



## PROPOSED RENOUNCEABLE UNDERWRITTEN RIGHTS ISSUE AND RECEIPT OF APPROVAL IN-PRINCIPLE

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#### 1. INTRODUCTION

- 1.1 The Board of Directors (the "**Board**" or the "**Directors**") of KrisEnergy Ltd. (the "**Company**") wishes to announce the following:
- (a) that the Company is proposing to carry out a renounceable underwritten rights issue (the "**Rights Issue**") of 440,144,838 new shares in the capital of the Company (the "**Rights Shares**") at an issue price of S\$0.385 for each Rights Share (the "**Issue Price**"), on the basis of forty-two (42) Rights Shares for every one hundred (100) existing shares in the capital of the Company (the "**Shares**") held by Entitled Shareholders (as defined below) as at the books closure date for the purpose of determining Shareholders' (as defined below) entitlements under the Rights Issue (the "**Books Closure Date**"), fractional entitlements to be disregarded; and
  - (b) that the Company has today obtained approval in-principle from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST, subject to certain conditions, the details of which are set out in paragraph 8 below. Approval in-principle granted by the SGX-ST for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST is not to be taken as an indication of the merits of Rights Issue, the Rights Shares, the Company and/or its subsidiaries.
- 1.2 The Company has appointed Merrill Lynch (Singapore) Pte. Ltd. as the lead manager and underwriter (the "**Lead Manager and Underwriter**") for the Rights Issue, pursuant to the terms of a management and underwriting agreement (the "**Management and Underwriting Agreement**") entered into between the Company and the Lead Manager and Underwriter on 15 June 2015.

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.



## 2. TERMS OF THE RIGHTS ISSUE

- 2.1 The Company is proposing to issue 440,144,838 Rights Shares pursuant to the Rights Issue in order to raise gross proceeds of approximately S\$169.5 million from the Rights Issue. The Rights Issue is proposed to be made on a renounceable basis to Entitled Shareholders on the basis of forty-two (42) Rights Shares for every one hundred (100) existing Shares held as at the Books Closure Date, fractional entitlements to be disregarded.
- 2.2 The Issue Price per Rights Share is S\$0.385 and represents a discount of approximately 13.5 per cent. to the closing price of S\$0.445 per Share on the SGX-ST on 12 June 2015, being the last trading date immediately prior to the date of this Announcement, and a discount of approximately 9.9 per cent. to the theoretical ex-rights price<sup>1</sup> of S\$0.427 per Share.
- 2.3 The Rights Issue is subject to, *inter alia*, the approval of shareholders of the Company (the "Shareholders") at an extraordinary general meeting (the "EGM") to be convened by the Company.
- 2.4 The Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions that may be declared or paid, the record date for which falls before the date of issue of the Rights Shares.
- 2.5 The terms and conditions of the Rights Issue may be subject to such changes as the Directors may, in consultation with the Lead Manager and Underwriter, deem fit. The final terms and conditions of the Rights Issue will be contained in an offer information statement (the "Offer Information Statement") and its accompanying documents to be lodged with the Monetary Authority of Singapore (the "MAS"). The Offer Information Statement will be despatched by the Company to Entitled Shareholders in due course.

## 3. RATIONALE FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

- 3.1 In view of the current market conditions and the Company's intent to progress the development of its projects, the Company believes that a rights issue is the most appropriate method of fund raising. The Company believes that the Rights Issue will enable it to continue to strengthen its balance sheet and enable the Company to invest in value creating opportunities in a timely manner.
- 3.2 The total estimated net proceeds from the Rights Issue is approximately S\$165.6 million (or approximately 98 cents for each dollar of the gross proceeds raised) after deducting estimated expenses of approximately S\$3.8 million<sup>2</sup>.
- 3.3 The Company intends to utilise the net proceeds from the Rights Issue, after deduction of the expenses incurred in connection with the issue of Rights Shares pursuant to the Rights Issue, in the following approximate manner:

Purpose	S\$ million	US\$ million <sup>3</sup>	Per cent. of net proceeds
Capital expenditures (including the exploration,	140.8	104.7	85.0

<sup>1</sup> The theoretical ex-rights price is the theoretical market price of each Share assuming the completion of the Rights Issue, and is calculated based on the closing price of S\$0.445 per Share on the SGX-ST on 12 June 2015, being the last trading date immediately prior to the date of this Announcement, and the number of Shares following completion of the Rights Issue.

<sup>2</sup> Discrepancies in figures included in this Announcement between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures that precede them.

<sup>3</sup> Based on the exchange rate of US\$1.00 = S\$1.3444.



appraisal and development of the Group's assets)			
General working capital	24.8	18.5	15.0
<b>Total</b>	<b>165.6</b>	<b>123.2</b>	<b>100.0</b>

3.4 Pending the deployment of the net proceeds from the Rights Issue, such proceeds may be deposited with banks and/or financial institutions or used for investment in short-term money markets or debt instruments or used for other purposes on a short-term basis, including using such net proceeds to temporarily reduce outstanding amounts under the 2014 Revolving Credit Facility (being the US\$100.0 million revolving credit facility entered into between KrisEnergy (Asia) Ltd, the Company's wholly-owned subsidiary, as borrower and The Hongkong and Shanghai Banking Corporation Limited, as lender which was subsequently increased to a US\$122.0 million revolving credit facility on 30 April 2015), as the Directors may deem appropriate in the interests of the Company.

3.5 The Company will announce any material disbursement of the proceeds from the Rights Issue accordingly. In addition, a status report on the use of the proceeds from the Rights Issue will be provided in the Company's annual report.

#### 4. FINANCIAL EFFECTS OF THE RIGHTS ISSUE

The financial effects of the Rights Issue as presented herein:

- (a) are for illustrative purposes only and are not a projection of the actual future financial performance or financial position of the Company together with its subsidiaries (the "**Group**") immediately after the completion of the Rights Issue;
- (b) are based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2014 and the unaudited consolidated financial statements of the Group for the three months period ended 31 March 2015;
- (c) assume that the Rights Shares had been issued, in respect of profit and loss statements on 1 January 2014 and 1 January 2015, and in respect of balance sheets on 31 December 2014 and 31 March 2015;
- (d) assume, for illustrative purposes only, that 440,144,838 Rights Shares are allotted and issued under the Rights Issue; and
- (e) do not take into account any theoretical ex-rights adjustment factor.

#### 4.2 Share Capital

	<b>Number of Shares</b>	<b>US\$</b>
Issued share capital as at 31 December 2014.....	1,047,963,898	1,309,955
Add: Rights Shares to be issued .....	440,144,838	550,181
Issued share capital after the Rights Issue .....	1,488,108,736	1,860,136
Issued share capital as at 31 March 2015 .....	1,047,963,898	1,309,955
Add: Rights Shares to be issued .....	440,144,838	550,181
Issued share capital after the Rights Issue .....	1,488,108,736	1,860,136

#### 4.3 Net Tangible Assets

<b>As at 31 December</b>	<b>As at 31 March 2015</b>
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	<b>2014</b>	
NTA (US\$'000) .....	327,514	395,168
Add: Net Rights Proceeds (US\$'000) .....	123,184	123,184
NTA after Rights Issue (US\$'000) .....	450,698	518,352
Number of Shares .....	1,047,963,898	1,047,963,898
NTA per Share (cents) .....	31.25	37.71
Number of Shares after Rights Issue .....	1,488,108,736	1,488,108,736
NTA per Share after Rights Issue (cents) .....	30.29	34.83

#### 4.4 Gearing

	<b>As at 31 December 2014</b>	<b>As at 31 March 2015</b>
Total net borrowings (US\$'000) .....	206,106	228,635
Shareholders' equity (US\$'000) .....	418,967	486,621
Net gearing (times) .....	0.33	0.32
Total net borrowings after Rights Issue (US\$'000) .....	82,923	105,451
Shareholders' equity after Rights Issue (US\$'000) ..	542,151	609,805
Net gearing after Rights Issue (times) .....	0.13	0.15

#### 4.5 Earnings/(losses) per Share

	<b>FY2014</b>	<b>1Q2015</b>
Net profit/(loss) attributable to Shareholders (US\$'000) .....	(50,370)	46,297
Weighted average number of Shares ('000) .....	1,046,967	1,047,964
Weighted average number of Shares after adjusting for Shares allotted and issued pursuant to Share options and awards ('000) .....	1,051,584	1,057,418
Weighted average number of Shares after Rights Issue ('000) .....	1,487,112	1,488,109
Weighted average number of Shares after adjusting for Shares allotted and issued pursuant to Share options and awards and after Rights Issue ('000) .....	1,491,729	1,497,563
Basic EPS/(LPS) <sup>4</sup> (cents) .....	(4.81)	4.42
Diluted EPS/(LPS) (cents) .....	(4.79)	4.38
Basic EPS/(LPS) after Rights Issue (cents) .....	(3.39)	3.11
Diluted EPS/(LPS) after Rights Issue (cents) .....	(3.38)	3.09

#### 5. CONDITIONS TO THE RIGHTS ISSUE

The Rights Issue is subject to, *inter alia*, the following:

- (a) the Whitewash Waiver (as defined below) granted by the Securities Industry Council of Singapore (the "**SIC**") on 12 June 2015 not having been withdrawn or revoked as at the date of completion of the Rights Issue;
- (b) the approval in-principle from the SGX-ST for listing and quotation of the Rights Shares on the Main Board of the SGX-ST which was granted on 15 June 2015, not having been withdrawn as at the date of completion of the Rights Issue;

<sup>4</sup> NTA as used in this Announcement refers to net tangible asset, EPS as used in this Announcement refers to earnings per share and LPS as used in this Announcement refers to loss per share.



- (c) the receipt of the approval of Shareholders for the Rights Issue, including the allotment and issue of the Rights Shares (the "**Rights Issue Resolution**"), at the EGM;
- (d) the receipt of the approval of Shareholders (save for Devan International Limited and its associates) for the Sub-underwriting Resolution (as defined below) at the EGM;
- (e) the receipt of the approval of Independent Shareholders (as defined below) for the Whitewash Resolution (as defined below) at the EGM; and
- (f) the lodgement of the Offer Information Statement, together with all other accompanying documents, with the MAS.

A circular to Shareholders containing, *inter alia*, details of the Rights Issue, the Sub-underwriting Resolution, the Whitewash Resolution and the notice of EGM, will be despatched to Shareholders in due course (the "**Circular**").

## 6. **UNDERWRITING OF THE RIGHTS ISSUE, SUB-UNDERWRITING AND IRREVOCABLE UNDERTAKINGS**

### 6.1 **Underwriting of the Rights Issue**

The Rights Shares (excluding the Undertaken Rights Shares (as defined below)) (the "**Underwritten Rights Shares**") have been underwritten by the Lead Manager and Underwriter at the Issue Price on the terms and subject to the conditions of the Management and Underwriting Agreement.

In consideration of the Lead Manager and Underwriter's agreement to underwrite the Underwritten Rights Shares, the Company will pay to the Lead Manager and Underwriter (i) a base fee of 0.75 per cent. of the aggregate Issue Price of the Rights Shares; and (ii) an underwriting commission of 1.50 per cent. of the aggregate Issue Price of the Underwritten Rights Shares.

### 6.2 **Sub-underwriting**

Devan International Limited has entered into a sub-underwriting agreement on 15 June 2015 (the "**Sub-underwriting Agreement**") with the Lead Manager and Underwriter pursuant to which it has agreed, on the terms and subject to the conditions of the Sub-underwriting Agreement, to subscribe for the Underwritten Rights Shares to the extent that such Rights Shares are not successfully subscribed for under the Rights Issue (the "**Sub-underwriting Commitment**").

In consideration of the Sub-underwriting Commitment, the Lead Manager and Underwriter has agreed to pay a sub-underwriting commission to Devan International Limited of 1.50 per cent. of the aggregate Issue Price of the Underwritten Rights Shares (the "**Sub-underwriting Commission**").

As at the date of this Announcement, Devan International Limited is a Substantial Shareholder (as defined in the Listing Manual of the SGX-ST (the "**Listing Manual**")). Accordingly, Paragraph 2.1 of Practice Note 8.2 of the Listing Manual requires a separate Shareholder resolution for the payment of the Sub-underwriting Commission by the Lead Manager and Underwriter to Devan International Limited.

The Company therefore intends to obtain the approval of Shareholders (other than Devan International Limited and its associates) for the payment of the Sub-underwriting Commission by the Lead Manager and Underwriter to Devan International Limited (the "**Sub-underwriting Resolution**") at the EGM.



### 6.3 Irrevocable Undertakings

As at 15 June 2015, (i) First Reserve Fund XII, L.P. ("**FR XII**") and FR XII-A Parallel Vehicle, L.P. ("**FR XII-A**") collectively held a direct interest in all the shares in the capital of KrisEnergy Holdings Ltd., which in turn held 473,206,568 Shares (the "**Existing KE Holdings Shares**"), representing approximately 45.2 per cent. of the total number of issued Shares of the Company, and (ii) Devan International Limited (together with FR XII and FR XII-A, the "**Undertaking Shareholders**") held 328,536,000 Shares (the "**Existing Devan Shares**"), representing approximately 31.3 per cent. of the total number of issued Shares of the Company.

To show their support for the Rights Issue and to demonstrate their commitment to and confidence in the prospects of the Group, the Undertaking Shareholders have separately, on 15 June 2015 given irrevocable undertakings (the "**Irrevocable Undertakings**"), pursuant to which:

- (A) FR XII and FR XII-A have irrevocably undertaken to the Company that, *inter alia*:
  - (a) they will procure that KrisEnergy Holdings Ltd. votes all the Existing KE Holdings Shares in favour of the Rights Issue Resolution, the Sub-underwriting Resolution and the Whitewash Resolution;
  - (b) they will procure that as at the Books Closure Date, KrisEnergy Holdings Ltd. will have not less than the number of Existing KE Holdings Shares credited to its securities account with The Central Depository (Pte) Limited ("**CDP**"); and
  - (c) they will procure that KrisEnergy Holdings Ltd. and/or its affiliates will, in accordance with the terms and conditions of the Rights Issue and not later than the last day for acceptance and payment of the Rights Shares, subscribe and pay in full for 87,298,701 Rights Shares, amounting to approximately 43.9 per cent. of KrisEnergy Holdings Ltd.'s full entitlement of Rights Shares (the "**FR Undertaken Rights Shares**").
- (B) Devan International Limited has irrevocably undertaken to the Company (the "**Devan Undertaking**") that, *inter alia*:
  - (a) it will vote all the Existing Devan Shares in favour of the Rights Issue Resolution;
  - (b) as at the Books Closure Date, it will have not less than the Existing Devan Shares credited to its securities account with CDP; and
  - (c) it will subscribe and pay in full for its full entitlement of 137,985,120 Rights Shares in accordance with the terms and conditions of the Rights Issue and not later than the last day for acceptance and payment of the Rights Shares (the "**Devan Undertaken Rights Shares**").

(the FR Undertaken Rights Shares and the Devan Undertaken Rights Shares being collectively, the "**Undertaken Rights Shares**").

## 7. WAIVER OF MANDATORY OFFER OBLIGATION ARISING FROM PARTICIPATION IN THE RIGHTS ISSUE

The Company also intends to obtain the approval of Shareholders (other than the Devan





Holding Group (as defined below) and any other parties acting or deemed to be acting in concert with it in respect of the Shares (the "**Concert Party Group**") and parties not independent of the Concert Party Group (the "**Independent Shareholders**") for a whitewash resolution (the "**Whitewash Resolution**") pursuant to the Singapore Code on Take-overs and Mergers (the "**Code**") at the EGM.

As at the date of this Announcement, the collective interests of (a) Devan International Limited and its directors; (b) Keppel Oil & Gas Pte. Ltd. (being the holding company of Devan International Limited) and its directors; (c) Kepventure Pte. Ltd. (being the holding company of Keppel Oil & Gas Pte. Ltd.) and its directors; and (d) Keppel Corporation Limited (being the holding company of Kepventure Pte. Ltd.) and its directors (together, the "**Relevant Parties**") in the Company are as follows:

<b>Relevant Parties</b>	<b>Number of Shares held</b>	<b>Per cent. of issued share capital<sup>(1)</sup></b>
Devan International Limited .....	328,536,000	31.3
Independent Shareholders.....	719,427,898	68.7
<b>Total</b> .....	<b>1,047,963,898</b>	<b>100.0</b>

**Note:**

- (1) Based on the issued share capital of the Company of 1,047,963,898 Shares as at the date of this Announcement.

In the interests of confidentiality, Devan International Limited has not made enquiries in respect of certain other parties who or which are or may be presumed to be acting in concert with the Devan International Limited in connection with the Rights Issue. Further enquiries will be made of such persons after the date of this Announcement and the relevant disclosures will be made in the Circular.

As at the date of this Announcement, Devan International Limited holds a shareholding interest of approximately 31.3 per cent. of the existing issued share capital of the Company, representing approximately 31.3 per cent. of the voting rights in the Company.

Assuming that:

- (a) the Undertaking Shareholders subscribe for the Rights Shares under the Rights Issue in accordance with their respective Irrevocable Undertakings;
- (b) none of the other Entitled Shareholders subscribe for any of their respective entitlements of Rights Shares;
- (c) the Underwritten Rights Shares are underwritten by the Lead Manager and Underwriter in accordance with the terms of the Management and Underwriting Agreement; and
- (d) Devan International Limited is required to acquire the Underwritten Rights Shares in accordance with the Sub-underwriting Agreement,

the shareholding interests of Devan International Limited will increase from approximately 31.3 per cent. of the total issued share capital of the Company to approximately 45.8 per cent. of the total issued share capital of the Company, based on the enlarged issued share capital of the Company of 1,488,108,736 Shares immediately following the allotment and issue of 440,144,838 Rights Shares under the Rights Issue.



Accordingly, the fulfilment by Devan International Limited of its obligations under the Sub-underwriting Agreement may result in the Concert Party Group acquiring Rights Shares resulting in them increasing their shareholding in the Company by one (1) per cent. or more within a period of six (6) months. In such event, the Devan Holding Group would incur an obligation to make a mandatory general offer for the remaining Shares not already owned or controlled by the Concert Party Group pursuant to Rule 14 of the Code unless such obligation is waived by the SIC.

Accordingly, an application was made by Devan International Limited to the SIC for, *inter alia*, a waiver of the obligations of the Devan Holding Group to make a mandatory general offer for the remaining Shares not already owned or controlled by the Concert Party Group in accordance with Rule 14 of the Code arising from the acquisition by Devan International Limited of Rights Shares pursuant to the Devan Undertaking and Sub-underwriting Agreement.

On 12 June 2015, the SIC granted the whitewash waiver (the "**Whitewash Waiver**") subject to the satisfaction of, amongst others, the following conditions:

- (a) a majority of holders of voting rights of the Company approve at a general meeting, before the Rights Issue, the Whitewash Resolution by way of a poll to waive their rights to receive a general offer from Devan International Limited, Keppel Oil & Gas Pte. Ltd., Kepventure Pte. Ltd., Keppel Corporation Limited, each of their respective directors (together with their close relatives, related trusts and companies controlled by any of them) (the "**Devan Holding Group**");
- (b) the Whitewash Resolution is separate from other resolutions;
- (c) the Concert Party Group and parties not independent of it abstain from voting on the Whitewash Resolution;
- (d) the Concert Party Group did not acquire or is not to acquire any Shares or instruments convertible into and options in respect of Shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Shares which will be disclosed in the Circular):
  - (i) during the period between the first announcement of the Rights Issue and the date Shareholders' approval is obtained for the Whitewash Resolution; and
  - (ii) in the six (6) months prior to the announcement of the Rights Issue but subsequent to negotiations, discussions or the reaching of understandings or agreements with the Directors in relation to such issue;
- (e) the Company appoints an independent financial advisor to advise Independent Shareholders on the Whitewash Resolution;
- (f) the Company sets out clearly in the Circular:
  - (i) details of the Rights Issue including the Devan Undertaking and the Sub-underwriting Agreement;
  - (ii) the dilution effect to existing holders of voting rights upon the acquisition of Rights Shares by the Devan Holding Group pursuant to the Devan Undertaking and the Sub-underwriting Agreement;
  - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in





respect of Shares held by the Devan Holding Group as at the latest practicable date prior to the posting of the Circular;

- (iv) the number and percentage of voting rights in the Company to be acquired by the Devan Holding Group pursuant to the Devan Undertaking and the Sub-underwriting Agreement; and
- (v) specific and prominent reference to the fact that the Shareholders, by voting for the Whitewash Resolution, are waiving their rights to a general offer from the Devan Holding Group at the highest price paid by the Devan Holding Group for Shares in the past six (6) months preceding the commencement of the Rights Issue;
- (g) the Circular states that the Whitewash Waiver is subject to the conditions stated in paragraphs (a) to (f) above;
- (h) the Devan Holding Group obtains the SIC's approval in advance for those parts of the Circular that refer to the Whitewash Resolution;
- (i) to rely on the Whitewash Resolution, the acquisition of the Rights Shares by the Devan Holding Group pursuant to the Devan Undertaking and the Sub-underwriting Agreement must be completed within three (3) months of the date of the approval of the Whitewash Resolution;

(collectively, the "**SIC Conditions**").

SAC Capital Private Limited has been appointed as the independent financial advisor to advise such Directors who are considered independent for the purposes of making the recommendation to Independent Shareholders in relation to the Whitewash Resolution. Further details of the Whitewash Waiver and the advice of the independent financial advisor will be set out in the Circular.

## 8. RECEIPT OF APPROVAL IN-PRINCIPLE

8.1 The Board is pleased to announce that approval in-principle has today been obtained from the SGX-ST for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST. The SGX-ST has approved in-principle the listing and quotation of the Rights Shares subject to, *inter alia*:

- (a) compliance with the SGX-ST's listing requirements;
- (b) Shareholders' approval for the Rights Issue, the Sub-underwriting Resolution, the Whitewash Resolution and the proposed increase in the authorized share capital of the Company from US\$2,500,000 divided into 2,000,000,000 shares of a nominal or par value of US\$0.00125 each to US\$3,750,000 divided into 3,000,000,000 Shares of a nominal or par value of US\$0.00125 each;
- (c) compliance with the SIC Conditions;
- (d) a written undertaking from the Company that it will comply with Rules 704(30), 815 and 1207(10) of the Listing Manual in relation to the use of proceeds from the Rights Issue and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;



- (e) a written undertaking from the Company that it will comply with the confirmation given in Rule 877(10) of the Listing Manual with regards to the allotment of any excess Rights Shares; and
  - (f) a written confirmation from financial institution(s) as required under Rule 877(9) of the Listing Manual that the Shareholders who have given the Irrevocable Undertakings have sufficient financial resources to fulfil their obligations under their undertakings.
- 8.2 Approval in-principle granted by the SGX-ST for the listing and quotation of the Rights Shares on the Main Board of the SGX-ST is not to be taken as an indication of the merits of Rights Issue, the Rights Shares, the Company and/or its subsidiaries.
- 9. **ELIGIBILITY OF SHAREHOLDERS TO PARTICIPATE IN THE RIGHTS ISSUE**
- 9.1 The Company proposes to provisionally allot the Rights Shares to all Shareholders who are eligible to participate in the Rights Issue (the "**Entitled Shareholders**"), comprising Entitled Depositors and Entitled Scripholders.
- 9.2 "**Entitled Depositors**" are Shareholders with Shares standing to the credit of their Securities Accounts with CDP as at the Books Closure Date and: (i) whose registered addresses with CDP are in Singapore as at the Book Closure Date; (ii) who have, at least three (3) Market Days (being a day on which the SGX-ST is open for trading in securities) prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents; or (iii) who are Eligible U.S. Investors.
- 9.3 "**Entitled Scripholders**" are Shareholders whose share certificates have not been deposited with CDP and who have tendered to M&C Services Private Limited (the "**Share Transfer Agent**") valid transfers of their Shares and the certificates relating thereto for registration up to the Books Closure Date and (i) whose registered addresses with the Company are in Singapore as at the Books Closure Date; (ii) who have, at least three Market Days prior to the Books Closure Date, provided the Share Transfer Agent with addresses in Singapore for the service of notices and documents; or (iii) who are Eligible U.S. Investors.
- 9.4 "**Eligible U.S Investors**" are qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**")) ("**QIBs**") and accredited investors as defined in Rule 501 under the U.S. Securities Act ("**Accredited Investors**"), each of whom are also qualified purchasers within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended ("**Qualified Purchasers**") (a) whose identities and status have been verified by the Company and (b) who have each provided to the Company a signed investor representation letter (in the form to be set out in the Offer Information Statement to be issued in connection with the Rights Issue) not later than the date of commencement of trading of "nil-paid" Rights (or such other date as may be agreed by the Company with the Lead Manager and Underwriter for the Rights Issue).
- 9.5 Entitled Shareholders will be provisionally allotted Rights Shares under the Rights Issue on the basis of their shareholdings in the Company as at the Books Closure Date. Entitled Shareholders will be at liberty to accept, decline or renounce or (in the case of Entitled Depositors only) trade on the SGX-ST (during the provisional allotment trading period prescribed by the SGX-ST) their Rights and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Rights Issue. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Shareholders' entitlements and will, together with the Rights Shares represented by the provisional allotments of (i) Entitled Shareholders who decline, do not accept, or elect not to renounce or (in the case of Entitled Depositors only) trade their provisional allotment of Rights Shares under the Rights Issue (during the provisional allotment trading period prescribed by the SGX-ST) and/or (ii) ineligible Shareholders, be aggregated and used to satisfy excess Rights Shares applications (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the



allotment of excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders of the Company will rank last in priority.

- 9.6 All dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the provisional allotment letters issued to Entitled Scripholders, setting out the provisional allotments of Rights Shares of such Entitled Scripholders under the Rights Issue (the "**PALs**"), which will be issued to Entitled Scripholders, will not be valid for delivery pursuant to trades done on the SGX-ST.
- 9.7 The procedures for, and the terms and conditions applicable to, acceptances, renunciation and/or sales of the provisional allotments of Rights Shares and for the applications for excess Rights Shares, including the different modes of acceptance or application and payment, will be contained in the Offer Information Statement and in the application form for Rights Shares and excess Rights Shares issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Rights Issue (the "**ARE**"), the application form for Rights Shares issued to purchasers of the Rights (as defined below) under the Rights Issue traded on the SGX-ST through the book-entry (scripless) settlement system (the "**ARS**") and the PAL.
- 9.8 Shareholders who have subscribed for or purchased Shares under the Supplementary Retirement Scheme ("**SRS**") or through a finance company and/or depository agent can only accept their Rights and (if applicable) apply for excess Rights Shares by instructing the relevant banks, finance company and/or depository agent in which they hold their SRS Accounts to do so on their behalf. **ANY APPLICATION MADE BY THE ABOVE MENTIONED SHAREHOLDERS THROUGH CDP OR THROUGH AUTOMATED TELLER MACHINES WILL BE REJECTED.** Such Shareholders should refer to the Offer Information Statement for important details relating to the offer procedure in connection with the Rights Issue.

#### Foreign Shareholders

- 9.9 The Offer Information Statement and its accompanying documents will not be lodged, registered or filed in any jurisdiction other than Singapore. The distribution of the Offer Information Statement and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or administrative, being complied with) in certain jurisdictions under the relevant securities laws of those jurisdictions. For practical reasons and in order to avoid any violation of the securities legislation applicable in jurisdictions other than Singapore, the Offer Information Statement and the accompanying documents will not be despatched to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior thereto, provided the Share Transfer Agent or CDP, as the case may be, with addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**").
- 9.10 Foreign Shareholders will not be entitled to participate in the Rights Issue. Accordingly, no provisional allotment of Rights Shares will be made to Foreign Shareholders and no purported acceptance or application for the Rights Shares by Foreign Shareholders will be valid.
- 9.11 The Offer Information Statement and its accompanying documents will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore ("**Foreign Purchasers**"). Foreign Purchasers who wish to accept the provisional allotments of the Rights Shares credited to their Securities Accounts should make the necessary arrangements with their Depository Agents or stockbrokers in Singapore.
- 9.12 If it is practicable to do so, the Company may, at its absolute discretion, arrange for the rights to subscribe for the Rights Shares (the "**Rights**"), which would otherwise have been



provisionally allotted to Foreign Shareholders to be sold "nil-paid" on the SGX-ST as soon as practicable after commencement of trading in "nil-paid" Rights. Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account the expenses expected to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register maintained by CDP as at the Books Closure Date and sent to them at their own risk by ordinary post, **provided that** where the amount of net proceeds to be distributed to any single Foreign Shareholder, persons in the United States, U.S. persons or persons acting to the account or benefit of any such persons is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder, persons in the United States, U.S. persons or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Lead Manager and Underwriter, CDP or the Share Transfer Agent and their respective officers in connection therewith.

- 9.13 If such provisional allotments cannot be or are not sold on the SGX-ST as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be issued to satisfy excess applications or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder, persons in the United States, U.S. persons or persons acting to the account or benefit of any such persons shall have any claim whatsoever against the Company, the Lead Manager and Underwriter, CDP or the Share Transfer Agent and their respective officers in connection therewith.

#### **Private Placement to Qualified Institutional Buyers in the United States**

- 9.14 Notwithstanding the foregoing, a limited number of persons located in the United States who are both QIBs or Accredited Investors and Qualified Purchasers, may be able to purchase Rights Shares being offered in the Rights Issue (pursuant to the exercise of Rights) by way of a private placement pursuant to an applicable exemption from registration under the U.S. Securities Act, **provided that** their identity as such has been verified by the Company and they provide a signed investor representation letter in the form set out in the Offer Information Statement not later than the date of the commencement of trading of "nil-paid" Rights (or such other date as may be agreed by the Company with the Lead Manager and Underwriter) prior to such exercise, which will also contain restrictions and procedures regarding the transfer of Rights Shares. The Company reserves absolute discretion in determining whether to allow such participation as well as the identity of the persons who may be allowed to do so. Each purchaser of Rights Shares being offered and sold the Rights Shares outside the United States will be deemed to have represented and agreed, among other things, that the purchaser (a) is, and the person, if any, for whose account it is acquiring such Rights Shares is, outside the United States, and (b) is acquiring the Rights Shares in an offshore transaction meeting the requirements of Regulation S under the U.S. Securities Act.
- 9.15 Notwithstanding the above, Shareholders and any other person having possession of the Offer Information Statement and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any territory outside Singapore receiving the Offer Information Statement and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without compliance with any registration or other regulatory or legal requirements in such territory.



10. **INDICATIVE TIMETABLE**

The Rights Issue is targeted to be completed by mid-August 2015, after the convening of the EGM and receipt of applicable approvals from regulatory authorities. An indicative timeline for the Rights Issue will be provided to Shareholders in due course.

**By order of the Board**

Kelvin Tang  
Joint Company Secretary  
15 June 2015

**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 19 contract areas in Bangladesh, Cambodia, Indonesia, Thailand and Vietnam, spanning the entire exploration-to-production life cycle. We operate 13 of the contract areas.

KrisEnergy's shares are listed on the mainboard of the Singapore Exchange Securities Trading Ltd under the ticker SK3. For more information, visit [www.krisenergy.com](http://www.krisenergy.com)