

KRISENERGY LTD

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

Unaudited Third Quarter & Nine Months ended 30 September 2014 Financial Statements Announcement



13 November 2014

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.

The following announcement may contain forward-looking statements by KrisEnergy Ltd. (our “**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 our 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 our 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 our 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 our Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

Financial and Operations Update

We are an independent upstream oil and gas company focused on the exploration, appraisal, development and production of oil and gas in Asia. As at the date of this announcement, we hold working interests in a diverse portfolio of 18 contract areas in Asia, 12 of which we operate, balancing cash flow from production operations with significant development potential and exploration upside. We also acquired a non-operated working interest in Block A Aceh, the transaction for which is pending government approval. Today, we are pleased to present our unaudited financial statements, which reflect our financial and operating results for the third quarter and nine months ended 30 September 2014 (our “Results”). References made to the Company pertain to KrisEnergy Ltd. and references made to the Group pertain to the Company and its subsidiaries.

	For the three months ended 30 September			For the nine months ended 30 September		
	2014	2013	% Change	2014	2013	% Change
(US\$ thousands, except where otherwise indicated)						
Financial						
Sale of crude oil & liquids	13,264.6	11,273.5	17.7	41,769.7	40,282.5	3.7
Sale of gas	4,922.2	2,360.8	108.5	19,965.6	10,113.1	97.4
Revenue	18,186.8	13,634.3	33.4	61,735.3	50,395.6	22.5
EBITDAX^(1,2)	5,491.2	6,884.6	(20.2)	26,406.2	22,446.9	17.6
Capital expenditures	32,876.4	13,517.9	143.2	76,095.6	44,584.0	70.7
Cash and bank balances	116,856.8	306,949.1	(61.9)	116,857.0	306,949.1	(61.9)
Operations⁽²⁾						
Production volumes (boepd)	7,403	1,993	271.5	7,790	2,486	213.4
Sales volumes (boepd)	7,240	1,877	285.8	7,625	2,374	221.3
Average sales price						
• Oil and liquids (US\$/bbl)	105.47	109.82	(4.0)	107.80	108.85	(4.0)
• Gas – B8/32 and B9A (US\$/mcf)	5.34	6.01	(11.1)	5.84	6.20	(5.7)
• Gas – Block 9 (US\$/mcf)	2.32	N/A	-	2.32	N/A	-
Average lifting costs (US\$/boe)	8.54	14.47	(41.0)	6.97	18.42	(62.2)

Notes:

Any discrepancies in the tables included herein are due to rounding

(1) Earnings before interest, tax, depreciation, amortisation and exploration expenses (“EBITDAX”)

(2) Non-IFRS measures

Third Quarter 2014 Financial Update

We are pleased to report higher revenue on the back of increased production.

- Working interest production in 3Q2014 averaged 7,403 barrels of oil equivalent (“**boepd**”), more than three times the average production in the same period last year (3Q2013: 1,993 boepd). Our working interest production for the first nine months of 2014 (“**9M2014**”) averaged 7,790 boepd, compared with 2,486 boepd in the nine-month period in 2013, exceeding our internal expectations and largely as a result of the contribution from the Bangora gas field in Block 9 onshore Bangladesh.
- Revenue for 3Q2014 was US\$18.2 million, a 33.4% increase from 3Q2013 (US\$13.6 million), bringing total 9M2014 revenue to US\$61.7 million, up 22.5% from the same period in 2013 (US\$50.4 million). Revenue was positively impacted by higher oil and gas production.
- Lifting costs for 3Q2014 and 9M2014 were US\$8.54 per barrel of oil equivalent (“**boe**”) and US\$6.97/boe, respectively, which represented a 41% and 62% decrease compared with the same periods in 2013. The decline in our average lifting costs was a result of the recognition of gas production volumes from the Bangora gas field.
- EBITDAX in 3Q2014 was US\$5.5 million (3Q2013: US\$6.9 million) bringing EBITDAX for 9M2014 to \$26.4 million, up 17.6% from the first nine months in 2013.

On 19 August 2014, we followed our inaugural notes issued in June 2014 (S\$130 million three-year 6.25% notes due 2017, the “**2017 Notes**”) with the issue of S\$200 million four-year notes issued at a coupon of 5.75% (the “**2018 Notes**”). The 2017 Notes and the 2018 Notes were issued under the S\$500 million Medium Term Note (“**MTN**”) Programme established in May 2014. The 2018 Notes issuance was met with strong demand resulting in an order book of S\$1.6 billion. Following a US dollar swap, gross proceeds from the issue were US\$160.5 million. In US dollar terms, we entered 2014 with an average cost of debt of 10.5% and following the issue of the 2017 Notes and 2018 Notes, we have reduced our cost of debt to just below 5.0%. Our unused sources of liquidity as at 30 September 2014 amounted to US\$203.6 million and our gearing was 37.8%, which remains in the middle of our target range.

Third Quarter 2014 Operational Update

We continued to build on the momentum gained in the first half of 2014 as we achieved significant milestones in our development projects, especially in the Gulf of Thailand where we are progressing a number of development projects. In line with our strategy of building a sustainable and diversified upstream oil and gas company, we continue to fulfill our exploration obligations under work commitments.

Development in the Gulf of Thailand

- We are on track with the development of the Wassana oil field in G10/48, where we anticipate first production in the second half of 2015. The Wassana development concept comprises a mobile offshore production unit (“**MOPU**”) and up to 15 development wells producing to a floating storage offloading vessel (“**FSO**”), which is connected to the MOPU via a catenary anchor leg mooring (“**CALM**”) buoy. We have now secured all the key assets necessary for the Wassana development project. We anticipate the *Key Gibraltar* jack-up rig, which we have secured for development, appraisal and exploration drilling in G10/48 and G6/48, will be on location in the Gulf of Thailand in the first quarter of 2015 and will run for a firm six-month term with an option to extend for an additional two months. Please see the announcement “*KrisEnergy signs key elements for Wassana oil development*” dated 27 October 2014 for more details.
- In the G11/48 concession, construction of facilities for the Nong Yao oil development was more than 50% complete at the end of October. The operator has secured the FSO to store and offload the Nong Yao oil production and the jack-up rig for the drilling of the development wells. The project remains on target to achieve first production in mid-2015.
- On 11 August 2014, we announced the acquisition of the entire issued and paid-up share capital of Chevron Overseas Petroleum (Cambodia) Limited (“**Chevron Cambodia**”), which holds the operatorship of, and 30% working interest in the Block A Petroleum Agreement, offshore Cambodia (“**Cambodia Block A**”). On 17 September 2014 we received formal written acknowledgement from the Royal Government of the Kingdom of Cambodia for the change of control and the acquisition completed on 1 October 2014. Following the completion, KrisEnergy became the operator of Cambodia Block A and indirectly holds 55% working interest through a wholly owned subsidiary, KrisEnergy (Cambodia) Ltd (25%) and Chevron Cambodia (30%). Ministry of Mines and Energy (the successor to Cambodia National Petroleum Authority), has exercised its right to acquire a 5% working interest in Cambodia Block A, which when completed will reduce KrisEnergy’s combined holdings to 52.25%. Chevron Cambodia has been renamed to KrisEnergy (Apsara) Ltd. Please see the announcement “*KrisEnergy seals Cambodia acquisition, becomes operator*” dated 2 October 2014 for more details.
- In the Chevron-operated B8/32 and B9A oil and gas producing areas, we have participated in the drilling of 55 development wells in the year to 31 October 2014. The operator is on target with its development drilling program, with three wells remaining

to be drilled in the final two months of 2014. During 3Q2014, one platform was installed, which is anticipated to come on stream towards the end of 2014.

Exploration

- On 8 September 2014, we commenced a seismic acquisition program at the Sakti production sharing contract (“PSC”), which we were awarded a 95% working interest in and the operatorship of in February 2014. We have completed a 1,202 km 2D seismic program and a 401 sq km 3D seismic program. All seismic work commitments for the Sakti PSC have been fulfilled.
- On 25 August 2014, we concluded drilling of the Mancharee-1 exploration well in G10/48, fulfilling the final work commitments under the G10/48 concession agreement. The Mancharee-1 well encountered gas shows at several levels but no significant pay zones were identified.

For recent developments since 30 September 2014, please see paragraph 10 of these Results entitled “Recent Developments”.

Capital expenditures

Please see paragraph 1(c) of these Results entitled “Net cash flow used in investing activities” for a further breakdown of our capital expenditures incurred during 3Q2014.

	For the three months ended 30 September		For the nine months ended 30 September	
	2014	2013	2014	2013
	<i>(US\$ thousands)</i>			
Capital expenditures:				
Exploration and appraisal expenditure ⁽¹⁾	29,688.6	10,098.5	66,223.5	36,031.6
Development expenditure ⁽²⁾	3,040.1	3,356.0	9,183.2	8,157.5
Others	147.7	63.4	688.9	394.9
Total capital expenditures	32,876.4	13,517.9	76,095.6	44,584.0

Notes:

- (1) Expenditure incurred for our non-producing blocks, which includes development activities at G10/48 and G11/48
- (2) Expenditure incurred for our producing blocks, B8/32, B9A and Block 9 PSC

Financial Statements Announcement

Third Quarter and Nine Months ended 30 September 2014

Figures 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 September		For the nine months ended 30 September	
	2014	2013	2014	2013
	<i>(unaudited)</i>			
	<i>(US\$ thousands)</i>			
Sales of crude oil	13,264.6	11,273.5	41,769.7	40,282.5
Sales of gas	4,922.2	2,360.8	19,965.6	10,113.1
Revenue	18,186.8	13,634.3	61,735.3	50,395.6
Cost of sales:				
Operating costs	(5,814.4)	(2,652.9)	(14,814.9)	(12,498.0)
Thai petroleum special remuneratory benefits and royalties paid	(1,847.2)	(1,760.8)	(6,220.0)	(6,201.3)
Depreciation, depletion and amortisation	(5,974.0)	(4,713.6)	(19,462.4)	(11,715.8)
Gross profit	4,551.2	4,507.0	21,238.0	19,980.5
Other income	1,229.4	1,713.8	5,149.4	3,071.7
General and administrative expenses	(7,625.3)	(6,757.5)	(25,762.4)	(18,169.1)
Other operating expenses	82.7	454.5	(6,308.3)	68.5
Finance income	169.2	1,150.0	452.8	1,516.8
Finance costs	(5,129.0)	(3,487.0)	(18,934.1)	(9,794.6)
Loss before tax	(6,721.8)	(2,419.2)	(24,164.6)	(3,326.2)
Tax expense	(3,311.6)	(1,118.5)	(9,665.5)	(8,915.6)
Loss after tax for the period	(10,033.4)	(3,537.7)	(33,830.1)	(12,241.8)
Other comprehensive income:				
Items that may be classified subsequently to profit or loss				
Exchange differences on translation of foreign operations	3.4	(15.8)	(0.6)	(86.6)
Total comprehensive income attributable to owners of the Company	(10,030.0)	(3,553.5)	(33,830.7)	(12,328.4)
Loss per share attributable to owners of the Company (cents per share)	(1.0)	(0.9)	(3.2)	(3.2)

Extraordinary items

There were no extraordinary items during the period.

EBITDAX computation

	For the three months ended 30 September		For the nine months ended 30 September	
	2014	2013	2014	2013
	(unaudited)			
	(US\$ thousands)			
Loss before tax	(6,721.8)	(2,419.2)	(24,164.6)	(3,326.2)
Add:				
Finance costs	5,129.0	3,487.0	18,934.1	9,794.6
Depreciation, depletion and amortisation	6,076.9	4,795.4	19,743.6	11,981.0
Net fair value of embedded derivatives	-	(1,371.1)	-	(1,076.0)
Net fair value of cash-settled share based payment	-	916.6	-	916.6
Loss on redemption of 2016 Notes	-	-	6,137.2	-
EBITDA	4,484.1	5,408.7	20,650.3	18,290.0
Geological and geophysical expense	1,007.1	1,475.9	5,585.1	4,066.0
Exploration expense	-	-	170.8	90.9
EBITDAX	5,491.2	6,884.6	26,406.2	22,446.9

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. In addition, EBITDAX and EBITDA are not standardised terms, hence, a direct comparison between companies using such terms may not be possible.

1 (b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	The Group		The Company	
	As at 30 September 2014	As at 31 December 2013	As at 30 September 2014	As at 31 December 2013
	(unaudited)			
	(US\$ thousands)			
ASSETS				
Non-current assets				
Exploration and evaluation assets	351,701.6	200,261.1	-	-
Oil and gas properties	130,316.9	140,596.1	-	-
Other property, plant and equipment	712.1	332.2	-	-
Intangible assets	61,173.8	43,890.7	-	-
Embedded derivatives	-	6,137.2	-	-
Other investment	182.1	182.1	-	-
Investment in subsidiaries	-	-	330,150.5	327,434.2
Other receivables	-	-	604,231.3	65,000.0
	544,086.5	391,399.4	934,381.8	392,434.2
Current assets				
Inventories	8,873.2	7,027.2	-	-
Trade and other receivables	52,212.2	54,149.7	-	123.0
Prepayments	1,534.5	2,762.3	138.0	237.1
Other current assets	75,576.8	-	-	-
Cash and bank balances	116,857.0	251,809.7	29,676.2	211,400.0
	255,053.7	315,748.9	29,814.2	211,760.1
Total Assets	799,140.2	707,148.3	964,196.0	604,194.3

EQUITY AND LIABILITIES**Equity**

Ordinary shares	1,310.0	1,307.7	1,310.0	1,307.7
Share premium	604,582.8	602,938.3	604,642.4	602,938.3
Foreign currency translation reserve	(1,300.3)	(1,299.6)	-	-
Employee share option reserve	1,319.7	527.8	1,319.7	527.8
Accumulated losses	(170,471.5)	(136,641.4)	(12,872.6)	(1,481.4)
Total Equity	435,440.7	466,832.8	594,399.5	603,292.4

Non-current liabilities

Loans and borrowings	264,256.4	119,141.0	264,256.4	-
Deferred tax liabilities	41,327.2	41,909.7	-	-
Provisions	24,221.8	23,741.2	-	-
Other payables	-	-	102,307.4	281.7
	329,805.4	184,791.9	366,563.8	281.7

Current liabilities

Trade and other payables	9,091.9	35,990.0	26.0	26.1
Accrued operating expenses	21,345.0	13,897.0	3,206.7	594.1
Withholding tax payable	636.5	56.9	-	-
Tax payable	2,820.7	5,579.7	-	-
	33,894.1	55,523.6	3,232.7	620.2

Total Liabilities

	363,699.5	240,315.5	369,796.5	901.9
Total Equity And Liabilities	799,140.2	707,148.3	964,196.0	604,194.3

1 (b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 30 September 2014		As at 31 December 2013	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
-	18,724.59	127,348.3	-

Amount repayable after one year

As at 30 September 2014		As at 31 December 2013	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
-	301,575.41	-	-

Details of any collateral

As at 30 September 2014, certain subsidiaries of the Company pledged their assets with respect to the US\$100 million revolving credit facility, which we established on 24 March 2014 for a period of two years ("**2014 RCF**"). For further information on the 2014 RCF, please see below section entitled "*Borrowings*" and the announcement "*KrisEnergy secures US\$100 million revolving credit facility*" dated 25 March 2014.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	The Group			
	For the three months ended 30 September		For the nine months ended 30 September	
	2014	2013	2014	2013
	<i>(unaudited)</i> <i>(US\$ thousands)</i>			
Operating activities:				
Loss before tax	(6,721.8)	(2,419.2)	(24,164.6)	(3,326.2)
Adjustments for:				
Depreciation, depletion and amortisation	5,974.0	4,713.6	19,462.4	11,715.8
Depreciation of property, plant and equipment	102.9	81.8	281.2	265.2
Loss on disposal of property, plant and equipment	-	-	12.5	-
Grant of equity-settled share options to employees	507.0	-	2,438.6	-
Net fair value gain on embedded derivatives	-	(382.6)	-	(1,076.0)
Net fair value on cash-settled share based payment	-	916.6	-	916.6
Loss on redemption of 2016 Notes	-	-	6,137.2	-
Finance cost	4,968.5	3,379.1	18,452.5	9,470.8
Unwinding of discount on decommissioning provisions	160.5	107.9	481.6	323.8
Interest income	(169.2)	(1,150.0)	(452.8)	(1,516.8)
Operating cash flows before changes in working capital	4,821.9	5,247.2	22,648.6	16,773.2
Decrease/(increase) in inventories	287.8	(987.4)	(1,707.9)	(1,526.5)
(Increase)/decrease in other current assets	-	1,477.7	(10,000.0)	498.7
Decrease in trade and other receivables	3,322.4	6,310.6	3,446.0	568.2
(Increase)/decrease in trade and other payables	7,408.2	(16,294.8)	(19,805.2)	(18,653.2)
Cash flows (used in)/from operations	15,840.3	(4,246.7)	(5,418.5)	(2,339.6)
Interest received	169.2	1,150.0	452.8	1,516.8
Interest paid	(4,968.5)	(155.9)	(10,258.9)	(1,346.6)
Tax paid	(7,771.5)	-	(7,771.5)	-
Net cash flows (used in)/from operating activities	3,269.5	(3,252.6)	22,996.1	(2,169.4)
Investing activities:				
Addition to exploration and evaluation assets	(29,688.6)	(10,098.5)	(66,223.5)	(36,031.6)
Addition to oil and gas properties	(3,040.1)	(3,356.0)	(9,183.2)	(8,157.5)
Acquisition of subsidiary	-	-	(101,639.6)	-
Advances for acquisition	(65,576.8)	-	(65,576.8)	-
Purchase of other property, plant and equipment	(147.7)	(63.4)	(688.9)	(394.9)
Net cash flows used in investing activities	(98,453.2)	(13,517.9)	(243,312.0)	(44,584.0)
Financing activities:				
Repayment of bond	-	-	(126,300.0)	-
Payment of bond interest	-	(4,983.1)	(6,615.6)	(9,445.6)
Proceeds from issuance of shares	-	200,582.5	-	200,582.5
Proceeds from issuance of bond	160,513.6	(988.5)	264,256.4	36,750.0
Decrease in restricted cash	-	4,000.0	-	4,000.0
Proceeds from bank borrowings	-	-	125,000	-
Repayment of bank borrowings	(24,000.0)	-	(125,000)	-
Net cash flows from financing activities	136,513.6	198,610.9	131,340.8	231,886.9
Net increase/(decrease) in cash and cash equivalents	41,329.9	181,840.4	(134,967.3)	185,133.5
Cash and cash equivalents at beginning of the period	71,500.2	125,126.0	247,809.7	121,901.0
Net effect of exchange rate changes	26.9	(17.4)	14.6	(85.4)
Cash and cash equivalents at end of the period	112,857.0	306,949.0	112,857.0	306,949.1

As at 30 September 2014, we had aggregate cash and cash equivalents of US\$112.9 million compared with US\$306.9 million as at 30 September 2013. Our unused sources of liquidity amounted to US\$203.6 million as at 30 September 2014, which includes US\$90.7 million undrawn from the 2014 RCF.

Net cash flow from operating activities

In 3Q2014, our net cash flow from operating activities was US\$3.3 million in 3Q2014 versus cash used in operating activities of US\$3.3 million in 3Q2013 as a result of movements in our working capital.

Net cash flow used in investing activities

In 3Q2014, our total net cash flow used in investing activities amounted to US\$98.5 million compared with US\$13.5 million in 3Q2013. Material capital expenditures in 3Q2014 included (i) US\$16.3 million for development activities at the Wassana oil field in G10/48; (ii) US\$4.7 million, representing our share of costs relating to activities at the Nong Yao oil field development in G11/48; (iii) US\$2.7 million representing our share of development well drilling and platform installations in the B8/32 and B9A complex; and (iv) US\$3.9 million and US\$1.7 million in connection with our share of costs relating to seismic acquisitions in the Udan Emas PSC and Sakti PSC, respectively. We paid a consideration of US\$65.6 million for our acquisition of Chevron Cambodia which completed on 1 October 2014.

Net cash flow used in financing activities

In 3Q2014, our net cash flow from financing activities amounted to US\$136.5 million compared with US\$198.6 million in 3Q2013. During 3Q2014, we issued our 2018 Notes and following a USD swap, the gross proceeds from the issue were US\$160.5 million. In the same quarter, we repaid US\$24.0 million to the RCF.

Borrowings

Following our issuance of the 2018 Notes in August 2014, we have issued an aggregate of S\$330.0 million under the S\$500.0 million MTN Programme. The 2017 Notes and 2018 Notes were issued with a fixed rate coupon, payable semi-annually in arrears, of 5.75% and 6.25%, respectively. At 30 September 2014, the book value of our issued notes under the MTN Programme amounted to US\$264.3 million with a cost of debt of just below 5.0%.

The 2014 RCF remains in place with an option to increase the limit of the facility up to a maximum of US\$140.0 million in the event we add 2P reserves in connection with the entities secured under the 2014 RCF, being our existing producing and development assets in the Gulf of Thailand and Block 9 in Bangladesh.

Our gearing was 37.8% as at 30 September 2014.

Capital expenditures and capital investments

The following table shows our capital expenditures and capital investments for the three and nine months ended 30 September 2014 and 2013. Our exploration and development expenditures include, among others, exploration and appraisal well expenditures, geological and geophysical activities, general and administrative costs, platform and facility costs, and pipeline and equipment expenditures.

	For the three months ended 30 September		For the nine months ended 30 September	
	2014	2013	2014	2013
	(US\$ thousands)			
Capital expenditures and capital investments:				
Exploration and appraisal expenditure ⁽¹⁾	29,688.6	10,098.5	66,223.5	36,031.6
Development expenditure ⁽²⁾	3,040.1	3,356.0	9,183.2	8,157.5
Acquisition of subsidiary	-	-	101,639.6	-
Advances for acquisition ⁽³⁾	65,576.8	-	65,576.8	-
Others	147.7	63.4	688.9	394.9
Total capital expenditures and capital investments	98,453.2	13,517.9	243,312.0	44,584.0

Notes:

- (1) Expenditure incurred for our non-producing blocks, which includes development activities at G10/48 and G11/48
(2) Expenditure incurred for our producing blocks, B8/32, B9A and Block 9 PSC
(3) Consideration paid for our acquisition of Chevron Cambodia

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	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Option Reserve	Total Equity
	(US\$ thousands)					
At 1 January 2014	1,307.7	602,938.3	(136,641.4)	(1,299.6)	527.8	466,832.8
Loss net of tax	-	-	(23,796.7)	-	-	(23,796.7)
Other comprehensive income	-	-	-	(4.1)	-	(4.1)
Total comprehensive income for the period	-	-	(23,796.7)	(4.1)	-	(23,800.8)
Grant of equity-settled share options to employees	-	-	-	-	1,931.6	1,931.6
At 30 June 2014	1,307.7	602,938.3	(160,438.1)	(1,303.7)	2,459.4	444,963.6
Loss net of tax	-	-	(10,033.4)	-	-	(10,033.4)
Other comprehensive income	-	-	-	3.4	-	3.4
Total comprehensive income for the period	-	-	(10,033.4)	3.4	-	(10,030.0)
Vesting of equity-settled share options to employees	2.3	1,644.5	-	-	(1,646.8)	-
Grant of equity-settled share options to employees	-	-	-	-	507.1	507.1
At 30 September 2014	1,310.0	604,582.8	(170,471.5)	(1,300.3)	1,319.7	435,440.7

THE GROUP	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Total Equity
	(US\$ thousands)				
At 1 January 2013	1,000.0	402,750.0	(123,996.1)	(1,220.1)	278,533.8
Loss net of tax	-	-	(8,704.0)	-	(8,704.0)
Other comprehensive income	-	-	-	(70.8)	(70.8)
Total comprehensive income for the period	-	-	(8,704.0)	(70.8)	(8,774.8)
At 30 June 2013	1,000.0	402,750.0	(132,700.1)	(1,290.9)	269,759.0
Loss net of tax	-	-	(3,537.7)	-	(3,537.7)
Other comprehensive income	-	-	-	(15.8)	(15.8)
Total comprehensive income for the period	-	-	(3,537.7)	(15.8)	(3,553.5)
Issuance of shares	307.7	212,678.4	-	-	212,986.1
Share issuance expense	-	(12,403.9)	-	-	(12,403.9)
At 30 September 2013	1,307.7	603,024.5	(136,237.8)	(1,306.7)	466,787.7
THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Option Reserve	Total Equity
	(US\$ thousands)				
At 1 January 2014	1,307.7	602,997.9	(1,481.4)	527.8	603,352.0
Loss net of tax	-	-	(5,219.7)	-	(5,219.7)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	(5,219.7)	-	(5,219.7)
Grant of equity-settled share options to employees	-	-	-	1,931.6	1,931.6
At 30 June 2014	1,307.7	602,997.9	(6,701.1)	2,459.4	600,063.9
Loss net of tax	-	-	(6,171.5)	-	(6,171.5)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	(6,171.5)	-	(6,171.5)
Vesting of equity-settled share options to employees	2.3	1,644.5	-	(1,646.8)	-
Grant of equity-settled share options to employees	-	-	-	507.1	507.1
At 30 September 2014	1,310.0	604,642.4	(12,872.6)	1,319.7	594,399.5
THE COMPANY	Share Capital	Share Premium	Accumulated losses	Total Equity	
	(US\$ thousands)				
At 1 January 2013	1,000.0	402,750.0	(1,965.6)	401,784.4	
Loss net of tax	-	-	(442.7)	(442.7)	
Other comprehensive income	-	-	-	-	
Total comprehensive income for the period	-	-	(442.7)	(442.7)	
At 30 June 2013	1,000.0	402,750.0	(2,408.3)	401,341.7	
Loss net of tax	-	-	-	88.2	88.2
Other comprehensive income	-	-	-	-	-

Total comprehensive income for the period	-	-	88.2	88.2
Issuance of shares	307.7	212,678.4	-	212,986.1
Share issuance expense	-	(12,403.9)	-	(12,403.9)
At 30 September 2013	1,307.7	603,024.5	(2,320.1)	602,012.1

1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as the end of the corresponding period of the immediately preceding financial year

The Company did not hold any treasury shares as at 30 September 2014 (30 September 2013: Nil).

KrisEnergy Employee Share Option Scheme ("KrisEnergy ESOS")

The KrisEnergy ESOS was implemented and adopted during the Company's initial public offering ("IPO"). The duration of the KrisEnergy ESOS is 10 years commencing from 10 July 2013. As at 30 September 2014, 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% 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 the employees, including 963,624 Shares to the Executive Directors.

As at 30 September 2014, the number of Shares granted as awards under the KrisEnergy PSP (but not yet vested) was (a) up to 3% 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) 5,332,902 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 September 2014, our issued share capital was 1,047,963,898 shares.

1 (d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year

SHARE CAPITAL	As at 30 September 2014		As at 31 December 2013	
	(unaudited)		(unaudited)	
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid ordinary shares				
At 1 January	1,046,154,000	1,307,693	100,000,000	1,000,000
One for eight share split on 10 July 2013	-	-	700,000,000	-
Issued on 19 July 2013 for cash	-	-	246,154,000	307,693
Vesting of equity-settled share options to employees on 21 July 2014	1,809,898	2,262	-	-
At reporting date	1,047,963,898	1,309,955	1,046,154,000	1,307,693

SHARE PREMIUM	As at 30 September 2014		As at 31 December 2013	
	(unaudited)		(unaudited)	
	US\$		US\$	
At 1 January	602,938,278		402,750,000	
Increase on 19 July 2013 for cash arising from an issuance of share capital	-		212,678,368	
Share issuance expense	-		(12,490,090)	
Vesting of equity-settled share options to employees	1,644,490		-	
At reporting date	604,582,768		602,938,278	

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 was no sale, transfer, disposal, cancellation and/or use of treasury shares as at 30 September 2014 (30 September 2013: 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 2013, 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 changes, 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 2014. The adoption of these standards did not have any material effect on the financial performance of the Group for the current financial period.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	For the three months ended 30 September		For the nine months ended 30 September	
	2014	2013	2014	2013
Loss per share attributable to owners of the Group:				
(i) Based on a weighted average number of shares (cents per share)	(1.0)	(0.9)	(3.2)	(3.2)
Weighted average number of shares	1,046,631,336	379,543,575	1,046,631,336	379,543,575
(ii) On a fully diluted basis (cents per share)	(1.0)	(0.9)	(3.2)	(3.2)
Adjusted weighted average number of shares	1,046,631,336	379,543,575	1,046,631,336	379,543,575

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

	The Group		The Company	
	As at 30 September 2014	As at 31 December 2013	As at 30 September 2014	As at 31 December 2013
Net asset value per ordinary share ⁽¹⁾	0.42	0.45	0.57	0.58
Net tangible asset per ordinary share ⁽¹⁾	0.36	0.40	0.57	0.58

Note:

(1) Based on share capital of 1,047,963,800 and 1,046,154,000 as at 30 September 2014 and 31 December 2013, respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonable or cyclical factors and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

The following table sets forth a selected summary of our income statement and non-IFRS financial data for the three and nine months ended 30 September 2014.

	For the three months ended 30 September		For the nine months ended 30 September	
	2014	2013	2014	2013
	<i>(unaudited)</i>			
	<i>(US\$ thousands)</i>			
Sales of crude oil	13,264.6	11,273.5	41,769.7	40,282.5
Sales of gas	4,922.2	2,360.8	19,965.6	10,113.1
Revenue	18,186.8	13,634.3	61,735.3	50,395.6
Cost of sales:				
Operating costs	(5,814.4)	(2,652.9)	(14,814.9)	(12,498.0)
Thai petroleum special remuneratory benefits and royalties paid	(1,847.2)	(1,760.8)	(6,220.0)	(6,201.3)
Depreciation, depletion and amortisation	(5,974.0)	(4,713.6)	(19,462.4)	(11,715.8)
Gross profit	4,551.2	4,507.0	21,238.0	19,980.5
Other income	1,229.4	1,713.8	5,149.4	3,071.7
General and administrative expenses	(7,625.3)	(6,757.5)	(25,762.4)	(18,169.1)
Other operating expenses	82.7	454.5	(6,308.3)	68.5
Finance income	169.2	1,150.0	452.8	1,516.8
Finance costs	(5,129.0)	(3,487.0)	(18,934.1)	(9,794.6)
Loss before tax	(6,721.8)	(2,419.2)	(24,164.6)	(3,326.2)
Tax expense	(3,311.6)	(1,118.5)	(9,665.5)	(8,915.6)
Loss after tax for the period	(10,033.4)	(3,537.7)	(33,830.1)	(12,241.8)

	For the three months ended 30 September		For the nine months ended 30 September	
	2014	2013	2014	2013
	<i>(unaudited)</i>			
	<i>(US\$ thousands)</i>			
Revenue	18,186.8	13,634.3	61,735.3	50,395.6
Operating costs	(5,814.4)	(2,652.9)	(14,814.9)	(12,498.0)
Thai petroleum special remuneratory benefits and royalties paid	(1,847.2)	(1,760.8)	(6,220.0)	(6,201.3)
Gross profit before depreciation, depletion and amortisation	10,525.2	9,220.6	40,700.4	31,696.3
Corporate general and administrative expense	(5,034.0)	(2,336.0)	(14,294.2)	(9,249.4)
EBITDAX	5,491.2	6,884.6	26,406.2	22,446.9
Geological and geophysical expense	(1,007.1)	(1,475.9)	(5,585.1)	(4,066.0)
Exploration expense	-	-	(170.8)	(90.9)
EBITDA	4,484.1	5,408.7	20,650.3	18,290.0

Revenue

Revenue for 3Q2014 was US\$18.2 million, a 33.4% increase from 3Q2013 (US\$13.6 million), bringing total 9M2014 revenue to US\$61.7 million, up 22.5% from the same period in 2013 (US\$50.4 million). Revenue was positively impacted by higher oil and gas production, however, the fall in global oil prices throughout 3Q2014 resulted in a lower average selling price for oil and liquids for the Group. The average gas price achieved from the B8/32 and B9A fields in the Gulf of Thailand decreased 11.1% to US\$5.34/mcf as a result of penalties charged as production fell below the daily contracted volume. Future gas production in the B8/32 complex will be boosted by a new platform going into operation before the end of 2014 and a second additional facility by mid-2015.

	For the three months ended 30 September		For the nine months ended 30 September	
	2014	2013	2014	2013
Production volumes				
Oil and liquids (bopd)	1,303	1,148 ⁽¹⁾	1,455	1,360 ⁽¹⁾
Gas (mmcf)	36.6	5.1 ⁽¹⁾	38.0	6.8 ⁽¹⁾
Total (boepd)	7,403	1,993	7,790	2,486
Sales volumes				
Oils and liquids (bopd)	1,302	1,148 ⁽¹⁾	1,455	1,360 ⁽¹⁾
Gas (mmcf)	35.6	4.4 ⁽¹⁾	37.0	6.1 ⁽¹⁾
Total (boepd)	7,240	1,877	7,625	2,374
Average sales price				
Oils and liquids (US\$/bbl)	105.47	109.82 ⁽¹⁾	107.80	108.85 ⁽¹⁾
Gas – B8/32 and B9A (US\$/mcf)	5.34	6.01	5.84	6.20
Gas – Block 9 (US\$/mcf)	2.32	N/A	2.32	N/A

Note:

(1) Includes production from the Glagah-Kambuna TAC, which ceased production on 11 July 2013 and excludes production from Block 9 in Bangladesh, the acquisition of which was completed in December 2013

Cost of sales

Operating costs before DDA increased to US\$5.8 million in 3Q2014 compared with US\$2.6 million in 3Q2013. The increase in operating costs in 3Q2014 was a result of the recognition of production from the Bangora field in Bangladesh. In addition, we recognised a non-recurring adjustment associated with decommissioning costs at the Glagah-Kambuna TAC, which ceased production in July 2013.

Our lifting costs for 3Q2014 and 9M2014 were US\$8.54/boe and US\$6.97/boe, respectively, which represented a 41% and 62% decrease compared with the same periods in 2013, as a result of the contribution of production from Bangora gas field.

	For the three months ended 30 September		For the nine months ended 30 September	
	2014	2013	2014	2013
Average lifting cost				
Oil, liquids and gas (US\$/boe)	8.54	14.47	6.97	18.42
Operating costs (US\$'000)	5,814.4	2,652.9	14,814.9	12,498.0
Total production (boe)	681,084	183,344	2,126,698	678,669

Other income

Other income decreased to US\$1.2 million in 3Q2014 from US\$1.7 million in 3Q2013 primarily as a result of lower foreign exchange gains.

General and administrative expenses

General and administrative expenses increased by 12.8% to US\$7.6 million in 3Q2014 (3Q2013: US\$6.8 million). The increase was primarily attributable to professional fees associated with the 2017 and 2018 Notes issues, director fees and employee benefits.

Finance income

Finance income decreased to US\$0.2 million in 3Q2014 (3Q2013: US\$1.2 million) as a result of lower interest income earned on lower cash balances in 3Q2014.

Finance costs

Finance costs were US\$5.1 million in 3Q2014 (3Q2013: US\$3.5 million). The increase is attributable to issuance fees and accrued interest associated with the 2017 and 2018 Notes.

Loss before tax

We recorded a loss before tax of US\$6.7 million in 3Q2014 compared with a loss before tax of US\$2.4 million in 3Q2013 as a result of the above mentioned factors.

Tax expense

Tax expenses increased to US\$3.3 million in 3Q2014 from US\$1.1 million in 3Q2013, due to higher revenue recognised for B8/32 and B9A.

Loss after tax for the year

We recorded a loss of US\$10.0 million in 3Q2014 compared with a loss of US\$3.5 million in 3Q2013 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

We operate in an industry that may be impacted by commodity price fluctuations and the availability of third-party services, equipment and materials. KrisEnergy's business strategy is to build and maintain a balanced and diversified asset portfolio in order to mitigate risk. This includes a balance between the tax/royalty regime and the production sharing contract environment, as well as a combination of oil and gas production, the latter being generally under long-term supply contracts in Asia and less exposed to volatility in global commodity markets.

Portfolio optimisation will remain central to our strategy. We will continue to seek additional contract areas within our geographical focus area and across the exploration-to-production life cycle for which we believe our technical and operational expertise will create value.

Concurrently, we will continuously review our existing portfolio for divestment opportunities for assets which we believe are no longer core to our overall strategy.

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

Recent Developments

- On 1 October 2014, we completed our acquisition of the entire issued and paid up share capital of Chevron Cambodia, following receipt on 17 September 2014 of acknowledgement from the Royal Government of the Kingdom of Cambodia for the change of control. Please see the announcement “*KrisEnergy seals Cambodia acquisition, becomes operator*” dated 2 October 2014 for more details.
- On 27 October 2014, we announced that we had chartered the *Rubicon Vantage* FSO vessel and a CALM buoy for utilisation on the Wassana oil development in the G10/48 licence area. Please see the announcement “*KrisEnergy signs key elements for Wassana oil development*” dated 27 October 2014 for more details.
- We completed our acquisition and became the new owner of the MOPU on 29 October 2014. We plan to mobilise the MOPU to the Wassana oil field in the Gulf of Thailand following refurbishment works at a drydock in Batam, Indonesia.

11. Dividend

(a) Any dividend declared for the current financial period reported on

None.

(b) Any dividend declared for the corresponding period of the immediately preceding financial year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared / recommended, a statement to that effect

No dividend has been declared or recommended for the three months ended 30 September 2014.

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.

Our 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).

14. Disclosure of the status on the use of proceeds from the IPO

Pursuant to the IPO, the Company received net proceeds from the issue of the new shares of US\$200.5 million (S\$254.6 million) after deducting for share issuance expenses of US\$12.5 million (S\$15.9 million). The following table sets out our use of the net IPO proceeds up to 30 September 2014. As at 30 September 2014, the IPO proceeds had been fully utilised.

	Allocation of IPO Proceeds	IPO Proceeds utilised as at 30 June 2014	IPO Proceeds utilised as at 30 September 2014	Balance of IPO proceeds
		(US\$ million)		
Tranche 1: For acquisitions (including farm-ins)	59.9	59.9	59.9	-
Tranche 2: For our planned capital expenditures, including the exploration, appraisal and development of our existing assets	111.1	96.0	111.1 ⁽¹⁾	-
Tranche 3: For general working capital	29.5	29.5	29.5	-
Total	200.5⁽²⁾	185.4	200.5⁽²⁾	-

Notes:

- (1) Attributable to (i) US\$16.3 million for development activities at the Wassana oil field at G10/48; (ii) US\$4.7 million, representing our share of costs relating to activities at the Nong Yao oil field development at G11/48; (iii) US\$2.7 million representing our share of development well drilling and platform installations at the B8/32 and B9A complex; and (iv) US\$3.9 million and US\$1.7 million in connection with our share of costs relating to seismic acquisition at the Udan Emas PSC and Sakti PSC, respectively
- (2) Estimated net IPO Proceeds disclosed in the Prospectus dated 12 July 2013 was US\$203.6 million and the actual net IPO proceeds received by the Company was US\$200.5 million

CONFIRMATION BY THE BOARD OF DIRECTORS

Pursuant to SGX Listing Rule 705(5), we, Keith Cameron and Christopher Gibson-Robinson, being two directors of KrisEnergy Ltd. (the “**Company**”), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the third quarter and nine months ended 30 September 2014 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 November 2014