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KrisEnergy acquires 41.6666% in Block A Aceh, Indonesia

Onshore contract area contains gas condensate discoveries for near-term development

Singapore, 1 July 2014 – KrisEnergy Ltd. ("KrisEnergy" or "the "Company"), an independent upstream oil and gas company, announces that it has agreed to acquire from Premier Oil Overseas B.V. ("Premier") its entire 41.6666% working interest in the Block A Aceh production sharing contract ("PSC") in Indonesia where several gas condensate discoveries are expected to go into the development phase after completion of the acquisition.

KrisEnergy will acquire 100% of the issued share capital of Premier Oil Sumatra (North) B.V. in exchange for a total after-tax consideration of US$40 million subject to working capital adjustment. The consideration will be settled by a combination of cash proceeds and repayment of Premier intercompany debt. Completion of the transaction will be subject to receipt of all government approvals.

PT Medco E&P Malaka is the operator of the PSC with a 41.6667% working interest while Japex Block A Ltd. holds the remaining 16.6667%.

Block A Aceh, located onshore Sumatra in the semi-autonomous region of Aceh, covers an area of 1,867 sq km and contains several gas condensate discoveries including the Alur Rambong, Alur Siwah and Julu Rayeu fields, which were approved for development in 2007. First gas from Alur Rambong is anticipated in 2017. The block also contains the Matang gas discovery, which requires further appraisal prior to being developed via tie-back to the initial facilities, and the high-CO_2 Kuala Langsa gas discovery.

Best estimate contingent resources ("2C") in the development pending category associated with the Alur Rambong, Alur Siwah and Julu Rayeu fields to the Company's working interest are 29.2 mmboe as at 31 December 2013 as assessed by Netherland, Sewell & Associates, Inc. ("NSAI"). The PSC also contains working interest 2C resources in the development unclarified category of 74.4 mmboe with Kuala Langsa accounting for 87.6%. Following completion of this transaction, KrisEnergy's total working interest 2C resources will increase to 172.1 mmboe[1] from 68.6 mmboe as estimated by NSAI as at 31 December 2013.

The initial public offering of the Company was sponsored by CLSA Singapore Pte Ltd and Merrill Lynch (Singapore) Pte. Ltd. (the "**Joint Issue Managers, Global Coordinators, Bookrunners and Underwriters**"). The Joint Issue Managers, Global Coordinators, Bookrunners and Underwriters assume no responsibility for the contents of this announcement.

[1] Totals may not add due to rounding.

Richard Lorentz, Director Business Development, commented: "This is a significant transaction for KrisEnergy given the size of the resource base. This will be a substantial gas project that complements our gas commercialisation plans offshore East Java and Kalimantan, and adds to building our position in Sumatra, where we are the operator of the offshore East Seruway exploration PSC."

Sweet gas from Alur Rambong will be produced first, followed by sour gas from Alur Siwah. The Matang field is anticipated to come on stream when Alur Siwah declines from plateau. The development project involves the construction of a 63 billion British thermal units per day gas plant for CO_2 and hydrogen sulphide ("H_2S") removal. Gas sales are envisaged from the Alur Siwah and Alur Rambong fields with fuel gas provided by Julu Rayeu.

Up to 18 wells, involving a combination of new wells and re-entry and completion of existing wells, will be used on the development. Condensate recovery is assumed in a range from 6 bbl/mcf at Matang and up to 30 bbl/mcf for Alur Rambong and Julu Rayeu. Gas from these four fields has variable concentration of CO_2 from approximately 1.0% at Julu Rayeu up to an average 26% at Alur Siwah, which contains 1.2% H_2S.

Following completion of the transaction, KrisEnergy will hold interests in eight PSCs in Indonesia of which it will operate seven. Excluding Block A Aceh, three of the assets contain gas discoveries in various stages of development or appraisal and four of the blocks are exploration assets.

Full details of the Block A Aceh transaction can be found in the accompanying regulatory disclosure of 1 July 2014 and entitled *KrisEnergy acquires 41.6666% of Block A Aceh in Indonesia*.

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About KrisEnergy:

KrisEnergy Ltd. is an independent upstream company focused on the exploration for, and the development and production of oil and gas in Southeast Asia. Our strategy is to acquire assets in countries and basins where our technical team has expertise derived from decades of experience. Since 2009, we have built a portfolio of 18 contract areas in Bangladesh, Cambodia, Indonesia, Thailand and Vietnam, spanning the entire exploration-to-production life cycle. We operate 11 of the contract areas. In the first quarter 2014, our working interest production was approximately 8,000 barrels of oil equivalent per day. Once the transaction for Block A Aceh receives government approvals, our portfolio will comprise 19 contract areas, which provides a solid foundation from which we intend to continue to grow our business in Southeast Asia.

KrisEnergy's shares are listed on the mainboard of the Singapore Exchange Securities Trading Ltd under the ticker SK3. For further information, visit www.krisenergy.com.