



KrisEnergy announces 1Q2014 financials & operational update

- Revenue up 5.5% at US\$21.2 million and EBITDAX at US\$9.8 million
- High-yield bond redemption US\$12 million one-off loss recognised
- Net production 8,097 boepd, highest since inception
- Portfolio growth with new assets in Bangladesh, Indonesia and Vietnam

Singapore, 15 May 2014 – KrisEnergy Ltd. (“KrisEnergy” or “the “Company”), an independent upstream oil and gas company, today announces unaudited results for the first quarter ended 31 March 2014 (“1Q2014”) and reports operational achievements for the year to date.

	Three months ended 31 March		
	2014	2013	% Change
Production volumes (boepd)	8,097	2,947¹	174.8
Oil and liquids (bopd)	1,547	1,590 ¹	(2.7)
Gas (mmcf)	39.3	8.1 ¹	385.2
Revenue (US\$million)	21.2	20.1	5.5
EBITDAX (US\$million)²	9.8	10.8	(9.3)
Average sales price			
Oils and liquids (US\$/bbl)	108.04	112.03 ¹	(3.6)
Gas – B8/32 and B9A (US\$/mcf)	6.19	6.25	(1.0)
Gas – Block 9 (US\$/mcf)	2.32	N/A	N/A
Average lifting costs (US\$/boe)	4.96	14.52¹	(65.8)

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

¹ Includes production from the Glagah-Kambuna Technical Assistance Contract (“TAC”), which ceased production on 11 July 2013 and excludes production from Block 9, the acquisition of which was completed in December 2013. Taking into account the effective date of the Block 9 transaction being 1 January 2013, our pro forma total production for 1Q2013 was 7,275 boepd

² Earnings before interest, taxation, depreciation, amortisation, geological and geophysical expenses and exploration expenses (“EBITDAX”) is a non-IFRS measure



Revenues in the first three months of 2014 rose 5.5% to US\$21.2 million compared with the three months ended 31 March 2013 ("1Q2013") as a result of a near tripling in working interest production to 8,097 barrels of oil equivalent per day ("boepd") following the addition of the Bangora gas field in Bangladesh for which KrisEnergy completed the acquisition in December 2013.

Gas sales revenues increased 82.2% to US\$7.6 million due to the higher Bangora gas volumes from Block 9, but revenues from sales of oil and liquids decreased 14.2% to US\$13.7 million. Average realised selling prices for oil and liquids in the first quarter from the B8/32 and B9A fields in the Gulf of Thailand and Block 9 were slightly lower at US\$108.04/barrel (1Q2013: US\$112.03/barrel) in line with trends on the global commodity markets. The gas price realised from the Thai fields was also softer at US\$6.19/mcf (1Q2013: US\$6.25/mcf), while the sales price for Bangora gas remained fixed at US\$2.32/mcf.

Higher production and lower operating costs (1Q2014:US\$3.6 million vs 1Q2013:US\$3.9 million) led to a significant reduction in lifting costs at US\$4.96 per barrel of oil equivalent ("boe") in 1Q2014 from US\$14.52/boe in 1Q2013. Cost of sales rose 14.8% in the first quarter compared to 1Q2013 as a result of higher depreciation, depletion and amortisation ("DDA") charges, which were largely attributed to Block 9 where the Company recorded US\$1.5 million in DDA expense from a full quarter of operations in Bangladesh.

Earnings before interest, taxation, depreciation, amortisation, geological and geophysical expenses and exploration expenses ("EBITDAX") amounted to US\$9.8 million, a decline of 9.3% from 1Q2013 but up from US\$5.5 million in the fourth quarter 2013, in line with higher general and administrative expenses from the cost of the newly integrated operations in Bangladesh as well as increases in headcount in Indonesia and Thailand as the Company ramps up development activities.

KrisEnergy recognised a net loss after tax of US\$18.0 million in 1Q2014 primarily as a result of a one-off recognition of adjustments and costs associated with the full redemption on 30 January 2014 of the 10.5% US\$120 million senior guaranteed secured bonds due July 2016, which amounted to a non-recurring non-cash adjustment loss of US\$6.1 million and finance costs of US\$5.9 million. In March, KrisEnergy secured a US\$100 million revolving credit facility ("RCF") maturing in March 2016 with an option to extend for one year and to increase to a maximum US\$140 million as proved plus probable ("2P") reserves are added into the portfolio.

Keith Cameron, Chief Executive officer, said: "We continue to maintain a high level of activity across our asset portfolio and in all countries in which we are an operator. Our production so far this year has surpassed expectations and it is particularly pleasing that Bangora is performing so well at about 110 mmcf/d. We are building our teams in Thailand and Indonesia as we progress our development projects with significant attention to health and safety, and we continue our organic growth with the addition of three exploration blocks, two as operator, at the start of the year. Although the net loss after tax deepened in the first quarter period, this was entirely expected as balance sheet management remains core to our strategy and the redemption of the senior secured bonds and securing the new RCF has reduced our financing costs and hence our cost of debt and leaves us far more flexibility going forward to manage and optimise our capital structure for growth."



Operational update for 1Q2014 and subsequent events up to 15 May 2014

Production

- Total working interest production in the first quarter was 8,097 boepd, the highest level in the Company's history;
- B8/32 and B9A fields in the Gulf of Thailand contributed working interest production of 2,482 boepd, largely flat from a year earlier with a slight decrease in gas output countered by a rise in oil production in March to the highest levels in 36 months; and
- Bangora gross gas production remained consistently at about 110 million cubic feet per day ("mmcf") in the first quarter.

Development & Appraisal

- 15 development wells were drilled in B8/32 up to 31 March 2014, one new platform was put on stream and another platform was restarted following an infill drilling campaign. The 2014 work program anticipates approximately 60 wells to be drilled in the licences; and
- Awarded engineering, procurement, construction, installation and commissioning contract for the production and processing facilities at the Nong Yao oil development in G11/48 in the Gulf of Thailand to Nippon Steel and Sumikin Engineering Co. Ltd.

Exploration

- Completed a 1,284 km 2D seismic acquisition program in the East Muriah production sharing contract ("PSC") offshore East Java. The new data will be used to map additional gas prospects in the block before appraisal drilling in the East Lengo gas discovery area in the second half 2014;
- Completed a 502 sq km 3D broadband seismic acquisition program in the Tanjung Aru PSC, offshore Kalimantan, Indonesia; and
- Continued preparations for a 300 km 2D seismic program in the Udan Emas PSC onshore West Papua. Base camp expected to start construction in June with the survey anticipated to begin in August.

New Ventures

- Awarded 95% operated working interest in the Sakti PSC, which is adjacent to the KrisEnergy operated Bulu and East Muriah PSCs and will form part of the Company's gas aggregation strategy. The PSC has an associated work commitment of 1,200 km 2D seismic acquisition and processing, and one exploration well;
- Awarded 45% working interest in block SS-11, an unexplored licence in shallow waters offshore Bangladesh. A 1,006 km 2D seismic acquisition program is planned in 2014; and
- Awarded 100% operated working interest in Block 115/09 offshore Vietnam with an associated work commitment to reprocess 3,000 km of existing 2D seismic data, 850 sq km 3D seismic data and a single exploration well.

Other Financial and Operational Developments

- Secured a US\$100 million RCF with the option to increase to US\$140 million upon the addition of 2P hydrocarbon reserves;
- Received full approval for the acquisition of a 30% operated working interest in G6/48, KrisEnergy's first operatorship in the Gulf of Thailand;



- KrisEnergy's working interest in Block 105-110/04 and Block 120 offshore Vietnam is anticipated to increase to 33.33% in each block from 25% following the withdrawal of partner Neon Energy;
- KrisEnergy's working interest in the Tanjung Aru PSC is anticipated to increase to 85% from 43% following the withdrawal of partner Neon Energy;
- KrisEnergy, together with Mubadala Petroleum, operator of G11/48 in the Gulf of Thailand, farmed-out 10% working interest to Thai participant Palang Sophon Limited, accordingly, KrisEnergy's working interest in G11/48 has reduced to 22.5% from 25%; and
- KrisEnergy appointed two independent non-executive directors, Mr. Alan Nisbet and Mr. Keith Pringle, to the Board.

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About KrisEnergy:

KrisEnergy Ltd. is an independent upstream company focused on the exploration for, and the development and production of oil and gas in Southeast Asia. Our strategy is to acquire assets in countries and basins where our technical team has expertise derived from decades of experience. Since 2009, we have built a portfolio of 18 contract areas in Bangladesh, Cambodia, Indonesia, Thailand and Vietnam, spanning the entire exploration-to-production life cycle. We operate 10 of the contract areas. Our asset portfolio provides a solid foundation from which we intend to grow our business in Southeast Asia.

KrisEnergy's shares are listed on the mainboard of the Singapore Exchange Securities Trading Ltd under the ticker SK3.

For more information, visit www.krisenergy.com