

KRISENERGY LTD

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

Unaudited Second Quarter & Six Months ended 30 June 2015 Financial Statements Announcement



13 August 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.

Chief Executive Officer's Report to Shareholders

To Our Shareholders

The upstream oil and gas industry continues to face many challenges not least from the global macroeconomic outlook and volatility in oil markets. In spite of prevailing uncertainties, we have remained focused on our strategy for 2015: to bring on stream our near-term development projects in Thailand and to ensure we have in place the capital structure to take us through this period of value growth in production and ultimately in cash flow.

I am delighted to report that the Nong Yao oil field in the G11/48 licence commenced production on 17 June 2015 and we are in the final stages of commissioning the first batch of four wells and the processing systems for the Wassana oil field in the adjacent G10/48 concession. Wassana is the first KrisEnergy-operated greenfield development and is on schedule to commence production imminently in mid-August, roughly 15 months after we took over operatorship of the G10/48 licence in May 2014. Development drilling in both G10/48 and G11/48 is continuing and production will ramp up steadily over the coming months.

These new fields are tremendous milestones in KrisEnergy's evolution and a clear demonstration that through our subsurface, technical and project management expertise, we are able to execute and fast-track developments and deliver on our targets.

Back-filling project pipeline

Looking beyond 2015, we are progressing the next generation of development projects in line with our vision to build a sustainable independent exploration and production company.

A successful drilling campaign in March and April yielded four oil discoveries in the KrisEnergy-operated G6/48 licence around the existing Rossukon discovery. Encouraged by the results from these wells, we accelerated the drafting of a development plan for the Rossukon oil field and submitted the documentation to the Thai authorities in June.

Immediately following the Rossukon drilling program, the *Key Gibraltar* jack-up rig drilled the Rayrai exploration well in G10/48, 2.25 km north of the existing Niramai oil accumulation. The results from the Rayrai well are being integrated into the G10/48 geological model to assess potential future drilling locations, which if successful, may result in a second development project in the contract area.

In Cambodia, negotiations over the technical and fiscal terms for the Apsara oil development in Block A have advanced and we are working with the government ministries to formalise the paperwork. As with the Wassana development, solid ground work at this stage will enable us to move swiftly once the go-ahead is given and we remain committed to producing first Apsara oil approximately 24 months after final investment decision is declared by the joint-venture partners.

The Lengo gas development in the Bulu production sharing contract (“PSC”) offshore East Java, Indonesia, was approved by the Indonesian authorities in December 2014 and the contract for front-end engineering and design (“FEED”) was awarded in April 2015. The FEED was 65% completed at the end of July 2015 and the geophysical and geotechnical surveys have been finished at the location of the offshore production facilities, along the proposed platform-to-shore pipeline route and at the site of the onshore receiving terminal.

Our acquisition of a 41.6666% non-operated working interest in Block A Aceh, onshore in Sumatra, Indonesia, was completed in January 2015 and shortly thereafter an initial gas sales agreement was signed. We are working with our partners on the technical and environmental parameters for the three fields approved for development and to progress the award of the engineering, procurement and construction contract.

Positioning for future value creation

Taking into account our near-term capital expenditure on the Nong Yao and Wassana developments to first oil and our future requirements for ensuing projects, we announced an underwritten renounceable rights issue in June 2015.

The completion of the rights issue on 11 August 2015 and hence the increase in our share capital provides us with greater headroom going forward where we intend to refinance our existing credit facilities and take advantage of our well capitalised position to raise additional debt at the corporate or asset level depending on prevailing circumstances and without straining our gearing target of 30.0% to 50.0%. We believe this level of gearing provides a platform to fund value-added growth without risk of overleverage.

External influences

The ongoing downward pressure on oil prices has weighed heavily on revenues, which fell 47.0% to US\$23.1 million in the first half 2015 versus a year ago. In this turbulent oil price environment, the management of costs is a priority and we are making headway to rein in operating expenses. However, as a result of the start-up of the Nong Yao field, we incurred operating costs from the field between 17 and 30 June 2015 without recognising any sales revenue, therefore the time lag between the ramp up of production to plateau of approximately 10,000 barrels of oil per day (“bopd”) will result in a disproportionate rise in lifting costs. Excluding Nong Yao production, lifting costs in the first half 2015 were US\$5.95 per barrels of oil equivalent (“boe”), marking a 4.5% reduction versus US\$6.23/boe in the 2014 period.

Operating cash flow in the first half of 2015 was positive at US\$30.1 million compared with the first half 2014 when US\$26.3 million was used in operations. We have recorded positive cash flow in the first two quarters of 2015 driven by the recognition of negative goodwill as a result of the acquisition of our working interest in Block A Aceh, and from the proceeds of the divestment in June of certain marine assets deployed on the Wassana development.

EBITDAX¹ amounted to almost US\$31.0 million for the first six months of 2015 with a resultant net profit after tax attributable to owners of the Group (“NPAT”) of US\$55.8 million.

Capital expenditure

Capital expenditure in the first half of 2015 amounted to US\$121.6 million² with approximately 70.0% utilised in Thailand for the Nong Yao and Wassana developments as well as for the successful discretionary exploration drilling in G6/48 and G10/48. In February, our initial guidance for 2015 capital expenditure was US\$269.4 million, which included the acquisition and refurbishment of the Wassana marine assets. Subsequently, we took a strategic decision to divest the marine assets, a transaction that was completed in June 2015, thereby reducing the original capital expenditure guidance to US\$253.6 million.

Taking into account actual expenditure at the half-year mark, we have revised the Group’s capital expenditure for 2015 to US\$252.0 million. This includes savings from cost deflation for rigs, materials and services, and additional expenditure for accelerated Rossukon development activities in the G6/48 licence and an exploration well in the Sakti PSC, which is adjacent to the Bulu development PSC offshore East Java. Interpretation of 2D and 3D seismic data acquired in 2014 indicates a large gas prospect in the Sakti PSC approximately 10 km west of the proposed Lengo production facilities. Exploration success in Sakti would impact the parameters of the Lengo development and therefore we believe it is prudent to drill Sakti this year and also benefit from the current reduction in rig rates.

We intend to fund our planned capital expenditure from a combination of proceeds from the rights issue, cash flows from operations, potential further strategic asset divestments and farm-out transactions, as well as from debt facilities and cash resources. Our balance sheet following the rights issue is well capitalised and well positioned to allow us to take advantage of strong and prudent financial management initiatives.

Our activities and plans for the remainder of 2015 are in line with our strategy to execute our development projects in order to grow the intrinsic value of the Company through the increase in production and hence revenue and EBITDAX. Our planned exploration capital expenditure remains predominantly discretionary which allows the Group to assess and implement its plans after taking into account, among other things, market conditions.

Whilst the current macroeconomic and oil price environments are expected to place an overall strain on the upstream sector, we believe we have implemented the necessary operational and financial strategies to further strengthen our balanced portfolio as we move towards our next phase of intrinsic growth.

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

² The total of US\$121.6 million accounts for KrisEnergy’s effective working interest of 89.0% in G10/48 and excludes the effect of the transfer of working interest from Neon Energy for Block 105-110/04 and Block 120.

For and on behalf of the Board of Directors

Keith Cameron
Chief Executive Officer
13 August 2015

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 unaudited financial statements reflecting our financial and operating results for the three-month (“**2Q2015**”) and six-month (“**1H2015**”) periods ended 30 June 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 June			For the six months ended 30 June		
	2015	2014	% Change	2015	2014	% Change
(US\$ thousands, except where otherwise indicated)						
Financial						
Sale of crude oil & liquids	7,027.4	14,852.8	(52.7)	13,433.3	28,505.1	(52.9)
Sale of gas	4,618.5	7,486.7	(38.3)	9,632.3	15,043.4	(36.0)
Revenue	11,645.9	22,339.5	(47.9)	23,065.6	43,548.5	(47.0)
EBITDAX⁽¹⁾	21,709.7	11,173.2	94.3	30,976.7	21,026.1	47.3
Capital expenditures	109,147.2	21,495.3	407.8	166,859.4	43,219.2	286.1
Cash and bank balances	77,191.0	75,500.2	2.2	77,191.0	75,500.2	2.2
Operations⁽²⁾						
Production volumes (boepd)	7,574	7,878	(3.9)	7,636	7,987	(4.4)
Average sales price						
• Oil and liquids (US\$/bbl)	61.98	109.58	(43.4)	57.46	108.81	(47.2)
• Gas – B8/32 and B9A (US\$/mcf)	4.26	5.98	(28.8)	4.96	6.09	(18.6)
• Gas – Block 9 (US\$/mcf)	2.32	2.32	-	2.32	2.32	-
Average lifting costs (US\$/boe)	7.01	7.51	(6.7)	6.36	6.23	2.1

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

Second Quarter and First Half 2015 Financial Update

The Nong Yao oil field in G11/48 in the Gulf of Thailand became the fourth producing asset in the KrisEnergy portfolio following the start of production on 17 June 2015. Overall, the Group's oil and gas production remained stable during 2Q2015 and was in line with expectations, while revenue was materially reduced by depressed global oil prices. As oil prices remain volatile, we have continued to manage our cost of production.

- Working interest production in 2Q2015 averaged 7,574 barrels of oil equivalent (“**boepd**”), down 3.9% from the 2014 average of 7,878 boepd, and flat compared with the preceding quarter (1Q2015: 7,699 boepd). In 2Q2015, the Benchamas field was closed for seven days of planned maintenance, while the Nong Yao field commenced production on 17 June 2015 and development drilling is ongoing. No revenue was recognised for G11/48 production in 2Q2015 as no oil was sold in the period. Working interest production in 1H2015 averaged 7,636 boepd, down 4.4% compared with the same period in 2014 (1H2014: 7,987 boepd).
- Revenue for 2Q2015 decreased 47.9% to US\$11.6 million (2Q2014: US\$22.3 million) as the fall in global oil prices resulted in a 43.4% decline to US\$61.98 per barrel (“**bbl**”) (2Q2014: US\$109.58/bbl) in the average oil and liquids sales price realised by the Group. The average realised gas price from B8/32 & B9A in 2Q2015 was US\$4.26 per thousand cubic feet (“**mcf**”), 28.8% lower than a year ago (2Q2014: US\$5.98/mcf) as a result of continued oil price pressure which impacted 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 1H2015 decreased 47.0% to US\$23.1 million (1H2014: US\$43.5 million).
- Cost control and maximising production efficiencies continue to be a strategic focus for the Group. Lifting costs decreased 6.7% to US\$7.01/boe in 2Q2015 (2Q2014: US\$7.51/boe), largely due to the lower operating costs in B8/32 & B9A, however, partially offset by operating costs incurred from G11/48 production in 2Q2015 compared to the same period in 2014. As a result of the start-up of the Nong Yao field, we incurred operating costs for the field between 17 and 30 June 2015 without recognising any sales revenue and therefore the time lag between the ramp up of production to a plateau of approximately 10,000 bopd will result in a disproportionate rise in lifting costs.
- EBITDAX in 2Q2015 was US\$21.7 million (2Q2014: US\$11.2 million) and NPAT was US\$9.6 million compared to a net loss of US\$5.8 million in the same period in 2014. The increase in net profit was primarily attributed to a gain on sale of the mobile offshore production unit (“**MOPU**”) and related marine assets which have been deployed for use at the Wassana field. In 1H2015, EBITDAX was US\$31.0 million (1H2014: US\$21.0 million) and NPAT was US\$55.8 million (1H2014: net loss of US\$23.8 million). In addition to the gain recognised from the sale of the MOPU and related marine assets, the year-on-year increase in EBITDAX and NPAT was also positively impacted by the recognition of provisional negative goodwill arising from our acquisition of Block A Aceh and a gain of US\$7.3 million arising from transfer of working interest from Neon Energy with respect to Block 105-110/04 and Block 120 in Vietnam.

- Unused sources of liquidity as at 30 June 2015 amounted to US\$85.8 million and the Group's gearing was 40.9%, which remains within the middle of our target debt to debt-and-equity range.
- On 15 June 2015, the Company launched a S\$169.5 million renounceable and underwritten rights issue, which was completed on 11 August 2015. Taking into account the net proceeds of the rights issue of approximately S\$165.6 million, the Group's *pro forma* gearing has decreased to 35.6%. See announcements *KrisEnergy launches S\$169.5 million rights issue to underpin production growth* dated 15 June 2015, *Renounceable Underwritten Rights Issue – Results of Rights Issue* dated 5 August 2015 and *Renounceable Underwritten Rights Issue – Issue and Listing of Rights Shares* dated 11 August 2015 for more details.

Second Quarter 2015 Operational Update

The Company achieved a significant operational milestone in the second quarter of 2015 with the start of production at the Nong Yao field in G11/48. Elsewhere in the Gulf of Thailand, the Company continued to make considerable progress on the KrisEnergy-operated Wassana oil field development in G10/48 and exploration drilling in G6/48 and G10/48 was met with positive results and encouraging prospects for future additional development projects. These activities are in line with the Group's strategy of value-added growth through increasing reserves and resources, as well as production and cash flow with the goal to build a sustainable upstream oil and gas company.

Development

- Following completion of construction and installation of the platform facilities at the Nong Yao oil development in the G11/48 licence, first oil was achieved on 17 June 2015. Development drilling is progressing with seven of up to 23 wells drilled to date. The Nong Yao facilities comprise a wellhead processing platform and minimum facility wellhead platform with the export of crude via a floating storage and offloading ("FSO") vessel. The facilities have a production capacity of up to 15,000 bopd and a processing capacity of 30,000 barrels of fluids per day.
- Development activities at the G10/48 Wassana field remain on track for first oil in mid-August 2015. The MOPU, the *MOPU Ingenium*, and the *Rubicon Vantage* FSO vessel are on location and hooked up to other key equipment such as the mooring buoy and related pipelines. Commissioning of four development wells and the Wassana processing systems is in the final stages. Seven of up to 15 development wells have been drilled to date. Following completion of the refurbishment of the *MOPU Ingenium*, the unit was divested in June 2015 together with related assets deployed in the Wassana field.
- Following the success of the four-well drilling program in March and April 2015, the production area application for the Rossukon oil field in the G6/48 licence in the Gulf of Thailand was submitted in June 2015 following a successful four-well drilling program in March and April 2015.
- Geophysical and geotechnical surveys have been completed in relation to the KrisEnergy-operated Lengo gas development in the Bulu PSC, offshore East Java in Indonesia. The surveys were undertaken at the proposed offshore production facilities location, along the route of the gas export pipeline and at the site of the onshore receiving terminal. The FEED contract was awarded in April 2015 and the study is approximately 65.0% completed.
- Technical and fiscal terms for the Apsara oil development in Cambodia Block A have been agreed and steps are underway to formalise the paperwork, aiming for first oil approximately 24 months after final investment decision is declared.
- In 2Q2015, 17 (2Q2014: 25) development wells were drilled in the B8/32 & B9A oil and gas complex in the Gulf of Thailand, bringing the total to 35 development wells drilled in 1H2015. Up to 52 development wells are scheduled to be drilled in 2015.

Exploration

- In March and April 2015, the *Key Gibraltar* jack-up rig successfully completed a four-well exploration campaign in the Rossukon discovery area in the KrisEnergy-operated G6/48 licence in the Gulf of Thailand. Taking advantage of reduced rig and services rates, the G6/48 program was followed up by the Rayrai-1 exploration well in the G10/48 concession prior to the commencement of development drilling in the Wassana field. Rayrai-1 reached a total depth of 6,382 feet measured depth (-5,281 feet total vertical depth subsea) and intersected approximately 50 feet total vertical depth of net oil-bearing sandstones. The well is located in a water depth of 170 feet and lies 2.25 km north of the Niramai oil discovery drilled in 2009. See announcement *KrisEnergy completes Gulf of Thailand exploration well* dated 30 April 2015 for more details.
- In April 2015, a 575 sq. km 3D seismic acquisition program was completed in the non-operated Block 120 exploration licence offshore central Vietnam.
- In June 2015, a 300 km 2D seismic acquisition program was completed in the KrisEnergy-operated Udan Emas PSC in West Papua, Indonesia. All equipment and personnel have been demobilised from the location.

For activities and developments since 30 June 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 2Q2015.

	For the three months ended 30 June		For the six months ended 30 June	
	2015	2014	2015	2014
	<i>(US\$ thousands)</i>			
Capital expenditure:				
Exploration and appraisal expenditure ⁽¹⁾	75,087.5	16,756.2	114,280.4	36,534.9
Development expenditure ⁽²⁾	17,991.3	4,221.1	25,630.9	6,143.1
Others ⁽³⁾	16,068.4	518.0	26,948.1	541.2
Total capital expenditure	109,147.2	21,495.3	166,859.4	43,219.2

Notes:

- (1) Expenditure incurred in 2Q2015 for not yet producing development and exploration blocks, including (i) exploration, appraisal and development related activities in G10/48 and G6/48 of US\$50.9 million and US\$6.3 million, respectively; and (ii) seismic related expenditure at the Udan Emas PSC and Block 120 of US\$14.0 million and US\$2.3 million, respectively.
- (2) Expenditure incurred in 2Q2015 for producing assets B8/32, B9A, Block 9 and G11/48, including (i) expenditure relating development activities at G11/48 of US\$15.0 million; and (ii) our share of development drilling expenditure in B8/32 & B9A of US\$2.5 million.
- (3) Expenditure incurred in 2Q2015 for the refurbishment of the MOPU and related assets of US\$16.0 million.

Financial Statements Announcement

Second Quarter and Six Months ended 30 June 2015

Figures for the period ended 30 June 2015 have not been audited.

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL-YEAR RESULTS

1 (a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	For the three months ended 30 June		For the six months ended 30 June	
	2015	2014	2015	2014
	<i>(unaudited)</i>			
	<i>(US\$ thousands)</i>			
Sales of crude oil	7,027.4	14,852.8	13,433.3	28,505.1
Sales of gas	4,618.5	7,486.7	9,632.3	15,043.4
Revenue	11,645.9	22,339.5	23,065.6	43,548.5
Cost of sales:				
Operating costs	(4,833.4)	(5,385.9)	(8,795.0)	(9,000.5)
Thai petroleum special remuneratory benefits and royalties paid	(1,032.7)	(2,329.8)	(2,002.1)	(4,372.9)
Depreciation, depletion and amortisation	(7,392.1)	(6,678.2)	(14,449.6)	(13,488.4)
Gross (loss)/profit	(1,612.3)	7,945.6	(2,181.1)	16,686.7
Other income	21,422.1	2,491.0	81,029.9	3,920.0
General and administrative expenses	(7,705.7)	(9,911.5)	(15,725.6)	(18,137.1)
Other operating income/(expenses)	861.5	(249.2)	255.5	(6,391.0)
Finance income	77.0	131.6	159.0	283.6
Finance costs	(4,580.0)	(3,363.5)	(8,379.5)	(13,805.1)
Profit/(loss) before tax	8,462.6	(2,956.0)	55,158.2	(17,442.9)
Tax credit/(expense)	259.6	(2,869.8)	734.4	(6,353.8)
Profit/(loss) after tax for the period	8,722.2	(5,825.8)	55,892.6	(23,796.7)
Attributable to:				
Owners of the Group	9,641.8	(5,825.8)	55,939.2	(23,796.7)
Non-controlling interests	(919.6)	0.0	(46.6)	0.0
Profit/(loss) after tax for the period	8,722.2	(5,825.8)	55,892.6	(23,796.7)
Other comprehensive income:				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations	(19.1)	22.8	(113.8)	(4.1)
Total comprehensive income/(loss) for the period	8,703.1	(5,803.0)	55,778.8	(23,800.8)
Attributable to:				
Owners of the Group	9,622.7	(5,803.0)	55,825.4	(23,800.8)
Non-controlling interests	(919.6)	-	(46.6)	-
Total comprehensive income/(loss) for the period	8,703.1	(5,803.0)	55,778.8	(23,800.8)

Profit/(loss) per share attributable to owners of the Group (cents per share)

Basic	0.9	(0.6)	5.3	(2.3)
Diluted	0.9	(0.6)	5.3	(2.3)

Extraordinary items

There were no extraordinary items during the period.

EBITDAX Computation

	For the three months ended 30 June		For the six months ended 30 June	
	2015	2014	2015	2014
	(unaudited)			
	(US\$ thousands)			
Adjusted profit/(loss) before tax	8,462.6	(2,844.8)	55,158.2	(17,331.7)
Add:				
Finance costs	4,580.0	3,363.5	8,379.5	13,805.1
Depreciation, depletion and amortisation	7,602.4	6,780.4	14,854.0	13,666.7
Excess of fair value of net assets acquired over consideration paid	-	-	(45,164.7)	-
Net fair value adjustment on financial instruments	(886.3)	-	(288.5)	6,137.2
EBITDA	19,758.7	7,299.1	32,938.5	16,277.3
Geological and geophysical expense	1,925.7	3,707.9	(1,995.3)	4,578.0
Exploration expense	25.2	166.2	33.5	170.8
EBITDAX	21,709.7	11,173.2	30,976.7	21,026.1

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 June	As at 31 December	As at 30 June	As at 31 December
	2015	2014	2015	2014
	(unaudited)			
	(US\$ thousands)			
ASSETS				
Non-current assets				
Exploration and evaluation assets ⁽¹⁾	559,458.4	402,778.7	-	-
Oil and gas properties ⁽¹⁾	187,231.9	136,334.8	-	-
Other property, plant and equipment	7,403.0	1,161.2	-	-
Intangible assets	91,177.9	91,452.9	-	-
Other investment	216.0	-	-	-
Investment in subsidiaries	-	-	331,631.7	330,557.2
Other receivables	-	-	706,540.1	645,465.0
	845,487.2	631,727.6	1,038,171.8	976,022.2

Current assets				
Inventories ⁽¹⁾	36,687.8	14,670.1	-	-
Trade and other receivables	71,012.8	65,165.4	15.0	-
Prepayments	1,705.4	1,545.3	116.4	126.8
Other current assets	61.6	-	61.6	-
Cash and bank balances	77,191.0	51,334.1	497.6	1,610.5
	186,658.6	132,714.9	690.6	1,737.3
Assets held for sale	-	64,986.9	-	-
Total Assets	1,032,145.8	829,429.4	1,038,862.4	977,759.5
EQUITY AND LIABILITIES				
Equity				
Ordinary shares	1,310.0	1,310.0	1,310.0	1,310.0
Share premium	604,582.8	604,582.8	604,582.8	604,582.8
Other reserves	21,107.8	225.2	2,638.2	1,689.4
Accumulated losses	(131,211.8)	(187,151.0)	6,030.3	(19,760.5)
	495,788.8	418,967.0	614,561.3	587,821.7
Non-controlling interests	17.4	-	-	-
Total Equity	495,806.2	418,967.0	614,561.3	587,821.7
Non-current liabilities				
Employee benefit liability	1,693.5	1,483.6	-	-
Loans and borrowings	242,786.3	257,440.5	242,786.3	247,440.5
Deferred tax liabilities	38,501.1	40,309.7	-	-
Provisions	39,063.1	38,602.1	-	-
Other payables	-	-	153,583.0	119,062.8
	322,044.0	337,835.9	396,369.3	366,503.3
Current liabilities				
Trade and other payables	32,407.5	27,393.1	3,449.8	3,770.2
Accrued operating expenses	55,815.2	20,191.5	727.6	275.7
Loans and borrowings	100,000.0	-	-	-
Derivative liabilities	23,754.4	19,388.6	23,754.4	19,388.6
Withholding tax payable	1,317.4	561.3	-	-
Tax payable	1,001.1	5,092.0	-	-
	214,295.6	72,626.5	27,931.8	23,434.5
Total Liabilities	536,339.6	410,462.4	424,301.1	389,937.8
Total Equity And Liabilities	1,032,145.8	829,429.4	1,038,862.4	977,759.5

Notes:

- (1) Following first production for G11/48, exploration and appraisal expenditure for G11/48 as at 31 May 2015 of US\$55.1 million was reclassified from exploration and evaluation assets to oil and gas properties.
- (2) As at 30 June 2015, crude oil inventory amounted to US\$2.7 million (31 December 2014: US\$1.8 million) and drilling supplies and materials amounted to US\$34.0 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 June 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
100,000.0	14,620.4	10,000.0	15,088.3

Amount repayable after one year

As at 30 June 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
-	269,901.3	-	286,042.0

Details of any collateral

As at 30 June 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 June		For the six months ended 30 June	
	2015	2014	2015	2014
	(unaudited) (US\$ thousands)			
Operating activities:				
Profit/(loss) before tax	8,462.6	(2,956.0)	55,158.2	(17,442.9)
Adjustments for:				
Depreciation, depletion and amortisation	7,392.1	6,678.2	14,449.6	13,488.4
Depreciation of property, plant and equipment	210.3	102.2	404.4	178.3
Employee defined benefits	296.9	-	209.9	-
Excess of fair value of net assets acquired over consideration paid	-	-	(45,164.7)	-
Equity-settled transactions with employees	482.2	974.8	948.7	1,931.5
Gain on assets held for sale	(19,447.6)	-	(24,558.7)	-
Loss on disposal of property, plant and equipment	-	12.5	-	12.5
Net fair value gain on hedge	(886.3)	-	(288.5)	-
Net fair value loss on embedded derivatives	-	-	-	6,137.2
Finance cost	4,273.6	3,203.0	7,919.9	13,484.1
Unwinding of discount on decommissioning provisions	306.4	160.5	459.6	321.0
Interest income	(77.0)	(131.6)	(159.0)	(283.6)
Operating cash flows before changes in working capital	1,013.2	8,043.6	9,379.4	17,826.5
Increase in inventories	(5,635.6)	(781.7)	(11,881.1)	(1,995.7)
Increase in other current assets	(61.6)	(10,000.0)	(61.6)	(10,000.0)
(Increase)/decrease in trade and other receivables	(7,430.6)	4,962.1	(668.3)	123.7
Increase/(decrease) in trade and other payables	53,179.3	(12,161.6)	39,578.8	(27,213.3)
Cash flows from/(used in) operations	41,064.7	(9,937.6)	36,347.3	(21,258.8)
Interest received	77.0	131.6	159.0	283.6
Interest paid	(109.5)	(3,203.0)	(1,347.0)	(5,290.5)
Tax paid	(5,088.2)	-	(5,088.2)	-
Net cash flows from/(used) in operating activities	35,944.0	(13,009.0)	30,071.1	(26,265.7)

Investing activities:

Addition to exploration and evaluation assets ⁽¹⁾	(29,852.6)	(16,756.2)	(74,839.7)	(36,534.9)
Addition to oil and gas properties ⁽¹⁾	(63,226.2)	(4,221.1)	(65,071.6)	(6,143.1)
Acquisition of subsidiary	-	(101,639.6)	(50,456.5)	(101,639.6)
Proceeds from assets held for sale	48,888.9	-	110,000.0	-
Proceeds from sale of shares in subsidiary	-	-	20,111.8	-
Purchase of other plant, property and equipment	(66.5)	(518.0)	(5,665.6)	(541.2)
Subsequent expenditure on assets refurbishment	(16,001.9)	-	(21,282.5)	-
Net cash flows used in investing activities	(60,258.3)	(123,134.9)	(87,204.1)	(144,858.8)

Financing activities:

Repayment of bond	-	-	-	(126,300.0)
Payment of bond interest	(6,915.6)	-	(6,915.6)	(6,615.6)
Proceeds from issuance of bond	-	103,742.7	-	103,742.7
Proceeds from bank borrowings	70,000.0	-	149,000.0	24,000.0
Repayment of bank borrowings	-	(16,000.0)	(59,000.0)	-
Decrease in short-term deposits	-	-	-	4,000.0
Increase in cash collateralized	-	-	-	(3,758.8)
Decrease in cash collateralized	-	-	758.8	-
Net cash flows from/(used in) financing activities	63,084.4	87,742.7	83,843.2	(4,931.7)

Net increase/(decrease) in cash and cash equivalents	38,770.1	(48,401.2)	26,710.2	(176,056.2)
Cash and cash equivalents at beginning of the period	35,443.5	120,130.2	47,575.3	247,809.7
Net effect of exchange rate changes	(22.6)	12.4	(94.5)	(12.1)
Cash and cash equivalents at end of the period	74,191.0	71,741.4	74,191.0	71,741.4

Note:

- (1) Following first production at G11/48, exploration and appraisal expenditure for G11/48 as at 31 March 2015 of US\$45.2 million and as at 31 December 2015 of US\$39.4 million was reclassified from addition to exploration and evaluation assets to addition to oil and gas properties in 2Q2015 and 1H2015, respectively.

As at 30 June 2015, aggregate cash and cash equivalents was US\$74.2 million compared with US\$71.7 million as at 30 June 2014 and unused sources of liquidity as at 30 June 2015 amounted to US\$85.8 million.

Net Cash Flow from/used in Operating Activities

Our net cash flow from operating activities was US\$35.9 million in 2Q2015 versus net cash flow used in operating activities of US\$13.0 million in 2Q2014, which was predominantly a result of movements in working capital related to development activities, and the completion of the strategic divestment of the MOPU and related assets, which have been deployed for use at the Wassana field.

Net Cash Flow used in Investing Activities

In 2Q2015, net cash flow used in investing activities amounted to US\$60.3 million compared with US\$123.1 million in 2Q2014. Material capital expenditure in 2Q2015 included (i) proceeds from the divestment of the MOPU and related assets amounting to US\$48.9 million, (ii) development activities at G11/48 of US\$15.0 million; (iii) US\$2.5 million representing the working interest share of development well drilling in the B8/32 and B9A complex; (iv) expenditure of US\$50.9 million relating to exploration and development

activities in G10/48; (v) exploration drilling expenditure in G6/48 of US\$6.3 million; and (vi) costs relating to seismic acquisitions in the Udan Emas PSC and Block 120 of US\$16.3 million in aggregate.

Net Cash Flow from Financing Activities

In 2Q2015, net cash flow from financing activities amounted to US\$63.1 million compared with net cash flows from financing activities of US\$87.7 million in 2Q2014. During 2Q2015, the Group drew down US\$70.0 million from the 2014 RCF which was partially offset with interest paid on the 2017 Notes. During the same period in 2014, the Group issued the 2017 Notes and recognised US\$103.7 million in proceeds which was partially offset by US\$16.0 million repayment of the 2014 RCF.

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 June 2015, the book value of the issued notes under the MTN Program amounted to US\$242.8 million.

Unused sources of liquidity as at 30 June 2015 amounted to US\$85.8 million and the Group’s gearing was 40.9%, which remains within the middle of our target debt to debt-and-equity range. On 15 June 2015, the Company launched a S\$169.5 million rights issue, which was completed on 11 August 2015. Taking into account the net proceeds of the rights issue of S\$165.6 million, the Group’s *pro forma* gearing has decreased to 35.6%. See announcements *KrisEnergy launches S\$169.5 million rights issue to underpin production growth* dated 15 June 2015, *Renounceable Underwritten Rights Issue – Results of Rights Issue* dated 5 August 2015 and *Renounceable Underwritten Rights Issue – Issue and Listing of Rights Shares* dated 11 August 2015 for more details.

Capital Expenditure and Capital Investment

The following table shows capital expenditure and capital investments for the three and six months ended 30 June 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 June		For the six months ended 30 June	
	2015	2014	2015	2014
	(US\$ thousands)			
Capital expenditure and capital investment:				
Exploration and appraisal expenditure ⁽¹⁾	75,087.5	16,756.2	114,280.4	36,534.9
Development expenditure ⁽²⁾	17,991.3	4,221.1	25,630.9	6,143.1
Acquisition of subsidiary	-	101,639.6	50,456.5	101,639.6
Proceeds from assets held for sale ⁽³⁾	(48,888.9)	-	(110,000.0)	-
Proceeds from sale of shares in subsidiary	-	-	(20,111.8)	-
Expenditure on asset refurbishment ⁽³⁾	16,001.9	-	21,282.5	-
Others	66.5	518.0	5,665.6	541.2
Total capital expenditure and capital investment	60,258.3	123,134.9	87,204.1	144,858.8

Notes:

- (1) Expenditure incurred in 2Q2015 for not yet producing development and exploration blocks, including (i) exploration, appraisal and development related activities in G10/48 and G6/48 of US\$50.9 million and US\$6.3 million, respectively; and (ii) seismic related expenditure at the Udan Emas PSC and Block 120 of US\$14.0 million and US\$2.3 million, respectively.
- (2) Expenditure incurred in 2Q2015 for producing assets B8/32, B9A, Block 9 and G11/48, including (i) expenditure relating development activities at G11/48 of US\$15.0 million; and (ii) our share of development drilling expenditure in B8/32 & B9A of US\$2.5 million.
- (3) Expenditure incurred in 2Q2015, which mainly related to the MOPU and related 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					Premium on acquisition of non-controlling interests	Non-controlling interests	Total Equity
	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve			
	(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
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>								
Total comprehensive income/(loss) for the period	-	-	9,641.8	(19.1)	-	-	(919.6)	8,703.1
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

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)
Other comprehensive loss:						
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)
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)
Other comprehensive income:						
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)
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

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
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
Profit net of tax	-	-	(4,369.0)	-	(4,369.0)
Other comprehensive income	-	-	-	-	-
Total comprehensive loss for the period	-	-	(4,369.0)	-	(4,369.0)
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

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)
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)
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

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 June 2015 (30 June 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 June 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 June 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) 9,453,964 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 our employees, including 321,207 Shares to our Executive Directors.

As at 30 June 2015, our issued share capital was 1,047,963,898 shares.

On 15 June 2015, the Group launched a rights issue of 440,144,838 new shares at a rights issue price of S\$0.385 on the basis of 42 rights shares for every 100 existing shares. The issue generated gross proceeds of S\$169.5 million. Keppel Corporation, through its wholly owned subsidiary Devan International Ltd., subscribed for its full entitlement of new shares. First Reserve, through its subsidiary KrisEnergy Holdings Ltd., subscribed for 43.9% of its entitlement. The remaining rights shares were underwritten by Merrill Lynch (Singapore) Pte. Ltd., the Lead Manager and Underwriter for the Rights Issue. Keppel acted as sub-underwriter for all such underwritten rights shares. See announcements *KrisEnergy launches S\$169.5 million rights issue to underpin production growth* dated 15 June 2015, *Renounceable Underwritten Rights Issue – Results of Rights Issue* dated 5 August 2015 and *Renounceable Underwritten Rights Issue – Issue and Listing of Rights Shares* dated 11 August 2015 for more details.

For recent developments in our share capital since 30 June 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 June 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
At reporting date	1,047,963,898	1,309,955	1,047,963,898	1,309,955
SHARE PREMIUM				
	As at 30 June 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	
At reporting date	604,582,768		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 June 2015 (30 June 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 June		For the six months ended 30 June	
	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)	0.9	(0.6)	5.3	(2.3)
Weighted average number of shares	1,047,963,898	1,046,154,000	1,047,963,898	1,046,154,000
(ii) On a fully diluted basis (cents per share)	0.9	(0.6)	5.3	(2.3)
Adjusted weighted average number of shares	1,057,417,864	1,051,486,904	1,057,417,864	1,051,486,904

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	The Group		The Company	
	As at 30 June 2015	As at 31 December 2014	As at 30 June 2015	As at 31 December 2014
		(Unaudited) (US\$)		
Net asset value per ordinary share ⁽¹⁾	0.47	0.40	0.59	0.56
Net tangible asset per ordinary share ⁽¹⁾	0.39	0.31	0.59	0.56

Note:

(1) Based on share capital of 1,047,963,898 ordinary shares as at 30 June 2015 and 31 December 2014.

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) seasonal 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 June 2015.

	For the three months ended 30 June		For the six months ended 30 June	
	2015	2014	2015	2014
		(unaudited)		
		(US\$ thousands)		
Sales of crude oil	7,027.4	14,852.8	13,433.3	28,505.1
Sales of gas	4,618.5	7,486.7	9,632.3	15,043.4
Revenue	11,645.9	22,339.5	23,065.6	43,548.5
Cost of sales:				
Operating costs	(4,833.4)	(5,385.9)	(8,795.0)	(9,000.5)
Thai petroleum special remuneratory benefits and royalties paid	(1,032.7)	(2,329.8)	(2,002.1)	(4,372.9)
Depreciation, depletion and amortisation	(7,392.1)	(6,678.2)	(14,449.6)	(13,488.4)
Gross (loss)/profit	(1,612.3)	7,945.6	(2,181.1)	16,686.7
Other income	21,422.1	2,491.0	81,029.9	3,920.0
General and administrative expenses	(7,705.7)	(9,911.5)	(15,725.6)	(18,137.1)
Other operating income/(expenses)	861.5	(249.2)	255.5	(6,391.0)
Finance income	77.0	131.6	159.0	283.6
Finance costs	(4,580.0)	(3,363.5)	(8,379.5)	(13,805.1)
Profit/(loss) before tax	8,462.6	(2,956.0)	55,158.2	(17,442.9)
Tax credit/(expense)	259.6	(2,869.8)	734.4	(6,353.8)
Profit/(loss) after tax for the period	8,722.2	(5,825.8)	55,892.6	(23,796.7)

Attributable to:

Owners of the Group	9,641.8	(5,825.8)	55,939.2	(23,796.7)
Non-controlling interests	(919.6)	0.0	(46.6)	0.0
Profit/(loss) after tax for the period	8,722.2	(5,825.8)	55,892.6	(23,796.7)

For the three months ended 30 June		For the six months ended 30 June	
2015	2014	2015	2014
(unaudited)			
(US\$ thousands)			

Revenue	11,645.9	22,339.5	23,065.6	43,548.5
Adjusted operating costs	(4,833.4)	(5,274.7)	(8,795.0)	(8,889.3)
Thai petroleum special remuneratory benefits and royalties paid	(1,032.7)	(2,329.8)	(2,002.1)	(4,372.9)
Gross profit before depreciation, depletion and amortisation	5,779.8	14,735.0	12,268.5	30,286.3
Corporate general and administrative expense	(3,517.7)	(3,561.8)	(5,850.5)	(9,260.2)
Gain on assets held for sale	19,447.6	-	24,558.7	-
EBITDAX	21,709.7	11,173.2	30,976.7	21,026.1
Geological and geophysical expense	(1,925.7)	(3,707.9)	1,995.3	(4,578.0)
Exploration expense	(25.2)	(166.2)	(33.5)	(170.8)
EBITDA	19,758.7	7,299.1	32,938.5	16,277.3

Revenue

Revenue for 2Q2015 decreased 47.9% to US\$11.6 million (2Q2014: US\$22.3 million) as the fall in global oil prices resulted in a 43.4% decline to US\$61.98/bbl (2Q2014: US\$109.58/bbl) in the average oil and liquids sales price realised by the Group. The average realised gas price for B8/32 & B9A in 2Q2015 was US\$4.26/mcf, 28.8% lower than a year ago (2Q2014: US\$5.98/mcf) as a result of lower oil prices, which is a component in 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.

Working interest production in 2Q2015 averaged 7,574 boepd, down 3.9% from the 2014 average of 7,878 boepd, and flat compared with the preceding quarter (1Q2015: 7,699 boepd). In 2Q2015, the Benchamas field was closed for seven days of planned maintenance, while the Nong Yao field commenced production on 17 June 2015 and development drilling is ongoing. No revenue was recorded for G11/48 in 2Q2015 given that production is in the initial ramp-up phase and there is yet to be sufficient crude oil inventory accumulated for an offtake.

	For the three months ended 30 June		For the six months ended 30 June	
	2015	2014	2015	2014
Production volumes				
Oil and liquids (bopd)	1,414	1,519	1,382	1,533
Gas (mmcf)	37.0	38.2	37.5	38.7
Total (boepd)	7,574	7,878	7,636	7,987

Average sales price

Oils and liquids (US\$/bbl)	61.98	109.58	57.46	108.81
Gas – B8/32 and B9A (US\$/mcf)	4.26	5.98	4.96	6.09
Gas – Block 9 (US\$/mcf)	2.32	2.32	2.32	2.32

Cost of Sales

Cost of sales decreased to US\$13.3 million in 2Q2015 compared with US\$14.4 million in 2Q2014 due to lower operating costs and lower Thai royalties paid as a result of the lower average realised selling prices for oil and gas.

Cost control and maximising production efficiencies continue to be a strategic focus for the Group. Lifting costs decreased 6.7% to US\$7.01/boe in 2Q2015 (2Q2014: US\$7.51/boe), largely due to lower operating costs in B8/32 & B9A, however, partially offset by operating costs incurred from G11/48 production in 2Q2015 compared to the same period in 2014. As a result of the start-up of the Nong Yao field, we incurred operating costs for the field between 17 and 30 June 2015 without recognising any sales revenue and therefore the time lag between the ramp up of production to plateau of approximately 10,000 bopd will result in a disproportionate rise in lifting costs.

	For the three months ended 30 June		For the six months ended 30 June	
	2015	2014	2015	2014
Average lifting cost				
Oil, liquids and gas (US\$/boe)	7.01	7.51	6.36	6.23
Operating costs (US\$'000)	4,833.4	5,385.9	8,795.0	9,000.5
Total production (boe)	689,127	716,923	1,382,072	1,445,613

Other income

We recognised other income of US\$21.4 million in 2Q2015 compared with US\$2.5 million in 2Q2014. The increase was mainly attributed to a gain on sale of the MOPU and related assets which have been deployed for use at the Wassana field.

General and administrative expenses

General and administrative expenses decreased 22.3% to US\$7.7 million in 2Q2015 (2Q2014: US\$9.9 million). The decrease was primarily attributed to a decrease in employee benefits expenses and lower professional fees.

Other operating income / expenses

We recognised other operating income of US\$0.9 million in 2Q2015 compared with an expense of US\$0.2 million in 2Q2014. In 2Q2015, we recognised a gain on the net fair value adjustment of the hedge associated with the 2017 Notes and 2018 Notes.

Finance income

Finance income was lower year-on-year due to lower average bank balances in 2Q2015.

Finance costs

Finance costs amounted US\$4.6 million in 2Q2015 (2Q2014: US\$3.4 million). Finance costs were higher in 2Q2015 compared with 2Q2014 as we recognised interest expense from both the 2017 Notes and 2018 Notes.

Profit / loss before tax

We recorded a profit before tax of US\$8.5 million in 2Q2015 compared with a loss before tax of US\$3.0 million in 2Q2014 due to the recognition of gain on sale of the MOPU and related assets offset by recognition of costs associated with production in G11/48 with no revenue.

Tax credit / expense

We recognised a tax credit of US\$0.3 million in 2Q2015 compared to a tax expense of US\$2.9 million in 2Q2014, mainly due to lower revenue recognised at B8/32 and B9A.

Profit / loss after tax

We recorded a profit after tax of US\$8.7 million in 2Q2015 compared with a loss of US\$5.8 million in 2Q2014 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 1H2015 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 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 our employees, including 321,207 Shares to our Executive Directors. Our issued share capital increased to 1,049,989,572 shares.
- On 5 August 2015, we announced that at the close of the rights issue on 31 July 2015, the rights issue was fully subscribed. On issue and listing of the newly issued shares on

11 August 2015, our share capital will increase to 1,490,134,410. See announcements *Renounceable Underwritten Rights Issue – Results of Rights Issue* dated 5 August 2015 and *Renounceable Underwritten Rights Issue – Issue and Listing of Rights Shares* dated 11 August 2015 for more details.

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 June 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).

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 second quarter and six months ended 30 June 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, 13 August 2015