THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

It contains important information and should be read in its entirety. If you are in doubt about what action you should take, you should consult your professional advisor without delay.

Unless otherwise defined, the capitalised terms used throughout this document ("**Explanatory Statement**") shall bear the same meanings as defined in the Scheme of Arrangement dated 20 November 2020 and annexed hereto as Appendix A (the "**Scheme**").

This Explanatory Statement is addressed and distributed only to Creditors who are persons to whom it may be lawful to distribute it. This Explanatory Statement is directed only at the Creditors and must not be acted on or relied upon by persons who are not Creditors.

You have been notified by way of advertisement in the Straits Times, the Business Times and Lianhe Zaobao, and by way of announcement on SGXNet and the Company's website, that this Explanatory Statement, the Scheme and the notice to convene the Court Meeting have been published on the Company's website and SGXNet and are also available on request by sending an email to krisenergy@ajcapital.asia. Should hard copies be required, these will be available at the Company's premises at 83 Clemenceau Avenue #10-05 UE Square, Singapore 239920, during normal business hours on any day prior to the date of the Court Meeting (other than a Saturday, Sunday or a public holiday) with two business days' notice**,** subject to any laws implemented in connection with COVID-19 which could restrict the Company's ability to open its offices.

EXPLANATORY STATEMENT TO THE SCHEME OF ARRANGEMENT PURSUANT TO SECTION 210 OF THE COMPANIES ACT (CAP. 50, 2006 REV ED)

Between

KRISENERGY LTD.
(Company Registration Number: WK-231666)
(the "**Company**")

and

THE CREDITORS
(as defined in the Scheme)

A meeting of the Scheme Creditors to consider and, if thought fit, approve the Scheme will be held on 14 January 2021 at 1 p.m.

The action that the Creditors should take is set out in this Explanatory Statement. As a Creditor, whether or not you intend to be present at the meeting, you are requested to complete and return the Proof of Debt and Proxy Form enclosed with this document in accordance with the instructions and notes contained therein. If you are a 2022 Noteholder or 2023 Noteholder, you are not required to file a Proof of Debt.

Subject to applicable law and as provided in this Explanatory Statement and the Scheme, the Company may, prior to the calling of the Court Meeting, delete, modify, amend or add to the terms of the proposed Scheme which the Company may think fit. Details of any deletion, modification, amendment and/or addition will be announced to all Creditors via SGXNet and the Company's website as soon as reasonably practicable after the decision for such amendment is made.

Dated this 27th day of November 2020.

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IMPORTANT NOTICE

Explanatory Statement Content

1. This Explanatory Statement is being distributed to all Creditors solely for the purposes of the Scheme and is for the exclusive use of the persons to whom it is addressed. Nothing in this Explanatory Statement should be relied on for any purpose other than to make a decision in respect of the Scheme.

2. The information contained in this Explanatory Statement has been prepared based on the information available to the Company as at the date of this Explanatory Statement. The Company has taken reasonable steps to ensure that this Explanatory Statement contains the information reasonably necessary to enable the Creditors to make an informed decision about the effect of the Scheme on them.

3. While the Company has taken reasonable care in the preparation of the information provided herein, no representation or warranty is made that the information contained in the Explanatory Statement or the Scheme is accurate or complete.

4. In assisting the Company to prepare this Explanatory Statement, none of the Advisors have verified that the information contained in this Explanatory Statement is in accordance with facts and does not omit anything likely to affect the accuracy of such information.

5. This Explanatory Statement contains extensive and detailed information and should be read in its entirety. If you are in doubt about this document or as to the action which you should take, you should consult your financial advisor, stockbroker, bank manager, solicitor, accountant, tax advisor or other professional advisor immediately. This Explanatory Statement shall not be construed as legal, tax or financial advice and each Creditor is recommended to consult with your own professional advisors in relation to the Scheme. The Advisors are advisers to the Company in connection with the Restructuring Exercise and will not be responsible to anyone other than the Company for providing advice in connection with the Restructuring Exercise.

6. The Explanatory Statement and the Scheme are to be taken as mutually explanatory of each other but in the event of any conflict or inconsistency between the Explanatory Statement and the Scheme, the terms of the Scheme shall prevail.

Important Information

1. Date and time for lodgement of the Proof of Debt for the purposes of voting at the Court Meeting ("**Proof of Debt Submission Deadline**"): 4 December 2020 by 6 p.m.

2. Date and time for lodgement of the proxy form ("**Proxy Form**") for the purposes of voting at the Court Meeting ("**Proxy Form Submission Deadline**"): 11 January 2021 by 1 p.m.

3. Place to submit Proof of Debt and Proxy Form ("**Specified Address**"): krisenergy@ajcapital.asia or 36 Armenian Street, #04-07, Singapore 179934 (Attention: Luke Furler / Zara Xue)

4. Date and time of the Court Meeting: 14 January 2021 at 1 p.m.

5. Place of the Court Meeting: The electronic meeting platform, Zoom, via Easy Video

Contacts

The Company can be contacted at krisenergy@ajcapital.asia should you have any questions or requests for assistance in relation to the proposed Scheme, including any questions in relation to the submission of the Proofs of Debt or Proxy Forms.

To: The Creditors

PROPOSED SCHEME OF ARRANGEMENT UNDER SECTION 210(1) OF THE COMPANIES ACT

1. INTRODUCTION

1.1 The Company issues this Explanatory Statement pursuant to Section 211 of the Companies Act. It is to accompany the proposed Scheme between the Company and its Creditors that will be tabled at the Court Meeting to be held on 14 January 2021 at 1 p.m. The notice of the Court Meeting is annexed hereto as Appendix B.

1.2 The purpose of the Explanatory Statement is to provide the Creditors with information on the Scheme and to explain the effect of the Scheme proposed to be entered into between the Company and the Creditors. As such, the Explanatory Statement should be read, construed and interpreted in the context of the Scheme. In the event of any conflict or inconsistency between the Explanatory Statement and the Scheme, the terms of the Scheme shall prevail.

1.3 Further, except where words or phrases are otherwise defined or the context otherwise indicates or requires, words and phrases shall have the meaning as is attributed to them in the Scheme.

2. IMPORTANT INFORMATION

2.1 What is a Scheme of Arrangement?

2.1.1 Under Singapore law, a scheme of arrangement of the kind proposed here is a compromise or arrangement provided for under Section 210 of the Companies Act. The arrangement becomes legally binding on all Creditors to whom it is intended to apply if a majority in number representing three-fourths in value of the Scheme Creditors present and voting by proxy (the "**Requisite Majority**") vote in favour of the Scheme at the Court Meeting and the Court subsequently approves it.

2.1.2 The scheme of arrangement will become effective and binding upon the date of lodgment with the Accounting and Corporate Regulatory Authority ("**ACRA**") of the order of court sanctioning the scheme of arrangement (or on such earlier date as the Court may determine and as may be specified in the order of court sanctioning the Scheme) and will be implemented upon the fulfillment of the Implementation Conditions as listed in paragraph 8.4.2 below.

2.2 Are you a Scheme Creditor?

2.2.1 The Scheme is proposed to all Creditors.

2.2.2 No assignment, sale or transfer of any interest in any Claim after the Ascertainment Date shall be recognised by the Company or the Chairman for the purposes of determining entitlement to attend and vote at the Court Meeting. Persons who hold Scheme Claims against the Company as at the Ascertainment Date shall be Scheme Creditors. A transferee of an interest in a Claim after the Ascertainment Date will not be entitled to vote at the Court Meeting. Such transferee will need to make arrangements with the transferor to ensure that the transferor votes in accordance with the wishes of the transferee. Persons who have acquired an interest in a Scheme Claim after the Ascertainment Date should contact the person from whom they acquired such an interest to ensure distribution of the equity to them or their nominee pursuant to the terms of the Scheme. The Company and the Chairman accept no responsibility or liability in respect of such matters whatsoever. A transferee of a beneficial or proprietary interest in any Claim after the Ascertainment Date will, however, be bound by the terms of the Scheme in the event it becomes effective.

2.3 How can a Scheme Creditor participate in voting for the Scheme?

Proof of Debt

2.3.1 If you take the view that you have a Claim against the Company or any member of the KEL Restructuring Group, please submit a Proof of Debt. Subject to paragraph 2.3.3 below, in order to be able to participate in voting for the Scheme, you have to submit a Proof of Debt in respect of your Claims to the Chairman at the Specified Address no later than the Proof of Debt Submission Deadline.

2.3.2 Each Creditor should include in his Proof of Debt all Claims, including any interest to which he may be entitled, and state any assets which have been provided as Security for such Claims and the value of such assets (if any), up to and including the Ascertainment Date.

2.3.3 If you are a 2022 Noteholder or a 2023 Noteholder, you are not required to file a Proof of Debt. The Company will file a Proof of Debt on your behalf based on the holdings reflected in records maintained by CDP as at the Ascertainment Date. The Chairman will admit all amounts in respect of the holdings reflected in the records maintained by the CDP together with the relevant interest for the purpose of voting at the relevant Court Meeting and any distributions made under the Scheme in accordance with its terms (if sanctioned).

2.3.4 Creditors who are not 2022 Noteholders or 2023 Noteholders should note that, whether or not the Creditor is attending the Court Meeting, a valid Proof of Debt must be received by the Chairman at the Specified Address no later than the Proof of Debt Submission Date. **Otherwise, subject to the Chairman's absolute discretion, the Creditor will not be entitled to vote at the Court Meeting. In addition, such a Creditor shall not be entitled to any payment of its Claim. Any Claim that the Creditor has shall be forever waived, released, discharged and extinguished, and the Creditor shall not have any rights, interests and claims against the Company in respect of such Claim, save as the Chairman may otherwise permit at his or her absolute discretion (including the discretion to accept that Claim and determine its Adjudicated Claim Amount based on the amount stated to be owing to that Creditor in the books and records of the Company).**

2.3.5 Please refer to Appendix C for a form of the Proof of Debt for your attention and use.

Proxy forms – 2022 Noteholders and 2023 Noteholders which are not CDP Account Holders ("Beneficial Holders")

2.3.6 Beneficial Holders should not use the Proxy Forms provided in this Explanatory Statement at Appendix D.

2.3.7 If you are a Beneficial Holder who wishes to record your vote at the Court Meeting please note that you cannot do so in your individual capacity. Please contact your Relevant Intermediary and instruct them to provide instructions for the CDP Account Holder to vote on your behalf. As the CDP Account Holder will have to submit the Proxy Form to the Chairman at the Specified Address by no later than the Proxy Form Submission Deadline, you are strongly encouraged to reach out to your Relevant Intermediary as soon as possible as the CDP Account Holder may set a deadline earlier than the Proxy Form Submission Deadline. If you are a Relevant Intermediary, unless your Beneficial Holders vote unanimously for or against the Scheme, each Beneficial Holder's vote shall only be taken into account for Section 210(3AB)(b) of the Companies Act ("**Value Test**").

Proxy forms – All Scheme Creditors save for the Beneficial Holders

2.3.8 Save for Beneficial Holders, a Scheme Creditor will need to submit a completed Proxy Form to the Chairman at the Specified Address no later than the Proxy Form Submission Deadline. Please refer to Appendix D for a form of the Proxy Form for

your attention and use. Unless a valid Proxy Form is received by the Chairman by the Proxy Form Submission Deadline at the Specified Address, the proxy of such Scheme Creditor will not be entitled to vote at the Court Meeting, unless so otherwise allowed at the discretion of the Chairman of the Court Meeting. Any Proxy Form which a Scheme Creditor wishes to revoke after the Proxy Form Submission Deadline can only be revoked at the sole discretion of the Chairman. The relevant instructions for completing and submitting the Proxy Form can be found in the form itself.

2.3.9 If you are a CDP Account Holder, unless your Beneficial Holders vote unanimously for or against the Scheme, any voting instructions received from your Beneficial Holders should only be taken into account for the Value Test. For the purposes of Section 210(3AB)(a) of the Companies Act, in the event that your Beneficial Holders do not vote unanimously, one vote should be cast for and one vote should be cast against the Scheme. Each CDP Account Holder should also themselves be satisfied that the votes submitted by any Beneficial Holder are accurate. The Company and Chairman will bear no responsibility in ascertaining the accuracy of the votes of the Beneficial Holder.

3. HISTORY AND BUSINESS OF THE COMPANY

3.1 Incorporation, Shareholding and Directors

3.1.1 Incorporated in 2009 in the Cayman Islands, the Company is primarily engaged in the business of exploring and extracting oil and gas resources in Asia with exploration, development and production assets in Bangladesh, Cambodia, Thailand, Indonesia and Vietnam. The Company's business is regional and it holds licences issued by the respective governments or regulatory bodies in Bangladesh, Cambodia, Indonesia, Thailand and Vietnam to explore for, develop and/or extract oil and gas resources in each of the assets. In July 2013, the Company completed its initial public offering and listed on the Mainboard of the SGX-ST.

3.1.2 The Company is the ultimate holding company of a wider group of companies engaged in the upstream oil and gas sector in Asia (the "**KEL Group**"). The principal activity of the Company is that of investment holding. The corporate structure of the KEL Group is annexed hereto at Appendix E.

3.1.3 The directors of the Company ("**Directors**") are:

(a) Tan Ek Kia;

(b) Tang Chih Hao Kelvin;

(c) Koh Tiong Lu John;

(d) Alan Rupert Nisbet; and

(e) Bernard Castanet.

3.1.4 Keppel Oil & Gas Pte Ltd ("**Keppel O&G**"), a wholly-owned subsidiary of Keppel Corporation Limited ("**Keppel Corp**"), is the largest shareholder of the Company, owning 39.81% of its Shares.

3.2 The Company's and the KEL Group's Business Activities

3.2.1 The KEL Group is primarily engaged in the upstream oil and gas sector in Asia with exploration, development and production assets in Bangladesh, Cambodia, Thailand, Indonesia and Vietnam. The KEL Group's business is regional and it holds licences issued by the respective governments or regulatory bodies in Bangladesh, Cambodia,

Indonesia, Thailand and Vietnam to explore for, develop and/or extract oil and gas resources in each of the assets.

3.2.2 As at 16 October 2020, the KEL Group's portfolio includes the following 10 oil and gas assets ("**O&G Assets**"). Each of these assets will require continual capital expenditure funding for work to continue in the relevant area:

(a) 4 O&G Assets in the exploration phase and which are in contract areas including Bangladesh, Indonesia and Vietnam. These assets are:

(i) the Sakti production sharing contract in the East Java Sea, Indonesia ("**Sakti PSC**");

(ii) the Udan Emas production sharing contract in Bintuni Basin, Indonesia ("**Udan Emas PSC**") which expired in 19 July 2020 and is pending official acknowledgement of relinquishment;

(iii) the SS-11 production sharing contract in the Bay of Bengal in Bangladesh, which will expire on 11 March 2021; and

(iv) Block 115/09 in Vietnam. In January 2020, KrisEnergy (Vietnam 115) Ltd. which is an indirect subsidiary of the Company, entered into a farm-out agreement for the sale, assignment and transfer of its undivided 100% participating interest in respect of Block 115/09 in Vietnam subject to certain conditions and approvals by the relevant government authorities ("**Farm-out Agreement**"). The long stop date for completion under the Farm-out Agreement is 31 December 2020. Further details on the Farm-out Agreement can be found in paragraphs 5.4.4 and 5.4.6 below.

(b) 1 O&G Asset under development, this being the initial development phase comprising a simple wellhead support structure capable of housing up to six development wells (the "**Mini-Platform**"), the drilling of five initial development wells, the *Ingenium II* production barge for oil, gas and water processing and the leasing of a floating storage and offloading vessel ("**FSO**") for the storage of oil production ("**Mini Phase 1A**") from the Apsara oil field in Cambodia Block A in the Gulf of Thailand ("**CBA**").

(c) 3 O&G Assets in the development phase. These assets are:

(i) CBA in respect of developments beyond Mini Phase 1A;

(ii) the Rossukon oil field in G6/48 in the Gulf of Thailand ("**G6/48**"), which is subject to extension of production area licence. The licence at G6/48 will expire on 15 November 2021. The KEL Group will be seeking an extension of this licence. It is unclear when the Thai government will make its determination on the extension application; and

(iii) the Lengo gas field in the Bulu production sharing contract in the East Java Sea, Indonesia ("**Bulu PSC**"), which is subject to extension of the existing plan of development and conclusion of a gas sales agreement. The licence at the Bulu PSC will expire on 25 November 2020. The KEL Group has sought an extension of this licence and the Indonesian government is likely to only inform the KEL Group of the results of the extension application after 25 November 2020.

(d) 2 O&G Assets in the production phase comprising the following:

(i) the onshore Bangora gas field in Block 9 in Bangladesh ("**Block 9 PSC**"); and

(ii) the B8/32 oil and gas complex in the Gulf of Thailand ("**B8/32**").

.

These assets are currently producing oil and/or gas. The Wassana oil field in G10/48 in the Gulf of Thailand ("**G10/48**") had earlier been one of the KEL Group's assets in the production phase but has suspended production in June 2020 due to the many uncertainties ahead relating to, among other things, the duration of the COVID-19 pandemic, the speed of global economic regeneration and recovery in petroleum demand, and the magnitude and sustainability of any upturn in oil prices. While production at G10/48 has been suspended, it will not be decommissioned immediately and with minimal activation costs and lead time, it is still able to produce about 3,000 barrels of hydrocarbons per day with approximately 4.4 million barrels of net proved and probable reserves remaining (representing the KEL Group's working interest entitlement) based on Netherland, Sewell & Associates Inc's ("**NSAI**") estimates as at 31 December 2019.

The KEL Group has a working interest in each of these O&G Assets and operates 8 of them.

3.2.3 Further details of each of these O&G Assets are at Appendix F.

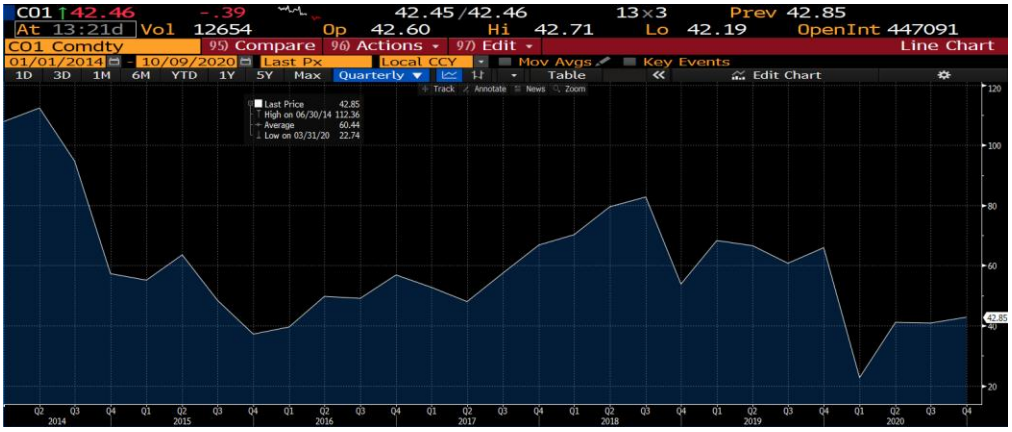
3.2.4 The KEL Group also holds one marine asset, this being the production barge *Ingenium II* which is being used for petroleum operations in CBA.

4. THE KEL GROUP'S FINANCIAL DIFFICULTIES AND ITS PRESENT FINANCIAL POSITION

4.1 Background to the KEL Group's Financial Difficulties

4.1.1 The steep and prolonged downturn in oil prices between late 2014 and 2017 prevented the KEL Group from raising the necessary financing as banks pared down their exposure to the oil and gas sector. This, in turn, adversely affected the KEL Group's ability to fund capital expenditures for its production and development assets, and the KEL Group was unable to properly commit the necessary expenditure required to increase production, and therefore generate positive net cash flows from these assets.

4.1.2 Further, the significant drop in oil prices (as indicated in the chart adapted from Bloomberg as at 12 October 2020, below) and resultant lack of investment in the KEL Group's exploration and development activities eroded the potential realisable value of KEL Group's assets, leading to impairments and write-downs in asset valuations. These circumstances have severely affected the KEL Group's operations and financial conditions.



4.1.3 The Company explored numerous options to improve its liquidity and eventually took several steps, which included the following:

(a) divestment of a facility asset, being the *Ingenium* mobile offshore production unit, key to the G10/48 Wassana field operations, in order to provide a source of liquidity. However, once in production in August 2015, the lease back of the *Ingenium* meant that the Wassana field was burdened with elevated operating costs at a time when oil prices, and therefore revenue from crude oil sales, fell steeply and the KEL Group recorded a 60.2% drop in its average realised oil price in 2015;

(b) a rights issue in 2015 to support the Company's capital expenditure to grow oil and gas production in existing fields and near-term development projects. The rights issue raised approximately US$120 million;

(c) successfully undertaking a consent solicitation exercise in 2016/2017 in relation to the Series 1 S$130,000,000 6.25 per cent. fixed rate notes due 2017 ("**2017 Notes**") and Series 2 S$200,000,000 5.75 per cent. fixed rate notes due 2018 ("**2018 Notes**") issued by the Company. This consent solicitation exercise involved terming out the 2017 Notes and 2018 Notes, extending the maturity dates by 5 years and restructuring the coupon rates. The 2017 Notes and 2018 Notes were thus effectively exchanged for the 2022 Notes and the 2023 Notes;

(d) DBS Bank Ltd. ("**DBS**") acquiring the Revolving Credit Facility from the Company's then existing Revolving Credit Facility lenders and upsizing it from US$110.0 million to US$148.27 million;

(e) crystallizing the mark-to-market loss due to the unwinding of the cross currency swap transaction entered into between the Company and each of Standard Chartered Bank, Singapore Branch ("**SCB**") and The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**") in connection with the 2017 Notes and 2018 Notes, giving rise to new unsecured term loans of US$12.66 million and US$21.76 million between the Company and each of SCB and HSBC respectively (collectively, the "**Unsecured Term Loans**"); and

(f) the Company issuing the Zero Coupon Notes in 2017 raising US$103 million. Keppel O&G holds approximately 76.87% of the Zero Coupon Notes. The Zero Coupon Notes were issued together with detachable warrants ("**Warrants**") which give the holders of the Warrants ("**Warrant Holders**") a right to convert each Warrant into one ordinary share of the Company at an exercise price of S$0.11 per share. The exercise price can be adjusted in accordance with the terms of the Warrants. The Warrants expire in January 2024.

4.1.4 Despite the KEL Group's efforts, prolonged volatility in oil prices and equity markets and weakening sentiment towards the upstream and offshore marine sectors meant that these measures were not sufficient for the KEL Group to recover and operate in a manner that would be sustainable in the long run.

4.1.5 The capital structure was expected to be de-leveraged by easing the capital expenditure burden and increasing production (and therefore improving revenues) although this did not eventuate due to the following reasons:

(a) challenges faced with raising the required funding to support working capital and bring on stream development projects to provide additional production, revenue and cash flow;

(b) lower production than anticipated resulting in lower revenue and cash flow, the impact of which was exacerbated by depressed oil prices;

(c) sale and farm-out of certain assets not materialising due to weak investor sentiment and a mismatch in buyer and seller asset price perceptions due to volatile oil and gas commodity pricing; and

(d) debt servicing costs limiting the KEL Group's ability to fund capital expenditures from existing cash flow.

4.1.6 As a result, the KEL Group's financial position has not improved. By way of illustration, between 31 December 2018 and 31 December 2019, the KEL Group's loans and borrowings increased from US$459.1 million to US$503.1 million and with the continual erosion of equity, gearing increased from 95.5% to 140.8%.

4.1.7 With the exception of DBS, banks and alternative credit providers have generally declined to provide new credit lines given the KEL Group's weakened financial condition and lack of unencumbered assets to provide as collateral.

4.1.8 Trade creditors have also imposed requirements for payment guarantee and the KEL Group has been subject to increasingly strict payment terms and working capital restrictions.

4.1.9 The COVID-19 pandemic has also adversely affected the KEL Group's ability to maintain operations in the various jurisdictions. The severe reduction in the demand for fuels in the first four months of 2020 coupled with an unprecedented oversupply resulted in oil prices tumbling to the lowest levels in two decades in April 2020. The KEL Group's financial situation was worsened as production was curtailed when various governments imposed restrictions which affected the supply chain for equipment and materials and limited the workers' ability to be physically present to carry out work at the various O&G Assets.

4.1.10 As a holding company, the Company's key assets are its investments in its subsidiaries and the revenue generated by them. The difficult financial climate, further compounded by the under capitalisation of the KEL Group, has placed the Company's balance sheet under severe stress. Financing costs of the Company's debt has eroded free cash flow available for revenue generating and value creation activities. The nature of the O&G Assets, which are licences granted by host country governments, means that there are ongoing costs associated with participation in the assets regardless of the state of the industry or the price of oil or gas. Governments require licence holders to invest in exploring and developing the assets to bring them to production and to continually invest to maintain and increase existing production. This imposes significant costs on the KEL Group which it is unable to currently fund.

4.2 **Financial Condition of the Company and the KEL Group**

4.2.1 **The Company's and the KEL Group's financial position**

The latest available financial statements of the Company and the KEL Group have been annexed hereto at Appendix G:

(a) the audited financial results for the year ended 31 December 2019;

(b) the unaudited financial information for the six-months ended 30 June 2020; and

(c) the unaudited financial information for the three months and nine months ended 30 September 2020.

4.2.2 **The KEL Group's Assets**

As at 30 June 2020, the book value of KEL Group's total assets totalled approximately US$474.2 million. Substantially all of these assets are encumbered and form part of the security package for the benefit of DBS for the Revolving Credit Facility and for the benefit of Kepinvest Singapore Pte. Ltd. ("**Kepinvest**") for the facilities in a principal amount of up to US$87 million for the development of CBA ("**New CBA Facility**") made available pursuant to and on the terms of the loan agreement dated 30 April 2020 between, amongst others, KrisEnergy (Apsara) Company Ltd, KrisEnergy (Cambodia) Ltd as borrowers and Kepinvest Singapore Pte. Ltd. as original lender ("**Loan Agreement**"). Further details of the Revolving Credit Facility and the New CBA Facility are set out in paragraphs 5.2 and 5.6 respectively. The security provided for the Revolving Credit Facility and New CBA Facility is listed in Appendix H.

A summary of the unaudited book value of the KEL Group's assets is set out below:

Assets	Unaudited Amount (US$ thousands)
Oil and gas assets [(1)]	332,872
Other non-current assets [(2)]	45,905
Inventories	6,493
Trade and other receivables [(3)]	27,968
Prepayments [(4)]	6,504
Cash and bank balances [(5)]	54,429
Total Assets	**474,171**

Notes:

1. Comprised of B8/32, Block 9 PSC, CBA, G6/48 and Bulu PSC.
2. Primarily comprised of (a) the *Ingenium II* production barge for US$33,850 thousand, (b) goodwill associated with Bulu PSC for US$7,145 thousand and (c) value added tax receivables for US$4,041 thousand.
3. Primarily comprised of (a) payment on behalf of joint operation's partners for US$14,216 thousand, (b) joint operation receivables for US$4,147 thousand, (c) current value added tax receivables for US$3,879 thousand and (d) trade receivables for US$3,345 thousand.
4. Primarily comprised of royalty prepayment associated with CBA for US$5,000 thousand.

5. Comprised of (a) cash amounts held under joint operations for US$38,533 thousand, (b) unrestricted cash for US$9,626 thousand and (c) restricted cash for US$6,270 thousand.

4.2.3 The KEL Group's Liabilities

As at 30 June 2020, KEL Group's total liabilities totalled approximately US$725.5 million. A summary of the unaudited book value of the KEL Group's liabilities is set out below:

Liabilities	Unaudited Amount (US$ thousands)
Employee benefit liability	773
Lease liabilities	866
Derivative liabilities	462
Deferred tax liabilities	26,205
Loans and borrowings (1)	505,228
Provisions	33,653
Accrued operating expenses	15,539
Trade and other payables (2)	101,339
Accrued operating expenses (3)	40,188
Withholding tax payable	189
Tax payable	1,017
Total Liabilities	**725,460**

Notes:

1. Comprised of (a) 2022 Notes for US$80,547 thousand, (b) 2023 Notes for US$120,505 thousand, (c) Zero Coupon Notes for US$72,878 thousand, (d) Revolving Credit Facility for US$177,277 thousand, (e) Unsecured Term Loans for US$34,418 thousand and (f) the New CBA Facility for US$19,603 thousand.
2. Primarily comprised of (a) trade payable for US$55,370 thousand, (b) joint operation payables for US$4,113 thousand, (c) proportionate share of joint operation's other payables for US$4,398 thousand, (d) accrued interest payable and default interest of 2022 Notes for US$9,628 thousand, (e) accrued interest payable and default interest of 2023 Notes for US$15,356 thousand, (f) accrued default interest of Zero Coupon Notes for US$22 thousand and (g) well penalty for US$9,325 thousand for East Seruway PSC (which has been relinquished).
3. Primarily comprised of (a) proportionate share of joint operation's accruals for US$7,032 thousand, (b) accrual for assets refurbishment for US$4,211 thousand, (c) accrual for Unsecured Term Loans interest for US$4,498 thousand, (d) accrual for Revolving Credit Facility interest for US$13,739 thousand, (e) provision for land and building tax for US$6,437 thousand for Bala-Balakang PSC (which has expired), (f) accrual for operating expenses for US$1,209 thousand and (g) accrual for default trustee fee for the 2022 Notes, 2023 Notes and Zero Coupon Notes for US$822 thousand.

Upon completion of the Restructuring Exercise, based on the KEL Group's unaudited financial statements as at 30 June 2020, the KEL Group's liabilities are estimated to be reduced from approximately US$725.46 million to approximately US$389.39 million.

4.2.4 The Company's Assets

As at 30 June 2020, the Company's total assets totalled approximately US$124.0 million. Substantially all of the Company's assets are encumbered and form part of the security package for the Revolving Credit Facility and the New CBA Facility as set out in Appendix H.

As the Company is primarily an investment holding company, its assets are largely comprised of receivables and investments in its subsidiaries. The unaudited book value of the Company's assets is set out below:

Assets	Unaudited Amount (US$ thousands)
Investment in subsidiaries (1)	10,132
Other receivables (2)	113,736
Trade and other receivables (3)	0
Prepayments (4)	106
Cash and bank balances (5)	8
Total Assets	**123,982**

Notes:

1. Comprised of investments in (a) SJ Production Barge Ltd ("**SJPB**") for US$50 thousand, (b) KrisEnergy Marine Pte Ltd for US$60 thousand, (c) KrisEnergy Holding Company Ltd for US$10,022 thousand and (d) KrisEnergy Management Ltd for US$0.1 thousand.
2. Comprised of intercompany receivables (net of loss allowance) from (a) KrisEnergy Holding Co Ltd for US$98,691 thousand and (b) SJPB for US$15,045 thousand.
3. Comprised of receivables from third parties unrelated to the Company.
4. Comprised of payments for insurance premiums, listing related fees, agency fees and IT fees.
5. Comprised of cash at banks and on hand.

4.2.5 The Company's liabilities

As at 30 June 2020, the book value of the Company's total liabilities stood at approximately US$368.8 million. A summary of these liabilities is set out below.

Liabilities	Unaudited Amount (US$ thousands)
Derivative liabilities	462
Other payables (1)	28,169
Trade and other payables (2)	25,034
Accrued operating expenses	6,820
Loans and borrowings (3)	308,348
Total Liabilities	**368,833**

Notes:

1. Comprised of intercompany payables to (a) KrisEnergy Management Ltd for US$5,697 thousand and (b) KrisEnergy Marine Pte Ltd for US$22,472 thousand.

2. Primarily comprised of (a) accrued interest payable and default interest of 2022 Notes for US$9,628 thousand, (b) accrued interest payable and default interest of 2023 Notes for US$15,356 thousand and (c) accrued default interest of Zero Coupon Notes for US$22 thousand.

3. Comprised of (a) 2022 Notes for US$80,547 thousand, (b) 2023 Notes for US$120,505 thousand, (c) Zero Coupon Notes for US$72,878 thousand and (d) Unsecured Term Loans for US$34,418 thousand.

The Company has also prepared a list of its liabilities based on its records as at 30 September 2020. This list excludes intercompany liabilities within the KEL Group and mark to market liabilities, and can be found at Appendix I. The Company reserves its rights to amend the list of creditors and the amounts owing at Appendix I depending on the Proofs of Debt which are received and admitted.

4.3 The Company's and the KEL Group's Prospects

4.3.1 In spite of the difficult market conditions, the KEL Group's business is capable of generating significant cashflow given its diverse portfolio of assets across the production and development lifecycle. The KEL Group's producing and development assets are expected to contribute significantly to the KEL Group's revenue and cash flow as further reserves and oil / gas fields are developed. The KEL Group's producing assets at B8/32 and Block 9 PSC, are expected to continue to report cash flow from its operations. This cash flow is expected to continue to provide some support for the KEL Group's general and administrative expenses.

4.3.2 The B8/32 fields are located in the Gulf of Thailand over the northern Pattani Basin where water depths range between 42 meters and 113 meters. The KEL Group has a 4.6345% non-operated working interest in the fields, which are operated by Chevron Offshore (Thailand) Ltd. with a 51.66% working interest. Gross production in the non-operated B8/32 fields in the first half of 2020 averaged 17,947 barrels of oil per day and 63.6 million cubic feet per day ("**mmcfd**"). The KEL Group's working interest production in the fields averaged 1,323 barrels of oil equivalent per day ("**boepd**").

4.3.3 Block 9 PSC, which is approximately 50 km east of Dhaka, covers 1,770 sq km over the eastern margin of the onshore Bengal Basin in Bangladesh. The KEL Group acquired operatorship and a 30% working interest in Block 9 PSC in 2013. Block 9 contains the Bangora gas producing field and the Lalmai gas discovery. Gross PSC production in the first half of 2020 in the Bangora gas field averaged 83.6 mmcfd and 251 barrels of condensate per day. The KEL Group's working interest production in Block 9 PSC averaged 4,257 boepd.

4.3.4 In addition to the steady production and revenue generated from its producing assets at Block 9 PSC and B8/32, there has also been progress in the KEL Group's development project in CBA.

4.3.5 CBA, as KEL Group's most important near-term development projects, covers an area of 3,083 sq km over the Khmer Basin, an unproduced geological basin approximately 150 km offshore Cambodia in Cambodian maritime waters of the Gulf of Thailand. As operator, the KEL Group holds a 95% interest in CBA, with the other 5% held by the Royal Government of Cambodia.

4.3.6 The KEL Group considers CBA to be its most important near term development project given the size of the concession, the KEL Group's high working interest (95%) and operatorship, the potential for multiple future assets phases of development to increase production substantially and its ability to control the timing of future development given its operatorship and 95% working interest. CBA is anticipated to be the asset of the KEL Group that will generate the most revenue after it is developed, primarily because both B8/32 and Block 9 are mature assets and CBA's growth potential is relatively higher.

4.3.7 To mitigate the risk of developing an unproven petroleum basin at CBA, development of the Apsara oil field in CBA will be carried out in several phases to minimize capital expenditures and provide time for the collection and analysis of critical reservoir performance data.

4.3.8 Mini Phase 1A is designed to incur minimum costs to first oil and comprises a Mini-Platform, the drilling of five initial development wells, the *Ingenium II* production barge for oil, gas and water processing and the leasing of a FSO for the storage of oil production.

4.3.9 At least two of the five wells will target fault blocks with previously successful exploration wells, with the final locations of the remaining wells to be determined by the drilling results of such wells. First oil is expected before the end of 2020. It is scheduled to reach a peak production rate of 7,500 barrels of oil per day.

4.3.10 A successful development of Mini Phase 1A will also provide important reservoir performance information in addition to generating cash flows and could lead to future phases of development.

4.3.11 The Company estimates that approximately US$87 million will be required to fund the development of Mini Phase 1A at CBA until first oil is produced. This financing is contemplated pursuant to the New CBA Facility (see paragraph 5.6 below).

5. EFFORTS AT RESTRUCTURING

5.1 Overview

5.1.1 Under the current oil price environment, the KEL Group is unable to service all its debt liabilities. Without a comprehensive restructuring, the Company is likely to proceed into liquidation which would not be in the interests of the creditors.

5.1.2 Since 2018, the key management of the Company (the "**Management**"), embarked on efforts to find a holistic solution to restructure the KEL Group's borrowings and debt obligations.

5.2 Upsizing the Revolving Credit Facility

5.2.1 At the beginning of 2019, the Management actively pursued negotiations with DBS to extend and upsize the Revolving Credit Facility. In April 2019, the Revolving Credit Facility was upsized to US$200 million to provide additional funds to finance on-going capital expenditure, working capital requirements and restructuring expenses. While DBS is the lender on record, the Company understands that the key economic risk in the Revolving Credit Facility is borne by Keppel Corp pursuant to a bilateral contract between DBS and Keppel Corp. Consequently, Keppel Corp may be required to make DBS whole for any loss DBS suffers under the Revolving Credit Facility.

5.2.2 As listed in Appendix H, a significant proportion of the KEL Group's assets has been provided as security under the Revolving Credit Facility.

5.3 Initial Options for funding the Scheme and Mini Phase 1A

5.3.1 The Company initially pursued the following two options which could form the basis of a scheme and fund Mini Phase 1A:

(a) a scheme of arrangement funded *via* a corporate acquisition of KEL ("**Corporate Buyout**"); or

(b) a scheme of arrangement funded by a piecemeal sale of certain assets of the KEL Group ("**Assets Divestment**").

5.3.2 In respect of the Corporate Buyout option, the Company received a non-binding letter of offer from a potential purchaser on 29 August 2019 for the acquisition of 100% of the Company's shares on a fully diluted basis with the following conditions:

(a) the KEL Group be debt free prior to the Corporate Buyout; and

(b) the consideration for the acquisition ("**Consideration**") be applied towards settlement of all debt and equity under the scheme of arrangement.

5.3.3 Having taken financial advice from Houlihan Lokey (Singapore) Private Limited ("**Houlihan Lokey**"), the financial advisor / restructuring consultant, and pursuant to input from the Company's major stakeholders and after consideration from the Company's Management and board of Directors (the "**Board**"), the Company decided to relegate the Corporate Buyout option for the following reasons:

(a) the Consideration eventually offered by the potential purchaser was significantly lower than the sum initially offered. The Consideration also comprised solely of cash which was of a sum less than the outstanding balance of the Revolving Credit Facility. In the circumstances, it was highly unlikely that the Consideration would have been sufficient to deliver the Company free of debt. In addition, the Company's existing stakeholders would not be able to benefit from any future development of the Company's assets; and

(b) in the light of the low value of the Consideration, all of the Company's creditors would have to be significantly compromised, to the extent that any restructuring would have likely resulted in less recovery to creditors *vis* a *vis* the Assets Divestment.

5.3.4 Accordingly, the Company redirected its efforts to pursue both the Assets Divestment option and raise financing for the development of Mini Phase 1A.

5.4 **Assets Divestment**

5.4.1 While the Company continued to pursue the Assets Divestment option, many of the bids received were either on unacceptable terms or did not progress. As such, the Company could not rely on the Assets Divestment option to fund CBA or the Scheme. Instead, the Company focused on raising capital to fund the development of Mini Phase 1A, as further explained in paragraphs 5.5 and 5.6 below. Once the New CBA Facility was agreed and funding for Mini Phase 1A secured, the focus of the Assets Divestment option then became to pay down the Revolving Credit Facility through the funds received by the Assets Divestment since the assets were charged in favour of DBS and also because Keppel Corp had required that such sale proceeds be used to pay down the Revolving Credit Facility as a pre-condition for the entry of the New CBA Facility. The Assets Divestment option involving the individual asset sales is also in line with the KEL Group's risk mitigation strategy and previously stated intention to reduce future exposure to exploration capital expenditure and to focus its financial resources on developing CBA.

5.4.2 On 14 November 2019, the Company entered into a conditional sale and purchase agreement in respect of a working interest in Andaman II PSC with BP Exploration Operating Company Limited ("**Andaman II Disposal**").

5.4.3 Completion of the Andaman II Disposal took place on 8 April 2020. The consideration for the Andaman II Disposal was US$15.0 million, subject to a working capital adjustment and a retention sum of US$1.7 million which may be used by BP Exploration Operating Company Limited to offset against any payment obligations that may become due by the KEL Group seller from the completion date until 31 December 2021. The KEL Group announced on 23 September 2020 that the

retention sum had since been released to the KEL Group and has been applied towards the repayment of the Revolving Credit Facility.

5.4.4 In addition, KrisEnergy (Vietnam 115) Ltd entered into the Farm-out Agreement.

5.4.5 On completion, this assignment and transfer is expected to reduce the KEL Group's liabilities by alleviating the mandatory exploration work commitments comprising at least 850 km^2 of 3D seismic acquisition, processing and interpretation and drilling 1 exploration well. In the event the Company remains obliged to carry out this work commitment and fails to do so, it would be subject to a penalty payment of approximately US$22 million.

5.4.6 This assignment and transfer is subject to a number of conditions including approvals from the relevant government authorities. The long stop date for completion under the Farm-out Agreement has been extended until 31 December 2020.

5.4.7 With respect to the sale of the other assets of the KEL Group, despite considerable efforts and time devoted to negotiations with prospective buyers over the past few months, acceptable commercial terms and conditions have not been reached with a number of prospective buyers due to a variety of reasons, including the continued volatility in commodity prices, uncertainty over global growth, concerns over the Company's solvency and the decimation of oil prices in the first four months of 2020 to the lowest levels in two decades due to COVID-19.

5.4.8 Despite these volatile economic conditions, the KEL Group continues to receive preliminary expressions of interests for its assets, in particular G6/48 and the Lengo gas field. Should any of these assets be sold, the proceeds thereof will go towards paying down the Revolving Credit Facility as these assets form part of the security package provided under the Revolving Credit Facility and because the Company had agreed to applying the proceeds from the Assets Divestment towards the Revolving Credit Facility as a pre-condition for the entry of the New CBA Facility.

5.5 **Efforts at raising financing for the development of CBA**

5.5.1 As explained in paragraph 4.3.6 above, the Company believes that CBA will be a cornerstone asset for the Company and decided to focus its energy and limited financial resources on progressing the development of CBA. The development of Mini Phase 1A was estimated to require US$87 million.

5.5.2 Under the initial agreement with the Cambodian government for the development of CBA, the Cambodian government had imposed a deadline for first oil production to be achieved (without financial penalties) by 30 June 2020. The Cambodian government had also indicated that there will be serious consequences (financial or otherwise) in relation to CBA in the event the first oil deadline is not met and timely funding is not obtained. Such consequences could include the termination of the concession rights for CBA if first oil production for CBA is not achieved by 31 December 2020. There was thus an urgent need to obtain financing for CBA then.

5.5.3 For completeness, the deadline for first oil production to be achieved (without financial penalties) by 30 June 2020 has now been extended by the Cambodian government to 31 December 2020 and the date after which serious consequences (financial or otherwise, including termination) will apply has been extended from 31 December 2020 to 30 April 2021.

5.5.4 Efforts to raise financing for the development of CBA have been ongoing for the past few years. The most recent effort has been carried out with the assistance of Houlihan Lokey, the financial advisor / restructuring consultant to the Company.

5.5.5 Since early April 2019, Houlihan Lokey has contacted over 110 potential investors, including 41 financial investors and 12 commodity traders to gauge their interest in

providing funding to the KEL Group at the corporate level or asset level, in the form of debt, equity joint venture investment and crude prepayment financing.

5.5.6 Prior to the entry into the Loan Agreement, while indicative crude prepayment financing offers have been received from a number of commodity traders and strategic investors, the terms of such financing offers were onerous (particularly in relation to pricing and security requirements) and not possible for the Company to deliver on. In addition, the amounts that were offered were also insufficient to fully fund Mini Phase 1A.

5.6 **Entry into the Loan Agreement to obtain financing for the development of CBA**

5.6.1 Besides the commodity traders, financial and strategic investors referred to in paragraph 5.5.5 above, the Company was also in discussions with Keppel Corp for the potential funding of Mini Phase 1A. In terms of quantum and interest rate, obtaining funding from Keppel Corp was the only credible option for the Company to preserve CBA and future value for all stakeholders.

5.6.2 Accordingly, on 30 April 2020, KrisEnergy (Apsara) Company Ltd and KrisEnergy (Cambodia) Ltd (collectively, the "**Borrowers**"), both wholly-owned indirect subsidiaries of the Company, entered into the Loan Agreement with Kepinvest in order to obtain financing support through the New CBA Facility for the development of Mini Phase 1A. The New CBA Facility comprises of 2 tranches, namely, Facility A of up to US$30 million ("**Facility A**") and Facility B of up to US$57 million ("**Facility B**"), each of which may be drawn down pursuant to one or more utilisation requests. Kepinvest is a wholly owned subsidiary of Keppel Corp, which is a controlling shareholder of the Company, through Keppel O&G. Kepinvest is thus an interested person under Chapter 9 of the Listing Manual and the entry into the Loan Agreement constitutes an interested person transaction under Chapter 9 of the Listing Manual.

5.6.3 The Company thus convened an extraordinary general meeting to seek the approval of its shareholders ("**Shareholders**") for the New CBA Facility under the Loan Agreement ("**IPT Approval**"). The extraordinary general meeting for the IPT Approval was held on 29 June 2020 for the independent shareholders (which excluded Keppel Corp and its affiliates) to vote on the following resolutions:

(a) the execution of the Loan Agreement in relation to the New CBA Facility be approved, confirmed and ratified;

(b) the transactions contemplated under the Loan Agreement be approved, confirmed and ratified; and

(c) the Directors or any of them be and are hereby authorised to take such steps, complete and do all such acts, matters and things as they may consider necessary or expedient for the purposes of or in connection with the New CBA Facility (including but not limited to amending, finalising, approving and executing all such documents as may be required in connection with the New CBA Facility) and exercise such discretion as the Directors or any of them may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters.

5.6.4 99.85% of the independent shareholders voted in favour of the above mentioned resolutions and the IPT Approval was obtained.

5.6.5 The key terms of the Loan Agreement are as follows:

(a) the maturity date of the New CBA Facility will be 48 months from 30 April 2020;

(b) the rate of interest on each of Facility A or Facility B for each interest period is:

(i) in the case of any payment-in-kind interest ("**PIK Interest**") payable or accruable on each of Facility A and Facility B, 15% per annum; and

(ii) in the case of any cash interest ("**Cash Interest**") payable on each of Facility A and Facility B, 15% per annum.

PIK Interest will accrue on each of Facility A and Facility B until and including the date on which the Borrowers make their first sale or disposal of petroleum produced in commercial quantities from CBA. Cash Interest will accrue on each of Facility A and Facility B at all times after the First Oil Sale Proceeds Date (as defined below);

(c) default interest on the New CBA Facility will be calculated at 2% per annum above the rate which would have been payable if the unpaid sum had, during the period of non-payment, constituted a loan;

(d) the New CBA Facility is secured against the following:

(i) share pledge over 100% of the shares in the capital of each of the Borrowers;

(ii) first ranking share charge over the shares in the capital of KrisEnergy (Apsara) Holding Ltd. ("**KEAH**") held by KrisEnergy (Asia) Ltd;

(iii) second ranking share charges over the shares in the capital of KrisEnergy (Apsara) Ltd ("**KEAL**") and KrisEnergy (Cambodia) Holding Ltd ("**KECH**") held by KrisEnergy (Asia) Ltd;

(iv) security over all the assets of the Borrowers, KEAH, KEAL and KECH;

(v) account charge on the CBA Operating Account (as defined below) and such relevant other bank accounts as set out in the Cash and Accounts Management Agreement (as defined below) of each of the Borrowers;

(vi) assignment by each Borrower, each guarantor under the Loan Agreement and other entities over certain shareholder and intercompany loans; and

(vii) statutory mortgage over the *Ingenium II* production barge by SJPB (subject only to the first ranking statutory mortgage in favour of Keppel Shipyard Limited), which barge is being used in the development of the CBA, first ranking security over the lease in respect of the barge, and first ranking security in respect of any right to receive barge revenues;

(e) each Borrower shall ensure that all of its operating and other incomes, revenues or receipts, including all loan proceeds and capital contributions received by that Borrower and any barge revenues paid to that Borrower and any and all amounts payable to SJPB by the Borrowers (after payment of the operating costs of the barge) (other than certain excluded cash receipts) are transferred into a designated operating account ("**CBA Operating Account**") charged in favour of Kepinvest;

(f) the minimum cash balance ("**Minimum Cash Balance**") in the CBA Operating Account is to be the higher of US$1 million or as otherwise agreed and the aggregate cumulative cash reserve required for the next financial quarter in order for each Borrower to meet its budgeted expenditure in accordance with an agreed annual budget;

(g) the amounts in the CBA Operating Account may be applied towards, amongst others, each Borrower's budgeted payments required in connection with barge charter, operating costs and capital expenditure in respect of the CBA, operating expenses including interests, fees, coupons and expenses in relation to the New CBA Facility and the Revolving Credit Facility Agreement, tax and royalty payments and scheduled capital expenditure and any other payments approved by the Madison Pacific Trust Limited (in its capacity as agent); and

(h) within 10 Business Days of a designated quarterly computation date, amounts above the Minimum Cash Balance in the CBA Operating Account are to be swept ("**CBA Cash Sweep**") into an excess cash account and applied in the following manner and priority:

(i) first, in or towards prepayment of the loans under the New CBA Facility; and

(ii) second, the remainder, to the collection account in respect of the Revolving Credit Facility Agreement.

A cash and accounts management agreement documents the above mechanics in relation to the CBA Cash Sweep (the "**Cash and Accounts Management Agreement**").

5.6.6 The New CBA Facility has been provided for the purposes of the development of Mini Phase 1A in accordance with the pre-first oil cost schedule or relevant approved annual budget and payment of agency fees and fees of lenders, costs and expenses incurred in connection with the finance documents entered into in connection with the Loan Agreement, to the extent expressly included in the pre-first oil cost schedule or relevant approved annual budget.

5.6.7 The New CBA Facility will be repaid throughout its term through a quarterly excess cash sweep from revenue generated by CBA, once CBA becomes cash generative on the date on which the Borrowers make their first sale or disposal of petroleum produced in commercial quantities from CBA ("**First Oil Sale Proceeds Date**"). Any remaining outstanding amounts will be repayable in full on the final maturity date, being the date falling 48 months after the date of the Loan Agreement.

5.6.8 The interest on the New CBA Facility accrues at 15% per annum on the then outstanding loan balance. All interest on the New CBA Facility is payment-in-kind (which will be capitalised at the end of each interest period and added to the outstanding principal amount of that loan) until the First Oil Sale Proceeds Date whereupon interest shall be paid in cash quarterly at the same rate of 15% per annum.

5.6.9 In order to enable the Borrowers to draw down on Facility A to make urgent payments for the development of CBA, while complying with the requirements of Chapter 9 of the Listing Manual, the maximum amount (in aggregate) of interest which could have accrued on the outstanding loan balance, together with all other amounts (excluding principal (but not capitalised interest) repayments) for Kepinvest's account under or in connection with the Loan Agreement ("**Other Payments**"), prior to receipt of the IPT Approval was US$714,679 (the "**Interest Cap**"), being less than 5% of the latest audited net tangible assets of the KEL Group (being approximately US$14,293,585 based on the latest audited consolidated financial statements of the Company for the

financial year ended 31 December 2018). This Interest Cap has now ceased to apply since the IPT Approval was obtained.

5.6.10 The New CBA Facility benefits from guarantees from each of the Borrowers (as cross-guarantors) and each of the Borrowers' holding companies up to the Company. The New CBA Facility also benefits from a comprehensive security package, including security over the shares and assets of the Borrowers, their immediate holding companies and KEAL (another subsidiary of the Company), as well as second ranking security over the *Ingenium II* production barge, which is being used in the development of CBA.

5.6.11 As at 16 October 2020, Facility A has been fully drawn down and Facility B has been drawn down by approximately US$15.3 million and approximately US$1.6 million of PIK Interest has accrued on the total amount drawn down in accordance with the terms and conditions of the New CBA Facility. The amounts drawn down have been utilised for expenditure for the development of CBA and to pay agency fees incurred in connection with the Loan Agreement.

5.6.12 After the disbursement under the New CBA Facility, as at 16 October 2020, the Company's debt exposure to DBS and Keppel related entities is approximately US$343.4 million. A breakdown of the debt exposure is as follows:

(a) to DBS under the Revolving Credit Facility with Keppel Corp holding the key economic risk in the Revolving Credit Facility (through the Company's exposure as guarantor under the Revolving Credit Facility): Approximately US$196.0 million;

(b) to Keppel O&G (in the Company's capacity as issuer of the Zero Coupon Notes): Approximately S$107.2 million (principal);

(c) to Keppel Shipyard Limited (through the Company's exposure as guarantor for the vendor financing for the refurbishment and upgrade of the *Ingenium II* production barge): Approximately S$29.3 million. Keppel Shipyard Limited has a first ranking mortgage over the *Ingenium II* production barge, a first ranking assignment of insurances in respect of the *Ingenium II* production barge and will have a second ranking share charge over the Company's shares in SJPB; and

(d) to Kepinvest (through the Company's exposure as guarantor under the New CBA Facility): Approximately US$46.9 million.

5.6.13 The New CBA Facility and the vendor financing referred to in paragraph 5.6.12(c) above will not be compromised under the Scheme or any other process which will take place as part of the Company's restructuring.

6. THE RESTRUCTURING

6.1 Key terms of the Restructuring Exercise

6.1.1 The restructuring of the Company's liabilities is proposed to occur through three separate processes:

(a) in respect of the Creditors, the Scheme;

(b) in respect of the Zero Coupon Notes, the Consent Solicitation Exercise; and

(c) in respect of the guarantee it provided for the Revolving Credit Facility, a consensual process between the Company, relevant KEL Group entities and DBS by way of a Bilateral Agreement,

and is subject to the fulfillment of the Implementation Conditions as listed in paragraph 8.4.2 below and the fulfillment of any conditions in connection with the Consent Solicitation Exercise and the Bilateral Agreement.

6.2 **Scheme**

6.2.1 With the exception of:

(a) the Excluded Creditors which are listed in Appendix J;

(b) DBS in respect of the Revolving Credit Facility;

(c) the ZCN Holders; and

(d) parties with Intercompany Liabilities,

all Creditors of the Company will be subject to the Scheme. These Excluded Creditors will not be compromised under the Scheme or any other restructuring process as they have ongoing relationships with the KEL Group and are crucial to business continuity and the continued operations of the various assets of the KEL Group. The reasons for excluding them from the Scheme and any other means of compromise are also provided for at Appendix J. The Intercompany Liabilities will not be compromised under the Scheme as it is part of the security package for the Revolving Credit Facility and Keppel Corp has required that this liability not be compromised under the Scheme. Any compromise of the Intercompany Liability could however be negotiated as part of the Bilateral Agreement.

6.2.2 There will only be one class of creditors for the purposes of considering and voting on the Scheme as all the Scheme Creditors are unsecured. The Company's only secured creditors are DBS and the ZCN Holders which will not be part of the Scheme. In the event a Scheme Creditor is a related creditor of the Company, the Scheme Creditor's vote will be wholly discounted.

6.2.3 The KEL Restructuring Group Creditors can be classed together with the other Scheme Creditors as the rate of recovery between the KEL Restructuring Group Creditors and the other Scheme Creditors is not so different that they cannot sensibly consult together with a view to their common interest. Based on the Company's calculations following consultation with its financial advisor / restructuring consultant, any claims which the KEL Restructuring Group Creditors has against the third party primary debtors, this being members of the KEL Restructuring Group, will be of negligible economic value given the financial situation of each of these debtors. Based on the calculations of the Company following consultation with its financial advisor / restructuring consultant, the financial position of each of the KEL Restructuring Group Creditors is included in Appendix K. Releasing each of these third party primary debtors will also assist in deleveraging their respective balance sheets which will in turn assist the general liability position of the KEL Group.

What Scheme Creditors will receive under the Scheme

6.2.4 New shares will be issued by the Company to the Scheme Creditors in connection with the Scheme. The maximum aggregate number of Debt Conversion Shares which may be issued to Scheme Creditors will be approximately 6,943,162,680 Debt Conversion Shares, which represents in aggregate approximately 46.2% of the Enlarged Share Capital of the Company upon completion of the Restructuring Exercise. The Debt Conversion Shares will be issued and allotted to Scheme Creditors, rounded down to the nearest whole number, on a pro rata basis in accordance with the Scheme Claims of each Scheme Creditor.

6.2.5 The Debt Conversion Shares shall, on issue and allotment, be credited as fully paid-up Shares free from all encumbrances whatsoever and shall rank *pari passu* with all

Shares (including the ZCN Exchange Shares (as defined below)) in all respects and carry all rights and advantages attached thereto as at the date of issue.

6.2.6 The Company or Scheme Manager shall not be required to distribute any Debt Conversion Shares to any of the Scheme Creditors until after the Restructuring Effective Date.

6.2.7 Each Scheme Creditor shall receive their Debt Conversion Shares entitlement within 5 Business Days:

(a) after the Restructuring Effective Date; or

(b) after the Claim of the Scheme Creditor Crystallises,

whichever is later.

What releases and undertakings the Scheme Creditors will provide under the Scheme

6.2.8 With effect on and from the Restructuring Effective Date:

(a) each Scheme Creditors' rights against the Company and the KEL Restructuring Group in connection with any and all Claims shall be limited to and fully settled by the Debt Conversion Shares they would be entitled to under the terms of the Scheme;

(b) each Scheme Creditor shall be deemed to have irrevocably, fully, unconditionally and finally waived, released and discharged all its Claims against the Company and its Personnel and Affiliates or any other member of the KEL Restructuring Group and its Personnel and Affiliates and all guarantees, covenants to pay or similar obligations given by the Company in respect of which or in connection with which the Claims arose;

(c) each Scheme Creditor shall be deemed to have irrevocably, fully, unconditionally and finally waived, released and discharged each and every claim which it ever had, may have or hereafter can, shall or may have against the Company and its Personnel and Affiliates or any other member of the KEL Restructuring Group and its Personnel and Affiliates for any liability arising under or in connection with the Claims;

(d) each Scheme Creditor shall be deemed to have irrevocably, fully, unconditionally and finally waived, released and discharged each and every claim which it ever had, may have or hereafter can, shall or may have against:

(i) the Company and its Personnel and Affiliates, or any other member of the KEL Restructuring Group and their respective Personnel and Affiliates; and

(ii) the Advisors and their respective Personnel and Affiliates,

for any liability in respect of the preparation, negotiation, sanctioning or implementation of the Scheme and/or the Restructuring Exercise;

(e) each Scheme Creditor (to the extent this paragraph is applicable) shall discontinue and terminate all proceedings commenced by it in Singapore or elsewhere against the Company or any member of the KEL Restructuring Group in connection with the Claims;

(f) each Scheme Creditor (to the extent this paragraph is applicable) shall discontinue and terminate all proceedings commenced by it in Singapore or elsewhere against any assets (including vessels) of the Company or any member of the KEL Restructuring Group in connection with the Claims; and

(g) all rights, funds or property owned by the Company or any member of the KEL Restructuring Group, seized, garnished, attached or held as Security in relation to the Claims of the Scheme Creditors, shall be irrevocably waived, discharged and released, and each Scheme Creditor (to the extent this paragraph is applicable) shall take all such action as may be required to give effect to such waiver, discharge and release.

Settlement deed dated 24 November 2020 among the Company, certain subsidiaries of the KEL Group (collectively, the "KrisEnergy Parties"), Rubicon Vantage International Pte. Ltd. ("Rubicon") and Maritime International Services Pte. Ltd. ("Maritime") (Rubicon and Maritime collectively, the "Rubicon Parties") ("Settlement Deed")

6.2.9 The key terms of the Settlement Deed are as follows:

(a) KrisEnergy (Apsara) Company Ltd will enter into a new bareboat charter for the hire of a vessel, the Rubicon Vantage, from Rubicon ("**FSO BBC**"). The terms of the FSO BBC will be based on the BIMCO Barecon 2017 Form of Charter and the charterhire payable is at market rate. The Rubicon Vantage will be used in the CBA Apsara oil field.

(b) On and from 24 November 2020, this being the date of the Settlement Deed, the Rubicon Parties will fully and finally settle any and all claims which they have against the KrisEnergy Parties and vice versa arising out of and in connection with a bareboat charterparty dated 13 October 2014 entered into between Rubicon and KEGOT ("**BBC**") and an operation and maintenance contract dated 13 October 2014 entered into between Maritime and KEGOT ("**O&M Contract**"), save for the sum of US$15,302,415.02 ("**Settlement Sum**"). For completeness and as a matter of disclosure: (i) the Settlement Sum is an aggregate of the total amount which could be owing from the KrisEnergy Parties to the Rubicon Parties, including contingent claims, as set out in Appendix O of the explanatory statement dated 20 November 2020; and (ii) Maritime is an affiliate of Rubicon.

(c) The releases contemplated by the Settlement Deed include the following:

(i) Rubicon will, immediately upon the execution of the Settlement Deed, take such steps as necessary to withdraw the winding up petition filed by Rubicon against KEGOT in the Grand Court of the Cayman Islands ("**Grand Court**") on the basis of the First Statutory Demand and Second Statutory Demand (as defined in paragraphs 6.2.10(a) and 6.2.10(c) respectively below) ("**Winding Up Petition**");

(ii) Rubicon and KEGOT will apply jointly to the High Court of Justice Business and Property Courts of England and Wales ("**English High Court**") for a discontinuance of certain relevant proceedings in England;

(iii) Rubicon shall not commence any enforcement action in respect of an earlier judgment entered into against the Company in favour of Rubicon for a claim arising under a guarantee provided by the Company for the BBC ("**Guarantee**") awarded by the English High Court for the sum of US$2,077,606.80;

(iv) Rubicon, KEGOT and the Company shall discontinue any legal action and/or claims in relation to the BBC and/or the Guarantee and agree to bring no claim arising out of or in relation to these documents in the future;

(v) Maritime, KEGOT and the Company shall discontinue any legal action and/or claim in relation to the O&M Contract and/or the guarantee provided by the Company for the O&M Contract and agree to bring no claims arising out of or in relation to such documents in the future; and

(vi) Rubicon will withdraw the First Statutory Demand and Second Statutory Demand against KEGOT in the Cayman Islands.

(d) The Rubicon Parties will file a proof of debt in respect of the Settlement Sum in the Scheme. The Rubicon Parties have agreed that the filing of this proof of debt and any distribution under the Scheme will constitute full and final settlement of the Settlement Sum. In the event the Rubicon Parties (or each of them) fail to file a proof of debt in the Scheme, any claims which they have against the KrisEnergy Parties, including any claim for the Settlement Sum, will be forever waived, released, discharged and extinguished.

(e) The Rubicon Parties have undertaken to vote in favour of the Scheme in respect of the Settlement Sum (to the extent it is admitted by the Chairman).

6.2.10 The KrisEnergy Parties entered into the Settlement Deed to fully and finally resolve all disputes and claims among the KrisEnergy Parties and the Rubicon Parties (save for the Settlement Sum) and in particular, the Winding Up Petition. The matters leading up to the Winding Up Petition are as follows:

(a) On 10 February 2020, Rubicon issued a statutory demand against KEGOT for the sum of US$2,839,306.85, comprising a principal sum of US$1,827,901.44, together with interest and costs of US$1,011,405.41 (“**First Statutory Demand**”).

(b) On 21 February 2020, KEGOT applied for an injunction against Rubicon in the Grand Court in FSD 30 of 2020 seeking, *inter alia*: (i) a declaration that there is a genuine and substantial dispute concerning the sum claimed in the First Statutory Demand; (ii) a declaration that KEGOT has a genuine cross-claim on substantial grounds against Rubicon for the amount exceeding the sum claimed in the First Statutory Demand; and (iii) a final injunction against Rubicon that it be restrained from presenting any petition to wind up KEGOT based on the First Statutory Demand ("**Injunction Application**").

(c) On 12 May 2020, Rubicon served KEGOT a statutory demand seeking payment of US$922,825.30 comprising a principal sum of US$919,500.00, together with interest of US$3,325.30 ("**Second Statutory Demand**"). Due to issues regarding service, the Second Statutory Demand was only due for payment on 18 June 2020.

(d) After an oral hearing on 16 April 2020, the Grand Court handed down a ruling on 12 June 2020 on KEGOT's Injunction Application and dismissed the same with costs awarded to Rubicon ("**Cayman Judgment**").

(e) On 12 June 2020, Rubicon filed the Winding Up Petition. The Winding Up Petition was served on 18 June 2020.

(f) On 18 June 2020, KEGOT filed a notice of appeal against the Cayman Judgment (“**Cayman Appeal**”). On 27 October 2020, the Cayman Appeal was heard by the Cayman Islands Court of Appeal and the judgment

dismissing the Cayman Appeal was handed down on 18 November 2020. Following the decision in the Cayman Appeal, Rubicon was at liberty to continue the Winding Up Petition against KEGOT.

6.2.11 KEGOT is not under any moratorium regime and was at risk of being wound up by Rubicon. Should KEGOT be wound up, KEGOT's potential significant future production and revenue in G6/48 would be jeopardised due to actions which could be taken by the Thai government or KEGOT's joint venture partners. Some of the actions which the Thai government or KEGOT's joint venture partners could take include terminating the G6/48 concession or forfeiting KEGOT's operatorship of G6/48 and consequently, the KEL Group, including the Company, would not be able to enjoy the benefits of the reserves which could be produced at G6/48. In this regard, G6/48 is estimated to have the potential of producing approximately 11.7 million barrels of gross proved and probable reserves according to NSAI estimates as at 31 December 2019. In addition, any potential reserves which could be extracted from G10/48 (see paragraph 3.2.2(d) above) will also be jeopardised due to potential actions from the Thai government or KEGOT's joint venture partners if KEGOT is wound up. In the circumstances, it was crucial that the Settlement Deed be entered into ahead of the hearing of the Winding Up Petition and to prevent the winding up of KEGOT. The scheduled hearing of the Winding Up Petition took place during the morning of 24 November 2020, Cayman Islands time. At the hearing, Rubicon was given leave to withdraw the Winding Up Petition and withdrew the Winding Up Petition.

6.2.12 In addition, the Company has not been prejudiced by the entry of the FSO BBC and the Settlement Deed. The KEL Group required a vessel to carry out work in the CBA Apsara oil field. The terms of the FSO BBC are standard and based on the BIMCO Barecon 2017 Form of Charter. The charterhire payable is at market rate and would have been incurred in any event for the hire of a vessel for use in the CBA Apsara oil field even if the vessel owner was not either of the Rubicon Parties. The amounts being paid under the FSO BBC are being paid by KrisEnergy (Asia) Ltd and/or KrisEnergy (Apsara) Company Ltd and the Company itself has not incurred any further financial liability as a result of the FSO BBC.

6.2.13 The Rubicon Parties will continue to be classed together with the other Scheme Creditors in the Scheme and the Scheme will continue to only have one class of creditors (see paragraph 6.2.2 above). The Rubicon Parties continue to be able to consult with the other Scheme Creditors because in the event the Restructuring Exercise fails and the Company is placed into liquidation, the Rubicon Parties will receive nothing from the Company as is the case for the other Scheme Creditors. The payment Rubicon will receive under the FSO BBC cannot be considered returns as that is the charterhire payable by KrisEnergy (Asia) Ltd and/or KrisEnergy (Apsara) Company Ltd under the FSO BBC in consideration for the use of the Rubicon Vantage.

6.2.14 The Rubicon Parties' votes will also not be discounted in the Scheme as the Rubicon Parties do not have an interest that differs from the interests of the other Scheme Creditors that may cause them to vote differently from the other Scheme Creditors. If the Scheme passes, they will, like the other Scheme Creditors, receive a *pro rata* share of equity in the Company. If the Scheme fails, they will, like the other creditors, receive nothing from the Company. The Rubicon Parties do not receive any additional benefit from the Restructuring Exercise succeeding. The amounts being paid to Rubicon for the FSO BBC is not in exchange for them voting in favour of the Scheme but rather, as charterhire under the FSO BBC.

6.2.15 In any event, the issue of whether the Rubicon Parties' votes should be discounted will be one that the Court will ultimately decide in the event it is raised as an issue during the application to sanction the Scheme, assuming the Requisite Majority vote in favour of the Scheme.

6.3 **Bilateral Agreement**

6.3.1 The Company's exposure to DBS arises from its position as a guarantor under the Revolving Credit Facility. The Company and the KEL Group will restructure their liabilities under the Revolving Credit Facility through a Bilateral Agreement. The decision to restructure the Revolving Credit Facility through a separate consensual process was made because DBS has security over substantially all of the KEL Group's assets (see Appendix H for a full list of security) and therefore is a senior secured creditor. The Scheme seeks to implement a compromise of the claims of unsecured creditors and were DBS to be included in the Scheme, they would, in any case, form a separate class from other Scheme Creditors and be able to vote independently. The Bilateral Agreement is, though, a key part of the overall restructuring of the Company and accordingly, the implementation of the Bilateral Agreement will be a condition precedent to the Restructuring Effective Date.

6.3.2 The key terms of the Bilateral Agreement are expected to be as set out below:

(a) the maturity date will be extended beyond December 2020 to June 2024;

(b) future drawdowns of the Revolving Credit Facility will be conditional on the satisfaction of various conditions precedent including the confirmation as to use of proceeds;

(c) proceeds from any Assets Divestment of the KEL Group are to be applied towards repaying the principal amount outstanding under the Revolving Credit Facility;

(d) further principal repayments are to be made by way of a cash sweep from the excess cash flow of CBA; and

(e) a bullet repayment is to be made of any principal amount outstanding at maturity of the Revolving Credit Facility.

6.3.3 Pending the finalization of the Bilateral Agreement and to facilitate the Restructuring Exercise, DBS has agreed to a six-month extension of the maturity date of the Revolving Credit Facility from 30 June 2020 to 31 December 2020.

6.4 **Consent Solicitation Exercise**

6.4.1 The liabilities under the Zero Coupon Notes will be restructured pursuant to a Consent Solicitation Exercise. Pursuant to the Consent Solicitation Exercise, the Company will be seeking approval by an Extraordinary Resolution of the ZCN Holders to, *inter alia*, (subject to the conditions being fulfilled) (i) the ZCN Exchange, (ii) the waiver of any event(s) of default or potential event(s) of default that have occurred or that may occur up to and including the Restructuring Effective Date and/or that may occur under the Zero Coupon Notes in connection with the Consent Solicitation Exercise, and (iii) amendments to the terms and conditions of the Notes.

6.4.2 A majority of not less than three quarters of the votes cast at the meeting of the ZCN Holders for which the necessary quorum is at least two voters representing or holding not less than three quarters of the aggregate principal amount of the outstanding Zero Coupon Notes and, at an adjourned meeting, one quarter of the aggregate principal amount of the outstanding Zero Coupon Notes have to vote in favour of the extraordinary resolutions under the Consent Solicitation Exercise for the requisite approval to be obtained. None of the ZCN Holders are required to abstain from voting. An extraordinary resolution of ZCN Holders shall be binding upon all ZCN Holders, whether present or not present at such meeting and each of them shall be bound to give effect to it accordingly.

6.4.3 Restructuring the liabilities under the Zero Coupon Notes will involve 45% of the aggregate principal amount of the Zero Coupon Notes held by each person who is shown in the records of CDP as a holder of the Zero Coupon Notes as at the Ascertainment Date (rounded down to the nearest whole number) (the "**Swap Debt**") being exchanged for approximately 6,582,478,905 new Shares (the "**ZCN Exchange**"). The aggregate number of ZCN Exchange Shares issued as a result of the ZCN Exchange will represent approximately 43.8% of the Enlarged Share Capital of the Company after the completion of the Restructuring Exercise. ZCN Holders will therefore be entitled to a pro rata share of approximately 43.8% equity in the Enlarged Share Capital of the Company, with the number of Shares allotted and issued to each ZCN Holder rounded down to the nearest whole number. 55% of the aggregate principal amount of the Zero Coupon Notes held by each ZCN Holder (rounded up to the nearest whole number) will remain as debt after the completion of the Restructuring Exercise, subject to the terms and conditions of the Zero Coupon Notes (as amended pursuant to the Consent Solicitation Exercise including an extension of the maturity to 30 December 2025). As part of the Consent Solicitation Exercise, there will also be waivers of events of default and potential events of default and certain amendments to the terms of the documents for the Zero Coupon Notes.

6.4.4 If the Company is liquidated, the ZCN Holders are not expected to have any recovery even though the Company has granted a second-ranking security over its shares in KrisEnergy Holding Company Ltd and KrisEnergy Management Ltd and a first-ranking security over its shares in SJPB for the benefit of the ZCN Holders. This is because:

(a) while DBS is the first-ranking secured creditor over the Company's shares in KrisEnergy Holding Company Ltd and KrisEnergy Management Ltd for the Revolving Credit Facility, it will not be fully paid off even if it were to realise all this security. Thus, there will be no value left in the security over the same assets held for the benefit of the ZCN Holders; and

(b) while the ZCN Holders have a first-ranking security over the Company's shares in SJPB, Keppel Shipyard Limited has a first-ranking mortgage over the sole asset owned by SJPB (see paragraph 5.6.12(c) above). Kepinvest has a second-ranking security over the sole asset owned by SJPB. Accordingly, once Keppel Shipyard Limited and Kepinvest enforce their security, the shares in SJPB will be of no value.

Further details of this liquidation analysis can be found at Appendix L.

6.4.5 The equity allocations between the ZCN Holders and the unsecured creditors under the Scheme reflect, in part, the respective priority and contractual rights of the stakeholders in the capital structure. The ZCN Holders hold second ranking security over the Company's shares in KrisEnergy Holding Company Ltd and KrisEnergy Management Ltd as well as first-ranking security over the Company's shares in SJPB. The creditors subject to the Scheme are unsecured. Based on the liquidation scenario, though, the ZCN Holders would, like the unsecured creditors, receive no return. It is relevant, though, that on a going concern basis, they would be in a superior position.

6.4.6 The terms of the Restructuring Exercise were arrived at after discussions with the Company's various stakeholders including Keppel Corp. Based on discussions with Keppel Corp, they are unlikely to be supportive of the restructuring process if the terms being offered to the ZCN Holders do not reflect a reasonable return that would result in their continued support being viable, taking into account its overall economic position in the KEL Group and the extent of its continued economic support. The current proposal (set out in paragraph 6.4.9 below) is the one, based on the aforesaid discussions, that meets those objectives and is acceptable to Keppel Corp. The Company therefore sees this as the only viable option that would be acceptable to Keppel and still provide for a significant return to the unsecured creditors and, indeed,

the shareholders. KEL's board's position is that if Keppel Corp is no longer supportive of the Restructuring Exercise, it will fail because:

(a) as listed at Appendix H, substantially all of the KEL Group's assets are encumbered and form part of the security package for the Revolving Credit Facility and the New CBA Facility; and

(b) the development of CBA, which forms the basis of the Company's restructuring, may no longer receive funding under the New CBA Facility.

6.4.7 The unsecured creditors stand to receive nothing in a liquidation. The deal being proposed places them in a substantially better position. It also allows the shareholders, who would economically be left with nothing in a liquidation, with a real stake in the Company's equity.

6.4.8 Ultimately, the terms of the debt to equity conversion for the unsecured creditors under the Scheme (which terms for the unsecured creditors were improved between the holding of the townhall meetings on 19 June 2020 ("**June Townhall**") and 27 August 2020 ("**August Townhall**") and the ZCN Holders under the Consent Solicitation Exercise were arrived at based on feedback received from the Company's various stakeholders including Keppel Corp, and seeks to also reflect the relative security positions of the various creditor groups of the KEL Group. The terms of the debt to equity conversion under the Scheme and the Consent Solicitation Exercise represent the best terms which the Company can offer taking into account the matters set out in paragraph 6.4.6 above.

6.4.9 The June Townhall and August Townhall were held for the Noteholders, ZCN Holders and Company's shareholders to, among other things, address their questions and allow them to provide their feedback on the terms of the restructuring. Discussions took place with Keppel Corp on the feedback put forward and, eventually, the terms were amended with Keppel Corp's agreement to the benefit of the unsecured creditors and shareholders. A table setting out how the terms were improved for the unsecured creditors between the August Townhall and the June Townhall after taking in account feedback received at the June Townhall is set out below:

		Initial Restructuring Proposal at the June Townhall	Final Restructuring Proposal at the August Townhall	Change
Secured Debt	**Revolving Credit Facility** *(US$200.0 mm)*	▪ Maturity extended 4 years to 2024	▪ Maturity extended 4 years to 2024	▪ None
	Zero Coupon Notes[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[2] ▪ 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 Term Loans *(US$34.4 mm)*			
	Other unsecured creditors *(US$57.4 mm)*[3]			

Equity[4]	**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%

Note: Post-restructuring shareholding excludes any shares to be distributed to the Management in accordance with the KrisEnergy Management Incentive Plan

[1] The ZCN Holders have comprehensive 2nd ranking security package over the assets of the KEL Group. The ZCN Holders also have 1st ranking security over the shares and certain accounts of SJPB (a wholly-owned subsidiary of KEL)

[2] For completeness, KEL will be seeking other changes to the Zero Coupon Notes provisions aside from the maturity date

[3] Includes contingent claims which are currently disputed. Any variance in the amount of contingent claims will not change the allocation of post-restructuring equity across the separate stakeholder classes

[4] Warrants will not be amended or restructured as they are currently deeply out-of-the money and will instead be significantly diluted as part of the restructuring

6.4.10 In addition, the debt under the Zero Coupon Notes will be restructured by way of the Consent Solicitation Exercise rather than the Scheme because:

(a) The notes documentation (in particular, the trust deed for the Zero Coupon Notes dated 31 January 2017 as amended, varied or supplemented from time to time), which all ZCN Holders are signed up to and agreed at the time of issue of the Zero Coupon Notes, provide for terms and procedure governing any meeting of ZCN Holders (which would include a meeting for a consent solicitation process to amend the terms and conditions of the Zero Coupon Notes).

(b) Keppel O&G's vote in its capacity as a ZCN Holder is likely to be significantly discounted in the Scheme and based on discussions with Keppel Corp, they are unlikely to be supportive of the restructuring process if Keppel O&G's legitimate right to vote in relation to the Zero Coupon Notes was prejudiced. As mentioned above, KEL's board's position is that if Keppel Corp is no longer supportive of the Restructuring Exercise, it will fail. Based on the valuations prepared so far, if the Restructuring Exercise fails and KEL is liquidated, the unsecured creditors and the Shareholders are likely to have zero returns. KEL wishes to avoid this situation. A consent solicitation process for the ZCN Holders has therefore been determined by the Board to provide the best chance of a successful restructuring of the Zero Coupon Notes and therefore supports an overall consensual restructuring.

6.5 Shareholder approval

6.5.1 As the restructuring envisages the issuance of new Shares to the Scheme Creditors and ZCN Holders, the Restructuring EGM will be held for the Shareholders to vote on the proposed allotment and issuance of the Company's Shares to the Scheme Creditors and the ZCN Holders.

6.5.2 The Restructuring EGM is targeted to take place in January 2021 and the relevant resolutions will be put before shareholders as ordinary resolutions. The resolutions will only be passed by a simple majority (more than 50%) of the votes cast by eligible shareholders at the Restructuring EGM.

6.5.3 Keppel O&G is a controlling shareholder of the Company as defined in the Listing Manual and holds approximately 76.87% in value of the Zero Coupon Notes. Accordingly, the allotment and issuance of KEL's shares to Keppel O&G pursuant to the restructuring of the Zero Coupon Notes will constitute a restricted issue of shares under Rule 812 of the Listing Manual and an interested person transaction under Rule 906 of the Listing Manual, both of which require Shareholders' approval. Keppel

O&G is required to abstain from voting on the Shareholders' resolution for the allotment and issuance of the Company's shares to the ZCN Holders. To the extent that any substantial shareholder of the Company is also a holder of the Zero Coupon Notes or a Scheme Creditor, the allotment and issuance of the Company's shares to such substantial shareholder pursuant to the restructuring of the Zero Coupon Notes or the Scheme will also require Shareholders' approval pursuant to Rule 812 of the Listing Manual, and such substantial shareholder will also be required to abstain from voting on the resolution for the allotment and issuance of the Company's shares to the ZCN Holders and Scheme Creditors.

6.5.4 The pre-Restructuring Exercise share capital of the Company comprising approximately 1,502,849,065 Shares, will represent 10.0% of the Enlarged Share Capital of the Company.

6.6 **Other liabilities**

6.6.1 Following consultation with its financial advisors / restructuring consultants and legal advisors, the Company has decided that the Warrants will not be compromised as part of the Restructuring Exercise. Based on the restructuring terms, the exercise price of the Warrants (which means S$0.110, being the sum payable in respect of each new share to be issued upon exercise of the Warrants, for which a Warrant Holder will be entitled to subscribe upon exercise of a Warrant, such price subject to such adjustments under certain circumstances as may be required in accordance with the terms and conditions of the Warrants) will not have to be adjusted downwards since the Total Effective Consideration (as defined in the terms and conditions of the Warrants) for each Share is likely to be more than 90% of the Last Dealt Price (as defined in the terms and conditions of the Warrants) for each Share. The Warrant Holders will also be diluted from approximately 45.5% as at the Ascertainment Date (assuming all the Warrant Holders convert their interest) to approximately 7.7% post completion of the Restructuring Exercise assuming that no MIP Shares (as defined in paragraph 10.1.2 below) are issued. It is thus unlikely that the value of the Warrants will increase as a result of the Restructuring Exercise. Therefore, even though the Warrant Holders' rights are not directly compromised by the Restructuring Exercise, they will not be in a better position as compared to other stakeholders in the Restructuring Exercise whose rights are being compromised.

6.7 **Shareholding of the Company**

6.7.1 The shareholding of the Company before and after the Restructuring Exercise will be as follows:

	Pre-Restructuring	**Post-Restructuring [(2)]**	
		Excluding KrisEnergy Management Incentive Plan	**Including KrisEnergy Management Incentive Plan [(3)]**
Existing Shareholders as at Ascertainment Date	100.00%	10.00%	9.00%
ZCN Holders	-	43.80%	39.42%

Scheme Creditors	-	46.20%	41.58%
Management [1]	0.09%	-	10.00%
Total	**100.00%**	**100.00%**	**100.00%**

Notes:

1. See paragraphs 10.1.2 and 10.2.1 below.
2. Does not reflect dilution on account of the Warrants that remain outstanding.
3. Approximately 16,698,322,944 shares to be split as follows. Assuming that (i) all performance targets are met such that the maximum number of Shares is awarded under the KrisEnergy Management Incentive Plan; and (ii) following the implementation of the Restructuring Exercise, no other new Shares are issued by the Company.
   (a) Existing Shareholders: approximately 1,502,849,065
   (b) ZCN Holders: approximately 6,582,478,905
   (c) Scheme Creditors: approximately 6,943,162,680
   (d) KrisEnergy Management Incentive Plan: approximately 1,669,832,924

6.7.2 The shareholding which Keppel and its related entities will have in the Company before and after the Restructuring Exercise is set out below for illustrative purposes:

	Immediately before the Restructuring Exercise				**Immediately after the Restructuring Exercise**			
	Direct Interest		**Deemed Interest[1]**		**Direct Interest**		**Deemed Interest[1]**	
	No. of Shares	**%[2]**	**No. of Shares**	**%[2]**	**No. of Shares**	**%[3]**	**No. of Shares**	**%[3]**
Keppel O&G	598,263,893	39.81	-	-	5,655,149,977	37.63	-	-
Kepventure Pte. Ltd.	-	-	598,263,893	39.81	-	-	5,655,149,977	37.63
Keppel Corp	-	-	598,263,893	39.81	-	-	5,655,149,977	37.63

Notes:

1. Kepventure Pte. Ltd. and Keppel Corp are each deemed under Section 4 of the Securities and Futures Act (Cap. 289, 2006 Rev Ed) to have an interest in the Shares held by Keppel O&G as (i) Keppel O&G is a wholly owned subsidiary of Kepventure Pte. Ltd.; and (ii) Kepventure Pte. Ltd. is a wholly owned subsidiary of Keppel Corp.
2. Based on 1,502,849,065 issued Shares and excludes interests in Shares comprised in awards granted pursuant to the KrisEnergy Performance Share Plan adopted by KEL in conjunction with the initial public offering of KEL ("**KEL PSP**").
3. Based on 15,028,490,650 issued Shares immediately after the Restructuring Exercise, assuming that the maximum number of Debt Conversion Shares are issued pursuant to the Scheme, no MIP Shares (as defined in paragraph 10.1.2 below) are issued pursuant to the KrisEnergy Management Incentive Plan, and excludes interests in Shares comprised in awards granted pursuant to the KEL PSP.

6.8 Risk factors relating to the Restructuring Exercise

6.8.1 There is a risk that the Scheme may not be approved by the requisite majority of the Scheme Creditors, in which case no distribution can be made under the Scheme.

6.8.2 There is a risk that, even if the Scheme is approved by the requisite majority of the Scheme Creditors, it is not sanctioned by the court, in which case no distribution can be made under the Scheme.

6.8.3 There is a risk that, even if the Scheme is approved by the requisite majority of the Scheme Creditors and is sanctioned by the Court, one or more of the Implementation

Conditions may not be met, in which case no distribution can be made under the Scheme.

6.8.4 There is a risk that the Scheme may not be sanctioned or the Implementation Conditions may not be met before the Company runs out of cash. Given that the Revolving Credit Facility matures on 31 December 2020, in the event that the maturity date of the Revolving Credit Facility is not extended by that date, the Company will not be able to repay the same.

6.8.5 There are also inherent operational and business risks as highlighted in paragraph 3.2.2 above. Further, insofar as the Company's business operations are concerned, the volatility of oil prices, the loss of assets due to government action in not extending plans of development and/or production area licences as well as a development of Mini Phase 1A at CBA are also risks that relate to and will affect the restructuring of the Company.

7. RATIONALE AND OBJECTIVES OF THE SCHEME

7.1 Objectives of the Scheme

7.1.1 The objectives of the Scheme are:

(a) to avoid a liquidation of the Company, as this will result in the creditors of the Company, including the Scheme Creditors receiving significantly less than they would under a successful implementation of the Scheme;

(b) to enable the business of the Company and the KEL Group to continue as a going concern, in particular, to see through the development of the Mini Phase 1A at CBA as the Company expects the bulk of the KEL Group's future revenue to come from CBA once it achieves first oil; and

(c) to ensure an orderly distribution of equity to the Scheme Creditors.

7.2 Crowe Horwath First Trust Appraisal Pte Ltd ("Crowe")

7.2.1 Crowe was engaged by the Company to:

(a) conduct an independent valuation, on a liquidation basis ("**Liquidation Analysis**"), of all assets across the KEL Group, as at 31 March 2020 (the "**Valuation Date**"); and

(b) conduct an independent valuation of the 100% enterprise value of the KEL Group, on a going concern basis, as at the Valuation Date ("**Going Concern Analysis**").

7.2.2 Crowe's valuation is prepared in accordance with International Valuation Standards and the engagement team members are Chartered Valuer and Appraisers registered with the Institute of Valuers & Appraisers, Singapore. For further information regarding Crowe, please see their website at https://www.crowe.com/sg.

7.2.3 Crowe has no present or contemplated interest in the KEL Group which is the subject of this valuation and is acting independently of all parties. Fees are agreed on a lump sum basis and are not contingent on the outcome of the KEL Group's Restructuring Exercise and Crowe's value conclusions.

7.2.4 Based on the Liquidation Analysis and Going Concern Analysis prepared by Crowe, the Scheme offers better prospects for the creditors of the Company, including the Scheme Creditors, as compared to a liquidation of the Company. Based on the Liquidation Analysis, the Scheme Creditors will likely get no return in a liquidation of the Company and a successful restructuring will result in a better return to all the

Company's creditors than a liquidation. The Company and the Company's financial advisor / restructuring consultant agree with this conclusion.

7.2.5 **A summary of Crowe's Liquidation Analysis and Going Concern Analysis, including the assumptions used, are annexed in Appendix L and Appendix M respectively. Appendix N includes the forecasts of profitability and cash flow of the KEL Group taking into account expected production and operational costs for each significant O&G Assets and certain operational adjustments made by Crowe. Subject to any laws implemented in connection with COVID-19 which could restrict the Company's ability to open its offices, a copy of Crowe's full Liquidation Analysis and Going Concern Analysis is available for physical inspection by any Scheme Creditor at the Company's premises at 83 Clemenceau Avenue #10-05 UE Square, Singapore 239920, during normal business hours on any day prior to the date of the Court Meeting (other than a Saturday, Sunday or a public holiday) with two Business Days' notice subject to the Scheme Creditor executing two sets of a non-disclosure agreement with the Company, with one set to be retained by Crowe.**

7.3 **Liquidation Scenario**

7.3.1 The Board considers that the Restructuring Exercise represents the best available outcome for all stakeholders in the current circumstances and strongly recommends that all stakeholders support it. The Board urges all stakeholders to exercise their voting right in favour of the Restructuring Exercise.

7.3.2 However, it remains possible that the Restructuring Exercise will not succeed. The Board has been considering the consequences of this with Keppel Corp, who holds the key economic risk in the Revolving Credit Facility and the most appropriate course to take should that occur.

7.3.3 At present, DBS, a secured creditor of the Company, has the right to appoint a receiver to certain charged assets of Company including all of the Company's shares in KrisEnergy Holding Company Ltd and KrisEnergy Management Ltd, as a result of an event of default under the Revolving Credit Facility (in which Keppel Corp have the economic risk) and the Company will have effectively no more assets. The sole asset of SJPB is also subject to security. So far, DBS has not taken such action on the basis that the Restructuring Exercise is contemplated. A failure of the Restructuring Exercise may result in DBS ceasing to forbear on an exercise of its rights under the Revolving Credit Facility and proceed to the appointment of receivers to the charged assets.

7.3.4 In circumstances where the Restructuring Exercise has failed, the Board will have little option but to place the Company in an insolvent liquidation process in the Cayman Islands, where the Company is incorporated. In such an event, operations of the KEL Group's operating assets would likely be disrupted due to, among other things, cross default beings triggered, potential revocation of concession agreements with host governments, and the various operating entities of the KEL Group may then have to also wind down operations.

7.3.5 If the liquidation were to follow the usual process (where the liquidator sells the assets available to them and distributes the proceeds to creditors) then the liquidation valuation shows that the ZCN Holders, Scheme Creditors and Shareholders would all receive zero recovery. DBS, through the Revolving Credit Facility, holds substantially all of the KEL Group's assets. In a liquidation scenario, the value of the KEL Group's assets is insufficient to cover the amounts owing to DBS under the Revolving Credit Facility and all the other creditors, including the ZCN Holders will be left with no recovery. The estimated return of the successful implementation of the Scheme and the estimated return if the Company is liquidated are set out below, where the figures have been rounded up to the nearest whole number:

	Claims[(1)]	Scheme Recoveries[(3)]		Liquidation Recoveries[(4)]	
Creditors	**US$ '000**	**US$ '000**	**%**	**US$ '000**	**%**
DBS (under the Revolving Credit Facility)	200,000[(1)]	200,000	100	67,837-82,277	34-41
ZCN Holders	102,141[(1)]	73,777-83,659	72-82	-	-
Creditors which could be compromised under the Scheme	373,328[(2)]	18,564-28,987	5-8	-	-
Total	**675,468**	**292,342-312,646**	**43-46**	**67,837-82,277**	**10-12**

Notes:

1. Based on principal outstanding for the ZCN Notes and Revolving Credit Facility. Illustratively assumes US$ to S$ exchange rate of US$1=S$1.3654 as of 30 September 2020.
2. This reflects the claims known to the Company, taking into account any unpaid or default interest from 21 August 2019 to 30 September 2020. The list of creditors included as part of the calculation of these claims is annexed here as Appendix O and includes claims which have not Crystallised and/or are still in dispute. The Company reserves its rights to amend the list of creditors and the amounts owing at Appendix O depending on the Proofs of Debt which are received and admitted.
3. Enterprise value of the KEL Group per Crowe's Liquidation Analysis and Going Concern Analysis.
4. On 30 April 2020, the KEL Group entered into the New CBA Facility of up to US$87 million which is primarily intended to be utilised for the funding of the development of CBA. As the New CBA Facility was completed post 31 March 2020 (i.e. the Valuation Date), it has been excluded from the computation of estimated recovery for creditors. The inclusion of the New CBA Facility in the Liquidation Analysis is not expected to affect recoveries for the Scheme Creditors as of the Valuation Date, as the additional value from CBA funded by the New CBA Facility would be fully allocated to the creditor of the New CBA Facility in a liquidation scenario.

7.4 **The Proposed Transfer (as defined below)**

7.4.1 The Board has been discussing with Keppel Corp whether an alternative option to a usual collection and distribution of assets in a liquidation may be available in these circumstances, to partially reduce the impact of liquidation if the Restructuring Exercise were to fail.

7.4.2 As a result of those discussions, and a review of the relevant options, the Board understands that an alternative plan is currently being explored that may allow for some recovery to all stakeholders. Such alternative plan contemplates a structured or managed liquidation, whereby the Company's assets would be transferred by the Company to a new company ("**NewCo**") in exchange for the consideration described below ("**Proposed Transfer**"). **The Board has no power in law to put the Proposed Transfer into effect in the context of a liquidation. The Board ceases to have any power or control over the Company and its assets upon the appointment of liquidators. The only party with the power to put the Proposed Transfer into effect would be the liquidators appointed by the Grand Court of the Cayman Islands ("Cayman Court") (on the assumption that the transaction may be pursued under the laws of the Cayman Islands). The liquidators will be required to act in the interests of the creditors of the Company and it is entirely possible that the liquidators may decline to pursue the Proposed Transfer, in which case it will not move forward. Even if the liquidators propose the Proposed Transfer, it will not come into effect without the approval of the Cayman Court and the support of its significant creditors (including Keppel**

Corp), which support is by no means guaranteed. Keppel Corp will consider at the relevant time whether to support the implementation of the Proposed Transfer.

7.4.3 In summary, subject to the limitations in bold in the paragraph above, based on discussions with Keppel Corp, the Board understands that the Proposed Transfer is potentially envisaged to be implemented is as follows:

(a) A petition will be filed with the Cayman Court for the winding up of the Company and the appointment of liquidators.

(b) The Cayman Court will then appoint liquidators of the Company. At least one of the liquidators is required to be a Cayman Islands licensed insolvency practitioner.

(c) The NewCo, which would be established and incorporated under the laws of the Cayman Islands and controlled by the senior secured creditor(s), would make an offer to the liquidators to seek to acquire the shares in the Company's subsidiaries, any receivables owned by the Company and any cash of the Company (Assets). The senior secured creditor(s) will control NewCo as either shareholder or through a trustee.

(d) The Proposed Transfer will involve:

(i) the release by ZCN Holders of 100% of their claims against the Company; and

(ii) a release of the guarantee claim that DBS has against the Company in respect of the Revolving Credit Facility,

with the ZCN Holders and DBS, in return, receiving the interest in NewCo. The form and terms of such interest in NewCo would be determined by the liquidators in consultation with the relevant senior secured creditor(s), including Keppel Corp as a senior secured creditor.

(e) **If the liquidators agree that the Proposed Transfer is in the interests of the creditors of KEL, then they will sell the Assets to NewCo.**

(f) This sale will require the approval of the Cayman Court.

7.4.4 From the Board's discussion with Keppel Corp, if the Proposed Transfer is completed in the manner envisaged above, **and subject to the discretion of the liquidator in consultation with the relevant senior secured creditor(s) and the Cayman Court's approval**, the Board understands that there is a possibility that the Scheme Creditors and the Company's existing Shareholders may be given the option to exchange their existing claims against, or holdings in, the Company for an interest in NewCo. The form and terms of such interest in NewCo **will be determined by the liquidators in consultation with the relevant senior secured creditor(s), including Keppel Corp as a senior secured creditor**. **There is no certainty whatsoever that this will, in fact, be the course that is adopted by the liquidators or that it will be agreeable to the relevant senior secured creditor(s), including Keppel Corp as a senior secured creditor**.

7.4.5 The Proposed Transfer is contemplated to be structured in a manner to insulate the underlying business operations of the KEL Group in order to minimise disruption and mitigate the risk of loss of key assets of the KEL Group.

7.5 **The disadvantages and risks of not voting for the Restructuring Exercise**

7.5.1 While the Board understands that the Proposed Transfer is intended to be better than a typical liquidation, where assets are distributed to creditors pursuant to a waterfall of priority, the Proposed Transfer is **much** less certain than the Restructuring Exercise and, **even if it is successfully implemented by the liquidators**, it is expected to remain a **significantly worse outcome** for **all** ZCN Holders, Shareholders and unsecured creditors than the Restructuring Exercise.

7.5.2 It would appear to the Board that there are several disadvantages to a Proposed Transfer when compared to the Restructuring Exercise, including:

(a) **Uncertainty** – A Proposed Transfer depends on the willingness of the Cayman liquidators to propose the plan and the Cayman Court to approve and sanction the same. Such approval and sanction are not within any of the senior secured creditors' or the Company's control. A Proposed Transfer also depends upon the senior secured creditor(s) concluding that the Proposed Transfer is in their best interest as it cannot be implemented without their support. There is also no certainty that this structure would be accepted by the ZCN Holders and DBS;

(b) **Loss of listing status** – If the Restructuring Exercise were to be implemented, stakeholders would hold shares in a company listed on the SGX-ST i.e. shares which are liquid instruments and can be bought and sold relatively easily and quickly. If the Proposed Transfer were to be implemented, any interest in NewCo would be an interest in an unlisted private company in the Cayman Islands i.e. an illiquid instrument with no readily available market to dispose of interests and there is no certainty that such interest will give any stakeholder direct voting rights;

(c) **Increased costs of implementation and administration of liquidation** – There would be additional costs that would need to be incurred if the Restructuring Exercise failed, including costs of the liquidators, legal fees for the liquidators, Cayman Court fees and costs of undertaking a consent solicitation process in relation to the release contemplated in paragraph 7.4.3(d)(i) above and, if the Proposed Transfer is implemented, potentially the costs of appointing a trustee to hold the shares in, and administer, NewCo on behalf of the ultimate stakeholders. The trustee's on-going costs will also ultimately need to be met from the equity value of NewCo; and

(d) **Additional jeopardy to contracts and underlying assets** – The appointment of liquidators (coupled with a failed restructuring) may trigger default clauses across the different contracts that members of the KEL Group have entered into. In particular, it could result in an increased risk that various local governments and regulatory authorities terminate the valuable concession agreements that have been awarded to members of the KEL Group. Steps would have to be taken to minimise the impact under contracts and to reassure governments and regulators that the Proposed Transfer would ensure the continuity of operations. There is no assurance that the Company will be able to successfully preserve the KEL Group's underlying assets and contracts, including the concession agreements.

7.5.3 The Board considers that the Restructuring Exercise represents the best available outcome for all stakeholders and strongly recommends that all stakeholders support it.

8. ADMINISTERING AND IMPLEMENTING THE SCHEME

8.1 The Scheme Creditors and the debts to which the Scheme applies

8.1.1 The Scheme shall apply to the liabilities owing to all Creditors who have Claims against the Company as at the Ascertainment Date, including a KEL Restructuring Group Claim.

8.2 **Scheme Manager**

8.2.1 The Scheme Manager shall administer the Scheme in accordance with the terms set out in the Scheme.

8.2.2 The proposed Scheme Manager is Luke Furler care of AJCapital Advisory Pte Limited.

8.2.3 Subject to the provisions in the Scheme relating to resignation of Scheme Manager, the Scheme Manager shall hold office from the Effective Date to the date of termination of their appointment in accordance with Clause 10 of the Scheme.

8.3 **Moratorium**

8.3.1 The Scheme provides for a moratorium applying to all Scheme Creditors.

8.3.2 From the Effective Date, no Scheme Creditor shall take any steps or concur in the taking of any steps in connection with a Claim, whether directly or indirectly, to:

(a) pass a resolution for the winding up of the Company or any member of the KEL Restructuring Group;

(b) appoint a receiver or manager over any property or undertaking of the Company or any member of the KEL Restructuring Group;

(c) commence or continue any proceedings against the Company or any member of the KEL Restructuring Group in Singapore or elsewhere (except for proceedings to enforce the terms of the Scheme);

(d) commence, continue or levy any execution, distress or other legal process against the Company or any property of any member of the KEL Restructuring Group;

(e) enforce any Security, or to repossess any goods held by the Company or any member of the KEL Restructuring Group under any chattels leasing agreement, hire-purchase agreement or retention of title agreement; or

(f) enforce any right of re-entry or forfeiture under any lease in respect of any premises occupied by the Company or any member of the KEL Restructuring Group (including any enforcement pursuant to Section 18 or 18A of the Conveyancing and Law of Property Act (Cap. 61, 1994 Rev Ed)).

8.3.3 If the Scheme Creditor is within the jurisdiction of the Court, in addition to the moratorium set out in paragraph 8.3.2 above, the Scheme Creditor shall not take any steps or concur in the taking of any steps in connection with a Claim, whether directly or indirectly, to:

(a) pass a resolution for the winding up of the Company or any member of the KEL Restructuring Group;

(b) appoint a receiver or manager over any property or undertaking of the Company or any member of the KEL Restructuring Group;

(c) commence or continue any proceedings against the Company or any member of the KEL Restructuring Group in Singapore or elsewhere (except for proceedings to enforce the terms of the Scheme);

(d) commence, continue or levy any execution, distress or other legal process against the Company or any property of any member of the KEL Restructuring Group;

(e) enforce any Security, or to repossess any goods held by the Company or any member of the KEL Restructuring Group under any chattels leasing agreement, hire-purchase agreement or retention of title agreement; or

(f) enforce any right of re-entry or forfeiture under any lease in respect of any premises occupied by the Company or any member of the KEL Restructuring Group (including any enforcement pursuant to Section 18 or 18A of the Conveyancing and Law of Property Act (Cap. 61, 1994 Rev Ed)),

anywhere outside of Singapore.

8.4 **Conditions Precedent to the effectiveness of the Scheme**

8.4.1 The Scheme shall become effective on the date on which all of the following events have occurred or on such earlier date as the Court may determine:

(a) the approval of the Court granted to the Scheme, with or without alterations or conditions, pursuant to Section 210 of the Companies Act; and

(b) a copy of the order of the Court sanctioning the Scheme being lodged with the Registrar of Companies in accordance with Section 210 of the Companies Act or on such earlier date as the Court may determine and as may be specified in the order of the Court sanctioning the Scheme.

8.4.2 Even though the Scheme will be effective upon the fulfilment of the events listed in paragraph 8.4.1 above, the Restructuring Effective Date and any obligation on the Company or Scheme Manager to distribute the Shares in accordance with the Scheme will only occur after the following Implementation Conditions are met:

(a) the approval (by way of extraordinary resolution) of the ZCN Holders being obtained for, among others, the ZCN Exchange pursuant to the Consent Solicitation Exercise, the entry of any necessary agreement(s) for the amendment of the terms and conditions of the Zero Coupon Notes and the fulfilment of any conditions for the effectiveness of the Consent Solicitation Exercise;

(b) shareholder approval for the issuance of new Shares in connection with the Restructuring Exercise being obtained by way of an ordinary resolution via the Restructuring EGM;

(c) the entry of a Bilateral Agreement among the Company, the relevant members of the KEL Group and DBS for the amendment and restatement of the Revolving Credit Facility and the fulfilment of any conditions precedent required for the effectiveness of these amendments to the Revolving Credit Facility; and

(d) the resumption of trading of the Company's shares on the SGX-ST.

8.4.3 The implementation of each of the Scheme and the processes listed in paragraph 8.4.2 are inter-conditional.

8.4.4 The Scheme Manager shall, as soon as is reasonably practicable, notify the Scheme Creditors in writing as to the date that all the Implementation Conditions have been met.

8.4.5 If:

(a) the approvals under paragraphs 8.4.2(a) and 8.4.2 (b) are not obtained;

(b) the entry of the Bilateral Agreement under paragraph 8.4.2(c) does not occur; or

(c) the SGX-ST rejects the Company's application for a resumption of trading under paragraph 8.4.2(d),

such that any of the Implementation Conditions are not fulfilled, the Scheme will not become effective. If any of the Implementation Conditions are not met, the Scheme shall terminate and the terms of and the obligations of the parties under or pursuant to the Scheme shall lapse and all the compromises and arrangements provided by the Scheme and any releases granted pursuant to the Scheme shall be of no effect and shall be construed as if it had never become effective, and the rights and obligations of the Creditors shall not be affected and shall be reinstated and remain in full force and effect.

8.5 **Court Meeting related matters and action to be taken**

8.5.1 Adjudication Procedures

The Proofs of Debt submitted by the Creditors shall be adjudicated by the Chairman in accordance with the procedure set out in the Insolvency, Restructuring and Dissolution (Proofs of Debt in Schemes of Arrangement) Regulations 2020 ("**PODSAR**") as varied by the Order of Court dated 16 November 2020 made in HC/SUM 4526/2020 and as set out in Clause 9 of the Scheme. **The Company strongly recommends all Creditors to read the full Clause 9 of the Scheme, which is reproduced below:**

9. **PROOFS OF DEBT**

9.1 All Creditors must provide the Chairman with a duly completed Proof of Debt in respect of their Claims, unless:

(a) such requirement is waived by the Chairman;

(b) such requirement is waived by the Court; or

(c) a Proof of Debt is filed on the person's behalf by the Chairman or the Company.

9.2 The Chairman will, on behalf of each Noteholder, file a Proof of Debt based on the holdings in the records with CDP on the Ascertainment Date.

9.3 Each Creditor shall submit to the Chairman a Proof of Debt in respect of:

(a) its Claims against the Company as at the Ascertainment Date;

(b) any Security in relation to those Claims provided by the Company (if any); and

(c) any claim(s) by the Company against that Creditor.

9.4 Each Proof of Debt shall be in the form set out in **Annex A** [to the Scheme and Appendix C annexed hereto] and shall be submitted at the Specified Address on or before the Proof of Debt Submission Deadline.

9.5 The Chairman will adjudicate all Proofs of Debt duly submitted by Creditors to determine whether any Claim against the Company should be accepted as a Scheme Claim for the purposes of this Scheme, and if so, the relevant Adjudicated Claim Amount in respect of that Scheme Claim. The Chairman's decision will be final, binding and determinative of any Claim save for any rights any party may have under the Insolvency, Restructuring and Dissolution Act 2018.

9.6 For the purposes of voting at the Court Meeting, each Scheme Creditor shall vote to the extent of its aggregate Adjudicated Claim Amount less any amount waived or recovered by that Scheme Creditor in respect of its Scheme Claims between the Ascertainment Date and the date of the Court Meeting.

9.7 Save as provided for in Clauses 9.1 and 9.2 above, whether or not a Creditor is attending the Court Meeting, a valid Proof of Debt must be received by the Chairman at the Specified Address no later than the Proof of Debt Submission Deadline. **Any Claim of any Creditor against the Company or the KEL Restructuring Group that is not stated or submitted in a Proof of Debt in accordance with this Scheme on or before the Proof of Debt Submission Deadline shall be forever waived, released, discharged and extinguished, and the Creditor shall not have any rights, interests and claims against the Company and the KEL Restructuring Group in respect of such Claim,** save as the Chairman may otherwise permit at his or her absolute discretion (including the discretion to accept that Claim as a Scheme Claim and determine its Adjudicated Claim Amount based on the amount stated to be owing to that Creditor in the books and records of the Company).

9.8 Where any Scheme Claim is denominated in a currency other than USD, the amount will be converted to USD at the Relevant Exchange Rate for the purposes of determining the Adjudicated Claim Amount as the case may be.

9.9 Any Creditor who disputes the adjudication of any Claim or the amount of any Claim in its and/or another Creditor's Proof of Debt or the results of the adjudication of any Proof of Debt by the Chairman may appoint an independent assessor in accordance with the procedure set out in the Insolvency, Restructuring and Dissolution (Proofs of Debt in Schemes of Arrangement) Regulations 2020 as varied by the Order of Court dated 16 November 2020 made in HC/SUM 4526/2020.

9.10 No assignment, sale or transfer of any interest in any Claim after the Ascertainment Date shall be recognised by the Company or the Chairman for the purposes of determining entitlement to attend and vote at the Court meeting.

9.11 Any debts of contingent creditors which are admitted are for the sole purpose of calculating the votes for the Scheme and should not be taken as an admission by the Company of any liability which has not yet Crystallised, under an ongoing proceeding (including the Arbitration) or otherwise.

8.5.2 Dispute Procedures

Any Creditor who disputes the adjudication of any Claim or the amount of any Claim in its and/or another Creditor's Proof of Debt or the results of the adjudication of any Proof of Debt by the Chairman ("**Dispute**") may appoint an independent assessor ("**Independent Assessor**") in accordance with the procedure set out in the PODSAR as varied by the Order of Court dated 16 November 2020 made in HC/SUM 4526/2020.

8.5.3 Sanction by the Court

Provided that the Scheme is approved by the Requisite Majority at the Court Meeting, the Scheme Creditors are also entitled to attend the hearings of the Company's application to the Court to sanction the Scheme ("**Sanction Application**").

Scheme Creditors will be informed of the hearing of Sanction Application and will be provided with the relevant court papers upon request.

8.6 **Key dates**

8.6.1 The key dates in relation to filing the Proof of Debts, Court Meeting and hearing of the Sanction Application are as follows:

No.	Event	Date and Time (where applicable)*
1	Notices of Court Meeting, Scheme Document, Explanatory Statement and requests to file Proofs of Debt are made available	20 November 2020
2	Proof of Debt Submission Deadline	By 6 p.m. on 4 December 2020
3	Completion of adjudication of Proofs of Debt and providing creditors with copies of the adjudication results ("**Adjudication Results**") of the Proofs of Debt	24 December 2020
4	Creditors who have filed Proofs of Debt may send a request to the Chairman at krisenergy@ajcapital.asia to inspect the Proof of Debt filed by another creditor. In the event of a dispute in relation to the inspection of Proofs of Debt and in the absence of a nomination of an Independent Assessor (as defined in paragraph 8.5.2 above) under Regulation 4(4) of the PODSAR, David Chew of DHC Capital Pte Ltd shall be the Independent Assessor	By 6 p.m. on 31 December 2020
5	Deadline for Creditors to submit their questions to be answered ahead of the Proxy Form Submission Deadline (see Appendix B (Notice of Court Meeting) for details)	By 6 p.m. on 31 December 2020
6	Deadline for Creditors to request link to join the Court Meeting (see Appendix B (Notice of Court Meeting) for details)	By 6 p.m. on 31 December 2020
7	Company to respond to questions submitted by the Creditors	4 January 2021
8	If the Company or any Creditor who has filed a Proof of Debt objects to the Adjudication Results of their Proofs of Debt or any Creditors' Proof of Debt, that opposing party may send a written request seeking agreement for the appointment of an Independent Assessor to the Company at scheme@krisenergy.com (unless the	By 6 p.m. on 4 January 2021

	opposing party is the Company), the Chairman at krisenergy@ajcapital.asia and the Creditor whose Proof of Debt will be affected by the decision of the Independent Assessor (unless the opposing party is that creditor) or make an application to Court for the appointment of an Independent Assessor. In the absence of a nomination of an Independent Assessor under Regulation 5(4) of the PODSAR, David Chew of DHC Capital Pte Ltd shall be the Independent Assessor	
9	Final deadline for Creditors to submit their questions (see Appendix B (Notice of Court Meeting) for details)	By 1 p.m. on 11 January 2021
10	Scheme Creditors to lodge Proxy Forms (if any) with the Chairman or the Scheme Manager	By 1 p.m. on 11 January 2021
11	Court Meeting	At 1 p.m. on 14 January 2021

** If any of the timings indicated above are revised, the Company will give notice of the same on SGXNet and on its website.*

9. NOTICE

9.1 The Company reserves the right to notify any matter, including the fact that the Scheme has been approved and any updates of the Scheme to any or all Scheme Creditors via an announcement by the Company on SGXNet, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Scheme Creditor to receive or see such announcement.

10. RELEVANT DISCLOSURES

10.1 KrisEnergy Management Incentive Plan

10.1.1 Certain members of the Management will qualify for the KrisEnergy Management Incentive Plan that is designed to motivate the achievement of performance goals and certain pre-agreed milestones, and therefore align objectives with the KEL Group's stakeholders.

10.1.2 The terms of the KrisEnergy Management Incentive Plan is envisaged to provide for the potential issuance of new shares in the capital of the Company ("**MIP Shares**") and potential future cash payments tied to accomplishing certain performance milestones. Assuming that all performance milestones are met, the MIP Shares are envisaged to comprise, in aggregate, approximately 10.0% of the Company's issued share capital after adjusting for the Restructuring Exercise (assuming that the maximum number of Debt Conversion Shares is issued pursuant to the Scheme) and the KrisEnergy Management Incentive Plan. The terms of the potential grant(s) of MIP Shares notably the vesting schedule, initial equity grant and future equity grants, as well as potential cash payments and associated pre-agreed milestones are still being finalised.

10.1.3 The KrisEnergy Management Incentive Plan will be administered by the remuneration committee of the Board (the "**Remuneration Committee**"). The Remuneration Committee will have the authority to interpret and administer all provisions and to make any rules and regulations or take any action it deems necessary including amendments and revocation.

10.1.4 All awards issued under the KrisEnergy Management Incentive Plan will be at the sole discretion of the Remuneration Committee and will be made pursuant to the KrisEnergy and the KrisEnergy Employee Share Option Scheme (collectively, the "**Existing Share Schemes**") implemented on 10 July 2013 on no better terms than that in respect of the Existing Share Schemes. The Existing Share Schemes were approved by written resolutions of Shareholders on 10 July 2013 and were implemented for a period of 10 years commencing from 10 July 2013. More information on the Existing Share Schemes can be found in the Company's initial public offering prospectus dated 12 July 2013.

10.2 **Material Interests of Directors**

10.2.1 As at the Ascertainment Date, the Directors have shareholding interests in the Company as follows:

	Direct Interest		**Deemed Interest**		**Total**
	No. of Shares	**%**	**No. of Shares**	**%**	**%**
Directors					
Tan Ek Kia	142,000	0.00	-	-	0.00
Kelvin Tang Chih Hao	1,392,185	0.09	-	-	0.09
Koh Tiong Lu John	142,000	0.00	-	-	0.00
Alan Rupert Nisbet	-	-	-	-	-
Bernard Castanet	10,000	0.00	-	-	0.00

Notes:

1. Based on approximately 1,502,849,065 issued Shares as at 16 October 2020 and excludes interests in Shares comprised in awards granted pursuant to the KrisEnergy Performance Share Plan.
2. Besides the shareholding disclosure above, Koh Tiong Lu John's spouse holds an aggregate of $500,000 in face value of Notes.

10.2.2 As at the Ascertainment Date, none of the Directors have any interest in the 2022 Notes, the 2023 Notes, the Zero Coupon Notes or the Warrants.

10.2.3 For the avoidance of doubt, the effect of the Scheme on the Directors' interests in the shares of the Company is not different from the effect of the Scheme on the like interests of other persons.

APPENDIX A – The Scheme

20 November 2020

KRISENERGY LTD.
(Company Registration No. WK-231666)

And

THE CREDITORS
(as defined herein)

SCHEME OF ARRANGEMENT
under Section 210 of the Companies Act (Cap. 50, 2006 Rev Ed)

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1. **DEFINITIONS AND INTERPRETATION**

1.1 In this Scheme, unless the context otherwise requires, the word "person" shall include a corporation, words importing any gender shall include the other or neuter gender, the singular shall include the plural and *vice versa*, and the following words and phrases shall have the following meanings:

"**2022 Noteholder**" means:

(a) in the case of a CDP Account Holder who holds a Book Entry Interest in the 2022 Notes and is a Relevant Intermediary:

(i) if such Book Entry Interest in the 2022 Notes is held in an omnibus account maintained with such Relevant Intermediary: any person listed in such omnibus account; or

(ii) if such Book Entry Interest in the 2022 Notes is held in sub-account(s) maintained with such Relevant Intermediary: the holder(s) of such sub-account(s); and

(b) in the case of a CDP Account Holder who holds a Book Entry Interest in the 2022 Notes and is not a Relevant Intermediary: that CDP Account Holder,

and collectively "**2022 Noteholders**".

"**2023 Noteholder**" means:

(a) in the case of a CDP Account Holder who holds a Book Entry Interest in the 2023 Notes and is a Relevant Intermediary:

(i) if such Book Entry Interest in the 2023 Notes is held in an omnibus account maintained with such Relevant Intermediary: any person listed in such omnibus account; or

(ii) if such Book Entry Interest in the 2023 Notes is held in sub-account(s) maintained with such Relevant Intermediary: the holder(s) of such sub-account(s); and

(b) in the case of a CDP Account Holder who holds a Book Entry Interest in the 2023 Notes and is not a Relevant Intermediary: that CDP Account Holder,

and collectively "**2023 Noteholders**".

"2022 Notes" means the S$130,000,000 senior unsecured notes due 2022 (ISIN: SG77J4000001).

"**2023 Notes**" means the S$200,000,000 senior unsecured notes due 2023 (ISIN: SG77J3000002).

"**Adjudicated Claim Amount**" means, in relation to any Scheme Claim, the amount of the Scheme Claim as adjudicated by the Chairman in accordance with this Scheme, in each case as at the Ascertainment Date, with such claims to take into account a set off for any Mutual Claims.

"**Advisors**" means Drew & Napier LLC as legal advisors to the Company and Houlihan Lokey (Singapore) Private Limited as financial advisors / restructuring consultants to the Company.

"**Affiliates**" means, in relation to any person, its current and former direct and indirect subsidiaries, subsidiary undertakings, parent companies, holding companies, partners, equity

holders, members and managing members, affiliated partnerships and any of their respective Affiliates.

"**Arbitration**" means SIAC Arbitration No. 013 of 2019 (in the matter of an arbitration under the arbitration rules of the Singapore International Arbitration Centre between Jefferies International Limited and the Company).

"**Ascertainment Date**" means 16 October 2020.

"**Bilateral Agreement**" means the bilateral agreement between, amongst others, KrisEnergy (Asia) Ltd as the borrower and DBS as the lender in respect of the Revolving Credit Facility and as referred to in Clause 4.2(c) below.

"**Book Entry Interest**" means in relation to the Notes, a beneficial interest as principal in a Global Note Certificate held through accounts with and shown on records maintained by the CDP.

"**Business Day**" means a day (other than a Saturday or Sunday) on which banks are open for general business in Singapore.

"**CDP**" means The Central Depository (Pte) Limited.

"**CDP Account Holder**" means a Depositor (which excludes a sub-account holder) who holds a Book Entry Interest in the Notes entered against his name in the CDP as at the Ascertainment Date.

"**Chairman**" means (i) the person nominated by the Company and appointed by the Court to serve as the chairman of the Court Meeting, or (ii) any other person appointed by the Court to serve as the chairman of the Court Meeting.

"**Claim**" means:

(a) any claim of any person(s) against the Company arising out of or in connection with any agreement, transaction, act, omission, dealing or matter effected or entered into or occurring on or before the Ascertainment Date, whether the claim be actual, present, future or contingent or otherwise, whether liquidated or sounding only in damages, whether in contract or tort or howsoever arising, and includes but not limited to:

  (i) a claim arising out of a guarantee given by the Company in relation to liabilities and obligations of any member of the KEL Group;

  (ii) a contribution claim by a co-surety in respect of an indebtedness or liability secured by a guarantee (regardless of whether such claim has Crystallised prior, on or after the Ascertainment Date);

  (iii) any claim by any assignee, trust beneficiary, sub-participant, insurer or any other person bearing any economic risk in relation to such claim;

  (iv) all interest, default interest, costs, expenses, fees, commission, damages and any other amounts relating to that claim; and

(b) the KEL Restructuring Group Creditor Claims as listed in Schedule 1 against the relevant member of the KEL Restructuring Group as listed in Schedule 1,

but excludes:

(a) Excluded Claims;

(b) DBS's claim against the Company under the Revolving Credit Facility;

(c) the claims of the ZCN Holders against the Company for the Zero Coupon Notes; and

(d) Intercompany Liability.

"**Companies Act**" means the Companies Act (Cap. 50, 2006 Rev Ed).

"**Company**" means KrisEnergy Ltd. (Company Registration No. WK-231666).

"**Consent Solicitation Exercise**" solicitation of consents from the ZCN Holders to, among others, approve, by way of extraordinary resolutions, the ZCN Exchange and amendments to the terms of the Zero Coupon Notes.

"**Court**" means the High Court of the Republic of Singapore and/or the Court of Appeal of the Republic of Singapore (as the case may be).

"**Court Meeting**" means the meeting of the Scheme Creditors to be summoned under Section 210(1) of the Companies Act for the purposes of considering and, if thought fit, approving with or without modification (which modification may be made prior to or at such meeting and any meetings called following an adjournment).

"**Creditor**" means any persons which claims to have a Claim against the Company or any KEL Restructuring Group Creditor.

"**Crystallise**" means, in relation to a Claim of a Scheme Creditor, the occurrence of any event where as a result thereof, the claim becomes a legally valid and binding debt then actually due.

"**DBS**" means DBS Bank Ltd.

"**Debt Conversion Shares**" means up to approximately 6,943,162,680 new Shares to be issued by the Company to the Scheme Creditors in connection with the Scheme, representing in aggregate approximately 46.2% of the Enlarged Share Capital upon completion of the Restructuring Exercise.

"**Depositor**" means a "depositor" under Section 81SF of the Securities and Futures Act (Cap. 289, 2006 Rev Ed).

"**Effective Date**" has the meaning given to it in Clause 4.1.

"**Enlarged Share Capital**" means the enlarged share capital of the Company upon completion of the Restructuring Exercise, being 15,028,490,650 Shares, assuming that the maximum number of Debt Conversion Shares are issued pursuant to the Scheme and excluding any Shares to be issued pursuant to the KrisEnergy Management Incentive Plan.

"**Excluded Claims**" are Claims of the Excluded Creditors as at the Ascertainment Date.

"**Excluded Creditors**" means the Creditors listed at Schedule 2.

"**Existing Facilities**" shall mean the credit/banking and other facilities granted by the Creditors to the Company or the KEL Group, pursuant to which liabilities remain outstanding as at the Ascertainment Date, whether or not such facilities have been terminated by the relevant Creditors.

"**Existing Facility Agreements**" shall mean each of the agreements, deeds, letters, and other documents entered into in relation to the Existing Facilities, or as designated as such by the relevant entity of the KEL Group and lender of the KEL Group.

"**Existing Guarantees**" shall mean each of (i) the guarantees, covenants to pay and similar obligations given by any other entity of the KEL Group in relation to the liabilities and obligations of the Company or (ii) liabilities and obligations of the KEL Group guaranteed by the Company.

"**Existing Security Documents**" shall mean each of the agreements, deeds, letters, and other documents relating to any Security provided by the Company or any third party in respect of the Existing Facilities and/or the terms and conditions in respect thereof.

"**Global Note Certificate**" means the Global Note Certificates that initially represents the Notes, subject to the addition of accrued interest which are registered in the name of the CDP.

"**Global Note Certificate (ZCN)**" means the global certificate that initially represents the Zero Coupon Notes in the principal amount of S$139,464,848 which is registered in the name of the CDP.

"**Implementation Conditions**" has the meaning ascribed to it in Clause 4.2.

"**Intercompany Liability**" means any Claims which any member of the KEL Group has against the Company.

"**KEL Group**" shall mean the entities listed in Schedule 3.

"**KEL Restructuring Group**" shall mean the entities listed in Schedule 1.

"**KEL Restructuring Group Creditor**" means each of the Creditors listed in Schedule 1.

"**KEL Restructuring Group Creditor Claim**" means each of the Claims listed in Schedule 1.

"**KrisEnergy Management Incentive Plan**" means the remuneration incentive plan for certain members of the management of the Company, with such plan to include among other things, the issuance of Shares to the members of the management of the Company upon the fulfilment of certain milestones in connection with the Restructuring Exercise.

"**Mutual Claims**" means the debts and liabilities which each of the Company or a Scheme Creditor is or may become subject to each other as a result of any mutual credits, mutual debts or other mutual dealings between the Company and that Scheme Creditor (including but not limited to money standing to credit in a bank account), insofar as the Company and/or that Scheme Creditor are legally entitled to effect any set-off in respect thereof.

"**Noteholder**" means each of the 2022 Noteholders and 2023 Noteholders.

"**Notes**" means the 2022 Notes and the 2023 Notes.

"**Notes Transaction Documents**" means the trust deeds dated 11 January 2017 (as amended or supplemented from time to time) in respect of the 2022 Notes and the 2023 Notes and the agency agreements dated 11 January 2017 (as amended or supplemented from time to time) in respect of the 2022 Notes and the 2023 Notes.

"**Personal Data**" has the meaning given to it in the Personal Data Protection Act.

"**Personal Data Protection Act**" means the Personal Data Protection Act 2012 (No. 26 of 2012).

"**Personnel**" means in relation to any person, its current and former officers, partners, directors, employees, staff agents, counsel and other representatives.

"**Proof of Debt**" has the meaning given to it in Clause 9.1.

"**Proof of Debt Submission Deadline**" means by 6 p.m. on 4 December 2020.

"Registrar" means The Bank of New York Mellon, Singapore Branch (in its capacity as registrar for the Notes).

"**Relevant Exchange Rate**" means the rate of exchange made available by the Monetary Authority of Singapore (established under the Monetary Authority of Singapore Act (Cap. 186, 1999 Rev Ed)) at which an amount in any currency other than USD may be converted into an amount in USD, as at 4 January 2021.

"**Relevant Intermediary**" means a "relevant intermediary" as defined in Section 181(6) of the Companies Act.

"**Restructuring Effective Date**" means the date the Implementation Conditions are fulfilled.

"**Restructuring EGM**" means the extraordinary meeting to be held for shareholders to approve the issuance of new Shares in connection with the Restructuring Exercise.

"**Restructuring Exercise**" means the restructuring of the Company's liabilities by way of (i) the Scheme; (ii) the Consent Solicitation Exercise; and (iii) the Bilateral Agreement.

"**Revolving Credit Facility**" means the US$200 million revolving credit facility provided by DBS as lender to KrisEnergy (Asia) Ltd as borrower.

"**Scheme**" means this scheme of arrangement.

"**Scheme Claim**" means a Claim of a Creditor which has been accepted by the Chairman in accordance with this Scheme.

"**Scheme Creditors**" shall mean persons with Scheme Claims.

"**Scheme Manager**" shall mean Luke Furler, care of AJCapital Advisory Pte Limited, or any other person or persons appointed by the Court or the Company to administer this Scheme.

"**Security**" means any mortgage, charge (whether fixed or floating, legal or equitable), pledge, lien, assignment by way of security or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect.

"**SGXNet**" has the meaning given to it in the Mainboard Rules of the SGX-ST.

"**SGX-ST**" means the Singapore Exchange Securities Trading Limited.

"**Shares**" means the ordinary shares in the capital of the Company.

"**Specified Address**" means krisenergy@ajcapital.asia or 36 Armenian Street, #04-07, Singapore 179934 (Attention: Luke Furler / Zara Xue) or such other address as may be notified by the Company or the Chairman to the Scheme Creditors.

"Trustee" means The Bank of New York Mellon, Singapore Branch (in its capacity as trustee of the Notes).

"**USD**" means United States Dollars.

"**ZCN Exchange**" means the exchange of 45% of the aggregate principal amount of the Zero Coupon Notes (rounded down to the nearest whole number in respect of each ZCN Holder) for ZCN Exchange Shares pursuant to the Consent Solicitation Exercise.

"**ZCN Exchange Shares**" means approximately 6,582,478,905 new Shares to be issued by the Company to ZCN Holders pursuant to the ZCN Exchange under the Consent Solicitation Exercise, representing in aggregate approximately 43.8% of the Enlarged Share Capital.

"**ZCN Holders**" means holders of the Zero Coupon Notes.

"**Zero Coupon Notes**" means the $139,464,848 in principal amount of senior secured zero coupon notes due 2024 (ISIN: SG31B6000003).

1.2 In this Scheme the headings are inserted for ease of reference only and shall be disregarded for the purposes of construction.

2. SCHEME EFFECTIVENESS

2.1 This Scheme provides for a compromise and an arrangement between the Company, the KEL Restructuring Group and all Creditors in respect of all Claims, including the full and final satisfaction, settlement, release and discharge of Claims owing by the Company and the KEL Restructuring Group to the Creditors (including accrued and unpaid interest in relation thereto (including default interest, if any)).

2.2 The terms of this Scheme shall become effective on the Effective Date and shall take effect in accordance with its terms.

2.3 The Company shall promptly notify the Scheme Creditors via an announcement made on SGXNet when the Effective Date has occurred.

2.4 The Company shall promptly notify the Scheme Creditors via an announcement made on SGXNet when the Restructuring Effective Date has occurred.

2.5 On and from the Effective Date, the Company shall use all reasonable endeavours to procure that the Implementation Conditions (to the extent that they have not been satisfied on the Effective Date) are satisfied as soon as reasonably practicable.

3. AUTHORISATION TO EXECUTE ANY UNDERTAKING TO BE BOUND BY THE SCHEME

3.1 On and from the Effective Date, in consideration of the rights provided to the Scheme Creditors under this Scheme and notwithstanding any term of any relevant document, each Scheme Creditor hereby appoints the Scheme Manager as his or her attorney and agent and irrevocably authorises, directs, instructs and empowers the Scheme Manager to:

(a) enter into, execute and deliver (whether as a deed or otherwise) for and on behalf of such Scheme Creditor any document contemplated by or ancillary to the Scheme to which the Scheme Creditor is a party provided that such execution and delivery (whether as a deed or otherwise) does not have an adverse effect on the rights of any of the Scheme Creditors under this Scheme;

(b) in respect of the Noteholders:

(i) attend, speak and vote at any meeting of the Noteholders to seek approval for any of the matters contemplated under this Scheme; and

(ii) take whatever action is necessary to ensure that the books and records of CDP are updated to reflect the terms of this Scheme, including without limitation to:

(A) instruct the CDP to debit the Notes from the securities account or securities sub-account in which the Notes are credited (or the CDP Account Holder, as applicable);

(B) authorise the cancellation of the Notes; and

(C) take or carry out any other step or procedure reasonably required to effect the settlement of this Scheme.

3.2 On and from the Restructuring Effective Date, the Noteholders irrevocably authorises and instructs the Company and/or the Scheme Manager to:

(a) give all instructions as may be required to be given by it to the Trustee and/or Registrar to ensure that the Notes be cancelled and disposed of;

(b) take all such action as may be required under the Notes Transaction Documents to effect the cancellation and full absolute discharge of the Notes, including the cancellation and disposal of the Notes; and

(c) instruct the Trustee, Registrar and/or CDP Account Holder to take such action as is necessary or reasonably appropriate to give effect to the terms of the Scheme.

3.3 Any action taken by the Company and the Scheme Manager in accordance with this Scheme will not constitute a breach of the Existing Facility Agreements, Existing Security Documents, Existing Guarantees, the Notes Transaction Documents or any other agreements, deeds, letters, guarantees and other documents binding on the Company, any member of the KEL Group or its assets.

3.4 The authority and power granted and conferred on the Scheme Manager under this Clause 3 shall be treated, for all purposes whatsoever and without limitation, as having been granted and conferred by deed and the Scheme Manager shall be entitled to delegate the authority granted and conferred by Clause 3 to any duly authorised officer or agent of the Scheme Manager as necessary.

4. **CONDITIONS PRECEDENT**

4.1 This Scheme shall become effective on the date on which all of the following events have occurred or on such earlier date as the Court may determine ("**Effective Date**"):

(a) the approval of the Court being granted to this Scheme, with or without alterations or conditions, pursuant to Section 210 of the Companies Act; and

(b) a copy of the order of the Court approving this Scheme being lodged with the Registrar of Companies in accordance with Section 210 of the Companies Act or on such earlier date as the Court may determine and as may be specified in the order of the Court sanctioning the Scheme.

4.2 The Implementation Conditions are as follows:

(a) the approval (by way of extraordinary resolution) of the ZCN Holders being obtained for, among others, the ZCN Exchange pursuant to the Consent Solicitation Exercise, the entry of any necessary agreement(s) for the amendment of the terms and conditions of the Zero Coupon Notes and the fulfilment of any conditions for the effectiveness of the Consent Solicitation Exercise;

(b) shareholder approval for the issuance of new Shares in connection with the Restructuring Exercise being obtained by way of an ordinary resolution via the Restructuring EGM;

(c) the entry of a Bilateral Agreement among the Company, the relevant members of the KEL Group and DBS for the amendment and restatement of the Revolving Credit Facility and the fulfilment of any conditions precedent required for the effectiveness of these amendments to the Revolving Credit Facility; and

(d) the resumption of trading of the Company's Shares on the SGX-ST.

4.3 The implementation of each of the Scheme and the processes listed in Clause 4.2 are inter-conditional. The Scheme Manager shall, as soon as it is reasonably practicable, notify the Scheme Creditors in writing as to the date that all the Implementation Conditions have been met.

5. **MORATORIUM**

5.1 From the Effective Date, no Scheme Creditor shall take any steps or concur in the taking of any steps in connection with a Claim, whether directly or indirectly, to:

(a) pass a resolution for the winding up of the Company or any member of the KEL Restructuring Group;

(b) appoint a receiver or manager over any property or undertaking of the Company or any member of the KEL Restructuring Group;

(c) commence or continue any proceedings against the Company or any member of the KEL Restructuring Group in Singapore or elsewhere (except for proceedings to enforce the terms of this Scheme);

(d) commence, continue or levy any execution, distress or other legal process against the Company or any property of any member of the KEL Restructuring Group;

(e) enforce any Security, or to repossess any goods held by the Company or any member of the KEL Restructuring Group under any chattels leasing agreement, hire-purchase agreement or retention of title agreement; or

(f) enforce any right of re-entry or forfeiture under any lease in respect of any premises occupied by the Company or any member of the KEL Restructuring Group (including any enforcement pursuant to Section 18 or 18A of the Conveyancing and Law of Property Act (Cap. 61, 1994 Rev Ed)).

5.2 If the Scheme Creditor is within the jurisdiction of the Court, in addition to the moratorium set out in Clause 5.1 above, the Scheme Creditor shall also not take any steps or concur in the taking of any steps in connection with a Claim, whether directly or indirectly, to:

(a) pass a resolution for the winding up of the Company or any member of the KEL Restructuring Group;

(b) appoint a receiver or manager over any property or undertaking of the Company or any member of the KEL Restructuring Group;

(c) commence or continue any proceedings against the Company or any member of the KEL Restructuring Group in Singapore or elsewhere (except for proceedings to enforce the terms of this Scheme);

(d) commence, continue or levy any execution, distress or other legal process against the Company or any property of any member of the KEL Restructuring Group;

(e) enforce any Security, or to repossess any goods held by the Company or any member of the KEL Restructuring Group under any chattels leasing agreement, hire-purchase agreement or retention of title agreement; or

(f) enforce any right of re-entry or forfeiture under any lease in respect of any premises occupied by the Company or any member of the KEL Restructuring Group (including any enforcement pursuant to Section 18 or 18A of the Conveyancing and Law of Property Act (Cap. 61, 1994 Rev Ed)),

anywhere outside of Singapore.

6. RESTRUCTURING TERMS

6.1 The maximum aggregate number of Debt Conversion Shares which may be issued to Scheme Creditors will be approximately 6,943,162,680 Debt Conversion Shares, which represents in aggregate approximately 46.2% of the Enlarged Share Capital of the Company upon completion of the Restructuring Exercise. The Debt Conversion Shares will be issued and allotted to Scheme Creditors, rounded down to the nearest whole number, on a pro rata basis in accordance with the Scheme Claims of each Scheme Creditor.

6.2 The Debt Conversion Shares shall, on issue and allotment, be credited as fully paid-up Shares free from all encumbrances whatsoever and shall rank *pari passu* with all Shares (including the ZCN Exchange Shares) in all respects and carry all rights and advantages attached thereto as at the date of issue.

6.3 The Company or Scheme Manager shall not be required to distribute any Debt Conversion Shares to any of the Scheme Creditors until after the Restructuring Effective Date.

6.4 Each Scheme Creditor shall receive their Debt Conversion Shares entitlement within 5 Business Days:

(a) after the Restructuring Effective Date; or

(b) after the Claim of the Scheme Creditor Crystallises,

whichever is later.

6.5 There will only be one class of creditors for the purposes of considering and voting on the Scheme. The Company's only secured creditors are DBS and the ZCN Holders which will not be part of the Scheme.

7. SCHEME CREDITORS UNDERTAKINGS AND RELEASE

7.1 In consideration for his entitlements under this Scheme, each Scheme Creditor hereby gives the undertakings, releases and waivers in this Clause 7.

7.2 With effect on and from the Restructuring Effective Date:

(a) each Scheme Creditors' rights against the Company and the KEL Restructuring Group in connection with any and all Claims shall be limited to and fully settled by the Debt Conversion Shares they would be entitled to under the terms of the Scheme;

(b) each Scheme Creditor shall be deemed to have irrevocably, fully, unconditionally and finally waived, released and discharged all its Claims against the Company and its Personnel and Affiliates or any other member of the KEL Restructuring Group and its Personnel and Affiliates and all guarantees, covenants to pay or similar obligations given by the Company in respect of which or in connection with which the Claims arose;

(c) each Scheme Creditor shall be deemed to have irrevocably, fully, unconditionally and finally waived, released and discharged each and every claim which it ever had, may have or hereafter can, shall or may have against the Company and its Personnel and Affiliates or any other member of the KEL Restructuring Group and its Personnel and Affiliates for any liability arising under or in connection with the Claims;

(d) each Scheme Creditor shall be deemed to have irrevocably, fully, unconditionally and finally waived, released and discharged each and every claim which it ever had, may have or hereafter can, shall or may have against:

(i) the Company and its Personnel and Affiliates, or any other member of the KEL Restructuring Group and their respective Personnel and Affiliates; and

(ii) the Advisors and their respective Personnel and Affiliates,

for any liability in respect of the preparation, negotiation, sanctioning or implementation of this Scheme and/or the Restructuring Exercise;

(e) each Scheme Creditor (to the extent this paragraph is applicable) shall discontinue and terminate all proceedings commenced by it in Singapore or elsewhere against the Company or any member of the KEL Restructuring Group in connection with the Claims;

(f) each Scheme Creditor (to the extent this paragraph is applicable) shall discontinue and terminate all proceedings commenced by it in Singapore or elsewhere against any assets (including vessels) of the Company or any member of the KEL Restructuring Group in connection with the Claims; and

(g) all rights, funds or property owned by the Company or any member of the KEL Restructuring Group, seized, garnished, attached or held as Security in relation to the Claims of the Scheme Creditors, shall be irrevocably waived, discharged and released, and each Scheme Creditor (to the extent this paragraph is applicable) shall take all such action as may be required to give effect to such waiver, discharge and release.

8. MECHANICS OF DISTRIBUTION

8.1 Save as provided for in Clause 8.3 in respect of the Noteholders, the Scheme Manager shall instruct CDP to credit such number of Shares, representing the relevant Shares to be distributed to the Scheme Creditors in accordance with Clause 6 to the securities account of that Scheme Creditor as determined at the Ascertainment Date.

8.2 Where the relevant Scheme Creditor does not have a valid securities account or securities sub-account with CDP, the Scheme Manager and/or Company shall not be obliged to make any distribution of the Shares as described at Clause 6 to such Scheme Creditor until the setting up of a valid securities account with CDP by such Scheme Creditor.

8.3 In respect of the Noteholders, the Scheme Manager will only instruct CDP to credit such number of Shares, representing the relevant Shares to be distributed to the CDP Account Holder in accordance with Clause 6 to the securities account of that CDP Account Holder as determined at the Ascertainment Date. If the CDP Account Holder is a Relevant Intermediary, the Relevant Intermediary should distribute the relevant Shares to each Noteholder which holds their Notes through them.

9. PROOFS OF DEBT

9.1 All Creditors must provide the Chairman with a duly completed Proof of Debt in respect of their Claims, unless:

(a) such requirement is waived by the Chairman;

(b) such requirement is waived by the Court; or

(c) a Proof of Debt is filed on the person's behalf by the Chairman or the Company.

9.2 The Chairman will, on behalf of each Noteholder, file a Proof of Debt based on the holdings in the records with CDP on the Ascertainment Date.

9.3 Each Creditor shall submit to the Chairman a Proof of Debt in respect of:

(a) its Claims against the Company as at the Ascertainment Date;

(b) any Security in relation to those Claims provided by the Company (if any); and

(c) any claim(s) by the Company against that Creditor.

9.4 Each Proof of Debt shall be in the form set out in **Annex A** annexed hereto and shall be submitted at the Specified Address on or before the Proof of Debt Submission Deadline.

9.5 The Chairman will adjudicate all Proofs of Debt duly submitted by Creditors to determine whether any Claim against the Company should be accepted as a Scheme Claim for the purposes of this Scheme, and if so, the relevant Adjudicated Claim Amount in respect of that Scheme Claim. The Chairman's decision will be final, binding and determinative of any Claim save for any rights any party may have under the Insolvency, Restructuring and Dissolution Act 2018.

9.6 For the purposes of voting at the Court Meeting, each Scheme Creditor shall vote to the extent of its aggregate Adjudicated Claim Amount less any amount waived or recovered by that Scheme Creditor in respect of its Scheme Claims between the Ascertainment Date and the date of the Court Meeting.

9.7 Save as provided for in Clauses 9.1 and 9.2 above, whether or not a Creditor is attending the Court Meeting, a valid Proof of Debt must be received by the Chairman at the Specified Address no later than the Proof of Debt Submission Deadline. **Any Claim of any Creditor against the Company or the KEL Restructuring Group that is not stated or submitted in a Proof of Debt in accordance with this Scheme on or before the Proof of Debt Submission Deadline shall be forever waived, released, discharged and extinguished, and the Creditor shall not have any rights, interests and claims against the Company and the KEL Restructuring Group in respect of such Claim,** save as the Chairman may otherwise permit at his or her absolute discretion (including the discretion to accept that Claim as a Scheme Claim and determine its Adjudicated Claim Amount based on the amount stated to be owing to that Creditor in the books and records of the Company).

9.8 Where any Scheme Claim is denominated in a currency other than USD, the amount will be converted to USD at the Relevant Exchange Rate for the purposes of determining the Adjudicated Claim Amount as the case may be.

9.9 Any Creditor who disputes the adjudication of any Claim or the amount of any Claim in its and/or another Creditor's Proof of Debt or the results of the adjudication of any Proof of Debt by the Chairman may appoint an independent assessor in accordance with the procedure set out in the Insolvency, Restructuring and Dissolution (Proofs of Debt in Schemes of Arrangement) Regulations 2020 as varied by the Order of Court dated 16 November 2020 made in HC/SUM 4526/2020.

9.10 No assignment, sale or transfer of any interest in any Claim after the Ascertainment Date shall be recognised by the Company or the Chairman for the purposes of determining entitlement to attend and vote at the Court meeting.

9.11 Any debts of contingent creditors which are admitted are for the sole purpose of calculating the votes for the Scheme and should not be taken as an admission by the Company of any liability which has not yet Crystallised, under an ongoing proceeding (including the Arbitration) or otherwise.

10. SCHEME MANAGER

10.1 Subject to Clause 10.6, the Scheme Manager shall oversee the Company's implementation of this Scheme and shall have the power to do all such things as they may consider necessary or desirable towards that end, including the power to:

(a) appoint agents to carry out or assist in exercising any powers or duties of the Scheme Manager;

(b) delegate the exercise of any powers or duties of the Scheme Manager to suitably qualified persons; and

(c) engage professional advisors including accountants and solicitors, whether practising in Singapore or elsewhere.

10.2 The Company shall pay to each Scheme Manager his or her professional fees and disbursements and shall indemnify each Scheme Manager against all losses suffered by him or her in connection with the performance of his or her powers and duties under this Scheme except where such losses have arisen out of the gross negligence, fraud or wilful default of the Scheme Manager.

10.3 A Scheme Manager may resign at any time if he or she gives at least 30 days' prior written notice to the Company. If, before the fulfilment by the Company of its obligations under Clauses 6 and 8, the Scheme Manager resigns and no new Scheme Manager is appointed in place of the resigning Scheme Manager(s), then the Chairman (from time to time) of the Company shall be deemed appointed as an interim Scheme Manager until such time that a new Scheme Manager is appointed.

10.4 If at any time more than one person holds appointment as Scheme Manager, the powers and duties conferred on the Scheme Manager may be exercised or performed by any one of them.

10.5 Nothing in this Scheme shall be construed as creating any obligation on the part of any Scheme Manager to act as agent for or on behalf of any Scheme Creditor.

10.6 Upon the fulfilment by the Company of its obligations under Clauses 6 and 8, the appointment of the Scheme Manager shall be terminated.

11. TERMINATION OF THE SCHEME

If:

(a) the approvals under Clauses 4.2(a) and 4.2(b) are not obtained;

(b) the entry of the Bilateral Agreement under Clause 4.2(c) does not occur or the conditions precedent required for the effectiveness of the Bilateral Agreement are not met; or

(c) the SGX-ST rejects the Company's application for a resumption of trading under Clause 4.2(d),

such that any of the Implementation Conditions are not fulfilled, this Scheme will not become effective. If any of the Implementation Conditions are not met, this Scheme shall terminate and the terms of and the obligations of the parties under or pursuant to this Scheme shall lapse and all the compromises and arrangements provided by this Scheme and any releases granted pursuant to this Scheme shall be of no effect and shall be construed as if it had never become effective, and the rights and obligations of the Creditors shall not be affected and shall be reinstated and remain in full force and effect.

12. MODIFICATION OF THE SCHEME

12.1 The Company may, prior to calling the Court Meeting, delete, modify, amend or add to the terms of the Scheme which the Company, may think fit or appropriate for the implementation of the Restructuring Exercise.

12.2 Each of the Creditors hereby agree that the Company may, at any Court hearing to sanction this Scheme, consent on behalf of itself and all Creditors and anyone else concerned to any modification of, or addition to, this Scheme or any terms or conditions which, in each case, the Court may think fit to approve or impose which is necessary for the implementation of the Restructuring Exercise, provided that such modification, addition, term or condition does not have an adverse effect on the rights of the Creditors, or any of them, under this Scheme.

13. COMPLETION OF THE SCHEME

13.1 The implementation and operation of this Scheme shall be deemed to be completed when the duties and responsibilities of the Scheme Manager ceases in the manner set out in Clause 10.6.

14. NOTICES

14.1 Subject to Clause 14.4, any notice or other communication given to a party under or in connection with this Scheme shall be in writing in the English language and shall be sent to the party at the address, fax number or email address specified in Clause 14.2.

14.2 The addresses, fax numbers and email addresses for service of notices and other communications under this Scheme are as follows:

(a) in the case of notices and communications to be given to the Company:

Mailing address:	83 Clemenceau Avenue, #10-05 UE Square, Singapore 239920
Fax number:	+65 6538 3622
Email address:	krisenergy@ajcapital.asia

(b) in the case of notices and communications to be given to the Scheme Manager:

Mailing address:	36 Armenian Street, #04-07, Singapore 179934
Fax number:	+65 6950 8532
Email address:	krisenergy@ajcapital.asia

(c) in the case of notices and communications to be given to any Scheme Creditor, such mailing address, fax number and email address as stated by the Scheme Creditor in its Proof of Debt.

14.3 A party may change its details given in Clause 14.2 by giving notice to any other party, the change taking effect for the party notified of the change at 9 a.m. on the later of (a) the date, if any, specified in the notice as the effective date for the change; or (b) the date five Business Days after deemed receipt of the notice.

14.4 Notwithstanding anything in this Clause 14, the Company may give any notice or communication to any Creditor under or in connection with this Scheme by issuing an announcement by the Company on SGXNet, in which case such notice or communication shall be deemed to have been sufficiently given notwithstanding any failure by any Creditor to receive or see such announcement.

15. **THIRD PARTY RIGHTS**

15.1 Any member of the KEL Restructuring Group shall have the right to enforce or enjoy the benefit of the terms of this Scheme.

16. **PERSONAL DATA PROTECTION ACT**

16.1 Each Creditor represents, warrants and undertakes to the Company, the Scheme Manager and the Chairman that any Personal Data of any person provided under or in connection with this Scheme has been obtained with such person's consent and hereby consents on behalf of such person to the collection, use and disclosure of his Personal Data by the Company, the Scheme Manager and the Chairman and any of their respective officers, in accordance with the provisions of the Personal Data Protection Act.

16.2 Any consent given under this Scheme in relation to Personal Data shall survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of this Scheme.

17. **COSTS AND EXPENSES**

17.1 Each Creditor shall bear its own costs and expenses in connection with the negotiation, preparation and execution of this Scheme.

18. **CONFLICT AND INCONSISTENCY**

18.1 For the avoidance of doubt, from the Effective Date, where there is any conflict or inconsistency between:

(a) a provision of the Existing Facility Agreements, Existing Security Documents, Existing Guarantees, the Notes Transaction Documents or any other agreements, deeds, letters, guarantees and other documents relating to the Existing Facilities and/or the terms and conditions in respect thereof; and/or

(b) any provision of this Scheme,

such provision of this Scheme shall prevail.

19. **SEVERABILITY**

19.1 If any provision in this Scheme shall be held to be invalid, illegal or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification as and only to the extent necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intentions of the Company.

19.2 To the extent it is not possible to delete or modify the provision in whole or in part, under Clause 19.1 then such provision or part of it shall, to the extent that it is invalid, illegal or enforceable, be deemed not to form part of this Scheme and the validity, legality and enforceability of the remainder of this Scheme shall not be affected.

20. **GOVERNING LAW AND JURISDICTION**

20.1 The operative terms of this Scheme and any non-contractual obligations arising out of or in connection with this Scheme shall be governed by and construed in accordance with the laws of Singapore.

20.2 The Creditors and the Company hereby agree that the courts of Singapore, including the Court shall have exclusive jurisdiction to hear and determine any suit, action or proceeding and to settle any dispute which arises out of or in connection with the terms of this Scheme or its implementation or out of any action taken or omitted to be taken under this Scheme or in

connection with the administration of this Scheme and for such purposes the Creditors and the Company irrevocably submit to the jurisdiction of the courts of Singapore, including the Court.

SCHEDULE 1 – THE KEL RESTRUCTURING GROUP AND RELEVANT CLAIMS

KEL Restructuring Group Creditor	KEL Restructuring Group	Basis of the KEL Restructuring Creditor Claim (if it arises)
Nora Limited	KrisEnergy Marine B.V.	Contract between KrisEnergy Marine B.V. and Nora Limited dated 19 May 2015 in relation to the bareboat charter of a mobile production package (comprising the mobile offshore production unit, catenary anchor leg mooring buoy and Manuli hoses) by KrisEnergy Marine B.V. for use in Block G10/48. The Company guaranteed the amounts payable under this contract by way of a guarantee dated 22 May 2015.
Rubicon Vantage International Pte. Ltd.	KrisEnergy (Gulf of Thailand) Ltd	Contract between KrisEnergy (Gulf of Thailand) Ltd and Rubicon Vantage International Pte. Ltd. dated 13 October 2014 in relation to the bareboat charter of a floating storage and offloading facility by KrisEnergy (Gulf of Thailand) Ltd for use in Block G10/48. The Company guaranteed the amounts payable under this contract by way of a guarantee dated 13 October 2014.
Maritime International Services Pte. Ltd.	KrisEnergy (Gulf of Thailand) Ltd	Contract between KrisEnergy (Gulf of Thailand) Ltd and Maritime International Services Pte. Ltd. dated 13 October 2014 in relation to the operation and maintenance of a floating storage and offloading facility for use in Block G10/48. The Company guaranteed the amounts payable under this contract by way of a guarantee dated 13 October 2014.
Premier Oil Overseas B.V.	KrisEnergy Asia Holdings B.V.	Contract between KrisEnergy Asia Holdings B.V. and Premier Oil Overseas B.V. dated 30 June 2014 in relation to the acquisition of KrisEnergy (Block A Aceh) B.V. (the "**Sale and Purchase Agreement**") and a corresponding agreement for drilling inventory (the "**Drilling Inventory Agreement**"), under which, KrisEnergy Asia Holdings B.V. is obliged to reimburse Premier Oil Overseas B.V. for the agreed value of any drilling inventory used by KrisEnergy (Block A Aceh) B.V. for Block A Aceh.
Premier Oil plc	KrisEnergy (Block A Aceh) B.V.	The Sale and Purchase Agreement in relation to the acquisition of KrisEnergy (Block A Aceh) B.V. and the corresponding obligation to indemnify Premier Oil Overseas B.V. and Premier Oil plc against any liability arising from the original guarantee given by Premier Oil plc in favour of ExxonMobil Block A Investments Limited in connection with KrisEnergy (Block A Aceh) B.V.'s obligation to make payment of a portion of any production revenue payment which becomes due. The Company guaranteed the amounts payable pursuant to the Sale and Purchase Agreement by way of a guarantee dated 7 January 2015.

SCHEDULE 2 – EXCLUDED CREDITORS

No.	Creditor	Reason for not being schemed
1.	Adept Enterprise Solutions Pte Ltd	Critical for the Company's and the KEL Group's finance system support
2.	AJCapital Advisory Pte Limited	The Company's proposed Chairman for the Court Meeting and Scheme Manager for the Scheme. Critical to ensure that the Scheme and Restructuring Exercise is carried out smoothly
3.	Allen & Overy LLP Singapore	Keppel Corp's advisors for the Restructuring Exercise which need to be kept current to ensure that the Restructuring Exercise continues smoothly
4.	Allen & Overy Hong Kong	Keppel Corp's advisors for the Restructuring Exercise which need to be kept current to ensure that the Restructuring Exercise continues smoothly
5.	BS Optima Asia Sdn Bhd	Critical for the Company's and the KEL Group's finance system support
6.	DBS Bank Ltd	Registrar, issuing and paying agent and transfer agent for the Zero Coupon Notes which need to be kept current to ensure that the Consent Solicitation Exercise continues smoothly
7.	DBS Trustee Ltd	Trustee for the Zero Coupon Notes which need to be kept current to ensure that the Consent Solicitation Exercise continues smoothly
8.	Deloitte & Touche LLP	Critical for the KEL Group's audit function
9.	Drew & Napier LLC	The Company's Singapore legal advisor for the Restructuring Exercise which need to be kept current to ensure that the Restructuring Exercise continues smoothly
10.	Houlihan Lokey (Singapore) Private Limited	The Company's financial advisor / restructuring consultant for the Restructuring Exercise which need to be kept current to ensure that the Restructuring Exercise continues smoothly
11.	Herbert Smith Freehills LLP	DBS' advisors for the Restructuring Exercise which need to be kept current to ensure that the Restructuring Exercise continues smoothly
12.	Intertrust Hong Kong Limited	Crucial for the provision of ongoing corporate secretarial service for Cayman-incorporated entities of the KEL Group including the Company
13.	Intertrust Singapore Corporate Services Pte Ltd	Crucial for the provision of ongoing corporate secretarial service for Singapore-incorporated entities of the KEL Group as well as the provider of corporate secretarial services to the Company for any requirements under the listing manual rules
14.	Intertrust Corporate Services (BVI) Limited	Crucial for the provision of ongoing corporate secretarial service for BVI-incorporated entities of the KEL Group
15.	Intrado DM Singapore Pte Ltd	Phone conferencing services for the Company which is crucial for the Company's operations

No.	Creditor	Reason for not being schemed
16.	KPMG Services Pte Ltd	Critical for the provision of tax advice to the Company and the KEL Group
17.	Kepinvest	Drawdowns on the New CBA Facility is crucial for the development of CBA Mini Phase 1A and including them as Scheme Creditor will trigger an event of default under the New CBA Facility
18.	Keppel Shipyard Ltd	The Company has guaranteed amounts to be paid for the refurbishment of the barge through a deferred payment arrangement. It is critical to keep Keppel Shipyard Ltd current on this deferred payment arrangement as the barge is being used in the development of CBA Mini Phase 1A
19.	Loyens and Loeff N V	Critical for the provision of tax advice in the Netherlands to the Company and the KEL Group
20.	Madison Pacific Trust Limited	Ongoing security agent services for the Company in relation to the Revolving Credit Facility, the Zero Coupon Notes and the New CBA Facility and needs to be kept current to ensure that the Restructuring Exercise continues smoothly
21.	Marsh (Singapore) Pte Ltd	Critical for the maintenance of insurance coverage of the directors and officers of the Company and the KEL Group
22.	Marsh Ltd	Critical for the maintenance of insurance coverage of the Company and the KEL Group
23.	Miss Group Limited	Critical to host the Company's website
24.	M&C Services Private Limited	Important to be kept current as they provide ongoing services as share transfer agent and warrant agent for the Company
25.	Paul Hannon / Flip Communications	Critical to provide technical support for the Company's website
26.	Pervasent Software Inc	Ongoing services to host board papers for the Company
27.	The Central Depository (Pte) Limited	Essential regulatory body and critical for the Company's continued listing on the SGX-ST
28.	Securities Investors Association (Singapore)	Critical for outreach to the Company's stakeholders
29.	Video Technologies Pte Ltd	Essential for virtual investor communication for the Company
30.	Walkers (Singapore) Limited Liability Partnerships	The Company's BVI legal advisor for the Restructuring Exercise and ongoing winding up proceedings. Important to be kept current to ensure the Restructuring Exercise continues smoothly and the Company is not wound up.
31.	Watson Farley & Williams	The Company's legal advisor for an ongoing litigation and arbitration. Important to be kept current to ensure the Restructuring Exercise continues smoothly.

No.	Creditor	Reason for not being schemed
32.	WongPartnership LLP	Keppel Corp's advisors for the Restructuring Exercise. Important to be kept current to ensure the Restructuring Exercise continues smoothly.
33.	The Company's employees	Crucial for the continued operations of the Company
34.	The Company's directors	Crucial for the continued operations of the Company

SCHEDULE 3 – THE KEL GROUP

No.	Member of KEL Group	Country of incorporation
1.	KrisEnergy Holding Company Ltd	British Virgin Island
2.	KrisEnergy Management Ltd	British Virgin Island
3.	KrisEnergy (Asia) Ltd	British Virgin Island
4.	KrisEnergy Netherlands Holdings Pte Ltd	Singapore
5.	KrisEnergy Pte Ltd	Singapore
6.	KrisEnergy (Management Services) Ltd	British Virgin Island
7.	KrisEnergy Marine Pte Ltd	Singapore
8.	SJ Production Barge Ltd	British Virgin Island
9.	KrisEnergy Asia Holdings BV	Netherlands
10.	KrisEnergy Asia Cooperatief UA	Netherlands
11.	KrisEnergy (Block A Aceh) BV	Netherlands
12.	KrisEnergy (Ampuh) BV	Netherlands
13.	KrisEnergy (Sakti) BV	Netherlands
14.	KrisEnergy (Bala-Balakang) BV	Netherlands
15.	KrisEnergy Glagah Kambuna BV	Netherlands
16.	KrisEnergy (Andaman II) BV	Netherlands
17.	KrisEnergy (Satria) Ltd	British Virgin Island
18.	KrisEnergy (Kutai) BV	Netherlands
19.	KrisEnergy (Kutei) BV	Netherlands
20.	KrisEnergy (Udan Emas) BV	Netherlands
21.	KrisEnergy Marine BV	Netherlands
22.	KrisEnergy (Nemo) BV	Netherlands
23.	KrisEnergy (Andaman Timur) BV	Netherlands
24.	KrisEnergy East Seruway BV	Netherlands
25.	KrisEnergy (East Muriah) Ltd	British Virgin Island
26.	KrisEnergy (Andaman II) Ltd	British Virgin Island
27.	KrisEnergy (Vietnam 115) Ltd	British Virgin Island

No.	Member of KEL Group	Country of incorporation
28.	KrisEnergy (Song Hong 105) Ltd	British Virgin Island
29.	KrisEnergy (Phu Khanh 120) Ltd	British Virgin Island
30.	KrisEnergy (Apsara) Ltd	Bermuda
31.	KrisEnergy (Cambodia) Holding Ltd	British Virgin Island
32.	KrisEnergy (Cambodia) Ltd	Cambodia
33.	KrisEnergy (Apsara) Company Limited	Cambodia
34.	KrisEnergy (Apsara) Holding Ltd	British Virgin Island
35.	KrisEnergy (Bangladesh SS-11) Ltd	British Virgin Island
36.	KrisEnergy Bangladesh Ltd	Jersey
37.	B Block Ltd	British Virgin Island
38.	KrisEnergy International (Thailand) Holdings Ltd	British Virgin Island
39.	KrisEnergy (Gulf of Thailand) Ltd	Cayman
40.	KrisEnergy G10 (Thailand) Ltd	Thailand
41.	KrisEnergy Oil & Gas (Thailand) Ltd	Thailand
42.	KrisEnergy Resources (Thailand) Ltd	Thailand

ANNEX A – PROOF OF DEBT FORM

PROOF OF DEBT

Save as otherwise defined, all capitalised terms shall bear the same meaning as set out in the scheme of arrangement dated 20 November 2020 proposed by KrisEnergy Ltd to the Creditors.

I, [*name*] _____, of [*company/firm where applicable*] _____ of [*address*] _____ NRIC/Passport No._____ , declare that to the best of my knowledge and belief, the matters set out in this Proof of Debt form are correct and true:

1. **KrisEnergy Ltd** (the "**Company**") is, as at the Ascertainment Date of 16 October 2020 indebted to _____[*name of creditor*], (the "**Creditor**") in the amount of _____ for the following Claim(s) (as defined in the Scheme), the particulars of which are set out in Annexure I to this Proof of Debt.[1]

2. Particulars of the Creditor are as follows[2]

Name of Creditor	:
IC/Passport no./Company/Business registration no.	:
Postal address	:
Contact no.	:
Fax no.	:
E-mail address	:
Creditor's reference no.	:

3. Neither the Creditor, nor any person by the order and for the use of the Creditor, has to my knowledge and belief received any manner of satisfaction or security for the account or any part of the amount referred to in Paragraph 1 above, save and except for such Security set out in Annexure II to this Proof of Debt.[3]

4. [*If applicable*] The Company has a Claim (as defined in the Scheme) against the Creditor in the amount of _____, the particulars of which are set out in Annexure III to this Proof of Debt.[4]

5. I am _____ [*please state relationship to the creditor*] of the abovenamed Creditor and I am duly authorised by that Creditor to make this Proof of Debt, that is within my own knowledge that the debt declared to in this Proof of Debt was incurred for the amount stated, and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

6. I am duly authorised to make this proof of debt on behalf of the Creditor.[5]

_____
Name:
Designation:
Company Stamp (if applicable):

Please note that there could be penalties for submitting a false proof of debt

Notes:

1. Copies of all documents evidencing the claim must be attached. The onus is upon the Creditor to prove the debt. If your Claim arises out of a guarantee or indemnity provided by the Company, copies of all documents evidencing the guarantee or indemnity should be attached.

2. The Creditor that submits this Proof of Debt represents, warrants and undertakes to the Company, the Scheme Manager(s) and the Chairman that any personal data of any individual provided has been obtained with such individual's consent and hereby consents on behalf of such individual to the collection, use and disclosure of his personal data by the Company, the Scheme Manager(s) and the Chairman (and any of their respective officers), in each case, in accordance with the provisions of the Singapore Personal Data Protection Act 2012 (No. 26 of 2012). Any consent given hereunder in relation to personal data shall survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of the Scheme. For the purposes hereunder, "personal data" has the meaning ascribed to it in the Singapore Personal Data Protection Act 2012 (No. 26 of 2012).

3. Copies of all documents evidencing the creation of the Security should be attached.

4. Copies of all documents evidencing the Claim by the Company against the Creditor should be attached.

5. Copies of all documents evidencing authority should be attached.

Annexure I to the Proof of Debt

Particulars of the Claims referred to in the Proof of Debt

Date of transaction	Details of Claim [1] Principal amount of the Claim as at Ascertainment Date (in the currency of the Claim)[1] (A)	Interest accruing up to the Ascertainment Date (in the currency of the Claim) [2] (B)	Total amount of Claim as at Ascertainment Date (in the currency of the Claim) (A)+(B)	Identity of primary debtor (applicable where Claim arises from a guarantee, indemnity, or other similar obligation)	Reference to supporting documents[3]	Applicable interest rate under existing facility agreement	Remarks

IMPORTANT: PLEASE READ THE NOTES ON THE NEXT PAGE CAREFULLY BEFORE COMPLETING THIS APPENDIX.

Notes:

1 Examples:

- Goods supplied	- Services rendered	- GST
- Wages and salaries	- Personal loan	- Overdraft facilities
- Income Tax	- Property Tax	- Bank facilities (please identify each discrete facility separately)
- CPF		

2 Please provide the following information in relation to the stated interest amount on a separate page:

- basis / formula of computation of interest amount (include detailed method of calculation);
- the applicable interest rate (where the applicable interest rate has several components, please provide the breakdown of the various components of the applicable interest rate (i.e. cost of funds, margin) and the relevant rate in respect of each component);
- the portion of the principal amount to which the applicable interest rate applies;
- the relevant period over which the applicable interest rate was applied; and
- description of all documents evidencing the computation of interest payable in respect of the applicable interest rate (with copies of the same annexed).

3 Such supporting documents shall be annexed to this Proof of Debt.

Annexure II to the Proof of Debt

Particulars of any Security referred to in the Proof of Debt

Date of creation of the Security	Particulars of the Security	Value of the Security as at the Ascertainment Date	Description of supporting documents[1]	Remarks

Notes:

1. Such supporting documents shall be annexed to this Proof of Debt

Annexure III to the Proof of Debt

Particulars of claim by Company against Creditor

Date of Claim	Nature and Particulars of Claim	Amount of the Claim	Description of supporting documents[1]	Remarks

Notes:

1. Such supporting documents shall be annexed to this Proof of Debt

APPENDIX B – Notice of Court Meeting

IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

HC/OS 1031/2020

In the Matter of Section 210(1) of the Companies Act (Cap. 50)

And

In the Matter of **KRISENERGY LTD.**
(Company Registration Number: WK-231666)

… Applicant

NOTICE OF COURT MEETING

NOTICE IS HEREBY GIVEN that a meeting of the Scheme Creditors (as defined in the scheme of arrangement dated 20 November 2020 proposed by KrisEnergy Ltd. ("**Scheme**")) ("**Court Meeting**") of KrisEnergy Ltd. ("**Company**") will be held by way of electronic means on 14 January 2021 at 1 p.m. for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme proposed to be made pursuant to Section 210 of the Companies Act (Cap. 50) (the "**Companies Act**") between the Company and its Creditors. Further, the High Court of the Republic of Singapore has also granted the Company an extension of the moratorium previously granted to them under Section 211B of the Companies Act until 16 January 2021.

All capitalised terms used in this Notice which are not otherwise defined shall have the same meaning as ascribed to them in the Scheme.

The Court Meeting is convened pursuant to an Order of Court dated 16 November 2020 made in HC/OS 1031/2020. Luke Furler of AJCapital Advisory Pte Limited shall act as Chairman of the Court Meeting and report the results of the Court Meeting to the Court.

The Scheme and explanatory statement required to be furnished pursuant to Section 211 of the Companies Act and the proxy forms are incorporated in the explanatory statement of which this Notice forms part. Copies of the Scheme and explanatory statement can be downloaded from the Company's website at https://krisenergy.com/Investors/restructuring-information-centre/ and the SGXNet and are also available on request by either sending an email to krisenergy@ajcapital.asia or, if hardcopies are required, at the Company's offices at 83 Clemenceau Avenue #10-05 UE Square, Singapore 239920, during normal business hours on any day prior to the date of the Court Meeting (and other than a Saturday, Sunday or public holiday) with at least two business days' notice and subject to any laws implemented in connection with COVID-19 which could restrict the Company's ability to open its offices.

For the purpose of participating and voting at the Court Meeting, every Creditor, save for the 2022 Noteholders and 2023 Noteholders, shall lodge a Proof of Debt in respect of its Claims against the Company at the Specified Address (via email or in hardcopy) by 6 p.m. on 4 December 2020 in accordance with the Scheme, explanatory statement and the instructions in the Proof of Debt form.

Creditors, save for the 2022 Noteholders and 2023 Noteholders, who do not file their Proofs of Debt by 6 p.m. on 4 December 2020 at the Specified Address will (subject to the Chairman's absolute discretion) not be entitled to vote at the Court Meeting and will (subject to the Scheme Managers' absolute discretion) not be entitled to any distributions under the Scheme and their Claims against the Company shall be waived, released, discharged and extinguished in accordance with the terms of the Scheme. The Chairman's discretion includes determining an Adjudicated Claim Amount based on the amount stated to be owing to that Creditor in the books and records of the Company.

The 2022 Noteholders and 2023 Noteholders are not required to file a Proof of Debt. The Company will file a Proof of Debt on your behalf based on the holdings reflected in records maintained by CDP

as at the Ascertainment Date. The Chairman will admit all amounts in respect of the holdings reflected in the records maintained by the CDP together with the relevant interest for the purpose of voting at the relevant Court Meeting and any distributions made under the Scheme in accordance with its terms (if sanctioned).

Only CDP Account Holders may lodge Proxy Forms.

Should a CDP Account Holder which is not a Relevant Intermediary wish to vote at the Court Meeting, it will have to appoint the Chairman as its proxy to attend and vote in their stead.

Should a CDP Account Holder which is a Relevant Intermediary wish to vote at the Court Meeting, it will have to appoint the Chairman as its proxy to attend and vote in its stead and may submit a proxy form to vote on behalf of the 2022 Noteholders or 2023 Noteholders who hold notes through them (the "**Beneficial Holders**") as instructed by the Beneficial Holders.

Proxy Forms shall be lodged at the Specified Address (via email or in hardcopy) by no later than 1 p.m. on 11 January 2021.

In the event the Company determines that the Court Meeting is to be deferred ahead of it being held, the Company will give notice of such adjournment by announcing the same on SGXNet and on its website at least 48 hours before the date of the proposed Court Meeting.

Dated this 20th day of November 2020.

Notes:

1. "**Live" Audio-visual webcast and "live" audio-only stream**

   Scheme Creditors will be able to (a) watch the proceedings of the Court Meeting through a "live" audio-visual webcast via their mobile phones, tablets or computers; or (b) listen to these proceedings through a "live" audio-only stream via telephone. In order to do so, Scheme Creditors must pre-register via the URL https://rebrand.ly/KE-Scheme-of-Arrangement-Meeting ("**Registration Website**") no later than 6 p.m. on 31 December 2020 ("**Registration Deadline**") for the Company to authenticate his/her/its status as Scheme Creditors.

   Authenticated Scheme Creditors will receive an email containing (a) a unique link to access the "live" audio-visual webcast via Zoom or via their web browser; (b) a webinar ID and password; and (c) a telephone number. In the scenario where the unique link cannot be accessed, Scheme Creditors can join the proceedings of the Court Meeting by entering the webinar ID and password directly in the Zoom platform.

   Scheme Creditors who have pre-registered by the Registration Deadline but do not receive the aforementioned email by 6 p.m. on 3 January 2021 should contact Easy Video via email at kevin@easyvideo.sg.

   Scheme Creditors must not forward the unique link, webinar ID or a password to other persons. Recording of the "live" audio-visual webcast or "live" audio-only stream in whatever form is also strictly prohibited.

2. **Prior submission of questions**

   Scheme Creditors may submit questions related to the Scheme. All questions must be submitted no later than 1 p.m. on 11 January 2021:

   (a) by email to krisenergy@ajcapital.asia; or

   (b) in hard copy by post to the Chairman at 36 Armenian Street, #04-07, Singapore 179934 (Attention: Luke Furler / Zara Xue).

   The Company will address all substantial and relevant questions relating to the Scheme, prior to, or at the Court Meeting. To the extent questions relating to the Scheme are submitted no later than 6 p.m. on 31 December 2020 (the "**First Q&A Deadline**"), the Company will address all substantial and relevant questions submitted by the First Q&A Deadline prior to the Proxy Form Submission Deadline (as defined below) through publication on SGXNet, its corporate website and/or any virtual information session that the Company may organise**.**

3. **Voting by proxy only**

   Scheme Creditors will not be able to vote online at the Court Meeting. Instead, if the Scheme Creditors wish to exercise their votes, they must submit a proxy form ("**Proxy Form**") to appoint the Chairman of the Court Meeting as his/her/its proxy to vote on his/her/its behalf at the Court Meeting. Further instructions for the completion of the Proxy Forms are available in the Proxy Forms.

   The Proxy Form (together with the power of attorney or board resolution, if any, under which it is signed or a certified copy thereof) must be submitted to the Chairman at krisenergy@ajcapital.asia or 36 Armenian Street, #04-07, Singapore 179934 (Attention: Luke Furler / Zara Xue) no later than 1 p.m. on 11 January 2021 ("**Proxy Form Submission Deadline**"). If the appointor is a corporation, a failure to include a power of attorney or board resolution or certified copy thereof, the Chairman may, at his sole discretion, consider this form invalid.

   If you are a Beneficial Holder and wish to record your vote at the Court Meeting, please note that you cannot do so in your individual capacity. Please contact your Relevant Intermediary as soon as possible to provide instructions for the Relevant Intermediary to vote on your behalf. As your Relevant Intermediary will have to submit the Proxy Form to the Chairman by the Proxy Form Submission Deadline, you are strongly encouraged to reach out to your Relevant Intermediary as soon as possible as the Relevant Intermediary may set a deadline earlier than the Proxy Form Submission Deadline.

4. **Company may hold physical Court Meeting if circumstances permit**

   Notwithstanding any of the above, the Company may in their discretion conduct the Court Meeting physically in the event that the Government lifts its ban on events and mass gatherings, and circumstances permit such that it feasible to conduct the Court Meeting physically, taking into consideration the Government's directives and advisories regarding the conduct of events and mass gatherings.

   If the Company elects to conduct the Court Meeting physically, further instructions will be given to Scheme Creditors via an announcement on SGXNet and its website at https://krisenergy.com/Investors/restructuring-information-centre/ as soon as reasonably practicable.

Scheme Creditors are requested to regularly check the Company's announcements on SGXNet and on its website at https://krisenergy.com/Investors/restructuring-information-centre/ for updates.

5. **Personal Data Privacy**

By submitting an instrument appointing a proxy to attend, the appointer (i) consents to the collection, use and disclosure of his/her personal data by the Company (or its agents or service providers) for the purpose of processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives for the Court Meeting (including any adjournment thereof) and the preparation and compilation of attendance lists, minutes and any other documents relating to the Court Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the appointer discloses the personal data of its proxy(ies) or representative(s), it has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the appointer will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the appointer's breach of warranty.

APPENDIX C – Proof of Debt Form

PROOF OF DEBT

Save as otherwise defined, all capitalised terms shall bear the same meaning as set out in the scheme of arrangement dated 20 November 2020 proposed by KrisEnergy Ltd to the Creditors.

I, [*name*] _____, of

[*company/firm where applicable*] _____ of

[*address*] _____

NRIC/Passport No._____, declare that to the best of my knowledge and belief, the matters set out in this Proof of Debt form are correct and true:

1. **KrisEnergy Ltd** (the "**Company**") is, as at the Ascertainment Date of 16 October 2020 indebted to _____ [*name of creditor*], (the "**Creditor**") in the amount of _____ for the following Claim(s) (as defined in the Scheme), the particulars of which are set out in Annexure I to this Proof of Debt.[1]

2. Particulars of the Creditor are as follows[2]

Name of Creditor	:
IC/Passport no./Company/Business registration no.	:
Postal address	:
Contact no.	:
Fax no.	:
E-mail address	:
Creditor's reference no.	:

3. Neither the Creditor, nor any person by the order and for the use of the Creditor, has to my knowledge and belief received any manner of satisfaction or security for the account or any part of the amount referred to in Paragraph 1 above, save and except for such Security set out in Annexure II to this Proof of Debt.[3]

4. [*If applicable*] The Company has a Claim (as defined in the Scheme) against the Creditor in the amount of _____, the particulars of which are set out in Annexure III to this Proof of Debt.[4]

5. I am _____ [*please state relationship to the creditor*] of the abovenamed Creditor and I am duly authorised by that Creditor to make this Proof of Debt, that is within my own knowledge that the debt declared to in this Proof of Debt was incurred for the amount stated, and that the debt, to the best of my knowledge and belief, still remains unpaid and unsatisfied.

6. I am duly authorised to make this proof of debt on behalf of the Creditor.[5]

_____
Name:
Designation:
Company Stamp (if applicable):

Please note that there could be penalties for submitting a false proof of debt

Notes:

1. Copies of all documents evidencing the claim must be attached. The onus is upon the Creditor to prove the debt. If your Claim arises out of a guarantee or indemnity provided by the Company, copies of all documents evidencing the guarantee or indemnity should be attached.

2. The Creditor that submits this Proof of Debt represents, warrants and undertakes to the Company, the Scheme Manager(s) and the Chairman that any personal data of any individual provided has been obtained with such individual's consent and hereby consents on behalf of such individual to the collection, use and disclosure of his personal data by the Company, the Scheme Manager(s) and the Chairman (and any of their respective officers), in each case, in accordance with the provisions of the Singapore Personal Data Protection Act 2012 (No. 26 of 2012). Any consent given hereunder in relation to personal data shall survive death, incapacity, bankruptcy or insolvency of any such individual and the termination or expiration of the Scheme. For the purposes hereunder, "personal data" has the meaning ascribed to it in the Singapore Personal Data Protection Act 2012 (No. 26 of 2012).

3. Copies of all documents evidencing the creation of the Security should be attached.

4. Copies of all documents evidencing the Claim by the Company against the Creditor should be attached.

5. Copies of all documents evidencing authority should be attached.

Annexure I to the Proof of Debt

Particulars of the Claims referred to in the Proof of Debt

Date of transaction	Details of Claim [1] Principal amount of the Claim as at Ascertainment Date (in the currency of the Claim)[1] (A)	Interest accruing up to the Ascertainment Date (in the currency of the Claim) [2] (B)	Total amount of Claim as at Ascertainment Date (in the currency of the Claim) (A)+(B)	Identity of primary debtor (applicable where Claim arises from a guarantee, indemnity, or other similar obligation)	Reference to supporting documents[3]	Applicable interest rate under existing facility agreement	Remarks

IMPORTANT: PLEASE READ THE NOTES ON THE NEXT PAGE CAREFULLY BEFORE COMPLETING THIS APPENDIX.

Notes:

1 Examples:

- Goods supplied	- Services rendered	- GST
- Wages and salaries	- Personal loan	- Overdraft facilities
- Income Tax	- Property Tax	- Bank facilities (please identify each discrete facility separately)
- CPF		

2 Please provide the following information in relation to the stated interest amount on a separate page:

- basis / formula of computation of interest amount (include detailed method of calculation);
- the applicable interest rate (where the applicable interest rate has several components, please provide the breakdown of the various components of the applicable interest rate (i.e. cost of funds, margin) and the relevant rate in respect of each component);
- the portion of the principal amount to which the applicable interest rate applies;
- the relevant period over which the applicable interest rate was applied; and
- description of all documents evidencing the computation of interest payable in respect of the applicable interest rate (with copies of the same annexed).

3 Such supporting documents shall be annexed to this Proof of Debt.

Annexure II to the Proof of Debt

Particulars of any Security referred to in the Proof of Debt

Date of creation of the Security	Particulars of the Security	Value of the Security as at the Ascertainment Date	Description of supporting documents[1]	Remarks

Notes:

1. Such supporting documents shall be annexed to this Proof of Debt

Annexure III to the Proof of Debt

Particulars of claim by Company against Creditor

Date of Claim	Nature and Particulars of Claim	Amount of the Claim	Description of supporting documents[1]	Remarks

Notes:

1. Such supporting documents shall be annexed to this Proof of Debt

APPENDIX D – Proxy Form

KRISENERGY LTD.
(Company Registration Number: WK-231666)
(Incorporated in the Cayman Islands on 5 October 2009)
(the "**Company"**)

PROXY FORM FOR COURT MEETING TO BE USED ONLY BY CDP ACCOUNT HOLDERS (DEFINED BELOW) HOLDING THE FOLLOWING SECURITIES OF THE COMPANY:

(1) S$130,000,000 senior unsecured notes due 2022 (ISIN: SG77J4000001) ("2022 Notes"); and/or

(2) S$200,000,000 senior unsecured notes due 2023 (ISIN: SG77J3000002) ("2023 Notes"),

(collectively, the "Notes").

Important:

1. The Notice of Court Meeting dated 20 November 2020 for the Scheme of Arrangement proposed by the Company ("**Scheme**") sets out the alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Court Meeting.

2. Please only use this Proxy Form if you are a Depositor (as defined in Section 81SF of the Securities and Futures Act (Cap. 289, 2006 Rev Ed) ("**SFA**"), who has either or both of the Notes entered against your name in the Depository Register (as defined in Section 81SF of the SFA) of The Central Depository (Pte) Limited ("**CDP**") as at 16 October 2020 ("**Ascertainment Date**") ("**CDP Account Holder**").

3. If you are a holder of the 2022 Notes and/or the 2023 Notes held in an omnibus account maintained with a Relevant Intermediary (as defined in Section 181(6) of the Companies Act) ("**Beneficial Holder**") and wish to record your vote at the Court Meeting, please note that you cannot do so in your individual capacity. Please contact your Relevant Intermediary as soon as possible to provide instructions for the Relevant Intermediary to vote on your behalf. As the CDP Account Holder will have to submit the Proxy Form to the Chairman at krisenergy@ajcapital.asia or 36 Armenian Street, #04-07, Singapore 179934 (Attention: Luke Furler / Zara Xue) ("**Specified Address**") by 1 p.m. on 11 January 2021 ("**Proxy Form Submission Deadline**"), you are strongly encouraged to reach out to your Relevant Intermediary as soon as possible as the CDP Account Holder may set a deadline earlier than the Proxy Form Submission Deadline. Unless the Beneficial Holders vote unanimously for or against the Scheme, each Beneficial Holder's vote shall only be taken into account for Section 210(3AB)(b) of the Companies Act.

4. This Court Meeting is being convened and will be held by electronic means. The Notice of Court Meeting and this Proxy Form has been published on the Company's website at https://krisenergy.com/Investors/restructuring-information-centre/ and on SGXNet and is also available on request by sending an email to krisenergy@ajcapital.asia. Should hardcopies be required, these will be available at the Company's premises at 83 Clemenceau Avenue #10-05 UE Square, Singapore 239920, during normal business hours on any day prior to the date of the Court Meeting (other than a Saturday, Sunday or a public holiday) with two Business Days' notice and subject to any laws implemented in connection with COVID-19 which could restrict the Company's ability to open its offices.

5. **Due to the current COVID-19 situation in Singapore, Scheme Creditors (as defined in the Scheme) will not be allowed to attend the Court Meeting in person. A Scheme Creditor will also not be able to vote online at the Court Meeting. If a Scheme Creditor wishes to exercise his/her/its voting rights at the Court Meeting, he/she/it must appoint the Chairman of the Court Meeting as his/her/its proxy to vote on his/her/its behalf at the Court Meeting. If you are a Scheme Creditor and a Beneficial Holder, please refer to paragraph 3 above.**

DETAILS OF CDP ACCOUNT HOLDER

I/We _____ (Name)_____
(NRIC /Passport No./UEN/Company Registration No.) of _____
_____ (Address) being a holder of 2022 Notes / 2023 Notes as shown in the CDP Depository Register, hereby appoint the Chairman of the Court Meeting ("**Chairman**"), as my/our proxy to attend and to vote for me/us on my/our behalf at the Court Meeting, and at such Court Meeting (or at any adjournment thereof) to vote for me/us and in my/our name(s) as indicated below, and if no such indication is given, as my/our* proxy thinks fit.

VOTE

*****only complete this if you are a Relevant Intermediary

(Please indicate the value of the Notes which have voted for or against the Scheme. In the absence of specific directions in respect of your vote or if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions specified in the Proxy Form, the Chairman shall be entitled to reject the Proxy Form or at its sole discretion cast a vote for the Scheme.)

FOR		**AGAINST**
(value)	**OR**	(value)
2022 Notes:		2022 Notes:
2023 Notes:		2023 Notes:

VOTE

*only complete this if you are not a Relevant Intermediary

(Please indicate with an "X" within the relevant box to vote for or against the Scheme. You may only cast your vote for or against and cannot split your votes in anyway even if you hold both the 2022 Notes and 2023 Notes. You will only have one vote even if you hold both the 2022 Notes and 2023 Notes. In the absence of specific directions in respect of your vote or if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions specified in the Proxy Form, the Chairman shall be entitled to reject the Proxy Form or at its sole discretion cast a vote for the Scheme.)

FOR	**OR**	**AGAINST**

Dated this day of_____ day of_____ 2020

_____
Signature(s) of CDP Account Holder or Common Seal

IMPORTANT: Please read the notes overleaf before completing this Proxy Form

NOTES

1. Depositor means an account holder or a depository agent but does not include a sub-account holder.

2. Depository Register means a register maintained by the CDP or any other corporation approved by the Monetary Authority of Singapore as a depository company or corporation for the purposes of the SFA, which operates the Central Depository System for the holding and transfer of book-entry securities, in respect of book-entry securities.

3. Relevant Intermediary means:

   (a) a banking corporation licensed under the Banking Act (Cap. 19, 2008 Rev Ed) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act (Cap. 289, 2006 Rev Ed) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36, 2013 Rev Ed), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. **Due to the current COVID-19 situation in Singapore, Scheme Creditors will not be allowed to attend the Court Meeting in person. A Scheme Creditor will also not be able to vote online at the Court Meeting. If a Scheme Creditor wishes to exercise his/her/its voting rights at the Court Meeting, he/she/it must appoint the Chairman of the Court Meeting as his/her/its proxy to vote on his/her/its behalf at the Court Meeting. If you are a Scheme Creditor and a Beneficial Holder, please contact your Relevant Intermediary.**

5. Each CDP Account Holder should themselves be satisfied that the votes submitted by any Beneficial Holder is accurate. The Company and Chairman will bear no responsibility in ascertaining the accuracy of the votes of the Beneficial Holder.

6. This Proxy Form must be signed by the appointer. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. The Proxy Form, together with the power of attorney or board resolution or certified copy thereof (if necessary), must be submitted to the Chairman at the Specified Address no later than the Proxy Form Submission Deadline. If the appointer is a corporation or Relevant Intermediary, a failure to include a power of attorney or board resolution or certified copy thereof, the Chairman may, at his sole discretion, consider this form invalid.

7. The Chairman shall be entitled to reject the Proxy Form or at the Chairman's sole discretion cast a vote for the Scheme if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions specified in the Proxy Form.

8. The Chairman may reject any Proxy Form lodged if the CDP Account Holder, being the appointer, is not shown to have Notes entered into against his name as an account holder in the Depository Register as certified by CDP as at the Ascertainment Date.

9. A CDP Account Holder who has already submitted a Proxy Form to the Chairman may revoke and amend the same by submitting a new Proxy Form to the Chairman by the Proxy Form Submission Deadline, in which case, the Chairman will disregard the previous Proxy Form(s) and refer only to the last Proxy Form received. Any Proxy Form which a Scheme Creditor wishes to revoke after the Proxy Form Submission Deadline can only be revoked at the sole discretion of the Chairman.

10. Unless a valid Proxy Form is received by the Chairman by the Proxy Form Submission Deadline at the Specified Address, the proxy of such CDP Account Holder will not be entitled to vote at the Court Meeting, unless so otherwise allowed at the discretion of the Chairman of the Court Meeting.

11. By submitting this Proxy Form, the appointer (i) consents to the collection, use and disclosure of his/her personal data by the Company (or its agents or service providers) for the purpose of processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives for the Court Meeting (including any adjournment thereof) and the preparation and compilation of attendance lists, minutes and any other documents relating to the Court Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the appointer discloses the personal data of its proxy(ies) or representative(s), it has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the appointer will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the appointer's breach of warranty.

KRISENERGY LTD.
(Company Registration Number: WK-231666)
(Incorporated in the Cayman Islands on 5 October 2009)
(the "**Company"**)

PROXY FORM FOR COURT MEETING TO BE USED FOR ALL SCHEME CREDITORS (EXCEPT FOR HOLDERS OF THE S$130,000,000 SENIOR UNSECURED NOTES DUE 2022 (ISIN: SG77J4000001) ("2022 NOTEHOLDER") AND S$200,000,000 SENIOR UNSECURED NOTES DUE 2023 (ISIN: SG77J3000002) ("2023 NOTEHOLDER"))

Important:

1. The Notice of Court Meeting dated 20 November 2020 for the Scheme of Arrangement proposed by the Company ("**Scheme**") sets out the alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the Court Meeting.
2. Please only use this Proxy Form if you are a Scheme Creditor (as defined in the Scheme) and not a 2022 Noteholder or 2023 Noteholder.
3. If you are a 2022 Noteholder or 2023 Noteholder and use this Proxy Form, it will be invalid.
4. This Court Meeting is being convened and will be held by electronic means. The Notice of Court Meeting and this Proxy Form has been published on the Company's website at https://krisenergy.com/Investors/restructuring-information-centre/ and on SGXNet and is also available on request by sending an email to krisenergy@ajcapital.asia. Should hardcopies be required, these will be available at the Company's premises at 83 Clemenceau Avenue #10-05 UE Square, Singapore 239920, during normal business hours on any day prior to the date of the Court Meeting (other than a Saturday, Sunday or a public holiday) with two Business Days' notice and subject to any laws implemented in connection with COVID-19 which could restrict the Company's ability to open its offices.
5. **Due to the current COVID-19 situation in Singapore, Scheme Creditors will not be allowed to attend the Court Meeting in person. A Scheme Creditor will also not be able to vote online at the Court Meeting. If a Scheme Creditor wishes to exercise his/her/its voting rights at the Court Meeting, he/she/it must appoint the Chairman of the Court Meeting as his/her/its proxy to vote on his/her/its behalf at the Court Meeting.**

DETAILS

I/We _____ (Name) _____ (NRIC/Passport No./UEN/Company Registration No.) being a holder of _____ [insert nature of debt] owed by the Company under the _____ [describe agreement under which the debt arose] dated [insert] entered into between _____ (name) _____ and _____ (name) here appoint the Chairman of the Court Meeting ("**Chairman**"), as my/our proxy to attend and to vote for me/us on my/our behalf at the Court Meeting, and at such Court Meeting (or at any adjournment thereof) to vote for me/us and in my/our name(s) as indicated below, and if no such indication is given, as my/our* proxy thinks fit.

VOTE

Please indicate with an "X" within the relevant box to vote for or against the Scheme. In the absence of specific directions in respect of your vote or if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions specified in the Proxy Form, the Chairman shall be entitled to reject the Proxy Form or at its sole discretion cast a vote for the Scheme.)

FOR	OR	AGAINST

Dated this day of_____ day of_____ 2020

_____
Signature(s) of Scheme Creditor or Common Seal

IMPORTANT: Please read the notes overleaf before completing this Proxy Form

NOTES:

1. This form is to be completed by Scheme Creditors other than the 2022 Noteholders and 2023 Noteholders.

2. **Due to the current COVID-19 situation in Singapore, Scheme Creditors will not be allowed to attend the Court Meeting in person. A Scheme Creditor will also not be able to vote online at the Court Meeting. If a Scheme Creditor wishes to exercise his/her/its voting rights at the Court meeting, he/she/it must appoint the Chairman of the Court Meeting as his/her/its proxy to vote on his/her/its behalf at the Court Meeting.**

3. This Proxy Form must be signed by the appointer. Where the Proxy Form is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

4. This Proxy Form, together with the power of attorney or board resolution or certified copy thereof (if necessary), must be submitted to the Chairman at krisenergy@ajcapital.asia or 36 Armenian Street, #04-07, Singapore 179934 (Attention: Luke Furler / Zara Xue) ("**Specified Address**") by 1 p.m. on 11 January 2021 ("**Proxy Form Submission Deadline**"). If the appointor is a corporation, a failure to include a power of attorney or board resolution or certified copy thereof, the Chairman may, at his sole discretion, consider this form invalid.

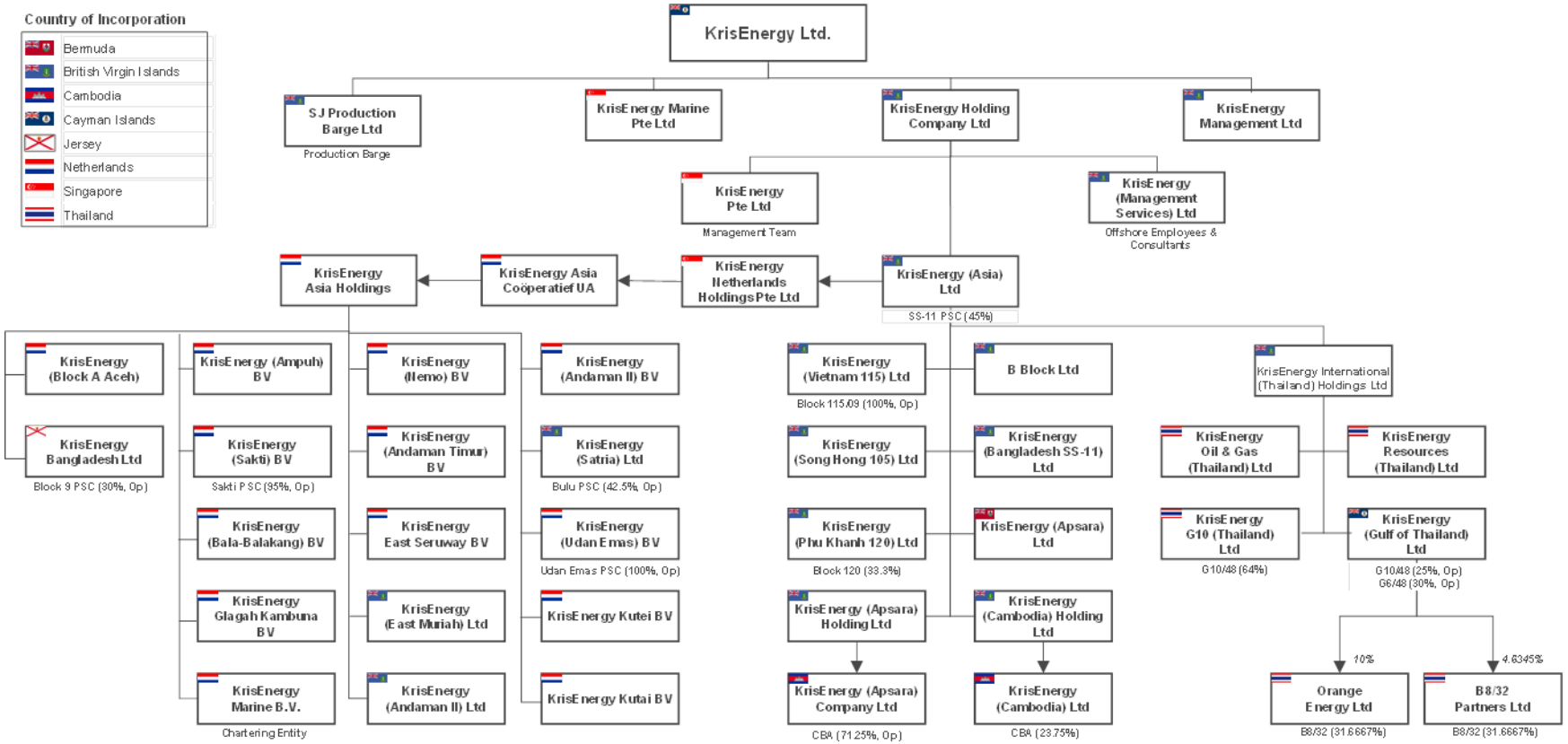
5. The Chairman shall be entitled to reject the Proxy Form or at the Chairman's sole discretion cast a vote for the Scheme if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions specified in the Proxy Form.

6. A Scheme Creditor who has already submitted a Proxy Form to the Chairman may revoke and amend the same by submitting a new Proxy Form to the Chairman by the Proxy Form Submission Deadline, in which case, the Chairman will disregard the previous Proxy Form(s) and refer only to the last Proxy Form received. Any Proxy Form which a Scheme Creditor wishes to revoke after the Proxy Form Submission Deadline can only be revoked at the sole discretion of the Chairman.

7. Unless a valid Proxy Form is received by the Chairman by the Proxy Form Submission Deadline at the Specified Address, the proxy of such Scheme Creditor will not be entitled to vote at the Court Meeting, unless so otherwise allowed at the discretion of the Chairman of the Court Meeting.

8. By submitting this Proxy Form, the appointer (i) consents to the collection, use and disclosure of his/her personal data by the Company (or its agents or service providers) for the purpose of processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives for the Court Meeting (including any adjournment thereof) and the preparation and compilation of attendance lists, minutes and any other documents relating to the Court Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the appointer discloses the personal data of its proxy(ies) or representative(s), it has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the appointer will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the appointer's breach of warranty.

APPENDIX E – Corporate Structure of the KEL Group



Notes:

1. Percentages refer to the economic interest of the entity (part of the KEL Group) in the block.
2. “Op” indicates that the entity (part of the KEL Group) is the operator of the block.

APPENDIX F – List of O&G Assets

The Company is the ultimate holding company of a wider group of companies engaged in the upstream oil and gas sector in Asia. The principal activity of the Company is that of investment holding as all of the KEL Group's O&G Assets are held by subsidiaries of the Company. A description of the O&G Assets is included below.

Country	Working Interest (%)	Operator	Gross Acreage (sq. km)	Location	Water Depth (m)
Assets in the exploration phase					
Sakti PSC	95.0	KrisEnergy (Sakti) BV	989	Indonesia, East Java Sea	50-60
Udan Emas PSC (1)	100.0	KrisEnergy (Udan Emas) BV	1,070	Indonesia, Bintuni Basin	Onshore
SS-11	45.0	Santos	4,475	Bangladesh, Bay of Bengal	200-1,500
Block 115/09 (2)	100.0	KrisEnergy (Vietnam 115) Ltd	7,382	Vietnam, Quang Ngai Graben/Phu Khanh Basin	60-200
Assets under development					
Mini Phase 1A (CBA)	95.0	KrisEnergy (Apsara) Company Ltd	3,083	Cambodia, Khmer Basin	50-80
Assets in the development phase					
CBA (post Mini Phase 1A)	95.0	KrisEnergy (Apsara) Company Ltd	3,083	Cambodia, Khmer Basin	50-80
G6/48		KrisEnergy (Gulf of Thailand) Ltd		Gulf of Thailand, Karawake Basin on western margin of Pattani Basin	60-70
Production Area (3)	100.0		88		
Reservation Area	30.0		284		
Bulu PSC	42.5	KrisEnergy (Satria) Ltd	697	Indonesia, East Java Sea	50-60
Assets in the production phase					
Block 9 PSC	30.0	KrisEnergy Bangladesh Ltd	1,770	Bangladesh, Surma Basin	Onshore
B8/32	4.6345	Chevron	2,072	Gulf of Thailand, North Pattani Basin	42-113
G10/48 (4)	89.0	KrisEnergy (Gulf of Thailand) Ltd	247	Gulf of Thailand, Pattani Basin	Up to 60

Notes:

1. The Udan Emas PSC expired in 19 July 2020 and is pending official acknowledgement of relinquishment.
2. In January 2020, KrisEnergy (Vietnam 115) Ltd. entered into the Farm-out Agreement for the transfer of its entire 100.0% working interest in Block 115/09 subject to certain conditions and approvals by the relevant government authorities. The long stop date for completion under the Farm-out Agreement is 31 December 2020.
3. KrisEnergy holds 100.0% working interest in the exclusive operation of the Rossukon development plan.
4. In June 2020, KrisEnergy suspended production in G10/48 due to the many uncertainties ahead relating to, among other things, the duration of the COVID-19 pandemic, the speed of global economic regeneration and recovery in petroleum demand, and the magnitude and sustainability of any upturn in oil prices.

APPENDIX G – Financial Statements



KrisEnergy Ltd.

2019 Annual Report

KrisEnergy Ltd. ("KrisEnergy" or the "Company", and together with its subsidiaries, the "Group") is an Asian-focused upstream oil and gas company with a portfolio of producing assets and near-term development projects.

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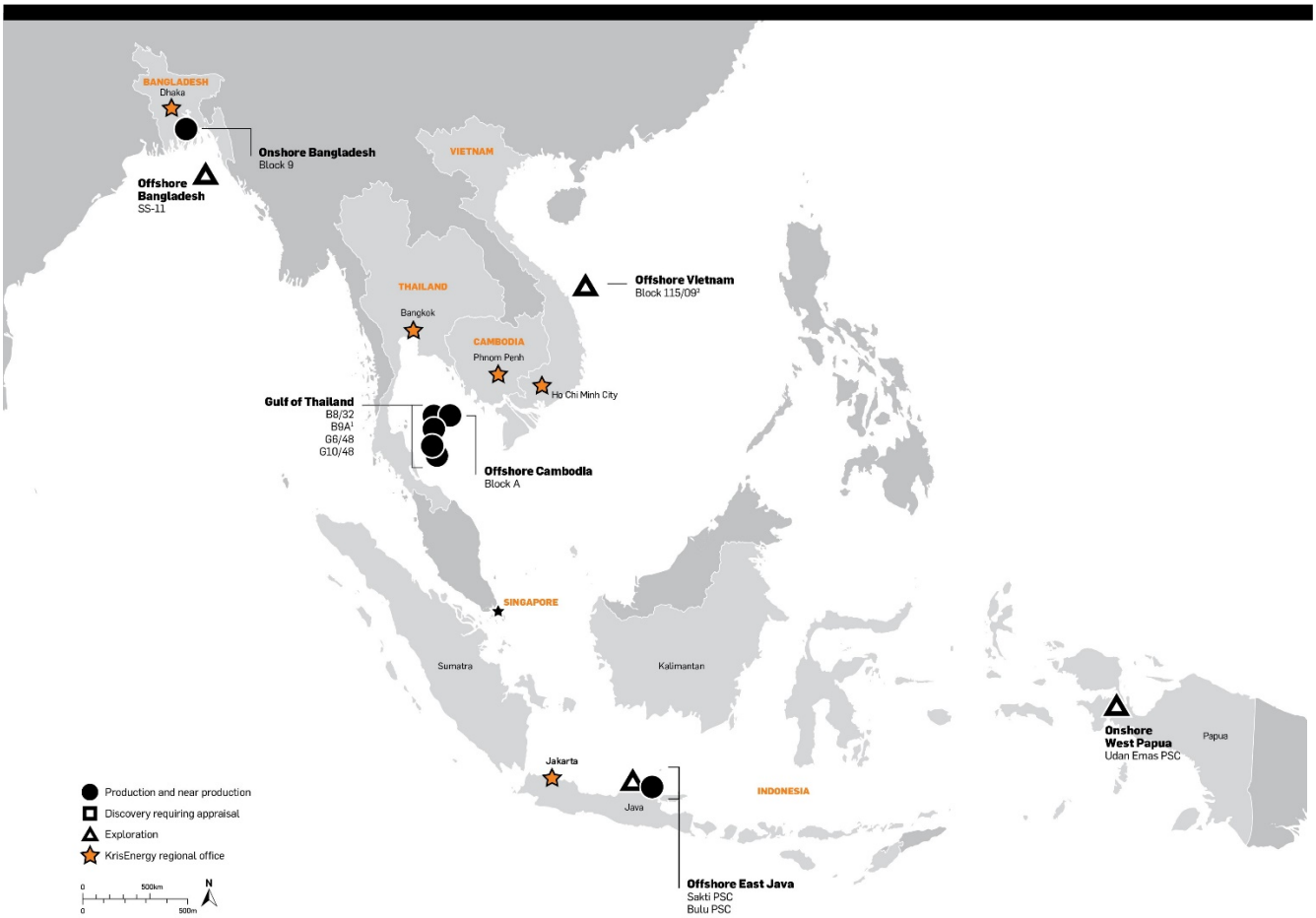
2019 Review
The Portfolio

We regularly review our asset portfolio to reduce the Group's exposure to high-risk exploration expenditure and commitment work programs for non-core assets to focus our financial resources on cash-flow generating activities such as maintaining existing production and oil development projects offshore Cambodia and the Gulf of Thailand.

In 2019, the portfolio review resulted in the divestment of the Andaman II deepwater exploration production sharing contract ("PSC") offshore North Sumatra, Indonesia. In 2020, the Company agreed the farm-out of its entire working interest in the Block 115/09 exploration concession, offshore Vietnam, the transaction is pending government approvals. The Bala-Balakang PSC expired on 18 December 2020.

Following the emergence of the COVID-19 pandemic in the early months of 2020 and the negative impact on oil demand and price decline, KrisEnergy suspended production in early June 2020 at the Wassana field in the G10/48 concession in the Gulf of Thailand.

As at 3 June 2020, KrisEnergy's portfolio comprised: two producing assets – B8/32 oil and gas fields in the Gulf of Thailand and the Block 9 Bangora gas field onshore Bangladesh; the Apsara oil development in Cambodia Block A, which is scheduled to produce Cambodia's first oil in 2020; and eight concessions in various stages of pre-development, appraisal and exploration and relinquishment.

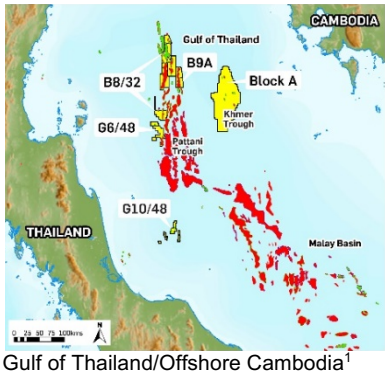


[1] B9A permanently ceased operation in October 2017. Abandonment activities are underway before the B9A licence is relinquished

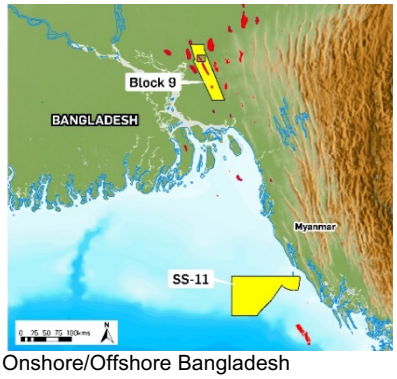
[2] In January 2020, KrisEnergy (Vietnam 115) Ltd. entered into a farm-out agreement for the transfer of its 100.0% working interest and operatorship of Block 115/09, offshore Vietnam. The transaction is pending approval of the Vietnamese authorities

Country/Asset	Working Interest (%)	Operator	Gross Acreage (sq. km)	Location	Water Depth (m)
Bangladesh					
Block 9	30.0	KrisEnergy	1,770	Surma Basin	Onshore
SS-11	45.0	Santos	4,475	Bay of Bengal	200-1,500
Cambodia					
Block A	95.0	KrisEnergy	3,083	Khmer Basin	50-80
Gulf of Thailand					
B8/32 & B9A[1]	4.6345	Chevron	2,072	North Pattani Basin	42-113
G6/48		KrisEnergy		Karawake Basin on	60-70
Production area	100.0[2]		88	western margin of Pattani	
Reservation area	30.0		284	Basin	
G10/48	89.0	KrisEnergy	247	Pattani Basin	Up to 60
Indonesia					
Bulu PSC	42.5	KrisEnergy	697	East Java Sea	50-60
Sakti PSC	95.0	KrisEnergy	989	East Java Sea	50-60
Udan Emas PSC	100.0	KrisEnergy	1,070	Bintuni Basin	Onshore
Vietnam					
Block 115/09[3]	100.0	KrisEnergy	7,382	Quang Ngai Graben/Phu Khanh Basin	60-200

[1] B9A permanently ceased operation on 31 October 2017. Abandonment is underway before the B9A licence is relinquished
[2] As of 18 February 2019, KrisEnergy holds 100.0% working interest in the Exclusive Operation of the Rossukon development plan
[3] In January 2020, KrisEnergy (Vietnam 115) Ltd. entered into a farm-out agreement for the transfer of its entire 100.0% working interest in Block 115/09 subject to certain conditions and approvals by the relevant government authorities



Gulf of Thailand/Offshore Cambodia[1]



Onshore/Offshore Bangladesh

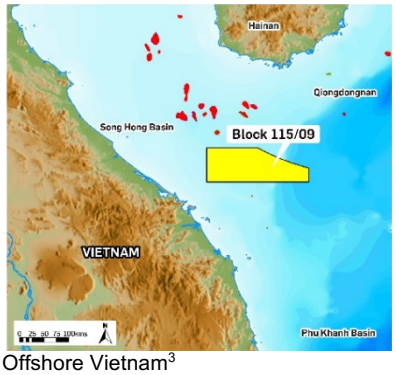


Offshore East Java, Indonesia





Onshore West Papua, Indonesia



Offshore Vietnam[3]

Chairman's Statement

At the time of publish of KrisEnergy's 2019 Annual Report, the world is trying to regain a footing from what has been an unprecedented global health and economic crisis in the first five months of 2020. The COVID-19 pandemic has spread worldwide and there is insufficient understanding of the virus to have clarity as to its full impact, duration and lasting consequences.

The energy sector has been severely affected by the virus with countries in lockdown, transport at a standstill and economies contracting. Analysts and think-tanks indicate that energy demand plummeted 20.0% to 30.0% in April 2020 depending on the stringency of government restrictions.

In a confluence of factors, the pandemic struck at a time of a global glut in oil supplies resulting in unparalleled market reaction. In April 2020, US oil futures traded in negative territory for the first time in history, and global benchmark Brent fell to 20-year lows below US$20.00 per barrel ("bbl"). Prices in the second half of May 2020 have recovered somewhat with Brent trading around the mid-US$30.00/bbl but future direction and/or sustainability of any further price recovery remain uncertain.

Review of Wassana

Due to the oil price crash, upstream companies worldwide have deferred development projects, slashed capital expenditure and, in some instances, shut in non-commercial production.

We have reviewed KrisEnergy's operations and determined that the cost structure at the Wassana oil field is unsustainable at prevailing oil prices, therefore we suspended production in early June 2020, and we have no visibility at this time when or if Wassana operations will resume.

This decision means we have regrettably reduced our workforce in Thailand by one quarter and, where appropriate, we have redeployed some personnel to the ongoing development of the Apsara oil field in Cambodia. Our remaining production continues in the KrisEnergy-operated Bangora gas field in Bangladesh and the non-operated B8/32 oil and gas fields in Thailand.

2019 headwinds

KrisEnergy faced significant challenges in 2019. Since the previous oil price decline, which started at the end of 2014, KrisEnergy's liquidity position has continued to deteriorate.

Material non-cash charges related to impairments, writedowns and increasing finance costs remain a burden and following a loss after tax of US$168.9 million in 2019, the Company's net capital deficiency position stood at US$145.9 million as at 31 December 2019. With total debt of US$503.1 million as at 31 December 2019 and gearing of 140.8%, the balance sheet is clearly unsustainable, and a substantial reorganisation of liabilities and assets is urgently needed.

In August 2019, KrisEnergy's securities were suspend from trading while we applied to the High Court of Singapore for a moratorium in order to provide us breathing space from our creditors while we reviewed all available options for restructuring. The application was granted, and the moratorium was extended in November 2019 until 27 February 2020 and subsequently until 27 May 2020, when we applied for a further extension.

We have continued to formulate a restructuring path and we will shortly begin to implement the plan and engage KrisEnergy's stakeholders. While undeniably a challenge, there are few realistic options available to deliver a viable and sustainable financial structure.

Our first informal meeting with investors was well attended in September 2019 and we received a great deal of feedback. We anticipate convening a second investor townhall within the second quarter 2020. Due to COVID-19, the format of the meeting will be on a virtual platform.

Apsara cornerstone

In April 2020, we entered into a credit facility agreement with Kepinvest Singapore Pte. Ltd., a subsidiary of Keppel Corporation Ltd ("Keppel"), for up to US$87 million to finance the first phase of the Apsara oil development in Cambodia Block A. As Keppel is a majority shareholder of KrisEnergy, the loan facility is deemed an Interested Person Transaction under the Singapore Listing Manual and therefore we will convene an extraordinary general meeting ("EGM"), in order to obtain shareholder approval. Details of the EGM will be provided at a later date.

The development of Cambodia Block A is a cornerstone in KrisEnergy's future. It marks an outstanding long-term opportunity in Southeast Asia and will be historic for the Kingdom of Cambodia.

There has been substantial geological and geophysical work undertaken in the block as well as exploration and appraisal drilling. Of the 27 wells drilled in the original licence area, 23 encountered oil and/or gas.

As the Khmer Basin is yet to produce oil, we are taking a cautious approach as befits an operator of our size by using the minimum of facilities and wells for the initial phase of development.

Once onstream later this year, we will be able to observe reservoir performance and record other valuable data in order to chart the course ahead for the next development phase. Today, we believe there is potential for an additional three platforms in the Apsara area and the Apsara fault trend is one of seven in Cambodia Block A, which is anticipated to be the highest revenue generating asset in the Group's portfolio in the long term

Work on the Apsara facilities is at an advanced stage although we have encountered some delays to deliveries of materials and equipment and disruption to personnel movement and works due to government-enforced COVID-19 restrictions. However, we have continued operations where possible and are coordinating closely with suppliers and contractors to minimise any delays.

The *Ingenium II* production barge is nearing mechanical completion and we hope that commissioning will begin shortly. The structures of the jacket and topsides for the Apsara platform are nearing completion and installation of piping, electrical and instrument systems and equipment is ongoing.

Green shoots?

The Board of Directors was delighted to confirm Joanne Ang as our permanent Chief Financial Officer ("CFO") with effect from 19 May 2020. Joanne, who joined KrisEnergy in 2013, was appointed interim CFO in April 2019. I look forward to continuing to work with Joanne as we navigate the challenges ahead.

As of the time of this Annual Report, there appears to be tentative signs of green shoots of recovery with governments slowly lifting COVID-19 restrictions, people gradually returning to work and school and businesses reopening. The world's major oil producers are making unprecedented cuts to supplies to try and restore some fundamental balance to oil markets and prices are steadying. However, we remain cautious.

On behalf of the Board of Directors, I wish to thank our shareholders and all stakeholders, contractors and vendors, and KrisEnergy staff for your patience, perseverance and efforts in these extremely testing times.

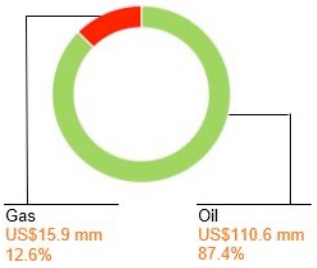


Tan Ek Kia
Independent Non-Executive Chairman
3 June 2020

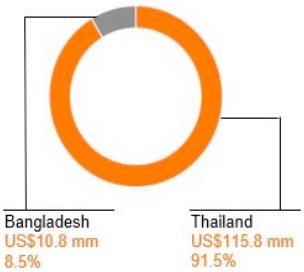
2019 Financial Review

Revenue (US$ mm)
126.5
(2018: 144.8)

Revenue: Oil vs Gas



Revenue by Country
(numbers may not add due to rounding)



Adjusted EBITDAX[1] (US$ mm)
24.7
(2018: 53.0)

Average Lifting Cost (US$/boe)
22.98
(2018: 23.70)

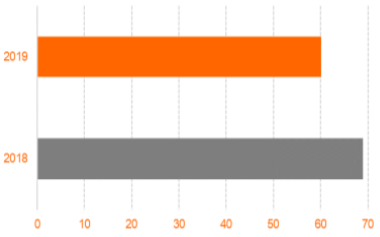
Operating Cost (US$ mm)
49.4
(2018: 79.9)

Loans & Borrowings (US$ mm)
503.1
(2018: 459.1)

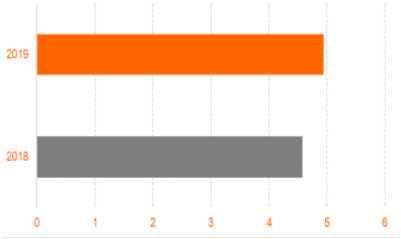
Gearing (As at 31 December)
140.8%
(2018: 95.5%)

[1] Earnings before interest, taxation, depreciation, depletion, amortisation, geological and geophysical expenses and exploration expenses ("EBITDAX"). Adjusted EBITDAX excludes unrealised foreign exchange differences
[2] Excludes Bangladesh gas at US$2.32/mcf

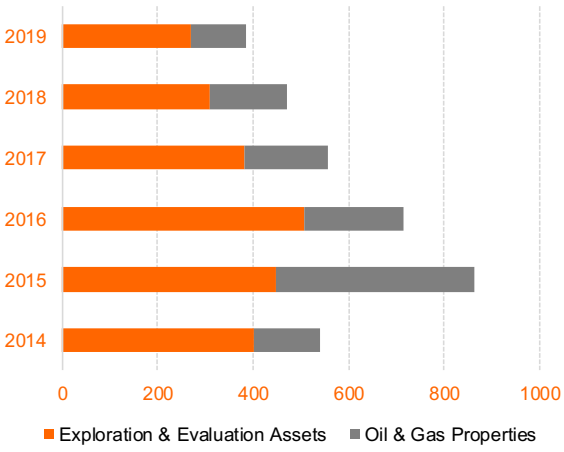
Average Realised Oil & Liquids Sales Price (US$/bbl)
60.04
(2018: 68.89)



Average Realised Gas Sales Price[2] (US$/mcf) **4.94** (2018: 4.58)



Oil & Gas Assets (US$ mm)
(As at 31 December)
385.0
(2018: 471.7)



KrisEnergy remained severely financially stressed in 2019. Increasing finance costs and significant non-cash charges deepened losses, and total loans, borrowings and gearing continued to increase resulting in further deterioration of the Group's capital position.

Over-geared and under-equitised, KrisEnergy Ltd. applied to the High Court of the Republic of Singapore ("Singapore High Court") on 14 August 2019 to commence a court-supervised process to reorganise its liabilities and to seek a moratorium against enforcement actions and legal proceedings by creditors against the Company pursuant to section 211B of the Companies Act (Cap. 50). Concurrently, trading of all KrisEnergy securities – equity and debt – on the Singapore Exchange Securities Trading Ltd ("SGX-ST") was indefinitely suspended.

The Singapore High Court granted the moratorium application for a three-month period to 14 November 2019 while the Company continued to review its options to restructuring its liabilities. An application on 13 November 2019 for a three-month extension of the moratorium was granted by the Singapore High Court to 26 February 2020 and on 24 February 2020, a second application was granted to extend the moratorium to 27 May 2020. See section *Loans, borrowings and moratorium*. On 27 May 2020, the Company applied for a third moratorium extension.

The Group's financial statements for the period ending 31 December 2019 were prepared on a going concern basis. The Group's auditors' view, as stated in the audited consolidated full-year 2019 financial statements, is that material uncertainty exists over the Group's ability to continue as a going concern.

Production & revenue

Benchmark Brent crude oil averaged US$64.16 per barrel ("bbl") in 2019, a 10.5% decline from 2018's US$71.69/bbl as trade and geopolitical tensions cast a shadow over economic growth and raised concerns over oil and gas demand while major producers pumped record high volumes.

For the year ended 31 December	2019	2018
Sale of crude oil & liquids (US$ million)	110.6	130.4
Sale of gas (US$ million)	15.9	14.4
Revenue (US$ million)	**126.5**	**144.8**
Production volumes		
Oil & liquids (bopd)[1]	4,750	5,677
Gas (mmcfd)	32.9	30.1
Total (boepd)	**10,229**	**10,691**
Average sales price		
Oil & liquids (US$/bbl)	60.04	68.89
Gas – B8/32 (US$/mcf)	4.94	4.58
Gas – Block 9 (US$/mcf)	2.32	2.32

[1] Includes KrisEnergy's working interest share of Nong Yao production up to 31 May 2018

The Group's working interest production in 2019 averaged 10,229 barrels of oil equivalent per day ("boepd"), 4.3% lower than a year ago. On a *pro forma* basis, excluding production from the Nong Yao field for the 1 January 2018 to 31 May 2019 period, the Group's three remaining assets – Block 9, B8/32 and G10/48 – recorded working interest production of 9,921 boepd in 2018. The 3.1% increase in 2019 on a *pro forma* basis was a result of higher production from B8/32 and Block 9.

The continued volatility of the oil markets was reflected in the Group's average realised selling price for crude oil and liquids, which decreased 12.8% to US$60.04/bbl in 2019 (2018: US$68.89/bbl). The price of crude oil sales from the Wassana field in the G10/48 concession in the Gulf of Thailand, which accounts for 75.0% to 80.0% of KrisEnergy's oil and liquids production, is calculated on the average of the Dubai crude benchmark for the calendar month of lifting. In August 2019, the realised price achieved for a Wassana cargo was the lowest since December 2017. Similarly, in the fourth quarter of 2019, Wassana barrels were priced 20.0% below a cargo sold in the last three months of 2018 when the Dubai marker was close to the year's peak.

The Group's gas pricing and production were higher in 2019 with the realised price at the B8/32 fields in the Gulf of Thailand up 7.9% to US$4.94 per thousand cubic feet ("mcf") (2018: US$4.58/mcf) in line

with the redetermination of the gas price formula which is set on a trailing six-month basis. The realised gas price from the Bangora gas field, onshore Bangladesh, was unchanged from a year earlier at US$2.32/mcf.

Lower realised prices and sales volumes led to a 12.6% reduction in 2019 revenue to US$126.5 million. Approximately 91.5% of revenue is derived from the B8/32 and G10/48 fields in the Gulf of Thailand and the remainder from Block 9 in Bangladesh. Oil accounted for 46.4% of the Group's average working interest production and 87.4% of total 2019 revenue.

Adjusted operating costs

Operating costs including the bareboat charters for Wassana field operations in G10/48 – namely the *Ingenium I* mobile offshore production unit ("MOPU") and the floating storage and offloading vessel ("FSO") – were US$88.6 million in 2019, marking a 10.8% increase versus 2018 primarily as a result of an increase in the number of barrels of Wassana crude oil lifted compared with 2018[1].

Average lifting cost, which reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period, was US$22.98 per barrel of oil equivalent ("boe") compared with US$23.70/boe in 2018. The 3.1% decrease was due to higher production from B8/32 and Block 9 while maintaining operating expenditure at relatively stable levels.

Depreciation, depletion and amortisation ("DD&A") charges rose substantially in 2019 to US$86.7 million versus US$49.8 million in 2018, primarily due to the adoption of IFRS 16 *Leases* ("IFRS 16") effective 1 January 2019, which superseded IAS 17 *Leases* ("IAS 17"). Under IFRS 16, the bareboat charters for the Wassana field operations – the *Ingenium I* MOPU and the *Rubicon Vantage* FSO – are accounted for as DD&A of right-of-use assets in cost of sales. Prior to 1 January 2019, the bareboat charters were recognised as operating costs in cost of sales in accordance with IAS 17.

For the year ended 31 December	2019	2018
Cost of sales (US$ million)	147.9	149.6
Average lifting cost		
Oil, liquids & gas (US$/boe)	22.98	23.70
Net operating expenditure (US$ million)	85.8	92.5
Total production (boe)[2]	**3,733,649**	**3,902,390**

Adjusted EBITDAX

As at 1 January 2019, the Company began reporting earnings before interest, taxation, depreciation, amortisation, geological and geophysical expenses and exploration expenses, or EBITDAX, as Adjusted EBITDAX, which excludes unrealised foreign exchange differences. EBITDAX is considered a global measure of core profitability within the exploration and production sector. For 2019, Group Adjusted EBITDAX amounted to US$24.7 million as a result of a lower contribution from higher-value crude oil volumes in the production mix and lower realised prices.

Finance costs

Finance costs in 2019 increased 14.9% to US$56.6 million due to higher bank loan interest, restructuring fees and accretion of the lease liabilities under IFRS 16. In 2019, material finance costs incurred related to cash interest and default interest accrued on loans and borrowings amounting to US$27.8 million and non-cash accretion of bond discount, lease liabilities and decommissioning provision amounting to US$24.0 million.

Pursuant to the financial restructuring in 2017, the Group recognised a one-off non-cash fair value gain on exchange of the S$130.0 million 4.0% senior unsecured notes due 2022 ("2022 Notes") and the S$200.0 million 4.0% senior unsecured notes due 2023 ("2023 Notes") amounting to US$73.9 million

[1] In accordance with the Group's accounting policies and industry practice, operating costs are incurred and matched with revenue earned at the time of offtake. Although operating expenditure associated with the Wassana field is largely fixed, the accounting recognition of costs will fluctuate in line with the timing of liftings and revenue

[2] For 2018, includes KrisEnergy's working interest production for the Nong Yao field up to 31 May 2018

(the "Notes Exchange Gain") as the 2022 Notes and 2023 Notes were recognised at a discount to par value upon exchange. Each reporting quarter until maturity or redemption of the 2022 Notes and 2023 Notes, the non-cash accretion of the bond discount, computed on the effective interest method in accordance with IFRS, will be charged to the Group's profit and loss as finance costs to offset the Notes Exchange Gain. In addition, non-cash accretion of bond discount on the 2024 Zero Coupon Notes ("2024 ZCNs") will be charged to finance costs as the 2024 ZCNs were initially recognised at a discount to par value on issuance in 2017.

Loss after tax

KrisEnergy incurred a loss after tax in 2019 of US$168.9 million. Material non-cash charges to the profit and loss statement in 2019 remained at significantly high levels and amounted to US$158.2 million comprising US$46.9 million for DD&A expenses excluding DD&A on right-of-use assets in relation to the bareboat charters, US$65.2 million in write-offs for exploration and evaluation assets (Udan Emas production sharing contract ("PSC"), Sakti PSC and Block 115/09), US$22.1 million for impairment of oil and gas properties, primarily G10/48 due to lower oil prices and well performance, and US$24.0 million related to the non-cash accretion of bond discount, lease liability and decommissioning provision.

The loss after tax resulted in a net capital deficiency position of the Group of US$145.9 million and net current liabilities of US$531.7 million as at 31 December 2019.

Loans, borrowings & moratorium

As at 31 December 2019, total loans and borrowings recognised on the Group's balance sheet was US$503.1 million and gearing was 140.8%.

At the end of 2018, the Group's revolving credit facility ("RCF"), provided by DBS Bank Ltd ("DBS"), stood at US$148.3 million with an additional US$20.0 million commitment from DBS under the RCF (the "Bridge Upsize") with a maturity date of 8 January 2019. Subsequently, DBS and KrisEnergy entered into the following transactions:

- On 8 January 2019, the Bridge Upsize maturity date was extended for one month to 8 February 2019;
- On 1 February 2019, the Bridge Upsize maturity date was extended for one month to 8 March 2019; and
- On 5 March 2019, the Bridge Upsize maturity date was extended for one month to 8 April 2019.

On 4 April 2019, DBS increased the RCF by an amount which would not result in the total commitments exceeding US$200.0 million, whereby DBS provided an additional commitment of US$31.7 million (the "RCF Upsize") under the RCF and the Bridge Upsize was subsumed under the RCF.

As at 31 December 2019, the total draw on the RCF was US$192.4 million. The RCF matures on 30 June 2020 and therefore the full amount drawn is classified as current liability. The Group is finalising documentation for a short-term extension of the RCF with DBS.

The aggregate value of the 2022 Notes, 2023 Notes and 2024 ZCNs (collectively, the "Notes") as at 31 December 2019 was US$276.3 million. Following suspension of trading of the Company's securities on 14 August 2019, the Company announced an event of redemption for the Notes under the terms and conditions of the securities as a result of the trading halt exceeding seven consecutive days. Concurrently, the Company disclosed that it was not in a position to redeem any of the Notes.

Furthermore, pursuant to the moratorium application, the Notes are repayable on demand and hence the carrying amount of debt as at 31 December 2019 is classified as current liability.

Given the financial condition of the Group, the Company announced on 21 August 2019 that it was not feasible to make all payments of its financial obligations as they fell due and therefore the Company temporarily ceased payment of certain obligations, including interest payable on the 2022 Notes, 2023 Notes, and the principal and interest payable under the unsecured term facility agreements amounting to US$4.6 million in aggregate due on 21 August 2019.

On 20 February 2020, the Company issued an update on further non-payment of interest relating to the 2022 Notes and the 2023 Notes, and non-payment of principal and interest in relation to term facility agreements. The unsecured term loans were also deemed as current liability as at 31 December 2019.

For the year ended 31 December (US$ million)	2019	2018
2022 Notes	80.8	74.3
2023 Notes	122.5	115.4
2024 ZCNs	73.0	66.7
RCF	192.4	148.3
Bridge Upsize	-	20.0
Unsecured term loans	34.4	34.4
Total	**503.1**	**459.1**

Cash

As at 31 December 2019, total cash and cash equivalents were US$45.1 million, compared with US$69.3 million as at 31 December 2018, and unused sources of liquidity including undrawn amounts on the RCF amounted to US$13.1 million.

The Group remained cash flow positive with net cash from operating activities for the full year at US$24.8 million compared with US$35.3 million in 2018.

Net cash used in investing activities was US$43.4 million (2018: US$45.2 million). Material capital expenditure included development activities for the production barge, wellhead platform and facilities for the Apsara oil field offshore Cambodia; 3D seismic, geotechnical and geophysical surveys in Cambodia Block A; a 3D seismic survey in the non-operated Andaman II exploration licence; a geotechnical survey at the Rossukon oil discovery location in the G6/48 concession in the Gulf of Thailand; and ongoing ordinary course of business expenditure in the Block 9, and G10/48 producing assets.

Net cash used in financing activities totalled US$5.6 million (2018: US$13.8 million): US$44.1 million drawn on the RCF, US$20.0 million to repay the Bridge Upsize, US$23.6 million to lease payments, US$3.0 million for financial restructuring expenses and US$5.0 million to coupon payments for the 2022 Notes and 2023 Notes. Coupon payments for the 2022 Notes and 2023 Notes were suspended from August 2019.

For the year ended 31 December (US$ million)	2019	2018
Net cash flows from operating activities	24.8	35.3
Net cash flows used in investing activities	(43.4)	(45.2)
Net cash flows (used in) from financing activities	(5.6)	13.8
Cash and cash equivalents	**45.1**	**69.3**

Capital expenditure

Group capital expenditure in 2019, excluding non-cash items, amounted to US$46.6 million and was primarily focused on the development of the Apsara oil field in Block A in Cambodian waters in the Gulf of Thailand:

- Ongoing maintenance expenditure in the Block 9, B8/32 and G10/48 producing assets;
- Deferred infill drilling and well workover expenses in the Wassana oil field in G10/48 in the Gulf of Thailand;
- Upgrading and refurbishment of the *Ingenium II* production barge for the Apsara development in Block A offshore Cambodia;
- Fabrication of the minimum facilities wellhead platform for the Apsara oil development;
- 1,200 sq. km 3D seismic acquisition program in Cambodia Block A;
- Geotechnical and geophysical surveys at the prosed platform and production barge locations for the Apsara oil development;

- Geotechnical survey at the proposed location of the Rossukon oil development in the G6/48 licence in the Gulf of Thailand; and
- Working interest expenses related to a 2,720 sq. km 3D seismic survey in the non-operated Andaman II exploration licence.

Fiscal Terms

THE PETROLEUM LICENCES IN WHICH WE HAVE INTERESTS CONTAIN THE TERMS OF OUR CONCESSIONS AS AGREED BETWEEN THE PARTICIPANTS AND THE RELEVANT HOST GOVERNMENT. THE ECONOMIC TERMS OF THESE LICENCES, COMMONLY KNOWN AS FISCAL TERMS, VARY DEPENDING ON JURISDICTION.

Bangladesh

The table sets out the material fiscal terms of our Bangladesh assets.

	Block 9	SS-11
Domestic Market Obligation ("DMO") for Oil	With six months' prior written notice, Petrobangla may require contractor to provide its *pro rata* share of oil, up to 25.0% of its share of profit oil, for domestic consumption.	With six months' prior written notice, Petrobangla may require contractor to provide its *pro rata* share of oil, up to 80.0% of its share of profit oil, for domestic consumption.
DMO Price for Oil	15.0% discount to fair market value.	15.0% discount to fair market value.
DMO for Gas	Contractor must first offer share of gas to Petrobangla and affiliates. If Petrobangla or affiliates do not purchase gas within six months of contractor's submission of an evaluation report, contractor may find a market in Bangladesh.	Contractor must first offer share of gas to Petrobangla and affiliates. If Petrobangla or affiliates do not purchase gas within six months of contractor's submission of an evaluation report, contractor may find a market in Bangladesh.
DMO Price for Gas	Price of gas sold to Petrobangla and its affiliates is set at 75.0% of the average for each calendar quarter of Platt's Oilgram quotations of High Sulphur Fuel Oil 180 CST, free-on-board ("FOB") Singapore with a floor price of US$70 per metric tonne and ceiling price of US$120 per metric tonne. Price of gas sold to Petrobangla is subject to a further 1.0% discount. Price of gas sold to third parties shall be equal to or greater than the pricing formula described above.	Price of gas sold to Petrobangla and its affiliates is set at 75.0% of the average for each calendar quarter of Asian Petroleum Price Index quotations of High Sulphur Fuel Oil 180 CST, FOB Singapore with a floor price of US$100 per metric tonne and ceiling price of US$200 per metric tonne. Price of gas sold to Petrobangla is subject to a further 1.0% discount. Price of gas sold to third parties shall be equal to or greater than the pricing formula described above.
Cost Recovery Limit		
Oil	Up to 40.0% per calendar year of all oil produced and saved from the contract area and not used in petroleum operations.	Up to 55.0% per calendar year of all oil produced and saved from the contract area and not used in petroleum operations.
Gas	Up to 45.0% per calendar year of all gas produced and saved from the contract area and not used in petroleum operations.	Up to 55.0% per calendar year of all gas produced and saved from the contract area and not used in petroleum operations.

	During Cost Recovery	After Cost Recovery	
Profit Oil Split (to Contractor)			
Up to 10,000 bopd	33.0%	30.0%	–
Portion Over 10,000 & Up to 25,000 bopd	30.0%	25.0%	–
Portion Over 25,000 & Up to 50,000 bopd	25.0%	20.0%	–
Portion Over 50,000 & Up to 100,000 bopd	20.0%	15.0%	–
Portion Over 100,000 bopd	17.0%	10.0%	–
Profit Gas Split (to Contractor)			
Up to 75 mmcfd	39.0%	34.0%	45.0%
Portion Over 75 & Up to 150 mmcfd	39.0%	34.0%	40.0%
Portion Over 150 & Up to 250 mmcfd	34.0%	27.5%	35.0%
Portion Over 250 & Up to 300 mmcfd	34.0%	27.5%	30.0%
Portion Over 300 & Up to 400 mmcfd	27.5%	22.0%	30.0%
Portion Over 400 & Up to 450 mmcfd	27.5%	22.0%	25.0%
Portion Over 450 & Up to 600 mmcfd	25.0%	17.5%	25.0%
Portion Over 600 mmcfd	18.0%	15.0%	20.0%

	Block 9		SS-11
	During Cost Recovery	After Cost Recovery	
Profit Condensate/ Liquids (to Contractor)			
Up to 3,000 boepd	35.0%	30.0%	–
Portion Over 3,000 & Up to 6,000 boepd	32.0%	27.0%	–
Portion Over 6,000 & Up to 10,000 boepd	28.0%	25.0%	–
Portion Over 10,000 & Up to 15,000 boepd	25.0%	20.0%	–
Portion Over 15,000 boepd	20.0%	15.0%	–
Profit Oil and Condensate/ Liquids (to Contractor)			
Up to 5,000 boepd	–	–	45.0%
Portion Over 5,000 & Up to 12,500 boepd	–	–	42.5%
Portion Over 12,500 & Up to 25,000 boepd	–	–	40.0%
Portion Over 25,000 & Up to 40,000 boepd	–	–	35.0%
Portion Over 40,000 & Up to 65,000 boepd	–	–	30.0%
Portion Over 65,000 & Up to 100,000 boepd	–	–	25.0%
Portion Over 100,000 boepd	–	–	20.0%
		General	General
Production Bonus Payments			
Within 30 Days of First Commercial Discovery		US$2mm	US$3mm
		Oil	Oil
Upon Daily Average of 10,000 bopd for 30 Consecutive Days		US$1mm	US$0.5mm
Upon Daily Average of 20,000 bopd for 30 Consecutive Days		US$1mm	US$1mm
Upon Daily Average of 30,000 bopd for 30 Consecutive Days		US$1mm	US$2mm
Upon Daily Average of 40,000 bopd for 30 Consecutive Days		US$2mm	US$2.5mm
Upon Daily Average of 50,000 bopd for 30 Consecutive Days		US$2mm	US$3mm
Upon Daily Average of 100,000 bopd for 30 Consecutive Days		US$2mm	US$4mm
		Gas	Gas
Upon Daily Average of 75 mmcfd for 30 Consecutive Days		US$1mm	US$0.5mm
Upon Daily Average of 150 mmcfd for 30 Consecutive Days		US$1mm	US$1mm
Upon Daily Average of 225 mmcfd for 30 Consecutive Days		US$1mm	US$2mm
Upon Daily Average of 300 mmcfd for 30 Consecutive Days		US$2mm	US$2.5mm
Upon Daily Average of 375 mmcfd for 30 Consecutive Days		US$2mm	US$3mm
Upon Daily Average of 450 mmcfd for 30 Consecutive Days		–	US$4mm
Upon Daily Average of 600 mmcfd for 30 Consecutive Days		US$5mm	US$6mm
Income Tax	All Bangladesh income tax levied on petroleum operations are borne and discharged by Petrobangla.		All Bangladesh income tax levied on petroleum operations are borne and discharged by the contractor.
Bangladesh Participation Option		None	None

Cambodia

The table sets out the material fiscal terms of Cambodia Block A.

	Block A	
Royalty	12.5% of production	
Cost Recovery Petroleum	85.0% of production for first five years from date of first commercial production, and 70.0% of production for the period thereafter	
Allocation of Remaining Oil (to Contractor) (average annual production)	Up to 10,000 bopd	58.0%
	In excess of 10,000 – 25,000 bopd	53.0%
	Portion over 25,000 and up to 50,000 bopd	48.0%
	Portion over 50,000 bopd	38.0%
Allocation of Remaining Gas (To Contractor)	65.0%	
Income Tax (Not Payable on the Royalty Petroleum or Cost Recovery Petroleum)	25.0% for five years from first year of taxable income, and 30.0% thereafter.	
Export Tax	2.0%	
Production Bonus Payment	None	

Excess Profit Tax ("EPT")	Excess Profit Ratio	EPT Rate
	0.00 – 1.30	0.0%
	1.30 – 1.60	10.0%
	1.60 – 2.00	20.0%
	2.00 – 2.50	30.0%
	2.50 – 3.00	30.0%
	over – 3.00	30.0%

Annual Surface Rental Fee	US$500 per sq. km of unrelinquished contract area from effective date.
Ministry of Mines and Energy ("MME") Option	5.0% participating interest held by General Department of State Property and Non Tax Revenue ("GDSPNTR") of the Ministry of Economy and Finance. Petroleum operations costs associated with GDSPNTR's 5.0% participating interest will be carried by the remaining holder(s) of the 95.0% participating interest in the block and reimbursed out of GDSPNTR's share of revenues from commercial production.

Indonesia

The table sets out the material fiscal terms of our Indonesian assets.

	Bulu	Sakti	Udan Emas
First Tranche Petroleum ("FTP") (Oil and Gas): (as % of Total Petroleum Production)			
	10.0%	20.0%	20.0%
Effective Tax Rate	44.0%	44.0%	44.0%
DMO For Oil	25.0%	25.0%	25.0%
DMO for Gas	25.0%	25.0%	25.0%
DMO Price for Oil (% of Market Price)	25.0%	25.0%	25.0%
DMO Price for Gas (% of Market Price)	100.0%	100.0%	100.0%
Pre-Tax Profit Oil Split to Contractor	35.7%	41.7%	58.3%
Pre-Tax Profit Gas Split to Contractor	62.5%	58.3%	66.7%
Production Bonus Payments Upon Cumulative Production Having Reached:			
25 mmboe	–	US$1mm	US$1mm
50 mmboe	US$0.5mm	US$1.5mm	US$1.5mm
75 mmboe	US$1mm	US$2mm	US$2mm
100 mmboe	–	–	–
125 mmboe	US$2mm	–	–
Indonesian Participation Option	10.0%	10.0%	10.0%
Local Community Fund Contribution	–	–	–

Thailand

The table sets out the material fiscal terms of our Thai assets.

	B9A[2]	B8/32[2], G6/48 & G10/48	
Royalty (as % of the Value of Petroleum Sold or Disposed in Each Month)	12.5%	0 – 60,000 barrels	5.0%
		60,000 – 150,000 barrels	6.2%
		150,001 – 300,000 barrels	10.0%
		300,001 – 600,000 barrels	12.5%
		Over 600,000 barrels	15.0%
Income Tax Rate	50.0%		50.0%
Annual Surface Reservation Fee	THB 4,000 per sq. km per year		THB 100,000 per sq. km per year
Special Remunera-tory Benefit	None	Payable at end of each fiscal year in various rates based on profit earned during the year up to maximum payment of 75.0% of profit earned	

	B9A[2]	B8/32	G6/48	G10/48
Production Bonus Payment	Fully discharged	Fully discharged	US$0.3 mm payable within 30 days from day total production from the contract area first averages 10,000 boepd for 90 consecutive days	US$0.5 mm payable within 30 days from day total production from the contract area first averages 20,000 boepd for 30 consecutive days
Thai Participant Option	None	None	None	10.0%

2 The Tantawan field in B8/32 and the Rajpruek field in B9A permanently ceased operation on 31 October 2017. Abandonment activities are underway before the B9A licence is relinquished

Vietnam

The table sets out the material fiscal terms of our Vietnam assets.

3 On 16 January 2020, KrisEnergy (Vietnam 115) Ltd. entered into a farm-out agreement with a major international oil and gas company for the transfer of its entire 100.0% working interest in Block 115/09. The transfer of operatorship and working interest is subject to a number of conditions including approvals from the relevant government authorities

4 Pending relinquishment

	Block 115/09[3]	Block 120[4]
Royalty on Oil (bopd)	7.0% 9.0% 11.0% 13.0% 18.0% 23.0% 0 20,000 50,000 75,000 100,000 150,000	4.0% 6.0% 8.0% 10.0% 15.0% 20.0% 0 20,000 50,000 75,000 100,000 150,000
Royalty on Gas (mmcfd)	0.0% 3.0% 6.0% 0 5 10	0.0% 3.0% 6.0% 0 5 10
Cost Recovery Limit	70.0% of gross reserves	70.0% of gross reserves
Pre-Tax Profit Oil Split (to Contractor)	75.0% 70.0% 65.0% 60.0% 55.0% 50.0% 0 20,000 50,000 75,000 100,000 150,000	40.0% 35.0% 30.0% 25.0% 20.0% 15.0% 0 20,000 50,000 75,000 100,000 150,000
Pre-Tax Profit Gas Split (to Contractor)	77.0% 70.0% 60.0% 50.0% 50.0% 0 5 10 15 20	50.0% 47.5% 45.0% 42.5% 40.0% 0 5 10 15 20
Income Tax Rate	32.0% 32.0% 32.0% 0 12 24	0.0% 16.0% 32.0% 0 12 24
Oil Export Duty	10.0%	4.0%
Production Bonus Payments		
General		
Within 30 Days of First Commercial Discovery	US$1mm	US$2mm
Within 30 Days of First Commercial Production	US$1mm	US$2mm
Oil (bopd)		
30 Consecutive Days	US$1mm US$2mm US$3mm US$4mm US$5mm 0 20,000 50,000 75,000 100,000 150,000	US$2mm US$3mm US$5mm US$7mm US$10mm 0 20,000 50,000 75,000 100,000 150,000
Gas (mmcfd)		
30 consecutive Days	US$1mm US$1mm US$1mm 0 5 10 15	US$2mm US$3mm US$4mm 0 5 10 15
PetroVietnam Option	20.0%	20.0%

The table sets out certain information regarding our oil and gas assets as at 3 June 2020.

Country/ Asset Name	Effective Interest (%)	Status[1]	Effective Date	Licence Expiry Date	Exploration Period	Production Area	Production Permit Expiry Date	Licence Area (sq. km)	Type of Mineral Oil or Gas Deposit	Licence Type
Bangladesh										
Block 9	30.0	Production & development unclarified	11 April 2001	26 August 2033	–	Bangora	26 August 2033[2]	1, 770	Gas / Condensate	PSC
SS-11	45.0	Exploration	12 March 2014	See Note 2	12 March 2014 to 11 March 2021	–	–	4,475	Oil/Gas	PSC
Cambodia										
Block A	95.0	Near production	23 August 2017	22 August 2042	23 August 2017 to 22 August 2024	Apsara	22 August 2042	3,083	Oil	Petroleum Agreement
Indonesia										
Bulu	42.5	Near production	14 October 2003	13 October 2033	–	Lengo	13 October 2033	697	Gas	PSC
Sakti	95.0	Development unclarified	26 February 2014	25 February 2044	26 February 2014 to 25 February 2024[3]	–	–	989	Oil/Gas	PSC
Udan Emas	100.0	Exploration	20 July 2012	19 July 2042	20 July 2012 to 19 July 2022[3]	–	–	1,070	Gas	PSC
Thailand										
B8/32	4.6345	Production	1 August 1991	31 July 2030[4]	–	Tantawan[6]	31 July 2030[5]	1,992	Oil/Gas	Tax/ Royalty
						Benchamas South and Pakarong	31 July 2030[5]			
						Maliwan	31 July 2030[5]			
						North Jarmjuree	31 July 2030[5]			
						North Benchamas	31 July 2030[5]			
						Chaba	31 July 2030[5]			
B9A	4.6345	Production[6]	17 July 2003	16 July 2041	–	Rajpruek[6]	16 July 2041	80	Oil/Gas	Tax/ Royalty
G6/48		Near production & development unclarified	8 January 2007	See Note 4	8 January 2007 to 7 January 2021[3]	Rossukon	7 January 2036[5]		Oil/Gas	Tax/ Royalty
Production area	100.0[7]							88		
Reservation area	30.0							284		
G10/48	89.0	Production & development unclarified	8 December 2006	See Note 4	8 December 2006 to 7 December 2020[3]	Wassana	7 December 2035[5]	247	Oil	Tax/ Royalty
Vietnam										
Block 115/09	100.0	Exploration[8]	31 March 2014	30 March 2044	31 March 2014 to 30 March 2020[3]	–	–	7,382	Oil/Gas	PSC
Block 120	33.33	Exploration[9]	23 January 2009	22 January 2039	23 January 2009 to 22 January 2019	–	–	6,869	Oil/Gas	PSC

NOTES:

1 Each of our contract areas also holds exploration prospects and leads

2 Production permits will be valid for 25 years with an extension period of up to five years

3 Exploration period may be extended with the approval of the host government

4 Licence expiry dates can be extended if host government grants extension of exploration period or production permit

5 Production permits are valid for 20 years with an extension period of up to 10 years

6 The Tantawan field in B8/32 and the Rajpruek field in B9A permanently ceased operation on 31 October 2017. Abandonment activities are underway before the B9A licence is relinquished

7 As of 18 February 2019, KrisEnergy has 100.0% working interest in the Exclusive Operation of the Rossukon field development plan area

8 On 16 January 2020, KrisEnergy (Vietnam 115) Ltd. entered into a farm-out agreement with a major international oil and gas company for the transfer of its entire 100.0% working interest in Block 115/09. The transfer of operatorship and working interest is subject to a number of conditions including approvals from the relevant government authorities

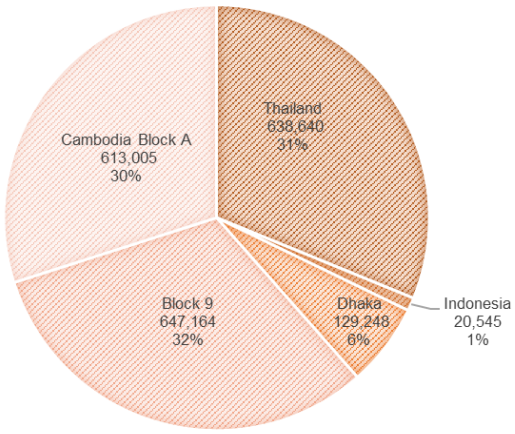
9 Block 120 PSC is pending relinquishment

2019 Technical Review

The outset of 2019 was marked by Tropical Storm Pabuk, which rampaged through the Gulf of Thailand causing the temporary shut-in of many offshore oil and gas fixed installations while personnel were evacuated, and vessels were decoupled from moorings and sailed to safe haven.

Production at the KrisEnergy-operated Wassana oil field in the G10/48 concession and the non-operated B8/32 oil and gas complex was halted for approximately one week in early January 2019. All personnel and equipment safely remobilised to the field locations once the storm had passed and production was restarted without incident.

KrisEnergy maintained tight vigilance over environment, health, safety and security ("EHSS") issues and recorded 2,048,602 man-hours in 2019 on KrisEnergy-operated assets with zero lost time injuries.



The 2019 man-hour count is the second highest in KrisEnergy's 10 years of operations due to a step-up in activities related to the Apsara oil field development in Cambodia, which included geotechnical, geophysical and 3D seismic surveys offshore at the field location; refurbishment and upgrading of the

EHSS & COVID-19

In early 2020, a novel coronavirus, COVID-19, emerged and rapidly spread globally to reach pandemic status by early March. Mindful of the outbreak of SARS in 2003, KrisEnergy's management designated COVID-19 as Tier 3 under the Group's Incident Management System. Tier 3 is the highest level of alert and requires the intervention of the Group's Crisis Management Team ("CMT") in the Singapore corporate office.

In February 2020, two individuals on the *Ingenium I* MOPU in the Wassana oil field in the Gulf of Thailand, were found to have elevated temperatures, a symptom of COVID-19. The CMT was immediately informed and the individuals were instantly isolated, provided with protective clothing and masks, and monitored. Within six hours they had been transferred by boat to medical facilities onshore for testing and the MOPU underwent deep cleansing. Fortunately, the test results were negative for COVID-19 and the incident demonstrated that the systems in place responded efficiently and effectively.

Further in response to the pandemic, KrisEnergy activated its business continuity plan and implemented health and safety measures in all offices and field locations as mandated by host government authorities. Office staff worked remotely, all non-essential personnel were removed from field operations and shift rotations were extended to four weeks from two at the KrisEnergy-operated Bangora gas field, onshore Bangladesh, and the Wassana oil field.

We have collaborated closely with suppliers and contractors to resolve anticipated delays and interruptions due to global logistics issues and travel restrictions curtailing the movement of technical personnel. However, despite our best efforts, we encountered a multitude of government-enforced measures in all countries of origin in the supply chain of materials and equipment for the Apsara development, as well as workforce disruptions at fabrication and refurbishment facilities.

Ingenium II production barge at the Benoi yard and Gul dry dock in Singapore; and fabrication of the jacket and topsides for the minimum facilities wellhead platform in Batam Island, Indonesia.

2P reserves and 2C resources

Year-end 2019 working interest proved plus probable ("2P") reserves were estimated by Netherland, Sewell & Associates, Inc. ("NSAI") at 58.1 million barrels of oil equivalent ("mmboe"), 8.5% down from 63.5 mmboe as at 31 December 2018.

An uplift of 6.7 million barrels of oil ("mmbo") in 2P volumes in the G6/48 concession to 11.7 mmbo resulted from an increase in KrisEnergy's economic interest from 30.0% to 100.0% over the Rossukon field development area. Lower well performance and oil prices reduced working interest 2P volumes at the Wassana field in the G10/48 concession to 4.4 mmbo from 5.7 mmbo a year ago, and a smaller scale development of the initial phase of the Apsara oil field to a mini wellhead platform facility with five wells led to a 20.3% reduction in Cambodia Block A 2P estimates to 6.5 mmbo.

NSAI reduced gas volumes associated with the Lengo development in the Bulu PSC, offshore East Java in Indonesia, by 27.4% to 18.4 mmboe due to a requirement to remove the carbon dioxide content before delivery to a potential offtaker and a shorter field life based on delayed first gas and the fixed block expiry date of 2033.

In Bangladesh, 2P gas and liquids reserves for Block 9 decreased 11.7% to 12.8 mmboe due to 2019 production volumes at the Bangora field and competing recovery in the neighbouring block.

NSAI recognised the Group's working interest best estimate contingent resources ("2C") at 64.4 mmboe, a rise of 0.5% as a result of increased economic interest in the Rossukon field development area in G6/48 in the Gulf of Thailand. In May 2020, the Company was officially informed that the Bala-Balakang PSC in Indonesia expired on 18 December 2019. The Bala-Balakang PSC accounts for 15.7 mmboe of 2C resources in the 2019 NSAI report.

Capital expenditure

Group capital expenditure in 2019 amounted to US$46.6 million and was primarily focused on the development of the Apsara oil field in Block A in Cambodian waters in the Gulf of Thailand including work to upgrade and refurbish the *Ingenium II* production barge, fabrication of the minimum facilities wellhead platform, geotechnical and geophysical surveys at the proposed Apsara platform location and a 3D seismic acquisition program.

The 2019 expenditure also included deferred infill drilling costs in the Wassana field, a geotechnical survey at the proposed location of the Rossukon oil development in the G6/48 licence in the Gulf of Thailand and working interest expenses related to a 2,720 sq. km 3D seismic survey in the non-operated Andaman II exploration licence[3].

2019 Production

The Group's average working interest production in 2019 was 10,229 boepd, 4.3% lower than in 2018 when the average was 10,691 boepd. The 2018 period included five months of working interest volumes from the Nong Yao oil field in G11/48 in the Gulf of Thailand, in which the Group ceased participation at the end of May 2018.

On a *pro forma* basis, excluding G11/48, the Group's three remaining producing assets – Block 9, B8/32 and G10/48 – recorded working interest production of 9,921 boepd in 2018. The 3.1% increase in 2019 *pro forma* production resulted from the higher performance from B8/32 in the Gulf of Thailand and Block 9 onshore Bangladesh.

[3] In April 2020, KrisEnergy completed the sale of its 30.0% non-operating working interest in the Andaman II PSC

Block 9, Bangora gas field

Following well optimisation in the B-5 development well in June 2019, the KrisEnergy-operated Bangora gas field, onshore Bangladesh, has consistently produced at or above a gross rate of 100 million cubic feet per day ("mmcfd").

In 2019, the field's average gross production was 96.8 mmcfd and 285 barrels of condensate per day and Group working interest share of production averaged 4,927 boepd. The entire Bangora operation was shut in for annual scheduled maintenance from 13 to 16 August 2019.

In the first half of March 2020, the state gas distribution company, Gas Transmission Company Limited, requested intermittent reductions of 10.0% to 15.0% in supplies to the national grid. At the end of March 2020, Bangora output was curtailed at the direction of the Ministry of Power, Energy and Mineral Resources by 50.0% to 50.0 mmcfd as a result of reduced demand due to a nationwide public holiday and government controls to limit the spread of COVID-19.

A further cut to 28.0 mmcfd was implemented in early April 2020 for approximately one month, during which three of five Bangora wells were temporarily shut in. Production was restored to 100 mmcfd in the first half of May 2020.

G10/48, Wassana oil field

In January 2019, the Department of Mineral Fuels in Thailand approved KrisEnergy's proposal for the relinquishment of a portion of the reservation area in the G10/48 licence. The reservation area was reduced to 114 sq. km from 1,392 sq. km. The Wassana production area was unchanged at 132 sq. km.

Gross production at the Wassana oil field averaged 4,173 barrels of oil per day ("bopd") in 2019 and the Group's working interest share of production was 3,714 bopd.

Production was shut-in as a safety precaution for one week at the start of the year while Tropical Storm Pabuk passed through the Gulf of Thailand. The inclement weather also affected the tail end of the second infill drilling campaign in which three development wells were drilled and put online and workovers were performed on three existing wells.

The infill program comprised:

- Existing wells A-17H, A-10H and A-06D were plugged and abandoned;
- Workovers were performed on A-23H, A-03H and A-25H;
- Drilling of A-30H extended reach well commenced on 10 January 2019 and reached total depth at 13,662 feet measured depth ("MD") (-5,226 feet true vertical depth ("TVDSS")). A-30H was completed on 4 February 2019 and was put on stream at a rate of 920 bopd on 5 February 2019;
- Drilling of A-26H infill well commenced on 21 January 2019 and reached total depth at 8,998 feet MD (-5,162 feet TVDSS). A-26H was completed on 9 February 2019 and was put on stream at a rate of 570 bopd; and
- Drilling of A-27H infill well commenced on 29 December 2018 and reached total depth at 9,925 feet MD (-5,413 feet TVDSS). A-27H was completed on 14 February 2019 and was put on stream at a rate of 1,000 bopd.

Wassana production was constrained in the second half of 2019 due to the replacement of flowlines and mechanical issues with power generation units, which resulted in limited water injection capacity.

In the early months of 2020, a sharp contraction in oil demand due to the COVID-19 pandemic amid an unprecedented oil supply glut wreaked havoc in oil markets and prices plunged below US$20.00/bbl in April 2020 to the lowest levels in two decades. Global benchmark Brent crude oil futures averaged US$64.05/bbl in January 2020 and US$26.97/bbl in April 2020, a drop of almost 60.0%.

In view of the many uncertainties ahead – the duration of the COVID-19 pandemic, speed of global economic recovery and restoration of petroleum demand, and the magnitude and sustainability of any oil price uptick – production at the Wassana oil field was suspended in early June 2020.

B8/32, Gulf of Thailand

Production from the non-operated B8/32 oil and gas complex was temporarily shut in for approximately one week in January 2019 due to Tropical Storm Pabuk. Overall average gross production in 2019 was 20,529 bopd and 82.5 mmcfd of gas. KrisEnergy's working interest share of production was 1,589 boepd.

As at 1 October 2019, gas sales volumes from B8/32 were permanently reduced: the daily contracted quantity/maximum contracted quantity was lowered from 65/75 mmcfd to 45/51.75 mmcfd, respectfully. Notification of the reduced volumes was provided to the joint-venture partners and the offtaker 12 months prior to the reduction.

The 2019 infill drilling campaign was completed in September 2019 and 34 wells were put online by the end of October 2019. The start of the 2020 infill program was accelerated to November 2019 with six wells drilled by the end of the year bringing the total number of wells drilled in 2019 to 40.

Eight infill wells have been drilled so far in 2020 and a further 11 wells commenced drilling in the second quarter 2020 to end the program for the year.

Apsara advances towards 1st oil

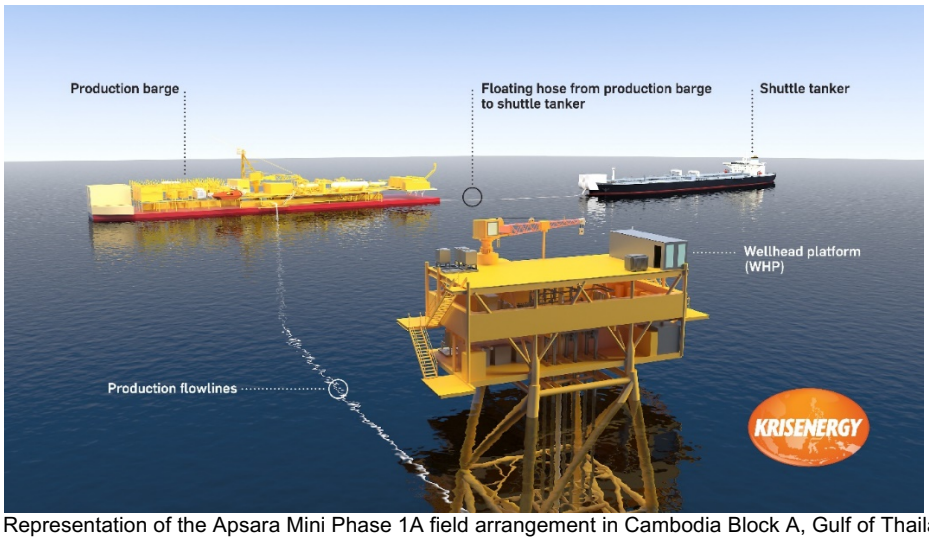
The Apsara oil development is located in the Cambodia Block A concession over the Khmer Basin in Cambodian maritime waters of the Gulf of Thailand. KrisEnergy took over operatorship of Cambodia Block A in August 2014 and declared final investment decision, a commitment to proceed with the project, in October 2014.

Apsara is the first oil field to be developed in the Kingdom of Cambodia. Due to the unproven reservoir performance of the Khmer Basin, the field will be developed in several phases to mitigate risk and provide time for the collection and analysis of critical data to be applied in future phases.

The initial development, Mini Phase 1As, comprise a simple wellhead support structure (the "Mini-Platform"); five development wells; the *Ingenium II* production barge for oil, gas and water processing; and use of shuttle tankers for oil storage and transportation.

Mini Phase 1A is an integral stage to Phase 1A[4]. The initial five wells will provide long-term well performance data to understand the reservoir drive mechanism, especially the strength of water drive. The well performance data will be used to modify and optimise the remaining development phases.

Mini Phase 1A is scheduled to commence oil production in 2020 and to reach a peak production rate of 7,500 barrels of oil per day.



Representation of the Apsara Mini Phase 1A field arrangement in Cambodia Block A, Gulf of Thailand

[4] Phase 1A as described in the Production Permit Application dated 10 January 2017

Apsara Mini-Platform

The Mini-Platform topsides consist of three decks with minimal facilities and dual export lines for produced well fluids. It houses up to six wells. Electric power for the Mini-Platform will be transferred from the production barge.



His Excellency Mr. Meng Saktheara, Secretary of State, Ministry of Mines and Energy (right), and Kelvin Tang (left), KrisEnergy's CEO and President of Cambodia operations, witnessing cutting of first steel for the Apsara Mini-Platform on 6 December 2019

First steel for the platform topsides and jacket was cut in early December 2019 at the PT Profab[5] facility on Batam Island, Indonesia. Profab's scope of work included construction of the jacket, topsides and other related accessories for the Mini-Platform, full pre-commissioning and loading onto a barge for transportation to the field location.

By May 2020, the full structure of the topsides was completed with three decks stacked ahead of installation of the local equipment room, variable speed drives, piping and electrical and instrumentation equipment. The platform pedestal crane was also fully commissioned including load test completion.



Apsara topside stacked decks with a width of 25.4 metres at the widest point and a structural weight of 210 MT



Mud mat installation of the Apsara mini-platform jacket, which has a vertical length of 76 metres and a structural weight of 577 metric tonnes

Installation of the mud mats on the jacket was completed in April 2020 and the jacket structure will be fully completed in June 2020 when the fourth and final section of the jacket frame is lifted into place for welding.

Work continued at a reduced pace during the COVID-19 lockdown due to a reduced workforce in the yard, travel restrictions to and from Indonesia and delays in deliveries of materials and equipment.

[5] PT Profab is a subsidiary of National Oilwell Varco, Inc., an American multinational corporation based in Houston, Texas that is a worldwide provider of facilities, equipment and components used in the upstream oil and gas industry

Ingenium II production barge

Keppel Shipyard Ltd commenced the upgrade and refurbishment of the *Ingenium II* production barge in November 2018. Work was undertaken in the Benoi yard and Gul dry dock in Singapore.

The oil, gas and water separation facilities on the barge will be capable of processing up to 30,000 barrels of fluid per day. The barge will also house the living quarters for the field.

Installation and integration have been completed for all packages including new living quarters, helideck, emergency diesel generator, three main power generation units, main electrical switch room and emergency switch room, pedestal crane, main mooring winches and ropes, main electrical transformers; produced water package, boiler for heating medium system, crude oil production separators, lifeboat davits and flare system.



Stern of the *Ingenium II* production barge showing flare stack, crude offloading station and power gen sets



Process pipework on the deck of *Ingenium II* production barge

Testing commenced in late March 2020 of electrical systems and energising of the Uninterruptable Power Supply (UPS), which supplies all safety and emergency systems.

Mechanical completion of all systems was scheduled for the first quarter 2020 prior to one-month of commissioning required for safety systems, fire and gas systems, power generation, process control systems, electrical power distribution systems, accommodation and mooring systems. Operations, however, were delayed in April/May 2020 when all work in Singapore shipyards was suspended by the government due to COVID-19 restrictions.

Shuttle Tankers

Two lower cost leased shuttle tankers are planned for use for oil storage and the transportation of the produced Apsara crude oil to market during Mini Phase 1A. Each will have a capacity of 100,000 to 200,000 barrels.

While in the field, one shuttle tanker will be moored by hawser to the production barge and a floating hose transfers processed oil from the barge.

A leased FSO will be used in future Apsara development phases. A leased FSO, in place of shuttle tankers, may be used during Mini Phase 1A if charter rates continue to fall to make it economic.

3D seismic survey

The *SW Vespucci* seismic vessel undertook a 1,200 sq. km 3D broadband seismic acquisition program in Cambodia Block A in mid-2019, completing the survey on time and without any health, safety or environmental incidents.

Approximately 200 sq. km of the 3D program was acquired over the Apsara development area to improve imaging of geological faults and sand bodies to aid in the finalisation of the design of well trajectories ahead of development drilling.

The remaining 1,000 sq. km was acquired over a large prospective area in the southwest portion of the Cambodia Block A concession area, which has been sparsely explored by old 2D seismic lines, to improve data quality over the prospective trend in the western section of Cambodia Block A.

Fast-track processing of the 200 sq. km data shot over the Apsara development area was completed in December 2019 ahead of Apsara development drilling and completion of processing of the 1,000 sq. km segment is anticipated in the first half 2020.

Marine surveys

Geophysical and geotechnical surveys are conducted to evaluate seabed and subsurface conditions in order to identify potential geological constraints for a project's location.

The vessel *PTSC Researcher* conducted a geophysical survey in November 2019 at the proposed platform and production barge locations for the Apsara development.

In January 2020, the Fugro Mariner vessel completed a geotechnical survey at the Apsara location, including a 300-metre pilot hole, 40-metre Piezo Cone Presentation Tests ("PCPT") and a 150-metre composite sample/PCPT borehole.

The results of the geophysical and geotechnical surveys provided the complete set of geo-mechanical information required to de-risk the design, installation and operation of the project, and to confirm the geographical location of the Mini-Platform.

Exploration

In order to preserve capital resources, exploration activity in 2019 was limited to work committed under government agreements:

- The *Fugro Mariner* vessel conducted a geotechnical survey in the fourth quarter at the Bussaba-2 exploration well location in the KrisEnergy-operated G6/48 development concession in the Gulf of Thailand. The survey included a 300-metre pilot hole for shallow hazard assessment and 40-metre soil borings for future drilling requirements.

- A 2,720 sq. km 3D seismic survey was completed in May 2019 over the non-operated Andaman II PSC[6] in the Malacca Strait, offshore North Sumatra, Indonesia.

Concession updates

Taking into consideration the Company's stressed financial condition and limited access to funds with which to invest in its assets, KrisEnergy's strategy is to focus on cash-flow generating activities such as producing assets and the near-producing Apsara oil development.

The Company continuously reviews its portfolio for opportunities to rationalise its assets through divestment, relinquishment or by way of farm-out agreement to reduce its commitment liabilities and exposure to capital expenditure.

- In March 2019, the Bangladesh authorities approved a two-year extension of the exploration period to March 2021 for the non-operated SS-11 exploration licence, offshore in the Bay of Bengal.

- On 19 November 2019, the Company announced its acceptance of a binding letter of offer for the disposal of its 30.0% non-operated working interest in the Andaman II PSC, an exploration

[6] In April 2020, KrisEnergy completed the sale of its 30.0% non-operating working interest in the Andaman II PSC

block in the Malacca Strait, Indonesia. Following approvals from the Indonesian government, the transaction was completed on 8 April 2020.

- The KrisEnergy-operated Bala-Balakang PSC in the Makassar Strait, Indonesia, expired on 18 December 2019.

- The Indonesian authorities approved an application to extend the KrisEnergy-operated Sakti PSC into the second phase exploration period for four years. The first exploration phase expired on 25 February 2020 and was extended to 25 February 2024. The gross acreage of the contract area was reduced to 989 sq. km from 3,719 sq. km.

- In February 2020, the wholly-owned subsidiary KrisEnergy (Vietnam 115) Ltd. entered into a farm-out agreements for the transfer of its entire 100.0% working interest in Block 115/09, offshore Vietnam. The transfer of the exploration block working interest and operatorship is subject to conditions including approvals from the relevant government authorities.

3 June 2020

Reserves and Contingent Resources

THE FOLLOWING RESERVES AND CONTINGENT RESOURCES TABLES HAVE BEEN EXTRACTED FROM THE QUALIFIED PERSON'S REPORT DATED 31 DECEMBER 2019 ("QPR"), AS PREPARED BY THE INDEPENDENT QUALIFIED PERSON, NSAI (TEXAS BOARD OF PROFESSIONAL ENGINEERS REGISTRATION NO. F-2699).

Mr. Scott Frost of NSAI is a Licensed Professional Engineer in the State of Texas (No. 88738) and a member of the Society of Petroleum Engineers and Ms. Michelle F. Herrera of NSAI is a Licensed Professional Geoscientist in the State of Texas, Geology (No. 11912) and a member of the American Association of Petroleum Geologists. Please also refer to the Appendix of this Annual Report for the executive summary of the QPR. The full QPR is available for inspection at our Singapore office during working hours by shareholders whose names appear in the CDP Registry or our Register of Members. Shareholders who wish to inspect the full QPR should write to KrisEnergy Ltd., 83 Clemenceau Avenue, #10-05 UE Square, Singapore 239920 to request an appointment.

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must further satisfy four criteria: they must be discovered, recoverable, commercial and remaining (as of the evaluation date) based on the development project(s) applied.

Reserves are further categorised in accordance with the level of certainty associated with the estimates and may be subclassified based on project maturity and/or characterised by development and production status:

Proved reserves ("1P") are those quantities of petroleum, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. If probabilistic methods are used, there should be at least a 90.0% probability that the quantities actually recovered will equal or exceed the estimate.

Probable reserves (together with 1P, "2P") are those additional reserves that are less likely to be recovered than 1P reserves but more certain to be recovered than possible reserves. When probabilistic methods are used, there should be at least a 50.0% probability that the actual quantities recovered will equal or exceed the 2P estimate.

Possible reserves (together with 1P and 2P, "3P") are those additional reserves which analysis of geoscience and engineering data suggests are less likely to be recoverable than probable reserves. When probabilistic methods are used, there should be at least a 10.0% probability that the actual quantities recovered will equal or exceed the 3P estimate.

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingent resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality.

In the "low estimate" scenario of contingent resources ("1C"), the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is at least 90.0%.

In the "best estimate" scenario of contingent resources (together with 1C, "2C"), the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is at least 50.0%.

In the "high estimate" scenario of contingent resources (together with 1C and 2C, "3C"), the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is at least 10.0%.

Contingent resources are classified as development pending when there is a discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future. The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g. drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan.

Contingent resources are classified as development unclarified when there is a discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay. The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are on hold pending the removal of significant contingencies external to the project, or substantial further appraisal and/or evaluation activities are required to clarify the potential for eventual commercial development.

Tables Notes

1 mmbbl refers to millions of barrels
2 bcf refers to billions of cubic feet
3 The Rajpruek field in B9A permanently ceased operation on 31 October 2017. Abandonment activities are underway before the B9A licence is relinquished
4 The Company was officially informed in May 2020 that the Bala-Balakang PSC expired on 18 December 2019

Reserves

Date of report : 31 December 2019 | Date of previous report : 31 December 2018

	1P Reserves Gross	1P Reserves Working Interest		2P Reserves Gross	2P Reserves Working Interest		3P Reserves Gross	3P Reserves Working Interest		Remarks
	(mmbbl[1])	(mmbbl)	Change from previous update (%)	(mmbbl)	(mmbbl)	Change from previous update (%)	(mmbbl)	(mmbbl)	Change from previous update (%)	
Oil										
Bangladesh										
Block 9	0.39	0.12	(18.8)	0.68	0.20	3.5	0.98	0.29	16.9	Condensate volumes higher relative to gas volumes due to increased yield performance
Cambodia										
Block A	–	–	–	6.80	6.46	(20.4)	14.45	13.73	(3.3)	Lower due smaller scale initial development with fewer wells
Thailand										
B8/32 & B9A[3]	13.93	0.65	27.4	52.05	2.41	(14.2)	64.10	2.97	(17.0)	1P reserves higher due to increased planned drilling; 2P and 3P reserves lower due to reduced remaining life to end of concession
G6/48	–	–	–	11.70	11.70	132.6	15.80	15.80	132.6	Gross volumes unchanged, economic interest in production area increased from 43% to 100%
G10/48	–	–	(100.0)	4.92	4.38	(22.6)	6.48	5.77	(19.5)	Lower due to lower well performance, reduced recovery for future wells and poorer economic conditions
	(bcf[2])	(bcf)	Change from previous update (%)	(bcf)	(bcf)	Change from previous update (%)	(bcf)	(bcf)	Change from previous update (%)	
Gas										
Bangladesh										
Block 9	154.50	46.35	(26.7)	251.52	75.46	(11.9)	349.66	104.90	(4.4)	Lower because of 2019 production volumes and increased off-block recovery
Indonesia										
Bulu PSC	–	–	–	318.86	–	(11.1)	341.43	–	(18.6)	Lower due to shorter field life associated with delayed first production and block expiry date
	–	–	–	–	110.49	(27.5)	–	118.90	(33.3)	As above and further reduction due primarily CO_2 removal and fuel gas consumption
Thailand										
B8/32 & B9A[3]	69.29	3.21	103.8	258.71	11.99	(0.5)	326.15	15.12	(1.2)	1P reserves higher due to increased planned drilling; 2P and 3P reserves lower because of reduced remaining life to end of concession

Contingent Resources

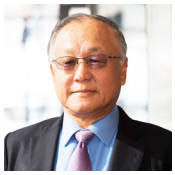
	1C Resources Gross	1C Resources Working Interest		2C Resources Gross	2C Resources Working Interest		3C Resources Gross	3C Resources Working Interest		Remarks
	(mmbbl[1])	(mmbbl)	Change from previous update (%)	(mmbbl)	(mmbbl)	Change from previous update (%)	(mmbbl)	(mmbbl)	Change from previous update (%)	
Oil										
Bangladesh										
Block 9	0.02	0.01	–	0.11	0.03	–	0.54	0.16	–	
Cambodia										
Block A	0.91	0.86	–	1.74	1.65	–	3.13	2.97	–	
Thailand										
G10/48	3.74	3.33	(41.4)	9.41	8.37	(11.5)	14.78	13.16	(9.7)	Lower due to poorer economic conditions for extension volumes. Volumes uneconomic under present conditions
	(bcf[2])	(bcf)	Change from previous update (%)	(bcf)	(bcf)	Change from previous update (%)	(bcf)	(bcf)	Change from previous update (%)	
Gas										
Bangladesh										
Block 9	6.08	1.82	–	27.68	8.31	–	128.95	38.69	–	
Indonesia										
Bala-Balakang PSC[4]	–	–	–	110.51	93.93	–	155.81	132.44	–	
Sakti PSC	37.24	35.37	–	221.52	210.45	–	425.36	404.10	–	
Thailand										
G6/48	11.48	11.48	132.6	13.24	13.24	132.6	15.37	15.37	132.6	Gross volumes unchanged, economic interest in production area increased from 43% to 100%

Board of Directors

As at 3 June 2020

Tan Ek Kia (71)

Independent Non-Executive Chairman



Bachelor of Science Mechanical Engineering (First Class Honours), Nottingham University; Management Development Programme, International Institute for Management Development, Lausanne, Switzerland; Fellow of the Institute of Engineers, Malaysia; Chartered Engineer of Engineering Council U.K.; Member of Institute of Mechanical Engineers U.K.

DATE OF FIRST APPOINTMENT AS DIRECTOR: 11 January 2013 LENGTH OF SERVICE AS A DIRECTOR: 7 years 4 months KRISENERGY BOARD COMMITTEE(S) SERVED ON: Audit & Risk Management Committee (Member); Nominating Committee (Chairman); Executive Committee (Chairman) PRESENT DIRECTORSHIPS (AS AT 31 DECEMBER 2019): LISTED COMPANIES: Keppel Corporation Ltd; KrisEnergy Ltd.; PT Chandra Asri Petrochemical Tbk; Transocean Ltd OTHER PRINCIPAL DIRECTORSHIPS: SMRT Corporation Ltd; Dialog Systems (Asia) Pte Ltd; Keppel Offshore and Marine Ltd; Star Energy Group Holdings Pte Ltd (Chairman); Singapore LNG Corporation Pte Ltd MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS): Nil PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2015 TO 31 DECEMBER 2019): City Gas Pte Ltd (Chairman) OTHERS: Former Vice President (Ventures and Developments) of Shell Chemicals, Asia Pacific and Middle East region (based in Singapore); Former Chairman, Shell companies in North East Asia (based in Beijing); Former Managing Director, Shell Malaysia Exploration and Production

Kelvin Tang (45)

Executive Director,
Chief Executive Officer



Bachelor of Laws, National University of Singapore; Advocate and Solicitor, Supreme Court of Singapore; Member of the Association of International Petroleum Negotiators

DATE OF FIRST APPOINTMENT AS DIRECTOR: 9 November 2017 LENGTH OF SERVICE AS A DIRECTOR: 2 years 6 months KRISENERGY BOARD COMMITTEE(S) SERVED ON: Executive Committee (Member) PRESENT DIRECTORSHIPS (AS AT 31 DECEMBER 2019): LISTED COMPANIES: KrisEnergy Ltd. OTHER PRINCIPAL DIRECTORSHIPS: B Block Ltd; KrisEnergy (Aspara) Ltd; KrisEnergy (Asia) Ltd; KrisEnergy (Cambodia) Holding Ltd; KrisEnergy (Cambodia) Ltd; KrisEnergy (East Muriah) Ltd; KrisEnergy (Gulf of Thailand) Ltd; KrisEnergy (Phu Khanh 120) Ltd; KrisEnergy (Vietnam 115) Ltd; KrisEnergy (Satria) Ltd; KrisEnergy (Song Hong 105) Ltd; KrisEnergy Holding Company Ltd; KrisEnergy International (Thailand) Holdings Ltd; KrisEnergy Management Ltd; KrisEnergy (Management Services) Ltd; KrisEnergy Oil & Gas (Thailand) Ltd; KrisEnergy Pte Ltd; SJ Production Barge Ltd; KrisEnergy (Bangladesh) SS-11 Ltd; KrisEnergy G10 (Thailand) Ltd; KrisEnergy Management Ltd; KrisEnergy Asia Coöperatief U.A.; KrisEnergy Asia Holdings B.V.; KrisEnergy Netherlands Pte Ltd; KrisEnergy (Andaman II) Ltd; KrisEnergy (Apsara) Holding Ltd.; KrisEnergy (Apsara) Company Ltd MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS): Nil PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2015 TO 31 DECEMBER 2019): Komodo (B.V.I.) Ltd; KrisEnergy (Ageng) B.V.; KrisEnergy (Andaman Timur) B.V.; KrisEnergy (Nemo) B.V.; KrisEnergy (Sakti) B.V.; KrisEnergy (Tanjung Aru) B.V.; KrisEnergy (Udan Emas) B.V.; KrisEnergy East Seruway B.V.; KrisEnergy Glagah-Kambuna B.V.; KrisEnergy (Andaman II) B.V.; KrisEnergy Kutai B.V.; KrisEnergy Kutei B.V.; KrisEnergy (Bangora) B.V.; Nong Yao G11 (Thailand) Ltd OTHERS: Nil

John Koh (64)

Non-Executive Independent Director



Bachelor of Arts and Master of Arts, University of Cambridge; Master of Law, Harvard Law School

DATE OF FIRST APPOINTMENT AS DIRECTOR: 11 January 2013 LENGTH OF SERVICE AS A DIRECTOR: 7 years 4 months KRISENERGY BOARD COMMITTEE(S) SERVED ON: Audit & Risk Management Committee (Chairman); Remuneration Committee (Member); Executive Committee (Member) PRESENT DIRECTORSHIPS (AS AT 31 DECEMBER 2019): LISTED COMPANIES: KrisEnergy Ltd.; NSL Ltd OTHER PRINCIPAL DIRECTORSHIPS: BMH Management Pte Ltd; Brandmine Properties Ltd; Aurora Mobile Ltd; Athenex Inc; National Museum of SIngapore MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS): Nil PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2015 TO 31 DECEMBER 2019): Arbutus International Ltd; Worldwide Books Corporation; Mapletree Industrial Trust; Mapletree Industrial Trust Management Ltd (as Trustee Manager of Mapletree Industrial Trust); National Library Board OTHERS: Former Managing Director and Senior Advisor of the Goldman Sachs Group; Former Deputy Public Prosecutor in the Singapore Attorney-General's Chambers; Former Deputy Director of the Commercial Affairs Department in the Ministry of Finance

Board of Directors

As at 3 June 2020

Alan Nisbet (69)

Non-Executive Independent Director



Member of the Institute of Certified Public Accountants of Singapore (ICPAS)

DATE OF FIRST APPOINTMENT AS DIRECTOR: 13 May 2014 LENGTH OF SERVICE AS A DIRECTOR: 6 years KRISENERGY BOARD COMMITTEE(S) SERVED ON: Remuneration Committee (Chairman); Audit & Risk Management Committee (Member) PRESENT DIRECTORSHIPS (AS AT 31 DECEMBER 2019): LISTED COMPANIES: KrisEnergy Ltd.; Halcyon Agri Corporation Ltd; Keppel REIT Management Limited; Ascendas Property Fund Trustee Pte Ltd OTHER PRINCIPAL DIRECTORSHIPS: Standard Chartered Bank (Singapore) Ltd; RF Brussels Pte. Limited; RF Capital (Advisory) Pte. Limited; RF Capital (Credit) Pte. Limited; RF Capital Pte. Limited; RF Holdings Pte. Limited; Roberts Constructions Pte. Limited; Roberts Investments Holdings Pte. Limited; Robert Investments Pte. Limited; RF Corval Pte. Limited; RF Renewables Pte. Limited; RF Corval Europe Pte. Limited; RF Corval Logistics Pte. Limited MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS): Nil PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2015 TO 31 DECEMBER 2019): Ascendas Pte Ltd; RF Capital (Private Equity) Pte. Limited; RF Capital (Real Estate) Pte. Limited; RF Capital (Services) Pte. Limited; RF ECP Pte. Limited; RF Capital (Empirica) Pte. Limited; RF Corval Capital Partners Pte. Limited; RF Corval Holdings Pte. Limited; RF Corval MEA Pte. Limited; RF Corval REFM Pte. Ltd; RF Infrastructure Pte. Limited OTHERS: Former Partner and Audit Leader in Deloitte & Touche LLP, Singapore

Bernard Castanet (77)

Non-Executive Independent Director



Certified Engineer (major in Electronics & Mechanics) from Ecole Nationale d'Ingenieur de Brest

DATE OF FIRST APPOINTMENT AS DIRECTOR: 18 October 2019 LENGTH OF SERVICE AS A DIRECTOR: 7 months KRISENERGY BOARD COMMITTEE(S) SERVED ON: Audit & Risk Management Committee (Member); Nominating Committee (Member) PRESENT DIRECTORSHIPS (AS AT 31 DECEMBER 2019): LISTED COMPANIES: KrisEnergy Ltd. OTHER PRINCIPAL DIRECTORSHIPS: Nil MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS): Nil PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2015 TO 31 DECEMBER 2019): Perenco Holdings; Perenco Group companies OTHERS: Former board member and director of multiple Perenco Group companies

Chris Ong Leng Yeow (46)

Non-Executive Director



Bachelor Degree in Electrical and Electronics Engineering and Master degree in Electrical and Electronics Engineering, National University of Singapore; Chartered Engineer; Fellow of the Institute of Marine Engineering, Science and Technology; Member of the American Bureau of Shipping; Member of the DNV GL South East Asia and Pacific Committee; Member of Bureau Veritas Marine; Committee Member of Offshore Asia-Australia

DATE OF FIRST APPOINTMENT AS DIRECTOR: 5 January 2018 LENGTH OF SERVICE AS A DIRECTOR: 2 year 4 months KRISENERGY BOARD COMMITTEE(S) SERVED ON: Nominating Committee (Member); Remuneration Committee (Member) PRESENT DIRECTORSHIPS (AS AT 31 DECEMBER 2019): LISTED COMPANIES: KrisEnergy Ltd. OTHER PRINCIPAL DIRECTORSHIPS: FELS Offshore Pte Ltd; Keppel Amfels LLC; Keppel FELS Limited; Keppel Nantong Heavy Industry Co Ltd; Keppel Nantong Shipyard Co Ltd; Keppel Shipyard Limited; Northstar Investments Pte. Ltd; Keppel Singmarine Pte Ltd; Caspian Shipyard Company LLC; Antares Singapore Pte Ltd; Asian Lift Pte Ltd; Keppel Offshore & Marine Ltd; Keppel FELS Brasil S.A.; FueLNG Pte Ltd; Ocean Mineral Singapore Pte Ltd; Ocean Mineral Singapore Holding Pte Ltd; Keppel Technology and Innovation Pte Ltd; Keppel Walvis Bay Offshore and Marine (Pty) Ltd; Floatel International Ltd; KS Investments Pte Ltd; KOM USA & Keppel Renewable Energy Pte Ltd MAJOR APPOINTMENTS (OTHER THAN DIRECTORSHIPS): Chief Executive Officer of Keppel Offshore & Marine Ltd; PAST PRINCIPAL DIRECTORSHIPS HELD OVER THE PRECEDING 5 YEARS (FROM 1 JANUARY 2015 TO 31 DECEMBER 2019): Mod Prefab Private Limited; Bintan Offshore Fabricators Pte Ltd; Keppel FEL Engineering Shenzhen Co Ltd; Keppel Offshore and Marine Engineering Services Mumbai Pvt Ltd; PT Bintan Offshore; Keppel FELS Baltech OOD; Keppel FELS Engineering Wu Han Co. Ltd; Green Scan Pte Ltd; Keppel Offshore & Marine Technology Centre Pte Ltd; Keppel Sea Scan Pte Ltd; Offshore Technology Development Pte Ltd: Deepwater Technology Group Pte Ltd; AzerFELS Pte Ltd; Benniway Pte Ltd; Marine Technology Development Pte Ltd; Keppel Letourneau Singapore Pte Ltd; Bennett Offshore LLC; Keppel Floatel LLC (formerly known as Keppel SLP LLC); Keppel LeTourneau USA Inc.; FELS Asset Co Pte Ltd; Regency Steel Japan Limited; Keppel LeTourneau Middle East FZE; Blue Tern Ltd (Seafox 5 Limited); Gas Technology Development Pte Ltd OTHERS: Former Assistant Section Manager, Section Manager, Deputy Engineering Manager, Assistant General Manager (Engineering), General Manager (Engineering), Acting Executive Director (Operations), Executive Director (Commercial) and Managing Director of Keppel FELS Limited

Management Team

As at 3 June 2020

Joanne Ang (40)
Chief Financial Officer



Ms Ang joined KrisEnergy in 2013 as Corporate Finance Manager and was appointed Group Treasury Manager the following year. She took over the role as Interim Chief Financial Officer and Group Treasurer in April 2019 and was confirmed as permanent CFO in May 2020.

Ms. Ang began her career with the Commonwealth Bank of Australia in Sydney in 1999 in financial market operations and progressed to research analyst before departing in 2007. Ms. Ang moved to Singapore in 2008 and joined CLSA as a research analyst. From 2009 to 2013, she worked as VP, Corporate Finance at Brighton Capital Advisors, a corporate finance firm established in Singapore with a primary focus on the oil and gas sector.

Ms. Ang holds a Bachelor of Business (majoring in Banking and Finance) from the University of Technology, Sydney. She is also a CFA charterholder and a member of the CFA Society Singapore.

Sally Ting (43)
General Counsel



Ms. Ting joined KrisEnergy in 2015 and is responsible for the legal and regulatory functions of the company. She has more than 20 years of legal and oil and gas experience in the Asia-Pacific region.

Ms. Ting started her career at Australian legal firm, Mallesons Stephen Jaques (now King & Wood Mallesons) in 1999 and stayed until 2002. Ms. Ting moved to Singapore in 2002 and joined Coudert Brothers LLP from 2002 until 2005 in their corporate practice. From 2005 until 2007, she was an associate with Milbank Tweed Hadley McCloy in Singapore where she advised on a number of corporate transactions in the oil and gas sector across Southeast Asia. In 2007, Ms. Ting joined Salamander Energy as Regional Counsel where she was responsible for the legal and regulatory function of the company in the SE Asian region.

Ms. Ting holds a Bachelor of Science degree and a Bachelor of Laws degree (First Class Honours and University Medal) from the University of Queensland. She is also a member of the Association of International Petroleum Negotiators.

Michael Whibley (61)
Vice President Technical



Mr. Whibley joined KrisEnergy since inception in 2009 and is a geologist with over 40 years of management, operational and interpretive experience in exploration, development and production projects and new business development. He has been based in Asia for the last 27 years.

Prior to joining KrisEnergy, Mr. Whibley held senior management and senior technical roles in Singapore with Pearl Energy-Aabar-Mubadala in Singapore between 2006 and 2009, and in Jakarta, Indonesia with Hess from 2003 until 2006, Santa Fe Energy-Devon Energy-Petro China between 1998 and 2003, Santos Ltd. from 1997 until 1998, and Apache Corporation from 1993 until 1997. Mr. Whibley worked in Perth, Australia originally with Phillips Petroleum as a graduate geologist from 1980 until 1983 and later with Occidental Petroleum-Bond Energy Resources-Hadson Energy between 1983 and 1993 as a Senior Explorationist. Mr. Whibley's experience is predominately throughout Southeast Asia, South Asia and Australasia (Papua New Guinea, Timor Sea, North West Shelf).

Mr. Whibley graduated from the University of Western Australia with a Bachelor of Science (Hons) in Geology and is a member of the Indonesian Petroleum Association, South East Asian Exploration Society (Committee member). He is also the Chairman and Committee member of the Asia Pacific Scoutcheck (APSC).

Chris Wilson (49)
Vice President Commercial



Mr. Wilson joined KrisEnergy in 2009 and is a strategist responsible for the origination and execution of corporate and asset acquisitions/divestitures for the Group and in particular, the valuation of new business opportunities. He is also responsible for the Group's crude oil portfolio sales and marketing activities.

Between 2003 and 2009, he was the in-house Financial Advisor for Pearl Energy, working on all aspects of fundraising and acquisition opportunity evaluation, including reserves-based lending facilities, pre-IPO private equity placements, the company's initial public listing in 2005 and all key asset acquisitions.

In 2002, Mr. Wilson was a consultant with the Asian Development Bank. From 1997 until 2001, he was Assistant Vice President in the Project Finance Group of ABN AMRO in Singapore focusing initially on project advisory transactions in the power sector and later moving into lending and advisory in the oil and gas sector. Mr. Wilson began his career in 1995 with Chase Manhattan Bank as a private equity analyst for Chase Capital Partners in Hong Kong before moving to Singapore to take up the role of Assistant Vice President in the Risk Asset Management Group.

Mr. Wilson holds a Bachelor of Arts in International Relations from the John Hopkins University, Baltimore in Maryland and a Master of Arts in China Studies from the Paul H. Nitze School of Advanced International Studies in Washington D.C. in the United States. He is a member of the Association of International Petroleum Negotiators and the South East Asia Petroleum Exploration Society.

Management Team

As at 3 June 2020

Edwin Bowles (66)
General Manager, Bangladesh



Mr. Bowles joined KrisEnergy in 2014 and is a geologist with more than 38 years of experience in Malaysia, India, Pakistan, UK, Middle East, North Africa and Sub-Saharan Africa. The majority of his career has been spent with British Gas and its overseas subsidiaries.

Key roles which he has held prior to KrisEnergy include Exploration Manager West Africa, General Manager Pakistan and Managing Director of Gujarat Gas Company, India. In 2008, Edwin established RJ Energy, which acts as a strategic advisor to ministries, state oil companies and international oil companies. This followed an extensive assignment with the UK government as an advisor on oil and gas matters where he held key appointments in several energy advisory groups including those for Libya, Morocco, Egypt and Nigeria.

Mr. Bowles holds a Bachelor of Science (Hons) in Geology from Southampton University and a Master of Science, Geology from Imperial College of Science and Technology, University of London. He is a member of the Petroleum Exploration Society of Great Britain, American Association of Petroleum Geologists and the Geological Association.

Brian Helyer (62)
Vice President Operations



Mr. Helyer joined KrisEnergy in 2010 and has worked in the offshore oil and gas industry for over 40 years. Mr. Helyer looks after all aspects of project management for facilities construction, operations, maintenance and commissioning for KrisEnergy and is also responsible for the writing and implementation of Environmental Health Safety and Security policy across the Group. Notably, he oversaw progress of the facilities construction and installation at the Wassana oil field, KrisEnergy's first greenfield development to go into production in the Gulf of Thailand. This included the procurement and refurbishment of the MOPU Ingenium. First oil for Wassana was produced 15 months after KrisEnergy took over operatorship of the block in May 2014.

Prior to KrisEnergy, Mr. Helyer was the Project and Operations Director for Songa Floating Production, and was responsible for the conversion and class approval of the floating production, storage and offloading vessel, FPSO East Fortune. Between 2003 and 2007, he worked for Petrofac Energy Developments in various roles such as Production Manager, Business Development Manager and Project Manager in Indonesia, Malaysia, United Kingdom and Tunisia. From 1999 to 2005, Mr. Helyer was Field Operations Manager at the Kakap oil field in the South China Sea for Gulf Resources (Indonesia). He also spent 15 years with Marathon Oil in various roles in the United Kingdom and Indonesia. Mr. Helyer has attained the National Examination Board in Occupational Safety and Health (NEBOSH) professional safety accreditation.

Tim Kelly (60)
Vice President Engineering



Mr. Kelly has more than 38 years of experience in the upstream oil industry with the last 31 years spent in Southeast Asia, during which time he has been involved in the appraisal and development of new fields and the reservoir and production management of mature fields.

Mr. Kelly was Corporate Petroleum Engineering Manager for Pearl Energy between 2003 and 2009 in Singapore and was involved in projects in Indonesia, Philippines, Thailand and Vietnam. Between 1989 and 2003, Mr. Kelly was based in Jakarta as Engineering Manager for Marathon Oil, Clyde Petroleum and Gulf Indonesia, and as DST Specialist with ExxonMobil. He began his career in 1981 with Phillips Petroleum as a Drilling & Reservoir Engineer working in the United States and Singapore.

Mr. Kelly holds a Bachelor of Science in Petroleum Engineering from the Colorado School of Mines. He is a member of the Society of Petroleum Engineers and the South East Asia Petroleum Exploration Society.

Malin Ros (54)
General Manager, Cambodia



Ms. Ros was appointed General Manager of KrisEnergy's Cambodian operations in October 2014 following the company's acquisition of Chevron Cambodia. Ms. Ros has more than 28 years of experience in the upstream oil and gas industry. She started her career in 1992 as an Administrator in the Cambodian office of Enterprise Oil Exploration, a British exploration and production company.

Ms. Ros took over the role of Office Manager in 1997 and was Enterprise Oil's local representative in Cambodia from 1999 onwards. After Royal Dutch Shell's acquisition of Enterprise Oil in 2002, Ms. Ros joined Chevron Overseas Petroleum (Cambodia) as Country Manager and was responsible for local government relations, operations and community engagement.

Ms. Ros holds a Bachelor of Arts in Economics and a Master of Business Administration from the National University of Management in Phnom Penh, Cambodia.

Management Team

As at 3 June 2020

Basuki Kusmutarto (58)
General Manager, Indonesia



Mr. Basuki joined KrisEnergy in July 2010, bringing extensive local knowledge and experience in the upstream sector. He began his career in 1987 as a Consulting Engineer at PT SUCOFINDO, a state-owned inspection, testing and certification company, and later became Vice President of the Mineral Service Division.

In 2003, he joined Pearl Energy as General Manager for its Indonesia operations until 2010.

Mr. Basuki holds a Bachelor of Science in Chemical Engineering from the Bandung Institute of Technology and has an MBA from the Institute Pengembangan Manajemen Indonesia. Mr. Basuki is a member of the Indonesian Petroleum Association.

Phattarin Jirapojaporn (44)
General Manager, Thailand



Ms. Jirapojaporn joined KrisEnergy in 2010. She holds an Executive Master of Business Administration from the Sasin Graduate Institute of Business Administration of Chulalongkorn University and started her career in 2001 as a business analyst with Thai Shell Exploration and Production. She later went on to work on contract analysis in procurement and contract management.

Between 2007 and 2009, she was a business analyst for Hess Corporation with a primary focus on oil and gas assets in Thailand. Prior to joining KrisEnergy, she was a senior manager of group financial planning and analysis at Thoresen Thai Agencies Plc, a strategic investment holding company with three primary business groups – Transport, Energy, and Infrastructure.

Ms. Jirapojaporn also holds a Bachelor of Business Administration, Finance & Banking and a Master of Science in Computer Information Systems from Assumption University.

Giang Nguyen (52)
General Manager and Exploration Manager, Vietnam



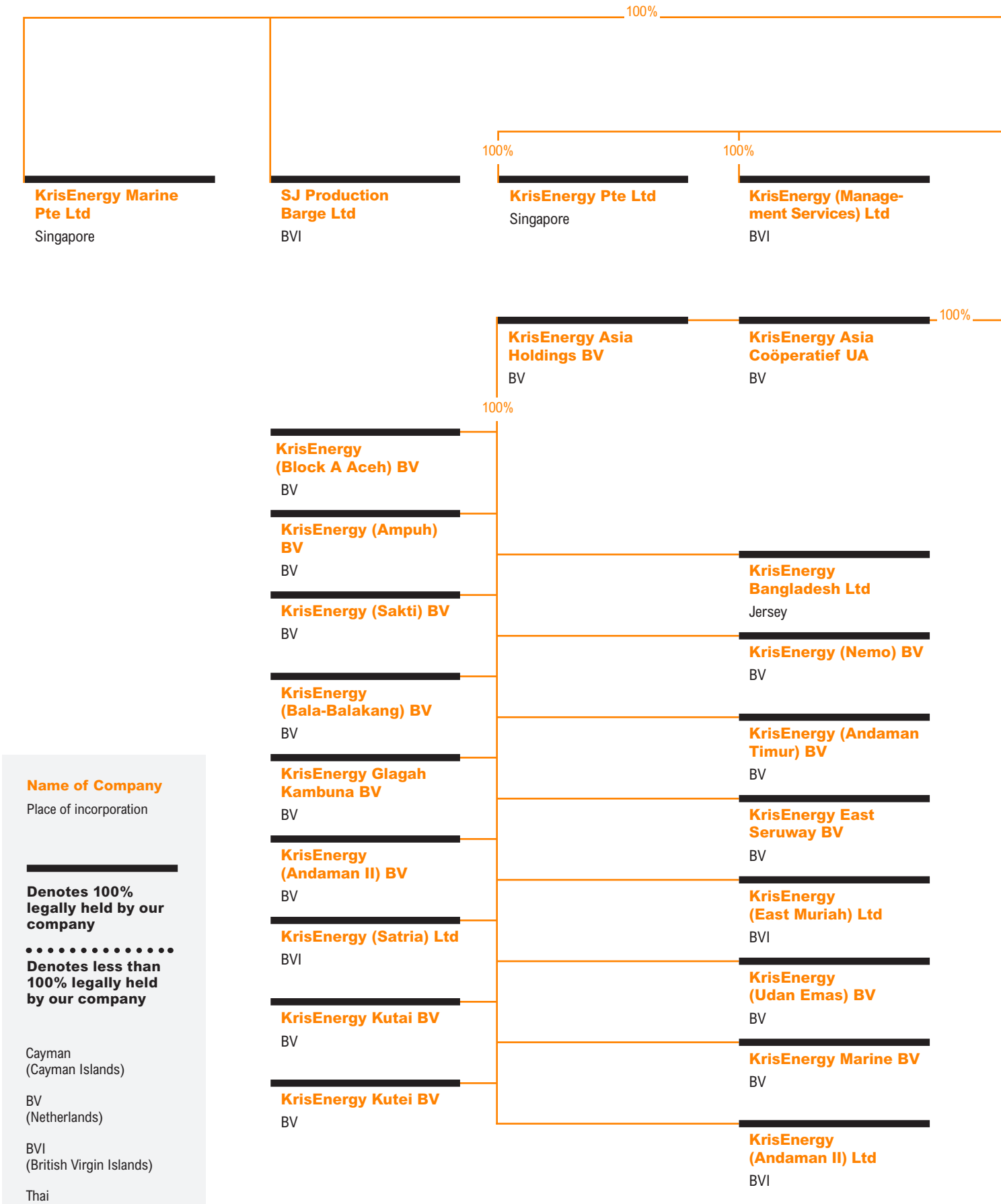
Mr. Giang joined KrisEnergy in 2011. He has more than 22 years of experience in oil and gas exploration in Vietnam. He has been involved in a variety of projects from exploration and development to new business across key oil-and-gas producing basins in Vietnam.

Mr. Giang was Chief Geophysicist for Pearl Energy between 2008 and 2010. Between 2002 and 2008, Mr. Giang was a senior exploration geophysicist under a joint venture with ConocoPhillips Vietnam. He began his career in 1997 as a seismic processor based in Ho Chi Minh City under a joint venture with Petrovietnam and Fairfield Industries Inc. USA.

Mr. Giang has a Bachelor of Science in Geophysics from Hanoi University of Geology and Mining and a Master of Science in Applied Petroleum Geology from HCMC University of Technology. Mr. Giang is a member of the Society of Exploration Geophysicists and the South East Asian Exploration Society.

Group Structure

As at 3 June 2020



Name of Company
Place of incorporation

Denotes 100% legally held by our company

Denotes less than 100% legally held by our company

Cayman
(Cayman Islands)

BV
(Netherlands)

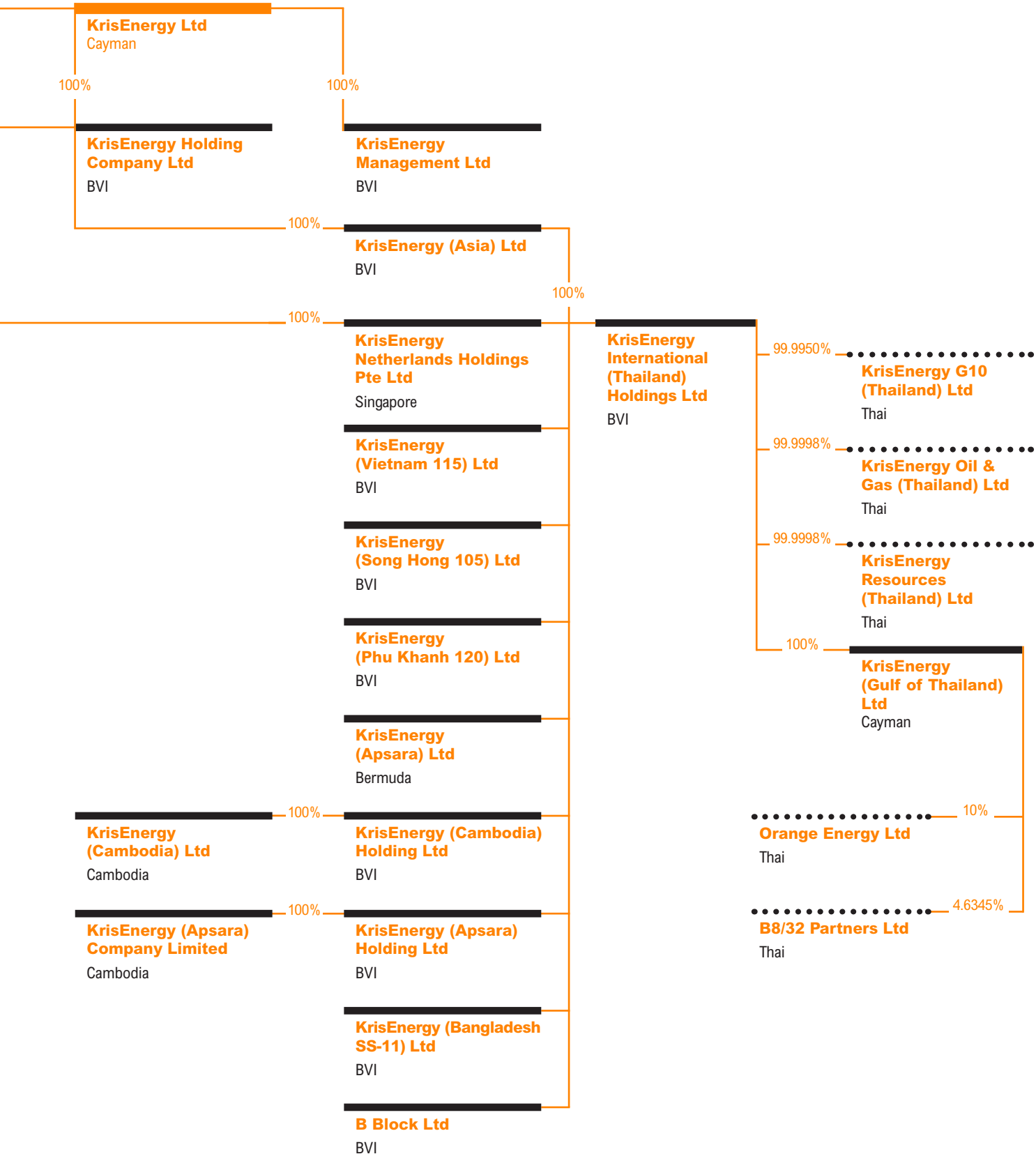
BVI
(British Virgin Islands)

Thai
(Thailand)

Jersey
(Bailiwick of Jersey)

Group Structure

As at 3 June 2020



Corporate Governance

The Board of Directors (the "Board") and management of KrisEnergy Ltd. ("KrisEnergy" or the "Company", together with its subsidiaries, the "Group") are firmly committed to high standards of corporate governance, business integrity and professionalism, which is essential to the sustainability of the Group's business and performance. To this end, unless otherwise explained, KrisEnergy confirms that it has complied in all material aspects with the Principles and Provisions of the Code of Corporate Governance 2018 (the "2018 Code"). Any deviations from the 2018 Code are appropriately explained within this Corporate Governance Report. With specific reference to the 2018 Code, our corporate governance practices are set out on the following pages.

Board's Conduct of Affairs

Principle 1

Provision 1.1

Board responsibility

Accountable for the Group's activities, strategy, governance, risk management and financial performance, the Board ensures that the corporate responsibility and ethical standards of the Group are met by overseeing the conduct of its affairs and exercising its fiduciary role in the interests of the Group, with the objective to create value for stakeholders and ensure the sustainable success of the Company. Specifically, its principal functions include:

- setting strategic direction and long-term targets and ensuring that resources are set aside to meet the targets;
- overseeing the business and affairs of the Group and instituting, with management, the strategies and financial objectives to be enforced by management, and monitoring the performance of management;
- approving the appointment of the Chief Executive Officer, Directors and the succession planning process;
- overseeing a framework for evaluating adequacy of internal controls, risk management systems, financial reporting and compliance to safeguard stakeholders' interests;
- setting the values and standards (including ethical standards) of the Company;
- assuming responsibility for corporate governance; and
- considering sustainability issues of policies and proposals.

Independent judgement

The Directors are expected to exercise due diligence and independent judgement in the best interests of the Company.

Conflicts of interest

To address and manage potential conflicts of interest that may arise, internal guidelines have been established which require Directors to promptly disclose a conflict or potential conflict of interest, whether direct or indirect, in relation to any transaction or proposed transaction. Where a Director has a conflict or potential conflict of interest, such Director is obliged to recuse himself/herself from discussions and decisions involving the issues of conflict or by abstaining from voting on any matter in which he/she is interested or conflicted, unless the Board is of the opinion that his/her presence and participation is necessary to enhance the efficacy of such discussions.

Provision 1.2

Board induction

All newly appointed Directors are provided induction letters detailing their duties and responsibilities. Management also conducts an orientation program, which serves as a comprehensive and tailored induction, outlining the Company's business, strategic plans, objectives and governance practices, amongst others.

Board training

Directors are informed of, and arrangements are made for them to attend, any appropriate and relevant courses which promote their professional development and encourage the highest standards of corporate governance and ethical conduct. Directors with no prior experience as a director of a company listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") are expected to undergo the training program conducted by the Singapore Institute of Directors. The Company will fund directors' participation at seminars or any training program in connection with their duties as directors.

Provision 1.3

Board approval

Appropriate internal guidelines have been put in place which set forth matters requiring Board approval. The Board approves matters relating to, amongst others, (i) acquisitions and disposals of material assets;
(ii) plans of development for petroleum assets; (iii) the Group work program and budget; and (iv) all material commitments to corporate and project financing from banks and financial institutions. This allows management to focus on its responsibilities for the day-to-day operation and administration of the Company.

Further, the Company implements a management approval authority policy which sets out authority levels to which management is expected to adhere in respect of entering into commitments, approving expenditure, authorising payments and agreeing and settling liabilities on behalf of the Group. The policy thus ensures that decisions are taken at an appropriate level consistent with (i) maintaining the implementation of any policy decided upon by the Board; and (ii) maintaining appropriate internal controls to safeguard the assets and resources of the Group, while at the same time seeking efficiency of operation and devolving responsibility.

A crucial feature of a robust and effective Board is an open and constructive environment for Board members to contest and query management on its proposals and assumptions. As part of Management's on-going reporting to the Board, regular teleconference meetings are held to update the Board on the Company's operations and financial performance and to provide Directors a platform to provide views and judgements. Further, as and when necessary, management holds informal meetings to brief Directors on prospective transactions and potential developments at an early stage prior to seeking formal Board approval. These informal briefings are usually accompanied with detailed Board memorandums.

Provision 1.4

Delegation by the Board

Although the Board retains overall responsibility, to assist the Board with oversight of various specific responsibilities, the Audit and Risk Management, Nominating, Remuneration and Executive Committees are delegated the necessary authority by the Board. Established with clear written terms of reference in compliance with the 2018 Code, each Committee operates with a specific set of duties, authority and accountability. Individually, each Committee plays a pivotal role in ensuring good corporate governance practices within the Group. Each Committee may make decisions on matters within its terms of reference and applicable limits of authority. The terms of reference of each Committee are reviewed from time to time, as are the structures and memberships of the Committees.

Other Committees

In addition to the Audit and Risk Management, Nominating and Remuneration Committees, the Company has an Executive Committee (constituted in April 2017), which meets when required to assist the Board in executing its duties.

Executive Committee

The Executive Committee is chaired by Tan Ek Kia and comprises John Koh and Kelvin Tang. The Executive Committee comprises two Independent Non-Executive Directors. The terms of reference for the Executive Committee include:

- providing advisory support, guidance and oversight to the Chief Executive Officer and management in the conduct of the Company's business (including but not limited to the review of capital expenditures, operational expenditures and management approval authority policy), as and when required;
- undertaking decisions required by the Company which exceed the financial limit authority of the Chief Executive Officer, provided that such decisions are not specifically reserved for the Board or other supervisory persons / Committees; and
- undertaking generally other functions, duties and powers as may be required by the Board or the Committee from time to time.

Please refer to the various Principles in this Corporate Governance Report for further information on the activities of each respective Committee.

Provision 1.5

Meetings and attendance

The Board holds regular meetings to review, consider and approve strategic, operational and financial matters. *Ad-hoc* meetings are also held when circumstances require and when the Board is required to address significant issues that may arise between scheduled meetings.

Meeting every quarter and *ad hoc* as warranted by circumstances, the schedules for all Board and Committee meetings for the next calendar year are planned in advance, in consultation with the Directors. Non-Executive Directors also meet each quarter without the presence of management upon conclusion of the Board and Committee meetings. The Company's Articles of Association ("Articles") permit telephonic attendance and conference for Board and Committee meetings. The Board and Committees may also make decisions by way of circulating written resolutions.

Aside from reviewing the Group's financial performance, annual work program and budget, corporate strategy, business plans, potential acquisitions and divestments and significant operational matters, the Chairman of each Committee provides updates from their respective Committee meetings to the Directors. Additionally, management provides the Board with regular email and teleconference updates regarding operations, financial performance and where applicable, developments in, and the Group's compliance with, corporate governance requirements and other regulations.

All Directors are required to declare their board representations. Where a Director has multiple board representations, the Nominating Committee will consider whether the Director is able to adequately carry out his/her duties, taking into account the Director's number of listed company board representations and other principal commitments.

Table 1 sets out the number of meetings held by the Board and the Audit and Risk Management, Nominating and Remuneration Committees since 1 January 2019 to the end of the financial year under review, as well as the attendance of each Board member.

Table 1: Directors' attendance at Board and Committee meetings during the financial year under review

	Board Meetings[1]	Committee Meetings[1]		
Name of Director		**Audit and Risk Management**	**Nominating**	**Remuneration**
John Koh	4	4	3[2, 3]	2[2, 3]
Duane Radtke[4]	3	3[2]	3	3
Tan Ek Kia	4	4	4	4[2]
Alan Nisbet	4	4	3[2]	3
Keith Pringle[5]	2	2	2[2]	2
Chris Ong Leng Yeow[6]	2	1[2]	2	2[2]
Kelvin Tang	4	4[2]	3[2]	4[2]
Kiran Raj (Alternate Director to Kelvin Tang)[7]	3	4[2]	–	2[2]
Bernard Castanet[8]	1	1	1	1[2]
Total no. of meetings held	**4**	**4**	**4**	**4**

Notes

1. **Refers to meetings held/attended while each Director was in office**
2. **By invitation**
3. **Re-designated from Nominating Committee to Remuneration Committee with effect from 18 October 2019**
4. **Resigned from the Board on 30 September 2019**
5. **Resigned from the Board on 30 May 2019**
6. **Requested recusal from Board activities and decisions for the duration of the ongoing restructuring, in view of his position as Chief Executive Officer of Keppel Offshore & Marine Limited, which** is a **wholly-owned subsidiary of Keppel Corporation Limited (a controlling shareholder of the Company)**
7. **Resigned from the Board on 17 October 2019**
8. **Appointed to the Board on 18 October 2019**

In addition to the above official meetings, the Board also held several *ad-hoc* meetings outside the formal meeting basis during the financial year under review.

Provision 1.6

Complete, adequate and timely information

Management endeavours to provide timely dissemination of all papers and materials for discussion regardless of a Director's ability to physically attend a Board meeting. Board and Committee materials are distributed in advance and are accessible via an online application on mobile devices. The Company fully recognises that the flow of relevant information on an accurate and timely basis is critical for the Board to be effective in the discharge of its duties and aims to provide information the week before any meetings.

All agendas for Board and Committee meetings are prepared in consultation with and incorporate inputs from key management personnel, and where relevant, the respective Committee chairpersons, to ensure that all material topics are attended to.

Any additional material or information requested by the Directors is promptly furnished. Matters of a highly sensitive nature may be tabled at a meeting or discussed without any papers being distributed. Management, which provides additional insights into the matters at hand, will be present at the meeting. The Directors are fully acquainted with the relevant management personnel, Company Secretaries and internal and external auditors to facilitate direct and independent access to the same.

Board materials include, amongst others, minutes to the previous Board meetings, major operational and financial updates, background or explanations on matters brought before the Board for decision or information, including issues dealt with by management, relevant budgets, forecasts and projections. In respect of budgets, any material variance between projections and actual results is disclosed and explained to the Board. Upon reviewing such materials, Directors are expected to advise the Chairman

or Committee Chairman of views and comments on the matters at hand in order that they may be conveyed to other Board members at the meeting.

Due to the ongoing financial restructuring of the Group and the prolonged volatile state of oil and gas prices which impacted the Company's financial health and necessitates a more active role by the Board in the Company's financial matters and state of affairs, Management holds regular teleconference meetings where possible and/or provides periodic email updates to ensure that the Board is provided with the most updated information.

Provision 1.7

Company Secretaries

The Company Secretaries administer, attend and prepare minutes of Board proceedings. They assist the Chairman to ensure that Board procedures are followed and regularly reviewed to facilitate the effective functioning of the Board, and that the Company's memorandum, Articles and relevant rules and regulations, including requirements of the Cayman Companies Law, Securities & Futures Act and Listing Manual of the SGX-ST, are complied with. They also assist the Chairman and the Board to implement and strengthen corporate governance practices and processes with a view to enhancing long-term shareholder value.

The Directors have separate and independent access to Management and the Company Secretaries at all times through email, telephone and face-to-face meetings. The appointment and removal of Company Secretaries are subject to the approval of the Board as a whole.

Independent professional advice

The Directors, whether as a group or individually, may seek and obtain independent professional advice from external advisors at the expense of the Company to assist them in furtherance of their duties and responsibilities.

Board Composition and Guidance

Principle 2

Provision 2.1

Independence of Directors

In determining the independence of Directors, the Nominating Committee conducts an annual review, taking into account the 2018 Code definition of an Independent Director and the guidance the 2018 Code and the Listing Manual of the SGX-ST provide as to the type of relationships which would preclude a Director from being independent. The Nominating Committee will specifically take into consideration a Director's relationships with the Company, its substantial shareholders, its officers or its related corporations, and whether such relationships could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. In addition, each of the Independent Directors provides an independence declaration annually based on the guidance provided in the 2018 Code.

The Board, taking into account the views of the Nominating Committee, considers the following current Directors independent: John Koh, Tan Ek Kia, Alan Nisbet and Bernard Castanet. In particular for Mr. Tan Ek Kia, his role as a member of the board of Keppel Corporation Limited is non-executive in nature and he is not involved in the day-to-day conduct of the business of Keppel Corporation Limited. This role does not require him to take or subject him to any obligation to follow any instructions from Keppel Corporation Limited in relation to the corporate affairs of the Company, and he continues to exercise independent judgement.

While none of the current Independent Directors have served an aggregate period of more than nine years with the Company (whether before or after listing) (the "Maximum Period"), in the future, if any Independent Director has been a director for more than the Maximum Period, his/her continued

appointment as an Independent Director will, in addition to being subject to the rigorous review of the Nominating Committee, must be approved in separate resolutions by (a) all shareholders; and (b) all shareholders, excluding shareholders who also serve as Directors or the Chief Executive Officer of the Company, and associates of such Directors and Chief Executive Dfficer.

Provisions 2.2 and 2.3

Independent element of the Board

The Board is helmed by an Independent Chairman and has a strong independent element – four of the six Directors, including the Chairman, are Independent Directors, which accordingly make up a majority of the Board. Non-Executive Directors also make up a majority of the Board.

Provision 2.4

Board size, composition and competency

In parallel with the developing objectives of the Company and the industry, the Board, together with the Nominating Committee, evaluates on a regular basis the size of the Board, its composition and the mix of competencies of Board members. The Nominating Committee places great importance on the necessity for Directors to possess a wide array of expertise, skills and attributes, including relevant core competencies in areas such as accounting and finance, business and management, the oil and gas industry, strategic planning and knowledge of risk management. These factors are taken into account when the Nominating Committee recommends Director appointments. The Board, with the concurrence of the Nominating Committee, agrees that the current composition of the Board (taking into consideration the recent changes to the Board) provides an appropriate balance and diversity of skills, experience and knowledge of the Company and its business without interfering with efficient and effective decision-making. The Board also recognises the merits of potential gender diversity when sourcing for new Directors. The Company is working towards establishing a diversity policy which will formalise the framework and approach for the Board to set its qualitative and measurable quantitative objectives for achieving diversity, and to annually assess the progress in achieving those objectives.

Meeting of Directors without Management

Non-Executive Directors and Independent Directors hold meetings after Board meetings as appropriate to discuss matters without the presence of Management. The chairman of such meetings provides feedback to the Board and/or the Chairman as appropriate.

Chief Executive Officer & Chairman

Principle 3

Provision 3.1

Chief Executive Officer

Kelvin Tang, who is concurrently an Executive Director of the Company, was appointed Chief Executive Officer with effect from 1 September 2017.

Separation of the role of Chairman and Chief Executive Officer

A separation of roles and powers between the Chairman and the Chief Executive Officer ensures an appropriate balance of power, greater accountability and increased capacity of the Board for independent decision making. The division of responsibilities between them are clearly established and agreed by the Board and no one individual has unfettered powers of decision-making.

Tan Ek Kia, an Independent Non-Executive Director, was appointed Independent Non-Executive Chairman with effect from 23 February 2017. The Chairman is not related to the Chief Executive Officer.

Provision 3.2

Roles and responsibilities of the Chairman

Spearheading a high standard of corporate governance, the Independent Non-Executive Chairman, who also chairs the Nominating Committee and the Executive Committee guides the Board with the aid of Directors, Company Secretaries and Management to ensure its effectiveness in all aspects of its role. The Independent Non-Executive Chairman sets the agenda and monitors the flow of information from management to the Board to ensure all material information is provided in a timely manner for Directors to review and discuss. The Independent Non-Executive Chairman encourages and promotes communication and constructive relations between the Board and management, and between Executive and Non-Executive Directors, and is available to shareholders and all stakeholders should they have any concerns which have failed to be resolved by contact through the Chief Executive Officer or the Chief Financial Officer. The Chief Executive Officer manages and oversees the Group's business. Other Executive Directors and management provide assistance to the Chief Executive Officer in making strategic proposals to the Board. Pursuant to open and constructive Board discussion, the Chief Executive Officer formulates plans to execute the agreed strategy and implements Board decisions.

Provision 3.2

Assessment of necessity of Lead Independent Director

As the roles of the Chairman and the CEO are held by separate individuals who are not related, and given the majority independence of the Board (including the Chairman), appointment of a Lead Independent Director is not necessary. The Board has also considered that the Independent Directors and Non-Executive Directors are available as a channel of communication between shareholders and the Board or Management.

Board Membership

Principle 4

Provisions 4.1 and 4.2

Nominating Committee

The Nominating Committee is chaired by Tan Ek Kia and comprises Bernard Castanet and Chris Ong Leng Yeow. The Nominating Committee comprises entirely Non-Executive Directors, of which two out of three (including the Nominating Committee Chairman) are independent.

The key terms of reference for the Nominating Committee include:

- reviewing and recommending candidates for appointments and re-appointments to the Board and Board Committees (excluding the appointment of existing members of the Board to each of the Audit and Risk Management Committee, the Nominating Committee and the Remuneration Committee for the purposes of the initial establishment of such Board committees), as well as candidates for senior management staff, who are not also candidates for appointment to the Board;
- developing of a process and criteria for evaluation of the performance of the Board, the Board Committees and the Directors;
- reviewing and recommending nomination for re-appointment or re-election or renewal of appointment of the Directors;
- reviewing of Board succession plans for the Directors, in particular, appointment and/or replacement of the Chairman, the Chief Executive Officer and key management personnel;
- reviewing of training and professional development programs for the Board;
- determining independence of the Directors; and

- undertaking generally such other functions and duties as may be required by law or the Listing Manual of the SGX-ST, and by amendments made thereto from time to time.

Provision 4.3

Recommendation of Directors

The Board has a formal and transparent process for the appointment and re-appointment of Directors. The Nominating Committee initiates the review and recommendation of all nominations and re-nominations of Directors and Committee members, taking into account the composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance. The Company's Articles require Directors to retire at least once every three years. The Company has, for this purpose, adopted a policy of retiring one-third of Directors from office by rotation at each Annual General Meeting ("AGM") and these Directors will be eligible for re-election at that AGM. The Articles also stipulate that Directors appointed by the Board during a financial year, shall only hold office until the next AGM, and thereafter be eligible for re-election at the AGM.

Succession planning for the Board and Management team

Emphasis on succession planning ensures seamless transition and the Nominating Committee seeks to refresh the Board membership progressively and in an orderly manner. The Nominating Committee reviews succession and leadership development plans for the Board and management, which are subsequently approved by the Board.

Criteria and process for selection, appointment and re-appointment of new Directors

A formal process is adopted in the search for and nomination and selection of new Directors. The Nominating Committee identifies the main attributes required of an incoming director based on the composition and skill set of the existing Board. The Nominating Committee will draw on the resources of Directors' personal and business contacts and recommendations of candidates during a shortlisting process. Executive search agencies may also be used. Interviews will be held between potential candidates and Nominating Committee members before a recommendation is made to the Board.

Provision 4.4

Review and determination of Directors' independence

Provision 2.1 "Independence of Directors" of this Corporate Governance Report sets out the guidelines for the Nominating Committee's determination of a Director's independence on an annual basis.

Provision 4.5

Directors' time commitments

Factors such as multiple board representations are taken into consideration by the Nominating Committee when deciding whether a Director is able to devote sufficient time and attention to discharging their duties adequately and diligently. Noting that the time requirement of each directorship varies, the Nominating Committee believes that limiting the number of directorships a Director can hold may be arbitrary. Instead, the Nominating Committee is provided a confirmation by each of the Directors of their ability to devote sufficient time and attention to the Company's affairs, having regard to all other commitments which they declare. The Nominating Committee is satisfied that all Directors have discharged their duties adequately and diligently from 1 January 2019 until the end of the financial year under review, and will continue to do so in the next financial year.

Key information on Directors

Please refer to the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-appointment" of this Annual Report for key information on Directors, including the listed company directorships and principal commitments of each Director. The *Notice of Annual General Meeting* sets out the Directors proposed for retirement and re-election at the forthcoming AGM.

Board Performance

Principle 5

Provisions 5.1 and 5.2

Board and Committee evaluation

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Committees and individual directors. An independent consultant, Boardroom Corporate & Advisory Services Pte. Ltd., is engaged to ensure that the Board and Committee assessments are completed promptly, fairly and confidentially.

The independent consultant works together with the Nominating Committee to design and update questionnaires for the evaluation process. Developed by incorporating the best practices in the market on Board and Committee evaluations, and revised based on key focus issues and areas prescribed by the Board, the questionnaires are provided to the Directors on an annual basis. The performance criteria for the evaluations includes the size and composition, independence, processes, information and accountability, risk controls and internal management and standards of conduct, all of which are updated in accordance with the guidelines of the 2018 Code and the terms of reference of each of the Committees. The Company has also implemented an additional peer performance evaluation for each individual Director as a more sensitive measure to enhance corporate governance. The results are collated by the independent consultant and presented to the Nominating Committee.

The Nominating Committee has undertaken detailed discussions of the evaluation results and suggested improvements provided for the financial year ended 31 December 2019, and will work with the Board and each of the other Committees to implement action plan(s) to address key concerns and focal areas.

Remuneration Matters

Principle 6

Provisions 6.1 and 6.2

Remuneration Committee

The Remuneration Committee is chaired by Alan Nisbet and comprises John Koh and Chris Ong Leng Yeow. The Remuneration Committee comprises entirely Non-Executive Directors, all of which are independent.

The key terms of reference for the Remuneration Committee include:

- review and make recommendations to the Board on the Company's framework for determining the remuneration of the Board and key management personnel;
- continued review of the appropriateness and relevance of the Company's executive remuneration policy and other benefit programs;
- consideration, review and approval and/or varying the entire specific remuneration package and service contract terms for each Director as well as for key management personnel;
- consideration, review and approval and/or adaptation (if necessary) of the entire specific remuneration package and service contract terms for each member of the Board and key management personnel (including Directors' fees, salaries, allowances, bonuses, payments, options, share-based incentives and awards, benefits in kind, retirement rights, severance packages and service contracts) having regard to the executive remuneration policy for each of the companies within the Group;

- consideration and approval of termination payments, retirement payments, gratuities, *ex-gratia* payments, severance payments and other similar payments to members of the Board and key management personnel, including the Chief Executive Officer;

- review of the Company's obligation arising in the event of termination of Executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous;

- review and approval of all option plans, stock plans and/or other equity-based plans;

- annual determination whether awards will be made under each of the existing equity-based plans;

- review and approval of each award as well as the total proposed awards under each plan in accordance with the rules governing each plan;

- on-going review and approval of performance hurdles and/or fulfilment of performance hurdles for each of our equity-based plans; and

- review of succession plans for the Board and key management personnel positions.

Provision 6.3

Review of remuneration

The Remuneration Committee's recommendations are submitted for endorsement by the Board, thus assisting the Board to ensure that remuneration policies and practices are competitive within the industry in order to attract, retain and motivate employees, without being excessive, and thereby maximising shareholder value. No member of the Remuneration Committee is involved in deliberations in respect of any remuneration, compensation, options or any form of benefits to be granted to him.

The Remuneration Committee also reviews the Company's obligations arising in the event of termination of the contracts of service of Executive Directors and key management personnel to ensure their contracts of service contain fair and reasonable termination clauses which are not overly generous.

Please refer to Principle 9 "Disclosure on Remuneration" of this Corporate Governance Report for further information on the Company's compensation philosophy.

Provision 6.4

Review of remuneration

Where necessary, the Remuneration Committee may seek advice from independent expert remuneration consultants on remuneration matters, such as Towers Watson. As there was no specific necessity during the financial year under review, the Remuneration Committee did not engage any remuneration consultant in relation to remuneration matters of the Group.

Level & Mix of Remuneration

Principle 7

Provisions 7.1 and 7.3

Remuneration of Executive Directors and key management personnel

The remuneration packages of Executive Directors and key management personnel comprise the following components:

(a) Fixed and variable components

The fixed component consists of basic salary and Central Provident Fund contributions (if applicable). The Remuneration Committee ensures that key management personnel's remuneration is consistent and comparable with market practice by reviewing and considering such remuneration components against those of comparable companies, if such information is publicly available, while continuing to be aware of the general correlation between increased remuneration and performance improvements.

The variable component comprises variable bonus based on the Group's performance in relation to stipulated key performance indicators, as well as relevant market remuneration benchmarks. The performance of key management personnel is assessed every year. Total bonuses payable are reviewed by the Remuneration Committee and approved by the Board to ensure (i) alignment of interests with those of shareholders and (ii) symmetry with risk outcomes.

The Board views performance bonuses with a design to support the Group's business strategy and the enhancement of shareholder value through the annual fulfilment and delivery of financial, strategic and operational objectives. On an individual level, the performance bonus may vary based on the actual achievement of the Group and individual performance objectives. While these objectives may be of different emphasis for each executive, they are assessed on the same principles across business and strategy targets, which include environmental, health and safety processes; production, reserves and resource values; financial and risk management; and people development. Further, executives may be assessed on teamwork and collaboration across the Group.

(b) Allowances and benefits

Allowances and benefits provided are consistent with market practice and include medical benefits, flexible benefits and transportation and education allowances. Eligibility for these benefits and allowances depends on individual salary grade, employment position and country of residence.

(c) Share awards and options

In recognition of the contribution of key management personnel to the Company and as a tool for long-term incentivisation and alignment of interests with the Company, key management personnel is eligible for share options and awards under the KrisEnergy Employee Share Option Scheme ("KrisEnergy ESOS") and KrisEnergy Performance Share Plan ("KrisEnergy PSP").

For more information on KrisEnergy ESOS and KrisEnergy PSP and the share awards granted, please refer to the sections entitled "Directors' Report—KrisEnergy Employee Share Option Scheme and KrisEnergy Performance Share Plan" and "Notes to the Consolidated Financial Statements—Share-based Payments" of this Annual Report.

The Remuneration Committee has the discretion not to award performance bonuses or share-based incentives in any year if any executive is involved in misconduct which has a material impact on our Company.

Provision 7.2

Remuneration of Non-Executive Directors

The remuneration of Non-Executive Directors is appropriate to the level of contribution and takes into account factors such as effort, time spent and responsibilities. The Chairman of each Committee commands a higher fee in view of the greater responsibility carried by that office. Each Non-Executive Director is paid a basic fee and an attendance fee. Executive Directors are not paid Directors' fees. Fees payable to Non-Executive Directors are paid in cash and are subject to shareholders' approval at each AGM.

Basic fee

The basic fee structure of the Non-Executive Directors is as disclosed in **Table 2**.

Since 2016, there has been a 25% reduction in the total remuneration of the Non-Executive Directors as one of several cost-cutting measures to aid the Company through adverse macroeconomic conditions and its volatile financial position. As the industry outlook remains unstable, the reduced remuneration has since been approved as the basic fee structure.

Table 2: Non-Executive Directors' Fees

Nature	Description	Rate
		US$
Board Fees	Chairman Fee	$15,000 per annum
	Basic Retainer Fee	$37,500 per annum
Audit and Risk Management Committee Fees	Membership Fee	$7,500 per annum
	Chairman Fee	$7,500 per annum
Remuneration Committee Fees	Membership Fee	$7,500 per annum
	Chairman Fee	$7,500 per annum
Nominating Committee Fees	Membership Fee	$7,500 per annum
	Chairman Fee	$7,500 per annum

If a Director occupies a position for part of the financial year, the fee payable will be *pro-rated* accordingly.

Attendance fee

A Non-Executive Director will be paid an attendance fee of US$7,500 for each Board meeting attended (whether in person or by teleconference) in that financial year and will also be reimbursed any travel expenses incurred in relation thereto. No attendance fee is payable for attendance of (i) routine Board telephone conference calls or (ii) Committee meetings.

Disclosure on Remuneration

Principle 8

Provisions 8.1 and 8.3

Annual remuneration report

A breakdown showing the level and mix of individual Director's and key management personnel's remuneration payable for the financial year under review is as disclosed in **Table 3** and **Table 4**.

Bonuses

There were no bonuses declared for the financial year ended 31 December 2019.

Share awards and options

Non-Executive Directors are eligible for the grant of share options and awards under KrisEnergy ESOS and KrisEnergy PSP and are encouraged to acquire Shares in order to align their interests with those of shareholders. Directors' shareholding interests are disclosed in the section entitled "Directors' Report—Directors' interests in shares and debentures" of this Annual Report. For the financial year under review, Non-Executive Directors will not receive any share options or awards as part of their remuneration. The Remuneration Committee will continue to review and consider the possibility of including a share-based component in the Non-Executive Directors' remuneration for future years.

Disclosure of the (i) precise remuneration amounts of individual Executive Directors and key management personnel, and (ii) aggregate total remuneration paid to key management personnel is disadvantageous to the Group's business interests in view of the shortage of talented and experienced personnel in the upstream oil and gas industry. The Company is making available, however, the aggregate remuneration and the breakdown of the components of remuneration in percentage terms of the individual Executive Directors and top five key management personnel in **Table 3** and **Table 4**. The Company is of the view that these disclosures provide sufficient information to shareholders on the Company's remuneration policies, the level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Save for insurance coverage, no termination, retirement or post-employment benefits have been granted to the Directors or key management personnel for the financial year ended 31 December 2019.

Details of KrisEnergy ESOS and KrisEnergy PSP

For more information of KrisEnergy ESOS and KrisEnergy PSP, please refer to the sections entitled "Directors' Report—KrisEnergy Employee Share Option Scheme and KrisEnergy Performance Share Plan" and "Notes to the Consolidated Financial Statements—Share-based Payments" of this Annual Report.

Provision 8.2

Remuneration of employees who are substantial shareholders or immediate family members of a Director, the Chief Executive Officer or a substantial shareholder.

No employee is a substantial shareholder of the Company, or is an immediate family member of a Director, the Chief Executive Officer or a substantial shareholder of the Company. The remuneration packages of the Directors and key management personnel have been reviewed and approved by the Remuneration Committee, having regard to their contributions as well as the financial performance and commercial needs of the Group. The Remuneration Committee is satisfied and has ensured that the Directors and key management personnel are adequately, but not excessively, remunerated.

Table 3: Directors

Remuneration Bands	Salary Including CPF, If Any	Bonus / Profit-sharing	Allowances & Others	Directors' Fees	Performance Shares	Total
	%	%	%	%	%	%
S$500,000 to S$750,000						
Kelvin Tang[1]	88	-	6	-	6	100
Kiran Raj[2]	99	-	1	-	-	100
Below S$250,000						
John Koh	–	–	–	100	–	100
Duane Radtke[3]	–	–	–	100	–	100
Tan Ek Kia	–	–	–	100	–	100
Alan Nisbet	–	–	–	100	–	100
Keith Pringle[4]	–	–	–	100	–	100
Chris Ong Leng Yeow	–	–	–	100	–	100
Bernard Castanet[5]	–	–	–	100	–	100

Notes

[1] Includes remuneration received as Chief Executive Officer
[2] Resigned from the Board on 17 October 2019
[3] Resigned from the Board on 30 September 2019
[4] Resigned from the Board on 30 May 2019
[5] Appointed to the Board on 18 October 2019

Table 4: Key Management Personnel

Remuneration Bands	Designation	Base / Fixed Salary Including CPF, If Any	Bonus / Profit-Sharing	Allowance & Others	Performance Shares	Total
	%	%	%	%	%	%
S$500,000 to S$750,000						
James Parkin[1]	Chief Operations Officer	93	-	-	7	100
Brian Helyer	Vice President Operations	88	-	12	-	100
Tim Kelly	Vice President Engineering	88	-	6	6	100
Mike Whibley	Vice President Technical	87	-	6	7	100
Chris Wilson	Vice President Commercial	82	-	11	7	100
S$250,000 to S$500,000						
Joanne Ang[2]	Chief Financial Officer	100	-	-	-	100

Notes

[1] Resigned on 3 October 2019
[2] Appointed as interim Chief Financial Officer on 18 April 2019, and permanent Chief Financial Officer on 19 May 2020

Since 2016, key management personnel have undertaken a 10% to 25% reduction in remuneration packages and such reduced remuneration has since been approved as the new basic fee structure as a continued cost-cutting measure in light of the unstable industry outlook.

Accountability & Audit

Principle 9

Provision 9.1

Risk management and internal controls

It is the responsibility of the Board to ensure that there are sufficient risk governance measures implemented within the Company. The Board is also responsible for ensuring that management maintains a sound system of risk management and adequate and effective internal controls to safeguard shareholders' investments and the Group's assets. Risk management is a continuous process where key management personnel and operational managers continually participate to evaluate, monitor and report to the Audit and Risk Management Committee and the Board on significant risks encountered in operations.

The Company has developed and implemented a Board Assurance Framework (the "Framework"), which includes an enterprise risk management framework. The Framework acts as the platform for identification of significant and material risks, to measure the potential impact and likelihood of those risks occurring, test the internal control effectiveness and to create any action plans to further mitigate those risks. The risks identified in the Framework include strategic, financial, operational, information technology and compliance risks, such as:

Strategic Risk

Risk resulting from inaccurate formulation and execution of business strategies/plan or changes in the external business environment which may impact the Group in the long term, for example, joint venture risk and competition risk.

Financial Risk

Risk resulting from financial activities and/or use of financial instruments, for example, capital availability risk, interest rate risk and foreign exchange risk.

Operational and Information Technology Risk

Risk of potential financial loss and/or business instability arising from failures in internal controls, operational processes or the systems that support them, for example, drilling and exploration risk, vessel availability risk, project management risk, fraud and corruption risk, health and safety risk and information technology security risk.

Compliance Risk

Risk resulting from changes in laws, statutes, compliance with regulatory requirements, internal policies and procedures and related third-party legal action/disputes that may affect the Group, for example, regulatory compliance risk.

A risk governance structure has been developed to provide details on the roles and responsibilities for the Board and management (specifically, the Chief Risk Officer) in risk monitoring, escalation, mitigation and reporting.

Risk appetite statements with tolerance limits are established to monitor shifts in significant risks and to proactively manage them within acceptable levels. These risk appetite statements have been reviewed and approved by the Audit and Risk Management Committee and the Board and are monitored on a quarterly basis.

The Audit and Risk Management Committee has the responsibility to oversee the Company's risk management framework and policies. Any material non-compliance or failures in internal controls and recommendations for improvements will be reported to the Audit and Risk Management Committee. The Audit and Risk Management Committee will also review the effectiveness of the actions taken by Management on the recommendations made by the external and internal auditors.

Further, the Audit and Risk Management Committee will update the Board on such risk management framework and policies at least annually and from time to time when necessary.

Provision 9.2

Internal controls

Based on the internal controls established and maintained by the Group, work performed by independent external third parties, and reviews and assurances by Management and various Board Committees, the Board with the concurrence of the Audit and Risk Management Committee is of the opinion that the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management systems, which is relevant and material to the Group's current business scope and environment, was adequate and effective as at 31 December 2019. Nonetheless, it is understood that such a system can only provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that could be reasonably foreseen

as it strives to achieve its business objectives. The Board also notes that no system of internal controls and risk management can provide a complete assurance against human error, poor judgement in decision making, losses, fraud or other irregularities.

In addition, the Board has received assurance from (a) the Chief Executive Officer and the Chief Financial Officer that the Company's financial records have been properly maintained and give a true and fair view of the Group's operations and finances, and (b) the Chief Executive Officer and other key management personnel who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Accountability and audit

By understanding its responsibility and embracing openness and transparency in the conduct of the Company's affairs, whilst preserving commercial interests, the Board has adopted a balanced and understandable assessment of the Group's performance, position and prospects when presenting interim and other price-sensitive public reports and reports to regulators (if required).

Financial statements and reports, along with all other price sensitive information, are released to all shareholders through timely announcements on SGXNet, press releases, the corporate website and during teleconference briefings and investor forums. The Board takes steps to ensure compliance with legislative and regulatory requirements, including requirements under the listing rules. Regular updates on any material changes in the relevant legislative and regulatory frameworks are sent to the Board.

Audit and Risk Management Committee

Principle 10

Provisions 10.1, 10.2 and 10.4

Audit and Risk Management Committee

The Audit and Risk Management Committee is chaired by John Koh and comprises Tan Ek Kia, Alan Nisbet and Bernard Castanet. The Audit and Risk Management Committee comprises entirely of Non-Executive Directors, all of which are independent.

The key terms of reference for the Audit and Risk Management Committee include:

- review of all financial information and any public financial reporting with management and external auditors for submission to the Board;
- review of significant financial reporting issues and judgements to ensure the integrity of financial statements and any announcements relating to financial performance;
- review of, together with external auditors, the audit plan, audit report, management letter and the responses which the external auditors have received from Management on difficulties encountered with Management in the course of the audit;
- review of, together with external and internal auditors and reporting to the Board at least annually, the adequacy and effectiveness of the risk management and internal controls systems, including financial, operational, compliance and information technology controls;
- review of, together with internal auditors, the program, scope of results of the internal audit and management's response to findings to ensure that appropriate follow-up measures are taken;
- review of the assurance from the Chief Executive Officer and the Chief Financial Officer on the financial records and financial statements;
- review of the adequacy, effectiveness, scope and results of the internal audit function;

- review of the adequacy, effectiveness, scope and results of the external audit, and the independence and objectivity of the external auditors;

- review of, together with external auditors, the impact of any new or proposed changes in accounting principles or regulatory requirements on the financial information;

- review of interested person transactions for potential conflicts of interest as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interest are in place;

- assessment of the suitability of an accounting firm as external auditors and recommending to the Board on (i) the proposals to shareholders on the appointment or re-appointment and removal of such external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

- review of filings with SGX-ST or other regulatory bodies which contain financial information and ensuring proper disclosure;

- commissioning and reviewing any findings of internal investigations into matters where there is suspected fraud or irregularity or failure of internal controls or infringement of any law, rule and regulation which is likely to be material to the Group;

- obtaining recommendations on risk tolerance and strategy from Management, and where appropriate, reporting and recommending to the Board for its determination the nature and extent of significant risks which the Group may take in achieving strategic objectives and the Group's overall level of risk tolerance and risk policies;

- reviewing and discussing, as and when appropriate, with Management, the Group's risk governance structure and framework, including risk policies, risk mitigation and monitoring processes and procedures;

- review of quarterly reports from Management regarding major risk exposures and steps taken to monitor, control and mitigate such risks;

- review of the Group's capability to identify and manage new risk types;

- review and monitor Management's responsiveness to risks and matters identified;

- provide timely input to the Board on critical risk and regulatory compliance issues, material matters, findings and recommendations;

- review of risk management policies and guidelines and monitoring compliance therewith and assessing the adequacy and effectiveness of such risk management function;

- review of policy and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;

- review and approval of any hedging policies and hedging instruments;

- reporting to the Board the work performed by the Audit and Risk Management Committee in carrying out its functions;

- monitoring investments in customers, suppliers and competitors made by Directors, controlling shareholders and their respective associates who are involved in the management or have shareholding interests in similar or related business of the Company and making assessments on whether there are any potential conflicts of interest;

- review of whistle-blower arrangements instituted by the Group through which staff may in confidence, raise concerns and possible improprieties in matters of financial or other matters; and

- undertake generally such other functions and duties as may be required by the Listing Manual and by amendments made thereto from time to time.

The Audit and Risk Management Committee has explicit authority to investigate any matter within its terms of reference, and has the full cooperation of and access to Management. It also has direct access to the internal and external auditors, and full discretion to invite any Director or executive officer to attend its meetings. Its authority extends to reviewing its terms of reference and its own effectiveness annually and recommending necessary changes to the Board. The Audit and Risk Management Committee regularly meets with the external auditors and internal auditors, in each case without Management's presence and at least once annually.

The Board is of the view that at least two members of the Audit Committee and Risk Management Committee (including the Audit and Risk Management Committee Chairman) have recent and relevant accounting or related financial management expertise and experience and are familiar with the Company's business and operations and are thus able to discharge their duties as Audit and Risk Management Committee members. Where possible, the Company arranges for sessions with the Company's external auditors to ensure that any changes to accounting standards and issues which have a direct impact on financial statements are highlighted to Audit and Risk Management Committee members and the Board.

External auditors

The Audit and Risk Management Committee assesses the suitability of the external auditors and recommends to the Board the appointment, re-appointment and removal of the external auditors, and the remuneration and terms of engagement of the external auditors.

The Company's external auditors, Deloitte & Touche LLP, will hold office until the conclusion of the forthcoming AGM, and the re-appointment of Deloitte & Touche LLP is subject to shareholder approval at the forthcoming AGM.

During the financial year under review, the Audit and Risk Management Committee Chairman, without the presence of Management, held meetings with Deloitte & Touche LLP. The Audit and Risk Management Committee reviewed the independence and objectivity of Deloitte & Touche LLP through discussions with Deloitte & Touche LLP as well as a review of the volume and nature of non-audit services provided by Deloitte & Touche LLP during the period. Based on the review, the Audit and Risk Management Committee is satisfied that the financial, professional and business relationships between the Company and Deloitte & Touche LLP will not prejudice their independence and objectivity. Accordingly, the Audit and Risk Management Committee has recommended the re-appointment of Deloitte & Touche LLP at the forthcoming AGM.

In the financial year under review, the Audit and Risk Management Committee held discussions with management and Deloitte & Touche LLP regarding the accounting principles applied in the financial statements and any items that may affect the integrity of the financial statements. Subsequently, the Audit and Risk Management Committee recommended to the Board the release of the full-year financial statements.

The total fees paid and/or payable to Deloitte & Touche LLP for the financial year under review are as disclosed in Table 5.

Table 5: Fees to external auditors

	S$'000	% Of Total Fees Paid
External auditors' fees for the financial year under review		
Total Audit Fees	461	100
Total Non-Audit Fees	-	-
Total fees paid	**461**	**100**

The Company has complied with Rules 712 and 715 of the Listing Manual of the SGX-ST in the appointment of its external auditors.

Internal audit

Our internal audit functions are performed and maintained within the Company ("Internal Auditors"). As and when necessary, internal audit functions may be further outsourced to a third-party internal audit firm.

The Internal Auditors are responsible for executing the Internal Audit Plan as approved by the Audit and Risk Management Committee and for reporting the findings and recommendations of such audits to the Audit and Risk Management Committee on a quarterly basis. The Internal Auditors' primary line of reporting is to the Chairman of the Audit and Risk Management Committee, although the function reports administratively to the Board. All internal audit summary reports are submitted to the Audit and Risk Management Committee for consideration, with copies of the reports extended to the Independent Non-Executive Chairman, the Board (specifically, the Chief Executive Officer) and relevant key management personnel. To ensure timely and adequate closure of internal audit findings, the status of the implementation of the actions agreed by Management is tracked and discussed with the Audit and Risk Management Committee.

The Internal Auditors have unrestricted direct access to the Audit and Risk Management Committee and unfettered access to all documents, records, properties and personnel and has appropriate standing within the Company. The Internal Auditors' function is performed in accordance to the International Professional Practices Framework established by The Institute of Internal Auditors.

The Audit and Risk Management Committee approves the appointment, termination, evaluation and remuneration of the head of the internal audit function. The Audit and Risk Management Committee is also responsible for the review, at least annually, of the adequacy and effectiveness of the internal audit function. The Audit and Risk Management Committee believes that the internal audit function is effective, adequately resourced and independent of the activities it audits.

Whistle-blowing policy

The Audit and Risk Management Committee has put in place a whistle-blowing policy, containing clearly defined mechanisms and procedures to encourage and enable employees, customers or third parties to raise concerns internally and at a high level and report malpractices, impropriety and misconduct in the workplace without fear of reprisal. Concerns about possible improprieties in matters of financial malpractice or impropriety or fraud, dangers to environment health safety and/or security, criminal activity, improper conduct or unethical behaviour and other matters in breach of company policies can be raised confidentially to the Chairman of the Board or the General Counsel and arrangements are in place for independent investigations of such matters and for appropriate follow-up action. These procedures aim to promote accountability, transparency and consistency in dealing with concerns made in good faith. There were no whistle-blowing reports made during the financial year under review.

Provisions 10.3

Partner or directors of the Company's auditing firm

No member of the Audit and Risk Management Committee is a former partner or director of the Company's external auditors.

Provisions 10.5

Meeting with external and internal auditors without presence of Management

The Audit and Risk Management Committee meets with both Internal Auditors and external auditors without the presence of Management at least once a year.

Shareholder Rights & Conduct of General Meetings

Principle 11

Provision 11.1

Shareholders' participation and voting at general meetings

The Company believes in a robust governance culture to ensure that shareholders receive fair and equitable treatment and have opportunity to communicate their views on matters affecting the Company. The Company recognises that shareholders should be entitled to equal information rights and strives to provide adequate, timely and sufficient information pertaining to changes and updates in its business that could have a material impact on the share price and value. Such changes and updates could include financing arrangements, asset divestments and industry factors.

The Company advocates stakeholder participation and will hold general meetings in a central location in Singapore. Shareholders will be able to proactively engage Board and Management on its business activities and financial performance.

Shareholders whose names are registered in the CDP Register and the Register of Members are entitled to participate in, and vote at, general meetings. Shareholders are informed of general meetings through notices and/or circulars sent to all shareholders (including electronically) and/or published in newspapers, on SGXNet or on the Company's website. All shareholders have the opportunity to participate effectively in and vote at general meetings and will be informed of the rules, including voting procedures, which govern such general meetings. If any shareholder is unable to attend, he is permitted to appoint proxies to vote on his behalf at the meeting through proxy forms sent in advance.

Each item of special business included in the notice of the general meeting will be accompanied by a full explanation of the effects of a proposed resolution. Resolutions have been put to vote by electronic poll and detailed results showing the number of votes cast for and against each resolution and their respective percentage will be announced.

Provision 11.2

Separate resolutions at general meetings

At general meetings, separate resolutions are tabled for substantially separate issues. However, where the issues are interdependent and linked so as to form one significant proposal, the Company may propose "bundled" resolutions and will set out the reasons and material implication in the notices to the meeting or its accompanying appendices.

Provision 11.3

Attendance of Directors and auditors at general meetings

At each AGM, the Chairman will address the shareholders and present the progress and performance of the Group. The external auditors will be present to address shareholders' queries on the conduct of the audit and the preparation and content of the auditors' report. The Directors, chairpersons of each Board Committee, or members of the respective Committees standing in for them, will endeavour to be

present at each AGM and other general meetings, if any, to address shareholders' queries. The Company will also ensure that appropriate management personnel will be present at each AGM and other general meetings, to respond to any shareholder enquiries.

Provision 11.4

Absentia voting

The Company's Articles allows the appointment of proxies for a shareholder who is absent from a general meeting to exercise his/her vote in absence through his/her proxy or proxies. Specified intermediaries may appoint more than two proxies.

While not prohibited under the Company's Articles, the Company will only implement absentia voting methods such as voting via mail, email or fax after satisfaction resolution of security, integrity and other pertinent issues.

Provision 11.5

Minutes of general meetings

A Company Secretary will prepare minutes of the general meetings, which will record any substantial comments or queries from shareholders and the corresponding responses from the Board and Management. These minutes will be published on the Company's website as soon as practicable.

Provision 11.6

Dividend Policy

The Company does not currently have a fixed dividend policy, as taking into consideration factors including but not limited to its results of operations and cash flow, expected financial performance and working capital needs, future prospects, capital expenditures and other investment plans, other investment and growth plans, general economic and business conditions and other factors deemed relevant by the Board and statutory restrictions on the payment of dividends, the Company does not intend to pay dividends.

Due to the Group's accumulated losses, no dividend has been declared or recommended for the financial year under review.

Engagement with Shareholders

Principle 12

Provision 12.1

Avenues for communication between the Board and shareholders

The Company remains committed to delivering high standards of corporate disclosure and transparency through an open and non-discriminatory approach towards communications with shareholders and investors, the investment community and the media. The Company communicates regularly with its shareholders and provides regular and relevant information regarding the Company's performance, progress and prospects to provide shareholders and investors the most current and detailed information, which they may take into consideration when making investment decisions. Where possible, the Company holds investor forums to provide information about its business and operations and the prevailing industry climate and to facilitate an avenue for investors to raise any queries with Management.

All press statements, financial results, material information, annual reports and notices of general meetings are published on a timely and consistent basis on SGXNet and the Company's website www.krisenergy.com.

In order to solicit and understand the views of stakeholders, briefing and/or teleconference sessions maybe held for the media, analysts and the investor community as appropriate when quarterly financial results are released.

Provisions 12.2 and 12.3

Investor relations

The Company is dedicated to facilitating communications with shareholders, the investor community, analysts and the media. The Company has in place a "Communications Policy" to promote timely communications to all stakeholders simultaneously. The Company strives to reach out to shareholders and investors via its online "Investors & Media" portal within the Company's website www.krisenergy.com, where it updates shareholders and investors on the latest news and business developments of the Group. The Company's announcements and website provide contact details for investors in the event they wish to contact the Company and a dedicated electronic mailing address has been established for those stakeholders wishing to submit written enquiries, which are addressed promptly.

Engagement with Stakeholders

Principle 13

Provisions 13.1 and 13.2

Engagement with major stakeholder groups

The Group's material stakeholders are its shareholders and other investors, employees, contractors and suppliers, local community, regulators and joint venture partners. The Company has undertaken a process to determine the environmental, social and governance issues which are important to these stakeholders, in keeping with its commitment to adopt an inclusive approach in balancing the needs and interest of material stakeholders. More details on the Group's engagement with material stakeholders, including key areas of focus, is set out in our Sustainability Report for the financial year ended 31 December 2019.

Provisions 13.3

Corporate website

The Group maintains a corporate website at www.krisenergy.com at which stakeholders can access information on the Group. The website is regularly updated and provides, *inter alia*, corporate announcements, press releases and operations of the Group and other information relevant to stakeholders. The Company has an "Investors & Media" portal within the Company's website as an outreach to shareholders and all other stakeholders.

Other Information

Interested person transactions

The Company has embedded procedures to comply with the requirements of the Listing Manual of the SGX-ST relating to interested person transactions. All new Directors are briefed on the relevant provisions that they are required to comply with. Any interested person transactions are reported to, and monitored and reviewed by, the Audit and Risk Management Committee.

There were no interested person transactions entered into during the financial year under review, and there is no existing general mandate from shareholders for interested person transactions.

Material contracts (Rule 1207(8) of the Listing Manual of the SGX-ST)

There were no material contracts entered into by the Company or any of its subsidiaries involving the interest of the Chief Executive Officer, any Director, or controlling shareholder subsisting at the end of the financial year under review, save for the contract entered into with Keppel Shipyard Limited (under the then existing general mandate approved by shareholders at an extraordinary general meeting held on 26 April 2018) for the modification and upgrading of the Company's production barge for the Apsara oil development in the Block A concession offshore Cambodia.

Securities dealing

Securities transactions policy

The Company has adopted an internal policy which prohibits the Directors and officers and staff of the Group from dealing in the securities of the Company while in possession of price-sensitive information.

The Directors and officers are also discouraged from dealing in the Company's securities on short-term considerations and are prohibited from dealing in the Company's securities during the "black-out" period beginning two weeks before the announcement of the Company's quarterly financial statements and one month before the announcement of the Company's full-year financial statements, and ending on the date of the announcement of the relevant results.

Directors' Report & Consolidated Financial Statements

The Directors present herein their report dated 3 June 2020, together with the audited consolidated financial statements of the Group and balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2019.

1 | Directors

The Directors in office at the date of this Directors' Report are:

Tan Ek Kia
Independent Non-Executive Chairman

Kelvin Tang
Chief Executive Officer, Executive Director

John Koh
Non-Executive Independent Director

Alan Nisbet
Non-Executive Independent Director

Bernard Castanet
Non-Executive Independent Director

Chris Ong Leng Yeow
Non-Executive Director

2 | Audit and Risk Management Committee

The Audit and Risk Management Committee comprises four independent Directors.
Members of the Audit and Risk Management Committee are:

John Koh
Chairman

Tan Ek Kia

Alan Nisbet

Bernard Castanet

The Audit and Risk Management Committee carried out its function in accordance with the Code of Corporate Governance 2018, including the following:

- review of all financial information and any public financial reporting with management and external auditors for submission to the Board;
- review of significant financial reporting issues and judgements to ensure the integrity of financial statements and any announcements relating to financial performance;
- review of, together with external auditors, the audit plan, audit report, management letter and the responses which the external auditors have received from Management on difficulties encountered with Management in the course of the audit;

- review of, together with external and internal auditors and reporting to the Board at least annually, the adequacy and effectiveness of the risk management and internal controls systems, including financial, operational, compliance and information technology controls;

- review of, together with internal auditors, the program, scope of results of the internal audit and management's response to findings to ensure that appropriate follow-up measures are taken;

- review of the assurance from the Chief Executive Officer and the Chief Financial Officer on the financial records and financial statements;

- review of the adequacy, effectiveness, scope and results of the internal audit function;

- review of the adequacy, effectiveness, scope and results of the external audit, and the independence and objectivity of the external auditors;

- review of, together with external auditors, the impact of any new or proposed changes in accounting principles or regulatory requirements on the financial information;

- review of interested person transactions for potential conflicts of interest as well as all conflicts of interests to ensure that proper measures to mitigate such conflicts of interest are in place;

- assessment of the suitability of an accounting firm as external auditors and recommending to the Board on (i) the proposals to shareholders on the appointment or re-appointment and removal of such external auditors; and (ii) the remuneration and terms of engagement of the external auditors;

- review of filings with SGX-ST or other regulatory bodies which contain financial information and ensuring proper disclosure;

- commissioning and reviewing any findings of internal investigations into matters where there is suspected fraud or irregularity or failure of internal controls or infringement of any law, rule and regulation which is likely to be material to the Group;

- obtaining recommendations on risk tolerance and strategy from Management, and where appropriate, reporting and recommending to the Board for its determination the nature and extent of significant risks which the Group may take in achieving strategic objectives and the Group's overall level of risk tolerance and risk policies;

- reviewing and discussing, as and when appropriate, with Management, the Group's risk governance structure and framework, including risk policies, risk mitigation and monitoring processes and procedures;

- review of quarterly reports from Management regarding major risk exposures and steps taken to monitor, control and mitigate such risks;

- review of the Group's capability to identify and manage new risk types;

- review and monitor Management's responsiveness to risks and matters identified;

- provide timely input to the Board on critical risk and regulatory compliance issues, material matters, findings and recommendations;

- review of risk management policies and guidelines and monitoring compliance therewith and assessing the adequacy and effectiveness of such risk management function;

- review of policy and arrangements by which staff and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;

- review and approval of any hedging policies and hedging instruments;
- reporting to the Board the work performed by the Audit and Risk Management Committee in carrying out its functions;
- monitoring investments in customers, suppliers and competitors made by Directors, controlling shareholders and their respective associates who are involved in the management or have shareholding interests in similar or related business of the Company and making assessments on whether there are any potential conflicts of interest;
- review of whistle-blower arrangements instituted by the Group through which staff may in confidence, raise concerns and possible improprieties in matters of financial or other matters; and
- undertake generally such other functions and duties as may be required by the Listing Manual and by amendments made thereto from time to time.

The Audit and Risk Management Committee has recommended to the Board of Directors the nomination of Deloitte & Touche LLP. for re-appointment as external auditors at the forthcoming Annual General Meeting of the Company.

3 | Arrangements To Enable Directors To Acquire Shares And Debentures

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of Shares or debentures in the Company or any other body corporate other than the performance shares granted under the KrisEnergy PSP.

4 | Directors' Interest In Shares And Debentures

The interests of Directors holding office at the beginning and end of the financial year in the share capital of the Company or its related corporations according to the Register of Directors' Shareholdings kept by the Company were as follows:

	Holdings Registered In Name Of Directors Or Nominees		Holdings In Which Directors Are Deemed To Have An Interest	
Name Of Director	**AS AT 31 DECEMBER 2019**	**AS AT 1 JANUARY 2019 OR DATE OF APPOINTMENT, IF LATER**	**AS AT 31 DECEMBER 2019**	**AS AT 1 JANUARY 2019 OR DATE OF APPOINTMENT, IF LATER**
John Koh	142,000[1]	142,000	–	–
Duane Radtke[2]	See footnote 2	–	2,000,000[3]	2,000,000
Tan Ek Kia	142,000	142,000	–	–
Alan Nisbet	–	–	–	–
Keith Pringle[4]	See footnote 4	243,308[5]	–	–
Kelvin Tang	1,392,185	1,392,185	The aggregate of: (i) up to one-ninth of 2.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied; and (ii) up to 683,777 PSP Awards	The aggregate of: (i) up to one-ninth of 2.5% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied; and (ii) up to 683,777 PSP Awards
Kiran Raj (Alternate Director to Kelvin Tang)[6]	See footnote 6	892,565	Up to 1,153,416 PSP Awards	Up to 1,153,416 PSP Awards
Chris Ong Leng Yeow	–	–	–	–
Bernard Castanet[7]	10,000	10,000	–	–

Notes:

[1] Held through nominee, DBS Nominees Pte Ltd
[2] Resigned from the Board on 30 September 2019
[3] Duane Radtke is deemed interested in the 2,000,000 Shares held by Radtke Investments L.P. ("RILP") as Duane Radtke and his wife are the general partners of RILP and each is able to make investment decisions for RILP. RILP is owned by Duane Radtke (4.0%) and his wife (4.0%) and their two sons (46.0% each)
[4] Resigned from the Board on 30 May 2019
[5] Held through nominee, TD Direct Investing (Europe) Ltd
[6] Resigned from the Board on 17 October 2019
[7] Appointed to the Board on 18 October 2019

According to the Register of Directors' Shareholdings kept by the Company, there are no changes in any of the Directors' interests between the end of the financial year and 21 January 2020.

5 | Directors' Receipt & Entitlement To Contractual Benefits

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this Annual Report.

6 | Krisenergy Employee Share Option Scheme & Krisenergy Performance Share Plan

The Remuneration Committee is responsible for administering the KrisEnergy ESOS and the KrisEnergy PSP. As at the date of this Directors' Report, the members of the Remuneration Committee are as follows:

Alan Nisbet

Chairman

John Koh

Chris Ong Leng Yeow

The KrisEnergy ESOS and KrisEnergy PSP were adopted on 10 July 2013, in conjunction with the initial public offering of the Company. The duration of these share-based incentive schemes is 10 years commencing from 10 July 2013.

The KrisEnergy ESOS and KrisEnergy PSP were established with the objective of rewarding, motiving and retaining our employees and Directors to achieve better performance. Through these share-based incentive schemes, we will be able to recognise and reward past contributions and services and motivate eligible employees and Directors to continue to strive for our long-term success.

Restrictions: The aggregate number of Shares which may be issued pursuant to the options and/or awards granted under the KrisEnergy ESOS and/or the KrisEnergy PSP, when added to the number of Shares issued and/or issuable in respect of all options and awards granted under the KrisEnergy ESOS and KrisEnergy PSP, shall not exceed 15% of the total issued share capital of the Company on the day immediately preceding the date of the relevant grant.

Unless otherwise decided by the Remuneration Committee, the entitlement to any share options or share awards is conditional on the continued employment of the eligible employee or Director up to the specified vesting date.

Special provisions for vesting and lapsing of awards granted under the KrisEnergy ESOS and KrisEnergy PSP apply for events such as the retirement, ill health or termination of employment and any other events approved by the Remuneration Committee. Upon the occurrence of such events, the Remuneration Committee will consider, at its discretion, whether or not to release any award, and will take into account circumstances of each individual case, including but not limited to the contributions made by that employee or Director

Eligibility: Employees who are not on probation and all Directors (including Non-executive or Independent Directors) of the Group who are in the employment of the Group are eligible to participate in the KrisEnergy ESOS and KrisEnergy PSP. Such an eligible participant must not be an undischarged bankrupt or have entered into a composition with his creditors.

Share Options

As at the date of this Directors' Report, the Company has not issued any share options pursuant to the KrisEnergy ESOS.

Share awards

Participants of the KrisEnergy PSP will receive fully paid Shares free of charge, the equivalent in cash, or combinations thereof, provided that conditions are met within a prescribed performance period.

Since the commencement of the KrisEnergy PSP to the end of the financial year under review, PSP Awards comprising an aggregate 22,877,336 Shares have been granted to employees of the Company, including an aggregate of 8,425,241 Shares awarded to the then Executive Directors of the Company. There were no PSP Awards granted during the financial year under review.

In addition, awards have been granted under the KrisEnergy PSP on the Listing Date to certain Executive Directors and executive officers of the Company, subject to certain performance conditions being met and other terms and conditions. The maximum number of Shares that may be issued under the MS-Awards is 3% of the issued share capital of the Company. Under an MS-Award, each grantee has the conditional right to receive from the Company such number of Shares (fully paid up by the Company as required by law, as to par value) as represents up to one-ninth of 3% of the issued ordinary share capital of the Company.

Since the commencement of the KrisEnergy PSP to the end of the financial year under review, PSP Awards comprising (i) 16,642,144 Shares and (ii) eight-ninths of 1.0% of the issued share capital of the Company had vested. In respect of (i) 16,642,144 Shares were allotted and issued to employees, including 3,943,584 Shares to the then Executive Directors, and in respect of (ii) the Company has, in accordance with and as permitted under the terms of the MS-Awards, paid a cash sum equivalent to the aggregate market value of the Shares that would otherwise have been issued, including S$285,207.36 to an Executive Director. Share awards granted, vested and cancelled during the financial year and share awards outstanding as at the end of the financial year, are reflected in the table below:

Date Of Grant	Total Share Awards Granted Since Commencement Of Krisenergy PSP To End Of Financial Year Under Review	Total Share Awards Vested Since Commencement Of Krisenergy PSP To End Of Financial Year Under Review	Total Share Awards Cancelled Since Commencement Of Krisenergy PSP To End Of Financial Year Under Review	Balance As At 1 January 2019	Balance As At 31 December 2019
19 July 2013 (MS-Awards)					
Directors					
Kelvin Tang	up to one-ninth of 3.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied	one-ninth of 1.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied	–	up to one-ninth of 2.5% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied	up to one-ninth of 2.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied
Others	up to seven-ninths of 3.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied	seven-ninths of 1.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied	one-ninths of 1.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied	up to seven-ninths of 2.5% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied	up to seven-ninths of 2.0% of the issued share capital of the Company at the time when the conditions of the MS-Awards have been satisfied

13 November 2013					
Directors					
Kelvin Tang	235,553	235,553	–	–	–
Others	4,937,169	4,832,778	104,391	–	–
25 June 2014					
Directors					
Kelvin Tang	235,553	235,553	–	-	-
Others	1,220,591	1,220,591	–	-	-
31 December 2014					
Directors					
Kelvin Tang	448,224	448,224	–	-	-
Others	2,129,064	2,129,064	–	-	-
17 March 2015					
Employees	647,325	647,325	10,619	–	–
9 November 2015					
Directors					
Kelvin Tang	432,598	432,598	–	–	–
Others	10,748,278	9,711,651	1,036,627	–	–

Save as disclosed in the table above, no Shares have been awarded under the KrisEnergy PSP to:

(a) any other Director of the Company;
(b) any Controlling Shareholder of the Company;
(c) any director or employee of any parent company and its subsidiaries; or
(d) any participant who has received Shares pursuant to the vesting of awards granted under the KrisEnergy PSP which, in aggregate, represents 5.0% or more of the total number of Shares available under the KrisEnergy PSP.

7 | Auditors

Our auditors, Deloitte & Touche LLP., have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors





Tan Ek Kia Director	**Kelvin Tang** Director
	3 June 2020, Singapore

Statement by Directors

We, Tan Ek Kia and Kelvin Tang, being two of the directors of KrisEnergy Ltd. (the "Company"), do hereby state that, in the opinion of the directors,

(i) the accompanying financial statements of the Company and its subsidiaries (collectively, the "Group"), which comprise the statement of financial position of the Group and the Company as at 31 December 2019, the statement of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the year then ended together with notes thereto are drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Company as at 31 December 2019 and the financial performance of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and

(ii) at the date of this statement, on the basis of successful negotiation and completion of matters disclosed in Note 1 to the financial statements, there are reasonable grounds to believe that the Group and the Company will be able to pay debts as and when they fall due.

On behalf of the Board of Directors

Tan Ek Kia Director	**Kelvin Tang** Director
	3 June 2020, Singapore

Independent auditor's report
For the financial year ended 31 December 2019

Independent auditor's report to the members of KrisEnergy Ltd.

Opinion

We have audited the financial statements of KrisEnergy Ltd. (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Company as at 31 December 2019 and the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Group has recorded losses of US$168.9 million for the year ended 31 December 2019 which resulted in a capital deficiency of US$145.9 million and net current liability position of US$531.7 million as at 31 December 2019. As at the date of these financial statements, the Group has not made principal and interest payments due in respect of debts totaling US$310.7 million, resulting in classification of these balances as current liabilities as at 31 December 2019.

The Group is dependent on, amongst others, the continued support from Keppel Corporation Limited and Brent crude oil prices being sustained at a certain level for the 12 months to June 2021 to have adequate funds to meet its obligations, working capital and capital commitment needs. These events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent auditor's report
For the financial year ended 31 December 2019

Independent auditor's report to the members of KrisEnergy Ltd.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the audit matter was addressed in the audit
Assessment of impairment in exploration and evaluation assets, oil and gas properties, and intangible assets As at 31 December 2019, the Group recorded US$268.4 million of exploration and evaluation assets, US$116.6 million of oil and gas properties, US$8.4 million of intangible assets and US$29.9 million of other property, plant and equipment relating to the oil & gas assets (collectively the "Oil & Gas Assets"), which amount to approximately 73.8% of the Group's total assets. Management assessed the recoverability of its Oil and Gas Assets by looking at future cash flows from the respective Oil & Gas Assets at 31 December 2019 and its future plans for these assets. They have also engaged an independent qualified person to estimate, where appropriate, the proved, probable and possible reserves for certain of the Oil & Gas Assets, including the future net cash flows arising from such. Consolidated cash flow forecast supporting the Group's impairment assessments as at 31 December 2019 is based on a forecasted Brent crude oil price of between US$60 to US$70 per barrel. The above assessment requires the exercise of significant judgement about and assumptions on, amongst others, the discount rate, oil reserves, expected production volumes and future crude oil prices. The Group has made disclosures on the above judgement in Note 3, Note 12 and Note 28 to the financial statements.	Our audit procedures focused on evaluating and challenging the judgements and key assumptions used by management in performing the impairment review. Such procedures included, amongst others: • Evaluated the appropriateness of management's defined cash generating units ("CGU") in performing their impairment assessment; • Reviewed management's budget and plan for the assets, including the funding options for future capital expenditure; • Compared forecasted oil price assumptions to publicly available forecasts and other market data; • Engaged our valuation specialists to independently develop expectations for the key macro-economic assumptions used in the impairment analysis, in particular the discount rate, and compared the independent expectations to those used by management; • Reviewed the reserve reports prepared by independent qualified person relating to the Group's estimated oil reserves, including having a discussion of the reserve reports with the independent qualified person; • Assessed the objectivity, competency and capability of the independent qualified person who prepared the reserve reports; • Agreed the hydrocarbon production profile in the independent qualified person's reserve report to what management has used in their internal corporate financial model; and • Reviewed the sensitivity tests performed by management on key variables such as (i) oil prices; (ii) discount rate; and (iii) production volume, keeping other assumptions constant. We have also reviewed the adequacy of the Group's disclosures that have been set out in the financial statements.

Independent auditor's report
For the financial year ended 31 December 2019

Independent auditor's report to the members of KrisEnergy Ltd.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information, included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independent auditor's report to the members of KrisEnergy Ltd.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

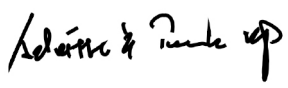
We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditor's report
For the financial year ended 31 December 2019

Independent auditor's report to the members of KrisEnergy Ltd.

The engagement partner on the audit resulting in this independent auditor's report is Mr Yang Chi Chih.



Public Accountants and

Chartered Accountants

Singapore

3 June 2020

KrisEnergy Ltd.

Consolidated statement of comprehensive income
For the financial year ended 31 December 2019

	Note	2019 US$	2018 US$
Revenue	6	126,531,037	144,805,416
Cost of sales	6	(147,906,326)	(149,562,608)
Gross loss		(21,375,289)	(4,757,192)
Other income		11,060,696	40,517,158
General and administrative expenses		(18,736,183)	(21,309,355)
Other operating expenses	6	(86,617,498)	(99,006,401)
Finance income		900,885	654,101
Finance costs	6	(56,577,725)	(49,261,437)
Loss before tax	6	(171,345,114)	(133,163,126)
Tax credit (expense)	7	2,484,648	(4,189,299)
Loss for the year		(168,860,466)	(137,352,425)
Other comprehensive income (loss)			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		(22,031)	(61,743)
Items that will not be reclassified subsequently to profit or loss			
Re-measurement of defined benefit obligations	22	51,899	181,290
Total comprehensive loss for the year		(168,830,598)	(137,232,878)
Loss per share attributable to owners of the Company (cents per share)			
Basic	6	(11)	(9)
Diluted	6	(11)	(9)

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

KrisEnergy Ltd.

Statements of financial position
As at 31 December 2019

	Note	Group		Company	
		2019	2018	2019	2018
		US$	US$	US$	US$
ASSETS					
Non-current assets					
Exploration and evaluation assets	8	268,405,159	307,892,254	–	–
Oil and gas properties	9	116,638,999	163,769,685	–	–
Right-of-use assets	10	25,110,535	–	–	–
Other property, plant and equipment	11	29,853,001	13,500,775	–	–
Intangible assets	12	8,444,892	8,444,892	–	–
Investment in subsidiaries	13	–	–	10,119,717	336,744,426
Other receivables	15	4,035,573	4,088,466	115,915,795	209,518,945
		452,488,159	497,696,072	126,035,512	546,263,371
Current assets					
Inventories	14	16,249,611	21,930,224	-	–
Trade and other receivables	15	45,856,955	37,950,868	2,673	–
Prepayments		7,900,157	5,686,060	41,742	143,777
Cash and bank balances	16	51,361,068	77,606,440	21,221	274,059
		121,367,791	143,173,592	65,636	417,836
Total assets		573,855,950	640,869,664	126,101,148	546,681,207
EQUITY AND LIABILITIES					
Equity					
Share capital	17	1,878,562	1,878,562	1,878,562	1,878,562
Share premium	17	730,302,151	730,302,151	730,302,151	730,302,151
Other reserves	17	30,880,836	30,707,795	41,507,519	41,312,447
Accumulated losses		(908,958,598)	(740,150,031)	(1,010,788,910)	(559,149,382)
Total (capital deficiency) equity		(145,897,049)	22,738,477	(237,100,678)	214,343,778
Non-current liabilities					
Other payables	18	–	–	28,149,516	25,628,394
Accrued operating expenses	18	11,239,808	–	–	–
Lease liabilities	19	550,833	–	–	–
Loans and borrowings	20	–	439,072,439	–	290,802,439
Provisions	21	24,753,673	22,206,613	–	–
Employee benefit liability	22	490,572	611,635	–	–
Derivative liabilities	24	2,324,481	2,966,741	2,324,481	2,966,741
Deferred tax liabilities	7	27,358,571	35,344,560	–	–
		66,717,938	500,201,988	30,473,997	319,397,574

Statements of financial position (cont'd)
As at 31 December 2019

	Note	Group 2019 US$	Group 2018 US$	Company 2019 US$	Company 2018 US$
Current liabilities					
Trade and other payables	18	86,775,347	73,545,266	17,286,536	11,062,831
Accrued operating expenses	18	35,281,281	21,935,797	4,764,241	1,877,024
Lease liabilities	19	25,573,038	–	–	–
Loans and borrowings	20	503,053,505	20,000,000	310,677,052	–
Withholding tax payable		401,002	197,753	–	–
Tax payable		1,950,888	2,250,383	–	–
		653,035,061	117,929,199	332,727,829	12,939,855
Total liabilities		719,752,999	618,131,187	363,201,826	332,337,429
Total equity and liabilities		573,855,950	640,869,664	126,101,148	546,681,207

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

KrisEnergy Ltd.

Statements of changes in equity
For the financial year ended 31 December 2019

Group	Share capital US$	Share premium US$	Accumulated losses US$	Foreign currency translation reserve US$	Employee share option reserve US$	General reserve US$	Total equity (capital deficiency) US$
Balance at 1 January 2019	1,878,562	730,302,151	(740,150,031)	(1,923,556)	1,012,111	31,619,240	22,738,477
Loss for the year	–	–	(168,860,466)	–	–	–	(168,860,466)
Other comprehensive loss							
Exchange differences on translation of foreign operations	–	–	–	(22,031)	–	–	(22,031)
Re-measurement of defined benefit obligations	–	–	51,899	–	–	–	51,899
Total comprehensive loss for the year	–	–	(168,808,567)	(22,031)	–	–	(168,830,598)
Equity-settled share transactions with employees (Note 23)	–	–	–	–	195,072	–	195,072
Balance at 31 December 2019	1,878,562	730,302,151	(908,958,598)	(1,945,587)	1,207,183	31,619,240	(145,897,049)

Statements of changes in equity (cont'd)
For the financial year ended 31 December 2019

Group (cont'd)	**Share capital** US$	**Share premium** US$	**Accumulated losses** US$	**Foreign currency translation reserve** US$	**Employee share option reserve** US$	**General reserve** US$	**Total equity** US$
Balance at 1 January 2018	1,878,562	730,302,151	(602,978,896)	(1,861,813)	767,095	31,619,240	159,726,339
Loss for the year	–	–	(137,352,425)	–	–	–	(137,352,425)
Other comprehensive loss							
Exchange differences on translation of foreign operations	–	–	–	(61,743)	–	–	(61,743)
Re-measurement of defined benefit obligations	–	–	181,290	–	–	–	181,290
Total comprehensive loss for the year	–	–	(137,171,135)	(61,743)	–	–	(137,232,878)
Equity-settled share transactions with employees (Note 23)	–	–	–	–	245,016	–	245,016
Balance at 31 December 2018	1,878,562	730,302,151	(740,150,031)	(1,923,556)	1,012,111	31,619,240	22,738,477

Statements of changes in equity (cont'd)
For the financial year ended 31 December 2019

Company	Share capital US$	Share premium US$	Accumulated losses US$	Employee share option reserve US$	General reserve US$	Total equity (capital deficiency) US$
Balance at 1 January 2019	1,878,562	730,302,151	(559,149,382)	1,012,111	40,300,336	214,343,778
Loss for the year	–	–	(451,639,528)	–	–	(451,639,528)
Other comprehensive loss	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	(451,639,528)	–	–	(451,639,528)
Equity-settled share transactions with employees (Note 23)	–	–	–	195,072	–	195,072
Balance at 31 December 2019	1,878,562	730,302,151	(1,010,788,910)	1,207,183	40,300,336	(237,100,678)

Statements of changes in equity (cont'd)
For the financial year ended 31 December 2019

Company (cont'd)	**Share capital** US$	**Share premium** US$	**Accumulated losses** US$	**Employee share option reserve** US$	**General reserve** US$	**Total equity** US$
Balance at 1 January 2018	1,878,562	730,302,151	(24,307,842)	767,095	40,300,336	748,940,302
Loss for the year	–	–	(534,841,540)	–	–	(534,841,540)
Other comprehensive loss	–	–	–	–	–	–
Total comprehensive loss for the year	–	–	(534,841,540)	–	–	(534,841,540)
Equity-settled share transactions with employees (Note 23)	–	–	–	245,016	–	245,016
Balance at 31 December 2018	1,878,562	730,302,151	(559,149,382)	1,012,111	40,300,336	214,343,778

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

KrisEnergy Ltd.

Consolidated statement of cash flows
For the financial year ended 31 December 2019

	Note	2019 US$	2018 US$
Operating activities			
Loss before tax		(171,345,114)	(133,163,126)
Adjustments to reconcile loss before tax to net cash flows			
Depreciation, depletion and amortisation		46,395,269	49,867,417
Depreciation of right-of-use assets	10	40,859,448	–
Dry hole expenses	6	–	11,450,524
Employee defined benefit		(69,164)	(555,709)
Equity-settled share transactions with employees	23	195,072	245,016
Gain on disposal of a subsidiary	4	–	(2,526,714)
Impairment loss on exploration and evaluation assets	8	65,218,780	61,358,426
Impairment loss on oil and gas properties	9	22,092,108	18,946,687
Inventories written down	6	1,877,537	8,940,159
Net fair value gain on financial instruments		(633,707)	(4,079,847)
Finance costs		32,537,508	27,690,643
Utilisation of decommissioning provisions	21	–	(3,971,874)
Write-back of unused decommissioning provisions	21	–	(29,006,833)
Unwinding of discount on decommissioning provisions	21	2,220,656	1,521,272
Unwinding of discount on Notes	6	17,975,212	20,049,522
Unwinding of discount on lease liabilities		3,844,349	–
Unrealised foreign exchange loss (gain) on financial instruments		1,890,848	(5,864,560)
Interest income		(900,885)	(654,101)
Operating cash flows before changes in working capital		62,157,917	20,246,902
Inventories		3,803,076	(12,736,309)
Trade and other receivables		(14,257,529)	18,653,268
Trade and other payables		(9,057,689)	30,438,381
Cash flows generated from operations		42,645,775	56,602,242
Interest received		900,885	654,101
Interest paid		(12,952,073)	(15,696,709)
Taxes paid		(5,800,837)	(6,259,578)
Net cash from operating activities		24,793,750	35,300,056
Investing activities			
Additions to exploration and evaluation assets	8	(28,039,185)	(22,284,978)
Additions to oil and gas properties		(17,701,028)	(30,721,162)
Expenditure on assets refurbishment		(1,751,811)	(1,258,676)
Proceeds from sale of subsidiary	4	4,190,237	9,079,743
Purchase of other property, plant and equipment		(121,229)	(28,119)
Net cash used in investing activities		(43,423,016)	(45,213,192)
Financing activities			
Decrease in cash collateralised		2,000,000	–
Proceeds from bank borrowings		44,106,453	55,000,000
Financial restructuring expense	6	(3,030,212)	–
Repayment of bank borrowings		(20,000,000)	(35,000,000)
Repayment of lease liabilities		(23,636,030)	–
Payment of Notes interest		(5,035,043)	(6,243,801)
Net cash (used in) from financing activities		(5,594,832)	13,756,199

Consolidated statement of cash flows (cont'd)
For the financial year ended 31 December 2019

	Note	2019 US$	2018 US$
Net (decrease) increase in cash and cash equivalents		(24,224,098)	3,843,063
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies		(21,274)	(61,471)
Cash and cash equivalents at beginning of year		69,336,440	65,554,848
Cash and cash equivalents at end of year	16	45,091,068	69,336,440

The accompanying accounting policies and explanatory notes form an integral part of the consolidated financial statements.

1. Corporate information

KrisEnergy Ltd. (the "Company") was incorporated on 5 October 2009 as a limited liability company in Cayman Islands. The Company is listed on the Singapore Exchange. The financial statements are expressed in United States Dollars ("USD" or "US$").

The registered office of the Company is located at 190 Elgin Avenue, George Town, Grand Cayman KY1-9005, Cayman Islands.

The principal activity of the Company is that of investment holding. The principal activities of the joint arrangements and subsidiaries are disclosed in Note 5 and Note 13 to the consolidated financial statements.

Material Uncertainty Related to Going Concern

The financial statements have been prepared on a going concern basis.

The consequences of a further depressed and volatile oil markets coupled with the Group's high exposure to interest-bearing debts and associated non-cash finance charges, has continued to materially and adversely impact the Group's results of operations and financial condition.

The Group has recorded losses of US$168.9 million for the year ended 31 December 2019 which resulted in a capital deficiency of US$145.9 million and net current liability position of US$531.7 million as at 31 December 2019. As at 31 December 2019, the Group has the following debts:

(i) US$192.4 million under the Revolving Credit Facility ("RCF") with DBS Bank Ltd ("DBS") due 30 June 2020;
(ii) Unsecured term loans of US$34.4 million with five principal repayments of 10.0% of the total term loan semi-annually starting 21 August 2019, and bullet principal repayment on maturity due 21 February 2022;
(iii) S$130.0 million 4.0% senior unsecured principal notes due 2022 ("2022 Notes");
(iv) S$200.0 million 4.0% senior unsecured principal notes due 2023 ("2023 Notes"); and
(v) S$139.5 million in aggregate principal amount of senior secured Zero Coupon notes due 2024 ("ZCNs", together with the 2022 Notes and the 2023 Notes, the "Notes").

The Group has not made principal and/or interest payments due in respect of the above debts, other than partial principal repayment and/or interest payment for the RCF, resulting in classification of these balances as current liabilities as at 31 December 2019. On 14 August 2019, the Company applied to the High Court of the Republic of Singapore ("Court") under Section 211B of the Companies Act (Cap. 50) to seek a moratorium against enforcement actions and legal proceedings by creditors against the Company. On 27 May 2020, the Company applied for its third moratorium extension and is currently awaiting a hearing date by the Court.

To support the financial statements having been prepared on going concern basis and to ensure the adequacy of funds required to meet its obligations, working capital and capital commitment needs, the Group has prepared a 15-months consolidated cash flow forecast till 30 June 2021 (the "Cash Flow Forecast"). In its preparation, other than the judgement and assumptions around the extension of moratorium set out above, the following have been taken into consideration by the Group:

1. Corporate information (cont'd)

Material Uncertainty Related to Going Concern *(cont'd)*

1) On 30 April 2020, the Group signed a credit facility agreement with Kepinvest Singapore Pte. Ltd. ("Lender"), a subsidiary of Keppel Corporation Limited ("Keppel"), pursuant to which the Lender has agreed to grant a project financing loan in the aggregate principal amount of up to US$87.0 million (the "Project Financing Facility") which will be used solely for the funding of the development of Cambodia Block A. As at date of this financial statements, the Group has drawn-down US$14.6 million from the Project Financing Facility. As disclosed in Note 32, the Group will need to satisfy certain conditions specified under the Project Financing Facility (including the obtaining of shareholders' approval), failing which the Lender will be entitled to call for immediate repayment of the funds already advanced and have no obligation to make available any further funding. As at date of this financial statements, the directors and management are confident that the continued support from Keppel will be forthcoming and there is nothing to suggest otherwise provided the Group continues to adhere and fulfils all conditions set out in the Project Financing Facility;

2) the Group has US$16.6 million payable to Indonesian authorities relating to:

   (i) Notice of Property for Land and Building Tax of approximately US$6.7 million (including interest) relating to Bala-Balakang PSC; and
   (ii) Unfulfilled capital commitments of US$9.6 million on the relinquished interest in the East Seruway PSC.

   Management is currently in discussion with the respective Indonesian authorities to make payments for the above on an instalment basis and has reflected as such in preparing the Cash Flow Forecast; and

3) crude oil prices continue to be volatile and significantly affected by macroeconomic and microeconomic factors. As at date of these consolidated financial statements, the trajectory for oil prices remains uncertain and the upstream sector enters a new decade with shaken confidence. In preparing the Cash Flow Forecast, management has used forecasted Brent crude oil price of US$22 per barrel and US$45 per barrel from June 2020 and from January 2021 respectively, after taking into consideration the oil prices subsequent to year end. In view of current oil market volatility and the imminent expiry of certain equipment charters, as announced on 3 June 2020, the Group has taken the decision to suspend operation at the Wassana field in the G10/48 concession in the Gulf of Thailand after undertaking a review of the commerciality of the asset at current oil price levels and future projected levels. Management has taken such effect into consideration in preparing the Cash Flow Forecast.

   Whilst the full extent of the emergence of COVID-19 is yet to be understood but is widely expected to negatively impact all sectors of the economy worldwide, in preparing the Cash Flow Forecast, management has estimated to the best of their knowledge and taken the potential impact into consideration. Immediate consequences in the first two quarters of 2020 have been manufacturing disruptions, broken supply chains and sharply reduced travel and tourism, all of which curtail energy demand.

The Group has appointed financial and legal advisors to assist in the restructuring and/or extension of its debt obligations (the "Debt Restructuring"). The financial advisors are evaluating and advising the Board on all available options to improve and strengthen the financial position of the Group, including looking at recapitalisation options and extension of the RCF with DBS. The directors and management are confident that major stakeholders will continue to support the Group in its Debt Restructuring, and working closely with the other secured and unsecured stakeholders, there is reasonable likelihood that such restructuring can be successfully achieved. Until then, the Group expects to continue to have its moratorium extended.

1. Corporate information (cont'd)

Material Uncertainty Related to Going Concern *(cont'd)*

The above matters represent a material uncertainty that may cast a significant doubt on the Group's ability to continue as a going concern, and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business. Taking into considerations of the underlying assumptions forming the Cash Flow Forecast of the Group as well as the Group's ongoing discussions with its major stakeholders, the Directors believe that positive outcomes relating to the matters stated above will enable the Group to continue operations for at least the next 12 months from the date of the financial statements, and that the basis of preparation of the financial statements remains appropriate.

The financial statements do not include any adjustments relating to positive outcomes that may eventuate in connection with the Debt Restructuring and nor do they include adjustments relating to the realisation and classification of assets and liabilities that may be necessary if the Group is unable to continue as a going concern. If the going concern assumption is no longer appropriate, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which may differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to reclassify non-current assets and liabilities as current assets and liabilities respectively. Such adjustments have not been made to these financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Company and its subsidiaries (collectively the "Group"), have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards ("IAS") Board.

The consolidated financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IFRS 16 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value-in-use ("VIU") in IAS 36 *Impairment of Assets*.

2. Summary of significant accounting policies (cont'd)

2.1 Basis of preparation (cont'd)

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

(i) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

(ii) Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

(iii) Level 3 inputs are unobservable inputs for the asset or liability.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries as at 31 December 2019. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has the rights, to variable return from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.

2 Summary of significant accounting policies (cont'd)

2.2 Basis of consolidation (cont'd)

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recognised in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.3 Adoption of new and revised IFRSs

In the current financial year, the Group has adopted all the new and revised IFRSs and IFRIC Interpretations ("IFRICs") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2019. The adoption of these new/revised IFRSs and IFRICs resulted in changes to the Group's accounting policies but has no material effect on the amounts reported for the current or prior years. Effects for IFRS 16 *Leases* is disclosed below:

IFRS 16 *Leases*

In the current year, the Group has applied IFRS 16 *Leases* (as issued by the IASB in January 2016) that is effective for annual periods that begin on or after 1 January 2019.

IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets when such recognition exemptions are adopted. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Details of these new requirements are described in Note 2.16. The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is described below.

The date of initial application of IFRS 16 for the Group is 1 January 2019.

The Group has applied IFRS 16 using the cumulative catch-up approach which:

- Requires the Group to recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening balance of retained earnings at the date of initial application.
- Does not permit restatement of comparatives, which continue to be presented under IAS 17 and IFRIC 4.

2. Summary of significant accounting policies (cont'd)

2.3 Adoption of new and revised IFRSs (cont'd)

IFRS 16 *Leases* *(cont'd)*

Impact of the new definition of a lease

The Group has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those leases entered or changed before 1 January 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Group applies the definition of a lease and related guidance set out in IFRS 16 to all lease contracts entered into or changed on or after 1 January 2019 (whether it is a lessor or a lessee in the lease contract). In preparation for the first-time application of IFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Group.

Impact on Lessee Accounting

Former operating leases

IFRS 16 changes how the Group accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases (except as noted below), the Group:

(i) Recognises right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments in accordance with IFRS 16:C8(b)(ii)

(ii) Recognises depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss;

(iii) Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated statement of cash flows.

Lease incentives (e.g. rent free period) are recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses on a straight line basis.

Under IFRS 16, right-of-use assets are tested for impairment in accordance with IAS 36.

For short-term leases (lease term of 12 months or less) and leases of low-value assets (which includes tablets and personal computers, small items of office furniture and telephones), the Group has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. This expense is presented within 'general and administrative expenses' in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.3 Adoption of new and revised IFRSs (cont'd)

IFRS 16 *Leases* *(cont'd)*

The Group has used the following practical expedients when applying the cumulative catch-up approach to leases previously classified as operating leases applying IAS 17.

- The Group has applied a single discount rate to a portfolio of leases with reasonably similar characteristics.
- The Group has adjusted the right-of-use asset at the date of initial application by the amount of provision for onerous leases recognised under IAS 37 in the statement of financial position immediately before the date of initial application as an alternative to performing an impairment review.
- The Group has elected not to recognise right-of-use assets and lease liabilities to leases for which the lease term ends within 12 months of the date of initial application.
- The Group has excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application.
- The Group has used hindsight when determining the lease term when the contract contains options to extend or terminate the lease.

Financial impact of initial application of IFRS 16

The weighted average lessees incremental borrowing rate applied to lease liabilities recognised in the statement of financial position on 1 January 2019 is 8.0%.

The following table shows the operating lease commitments disclosed applying IAS 17 at 31 December 2018, discounted using the incremental borrowing rate at the date of initial application and the lease liabilities recognised in the statement of financial position at the date of initial application.

Impact on retained earnings as at 1 January 2019

	US$
Operating lease commitments at 31 December 2018	70,640,027
Effect of discounting the above amounts	(4,652,644)
Lease liabilities recognised at 1 January 2019	65,987,383

The Group has recognised US$66.0 million of right-of-use assets and US$66.0 million of lease liabilities upon transition to IFRS 16.

2.4 New and revised IFRSs in issue but not yet effective

At the date of these consolidated financial statements, the Group and the Company have not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17	*Insurance Contracts*[1]
Amendments to IFRS 3	*Definition of Business*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IFRS 1 and IAS 8	*Definition of Material*[4]
Conceptual Framework	Amendments to References to the Conceptual Framework in IFRS Standards[4]

2. Summary of significant accounting policies (cont'd)

2.4 New and revised IFRSs in issue but not yet effective (cont'd)

(1) Effective for annual periods beginning on or after 1 January 2021.

(2) Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

(3) Effective for annual periods beginning on or after a date to be determined.

(4) Effective for annual periods beginning on or after 1 January 2020.

Management anticipates that the adoption of the above IFRSs, IFRICs, and amendments to IFRS and IAS in future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

2.5 Business combination and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another IFRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as excess of fair value of net assets acquired over consideration paid in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash generating units ("CGUs") that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The CGUs to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates.

2. Summary of significant accounting policies (cont'd)

2.5 Business combination and goodwill (cont'd)

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

2.6 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investment in subsidiaries are accounted for at cost less impairment losses.

2.7 Joint arrangements

A joint arrangement is a contractual arrangement whereby two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

A joint arrangement is classified either as joint operation or joint venture, based on the rights and obligations of the parties to the arrangement.

To the extent the joint arrangement provides the Group with rights to the assets and obligations for the liabilities relating to the arrangement, the arrangement is a joint operation. To the extent the joint arrangement provides the Group with rights to the net assets of the arrangement, the arrangement is a joint venture.

The Group reassesses whether the type of joint arrangement in which it is involved has changed when facts and circumstances change.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group recognises in relation to its interest in a joint operation,
- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

2. Summary of significant accounting policies (cont'd)

2.7 Joint arrangements (cont'd)

***Joint operations** (cont'd)*

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

When the Group enters into a transaction involving a sale or contribution of assets with a joint operation in which it is a joint operator, the Group recognises gains and losses resulting from such a transaction only to the extent of the interests held by the other parties of the joint operation.

When the Group enters into a transaction involving purchase of assets with a joint operation in which it is a joint operator, the Group does not recognise its share of the gains and losses until it resells those assets to a third party. When such transactions provide evidence of a reduction in the net realisable value of the assets to be purchased or of an impairment loss of those assets, the Group recognises its share of those losses.

When the Group enters into a transaction involving the transfer and assignment of working interest in which it is a joint operator with no consideration, the Group recognises gains resulting from such transaction only to the extent of the interests transferred and assigned to the Group, and when the transaction provides evidence of future economic benefits.

2.8 Foreign currency

The financial statements are presented in USD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

Consolidated financial statements

For the purpose of presenting consolidated financial statements, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.8 Foreign currency (cont'd)

Consolidated financial statements (cont'd)

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss.

2.9 Oil and natural gas exploration, evaluation and development expenditure

Oil and natural gas exploration, evaluation and development expenditure is accounted for using the successful efforts method of accounting.

Pre-licence costs

Pre-licence costs are expensed in the period in which they are incurred.

Licence and property acquisition costs

Exploration licence and leasehold property acquisition costs are capitalised as intangible assets.

Licence and property acquisition costs are reviewed at each reporting date to confirm that there is no indication that the carrying amount exceeds the recoverable amount. This review includes confirming that exploration drilling is still under way or firmly planned, or that it has been determined, or work is under way to determine that the discovery is economically viable based on a range of technical and commercial considerations and sufficient progress is being made on establishing development plans and timing.

If no future activity is planned or the licence has been relinquished or has expired, the carrying amount of the licence and property acquisition costs is written off through profit or loss. Upon production of first gas or oil, the relevant expenditure is transferred to oil and gas properties.

Exploration and evaluation costs

Exploration and evaluation activity involves the search for hydrocarbon resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalised as exploration and evaluation intangible assets until the drilling of the well is completed and the results have been evaluated. These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors.

If no potentially commercial hydrocarbons are discovered and evaluated results are not used in assessing the commerciality of the asset, the exploration and evaluation asset is written off through profit or loss as a dry hole expense. If extractable hydrocarbons are found and, subject to further appraisal activity (e.g. the drilling of additional wells), it is probable they can be commercially developed, the costs continue to be carried as an intangible asset while sufficient/continued progress is made in assessing the commerciality of the hydrocarbons. Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of hydrocarbons, including the costs of appraisal wells where hydrocarbons were not found, are initially capitalised as an intangible asset.

2. Summary of significant accounting policies (cont'd)

2.9 Oil and natural gas exploration, evaluation and development expenditure (cont'd)

Exploration and evaluation costs (cont'd)

All such capitalised costs are subject to technical, commercial and management review, as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off through profit or loss.

Upon production of first gas or oil, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is transferred to oil and gas properties.

Farm-outs - in the exploration and evaluation phase

The Group does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal. The Group will test the retained interests for impairment if the terms of the arrangement indicate that the retained interest may be impaired.

Development costs

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells, including unsuccessful development on delineation wells, is capitalised within exploration and evaluation assets, as management believes there are future economic benefits to be obtained for other wells.

2.10 Oil and gas properties and other property, plant and equipment

Initial recognition

Oil and gas properties and other property, plant and equipment are initially recorded at cost. Subsequent to recognition, other property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the decommissioning obligation, and for qualifying assets (where relevant), borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. The capitalised value of a finance lease is also included within property, plant and equipment.

When a development project moves into the production stage, the capitalisation of certain construction/development costs ceases and costs are either regarded as part of the cost of inventory or expensed, except for costs which qualify for capitalisation relating to oil and gas properties asset additions, improvements or new developments.

2. Summary of significant accounting policies (cont'd)

2.10 Oil and gas properties and other property, plant and equipment

Depreciation, depletion and amortisation

Oil and gas properties are depreciated, depleted and amortised on a unit-of-production basis over the total proved developed and undeveloped reserves of the asset concerned. Rights and concessions are depleted on the unit-of-production basis over the total proved developed and undeveloped reserves of the relevant area. The unit-of-production rate calculation for the depreciation, depletion and amortisation of asset development costs takes into account expenditures incurred to date, together with sanctioned future development expenditure.

Other property, plant and equipment are generally depreciated on a straight-line basis over their estimated useful lives which are as follows:

Renovation	-	3 years
Furniture and fittings	-	3 years
Office equipment	-	3 years
Computers	-	2 years

Refurbishment assets in progress included in other property, plant and equipment are not depreciated as these assets are not yet available for use.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is de-recognised.

The assets' residual values, useful lives and methods of depreciation, depletion and amortisation are reviewed at each reporting period, and adjusted prospectively, if appropriate.

Farm-outs - outside the exploration and evaluation phase

In accounting for a farm-out arrangement outside the exploration and evaluation phase, the Group:

- De-recognises the proportion of the asset that it has sold to the farmee;
- Recognises the consideration received or receivable from the farmee, which represents the cash received and/or the farmee's obligation to fund the capital expenditure in relation to the interest retained by the farmor;
- Recognises a gain or loss on the transaction for the difference between the net disposal proceeds and the carrying amount of the asset disposed of. A gain is only recognised when the value of the consideration can be determined reliably. If not, then the Group accounts for the consideration received as a reduction in the carrying amount of the underlying assets; and
- Tests the retained interests for impairment if the terms of the arrangement indicate that the retained interest may be impaired.

2. Summary of significant accounting policies (cont'd)

2.10 Oil and gas properties and other property, plant and equipment (cont'd)

Major maintenance, inspection and repairs

Expenditure on major maintenance re-fits, inspections or repairs comprises the cost of replacement assets or parts of assets, inspection costs and overhaul costs. Where an asset or part of an asset, that was separately depreciated and is now written off, is replaced and it is probable that future economic benefits associated with the item will flow to the Group, the expenditure is capitalised. Where part of the asset replaced was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) which is immediately written off. All other day-to-day repairs and maintenance costs are expensed as incurred.

2.11 Intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying amount may be impaired either individually or at the CGU level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is de-recognised.

2.12 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset (or CGU) may be impaired. CGU is the smallest group of assets that independently generates cash flow and whose cash flows is largely independent of the cash flows generated by other assets, which include oil and gas properties, other property, plant and equipment, goodwill and other intangible assets. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's or CGU's recoverable amount.

2. Summary of significant accounting policies (cont'd)

2.12 Impairment of non-financial assets (cont'd)

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its VIU and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In calculating VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. The Group bases its impairment calculation on detailed budgets and forecasts, which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecasts generally cover the period up to the end of oil and gas field's economic life. VIU does not reflect future cash flows associated with improving or enhancing an asset's performance.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.13 Financial instruments

2.13.1 Financial assets

Financial assets are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Classification of financial assets

Debt instruments mainly comprise cash and bank balances and trade and other receivables that meet the following conditions and are subsequently measured at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Summary of significant accounting policies (cont'd)

2.13 Financial instruments (cont'd)

2.13.1 Financial assets (cont'd)

Classification of financial assets (cont'd)

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically, for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other operating expenses" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

2. Summary of significant accounting policies (cont'd)

2.13 Financial instruments (cont'd)

2.13.1 Financial assets (cont'd)

Impairment of financial assets (cont'd)

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 90 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) the financial instrument has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

2. Summary of significant accounting policies (cont'd)

2.13 Financial instruments (cont'd)

2.13.1 Financial assets (cont'd)

Impairment of financial assets (cont'd)

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- When there is a breach of financial covenants by the counterparty; or
- Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(i) significant financial difficulty of the issuer or the borrower;

(ii) a breach of contract, such as a default or past due event; or

(iii) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

2. Summary of significant accounting policies (cont'd)

2.13 Financial instruments (cont'd)

2.13.1 Financial assets (cont'd)

Impairment of financial assets (cont'd)

Measurement and recognition of expected credit losses

The measurement of an ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

De-recognition of financial assets

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

2.13.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Warrants

Detachable warrants issued are classified as equity. Warrants are measured at fair value at the date of grant and the proceeds are apportioned to warrants using the relative fair value approach.

2. Summary of significant accounting policies (cont'd)

2.13 Financial instruments (cont'd)

2.13.3 Financial liabilities

Initial recognition and measurement

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

Financial liabilities carried at amortised cost

Financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.13.4 Embedded derivatives

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value as at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss ("FVTPL"). Derivatives embedded in hybrid contracts that contain financial asset hosts within the scope of IFRS 9 are not separated. The entire hybrid contract is classified and subsequently measured as either amortised cost or FVTPL as appropriate. See Note 2.13.2 for the Group's policy on classification of financial assets.

2. Summary of significant accounting policies (cont'd)

2.13 Financial instruments (cont'd)

2.13.5 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Group and the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, short-term deposits and amounts held under joint operations, which are subject to insignificant risk of changes in value.

2.15 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in the normal course of business in bringing each product to its present location and condition. The drilling supplies and materials are accounted for on a first-in first-out basis and crude oil are determined based on a weighted average basis. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying amount of inventories to the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Leases (from 1 January 2019)

The Group has applied IFRS 16 using the cumulative catch-up approach and therefore comparative information has not been restated and is presented under IAS 17. The details of accounting policies under both IFRS 16 and IAS 17 are presented in Note 2.16 and 2.17 respectively.

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

2. Summary of significant accounting policies (cont'd)

2.16 Leases (from 1 January 2019) (cont'd)

The Group as a lessee (cont'd)

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

2. Summary of significant accounting policies (cont'd)

2.16 Leases (cont'd)

The Group as a lessee (cont'd)

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.12.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in 'general and administrative expenses' in profit or loss.

2.17 Leases (before 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as a lessee

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2. Summary of significant accounting policies (cont'd)

2.18 Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

The obligation generally arises when the asset is installed or the ground/environment is disturbed at the field location. When the liability is initially recognised, the present value of the estimated costs is capitalised by increasing the carrying amount of the related oil and gas assets to the extent that it was incurred by the development/construction of the field. Any decommissioning obligations that arise through the production of inventory are expensed when the inventory item is recognised in cost of goods sold.

Changes in the estimated timing of decommissioning or changes to the decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to oil and gas assets.

Any reduction in the decommissioning liability and, therefore, any deduction from the asset to which it relates, may not exceed the carrying amount of that asset. If it does, any excess over the carrying amount is taken immediately to profit or loss.

If the change in estimate results in an increase in the decommissioning liability and, therefore, an addition to the carrying amount of the asset, the Group considers whether this is an indication of impairment of the asset as a whole, and if so, tests for impairment in accordance with IAS 36. If, for mature fields, the estimate for the revised value of oil and gas assets net of decommissioning provisions exceed the recoverable value, that portion of the increase is charged directly to expense.

Over time, the discount liability is increased for the change in present value based on the discount rate that reflects current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognised in profit or loss as a finance cost.

2. Summary of significant accounting policies (cont'd)

2.19 Revenue recognition

The Group recognises revenue from the sale of crude oil and gas. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product to a customer. This generally occurs when the product is physically transferred into a vessel, pipe or other delivery mechanism. Such revenue is recognised as a performance obligation satisfied at a point in time.

Revenue from the production of oil and gas, in which the Group and other partners jointly hold interests in, is recognised based on the Group's effective working interest and the terms of the relevant production sharing contracts.

2.20 Employee benefits

Defined contribution plans

The Group makes contributions to the defined contribution pension schemes. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting date.

Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions), and are granted share appreciation rights, which are settled in cash (cash-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in employee share option reserve in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimates of the number of equity instruments that will ultimately vest. The profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense in Note 23.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

2. Summary of significant accounting policies (cont'd)

2.20 Employee benefits (cont'd)

Share-based payments (cont'd)

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model, further details of which are given in Note 23. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is re-measured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognised in employee benefits expense in Note 23.

Defined benefit plan

The Group operates defined benefit pension plans in Indonesia and Thailand, which are governed by the local labour laws.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligations (derived using a discount rate based on high quality corporate bonds) at the end of the reporting period reduced by the fair value of plan assets (if any) adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. If there is no deep market for high quality corporate bonds, the Group derives the discount rate based on government bonds instead. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost.
- Net interest on the net defined benefit liability or asset.
- Re-measurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as expense in profit or loss. Past service costs are recognised when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on high quality government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognised as expense or income in profit or loss.

Re-measurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognised immediately in other comprehensive income in the period in which they arise. Re-measurements are recognised in retained earnings within equity and are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

2. Summary of significant accounting policies (cont'd)

2.20 Employee benefits (cont'd)

Defined benefit plan (cont'd)

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognised as a separate asset at fair value when and only when reimbursement is virtually certain.

2.21 Taxes

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Group operates and generates taxable income.

Current taxes are recognised in profit and loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available, against which the temporary differences can be utilised.

2. Summary of significant accounting policies (cont'd)

2.21 Taxes (cont'd)

Deferred tax (cont'd)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profits will be available to allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Royalties, resource rent tax and revenue-based taxes

In addition to corporate taxes, the Group's consolidated financial statements also include and recognise taxes on income, other type of taxes on net income which are calculated based on oil and gas production.

Royalties, resource rent taxes and revenue-based taxes are accounted for under IAS 12 when they have the characteristics of an income tax. This is considered to be the case when they are imposed under government tax authority and the amount payable is based on taxable income - rather than based on physical quantity produced or as a percentage of revenue - after adjustment for temporary differences. For such arrangements, current and deferred tax is provided on the same basis as described above for other forms of taxation. Obligations arising from royalty arrangements and other types of taxes that do not satisfy these criteria are recognised as current provisions and included in cost of sales.

Production-sharing agreements

According to the production-sharing agreements ("PSA"), the share of the profit oil to which the government is entitled in any calendar year, is deemed to include a portion representing the corporate income tax imposed upon and due by the Group. This amount will be paid directly by the government on behalf of the Group to the appropriate tax authorities. This portion of tax and revenue are presented net in profit or loss.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3. Significant accounting judgements, estimates and assumptions (cont'd)

3.1 Judgements made in applying accounting policies

In the process of applying the Group's accounting policies, other than those disclosed in Note 1, management has also made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Hydrocarbon reserve and resource estimates

The Group has engaged an independent qualified person to estimate the proved, probable and possible reserves for certain of the Group's exploration and evaluation assets and oil and gas properties, and such reserves are determined in accordance with Society of Petroleum Engineers' rules and incorporating the estimated future cost of developing those reserves. The Group estimates its commercial reserves based on information compiled by the independent qualified person and internal experts relating to the geological and technical data on the size, depth, shape and grade of the hydrocarbon body and suitable production techniques and recovery rates.

Recoverable reserves are determined by taking into consideration, amongst other factors, future development costs, discount rates, operating costs, decommissioning costs, exploration potential, and future hydrocarbon prices, the latter having an impact on the total amount of recoverable reserves and the proportion of the gross reserves which are attributable to the host government under the terms of the PSA.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are disclosed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Recoverability of oil and gas assets

The Group assesses each asset or CGU at each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amounts is made, which is considered to be the higher of fair value less costs to sell and VIU.

As disclosed in Note 3.1, the Group has engaged an independent qualified person to estimate the proved, probable and possible reserves, including the future net cash flows arising from such. Management uses the valuation amounts to form the basis for their impairment review, and may adjust such valuation with other estimates which may include discount rates and development plans that are not covered by the independent qualified person. These estimates and assumptions are subject to risk and uncertainty. Changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGU.

3. Significant accounting judgements, estimates and assumptions (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

Recoverability of oil and gas assets (cont'd)

Future development costs are estimated using assumptions as to number of wells required to produce the commercial reserves, the cost of such wells and associated production facilities, and other capital costs. The oil price assumption is derived based on the average forecast for Brent crude oil prices and adjusted for quality, transportation fees and regional price differences. At 31 December 2019, the Group's average forecast for Brent crude oil prices range from US$60 to US$70 (2018: US$60 to US$80) per barrel, and these future prices were used for the purpose of impairment review performed at the end of the year.

As the economic assumptions used may change and as additional geological information is obtained during the operation of an asset, estimates of recoverable reserves may change. Such changes may impact the Group's reported financial position and results, including amongst others, on items such as (i) impairment assessment of the Group's exploration and evaluation assets, oil and gas properties, and intangible assets; (ii) depreciation, depletion and amortisation charges; (iii) inventory cost; (iv) provisions for decommissioning; and (v) deferred tax assets.

The ability for management to realise the value-in-use of the oil and gas assets is dependent on the availabilities of funds. The development funding from Keppel as disclosed in Note 1 is critical for the development of Cambodia Block. As at date of these consolidated financial statements, management is in discussion with various parties to secure development funding for the Group's interest in G6/48 Concession and Bulu PSC.

The carrying amount of the Group's exploration and evaluation assets, oil and gas properties and intangible assets are disclosed in Notes 8, 9 and 12 to the consolidated financial statements respectively. The sensitivity analysis is disclosed in Note 12 to the consolidated financial statements.

Exploration and evaluation expenditures

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely, either from future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Group defers exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economical viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

3. Significant accounting judgements, estimates and assumptions (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

Decommissioning costs

Decommissioning costs will be incurred by the Group at the end of the operating life of some of the Group's facilities and properties. The ultimate decommissioning costs are uncertain and cost estimates can vary in response to many factors, including changes to relevant legal requirements, the emergence of new restoration techniques or experience at other production sites. Consequently, the timing and amounts of future cash flows are subject to significant uncertainty. Changes in the expected future costs are reflected in both the provision and the asset and could have a material impact on the Group's consolidated financial statements.

The carrying amount of the Group's provision for decommissioning is disclosed in Note 21 to the consolidated financial statements.

Fair value measurements

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Changes in estimates and assumptions about these inputs could affect the reported fair value.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 20, 24 and 27 to the consolidated financial statements.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. The Group has exposure to income taxes in various jurisdictions due to the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements. Significant judgement is involved in determining the group-wide provision for income taxes and recoverability of certain tax from the tax authorities. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Further details on taxes are disclosed in Note 7 to the consolidated financial statements.

Impairment of investment in subsidiaries and amounts due from subsidiaries

The Company has reviewed the recoverability of investment in subsidiaries and amounts due from subsidiaries. During the year, the Company has recognised a loss allowance of US$326.7 million (2018: nil) in investment in subsidiaries and US$87.3 million (2018: US$508.9 million) for amounts due from subsidiaries as these subsidiaries continued to make losses during the year. The carrying amount of investment in subsidiaries and amounts due from subsidiaries are disclosed in Notes 13 and 15 to the consolidated financial statements.

4. Disposal of a subsidiary

Nong Yao G11 (Thailand) Ltd ["NYG11"]

On 22 June 2018, the Group completed its disposal of a 100.0% equity interest in Nong Yao G11 (Thailand) Ltd, which held a 22.5% working interest in the G11/48 Concession to Mubadala Petroleum ("MP"), for a consideration of US$13.3 million.

The carrying amount of the identifiable assets and liabilities of NYG11 as at date of disposal was:

	Carrying amount on disposal US$
Assets	
Oil and gas properties	17,070,849
Other receivables	1,521,103
Inventories	4,434,965
Prepayment	1,314,615
	24,341,532
Liabilities	
Trade and other payables	2,950,663
Accrued operating expenses	2,834,033
Provisions	7,813,570
	13,598,266
Total identifiable net assets at carrying amount	10,743,266
Consideration received in cash	9,079,743
Remaining consideration included in other receivables[(1)]	4,190,237
Total consideration	13,269,980
Gain on disposal of subsidiary	2,526,714

(1) In May 2019, KrisEnergy (Gulf of Thailand) Ltd. received the remaining consideration of US$4.2 million in cash.

5. Interests in oil and gas blocks

The Group holds interests in each contract area for the right to explore and produce oil and gas. The Group's interests in oil and gas blocks are listed in the following table.

For each contract area where the Group and other partners jointly hold interests in, the respective interests are accounted for as joint operations.

Contract area (Date of expiry)	Held by	Description	Place of operation	% of effective working interest 2019	2018
G10/48 Concession (7 December 2035)	KrisEnergy (Gulf of Thailand) Ltd. (25.0%) and KrisEnergy G10 (Thailand) Ltd. (64.0%)	Exploration and production of petroleum under Concession Agreement with Department of Mineral Fuels	Gulf of Thailand	89.00	89.00
Cambodia Block A PA (22 August 2042)	KrisEnergy (Cambodia) Ltd. (23.75%) and KrisEnergy (Apsara) Ltd. (71.25%)	Drilling of exploration wells under the Petroleum Agreement ("PA") with Cambodian Ministry of Mines and Energy	Offshore Cambodia	95.00	95.00
Kutai PSC (15 January 2037)[(1)]	KrisEnergy Kutai B.V. (24.6%) and KrisEnergy Kutei B.V. (30.0%)	Exploration and production of petroleum under Production Sharing Contract ("PSC") with Indonesia Governmental Authority	Indonesia	54.60	54.60
B8/32 Concession (31 July 2030)	KrisEnergy (Gulf of Thailand) Ltd. / Orange Energy Ltd. / B8/32 Partners Ltd.	Exploration and production of petroleum under Concession Agreement with Department of Mineral Fuels	Gulf of Thailand	4.63	4.63

5. Interests in oil and gas blocks (cont'd)

Contract area (Date of expiry)	Held by	Description	Place of operation	% of effective working interest 2019	2018
B9A Concession (16 July 2041)[2]	KrisEnergy (Gulf of Thailand) Ltd. / Orange Energy Ltd.	Exploration and production of petroleum under Concession Agreement with Department of Mineral Fuels	Gulf of Thailand	4.63	4.63
Block 120 PSC (22 January 2039)[1]	KrisEnergy (Phu Khanh 120) Ltd.	Exploration and development of petroleum under Production Sharing Contract with Vietnam Government Authority	Offshore Vietnam	33.33	33.33
East Seruway PSC (12 November 2038)[1]	KrisEnergy East Seruway B.V.	Exploration and production of petroleum under Production Sharing Contract with Indonesia Governmental Authority	Indonesia	100.00	100.00
Bulu PSC (13 October 2033)	KrisEnergy (Satria) Ltd.	Exploration and production of petroleum under Production Sharing Contract with Indonesia Governmental Authority	Indonesia	42.50	42.50
East Muriah PSC (12 November 2038)[1]	KrisEnergy (East Muriah) B.V.	Exploration and production of petroleum under Production Sharing Contract with Indonesia Governmental Authority	Indonesia	50.00	50.00

5. Interests in oil and gas blocks (cont'd)

Contract area (Date of expiry)	Held by	Description	Place of operation	% of effective working interest 2019	2018
Bala-Balakang PSC (18 December 2041)	KrisEnergy (Bala-Balakang) B.V.	Exploration and production of petroleum under Production Sharing Contract with Indonesia Governmental Authority	Indonesia	85.00	85.00
Udan Emas PSC (19 July 2042)	KrisEnergy (Udan Emas) B.V.	Exploration and production of petroleum under Production Sharing Contract with Indonesia Governmental Authority	Indonesia	100.00	100.00
Block 9 PSC (26 August 2033)	KrisEnergy Bangladesh Limited	Exploration and production of petroleum under Production Sharing Contract with Bangladesh Governmental Authority	Bangladesh	30.00	30.00
G6/48 Concession (7 January 2036)[(3)]	KrisEnergy (Gulf of Thailand) Ltd.	Exploration and production of petroleum under Concession Agreement with Department of Mineral Fuels	Gulf of Thailand	100.00	43.00
Sakti PSC (25 February 2044)	KrisEnergy (Sakti) B.V.	Exploration and production of petroleum under Production Sharing Contract with Indonesia Governmental Authority	Indonesia	95.00	95.00

5. Interests in oil and gas blocks (cont'd)

Contract area (Date of expiry)	Held by	Description	Place of operation	% of effective working interest 2019	2018
Block 115/09 PSC (30 March 2044)[4]	KrisEnergy (Vietnam 115) Ltd.	Exploration and development of petroleum under Production Sharing Contract with Vietnam Government Authority	Offshore Vietnam	100.00	100.00
Block SS-11 PSC (11 March 2021)	KrisEnergy (Asia) Ltd.	Exploration and development of petroleum under Production Sharing Contract with Bangladesh Governmental Authority	Bangladesh	45.00	45.00
Andaman II PSC (4 April 2048)[5]	KrisEnergy (Andaman II) Ltd	Exploration and production of petroleum under Production Sharing Contract with Indonesia Governmental Authority	Indonesia	30.00	30.00

(1) The contract area is pending relinquishment.

(2) On 31 October 2017, B9A Concession ceased operations. Abandonment activities are underway before the contract area is relinquished.

(3) The effective working interest represents the economic interest in the production area.

(4) On 16 January 2020, KrisEnergy (Vietnam 115) Ltd. entered into a farm-out agreement with a major international oil and gas company to transfer 100.0% working interest in Block 115/09. The transfer is subject to a number of conditions including approvals from the relevant government authorities.

(5) On 14 November 2019, KrisEnergy (Andaman II) Ltd entered into a sale and purchase agreement with BP Exploration Operating Company Limited to assign and transfer 30.0% working interest in Andaman II PSC. The transfer is subject to a number of conditions including approvals from the Government of Indonesia. On 8 April 2020, the transfer was completed.

6. Loss before tax

The following items have been included in arriving at loss before tax:

	Group	
	2019	**2018**
	US$	US$
Revenue		
Sale of crude oil	110,644,684	130,374,847
Sale of gas	15,886,353	14,430,569
	126,531,037	144,805,416
Cost of sales		
Depreciation, depletion and amortisation of oil and gas properties	(46,330,346)	(49,808,916)
Depreciation of right-of-use assets	(40,321,071)	–
Operating costs	(49,352,648)	(79,911,958)
Thai Petroleum royalties paid	(10,024,724)	(10,901,575)
Inventories written down (Note 14)	(1,877,537)	(8,940,159)
	(147,906,326)	(149,562,608)
Other income are mainly made up of the following items		
Gain on disposal of a subsidiary (Note 4)	–	2,526,714
Write-back of unused decommissioning provisions (Note 21)	–	29,006,833
Joint operator overhead charges	1,448,214	1,471,313
Income from shared facilities in joint operations	269,917	434,225
Income from technical services provided to joint operations	1,913,354	2,381,903
Joint operations lease recharges	4,845,601	–
General and administrative expenses are mainly made up of the following items		
Consultants' fees	(156,166)	(380,448)
Depreciation of other property, plant and equipment (Note 11)	(64,923)	(58,501)
Depreciation of other right-of-use assets	(537,629)	–
Employee benefits expense		
- Salaries and bonuses	(6,925,659)	(7,083,230)
- Share-based payments (Note 23)	336,824	(912,504)
- Central Provident Fund contributions	(209,479)	(242,364)
- Employee defined benefit	233,008	629,096
- Other short-term benefits	(481,843)	(387,701)
Operating lease expense	–	(610,388)
Professional fees	(3,196,744)	(2,244,931)

6. Loss before tax (cont'd)

	Group	
	2019	**2018**
	US$	US$
Other operating expenses are mainly made up of the following items		
Dry hole expenses (Notes 8 and 9)	–	(11,450,524)
Impairment losses on exploration and evaluation assets (Note 8)	(65,218,780)	(61,358,426)
Impairment losses on oil and gas properties (Note 9)	(22,092,108)	(18,946,687)
Joint study expenses	–	(600,000)
Net fair value gain on embedded derivatives (Note 24)	633,707	4,079,847
Finance costs		
Financing fees	(1,693,335)	(3,002,007)
Financial restructuring expense	(3,030,212)	–
Interest on bank borrowings	(16,584,297)	(13,394,509)
Interest on Notes	(11,229,664)	(11,294,127)
Unwinding of discount on decommissioning provisions (Note 21)	(2,220,656)	(1,521,272)
Unwinding of discount on Notes (Note 20)	(17,975,212)	(20,049,522)
Unwinding of discount on lease liabilities (Note 10)	(3,844,349)	–
	(56,577,725)	(49,261,437)

Thai Petroleum royalties and remuneration paid

Under the terms of the Thai I regime, the concessionaire is required to pay production royalties to the Royal Thai Government computed based on 12.5% of value of petroleum sold for payment in cash and in kind respectively.

Under the Thai III regime, the concessionaire is required to pay production royalties to the Royal Thai Government computed based on sliding scale rates from 5.0% to 15.0% of the value of petroleum sold or disposed during the month, depending on the number of barrels sold or disposed during the month.

Special remuneration benefit ("SRB") is tax payable only in years concessionaire has petroleum profit. In calculating such profit (or loss), capital expenditure, operating costs and a special reduction of 35.0% operating expenses for the year and petroleum loss carried forward indefinitely from prior years may be deducted. SRB is calculated by exploration block on income per meter of well, subject to a ceiling of 75.0% of petroleum profit.

Loss per share

Basic loss per share are calculated by dividing loss for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted loss per share are calculated by dividing loss for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the vesting of all performance shares under the Performance Share Plan (Note 23).

6. Loss before tax (cont'd)

Loss per share (cont'd)

The following tables reflect the profit and share data used in the computation of basic and diluted loss per share for the years ended 31 December:

	Group	
	2019 US$	**2018** US$
Loss for the year attributable to owners of the Company used in the computation of basic and diluted loss per share	(168,860,466)	(137,352,425)

	2019 No. of shares	**2018** No. of shares
Weighted average number of ordinary shares for basic loss per share computation	1,502,849,065	1,502,849,065
Effects of dilution		
- Vesting of performance shares	5,186,848	5,186,848
Weighted average number of ordinary shares for diluted loss per share computation	1,508,035,913	1,508,035,913

In January 2017, the Company issued 1,255,183,632 detachable warrants pursuant to the ZCNs (Note 20). The warrants were not included in calculating diluted loss per share because they are anti-dilutive.

7. Taxation

The major components of tax (credit) expense for the years ended 31 December 2019 and 2018 are:

	Group	
	2019 US$	**2018** US$
Current tax		
- Current tax charge	5,501,341	5,065,116
- Under provision in respect of previous years	–	616,217
	5,501,341	5,681,333
Deferred tax		
- Reversal of temporary differences	(7,985,989)	(1,492,034)
Tax (credit) expense recognised in profit or loss	(2,484,648)	4,189,299

7. Taxation (cont'd)

Relationship between tax (credit) expense and accounting loss

A reconciliation between tax (credit) expense and the accounting loss multiplied by the applicable tax rate for the years ended 31 December 2019 and 2018 is as follows:

	Group	
	2019	**2018**
	US$	US$
Loss before tax	(171,345,114)	(133,163,126)
Tax at domestic rates applicable in the countries where the Group operates	(47,833,608)	(29,483,912)
Adjustments		
Non-deductible expenses	33,248,688	38,928,932
Income not subject to tax	(9,948,808)	(15,335,192)
Effect of previously unrecognised and unused tax losses	(693,256)	(3,784,854)
Deferred tax assets not recognised	22,742,336	13,248,108
Under provision in respect of previous years	–	616,217
Tax (credit) expense recognised in profit or loss	(2,484,648)	4,189,299

The above reconciliation is prepared by aggregating separate reconciliation for each national jurisdiction.

Pursuant to the tax rules and regulations in Singapore, Thailand, Indonesia, Vietnam and Cambodia, the subsidiaries located in the aforementioned countries are liable to taxes ranging from 17.0% to 50.0%, on the assessable profits generated in these countries.

For operations in Bangladesh, the tax liability is met from the sharing of oil under the terms of the PSC and no provision of current tax or deferred tax is required.

Deferred tax

Deferred tax liabilities at 31 December relate to the following:

	Group
	US$
Fair value adjustment on acquired reserves	
At 1 January 2018	36,836,594
Credit to profit or loss for the year	(1,492,034)
At 31 December 2018	35,344,560
Credit to profit or loss for the year	(7,985,989)
At 31 December 2019	27,358,571

7. Taxation (cont'd)

Deferred tax assets have not been recognised in respect of these temporary differences and tax losses as they may not be used to offset taxable profits elsewhere in the Group, they have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The tax losses have an expiry period of 10 years.

Temporary differences arising in connection with interests in subsidiaries are insignificant.

The following deferred tax assets have not been recognised for the years ended 31 December:

	Group	
	2019	**2018**
	US$	US$
Differences in depreciation, depletion and amortisation for tax purposes	93,236,878	80,132,272
Unutilised tax losses	256,612,021	221,275,149
	349,848,899	301,407,421

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

8. Exploration and evaluation assets

	Group US$
Cost	
At 1 January 2018	580,108,629
Additions	22,284,978
Dry hole expenses (Note 6)	(6,798,944)
Transfer to oil and gas properties (Note 9)	(27,183,197)
At 31 December 2018	568,411,466
Additions	28,039,185
Transfer to oil and gas properties (Note 9)	(2,307,500)
At 31 December 2019	594,143,151
Accumulated impairment	
At 1 January 2018	199,160,786
Impairment losses (Note 12)	61,358,426
At 31 December 2018	260,519,212
Impairment losses (Note 12)	65,218,780
At 31 December 2019	325,737,992
Net book value	
At 31 December 2019	268,405,159
At 31 December 2018	307,892,254

9. Oil and gas properties

	Group US$
Cost	
At 1 January 2018	662,830,672
Additions	49,523,634
Dry hole expenses (Note 6)	(4,651,580)
Disposal of a subsidiary (Note 4)	(96,592,773)
Transfer from exploration and evaluation assets (Note 8)	27,183,197
At 31 December 2018	638,293,150
Additions	18,984,268
Transfer from exploration and evaluation assets (Note 8)	2,307,500
At 31 December 2019	659,584,918
Accumulated depreciation, depletion and amortisation	
At 1 January 2018	354,765,728
Charge for the year	49,808,916
Disposal of a subsidiary (Note 4)	(79,521,924)
At 31 December 2018	325,052,720
Charge for the year	46,330,346
At 31 December 2019	371,383,066
Accumulated impairment	
At 1 January 2018	130,524,058
Impairment losses (Note 12)	18,946,687
At 31 December 2018	149,470,745
Impairment losses (Note 12)	22,092,108
At 31 December 2019	171,562,853
Net book value	
At 31 December 2019	116,638,999
At 31 December 2018	163,769,685

As at 31 December 2019, addition to oil and gas properties in relation to decommissioning provisions arising during the year was US$0.3 million (2018: US$18.8 million) (Note 21).

For the purpose of the consolidated statement of cash flows, addition to oil and gas properties during the year was US$17.7 million (2018: US$30.7 million).

10. Right-of-use assets

Group	Office US$	Marine Assets US$	Total US$
Cost			
At 1 January 2019	1,678,169	64,309,214	65,987,383
Exchange differences	(18,148)	–	(18,148)
At 31 December 2019	1,660,021	64,309,214	65,969,235
Accumulated depreciation			
At 1 January 2019	–	–	–
Charge for the year	538,377	40,321,071	40,859,448
Exchange differences	(748)	–	(748)
At 31 December 2019	537,629	40,321,071	40,858,700
Net carrying amount			
At 31 December 2019	1,122,392	23,988,143	25,110,535

The Group leases several assets including office and marine assets. The average lease term is 4 years (2018: 4 years).

Amount recognised in profit and loss

	Group 2019 US$
Depreciation of right-of-use assets	40,859,448
Unwinding of discount on lease liabilities	3,844,349
	44,703,797

For the purpose of the consolidated statement of cash flows, principal repayment of lease liabilities and interest repayment was US$23.6 million and US$3.8 million respectively.

11. Other property, plant and equipment

Group	Renovation US$	Furniture and fittings US$	Office equipment US$	Computers US$	Refurbishment assets US$	Total US$
Cost						
At 1 January 2018	1,276,102	183,459	306,911	1,521,403	11,121,273	14,409,148
Additions	–	737	179	27,203	2,349,625	2,377,744
Disposals	–	–	–	(32,442)	–	(32,442)
Exchange differences	(18,523)	(800)	(351)	(23,134)	–	(42,808)
At 31 December 2018	1,257,579	183,396	306,739	1,493,030	13,470,898	16,711,642
Additions	–	–	–	121,229	16,296,758	16,417,987
Disposals	–	(63)	–	–	–	(63)
Exchange differences	6,287	271	120	6,878	–	13,556
At 31 December 2019	1,263,866	183,604	306,859	1,621,137	29,767,656	33,143,122
Accumulated depreciation						
At 1 January 2018	1,268,598	177,135	284,528	1,497,083	–	3,227,344
Charge for the year	7,502	4,531	22,404	24,064	–	58,501
Disposals	–	–	–	(32,442)	–	(32,442)
Exchange differences	(18,521)	(761)	(352)	(22,902)	–	(42,536)
At 31 December 2018	1,257,579	180,905	306,580	1,465,803	–	3,210,867
Charge for the year	–	1,564	60	63,299	–	64,923
Disposals	–	(63)	–	–	–	(63)
Exchange differences	6,287	258	119	7,730	–	14,394
At 31 December 2019	1,263,866	182,664	306,759	1,536,832	–	3,290,121
Net carrying amount						
At 31 December 2019	–	940	100	84,305	29,767,656	29,853,001
At 31 December 2018	–	2,491	159	27,227	13,470,898	13,500,775

For the purpose of the consolidated statement of cash flows, expenditure on assets refurbishment during the year was US$1.8 million (2018: US$1.3 million).

12. Intangible assets

	Goodwill US$	Group Others US$	Total US$
Cost			
At 1 January 2018, 31 December 2018 and 31 December 2019	106,039,993	1,669,721	107,709,714
Accumulated amortisation			
At 1 January 2018, 31 December 2018 and 31 December 2019	–	316,724	316,724
Accumulated impairment loss			
At 1 January 2018, 31 December 2018 and 31 December 2019	97,595,101	1,352,997	98,948,098
Net carrying amount			
At 31 December 2018 and 31 December 2019	8,444,892	–	8,444,892

Goodwill

Goodwill arises principally because of the following factors:

(i) The going concern value implicit in our ability to sustain and/or grow our business by increasing reserves and resources through new discoveries.
(ii) The ability to capture unique synergies that can be realised from managing a portfolio of both acquired and existing assets.

Allocation of goodwill

For the purpose of impairment assessment, goodwill acquired through business combinations have been allocated as follows:

	2019 US$	2018 US$
Bulu PSC	7,144,606	7,144,606
Cambodia Block A PA	1,300,286	1,300,286
	8,444,892	8,444,892

Impairment testing

Impairment losses on exploration and evaluation assets, oil and gas properties and intangible assets have been recognised as follows:

	2019 US$	2018 US$
Exploration and evaluation assets (Note 8)	65,218,780	61,358,426
Oil and gas properties (Note 9)	22,092,108	18,946,687
	87,310,888	80,305,113

During the year ended 31 December 2019, impairment losses on exploration and evaluation assets of US$65.2 million (2018: US$61.4 million) was recognised in relation to certain exploration assets of which the right to explore in these areas have expired or are near expiry, and the Group has no intention to extend the exploration period.

12. Intangible assets (cont'd)

Impairment losses on oil and gas properties of US$22.1 million (2018: US$18.9 million) was also recognised to write down the CGU's carrying amount to its recoverable amount. The recoverable amount of each CGU is determined based on a value-in-use calculation.

The calculation of value-in-use of the oil exploration and production CGU is most sensitive to the following assumptions:

- Production volumes
- Discount rates
- Crude oil prices

Estimated production volumes are based on detailed data for the assets and take into account development plans for the assets agreed by management as part of the long-term planning process.

As at 31 December 2019 and 2018, no impairment charge was required for goodwill arising from business combinations.

The Group generally estimates value-in-use for the oil exploration and production CGU using a discounted cash flow model. The future cash flows are discounted to their present value using a pre-tax discount rate of 8.0% to 10.0% (2018: 8.0% to 10.0%) that reflects current market assessments of the time value of money and the risks specific to the asset. The discount rate is derived from the Group's weighted average cost of capital ("WACC"), with appropriate adjustments made to reflect the risks specific to the CGU.

Oil prices used for the impairment assessment are based on average forecast for Brent crude oil prices and adjusted for quality, transportation fees and regional price differences. The Group's calculation incorporates a range of Brent crude oil prices from US$60 to US$70 (2018: US$60 to US$80) per barrel. The average forecast for Brent crude oil prices for the next twelve months from the date of these financial statements range from US$22 to US$45 per barrel. If the impairment assessment are based on the current average forecast for Brent crude oil prices and assuming all other key assumptions in the discounted cash flow models are met, the Group would have to recognise additional impairment of US$47.3 million to write down the carrying amount of exploration and evaluation assets.

13. Investment in subsidiaries

	Company	
	2019	**2018**
	US$	US$
Unquoted shares, at cost	326,809,883	326,809,883
Capital contribution for share-based payments	10,009,834	9,934,543
Loss allowance	(326,700,000)	–
	10,119,717	336,744,426

During the year ended 31 December 2019, loss allowance in investment in subsidiaries of US$326.7 million was recognised in relation to the subsidiaries which exhibited indicators of impairment based on the value of their underlying net assets.

13. Investment in subsidiaries (cont'd)

Details of the Group's significant subsidiaries at 31 December are as follows:

Name of entities	Principal activities	Country of incorporation	% of equity interest 2019	2018
KrisEnergy (Asia) Ltd.	Investment holding	British Virgin Islands	100.0	100.0
KrisEnergy Pte. Ltd.	Provision of management support service	Singapore	100.0	100.0
KrisEnergy (Gulf of Thailand) Ltd.[(1)(2)]	Investment holding	Cayman Islands	100.0	100.0
KrisEnergy (Cambodia) Ltd.	Exploration and production of oil and gas	Cambodia	100.0	100.0
KrisEnergy (Phu Khanh 120) Ltd.[(1)(2)]	Exploration and production of oil and gas	British Virgin Islands	100.0	100.0
KrisEnergy (Vietnam 115) Ltd.[(1)(2)]	Exploration and production of oil and gas	British Virgin Islands	100.0	100.0
KrisEnergy East Seruway B.V.[(1)(2)]	Exploration and production of oil and gas	The Netherlands	100.0	100.0
KrisEnergy (Satria) Ltd.[(1)(2)]	Exploration and production of oil and gas	British Virgin Islands	100.0	100.0
KrisEnergy (Sakti) B.V.[(1)(2)]	Exploration and production of oil and gas	The Netherlands	100.0	100.0
KrisEnergy (Bala-Balakang) B.V.[(1)(2)]	Exploration and production of oil and gas	The Netherlands	100.0	100.0
KrisEnergy (Udan Emas) B.V.[(1)(2)]	Exploration and production of oil and gas	The Netherlands	100.0	100.0
KrisEnergy Bangladesh Limited[(1)(2)]	Exploration and production of oil and gas	Jersey	100.0	100.0
KrisEnergy (Apsara) Ltd.[(1)(2)]	Exploration and production of oil and gas	Bermuda	100.0	100.0

13. Investment in subsidiaries (cont'd)

Name of entities	Principal activities	Country of incorporation	% of equity interest 2019	2018
KrisEnergy G10 (Thailand) Ltd.	Exploration and production of oil and gas	Thailand	100.0	100.0
KrisEnergy (Block A Aceh) B.V.[1][2]	Exploration and production of oil and gas	The Netherlands	100.0	100.0
KrisEnergy Marine B.V.	Charter and sub-charter of Mobile Offshore Production Unit	The Netherlands	100.0	100.0
SJ Production Barge Ltd.[3]	Investment holding	British Virgin Islands	100.0	100.0
KrisEnergy (East Muriah) Ltd.	Exploration and production of oil and gas	British Virgin Islands	100.0	100.0
KrisEnergy Kutai B.V.	Exploration and production of oil and gas	The Netherlands	100.0	100.0
KrisEnergy Kutei B.V.	Exploration and production of oil and gas	The Netherlands	100.0	100.0
KrisEnergy (Song Hong 105) Ltd.[1][2]	Exploration and production of oil and gas	British Virgin Islands	100.0	100.0
KrisEnergy (Andaman II) Ltd..	Exploration and production of oil and gas	British Virgin Islands	100.0	100.0

(1) Capital stock in this entity pledged as collateral for RCF (Note 20).

(2) Capital stock in this entity pledged as junior ranking security under the ZCNs (Note 20).

(3) Capital stock in this entity pledged as first ranking security under the ZCNs (Note 20).

13. Investment in subsidiaries (cont'd)

Details of composition of the Group

Information about the composition of the Group at the end of the financial year is as follows:

Country of incorporation	Principal activities	Number of wholly-owned subsidiaries	
		2019	2018
Bermuda	Exploration and production of oil and gas	1	1
British Virgin Island	Exploration and production of oil and gas	6	6
British Virgin Island	Investment holding	9	9
British Virgin Island	Provision of offshore management support service	1	1
Cambodia	Exploration and production of oil and gas	2	2
Cayman Islands	Exploration and production of oil and gas	1	1
Cayman Islands	Investment holding	0	0
Jersey	Exploration and production of oil and gas	1	1
Singapore	Investment holding	2	2
Singapore	Provision of management support service	1	1
Thailand	Exploration and production of oil and gas	3	3
The Netherlands	Charter and sub-charter of Mobile Offshore Production Unit	1	1
The Netherlands	Exploration and production of oil and gas	12	12
The Netherlands	Investment holding	2	2
		42	42

14. Inventories

	Group	
	2019 US$	2018 US$
Drilling supplies and materials	6,050,996	8,217,033
Crude oil	10,198,615	13,713,191
	16,249,611	21,930,224
Inventories recognised as an expense in cost of sales	99,036,147	103,051,424
Inclusive of the following charge		
Inventories written down (Note 6)	1,877,537	8,940,159

15. Trade and other receivables

	Group		Company	
	2019 US$	2018 US$	2019 US$	2018 US$
Trade and other receivables (current)				
Trade receivables	6,672,235	5,471,558	–	–
Refundable deposits	767,698	773,767	–	–
Other receivables	34,650,937	26,512,115	2,673	–
Joint operation receivables	3,766,085	5,193,428	–	–
	45,856,955	37,950,868	2,673	–
Other receivables (non-current)				
Other receivables	4,035,573	4,088,466	–	–
Amounts due from subsidiaries	–	–	712,164,738	718,457,001
Loss allowance	–	–	(596,248,943)	(508,938,056)
	4,035,573	4,088,466	115,915,795	209,518,945
Total trade and other receivables (current and non-current)	49,892,528	42,039,334	115,918,468	209,518,945
Cash and bank balances (Note 16)	51,361,068	77,606,440	21,221	274,059
Value added tax receivables	(22,845,235)	(16,727,532)	–	–
Total financial assets carried at amortised cost	78,408,361	102,918,242	115,939,689	209,793,004

Other receivables (current)

	Group		Company	
	2019 US$	2018 US$	2019 US$	2018 US$
Payment on behalf of joint operation's partners	13,981,556	5,851,368	–	–
Proportionate share of joint operation's other receivables	1,635,457	7,964,013	–	–
Value added tax receivables	18,809,662	12,639,066	–	–
Others	224,262	57,668	2,673	–
	34,650,937	26,512,115	2,673	–

Trade receivables are non-interest bearing and are generally on 30-day terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

For the purpose of impairment assessment, the trade and other receivables are considered to have low credit risk as there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL.

15. Trade and other receivables (cont'd)

In determining the ECL, management has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. The Group has performed a risk profile of trade receivables based on the Group's credit risk grading framework, and has determined that the trade receivables are subject to immaterial credit loss.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for trade and other receivables.

Joint operation receivables and other receivables relate to amounts due from the joint operators for cash calls and expenses incurred on their behalf in excess of the Group's obligation. These amounts are unsecured, non-interest bearing, and will be settled by future cash calls within the next 12 months. The Group has determined that the other receivables are subject to immaterial credit loss.

Amounts due from subsidiaries are non-trade related, unsecured, non-interest bearing, and repayable upon demand. Amounts due from subsidiaries have been classified as non-current assets as the Company does not expect for repayment within 12 months after the reporting date. As at 31 December 2019, the Company has recognised a loss allowance of US$596.2 million (2018: US$508.9 million) for amounts due from subsidiaries as these subsidiaries continued to make losses during the year.

Trade and other receivables denominated in foreign currencies at 31 December are as follows:

	Group	
	2019	**2018**
	US$	US$
Thai Baht	167,203	132,911

At reporting date, the Group has value added tax receivables with a nominal amount of US$22.8 million (2018: US$16.7 million).

16. Cash and bank balances

	Group		Company	
	2019	**2018**	**2019**	**2018**
	US$	US$	US$	US$
Cash at bank and on hand	45,091,068	69,336,440	21,221	274,059
Short-term deposits for guarantees	6,270,000	8,270,000	–	–
Cash and bank balances	51,361,068	77,606,440	21,221	274,059

Short-term deposits earn interests at the respective short-term deposit rates. The weighted average effective interest rate as at 31 December 2019 for the Group was 1.5% (2018: 1.1%).

16. Cash and bank balances (cont'd)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	Group	
	2019	**2018**
	US$	US$
Cash and bank balances	51,361,068	77,606,440
Less: Short-term deposits for guarantees	(6,270,000)	(8,270,000)
Cash and cash equivalents as presented in the consolidated statement of cash flows	45,091,068	69,336,440

As at 31 December 2019, the amounts held under joint operations amounted to US$39.6 million (2018: US$36.7 million) and are distributed by declaring dividends.

Cash at banks and on hand denominated in foreign currencies at 31 December are as follows:

	Group	
	2019	**2018**
	US$	US$
Thai Baht	118,803	347,695
Singapore Dollar	8,343	214,014
United States Dollar	217,853	330,928

17. Share capital and reserve

Share capital

	Group and Company			
	2019		**2018**	
	No. of shares	US$	No. of shares	US$
Issued and fully paid ordinary shares				
At 1 January and 31 December	1,502,849,065	1,878,562	1,502,849,065	1,878,562

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have a par value of US$0.00125 (2018: US$0.00125) each.

Share premium

	Group and Company	
	2019	**2018**
	US$	US$
At 1 January and 31 December	730,302,151	730,302,151

17. Share capital and reserve (cont'd)

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign subsidiaries whose functional currencies are different from that of the Group's presentation currency.

Employee share option reserve

Employee share option reserve represents equity-settled share transactions granted to employees. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share transactions, and is reduced by the expiry or exercise of the share transactions.

General reserve

General reserve represents the change in ownership of subsidiary arising from disposal of interest in subsidiary and fair value of the 1,255,183,632 detachable warrants issued pursuant to the ZCNs (Note 20). As at 31 December 2019 and 31 December 2018, the outstanding warrants were 1,255,172,256.

18. Trade and other payables

	Group		Company	
	2019	**2018**	**2019**	**2018**
	US$	US$	US$	US$
Trade and other payables (current)				
Trade payables	48,919,238	16,156,474	142,566	128,037
Joint operation payables	1,400,245	1,169,178	–	–
Staff payroll and bonus payables	366,576	329,760	–	–
Other payables	36,089,288	55,889,854	17,143,970	10,934,794
	86,775,347	73,545,266	17,286,536	11,062,831
Other payables (non-current)				
Amounts due to subsidiaries	–	–	28,149,516	25,628,394
Total trade and other payables (current and non-current)	86,775,347	73,545,266	45,436,052	36,691,225
Accrued operating expenses	46,521,089	21,935,797	4,764,241	1,877,024
Loans and borrowings (Note 20)	503,053,505	459,072,439	310,677,052	290,802,439
Amount from offtakers for crude sales	–	(23,300,089)	–	–
Total financial liabilities carried at amortised cost	636,349,941	531,253,413	360,877,345	329,370,688

18. Trade and other payables (cont'd)

Other payables (current)

	Group		Company	
	2019 US$	**2018** US$	**2019** US$	**2018** US$
Payment on behalf by joint operation's partners	–	4,190,198	–	–
Proportionate share of joint operation's other payables	9,254,203	7,774,520	–	–
Accrued interest payable for Notes	17,117,877	10,908,701	17,117,877	10,908,701
Amount from offtakers for crude sales	–	23,300,089	–	–
Others	9,717,208	9,716,346	26,093	26,093
	36,089,288	55,889,854	17,143,970	10,934,794

Trade payables are non-interest bearing and are normally settled on 60-day terms.

Joint operation payables and other payables are cash calls due to the operator of joint operations. These amounts are unsecured, non-interest bearing, and are to be settled in cash.

Included in accrued operating expenses is the Group's proportionate share of joint operation's accrued expenses amounting to US$6.4 million (2018: US$8.3 million).

Amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand. Amounts due to subsidiaries have been classified as non-current liabilities as the Company does not expect to repay within 12 months after the reporting date.

Trade and other payables denominated in foreign currencies at 31 December are as follows:

	Group	
	2019 US$	**2018** US$
Thai Baht	214,441	190,054

19. Lease liabilities

	Group **2019** US$
Analysed as:	
Non-current	550,833
Current	25,573,038
	26,123,871

19. Lease liabilities (cont'd)

	Group 2019 US$
Maturity analysis	
Year 1	25,573,038
Year 2	550,833
	26,123,871

The Group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Group's capital management function.

20. Loans and borrowings

	Maturity	Group 2019 US$	Group 2018 US$	Company 2019 US$	Company 2018 US$
Current					
Revolving Credit Facility	2019/2020	192,376,453	20,000,000	–	–
Multi-currency medium term notes	2020[1]	203,279,405	–	203,279,405	–
Unsecured term loans	2020[1]	34,417,937	–	34,417,937	–
Zero Coupon Notes	2020[1]	72,979,710	–	72,979,710	–
		503,053,505	20,000,000	310,677,052	–
Non-current					
Revolving Credit Facility	2020	–	148,270,000	–	–
Multi-currency medium term notes	2022/2023	–	189,674,942	–	189,674,942
Unsecured term loans	2022	–	34,417,937	–	34,417,937
Zero Coupon Notes	2024	–	66,709,560	–	66,709,560
		–	439,072,439	–	290,802,439
		503,053,505	459,072,439	310,677,052	290,802,439

(1) Pursuant to the Moratorium Application on 14 August 2019, the 2022 Notes, 2023 Notes, 2024 ZCNs and unsecured term loans are repayable on demand. Accordingly, the Group has accrued additional default interest of 2.0% for the financial year ended 31 December 2019.

20. Loans and borrowings (cont'd)

Multi-currency medium term notes

The S$130.0 million senior unsecured notes due 2022 ("2022 Notes") and S$200.0 million senior unsecured notes due 2023 ("2023 Notes") have a fixed rate coupon of 4.0% payable annually, 2.0% payable annually in cash and 2.0% payable annually in cash or accrued at the discretion of the Company. The fixed rate coupon of 4.0% will be payable in the form of cash from the fifth coupon payment. In addition to the cash coupon, an additional cash coupon per interest period will be paid subject to the Brent crude oil benchmark, giving rise to embedded derivatives (Note 24).

As at 31 December 2019, the fair value of the 2022 Notes and 2023 Notes was US$92.8 million (2018: US$102.9 million).

Revolving Credit Facility

The Revolving Credit Facility ("RCF") with DBS Bank Ltd. ("DBS"), which was due to mature on 30 June 2018, has a total commitment of US$148.3 million and pursuant to the RCF, DBS has waived all financial covenants since November 2016.

On 29 March 2018, KrisEnergy (Asia) Ltd (the "Borrower") and DBS signed an extension agreement where the RCF was extended by two-years to 30 June 2020, with no change to terms of the RCF.

On 9 April 2018, DBS provided an additional commitment of US$20.0 million (the "Bridge Upsize") for a period of up to three months. On 5 July 2018, the Bridge Upsize maturity date was extended for three months to 8 October 2018, and on 5 October 2018, the Bridge Upsize maturity date was extended for three months to 8 January 2019. On 8 January 2019, the Bridge Upsize maturity date was extended for one month to 8 February 2019, and on 1 February 2019, the Bridge Upsize maturity date was extended for one month to 8 March 2019. On 5 March 2019, the Bridge Upsize maturity date was extended for one month to 8 April 2019. On 4 April 2019, DBS increased the RCF by an amount which would not result in the total commitments exceeding US$200 million, whereby DBS provided an additional commitment of US$31.7 million (the "RCF Upsize") under the RCF and the Bridge Upsize was subsumed under the RCF.

In a Keppel announcement on 14 August 2019, Keppel has expressed support in respect of the amount outstanding as at 13 August 2019 owed by KrisEnergy to DBS, in which Keppel holds an indirect interest through a bilateral contract with DBS. This bilateral contract was required in order for DBS to provide and continue to provide the RCF to the Borrower and means that, amongst other things, Keppel may be required to make DBS whole for any loss DBS suffers under the RCF but also means that Keppel benefits from interest payments made to DBS in respect of the RCF.

The Guarantors of the RCF are the Company, KrisEnergy Holding Company Ltd., KrisEnergy Management Ltd., KrisEnergy International (Thailand) Holdings Ltd., KrisEnergy (Gulf of Thailand) Ltd., KrisEnergy Netherlands Holdings Pte Ltd., KrisEnergy Asia Coöperatief U.A., KrisEnergy Asia Holdings B.V., KrisEnergy (Block A Aceh) B.V., KrisEnergy (Satria) Ltd., KrisEnergy Bangladesh Limited, KrisEnergy (Apsara) Ltd. and KrisEnergy (Cambodia) Holding Ltd.

Please refer to Note 13 for subsidiaries that provide the above collaterals.

20. Loans and borrowings (cont'd)

Unsecured term loans

The interest rate of the unsecured term loans is at LIBOR plus margin of 4.0% per annum, with principal repayment based on a percentage of the aggregate amount of the loan outstanding from August 2019 to February 2022.

Zero Coupon Notes

In 2017, the Company issued and received gross proceeds of S$139.5 million (US$96.4 million) in principal amount of senior secured Zero Coupon Notes due 2024 (the "Zero Coupon Notes") and 1,255,183,632 detachable warrants to its shareholders. Each warrant converts to one share in the ordinary share capital of the Company at the exercise price of S$0.110 per share.

As at 31 December 2019, the carrying value of the Zero Coupon Notes and warrants (Note 17) were US$73.0 million (2018: US$66.7 million) and US$40.3 million. On 4 April 2019, DBS increased the RCF by an amount which would not result in the total commitments exceeding US$200 million, whereby DBS provided an additional commitment of US$31.7 million (the "RCF Upsize") under the RCF and the Bridge Upsize was subsumed under the RCF. (2018: US$40.3 million) respectively. As at 31 December 2019, the fair value of the Zero Coupon Notes were US$0.3 million (2018: US$58.4 million).

20. Loans and borrowings (cont'd)

Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

			Non-cash changes				
	At 1 January 2019	Financing cash flows	Deferred Settlement	Fair value adjustments	Accretion of discount	Foreign exchange movement	At 31 December 2019
	US$	US$	US$	US$	US$	US$	
Revolving Credit Facility[(i)]	168,270,000	24,106,453	–	–	–	–	192,376,453
Unsecured term loan	34,417,937	–	–	–	–	–	34,417,937
Multi-currency medium term notes	189,674,942	–	–	–	12,198,967	1,405,496	203,279,405
Zero Coupon Notes	66,709,560	–	–	–	5,776,245	493,905	72,979,710
Derivative liabilities	2,966,741	–	–	(633,707)	–	(8,553)	2,324,481
Lease liabilities[(ii)]	65,987,383	(23,636,030)	(16,210,000)	–	–	(17,482)	26,123,871
	528,026,563	470,423	(16,210,000)	(633,707)	17,975,212	1,873,366	531,501,857

20. Loans and borrowings (cont'd)

Reconciliation of liabilities arising from financing activities (cont'd)

	At 1 January 2018	Financing cash flows	Non-cash changes			At 31 December 2018
			Fair value adjustments	Accretion of discount	Foreign exchange movement	
	US$	US$	US$	US$	US$	
Revolving Credit Facility[(i)]	148,270,000	20,000,000	–	–	–	168,270,000
Unsecured term loan	34,417,937	–	–	–	–	34,417,937
Multi-currency medium term notes	179,155,878	–	–	14,658,731	(4,139,667)	189,674,942
Zero Coupon Notes	62,768,782	–	–	5,390,791	(1,450,013)	66,709,560
Derivative liabilities	7,321,468	–	(4,079,847)	–	(274,880)	2,966,741
	431,934,065	20,000,000	(4,079,847)	20,049,522	(5,864,560)	462,039,180

(i) As at 31 December 2019, financing cash flows relates to proceeds from borrowings of $44.1 million (2018: US$55.0 million) and repayments of borrowings of $20.0 million (2018: US$35.0 million) in the consolidated statement of cash flows.

(ii) Relates to the recognition of US$66.0 million of lease liabilities upon transition to IFRS 16 *Leases*.

21. Provisions

	Group US$
Decommissioning provisions	
At 1 January 2018	42,675,146
Arising during the year	18,802,472
Disposal of a subsidiary (Note 4)	(7,813,570)
Write-back of unused provisions	(29,006,833)
Utilisation	(3,971,874)
Unwinding of discount	1,521,272
At 31 December 2018	22,206,613
Arising during the year	326,404
Unwinding of discount	2,220,656
At 31 December 2019	24,753,673

The Group provides for the future cost of decommissioning oil production facilities and pipelines on a discounted basis on the installation of those facilities.

The average discount rate used in the calculation of the provisions as at 31 December 2019 is 10.0% (2018: 10.0%).

22. Employee benefit liability

The Group has defined benefit pension plans for its employees in Indonesia and Thailand. The plans are governed by the local labour laws, and all local permanent employees are entitled to the plan. Salary is a basis of payment for severance and service benefits which consist of basis salary plus fixed allowances.

The amount included in the consolidated statement of financial position arising from the Group's obligation in respect of its defined benefit pension plans are as follows:

	Group	
	2019 US$	**2018** US$
Present value of defined benefit obligations	542,471	792,925
Re-measurement of defined benefit obligations	(51,899)	(181,290)
Net liability arising from defined benefit obligations	490,572	611,635

22. Employee benefit liability (cont'd)

Changes in present value of the defined benefit obligations are as follows:

	Group US$
At 1 January 2018	1,630,812
Interest cost	91,742
Current service cost	274,022
Curtailments	(919,017)
Re-measurement (gains) losses:	
Re-measurement of other long term employee benefits	(2,456)
Actuarial gains and losses arising from changes in financial assumption	(81,518)
Actuarial gains and losses arising from experience adjustments	(99,772)
Benefits paid	(282,178)
At 31 December 2018	611,635
Interest cost	44,429
Current service cost	219,548
Re-measurement (gains) losses:	
Re-measurement of other long term employee benefits	(286)
Actuarial gains and losses arising from changes in financial assumption	2,263
Actuarial gains and losses arising from experience adjustments	(54,162)
Benefits paid	(332,855)
At 31 December 2019	490,572

The cost of the defined benefit pension plans and the present value of the defined benefit obligations are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining defined benefit obligations are shown below:

	2019	2018
Retirement age	55 to 65 years	55 to 65 years
Discount rate	1.5% to 8.5% per annum	2.5% to 8.5% per annum
Long-term salary increase	5% per annum	5% per annum
Voluntary resignation	6% for employee before the age of 30 and linear decrease until 0% at the age of 58	6% for employee before the age of 30 and linear decrease until 0% at the age of 58

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligations as of the end of the reporting period, assuming if all other assumptions were held constant:

		2019 US$	2018 US$
Discount rate	+ 50 basis points	(25,420)	(17,131)
	- 50 basis points	27,745	18,852

23. Share-based payments

The expenses recognised for employee services received during the year are shown in the following table:

	Group	
	2019	**2018**
	US$	US$
Expense arising from cash-settled share-based payment transactions	(531,896)	667,488
Expense arising from equity-settled share-based payment transactions	195,072	245,016
	(336,824)	912,504

Performance Share Plan ("PSP")

The PSP is a performance based share incentive scheme to reward selected employees and directors of the Company, who have contributed to the growth and performance of the Group and for their continued support and loyalty, with a direct interest in KrisEnergy.

The shares will be awarded to the selected employees if they remain employed by KrisEnergy with a clean employment record during the relevant vesting period. When the shares are fully vested, the shares will be issued and allotted to an account or sub-account with the Central Depository (Pte) Limited ("CDP") in Singapore within ten (10) business days of the vesting date.

As at 31 December 2019, the employee share option reserve for the PSP amounts to US$1.2 million (2018: US$1.0 million).

There has been no cancellation or modification to the employee share-based payments during the year ended 31 December 2019 and 2018.

The fair value of the PSP are estimated at grant date, using a Monte Carlo simulation model, taking into account the terms and conditions upon which the shares were granted. The model simulates a sophisticated random number generator of random variables based on their historical distributions. These variables are then input into a model predicting the price behaviors of the instruments, and the mean of this distribution is taken as the approximate fair value. The valuations are split into three tranches based on the vesting dates.

The following table lists the inputs to the Monte Carlo simulation model for the PSP. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the share-based payments is indicative of future trends, which may not necessarily be the actual outcome.

	2019	**2018**
PSP		
Risk free rate (%)	0.9% to 1.4%	0.9% to 1.4%
Expected volatility (%)	35% to 48%	35% to 48%
Annual employee exit rate (%)	1% to 3%	1% to 3%

23. Share-based payments (cont'd)

Management Shareholders Awards ("MS-Awards")

As disclosed and further described in the Prospectus dated 12 July 2013, under the MS-Awards granted pursuant to the KrisEnergy PSP during the IPO, up to 3.0% (issued under equal First Tranche and Second Tranche) 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.

Following the exit of First Reserve Fund, XII LP on 6 April 2018, the First Tranche Condition (as defined in the Prospectus had) been satisfied. However, in accordance with and as permitted under the terms of the MS-Awards, as the Company does not have sufficient distributable reserves or amounts credited to its premium account at such juncture to make the required issue of Shares (being the first one-third of the First Tranche), the Company has paid a cash sum equal to the aggregate fair market value of the Shares that would otherwise have been issued.

As at 31 December 2019, the carrying amount to the liability relating to the MS-Awards was US$0.1 million (2018: US$0.7 million).

24. Derivative liabilities

Embedded derivatives

The 2022 Notes and 2023 Notes have embedded derivatives arising from the additional cash coupon per interest period which will be paid subject to the Brent crude oil benchmark. If the Brent crude oil benchmark is greater than US$70 per barrel, the additional cash coupon will be 1.0% per annum, for each increase in Brent crude oil benchmark by US$10 per barrel above US$70 per barrel, up to a maximum of 3.0% per annum.

As at 31 December 2019, the carrying value of the embedded derivatives was US$2.3 million (2018: US$3.0 million). The net fair value gain on embedded derivatives of US$0.6 million (2018: US$4.1 million) was recognised in other operating expenses (Note 6).

25. Commitments

Operating lease commitments

The Group has entered into non-cancellable commercial property leases for its office premises and bareboat charters for its operations. These operating leases have remaining lease terms of one year or more.

Future minimum lease payments payable under non-cancellable operating leases as at 31 December are as follows:

	2018 US$
Within one year	43,685,990
After one year but not more than five years	26,954,037
	70,640,027

25. Commitments (cont'd)

Capital commitments

Certain of the Group's joint operations have firm capital commitments where the Group is required to participate in minimum exploration activities. The Group's share of the estimated firm minimum exploration commitments is approximately US$36.6 million (2018: US$40.1 million).

At the reporting date, the Group's outstanding minimum exploration commitments will fall due as follows:

	Group	
	2019	**2018**
	US$	US$
Within one year[1]	22,000,000	1,260,000
Within two to five years	14,620,000	38,840,000
	36,620,000	40,100,000

As at 31 December 2019, there are also optional capital commitments[2] of US$22.8 million (2018: US$63.8 million) for exploration activities and approximately US$12.0 million (2018: US$33.1 million) contractual commitments for development activities.

(1) Relates to KrisEnergy (Vietnam 115) Ltd.'s firm capital commitment. On 16 January 2020, KrisEnergy (Vietnam 115) Ltd. entered into a farm-out agreement for the transfer of 100.0% working interest in Block 115/09. This transfer is subject to a number of conditions including approvals from the relevant government authorities.

(2) Includes US$6.0 million of optional capital commitment from Andaman II PSC. On 14 November 2019, KrisEnergy (Andaman II) Ltd entered into a sale and purchase agreement with BP Exploration Operating Company Limited to assign and transfer 30.0% working interest in Andaman II PSC. The transfer is subject to a number of conditions including approvals from the Government of Indonesia. On 8 April 2020, the transfer was completed.

26. Related party disclosures

Compensation of directors and key management personnel

	Group	
	2019	**2018**
	US$	US$
Salaries and bonus	4,324,808	4,392,064
Central Provident Fund contributions	71,325	77,056
Share-based payments	160,170	259,290
	4,556,303	4,728,410
Comprising amounts paid to:		
Directors of the Company	966,959	1,137,158
Other key management personnel	3,589,344	3,591,252
	4,556,303	4,728,410

27. Fair value of financial instruments

Assets and liabilities measured at fair value

Management considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements, other than loans and borrowings whose fair values are disclosed separately in Note 20, approximate their fair values due to the relatively short-term maturity of these financial instruments.

The following table shows an analysis of financial assets and liabilities measured at fair value at the end of the reporting period:

	Group and Company			
	Level 1	**Level 2**	**Level 3**	**Total**
	US$	US$	US$	US$
2019				
Financial liabilities at fair value through profit or loss				
Derivative liabilities (Note 24)				
- Embedded derivatives	–	2,324,481	–	2,324,481
2018				
Financial liabilities at fair value through profit or loss				
Derivative liabilities (Note 24)				
- Embedded derivatives	–	2,966,741	–	2,966,741

Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets that are categorised within Level 2 of the fair value hierarchy:

Embedded derivatives

Embedded derivatives are valued using the discounted cash flow method, under which, future contractual cash flows (i.e., Brent-linked additonal cash interest) are discounted to the valuation date. As the Brent-linked additional cash interest depends on future Brent prices, Monte-Carlo simulation method was adopted to project prospective Brent prices, which can be applied to compute the appropriate level of additional interest.

28. Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, liquidity risk, commodity price risk and foreign currency risk. It is, and has been throughout the current financial year, the Group's policy that no derivatives shall be undertaken, except for the use as hedging instruments where appropriate and cost-efficient.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

28. Financial risk management objectives and policies (cont'd)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances and derivatives), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Exposure to credit risk

At the end of the reporting date, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the consolidated statement of financial position.

The Group develops and maintains the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available financial information and the trading records to rate its major customers and other debtors. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Group's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognising expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >90 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
In default	There is evidence indicating the asset is credit-impaired.	Lifetime ECL - credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Group's financial assets, as well as maximum exposure to credit risk by credit risk rating grades:

2019	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount US$	Loss allowance US$	Net carrying amount US$
Group						
Trade and other receivables	15	Performing	12-month ECL	27,047,293	–	27,047,293
Company						
Other receivables	15	Performing	12-month ECL	115,918,468	–	115,918,468
Other receivables	15	In default	Lifetime ECL	596,248,943	(596,248,943)	–

28. Financial risk management objectives and policies (cont'd)

Credit risk *(cont'd)*

Exposure to credit risk (cont'd)

2018	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount US$	Loss allowance US$	Net carrying amount US$
Group						
Trade and other receivables	15	Performing	12-month ECL	25,311,802	–	25,311,802
Company						
Other receivables	15	Performing	12-month ECL	209,518,945	–	209,518,945
Other receivables	15	In default	Lifetime ECL	508,938,056	(508,938,056)	–

Credit risk concentration profile

At the reporting date, approximately 80.8% (2018: 71.6%) of the Group's receivables arises from the Group's working interest in G10/48 Concession, G6/48 Concession, B9A and B8/32 Concessions, and Block 9 PSC.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 15 (Trade and other receivables).

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their floating rate loans and borrowings, which are contractually re-priced at drawdown date.

Sensitivity analysis for interest rate risk

As at 31 December 2019, if LIBOR interest rates had been 50 basis points lower/higher with all other variables held constant, the Group's loss before tax would have been US$1.1 million (2018: US$0.9 million) lower/higher, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings (Note 20).

28. Financial risk management objectives and policies (cont'd)

Liquidity risk

The Group and the Company maintain sufficient cash and cash equivalents to finance their activities. The Group minimises liquidity risk by keeping committed credit lines available. Management's going concern assessment is disclosed in Note 1 to the consolidated financial statements.

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The following tables detail the remaining contractual maturity for financial assets and financial liabilities. The tables have been drawn up on the undiscounted cash flows of financial assets and financial liabilities based on the earliest date on which the Group can be required to pay and the interest that will be earned on those assets. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which is not included in the carrying amount of the financial assets and financial liabilities on the statement of financial position.

Group	**Within one year** US$	**After one but within five years** US$	**After five years** US$	**Adjustments** US$	**Total** US$
2019					
Financial assets					
Trade and other receivables	27,047,293	–	–	–	27,047,293
Cash and bank balances	51,361,068	–	–	–	51,361,068
	78,408,361	–	–	–	78,408,361
Financial liabilities					
Trade and other payables	(86,775,347)	–	–	–	(86,775,347)
Accrued operating expenses	(35,281,281)	(11,239,808)	–	–	(46,521,089)
Derivative liabilities	–	(2,324,481)	–	–	(2,324,481)
Loans and borrowings	(503,053,505)	–	–	–	(503,053,505)
	(625,110,133)	(13,564,289)	–	–	(638,674,422)
Total net	(546,701,772)	(13,564,289)	–	–	(560,266,061)

28. Financial risk management objectives and policies *(cont'd)*

Liquidity risk *(cont'd)*

Group	Within one year US$	After one but within five years US$	After five years US$	Adjustments US$	Total US$
2018					
Financial assets					
Trade and other receivables	25,311,802	–	–	–	25,311,802
Cash and bank balances	77,606,440	–	–	–	77,606,440
	102,918,242	–	–	–	102,918,242
Financial liabilities					
Trade and other payables	(50,245,177)	–	–	–	(50,245,177)
Accrued operating expenses	(21,935,797)	–	–	–	(21,935,797)
Derivative liabilities	–	(2,966,741)	–	–	(2,966,741)
Loans and borrowings	(36,023,711)	(450,709,602)	(101,432,669)	129,093,543	(459,072,439)
	(108,204,685)	(453,676,343)	(101,432,669)	129,093,543	(534,220,154)
Total net	(5,286,443)	(453,676,343)	(101,432,669)	129,093,543	(431,301,912)

Commodity price risk

The Group is exposed to the price volatility of crude oil. It generates revenue from selling crude oil from its producing assets where the sales price is determined based on benchmark crude oil price. The Group's exposure to commodity price risk arises primarily from the forecasted crude oil price in preparing the Cash Flow Forecast for the Group's going concern, recoverability of Oil & Gas Properties, Exploration and Evaluation Assets and intangible assets, and their crude oil inventory as at the end of the reporting date.

Sensitivity analysis for commodity price risk on inventories

As at 31 December 2019, if the benchmark price of the crude oil had been 10.0% (2018: 10.0%) higher/lower with all other variables held constant, the Group's loss before tax would have been US$1.0 million (2018: US$1.4 million) lower/higher, arising as a result of higher/lower net realisable value of crude oil inventory.

28. Financial risk management objectives and policies (cont'd)

Foreign currency risk

The Group's foreign currency exposure arises primarily from loans and borrowings denominated in Singapore Dollar ("SGD").

Sensitivity analysis for foreign currency risk

As at 31 December 2019, if SGD/USD had strengthened/weakened by 3.0% with all other variables held constant, the Group's loss before tax would have been US$8.0 million lower/US$8.5 million higher (2018: US$7.4 million lower/US$7.9 million higher), arising as a result of lower/higher carrying value of the loans and borrowings.

29. Capital management

Capital includes loans and borrowings, amount from offtakers for crude sales and equity attributable to owners of the Company as disclosed in the table below.

The Group's objectives when managing its capital structure is to protect the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. In order to maintain or adjust the capital structure, the Group may issue new shares, buy back issued shares, obtain new borrowings or reduce its borrowings.

No changes were made in the objectives, policies or processes during the years ended 31 December 2019 and 31 December 2018.

The primary objective of the Group's capital management is to ensure that it maintains, among other things, healthy capital ratios in order to support its business and maximise shareholder value. The Group monitors capital using a gearing ratio, which is debt divided by total capital plus debt. Although the Group's policy is to maintain a gearing ratio within 30.0% to 50.0%, the Group's gearing ratio has increased year-on-year resulting in a ratio of 140.8% as at 31 December 2019. Such increase in the gearing ratio has been a result of an increase in interest-bearing debt obligations, net losses after tax and decrease in equity attributable to owners of the Company.

	Group	
	2019	**2018**
	US$	US$
Loans and borrowings (Note 20)	503,053,505	459,072,439
Amount from offtakers for crude sales (Note 18)	–	23,300,089
Equity attributable to the owners of the Company	(145,897,049)	22,738,477
Capital and debt	357,156,456	505,111,005
Gearing ratio	140.8%	95.5%

30. Segment reporting

For management purposes, the Group operates in one business segment that is exploration and production of oil and gas in Asia.

Revenue and non-current assets information based on the geographical location of assets respectively are as follows:

	Group			
	Revenue		Non-current assets	
	2019	2018	2019	2018
	US$	US$	US$	US$
Bangladesh	10,776,978	9,531,012	36,061,620	37,854,357
Cambodia	–	–	234,554,032	196,722,169
Indonesia	–	–	31,445,483	88,411,351
Thailand	115,754,059	135,274,404	121,195,571	165,635,635
Vietnam	–	–	–	4,954,217
	126,531,037	144,805,416	423,256,706	493,577,729

Non-current assets information presented above consists of exploration and evaluation assets, oil and gas properties, intangible assets and refurbishment assets in progress as presented in the notes to the consolidated financial statements.

Information about major customers

The Group identifies a major customer as one who contributes to 10.0%or more of the total revenue. As at 31 December 2019, revenue from one (2018: one) major customer contributed to 87.2% (2018: 76.0%) of the Group's total revenue.

31. Contingent liabilities

Jefferies International Limited

In 2018, Jefferies International Limited ("Jefferies") has commenced arbitration proceedings against the Company, seeking disputed success fees of US$1.75 million under an engagement letter for financial advisory services to the Company. The Company takes the view, in consultation with legal advisors that the claim made by Jefferies is without merit. The Company is taking legal advice and intends to vigorously resist and refute Jefferies' claim. In addition, the Company fully reserves its rights to seek remedies, including any counterclaim and costs, against Jefferies to the fullest extent under the engagement letter and at law. The arbitration has been delayed pending the KEL arbitration.

This claim is not expected to have any material impact on the Company's operations for the financial year ended 31 December 2019.

31. Contingent liabilities (cont'd)

Rubicon Vantage International Pte Ltd

As at 31 December 2019, Rubicon Vantage International Pte Ltd ("Rubicon") has won its claim in the High Court of Justice Business and Property Courts of England against the Company. The judgement debt was for a total of US$2.8 million, including US$1.0 million of interest. As at 31 December 2019, the accrued interest of US$1.0 million was recognised under accrued operating expenses.

The KEL moratorium prevents Rubicon from enforcing this judgement debt against KEL. While the moratorium of KEL is in process, Rubicon has now filed a statutory demand dated 10 February 2020 for approximately US$2.8 million, including US$1.0 million of interest, in the Cayman Islands against the Company's wholly owned subsidiary, KrisEnergy (Gulf of Thailand) Ltd ("KEGOT") as charterer under the Bareboat Charter. The statutory demand states that if payment of this debt is not made within 21 days of the date upon which the statutory demand is served on KEGOT's registered office or a settlement fails to be reached, Rubicon may present a winding up petition against KEGOT. KEGOT has filed for an injunction to prevent Rubicon from filing a winding up order. The hearing was held on 16 April 2020. As at date of these consolidated financial statements, the Company is waiting for the final judgement. Pending the judge's decision, the parties have agreed that the injunction will stand. On 3 June 2020, the Group has announced that agreements with respect to the floating storage and offloading ("FSO") vessel have been terminated.

This claim is not expected to have any material impact on the Company's operations for the financial year ended 31 December 2019.

32. Subsequent events

a) On 30 April 2020, and as disclosed in Note 1 to the consolidated financial statements, the Group obtained a Project Financing Facility of US$87.0 million from the Lender to fund the development of Cambodia Block A, with maturity occurring 48 months from the date of the agreement. Any draw-down of the Project Financing Facility beyond the initial US$30.0 million is subject to, inter alia, the obtaining of shareholders' approval for the Project Financing Facility as an Interested Person Transaction ("IPT"). The extraordinary general meeting to seek shareholders' approval for the IPT is to be convened on 29 June 2020.

   Under the terms of the Project Financing Facility, the Lender will be entitled to call for immediate repayment of the funds already advanced and have no obligation to make available any further funding if the Group is unable to fulfil certain conditions, including any of the following:

   (i) Obtain shareholders' approval for the Project Financing Facility as an IPT;

   (ii) Completion of the Debt Restructuring by 15 July 2020 (or such other date as agreed with the Lender); and

   (iii) Achieve first oil sale proceeds for Cambodia Block A by 31 December 2020 (or such other date as agreed with the Lender).

32. Subsequent events (cont'd)

b) On 6 May 2020, the Group announced that it is undertaking a review of the commerciality of its producing fields at current oil price levels and future projected levels. On 3 June 2020, the Company announced that production at the Wassana field in the G10/48 concession in the Gulf of Thailand was suspended in early June 2020. The suspension is expected to have a material negative effect on the Group's financials going forward as the Wassana field accounts for 75.0% to 80.0% of the Group's current hydrocarbon production. The suspension of the Wassana field may further impair the carrying amount of the related oil & gas properties and exploration and evaluation assets which stood at US$20.2 million as at 31 December 2019. As management has yet to decide on a production resumption date due to the volatility of crude oil prices, the full financial impact cannot be estimated reliably as at date of these financial statements.

33. Authorisation of consolidated financial statements for issue

The consolidated financial statements for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 3 June 2020.

SHAREHOLDING AND WARRANTHOLDING STATISTICS

Shareholding and Warrantholding Statistics as at 20 May 2020

Total number of issued shares - 1,502,849,065
Class of shares - Ordinary shares of US$0.00125 par value
Voting rights - 1 vote per ordinary Share

ANALYSIS OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	71	2.34	766	0.00
100 - 1,000	152	5.02	108,540	0.01
1,001 - 10,000	737	24.35	4,834,383	0.32
10,001 - 1,000,000	1,988	65.68	245,240,643	16.32
1,000,001 and above	79	2.61	1,252,664,733	83.35
	3,027	100.00	1,502,849,065	100.00

TOP 20 SHAREHOLDERS

No.	Name of Shareholder	No. of Shares	%
1	BNP Paribas Nominees Singapore Pte Ltd	598,263,893	39.81
2	DBS Nominees Pte Ltd	206,774,544	13.76
3	Citibank Nominees Singapore Pte Ltd	151,369,818	10.07
4	Raffles Nominees(Pte) Limited	56,362,142	3.75
5	Morgan Stanley Asia (S) Sec Pte Ltd	25,513,894	1.70
6	OCBC Securities Private Ltd	13,217,207	0.88
7	Phillip Securities Pte Ltd	12,718,842	0.85
8	Maybank Kim Eng Securities Pte.Ltd.	11,137,100	0.74
9	Waterworth Pte Ltd	8,000,000	0.53
10	UOB Kay Hian Pte Ltd	7,563,640	0.50
11	Khoo Yee Hock	7,000,000	0.47
12	Coffee Express 2000 Pte Ltd	6,200,000	0.41
13	Tan Kay Toh or Yu Hea Ryeong	6,194,900	0.41
14	Cheung Lap Yuen	5,228,000	0.35
15	Wang Ying Po	5,200,000	0.35
16	Lim Chor Teck Aaron	4,514,800	0.30
17	Ang Ah Lek @ An Ah Lek	4,200,000	0.28
18	Tan Seng Hock	3,985,000	0.27
19	Lim Leong Koo	3,800,000	0.25
20	Tan Eng Chua Edwin	3,699,600	0.25
		1,140,943,380	75.93

SUBSTANTIAL SHAREHOLDERS

	Holding Registered in Name of Substantial Shareholders or Nominees		Holding in which Substantial Shareholders are Deemed to have an Interest in		Total Shareholding	
	Number of Shares	% (1)	Number of Shares	% (1)	Number of Shares	% (1)
			-	-	598,263,893	39.81
Keppel Oil & Gas Pte Ltd	598,263,893	39.81				
Kepventure Pte Ltd	-	-	598,263,893 (2)	39.81	598,263,893	39.81
Keppel Corporation Limited	-	-	598,263,893 (2)	39.81	598,263,893	39.81
Temasek Holdings (Private) Limited	-	-	598,263,893 (3)	39.81	598,263,893	39.81
Serle Investments Limited	175,421,133	11.67	-	-	175,421,133	11.67
Yeoh Sock Siong	-	-	175,421,133 (4)	11.67	175,421,133	11.67
Tan Siew Bee	-	-	175,421,133 (4)	11.67	175,421,133	11.67
Ng Kay Yip	142,224,097	9.46	-	-	142,224,097	9.46

Notes:

(1) Based on 1,502,849,065 issued Shares as at the Latest Practicable Date.

(2) Kepventure Pte Ltd ("**KPL**") and Keppel Corporation Limited ("**Keppel**") are each deemed under Section 4 of the Singapore Securities and Futures Act to have an interest in the Shares held by Keppel Oil & Gas Pte Ltd ("**KOG**") as:
(a) KOG is a wholly owned subsidiary of KPL; and
(b) KPL is a wholly owned subsidiary of Keppel.

(3) Temasek Holdings (Private) Limited ("**Temasek**") is deemed under Section 4 of the Singapore Securities and Futures Act to have an interest in the Shares held by KOG as:
(a) KOG is a wholly owned subsidiary of KPL;
(b) KPL is a wholly owned subsidiary of Keppel; and
(c) Temasek has more than 20% interest in Keppel, an independently managed Temasek portfolio company.

(4) Yeoh Sock Siong and Tan Siew Bee (being spouses) are each deemed under Section 4 of the Singapore Securities and Futures Act to have an interest in the Shares held by Serle Investments Limited as they hold the entire issued share capital of Serle Investments Limited.

Shareholdings Held in Hands of Public

Based on information available to the Company as at 20 May 2020, approximately 38.95% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

The Company does not hold any Treasury Shares, nor any Subsidiary Holdings.

ANALYSIS OF WARRANT HOLDINGS

Size of Warrant holdings	No. of Warrant holders	%	No. of Warrants	%
1 - 99	24	4.19	1,174	0.00
100 - 1,000	9	1.57	5,974	0.00
1,001 - 10,000	74	12.91	552,331	0.04
10,001 - 1,000,000	415	72.43	75,502,149	6.02
1,000,001 and above	51	8.90	1,179,110,628	93.94
	573	100.00	1,255,172,256	100.00

TOP 20 WARRANT HOLDERS

No.	Name of Warrant holder	No. of Warrants	%
1	BNP Paribas Nominees Singapore Pte Ltd	964,853,865	76.87
2	Waterworth Pte Ltd	25,000,000	1.99
3	Citibank Nominees Singapore Pte Ltd	15,689,163	1.25
4	DBS Nominees Pte Ltd	13,451,015	1.07
5	Teo Chiang Song	12,000,000	0.96
6	Lee Yuen Shih	9,000,000	0.72
7	UOB Kay Hian Pte Ltd	8,979,296	0.72
8	CGS-CIMB Securities (Singapore) Pte Ltd	7,379,486	0.59
9	Teo Chiang Wee	7,000,000	0.56
10	Maybank Kim Eng Securities Pte.Ltd.	6,330,986	0.50
11	OCBC Securities Private Ltd	5,938,013	0.47
12	Neo Kim Kuek	5,700,000	0.45
13	Tan Siew Lin	5,570,000	0.44
14	DBS Vickers Securities (S) Pte Ltd	5,047,945	0.40
15	Ng Pock Hoe	5,000,000	0.40
16	Yip Wai Mun	4,880,000	0.39
17	Phillip Securities Pte Ltd	4,807,733	0.38
18	Kuan Kok Siang	4,490,000	0.36
19	Ng Chee Fatt	4,270,000	0.34
20	Zhuo Jingming	4,200,000	0.34
		1,119,587,502	89.20

NETHERLAND, SEWELL & ASSOCIATES, INC.
WORLDWIDE PETROLEUM CONSULTANTS
ENGINEERING • GEOLOGY • GEOPHYSICS • PETROPHYSICS

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PRESIDENT & COO
DANNY D. SIMMONS
EXECUTIVE VP
G. LANCE BINDER

January 20, 2020

Board of Directors
KrisEnergy (Asia) Ltd
83 Clemenceau Avenue
10-05, UE Square, Shell House
Singapore 239920

Gentlemen:

In accordance with your request, we have estimated the proved, probable, and possible reserves and future revenue, as of December 31, 2019, to the KrisEnergy (Asia) Ltd (referred to herein as "KrisEnergy") interest in certain oil and gas properties located in Blocks B8/32 and B9A, Rossukon Field, and Wassana Field, offshore Thailand; Lengo Field, offshore Indonesia; Block A, offshore Cambodia; and Bangora Field, onshore Bangladesh. Also as requested, we have estimated the development unclarified contingent resources, as of December 31, 2019, to the KrisEnergy working interest in certain other discoveries located offshore Thailand, offshore Indonesia, offshore Cambodia, and onshore Bangladesh. We completed our evaluation on or about the date of this letter. This report has been prepared using price and cost parameters specified by KrisEnergy, as discussed in subsequent paragraphs of this letter. Monetary values shown in this report are expressed in United States dollars ($) or thousands of United States dollars (M$).

The estimates in this report have been prepared in accordance with the definitions and guidelines set forth in the 2018 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers (SPE). As presented in the 2018 PRMS, petroleum accumulations can be classified, in decreasing order of likelihood of commerciality, as reserves, contingent resources, or prospective resources. Different classifications of petroleum accumulations have varying degrees of technical and commercial risk that are difficult to quantify; thus reserves, contingent resources, and prospective resources should not be aggregated without extensive consideration of these factors. Definitions are presented immediately following this letter. The tables following the definitions include summaries of our estimates of reserves and contingent resources, by category, to the KrisEnergy interest for each asset area and reconciliation tables for reserves and contingent resources.

RESERVES

Reserves are those quantities of petroleum anticipated to be commercially recoverable from known accumulations by application of development projects from a given date forward under defined conditions. Reserves must be discovered, recoverable, commercial, and remaining as of the evaluation date based on the planned development projects to be applied. Proved reserves are those quantities of oil and gas which, by analysis of engineering and geoscience data, can be estimated with reasonable certainty to be commercially recoverable; probable and possible reserves are those additional reserves which are sequentially less certain to be recovered than proved reserves.

We estimate the gross (100 percent) reserves and working interest reserves and future net revenue to the KrisEnergy interest in these properties, as of December 31, 2019, to be:

	Gross (100%) Reserves		Working Interest Reserves		Future Net Revenue[1] (M$)	
Category	Oil (MBBL)	Gas (MMCF)	Oil (MBBL)	Gas (MMCF)	Total	Present Worth at 10%
Proved Developed Producing	9,580.2	174,882.3	535.1	44,343.2	(6,970.6)[2]	(3,335.2)[2]
Proved Developed Non-Producing	28.9	11,633.1	8.7	3,489.9	2,913.3	2,094.5
Proved Undeveloped	4,711.9	37,269.8	218.4	1,727.3	17,014.9	12,476.1
Proved (1P)	14,321.0	223,785.3	762.1	49,560.4	12,957.6	11,235.4

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Category	Gross (100%) Reserves Oil (MBBL)	Gross (100%) Reserves Gas (MMCF)	Working Interest Reserves Oil (MBBL)	Working Interest Reserves Gas (MMCF)	Future Net Revenue[1] (M$) Total	Future Net Revenue[1] (M$) Present Worth at 10%
Probable	61,817.2	605,303.2	24,385.2	148,379.5	371,021.8	198,780.9
Proved + Probable (2P)	76,138.2	829,088.4	25,147.3	197,939.9	383,979.5	210,016.3
Possible	25,673.6	188,151.4	13,413.1	40,971.7	367,728.5	267,035.7
Proved + Probable + Possible (3P)	101,811.8	1,017,239.8	38,560.4	238,911.6	751,708.0	477,051.9

Totals may not add because of rounding.

(1) Future net revenue is after deductions for royalties and KrisEnergy's share of capital costs, abandonment costs, operating expenses, carried costs and reimbursements associated with local participation, head office overhead, production bonus payments, special remuneratory benefit, value-added taxes, and income taxes.
(2) Future net revenue is negative after deducting estimated abandonment costs and all proved operating costs.

The oil volumes shown include crude oil and condensate. Oil volumes are expressed in thousands of barrels (MBBL); a barrel is equivalent to 42 United States gallons. Gas volumes are expressed in millions of cubic feet (MMCF) at standard temperature and pressure bases.

Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. The estimates of reserves and future revenue included herein have not been adjusted for risk.

Gross revenue for the reserves is KrisEnergy's share of the gross (100 percent) revenue from the properties after deductions for royalties. Future net revenue is after additional deductions for KrisEnergy's share of capital costs, abandonment costs, operating expenses, carried costs and reimbursements associated with local participation, head office overhead, production bonus payments, special remuneratory benefit, value-added taxes, and income taxes. The future net revenue has been discounted at an annual rate of 10 percent to determine its present worth, which is shown to indicate the effect of time on the value of money. Future net revenue presented in this report, whether discounted or undiscounted, should not be construed as being the fair market value of the properties.

We have made no investigation of potential volume and value imbalances resulting from overdelivery or underdelivery to the KrisEnergy interest. Therefore, our estimates of reserves and future revenue do not include adjustments for the settlement of any such imbalances; our projections are based on KrisEnergy receiving its net revenue interest share of estimated future gross production. Additionally, we have made no specific investigation of any firm transportation contracts that may be in place for these properties; our estimates of future revenue include the effects of such contracts only to the extent that the associated fees are accounted for in the historical field-level accounting statements.

CONTINGENT RESOURCES

Contingent resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by the application of development project(s) not currently considered to be commercial owing to one or more contingencies. The discoveries assessed in this report have been subclassified as development unclarified. The 2018 PRMS defines a development unclarified discovery as a discovered accumulation where project activities are under evaluation and where justification as a commercial development is unknown based on available information. The contingent resources shown in this report are contingent upon one or more of the following: (1) collection of additional technical data, to be gathered through delineation wells and flow tests, to establish commercial viability, (2) determination of the economic viability of the project, (3) finalization of a plan to develop the resources, (4) commitment of the license partners to develop the resources, (5) submission and

approval of a Plan of Development or Production Area Application, and (6) completion of a gas sales agreement. If these contingencies are successfully addressed, some portion of the contingent resources estimated in this report may be reclassified as reserves; our estimates have not been risked to account for the possibility that the contingencies are not successfully addressed. This report does not include economic analysis for these properties. Because of the early stage of development of these projects, we did not perform an economic analysis on these resources; as such, the economic status of these resources is undetermined.

We estimate the gross (100 percent) contingent resources and working interest contingent resources to the KrisEnergy interest in these discoveries, as of December 31, 2019, to be:

Subclassification/ Category	Gross (100%) Contingent Resources Oil (MBBL)	Gross (100%) Contingent Resources Gas (MMCF)	Working Interest Contingent Resources Oil (MBBL)	Working Interest Contingent Resources Gas (MMCF)
Development Unclarified				
Low Estimate (1C)	4,670.2	54,792.6	4,197.4	48,675.0
Best Estimate (2C)	11,261.1	372,950.8	10,059.5	325,922.6
High Estimate (3C)	18,451.5	725,496.4	16,290.1	590,590.1

Note: Contingent resources are the arithmetic sum of multiple asset-level probability distributions.

The oil volumes shown include crude oil and condensate.

The contingent resources shown in this report have been estimated using a combination of deterministic and probabilistic methods. Once all contingencies have been successfully addressed, the probability that the quantities of contingent resources actually recovered will equal or exceed the estimated amounts is 90 percent for the low estimate, 50 percent for the best estimate, and 10 percent for the high estimate. For the purposes of this report, the volumes and parameters associated with the low, best, and high estimate scenarios of contingent resources are referred to as 1C, 2C, and 3C, respectively. The estimates of contingent resources included herein have not been adjusted for development risk. As recommended in the 2018 PRMS, the 1C, 2C, and 3C contingent resources have been aggregated beyond the field level by arithmetic summation; therefore, these totals do not include the portfolio effect that might result from statistical aggregation.

ECONOMIC PARAMETERS

As requested, this report has been prepared using oil and gas price parameters specified by KrisEnergy. Oil prices for the reserves are based on the average forecast for Brent Crude prices from an aggregation of several independent public forecasts and are adjusted by area for quality, transportation fees, and market differentials. The oil prices, before adjustments, are shown in the following table:

Period Ending	Oil Price ($/Barrel)
12-31-2020	63.00
12-31-2021	64.00
12-31-2022	65.00
Thereafter	68.00

Gas prices for Block B8/32 and Block B9A reserves for January through March 2020 are based on the Tantawan Gas Sales Agreement price of $4.565 per MMBTU and are adjusted by field area for energy content. Gas prices starting in April 2020 are based on the Tantawan Gas Sales Agreement pricing formula and the oil prices shown in

the table above and are adjusted by field area for energy content. The gas prices, before adjustments, are shown in the following table:

Period Ending	Gas Price ($/MMBTU)
3-31-2020	4.565
12-31-2020	4.429
12-31-2021	5.035
12-31-2022	6.755
Thereafter	6.789

The gas price for Bangora Field reserves is the contract price of $2.319 per MCF. The gas price for Lengo Field reserves is based on recent gas contracts in similar areas and is $6.100 per MMBTU; this price is adjusted for energy content. Gas prices for Bangora and Lengo Fields are held constant throughout the lives of the properties.

Operating costs used in this report are based on operating expense records of and budgets prepared by the operators of the properties, as provided by KrisEnergy. These costs include the per-well overhead expenses allowed under concession agreements along with estimates of costs to be incurred at and below the field level. Headquarters general and administrative overhead expenses of KrisEnergy are included to the extent that they are covered under concession agreements for the operated properties. As requested, abandonment costs for the assets located offshore Indonesia are included as operating costs. Also as requested, operating costs are not escalated for inflation.

Capital costs used in this report were provided by KrisEnergy and are based on budgeted expenditures and actual costs from recent activity. Capital costs are included as required for workovers, new development wells, and production equipment. Based on our understanding of future development plans, a review of the records provided to us, and our knowledge of similar properties, we regard these estimated capital costs to be reasonable. Abandonment costs used in this report are KrisEnergy's estimates of the costs to abandon the wells, platforms, and production facilities, net of any salvage value. For all assets not located offshore Indonesia, abandonment costs are shown herein as capital costs; abandonment costs for offshore Indonesia will be paid in installments and are included as operating costs. As requested, capital costs and abandonment costs are not escalated for inflation.

GENERAL INFORMATION

This report does not include any value that could be attributed to interests in undeveloped acreage beyond those tracts for which undeveloped reserves have been estimated. For the purposes of this report, we did not perform any field inspection of the properties, nor did we examine the mechanical operation or condition of the wells and facilities. Based on the information used in our analysis, it is our opinion that a field visit was not required and would not materially affect our evaluation. We have not investigated possible environmental liability related to the properties; therefore, our estimates do not include any costs due to such possible liability.

The reserves and contingent resources shown in this report are estimates only and should not be construed as exact quantities. Estimates may increase or decrease as a result of market conditions, future operations, changes in regulations, or actual reservoir performance. In addition to the primary economic assumptions discussed herein, our estimates are based on certain assumptions including, but not limited to, that the properties will be developed consistent with current development plans as provided to us by KrisEnergy, that the properties will be operated in a prudent manner, that no governmental regulations or controls will be put in place that would impact the ability of the interest owner to recover the volumes, and that our projections of future production will prove consistent with actual performance. If these volumes are recovered, the revenues therefrom and the costs related thereto could be more or less than the estimated amounts. Because of governmental policies and uncertainties of supply and demand, the sales rates, prices received, and costs incurred may vary from assumptions made while preparing this report.

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For the purposes of this report, we used technical and economic data including, but not limited to, well logs, geologic maps, seismic data, well test data, production data, historical price and cost information, and property ownership interests. The reserves and contingent resources in this report have been estimated using a combination of deterministic and probabilistic methods; these estimates have been prepared in accordance with generally accepted petroleum engineering and evaluation principles set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the SPE (SPE Standards). We used standard engineering and geoscience methods, or a combination of methods, including performance analysis, volumetric analysis, and analogy, that we considered to be appropriate and necessary to classify, categorize, and estimate volumes in accordance with the 2018 PRMS definitions and guidelines. The contingent resources and a portion of the reserves shown in this report are for undeveloped locations; such volumes are based on estimates of reservoir volumes and recovery efficiencies along with analogy to properties with similar geologic and reservoir characteristics. As in all aspects of oil and gas evaluation, there are uncertainties inherent in the interpretation of engineering and geoscience data; therefore, our conclusions necessarily represent only informed professional judgment.

The data used in our estimates were obtained from KrisEnergy, other interest owners, various operators of the properties, public data sources, and the nonconfidential files of Netherland, Sewell & Associates, Inc. and were accepted as accurate. Supporting work data are on file in our office. We have not examined the contractual rights to the properties or independently confirmed the actual degree or type of interest owned. The technical persons primarily responsible for preparing the estimates presented herein meet the requirements regarding qualifications, independence, objectivity, and confidentiality set forth in the SPE Standards. We are independent petroleum engineers, geologists, geophysicists, and petrophysicists; we do not own an interest in these properties nor are we employed on a contingent basis.

Sincerely,

NETHERLAND, SEWELL & ASSOCIATES, INC.
Texas Registered Engineering Firm F-2699

By:
C.H. (Scott) Rees III, P.E.
Chairman and Chief Executive Officer

By:
Philip S. (Scott) Frost, P.E. 88738
Senior Vice President

Date Signed: January 20, 2020

PSF:EAP

STATE OF TEXAS
P. S. FROST
88738
LICENSED
PROFESSIONAL ENGINEER

By:
Michelle F. Herrera, P.G. 11912
Vice President

Date Signed: January 20, 2020

STATE OF TEXAS
MICHELLE F. HERRERA
GEOLOGY
11912
LICENSED
PROFESSIONAL GEOSCIENTIST

NETHERLAND, SEWELL & ASSOCIATES, INC.

PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by
the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

This document contains information excerpted from definitions and guidelines prepared by the Oil and Gas Reserves Committee of the Society of Petroleum Engineers (SPE) and reviewed and jointly sponsored by the SPE, World Petroleum Council, American Association of Petroleum Geologists, Society of Petroleum Evaluation Engineers, Society of Exploration Geophysicists, Society of Petrophysicists and Well Log Analysts, and European Association of Geoscientists & Engineers.

Preamble

Petroleum resources are the quantities of hydrocarbons naturally occurring on or within the Earth's crust. Resources assessments estimate quantities in known and yet-to-be-discovered accumulations. Resources evaluations are focused on those quantities that can potentially be recovered and marketed by commercial projects. A petroleum resources management system provides a consistent approach to estimating petroleum quantities, evaluating projects, and presenting results within a comprehensive classification framework.

This updated PRMS provides fundamental principles for the evaluation and classification of petroleum reserves and resources. If there is any conflict with prior SPE and PRMS guidance, approved training, or the Application Guidelines, the current PRMS shall prevail. It is understood that these definitions and guidelines allow flexibility for entities, governments, and regulatory agencies to tailor application for their particular needs; however, any modifications to the guidance contained herein must be clearly identified. The terms "shall" or "must" indicate that a provision herein is mandatory for PRMS compliance, while "should" indicates a recommended practice and "may" indicates that a course of action is permissible. The definitions and guidelines contained in this document must not be construed as modifying the interpretation or application of any existing regulatory reporting requirements.

1.0 Basic Principles and Definitions

1.0.0.1 A classification system of petroleum resources is a fundamental element that provides a common language for communicating both the confidence of a project's resources maturation status and the range of potential outcomes to the various entities. The PRMS provides transparency by requiring the assessment of various criteria that allow for the classification and categorization of a project's resources. The evaluation elements consider the risk of geologic discovery and the technical uncertainties together with a determination of the chance of achieving the commercial maturation status of a petroleum project.

1.0.0.2 The technical estimation of petroleum resources quantities involves the assessment of quantities and values that have an inherent degree of uncertainty. These quantities are associated with exploration, appraisal, and development projects at various stages of design and implementation. The commercial aspects considered will relate the project's maturity status (e.g., technical, economical, regulatory, and legal) to the chance of project implementation.

1.0.0.3 The use of a consistent classification system enhances comparisons between projects, groups of projects, and total company portfolios. The application of PRMS must consider both technical and commercial factors that impact the project's feasibility, its productive life, and its related cash flows.

1.1 Petroleum Resources Classification Framework

1.1.0.1 Petroleum is defined as a naturally occurring mixture consisting of hydrocarbons in the gaseous, liquid, or solid state. Petroleum may also contain non-hydrocarbons, common examples of which are carbon dioxide, nitrogen, hydrogen sulfide, and sulfur. In rare cases, non-hydrocarbon content can be greater than 50%.

1.1.0.2 The term resources as used herein is intended to encompass all quantities of petroleum naturally occurring within the Earth's crust, both discovered and undiscovered (whether recoverable or unrecoverable), plus those quantities already produced. Further, it includes all types of petroleum whether currently considered as conventional or unconventional resources.

1.1.0.3 Figure 1.1 graphically represents the PRMS resources classification system. The system classifies resources into discovered and undiscovered and defines the recoverable resources classes: Production, Reserves, Contingent Resources, and Prospective Resources, as well as Unrecoverable Petroleum.

1.1.0.4 The horizontal axis reflects the range of uncertainty of estimated quantities potentially recoverable from an accumulation by a project, while the vertical axis represents the chance of commerciality, P_c, which is the chance that a project will be committed for development and reach commercial producing status.

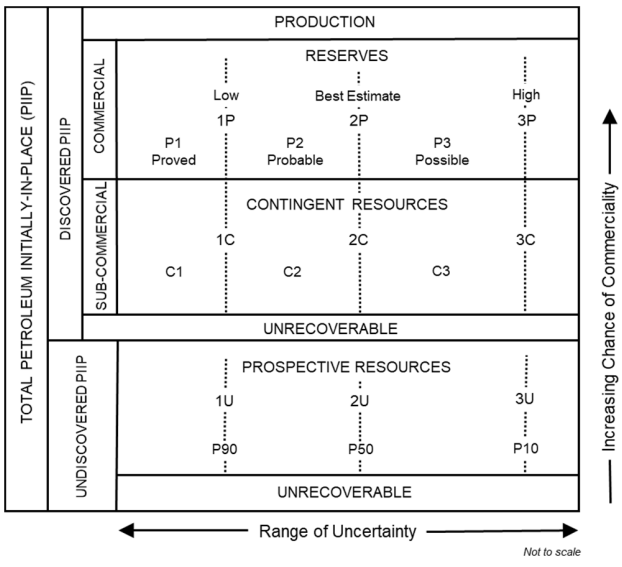


Figure 1.1—Resources classification framework

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1.1.0.5 The following definitions apply to the major subdivisions within the resources classification:

A. **Total Petroleum Initially-In-Place** (PIIP) is all quantities of petroleum that are estimated to exist originally in naturally occurring accumulations, discovered and undiscovered, before production.

B. **Discovered PIIP** is the quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations before production.

C. **Production** is the cumulative quantities of petroleum that have been recovered at a given date. While all recoverable resources are estimated, and production is measured in terms of the sales product specifications, raw production (sales plus non-sales) quantities are also measured and required to support engineering analyses based on reservoir voidage (see Section 3.2, Production Measurement).

1.1.0.6 Multiple development projects may be applied to each known or unknown accumulation, and each project will be forecast to recover an estimated portion of the initially-in-place quantities. The projects shall be subdivided into commercial, sub-commercial, and undiscovered, with the estimated recoverable quantities being classified as Reserves, Contingent Resources, or Prospective Resources respectively, as defined below.

A. 1. **Reserves** are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining (as of the evaluation's effective date) based on the development project(s) applied.

2. Reserves are recommended as sales quantities as metered at the reference point. Where the entity also recognizes quantities consumed in operations (CiO) (see Section 3.2.2), as Reserves these quantities must be recorded separately. Non-hydrocarbon quantities are recognized as Reserves only when sold together with hydrocarbons or CiO associated with petroleum production. If the non-hydrocarbon is separated before sales, it is excluded from Reserves.

3. Reserves are further categorized in accordance with the range of uncertainty and should be sub-classified based on project maturity and/or characterized by development and production status.

B. **Contingent Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, by the application of development project(s) not currently considered to be commercial owing to one or more contingencies. Contingent Resources have an associated chance of development. Contingent Resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent Resources are further categorized in accordance with the range of uncertainty associated with the estimates and should be sub-classified based on project maturity and/or economic status.

C. **Undiscovered PIIP** is that quantity of petroleum estimated, as of a given date, to be contained within accumulations yet to be discovered.

D. **Prospective Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective Resources have both an associated chance of geologic discovery and a chance of development. Prospective Resources are further categorized in accordance with the range of uncertainty associated with recoverable estimates, assuming discovery and development, and may be sub-classified based on project maturity.

E. **Unrecoverable Resources** are that portion of either discovered or undiscovered PIIP evaluated, as of a given date, to be unrecoverable by the currently defined project(s). A portion of these quantities may become recoverable in the future as commercial circumstances change, technology is developed, or additional data are acquired. The remaining portion may never be recovered because of physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

1.1.0.7 The sum of Reserves, Contingent Resources, and Prospective Resources may be referred to as "remaining recoverable resources." Importantly, these quantities should not be aggregated without due consideration of the technical and commercial risk involved with their classification. When such terms are used, each classification component of the summation must be provided.

1.1.0.8 Other terms used in resource assessments include the following:

A. **Estimated Ultimate Recovery (EUR)** is not a resources category or class, but a term that can be applied to an accumulation or group of accumulations (discovered or undiscovered) to define those quantities of petroleum estimated, as of a given date, to be potentially recoverable plus those quantities already produced from the accumulation or group of accumulations. For clarity, EUR must reference the associated technical and commercial conditions for the resources; for example, proved EUR is Proved Reserves plus prior production.

B. **Technically Recoverable Resources (TRR)** are those quantities of petroleum producible using currently available technology and industry practices, regardless of commercial considerations. TRR may be used for specific Projects or for groups of Projects, or, can be an undifferentiated estimate within an area (often basin-wide) of recovery potential.

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1.2 Project-Based Resources Evaluations

1.2.0.1 The resources evaluation process consists of identifying a recovery project or projects associated with one or more petroleum accumulations, estimating the quantities of PIIP, estimating that portion of those in-place quantities that can be recovered by each project, and classifying the project(s) based on maturity status or chance of commerciality.

1.2.0.2 The concept of a project-based classification system is further clarified by examining the elements contributing to an evaluation of net recoverable resources (see Figure 1.2).

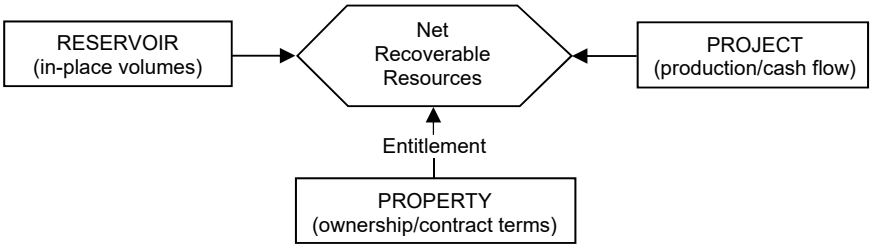


Figure 1.2—Resources evaluation

1.2.0.3 **The reservoir** (contains the petroleum accumulation): Key attributes include the types and quantities of PIIP and the fluid and rock properties that affect petroleum recovery.

1.2.0.4 **The project:** A project may constitute the development of a well, a single reservoir, or a small field; an incremental development in a producing field; or the integrated development of a field or several fields together with the associated processing facilities (e.g., compression). Within a project, a specific reservoir's development generates a unique production and cash-flow schedule at each level of certainty. The integration of these schedules taken to the project's earliest truncation caused by technical, economic, or the contractual limit defines the estimated recoverable resources and associated future net cash flow projections for each project. The ratio of EUR to total PIIP quantities defines the project's recovery efficiency. Each project should have an associated recoverable resources range (low, best, and high estimate).

1.2.0.5 **The property** (lease or license area): Each property may have unique associated contractual rights and obligations, including the fiscal terms. This information allows definition of each participating entity's share of produced quantities (entitlement) and share of investments, expenses, and revenues for each recovery project and the reservoir to which it is applied. One property may encompass many reservoirs, or one reservoir may span several different properties. A property may contain both discovered and undiscovered accumulations that may be spatially unrelated to a potential single field designation.

1.2.0.6 An entity's net recoverable resources are the entitlement share of future production legally accruing under the terms of the development and production contract or license.

1.2.0.7 In the context of this relationship, the project is the primary element considered in the resources classification, and the net recoverable resources are the quantities derived from each project. A project represents a defined activity or set of activities to develop the petroleum accumulation(s) and the decisions taken to mature the resources to reserves. In general, it is recommended that an individual project has assigned to it a specific maturity level sub-class (See Section 2.1.3.5, Project Maturity Sub-Classes) at which a decision is made whether or not to proceed (i.e., spend more money) and there should be an associated range of estimated recoverable quantities for the project (See Section 2.2.1, Range of Uncertainty). For completeness, a developed field is also considered to be a project.

1.2.0.8 An accumulation or potential accumulation of petroleum is often subject to several separate and distinct projects that are at different stages of exploration or development. Thus, an accumulation may have recoverable quantities in several resources classes simultaneously.

1.2.0.10 Not all technically feasible development projects will be commercial. The commercial viability of a development project within a field's development plan is dependent on a forecast of the conditions that will exist during the time period encompassed by the project (see Section 3.1, Assessment of Commerciality). Conditions include technical, economic (e.g., hurdle rates, commodity prices), operating and capital costs, marketing, sales route(s), and legal, environmental, social, and governmental factors forecast to exist and impact the project during the time period being evaluated. While economic factors can be summarized as forecast costs and product prices, the underlying influences include, but are not limited to, market conditions (e.g., inflation, market factors, and contingencies), exchange rates, transportation and processing infrastructure, fiscal terms, and taxes.

1.2.0.11 The resources being estimated are those quantities producible from a project as measured according to delivery specifications at the point of sale or custody transfer (see Section 3.2.1, Reference Point) and may permit forecasts of CiO quantities (see Section 3.2.2., Consumed in Operations). The cumulative production forecast from the effective date forward to cessation of production is the remaining recoverable resources quantity (see Section 3.1.1, Net Cash-Flow Evaluation).

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1.2.0.12 The supporting data, analytical processes, and assumptions describing the technical and commercial basis used in an evaluation must be documented in sufficient detail to allow, as needed, a qualified reserves evaluator or qualified reserves auditor to clearly understand each project's basis for the estimation, categorization, and classification of recoverable resources quantities and, if appropriate, associated commercial assessment.

2.0 Classification and Categorization Guidelines

2.1 Resources Classification

2.1.0.1 The PRMS classification establishes criteria for the classification of the total PIIP. A determination of a discovery differentiates between discovered and undiscovered PIIP. The application of a project further differentiates the recoverable from unrecoverable resources. The project is then evaluated to determine its maturity status to allow the classification distinction between commercial and sub-commercial projects. PRMS requires the project's recoverable resources quantities to be classified as either Reserves, Contingent Resources, or Prospective Resources.

2.1.1 Determination of Discovery Status

2.1.1.1 A discovered petroleum accumulation is determined to exist when one or more exploratory wells have established through testing, sampling, and/or logging the existence of a significant quantity of potentially recoverable hydrocarbons and thus have established a known accumulation. In the absence of a flow test or sampling, the discovery determination requires confidence in the presence of hydrocarbons and evidence of producibility, which may be supported by suitable producing analogs (see Section 4.1.1, Analogs). In this context, "significant" implies that there is evidence of a sufficient quantity of petroleum to justify estimating the in-place quantity demonstrated by the well(s) and for evaluating the potential for commercial recovery.

2.1.1.2 Where a discovery has identified potentially recoverable hydrocarbons, but it is not considered viable to apply a project with established technology or with technology under development, such quantities may be classified as Discovered Unrecoverable with no Contingent Resources. In future evaluations, as appropriate for petroleum resources management purposes, a portion of these unrecoverable quantities may become recoverable resources as either commercial circumstances change or technological developments occur.

2.1.2 Determination of Commerciality

2.1.2.1 Discovered recoverable quantities (Contingent Resources) may be considered commercially mature, and thus attain Reserves classification, if the entity claiming commerciality has demonstrated a firm intention to proceed with development. This means the entity has satisfied the internal decision criteria (typically rate of return at or above the weighted average cost-of-capital or the hurdle rate). Commerciality is achieved with the entity's commitment to the project and all of the following criteria:

A. Evidence of a technically mature, feasible development plan.
B. Evidence of financial appropriations either being in place or having a high likelihood of being secured to implement the project.
C. Evidence to support a reasonable time-frame for development.
D. A reasonable assessment that the development projects will have positive economics and meet defined investment and operating criteria. This assessment is performed on the estimated entitlement forecast quantities and associated cash flow on which the investment decision is made (see Section 3.1.1, Net Cash-Flow Evaluation).
E. A reasonable expectation that there will be a market for forecast sales quantities of the production required to justify development. There should also be similar confidence that all produced streams (e.g., oil, gas, water, CO2) can be sold, stored, re-injected, or otherwise appropriately disposed.
F. Evidence that the necessary production and transportation facilities are available or can be made available.
G. Evidence that legal, contractual, environmental, regulatory, and government approvals are in place or will be forthcoming, together with resolving any social and economic concerns.

2.1.2.2 The commerciality test for Reserves determination is applied to the best estimate (P50) forecast quantities, which upon qualifying all commercial and technical maturity criteria and constraints become the 2P Reserves. Stricter cases [e.g., low estimate (P90)] may be used for decision purposes or to investigate the range of commerciality (see Section 3.1.2, Economic Criteria). Typically, the low- and high-case project scenarios may be evaluated for sensitivities when considering project risk and upside opportunity.

2.1.2.3 To be included in the Reserves class, a project must be sufficiently defined to establish both its technical and commercial viability as noted in Section 2.1.2.1. There must be a reasonable expectation that all required internal and external approvals will be forthcoming and evidence of firm intention to proceed with development within a reasonable time-frame. A reasonable time-frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While five years is recommended as a benchmark, a longer time-frame could be applied where justifiable; for example, development of economic projects that take longer than five years to be developed or are deferred to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented.

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2.1.2.4 While PRMS guidelines require financial appropriations evidence, they do not require that project financing be confirmed before classifying projects as Reserves. However, this may be another external reporting requirement. In many cases, financing is conditional upon the same criteria as above. In general, if there is not a reasonable expectation that financing or other forms of commitment (e.g., farm-outs) can be arranged so that the development will be initiated within a reasonable time-frame, then the project should be classified as Contingent Resources. If financing is reasonably expected to be in place at the time of the final investment decision (FID), the project's resources may be classified as Reserves.

2.2 Resources Categorization

2.2.0.1 The horizontal axis in the resources classification in Figure 1.1 defines the range of uncertainty in estimates of the quantities of recoverable, or potentially recoverable, petroleum associated with a project or group of projects. These estimates include the uncertainty components as follows:

A. The total petroleum remaining within the accumulation (in-place resources).
B. The technical uncertainty in the portion of the total petroleum that can be recovered by applying a defined development project or projects (i.e., the technology applied).
C. Known variations in the commercial terms that may impact the quantities recovered and sold (e.g., market availability; contractual changes, such as production rate tiers or product quality specifications) are part of project's scope and are included in the horizontal axis, while the chance of satisfying the commercial terms is reflected in the classification (vertical axis).

2.2.0.2 The uncertainty in a project's recoverable quantities is reflected by the 1P, 2P, 3P, Proved (P1), Probable (P2), Possible (P3), 1C, 2C, 3C, C1, C2, and C3; or 1U, 2U, and 3U resources categories. The commercial chance of success is associated with resources classes or sub-classes and not with the resources categories reflecting the range of recoverable quantities.

2.2.1 Range of Uncertainty

2.2.1.1 Uncertainty is inherent in a project's resources estimation and is communicated in PRMS by reporting a range of category outcomes. The range of uncertainty of the recoverable and/or potentially recoverable quantities may be represented by either deterministic scenarios or by a probability distribution (see Section 4.2, Resources Assessment Methods).

2.2.1.2 When the range of uncertainty is represented by a probability distribution, a low, best, and high estimate shall be provided such that:

A. There should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.
B. There should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
C. There should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate.

2.2.1.3 In some projects, the range of uncertainty may be limited, and the three scenarios may result in resources estimates that are not significantly different. In these situations, a single value estimate may be appropriate to describe the expected result.

2.2.1.4 When using the deterministic scenario method, typically there should also be low, best, and high estimates, where such estimates are based on qualitative assessments of relative uncertainty using consistent interpretation guidelines. Under the deterministic incremental method, quantities for each confidence segment are estimated discretely (see Section 2.2.2, Category Definitions and Guidelines).

2.2.1.5 Project resources are initially estimated using the above uncertainty range forecasts that incorporate the subsurface elements together with technical constraints related to wells and facilities. The technical forecasts then have additional commercial criteria applied (e.g., economics and license cutoffs are the most common) to estimate the entitlement quantities attributed and the resources classification status: Reserves, Contingent Resources, and Prospective Resources.

2.2.2 Category Definitions and Guidelines

2.2.2.1 Evaluators may assess recoverable quantities and categorize results by uncertainty using the deterministic incremental method, the deterministic scenario (cumulative) method, geostatistical methods, or probabilistic methods (see Section 4.2, Resources Assessment Methods). Also, combinations of these methods may be used.

2.2.2.2 Use of consistent terminology (Figures 1.1 and 2.1) promotes clarity in communication of evaluation results. For Reserves, the general cumulative terms low/best/high forecasts are used to estimate the resulting 1P/2P/3P quantities, respectively. The associated incremental quantities are termed Proved (P1), Probable (P2) and Possible (P3). Reserves are a subset of, and must be viewed within the context of, the complete resources classification system. While the categorization criteria are proposed specifically for Reserves, in most cases, the criteria can be equally applied to Contingent and Prospective Resources. Upon satisfying the commercial maturity criteria for discovery and/or development, the project quantities will then move to the appropriate resources sub-class. Table 3 provides criteria for the Reserves categories determination.

2.2.2.3 For Contingent Resources, the general cumulative terms low/best/high estimates are used to estimate the resulting 1C/2C/3C quantities, respectively. The terms C1, C2, and C3 are defined for incremental quantities of Contingent Resources.

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2.2.2.4 For Prospective Resources, the general cumulative terms low/best/high estimates also apply and are used to estimate the resulting 1U/2U/3U quantities. No specific terms are defined for incremental quantities within Prospective Resources.

2.2.2.5 Quantities in different classes and sub-classes cannot be aggregated without considering the varying degrees of technical uncertainty and commercial likelihood involved with the classification(s) and without considering the degree of dependency between them (see Section 4.2.1, Aggregating Resources Classes).

2.2.2.6 Without new technical information, there should be no change in the distribution of technically recoverable resources and the categorization boundaries when conditions are satisfied to reclassify a project from Contingent Resources to Reserves.

2.2.2.7 All evaluations require application of a consistent set of forecast conditions, including assumed future costs and prices, for both classification of projects and categorization of estimated quantities recovered by each project (see Section 3.1, Assessment of Commerciality).

Table 1—Recoverable Resources Classes and Sub-Classes

Class/Sub-Class	Definition	Guidelines
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.	Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the development and production status. To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability (see Section 2.1.2, Determination of Commerciality). This includes the requirement that there is evidence of firm intention to proceed with development within a reasonable time-frame. A reasonable time-frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While five years is recommended as a benchmark, a longer time-frame could be applied where, for example, development of an economic project is deferred at the option of the producer for, among other things, market-related reasons or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented. To be included in the Reserves class, there must be a high confidence in the commercial maturity and economic producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.
On Production	The development project is currently producing or capable of producing and selling petroleum to market.	The key criterion is that the project is receiving income from sales, rather than that the approved development project is necessarily complete. Includes Developed Producing Reserves. The project decision gate is the decision to initiate or continue economic production from the project.
Approved for Development	All necessary approvals have been obtained, capital funds have been committed, and implementation of the development project is ready to begin or is under way.	At this point, it must be certain that the development project is going ahead. The project must not be subject to any contingencies, such as outstanding regulatory approvals or sales contracts. Forecast capital expenditures should be included in the reporting entity's current or following year's approved budget. The project decision gate is the decision to start investing capital in the construction of production facilities and/or drilling development wells.

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Class/Sub-Class	Definition	Guidelines
Justified for Development	Implementation of the development project is justified on the basis of reasonable forecast commercial conditions at the time of reporting, and there are reasonable expectations that all necessary approvals/contracts will be obtained.	To move to this level of project maturity, and hence have Reserves associated with it, the development project must be commercially viable at the time of reporting (see Section 2.1.2, Determination of Commerciality) and the specific circumstances of the project. All participating entities have agreed and there is evidence of a committed project (firm intention to proceed with development within a reasonable time-frame). There must be no known contingencies that could preclude the development from proceeding (see Reserves class). The project decision gate is the decision by the reporting entity and its partners, if any, that the project has reached a level of technical and commercial maturity sufficient to justify proceeding with development at that point in time.
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.	Contingent Resources may include, for example, projects for which there are currently no viable markets, where commercial recovery is dependent on technology under development, where evaluation of the accumulation is insufficient to clearly assess commerciality, where the development plan is not yet approved, or where regulatory or social acceptance issues may exist. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the economic status.
Development Pending	A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future.	The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g., drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time-frame. Note that disappointing appraisal/evaluation results could lead to a reclassification of the project to On Hold or Not Viable status. The project decision gate is the decision to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity at which a decision can be made to proceed with development and production.
Development on Hold	A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay.	The project is seen to have potential for commercial development. Development may be subject to a significant time delay. Note that a change in circumstances, such that there is no longer a probable chance that a critical contingency can be removed in the foreseeable future, could lead to a reclassification of the project to Not Viable status. The project decision gate is the decision to either proceed with additional evaluation designed to clarify the potential for eventual commercial development or to temporarily suspend or delay further activities pending resolution of external contingencies.
Development Unclarified	A discovered accumulation where project activities are under evaluation and where justification as a commercial development is unknown based on available information.	The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are ongoing to clarify the potential for eventual commercial development. This sub-class requires active appraisal or evaluation and should not be maintained without a plan for future evaluation. The sub-class should reflect the actions required to move a project toward commercial maturity and economic production.

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Class/Sub-Class	Definition	Guidelines
Development Not Viable	A discovered accumulation for which there are no current plans to develop or to acquire additional data at the time because of limited production potential.	The project is not seen to have potential for eventual commercial development at the time of reporting, but the theoretically recoverable quantities are recorded so that the potential opportunity will be recognized in the event of a major change in technology or commercial conditions. The project decision gate is the decision not to undertake further data acquisition or studies on the project for the foreseeable future.
Prospective Resources	Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.	Potential accumulations are evaluated according to the chance of geologic discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration.
Prospect	A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target.	Project activities are focused on assessing the chance of geologic discovery and, assuming discovery, the range of potential recoverable quantities under a commercial development program.
Lead	A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation to be classified as a Prospect.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to confirm whether or not the Lead can be matured into a Prospect. Such evaluation includes the assessment of the chance of geologic discovery and, assuming discovery, the range of potential recovery under feasible development scenarios.
Play	A project associated with a prospective trend of potential prospects, but that requires more data acquisition and/or evaluation to define specific Leads or Prospects.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to define specific Leads or Prospects for more detailed analysis of their chance of geologic discovery and, assuming discovery, the range of potential recovery under hypothetical development scenarios.

Table 2—Reserves Status Definitions and Guidelines

Status	Definition	Guidelines
Developed Reserves	Expected quantities to be recovered from existing wells and facilities.	Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-producing.
Developed Producing Reserves	Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.	Improved recovery Reserves are considered producing only after the improved recovery project is in operation.
Developed Non-Producing Reserves	Shut-in and behind-pipe Reserves.	Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves. In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.

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Status	Definition	Guidelines
Undeveloped Reserves	Quantities expected to be recovered through future significant investments.	Undeveloped Reserves are to be produced (1) from new wells on undrilled acreage in known accumulations, (2) from deepening existing wells to a different (but known) reservoir, (3) from infill wells that will increase recovery, or (4) where a relatively large expenditure (e.g., when compared to the cost of drilling a new well) is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

Table 3—Reserves Category Definitions and Guidelines

Category	Definition	Guidelines
Proved Reserves	Those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations.	If deterministic methods are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the estimate. The area of the reservoir considered as Proved includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data. In the absence of data on fluid contacts, Proved quantities in a reservoir are limited by the LKH as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for Proved reserves. Reserves in undeveloped locations may be classified as Proved provided that: A. The locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially mature and economically productive. B. Interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with drilled Proved locations. For Proved Reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogs and sound engineering judgment considering the characteristics of the Proved area and the applied development program.
Probable Reserves	Those additional Reserves that analysis of geoscience and engineering data indicates are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.	It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate. Probable Reserves may be assigned to areas of a reservoir adjacent to Proved where data control or interpretations of available data are less certain. The interpreted reservoir continuity may not meet the reasonable certainty criteria. Probable estimates also include incremental recoveries associated with project recovery efficiencies beyond that assumed for Proved.

PETROLEUM RESERVES AND RESOURCES CLASSIFICATION AND DEFINITIONS

Excerpted from the Petroleum Resources Management System Approved by the Society of Petroleum Engineers (SPE) Board of Directors, June 2018

Category	Definition	Guidelines
Possible Reserves	Those additional reserves that analysis of geoscience and engineering data indicates are less likely to be recoverable than Probable Reserves.	The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability (P10) that the actual quantities recovered will equal or exceed the 3P estimate. Possible Reserves may be assigned to areas of a reservoir adjacent to Probable where data control and interpretations of available data are progressively less certain. Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of economic production from the reservoir by a defined, commercially mature project. Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable.
Probable and Possible Reserves	See above for separate criteria for Probable Reserves and Possible Reserves.	The 2P and 3P estimates may be based on reasonable alternative technical interpretations within the reservoir and/or subject project that are clearly documented, including comparisons to results in successful similar projects. In conventional accumulations, Probable and/or Possible Reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from Proved areas by minor faulting or other geological discontinuities and have not been penetrated by a wellbore but are interpreted to be in communication with the known (Proved) reservoir. Probable or Possible Reserves may be assigned to areas that are structurally higher than the Proved area. Possible (and in some cases, Probable) Reserves may be assigned to areas that are structurally lower than the adjacent Proved or 2P area. Caution should be exercised in assigning Reserves to adjacent reservoirs isolated by major, potentially sealing faults until this reservoir is penetrated and evaluated as commercially mature and economically productive. Justification for assigning Reserves in such cases should be clearly documented. Reserves should not be assigned to areas that are clearly separated from a known accumulation by non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results); such areas may contain Prospective Resources. In conventional accumulations, where drilling has defined a highest known oil elevation and there exists the potential for an associated gas cap, Proved Reserves of oil should only be assigned in the structurally higher portions of the reservoir if there is reasonable certainty that such portions are initially above bubble point pressure based on documented engineering analyses. Reservoir portions that do not meet this certainty may be assigned as Probable and Possible oil and/or gas based on reservoir fluid properties and pressure gradient interpretations.

NETHERLAND, SEWELL & ASSOCIATES, INC.

SUMMARY OF RESERVES AND FUTURE NET REVENUE
KRISENERGY (ASIA) LTD INTEREST
AS OF DECEMBER 31, 2019

Country/Asset/Project/Category	Gross (100%) Reserves Oil (MBBL)	Gross (100%) Reserves Gas (MMCF)	Working Interest Reserves[1] Oil (MBBL)	Working Interest Reserves[1] Gas (MMCF)	Net Reserves[2] Oil (MBBL)	Net Reserves[2] Gas (MMCF)	Future Net Revenue[3] (M$) Total	Future Net Revenue[3] (M$) Present Worth at 10%
Offshore Thailand								
Blocks B8/32 and B9A								
Proved Developed Producing	9,221.2	32,017.8	427.4	1,483.9	396.4	1,369.3	(35,205.0)[4]	(24,485.0)[4]
Proved Undeveloped	4,711.9	37,269.8	218.4	1,727.3	200.2	1,623.9	17,014.9	12,476.1
Proved (1P)	13,933.0	69,287.7	645.7	3,211.1	596.7	2,993.3	(18,190.1)[5]	(12,008.9)[5]
Probable	38,116.7	189,424.1	1,766.5	8,778.9	1,598.3	8,040.7	53,911.0	36,983.3
Proved + Probable (2P)	52,049.8	258,711.8	2,412.2	11,990.0	2,194.9	11,034.0	35,720.9	24,974.4
Possible	12,053.6	67,436.8	558.6	3,125.4	489.4	2,799.5	27,003.1	16,246.9
Proved + Probable + Possible (3P)	64,103.4	326,148.6	2,970.9	15,115.4	2,684.4	13,833.4	62,724.0	41,221.4
Block G6/48, Rossukon Field								
Probable	11,700.0	0.0	11,700.0	0.0	10,904.8	0.0	71,567.0	41,491.2
Proved + Probable (2P)	11,700.0	0.0	11,700.0	0.0	10,904.8	0.0	71,567.0	41,491.2
Possible	4,100.0	0.0	4,100.0	0.0	3,720.6	0.0	81,374.7	61,258.7
Proved + Probable + Possible (3P)	15,800.0	0.0	15,800.0	0.0	14,625.4	0.0	152,941.7	102,749.8
Block G10/48, Wassana Field								
Probable	4,917.8	0.0	4,376.8	0.0	4,123.5	0.0	11,511.6	8,880.3
Proved + Probable (2P)	4,917.8	0.0	4,376.8	0.0	4,123.5	0.0	11,511.6	8,880.3
Possible	1,560.1	0.0	1,388.4	0.0	1,288.1	0.0	48,560.5	42,104.8
Proved + Probable + Possible (3P)	6,477.8	0.0	5,765.3	0.0	5,411.6	0.0	60,072.1	50,985.1
Offshore Indonesia								
Bulu PSC, Lengo Field								
Probable	0.0	318,859.5	0.0	110,494.8	0.0	83,377.9	145,114.8	46,565.0
Proved + Probable (2P)	0.0	318,859.5	0.0	110,494.8	0.0	83,377.9	145,114.8	46,565.0
Possible	0.0	22,572.8	0.0	8,403.9	0.0	4,727.2	13,273.1	3,944.7
Proved + Probable + Possible (3P)	0.0	341,432.3	0.0	118,898.6	0.0	88,105.1	158,387.9	50,509.7

Note: Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. The estimates of reserves and future revenue included herein have not been adjusted for risk.

(1) KrisEnergy's current working interest is 4.6345 percent in Blocks B8/32 and B9A, 100.0000 percent in Block G6/48, 89.0000 percent in Block G10/48, 42.5000 percent in the Bulu PSC, 95.0000 percent in Block A, and 30.0000 percent in Bangora Field.

(2) Net reserves are the portion of gross reserves representing KrisEnergy's revenue entitlement.

(3) Future net revenue is after deductions for royalties and KrisEnergy's share of capital costs, abandonment costs, operating expenses, carried costs and reimbursements associated with local participation, head office overhead, production bonus payments, special remuneratory benefit, value-added taxes, and income taxes.

(4) Future net revenue is negative after deducting estimated abandonment costs and all proved operating costs.

(5) Future net revenue is negative after deducting estimated abandonment costs, all proved operating costs, and all infill capital expenses.

All estimates and exhibits herein are part of this NSAI report and are subject to its parameters and conditions.

SUMMARY OF RESERVES AND FUTURE NET REVENUE
KRISENERGY (ASIA) LTD INTEREST
AS OF DECEMBER 31, 2019

Country/Asset/Project/Category	Gross (100%) Reserves Oil (MBBL)	Gross (100%) Reserves Gas (MMCF)	Working Interest Reserves[1] Oil (MBBL)	Working Interest Reserves[1] Gas (MMCF)	Net Reserves[2] Oil (MBBL)	Net Reserves[2] Gas (MMCF)	Future Net Revenue[3] (M$) Total	Future Net Revenue[3] (M$) Present Worth at 10%
Offshore Cambodia								
Block A, Apsara Field, Platform A								
Probable	6,795.5	0.0	6,455.7	0.0	5,187.0	0.0	67,545.7	52,826.7
Proved + Probable (2P)	6,795.5	0.0	6,455.7	0.0	5,187.0	0.0	67,545.7	52,826.7
Possible	7,658.5	0.0	7,275.6	0.0	5,190.7	0.0	176,501.5	135,065.2
Proved + Probable + Possible (3P)	14,454.0	0.0	13,731.3	0.0	10,377.7	0.0	244,047.2	187,891.9
Onshore Bangladesh								
Block 9, Bangora Field								
Proved Developed Producing	359.0	142,864.5	107.7	42,859.3	32.3	20,503.8	28,234.4	21,149.8
Proved Developed Non-Producing	28.9	11,633.1	8.7	3,489.9	2.6	1,184.5	2,913.3	2,094.5
Proved (1P)	387.9	154,497.6	116.4	46,349.3	34.9	21,688.3	31,147.8	23,244.3
Probable	287.2	97,019.5	86.2	29,105.8	25.8	12,420.4	21,371.7	12,034.4
Proved + Probable (2P)	675.1	251,517.1	202.5	75,455.1	60.7	34,108.7	52,519.4	35,278.7
Possible	301.5	98,141.8	90.4	29,442.5	27.1	13,103.8	21,015.6	8,415.3
Proved + Probable + Possible (3P)	976.6	349,658.9	293.0	104,897.7	87.9	47,212.5	73,535.0	43,694.0
Total								
Proved Developed Producing	9,580.2	174,882.3	535.1	44,343.2	428.7	21,873.1	(6,970.6)[4]	(3,335.2)[4]
Proved Developed Non-Producing	28.9	11,633.1	8.7	3,489.9	2.6	1,184.5	2,913.3	2,094.5
Proved Undeveloped	4,711.9	37,269.8	218.4	1,727.3	200.2	1,623.9	17,014.9	12,476.1
Proved (1P)	14,321.0	223,785.3	762.1	49,560.4	631.6	24,681.6	12,957.6	11,235.4
Probable	61,817.2	605,303.2	24,385.2	148,379.5	21,839.5	103,839.0	371,021.8	198,780.9
Proved + Probable (2P)	76,138.2	829,088.4	25,147.3	197,939.9	22,471.1	128,520.6	383,979.5	210,016.3
Possible	25,673.6	188,151.4	13,413.1	40,971.7	10,716.0	20,630.5	367,728.5	267,035.7
Proved + Probable + Possible (3P)	101,811.8	1,017,239.8	38,560.4	238,911.6	33,187.0	149,151.1	751,708.0	477,051.9

Note: Reserves categorization conveys the relative degree of certainty; reserves subcategorization is based on development and production status. The estimates of reserves and future revenue included herein have not been adjusted for risk.

(1) KrisEnergy's current working interest is 4.6345 percent in Blocks B8/32 and B9A, 100.0000 percent in Block G6/48, 89.0000 percent in Block G10/48, 42.5000 percent in the Bulu PSC, 95.0000 percent in Block A, and 30.0000 percent in Bangora Field.

(2) Net reserves are the portion of gross reserves representing KrisEnergy's revenue entitlement.

(3) Future net revenue is after deductions for royalties and KrisEnergy's share of capital costs, abandonment costs, operating expenses, carried costs and reimbursements associated with local participation, head office overhead, production bonus payments, special remuneratory benefit, value-added taxes, and income taxes.

(4) Future net revenue is negative after deducting estimated abandonment costs and all proved operating costs.

(5) Future net revenue is negative after deducting estimated abandonment costs, all proved operating costs, and all infill capital expenses.

All estimates and exhibits herein are part of this NSAI report and are subject to its parameters and conditions.

SUMMARY OF DEVELOPMENT UNCLARIFIED
CONTINGENT RESOURCES
KRISENERGY (ASIA) LTD INTEREST
AS OF DECEMBER 31, 2019

	Gross (100%) Contingent Resources		Working Interest Contingent Resources[1]	
Country/Asset/Project/Category	Oil (MBBL)	Gas (MMCF)	Oil (MBBL)	Gas (MMCF)
Offshore Thailand				
Block G6/48, Rossukon Field				
Low Estimate (1C)	0.0	11,476.9	0.0	11,476.9
Best Estimate (2C)	0.0	13,238.4	0.0	13,238.4
High Estimate (3C)	0.0	15,369.3	0.0	15,369.3
Block G10/48, Wassana Field				
Low Estimate (1C)	3,285.8	0.0	2,924.4	0.0
Best Estimate (2C)	8,268.1	0.0	7,358.6	0.0
High Estimate (3C)	11,656.7	0.0	10,374.4	0.0
Block G10/48, Mayura Field				
Low Estimate (1C)	453.7	0.0	403.8	0.0
Best Estimate (2C)	1,140.3	0.0	1,014.9	0.0
High Estimate (3C)	3,124.7	0.0	2,781.0	0.0
Offshore Indonesia				
Bala-Balakang PSC, Halimun and Papandayan Discoveries				
Low Estimate (1C)	0.0	0.0	0.0	0.0
Best Estimate (2C)	0.0	110,510.4	0.0	93,933.9
High Estimate (3C)	0.0	155,810.7	0.0	132,439.1
Sakti PSC, Mustika Field				
Low Estimate (1C)	0.0	37,236.1	0.0	35,374.3
Best Estimate (2C)	0.0	221,522.6	0.0	210,446.5
High Estimate (3C)	0.0	425,364.3	0.0	404,096.1

(1) KrisEnergy's current working interest is 100.0000 percent in Block G6/48, 89.0000 percent in Block G10/48, 85.0000 percent in the Bala-Balakang PSC, 95.0000 percent in the Sakti PSC, 95.0000 percent in Block A, and 30.0000 percent in Block 9. It is anticipated that local participation will reduce the current working interest proportionately in the Bala-Balakang and Sakti PSCs based on the local participant obtaining a 10.0000 percent interest in the asset. Working interest contingent resources are estimated based on the current working interest.

(2) Totals are the arithmetic sum of multiple asset-level probability distributions.

All estimates and exhibits herein are part of this NSAI report and are subject to its parameters and conditions.

SUMMARY OF DEVELOPMENT UNCLARIFIED
CONTINGENT RESOURCES
KRISENERGY (ASIA) LTD INTEREST
AS OF DECEMBER 31, 2019

	Gross (100%) Contingent Resources		Working Interest Contingent Resources[1]	
Country/Asset/Project/Category	Oil (MBBL)	Gas (MMCF)	Oil (MBBL)	Gas (MMCF)
Offshore Cambodia				
Block A, Apsara Field, Platform B				
Low Estimate (1C)	762.1	0.0	724.0	0.0
Best Estimate (2C)	1,423.8	0.0	1,352.6	0.0
High Estimate (3C)	2,476.6	0.0	2,352.8	0.0
Block A, Apsara Field, Platform C				
Low Estimate (1C)	145.6	0.0	138.3	0.0
Best Estimate (2C)	314.9	0.0	299.2	0.0
High Estimate (3C)	652.0	0.0	619.4	0.0
Onshore Bangladesh				
Block 9, Lalmai Field				
Low Estimate (1C)	23.0	6,079.6	6.9	1,823.9
Best Estimate (2C)	113.9	27,679.3	34.2	8,303.8
High Estimate (3C)	541.5	128,952.1	162.4	38,685.6
Total[2]				
Low Estimate (1C)	4,670.2	54,792.6	4,197.4	48,675.0
Best Estimate (2C)	11,261.1	372,950.8	10,059.5	325,922.6
High Estimate (3C)	18,451.5	725,496.4	16,290.1	590,590.1

(1) KrisEnergy's current working interest is 100.0000 percent in Block G6/48, 89.0000 percent in Block G10/48, 85.0000 percent in the Bala-Balakang PSC, 95.0000 percent in the Sakti PSC, 95.0000 percent in Block A, and 30.0000 percent in Block 9. It is anticipated that local participation will reduce the current working interest proportionately in the Bala-Balakang and Sakti PSCs based on the local participant obtaining a 10.0000 percent interest in the asset. Working interest contingent resources are estimated based on the current working interest.

(2) Totals are the arithmetic sum of multiple asset-level probability distributions.

All estimates and exhibits herein are part of this NSAI report and are subject to its parameters and conditions.

RESERVES RECONCILIATION
DECEMBER 31, 2018, TO DECEMBER 31, 2019
KRISENERGY (ASIA) LTD INTEREST

	Gross (100%) Reserves				Working Interest Reserves			
	as of December 31, 2019		Percent Difference[1]		as of December 31, 2019		Percent Difference[1]	
Country/Asset/Project/Category	Oil (MBBL)	Gas (MMCF)	Oil (Percent)	Gas (Percent)	Oil (MBBL)	Gas (MMCF)	Oil (Percent)	Gas (Percent)
Offshore Thailand								
Blocks B8/32 and B9A[2][3]								
Proved (1P)	13,933.0	69,287.7	27.4	103.8	645.7	3,211.1	27.4	103.8
Proved + Probable (2P)	52,049.8	258,711.8	(14.2)	(0.5)	2,412.2	11,990.0	(14.2)	(0.5)
Proved + Probable + Possible (3P)	64,103.4	326,148.6	(17.0)	(1.2)	2,970.9	15,115.4	(17.0)	(1.2)
Block G6/48, Rossukon Field[4]								
Proved (1P)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved + Probable (2P)	11,700.0	0.0	0.0	0.0	11,700.0	0.0	132.6	0.0
Proved + Probable + Possible (3P)	15,800.0	0.0	0.0	0.0	15,800.0	0.0	132.6	0.0
Block G10/48, Wassana Field[5]								
Proved (1P)	0.0	0.0	(100.0)	0.0	0.0	0.0	(100.0)	0.0
Proved + Probable (2P)	4,917.8	0.0	(22.6)	0.0	4,376.8	0.0	(22.6)	0.0
Proved + Probable + Possible (3P)	6,477.8	0.0	(19.5)	0.0	5,765.3	0.0	(19.5)	0.0
Offshore Indonesia								
Bulu PSC, Lengo Field[6]								
Proved (1P)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved + Probable (2P)	0.0	318,859.5	0.0	(11.1)	0.0	110,494.8	0.0	(27.5)
Proved + Probable + Possible (3P)	0.0	341,432.3	0.0	(18.6)	0.0	118,898.6	0.0	(33.3)
Offshore Cambodia								
Block A, Apsara Field, Platform A								
Proved (1P)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proved + Probable (2P)	6,795.5	0.0	(20.4)	0.0	6,455.7	0.0	(20.4)	0.0
Proved + Probable + Possible (3P)	14,454.0	0.0	(3.3)	0.0	13,731.3	0.0	(3.3)	0.0
Onshore Bangladesh								
Block 9, Bangora Field[7]								
Proved (1P)	387.9	154,497.6	(18.8)	(26.7)	116.4	46,349.3	(18.8)	(26.7)
Proved + Probable (2P)	675.1	251,517.1	3.5	(11.9)	202.5	75,455.1	3.5	(11.9)
Proved + Probable + Possible (3P)	976.6	349,658.9	16.9	(4.4)	293.0	104,897.7	16.9	(4.4)
Total								
Proved (1P)	14,321.0	223,785.3	(12.3)	(8.6)	762.1	49,560.4	(84.8)	(23.5)
Proved + Probable (2P)	76,138.2	829,088.4	(13.4)	(8.3)	25,147.3	197,939.9	15.3	(20.8)
Proved + Probable + Possible (3P)	101,811.8	1,017,239.8	(12.9)	(8.8)	38,560.4	238,911.6	20.5	(21.3)

(1) A positive percent difference indicates higher reserves for year-end 2019 compared to year-end 2018. A negative percent difference indicates lower reserves for year-end 2019 compared to year-end 2018.

(2) Year-end 2019 1P reserves for Blocks B8/32 and B9A are higher because of increased planned drilling. Year-end 2019 2P and 3P reserves for Blocks B8/32 and B9A are lower because of reduced remaining life to the end of concession.

(3) Tantawan Field in Block B8/32 and Rajpruek Field in Block B9A ceased operation on October 31, 2017. Abandonment activities are underway before the B9A concession is relinquished.

(4) Year-end 2019 working interest reserves are higher because the economic interest in the Rossukon production area of Block G6/48 increased from 43 to 100 percent as a result of the Exclusive Operation over the Field Development Plan.

(5) Year-end 2019 reserves for Block G10/48 are lower because of lower well performance, reduced recovery for future wells, and poorer economic conditions.

(6) Year-end 2019 reserves for Bulu PSC are lower because of wellstream reductions for fuel usage and removal of carbon dioxide.

(7) Year-end 2019 gas reserves for Block 9 are lower because of 2019 production volumes and increased off-block recovery. Condensate volumes are higher relative to gas volumes because of increased yield performance.

All estimates and exhibits herein are part of this NSAI report and are subject to its parameters and conditions.

CONTINGENT RESOURCES RECONCILIATION
DECEMBER 31, 2018, TO DECEMBER 31, 2019
KRISENERGY (ASIA) LTD INTEREST

	Gross (100%) Contingent Resources [1]				Working Interest Contingent Resources [1]			
	as of December 31, 2019		Percent Difference[2]		as of December 31, 2019		Percent Difference[2]	
Country/Asset/Project/Category	Oil (MBBL)	Gas (MMCF)	Oil (Percent)	Gas (Percent)	Oil (MBBL)	Gas (MMCF)	Oil (Percent)	Gas (Percent)
Offshore Thailand								
Block G6/48, Rossukon Field [3]								
Low Estimate (1C)	0.0	11,476.9	0.0	0.0	0.0	11,476.9	0.0	132.6
Best Estimate (2C)	0.0	13,238.4	0.0	0.0	0.0	13,238.4	0.0	132.6
High Estimate (3C)	0.0	15,369.3	0.0	0.0	0.0	15,369.3	0.0	132.6
Block G10/48, Wassana Field [4]								
Low Estimate (1C)	3,285.8	0.0	(41.4)	0.0	2,924.4	0.0	(41.4)	0.0
Best Estimate (2C)	8,268.1	0.0	(11.5)	0.0	7,358.6	0.0	(11.5)	0.0
High Estimate (3C)	11,656.7	0.0	(9.7)	0.0	10,374.4	0.0	(9.7)	0.0
Block G10/48, Mayura Field								
Low Estimate (1C)	453.7	0.0	0.0	0.0	403.8	0.0	0.0	0.0
Best Estimate (2C)	1,140.3	0.0	0.0	0.0	1,014.9	0.0	0.0	0.0
High Estimate (3C)	3,124.7	0.0	0.0	0.0	2,781.0	0.0	0.0	0.0
Offshore Indonesia								
Bala-Balakang PSC, Halimun and Papandayan Discoveries								
Low Estimate (1C)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Best Estimate (2C)	0.0	110,510.4	0.0	0.0	0.0	93,933.9	0.0	0.0
High Estimate (3C)	0.0	155,810.7	0.0	0.0	0.0	132,439.1	0.0	0.0
Sakti PSC, Mustika Field								
Low Estimate (1C)	0.0	37,236.1	0.0	0.0	0.0	35,374.3	0.0	0.0
Best Estimate (2C)	0.0	221,522.6	0.0	0.0	0.0	210,446.5	0.0	0.0
High Estimate (3C)	0.0	425,364.3	0.0	0.0	0.0	404,096.1	0.0	0.0
Offshore Cambodia								
Block A, Apsara Field, Platform B								
Low Estimate (1C)	762.1	0.0	0.0	0.0	724.0	0.0	0.0	0.0
Best Estimate (2C)	1,423.8	0.0	0.0	0.0	1,352.6	0.0	0.0	0.0
High Estimate (3C)	2,476.6	0.0	0.0	0.0	2,352.8	0.0	0.0	0.0
Block A, Apsara Field, Platform C								
Low Estimate (1C)	145.6	0.0	0.0	0.0	138.3	0.0	0.0	0.0
Best Estimate (2C)	314.9	0.0	0.0	0.0	299.2	0.0	0.0	0.0
High Estimate (3C)	652.0	0.0	0.0	0.0	619.4	0.0	0.0	0.0
Onshore Bangladesh								
Block 9, Lalmai Field								
Low Estimate (1C)	23.0	6,079.6	0.0	0.0	6.9	1,823.9	0.0	0.0
Best Estimate (2C)	113.9	27,679.3	0.0	0.0	34.2	8,303.8	0.0	0.0
High Estimate (3C)	541.5	128,952.1	0.0	0.0	162.4	38,685.6	0.0	0.0
Total[6]								
Low Estimate (1C)	4,670.2	54,792.6	(33.2)	0.0	4,197.4	48,675.0	(33.0)	15.5
Best Estimate (2C)	11,261.1	372,950.8	(8.7)	0.0	10,059.5	325,922.6	(8.6)	2.4
High Estimate (3C)	18,451.5	725,496.4	(6.3)	0.0	16,290.1	590,590.1	(6.4)	1.5

(1) For discussion of risk factors associated with contingent resources, refer to the 2018 PRMS definitions.

(2) A positive percent difference indicates higher contingent resources for year-end 2019 compared to year-end 2018. A negative percent difference indicates lower contingent resources for year-end 2019 compared to year-end 2018.

(3) Year-end 2019 working interest reserves are higher because the economic interest in the Rossukon production area of Block G6/48 increased from 43 to 100 percent as a result of the Exclusive Operation over the Field Development Plan.

(4) Year-end 2019 contingent resources are lower for Block G10/48 because of poorer economic conditions for the Extension volumes. These volumes are associated with reservoirs for which reserves have been estimated and are beyond the economic limit of those reserves.

(6) Totals are the arithmetic sum of multiple asset-level probability distributions.

All estimates and exhibits herein are part of this NSAI report and are subject to its parameters and conditions.

About this Sustainability Report

This is Krisenergy Ltd.'s ("KrisEnergy") third annual Sustainability Report and is issued as an embedded section in the 2019 Annual Report. The document covers the full financial year up to 31 December 2019 ("FY2019"), and is dedicated to providing information on economic, environmental and social performance that is material to KrisEnergy's business and key stakeholders. Further information on corporate governance, which is part of our sustainability, can be found under the section *Corporate Governance* on pages 35-57 of the 2019 Annual Report.

This report is set out on a "comply or explain" basis in accordance with Rule 711B and Practice Note 7.6 of the Mainboard Rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). KrisEnergy has chosen the Global Reporting Initiative ("GRI") framework as the most established international sustainability reporting standard and in respect of the extent to which such framework is applied, this report has been prepared in accordance with GRI Standards: Core Option.

We welcome feedback from all stakeholders. Please send all feedback to hinna.ijaz@krisenergy.com.

Chairman Statement on Sustainability

Dear Stakeholders,

Nothwithstanding KrisEnergy's continued financial pressures and constraints in 2019, we remained mindful of our commitment to ensure the health, safety and security of our employees, to preserve the environment where we have a footprint, and to maintain our engagement with local governments, authorities and communities.

These are some of the principles, together with diversity in the workplace and zero-tolerance policy towards bribery and corruption, that our business is built upon and it is crucial that we have the internal systems in place to safeguard the essence of the company.

I am glad to report that for the 2,048,602 man-hours clocked up in 2019 on KrisEnergy-operated assets, we had zero Lost Time Injuries ("LTIs"). The 2019 total was the second highest man-hours recorded in the company's 10 years of operations and included for the first time, development activities for the Apsara oil field in Cambodian waters in the Gulf of Thailand. Development of the Apsara included geotechnical, geophysical and 3D seismic surveys offshore at the field location; refurbishment and upgrading of the *Ingenium II* production barge at the Benoi yard and Gul dry dock in Singapore; and fabrication of the jacket and topside of the Apsara mini-platform in Batam Island, Indonesia.

I can furthermore report that we documented zero non-compliance with environmental laws/regulations in year 2019.

COVID-19

The emergence of the COVID-19 virus into pandemic status in March 2020 became a global health and economic crisis. Mindful of the 2003 SARS outbreak, management designated COVID-19 as a Tier 3 under the Group's Incident Management System. Tier 3 is the highest level of alert and requires the intervention of the Crisis Management Team ("CMT") in Singapore.

In February 2020, two individuals on board the *Ingenium I* mobile offshore production unit ("MOPU") in the Wassana oil field in the Gulf of Thailand, were found to have elevated temperatures, a symptom of COVID-19. The CMT was immediately informed and the individuals were instantly isolated, provided with protective clothing and masks, and monitored. Within six hours they had been transferred by boat to medical facilities onshore for testing and the MOPU underwent deep cleansing. Fortunately, the test results were negative for COVID-19 and the incident demonstrated that the systems in place responded efficiently and effectively.

Further in response to the pandemic, KrisEnergy activated its business continuity plan and implemented health and safety measures in all offices and field locations as mandated by host government authorities. Office staff worked remotely, all non-essential personnel were removed from field operations and shift rotations were extended to four weeks from two at the KrisEnergy-operated Bangora gas field, onshore Bangladesh, and the Wassana oil field.

2019 certification

For the 2019 Sustainability Report, KrisEnergy's third report, we have kept to the GRI standards reported in 2018 and we have narrowed our 2020 targets for each reporting GRI standard.

Our Singapore and Dhaka offices and Block 9 field operations onshore Bangladesh were updated and certified to the ISO 45001 occupational health and safety certification in 2019, and we continued the drive to eliminate single-use plastic from KrisEnergy operations including issuance of reusable bags to employees in regional offices – Bangladesh, Cambodia, Indonesia and Thailand – ensuring compliance with local regulations in some of the countries.

In 2020, we will endeavour to improve our 2019 performance. We will continue to seek ways to reduce waste and power consumption, to effectively interface with our communities and endeavour to ensure best practice for health and safety.

Tan Ek Kia
Independent Non-Executive Chairman on behalf of the Board
3 June 2020

Our Approach to Sustainability

Reporting Principles

KrisEnergy has an internal Code of Conduct stipulating the Group's business principles and practices in our day-to-day activities. Our Code of Conduct provides a communicable and understandable framework for employees to observe the Group's principles of accountability, honesty and integrity in all aspects of our business and in our dealings with suppliers, contractors and other stakeholders working for or on behalf of KrisEnergy. We recognise the involvement of our employees is key to the future success of the business and all employees are informed of, and can readily access, the Code of Conduct on our global intranet and company website, www.krisenergy.com. Our senior managers in each country are also responsible for ensuring that the principles set out in the Code of Conduct are communicated to and understood by all employees, and for ensuring compliance in their area of responsibility.

Our core values are:

- Openness;
- Respect;
- Integrity; and
- Professionalism.

Our Code of Conduct provides guidance on and emphasises our commitment to:

- Diversity and equality for all employees and stakeholders;
- Responsibilities whilst working for, with or on behalf of KrisEnergy;
- Fair and transparent employment practices;
- Environmental goals and initiatives;
- High standards in workplace health and safety standards and procedures;
- Community involvement throughout our operations;
- Whistle-blowing avenues in event of breach; and
- Safeguarding and proper use of the Company's information and assets.

In line with the Company's stance to pursue our business objectives with integrity and in compliance with applicable laws and regulations in all countries in which we operate, we also have the following corporate policies and guidelines in place, which are similarly available on our global intranet and are disseminated to our employees:

- Health & Safety Policy;
- Environmental Policy;
- Fire Safety Policy;
- Communications Policy;
- Corporate Social Responsibility Policy;
- Public Grievance Policy;
- Travel Policy;
- Drug & Alcohol Policy;
- Risk Management Policy;
- Supplier Code of Conduct;
- Whistle-blowing Policy;
- Policy to Prevent Improper Payments;
- Management Authority Approval Policy; and
- Enterprise Risk Management Framework.

Throughout our day-to-day activities, we are conscious of the needs of our employees, stakeholders, communities and the environment. Professionalism, high ethical standards, accountability to stakeholders, respect for law, people-driven, encouraging community involvement and striving for excellence are the key principles on which our daily business practice is based.

Our Corporate Governance

The KrisEnergy Group is firmly committed to maintaining a high standard of corporate governance, and to complying with the principles of the Code of Corporate Governance issued by the Monetary Authority of Singapore.

The composition of our board is an important aspect of our approach to corporate governance. Our board comprises six members, including four independent directors, who exercise objective judgement in our corporate affairs. In this regard, the board has reviewed and

identified key material environmental, social and governance factors relating to KrisEnergy. Further, both our Independent Non-Executive Chairman and our Chief Executive Officer are responsible for overseeing all aspects of our business, including our commitments to sustainability, and are supported by a strategic team of general managers. For more information, please refer to the *Corporate Governance* section on pages 35-57 of the 2019 Annual Report.

Anti-corruption

The KrisEnergy Group, with our operations across different geographies and our engagement with numerous contractors, consultants, suppliers, joint-venture participants and agents, has multiple vulnerable points which may expose us to risks of corruption. Preventing and managing risks associated with corrupt practices across KrisEnergy's operations is a key concern to our stakeholders.

We manage these risks through maintaining our commitment to high standards of ethical behaviour and actively ensuring that the Group's zero-tolerance policy towards corruption, bribery and unethical actions is strictly observed. Our core approach is to enable all personnel to make informed business choices that avoid all forms of breach and thereby protect the value of our business.

To ensure and achieve our objectives, we constantly reinforce our Policy to Prevent Improper Payments, which requires all KrisEnergy personnel, regardless of their citizenship, residence, or the jurisdiction in which they work to comply with applicable anti-corruption laws, such as the *U.S. Foreign Corrupt Practices Act of 1977* and the *U.K. Bribery Act of 2010.*

For instance, in relation to third-party contracting procedures, our policy requirements mandate that standard written representations and warranties on non-corruption are included in third-party contracts, and that we use commercially reasonable efforts to ensure that our policy principles are incorporated in joint-venture/operating agreements. In conjunction, we have in place questionnaires to ensure due diligence in respect of our third-party contracts. We also maintain an internal register documenting all gifts given or received, entertainment, sponsorships and charitable contributions. The register is reported to the Audit and Risk Management Committee on a quarterly basis. In relation to KrisEnergy employees, all employees across the Group are required to complete and sign annually a compulsory certificate of compliance to acknowledge that they are aware of, have read, and are in compliance with the Policy to Prevent Improper Payments. Similar certificates of compliance are also sought periodically from all third-party intermediaries.

The Whistle-blowing Policy also underpins our anti-corruption commitment in enabling employees to, in confidence, raise concerns internally and disclose any impropriety at a high level and through well-defined and accessible channels. We have in place arrangements for independent investigation and appropriate follow-up actions where necessary.

In addition to the certification of compliance required annually, our policies are communicated to employees in all regions and uploaded onto our global intranet for ready access. Every KrisEnergy employee is thus informed of our policies and practices. To supplement this, we organise and conduct periodic anti-bribery and corruption training sessions at our offices and work locations to refresh and update employees, where there are opportunities for question and answer sessions and one-on-one discussions. Our most recent training session was conducted in our Vietnam office and was attended by present employees including governance body members. We plan to convene more training sessions in due course once the travel restrictions arising from the COVID-19 pandemic are lifted.

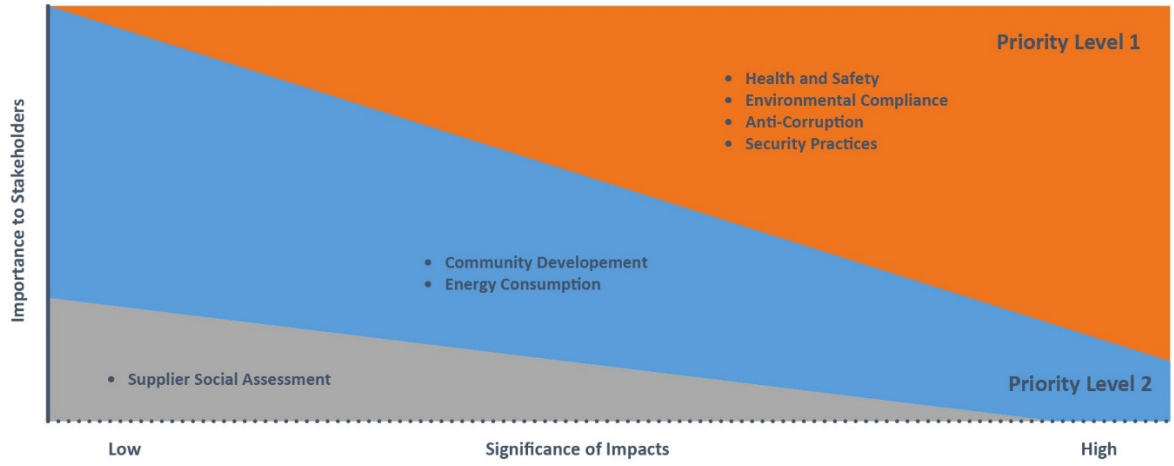
Senior managers in each country in which we operate also ensure that adequate controls are in place to prevent improper payments and manage the standards we have set out. Our General Counsel has also completed at least eight hours of formal anticorruption education annually and acts as a compliance officer in supervising and ensuring that our personnel understand and are in full compliance with our Policy to Prevent Improper Payments and applicable law. Our internal auditors inspect and ensure that all financial transactions are properly and fairly recorded in our books of accounts and our external auditors have the authority and instruction to test expenditures in the course of normal audit activities to evaluate whether payments in the samples tested are potentially improper payments.

No incidents of bribery or corruption were identified in 2019. It is KrisEnergy's continued goal to maintain zero incidents of bribery and corruption.

Reporting Process

Report Content and Topic Boundaries

We applied the Principle of Materiality to identify and prioritise sustainability topics for inclusion in this report. In addition, our economic, environmental and social impacts and the substantive expectations and interests of our stakeholders were taken into account. For 2019, we continued with the same material topics as for 2018 but focussed on the reporting targets for each material topic. In addition, the chart below reflects our material topics and rankings.



Key topics for this report were determined by Senior Management and representatives from key departments and subsequently approved by the Board of Directors.

The table below highlights the topic boundaries to our entities.

Potential Issue Clustering & Rating

	Anti-Corruption	Energy	Workers Representation	Health & Safety	Security Practices	Local Community Engagement	Supplier Management
Singapore Office	√	√	√	√			
Indonesia Office	√	√	√	√			√
Vietnam Office	√	√		√			
Cambodia Office	√	√		√		√	
Thailand Office	√	√		√		√	√
Bangladesh Office	√	√	√	√	√	√	
Wassana Ops	√	√	√	√		√	√
Bangora/Gopalnagar Ops	√	√	√	√	√	√	√
Regional Ops							√

Note: Injury classification is reported for all KrisEnergy entities, but the focus of this work-related injury classification (disclosure 403-9) is KrisEnergy-operated activities, namely: the Wassana oil field in the Gulf of Thailand; the Bangora/Gopalnagar gas field onshore Bangladesh; and the Apsara oil field development in Cambodia Block A.

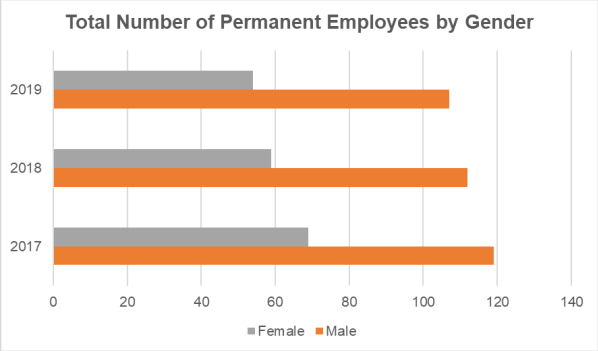
Our People

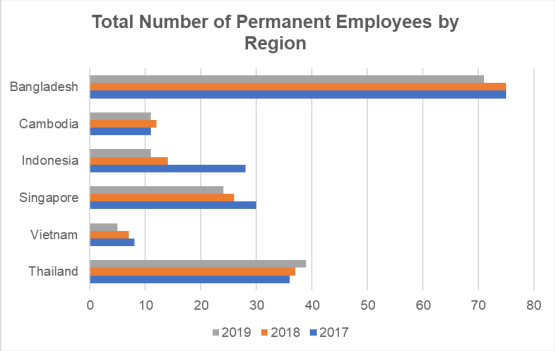
KrisEnergy has established offices in Bangladesh, Cambodia, Indonesia, Singapore, Thailand and Vietnam. It also has field operations onshore Bangladesh and offshore in the Gulf of Thailand, where the Wassana oil field is located in Thai waters and the Apsara oil development is across the maritime border in Cambodia.

Our internal philosophy is that all personnel, either directly or indirectly employed, play a vital role in our success and we adopt a zero-tolerance policy for any discrimination within the workplace. We engage with our people in each of the countries where we operate, and we ensure their wellbeing is our top priority. Our goal is to create a diversified workforce in which everyone is given an equal opportunity in a transparent environment that promotes empowerment and fulfilment.

Our employees are not covered by collective bargaining agreements but have the right to exercise freedom of association.

KrisEnergy employed 451 people in 2019. Permanent employees represented 37% of the total headcount. We contract largely third-party personnel for our operational sites, which require a multitude of different skillsets on a 24/7 rotational basis. The numbers reflected in the charts below for the past three years were collated from each country's administrative records and represent personnel employed permanently by KrisEnergy. In addition, there were four male and two female part-timers employed in 2019. Our approach is to offer remuneration based on experience and merit without reference to gender. The ratio of female to male employees is relatively equal throughout the Company with the exception of the Dhaka office and the field operations' site in Bangladesh where patriarchy remains relatively strong within the nation and a high percentage of the workforce are male.





Occupational Health & Safety

Health & Safety are embedded in KrisEnergy's culture and across the entire organisation. We have established a robust internal Environmental, Health & Safety Management System ("EHSMS") that is implemented according to the *International Organisation for Standardisation ("ISO") 45001 and 14001* overseen by SGS International Certifications Services ("SGS"). The EHSMS is established in Bangladesh, Singapore and Thailand. Current staffing levels in Cambodia, Indonesia and Vietnam fall below thresholds to reasonably have the capacity to establish an EHSMS. However, with existing systems and procedures in place, certifying these offices can be undertaken efficiently.

One consideration of the EHSMS covers medical and travel security services and we contract International SOS ("ISOS") to provide staff and directly employed contractors access to expert medical and travel security advice. Additionally, offshore employees and contractors have access to 24/7 mobilisation of medical assistance and evacuation.

Our Singapore and Dhaka offices and onshore Bangladesh field operations have renewed ISO 45001 certifications accredited by the UK Accreditation Service ("UKAS")/Swiss Accreditation Service ("SAS"). We intend to incorporate the current EHSMS into our Cambodia entity once their activities and operations evolve to an optimal level.

A critical section of the EHSMS includes hazard identification, risk management and incident investigation. Our internal online reporting and measurement portal enables monitoring of performance regarding risks and incidents and provides valuable information for areas of improvement. Risk Management Policy, EHSS Manual, Health & Safety Policy and the EHSMS hazard and effects procedures are drivers for risk management and assessment within the organisation. Our staff are fully trained in conducting risk assessments for routine and non-routine work. We have a Permit-to-Work ("PTW") system to handle operating risks both offshore and onshore. Job Safety Analysis is also conducted for moderate to high risk tasks.

Our risk management assessment is a four-stage process: identifying hazards; assessing risks; implementing controls; and monitoring the overall risk management procedure.

Identification of hazards allows us to establish the scope and context of the assessment and its boundaries. Identification or spotting risks in the workplace is highly advocated amongst staff. Staff are encouraged to report hazards via hazard report cards or anonymously via the online portal. We do not penalise staff for the reporting of risks. In the Hazard and Effects Management procedure, staff have the right to stop work immediately where there is concern of a risk of injury or ill-health.

Risk assessment via an internal risk matrix based on the *ISO Petroleum and Natural Gas Industries – Offshore Production Installations – major accident hazard management during the design of new installations ("ISO 17776-2016")* provides a structured review technique alongside professional judgement and experience. Staff directly involved in a risk activity are usually involved in the risk assessment process. For safety risks, KrisEnergy adopts the "as low as reasonably practicable" principle whereby residual risk shall be reduced as far as reasonably practicable.

Identified risks are evaluated and mitigation steps implemented according to six levels of control measures: elimination, substitution, isolation, engineering controls, administration controls and the use of personal protective equipment. We endeavour to eliminate risk as far as reasonably practicable. The results of the risk assessment are evaluated and discussed with more widely, for example, daily tool-box talks are conducted on site before an operational risk activity is started.

Lastly, risks and risk assessments are reviewed and monitored regularly to ensure that risk identification and assessment remain appropriate. Checks are in place for the continued effectiveness of risk controls and are measured against defined performance standards. We intend to increase the frequency of our incident and risk reporting on the online reporting system for Thailand and commence reporting for Cambodia once Block A's operations are up and running.

Training is a serious and necessary part of our business activities to ensure competency and avoid the risk of injury. We periodically provide a range of operational training schedules, such as safety and technical courses, among others. We regularly carry out various in-house training and emergency response drills to ensure all employees remain vigilant and uphold best practice in the industry. All workers on field locations are trained prior to arrival onsite. Their training needs are assessed according to work-related activities. A training matrix is drawn up to identify the necessary skills required for each job to be performed and any training gaps. In addition, for the Bangladesh onshore operations, there are competency profiles established for all staff. Each person's competency and capabilities are evaluated through the system and gaps are identified before the necessary training is prescribed. We intend to establish a training matrix within Cambodia operations to evaluate effectiveness.

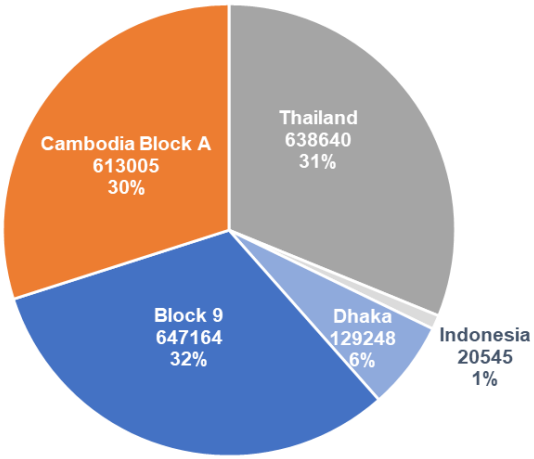
We have established Safety Committee groups in all ISO 45001 certified offices and operations. The groups comprise management and employees and are tasked to review policies, procedures and practices relating to occupational health and safety. They are also drivers of quarterly or monthly Environmental, Health, Safety & Security ("EHSS") initiatives within the company to address employees' concerns or increase awareness over EHSS matters. Our near-term target is to increase workers' representation in Block A offshore operations in Cambodia by establishing a Safety Committee group.

We ensure compliance with our EHSS policies throughout our offices and operations by internal audits by management teams, individually by Safety Committee groups, externally by SGS or through routine and frequent PTW audits. For example, before any individual is permitted to work on KrisEnergy operations, they must undertake a compulsory certified onshore/offshore medical examination by a KrisEnergy-approved clinic/hospital and received a "fit-for-work" declaration. Once a positive declaration is received, the individual will attend a Basic Offshore Safety Induction and Emergency Training ("BOSIET") for work entailing offshore travel.



G10/48 offshore personnel undergoing BOSIET training

Between January and December 2019, the KrisEnergy Group recorded 2,048,602 man-hours at operated assets with zero LTIs.



It is standard internal procedure that in the case of an occurrence of an LTI incident in a KrisEnergy-operated location, a thorough investigation will be conducted and addressed through root cause analysis, with corrective and preventive actions implemented thereafter. Our philosophy is continual improvement. Our ongoing target for all operations is to monitor incidents, conduct in-depth investigations and maintain a 0.5 LTIFR.

KrisEnergy recorded zero fatalities during 2019. The injury classifications below include our activities for operational assets in Thailand, Bangladesh and Cambodia. Our Total Recordable Injury Frequency Rate ("TRIFR") includes LTIs, Restricted Work Day Cases ("RWDC"), Medical Treatment Cases ("MTC") as well as First Aid Cases ("FAC").

Year	Lost Time Injury Frequency Rate ("LTIFR")	Total Recordable Injury Frequency Rate
2019	0	0.39
2018	0.62	0.74
2017	0	0.38

External initiatives

KrisEnergy supports and is committed to a few national and international economic, environmental and social principles, codes and frameworks. Some of these include the GRI Standards, the ISO 45001 and ISO 14001 certification standards. We continue to review suitable initiatives to enhance the sustainable development of our business.

Environment

Our Approach

Although oil and gas are extracted from the Earth's subsurface, there is an operational footprint at surface level. We are cognisant of the impact of our operations on the environment and the communities in the areas surrounding field locations and operational sites. We endeavour to reduce our impact and protect the environment and we apply across our organisation the *precautionary approach* under the *United Nations Rio Declaration 1992, Principle 15*. We ensure that before proceeding with any operation, an Environmental Impact Assessment ("EIA") is conducted to identify risks associated with the operation and assess mitigation measures to be implemented.

For 2019, KrisEnergy recorded zero non-compliance with environmental laws and/or regulations across the Group. In alignment with both ISO 14001 and the regulatory requirements in each country of operation, KrisEnergy has an integrated Group-wide system for the reporting of spillages such as oil, dirty water and other pollutants.

We have established a Group-wide Environmental Management System, which complies with ISO 14001 international standards. Our Singapore and Dhaka offices and the Bangora field operation are all ISO 14001 certified by SGS and accredited by UKAS/SAS.

All KrisEnergy offices and operations practice the three R's: reduce, reuse and recycle. As an ISO 14001 compliant company, waste management is one of the vital sections of environmental management. For KrisEnergy operations, waste is recycled, segregated and disposed of in compliance with international guidelines and national laws, all of which are stipulated in our waste management plans.

Even though the environmental impact of our office activities is relatively immaterial, we have recycling systems in place with designated recycling bins placed strategically within the office premises. KrisEnergy works with building management to comply with their recycling requirements.

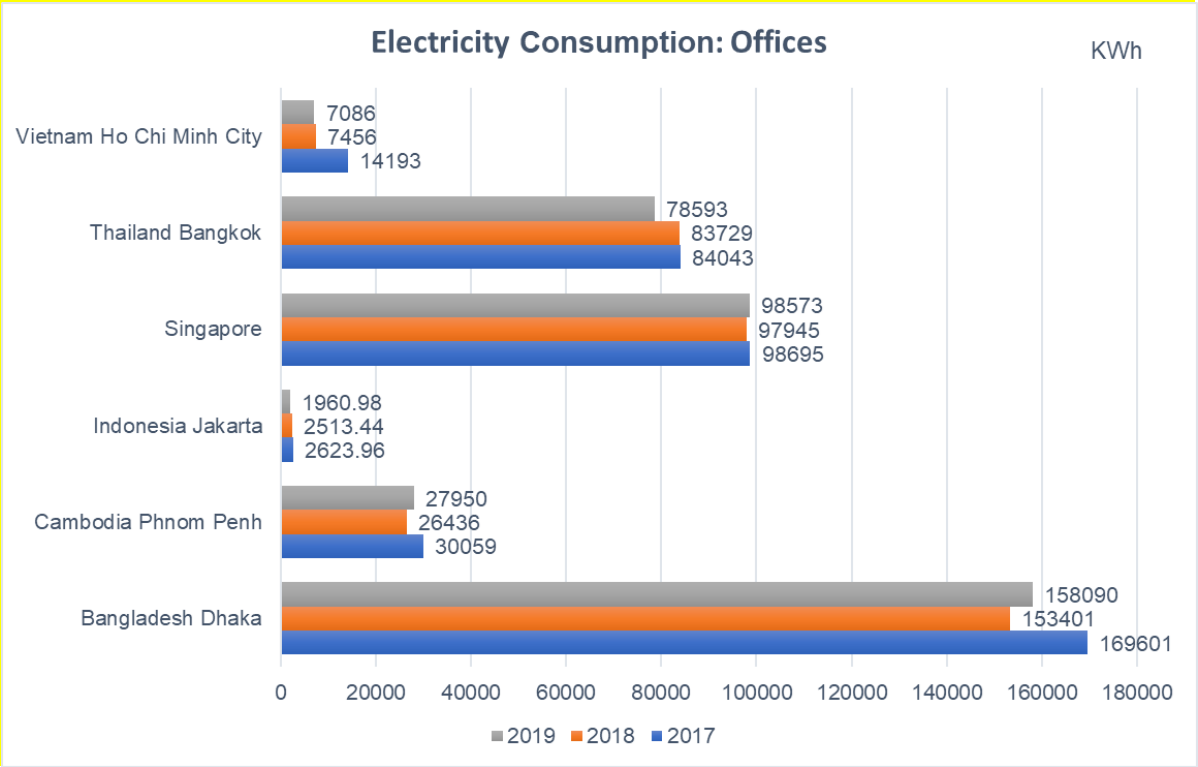
The plastic-free waste from water bottles initiative continues to excel in 2019 as well. All KrisEnergy offices and field locations ceased using single-use plastic water bottles. Drinking water is now sourced from filtration systems and/or water dispenser tanks. In addition, the plastic free drive now continues with reusable bags to replace plastic bags used for grocery shopping. Most staff and offices have made the switch to reusable bags in compliance with their local home country laws.

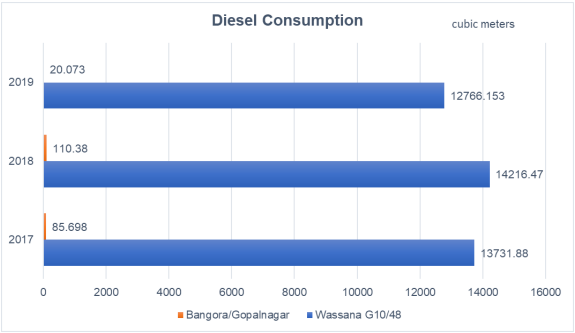
Energy

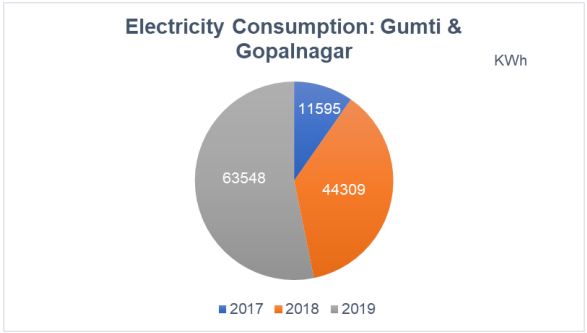
In line with the ISO 14001 international standard for energy consumption, we continuously monitor our energy usage in all operations and offices. We aim to be energy efficient, encourage staff to be aware of energy use and to participate in steps to reduce consumption by utilising energy saving tips in our daily work. Educational quizzes and videos have been circulated to garner interaction; LED lights have been installed within offices; and equipment

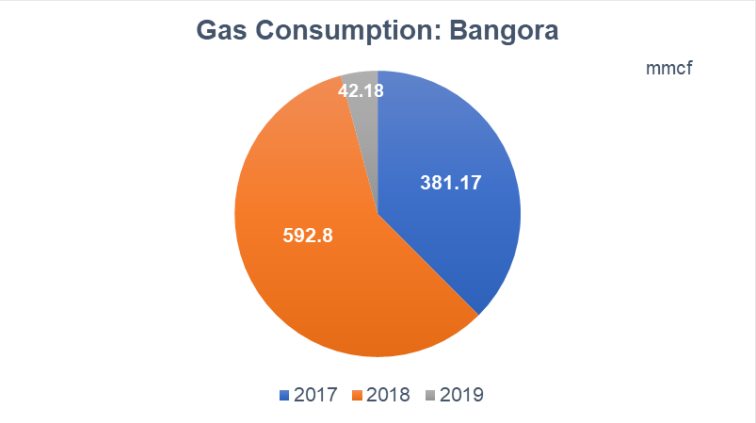
not in use is switched off over weekends. Year-on-year, KrisEnergy aims to achieve a reduction of at least 2.0% in its overall energy consumption compared with the previous reporting period for all entities included in the original baseline by the end of the fourth quarter 2020.

Electricity is the main source of energy consumption in KrisEnergy's offices, but operational sites rely on diesel generators for power. However, in mid-2018, the Rural Electrification Board was introduced at our operational site in Bangladesh. As such diesel consumption in 2019 was much lower as compared with the previous three years and the electricity consumption in Gumti and Gopalnagar increased. The charts below provide a breakdown of energy (electricity/diesel/gas) consumption in KrisEnergy's offices, the Gumti and Gopalnagar Bangora field locations onshore Bangladesh, and in the Wassana oil field in the Gulf of Thailand.









The 2019 numbers are based on gas consumption used in gas generators only.

Gas consumption for gas compressors was discontinued from 2019 onwards

Our Stakeholders

As part of the materiality assessment process, KrisEnergy identified six key stakeholder groups to engage, based on their level of influence and impact on our activities.

Stakeholders	How we Engage	Key Topics Raised
Investors/ Stakeholders	Annual General Meeting Periodic informal investor meetings One-on-one meetings	Corporate governance Financial performance Business outlook
Employees	Quarterly or half yearly EHSS initiatives Town hall meetings Daily/weekly safety meetings	Company's outlook Employees' welfare Operational personnel
Contractors/ Suppliers	Contractor/supplier management & assessments	EHSS standards, Supplier Code of Conduct Terms & agreements for contracted work
Local Community	Community programs in areas where we have offices or field locations Public participation	Education, women empowerment, social development, healthcare and financial support to the local community Seismic/drilling/production operations awareness
Regulators	Regular scheduled meetings with government authorities (*i.e.*, Department of Mineral Fuels, SKKMigas, PetroBangla, PetroVietnam, Cambodian Ministry of Mines and Energy)	Compliances/ environmental/EHSS reporting personnel/sourcing and training local talent
Joint-Venture Partners	Operational Committee Meetings & Technical Committee Meetings	Operational, financial, technical, joint operations & EHSS matters

As part of KrisEnergy's engagement with the wider upstream industry as well as legal, financial and safety institutions, we subscribe to the following associations and organisations:

- American Association of Petroleum Geologists
- Association of Chartered Certified Accountants
- Association of International Petroleum Negotiators
- Chartered Financial Analyst Institute
- Extractive Industry Governance Forum
- Indonesian Petroleum Association
- Institute of Singapore Chartered Accountants
- International Business Chamber Cambodia
- ISOS
- Oil Spill Response Limited
- Oil Industry Environmental Safety Group Association
- Petroleum Exploration Society of Great Britain
- Society of Petroleum Engineers
- South East Asia Petroleum Exploration Society

Security Practices

We take the safety and security of our people and assets seriously and in countries where additional security is required, we strive to make it readily available. KrisEnergy does not employ security personnel within the organisation. We contract third-party organisations to provide trained security forces for the Dhaka office and the onshore Bangora field operation, both in Bangladesh, where internal domestic security risks are higher than for other operations. In addition to compulsory training and drills such as, but not limited to, security, self-defence, vehicle and search procedures, fire-fighting and first-aid; we have ensured since 2018, our contractors provide basic human rights training to their employees working at KrisEnergy-operated site locations. To date 100.0% of contracted security personnel are trained under the Voluntary Principles on Security and Human Rights.

The basic human rights training includes an overview of the basic rights and freedoms to be provided so that everyone is treated fairly and with dignity, equality and respect. The role of security personnel deployed in KrisEnergy operations is highlighted along with the Code of Conduct. Conflict resolution is also discussed. Training on a monthly basis is conducted onsite field operations by the contractor's managers, which is reinforced by additional sessions every two months by instructors from Dhaka.

We intend to ensure that contracted security personnel uphold a high standard of appropriate conduct to third parties, particularly regarding the use of force to prevent human-rights' abuses or mishandling of employees, contractors and the local community. Our target is to ensure full training and compliance of the *Voluntary Principles on Security and Human Rights* met by our contractors and their employees.

Local Communities

The upstream oil and gas industry has a multitude of inherent risks and the potential to impact local communities close to our operational sites. As such, we ensure full engagement with communities regarding our events and operations. The well-being and livelihoods of local communities are part of our daily concerns and assessments to ensure our impact is positive and sustainable. In 2018, KrisEnergy implemented a public grievance policy within the

organisation to provide a mechanism to raise our engagement with communities. Various pathways for the public to provide feedback have been established and communicated to the relevant stakeholders. This has continued in 2019 through our monitoring visits to the educational and women economic development projects we have in Sihanoukville in Cambodia. Feedback or requests are usually provided by individuals and the local authorities when monthly meetings are conducted with our local partner and also during krisEnergy's direct meetings on a quarterly basis. Plans for 2020 includes a dissemination of the grievance mechanism procedure to these groups during the project orientation meetings at the start of the project term.

Additionally, we embark on public participation, consultation and engagement before we conduct any operational activity be it onshore or offshore. We believe such forums and educational sessions are essential to communicate and provide technical substance and EHSS measures to stakeholders including local communities, local authorities, governments, shareholders, debt holders, partners and service providers.

Corporate Social Responsibility ("CSR")

Our CSR projects target sustainability where our intended impact is to provide communities platforms to continue programs without aid in the longer term. We focus our CSR endeavours on education, healthcare and social development - specifically women's economic empowerment. We contribute to various educational programs and charities focusing on the needs and progression of children and women. We believe that education is an empowerment tool allowing everyone to contribute to the growth of the entire community and for future generations to come.

We distribute scholarships across our project areas to underprivileged meritorious students and we work with various non-governmental organisations ("NGOs") that support students through the enhancement of the quality of education, materials and learning environment.

In 2019, we continued our support with four high schools in the districts of Steunghav and Prey Nub in the coastal province of Sihanoukville, southwest Cambodia, which is the location of our future land-based operations. We once again worked together with the schools and identified areas for improvement in the educational programs. With KrisEnergy's support, we have continued with an upgraded English curriculum, and additional classes have been added to timetables. We also supported the Steunghav High School with a computer course and teacher to improve IT training. In addition, KrisEnergy funded awards to outstanding students based on merit in Hun Sen Prey Nub High School, and provided salary for one librarian in each of three high schools.



Students at the High School library in Cambodia

Under our social development goals, we continue support of the Strengthening Women Entrepreneurs ("SWE") program, which assists women who work in local self-help groups, or Women Empowerment Groups ("WEGs") in Sihanoukville, Cambodia. We reinforce training for WEGs in accounting and business planning, we help connect them with several local and larger business markets, and through a monitoring procedure, we ensure that the WEGs meet regularly and participate in district saving schemes. Together with several female community leaders, we advise ongoing WEG businesses to help them maintain a successful path. In 2019, we assist 17 WEGs with 382 members including 336 women participating, who together, have accumulated total savings of US$228,785.



Quarterly mobile meetings in session with WEGs and local authorities present



Savings group in session conducting accounts and bookkeeping

The lack of adequate and sanitary healthcare is an ongoing crisis in many parts of the world including Asia. We work with several NGOs in Bangladesh to continue with existing or new healthcare camps in our local communities.

In 2019, we conducted, in partnership with Bangladesh Jatiya Andha Kalayan Somiti, a free eye-care camp for the local community in Bangora. Rural Bangladesh has little by way of cataract surgery due to the lack of facilities, poverty and education. The prevalence of blindness is omnipresent in locals aged 50 years and above. Cataracts is a condition responsible for 80.0% of blindness and the current cataract surgery coverage meets only one-third of the total needs of the country. As such the main objectives of the eye-care camp were to provide eye-care facilities to locals living near the Block 9 operational site. Activities included a free facility for diagnosis and treatment of cataracts and surgery for urgent cases requiring immediate attention. Patients requiring prescription eyewear and/or medications were provided without cost.



Eye-care camp in session

KrisEnergy engages annually with local communities on Bangladesh for tree plantation programs in which our staff also participate. Trees, fruit trees and saplings are distributed to the local community and landowners. In 2019, 350 saplings were planted and to date, the company has planted over 100,000 trees in Bangladesh.



Tree plantation program in Bangora

We believe the engagement of local communities and addressing issues via education and health camps will lead to improvements in quality of life.

Our CSR monitoring programs gather feedback to determine areas for improvement. We monitor trends, measure changes and capture knowledge to improve performance and increase transparency. Our monitoring attempts to ensure the sustainability of the programs in the long term and the impacts on those in the communities. We intend to continue our current projects in 2020.

Our Supply Chain

Our supply chain includes administrative and operational businesses where we collaborate with local and foreign suppliers. We are bound by government regulations in the countries in which we operate, to undertake tender processes for certain works and services where multiple bids are received and assessed before a final award is made based on commercial, technical and social criteria. This process increases competitiveness and transparency for both the company and government.

Our offices in Bangladesh, Singapore and Thailand have established procurement teams who deal with contractors, suppliers and service providers for our operations. This may range from

refurbishment of vessels and contracting of drilling rigs and services to hiring of seismic acquisition providers and third-party independent environmental surveyors. From our administrative offices, we engage with companies that provide, amongst others, oil spill capabilities and EHSS assessments. It is our intention to contract local resources as long as all necessary EHSS conditions and appropriate training requirements are fulfilled.

Our approach is to source products/materials and services responsibly from suppliers, vendors and contractors where the provider is committed to the Company's ethics and Code of Conduct. As a general practice, we ensure that there is a minimum of three bidders for any project and all bidders must go through our vendor approval process.

We work with our suppliers and contractors throughout the lifecycle of a project. During a pre-qualification process, suppliers are required to complete an assessment for their EHSS and social criteria. We analyse their track record, EHSS and labour criteria and any certifications in key sustainable areas. This may range from ISO 45001 and ISO 14001 certifications or any other accreditations of equivalent value. Additionally, our Supplier Code of Conduct, EHSS standards and policies as well as relevant anti-bribery and corruption policies are provided at this stage.

EHSS is regarded as the top priority within KrisEnergy and therefore we engage with contractors and providers with a similar ethos. During the contracted period of activity, bridging documents are established to merge KrisEnergy's and the contractor's EHSS requirements. Contractors are expected to follow KrisEnergy's EHSS policies, procedures and standards. We regularly monitor suppliers' performance to ensure compliance to KrisEnergy's standards. We will continue to effect due diligence and incorporate our existing Supplier Code of Conduct in all new agreements with suppliers.

Glossary

BOSIET	Basic Offshore Safety Induction and Emergency Training.
CSR	Corporate Social Responsibility.
EHSMS	Environmental, Health and Safety Management Systems.
EHSS	Environmental, Health, Safety and Security.
EIA	Environmental Impact Assessment.
FAC	First Aid Cases.
FY2019	Full financial year up to 31 December 2019.
GRI	Global Reporting Initiative.
ISO 14001	An international environmental management system standard certified by SGS International Certifications Services and accredited by the SAS or UKAS.
ISO 17776-2016	ISO Petroleum and Natural Gas Industries – Offshore Production Installations – major accident hazard management during the design of new installations.

ISO 45001	An international occupational health and safety management system standard overseen by SGS International Certifications Services and accredited by the SAS or UKAS.
ISOS	International SOS.
LTIFR	Lost Time Injury Frequency Rate. The number of lost time injuries per 1,000,000 hours worked.
LTI(s)	Loss time injury (injuries).
MTC	Medical Treatment Cases.
NGO	Non-governmental organisation.
PTW	Permit-to-Work.
RWDC	Restricted Work Day Cases.
SAS	Swiss Accreditation Service.
SGS	SGS International Certifications Services.
SGX-ST	Singapore Exchange Securities Trading Limited.
SWE	Strengthening Women Entrepreneurs.
TRIFR	Total Recordable Injury Frequency Rate. The number of recordable injuries per 200,000 hours worked.
UKAS	UK Accreditation Service.
WEG	Women's Empowerment Group.

GRI Content Index

GRI Standard	Disclosure	Page number(s) and/or URL(s)
GRI 101: Foundation 2016		
General Disclosures		
GRI 102: General Disclosures 2016	**Organizational profile**	
	102-1 Name of the organization	AR: Front Cover
	102-2 Activities, brands, products, and services	AR: Page 3-6
	102-3 Location of headquarters	AR: Page 3, 212
	102-4 Location of operations	AR: Page 3-4, 13-17, 212
	102-5 Ownership and legal form	AR: Page 33-34, 156-157
	102-6 Markets served	AR: Page 3-4, 13-17
	102-7 Scale of the organization	AR: Page 3-4, 13-17, 26-34
	102-8 Information on employees and other workers	AR: Page 3, 31-32; SR: Page 182-183
	102-9 Supply chain	SR: Page 192-193
	102-10 Significant changes to the organization and its supply chain	None
	102-11 Precautionary Principle or approach	SR: Page 186
	102-12 External initiatives	SR: Page 186
	102-13 Membership of associations	SR: Page 189
	Strategy	
	102-14 Statement from senior decision-maker	SR: Page 177-178
	Ethics and integrity	
	102-16 Values, principles, standards, and norms of behavior	SR: Page 178-179
	Governance	
	102-18 Governance structure	AR: Page 28-57; SR: Page 179-180
	Stakeholder engagement	
	102-40 List of stakeholder groups	SR: Page 188
	102-41 Collective bargaining agreements	SR: Page 182
	102-42 Identifying and selecting stakeholders	SR: Page 188
	102-43 Approach to stakeholder engagement	SR: Page 188
	102-44 Key topics and concerns raised	SR: Page 188
	Reporting practice	
	102-45 Entities included in the consolidated financial statements	AR: Page 127-129
	102-46 Defining report content and topic Boundaries	SR: Page 181
	102-47 List of material topics	SR: Page 181
	102-48 Restatements of information	None
	102-49 Changes in reporting	None
	102-50 Reporting period	AR: Front Cover
	102-51 Date of most recent report	1 April 2019
	102-52 Reporting cycle	SR: Page 177
	102-53 Contact point for questions regarding the report	SR: Page 177
	102-54 Claims of reporting in accordance with the GRI Standards	SR: Page 177
	102-55 GRI content index	SR: Page 195
	102-56 External assurance	None

GRI Standard	Disclosure	Page number(s) and/or URL(s)
Material Topics		
GRI 200 Economic Standard Series		
Anti-corruption		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary	SR: Page 180
	103-2 The management approach and its components	SR: Page 180-181
	103-3 Evaluation of the management approach	SR: Page 181
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	SR: Page 180
	205-3 Confirmed incidents of corruption and actions taken	SR: Page 181
GRI 300 Environmental Standards Series		
Energy		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	SR: Page 186-187
GRI 302: Energy 2016	302-1 Energy consumption within the organization	SR: Page 187-188
Environmental Compliance		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	SR: Page 186
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	
GRI 400 Social Standards Series		
Occupational Health and Safety		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	SR: Page 183-185
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	SR: Page 183
	403-2 Hazard identification, risk assessment, and incident investigation	SR: Page 183-184
	403-4 Worker participation, consultation and communication on occupational health and safety	SR: Page 184
	403-5 Worker training on occupational health and safety	SR: Page 184
	403-9 Work-related injuries	SR: Page 185
Security Practices		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	SR: Page 189
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	
Local Communities		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	SR: Page 189-192
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	
Supplier Social Assessment		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	SR: Page 192-193
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	

KRISENERGY LTD.
(Company Registration Number: 231666)
(Incorporated in the Cayman Islands on 5 October 2009)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of KrisEnergy Ltd. (the "**Company**") will be held by way of electronic means (see Notes 1 to 4) on 29 June 2020 at 9.00 a.m. (Singapore time) to transact the following business (the "Annual General Meeting").

A	**Ordinary Business**	**Ordinary Resolution**
1	To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2019 and the Auditor's Report thereon.	**Resolution 1**
2	To re-elect Mr. Bernard Castanet, a Director retiring pursuant to Article 118 of the Company's Articles of Association, and who, being eligible, offers himself for re-election as a Director of the Company. [See Explanatory note 1]	**Resolution 2**
3	To re-elect Mr. John Koh, a Director retiring pursuant to Article 125 of the Company's Articles of Association, and who, being eligible, offers himself for re-election as a Director of the Company. [See Explanatory note 1]	**Resolution 3**
4	To approve the sum of US$444,375 (S$606,505) to be paid to all Non-Executive Directors as Directors' fees for the financial year ended 31 December 2019 (2018: US$592,500 (S$814,658)). [See Explanatory note 2]	**Resolution 4**
5	To re-appoint Deloitte & Touche LLP as Auditors of the Company and to authorize the Directors to fix their remuneration.	**Resolution 5**
B	**Special Business** To consider and, if thought fit, pass with or without modifications, the following resolutions as Ordinary Resolutions:	**Ordinary Resolution**
6	**Authority to issue shares** That pursuant to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), authority be and is hereby given to the Directors of the Company to: (1) (i) issue shares in the capital of the Company (the "Shares") (whether by way of rights, bonus or otherwise); and/or (ii) make or grant offers, agreements or options that might or would require Shares to be issued, including but not	**Resolution 6**

limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into Shares (collectively, "instruments"), at any time and upon such terms and conditions and for such purposes and to such person(s) as the Directors may in their absolute discretion deem fit; and

(2) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:

(a) the aggregate number of Shares to be issued pursuant to this Resolution (including new Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) shall not exceed 50.0 per cent. of the issued share capital of the Company excluding treasury shares (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of Shares to be issued other than on a pro rata basis to the shareholders of the company (including new shares to be issued in pursuance of instruments made or granted pursuant to this Resolution) shall not exceed 20.0 per cent. Of the issued share capital of the Company excluding treasury shares (as calculated in accordance with sub-paragraph (b) below);

(b) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under paragraph (a) above, the percentage of issued share capital shall be based on the issued share capital of the Company excluding treasury shares at the time this Resolution is passed, after adjusting for:

(i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or subdivision of Shares;

(c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association for the time being of the Company; and

(d) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier.

[See Explanatory note 3]

7 To transact any other business as may be properly transacted at an annual general meeting.

By Order of the Board
KrisEnergy Ltd.

Sally Ting / Jennifer Lee
Joint Company Secretaries
Singapore, 5 June 2020

Notes:

1. **Alternative Arrangements**. This Annual General Meeting is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. All documents (including the 2019 Annual Report, instrument for the appointment of proxy ("proxy form") and this Notice of Annual General Meeting) or information relating to the business of this Annual General Meeting have been, or will be, published on SGXNet and the Company's website at www.krisenergy.com. Printed copies of the documents will not be despatched to members. Members and investors are advised to check SGXNet and/or the Company's website regularly for any updates.

   Alternative arrangements relating to, among others, attendance, submission of question in advance and/or voting by proxy at the Annual General Meeting are set out in the Company's announcement dated 5 June 2020 entitled "Instructions to Shareholders for the Seventh Annual General Meeting of KrisEnergy Ltd." which has been uploaded together with this Notice of Annual General Meeting on SGXNet on the same day.

   In particular, a member will be able to watch the proceedings of the Annual General Meeting through a "live" webcast via his/her/its mobile phones, tablets or computers or listen to these proceedings through a "live" audio-only stream via telephone. In order to do so, a member who wishes to watch the "live" webcast or listen to the "live" audio-only stream must pre-register via the following link: https://bit.ly/KRISENERGY-GENERAL-MEETINGS **by no later than 9.00 a.m. on 26 June 2020**. Following authentication of his/her/its status as members, authenticated members will receive email instructions on how to access the webcast and audio-only stream of the proceedings of the Annual General Meeting by 28 June 2020.

   Members will not be able to ask questions "live" during the broadcast of this Annual General Meeting. All members may submit questions related to the resolutions to be tabled for approval at the Annual General Meeting by email to krisenergy@krisenergy.com, or in hard copy by post to the office of the Company's share transfer agent, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902, **by no later than 9.00 a.m. on 26 June 2020**.

2. **Members. Due to the current COVID-19 restriction orders in Singapore, a member will not be allowed to attend the Annual General Meeting in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the Annual General Meeting. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the Annual General Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Annual General Meeting.** The proxy form may be accessed at the Company's website at www.krisenergy.com. The Chairman of the Meeting, as proxy, need not be a member of the Company. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the proxy form, failing which the appointment will be treated as invalid.

   In the case of a member whose Shares are entered against his/her name in the Depository Register (as defined in Part IIIAA of the Securities and Futures Act, Chapter 289 of Singapore), the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such member, being the appointer, is not shown to have Shares against his/her name in the Depository Register as at 72 hours before the time appointed for holding this Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.

3. **Deposit of Instrument of Proxy.** The proxy form appointing the Chairman of the Meeting as proxy (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be submitted to the Company in the following manner:

   (a) if sent personally or by post, be deposited at the office of the Company's share transfer agent, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or

   (b) if submitted by email, be received by M & C Services Private Limited at gpb@mncsingapore.com,

   in either case, by no later than **9.00 a.m. on 26 June 2020, being 72 hours before the time appointed for holding this Annual General Meeting,** and in default the proxy form shall not be treated as valid.

4. **Personal Data Privacy.** By submitting a proxy form appointing the Chairman of the Meeting as proxy to vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company, or as the case may be, a Depositor consents to the collection, use and disclosure of the member's, or as the case may be, the Depositor's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the Meeting as proxy appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.

Explanatory Notes:

1. **Resolutions 2 and 3**. Detailed information on these Directors can be found in the sections entitled "Board of Directors" and "Additional Information on Directors Seeking Re-appointment" of the Company's 2019 Annual Report.

   (a) Mr. John Koh, upon re-election as a Director of the Company, will remain as Chairman of the Audit & Risk Management Committee, and a member of each of the Remuneration Committee and the Executive Committee. Mr. John Koh is considered to be independent by the Board for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.
   (b) Mr. Bernard Castanet, upon re-election as a Director of the Company, will remain as a member of each of the Audit & Risk Management Committee and the Nominating Committee.

2. **Resolution 4**. SGD to USD exchange rates of 1.36:1 and 1.37:1 were used for the financial years ended 31 December 2019 and 31 December 2018, respectively.

3. **Resolution 6**. Resolution 6 is to empower the Directors to issue shares in the capital of the Company and/or to make or grant Instruments (as defined in Resolution 6). The aggregate number of Shares which may be issued pursuant to Resolution 6 (including new Shares to be issued in pursuance of Instruments made or granted pursuant to Resolution 6) shall not exceed 50.0 per cent. of the issued share capital of the Company excluding treasury shares, with a sub-limit of 20.0 per cent. for Shares issued other than on a pro rata basis to Shareholders. For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares shall be based on the total number of issued Shares in the capital of the Company excluding treasury shares at the time of the passing of Resolution 6, after adjusting for (i) new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time Resolution 6 is passed; and (ii) any subsequent bonus issue, consolidation or subdivision of Shares.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-APPOINTMENT

The following additional information on Mr. John Koh and Mr. Bernard Castanet, both of whom are seeking re-appointment as Directors at the forthcoming Seventh Annual General Meeting, is to be read in conjunction with their respective biographies in the section entitled "Board of Directors" of this Annual Report.

Name of Director	**Mr. John Koh**	**Mr. Bernard Castanet**
Date of last re-appointment (if applicable)	24 April 2017	N/A
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr. Koh as an Independent Non-Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, taking into consideration Mr. Koh's qualifications, expertise, past experiences and overall contribution since his initial appointment.	The re-election of Mr. Castanet as an Independent Non-Executive Director was recommended by the Nominating Committee and the Board has accepted the recommendation, taking into consideration Mr. Castanet's qualifications, expertise, past experiences and overall contribution since his initial appointment.
Whether appointment is executive, and if so, the area of responsibility	No	No
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Non-Executive Director Audit and Risk Management Committee (Chairman) Remuneration Committee (Member) Executive Committee (Member)	Independent Non-executive Director Audit & Risk Management Committee (Member) Nominating Committee (Member)
Working experience and occupation(s) during the past 10 years	**2010 – 2015:** KrisEnergy Ltd (Director) NSL Limited (Director) Mapletree Industrial Fund Ltd (Director) Mapletree Industrial Trust Management Ltd (Director)	**2010 – 2015:** Perenco Holdings Singapore (Chief Representative) Perenco Vietnam (Cuu Long Joint Operating Company) (Perenco Coordinator QHSE) Multiple Perenco Group companies (Director)

Name of Director	Mr. John Koh	Mr. Bernard Castanet
	Bernard Quaritch Limited (Director) National Library Board, Singapore (Director) Worldwide Books Corporation (Director) Artfx Fine Art Services Ltd (Director) Artpac Management Ltd (Director) BMH Management Pte Ltd (Director) Brandmine Properties Ltd (Director) China Lumena New Materials Corp (Director) Mission Impossible Pte Ltd (Director) School of the Arts, Singapore (Director) Genphar, Inc (Director) Mapp Editions Ltd (Director) Arbutus International Ltd Afa Management LLC Easy Capital Ltd Straits Capital Investments Ltd Mandra Forestry Finance Limited (Director) Mandra Forestry Holdings Limited (Director) **2015 – 2019**: Please refer to Mr. Koh's biography in the section entitled "Board of Directors"	**2015 – 2019**: Please refer to Mr. Castanet's biography in the section entitled "Board of Directors"
Shareholding interest in the listed issuer and its subsidiaries	Direct interest: 142,000 Deemed interest: Nil	Direct interest: 10,000 Deemed interest: Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	No	No
Conflict of interest (including any competing business)	No	No

Name of Director	Mr. John Koh	Mr. Bernard Castanet
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	There is no change to the responses previously disclosed by Mr. Castanet under items (a) to (k) of Appendix 7.4.1 of the SGX-ST Listing Manual which were all "No". The Appendix 7.4.1 information in respect of Mr. Castanet's appointment as director was announced on 18 October 2019.
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	
(c) Whether there is any unsatisfied judgment against him?	No	

Name of Director	Mr. John Koh	Mr. Bernard Castanet
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	

Name of Director	Mr. John Koh	Mr. Bernard Castanet
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of :—	No	
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such	No	

Name of Director	Mr. John Koh	Mr. Bernard Castanet
entities in Singapore or elsewhere; or		
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	

Corporate Information

As at 3 June 2020

Board of Directors

Tan Ek Kia
Independent Non-Executive Chairman

Chris Ong Leng Yeow
Non-Executive Director

Alan Nisbet
Non-Executive Independent Director

Kelvin Tang
Chief Executive Officer, Executive Director and President, Cambodia

John Koh
Non-Executive Independent Director

Bernard Castanet
Non-Executive Independent Director

Audit and Risk Management Committee

John Koh | Chairman
Tan Ek Kia
Alan Nisbet
Bernard Castanet

Nominating Committee

Tan Ek Kia | Chairman
Chris Ong Leng Yeow
Bernard Castanet

Remuneration Committee

Alan Nisbet | Chairman
John Koh
Chris Ong Leng Yeow

Executive Committee

Tan Ek Kia | Chairman
John Koh
Kelvin Tang

Joint Company Secretaries

Sally Ting
Jennifer Lee

Registered Office

Intertrust Corporate Services (Cayman) Limited

190 Elgin Avenue, George Town, Grand Cayman, Ky1–9005, Cayman Islands | T: +1 345 943 3100 | F: +1 345 945 4757

Auditors

Deloitte & Touche LLP

Public Accountants and Chartered Accountants
6 Shenton Way, OUE Downtown 2, #33-00 Singapore 068809

Singapore Office

83 Clemenceau Avenue, #10–05 UE Square, Singapore 239920

T: +65 6838 5430 | F: +65 6538 3622

Audit Partner

Yang Chi Chih

Year Appointed: 2017
Public Accountants and Chartered Accountants
6 Shenton Way, OUE Downtown 2, #33-00 Singapore 068809

Share Transfer Agent

M&C Services Private Limited

112 Robinson Road, #05–01, Singapore 068902

Glossary

THIS GLOSSARY CONTAINS EXPLANATIONS AND DEFINITIONS OF CERTAIN TERMS USED IN CONNECTION WITH OUR BUSINESS. THE TERMS AND THEIR ASSIGNED MEANING MAY NOT CORRESPOND TO STANDARD INDUSTRY OR COMMON MEANING OR USAGE OF THESE TERMS.

1C	Low estimate scenario of contingent resources.
1P	Equivalent to proved reserves; denotes low estimate scenario of reserves.
2022 Notes	S$130 million fixed-rate notes due June 2022.
2023 Notes	S$200 million fixed-rate notes due August 2023.
2024 ZCNs	Senior secured zero coupon notes due 2024.
2C	Best estimate scenario of contingent resources.
2P	Equivalent to proved plus probable reserves; denotes best estimate scenario of reserves.
3C	High estimate scenario of contingent resources.
3D seismic data	Geophysical data that depicts the subsurface strata in three dimensions (3D). 3D seismic typically provides a more detailed and accurate interpretation of the subsurface strata than 2D seismic.
3P	Equivalent to proved plus probable plus possible reserves; denotes high estimate scenario of reserves.
basin	Areas where sedimentary rocks have accumulated over time, which are regarded as good prospects for oil and gas exploration.
bbl	Barrel.
boe	Barrel of oil equivalent.
boepd	Barrel(s) of oil equivalent per day.
bopd	Barrel(s) of oil per day.
Bridge Upsize	US$20 million additional commitment provided by DBS under the RCF.
CFO	Chief Financial Officer.
CMT	Crisis Management Team.
contingent resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but are not currently considered to be commercially recoverable due to one or more contingencies.
DBS	DBS Bank Ltd.
DD&A	Depreciation, depletion and amortisation.
DMO	Domestic Market Obligation.
EBITDAX	Earnings before interest, tax, depreciation, amortisation, geological and geophysical expenses and exploration expenses. EBITDAX is used when reporting earnings for oil and mineral exploration companies. Excluding geological and geophysical expenses and provides the true EBITDA of the firm.
EGM	**Extraordinary general meeting**
EHSS	Environmental, Health, Safety and Security.
EPT	Excess profit tax.
Executive Director	A Director of our Group who performs an executive function.
FOB	Free-on-board.
FSO	Floating, storage and offloading vessel.
FTP	First Tranche Petroleum.
GDSPNTR	General Department of State Property and Non Tax Revenue.
gross reserves	The total volume of oil and/or gas anticipated to be commercially produced in the future.
IAS 17	IAS 17 *Leases*.
IFRS	International Financial Reporting Standards.

Glossary

IFRS 16	IFRS 16 *Leases*.
ISO 14001	An international environmental management system standard certified by SGS International Certifications Services and accredited by the Swiss Accreditation service or UK Accreditation Service.
ISO 45001	An international occupational health and safety management system standard overseen by SGS International Certifications Services and accredited by the Swiss Accreditation Service or UK Accreditation Service.
Keppel	Keppel Corporation Limited.
km	Kilometre.
lifting costs	Costs to operate and maintain oil and gas wells and related equipment, and facilities to bring oil and gas to the surface.
LTI	Loss time injury.
mcf	Thousand cubic feet.
MD	Measured depth, describes the length of the borehole of a well.
mm	Million.
mmboe	Million barrels of oil equivalent.
mmcfd	Million cubic feet per day.
MOPU	Mobile offshore production unit.
NEBOSH	National Examination Board in Occupational Safety and Heath.
Notes	2022 Notes, 2023 Notes and the 2024 ZCNs.
Notes Exchange Gain	Pursuant to the financial restructuring in 2017, the Group recognised a one-off, non-cash fair value gain on exchange of the 2022 Notes and 2023 Notes as the Notes were recognised at a discount to par value upon exchange.
NSAI	Netherland, Sewell & Associates, Inc.
PCPI	Piezo Cone Presentation Tests.
possible reserves	Those additional reserves which analysis of geoscience and engineering data suggests are less likely to be recoverable than probable reserves.
probable reserves	Those additional reserves which are less likely to be recoverable than proved reserves but more certain to be recovered than possible reserves.
proved reserves	Those quantities of petroleum, which by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods and government regulations.
PSC	Production sharing contract, which is an agreement with the relevant host government, which outlines the fiscal terms for exploring, developing and producing oil and gas within a specified contract area.
QPR	Qualified person's report.
RCF	Revolving Credit Facility.
reserves	Those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.
resources	All quantities of petroleum (recoverable and unrecoverable) naturally occurring on or within the Earth's crust, discovered and undiscovered, plus those quantities already produced.
SGX-ST	Singapore Exchange Securities Trading Limited.
Singapore High Court	High Court of the Republic of Singapore.
sq. km	Square kilometre.
TVDSS	Total vertical depth subsea.
TVT	True vertical thickness.
Warrants	Detachable warrants issued pursuant to the preferential offering of the 2024 ZCNs, each warrant carrying the right to subscribe for one new share.
work program	An annual budget program that defines the seismic, well drilling and facilities construction plans.
working interest	Percentage ownership in a joint operation associated with revenue and costs. Working interests do not take into account the terms of any royalties, government shares of production, or similar fiscal terms, and thus do not reflect net entitlement to any oil or gas produced.

KrisEnergy Regional Offices

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Bangkok 10330

Vietnam

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Ho Chi Minh City

KRISENERGY LTD

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

Unaudited Second Quarter & Six Months ended 30 June 2020 Financial Statements Announcement



13 August 2020

The following announcement may contain forward-looking statements by KrisEnergy Ltd. (the "**Company**" or "**KrisEnergy**", and collectively with its subsidiaries, the "**Group**") 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, among others, the financial condition, results of operation and business, and the related plans and objectives of the Company and/or the Group. These forward-looking statements are based on the 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. As actual results could differ materially from the 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 the Company and/or the Group. It should be noted that our actual performance may vary significantly from such statements. No undue reliance should be placed on forward-looking statements and the Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

Financial and Operations Update

*KrisEnergy Ltd. is an independent upstream oil and gas company focused on the 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 11 contract areas in Asia, eight of which we operate. Today, we present our unaudited financial statements reflecting the financial and operating results for the three months ("**2Q2020**") and six months ("**1H2020**") ended 30 June 2020 (the "**Results**"). 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 30 June			For the six months ended 30 June		
	2020	2019	% Change	2020	2019	% Change
	(US$ thousands, except where otherwise indicated)					
Financial						
Sale of crude oil & liquids	10,337.9	38,862.9	(73.4)	26,010.4	60,458.2	(57.0)
Sale of gas	2,728.8	4,123.1	(33.8)	6,191.1	8,113.8	(23.7)
Revenue	**13,066.7**	**42,986.0**	**(69.6)**	**32,201.5**	**68,572.0**	**(53.0)**
Adjusted EBITDAX(1)	**(21,462.8)**	**9,491.9**	**(326.1)**	**(18,002.9)**	**18,562.6**	**(197.0)**
Cash and bank balances	54,428.8	51,702.0	5.3	54,428.8	51,702.0	5.3
Operations						
Oil and liquids (*bopd*)	2,605	5,324	(51.1)	3,393	4,986	(31.9)
Gas (*mmcfd*)	24.0	32.1	(25.2)	28.0	32.5	(13.6)
Production volumes (*boepd*)	6,603	10,669	(38.1)	8,066	10,396	(22.4)
Average sales price						
• Oil and liquids (*US$/bbl*)	25.05	64.30	(61.0)	41.57	61.47	(32.4)
• Gas – B8/32 (*US$/mcf*)	4.38	4.93	(11.2)	4.60	5.00	(8.0)
• Gas – Block 9 (*US$/mcf*)	2.32	2.32	-	2.32	2.32	-
Average lifting costs (US$/boe)(2)	23.32	20.14	15.8	22.88	21.04	8.8

Notes:

(1) EBITDAX is a non-IFRS measure and is defined as earnings before interest, taxation, depreciation, amortisation, geological and geophysical expenses and exploration expenses. Adjusted EBITDAX excludes unrealised foreign exchange differences.

(2) Average lifting cost reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period.

EBITDAX Computation

		For the three months ended 30 June		For the six months ended 30 June	
		2020	2019	2020	2019
		(unaudited)			
		(US$ thousands)			
Cash	**Revenue**	13,066.7	42,986.0	32,201.5	68,572.0
	Adjusted operating costs[3]	(33,304.4)	(29,330.2)	(46,892.0)	(42,759.7)
	Thai petroleum royalties paid	(876.6)	(3,453.1)	(2,291.7)	(5,597.8)
	Gross (loss)/profit before depreciation, depletion and amortisation	**(21,114.3)**	**10,202.7**	**(16,982.2)**	**20,214.5**
	Corporate general and administrative expense	(708.0)	(710.8)	(1,380.2)	(1,651.9)
	Gain on early termination of lease	359.5	-	359.5	-
	Adjusted EBITDAX[4]	**(21,462.8)**	**9,491.9**	**(18,002.9)**	**18,562.6**
	Geological and geophysical expenses	(2,409.5)	(1,972.8)	(2,789.0)	(2,996.7)
	Gain on disposal of exploration and evaluation assets	9,462.0	-	9,462.0	-
	Provision for decommissioning costs	(7,662.0)	-	(7,662.0)	-
	Exploration expenses	-	34.9	-	90.7
	Adjusted EBITDA[4]	**(22,072.3)**	**7,554.0**	**(18,991.9)**	**15,656.6**
	Finance costs	(9,166.1)	(8,311.7)	(17,988.2)	(14,888.5)
	Adjusted cash (loss)/profit before tax	**(31,238.4)**	**(757.7)**	**(36,980.1)**	**768.1**
Non-Cash	Non-cash items:				
	Finance costs (accretion of bond discount[5], decommissioning provision and lease liability)	(5,327.0)	(5,058.6)	(10,740.9)	(9,954.9)
	Depreciation, depletion and amortisation	(6,235.8)	(13,126.4)	(15,217.4)	(24,686.3)
	Impairment of goodwill	(1,300.3)	-	(1,300.3)	-
	Impairment of assets	(52,741.7)	(34,252.5)	(52,741.7)	(34,252.5)
	Net fair value (loss)/gain on financial instruments	(442.1)	310.1	1,805.4	(204.6)
	Unrealised exchange gain/(loss) on 2022 Notes, 2023 Notes and 2024 ZCNs	4,982.9	5,034.7	11,847.3	176.7
	Other unrealised exchange differences	450.9	193.7	(1,864.9)	375.7
	Adjusted loss before tax[6]	**(91,851.5)**	**(47,656.7)**	**(105,192.6)**	**(67,777.8)**

Notes:

(3) Adjusted operating costs is a non-IFRS measure and includes the bareboat charters for oil and gas production, which are classified under depreciation, depletion and amortisation ("**DD&A**") in the profit and loss statement in accordance with IFRS 16, effective from 1 January 2019.

(4) EBITDAX and EBITDA are supplemental measures of our performance that are not required under IFRS. EBITDAX and EBITDA 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. EBITDAX and EBITDA are not standardised terms, hence, a direct comparison between companies using such terms may not be possible. Adjusted EBITDAX and Adjusted EBITDA excludes unrealised foreign exchange differences.

(5) Pursuant to the financial restructuring in the first quarter 2017 ("**1Q2017**"), the Group recognised a one-off non-cash fair value gain on exchange of the S$130 million senior unsecured notes due 2022 ("**2022 Notes**") and the S$200 million senior unsecured notes due 2023 ("**2023 Notes**") amounting to US$73.9 million (the "**Notes Exchange Gain**") as the 2022 Notes and 2023 Notes were recognised at a discount to par value upon exchange. Each reporting quarter until maturity or redemption of the 2022 Notes and 2023 Notes, the non-cash accretion of the bond discount, computed on the effective interest method in accordance with IFRS, will be charged to the Group's profit and loss as finance costs to offset the Notes Exchange Gain. In addition, non-cash accretion of bond discount on the 2024 Zero Coupon Notes ("**2024 ZCNs**") will be charged to finance costs as the 2024 ZCNs were initially recognised at a discount to par value on issuance in 1Q2017.

(6) Adjusted profit/loss before tax deducts Special Remuneratory Benefit taxes from the calculation of Adjusted EBITDA.

First Half 2020 Financial Update

The emergence of the COVID-19 pandemic and the resultant unprecedented contraction in global fuel demand at a time of an oil supply glut led to a 36.4% drop in benchmark Brent crude prices in 1H2020 relative to the first half of 2019 ("**1H2019**"). The steepest price decline occurred in 2Q2020, when the Brent marker dropped 34.3% compared with the first three months of the year and 51.2% versus the second quarter 2019 ("**2Q2019**") as governments across the world enacted lockdown measures to try and reduce the spread of the coronavirus.

The Group's realised selling prices for crude oil and liquids were heavily impacted in 2Q2020 during which there were two liftings – in April and May – from the Wassana oil field when prices were at the 1H2020 lows between US$16.00 and US$27.00 per barrel ("**bbl**") compared with one lifting in February 2020 when the price achieved was a little over US$50.00/bbl. The Group's average realised selling price of US$25.05/bbl in 2Q2020 was the lowest since the first quarter 2016 (US$20.85/bbl).

The steep drop in oil markets and uncertainty over the magnitude and sustainability of any recovery resulted in the suspension of production at the Wassana field in the G10/48 concession in the Gulf of Thailand in 2Q2020.

Lower prices and sales volume impacted 1H2020 Group revenue, which decreased 53.0% to US$32.2 million. Non-cash impairment charges of US$54.0 million as a result of lower future oil price assumptions and in accordance with IFRS, non-cash DD&A charges of US$15.2 million and finance costs of US$18.0 million resulted in a loss before tax of US$105.2 million in 1H2020. Net cash flow from operating activities in 1H2020 and 2Q2020 remained positive at US$10.1 million and US$2.9 million, respectively.

The net loss recorded in 1H2020 deepened the Group's capital deficiency position to US$251.3 million and the net current liability position to US$533.5 million as at 30 June 2020. Total debt recognised on the Group's balance sheet amounted to US$505.3 million and gearing was 199.0%.

- **Production:** Working interest production in 1H2020 averaged 8,066 barrels of oil equivalent per day ("**boepd**"), 22.4% lower than the same period last year (1H2019: 10,396 boepd) mainly as a result of the suspension of production from Wassana field, lower production and contracted gas sales from B8/32 and government-mandated cuts to gas production rates in Block 9, Bangladesh.

- **Realised Pricing:** The Group's average realised selling price for oil and liquids in 1H2020 was US$41.57/bbl, a decline of 32.4% compared to a year ago (1H2019: US$61.47/bbl) as benchmark prices dropped during the period. The average realised gas price for the B8/32 licence decreased 8.0% to US$4.60 per thousand cubic feet ("**mcf**") (1H2019: US$5.00/mcf) in line with the redetermination of the gas price formula which is set on a trailing six-month basis. The realised gas price from the onshore Bangladesh Bangora field in Block 9 remained unchanged at US$2.32/mcf.

- **Revenue:** Lower production volumes and average realised selling price for oil and liquids resulted in a 53.0% decrease in 1H2020 revenue to US$32.2 million (1H2019: US$68.6 million).

- **Adjusted Operating Costs**: Operating costs in 1H2020 including the bareboat charters for the Wassana field operations – namely the mobile offshore production unit (**MOPU**") and the floating storage and offloading vessel ("**FSO**") – were US$46.9 million (1H2019: US$42.8 million). The increase was primarily a result of the decline in production from the Wassana field as operations ceased in early June 2020. As a result, the operating cost attributable to the crude oil barrels lifted is higher as operating expenditure is largely fixed. In accordance with the Group's accounting policies and industry practice, operating costs are incurred and matched with revenue earned at the time of offtake. Hence, the accounting recognition of costs will fluctuate in line with the timing of liftings and revenue earned.

- **Lifting Costs:** Average lifting costs reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period. In 1H2020, the average lifting cost was US$22.88 per barrel of oil equivalent ("**boe**") compared with US$21.04/boe for 1H2019. The 8.8% increase was attributed to lower production volumes related to the G10/48 and B8/32 assets.

- **Adjusted EBITDAX:** Amounted to a loss of US$18.0 million in 1H2020 compared to a gain of US$18.6 million in 1H2019 as a result of the gross loss before DD&A of US$17.0 million for the period.

- **Loss Before Tax**: Amounted to US$105.2 million in 1H2020 (1H2019: US$67.8 million) due to lower revenue, impairment charges, and increased finance cost. Material non-cash charges to the profit and loss statement in 1H2020 amounted to US$68.1 million. Owing to the prevailing depressed global outlook for business activity and oil prices, the Company has undertaken a reassessment of the commerciality of certain assets resulting in (a) non-cash impairment charges of US$54.0 million recognised in 2Q2020 comprising (i) charges of US$33.5 million relating to impairment of producing and near-term producing assets due to lower forecasted benchmark oil prices; (ii) impairment of G10/48 of US$13.7 million following suspension of production; and (iii) provision in accordance with IFRS of US$6.8 million for the SS-11 production sharing contract ("**PSC**") related to the approaching expiry of the exploration concession; (b) US$15.2 million for DD&A charges; and (c) US$10.7 million related to the non-cash accretion of bond discount, lease liability and decommissioning provision; partially offset by (d) US$11.8 million for net unrealised foreign exchange gains.

- **Cash & Bank Balances:** As at 30 June 2020, the Group's cash and bank balances amounted to US$54.4 million and, after taking into account restricted cash of US$6.3 million, the Group's cash and cash equivalents, including amounts held under joint operations, amounted to US$48.1 million. Total unused sources of liquidity excluding amounts held under joint operations and including undrawn amounts of the revolving credit facility with DBS Bank Ltd ("**RCF**") amounted to US$32.3 million.

Further discussion of the Group's financial results is set out in Section 8 of this *Financial Statements Announcement*.

Corporate Update

- On 27 April 2020, the Company updated stakeholders that KrisEnergy (Gulf of Thailand) Ltd ("**KEGOT**") had issued proceedings in the High Court of Justice Business and Property Courts of England and Wales against Rubicon Vantage International Pte Ltd ("**Rubicon**") seeking, inter alia, (i) damages for breaches of a bareboat charter ("**Bareboat Charter**"); (ii) damages for misrepresentation; and (iii) an indemnity in respect of the judgement amount previously awarded by the English High Court in respect of Rubicon's call on a parent company guarantee relating to the Bareboat Charter. In addition, an affiliate of Rubicon, Maritime International Services Pte Ltd ("**Maritime**"), had sought to make a demand of approximately US$5.4 million against the Company in relation to a separate parent company guarantee relating to an operations and maintenance contract. On 3 June 2020, the Company updated stakeholders that Rubicon had filed a further statutory demand for approximately US$0.92 million in the Cayman Islands against KEGOT under the Bareboat Charter (which the Company has since terminated). On 15 June 2020 and 19 June 2020, the Company further updated stakeholders that Rubicon had served a winding-up petition against KEGOT in the Cayman Islands (in respect of the statutory demand dated 10 February 2020 for approximately US$2.84 million against KEGOT under the Bareboat Charter), following the dismissal of KEGOT's application to restrain Rubicon's presentation of the winding-up petition ("**Petition**"), and that KEGOT has since lodged a notice of appeal against the Petition. See announcements entitled Update on Legal Proceedings with Rubicon dated 27 April 2020, 3 June 2020, 15 June 2020 and 19 June 2020.

- On 19 May 2020, the Company confirmed Ms Joanne Ang, the Group's interim Chief Financial Officer ("**CFO**"), as permanent CFO with immediate effect. See announcement entitled *KrisEnergy confirms interim CFO as permanent* dated 19 May 2020.

- On 29 June 2020, the Company convened its 7th Annual General Meeting and all resolutions were passed. See announcements entitled *Resolutions passed at KrisEnergy Ltd.'s 7th Annual General Meeting* dated 29 June 2020 and *KrisEnergy Ltd: Minutes of 7th Annual General Meeting* dated 7 July 2020.

Group Capital Management

- **Going Concern:** The Group's financial statements for the period ending 30 June 2020 have been prepared on a going concern basis. As disclosed in previous financial statements announcements of the Company, the Group is over-geared and under-equitised and has appointed advisors to formally review and implement all available options to the Group in order to improve the financial condition of the Group, which is critical. The Group's auditors' view, as stated in the audited consolidated full-year 2019 financial statements, is that material uncertainty exists over the Group's ability to continue as a going concern.

- **Moratorium Application:** The Group is working towards alleviating its above-mentioned financial difficulties through a restructuring process. The Company announced on 14 August 2019 that it had made an application to the High Court of the Republic of Singapore ("**Singapore High Court**") to commence a court-supervised process to reorganise its liabilities and to seek a moratorium against enforcement

actions and legal proceedings by creditors against the Company pursuant to section 211B of the Companies Act (Cap. 50) (the "**Moratorium Application**"). Please refer to the announcement entitled *Application for moratorium pursuant to Section 211B of the Companies Act (Cap. 50)* dated 14 August 2019 for more details.

- On 14 August 2019, trading of all KrisEnergy securities on Singapore Exchange Securities Trading Ltd was indefinitely suspended following the Moratorium Application. See announcement entitled *KrisEnergy Ltd. announces suspension of securities trading* dated 14 August 2019.

- On 21 August 2019, the Company announced that given the financial condition of the Group, it is not feasible for the Company to make all payments of its financial obligations as they fall due. In this connection, while the financial restructuring process is ongoing, the Company had decided to cease payment of certain obligations. See announcement entitled *Updates on restructuring process – Non-payment of principal and interest* dated 21 August 2019.

- On 28 August 2019, the Company provided a Notice of Occurrence of Redemption Event for each of the 2022 Notes, 2023 Notes and the 2024 ZCNs, whilst concurrently disclosing that the Company is not in a position to redeem any of the notes.

- On 9 September 2019, the Singapore High Court granted the Moratorium Application for a three-month period i.e. to 14 November 2019. See announcement entitled *Updates on restructuring process – Outcome of Moratorium Application* dated 10 September 2019.

- On 10 September 2019, KrisEnergy convened an informal investor meeting organised and facilitated by Securities Investors Association (Singapore).

- On 22 October 2019, KrisEnergy announced the non-payment of relevant redemption amounts for each of the 2022 Notes, 2023 Notes and 2024 ZCNs notwithstanding the occurrence of redemption events and the submission of any completed exercise notice. See announcement entitled *Updates on restructuring process – Non-payment of redemption amounts under the Notes* dated 22 October 2019.

- On 13 November 2019, KrisEnergy submitted an application for a three-month extension of the moratorium and on 27 November 2019, the Singapore High Court granted the moratorium extension until 26 February 2019. See announcements entitled *Updates on restructuring process – (1) Application for an extension of the moratorium and (2) Pre-Trial Conference date* dated 15 November 2019 and *Updates on restructuring process – Outcome of moratorium extension application* dated 27 November 2019.

- On 17 February 2020, KrisEnergy applied for a 2nd extension of the moratorium and on 24 February 2020, the Singapore High Court granted the moratorium extension until 27 May 2020. See announcement entitled *Updates on restructuring process – Outcome of 2nd moratorium extension application* dated 25 February 2020.

- On 20 February 2020, the Company announced the non-payment of certain obligations due to the financial condition of the Group. See announcement entitled *Updates on restructuring process – Updates on further non-payment of principal and interest* dated 20 February 2020.

- On 29 May 2020, KrisEnergy applied for a 3rd extension of the moratorium and on 18 June 2020, the Singapore High Court granted the moratorium extension until 27 August 2020. See announcement entitled *Updates on restructuring process – Outcome of 3rd moratorium extension application* dated 18 June 2020.

- On 9 June 2020, the Company announced the non-payment of interest payable under the 2022 Notes amounting to S$2,708,160 due 9 June 2020. See announcement entitled *Updates on restructuring process – Updates on further non-payment of interest* dated 9 June 2020.

- On 19 June 2020, the Company held a 2nd Informal Investor Meeting for holders of KrisEnergy securities to present terms of the pending financial restructuring. See announcements entitled *Presentation – KrisEnergy Ltd. 2nd Informal Investor Meeting* dated 16 June 2020 and *KrisEnergy Ltd.'s Q&A from 2nd Informal Investor Meeting on 19 June 2020* dated 27 June 2020.

- **RCF:** On 30 June 2020, the Group entered into an amendment agreement with DBS Bank Ltd ("**DBS**"), as lender of the RCF, to extend the maturity of the RCF by six months to 31 December 2020. See announcement entitled *KrisEnergy extends revolving credit facility to 31 December 2020* dated 30 June 2020.

- **CBA Loan Facility:** The Group has secured the funding for the development of the Group's near-term development project at Cambodia Block A an offshore development oil and gas asset located in the Khmer Basin of the Gulf of Thailand.

    - On 30 April 2020, the indirect wholly-owned subsidiaries KrisEnergy (Apsara) Company Ltd and KrisEnergy (Cambodia) Ltd, entered into a credit facility agreement with Kepinvest Singapore Pte. Ltd. ("**Kepinvest**"), a subsidiary of Keppel Corporation Limited, for the aggregate principal amount of up to US$87.0 million to fund the development of the Apsara oil field in Cambodia Block A ("**CBA Loan Facility**"). See announcement entitled *KrisEnergy secures loan facility for Cambodia Apsara oil development, seeks IPT approval* dated 30 April 2020.

    - On 29 June 2020, the Company convened an Extraordinary General Meeting to approve the provision of the CBA Loan Facility by Kepinvest as an Interested Person Transaction ("**IPT**") as set out in the *Circular to Shareholders* dated 10 June 2020. The IPT resolution was passed with 99.85% of the total number of votes. Accordingly, the interest cap in relation to the CBA Loan Facility has ceased to apply on and from 29 June 2020. See announcements entitled *Resolution passed at KrisEnergy Ltd.'s Extraordinary*

General Meeting dated 29 June 2020, *KrisEnergy Ltd: Minutes of extraordinary General Meeting* dated 7 July 2020 and *Amendment of Loan Agreement with Kepinvest Singapore Pte. Ltd.* dated 8 July 2020.

First Half 2020 Operational Update

KrisEnergy activated its business continuity plan in February 2020 due to COVID-19 and implemented health and safety measures in all offices and field locations as mandated by host government authorities. These measures remain in place.

The suspension of the Wassana oil field in the G10/48 concession in the Gulf of Thailand reduced the Thailand workforce by approximately 25.0%. The FSO vessel, *Rubicon Vantage*, was disconnected from the calm buoy and left the Wassana field location on 11 July 2020.

Production

- Gross production in the KrisEnergy-operated Wassana oil field averaged 2,809 bopd in 1H2020 and the Group's working interest production averaged 2,486 bopd. Production at the field has been suspended until further notice.

- Gross production in 1H2020 in the KrisEnergy-operated Bangora gas field averaged 83.6 million cubic feet per day ("**mmcfd**") and 251 barrels of condensate per day. KrisEnergy's working interest production in the first six months 2020 averaged 4,257 boepd.
    - Bangora gas production in the first two months of the year averaged in excess of 100 mmcfd. In the first half of March 2020, the state gas distribution company requested intermittent reductions of 10.0% to 15.0% in supplies to the national grid. Bangora output was further restricted to 50 mmcfd at the direction of the Ministry of Power, Energy and Mineral Resources as a result of reduced demand due to a nationwide public holiday and government controls to limit the spread of COVID-19. A further cutback to 28 mmcfd was implemented in early April 2020 and three of five Bangora development wells were shut in.
    - The government restrictions were lifted in early May 2020 and full production from all five wells was restored on 8 May 2020 at a little over 100 mmcfd.
    - As at end-July 2020, the government has requested a curtailment of Bangora gas supply to approximately 70.0 mmcfd.
    - Production of associated condensate at the Bangora field is approximately 3 barrels per 1 mmcf and therefore condensate production at the field is reduced proportionately.

- Gross production in the non-operated B8/32 fields in 1H2020 averaged 17,947 bopd and 63.6 mmcfd[1]. KrisEnergy's working interest production averaged 1,323 boepd.
    - Eight infill wells have been drilled and put into production in the 2020 drilling campaign. A second batch of eight wells were completed in July 2020 and are expected to go online shortly. The third and final batch of eight wells for 2020 will commence drilling in September 2020.

[1] As at 1 October 2019, gas sales from B8/32 were permanently reduced. The daily contracted sales quantity / maximum contracted quantity was reduced from 65/75 mmcfd to 45/51.75 mmcfd

Cambodia Apsara Oil Development

As previously disclosed on 30 April 2020, the Cambodian government has extended the deadline for first oil production to be achieved by 31 December 2020, failing which consequences could include the termination of the concession rights for Cambodia Block A. See announcement entitled *KrisEnergy secures loan facility for Cambodia Apsara oil development*, *seeks IPT approval* dated 30 April 2020.

Although restrictive COVID-19 measures have curtailed personnel movement and delayed delivery of some materials and equipment, progress has continued in 1H2020 on the main components of the infrastructure for the Block A Apsara oil development project:

- The jacket and topsides for the Apsara minimum facilities wellhead platform ("**Mini-Platform**") are under fabrication in Batam Island, Indonesia. Work at the facility has continued throughout 1H2020 despite COVID-19 restrictions. The 4th and final section of the jacket frame was lifted into place in July 2020 and all welding has been completed. The full structure of the topside is completed and integration of pipe work, electrical and instrument equipment is ongoing. The Mini-Platform is scheduled to load and sail to the Apsara field location by the end of August 2020.

- Work was suspended in Singapore shipyard facilities in late April 2020 including the Gul shipyard where the *Ingenium II* production barge for the Apsara development is under upgrade and refurbishment. Limited personnel were permitted entry to the Gul yard on 2 June 2020 to resume works. The vessel is nearing mechanical completion. Installation of heating, ventilation and air conditioning system was completed in July 2020 and the powergen system is running. The vessel will shortly go into one month of commissioning required for safety systems, fire and gas systems, process control systems, electrical power distribution systems, as well as accommodation and mooring systems.

- Contracts have been awarded for the transport and installation of the production barge and Mini-Platform.

- A letter of award has been agreed with PV Drilling for the *PVD III* jacket-up rig to drill five development wells for the Apsara Mini-Phase 1A development.

- The shore base in Sihanoukville, Cambodia, has been upgraded and security installed and is fully operational.

Concession Updates

- The Indonesian authorities approved an application to extend the KrisEnergy-operated Sakti PSC into the second phase exploration period for four years. The first exploration phase expired on 25 February 2020 and was extended to 25 February 2024. The gross acreage of the contract area was reduced to 989 sq. km from 3,719 sq. km. The Sakti PSC lies adjacent to the Bulu PSC where the Lengo gas development is located and would provide a gas aggregation opportunity if exploration is successful.

- On 19 June 2020, the Company announced the extension of the long stop date to 30 September 2020 from 30 June 2020 for the completion of the farm-out agreement for the transfer of KrisEnergy's 100.0% working interest and operatorship of the Block 115/09

exploration asset, offshore Vietnam. The transaction, announced in February 2020, is pending the approvals of the Vietnamese authorities.

Capital Expenditure

As set out in the *Unaudited First Quarter 2020 Financial Statements Announcement* dated 11 June 2020, planned capital expenditure for 2Q2020 was estimated at US$22.5 million. In 2Q2020, the Group incurred capital expenditure, excluding non-cash items, amounted to US$22.3 million, which was in line with planned capital expenditure.

Planned capital expenditure for the third quarter 2020 is estimated to be approximately US$32.7 million of which 98.9% will be utilised for development activities at the Cambodia Block A project.

	For the 3 months ending 30 September 2020
	(unaudited)
	(US$ thousands)
Producing asset (1)	-
Assets under development (2)	32,329.1
Non-producing assets (3)	375.9
Total capital expenditure	**32,705.0**

Notes:
(1) Expenditure for Block 9
(2) Expenditure for assets under development, which include Cambodia Block A and the production barge
(3) Expenditure for exploration assets, which include the Group's assets in Indonesian and Vietnam

The Group intends to fund planned capital expenditures through a combination of, including but not limited to, free cash flow from operations, the RCF and the CBA Loan Facility.

Actual capital expenditure may differ significantly from the amounts set out above due to various factors, including but not limited to, future cash flows, results of operations and financial condition, changes to the local economies in Bangladesh, Cambodia, Indonesia, Singapore, Thailand and Vietnam, in which the group has a business presence, the availability of financing on terms acceptable to us, matters relating to possible construction/development delays, defects or cost overruns, delays in obtaining or receipt of governmental approval, acceleration or delays in our exploration and development programs, changes in the legislative and regulatory environment, and other factors that are beyond our control.

Financial Statements Announcement
Second Quarter and Six Months ended 30 June 2020

Figures for the period ended 30 June 2020 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 30 June		For the six months ended 30 June	
	2020	**2019**	**2020**	**2019**
	(unaudited)			
	(US$ thousands)			
Sales of crude oil	10,337.9	38,862.9	26,010.4	60,458.2
Sales of gas	2,728.8	4,123.1	6,191.1	8,113.8
Revenue	**13,066.7**	**42,986.0**	**32,201.5**	**68,572.0**
Cost of sales:				
Operating costs	(25,746.8)	(19,464.2)	(30,004.3)	(22,956.0)
Thai petroleum royalties paid	(876.6)	(3,453.1)	(2,291.7)	(5,597.8)
Depreciation, depletion and amortisation	(14,465.0)	(23,026.2)	(33,239.5)	(44,386.5)
Gross loss	**(28,021.7)**	**(2,957.5)**	**(33,334.0)**	**(4,368.3)**
Other income	12,460.8	2,765.2	15,236.1	5,478.7
General and administrative expenses	(4,913.4)	(4,883.2)	(8,682.7)	(8,698.3)
Other operating expenses	(56,757.2)	(28,405.7)	(49,287.1)	(33,568.2)
Finance income	96.0	227.7	257.8	478.2
Finance costs	(14,716.0)	(14,403.2)	(29,382.7)	(27,099.9)
Loss before tax	**(91,851.5)**	**(47,656.7)**	**(105,192.6)**	**(67,777.8)**
Tax credit/(expense)	707.8	(980.7)	(83.4)	(1,715.2)
Loss for the period	**(91,143.7)**	**(48,637.4)**	**(105,276.0)**	**(69,493.0)**
Other comprehensive loss				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	(42.2)	(42.7)	(115.2)	(13.6)
Total comprehensive loss for the period	**(91,185.9)**	**(48,680.1)**	**(105,391.2)**	**(69,506.6)**
Loss per share attributable to owners of the Company (cents per share)				
Basic	(6.1)	(3.2)	(7.0)	(4.6)
Diluted	(6.1)	(3.2)	(7.0)	(4.6)

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 30 June 2020	As at 31 December 2019	As at 30 June 2020	As at 31 December 2019
	(unaudited)	*(audited)*	*(unaudited)*	*(audited)*
	(US$ thousands)			
ASSETS				
Non-current assets				
Exploration and evaluation assets	246,589.5	268,405.2	-	-
Oil and gas properties	86,282.5	116,639.0	-	-
Right-of-use assets	818.4	25,110.5	-	-
Other property, plant and equipment	33,901.9	29,853.0	-	-
Intangible assets	7,144.6	8,444.9	-	-
Investment in subsidiaries	-	-	10,131.9	10,119.7
Other receivables	4,040.6	4,035.6	113,735.6	115,915.8
	378,777.5	**452,488.2**	**123,867.5**	**126,035.5**
Current assets				
Inventories	6,493.6	16,249.6	-	-
Trade and other receivables	27,967.7	45,857.0	0.4	2.7
Prepayments	6,503.7	7,900.2	105.8	41.7
Cash and bank balances	54,428.8	51,361.1	8.4	21.2
	95,393.8	**121,367.9**	**114.6**	**65.6**
Total Assets	**474,171.3**	**573,856.1**	**123,982.1**	**126,101.1**
EQUITY AND LIABILITIES				
Equity				
Share capital	1,878.6	1,878.6	1,878.6	1,878.6
Share premium	730,302.2	730,302.2	730,302.2	730,302.2
Other reserves	30,765.5	30,880.7	41,507.5	41,507.5
Accumulated losses	(1,014,234.6)	(908,958.6)	(1,018,538.9)	(1,010,788.9)
Total Capital Deficiency	**(251,288.3)**	**(145,897.1)**	**(244,850.6)**	**(237,100.6)**
Non-current liabilities				
Employee benefit liability	773.2	490.6	-	-
Lease liabilities	305.0	550.8	-	-
Derivative liabilities	462.3	2,324.5	462.3	2,324.5
Deferred tax liabilities	26,204.9	27,358.6	-	-
Loans and borrowings	19,603.0	-	-	-
Provisions	33,653.4	24,753.7	-	-
Accrued operating expenses	15,539.0	11,239.8	-	-
Other payables	-	-	28,167.8	28,149.5
	96,540.8	**66,718.0**	**28,630.1**	**30,474.0**
Current liabilities				
Trade and other payables	101,338.7	86,775.4	25,034.1	17,286.4
Accrued operating expenses	40,188.1	35,281.4	6,820.2	4,764.2

Lease liabilities	561.1	25,573.0	-	-
Loans and borrowings	485,624.7	503,053.5	308,348.3	310,677.1
Withholding tax payable	189.3	401.0	-	-
Tax payable	1,016.9	1,950.9	-	-
	628,918.8	**653,035.2**	**340,202.6**	**332,727.7**
Total Liabilities	**725,459.6**	**719,753.2**	**368,832.7**	**363,201.7**
Total Equity and Liabilities	**474,171.3**	**573,856.1**	**123,982.1**	**126,101.1**

1 (b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 June 2020		As at 31 December 2019	
Secured[1]	**Unsecured[2]**	**Secured**	**Unsecured**
(US$ thousands)			
250,154.0	235,470.7	265,356.2	237,697.3

Amount repayable after one year

As at 30 June 2020		As at 31 December 2019	
Secured[3]	**Unsecured**	**Secured**	**Unsecured**
(US$ thousands)			
19,603.0	-	-	-

Notes:
(1) Aggregate of the 2024 ZCNs and RCF. The RCF will mature on 31 December 2020.
(2) Aggregate of the 2022 Notes, 2023 Notes and unsecured term loans.
(3) Relates to CBA Loan Facility.

Details of any collateral

The RCF has a comprehensive first ranking security package over the assets of the Group. On 29 March 2018, the RCF maturity was extended by two years to 30 June 2020. Several bridge upsizes were provided by DBS between 2018 to 2019. On 4 April 2019, DBS increased the RCF by an amount which would not result in the total commitments exceeding US$200 million, whereby DBS provided an additional commitment of US$31.7 million. On 30 June 2020, the RCF maturity was extended by six months to 31 December 2020.

The 2024 ZCNs, issued under the terms of the Preferential Offering, have a junior ranking security interest over the assets secured under the RCF, as well as a first ranking security interest over the shares and certain accounts of SJ Production Barge Ltd. (a wholly-owned subsidiary of the Company).

For further information on the RCF security, see the offering circular for the Preferential Offering dated 6 January 2017, the final information memorandum in relation to the 2022 Notes and 2023 Notes dated 11 January 2017 and the announcement entitled *Application for moratorium pursuant to Section 211B of the Companies Act (Cap. 50)* dated 14 August 2019.

The CBA Loan Facility has a comprehensive first ranking or second ranking (if already secured under the RCF) security package over the assets of KrisEnergy (Apsara) Company Ltd,

KrisEnergy (Cambodia) Ltd and their holding companies, as well as a statutory mortgage over the production barge *Ingenium II* by SJ Production Barge Ltd (subject only to the first ranking statutory mortgage in favour of Keppel Shipyard Limited), first ranking security over the lease in respect of the production barge, and first ranking security in respect of any right to receive production barge revenues.

For further information on the CBA Loan Facility security, see announcement entitled *KrisEnergy secures loan facility for Cambodia Apsara oil development, seeks IPT approval* dated 30 April 2020.

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 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
	(unaudited)			
	(US$ thousands)			
Operating activities:				
Loss before tax	(91,851.5)	(47,656.7)	(105,192.6)	(67,777.8)
Adjustments for:				
Depreciation, depletion and amortisation	6,196.3	12,973.6	14,918.1	24,391.6
Depreciation of property, plant and equipment	(88.3)	18.6	37.8	26.5
Depreciation of right-of-use assets	8,396.5	10,186.9	18,582.8	20,263.0
Decommissioning provisions	7,662.0	-	7,662.0	-
Employee defined benefits	289.6	37.3	282.6	74.8
Equity-settled transactions with employees	-	58.7	-	118.6
Gain on early termination of lease	(359.5)	-	(359.5)	-
Gain on disposal of exploration and evaluation assets	(9,462.0)	-	(9,462.0)	-
Gain on disposal of property, plant and equipment	(1.0)	-	(1.0)	-
Impairment loss on goodwill	1,300.3	-	1,300.3	-
Impairment loss on exploration and evaluation assets	35,677.1	34,252.5	35,677.1	34,252.5
Impairment loss on oil and gas properties	17,064.6	-	17,064.6	-
Net fair value loss/(gain) on financial instruments	442.1	(310.1)	(1,805.4)	204.6
Unrealised foreign exchange (gain)/loss on financial instruments	(4,982.9)	(5,034.7)	(11,847.3)	(176.7)
Finance cost	9,166.1	8,311.7	17,988.2	14,888.5
Unwinding of discount on bonds	4,689.2	4,473.4	9,461.7	8,781.7
Unwinding of discount on decommissioning provisions	618.8	555.2	1,237.7	1,110.3
Unwinding of discount on lease liability	241.9	1,062.9	695.1	2,319.4
Interest income	(96.0)	(227.7)	(257.8)	(478.2)
Operating cash flows before changes in working capital	**(15,096.7)**	**18,701.6**	**(4,017.6)**	**37,998.8**
Inventories	15,342.7	9,613.2	9,756.0	3,895.3
Trade and other receivables	20,456.5	(6,865.8)	18,782.1	(8,811.4)

	The Group			
	For the three months ended 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
	(unaudited)			
	(US$ thousands)			
Trade and other payables	(14,434.6)	(19,195.3)	(9,653.8)	(17,204.8)
Cash flows generated from operations	**6,267.9**	**2,253.7**	**14,866.7**	**15,877.9**
Interest received	96.0	227.7	257.8	478.2
Interest paid	(1,462.6)	(4,908.7)	(3,024.3)	(9,014.2)
Taxes paid	(2,042.6)	(2,270.5)	(2,042.6)	(2,270.5)
Net cash from/(used in) operating activities	**2,858.7**	**(4,697.8)**	**10,057.6**	**5,071.4**
Investing activities:				
Addition to exploration and evaluation assets	(8,408.8)	(2,034.1)	(17,517.5)	(9,476.7)
Addition to oil and gas properties	(729.3)	(1,780.5)	(1,626.2)	(15,169.4)
Purchase of property, plant and equipment	106.6	(2.0)	(7.7)	(113.9)
Proceeds from disposal of subsidiary	-	4,190.2	-	4,190.2
Proceeds from disposal of property, plant and equipment	1.0	-	1.0	-
Proceeds from disposal of exploration and evaluation assets	13,525.0	-	13,525.0	-
Expenditure on assets refurbishment	(189.1)	(1,589.3)	(331.8)	(1,663.9)
Net cash from/(used in) investing activities	**4,305.4**	**(1,215.7)**	**(5,957.2)**	**(22,233.7)**
Financing activities:				
Payment of bond interest	-	(1,958.1)	-	(5,035.0)
Proceeds from loan facility	19,603.0	-	19,603.0	-
Proceeds from bank borrowings	6,200.0	29,086.5	10,475.0	29,086.5
Repayment of bank borrowings	(25,575.0)	(20,000.0)	(25,575.0)	(20,000.0)
Lease payments	(130.4)	(5,062.0)	(4,462.4)	(12,781.2)
Financial restructuring expense	(599.1)	-	(958.9)	-
Decrease in cash collateralised	-	2,000.0	-	2,000.0
Net cash (used in)/ from financing activities	**(501.5)**	**4,066.4**	**(918.3)**	**(6,729.7)**
Net increase/(decrease) in cash and cash equivalents	6,662.6	(1,847.1)	3,182.1	(23,892.0)
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(41.7)	(41.1)	(114.4)	(12.4)
Cash and cash equivalents at beginning of the period	41,537.9	47,320.2	45,091.1	69,336.4
Cash and cash equivalents at end of the period	**48,158.8**	**45,432.0**	**48,158.8**	**45,432.0**
Add: restricted cash	6,270.0	6,270.0	6,270.0	6,270.0
Cash and bank balances at end of the period	**54,428.8**	**51,702.0**	**52,428.8**	**51,702.0**

As at 30 June 2020, total cash and cash equivalents were US$48.2 million compared with US$45.4 million as at 30 June 2019, and unused sources of liquidity including undrawn amounts of the RCF as at 30 June 2020 amounted to US$32.3 million.

Net Cash from/used in Operating Activities
Net cash from operating activities was US$2.9 million in 2Q2020 versus net cash used in operating activities of US$4.7 million in 2Q2019 as a result of movements in working capital, including proceeds from the final lifting of Wassana crude oil prior to suspension of the field and termination of the FSO bareboat charter.

Net Cash from/used in Investing Activities
Net cash from investing activities amounted to US$4.3 million in 2Q2020 versus net cash used in investing activities of US$1.2 million in 2Q2019. Material capital expenditure in 2Q2020 included (i) development activities in Cambodia Block A of US$8.0 million; and (ii) ongoing ordinary course of business expenditure in B8/32 of US$0.5 million. In 2Q2020, the Group received the proceeds from disposal of the Andaman II PSC in Indonesia of US$13.5 million.

Net Cash used in/from Financing Activities
Net cash used in financing activities amounted to US$0.5 million in 2Q2020 versus net cash from financing activities of US$4.1 million in 2Q2019. In 2Q2020, the Group received proceeds from CBA Loan Facility of US$19.6 million and made a net repayment of the RCF of US$19.4 million. Financial restructuring expenses paid in 2Q2020 amounted to US$0.6 million.

Borrowings
As at 30 June 2020, the total amount drawn on the RCF was US$177.3 million. Unused sources of liquidity (comprising cash and cash equivalents and undrawn amounts from the RCF) amounted to US$32.3 million. Gearing as at 30 June 2020 was 199.0%.

The RCF will mature on 31 December 2020. As such, the amount drawn as at 30 June 2020 of US$177.3 million has been classified as current liability.

Pursuant to the Moratorium Application which has resulted in events of default, the 2022 Notes, 2023 Notes, 2024 ZCNs and unsecured term loans are repayable on demand. Hence, the carrying amount of the debt as at 30 June 2020 has also been classified as current liability.

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	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	General Reserve	Total Equity
			(US$ thousands)				
At 1 January 2020	**1,878.6**	**730,302.2**	**(908,958.6)**	**(1,945.7)**	**1,207.2**	**31,619.2**	**(145,897.1)**
Loss net of tax	-	-	(14,132.3)	-	-	-	(14,132.3)
Other comprehensive income:							

Exchange differences on translation of foreign operations	-	-	-	(73.0)	-	-	(73.0)
Total comprehensive loss for the period	-	-	(14,143.3)	(73.0)	-	-	(14,205.3)
At 31 March 2020	**1,878.6**	**730,302.2**	**(923,090.9)**	**(2,018.7)**	**1,207.2**	**31,619.2**	**(160,102.4)**
Loss net of tax	-	-	(91,143.7)	-	-	-	(91,143.7)
Other comprehensive loss:							
Exchange differences on translation of foreign operations	-	-	-	(42.2)	-	-	(42.2)
Total comprehensive loss for the period	-	-	(91,143.7)	(42.2)	-	-	(91,185.9)
At 30 June 2020	**1,878.6**	**730,302.2**	**(1,014,234.6)**	**(2,060.9)**	**1,207.2**	**31,619.2**	**(251,288.3)**

THE GROUP	**Share Capital**	**Share Premium**	**Accumulated Losses**	**Foreign Currency Translation Reserve**	**Employee Share Reserve**	**General Reserve**	**Total Equity**
			(US$ thousands)				
At 1 January 2019	**1,878.6**	**730,302.2**	**(740,150.0)**	**(1,923.5)**	**1,012.1**	**31,619.2**	**22,738.6**
Loss net of tax	-	-	(20,855.4)	-	-	-	(20,855.4)
Other comprehensive income:							
Exchange differences on translation of foreign operations	-	-	-	29.0	-	-	29.0
Total comprehensive loss for the period	-	-	(20,855.4)	29.0	-	-	(20,826.4)
Equity-settled transactions with employees	-	-	-	-	59.9	-	59.9
At 31 March 2019	**1,878.6**	**730,302.2**	**(761,005.4)**	**(1,894.5)**	**1,072.0**	**31,619.2**	**1,972.1**
Loss net of tax	-	-	(48,637.4)	-	-	-	(48,637.4)
Other comprehensive loss:							
Exchange differences on translation of foreign operations	-	-	-	(42.7)	-	-	(42.7)
Total comprehensive loss for the period	-	-	(48,637.4)	(42.7)	-	-	(48,680.1)
Equity-settled transactions with employees	-	-	-	-	58.7	-	58.7
At 30 June 2019	**1,878.6**	**730,302.2**	**(809,642.8)**	**(1,937.2)**	**1,130.7**	**31,619.2**	**(46,649.3)**

THE COMPANY	**Share Capital**	**Share Premium**	**Accumulated Losses**	**Employee Share Option Reserve**	**General Reserve**	**Total Equity**
			(US$ thousands)			
At 1 January 2020	**1,878.6**	**730,302.2**	**(1,010,788.9)**	**1,207.2**	**40,300.3**	**(237,100.6)**
Loss net of tax	-	-	(1,471.7)	-	-	(1,471.7)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(1,471.7)	-	-	(1,471.7)
At 31 March 2020	**1,878.6**	**730,302.2**	**(1,012,260.6)**	**1,207.2**	**40,300.3**	**(238,572.3)**
Loss net of tax	-	-	(6,278.3)	-	-	(6,278.3)

Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(6,278.3)	-	-	(6,278.3)
At 30 June 2020	**1,878.6**	**730,302.2**	**(1,018,538.9)**	**1,207.2**	**40,300.3**	**(244,850.6)**

THE COMPANY	**Share Capital**	**Share Premium**	**Accumulated Losses**	**Employee Share Option Reserve**	**General Reserve**	**Total Equity**
			(US$ thousands)			
At 1 January 2019	**1,878.6**	**730,302.2**	**(559,149.4)**	**1,012.1**	**40,300.3**	**214,343.8**
Loss net of tax	-	-	(12,897.1)	-	-	(12,897.1)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(12,897.1)	-	-	(12,897.1)
Equity-settled transactions with employees	-	-	-	59.9	-	59.9
At 31 March 2019	**1,878.6**	**730,302.2**	**(572,046.5)**	**1,072.0**	**40,300.3**	**201,506.6**
Loss net of tax	-	-	(3,405.8)	-	-	(3,405.8)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(3,405.8)	-	-	(3,405.8)
Equity-settled transactions with employees	-	-	-	58.7	-	58.7
At 30 June 2019	**1,878.6**	**730,302.2**	**(575,452.3)**	**1,130.7**	**40,300.3**	**198,159.5**

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares of the issuer and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company did not hold any treasury shares or subsidiary holdings as at 30 June 2020 (30 June 2019: 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 30 June 2020, 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% (issued under equal First Tranche and Second Tranche) 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. Following the exit of First Reserve Fund, XII LP on 6 April 2018, the First Tranche Condition (as defined in the Prospectus) had been satisfied. However, in accordance with and as permitted under the terms of the MS-Awards, as the Company does not have sufficient distributable reserves or amounts credited to its premium account at the relevant junctures to make the required issue of Shares (being the first one-third and the next one-third of the First Tranche), the Company has determined to pay a cash sum equal to the aggregate fair market value of the Shares that would otherwise have been issued. The cash sum has been paid for the first one-third of the First Tranche, while the cash sum will be paid on a delayed basis for the next one-third of the First Tranche (taking into account cash reserves and budgeted commitments for the following 12 months).

- 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.

- On 9 November 2015, awards comprising 11,613,474 Shares were granted to employees, including 1,622,244 Shares to the Executive Directors.

As at 30 June 2020, there were no outstanding awards under the KrisEnergy PSP.

The awards allotted and issued 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 employees, including 321,207 Shares to Executive Directors.

- On 20 July 2015, pursuant to the partial vesting of awards granted on 13 November 2013 and 17 March 2015 under the KrisEnergy PSP, 2,025,674 Shares were allotted and issued to employees, including 321,207 Shares to Executive Directors.

- On 31 December 2015, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP 3,916,835 Shares were allotted and issued to employees, including 540,747 Shares to Executive Directors.
- On 19 July 2016, pursuant to the partial vesting of awards granted on 13 November 2013 and 17 March 2015 under the KrisEnergy PSP, 1,921,278 Shares were allotted and issued to employees, including 214,140 Shares to Executive Directors.

- On 30 December 2016, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP, 3,649,501 Shares were allotted and issued to employees, including 360,498 Shares to Executive Directors.

- On 19 July 2017, pursuant to the partial vesting of awards granted on 17 March 2015 under the KrisEnergy PSP, 205,154 Shares were allotted and issued to employees.

- On 29 December 2017, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP, 3,010,511 Shares were allotted and issued to employees, including 288,400 Shares to Executive Directors.

On 2 February 2017, along with the 2024 ZCNs, 1,255,183,632 Warrants were issued by the Company. Each Warrant converts to one share in the ordinary share capital of the Company.

On 17 February 2017 and 7 March 2017, 9,000 Warrants and 2,376 Warrants were exercised and converted into 9,000 Shares and 2,376 Shares, respectively.

As at 30 June 2020, the Company's issued share capital was 1,502,849,065 Shares and 1,255,172,256 outstanding Warrants.

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 30 June 2020**		**As at 31 December 2019**	
	(unaudited)			
	No. of shares	*US$*	*No. of shares*	*US$*
Issued and fully paid ordinary shares				
At 1 January	1,502,849,065	1,878,562	1,502,849,065	1,878,562
At reporting date	**1,502,849,065**	**1,878,562**	**1,502,849,065**	**1,878,562**

SHARE PREMIUM	**As at 30 June 2020**	**As at 31 December 2019**
	(unaudited)	
	US$	
At 1 January	730,302,151	730,302,151
At reporting date	**730,302,151**	**730,302,151**

1 (d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at end of the current financial period reported on.

There were no sales, transfer, cancellation and/or use of treasury shares as at 30 June 2020 (30 June 2019: Nil).

1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at end of the current financial period reported on.

There were no sales, transfer, cancellation and/or use of subsidiary holdings as at 30 June 2020 (30 June 2019: 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 2019, 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 2020. 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 30 June		For the six months ended 30 June	
	2020	**2019**	**2020**	**2019**
Loss per share attributable to owners of the Company:				
(i) Based on a weighted average number of shares (cents per share)	(6.1)	(3.2)	(7.0)	(4.6)
- Weighted average number of shares	1,502,849,065	1,502,849,065	1,502,849,065	1,502,849,065

(ii) On a fully diluted basis (cents per share)	(6.1)	(3.2)	(7.0)	(4.6)
- Adjusted weighted average number of shares	1,502,849,065	1,508,035,913	1,502,849,065	1,508,035,913

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 30 June 2020	As at 31 December 2019	As at 30 June 2020	As at 31 December 2019
	(Unaudited) (US$)			
Net asset value per ordinary share [(1)]	(0.17)	(0.10)	(0.16)	(0.16)
Net tangible asset per ordinary share [(1)]	(0.17)	(0.10)	(0.16)	(0.16)

Note:
(1) Based on share capital of 1,502,849,065 ordinary shares as at 30 June 2020 and 31 December 2019

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 and six months ended 30 June 2020.

	For the three months ended 30 June		For the six months ended 30 June	
	2020	2019	2020	2019
	(unaudited) (US$ thousands)			
Sales of crude oil	10,337.9	38,862.9	26,010.4	60,458.2
Sales of gas	2,728.8	4,123.1	6,191.1	8,113.8
Revenue	**13,066.7**	**42,986.0**	**32,201.5**	**68,572.0**
Cost of sales:				
Operating costs	(25,746.8)	(19,464.2)	(30,004.3)	(22,956.0)
Thai petroleum royalties paid	(876.6)	(3,453.1)	(2,291.7)	(5,597.8)
Depreciation, depletion and amortisation	(14,465.0)	(23,026.2)	(33,239.5)	(44,386.5)
Gross loss	**(28,021.7)**	**(2,957.5)**	**(33,334.0)**	**(4,368.3)**
Other income	12,460.8	2,765.2	15,236.1	5,478.7
General and administrative expenses	(4,913.4)	(4,883.2)	(8,682.7)	(8,698.3)
Other operating expenses	(56,757.2)	(28,405.7)	(49,287.1)	(33,568.2)
Finance income	96.0	227.7	257.8	478.2
Finance costs	(14,716.0)	(14,403.2)	(29,382.7)	(27,099.9)

Loss before tax	**(91,851.5)**	**(47,656.7)**	**(105,192.6)**	**(67,777.8)**
Tax credit/(expense)	707.8	(980.7)	(83.4)	(1,715.2)
Loss for the period	**(91,143.7)**	**(48,637.4)**	**(105,276.0)**	**(69,493.0)**

Revenue

Working interest production in 2Q2020 averaged 6,603 boepd, a 38.1% decrease from the same period last year (2Q2019: 10,669 boepd) due to lower production from Wassana field in G10/48 as production ceased in early June 2020 and lower production in B8/32[2].

Revenue for 2Q2020 decreased 69.6% to US$13.1 million (2Q2019: US$43.0 million) as a result of (i) 61.0% drop in average realised selling prices for oil and liquids; (ii) 11.2% decrease in average realised selling prices for gas in Thailand; and (iii) lower working interest production volume for the period.

The average realised oil and liquids sales price in 2Q2020 was US$25.05/bbl (2Q2019: US$64.30/bbl). The average realised gas price achieved from B8/32 in 2Q2020 decreased to US$4.38/mcf (2Q2019: US$4.93/mcf) in line with the redetermination of the gas price formula which is set on a trailing six-month basis. The realised gas price from the onshore Bangladesh Bangora field in Block 9 remained flat at US$2.32/mcf.

	For the three months ended 30 June		For the six months ended 30 June	
	2020	**2019**	**2020**	**2019**
Production volumes				
Oil and liquids (bopd)	2,605	5,324	3,393	4,986
Gas (mmcfd)	24.0	32.1	28.0	32.5
Total (boepd)	**6,603**	**10,669**	**8,066**	**10,396**
Average sales price				
Oil and liquids (US$/bbl)	25.05	64.30	41.57	61.47
Gas – B8/32 (US$/mcf)	4.38	4.93	4.60	5.00
Gas – Block 9 (US$/mcf)	2.32	2.32	2.32	2.32

Cost of Sales

Following the adoption of IFRS 16 effective 1 January 2019, operating costs amounted to US$25.7 million in 2Q2020 (2Q2019: US$19.5 million), as the bareboat charters for the Wassana field – namely the MOPU and FSO – are accounted for as DD&A. However, adjusted operating cost per EBITDAX computation in 2Q2020 was US$33.3 million (2Q2019: US$29.3 million). The increase was primarily a result of the decline in production from the Wassana field as operations were suspended in early June 2020. As a result, operating cost attributable to the crude oil barrels lifted is higher as operating expenditure is largely fixed. In accordance with the Group's accounting policies and industry practice, operating costs are incurred and matched with revenue earned at the time of offtake. Hence, the accounting recognition of costs will fluctuate in line with the timing of liftings and revenue earned.

[2] As at 1 October 2019, gas sales from B8/32 were permanently reduced. The daily contracted sales quantity / maximum contracted quantity was reduced from 65/75 mmcfd to 45/51.75 mmcfd

Average lifting costs reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period. In 2Q2020, the average lifting cost was US$23.32/boe compared with US$20.14/boe for 2Q2019. The 15.8% increase was attributed to lower production volumes related to the Wassana and B8/32 assets.

DD&A charges decreased 37.2% in 2Q2020 to US$14.5 million (2Q2019: US$23.0 million) in line with lower production and lower asset carrying value due to impairment charges recognised by the Group in 2019.

	For the three months ended 30 June		For the six months ended 30 June	
	2020	**2019**	**2020**	**2019**
Average lifting cost[1]				
Oil, liquids and gas (US$/boe)	23.32	20.14	22.88	21.04
Net operating expenditure (US$'000)	14,013.7	19,551.8	33,589.6	39,586.5
Total production (boe)	600,862	970,845	1,468,096	1,881,679

Note:
(1) Calculation of average lifting cost has been revised to reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period.

Other income
Other income was US$12.5 million in 2Q2020 compared with US$2.8 million in 2Q2019. The variance was mainly due to the gain on the disposal of Andaman II PSC.

General and administrative expenses
General and administrative expenses were US$4.9 million, the slight increase was due to higher joint-operations general and administrative expenses.

Other operating expenses
- Other operating expenses amounted to US$56.8 million in 2Q2020 (2Q2019: US$28.4 million). Owing to the prevailing depressed global outlook for business activity and oil prices, the Company has undertaken a reassessment of the commerciality of certain assets resulting in (a) non-cash impairment charges of US$54.0 million recognised in 2Q2020 comprising (i) charges of US$33.5 million relating to impairment of producing and near-term producing assets due to lower forecasted benchmark oil prices; (ii) impairment of G10/48 of US$13.7 million following suspension of production; and (iii) provision in accordance with IFRS of US$6.8 million for the SS-11 production sharing contract ("**PSC**") related to the approaching expiry of the exploration concession. In 2Q2019, the Group made provision for the Udan Emas PSC of US$34.3 million. For more information regarding the Udan Emas PSC, see paragraph 10 entitled *Recent Developments* of this Financial Statements Announcement.

Finance income
Finance income halved to US$0.1 million in 2Q2020 (2Q2019: US$0.2 million) as a result of lower average bank balances for the period.

Finance costs
Finance costs edged higher by 2.2% to US$14.7 million in 2Q2020 (2Q2019: US$14.4 million). The increase was mainly due to (i) higher loan interest on the RCF and CBA Loan Facility; and (ii) higher default interest expenses on the 2022 Notes, 2023 Notes and 2024 ZCNs,

partially offset by (i) lower non-cash accretion of bond discount, lease liability and decommissioning provisions; and (ii) lower financial restructuring fees.

Loss before tax
The loss before tax in 2Q2020 of US$91.9 million (2Q2019: US$47.7 million) was attributable to non-cash impairment charges of US$54.0 million, DD&A charges of US$14.5 million and finance costs of US$14.7 million for the period.

Tax credit/expense
Tax credit amounted to US$0.7 million in 2Q2020 compared with tax expense of US$1.0 million in 2Q2019 due to an adjustment for the over-provision of tax.

Loss for the period
The net loss for the period was US$91.1 million in 2Q2020 (2Q2019: US$48.6 million) as a result of the above-mentioned factors.

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

In spite of a recovery in benchmark oil prices to the US$40.00/bbl to US$45.00/bbl, fuel demand is yet to return to pre-COVID-19 levels and there remains significant near-term downside risk in oil markets as economies reopen leading to a potential resurgence of the coronavirus, increasing supply from major producing countries and geopolitical factors. As such, the Company believes it is prudent to account for impairments related to its assets given the continuing uncertainty.

The Group's key asset for near-term production growth, Cambodia Block A, is scheduled to commence oil production in 2020 from the initial Mini Phase 1A, and to reach a peak rate at 7,500 barrels of oil per day. Mini Phase 1A is designed to incur minimum costs to first oil and will test reservoir performance and evaluate the long-term potential of the Apsara field. Cambodia Block A remains an asset that is expected to represent a significant component of the Group’s value in the long term.

The Company will also continue to review the commerciality of the Wassana oil field in G10/48, which remains suspended until further notice.

Recent Developments

- On 6 July 2020, Mr. Chris Ong Leng Yeow stepped down as Non-Executive Director of the Board of KrisEnergy. Subsequently, the following changes were enacted to Board Committees:
    - Mr. Tan Ek Kia, Independent Non-Executive Chairman of KrisEnergy, was appointed as a member of the Remuneration Committee; and
    - Mr. Kelvin Tang, Chief Executive Officer and Executive Director, was appointed as a member of the Nominating Committee.

  See announcement entitled *KrisEnergy announces changes to Board of Directors and Board Committees* dated 2 July 2020.

- On 8 July 2020, the Company announced that in relation to the CBA Loan Facility, Kepinvest had entered into an amendment agreement for the extension of the completion date for the Company's financial restructuring (which is a mandatory prepayment event under the CBA Loan Facility) from 15 July 2020 to 30 September 2020. See announcement entitled *Amendment of Loan Agreement with Kepinvest Singapore Pte. Ltd.* dated 8 July 2020.

- On 19 July 2020, the Udan Emas PSC expired. The Company is awaiting formal notification from the Indonesian authorities for the expiry of the exploration block.

- On 4 August 2020, the Company sought the approval of the Singapore Exchange Securities Trading Limited for an extension of time of up to 2.5 months until 27 October 2020 to submit a trading resumption proposal for its securities while it implements its financial restructuring. The application remains pending. See announcement entitled *Updates on restructuring – Application for extension of time to comply with Rule 1304(1) of the Listing Manual* dated 4 August 2020.

- On 11 August 2020, the Company announced the non-payment of certain obligations due to the financial condition of the Group:
    - principal and interest payable under the term facility agreements to each of The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank, Singapore Branch amounting to approximately US$4,381,403.38 in aggregate which will be due on 21 August 2020; and
    - interest payable under the S$200.0 million 4.0 per cent. senior unsecured notes due 2023 amounting to S$4,119,200, which is due on 22 August 2020.See announcement entitled *Updates on restructuring process – Updates on further non-payment of principal and interest* dated 11 August 2020.

- On 31 July 2020, the Company accepted Palang Sophon Limited's ("**PSL**") request to withdraw from the G10/48 concession. Upon the receipt of the necessary government approvals and PSL making the necessary payments to fulfil its decommissioning obligations, PSL will fully withdraw and assign its 11.0% working interest in the G10/48 concession to KrisEnergy G10 (Thailand) Limited (an indirect wholly-owned subsidiary of the Company), pursuant to which the Group will hold 100.0% working interest in the G10/48 concession.

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 and the reason(s) for the decision

Due to the Group's accumulated losses, no dividend has been declared or recommended for the six months ended 30 June 2020.

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

The Group does not have an existing general mandate for the financial period ending 31 December 2020.

14. Negative confirmation pursuant to Rule 705(5)

Pursuant to Rule 705(5), we, Tan Ek Kia and Kelvin Tang, being two directors of 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 unaudited financial results for the six months ended 30 June 2020 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers pursuant to Rule 720(1).

On behalf of the board of directors.

Tan Ek Kia
Independent Non-Executive Chairman

Kelvin Tang
Executive Director &

Chief Executive Officer

Singapore, 13 August 2020

KRISENERGY LTD

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

Unaudited Third Quarter & Nine Months ended 30 September 2020 Financial Statements Announcement



11 November 2020

The following announcement may contain forward-looking statements by KrisEnergy Ltd. (the "**Company**" or "**KrisEnergy**", and collectively with its subsidiaries, the "**Group**") 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, among others, the financial condition, results of operation and business, and the related plans and objectives of the Company and/or the Group. These forward-looking statements are based on the 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. As actual results could differ materially from the 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 the Company and/or the Group. It should be noted that our actual performance may vary significantly from such statements. No undue reliance should be placed on forward-looking statements and the Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

Financial and Operations Update

*KrisEnergy Ltd. is an independent upstream oil and gas company focused on the 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 11 contract areas in Asia, eight of which we operate. Today, we present our unaudited financial statements reflecting the financial and operating results for the three months ("**3Q2020**") and nine months ("**9M2020**") ended 30 September 2020 (the "**Results**"). 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 30 September			For the nine months ended 30 September		
	2020	2019	% Change	2020	2019	% Change
	(US$ thousands, except where otherwise indicated)					
Financial						
Sale of crude oil & liquids	3,793.9	18,788.6	(79.8)	29,804.3	79,246.8	(62.4)
Sale of gas	3,260.3	4,098.2	(20.4)	9,451.4	12,212.0	(22.6)
Revenue	**7,054.2**	**22,886.8**	**(69.2)**	**39,255.7**	**91,458.8**	**(57.1)**
Adjusted EBITDAX(1)	**2,066.6**	**6,579.6**	**(68.6)**	**(15,936.7)**	**25,142.6**	**(163.4)**
Cash and bank balances	50,106.1	44,978.6	11.4	50,106.1	44,978.6	11.4
Operations						
Oil and liquids (*bopd*)	890	4,538	(80.4)	2,553	4,835	(47.2)
Gas (*mmcfd*)	31.7	33.4	(5.0)	29.3	32.8	(10.7)
Production volumes (*boepd*)	6,173	10,100	(38.9)	7,440	10,296	(27.7)
Average sales price						
• Oil and liquids (*US$/bbl*)	44.16	57.14	(22.7)	41.87	60.10	(30.3)
• Gas – B8/32 (*US$/mcf*)	3.85	4.91	(21.6)	4.20	4.97	(15.5)
• Gas – Block 9 (*US$/mcf*)	2.32	2.32	-	2.32	2.32	-
Average lifting costs (US$/boe)(2)	3.90	25.59	(84.8)	17.58	22.54	(22.0)

Notes:

(1) EBITDAX is a non-IFRS measure and is defined as earnings before interest, taxation, depreciation, amortisation, geological and geophysical expenses and exploration expenses. Adjusted EBITDAX excludes unrealised foreign exchange differences.

(2) Average lifting cost reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period. Following suspension of the Wassana field in June 2020, starting in 3Q2020 the Group's operating costs and production volumes no longer include any contribution from the G10/48 concession.

EBITDAX Computation

		For the three months ended 30 September		For the nine months ended 30 September	
		2020	2019	2020	2019
		(unaudited)			
		(US$ thousands)			
Cash	**Revenue**	7,054.2	22,886.8	39,255.7	91,458.8
	Adjusted operating costs[3]	(3,577.9)	(13,314.5)	(50,469.9)	(56,074.2)
	Thai petroleum royalties paid	(516.8)	(1,804.0)	(2,808.6)	(7,401.7)
	Gross (loss)/profit before depreciation, depletion and amortisation	**2,959.5**	**7,768.3**	**(14,022.8)**	**27,982.9**
	Corporate general and administrative expense	(892.9)	(1,188.7)	(2,273.4)	(2,840.5)
	Gain on early termination of lease	-	-	359.5	-
	Adjusted EBITDAX[4]	**2,066.6**	**6,579.6**	**(15,936.7)**	**25,142.4**
	Geological and geophysical expenses	(2,032.6)	(1,062.8)	(4,821.6)	(4,059.5)
	Gain on disposal of exploration and evaluation assets	1,615.0	-	11,077.0	-
	Provision for decommissioning costs	-	-	(7,662.0)	-
	Exploration expenses	-	(4.7)	-	86.0
	Adjusted EBITDA[4]	**1,648.9**	**5,512.1**	**(17,343.4)**	**21,168.9**
	Finance costs	(9,768.0)	(8,327.4)	(27,756.4)	(23,215.9)
	Adjusted cash loss before tax	**(8,119.1)**	**(2,815.3)**	**(45,099.8)**	**(2,047.0)**
Non-Cash	Non-cash items:				
	Finance costs (accretion of bond discount[5], decommissioning provision and lease liability)	(5,371.1)	(5,157.7)	(16,112.0)	(15,112.7)
	Depreciation, depletion and amortisation	(4,196.9)	(11,756.5)	(19,414.1)	(36,442.9)
	Impairment of goodwill	-	-	(1,300.3)	-
	Impairment of assets	-	-	(52,741.7)	(34,252.5)
	Provision for obsolete inventories	(3,253.7)	-	(3,253.7)	-
	Net fair value gain on financial instruments	48.9	1,383.5	1,854.4	1,178.9
	Unrealised exchange (loss)/gain on 2022 Notes, 2023 Notes and 2024 ZCNs	(11,435.0)	2,312.5	412.3	2,489.2
	Other unrealised exchange differences	(273.3)	105.8	(2,137.9)	481.6
	Adjusted loss before tax[6]	**(32,600.2)**	**(15,927.7)**	**(137,792.8)**	**(83,705.4)**

Notes:

(3) Adjusted operating costs is a non-IFRS measure and includes the bareboat charters for oil and gas production, which are classified under depreciation, depletion and amortisation ("**DD&A**") in the profit and loss statement in accordance with IFRS 16, effective from 1 January 2019.

(4) EBITDAX and EBITDA are supplemental measures of our performance that are not required under IFRS. EBITDAX and EBITDA 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. EBITDAX and EBITDA are not standardised terms, hence, a direct comparison between companies using such terms may not be possible. Adjusted EBITDAX and Adjusted EBITDA excludes unrealised foreign exchange differences.

(5) Pursuant to the financial restructuring in the first quarter 2017 ("**1Q2017**"), the Group recognised a one-off non-cash fair value gain on exchange of the S$130 million senior unsecured notes due 2022 ("**2022 Notes**") and the S$200 million senior unsecured notes due 2023 ("**2023 Notes**") amounting to US$73.9 million (the "**Notes Exchange Gain**") as the 2022 Notes and 2023 Notes were recognised at a discount to par value upon exchange. Each reporting quarter until maturity or redemption of the 2022 Notes and 2023 Notes, the non-cash accretion of the bond discount, computed on the effective interest method in accordance with IFRS, will be charged to the Group's profit and loss as finance costs to offset the Notes Exchange Gain. In addition, non-cash accretion of bond discount on the 2024 Zero Coupon Notes ("**2024 ZCNs**") will be charged to finance costs as the 2024 ZCNs were initially recognised at a discount to par value on issuance in 1Q2017.

(6) Adjusted profit/loss before tax deducts Special Remuneratory Benefit taxes from the calculation of Adjusted EBITDA.

Nine Months 2020 Financial Update

The suspension in early June 2020 of the Wassana oil field in the G10/48 concession in the Gulf of Thailand resulted in an 80.4% drop in the Group's working interest oil production in 3Q2020 compared with the third quarter 2019 ("**3Q2019**") and a 47.2% decline in 9M2020 from a year ago with a corresponding reduction in sales volumes.

Although benchmark Brent crude prices made a tentative recovery in 3Q2020 to average US$43.32 per barrel ("**bbl**") versus US$33.39/bbl in the second quarter 2020 ("**2Q2020**"), the market remained 30.2% lower than the US$62.03/bbl average in 3Q2019. For the nine-month period, the average Brent price in 2020 was down 34.1% compared with the 2019 period ("**9M2019**").

Lower prices and sales volume impacted 9M2020 Group revenue, which decreased 57.1% to US$39.3 million. Non-cash impairment charges amounted to US$54.0 million as a result of lower future oil price assumptions in accordance with IFRS, non-cash DD&A charges of US$37.3 million and finance costs of US$44.5 million led to a loss before tax of US$137.8 million in 9M2020. Net cash flow from operating activities in 9M2020 remained positive at US$5.5 million.

The net loss recorded in 9M2020 deepened the Group's capital deficiency position to US$276.4 million and the net current liability position to US$563.4 million as at 30 September 2020. Total debt recognised on the Group's balance sheet amounted to US$545.3 million and gearing increased to 202.8%.

- **Production:** Working interest oil and gas production in 9M2020 averaged 7,440 barrels of oil equivalent per day ("**boepd**"), 27.7% lower than the same period last year (9M2019: 10,296 boepd) mainly as a result of the suspension of production from Wassana field, lower production and contracted gas sales from B8/32 and government-mandated cuts to gas production rates in Block 9, Bangladesh.

- **Realised Pricing:** The Group's average realised selling price for oil and liquids in 9M2020 was US$41.87/bbl, a decline of 30.3% compared to a year ago (9M2019: US$60.10/bbl) as benchmark prices dropped during the period. The average realised gas price for the B8/32 licence decreased 15.5% to US$4.20 per thousand cubic feet ("**mcf**") (9M2019: US$4.97/mcf) in line with the redetermination of the gas price formula which is set on a trailing six-month basis. The realised gas price from the onshore Bangladesh Bangora field in Block 9 was stable at US$2.32/mcf.

- **Revenue:** Reduced production volumes and average realised selling price for oil and liquids resulted in a 57.1% decrease in 9M2020 revenue to US$39.3 million (9M2019: US$91.5 million).

- **Adjusted Operating Costs**: Operating costs for 9M2020 including the bareboat charters for Wassana field operations – namely the mobile offshore production unit (**MOPU**") and the floating storage and offloading vessel ("**FSO**") – totaled US$50.5 million (9M2019: US$56.1 million). There were three liftings of Wassana crude oil in the nine-month period prior to the suspension of operations at the field in June 2020. As a result, the operating cost attributable to the crude oil barrels lifted is higher as operating expenditure is largely fixed. In accordance with the Group's accounting

policies and industry practice, operating costs are incurred and matched with revenue earned at the time of offtake. Hence, the accounting recognition of costs will fluctuate in line with the timing of liftings and revenue earned.

- **Lifting Costs:** Average lifting costs reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period. In 9M2020, the average lifting cost was US$17.58 per barrel of oil equivalent ("**boe**") compared with US$22.54/boe for 9M2019. The 22.0% decrease was primarily attributed to the suspension of Wassana field which resulted in lower joint-venture operating expenditure for the period.

- **Adjusted EBITDAX:** Amounted to a loss of US$15.9 million in 9M2020 compared to a gain of US$25.1 million in 9M2019 as a result of a gross loss before DD&A of US$14.0 million for the period.

- **Loss Before Tax**: The Group recorded a loss before tax of US$137.8 million in 9M2020 (9M2019: US$83.7 million) due to lower revenue, impairment charges, and increased finance costs. Material non-cash charges to the profit and loss statement in 9M2020 amounted to US$92.8 million, comprising: (a) non-cash impairment charges of US$54.0 million, which comprised of (i) impairment charges of US$33.5 million relate to impairment of producing and near-term producing assets due to lower forecasts for future benchmark oil prices, (ii) impairment of G10/48 of US$13.7 million following the suspension of Wassana production and (iii) provision in accordance with IFRS of US$6.8 million for the SS-11 production sharing contract ("**PSC**") related to the approaching expiry of the exploration concession; (b) US$19.4 million for DD&A charges; and (c) US$16.1 million related to the non-cash accretion of bond discount, lease liability and decommissioning provision; and (d) US$3.3 million for the provision of obsolete drilling inventories in G10/48.

- **Cash & Bank Balances:** As at 30 September 2020, the Group's cash and bank balances amounted to US$50.1 million and, after taking into account restricted cash of US$6.3 million, the Group's cash and cash equivalents, including amounts held under joint operations, amounted to US$43.8 million. Total unused sources of liquidity excluding amounts held under joint operations and including undrawn amounts of the revolving credit facility with DBS Bank Ltd ("**RCF**") amounted to US$26.4 million.

Further discussion of the Group's financial results is set out in Section 8 of this *Financial Statements Announcement*.

3Q2020 Corporate Update

- On 6 July 2020, Mr. Chris Ong Leng Yeow stepped down as Non-Executive Director of the Board of KrisEnergy. Subsequently, the following changes were enacted to Board Committees:
    - Mr. Tan Ek Kia, Independent Non-Executive Chairman of KrisEnergy, was appointed as a member of the Remuneration Committee; and
    - Mr. Kelvin Tang, Chief Executive Officer and Executive Director, was appointed as a member of the Nominating Committee.

See announcement entitled *KrisEnergy announces changes to Board of Directors and Board Committees* dated 2 July 2020.

- On 23 September 2020, the Company announced that BP Exploration Operating Company Limited had released to the Company the retention sum for the disposal of the Andaman II PSC in Indonesia on 8 April 2020. The monies were to be applied towards repayment of the RCF. See announcement entitled *Updates on (A) Loan Agreement with Kepinvest Singapore Pte. Ltd. And (B) Disposal of Andaman II PSC* dated 23 September 2020.

Group Capital Management

- **Going Concern:** The Group's financial statements for the period ending 30 September 2020 have been prepared on a going concern basis. As disclosed in previous financial statements announcements of the Company, the Group is over-geared and under-equitised and is undergoing a restructuring process. The Group's auditors' view, as stated in the audited consolidated full-year 2019 financial statements, is that material uncertainty exists over the Group's ability to continue as a going concern.

- **Moratorium Application:** The Group is working towards alleviating its above-mentioned financial difficulties through a restructuring process. The Company announced on 14 August 2019 that it had made an application to the High Court of the Republic of Singapore ("**Singapore High Court**") to commence a court-supervised process to reorganise its liabilities and to seek a moratorium against enforcement actions and legal proceedings by creditors against the Company pursuant to section 211B of the Companies Act (Cap. 50) (the "**Moratorium Application**"). Please refer to the announcement entitled *Application for moratorium pursuant to Section 211B of the Companies Act (Cap. 50)* dated 14 August 2019 for more details.

    - On 14 August 2019, trading of all KrisEnergy securities on Singapore Exchange Securities Trading Ltd was indefinitely suspended following the Moratorium Application. See announcement entitled *KrisEnergy Ltd. announces suspension of securities trading* dated 14 August 2019.

    - On 21 August 2019, the Company announced that given the financial condition of the Group, it is not feasible for the Company to make all payments of its financial obligations as they fall due. In this connection, while the financial restructuring process is ongoing, the Company had decided to cease payment of certain obligations. See announcement entitled *Updates on restructuring process – Non-payment of principal and interest* dated 21 August 2019.

    - On 28 August 2019, the Company provided a Notice of Occurrence of Redemption Event for each of the 2022 Notes, 2023 Notes and the 2024 ZCNs, whilst concurrently disclosing that the Company is not in a position to redeem any of the notes.

    - On 9 September 2019, the Singapore High Court granted the Moratorium Application for a three-month period i.e. to 14 November 2019. See

announcement entitled *Updates on restructuring process – Outcome of Moratorium Application* dated 10 September 2019.

- On 10 September 2019, KrisEnergy convened an informal investor meeting organised and facilitated by Securities Investors Association (Singapore).

- On 22 October 2019, KrisEnergy announced the non-payment of relevant redemption amounts for each of the 2022 Notes, 2023 Notes and 2024 ZCNs notwithstanding the occurrence of redemption events and the submission of any completed exercise notice. See announcement entitled *Updates on restructuring process – Non-payment of redemption amounts under the Notes* dated 22 October 2019.

- On 13 November 2019, KrisEnergy submitted an application for a three-month extension of the moratorium and on 27 November 2019, the Singapore High Court granted the moratorium extension until 26 February 2019. See announcements entitled *Updates on restructuring process – (1) Application for an extension of the moratorium and (2) Pre-Trial Conference date* dated 15 November 2019 and *Updates on restructuring process – Outcome of moratorium extension application* dated 27 November 2019.

- On 17 February 2020, KrisEnergy applied for a 2nd extension of the moratorium and on 24 February 2020, the Singapore High Court granted the moratorium extension until 27 May 2020. See announcement entitled *Updates on restructuring process – Outcome of 2nd moratorium extension application* dated 25 February 2020.

- On 20 February 2020, the Company announced the non-payment of certain obligations due to the financial condition of the Group. See announcement entitled *Updates on restructuring process – Updates on further non-payment of principal and interest* dated 20 February 2020.

- On 29 May 2020, KrisEnergy applied for a 3rd extension of the moratorium and on 18 June 2020, the Singapore High Court granted the moratorium extension until 27 August 2020. See announcement entitled *Updates on restructuring process – Outcome of 3rd moratorium extension application* dated 18 June 2020.

- On 9 June 2020, the Company announced the non-payment of interest payable under the 2022 Notes amounting to S$2,708,160 due 9 June 2020. See announcement entitled *Updates on restructuring process – Updates on further non-payment of interest* dated 9 June 2020.

- On 19 June 2020, the Company held a 2nd Informal Investor Meeting for holders of KrisEnergy securities to present terms of the pending financial restructuring. See announcements entitled *Presentation – KrisEnergy Ltd. 2nd Informal Investor Meeting* dated 16 June 2020 and *KrisEnergy Ltd.'s Q&A from 2nd Informal Investor Meeting on 19 June 2020* dated 27 June 2020.

- On 4 August 2020, the Company sought the approval of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for an extension of time of up to 2.5 months until 27 October 2020 to submit a trading resumption proposal for its securities while it implements its financial restructuring. The application has been approved by the SGX-ST on 3 November 2020. See announcements entitled *Updates on restructuring – Application for extension of time to comply with Rule 1304(1) of the Listing Manual* dated 4 August 2020 and *Updates on restructuring – Outcome of the Application for the extension of time to comply with Rule 1304(1) of the Listing Manual* dated 3 November 2020.

- On 11 August 2020, the Company announced the non-payment of certain obligations due to the financial condition of the Group:
  – principal and interest payable under the term facility agreements to each of The Hongkong and Shanghai Banking Corporation Limited and Standard Chartered Bank, Singapore Branch amounting to approximately US$4,381,403.38 in aggregate which will be due on 21 August 2020; and
  – interest payable under the S$200.0 million 4.0 per cent. senior unsecured notes due 2023 amounting to S$4,119,200, which is due on 22 August 2020.See announcement entitled *Updates on restructuring process – Updates on further non-payment of principal and interest* dated 11 August 2020.

- On 21 August 2020, KrisEnergy convened a 3rd Informal Investor Meeting for holders of KrisEnergy securities to present the final restructuring proposal. The meeting was facilitated by Securities Investors Association (Singapore). See announcements entitled *Presentation: KrisEnergy Ltd. – 3rd Informal Investor Meeting – Final terms* dated 21 August 2020 and *Updates on restructuring process – KrisEnergy Ltd.'s Q&A from 3rd Informal Investor Meeting on 27 August 2020* dated 4 September 2020.

- On 31 August 2020, KrisEnergy applied for a 4th extension of the moratorium and on 7 September 2020, the Singapore High Court granted the moratorium extension until 27 October 2020. See announcements entitled *Updates on restructuring process – Application for 4th extension of the moratorium and hearing date* dated 31 August 2020 and *Updates on restructuring process – Outcome of 4th moratorium extension application* dated 7 September 2020.

- **RCF:** On 30 June 2020, the Group entered into an amendment agreement with DBS Bank Ltd ("**DBS**"), as lender of the RCF, to extend the maturity of the RCF by six months to 31 December 2020. See announcement entitled *KrisEnergy extends revolving credit facility to 31 December 2020* dated 30 June 2020.

- **CBA Loan Facility:** The Group has secured the funding for the development of the Group's near-term development project at Cambodia Block A an offshore development oil and gas asset located in the Khmer Basin of the Gulf of Thailand.

  - On 30 April 2020, the indirect wholly-owned subsidiaries KrisEnergy (Apsara) Company Ltd and KrisEnergy (Cambodia) Ltd, entered into a credit facility agreement with Kepinvest Singapore Pte. Ltd. ("**Kepinvest**"), a subsidiary of Keppel Corporation Limited, for the aggregate principal amount of up to

US$87.0 million to fund the development of the Apsara oil field in Cambodia Block A ("**CBA Loan Facility**"). See announcement entitled *KrisEnergy secures loan facility for Cambodia Apsara oil development, seeks IPT approval* dated 30 April 2020.

- On 29 June 2020, the Company convened an Extraordinary General Meeting to approve the provision of the CBA Loan Facility by Kepinvest as an Interested Person Transaction ("**IPT**") as set out in the *Circular to Shareholders* dated 10 June 2020. The IPT resolution was passed with 99.85% of the total number of votes. Accordingly, the interest cap in relation to the CBA Loan Facility has ceased to apply on and from 29 June 2020. See announcements entitled *Resolution passed at KrisEnergy Ltd.'s Extraordinary General Meeting* dated 29 June 2020, *KrisEnergy Ltd: Minutes of extraordinary General Meeting* dated 7 July 2020 and *Amendment of Loan Agreement with Kepinvest Singapore Pte. Ltd.* dated 8 July 2020.

- On 8 July 2020, the Company announced that in relation to the CBA Loan Facility, Kepinvest had entered into an amendment agreement for the extension of the completion date for the Company's financial restructuring (which is a mandatory prepayment event under the CBA Loan Facility) from 15 July 2020 to 30 September 2020. See announcement entitled *Amendment of Loan Agreement with Kepinvest Singapore Pte. Ltd.* dated 8 July 2020.

- On 23 September 2020, the Company announced that in relation to the CBA Loan Facility, Kepinvest had entered into an additional agreement for a further extension of the completion date for the Company's financial restructuring (which is a mandatory prepayment event under the CBA Loan Facility) from 30 September 2020 to 30 November 2020. See announcement entitled *Updates on (A) Loan Agreement with Kepinvest Singapore Pte. Ltd. And (B) Disposal of Andaman II PSC* dated 23 September 2020.

Nine Months 2020 Operational Update

KrisEnergy activated its business continuity plan in February 2020 due to COVID-19 and implemented health and safety measures in all offices and field locations as mandated by host government authorities. These measures remain in place.

The plummet in oil prices in 2Q2020 as a result of the pandemic and the impact of restrictive government measures on fuel demand led to the suspension in June 2020 of the KrisEnergy-operated Wassana oil field in the G10/48 concession in the Gulf of Thailand. The MOPU, *Ingenium I*, remains at the field location. The FSO vessel, *Rubicon Vantage*, was disconnected from the calm buoy and was demobilised on 11 July 2020.

Production

- Prior to the suspension, gross production in the KrisEnergy-operated Wassana oil field averaged 2,809 bopd in the first six months 2020 and the Group's working interest production averaged 2,500 bopd.

- Gross production in 9M2020 in the KrisEnergy-operated Bangora gas field averaged 87.7 million cubic feet per day ("**mmcfd**") and 258 barrels of condensate per day. KrisEnergy's working interest production in the first nine months 2020 averaged 4,461 boepd.
    - Bangora gas production in the first two months of the year averaged in excess of 100 mmcfd. In the first half of March 2020, the state gas distribution company requested intermittent reductions of 10.0% to 15.0% in supplies to the national grid. Bangora output was further restricted to 50 mmcfd at the direction of the Ministry of Power, Energy and Mineral Resources as a result of reduced demand due to a nationwide public holiday and government controls to limit the spread of COVID-19. A further cutback to 28 mmcfd was implemented in early April 2020 and three of five Bangora development wells were shut in.
    - The government restrictions were lifted in early May 2020 and full production from all five wells was restored on 8 May 2020 at a little over 100 mmcfd.
    - In 3Q2020, Bangora production stabilised in excess of 90 mmcfd.

- Gross production in the non-operated B8/32 fields in 9M2020 averaged 17,780 bopd and 64.0 mmcfd[1]. KrisEnergy's working interest production averaged 1,318 boepd.
    - A final batch of 2020 infill wells were completed in October 2020 with the drilling of seven of eight planned wells, which are due to go into production by the end of the year. The 2020 total of infill wells in the B8/32 fields was 23.

[1] As at 1 October 2019, gas sales from B8/32 were permanently reduced. The daily contracted sales quantity / maximum contracted quantity was reduced from 65/75 mmcfd to 45/51.75 mmcfd

Cambodia Apsara Oil Development

The deadline for first oil production to be achieved (without financial penalties) by 30 June 2020 has been extended by the Cambodian government to 31 October 2020 and the date after which serious consequences (financial or otherwise, including termination) will apply has been extended from 31 December 2020 to 30 April 2021. With the pandemic and restrictive COVID-19 measures still affecting operations, the Company has applied for a further extension of the 31 October 2020 deadline.

Despite restrictive COVID-19 measures, development activities have continued to progress with all major components of the Apsara Mini Phase 1A infrastructure in place at the field location in Cambodia Block A in the Gulf of Thailand:

- The jacket and topsides for the Apsara minimum facilities wellhead platform ("**Mini-Platform**") completed fabrication in Batam Island, Indonesia, in August 2020 and arrived at the Apsara field location at the end of the month. The jacket of the Mini-Platform was lowered into position on 1 September 2020 and piling into the legs commenced. The topsides were lifted onto the jacket on 6 September 2020.

- Mechanical completion and commissioning of the *Ingenium II* production barge was completed in September 2020 and the vessel arrived at the Apsara field location on 12 October 2020.

- The *PVD III* jacket-up rig left Vung Tau in Vietnam on 15 October 2020 and arrived at the Apsara field location on 21 October 2020. Drilling of the first of five development wells, A-03D, commenced on 29 October 2020. Batch drilling of the top-hole section of the wells is underway.

- All operations personnel have been mobilised to the Apsara field location.

- Processing of 1,200 3D seismic data acquired in mid-2019 was fully completed and all data deliverables were received by 23 September 2020.

3Q2020 Concession Updates

- On 19 July 2020, the Udan Emas PSC expired. The Company is awaiting formal notification from the Indonesian authorities for the expiry of the exploration block.

- On 16 September 2020, the Company announced the extension of the long stop date to 31 December 2020 from 30 September 2020 for the completion of the farm-out agreement for the transfer of KrisEnergy's 100.0% working interest and operatorship of the Block 115/09 exploration asset, offshore Vietnam. The transaction, announced in February 2020, is pending the approvals of the Vietnamese authorities.

Capital Expenditure

As set out in the *Unaudited Second Quarter 2020 Financial Statements Announcement* dated 13 August 2020, planned capital expenditure for 3Q2020 was estimated at US$32.7 million. In 3Q2020, the Group incurred capital expenditure, excluding non-cash items, amounted to US$22.7 million Material capital expenditure in 3Q2020 included activities in Cambodia Block A of US$16.2 million and partial payment of barge refurbishment costs of US$6.9 million. The variance was mainly attributed to a delay in expenditure related to the Cambodia Block A development.

Planned capital expenditure for the fourth quarter 2020 is estimated to be approximately US$37.6 million of which 97.4% will be utilised for activities related to the Cambodia Block A project.

	For the 3 months ending 31 December 2020
	(unaudited)
	(US$ thousands)
Producing asset (1)	-
Assets under development (2)	36,773.5
Non-producing assets (3)	852.8
Total capital expenditure	**37,626.2**

Notes:
(1) Expenditure for Block 9
(2) Expenditure for assets under development, which include Cambodia Block A and the production barge
(3) Expenditure for exploration assets, which include the Group's assets in Indonesian and Vietnam

The Group intends to fund planned capital expenditures through a combination of, including but not limited to, free cash flow from operations, the RCF and the CBA Loan Facility.

Actual capital expenditure may differ significantly from the amounts set out above due to various factors, including but not limited to, future cash flows, results of operations and financial condition, changes to the local economies in Bangladesh, Cambodia, Indonesia, Singapore, Thailand and Vietnam, in which the group has a business presence, the availability of financing on terms acceptable to us, matters relating to possible construction/development delays, defects or cost overruns, delays in obtaining or receipt of governmental approval, acceleration or delays in our exploration and development programs, changes in the legislative and regulatory environment, and other factors that are beyond our control.

Financial Statements Announcement
Third Quarter and Nine Months ended 30 September 2020

Figures for the period ended 30 September 2020 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 30 September		For the nine months ended 30 September	
	2020	**2019**	**2020**	**2019**
	(unaudited)			
	(US$ thousands)			
Sales of crude oil	3,793.9	18,788.6	29,804.3	79,246.8
Sales of gas	3,260.3	4,098.2	9,451.4	12,212.0
Revenue	**7,054.2**	**22,886.8**	**39,255.7**	**91,458.8**
Cost of sales:				
Operating costs	(3,577.9)	(3,524.7)	(33,582.3)	(26,480.7)
Thai petroleum royalties paid	(516.8)	(1,804.0)	(2,808.6)	(7,401.7)
Depreciation, depletion and amortisation	(4,043.2)	(21,765.0)	(37,282.7)	(66,151.4)
Gross loss	**(1,083.7)**	**(4,206.9)**	**(34,417.9)**	**(8,575.0)**
Other income	3,017.8	2,696.2	18,253.9	8,174.9
General and administrative expenses	(4,481.4)	(4,152.5)	(13,163.9)	(12,850.9)
Other operating (expenses)/income	(14,960.2)	3,829.9	(64,247.3)	(29,738.3)
Finance income	46.5	227.5	304.3	705.7
Finance costs	(15,139.2)	(14,321.9)	(44,521.9)	(41,421.8)
Loss before tax	**(32,600.2)**	**(15,927.7)**	**(137,792.8)**	**(83,705.4)**
Tax credit/(expense)	7,453.2	(731.5)	7,369.8	(2,446.7)
Loss for the period	**(25,147.0)**	**(16,659.2)**	**(130,423.0)**	**(86,152.1)**
Other comprehensive loss				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	20.5	(25.4)	(94.7)	(39.1)
Total comprehensive loss for the period	**(25,126.5)**	**(16,684.6)**	**(130,517.7)**	**(86,191.2)**
Loss per share attributable to owners of the Company (cents per share)				
Basic	(1.7)	(1.1)	(8.7)	(5.7)
Diluted	(1.7)	(1.1)	(8.7)	(5.7)

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 30 September 2020	As at 31 December 2019	As at 30 September 2020	As at 31 December 2019
	(unaudited)	*(audited)*	*(unaudited)*	*(audited)*
	(US$ thousands)			
ASSETS				
Non-current assets				
Exploration and evaluation assets	263,009.5	268,405.2	-	-
Oil and gas properties	83,145.1	116,639.0	-	-
Right-of-use assets	717.1	25,110.5	-	-
Other property, plant and equipment	42,669.0	29,853.0	-	-
Intangible assets	7,144.6	8,444.9	-	-
Investment in subsidiaries	-	-	10,131.9	10,119.7
Other receivables	4,043.3	4,035.6	113,877.3	115,915.8
	400,728.6	**452,488.2**		**126,035.5**
Current assets				
Inventories	3,761.4	16,249.6	-	-
Trade and other receivables	28,603.3	45,857.0	0.4	2.7
Prepayments	5,946.0	7,900.2	111.5	41.7
Cash and bank balances	50,106.1	51,361.1	31.0	21.2
	88,416.8	**121,367.9**	**142.9**	**65.6**
Total Assets	**489,145.4**	**573,856.1**	**124,152.1**	**126,101.1**
EQUITY AND LIABILITIES				
Equity				
Share capital	1,878.6	1,878.6	1,878.6	1,878.6
Share premium	730,302.2	730,302.2	730,302.2	730,302.2
Other reserves	30,786.0	30,880.7	41,507.5	41,507.5
Accumulated losses	(1,039,381.6)	(908,958.6)	(1,039,738.4)	(1,010,788.9)
Total Capital Deficiency	**(276,414.8)**	**(145,897.1)**	**(266,050.1)**	**(237,100.6)**
Non-current liabilities				
Employee benefit liability	817.3	490.6	-	-
Lease liabilities	160.4	550.8	-	-
Derivative liabilities	432.5	2,324.5	432.5	2,324.5
Deferred tax liabilities	18,273.4	27,358.6	-	-
Loans and borrowings	40,777.0	-	-	-
Provisions	33,988.0	24,753.7	-	-
Accrued operating expenses	18,959.4	11,239.8	-	-
Other payables	-	-	28,158.4	28,149.5
	113,408.0	**66,718.0**	**28,590.9**	**30,474.0**
Current liabilities				
Trade and other payables	105,484.3	86,775.4	29,352.3	17,286.4
Accrued operating expenses	40,722.0	35,281.4	7,475.4	4,764.2

Lease liabilities	602.4	25,573.0	-	-
Loans and borrowings	504,486.0	503,053.5	324,783.6	310,677.1
Withholding tax payable	396.1	401.0	-	-
Tax payable	461.4	1,950.9	-	-
	652,152.2	**653,035.2**	**361,611.3**	**332,727.7**
Total Liabilities	**765,560.2**	**719,753.2**	**390,202.2**	**363,201.7**
Total Equity and Liabilities	**489,145.4**	**573,856.1**	**124,152.1**	**126,101.1**

1 (b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 September 2020		As at 31 December 2019	
Secured[1]	**Unsecured[2]**	**Secured**	**Unsecured**
(US$ thousands)			
257,188.6	247,297.4	265,356.2	237,697.3

Amount repayable after one year

As at 30 September 2020		As at 31 December 2019	
Secured[3]	**Unsecured**	**Secured**	**Unsecured**
(US$ thousands)			
40,777.0	-	-	-

Notes:
(1) Aggregate of the 2024 ZCNs and RCF. The RCF will mature on 31 December 2020.
(2) Aggregate of the 2022 Notes, 2023 Notes and unsecured term loans.
(3) Relates to CBA Loan Facility.

Details of any collateral

The RCF has a comprehensive first ranking security package over the assets of the Group. On 29 March 2018, the RCF maturity was extended by two years to 30 June 2020. Several bridge upsizes were provided by DBS between 2018 to 2019. On 4 April 2019, DBS increased the RCF by an amount which would not result in the total commitments exceeding US$200 million, whereby DBS provided an additional commitment of US$31.7 million. On 30 June 2020, the RCF maturity was extended by six months to 31 December 2020.

The 2024 ZCNs, issued under the terms of the Preferential Offering, have a junior ranking security interest over the assets secured under the RCF, as well as a first ranking security interest over the shares and certain accounts of SJ Production Barge Ltd. (a wholly-owned subsidiary of the Company).

For further information on the RCF security, see the offering circular for the Preferential Offering dated 6 January 2017, the final information memorandum in relation to the 2022 Notes and 2023 Notes dated 11 January 2017 and the announcement entitled *Application for moratorium pursuant to Section 211B of the Companies Act (Cap. 50)* dated 14 August 2019.

The CBA Loan Facility has a comprehensive first ranking or second ranking (if already secured under the RCF) security package over the assets of KrisEnergy (Apsara) Company Ltd,

KrisEnergy (Cambodia) Ltd and their holding companies, as well as a statutory mortgage over the barge *Ingenium II* ("**Barge**") by SJ Production Barge Ltd (subject only to the first ranking statutory mortgage in favour of Keppel Shipyard Limited), first ranking security over the lease in respect of the barge, and first ranking security in respect of any right to receive barge revenues.

For further information on the CBA Loan Facility security, see announcement entitled *KrisEnergy secures loan facility for Cambodia Apsara oil development, seeks IPT approval* dated 30 April 2020.

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 30 September		For the nine months ended 30 September	
	2020	2019	2020	2019
	(unaudited)			
	(US$ thousands)			
Operating activities:				
Loss before tax	(32,600.2)	(15,927.7)	(137,792.8)	(83,705.4)
Adjustments for:				
Depreciation, depletion and amortisation	4,043.2	11,601.8	18,961.3	35,993.5
Depreciation of property, plant and equipment	19.7	19.6	57.4	46.1
Depreciation of right-of-use assets	134.0	10,298.2	18,716.8	30,561.2
Decommissioning provisions	-	-	7,662.0	-
Employee defined benefits	44.1	22.5	326.8	97.3
Equity-settled transactions with employees	-	38.7	-	157.2
Gain on early termination of lease	-	-	(359.5)	-
Gain on disposal of exploration and evaluation assets	(1,615.0)	-	(11,077.0)	-
Gain on disposal of property, plant and equipment	-	-	(1.0)	-
Impairment loss on goodwill	-	-	1,300.3	-
Impairment loss on exploration and evaluation assets	-	-	35,677.1	34,252.5
Impairment loss on oil and gas properties	-	-	17,064.6	-
Provision for obsolete inventories	3,253.7	-	3,253.7	-
Net fair value gain on financial instruments	(48.9)	(1,383.5)	(1,854.4)	(1,178.9)
Unrealised foreign exchange loss/(gain) on financial instruments	11,435.0	(2,312.5)	(412.3)	(2,489.2)
Finance cost	9,768.0	8,327.4	27,756.4	23,215.9
Unwinding of discount on bonds	5,019.5	4,575.1	14,481.2	13,356.8
Unwinding of discount on decommissioning provisions	334.7	555.2	1,572.3	1,665.5
Unwinding of discount on lease liability	17.0	864.2	712.0	3,183.6
Interest income	(46.5)	(227.5)	(304.3)	(705.7)
Operating cash flows before changes in working capital	**(241.7)**	**16,451.5**	**(4,259.4)**	**54,450.4**
Inventories	(521.5)	(10,482.3)	9,234.6	(6,587.0)
Trade and other receivables	(80.7)	(6,271.8)	18,701.4	(15,083.2)

	The Group			
	For the three months ended 30 September		For the nine months ended 30 September	
	2020	2019	2020	2019
	(unaudited)			
	(US$ thousands)			
Trade and other payables	(1,723.3)	8,581.9	(11,377.0)	(8,623.0)
Cash flows (used in)/generated from operations	**(2,567.2)**	**8,279.3**	**12,299.6**	**24,157.2**
Interest received	46.5	227.5	304.3	705.7
Interest paid	(1,041.6)	(3,363.9)	(4,065.9)	(10,917.1)
Taxes paid	(1,023.1)	(3,636.6)	(3,065.8)	(5,907.1)
Net cash (used in)/ from operating activities	**(4,585.4)**	**1,506.3**	**5,472.2**	**8,038.7**
Investing activities:				
Addition to exploration and evaluation assets	(16,420.1)	(8,598.2)	(33,937.6)	(18,074.9)
Addition to oil and gas properties	(905.8)	(2,257.7)	(2,532.0)	(17,427.1)
Purchase of property, plant and equipment	(7.4)	(7.3)	(15.1)	(121.2)
Proceeds from disposal of subsidiary	-	-	-	4,190.2
Proceeds from disposal of property, plant and equipment	-	-	1.0	-
Proceeds from disposal of exploration and evaluation assets	1,615.0	-	15,140.0	-
Expenditure on assets refurbishment	(7,024.5)	(53.8)	(7,356.3)	(1,717.7)
Net cash (used in)/from investing activities	**(22,742.8)**	**(10,917.0)**	**(28,700.0)**	**(33,150.7)**
Financing activities:				
Payment of bond interest	-	-	-	(5,035.0)
Proceeds from loan facility	21,174.0	-	40,777.0	-
Proceeds from bank borrowings	4,041.0	8,650.0	14,516.0	37,736.5
Repayment of bank borrowings	(1,615.0)	-	(27,190.0)	(20,000.0)
Lease payments	(121.0)	(5,325.6)	(4,583.4)	(18,106.8)
Financial restructuring expense	(494.0)	(612.0)	(1,453.0)	(2,073.0)
Decrease in cash collateralised	-	-	-	2,000.0
Net cash from/(used in) financing activities	**22,985.0**	**2,712.4**	**22,066.6**	**(5,478.3)**
Net decrease in cash and cash equivalents	(4,343.2)	(6,698.3)	(1,161.2)	(30,590.3)
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	20.5	(25.1)	(93.8)	(37.5)
Cash and cash equivalents at beginning of the period	48,158.8	45,432.0	45,091.1	69,336.4
Cash and cash equivalents at end of the period	**43,836.1**	**38,708.6**	**43,836.1**	**38,708.6**
Add: restricted cash	6,270.0	6,270.0	6,270.0	6,270.0
Cash and bank balances at end of the period	**50,106.1**	**44,978.6**	**50,106.1**	**44,978.6**

As at 30 September 2020, total cash and cash equivalents were US$43.8 million compared with US$38.7 million as at 30 September 2019, and unused sources of liquidity including undrawn amounts of the RCF as at 30 September 2020 amounted to US$26.4 million.

Net Cash used in/from Operating Activities
Net cash used in operating activities was US$4.6 million in 3Q2020 versus net cash from operating activities of US$1.5 million in 3Q2019 as a result of movements in working capital.

Net Cash used in Investing Activities
Net cash used in investing activities amounted to US$22.7 million in 3Q2020 (3Q2019: US$10.9 million). Material capital expenditure in 3Q2020 included (i) development activities in Cambodia Block A of US$16.2 million; (ii) ongoing ordinary course of business expenditure in B8/32 of US$0.8 million; and (iii) partial payment of barge refurbishment costs of US$6.9 million. In 3Q2020, the Group received the retention sum proceeds of US$1.6 million from the disposal of the Andaman II PSC in Indonesia.

Net Cash from Financing Activities
Net cash from financing activities amounted to US$23.0 million in 3Q2020 (3Q2019: US$2.7 million). In 3Q2020, the Group received proceeds from CBA Loan Facility of US$21.2 million and net proceeds from the RCF of US$2.4 million. Financial restructuring expenses paid in 3Q2020 amounted to US$0.5 million.

Borrowings
As at 30 September 2020, the total amount drawn on the RCF was US$179.7 million. Unused sources of liquidity (comprising cash and cash equivalents and undrawn amounts from the RCF) amounted to US$26.4 million. Gearing as at 30 September 2020 was 202.8%.

The RCF will mature on 31 December 2020. As such, the amount drawn as at 30 September 2020 of US$179.7 million has been classified as current liability.

Pursuant to the Moratorium Application which has resulted in events of default, the 2022 Notes, 2023 Notes, 2024 ZCNs and unsecured term loans are repayable on demand. Hence, the carrying amount of the debt as at 30 September 2020 has also been classified as current liability.

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	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	General Reserve	Total Equity
			(US$ thousands)				
At 1 January 2020	**1,878.6**	**730,302.2**	**(908,958.6)**	**(1,945.7)**	**1,207.2**	**31,619.2**	**(145,897.1)**
Loss net of tax	-	-	(14,132.3)	-	-	-	(14,132.3)
Other comprehensive income:							
Exchange differences on translation of foreign operations	-	-	-	(73.0)	-	-	(73.0)

Total comprehensive loss for the period	-	-	(14,143.3)	(73.0)	-	-	(14,205.3)
At 31 March 2020	**1,878.6**	**730,302.2**	**(923,090.9)**	**(2,018.7)**	**1,207.2**	**31,619.2**	**(160,102.4)**
Loss net of tax	-	-	(91,143.7)	-	-	-	(91,143.7)
Other comprehensive loss:							
Exchange differences on translation of foreign operations	-	-	-	(42.2)	-	-	(42.2)
Total comprehensive loss for the period	-	-	(91,143.7)	(42.2)	-	-	(91,185.9)
At 30 June 2020	**1,878.6**	**730,302.2**	**(1,014,234.6)**	**(2,060.9)**	**1,207.2**	**31,619.2**	**(251,288.3)**
Loss net of tax	-	-	(25,147.0)	-	-	-	(25,147.0)
Other comprehensive loss:							
Exchange differences on translation of foreign operations	-	-	-	20.5	-	-	20.5
Total comprehensive loss for the period	-	-	(25,147.0)	20.5	-	-	(25,126.5)
At 30 September 2020	**1,878.6**	**730,302.2**	**(1,039,381.6)**	**(2,040.4)**	**1,207.2**	**31,619.2**	**(276,414.8)**

THE GROUP	**Share Capital**	**Share Premium**	**Accumulated Losses**	**Foreign Currency Translation Reserve**	**Employee Share Reserve**	**General Reserve**	**Total Equity**
				(US$ thousands)			
At 1 January 2019	**1,878.6**	**730,302.2**	**(740,150.0)**	**(1,923.5)**	**1,012.1**	**31,619.2**	**22,738.6**
Loss net of tax	-	-	(20,855.4)	-	-	-	(20,855.4)
Other comprehensive income:							
Exchange differences on translation of foreign operations	-	-	-	29.0	-	-	29.0
Total comprehensive loss for the period	-	-	(20,855.4)	29.0	-	-	(20,826.4)
Equity-settled transactions with employees	-	-	-	-	59.9	-	59.9
At 31 March 2019	**1,878.6**	**730,302.2**	**(761,005.4)**	**(1,894.5)**	**1,072.0**	**31,619.2**	**1,972.1**
Loss net of tax	-	-	(48,637.4)	-	-	-	(48,637.4)
Other comprehensive loss:							
Exchange differences on translation of foreign operations	-	-	-	(42.7)	-	-	(42.7)
Total comprehensive loss for the period	-	-	(48,637.4)	(42.7)	-	-	(48,680.1)
Equity-settled transactions with employees	-	-	-	-	58.7	-	58.7
At 30 June 2019	**1,878.6**	**730,302.2**	**(809,642.8)**	**(1,937.2)**	**1,130.7**	**31,619.2**	**(46,649.3)**
Loss net of tax	-	-	(16,659.2)	-	-	-	(16,659.2)
Other comprehensive loss:							
Exchange differences on translation of foreign operations	-	-	-	(25.4)	-	-	(25.4)

Total comprehensive loss for the period	-	-	(16,659.2)	(25.4)	-	-	(16,684.6)
Equity-settled transactions with employees	-	-	-	-	38.7	-	38.7
At 30 September 2019	**1,878.6**	**730,302.2**	**(826,302.0)**	**(1,962.6)**	**1,169.4**	**31,619.2**	**(63,295.2)**

THE COMPANY	**Share Capital**	**Share Premium**	**Accumulated Losses**	**Employee Share Option Reserve**	**General Reserve**	**Total Equity**
			(US$ thousands)			
At 1 January 2020	**1,878.6**	**730,302.2**	**(1,010,788.9)**	**1,207.2**	**40,300.3**	**(237,100.6)**
Loss net of tax	-	-	(1,471.7)	-	-	(1,471.7)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(1,471.7)	-	-	(1,471.7)
At 31 March 2020	**1,878.6**	**730,302.2**	**(1,012,260.6)**	**1,207.2**	**40,300.3**	**(238,572.3)**
Loss net of tax	-	-	(6,278.3)	-	-	(6,278.3)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(6,278.3)	-	-	(6,278.3)
At 30 June 2020	**1,878.6**	**730,302.2**	**(1,018,538.9)**	**1,207.2**	**40,300.3**	**(244,850.6)**
Loss net of tax	-	-	(21,199.5)	-	-	(21,199.5)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(21,199.5)	-	-	(21,199.5)
At 30 September 2020	**1,878.6**	**730,302.2**	**(1,039,738.4)**	**1,207.2**	**40,300.3**	**(266,050.1)**

THE COMPANY	**Share Capital**	**Share Premium**	**Accumulated Losses**	**Employee Share Option Reserve**	**General Reserve**	**Total Equity**
			(US$ thousands)			
At 1 January 2019	**1,878.6**	**730,302.2**	**(559,149.4)**	**1,012.1**	**40,300.3**	**214,343.8**
Loss net of tax	-	-	(12,897.1)	-	-	(12,897.1)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(12,897.1)	-	-	(12,897.1)
Equity-settled transactions with employees	-	-	-	59.9	-	59.9
At 31 March 2019	**1,878.6**	**730,302.2**	**(572,046.5)**	**1,072.0**	**40,300.3**	**201,506.6**
Loss net of tax	-	-	(3,405.8)	-	-	(3,405.8)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(3,405.8)	-	-	(3,405.8)
Equity-settled transactions with employees	-	-	-	58.7	-	58.7
At 30 June 2019	**1,878.6**	**730,302.2**	**(575,452.3)**	**1,130.7**	**40,300.3**	**198,159.5**
Loss net of tax	-	-	(5,956.7)	-	-	(5,956.7)

Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(5,956.7)	-	-	(5,956.7)
Equity-settled transactions with employees	-	-	-	38.7	-	38.7
At 30 September 2019	**1,878.6**	**730,302.2**	**(581,409.0)**	**1,169.4**	**40,300.3**	**192,241.5**

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares of the issuer and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company did not hold any treasury shares or subsidiary holdings as at 30 September 2020 (30 September 2019: 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 30 September 2020, 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% (issued under equal First Tranche and Second Tranche) 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. Following the exit of First Reserve Fund, XII LP on 6 April 2018, the First Tranche Condition (as defined in the Prospectus) had been satisfied. However, in accordance with and as permitted under the terms of the MS-Awards, as the Company does not have sufficient distributable reserves or amounts credited to its premium account at the relevant junctures to make the required issue of Shares, the Company has determined to pay a cash sum equal to the aggregate fair market value of the Shares that would otherwise have been issued. The cash sum has been paid for the first one-third of the First Tranche, while the cash sum will be paid

on a delayed basis for the next relevant First Tranche (taking into account cash reserves and budgeted commitments for the following 12 months).

- 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.

- On 9 November 2015, awards comprising 11,613,474 Shares were granted to employees, including 1,622,244 Shares to the Executive Directors.

As at 30 September 2020, there were no outstanding awards under the KrisEnergy PSP.

The awards allotted and issued 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 employees, including 321,207 Shares to Executive Directors.

- On 20 July 2015, pursuant to the partial vesting of awards granted on 13 November 2013 and 17 March 2015 under the KrisEnergy PSP, 2,025,674 Shares were allotted and issued to employees, including 321,207 Shares to Executive Directors.

- On 31 December 2015, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP 3,916,835 Shares were allotted and issued to employees, including 540,747 Shares to Executive Directors.

- On 19 July 2016, pursuant to the partial vesting of awards granted on 13 November 2013 and 17 March 2015 under the KrisEnergy PSP, 1,921,278 Shares were allotted and issued to employees, including 214,140 Shares to Executive Directors.

- On 30 December 2016, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP, 3,649,501 Shares were allotted and issued to employees, including 360,498 Shares to Executive Directors.

- On 19 July 2017, pursuant to the partial vesting of awards granted on 17 March 2015 under the KrisEnergy PSP, 205,154 Shares were allotted and issued to employees.

- On 29 December 2017, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP, 3,010,511 Shares were allotted and issued to employees, including 288,400 Shares to Executive Directors.

On 2 February 2017, along with the 2024 ZCNs, 1,255,183,632 Warrants were issued by the Company. Each Warrant converts to one share in the ordinary share capital of the Company.

On 17 February 2017 and 7 March 2017, 9,000 Warrants and 2,376 Warrants were exercised and converted into 9,000 Shares and 2,376 Shares, respectively.

As at 30 September 2020, the Company's issued share capital was 1,502,849,065 Shares and 1,255,172,256 outstanding Warrants.

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 30 September 2020**		**As at 31 December 2019**	
	(unaudited)			
	No. of shares	*US$*	*No. of shares*	*US$*
Issued and fully paid ordinary shares				
At 1 January	1,502,849,065	1,878,562	1,502,849,065	1,878,562
At reporting date	**1,502,849,065**	**1,878,562**	**1,502,849,065**	**1,878,562**

SHARE PREMIUM	**As at 30 September 2020**	**As at 31 December 2019**
	(unaudited)	
	US$	
At 1 January	730,302,151	730,302,151
At reporting date	**730,302,151**	**730,302,151**

1 (d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at end of the current financial period reported on.

There were no sales, transfer, cancellation and/or use of treasury shares as at 30 September 2020 (30 September 2019: Nil).

1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at end of the current financial period reported on.

There were no sales, transfer, cancellation and/or use of subsidiary holdings as at 30 September 2020 (30 September 2019: 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 2019, 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 2020. 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 30 September		For the nine months ended 30 September	
	2020	**2019**	**2020**	**2019**
Loss per share attributable to owners of the Company:				
(i) Based on a weighted average number of shares (cents per share)	(1.7)	(1.1)	(8.7)	(5.7)
- Weighted average number of shares	1,502,849,065	1,502,849,065	1,502,849,065	1,502,849,065
(ii) On a fully diluted basis (cents per share)	(1.7)	(1.1)	(8.7)	(5.7)
- Adjusted weighted average number of shares	1,502,849,065	1,508,035,913	1,502,849,065	1,508,035,913

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 30 September 2020	**As at 31 December 2019**	**As at 30 September 2020**	**As at 31 December 2019**
		(Unaudited) *(US$)*		
Net asset value per ordinary share [(1)]	(0.18)	(0.10)	(0.18)	(0.16)
Net tangible asset per ordinary share [(1)]	(0.19)	(0.10)	(0.18)	(0.16)

Note:
(1) Based on share capital of 1,502,849,065 ordinary shares as at 30 September 2020 and 31 December 2019

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 and nine months ended 30 September 2020.

	For the three months ended 30 September		For the nine months ended 30 September	
	2020	**2019**	**2020**	**2019**
	(unaudited)			
	(US$ thousands)			
Sales of crude oil	3,793.9	18,788.6	29,804.3	79,246.8
Sales of gas	3,260.3	4,098.2	9,451.4	12,212.0
Revenue	**7,054.2**	**22,886.8**	**39,255.7**	**91,458.8**
Cost of sales:				
Operating costs	(3,577.9)	(3,524.7)	(33,582.3)	(26,480.7)
Thai petroleum royalties paid	(516.8)	(1,804.0)	(2,808.6)	(7,401.7)
Depreciation, depletion and amortisation	(4,043.2)	(21,765.0)	(37,282.7)	(66,151.4)
Gross loss	**(1,083.7)**	**(4,206.9)**	**(34,417.9)**	**(8,575.0)**
Other income	3,017.8	2,696.2	18,253.9	8,174.9
General and administrative expenses	(4,481.4)	(4,152.5)	(13,163.9)	(12,850.9)
Other operating (expenses)/income	(14,960.2)	3,829.9	(64,247.3)	(29,738.3)
Finance income	46.5	227.5	304.3	705.7
Finance costs	(15,139.2)	(14,321.9)	(44,521.9)	(41,421.8)
Loss before tax	**(32,600.2)**	**(15,927.7)**	**(137,792.8)**	**(83,705.4)**
Tax credit/(expense)	7,453.2	(731.5)	7,369.8	(2,446.7)
Loss for the period	**(25,147.0)**	**(16,659.2)**	**(130,423.0)**	**(86,152.1)**

Revenue

Working interest production in 3Q2020 averaged 6,173 boepd, a 38.9% decrease from the same period last year (3Q2019: 10,100 boepd) due to the suspension of Wassana field in G10/48 in early June 2020 and lower production in B8/32[2].

Revenue for 3Q2020 decreased 69.2% to US$7.1 million (3Q2019: US$22.9 million) as a result of (i) 22.7% drop in average realised selling prices for oil and liquids; (ii) 21.6% decrease in average realised selling prices for gas in Thailand; and (iii) lower working interest production for the period.

[2] As at 1 October 2019, gas sales from B8/32 were permanently reduced. The daily contracted sales quantity / maximum contracted quantity was reduced from 65/75 mmcfd to 45/51.75 mmcfd

The average realised oil and liquids sales price in 3Q2020 was US$44.16/bbl (3Q2019: US$57.14/bbl). The average realised gas price achieved from B8/32 in 3Q2020 decreased to US$3.85/mcf (3Q2019: US$4.91/mcf) in line with the redetermination of the gas price formula which is set on a trailing six-month basis. The realised gas price from the onshore Bangladesh Bangora field in Block 9 remained stable at US$2.32/mcf.

	For the three months ended 30 September		For the nine months ended 30 September	
	2020	**2019**	**2020**	**2019**
Production volumes				
Oil and liquids (bopd)	890	4,538	2,553	4,835
Gas (mmcfd)	31.7	33.4	29.3	32.8
Total (boepd)	**6,173**	**10,100**	**7,431**	**10,296**
Average sales price				
Oil and liquids (US$/bbl)	44.16	57.14	41.87	60.10
Gas – B8/32 (US$/mcf)	3.85	4.91	4.20	4.97
Gas – Block 9 (US$/mcf)	2.32	2.32	2.32	2.32

Cost of Sales

Following the adoption of IFRS 16 effective 1 January 2019, operating costs amounted to US$3.6 million in 3Q2020 (3Q2019: US$3.5 million) as the bareboat charters for the Wassana field – namely the MOPU and FSO – are accounted for as DD&A. However, adjusted operating cost as per EBITDAX computation in 3Q2020 was US$3.6 million (3Q2019: US$13.3 million). The 72.9% decrease was primarily a result of the suspension of the Wassana field in early June 2020.

Average lifting costs reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period. In 3Q2020, the average lifting cost was US$3.90/boe compared with US$25.59/boe for 3Q2019. The 84.8% decrease was attributed to the suspension of the Wassana field which resulted in lower joint-venture operating expenditure for the period.

DD&A charges decreased 81.4% in 3Q2020 to US$4.0 million (3Q2019: US$21.8 million) in line with lower production volumes in the period.

	For the three months ended 30 September		For the nine months ended 30 September	
	2020	**2019**	**2020**	**2019**
Average lifting cost(1)				
Oil, liquids and gas (US$/boe)	3.90	25.59	17.58	22.54
Net operating expenditure (US$'000)	2,213.5	23,777.6	35,803.1	63,364.1
Total production (boe)	6,173	10,100	7,431	10,296

Note:

(1) Calculation of average lifting cost has been revised to reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period. Following suspension of the Wassana field in June 2020, starting in 3Q2020 the Group's operating costs and production volumes no longer include any contribution from the G10/48 concession.

Other income
Other income was US$3.0 million in 3Q2020 compared with US$2.7 million in 3Q2019. The variance was due to receipt of a retention sum of US$1.6 million related to the disposal of the Andaman II PSC versus leasing income on the Wassana field operations MOPU and FSO of US$1.2 million in 3Q2019.

General and administrative expenses
General and administrative expenses were US$4.5 million in 3Q2020 (3Q2019: US$4.2 million). The slight increase was mainly due to higher accrual for professional fees.

Other operating expenses
Other operating expenses amounted to US$15.0 million in 3Q2020 versus other operating income of US$3.8 million in 3Q2019. In 3Q2020, unrealised foreign exchange losses amounted to US$11.7 million and the Group made a provision of US$3.3 million for obsolete drilling inventory for G10/48.

Finance income
Finance income amounted to US$0.1 million in 3Q2020 (3Q2019: US$0.2 million) as a result of lower average bank balances for the period.

Finance costs
Finance costs totaled US$15.1 million in 3Q2020 (3Q2019: US$14.3 million). The increase was mainly due to (i) loan interest on the CBA Loan Facility; and (ii) higher default interest expenses on the 2022 Notes, 2023 Notes and 2024 ZCNs, partially offset by (i) lower bank loan interest on the RCF; (ii) lower non-cash accretion of bond discount, lease liability and decommissioning provisions; and (iii) lower financial restructuring fees.

Loss before tax
The loss before tax in 3Q2020 of US$32.6 million (3Q2019: US$15.9 million) was attributable to non-cash unrealised exchange losses of US$11.7 million, DD&A charges of US$4.0 million and finance costs of US$15.1 million for the period.

Tax credit/expense
Tax credit amounted to US$7.5 million in 3Q2020 compared with tax expense of US$0.7 million in 3Q2019 due to adjustment for deferred tax and over-provision of tax.

Loss for the period
The net loss for the period was US$25.1 million in 3Q2020 (3Q2019: US$16.7 million) as a result of the above-mentioned factors.

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 continued spread of COVID-19 and widespread government restrictive measures to try to stem any further escalation of the virus remain a downside risk to oil and gas demand and macroeconomic conditions remain under strain. Markets remain jittery with the general view that the uncertainty has placed a cap on any recovery in oil prices in the near term with the Brent benchmark rangebound between US$40/bbl and US$45.00/bbl.

Recent Developments

- On 16 October 2020, the Company made applications to the Singapore High Court for, among other things:
  - leave to convene a meeting of the Scheme Creditors pursuant to Section 210(1) of the Companies Act (the "**Leave Application**");
  - certain variations in and substitution of the procedure provided for in the Insolvency, Restructuring and Dissolution (Proof of Debt in Schemes of Arrangement) Regulations 2020; and
  - an extension of the moratorium order for a two-month period

  (collectively, the "**Scheme Applications**").
  The Leave Application was heard by the Singapore High Court on 10 November 2020, and the Singapore High Court directed that the hearing for the Scheme Applications be adjourned to 16 November 2020. See announcements entitled *Updates on restructuring process – Scheme of Arrangement* dated 16 October 2020, *Updates on restructuring process – Scheme of Arrangement; Change of Hearing Date for Scheme Applications* dated 21 October 2020 and *Updates on restructuring process – Scheme of Arrangement: Adjourned Hearing Date* dated 10 November 2020.

- On 27 October 2020, the Company submitted a trading resumption proposal ("**TRP**") to the SGX-ST. See announcement entitled *Updates on restructuring process – Submission of Trading Resumption Proposal* dated 27 October 2020.

- On 29 October 2020, the Group commenced drilling of the first development well at the Apsara field, offshore Cambodia. The Group remains on target to achieve first oil before the end of 2020. For more details, see the section entitled *Cambodia Apsara Oil Development*, on page 13 of these Results.

- On 3 November 2020, the SGX-ST granted the Company's application dated 4 August 2020 for an extension of time of 2.5 months until 27 October to submit the TRP to comply with Rule 1304(1) of the Listing Manual. See announcement entitled *Updates on restructuring process – Outcome of the Application for the extension of time to comply with Rule 1304(1) of the listing manual* dated 3 November 2020.

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 and the reason(s) for the decision

Due to the Group's accumulated losses, no dividend has been declared or recommended for the nine months ended 30 September 2020.

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

The Group does not have an existing general mandate for the financial period ending 31 December 2020.

14. Negative confirmation pursuant to Rule 705(5)

Pursuant to Rule 705(5), we, Tan Ek Kia and Kelvin Tang, being two directors of 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 unaudited financial results for the nine months ended 30 September 2020 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers pursuant to Rule 720(1).

On behalf of the board of directors.

Tan Ek Kia
Independent Non-Executive Chairman

Kelvin Tang
Executive Director &
Chief Executive Officer

Singapore, 11 November 2020

APPENDIX H – Security Granted for the Revolving Credit Facility and the New CBA Facility

1. The Revolving Credit Facility

Guarantors	:	KrisEnergy Ltd. Krisenergy Holding Company Ltd KrisEnergy International (Thailand) Holdings Ltd KrisEnergy Asia Coöperatief U.A. KrisEnergy Asia Holdings B.V.	KrisEnergy (Gulf of Thailand) Ltd KrisEnergy Bangladesh Limited KrisEnergy Netherlands Holdings Pte. Ltd. KrisEnergy (Block A Aceh) B.V.	KrisEnergy (Satria) Ltd KrisEnergy Management Ltd KrisEnergy (Apsara) Ltd. KrisEnergy (Cambodia) Holding Ltd
Facility Assets	:	4.63% B8/32 & B9A 30% G6/48 25% G10/48 30% Block 9 Pledged Subsidiaries: Orange Energy Limited and B8/32 Partners Ltd		
Security over shares of	:	KrisEnergy (Asia) Ltd KrisEnergy (Satria) Ltd KrisEnergy (Gulf of Thailand) Ltd. KrisEnergy (Block A Aceh) B.V. Orange Energy Limited KrisEnergy (Vietnam 115) Ltd KrisEnergy East Seruway B.V. KrisEnergy (Udan Emas) B.V.	KrisEnergy Holding Company Ltd KrisEnergy Asia Coöperatief UA KrisEnergy Bangladesh Limited KrisEnergy Netherlands Holdings Pte Ltd B8/32 Partners Ltd KrisEnergy (Song Hong 105) Ltd KrisEnergy (Bala-Balakang) B.V. KrisEnergy (Cambodia) Holding Ltd	KrisEnergy International (Thailand) Holdings Ltd KrisEnergy Asia Holdings B.V. KrisEnergy Management Ltd KrisEnergy (Phu Khanh 120) Ltd KrisEnergy (Bangladesh SS-11) Ltd KrisEnergy (Sakti) B.V. KrisEnergy (Apsara) Ltd
All asset security over the present and future assets and rights of	:	KrisEnergy (Asia) Ltd KrisEnergy Holding Company Ltd KrisEnergy International (Thailand) Holdings Ltd	KrisEnergy (Gulf of Thailand) Ltd KrisEnergy Bangladesh Limited KrisEnergy Asia Holdings B.V.	KrisEnergy Asia Coöperatief U.A. KrisEnergy Netherlands Holdings Pte Ltd
Other security	:	Assignment of present and future claims under intercompany loans Assignors: • KrisEnergy (Asia) Ltd • KrisEnergy Ltd • KrisEnergy Netherlands Holdings	Account charges over certain accounts HK bank accounts of: • KrisEnergy Bangladesh Limited • KrisEnergy (Gulf of Thailand) Ltd • KrisEnergy Asia Holdings B.V.	

		Pte Ltd • KrisEnergy (Block A Aceh) B.V. • KrisEnergy (Satria) Ltd • KrisEnergy Holding Company Ltd • KrisEnergy International (Thailand) Holdings Ltd • KrisEnergy Asia Coöperatief U.A. • KrisEnergy Asia Holdings B.V. • KrisEnergy (Gulf of Thailand) Ltd • KrisEnergy Bangladesh Limited • KrisEnergy Management Ltd • KrisEnergy (Apsara) Ltd • KrisEnergy (Cambodia) Holding Ltd • KrisEnergy Pte Ltd • KrisEnergy Marine Pte Ltd • KrisEnergy Marine B.V. • KrisEnergy Glagah Kambuna B.V. • B Block Limited • KrisEnergy Oil & Gas (Thailand) Ltd • KrisEnergy Resources (Thailand) Ltd	• KrisEnergy Asia Coöperatief U.A. • KrisEnergy (Asia) Ltd • KrisEnergy International (Thailand) Holdings Ltd • Krisenergy Holding Company Ltd • KrisEnergy (Block A Aceh) B.V. • KrisEnergy (Satria) Ltd • KrisEnergy G10 (Thailand) Ltd • KrisEnergy (Apsara) Ltd • KrisEnergy (Cambodia) Holding Ltd • KrisEnergy (Sakti) B.V. • KrisEnergy (Bala-Balakang) B.V. • KrisEnergy East Seruway B.V. • KrisEnergy (Udan Emas) B.V. • KrisEnergy (Vietnam 115) Ltd • KrisEnergy (Song Hong 105) Ltd • KrisEnergy (Phu Khanh 120) Ltd • KrisEnergy (Bangladesh SS-11) Ltd SG bank accounts of: • KrisEnergy (Asia) Ltd • KrisEnergy Holding Company Ltd • KrisEnergy Pte Ltd • KrisEnergy Netherlands Holdings Pte Ltd Thai bank accounts of KrisEnergy (Gulf of Thailand) Ltd Indonesian bank account of KrisEnergy (Asia) Ltd

2. The New CBA Facility

Description of security	Chargor/Mortgagor	Brief description of Secured Asset(s)/ Remarks
KEAC Security Agreement dated 30 April 2020 in favour of Madison Pacific Trust Limited ("**Security Agent**")	KrisEnergy (Apsara) Company Limited ("**KEAC**")	All Assets of KEAC (other than a JOA Account as defined in the KEAC Security Agreement).
KEAC Share Pledge dated 30 April 2020 in favour of the Security Agent	KrisEnergy (Apsara) Holding Ltd. ("**KEAH**")	All of the shares KEAH holds in KEAC
KEC Security Agreement dated	KrisEnergy (Cambodia) Ltd ("**KEC**")	All assets of KEC

Description of security	Chargor/Mortgagor	Brief description of Secured Asset(s)/ Remarks
30 April 2020 in favour of the Security Agent		
KEC Share Pledge dated 30 April 2020 in favour of the Security Agent	KrisEnergy (Cambodia) Holding Ltd ("**KECH**")	All of the shares KECH holds in KEC
Account Charge dated 30 April 2020 in favour of the Security Agent ("**Account Charge**")	KEAC KEC	Each Account set out in the Account Charge (other than the JOA Accounts as defined in the Account Charge)
KEAH Share Charge dated 30 April 2020 in favour of the Security Agent	KrisEnergy (Asia) Ltd	All of the shares KrisEnergy (Asia) Ltd holds in KEAH
KEAH Security Agreement dated 30 April 2020 in favour of the Security Agent	KEAH	All assets of KEAH
KEAL Share Charge dated 30 April 2020 in favour of the Security Agent	KrisEnergy (Asia) Ltd	All of the shares KrisEnergy (Asia) Ltd holds in KEAL (defined below)
KEAL Security Agreement dated 30 April 2020 in favour of the Security Agent	KrisEnergy (Apsara) Ltd. ("**KEAL**")	All assets of KEAL
KECH Share Charge dated 30 April 2020 in favour of the Security Agent	KrisEnergy (Asia) Ltd	All of the shares KrisEnergy (Asia) Ltd holds in KECH
KECH Security Agreement dated 30 April 2020 in favour of the Security Agent	KECH	All assets of KECH
Assignment over certain shareholder and intercompany loans dated 30 April 2020 in favour of	• KEAL • KECH • KEAH • KrisEnergy (Asia) Ltd • KrisEnergy Pte. Ltd	Certain shareholder and intercompany loans (as at 30 June 2020) by each of the Chargors as set out below: **CHARGOR DEBTOR AMOUNT**

<table>
<tr><th>Description of security</th><th>Chargor/Mortgagor</th><th colspan="3">Brief description of Secured Asset(s)/ Remarks</th></tr>
<tr><td>the Security Agent</td><td></td><td colspan="3"><table>
<tr><td></td><td></td><td>(US$)</td></tr>
<tr><td>KEAH</td><td>KEAC</td><td>91,628,978</td></tr>
<tr><td rowspan="2">KrisEnergy (Asia) Ltd</td><td>KECH</td><td>34,471,257</td></tr>
<tr><td>KEAH</td><td>171,636,477</td></tr>
<tr><td>KECH</td><td>KEC</td><td>34,205,247</td></tr>
<tr><td>KrisEnergy Pte. Ltd.</td><td>KEAC</td><td>1,100,293</td></tr>
<tr><td>KEAL</td><td>KrisEnergy (Asia) Ltd</td><td>144,568,764</td></tr>
</table></td></tr>
<tr><td>Statutory mortgage of m.v. "Ingenium II" (IMO number: 8763593) (the “Barge”) dated 10 September 2020</td><td>SJ Production Barge Ltd</td><td colspan="3">m.v. "Ingenium II" (IMO number: 8763593)
Statutory Mortgage is subject to the first ranking statutory mortgage in favour of Keppel Shipyard Limited.</td></tr>
<tr><td>The following security agreements over the lease in respect of the Barge and in respect of any rights of KrisEnergy Ltd or any other member of the KEL Group (as defined in the Loan Agreement to receive Barge revenues in favour of the Security Agent:
Charter Assignment dated 10 September 2020
Topco Assignment dated 10 September 2020</td><td>Charter Assignment: SJ Production Barge Ltd

Topco Assignment: SJ Production Barge Ltd/ KrisEnergy Ltd./KrisEnergy Marine Pte. Ltd.</td><td colspan="3">Leases in respect of the Barge and Barge revenues and relevant receivables</td></tr>
</table>

APPENDIX I – List of Liabilities

The Company reserves its rights to amend the list of creditors and the amounts in this list depending on the Proofs of Debt which are received and admitted.

No.	Creditor	Estimated amount owing as at 30 September 2020
1.	2022 Noteholders	S$147,401,280*
2.	2023 Noteholders	S$229,769,600*
3.	Adept Enterprise Solutions Pte Ltd	US$39,950
4.	BS Optima Asia Sdn Bhd	US$2,860
5.	DBS Bank Ltd	S$30,250
6.	DBS Trustee Ltd	S$178,267
7.	Intrado DM Singapore Pte Ltd	S$917.00
8.	Intralinks Inc	US$44,035
9.	KPMG Services Pte Ltd	S$22,903
10.	Milbank, Tweed, Hadley & McCloy LLP	US$177,285
11.	Rubicon Vantage International Pte. Ltd.	US$2,950,747
12.	Standard Chartered Bank	US$14,250,669*
13.	The Bank of New York Mellon, Singapore Branch	US$612,625*
14.	The Hong Kong and Shanghai Banking Corporation Limited	US$24,496,766*
15.	Walkers (Singapore) Limited Liability Partnership	US$12,398

** Figures marked with an asterisk includes the estimated relevant penalties and default interest.*

APPENDIX J – List of Excluded Creditors

No.	Creditor	Reason for not being schemed
1.	Adept Enterprise Solutions Pte Ltd	Critical for the Company's and the KEL Group's finance system support
2.	AJCapital Advisory Pte Limited	The Company's proposed Chairman for the Court Meeting and Scheme Manager for the Scheme. Critical to ensure that the Scheme and Restructuring Exercise is carried out smoothly
3.	Allen & Overy LLP Singapore	Keppel Corp's advisors for the Restructuring Exercise which need to be kept current to ensure that the Restructuring Exercise continues smoothly
4.	Allen & Overy Hong Kong	Keppel Corp's advisors for the Restructuring Exercise which need to be kept current to ensure that the Restructuring Exercise continues smoothly
5.	BS Optima Asia Sdn Bhd	Critical for the Company's and the KEL Group's finance system support
6.	DBS Bank Ltd	Registrar, issuing and paying agent and transfer agent for the Zero Coupon Notes which need to be kept current to ensure that the Consent Solicitation Exercise continues smoothly
7.	DBS Trustee Ltd	Trustee for the Zero Coupon Notes which need to be kept current to ensure that the Consent Solicitation Exercise continues smoothly
8.	Deloitte & Touche LLP	Critical for the KEL Group's audit function
9.	Drew & Napier LLC	The Company's Singapore legal advisor for the Restructuring Exercise which need to be kept current to ensure that the Restructuring Exercise continues smoothly
10.	Houlihan Lokey (Singapore) Private Limited	The Company's financial advisor / restructuring consultant for the Restructuring Exercise which need to be kept current to ensure that the Restructuring Exercise continues smoothly
11.	Herbert Smith Freehills LLP	DBS' advisors for the Restructuring Exercise which need to be kept current to ensure that the Restructuring Exercise continues smoothly
12.	Intertrust Hong Kong Limited	Crucial for the provision of ongoing corporate secretarial service for Cayman-incorporated entities of the KEL Group including the Company
13.	Intertrust Singapore Corporate Services Pte Ltd	Crucial for the provision of ongoing corporate secretarial service for Singapore-incorporated entities of the KEL Group as well as the provider of corporate secretarial services to the Company for any requirements under the listing manual rules
14.	Intertrust Corporate Services (BVI) Limited	Crucial for the provision of ongoing corporate secretarial service for BVI-incorporated entities of the KEL Group
15.	Intrado DM Singapore Pte Ltd	Phone conferencing services for the Company which is crucial for the Company's operations
16.	KPMG Services Pte Ltd	Critical for the provision of tax advice to the Company and the KEL Group
17.	Kepinvest	Drawdowns on the New CBA Facility is crucial for the development of CBA Mini Phase 1A and including them as Scheme Creditor will trigger an event of default under the New CBA Facility
18.	Keppel Shipyard Ltd	The Company has guaranteed amounts to be paid for the refurbishment of the barge through a deferred payment

No.	Creditor	Reason for not being schemed
		arrangement. It is critical to keep Keppel Shipyard Ltd current on this deferred payment arrangement as the barge is being used in the development of CBA Mini Phase 1A
19.	Loyens and Loeff N V	Critical for the provision of tax advice in the Netherlands to the Company and the KEL Group
20.	Madison Pacific Trust Limited	Ongoing security agent services for the Company in relation to the Revolving Credit Facility, the Zero Coupon Notes and the New CBA Facility and needs to be kept current to ensure that the Restructuring Exercise continues smoothly
21.	Marsh (Singapore) Pte Ltd	Critical for the maintenance of insurance coverage of the directors and officers of the Company and the KEL Group
22.	Marsh Ltd	Critical for the maintenance of insurance coverage of the Company and the KEL Group
23.	Miss Group Limited	Critical to host the Company's website
24.	M&C Services Private Limited	Important to be kept current as they provide ongoing services as share transfer agent and warrant agent for the Company
25.	Paul Hannon / Flip Communications	Critical to provide technical support for the Company's website
26.	Pervasent Software Inc	Ongoing services to host board papers for the Company
27.	Singapore Exchange Securities Trading Limited	Essential regulatory body and critical for the Company's continued listing on the SGX-ST
28.	The Central Depository (Pte) Limited	Essential regulatory body and critical for the Company's continued listing on the SGX-ST
29.	Securities Investors Association (Singapore)	Critical for outreach to the Company's stakeholders
30.	Video Technologies Pte Ltd	Essential for virtual investor communication for the Company
31.	Walkers (Singapore) Limited Liability Partnerships	The Company's BVI legal advisor for the Restructuring Exercise and ongoing winding up proceedings. Important to be kept current to ensure the Restructuring Exercise continues smoothly and the Company is not wound up.
32.	Watson Farley & Williams	The Company's legal advisor for an ongoing litigation and arbitration. Important to be kept current to ensure the Restructuring Exercise continues smoothly.
33.	WongPartnership LLP	Keppel Corp's advisors for the Restructuring Exercise. Important to be kept current to ensure the Restructuring Exercise continues smoothly.
34.	The Company's employees	Crucial for the continued operations of the Company
35.	The Company's directors	Crucial for the continued operations of the Company

APPENDIX K – Third Party Releases

The table below summarises the creditors which will be required to fully release their claims against members of the KEL Restructuring Group (regardless of the Adjudicated Claim Amount) which are third parties (i.e. entities which are not the Company) as part of the releases in the Scheme. In each of these cases, the Company has guaranteed the amounts that could potentially be owing. None of the Claims set out below have Crystallised.

KEL Restructuring Group Creditor	KEL Restructuring Group	Basis of the KEL Restructuring Creditor Claim (if it arises)
Nora Limited	KrisEnergy Marine B.V.	Contract between KrisEnergy Marine B.V. and Nora Limited dated 19 May 2015 in relation to the bareboat charter of a mobile production package (comprising the mobile offshore production unit, catenary anchor leg mooring buoy and Manuli hoses) by KrisEnergy Marine B.V. for use in Block G10/48. The Company guaranteed the amounts payable under this contract by way of a guarantee dated 22 May 2015.
Rubicon Vantage International Pte. Ltd.	KrisEnergy (Gulf of Thailand) Ltd	Contract between KrisEnergy (Gulf of Thailand) Ltd and Rubicon Vantage International Pte. Ltd. dated 13 October 2014 in relation to the bareboat charter of a floating storage and offloading facility by KrisEnergy (Gulf of Thailand) Ltd for use in Block G10/48. The Company guaranteed the amounts payable under this contract by way of a guarantee dated 13 October 2014.
Maritime International Services Pte. Ltd.	KrisEnergy (Gulf of Thailand) Ltd	Contract between KrisEnergy (Gulf of Thailand) Ltd and Maritime International Services Pte. Ltd. dated 13 October 2014 in relation to the operation and maintenance of a floating storage and offloading facility for use in Block G10/48. The Company guaranteed the amounts payable under this contract by way of a guarantee dated 13 October 2014.
Premier Oil Overseas B.V.	KrisEnergy Asia Holdings B.V.	Contract between KrisEnergy Asia Holdings B.V. and Premier Oil Overseas B.V. dated 30 June 2014 in relation to the acquisition of KrisEnergy (Block A Aceh) B.V. (the "**Sale and Purchase Agreement**") and a corresponding agreement for drilling inventory (the "**Drilling Inventory Agreement**"), under which, KrisEnergy Asia Holdings B.V. is obliged to reimburse Premier Oil Overseas B.V. for the agreed value of any drilling inventory used by KrisEnergy (Block A Aceh) B.V. for Block A Aceh.
Premier Oil plc	KrisEnergy (Block A Aceh) B.V.	The Sale and Purchase Agreement in relation to the acquisition of KrisEnergy (Block A Aceh) B.V. and the corresponding obligation to indemnify Premier Oil Overseas B.V. and Premier Oil plc against any liability arising from the original guarantee given by Premier Oil plc in favour of ExxonMobil Block A

KEL Restructuring Group Creditor	KEL Restructuring Group	Basis of the KEL Restructuring Creditor Claim (if it arises)
		Investments Limited in connection with KrisEnergy (Block A Aceh) B.V.'s obligation to make payment of a portion of any production revenue payment which becomes due. The Company guaranteed the amounts payable pursuant to the Sale and Purchase Agreement by way of a guarantee dated 7 January 2015.

The balance sheet summaries for each of KrisEnergy Marine B.V., KrisEnergy (Gulf of Thailand) Ltd, KrisEnergy Asia Holdings B.V., KrisEnergy (Block A Aceh) B.V. are set out below and the following abbreviations will be used in these balance sheets:

Company Name	Abbreviation
KrisEnergy Pte Ltd	KEPL
KrisEnergy (Andaman II) Ltd	KEAIIL
KrisEnergy Asia Cooperative UA	KEAC
KrisEnergy Asia Holdings B.V.	KEAH
KrisEnergy Glagah Kambuna B.V.	KEGKBV
KrisEnergy Marine B.V.	KEMBV
KrisEnergy International (Thai) Holdings Ltd	KEITH
KrisEnergy (Gulf of Thailand) Ltd	KEGOT
KrisEnergy (Satria) Ltd	KESL
KrisEnergy Kutei B.V.	KEKEBV
KrisEnergy (Bala-Balakang) B.V.	KEBBBV
KrisEnergy (Udan Emas) B.V.	KEUEBV
KrisEnergy (Sakti) B.V.	KESBV
KrisEnergy (Bangladesh) Ltd	KEBL
KrisEnergy (Block A Aceh) B.V.	KEBAABV

KrisEnergy (Gulf of Thailand) Ltd: Unaudited Balance Sheet as of 30 June 2020

	Unaudited Amount (US$ thousands)
ASSETS	
Exploration and evaluation assets	19,297
Oil and gas properties	58,225
Property, plant and equipment	3
Inventories	2,786
Trade and other receivables	16,754
Prepayment	664
Cash and cash equivalents	42,456
Total Assets	**140,186**
EQUITY AND LIABILITIES	
Total equity	783
Deferred tax liabilities	26,205
Provision	19,561
Amount due to KEL Group's subsidiaries	79,788
o/w to KEITH	50,601
o/w to KEPL	16,254
o/w to KEMBV	12,933
Trade and other payables	9,024
Accrued operating expenses	3,808
Withholding tax payable	1
Tax payable	1,016
Total Equity and Liabilities	**140,186**

If Rubicon Vantage International or Maritime International were to make a claim against KrisEnergy (Gulf of Thailand) Ltd ("**KEGOT**") when the Company is liquidated, it is not expected to have any recovery against KEGOT given that DBS has security over substantially all of KEGOT's assets and the net liquidation value of the KEL Group is likely insufficient to cover the amount outstanding under the Revolving Credit Facility (i.e. no liquidation proceeds for KEGOT's unsecured creditors). Crowe's liquidation analysis was on the assumption, and likely situation, that KEGOT will also be liquidated in the event of the Company's liquidation and/or DBS' enforcement of its security over the assets of KEGOT given that a liquidation of the Company will trigger an event of default under the Revolving Credit Facility.

KrisEnergy Marine BV: Unaudited Balance Sheet as of 30 June 2020

	Unaudited Amount (US$ thousands)
ASSETS	
Amount due from KEL Group's subsidiaries	49,161
o/w from KEAH	36,229
o/w from KEGOT	12,933
Trade and other receivables	1
Prepayment	4
Cash and cash equivalents	49
Total Assets	**49,215**
EQUITY AND LIABILITIES	
Total equity	12,652
Trade and other payables	36,502
Accrued operating expenses	61
Total Equity and Liabilities	**49,215**

KrisEnergy Marine BV's primary assets are the amounts due from KEAH and KEGOT. In the event the Company is liquidated, KEAH and KEGOT will likely also be liquidated as the liquidation of the Company would disrupt the operations of the KEL Group's operating assets. There is no expected recovery in a liquidation scenario against KEAH and KEGOT given that (a) DBS has security over substantially all of KEAH's and KEGOT's assets and the net liquidation value of the KEL Group is likely insufficient to cover the amount outstanding under the Revolving Credit Facility (i.e. no liquidation proceeds for unsecured creditors); and (b) KrisEnergy Marine BV's other assets, comprising trade and other receivables, prepayment and cash and cash equivalents amounted to US$54 thousand in 30 June 2020, which is significantly insufficient to provide other than *de minimis* recoveries (if any) for the US$36,563 thousand of liabilities (primarily trade and other payables) at this entity.

KrisEnergy (Block A Aceh) BV: Unaudited Balance Sheet as of 30 June 2020

	Unaudited Amount (US$ thousands)
ASSETS	
Exploration and evaluation assets	46,578
Prepayment	2
Total Assets	**46,580**
EQUITY AND LIABILITIES	
Total equity	43,988
Amount due to KEL Group's subsidiaries	2,592
o/w to KEAH	2,592
Total Equity and Liabilities	**46,580**

KrisEnergy (Block A Aceh) BV is effectively a shell entity and its only significant asset as of 30 June 2020 was the exploration and evaluation asset of Block A Aceh which has been fully impaired. Premier Oil Plc is thus unlikely to recover anything from KrisEnergy (Block A Aceh) BV in the event of the Company's liquidation.

KrisEnergy Asia Holdings BV: Unaudited Balance Sheet as of 30 June 2020

	Unaudited Amount (US$ thousands)
ASSETS	
Amount due from KEL Group's subsidiaries	52,913
o/w from KEAC	*43,080*
o/w from KEBAABV	*2,592*
o/w from KESL	*1,345*
o/w from KEKEBV	*1,433*
o/w from KEBBBV	*1,138*
o/w from others (< US$1,000 thousand)	*3,326*
Investments in subsidiaries	435,304
o/w in KEBAABV	*76,281*
o/w in KESL	*64,142*
o/w in KEGKBV	*50,182*
o/w in KEKEBV	*49,416*
o/w in KEBL	*49,058*
o/w in KEUEBV	*34,576*
o/w in KEMBV	*33,500*
o/w in KESBV	*24,730*
o/w in others (< US$15,000 thousand)	*53,420*
Trade and other receivables	4
Prepayment	6
Cash and cash equivalents	818
Total Assets	**489,045**
EQUITY AND LIABILITIES	
Total equity	423,940
Amount due to KEL Group's subsidiaries	64,148
o/w to KEAIIL	*10,200*
o/w to KEMBV	*36,229*
o/w to KEBL	*17,719*
Trade and other payables	957
Total Equity and Liabilities	**489,045**

If Premier Oil Overseas B.V. were to make a claim against KEAH when the Company is liquidated, it is not expected to have any recovery against KEAH given that DBS has security over substantially all of KEAH's assets and the net liquidation value of the KEL Group is likely insufficient to cover the amount outstanding under the Revolving Credit Facility (i.e. no liquidation proceeds for KEAH's unsecured creditors). Crowe's liquidation analysis was on the assumption, and likely situation, that KEAH will also be liquidated in the event of the Company's liquidation and/or DBS' enforcement of its security over the assets of KEAH given that a liquidation of the Company will trigger an event of default under the Revolving Credit Facility. Any amounts which can be recovered from the trade and other receivables have been secured in favour of DBS under the Revolving Credit Facility.

APPENDIX L – Liquidation Analysis

1. This is a summary of Crowe's Liquidation Analysis.

2. Crowe valued the following assets as part of its Liquidation Analysis:

Assets
Oil and gas assets (1)
Other non-current assets (2)
Inventories
Trade and other receivables (3)
Prepayments (4)
Cash and bank balances (5)

Notes:

1. Primarily composed of B8/32, Block 9 PSC, CBA, G6/48 and Bulu.
2. Primarily composed of (a) the *Ingenium II* production barge, (b) goodwill associated with Bulu PSC and (c) value added tax receivables.
3. Primarily composed of (a) payment on behalf of joint operation's partners, (b) joint operation receivables, (c) current value added tax receivables and (d) trade receivables.
4. Primarily composed of royalty prepayment associated with CBA.
5. Composed of (a) cash amounts held under joint operations, (b) unrestricted cash and (c) restricted cash.

3. The principle assumptions, limitations and basis of Crowe's Liquidation Analysis is as follows:

(a) The liquidation valuation of the KEL Group was carried out as of 31 March 2020.

(b) The liquidation valuation assumes that operating activities would be suspended upon commencement of a liquidation process of the Company which would disrupt the operations of the KEL Group's operating assets due to, among other things, cross default beings triggered and the various operating entities of the KEL Group may then have to also wind down operations.

(c) The valuation was prepared on a "bottom-up" basis as if the O&G Assets' recovery or liquidation of each subsidiary occurs at each applicable stand-alone entity. The O&G Assets and/or subsidiaries shall be realized on an "as is" basis, which denotes that the seller is selling and the buyer is buying an item in whatever condition it presently exists, and that buyer is accepting the item "with all faults", whether or not immediately apparent.

(d) The O&G Assets would be sold as separate business units together with the associated liabilities in an orderly liquidation proceeding.

(e) The timing and quantum of returns under a liquidation scenario are uncertain and subject to change. The legal regulatory framework and any risk exposures as regards the transfer of legal titles or working interests pertaining to the O&G Assets have also not been considered. For purposes of the valuation, concession rights and relevant oil and gas production licences are assumed to be transferred in due course within 1-2 years and production licences nearing expiration would be granted for extension by the local authorities. These assumptions and outcomes may materially differ in reality due to potential partner and government actions.

(f) Where a bid for an O&G Asset was received from a prospective buyer as part of the Company's Assets Divestment marketing process that has been ongoing since April 2019, the bid price was used and taken as the starting point for adjustment(s) to the KEL Group's book values. A 35% discount to these non-binding bids was then applied to take into account the changes in commodity prices between the receipt of the bid in 2019 and 31 March 2020. Based on precedent corporate liquidations in the upstream oil and gas sector, a recovery rate of 33% to 44% was then applied to these adjusted bid values to arrive at the estimated liquidation value for these O&G Assets.

(g) Similarly, for the remaining asset classes, including inventories, trade and other receivables, prepayments, cash and bank balances, observed average recovery rates for these asset classes from precedent corporation liquidations in the upstream oil and gas sector were utilized to determine the estimated realization values of these assets.

(h) The table below summarizes the average estimated recovery rates for asset classes from precedent corporate liquidation analyses in the upstream oil and gas sector used for benchmarking:

Asset Classes	**Low**	**High**
Oil and Gas Assets	33%	44%
Cash	100%	100%
Trade Receivables	86%	95%
Inventories	18%	28%
Crude Oil Inventories	100%	100%
Prepaid Expenses	2%	4%
Property, Plant and Equipment	10%	20%
Joint Interest Billing Receivables	75%	85%

4. The Company's principal activity is that of an investment holding company and it does not directly hold the KEL Group's O&G Assets. The Company's main assets comprise of receivables and investment in subsidiaries (see paragraph 4.2.4 above) and it is dependent on the cash flows from subsidiaries to service its debt obligations.

5. The liquidation valuation has thus been prepared on a KEL Group basis incorporating the recovery profile of all of the KEL Group's O&G assets, which are held via indirect subsidiaries of the Company. Substantially all of these assets are encumbered and form of part of the security package for the Revolving Credit Facility and New CBA Facility (see Appendix H for a full list of security) and there are currently no unencumbered valuable assets in the KEL Group. As further detailed below, there is nil available value for the Company's creditors in a liquidation after taking into account the secured claims of the Revolving Credit Facility, given substantially all of the KEL Group's assets have been provided as security for the Revolving Credit Facility, including the Company's shares in KrisEnergy Holding Company Ltd and KrisEnergy Marine Pte Ltd. The Revolving Credit Facility will therefore have priority over most of the KEL Group's other creditors in a liquidation scenario.

Liquidation Analysis

In US$ thousands	*Note*	**Book Value 31 March 2020**	**Liquidation Recovery**			
			Low		**High**	
KEL Group Assets			**US$'000**	**%**	**US$'000**	**%**
Exploration and Evaluation Assets	*1, 3*	277,514	46,181	12.0	56,828	14.7
Oil and Gas Assets	*2*	108,814				
Right-Of-Use Assets	*4*	14,900	-	-	-	-
Other Property, Plant and Equipment	*5*	33,690	-	-	-	-
Intangible Assets	*6*	8,445	-	-	-	-
Other Receivables	*7*	4,038	-	-	-	-
Inventories	*8*	21,836	16,899	77.4	17,498	80.1
Trade and Other Receivables	*9*	47,524	27,710	58.3	31,191	65.6
Prepayments	*10*	7,905	158	2.0	316	4.0
Cash and Bank Balances	*11*	47,808	1,594	3.3	1,594	3.3
KEL Group Total Assets		**572,474**	**92,542**	**16.2**	**107,426**	**18.8**
The Company's Assets						
Investment in Subsidiaries		10,131	92,520	73.9	107,402	85.8
Other Receivables		115,056				
Prepayments		131	3	2.0	5	4.0
Cash and Bank Balances		19	19	100.0	19	100.0
Gross Realisable Value		**125,337**	**92,542**	**73.8**	**107,426**	**85.7**
Less: G&A and Liquidation Expenses	*12*		(18,391)	-	(18,835)	-
Less: Outflows at KEL Group Subsidiary Level	*13*		(6,314)	-	(6,314)	-
Net Liquidation Value			**67,837**	**11.8**	**82,277**	**14.4**

In US$ thousands		**Claims***	**Creditor Recoveries**			
			Low		**High**	
Creditors^			**US$'000**	**%**	**US$'000**	**%**
DBS (under the Revolving Credit Facility)	*14, 15*	200,000	67,837	33.9	82,277	41.1
Remaining Value for Scheme Creditors			-	-	-	-
ZCN Holders	*16*	102,141	-	-	-	-
Creditors which could be compromised under the Scheme	*17*	373,328	-	-	-	-
Total		**675,468**	**67,837**	**10.0**	**82,277**	**12.2**

** US$ to S$ exchange rate of US$1: S$1.3654 as of 30 September 2020. Scheme Creditors' claims include any unpaid or default interest from 21 August 2019 to 30 September 2020.*

^ Does not include the New CBA Facility. Refer to Note 15 for additional commentary

Notes

1. Exploration and Evaluation Assets are CBA, G6/48, Bulu, Andaman II as well as other earlier stage exploration licenses in Indonesia (Sakti PSC, Udan Emas PSC and Bala-Balakang) and Bangladesh (SS/11).

2. Oil and Gas Assets comprises of the producing assets, namely Block 9 PSC, B8/32 and G10/48.

3. Andaman II was sold in April 2020 and 100% recoverability of the sale proceeds was assumed given certainty on the disposal proceeds.

4. Right-of-Use Assets consists mainly of the *MOPU Ingenium* mobile offshore production unit, FSO and office rental and the book value is less than the corresponding lease liability. Accordingly, no recovery was assumed.

5. Mainly consists of the *Ingenium II* production barge. No recovery was assumed as it is currently encumbered by a first mortgage on the refurbishment work and the liquidation value of *Ingenium II* production barge is not expected to exceed the claim outstanding under the associated mortgage in a liquidation scenario.

6. Represents goodwill on past acquisitions of subsidiaries by the Company. There is unlikely to be any value in the event the Company is liquidated and accordingly, no recovery was assumed.

7. Primarily consists of Indonesia tax recoverable. No recovery was assumed to the extent of settling off value added tax payable.

8. Consists of drilling supplies and materials and crude oil inventory. Based on precedent corporate liquidations, a recovery rate of 18-28% is estimated for drilling supplies and materials, while crude oil inventory is expected to be recovered at 100%.

9. Trade and Other Receivables primarily consist of (i) trade receivables, (ii) refundable deposits, (iii) receivables from joint ventures or joint venture partners, (iv) VAT receivables and (iv) other receivables.

    (a) Based on precedent corporate liquidations, a recovery rate of 86-95% is estimated for trade receivables.

    (b) Refundable deposits are expected to be recovered at 100%.

    (c) Based on precedent corporate liquidations, a recovery rate of 75-85% is estimated for receivables from joint ventures or joint venture partners.

    (d) Similar to Note 7, no realisation is expected for VAT receivables, other than to the extent of setting off VAT payable and deferred tax liability.

    (e) Other receivables are not expected to be recovered.

10. Prepayments consist mainly of the following items: insurance, licenses, rental, reserve area fee, tax, joint interest billing, inventory, goods and services. Based on precedent corporate liquidations, a recovery rate of 2-4% is estimated for prepayments.

11. Consists of (a) liquid cash, (b) restricted cash from a producing asset and (c) other restricted cash. Liquid cash is expected to be recovered at 100%. No expected recovery on (b) restricted cash from a producing asset and (c) other restricted cash as these cash balances were included in the non-binding bids and would be for the accounts of the buyers that are driving recoveries for O&G Assets.

12. Liquidation expenses estimated at 3% of total liquidation proceeds. General and administration expenses reflect 75% reduction in staff and associated costs and ongoing incurrence of other office related expenses over the liquidation period of 3 years.

13. Outflows at the KEL Group subsidiary level represents the additional obligation which needs to be fulfilled by KrisEnergy Ltd due to the shortfall in asset value at subsidiary company level after waiver of intercompany loans.

14. Substantially all of the KEL Group's assets have been provided as security for the Revolving Credit Facility, including the Company's shares in KrisEnergy Holding Company Ltd which have been charged in favour of DBS.

15. On 30 April 2020, the KEL Group entered into the New CBA Facility of up to US$87 million which is primarily intended to be utilised for the funding of the development of CBA. As the New CBA Facility was completed post 31 March 2020 (i.e., the Valuation Date), this facility has been excluded from the computation of estimated recovery for creditors. The inclusion of the New CBA Facility in the Liquidation Analysis is not expected to affect recoveries for the Scheme Creditors as of the Valuation Date as the additional value from CBA funded by the New CBA Facility would be fully allocated to the creditor of the New CBA Facility in a liquidation scenario.

16. In respect of the Zero Coupon Notes, the Company has granted a second-ranking security over its shares in KrisEnergy Holding Company Ltd and KrisEnergy Management Ltd and a first-ranking

security over its shares in SJPB in favour of the ZCN Holders. However, Keppel Shipyard Limited has a first-ranking mortgage on the *Ingenium II* production barge. Kepinvest has a second-ranking security over the sole asset owned by SJPB. Accordingly, if Keppel Shipyard Limited and Kepinvest enforces their security, the shares in SJPB will be of no value and the illustrative liquidation analysis does not detail any residual value to the ZCN Holders (in a liquidation context and after considering the mortgages over the *Ingenium II* production barge.

17. This reflects the claims known to the Company, taking into account any unpaid or default interest from 21 August 2019 to 30 September 2020. The list of creditors included as part of the calculation of these claims is annexed here as Appendix O and includes claims which have not Crystallised and/or are still in dispute. The Company reserves its rights to amend the list of creditors and the amounts owing at Appendix O depending on the Proofs of Debt which are received and admitted.

APPENDIX M – Going Concern Analysis

A. Going Concern Analysis

1. This is a summary of Crowe's Going Concern Analysis.

2. This Going Concern Analysis has been undertaken on a Fair Value basis i.e. the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, premised on the assumption that the proposed restructuring is approved by the creditors and shareholders of the Company and that KEL Group and the Company continues to operate as a going concern.

3. The Company's principal activity is that of an investment holding company and it does not directly hold the KEL Group's assets. The Company's main assets comprise of receivables and investment in subsidiaries (see paragraph 4.2.4 above) and it is therefore dependent on the cash flows from subsidiaries to service its debt obligations. The going concern valuation was thus prepared on a KEL Group basis incorporating the valuation of all of the KEL Group's assets, which are held via indirect subsidiaries of the Company and reflects the enterprise value of the KEL Group.

4. In preparing the Going Concern Analysis, Crowe reviewed the information provided to it by the Company, which primarily includes:

   (a) the annual reports for the financial year ended 31 December 2017 and the financial year 31 December 2018;

   (b) the unaudited management accounts for the quarter ending 31 March 2020;

   (c) KEL Group's structure as of 31 March 2020;

   (d) the concession licences and agreements for the O&G Assets;

   (e) the NSAI 2019 Reserve Report titled "ESTIMATES of RESERVES AND FUTURE REVENUE AND CONTINGENT RESOURCES to the KRISENERGY (ASIA) LTD INTEREST in CERTAIN OIL AND GAS PROPERTIES located OFFSHORE THAILAND, OFFSHORE INDONESIA, OFFSHORE CAMBODIA, AND ONSHORE BANGLADESH as of DECEMBER 31, 2019";

   (f) the "Best Technical Estimate Report (Mid Case)" based on KEL's internal qualified persons to assess the mineral reserves for Block 9 PSC, G6/48 and CBA;

   (g) the financial models for each of KEL Group's producing and near producing assets (this being B8/32, G10/48, Block 9 PSC, CBA, the Lengo gas field and G6/48); and

   (h) the proposed restructuring term sheet, among other documents.

5. Crowe also conducted several due diligence calls with the Management and requested the Company to provide support for the forecasts, financial transactions and / or balances recorded and sought clarifications to arrive at their opinion of value. In addition, Crowe made reference and relied upon other sources of information, including SGX announcements and circulars by KEL Group, currency exchange rates as reported by Bloomberg, Bloomberg analyst consensus on Brent price forecast, Platts pricing from KEL Group, Capital IQ and other publicly available information.

6. Crowe used the following valuation approaches and key assumptions when preparing the Going Concern Analysis:

   (a) Crowe adopted a sum-of-the-parts methodology by aggregating the following:

      (i) the fair values of KEL Group's producing and near production assets (this being B8/32, G10/48, Block 9 PSC, CBA, the Lengo gas field and G6/48),

using the income approach based on a discounted cash flows analysis ("**DCF**");

(A) The income approach is based on the assumption that value emanates from expectations of future cash flows. The income approach stipulates, in the absence of observable market transactions, how market participants would formulate their decision to buy or sell securities. In addition, the income approach is based on entity-specific assumptions. The income approach differs from the (i) market approach which uses direct comparisons to other enterprises and their securities to estimate value; and (ii) cost approach which is based on the economic principle of substitution and may utilize book value, net realisable values and replacement values to estimate value.

(B) DCF is a valuation methodology under the income approach that estimates the value of a company based on its future cash flows, which are discounted back to a present value at an appropriate discount rate.

(ii) disposal proceeds of KEL Group's 30% working interest in the Andaman II production sharing contract, and

(iii) costs incurred and liabilities of all exploration and evaluation assets (this being Bala-Balakang, Block 115/09, East Seruway, Sakti PSC, Udan Emas PSC and SS/11).

(b) KEL Group's producing and near production assets were valued based on the income approach. Given the unique nature of KEL Group's producing and near production assets, the market approach and cost approach are not relied upon. In carrying out the valuation work, Crowe performed the following diligence:

(i) assessed the reasonableness of the Management's plan for these assets;

(ii) reviewed the estimated recoverable resource and production forecasts from NSAI and the KEL Group;

(iii) assessed the appropriateness of Management's key assumptions, including capital expenditures and operating expenditures used in the DCF model via discussions with relevant Management team; and

(iv) reviewed relevant supporting documents.

(c) Where deemed appropriate, Crowe has made certain adjustments to the operational assumptions provided by the Management. In deriving the DCF valuation for KEL Group's producing and near producing assets, Crowe used the following economic assumptions:

(i) Brent prices – based on analysts' median consensus forecast (2020-2024) as of 31 March 2020, ranging from US$43/bbl in 2020 to US$61/bbl in 2024, sourced from Bloomberg. Prices after 2024 were inflated at 1.82% which is the projected US$ inflation rate, computed as the median of the last 5 years (2015-2019) historical inflation rates;

(ii) Discount rates – Crowe has derived a range of discount rates, from 6.6% to 11.9%, in determining the DCF values for KEL Group's producing and near producing assets. These discount rates represent the weighted average cost of capital ("**WACC**") for the various producing and near producing assets of the KEL Group and reflect their marginal cost of equity and cost of debt under a normalized capital structure. The range of discount rates

reflects the varying risks of each asset, country of operations and taxation rate of the host countries.

7. Based on the valuation approaches and key assumptions listed in paragraph 6 above, Crowe arrived at the following enterprise value of the KEL Group

In US$ thousands	**Amount**
Producing and Near Production Assets	298,161
Exploration and Evaluation Assets	(6,048)
Andaman II	15,000
Total	**307,113**

8. A sensitivity on WACC was performed to arrive at the range of Fair Values for KEL Group's producing and near producing assets to account for the following:

(a) uncertainty of first production;

(b) absence of investment approval as the Valuation Date; and

(c) cash flow uncertainty,

and the range of enterprise value for KEL Group is shown in the following table:

In US$ thousands	**Low**	**Mid**	**High**
Enterprise Value	296,360	307,110	318,920

9. Based on the sum-of-the-parts methodology adopted to assess the Fair Value, Crowe is of the opinion that the enterprise value of the KEL Group ranges from US$296.4 million to US$318.9 million as at the Valuation Date.

B. Creditors' recovery based on seniority ranking

10. The enterprise value of the KEL Group (net of certain payments to creditors at the subsidiary levels) would be allocated to the Revolving Credit Facility and KEL's creditors according to their seniority in the waterfall. The recovery for the Revolving Credit Facility and KEL's creditors based on this range of the enterprise value is as follows:

In US$ thousands	**Low**	**High**
Enterprise Value	296,360	318,920
Less: Secured Revolving Credit Facility	(200,000)	(200,000)
Less: Reinstated Zero Coupon Notes	(56,177)	(56,177)
Pro Forma Equity Value	**40,183**	**62,743**
To Zero Coupon Notes (43.8% of Enlarged Share Capital)	*17,600*	*27,481*
To Unsecured Scheme Creditors (46.2% of Enlarged Share Capital)	*18,564*	*28,987*
To Existing Shareholders (10.0% of Enlarged Share Capital)	*4,018*	*6,274*

Note: Pro-forma shareholding does not reflect dilution on account of the Warrants that remain outstanding. It does take into account the shares to be issued under the KrisEnergy Management Incentive Plan.

In US$ thousands	**Claims***	**Creditor Recoveries**			
		Low		**High**	
Creditors**		**US$'000**	**%**	**US$'000**	**%**
DBS (under the Revolving Credit Facility)	200,000	200,000	100.0	200,000	100.0
ZCN Holders^	102,141	73,777	72.2	83,659	81.9
Creditors which could be compromised under the Scheme***	373,328	18,564	5.0	28,987	7.8
Total	**675,468**	**292,342**	**43.3**	**312,646**	**46.3**

** US$ to S$ exchange rate of US$1: S$1.3654 as of 30 September 2020. Scheme creditors' claims include any unpaid or default interest from 21 August 2019 to 30 September 2020.*

^ Recoveries for Zero Coupon Notes include Reinstated Zero Coupon Notes (valued at their face value).

*** As the New CBA Facility was completed post 31 March 2020 (i.e., the Valuation Date), this facility has been excluded from the computation of estimated recovery for creditors. The inclusion of the New CBA Facility is not expected to significantly affect recoveries for the Scheme Creditors as of the Valuation Date as the additional value from CBA funded by the New CBA Facility would be primarily allocated to the creditor of the New CBA Facility.*

**** This reflects the claims known to the Company, taking into account any unpaid or default interest from 21 August 2019 to 30 September 2020. The list of creditors included as part of the calculation of these claims is annexed here as Appendix O and includes claims which have not Crystallised and/or are still in dispute. The Company reserves its rights to amend the list of creditors and the amounts owing at Appendix O depending on the Proofs of Debt which are received and admitted*.

APPENDIX N – Forecasts of projections and cash flows

1. As part of Crowe's exercise in preparing the Going Concern Analysis at Appendix M, the Management also provided them with the financial projections for the KEL Group. These projections have since been adjusted by Crowe to take into account (i) certain adjustments to the operational assumptions provided by the Management, (ii) oil price forecasts and (iii) discount rates.

2. The financial projections that formed the basis of the Going Concern Analysis presented in this document, reflecting a 31 March 2020 Valuation Date, have been summarized below. Notably, the Company does not have meaningful cash flows as its principal activity is that of an investment holding company, and the Company is therefore dependent on cash flows from subsidiaries to service its obligations. It would therefore not be meaningful to provide forecasts of the projections and cash flow of the Company itself. In so far as the Company is concerned, as an investing holding company, its cashflow will be entirely dependent on the dividend or intercompany loan policy that may be adopted by its Board, taking into account the financial position of the KEL Group and the operational needs of its subsidiaries.

3. The projections outlined below were prepared based on the forecasts of projections and cash flows to be obtained from the following O&G Assets which are held by the Company's indirect subsidiaries. The KEL Group's forecasts have been consolidated from Crowe's report for readability and does not explicitly reflect the output of Crowe's report; which instead analyzed asset-by-asset cash flows and operating performance as part of its valuation methodology.

Assets Forecasted to be Developed	Working Interest (%)	Source of Development Funding	First Production Date
B8/32	4.6345	Producing Asset	N/A
Block 9 PSC	30.0	Producing Asset	N/A
G10/48	89.0	Producing Asset currently suspended	N/A
CBA	95.0	New CBA Facility, vendor financing and KEL Group's cash flows	2020
Bulu PSC	42.5	Vendor financing and KEL Group's cash flows	2024
G6/48	100.0^	Vendor financing and KEL Group's cash flows	2024

^ *KEL Group holds 100.0% working interest in the Exclusive Operation of the Rossukon development plan*

4. The KEL Group's forecasts of projections and cash flow are as follows:

In US$ thousands	2020	2021	2022	2023	2024	2025	2026-35
Gross Revenue	39,725	124,632	146,923	410,471	504,124	602,916	1,252,438
EBIT	(27,286)	20,272	26,413	210,540	252,606	296,820	325,894
Free Cash Flow	(125,301)	8,234	(96,407)	34,676	(63,077)	435,462	498,292

APPENDIX O – Creditors which could be compromised under the Scheme

No.	Creditor	Estimated amount owing (subject to adjudication)^
1	2022 Noteholders	S$147,401,280
2	2023 Noteholders	S$229,769,600
3	HSBC	US$24,496,766
4	SCB	US$14,250,669
5	The Bank of New York Mellon, Singapore Branch	US$612,625
6	Milbank, Tweed, Hadley & McCloy LLP	US$177,286
7	Intralinks Inc	US$44,035
8	Rubicon Vantage International Pte. Ltd.	US$2,950,747
9	Jefferies International Limited*	US$1,750,000
10	Rubicon Vantage International Pte. Ltd.*	US$4,660,921
11	Maritime International Services Pte Ltd*	US$7,723,999
12	Premier Oil Overseas BV*	US$5,900,000
13	Premier Oil plc*	N/A
14	Nora Limited*	US$34,529,800
Total		**US$373,327,517 ^^**

** Disputed claims / claims which have not yet crystallised.*

^ Based on principal outstanding, including any unpaid or default interest from 21 August 2019 to 30 September 2020.

^^ US$ to S$ exchange rate of US$1: S$1.3654 as of 30 September 2020.