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KrisEnergy announces 3Q2014 financial & operational update

- **Revenue up 33% on near fourfold increase in production**
- **EBITDAX[1] down in 3Q2014, improves in first nine months**
- **Ramp up in development capital expenditure in anticipation of first oil in 2015**
- **Cost of debt halved to average below 5%**

Singapore, 13 November 2014 – KrisEnergy Ltd. ("KrisEnergy" or "the Company"), an independent upstream oil and gas company, announces unaudited results for the third quarter ("3Q2014") and nine months ("9M2014") ended 30 September 2014, and provides an operational update for the year to 31 October 2014.

	Third quarter and nine months ended 30 September					
	3Q2014	**3Q2013**	**%**	**9M2014**	**9M2013**	**%**
Production volumes (boepd)	**7,403**	**1,993**	**271.5**	**7,790**	**2,486**	**213.4**
Oil and liquids (bopd)	*1,303*	*1,148*	*13.5*	*1,455*	*1,360*	*7.0*
Gas (mmcfd)	*36.6*	*5.1*	*617.6*	*38.0*	*6.8*	*458.8*
Revenue (US$million)	**18.2**	**13.6**	**33.4**	**61.7**	**50.4**	**22.5**
EBITDAX[1] (US$million)	**5.5**	**6.9**	**(20.2)**	**26.4**	**22.4**	**17.6**
Average sales price						
Oils and liquids (US$/bbl)	*105.47*	*109.82*	*(4.0)*	*107.80*	*108.85*	*(4.0)*
Gas – B8/32 and B9A (US$/mcf)	*5.34*	*6.01*	*(11.1)*	*5.84*	*6.20*	*(5.7)*
Gas – Block 9 (US$/mcf)	*2.32*	*NA*	*-*	*2.32*	*NA*	*-*
Average lifting costs (US$/boe)	**8.54**	**14.47**	**(41.0)**	**6.97**	**18.42**	**(62.2)**

Oil and gas production rose almost fourfold in the third quarter from a year earlier, averaging 7,403 barrels of oil equivalent per day ("boepd") as output from the Bangora gas field in Block 9, onshore Bangladesh, continued to exceed expectations. Revenue jumped 33.4% from the year-earlier period to US$18.2 million, with strong production volumes helping to counter the impact of the global decline in oil prices experienced during the quarter.

Block 9 accounted for 73.7% of KrisEnergy's working interest production in the quarter and the field's low operating expenses led to a 41.0% drop in the Company's average lifting costs to US$8.54 per barrel of oil equivalent ("boe") from US$14.47/boe a year earlier. The average realised oil and liquids price for 3Q2014 declined 4.0% year-on-year to US$105.47 a barrel ("bbl"), while the average gas price achieved from the B8/32 and B9A fields in the Gulf of Thailand decreased 11.1% to US$5.34 per

[1] Earnings before interest, tax, depreciation, amortisation and exploration expenses ("EBITDAX")

thousand cubic feet ("mcf") as a result of penalties charged as production fell below the daily contracted volume. Future gas production in the B8/32 complex will be boosted by a new platform going into operation before the end of 2014 and a second additional facility by mid-2015.

Keith Cameron, Chief Executive Officer, commented: "Despite external pressures on oil prices, we are pleased to have exceeded internal expectations on production to support revenues. We believe the balance in our portfolio of an oil and gas production mix as well as a combination of royalty/tax and production sharing contract fiscal regimes, mitigates to some extent our exposure to commodity price volatility.

"We have made solid progress on our two development projects in the Gulf of Thailand and remain on track for first oil in 2015. We are tremendously excited to be operating Cambodia Block A and we are engaging our partners and the authorities to reach agreement for the Apsara development concept as soon as possible. There has been an associated ramp up in capital expenditure for our various developments and we are well funded from our two bond issuances this year, which have cut our cost of debt in half to just below 5.0%. Our debt restructuring is now complete and although the cost of the exercise has impacted our bottom line, we will reap the longer-term benefits through associated lower rates of interest."

EBITDAX, a measure of core profitability adopted universally by the upstream oil and gas industry, declined in 3Q2014 to US$5.5 million as a result of increases in operating costs and corporate general and administrative expenses. Operating costs before depreciation, depletion and amortisation rose to US$5.8 million from US$2.6 million a year earlier due to higher group production as well as a one-off adjustment associated with the decommissioning of the Kambuna gas field in Indonesia, which ceased operations in July 2013. EBITDAX for the first nine months was $26.4 million, up 17.6% from the corresponding period in 2013.

The US$32.7 million recorded in third-quarter exploration and development expenditure was attributed to facilities for the Wassana and Nong Yao oil developments, development drilling in the B8/32 and B9A fields, as well as costs for seismic acquisition in the Udan Emas and Sakti production sharing contracts ("PSCs") and exploration drilling in the G10/48 licence.

KrisEnergy continued to strengthen its balance sheet. The Company issued S$200 million of 5.75% fixed-rate notes due in 2018, the second sale under its S$500 million Multicurrency Medium Term Note ("MTN") Programme, which was established in May 2014. As with the inaugural issue of S$130 million 6.25% fixed-rate notes due 2017, there was strong demand from institutional funds and private banks, with the 2018 paper eight times subscribed. At 30 September 2014, the book value of our issued notes under the MTN Programme amounted to US$264.3 million and our effective cost of debt was just below 5.0% compared with 10.5% at the start of the year.

Operational update for the period July to October 2014

Changes to Portfolio

- Completed acquisition of the entire issued and paid up share capital of Chevron Overseas Petroleum (Cambodia) Limited on 1 October 2014 following receipt on 17 September 2014 of acknowledgement from the Royal Government of the Kingdom of Cambodia for the change of control. Prior to the acquisition, KrisEnergy held an indirect 25.0% working interest in Cambodia Block A, and now holds a 55.0% working interest in the development block.

Production

- Gas production in the Bangora field in Block 9 has been maintained at approximately 110 mmcfd so far in 2014 although flow rates were reduced in August and September for the installation and commissioning of gas compressors. The field also underwent a 4.5 day shutdown in October for annual scheduled maintenance.
- Production in B8/32 and B9A in the Gulf of Thailand averaged 1,950 boepd in 3Q2014 following intermittent unplanned gaslift compressor shut downs and maintenance delays due to poor weather. In October, there was an eight-day planned closure of the entire Benchamas field for maintenance;
- 55 development wells have been drilled in B8/32 and B9A so far in 2014 with three additional wells scheduled for drilling before the end of the year. One platform was installed in the third quarter and is expected to come on stream later this year.

Development & Appraisal

- Development of the KrisEnergy-operated Wassana field in G10/48 remains on target for first production in the second half of 2015. Key elements of the development plan including the mobile offshore production unit ("MOPU"), the *Rubicon Vantage* floating storage offloading vessel ("FSO") and a centenary anchor leg mooring buoy have been secured. The *MOPU Ingenium* is currently undergoing refurbishment in drydock in Batam, Indonesia;
- Construction of the facilities for the non-operated Nong Yao oil field in G11/48 is more than 50% complete. The operator has secured the FSO to offtake Nong Yao production as well as the jack-up rig for development drilling. The field is expected to commence production in mid-2015.

Exploration

- The Mancharee-1 exploration well was drilled in G10/48 in August and was plugged after failing to encounter hydrocarbons in the target reservoirs. Mancharee-1 was the final commitment well under the petroleum concession;
- Completed seismic acquisition commitments comprising 1,202 km 2D seismic and 401 sq. km 3D seismic in the Sakti PSC;
- Second and final relinquishment in the East Seruway PSC reduced the contract area to 1,172 sq. km from 4,406 sq. km.

Financial Developments

- Repaid US$24.0 million to the US$100.0 million revolving credit facility that was established in March 2014 ("2014 RCF"). As at 30 September 2014, US$9.3 million was drawn on the 2014 RCF for various bank guarantees;
- Unused sources of liquidity as at 30 September 2014 were US$203.6 million and gearing was 37.8%.

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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 18 contract areas in Bangladesh, Cambodia, Indonesia, Thailand and Vietnam, spanning the entire exploration-to-production life cycle. We operate 12 of the contract areas. KrisEnergy also has acquired a non-operated interest in Block A Aceh, the transaction for which is pending government approval and, once approvals are received, will increase the portfolio to 19 contract areas.

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

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.