

KRISENERGY LTD

Company Registration No: 231666
(Incorporated in the Cayman Islands)

Unaudited Third Quarter & Nine Months ended 30 September 2015 Financial Statements Announcement



12 November 2015

The following announcement may contain forward-looking statements by KrisEnergy Ltd. (the “**Company**”) 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 the financial conditions, results of operations and businesses, and related plans and objectives. 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. Because 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. It should be noted that our actual performance may vary significantly from such statements. No undue reliance should be placed on these forward-looking statements and the Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

Financial and Operations Update

We are an independent upstream oil and gas company focused on the exploration, 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 19 contract areas in Asia, 13 of which we operate, balancing cash flow from oil and gas production with significant development potential and exploration upside. Today, we present our unaudited financial statements reflecting the financial and operating results for the third quarter ("3Q2015") and nine-month ("9M2015") periods ended 30 September 2015 (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		
	2015	2014	% Change	2015	2014	% Change
(US\$ thousands, except where otherwise indicated)						
Financial						
Sale of crude oil & liquids	8,162.7	13,264.6	(38.5)	21,596.0	41,769.7	(48.3)
Sale of gas	4,553.0	4,922.2	(7.5)	14,185.3	19,965.6	(29.0)
Revenue	12,715.7	18,186.8	(30.1)	35,781.3	61,735.3	(42.0)
EBITDAX⁽¹⁾	1,629.3	5,781.2	(71.8)	32,606.1	26,807.4	21.6
Capital expenditures	112,476.3	32,876.4	242.1	279,335.7	76,095.6	267.1
Cash and bank balances	52,026.7	113,098.3	(54.0)	52,026.7	113,098.3	(54.0)
Operations⁽²⁾						
Production volumes (boepd)	8,847	7,403	19.5	8,042	7,790	3.2
Average sales price						
• Oil and liquids (US\$/bbl)	48.48	105.47	(54.0)	53.36	107.80	(50.5)
• Gas – B8/32 and B9A (US\$/mcf)	4.10	5.43	(24.5)	4.69	5.91	(20.7)
• Gas – Block 9 (US\$/mcf)	2.32	2.32	-	2.32	2.32	-
Average lifting costs (US\$/boe)	9.01	7.27	23.9	7.32	6.59	11.0

Notes:

(1) Earnings before interest, taxation, depreciation, amortisation, geological and geophysical expenses and exploration expenses. EBITDAX is a non-IFRS measure

(2) Non-IFRS measures

Third Quarter 2015 Financial Update

During the third quarter, we brought on stream the first KrisEnergy-operated development project, the Wassana oil field in G10/48 in the Gulf of Thailand, which became the fifth producing asset in our portfolio. As a result of additional production from the Wassana and Nong Yao oil fields, oil production more than doubled from the same quarter a year ago and our overall daily volumes exceeded 10,000 barrels of oil equivalent (“**boepd**”) for the first time in September 2015. Revenue in 3Q2015 was supported by oil liftings at the Nong Yao field in G11/48.

- Working interest production in 3Q2015 averaged 8,847 boepd, up 19.5% from the third quarter of 2014 (“**3Q2014**”) average of 7,403 boepd, and 16.8% higher than the preceding quarter (2Q2015: 7,574 boepd). Production from the Benchamas field increased during the 3Q2015 compared to the preceding quarter, while production from the Nong Yao oil field, which came on stream in June 2015, continued to ramp-up and is on track to reach peak production of approximately 10,000 barrels of oil per day (“**bopd**”) in November 2015. Following first production on 14 August 2015, the Wassana oil field is stepping up production to reach plateau production by the end of 2015. Working interest production in 9M2015 averaged 8,042 boepd, up 3.2% compared with the same period in 2014 (9M2014: 7,790 boepd).
- Revenue for 3Q2015 decreased 30.1% to US\$12.7 million (3Q2014: US\$18.2 million) as the fall in global oil prices resulted in a 54.0% decline to US\$48.48 per barrel (“**bbl**”) (3Q2014: US\$105.47/bbl) in the average oil and liquids sales price realised by the Group. The average realised gas price from B8/32 & B9A in 3Q2015 was US\$4.10 per thousand cubic feet (“**mcf**”), 24.5% lower than a year ago (3Q2014: US\$5.43/mcf) primarily as a result of lower oil prices and the overall impact on the gas price formula, which is calculated on a trailing six-month average. The gas price achieved at the Bangora gas field in Bangladesh remained constant for both reporting periods at US\$2.32/mcf. Revenue for 9M2015 decreased 42.0% to US\$35.8 million (9M2014: US\$61.7 million).
- Cost control and maximising production efficiencies continue to be a strategic focus for the Group as evident in lower general and administrative expenses, which decreased 10.4% in 3Q2015 compared to the same period in 2014. Lifting costs increased 23.9% to US\$9.01 per barrel of oil equivalent (“**boe**”) (3Q2014: US\$7.27/boe) in line with the ramp up in production from Nong Yao and Wassana oil fields and resulting in a disproportionately higher operating costs *vis-à-vis* net revenue recognised.
- EBITDAX in 3Q2015 amounted to US\$1.6 million (3Q2014: US\$5.8 million) and net profit after tax (“**NPAT**”) was US\$9.4 million compared to a net loss of US\$10.0 million in the same period in 2014. The increase in NPAT was primarily attributed to a gain of US\$26.0 million arising from transfers of working interest from Eni Vietnam B.V. (“**Eni**”) with respect to Block 105-110/04 (“**Block 105**”) in Vietnam and working interest from Neon Energy (Indonesia) Pty Ltd (“**Neon Energy**”) with respect to the Tanjung Aru production sharing contract (“**PSC**”). In 9M2015, EBITDAX was US\$32.6 million (9M2014: US\$26.8 million) and NPAT grew to US\$65.4 million (9M2014: net loss of US\$33.8 million).

- Unused sources of liquidity as at 30 September 2015 amounted to US\$107.1 million and following the rights issue, which completed on 11 August 2015 (“**Rights Issue**”), the Group’s gearing decreased to 31.2% from 40.9% in the preceding quarter, and remains on the lower end of the Group’s target debt to debt-and-equity range.

Third Quarter 2015 Operational Update

The Group’s average working interest production exceeded 10,000 boepd for the first time in September 2015 following the start-up of operations at the Nong Yao oil field in June 2015 and the Wassana oil field in August 2015. First oil at Wassana was achieved 15 months after KrisEnergy took over as operator of the G10/48 concession and it is the Company’s first greenfield development project to be brought on stream.

Development

- Following first oil in mid-August 2015, development activities at the Wassana oil field in G10/48 remain on track. Production is expected to reach a gross peak production of approximately 10,000 bopd as additional development wells are drilled and completed by the *Key Gibraltar* jack-up rig. To date, nine producer wells and one water disposal well have been drilled. Drilling is underway of five horizontal development wells.
- At the Nong Yao field, 14 wells have been drilled and two additional wells are remaining to be drilled. Development drilling is anticipated to be completed by the end of November 2015 and the field is expected to reach gross peak production of 10,000 bopd.
- Offshore East Java, front-end engineering and design (“**FEED**”) for the Lengo gas development in the Bulu PSC is completed. The FEED contract was awarded in April 2015. Geophysical and geotechnical surveys, both onshore at the site of the receiving terminal and offshore at the production facilities location and along the gas export pipeline route, have been completed. Gas sales negotiations are progressing.
- In 3Q2015, 17 (3Q2014: 25) development wells were drilled in the B8/32 & B9A oil and gas complex in the Gulf of Thailand, bringing the total number of wells drilled for the year to 52. The 2015 drilling program is now completed. One platform was installed and brought into production in 2015.

Portfolio

- In August 2015, SKKMigas approved the transfer of Neon Energy’s 42.0% working interest in the Tanjung Aru PSC to KrisEnergy. The transfer was a non-cash transaction, which was recorded as a gain on transfer. Following the approval, KrisEnergy holds an 85.0% operated working interest in the Tanjung Aru PSC, where there are no outstanding firm commitments.
- In September 2015, Ministry of Industry and Trade of the Socialist Republic of Vietnam approved (i) the transfer of Eni’s 66.67% operated working interest in Block 105 to KrisEnergy and (ii) the concurrent transfer of a 49.0% non-operated working interest to Vietnam Oil and Gas Group. The resulting transfer to KrisEnergy was a

non-cash transaction and was recorded as a gain on transfer. Following the transfers, KrisEnergy currently holds a 51.0% operated working interest in the exploration block where there are no outstanding firm commitments.

For activities and developments since 30 September 2015, see paragraph 10 of these Results entitled *Recent Developments*.

Capital Expenditure

Please see paragraph 1(c) of these Results entitled *Net cash flow used in investing activities* for a further breakdown of capital expenditure during 3Q2015.

	For the three months ended 30 September		For the nine months ended 30 September	
	2015	2014	2015	2014
	(US\$ thousands)			
Capital expenditure:				
Exploration and appraisal expenditure ⁽¹⁾	37,091.4	29,688.6	88,257.7	66,223.5
Development expenditure ⁽²⁾	75,329.1	3,040.1	164,074.1	9,183.2
Others ⁽³⁾	55.8	147.7	27,003.9	688.9
Total capital expenditure	112,476.3	32,876.4	279,335.7	76,095.6

Notes:

- (1) Expenditure incurred in 3Q2015 for non-producing development and exploration blocks, including (i) resulting transfer of Eni's 17.67% working interest expenditure for Block 105 PSC of US\$24.4 million; (ii) transfer of Neon Energy's 42.0% working interest expenditure for Tanjung Aru PSC of US\$6.5 million; and (iii) exploration and development-related activities in Bulu PSC and Block A Aceh PSC of US\$1.3 million and US\$1.8 million, respectively.
- (2) Expenditure incurred in 3Q2015 for producing assets B8/32, B9A, Block 9, G11/48 and G10/48, including (i) expenditure relating to development activities in G10/48 of US\$24.8 million; and (ii) our share of exploration and development drilling expenditure in G10/48 and G11/48 of US\$29.1 million and US\$18.4 million, respectively.
- (3) Expenditure relating to the refurbishment of marine assets.

Financial Statements Announcement

Third Quarter and Nine Months ended 30 September 2015

Figures for the period ended 30 September 2015 are unaudited.

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	
	2015	2014	2015	2014
	(unaudited) (US\$ thousands)			
Sales of crude oil	8,162.7	13,264.6	21,596.0	41,769.7
Sales of gas	4,553.0	4,922.2	14,185.3	19,965.6
Revenue	12,715.7	18,186.8	35,781.3	61,735.3
Cost of sales:				
Operating costs	(6,765.3)	(5,814.4)	(15,560.3)	(14,814.9)
Thai petroleum special remuneratory benefits and royalties paid	(800.8)	(1,847.2)	(2,802.9)	(6,220.0)
Depreciation, depletion and amortisation	(11,820.1)	(5,974.0)	(26,269.7)	(19,462.4)
Gross (loss)/profit	(6,670.5)	4,551.2	(8,851.6)	21,238.0
Other income	26,835.8	1,229.4	107,865.7	5,149.4
General and administrative expenses	(6,831.2)	(7,625.3)	(22,556.8)	(25,762.4)
Other operating (expenses)/income	(61.2)	82.7	194.3	(6,308.3)
Finance income	65.4	169.2	224.4	452.8
Finance costs	(4,932.3)	(5,129.0)	(13,311.8)	(18,934.1)
Profit/(loss) before tax	8,406.0	(6,721.8)	63,564.2	(24,164.6)
Tax credit/(expense)	915.6	(3,311.6)	1,649.9	(9,665.5)
Profit/(loss) after tax for the period	9,321.6	(10,033.4)	65,214.1	(33,830.1)
Attributable to:				
Owners of the Group	9,504.2	(10,033.4)	65,443.4	(33,830.1)
Non-controlling interests	(182.6)	-	(229.3)	-
Profit/(loss) after tax for the period	9,321.6	(10,033.4)	65,214.1	(33,830.1)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(87.4)	3.4	(201.2)	(0.6)
Total comprehensive income/(loss) for the period	9,234.2	(10,030.0)	65,012.9	(33,830.7)
Attributable to:				
Owners of the Group	9,416.8	(10,030.0)	65,242.2	(33,830.7)
Non-controlling interests	(182.6)	-	(229.3)	-
Total comprehensive income/(loss) for the period	9,234.2	(10,030.0)	65,012.9	(33,830.7)
Profit/(loss) per share attributable to owners of the Group (cents per share)				



Basic	0.8	(1.0)	5.8	(3.2)
Diluted	0.8	(1.0)	5.7	(3.2)

Extraordinary items

There were no extraordinary items during the period.

EBITDAX Computation

	For the three months ended 30 September		For the nine months ended 30 September	
	2015	2014	2015	2014
	(unaudited)			
	(US\$ thousands)			
Adjusted profit/(loss) before tax	8,406.0	(6,681.5)	63,564.2	(24,013.1)
Add:				
Finance costs	4,932.3	5,129.0	13,311.8	18,934.1
Depreciation, depletion and amortisation	12,017.8	6,076.9	26,871.9	19,743.6
Excess of fair value of net assets acquired over consideration paid	-	-	(45,164.7)	-
Net fair value adjustment on financial instruments	(50.3)	-	(338.8)	6,137.2
EBITDA	25,305.8	4,524.4	58,244.4	20,801.8
Geological and geophysical expense	2,202.0	1,256.8	7,458.0	5,834.8
Gain on transfer of working interests	(25,992.8)	-	(33,244.1)	-
Exploration expense	114.3	-	147.8	170.8
EBITDAX	1,629.3	5,781.2	32,606.1	26,807.4

EBITDAX and EBITDA are supplemental measures of our performance that are not required by, or presented in accordance with IFRS. EBITDAX and EBITDA are not measurements of financial performance or liquidity under IFRS and 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. Adjusted profit/loss before tax deducts SRB taxes from the calculation of EBITDAX and EBITDA. In addition, EBITDAX and EBITDA are not standardised terms, hence, a direct comparison between companies using such terms may not be possible.

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	As at 31 December	As at 30 September	As at 31 December
	2015	2014	2015	2014
	(unaudited)			
	(US\$ thousands)			
ASSETS				
Non-current assets				
Exploration and evaluation assets ⁽¹⁾	434,075.5	402,778.7	-	-
Oil and gas properties ⁽¹⁾	414,509.8	136,334.8	-	-
Other property, plant and equipment	7,210.9	1,161.2	-	-
Intangible assets	89,883.2	91,452.9	-	-
Other investment	216.0	-	-	-
Investment in subsidiaries	-	-	331,871.1	330,557.2
Other receivables	-	-	876,757.9	645,465.0
	945,895.4	631,727.6	1,208,629.0	976,022.2
Current assets				

Inventories ⁽²⁾	45,578.5	14,670.1	-	-
Trade and other receivables	76,197.1	65,165.4	-	-
Prepayments	2,093.9	1,545.3	161.7	126.8
Other current assets	-	-	-	-
Cash and bank balances	52,026.7	51,334.1	4,107.0	1,610.5
	175,896.2	132,714.9	4,268.7	1,737.3
Assets held for sale	-	64,986.9	-	-
Total Assets	1,121,791.6	829,429.4	1,212,897.7	977,759.5
EQUITY AND LIABILITIES				
Equity				
Ordinary shares	1,862.7	1,310.0	1,862.7	1,310.0
Share premium	726,315.0	604,582.8	726,315.0	604,582.8
Other reserves	19,677.8	225.2	1,295.6	1,689.4
Accumulated losses	(121,707.6)	(187,151.0)	1,254.1	(19,760.5)
	626,147.9	418,967.0	730,727.4	587,821.7
Non-controlling interests	(165.2)	-	-	-
Total Equity	625,982.7	418,967.0	730,727.4	587,821.7
Non-current liabilities				
Employee benefit liability	1,921.4	1,483.6	-	-
Loans and borrowings	228,251.9	247,440.5	228,251.9	247,440.5
Deferred tax liabilities	37,669.5	40,309.7	-	-
Provisions	51,936.5	38,602.1	-	-
Other payables	-	-	211,609.7	119,062.8
	319,779.3	327,835.9	439,861.6	366,503.3
Current liabilities				
Trade and other payables	35,262.8	27,393.1	86.0	3,770.2
Accrued operating expenses	47,036.6	20,191.5	3,544.8	275.7
Loans and borrowings	55,000.0	10,000.0	-	-
Derivative liabilities	38,677.9	19,388.6	38,677.9	19,388.6
Withholding tax payable	538.2	561.3	-	-
Tax payable	(485.9)	5,092.0	-	-
	176,029.6	82,626.5	42,308.7	23,434.5
Total Liabilities	495,808.9	410,462.4	482,170.3	389,937.8
Total Equity And Liabilities	1,121,791.6	829,429.4	1,212,897.7	977,759.5

Notes:

- (1) Following first production from G11/48 and G10/48, exploration and appraisal expenditure for G11/48 as at 31 May 2015 of US\$55.1 million and for G10/48 as at 31 July 2015 of US\$187.5 million was reclassified from exploration and evaluation assets to oil and gas properties, respectively.
- (2) As at 30 September 2015, crude oil inventory amounted to US\$16.6 million (31 December 2014: US\$1.8 million) and drilling supplies and materials amounted to US\$28.9 million (31 December 2014: US\$12.8 million).

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 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
55,000.0	13,960.9	10,000.0	15,088.3

Amount repayable after one year

As at 30 September 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
-	254,209.1	-	286,042.0

Details of any collateral

As at 30 September 2015, certain subsidiaries of the Company pledged assets with respect to a US\$100 million revolving credit facility established in March 2014, which was subsequently increased to US\$122 million on 30 April 2015 (the "2014 RCF"). For further information on the 2014 RCF, see section entitled *Borrowings* and the announcement *KrisEnergy secures US\$100 million revolving credit facility* dated 25 March 2014.

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	
	2015	2014	2015	2014
	(unaudited) (US\$ thousands)			
Operating activities:				
Profit/(loss) before tax	8,406.0	(6,721.8)	63,564.2	(24,164.6)
Adjustments for:				
Depreciation, depletion and amortisation	11,820.1	5,974.0	26,269.7	19,462.4
Depreciation of property, plant and equipment	197.7	102.9	602.2	281.2
Decommissioning provisions	12,645.0	-	12,645.0	-
Employee defined benefits	227.9	-	437.7	-
Excess of fair value of net assets acquired over consideration paid	-	-	(45,164.7)	-
Equity-settled transactions with employees	266.7	507.0	1,215.4	2,438.6
Gain on assets held for sale	-	-	(24,558.7)	-
Loss on disposal of property, plant and equipment	-	-	-	12.5
Net fair value (gain)/loss on financial instruments	(50.3)	-	(338.8)	6,137.2
Finance cost	4,702.5	4,968.5	12,622.4	18,452.5
Unwinding of discount on decommissioning provisions	229.8	160.5	689.4	481.6
Interest income	(65.4)	(169.2)	(224.4)	(452.8)
Operating cash flows before changes in working capital	38,380.0	4,821.9	47,759.4	22,648.6
(Increase)/decrease in inventories	(8,890.7)	287.8	(20,771.8)	(1,707.9)
Decrease/(increase) in other current assets	61.6	-	-	(10,000.0)
(Increase)/decrease in trade and other receivables	(5,537.3)	3,322.4	(6,205.6)	3,446.0
(Decrease)/increase in trade and other payables	(6,065.9)	7,408.2	33,512.9	(19,805.2)

Cash flows from/(used in) operations	17,947.7	15,840.3	54,294.9	(5,418.5)
Interest received	65.4	169.2	224.4	452.8
Interest paid	(1,384.7)	(4,968.5)	(2,731.6)	(10,258.9)
Tax paid	(1,385.8)	(7,771.5)	(6,474.0)	(7,771.5)
Net cash flows from/(used) in operating activities	15,242.6	3,269.5	45,313.7	(22,996.1)
Investing activities:				
Addition to exploration and evaluation assets ⁽¹⁾⁽²⁾	(37,091.4)	(29,688.6)	(88,257.7)	(66,223.5)
Addition to oil and gas properties ⁽¹⁾⁽²⁾	(75,329.1)	(3,040.1)	(164,074.1)	(9,183.2)
Acquisition of subsidiary	-	-	(50,456.5)	(101,639.6)
Advances for acquisition	-	(65,576.8)	-	(65,576.8)
Proceeds from assets held for sale	-	-	110,000.0	-
Proceeds from sale of shares in subsidiary	-	-	20,111.8	-
Purchase of other plant, property and equipment	(20.3)	(147.7)	(5,685.9)	(688.9)
Subsequent expenditure on assets refurbishment	(35.5)	-	(21,318.0)	-
Net cash flows used in investing activities	(112,476.3)	(98,453.2)	(199,680.4)	(243,312.0)
Financing activities:				
Proceeds from issuance of shares	121,115.0	-	121,115.0	-
Proceeds from issuance of bond	-	160,513.6	-	264,256.4
Payment of bond interest	(3,973.2)	-	(10,888.7)	(6,615.6)
Repayment of bond	-	-	-	(126,300.0)
Proceeds from bank borrowings	20,000.0	101,000.0	169,000.0	125,000.0
Repayment of bank borrowings	(65,000.0)	(125,000.0)	(124,000.0)	(125,000.0)
Decrease in short-term deposits	-	-	-	4,000.0
Increase in cash collateralized	-	-	-	(3,758.8)
Decrease in cash collateralized	1,500.0	-	2,258.8	-
Net cash flows from financing activities	73,641.8	136,513.6	157,485.1	131,582.0
Net (decrease)/increase in cash and cash equivalents	(23,591.9)	41,329.9	3,118.4	(134,726.1)
Cash and cash equivalents at beginning of the period	74,191.0	71,741.4	47,575.3	247,809.7
Net effect of exchange rate changes	(72.4)	27.0	(167.0)	14.5
Cash and cash equivalents at end of the period	50,526.7	113,098.3	50,526.7	113,098.3

Notes:

- (1) Following first production at G11/48, exploration and appraisal expenditure for G11/48 as at 31 December 2014 of US\$39.4 million was reclassified from addition to exploration and evaluation assets to addition to oil and gas properties in 9M2015.
- (2) Following first production at G10/48, exploration and appraisal expenditure for G10/48 as at 31 July 2015 of US\$63.1 million and as at 31 December 2014 of US\$99.6 million was reclassified from addition to exploration and evaluation assets to addition to oil and gas properties in 3Q2015 and 9M2015, respectively.

As at 30 September 2015, aggregate cash and cash equivalents was US\$50.5 million compared with US\$113.1 million as at 30 September 2014 and unused sources of liquidity as at 30 September 2015 amounted to US\$107.1 million.

Net Cash Flow from Operating Activities

In 3Q2015, net cash flow from operating activities was US\$15.2 million compared with US\$3.3 million in 3Q2014 due to movements in working capital related to development activities, and higher crude oil inventory as G10/48 and G11/48 both started production.

Net Cash Flow used in Investing Activities

In 3Q2015, net cash flow used in investing activities amounted to US\$112.5 million compared with US\$98.5 million in 3Q2014. Material movements in capital expenditure in 3Q2015 include (i) transfer of Eni's 17.67% working interest expenditure for Block 105 PSC of US\$24.4 million; (ii) transfer of Neon Energy's 42.0% working interest expenditure for Tanjung Aru PSC of US\$6.5 million; (iii) exploration and development related activities in Bulu PSC and Block A Aceh PSC of US\$1.3 million and US\$1.8 million, respectively; (iv) expenditure of US\$24.8 million related to development activities in G10/48; and (v) exploration and development drilling expenditure in G10/48 and G11/48 of US\$29.1 million and US\$18.4 million, respectively.

Net Cash Flow from Financing Activities

In 3Q2015, net cash flow from financing activities amounted to US\$73.6 million compared with net cash flows from financing activities of US\$136.5 million in 3Q2014. During 3Q2015, the Group issued 440,144,838 rights shares at an issue price of S\$0.385 per share and recognised US\$121.1 million in gross proceeds.

Borrowings

An aggregate S\$330.0 million was issued in 2014 under the S\$500.0 million multi-currency Medium-Term Note program (the "MTN Program"). The 2017 Notes and 2018 Notes were issued with a fixed rate coupon, payable semi-annually in arrears, of 6.25% and 5.75%, respectively. As at 30 September 2015, the book value of the issued notes under the MTN Program amounted to US\$228.3 million.

As at 30 September 2015, US\$56.6 million of the 2014 RCF was undrawn and unused sources of liquidity amounted to US\$107.1 million and the Group's gearing was 31.2%, which remains on the lower end of the Group's target debt to debt-and-equity range.

Capital Expenditure and Capital Investment

The following table shows capital expenditure and capital investments for the three and nine months ended 30 September 2015 and 2014. Exploration and development expenditure includes, among others, exploration and appraisal well expenditure, geological and geophysical activities, general and administrative costs, platform and facility costs, and pipeline and equipment expenditure.

	For the three months ended 30 September		For the nine months ended 30 September	
	2015	2014	2015	2014
	(US\$ thousands)			
Capital expenditure and capital investment:				
Exploration and appraisal expenditure ⁽¹⁾	37,091.4	29,688.6	88,257.7	66,223.5
Development expenditure ⁽²⁾	75,329.1	3,040.1	164,074.1	9,183.2
Acquisition of subsidiary	-	-	50,456.5	101,639.6
Advances for acquisition	-	65,576.8	-	65,576.8
Proceeds from assets held for sale	-	-	(110,000.0)	-
Proceeds from sale of shares in subsidiary	-	-	(20,111.8)	-
Expenditure on asset refurbishment ⁽³⁾	35.5	-	21,318.0	-
Others	20.3	147.7	5,685.9	688.9
Total capital expenditure and capital investment	112,476.3	98,453.2	199,680.4	243,312.0

Notes:

- (1) Expenditure incurred in 3Q2015 for non-producing development and exploration blocks, including (i) transfer of Eni's 17.67% working interest expenditure for Block 105 of US\$24.4 million; (ii) transfer of Neon Energy's 42.0% working interest expenditure in Tanjung Aru PSC of US\$6.5 million; and (iii) exploration and development-related activities in the Bulu PSC and Block A Aceh PSC of US\$1.3 million and US\$1.8 million, respectively.
- (2) Expenditure incurred in 3Q2015 for producing assets B8/32, B9A, Block 9, G11/48 and G10/48, including (i) expenditure relating to development activities in G10/48 of US\$24.8 million; and (ii) our share of exploration and development drilling expenditure in G10/48 and G11/48 of US\$29.1 million and US\$18.4 million, respectively.
- (3) Expenditure relating to the refurbishment of marine assets.

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	Attributable to owners of the Company						Non-controlling interests	Total Equity
	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	Premium on acquisition of non-controlling interests		
	(US\$ thousands)							
At 1 January 2015	1,310.0	604,582.8	(187,151.0)	(1,464.2)	1,689.4	-	-	418,967.0
Profit net of tax	-	-	46,297.4	-	-	-	872.8	47,170.2
<u>Other comprehensive income:</u>								
Exchange differences on translation of foreign operations	-	-	-	(94.7)	-	-	-	(94.7)
Total comprehensive income/(loss) for the period	-	-	46,297.4	(94.7)	-	-	872.8	47,075.5
Grant of equity-settled transactions with employees	-	-	-	-	466.5	-	-	466.5
Acquisition of non-controlling interests without a change of control	-	-	-	-	-	4,108.7	16,003.1	20,111.8
At 31 March 2015	1,310.0	604,582.8	(140,853.6)	(1,558.9)	2,155.9	4,108.7	16,875.9	486,620.8
Profit net of tax	-	-	9,641.8	-	-	-	(919.6)	8,722.2
<u>Other comprehensive loss:</u>								
Exchange differences on translation of foreign operations	-	-	-	(19.1)	-	-	-	(19.1)
Total comprehensive income/(loss) for the period	-	-	9,641.8	(19.1)	-	-	(919.6)	8,703.1
Grant of equity-settled transactions with employees	-	-	-	-	482.3	-	-	482.3
Acquisition of non-controlling interests without a change of control	-	-	-	-	-	15,938.9	(15,938.9)	-
At 30 June 2015	1,310.0	604,582.8	(131,211.8)	(1,578.0)	2,638.2	20,047.6	17.4	495,806.2

Profit net of tax	-	-	9,504.2	-	-	-	(182.6)	9,321.6
<u>Other comprehensive loss:</u>								
Exchange differences on translation of foreign operations	-	-	-	(87.4)	-	-	-	(87.4)
Total comprehensive income/(loss) for the period	-	-	9,504.2	(87.4)	-	-	(182.6)	9,234.2
Grant of equity-settled transactions with employees	-	-	-	-	266.7	-	-	266.7
Vesting of equity-settled transactions with employees	2.5	1,606.8	-	-	(1,609.3)	-	-	-
Issuance of shares	550.2	123,785.9	-	-	-	-	-	124,336.1
Shares issuance expense	-	(3,660.5)	-	-	-	-	-	(3,660.5)
At 30 September 2015	1,862.7	726,315.0	(121,707.6)	(1,665.4)	1,295.6	20,047.6	(165.2)	625,982.7

THE GROUP	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	Total Equity
	(US\$ thousands)					
At 1 January 2014	1,307.7	602,938.3	(136,641.4)	(1,299.7)	527.8	466,832.7
Loss net of tax	-	-	(17,970.8)	-	-	(17,970.8)
<u>Other comprehensive income:</u>						
Exchange differences on translation of foreign operations	-	-	-	(26.8)	-	(26.8)
Total comprehensive loss for the period	-	-	(17,970.8)	(26.8)	-	(17,997.6)
Grant of equity-settled transactions with employees	-	-	-	-	956.8	956.8
At 31 March 2014	1,307.7	602,938.3	(154,612.2)	(1,326.5)	1,484.6	449,791.9
Loss net of tax	-	-	(5,825.8)	-	-	(5,825.8)
<u>Other comprehensive income:</u>						
Exchange differences on translation of foreign operations	-	-	-	22.8	-	22.8
Total comprehensive (loss)/income for the period	-	-	(5,825.8)	22.8	-	(5,803.0)
Grant of equity-settled transactions with employees	-	-	-	-	974.8	974.8
At 30 June 2014	1,307.7	602,938.3	(160,438.0)	(1,303.7)	2,459.4	444,963.7
Loss net of tax	-	-	(10,033.4)	-	-	(10,033.4)
<u>Other comprehensive income:</u>						
Exchange differences on translation of foreign operations	-	-	-	3.4	-	3.4
Total comprehensive (loss)/income for the period	-	-	(10,033.4)	3.4	-	(10,033.0)

Grant of equity-settled transactions with employees
Vesting of equity-settled transactions with employees
At 30 September 2014

-	-	-	-	507.0	507.0
2.3	1,644.5	-	-	(1,646.8)	-
1,310.0	604,582.8	(170,471.4)	(1,300.3)	1,319.6	435,440.7

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Reserve	Total Equity
	(US\$ thousands)				
At 1 January 2015	1,310.0	604,582.8	(19,760.5)	1,689.4	587,821.7
Profit net of tax	-	-	30,159.8	-	30,159.8
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	30,159.8	-	30,159.8
Grant of equity-settled transactions with employees	-	-	-	482.3	482.3
At 31 March 2015	1,310.0	604,582.8	10,399.3	2,171.7	618,463.8
Loss net of tax	-	-	(4,369.0)	-	(4,369.0)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	(4,369.0)	-	(4,369.0)
Grant of equity-settled transactions with employees	-	-	-	466.5	466.5
At 30 June 2015	1,310.0	604,582.8	6,030.3	2,638.2	614,561.3
Loss net of tax	-	-	(4,776.2)	-	(4,776.2)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	(4,776.2)	-	(4,776.2)
Grant of equity-settled transactions with employees	-	-	-	266.7	266.7
Vesting of equity-settled transactions with employees	2.5	1,606.8	-	(1,609.3)	-
Issuance of shares	550.2	123,785.9	-	-	124,336.1
Shares issuance expense	-	(3,660.5)	-	-	(3,660.5)
At 30 September 2015	1,862.7	726,315.0	1,254.1	1,295.6	730,727.4
THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Reserve	Total Equity
	(US\$ thousands)				
At 1 January 2014	1,307.7	602,938.3	(1,481.4)	527.8	603,292.4
Loss net of tax	-	-	(753.6)	-	(753.6)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	(753.6)	-	(753.6)
Grant of equity-settled transactions with employees	-	-	-	956.8	956.8
At 31 March 2014	1,307.7	602,938.3	(2,235.0)	1,484.6	603,495.6
Loss net of tax	-	-	(4,466.1)	-	(4,466.1)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	(4,466.1)	-	(4,466.1)
Grant of equity-settled transactions with employees	-	-	-	974.8	974.8
At 30 June 2014	1,307.7	602,938.3	(6,701.1)	2,459.4	600,004.3

Loss net of tax	-	-	(6,171.5)	-	(6,171.5)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	(6,171.5)	-	(6,171.5)
Grant of equity-settled transactions with employees	-	-	-	507.0	507.0
Vesting of equity-settled transactions with employees	2.3	1,644.5	-	(1,646.8)	-
At 30 September 2014	1,310.0	604,582.8	(12,872.6)	1,319.6	594,339.8

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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

The Company did not hold any treasury shares as at 30 September 2015 (30 September 2014: 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 2015, 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% 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.
- 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.

As at 30 September 2015, the number of Shares granted as awards under the KrisEnergy PSP, but not yet vested was (a) up to 3.0% of the issued ordinary shares in the capital of the Company at the time when the conditions of the MS-Awards granted have been satisfied and (b) 7,428,290 Shares.

The awards vested 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.

Pursuant to the rights issue launched on 15 June 2015, the Group issued and fully allotted 440,144,838 new shares on 11 August 2015. As at 30 September 2015, KrisEnergy's issued share capital was 1,490,134,410 shares.

For recent developments in the Company's share capital since 30 September 2015, please see paragraph 10 of these Results entitled "Recent Developments".

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 2015		As at 31 December 2014	
	(unaudited)			
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid ordinary shares				
At 1 January	1,047,963,898	1,309,955	1,046,154,000	1,307,693
Vesting of equity-settled transactions with employees on 21 July 2014	-	-	1,809,898	2,262
Vesting of equity-settled transactions with employees on 20 July 2015	2,025,674	2,532	-	-
Rights issue on 11 August 2015 for cash	440,144,838	550,181	-	-
At reporting date	1,490,134,410	1,862,668	1,047,963,898	1,309,955

SHARE PREMIUM	As at 30 September 2015	As at 31 December 2014
	(unaudited)	
	US\$	
At 1 January	604,582,768	602,938,278
Vesting of equity-settled transactions with employees on 21 July 2014	-	1,644,490
Vesting of equity-settled transactions with employees on 20 July 2015	1,606,618	-
Increase on 11 August 2015 for cash arising from rights issue	123,785,875	-

Rights issue expense	(3,660,530)	-
At reporting date	726,314,931	604,582,768

1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 30 September 2015 (30 September 2014: 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 2014, 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 2015. 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	
	2015	2014	2015	2014
Profit/(loss) per share attributable to owners of the Group:				
(i) Based on a weighted average number of shares (cents per share)	0.8	(1.0)	5.8	(3.2)
Weighted average number of shares	1,130,730,422	1,046,631,336	1,130,730,422	1,046,631,336

(ii) On a fully diluted basis (cents per share)	0.8	(1.0)	5.7	(3.2)
Adjusted weighted average number of shares	1,139,642,722	1,052,198,652	1,139,642,722	1,052,198,652

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 2015	As at 31 December 2014	As at 30 September 2015	As at 31 December 2014
		(Unaudited) (US\$)		
Net asset value per ordinary share ⁽¹⁾	0.42	0.40	0.49	0.56
Net tangible asset per ordinary share ⁽¹⁾	0.36	0.31	0.49	0.56

Note:

- (1) Based on share capital of 1,490,134,410 and 1,047,963,898 ordinary shares as at 30 September 2015 and 31 December 2014, respectively.

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 ended 30 September 2015.

	For the three months ended 30 September		For the nine months ended 30 September	
	2015	2014	2015	2014
		(unaudited)		
		(US\$ thousands)		
Sales of crude oil	8,162.7	13,264.6	21,596.0	41,769.7
Sales of gas	4,553.0	4,922.2	14,185.3	19,965.6
Revenue	12,715.7	18,186.8	35,781.3	61,735.3
Cost of sales:				
Operating costs	(6,765.3)	(5,814.4)	(15,560.3)	(14,814.9)
Thai petroleum special remuneratory benefits and royalties paid	(800.8)	(1,847.2)	(2,802.9)	(6,220.0)
Depreciation, depletion and amortisation	(11,820.1)	(5,974.0)	(26,269.7)	(19,462.4)
Gross (loss)/profit	(6,670.5)	4,551.2	(8,851.6)	21,238.0
Other income	26,835.8	1,229.4	107,865.7	5,149.4
General and administrative expenses	(6,831.2)	(7,625.3)	(22,556.8)	(25,762.4)
Other operating (expenses)/ income	(61.2)	82.7	194.3	(6,308.3)
Finance income	65.4	169.2	224.4	452.8

Finance costs	(4,932.3)	(5,129.0)	(13,311.8)	(18,934.1)
Profit/(loss) before tax	8,406.0	(6,721.8)	63,564.2	(24,164.6)
Tax credit/(expense)	915.6	(3,311.6)	1,649.9	(9,665.5)
Profit/(loss) after tax for the period	9,321.6	(10,033.4)	65,214.1	(33,830.1)

Attributable to:

Owners of the Group	9,504.2	(10,033.4)	65,443.4	(33,830.1)
Non-controlling interests	(182.6)	-	(229.3)	-
Profit/(loss) after tax for the period	9,321.6	(10,033.4)	65,214.1	(33,830.1)

	For the three months ended 30 September		For the nine months ended 30 September	
	2015	2014	2015	2014
		(unaudited)		
		(US\$ thousands)		
Revenue	12,715.7	18,186.8	35,781.3	61,735.3
Adjusted operating costs	(6,765.3)	(5,774.1)	(15,560.3)	(14,663.4)
Thai petroleum special remuneratory benefits and royalties paid	(800.8)	(1,847.2)	(2,802.9)	(6,220.0)
Gross profit before depreciation, depletion and amortisation	5,149.6	10,565.5	17,418.1	40,851.9
Corporate general and administrative expense	(3,520.3)	(4,784.3)	(9,370.7)	(14,044.5)
Gain on assets held for sale	-	-	24,558.7	-
EBITDAX	1,629.3	5,781.2	32,606.1	26,807.4
Geological and geophysical expense	(2,202.0)	(1,256.8)	(7,458.0)	(5,834.8)
Gain on transfer of working interests	25,992.8	-	33,244.1	-
Exploration expense	(114.3)	-	(147.8)	(170.8)
EBITDA	25,305.8	4,524.4	58,244.4	20,801.8

Revenue

Revenue for 3Q2015 decreased 30.1% to US\$12.7 million (3Q2014: US\$18.2 million) primarily due to continued downward pressure on global oil prices, which resulted in a decline in the average realised oil and liquids sales price of 54.0% to US\$48.48/bbl (3Q2014: US\$105.47/bbl). The average realised gas price achieved at B8/32 & B9A in 3Q2015 was US\$4.10/mcf, 24.5% lower than a year ago (3Q2014: US\$5.43/mcf) primarily as a result of lower oil prices and the overall impact on the gas price formula. The gas price achieved at the Bangora gas field in Bangladesh was constant for both reporting periods at US\$2.32/mcf. Revenue for 9M2015 decreased 42.0% to US\$35.8 million (9M2014: US\$61.7 million).

Working interest production in 3Q2015 averaged 8,847 boepd, up 19.5% from the 2014 average of 7,403 boepd, and higher compared with the preceding quarter (2Q2015: 7,574 boepd). Production at the Benchamas field during 3Q2015 increased compared to the preceding quarter, while the production ramp up continued at the Nong Yao oil field, which is on track to reach peak production in November. Following first production on 14 August 2015, the Wassana field is stepping up production and is expected to reach the plateau rate by the end of 2015. Working interest production in 9M2015 averaged 8,042 boepd, up 3.2% compared with the same period in 2014 (9M2014: 7,790 boepd).

For the three months

For the nine months



	ended 30 September		ended 30 September	
	2015	2014	2015	2014
Production volumes				
Oil and liquids (bopd)	2,778	1,303	1,850	1,455
Gas (mmcf)	36.4	36.6	37.2	38.0
Total (boepd)	8,847	7,403	8,042	7,790
Average sales price				
Oils and liquids (US\$/bbl)	48.48	105.47	53.36	107.80
Gas – B8/32 and B9A (US\$/mcf)	4.10	5.43	4.69	5.91
Gas – Block 9 (US\$/mcf)	2.32	2.32	2.32	2.32

Cost of Sales

Cost of sales increased to US\$19.4 million in 3Q2015 compared with US\$13.6 million in 3Q2014 due to the addition of operating costs from G11/48. Lifting costs increased 23.9% to US\$9.01/boe (3Q2014: US\$7.27/boe) primarily due to the ramp-up in production at the Nong Yao field and partially the Wassana field. This ramp-up phase is expected to result in disproportionately higher operating costs *vis-à-vis* net revenue.

As a result of lower realised selling prices for oil and gas, we accordingly recognised lower Thai royalties.

In 3Q2015, depreciation, depletion and amortisation expense (“DDA”) amounted to US\$11.8 million, representing a 98.0% increase due to the increase in production from G11/48 and G10/48. The increase in DDA expense was expected due to putting on stream new production.

	For the three months ended 30 September		For the nine months ended 30 September	
	2015	2014	2015	2014
Average lifting cost				
Oil, liquids and gas (US\$/boe)	9.01	7.27	7.32	6.59
Operating costs (US\$'000)	6,765.3	5,814.4	15,560.3	14,814.9
Total production (boe)	750,903	681,084	2,132,620	2,126,698

Other income

We recognised other income of US\$26.8 million in 3Q2015 compared with US\$1.2 million in 3Q2014. The increase was mainly attributed to the recognition of a gain on transfer to KrisEnergy of working interests in Block 105 and Tanjung Aru PSC.

General and administrative expenses

Cost control remains a key focus for the Group as general and administrative expenses decreased 10.4% to US\$6.8 million in 3Q2015 (3Q2014: US\$7.6 million). The decrease was primarily attributed to lower employee benefits expenses and lower professional fees.

Other operating expenses / income

We recognised other operating expenses of US\$0.1 million in 3Q2015 compared with an income of US\$0.1 million in 3Q2014. In 3Q2015, we recognised a loss on the net fair value adjustment of the hedge associated with the 2017 Notes and 2018 Notes offset by a gain on the settlement of forward contracts for the rights issue proceeds.

Finance income

Finance income was lower year-on-year due to lower average bank balances in 3Q2015.

Finance costs

Finance costs amounted US\$4.9 million in 3Q2015 (3Q2014: US\$5.1 million). Finance costs were lower in 3Q2015 compared with 3Q2014 due to financing fees related to the issuances of the 2017 Notes and 2018 Notes.

Profit / loss before tax

We recorded a profit before tax of US\$8.4 million in 3Q2015 compared with a loss before tax of US\$6.7 million in 3Q2014 due to the recognition of gain on transfer to KrisEnergy of working interests in Block 105 and Tanjung Aru PSC.

Tax credit / expense

We recognised a tax credit of US\$0.9 million in 3Q2015 compared to a tax expense of US\$3.3 million in 3Q2014, mainly a result of lower revenue recognised from B8/32 and B9A.

Profit / loss after tax

We recorded a profit after tax of US\$9.3 million in 3Q2015 compared with a loss after tax of US\$10.0 million in 3Q2014 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

Oil prices have continued on a downward trend in 9M2015 and the outlook for the global market and related equities remains challenging. Price volatility is expected to remain high in the near to medium terms due to uncertainty over the global economic outlook and concerns over supply-demand dynamics.

As at the date of these Results and save for the fluctuations in commodity prices, availability of third-party services, equipment and materials, the Company is not aware of any other factor or event that may significantly affect the Group in the next reporting period and the next 12 months.

In line with our strategy to put on stream our development assets (Nong Yao in G11/48 and Wassana in G10/48 in mid-August) in the Gulf of Thailand in 2015, we will incur operating costs following first production. During the initial ramp-up stage of production from these fields, there will be a timing difference between the (i) incurrence of cost of sales from production; and (ii) revenue from the sale of crude oil. These timing differences will impact our revenue, cost of sales and hence our gross profit, EBITDAX, net profit and cash flow in the near term.

Recent Developments

- On 9 November 2015, awards comprising 11,613,474 Shares were granted under the KrisEnergy PSP to employees, including 1,622,244 Shares to the Executive Directors.

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

No dividend has been declared or recommended for the three months ended 30 September 2015.

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

Other than the interested person transactions as disclosed in the Prospectus under the section "*Interested Person Transactions and Conflicts of Interests – Present and Ongoing Interested Person Transactions*" which has been deemed approved by our Shareholders (which collectively amount to transactions under S\$100,000), there were no other interested person transactions during the financial period under review.

The Group does not have any general IPT mandate from shareholders for interested person transactions that is to be disclosed under Rule 920(1)(a)(ii).

13. Disclosure of the status on the use of proceeds from the Rights Issue

Pursuant to the Rights Issue, the Company received net proceeds from the issue of the new shares of US\$120.1 million (S\$164.4 million) after deducting for rights issue expenses of US\$3.7 million (S\$5.0 million). The following table sets out our use of the net Rights Issue proceeds up to 30 September 2015. The Company will continue to make periodic announcements on the use of the Rights Issue proceeds as and when the funds are materially disbursed.

	Allocation of Rights Issue Proceeds	Rights Issue Proceeds utilised as at 30 September 2015 (US\$ million)	Balance of Rights Issue Proceeds
Tranche 1: Capital expenditures (including the exploration, appraisal and development of the Group's assets)	102.1	17.1	85.0
Tranche 2: For general working capital	18.0	2.3	15.7
Total	120.1⁽²⁾	19.4	100.7

Notes:

- (1) Mainly attributed our share of exploration and development costs at G11/48, costs related to seismic activities in the Tanjung Aru PSC and Udan Emas PSC, and development costs in the Bangora field in Block 9
- (2) Estimated net proceeds from the rights Rights Issue disclosed in the Offer Information Statement dated 13 July 2015 was US\$123.2 million and the actual net proceeds received by the Company was US\$120.1 million

CONFIRMATION BY THE BOARD OF DIRECTORS

Pursuant to SGX Listing Rule 705(5), we, Keith Cameron and Christopher Gibson-Robinson, being two directors of KrisEnergy Ltd. (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 financial results for the third quarter and nine months ended 30 September 2015 to be false or misleading in any material aspect.

On behalf of the board of directors.

Keith Cameron
Executive Director &
Chief Executive Officer

Christopher Gibson-Robinson
Executive Director &
Director Exploration & Production

Singapore, 12 November 2015