduction

- KrisEnergy's preliminary restructuring proposal was published on 16 June 2020 ("**Initial Restructuring Proposal**") and subsequently presented to its stakeholders at the Company's 2nd Informal Investor Meeting on 19 June 2020
  - The Company has received various questions from its stakeholders on the proposed terms since publishing the Initial Restructuring Proposal
  - To address these questions and help stakeholders assess the proposal and the constraints facing the business, KrisEnergy responded to pre-submitted questions at the 2nd Informal Investor Meeting, published responses to other stakeholder questions on its website and subsequently met with individual stakeholder groups
- The Company has therefore received feedback from its stakeholders that it has taken into consideration in reviewing potential revisions to the Initial Restructuring Proposal
- Based on the feedback received to date, the Company has prepared a revised and final restructuring proposal ("**Final Restructuring Proposal**"). The Company will not make any further amendments to the restructuring terms and various stakeholders will vote on the proposal either through a scheme of arrangement, through a consent solicitation process[1] or shareholders' approval.
- The key change in the Final Restructuring Proposal is a higher allocation of equity to Unsecured Debt holders (under the scheme) and reduced dilution for existing shareholders

[1] *Process may be subject to change*
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Final Restructuring Proposal

		Initial Restructuring Proposal	Final Restructuring Proposal	Change
Secured Debt	**RCF** *(US$200.0 mm)*	▪ Maturity extended 4 years to 2024	▪ Maturity extended 4 years to 2024	▪ None
Secured Debt	**ZCNs[1]** *(S$139.5 mm)*	▪ 55% of ZCN: maturity extended from Jan 2024 to Dec 2025 ▪ 45% of ZCN: converted into 57.5% of post restructuring equity	▪ 55% of ZCN: maturity extended from Jan 2024 to Dec 2025[4] ▪ 45% of ZCN: converted into 43.8% of post restructuring equity	▪ No change in percentage of ZCNs to be retained ▪ Post-restructuring equity: -13.7%
Unsecured Debt	**2022 and 2023 Notes** *(S$330.0 mm)*	▪ All unsecured debt converted into 35% of post-restructuring equity	▪ All unsecured debt converted into 46.2% of post-restructuring equity	▪ Post-restructuring equity: +11.2%
Unsecured Debt	**Unsecured Term Loans** *(US$34.4 mm)*			
Unsecured Debt	**Other Unsecured Creditors** *(US$57.4 mm)[2]*			
Equity[3]	**Existing Shareholders** *(100% Pre-Restructuring Equity)*	▪ Diluted to 7.5% of post-restructuring equity	▪ Diluted to 10% of post-restructuring equity	▪ Post-restructuring equity: +2.5%

The Final Restructuring Proposal includes a higher allocation of equity to Unsecured Debt holders and reduced dilution for existing shareholders vis-à-vis the Initial Restructuring Proposal

[1] ZCNs has comprehensive 2nd ranking security package over Group assets secured under RCF, and 1st ranking security over the shares and certain accounts of SJ Production Barge Ltd (a wholly-owned subsidiary of KrisEnergy)
[2] Includes contingent claims which are currently disputed, any variance in the amount of contingent claims will not impact allocation of post-restructuring equity
[3] Warrants will not amended or restructured as they are currently deeply out-of-the money and will instead be significantly diluted as part of the restructuring (1,255 mm warrants outstanding at a strike price of S$0.11)
[4] For completeness, KrisEnergy will be seeking other changes to the notes provisions aside from the maturity date

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Final Restructuring Proposal (cont'd)

		% of Principal Repaid via Coupon / Interest	Previous Restructuring Proposal		Final Restructuring Proposal		Liquidation
			Illustrative Recovery (% of Principal)[1]	Illustrative Total Recovery (% of Principal)	Illustrative Recovery (% of Principal)[1]	Illustrative Total Recovery (% of Principal)	Illustrative Recovery (% of Principal)[1]
Secured Debt	**RCF** *(US$200.0 mm)*	15%[2]	No Impairment	**No Impairment**	No Impairment	**No Impairment**	<100%
Secured Debt	**ZCNs[3]** *(S$139.5 mm)*	0%	79-92%	**79-92%**	73-83%	**73-83%**	0%
Unsecured Debt	**2022 and 2023 Notes** *(S$330.0 mm)*	2022 Notes: 23% 2023 Notes: 20% Term Loans: 12%	4-7%	**16-30%**	6-9%	**18-32%[4]**	0%
Unsecured Debt	**Unsecured Term Loans** *(US$34.4 mm)*						
Unsecured Debt	**Other Unsecured Creditors** *(US$57.4 mm)[5]*	Other Unsecured Creditors: N/A	4-7%	**4-7%**	6-9%	**6-9%**	
Equity[6]	**Existing Shareholders** *(100% Pre-Restructuring Equity)*	N/A	N/A	**N/A**	N/A	**N/A**	0%

The Final Restructuring Proposal is cross-conditional for all stakeholder groups

[1] Illustrative recovery estimates based on draft valuation undertaken by an independent third-party. Recovery calculation based on (as applicable) the illustrative equity value of each group's pro forma equity stake and par value of reinstated debt
[2] Cash interest paid, excludes deferred interest not yet paid
[3] ZCNs has comprehensive 2nd ranking security package over Group assets secured under RCF, and 1st ranking security over the shares and certain accounts of SJ Production Barge Ltd (a wholly-owned subsidiary of KrisEnergy)
[4] Total recovery includes (a) illustrative value of the pro forma equity stake to all unsecured holders (46.2%); plus (b) all cash coupon / interest paid on the 2022 Notes (US$30.0m); 2023 Notes (US$40.0m) and unsecured term loans with HSBC and Standard Chartered (US$4.1m) to date. See page 22 of KrisEnergy's 2nd Informal Investor Meeting dated 19 June 2020 for details on all cash coupons / interest paid to date
[5] Includes contingent claims which are currently disputed and have not yet crystallised
[6] Warrants are not amended given deeply out-of-the money and significant expected dilution as part of the restructuring (1,255 mm warrants outstanding at a strike price of S$0.11)

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Pro Forma Capital Structure

Capital Structure[1] (US$ mm)	Restructuring term	Current	Debt-for-Equity conversion	Post-Restructuring
RCF[2]	Maturity extended to 2024	200.0	-	200.0
ZCNs	45%: Converted into equity 55%: Maturity extended to 2025	99.6	(44.8)	54.8
New Block A Facility		28.9[4]	-	87.0
Total Secured Debt		**328.5**	**(44.8)**	**341.8**
Unsecured Term Loans	100%: Converted into equity	34.4	(34.4)	-
2022 Notes		92.9	(92.9)	-
2023 Notes		142.9	(142.9)	-
Total Unsecured Debt		**270.2**	**(270.2)**	**-**
Total Debt		**598.7**	**(315.0)**	**341.8**

Post-Restructuring Shareholding[3]



Approval of the restructuring will allow the Group to access the remaining tranche of the New Block A Facility to fund the initial development of its key asset, Block A, and thereby allow stakeholders the best chance to realise future value in the development of that asset

[1] Debt facilities at face value using US$/S$ rate of 1.4 and excludes (i) outstanding trade payables, (ii) guarantee claims and (iii) Production Barge vendor financing
[2] Reflects fully drawn RCF
[3] Subject to further potential dilution from potential incentive plans to align management and stakeholder objectives or further capital raises (as required) and any crystallised claims
[4] As at 21 August 2020

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Restructuring Considerations

- As previously outlined in the 2nd Informal Investor Meeting presentation, a significant de-leveraging is required for KrisEnergy to maintain as a going concern
  - The restructuring proposal provides a path to recovery for stakeholders by equitizing their current investment into a sizeable equity stake in a deleveraged business
  - Stakeholders will continue to benefit from the development of the Group's asset base, including Block A in Cambodia, and the associated growth and upside in equity value
- The varied treatment of the Company's stakeholder groups reflects the following principles:
  - The restructuring proposal takes into account the relative priority of creditors' security positions
  - Existing shareholders will be diluted, but will continue to retain an economic stake in the Group's upside going forward
- If the scheme does not pass or shareholders do not approve or the consent solicitation does not pass, then this consensual restructuring will fail.
  - Independent valuation shows zero recovery for ZCN holders, unsecured creditors and shareholders if the consensual restructuring fails.

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Next Steps

- The Directors and management team of KrisEnergy have worked hard over the past few months to negotiate the Final Restructuring Proposal and are hopeful that stakeholders would vote in favor of the proposed transaction
- If a consensual restructuring is not achievable then there is limited prospect for KrisEnergy to continue operating as a going concern as KrisEnergy cannot continue to support its current capital structure:
  - In the circumstances, without a comprehensive restructuring, KrisEnergy is likely to face liquidation and any liquidation proceedings will likely take place in the Cayman Islands
  - Based on the current circumstances, in a liquidation scenario, all ZCN holders, unsecured creditors and shareholders are likely to receive zero recovery
- Details regarding next steps and the implementation timetable are included on the following pages

We urge all stakeholders to exercise their right to vote their right to vote in favour of this restructuring.

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Next Steps (cont'd)

- The Final Restructuring Proposal is envisaged to be implemented via the below inter-conditional processes that require the consent of the qualified majority of each group of creditors and shareholders

	1 Scheme of Arrangement	2 Consent Solicitation	3 Extraordinary General Meeting
Stakeholder	▪ 2022 and 2023 Notes ▪ Unsecured Term Loans ▪ Other Unsecured Creditors	▪ ZCNs	▪ Existing shareholders
Votes Required	▪ Conversion of claims into equity	▪ Partial conversion of claims into equity ▪ Amendment of debt instruments	▪ Issuance of shares for the proposed debt-for-equity swap pursuant to the Scheme of Arrangement and Consent Solicitation

KrisEnergy is committed to work with all stakeholders to achieve a consensual restructuring

Creditors and shareholders will receive additional information in the coming weeks

All information is available at https://krisenergy.com/Investors/restructuring-information-centre/

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Indicative Timetable [1]

1 Scheme of Arrangement

Steps	Date	Event
1	11 Sep	▪ Court hearing of the Applications
2	15 Sep	▪ Notice to file Proof of Debt
3	15 Sep	▪ Notice to convene Scheme Meetings
4	25 Sep	▪ Deadline to submit Proofs of Debt for the purposes of voting on the Schemes of Arrangement
5	12 Oct	▪ Results of adjudication of the Proofs of Debt
6	2 Nov	▪ Scheme Meetings
7	16 Nov	▪ Court hearing to sanction the Schemes of Arrangement

2 Consent Solicitation Exercise ("CSE")

Steps	Date	Event
1	16 Oct	▪ Notice of CSE Meeting
3	TBA	▪ Submission of voting instructions
4	TBA	▪ Deadline for voting instructions
5	9 Nov	▪ CSE Meeting
6	10 Nov	▪ CSE results announcement

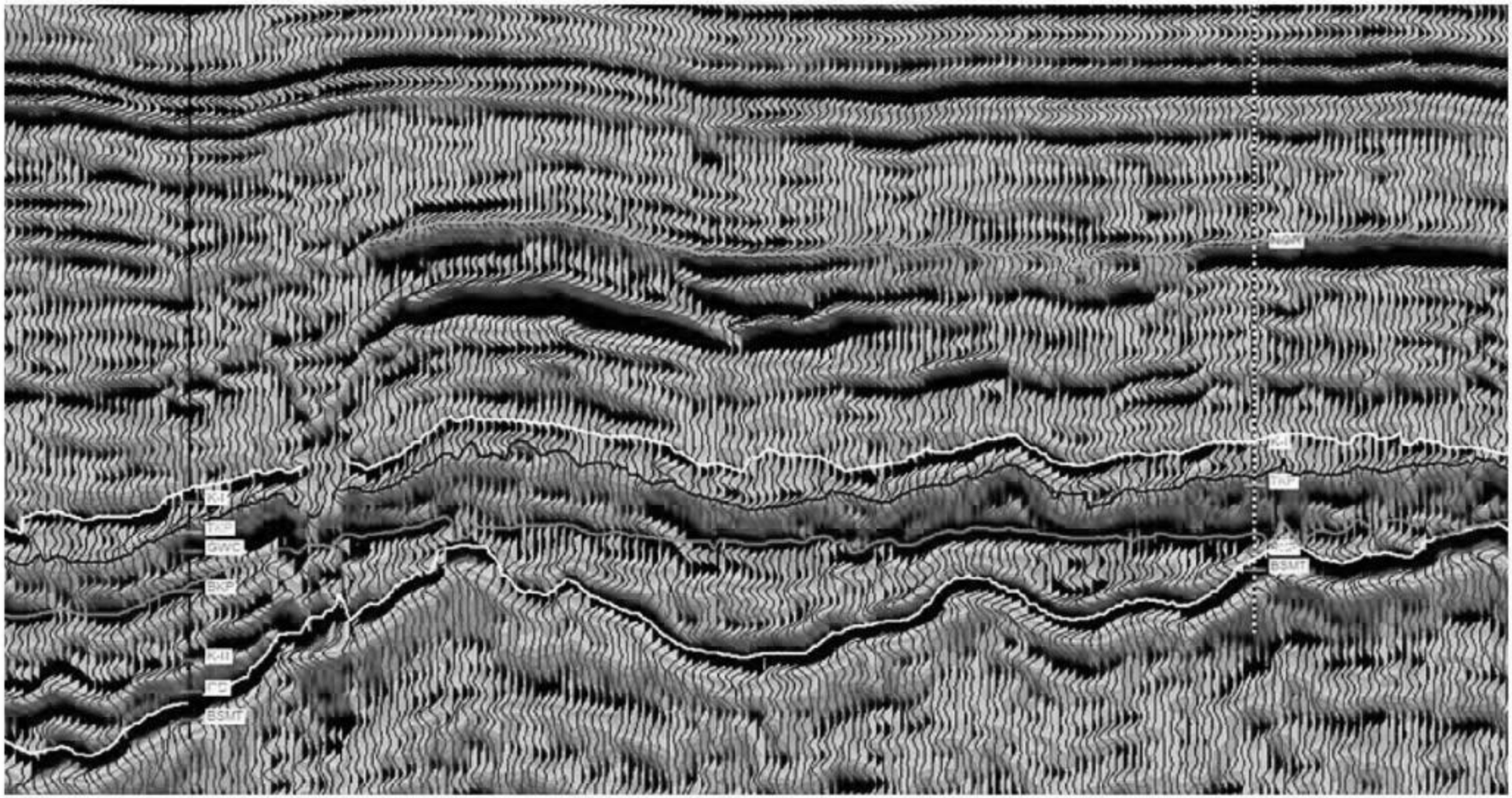
3 Extraordinary General Meeting

Steps	Date	Event
1	2 Nov	▪ Despatch of Circular to Shareholders
2	17 Nov	▪ EGM to approve restructuring

KrisEnergy is targeting to complete the restructuring by 18 November 2020

1 Timelines and processes subject to change depending on discussions with regulator and major stakeholder

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Q&A