KRISENERGY LTD

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

Unaudited Full-Year 2014
Financial Statements Announcement

27 February 2015

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

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.

Chief Executive Officer's Report to Shareholders

To Our Shareholders,

KrisEnergy made good progress towards strategic and operational goals in 2014. Our oil and gas production more than doubled as did our year-end proved plus probable ("**2P**") reserves[1]. We made solid advances in several development projects and we strengthened our capital structure and reduced our effective cost of borrowing by more than half. These are all key performance indicators for a high-growth exploration and production ("**E&P**") operator. However, our successes were somewhat overshadowed by the precipitous drop in world benchmark oil prices in the second half of the year, which impacted revenues and resulted in a revaluation of E&P equities, globally.

Although not immune to turbulence in the commodity markets, our strategy of portfolio diversification across a range of fiscal regimes and a combination of oil and gas assets provides a level of cushioning against price volatility. Pipeline gas in Asia is generally sold under long-term contracts, the prices for which are either fixed or reviewed in reference to the relevant benchmark every six to 12 months. In 2014, 82% of our production was gas and 18% oil and liquids, while our 2P reserves[2] at the end of the year comprised 68% gas and 32% oil and liquids. Although the production profile will change as various new developments are brought on stream, we believe our diversified portfolio is well positioned to benefit from relative stability in gas pricing as well as any upside potential from a recovery in oil prices.

Strengthened balance sheet for investment

Our decision to restructure and extend our borrowings with bond issuances in June and August 2014 has proven particularly advantageous with appetite for high-yield E&P corporate debt having since fallen away due to oil price movements. From a 10.5% coupon at the beginning of 2014, our effective cost of debt is now approximately 5% and our total debt to debt and equity ratio is 38.1%, which is at the mid-point of our target range of 30-50%. Although this restructuring resulted in non-recurring expenses of US$20.4 million for 2014, we have more than doubled borrowings to US$247.4 million from US$120 million at the start of 2014 and we will benefit from lower interest rates going forward.

The strengthening of our balance sheet and positive net cash flow from operations allowed us to continue to invest in our existing portfolio and maintain growth. We signed three corporate transactions in 2014, acquired production equipment and met our exploration and development capital expenditure requirements. The transfer of operatorship to KrisEnergy for G10/48 and Cambodia Block A, both in the Gulf of Thailand, were transformational steps in taking these two flagship development projects forward.

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[1] 2P reserves refers to proved plus probable reserves and 2C resources refers to best estimate contingent resources, in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System approved by the Society of Petroleum Engineers

[2] KrisEnergy's 2P reserves and 2C resources are reviewed each year as at 31 December by independent third-party qualified persons Netherland, Sewell & Associates, Inc. ("**NSAI**")

Uplift in 2P reserves as developments progress

Pre-planning and preparation enabled us to quickly secure all major components for the G10/48 Wassana development in order to declare final investment decision ("**FID**") in June 2014, just five weeks after completing the acquisition of a 75% working interest and taking over operatorship of the block. Much of the work for the refurbishment of the mobile offshore production unit ("**MOPU**") and the floating storage and offloading ("**FSO**") vessel is complete and we are on target for first oil in the second half of 2015. This progress allowed us to recognise the conversion of 13.6 million barrels of oil equivalent ("**mmboe**") of best estimate contingent ("**2C**") resources[1] to 2P reserves as at 31 December 2014 as reviewed by NSAI.

Similarly, since we became the operator of Cambodia Block A in October 2014, our negotiations with the Cambodian authorities over the Apsara oil development project have made advances across all technical and fiscal areas. In parallel, we are laying the groundwork to be able to accelerate development activities once the paperwork is in place. The Apsara development is a tremendous opportunity with potential to be a major producing asset in Asia once the first platform is installed and reservoir performance is confirmed.

Our year-end 2P reserves received a further boost of 25.4 mmboe from the KrisEnergy operated Lengo gas accumulation in the Bulu production sharing contract ("**PSC**") in Indonesia. The approval of the Lengo plan of development ("**POD**") was granted by the Indonesian authorities in December 2014 and our project team in Jakarta is now working on front-end engineering studies and is in discussions to finalise long-term gas offtake agreements.

Overall our total working interest 2P reserves grew 120% to 71 mmboe as at 31 December 2014, while 2C resources more than doubled to almost 137 mmboe as a result of our acquisition of a 41.6666% working interest in Block A Aceh onshore Sumatra, Indonesia. This asset contains three gas fields with an approved POD as well as an exciting discovery that requires appraisal. Our transaction was completed in January 2015 and we were delighted when the operator announced shortly after that it had signed an initial gas sales agreement paving the way for development activities to commence.

Production, revenue and EBITDAX[3] rise

Average 2014 working interest production increased 161% to 7,612 barrels of oil equivalent per day ("**boepd**") as a result of the 2013 acquisition of the Bangora gas field onshore Bangladesh. Bangora's reservoir performance surpassed internal estimates, producing at an average gross rate of 107.7 million cubic feet per day ("**mmcfd**") in 2014 after some downtime for the commissioning of three newly installed compressors and annual maintenance in the latter part of the year.

[3] Earnings before interest, taxation, depreciation, amortisation, geological and geophysical expenses and exploration expenses ("**EBITDAX**"). EBITDAX is a non-IFRS measure

Production in the B8/32 and B9A oil and gas fields in the Gulf of Thailand started 2014 on a strong footing, recording some of the highest rates seen since 2011. However, poor weather largely in the third quarter caused delays to maintenance and reduced volumes, and gas production remained curtailed in the fourth quarter while a processing unit was modified. B8/32 and B9A contributed an average working interest 2,134 boepd in 2014.

Higher production lifted 2014 revenues by 8.5% to US$74.9 million in spite of a 7.7% decline in the average realised oil price to US$100.93 per barrel ("**bbl**") - a level greater than the 2014 average for Brent crude of US$99.45/bbl. Gas sales in Bangladesh remained constant at US$2.32 per thousand cubic feet ("**mcf**"), while in Thailand the production restraints in the second half of the year led to penalty charges, which reduced the annual average realised price by 4.2% to US$5.80/mcf.

EBITDAX, which is a global measure of core profitability within the E&P sector, rose 8.4% to US$30.5 million, just within our target range. However, for the full year we posted a loss after tax of US$50.3 million due primarily to non-recurring charges and one-off non-cash adjustments related to our debt restructuring and other finance costs, along with higher operating costs associated with depreciation, depletion and amortisation charges for our producing properties.

Outlook

KrisEnergy remains on track to execute on a handful of near-term development projects starting with first production in 2015 at the Nong Yao and Wassana oil fields in the Gulf of Thailand and thereafter followed by two gas fields in Indonesia in 2017.

We have maintained a steady level of ground-floor exploration activity with the acquisition of a number of 2D and 3D seismic programs in 2014, which will provide prospects and leads for future exploration drilling. Our capital expenditure budgets out to 2018 will be heavily focused on development activities as we bring new production on stream. However, exploration is an important thread of our overall business strategy as we strive to build a sustainable E&P company and we will constantly review the rig markets and oil services costs for opportunities to drill exploratory wells on a cost-effective basis.

We have little by way of immediate exploration obligations under our concessions and therefore we have discretion and flexibility over our work programs to maximise efficiencies and control expenditure. In adjustment to the anticipated lower oil price environment in 2015, we will continuously review opportunities to cut general and administrative costs without compromising operations and health and safety.

The long-term outlook for the oil and gas industry remains positive despite concerns over short-term global uncertainties and the depressed oil price environment. Uncertainty provides opportunity and a potential springboard for new ventures and portfolio growth. We will continue to be disciplined in our technical review and strategic alignment when assessing such opportunities. Not least, strong economic fundamentals in Asia, together with the region's rapid population growth, rising middle class and economic development, will continue to drive energy demand in our geographical area of focus.

For and on behalf of the Board of Directors

Keith Cameron,
Chief Executive Officer
27 February 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, 12 of which we operate, balancing cash flow from oil and gas production with significant development potential and exploration upside. Today, we are pleased to present our unaudited financial statements, which reflect our financial and operating results for the year ended 31 December 2014 (our "**Results**" or "**FY2014**"). References made to the Company pertain to KrisEnergy Ltd. and references made to the Group pertain to the Company and its subsidiaries.*

	For the year ended 31 December		
	2014	**2013**	**% Change**
	(US$ thousands, except where otherwise indicated)		
Financial			
Sale of crude oil & liquids	49,792.9	54,663.8 (1)	(8.9)
Sale of gas	25,112.3	14,386.6 (1)	74.6
Revenue	**74,905.2**	**69,050.4**	**8.5**
EBITDAX(2)	**30,539.8**	**28,176.1**	**8.4**
Capital expenditure	173,194.9	80,662.3	114.7
Cash and bank balances	51,334.0	251,809.7	(79.6)
Operations(2)			
Production volumes (*boepd*)	7,612	2,916 (1)	161.0
Sales volumes (*boepd*)	7,448	2,801 (1)	165.9
Average sales price			
• Oil and liquids (*US$/bbl*)	100.93	109.40 (1)	(7.7)
• Gas – B8/32 and B9A (US$/mcf)	5.80	6.06	(4.2)
• Gas – Block 9 (US$/mcf)	2.32	2.32	-
Average lifting costs (US$/boe)	6.91	15.14	(54.4)

Notes:
The financial statements for the year ended 31 December 2013 are audited, while the financial statements for the year ended 31 December 2014 are unaudited as at the date of this announcement.
(1) Includes production from the Glagah-Kambuna Technical Assistance Contract ("**TAC**"), which ceased production on 11 July 2013 and one month of production from Block 9 in Bangladesh
(2) Non-IFRS measures

Full-Year 2014 Financial Update

We are pleased to report higher revenue and EBITDAX as a result of increased production, notwithstanding the lower oil price environment.

- Working interest production in FY2014 averaged 7,612 boepd, more than double that the 2013 period (FY2013: 2,916 boepd) and largely due to the gas sales contribution from the Bangora gas field in Block 9, onshore Bangladesh.

- Revenue for FY2014 was US$74.9 million, up 8.5% from FY2013 (US$69.1 million). Higher revenue was a result of higher oil and gas production, however, the fall in global oil prices in the second half of 2014 resulted in a lower average selling price for oil and liquids for the Group. As announced in November 2014, lower gas prices in Thailand were a result of penalty charges in the second half of the year when production volumes fell below the daily contracted quantity.

- Lifting costs for FY2014 were US$6.91 per barrel of oil equivalent ("**boe**"), which represented a 54.4% decrease compared with FY2013. The decline in average lifting costs was due to the additional gas sales volumes from the Bangora gas field. In terms of production and revenue contribution, gas production accounted for approximately 81.7% and 33.5%, respectively.

- EBITDAX in FY2014 increased 8.4% to US$30.5 million (FY2013: US$28.2 million), which was in line with expectations.

- Oil and gas assets grew by 58.2% in FY2014 to US$539.1 million as a result of two accretive corporate acquisitions: 75% working interest in and operatorship of G10/48; and 30% working interest in and operatorship of Cambodia Block A.

In 2014, we strengthened our balance sheet and more than halved our cost of borrowing. We redeemed the 10.5% US$120.0 million senior guaranteed secured bonds due July 2016 (the "**2016 Notes**") in January 2014, which permitted us to unencumber our assets from a restrictive security package and obtain more flexible and lower cost financing. As a result, we were able to execute the following:

- On 24 March 2014, we entered into a facility agreement with The Hongkong and Shanghai Banking Corporation where we secured a US$100.0 million revolving credit facility for a period of two years with an option to extend to three years (the "**2014 RCF**"). The 2014 RCF grants the option to increase the facility limit up to US$140.0 million when we increase 2P reserves for the assets secured under the 2014 RCF.

- Following the establishment of our S$500.0 million multi-currency Medium Term Note ("**MTN**") Programme in May 2014, we issued a S$130.0 million three-year fixed rate bond in June 2014 (the "**2017 Notes**"), with a coupon of 6.25%. In August 2014, we followed the inaugural notes with the issue of S$200.0 million four-year fixed rate notes with a coupon of 5.75% (the "**2018 Notes**"). Both the 2017 Notes and 2018 Notes issuances were met with strong investor demand resulting in each order book being over eight times subscribed.

- During FY2014, we grew our operating cash flows before changes in working capital to US$38.6 million (FY2013: US$17.9 million), and our resultant net cash flows from operating activities remained positive in FY2014 at US$6.3 million.

- Unused sources of liquidity as at 31 December 2014 amounted to US$128.1 million and the Group's gearing was 38.1%, which remains within the middle of our target debt to debt-to-equity range.

Full-Year 2014 Operational Update

During 2014, we progressed several of our development projects, both in the Gulf of Thailand and in Indonesia, in line with our strategy of building a sustainable upstream oil and gas company, while continuing to fulfill our work commitments.

The working interest share of 2P reserves more than doubled year-on-year ("**YoY**") to 71.0 mmboe as a result of conversion of 2C resources associated with development projects in the G10/48 contract area and the Bulu PSC to reserves as reviewed by NSAI. The working interest share of 2C resources more than doubled YoY to 136.8 mmboe as at 31 December 2014, which was largely a result of the 2C resources attributed to our acquisition of Block A Aceh. See section entitled *Reserves and Contingent Resources Summary* for a breakdown by asset of 2P reserves and 2C resources as estimated by NSAI.

<u>Development</u>

- In December 2014, we received formal notification that the Government of Indonesia had approved the POD for the Lengo gas field in the Bulu PSC, which forms part of our East Java gas aggregation strategy and also includes the East Muriah and Sakti PSCs. The Lengo gas discovery will be developed via four development wells and an unmanned wellhead platform. A 20-inch, 65-km export pipeline will transport the gas directly to shore. Production is expected to commence approximately 24 months after the joint-venture partners declare FID and to plateau at 70 mmcfd.

- We acquired the entire issued and paid-up share capital of Mubadala Petroleum G10 (Thailand) Limited, since renamed KrisEnergy G10 (Thailand) Limited ("**KEG10**"), thereby becoming the operator with 100% working interest in the G10/48 contract area. In June 2014, we declared FID for the Wassana development, which will be the first KrisEnergy-operated oil field to be brought into production. First oil is expected in the second half of 2015. The Wassana development comprises the *MOPU Ingenium* and up to 15 development wells producing to a FSO vessel, with peak production expected to reach 10,000 barrels of oil per day ("**bopd**"). In October 2014, we announced that all key components of the Wassana project have been secured:
    - the *Key Gibraltar* jack-up rig has been contracted for the Wassana development drilling and is expected to be on location in the Gulf of Thailand in the first half of 2015;
    - the *MOPU Ingenium*, a converted Bethlehem Matt Type jack-up rig, is undergoing refurbishment works in drydock in Batam, Indonesia. It has a full hydrocarbon processing facility for up to 20,000 bopd and a water injection capacity of 15,000 barrels per day;
    - the *Rubicon Vantage FSO* vessel has been chartered and is undergoing refurbishment in Thailand; and
    - a catenary anchor leg mooring ("**CALM**") buoy and connection hoses have been procured and fabrication works are on track.

  See announcement *KrisEnergy signs key elements for Wassana oil development* dated 27 October 2014 for more details.

- Construction of facilities for the Nong Yao oil development in the G11/48 concession, where Mubadala Petroleum is the operator, was more than 70% complete at the end of December 2014. The operator has secured the FSO to store and offload Nong Yao oil production and the jack-up rig for the development drilling. The project remains on target to achieve first production in the second half of 2015.

- We participated in the drilling of 55 development wells in the B8/32 & B9A oil and gas complex during FY2014 (FY2013: 57 wells) and the operator, Chevron, put two new platforms on stream.

Exploration

- We completed 1,202 km 2D and 401 sq. km 3D seismic acquisition programs in the Sakti PSC in September and October 2014, respectively. We were awarded the operatorship and 95% working interest in the Sakti PSC, offshore East Java in Indonesia, in February 2014.

- We fulfilled final work commitments in the G11/48 and G10/48 licence areas following completion of a single exploration well in each block in June and August 2014, respectively.

- In April 2014, we completed a 502 sq. km 3D broadband seismic acquisition program in the Tanjung Aru PSC in the Makassar Strait.

- In February 2014, we completed the acquisition of 1,284 km 2D seismic data in the East Muriah PSC.

Acquisitions and new awards

- On 1 October 2014, we completed the acquisition of the entire issued and paid up share capital of Chevron Overseas Petroleum (Cambodia) Limited, since renamed to KrisEnergy (Apsara) Ltd, which holds a 30% working interest in Cambodia Block A. KrisEnergy is now the operator of Cambodia Block A and is working with all stakeholders, including the Royal Government of the Kingdom of Cambodia and the joint-venture partners, to agree the development of the Apsara oil field. See announcement *KrisEnergy seals Cambodia acquisition, becomes operator* dated 2 October 2014 for more details.

- A deed of assignment was executed in June 2014 between KrisEnergy, Neon Energy (Indonesia) Pty Ltd ("**Neon Energy Indonesia**") and Natuna Ventures Pte Ltd to formalise and effect the transfer of Neon Energy Indonesia's 42% working interest in the Tanjung Aru PSC to KrisEnergy, the operator, pursuant to the default and subsequent withdrawal of Neon Energy Indonesia. The completion of the transfer is pending government approval, upon which KrisEnergy will hold an 85% working interest in the Tanjung Aru PSC.

- In May 2014, completed the acquisition of a 30% working interest in and operatorship of G6/48 in the Gulf of Thailand.

- In May 2014, signed a farm-out agreement for Palang Sophon Limited ("**PSL**") to acquire a 10% working interest in G11/48 in the Gulf of Thailand, to become the Thai participant in the contract area. KrisEnergy's working interest in G11/48 reduced to 22.5% from 25%.

- On 20 March 2014, we were awarded 100% working interest in and operatorship of the Block 115/09 exploration PSC offshore Vietnam.

- On 12 March 2014, we were awarded a 45% non-operated working interest in the shallow sea exploration block, SS-11, offshore Bangladesh.

For developments since 31 December 2014, see paragraph 10 of these Results entitled *Recent Developments*.

Capital Expenditure

See paragraph 1(c) of these Results entitled *Net cash flow used in investing activities* for a further breakdown of capital expenditure during FY2014.

	For the year ended 31 December	
	2014	**2013**
	(US$ thousands)	
Capital expenditure:		
Exploration and appraisal expenditure	82,553.6 (1)	64,607.3
Development expenditure	24,453.4 (2)	13,794.3
Others	66,187.9 (3)	2,260.7
Total capital expenditure	**173,194.9**	**80,662.3**

Notes:
(1) Expenditure incurred for our non-producing blocks, which includes development activities in G10/48 and G11/48
(2) Expenditure incurred for our producing assets, B8/32, B9A and Block 9
(3) Expenditure incurred in connection with the MOPU and marine-related assets for the G10/48 Wassana development

Pursuant to our *Unaudited Full Year 2013 Financial Statements Announcement* dated 28 February 2014, we estimated planned capital expenditure for FY2014 of US$196.1 million. In FY2014, we spent US$173.2 million, approximately US$22.9 million less than planned, which was primarily a result of the following:

- Following our acquisition of KEG10, which holds 75% working interest in and operatorship of G10/48, we re-aligned our exploration and appraisal drilling program in the Gulf of Thailand and deferred contingent drilling activities to 2015 in order to optimise drilling costs and operations;
- In B8/32 and B9A, the operator installed one less platform than planned, although the number of development wells drilled was in line with expectations;
- We deferred our non-mandatory drilling program in Indonesia to 2016 to focus on progressing the POD for the Lengo gas development in the Bulu PSC, and following the award of the Sakti PSC, we elected to defer drilling in East Java in order to optimise drilling costs and operations;
- Recording of 2D seismic data in the Udan Emas PSC was delayed and costs were deferred. As at the date of this announcement, the 300 km 2D seismic acquisition program was 8% completed.

Planned capital expenditure for FY2015 is derived from our approved work program and budget for FY2015, our minimum future exploration commitments pursuant to the petroleum licences which our Group is a party to, as well as management estimates. The following table sets out our planned capital expenditure for FY2015.

	For the year ending 31 December 2015
	(US$ thousands)
Exploration and appraisal expenditure(1)	209,792.5
Development expenditure (2)	25,528.7
Other capital expenditure(3)	34,040.8
Total capital expenditure	**269,362.0**

Notes:
(1) Expenditure incurred for our non-producing blocks, which includes development activities in G10/48, G11/48, Cambodia Block A, and the Bulu and Block A Aceh PSCs
(2) Expenditure incurred for our producing assets, B8/32, B9A and Block 9
(3) Expenditure incurred in connection with marine-related assets

We intend to fund our planned capital expenditure from a combination of proceeds earned from operations within our ordinary course of business, including cash flows from operations, asset divestments and farm-out transactions, as well as existing debt facilities and cash resources. Our activities and plans for FY2015 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, the economic environment.

We remain focused and committed to progressing our development projects hence as we move forward, our year on year planned capital expenditure will remain skewed towards development capital expenditure in order to realise positive cash flow, revenue and EBITDAX from putting our new fields on stream.

Our actual capital expenditure may differ significantly from the amounts set out above due to various factors, including but not limited to, future cash flows, results of operations and financial condition, changes in the local economies in Bangladesh, Cambodia, Indonesia, Singapore, Thailand and Vietnam, in which we have a business presence, the availability of financing on terms acceptable to us, matters relating to possible construction/development delays, defects or cost overruns, delays in obtaining or receipt of governmental approval, acceleration or delays in our exploration and development programs, changes in the legislative and regulatory environment, and other factors that are beyond our control.

Reserves and Contingent Resources Summary as estimated by NSAI as at 31 December 2014

Reserves	1P Reserves			2P Reserves			3P Reserves			
	Gross	Working Interest		Gross	Working Interest		Gross	Working Interest		
Oil	*(mmbbl)*[1]	*(mmbbl)*	*Change from previous update (%)*	*(mmbbl)*	*(mmbbl)*	*Change from previous update (%)*	*(mmbbl)*	*(mmbbl)*	*Change from previous update (%)*	**Remarks**
Bangladesh										
Block 9	0.53	0.16	78	0.84	0.25	9	0.90	0.27	(13)	
Thailand										
B8/32 and B9A	29.11	1.35	(4)	123.48	5.72	(9)	149.02	6.91	(11)	
G10/48	-	-	-	13.55	13.55	100	21.90	21.90	100	Conversion from contingent resources and increased working interest
G11/48	9.78	2.20	5	12.67	2.85	(16)	16.36	3.68	(29)	Reclassification of 2P to 2C associated with the location of the Nong Yao-3 exploration well
Gas	*(bcf)*[2]	*(bcf)*	*Change from previous update (%)*	*(bcf)*	*(bcf)*	*Change from previous update (%)*	*(bcf)*	*(bcf)*	*Change from previous update (%)*	**Remarks**
Bangladesh										
Block 9	188.59	56.58	81	353.88	106.16	11	378.23	113.47	(15)	
Indonesia										
Bulu PSC	-	-	-	358.80	152.49	100	419.60	178.33	100	Conversion from contingent resources
Thailand										
B8/32 and B9A	146.43	6.79	(2)	709.02	32.86	(15)	881.98	40.88	(16)	

[1] mmbbl refers to millions of barrels
[2] bcf refers to billions of cubic feet

Our 2P annual reserves replacement as at 31 December 2014 was 1,492%, compared to 1,523% as at 31 December 2013.

	1C Resources			2C Resources			3C Resources			
	Gross	Working Interest		Gross	Working Interest		Gross	Working Interest		
Oil	***(mmbbl)***	***(mmbbl)***	***Change from previous update (%)***	***(mmbbl)***	***(mmbbl)***	***Change from previous update (%)***	***(mmbbl)***	***(mmbbl)***	***Change from previous update (%)***	**Remarks**
Bangladesh										
Block 9	0.02	0.01	-	0.11	0.03	-	0.54	0.16	-	
Cambodia										
Block A	0.91	0.47	(66)	10.28	5.37	118	18.08	9.45	120	Increased working interest
Indonesia										
Block A Aceh PSC	1.19	0.50	100	2.27	0.95	100	4.16	1.73	100	Acquisition
Kutai PSC	-	-	-	0.09	0.05	-	0.15	0.08	-	
Thailand										
G6/48	-	-	-	8.37	2.51	-	20.50	6.15	-	
G10/48	0.45	0.45	309	5.98	5.98	22	10.22	10.22	27	Conversion to reserves and increased working interest
G11/48	2.31	0.52	767	3.95	0.89	493	25.73	5.79	22	

Gas	1C Resources Gross (bcf)	1C Working Interest (bcf)	1C Change from previous update (%)	2C Resources Gross (bcf)	2C Working Interest (bcf)	2C Change from previous update (%)	3C Resources Gross (bcf)	3C Working Interest (bcf)	3C Change from previous update (%)	Remarks
Bangladesh										
Block 9	6.08	1.82	-	27.68	8.30	-	128.95	38.69	-	
Indonesia										
Block A Aceh	1129.19	470.49	100	1477.77	615.74	100	2007.63	836.51	100	Acquisition
Bulu PSC	-	-	(100)	-	-	(100)	-	-	(100)	Conversion to reserves
East Muriah PSC	-	-	-	19.70	9.85	-	48.87	24.43	-	
Kutai PSC	-	-	-	75.70	41.33	-	117.45	64.13	-	
Tanjung Aru PSC	-	-	-	110.51	47.52	-	155.81	67.00	-	
Thailand										
G11/48	4.92	1.11	-	14.84	3.34	-	26.08	5.87	-	

Source: All figures estimated by NSAI

Name of Qualified Person: NSAI

Date: 31 December 2014

Professional Society Affiliation/Membership: NSAI: Texas Board of Professional Engineers Registration No. F-2699 / Mr. Scott Frost: Licensed Professional Engineer in the States of Texas (No. 88738) and Society of Petroleum Engineers / Mr. Allen Evans: Licensed Professional Geoscientist in the State of Texas, Geology (No. 1286) and American Association of Petroleum Geologists

Figures for the year ended 31 December 2014 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 year ended 31 December	
	2014	**2013**
	(unaudited)	*(audited)*
	(US$ thousands)	
Sales of crude oil	49,792.9	54,663.8
Sales of gas	25,112.3	14,386.6
Revenue	**74,905.2**	**69,050.4**
Cost of sales:		
Operating costs	(19,192.2)	(16,113.0)
Thai petroleum special remuneratory benefits and royalties paid	(7,329.3)	(8,084.7)
Depreciation, depletion and amortisation	(28,714.7)	(19,389.1)
Gross profit	**19,669.0**	**25,463.6**
Other income	9,330.9	16,235.2
General and administrative expenses	(35,718.9)	(31,736.4)
Other operating (expense)/income	(9,983.9)	1,631.3
Finance income	577.3	1,853.9
Finance costs	(23,153.2)	(13,334.0)
(Loss)/profit before tax	**(39,278.8)**	**113.6**
Tax expense	(11,091.6)	(12,758.6)
Loss after tax for the year	**(50,370.4)**	**(12,645.0)**
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(164.5)	(79.6)
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit obligations	(139.1)	0.0
Total comprehensive income attributable to owners of the Company	**(50,674.0)**	**(12,724.6)**
Loss per share attributable to owners of the Company (cents per share)		
Basic	(4.8)	(2.3)
Diluted	(4.8)	(2.3)

Extraordinary items

There were no extraordinary items during the period.

EBITDAX Computation

	For the year ended 31 December	
	2014	2013
	(unaudited)	
	(US$ thousands)	
Adjusted (loss)/profit before tax	(39,190.6)	293.6
Add:		
Finance costs	23,153.2	13,334.0
Depreciation, depletion and amortisation	29,141.4	19,737.5
Excess of fair value of net assets acquired over consideration paid	-	(12,936.3)
Impairment of other investments	182.1	-
Net fair value adjustment on financial instruments	9,097.6	(2,284.7)
EBITDA	**22,383.7**	**18,144.1**
Geological and geophysical expense	7,452.2	9,378.6
Exploration expense	703.9	653.4
EBITDAX	**30,539.8**	**28,176.1**

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 loss/profit 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 31 December	As at 31 December	As at 31 December	As at 31 December
	2014	2013	2014	2013
	(unaudited)	(audited)	(unaudited)	(unaudited)
	(US$ thousands)			
ASSETS				
Non-current assets				
Exploration and evaluation assets	402,778.7	200,261.1	-	-
Oil and gas properties	136,334.8	140,596.1	-	-
Other property, plant and equipment	1,161.2	332.2	-	-
Intangible assets	91,452.9	43,890.7	-	-
Embedded derivatives	-	6,137.2	-	-
Other investment	-	182.1	-	-
Investment in subsidiaries	-	-	330,557.1	327,434.2
Other receivables	-	-	645,465.0	65,000.0
	631,727.6	**391,399.4**	**976,022.1**	**392,434.2**
Current assets				
Inventories	14,670.1	7,027.2	-	-
Trade and other receivables	65,165.5	54,149.7	-	123.0
Prepayments	1,545.3	2,762.3	126.8	237.1
Revaluation due to hedge	-	-	-	-
Cash and bank balances	51,334.0	251,809.7	1,610.6	211,400.0
	132,714.9	**315,748.9**	**1,737.4**	**211,760.1**

Assets held for sale	64,986.9	-	-	-
Total Assets	**829,429.4**	**707,148.3**	**977,759.5**	**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	604,582.8	602,938.3
Foreign currency translation reserve	(1,464.1)	(1,299.6)	-	-
Employee share option reserve	1,689.4	527.8	1,689.4	527.8
Accumulated losses	(187,150.9)	(136,641.4)	(19,760.5)	(1,481.4)
Total Equity	**418,967.2**	**466,832.8**	**587,821.7**	**603,292.4**
Non-current liabilities				
Employee benefit liability	1,483.6	884.7	-	-
Loans and borrowings	257,440.5	-	247,440.5	-
Deferred tax liabilities	40,309.6	41,909.7	-	-
Provisions	38,602.1	23,741.2	-	-
Other payables	-	-	119,062.8	281.7
	337,835.8	**66,535.6**	**366,503.3**	**281.7**
Current liabilities				
Trade and other payables	27,393.0	35,990.0	3,770.2	26.1
Accrued operating expenses	20,191.5	13,012.3	275.7	594.1
Loans and borrowings	-	119,141.0	-	-
Derivative due to hedge	19,388.6	-	19,388.6	-
Withholding tax payable	561.3	56.9	-	-
Tax payable	5,092.0	5,579.7	-	-
	72,626.4	**173,779.9**	**23,434.5**	**620.2**
Total Liabilities	**410,462.2**	**240,315.5**	**389,937.8**	**901.9**
Total Equity And Liabilities	**829,429.4**	**707,148.3**	**977,759.5**	**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 31 December 2014		As at 31 December 2013	
Secured	**Unsecured**	**Secured**	**Unsecured**
	(US$ thousands)		
10,000.0	15,088.3	127,348.3	-

Amount repayable after one year

As at 31 December 2014		As at 31 December 2013	
Secured	**Unsecured**	**Secured**	**Unsecured**
	(US$ thousands)		
-	286,042.0	-	-

Details of any collateral

As at 31 December 2014, certain subsidiaries of the Company pledged assets with respect to 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 year ended 31 December	
	2014	2013
	(unaudited)	*(audited)*
	(US$ thousands)	
Operating activities:		
(Loss)/profit before tax	(39,278.8)	113.6
Adjustments for:		
Depreciation, depletion and amortisation	28,714.7	20,056.3
Depreciation of property, plant and equipment	426.7	348.4
Decommissioning provisions	14,218.8	1,284.8
Excess of fair value of net assets acquired over consideration paid	-	(12,936.3)
Grant of equity-settled share options to employees	2,808.3	527.8
Loss on disposal of property, plant and equipment	12.5	-
Net fair value loss/(gain) on embedded derivatives	6,137.2	(2,284.7)
Net fair value loss on hedge	2,960.4	-
Impairment of other investments	182.1	-
Remeasurement of retirement benefits	(139.1)	-
Write-back of unused decommissioning provisions	-	(667.2)
Finance cost	22,511.1	12,902.2
Unwinding of discount on decommissioning provisions	642.1	431.8
Interest income	(577.3)	(1,853.9)
Operating cash flows before changes in working capital	**38,618.7**	**17,922.8**
Increase in inventories	(7,504.8)	(883.1)
Decrease in other current assets	-	500.0
Increase in trade and other receivables	(2,458.5)	(6,458.2)
(Decrease)/increase in trade and other payables	(7,575.4)	23,896.4
Cash flows from operations	**21,080.0**	**34,977.9**
Interest received	577.3	1,853.9
Interest paid	(7,566.8)	(1,568.4)
Taxes paid	(7,771.5)	(19,019.1)
Net cash flows from operating activities	**6,319.0**	**16,244.3**
Investing activities:		
Additions to exploration and evaluation assets	(82,553.6)	(64,607.3)
Addition to oil and gas properties	(24,453.4)	(13,794.3)
Acquisition of subsidiaries	(167,216.4)	(41,396.1)
Advances for acquisition	(4,152.7)	-
Expenditure on decommissioning provisions	-	(1,832.8)
Expenditure on assets refurbishment	(8,986.9)	-
Purchase of other plant, property and equipment	(57,201.0)	(427.9)
Net cash flows used in investing activities	**(344,564.0)**	**(122,058.4)**
Financing activities:		
Proceeds from issuance of shares	-	212,986.1
Share issuance expense	-	(12,490.1)
Proceeds from issuance of bond	263,868.7	36,750.0
Repayment of bond	(126,300.0)	-
Payment of bond interest	(9,567.6)	(9,445.6)
Decrease in restricted cash	-	4,000.0
Proceeds from bank borrowings	135,000.0	-
Repayment of bank borrowings	(125,000.0)	-
Net cash flows from financing activities	**138,001.1**	**231,800.4**
Net (decrease)/increase in cash and cash equivalents	(200,243.9)	125,986.3

Cash and cash equivalents at beginning of the period	247,809.7	121,901.0
Net effect of exchange rate changes	(231.8)	(77.6)
Cash and cash equivalents at end of the period	**47,334.0**	**247,809.7**

As at 31 December 2014, aggregate cash and cash equivalents was US$47.3 million compared with US$247.8 million as at 31 December 2013. Unused sources of liquidity as at 31 December 2014 amounted to US$128.1 million, which included US$80.7 million undrawn from the 2014 RCF.

Net Cash Flow from Operating Activities
In FY2014, net cash flow from operating activities was US$6.3 million versus net cash flow from operating activities of US$16.2 million in FY2013 as a result of movements in working capital.

Net Cash Flow used in Investing Activities
In FY2014, net cash flow used in investing activities amounted to US$344.6 million compared with US$122.1 million in FY2013. Material capital expenditure in FY2014 included (i) acquisitions of additional working interest in G10/48 and Cambodia Block A amounting to US$167.2 million in aggregate; (ii) US$22.8 million representing the working interest share of development well drilling and platform installations in the B8/32 and B9A complex; (iii) expenditure of US$105.2 million relating to exploration and development activities, including the acquisition and refurbishment of the MOPU and fabrication of the associated equipment for G10/48; (iv) exploration and development costs for G11/48 of US$17.7 million; and (v) costs relating to seismic acquisitions in the Udan Emas PSC, Sakti PSC and Tanjung Aru PSC of US$24.6 million in aggregate.

Net Cash Flow from Financing Activities
In FY2014, net cash flow from financing activities amounted to US$138.0 million compared with US$231.8 million in FY2013. We redeemed the 2016 Notes and returned US$126.6 million to bondholders, which comprised principal repayment, redemption premium at 105.25% and accrued interest. We issued the 2017 Notes and 2018 Notes and following a US dollar swap, realised gross proceeds of US$263.9 million.

Borrowings
We have issued an aggregate 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 6.25% and 5.75%, respectively. As a result of the issuances, we more than halved our cost of debt. As at 31 December 2014, the book value of the issued notes under the MTN Programme amounted to US$247.4 million.

As at 31 December 2014, US$80.7 million of the 2014 RCF was undrawn and we hold the right to increase the facility up to US$140.0 million when we increase 2P reserves for those assets secured under the 2014 RCF, being our existing producing and certain development assets in the Gulf of Thailand and Block 9 in Bangladesh.

Our gearing was 38.1% as at 31 December 2014, which remains within the middle of our target debt-to-debt and equity range.

Capital Expenditure and Capital Investment

The following table shows capital expenditure and capital investments for the year ended 31 December 2014 and 2013. 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 year ended 31 December	
	2014	**2013**
	(US$ thousands)	
Capital expenditure and capital investment:		
Exploration and appraisal expenditure	82,553.6 [(1)]	64,607.3
Development expenditure	24,453.4 [(2)]	13,794.3
Acquisition of subsidiaries	167,216.4 [(3)]	41,396.1
Advances for acquisition	4,152.7	-
Expenditure on asset refurbishment	8,986.9	-
Others	57,201.0 [(4)]	2,260.7
Total capital expenditure and capital investment	**344,564.0**	**122,058.4**

Notes:

(1) Expenditure incurred for our non-producing assets, which includes development activities in G10/48 and G11/48

(2) Expenditure incurred for our producing assets, B8/32, B9A and Block 9

(3) Consideration paid for our acquisitions of additional working interests in G10/48 and Cambodia Block A

(4) Expenditure incurred in connection with the MOPU and marine-related assets for the G10/48 Wassana development

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	-	-	(50,370.4)	-	-	(50,370.4)
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	-	-	(164.5)	-	(164.5)
Remeasurement of defined benefit obligations	-	-	(139.1)	-	-	(139.1)
Total comprehensive income for the period	-	-	(50,509.5)	(164.5)	-	(50,674.0)
Vesting of equity-settled share options to employees	2.3	1,644.5	-	-	-	1,646.8
Grant of equity-settled share options to employees	-	-	-	-	1,161.6	1,161.6
At 31 December 2014	**1,310.0**	**604,582.8**	**(187,150.9)**	**(1,464.1)**	**1,689.4**	**418,967.2**

THE GROUP	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Option Reserve	Total Equity
			(US$ thousands)			
At 1 January 2013	**1,000.0**	**402,750.0**	**(123,996.4)**	**(1,220.0)**	**-**	**278,533.6**
Loss net of tax	-	-	(12,645.0)	-	-	(12,645.0)
Other comprehensive income:						
Exchange differences on translation of foreign operations	-	-	-	(79.6)	-	(79.6)
Total comprehensive income for the period	-	-	(12,645.0)	(79.6)	-	(12,724.6)
Issuance of shares	307.7	212,678.4	-	-	-	212,986.1
Share issuance expense	-	(12,490.1)	-	-	-	(12,490.1)
Grant of equity-settled share options to employees	-	-	-	-	527.8	527.8
At 31 December 2013	**1,307.7**	**602,938.3**	**(136,641.4)**	**(1,299.6)**	**527.8**	**466,832.8**

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Option 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	-	-	(18,279.1)	-	(18,279.1)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	(18,279.1)	-	(18,279.1)
Vesting of equity-settled share options to employees	2.3	1,644.5	-	-	1,646.8
Grant of equity-settled share options to employees	-	-	-	1,161.6	1,161.6
At 31 December 2014	**1,310.0**	**604,582.8**	**(19,760.5)**	**1,689.4**	**587,821.7**

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Option Reserve	Total Equity
			(US$ thousands)		
At 1 January 2013	**1,000.0**	**402,750.0**	**(1,965.6)**	**-**	**401,784.4**
Profit net of tax	-	-	484.2	-	484.2
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	484.2	-	484.2
Issuance of shares	307.7	212,678.4	-	-	212,986.1
Share issuance expense	-	(12,490.1)	-	-	(12,490.1)
Grant of equity-settled share options to employees	-	-	-	527.8	527.8
At 31 December 2013	**1,307.7**	**602,938.3**	**(1,481.4)**	**527.8**	**603,292.4**

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 31 December 2014 (31 December 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 31 December 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 3.0% 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.

As at 31 December 2014, 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) 8,807,639 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 31 December 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 31 December 2014		As at 31 December 2013	
	(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 December 2014	As at 31 December 2013
	(unaudited)	
	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 were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 31 December 2014 (31 December 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 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 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 year ended 31 December	
	2014	**2013**
Loss per share attributable to owners of the Group:		
(i) Based on a weighted average number of shares (cents per share)	(4.8)	(2.3)
- Weighted average number of shares	1,046,967,214	547,565,929
(ii) On a fully diluted basis (cents per share)	(4.8)	(2.3)
- Adjusted weighted average number of shares	1,050,587,007	548,294,846

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 31 December		As at 31 December	
	2014	**2013**	**2014**	**2013**
		(Unaudited) (US$)		
Net asset value per ordinary share [(1)]	0.40	0.45	0.56	0.58
Net tangible asset per ordinary share [(1)]	0.31	0.40	0.56	0.58

Note:

(1) Based on share capital of 1,047,963,898 ordinary shares as at 31 December 2014 and 1,046,154,000 as at 31 December 2013.

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 year ended 31 December 2014.

	For the year ended 31 December	
	2014	2013
	(unaudited)	*(audited)*
	(US$ thousands)	
Sales of crude oil	49,792.9	54,663.8
Sales of gas	25,112.3	14,386.6
Revenue	**74,905.2**	**69,050.4**
Cost of sales:		
Operating costs	(19,192.2)	(16,113.0)
Thai petroleum special remuneratory benefits and royalties paid	(7,329.3)	(8,084.7)
Depreciation, depletion and amortisation	(28,714.7)	(19,389.1)
Gross profit	**19,669.0**	**25,463.6**
Other income	9,330.9	16,235.2
General and administrative expenses	(35,718.9)	(31,736.4)
Other operating (expense)/income	(9,983.9)	1,631.3
Finance income	577.3	1,853.9
Finance costs	(23,153.2)	(13,334.0)
(Loss)/profit before tax	**(39,278.8)**	**113.6**
Tax expense	(11,091.6)	(12,758.6)
Loss after tax for the year	**(50,370.4)**	**(12,645.0)**

	For the year ended 31 December	
	2014	2013
	(unaudited)	
	(US$ thousands)	
Revenue	74,905.2	69,050.4
Adjusted operating costs	(19,103.9)	(15,932.9)
Thai petroleum special remuneratory benefits and royalties paid	(7,329.3)	(8,084.7)
Gross profit before depreciation, depletion and amortisation	**48,472.0**	**45,032.8**
Corporate general and administrative expense	(17,932.2)	(16,856.7)
EBITDAX	**30,539.8**	**28,176.1**
Geological and geophysical expense	(7,452.2)	(9,378.6)
Exploration expense	(703.9)	(653.4)
EBITDA	**22,383.7**	**18,144.1**

Revenue

Revenue for FY2014 was US$74.9 million, up 8.5% from FY2013 (US$69.1 million). Higher revenue was a result of increased oil and gas production, however, the fall in global oil prices in the second half of 2014 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 4.2% to US$5.80/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, which was put on stream before the end of 2014 and a second additional facility by mid-2015.

	For the year ended 31 December	
	2014	2013
Production volumes		
Oil and liquids (bopd)	1,396	1,366(1)
Gas (mmcfd)	37.3	9.3(1)
Total (boepd)	**7,612**	**2,916**
Sales volumes		
Oils and liquids (bopd)	1,395	1,366(1)
Gas (mmcfd)	36.3	8.6(1)
Total (boepd)	**7,448**	**2,801**
Average sales price		
Oils and liquids (US$/bbl)	100.93	109.40(1)
Gas – B8/32 and B9A (US$/mcf)	5.80	6.06
Gas – Block 9 (US$/mcf)	2.32	2.32

Note:
(1) Includes production from the Glagah-Kambuna TAC, which ceased production on 11 July 2013 and one month of production from Block 9 in Bangladesh

Cost of Sales

Operating costs increased to US$19.2 million in FY2014 compared with US$16.1 million in FY2013 due to the addition of a full year of production from the Bangora gas field. Depreciation, depletion and amortisation ("**DDA**") charges of US$28.7 million were 48.1% higher (FY2013: US$19.4 million), as a result of the contribution from the Bangora gas field, and a non-recurring adjustment associated with decommissioning costs at the Glagah-Kambuna TAC.

Our average lifting cost for FY2014 was US$6.91/boe, a 54.4% decrease compared with FY2013 as a result of the contribution of production from Bangora gas field.

	For the year ended 31 December	
	2014	2013
Average lifting cost		
Oil, liquids and gas (US$/boe)	6.91	15.14
Operating costs (US$'000)	19,192.2	16,113.0
Total production (boe)	2,778,226	1,064,347

Other Income

Other income of US$9.3 million in FY2014 was 42.5% lower due to negative goodwill in FY2013 (US$16.2 million) for our acquisition of Block 9, which amounted to US$12.9 million. This was offset by, among other things, farm-in income received for joint studies and recovery of value added tax from the Glagah-Kambuna TAC.

General and Administrative Expenses

General and administrative expenses increased 12.5% to US$35.7 million in FY2014 (FY2013: US$31.7 million). The increase was primarily attributable to professional fees associated with the issuances of the 2017 Notes and 2018 Notes, and employee costs as we increased headcount in line with our work program throughout our Group.

Other operating expenses

Other operating expense was US$10.0 million in FY2014, compared to other operating income of US$1.6 million in FY2013. Other operating expenses comprised almost entirely one-off, non-cash expenses in relation to the redemption of the 2016 Notes and the issue of the 2017 Notes and 2018 Notes. As a result of the full redemption of the 2016 Notes in January 2014, we recognised a one-off non-cash adjustment loss of U$6.1 million, representing the net fair value adjustment of the embedded derivatives associated with the 2016 Notes. In FY2014, we applied a non-cash adjustment of US$3.0 million on the fair value hedge for the 2017 Notes and the 2018 Notes.

Finance Income

Finance income decreased to US$0.6 million in FY2014 (FY2013: US$1.9 million) in line with lower average cash balances in FY2014.

Finance Costs

Finance costs amounted US$23.2 million in FY2014 (FY2013: US$13.3 million). The increase is attributable to: (i) one-time costs relating to the redemption of the 2016 Notes of US$8.2 million and up-front fees associated with the establishment of the MTN Programme and the 2014 RCF, and the two bond issuances of US$4.7 million; (ii) interest expense of US$7.4 million, as a result of borrowings and debt utilisation in FY2014 of US$273.9 million.

Loss / profit before tax

We recorded a loss before tax of US$39.3 million in FY2014 compared with a profit before tax of US$0.1 million in FY2013 as a result of (i) decrease of US$13.2 million in gross profit (including DDA) from Kambuna and B8/32 and B9A for reasons mentioned above, (ii) non-recurring expenses associated with debt restructuring amounting to US$20.4 million.

Tax Expense

Tax expenses decreased to US$11.1 million in FY2014 (FY2013: US$12.8 million), in line with lower revenue recognised at B8/32 and B9A.

Loss after tax for the year

We recorded a loss of US$50.3 million in FY2014 compared with a loss of US$12.6 million in FY2013 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

There remains uncertainty over the timing and price levels at which global oil markets will stabilise in the near and medium terms. Likewise, the impact of any benefit from the associated decline in costs for third-party services and equipment and materials is yet to be quantifiable.

In line with KrisEnergy's *modus operandi* for growth with risk mitigation, the Company will continue to prioritise portfolio management for opportunities to add new assets, for farm-out transactions to reduce the Group's exposure to any single asset, or for full divestment of assets that are no longer core to the 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, 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.

Recent Developments

- On 12 January 2015, we completed the acquisition of the entire issued and paid up share capital of Premier Oil Sumatra (North) B.V., since renamed to KrisEnergy (Block A Aceh) BV, which holds a 41.6666% working interest in the Block A Aceh PSC. See announcement *KrisEnergy completes Block A Aceh acquisition* dated 12 January 2015 for more details.

- On 22 January 2015, we announced the completion of a 3,146 km 2D seismic acquisition program in the SS-11 exploration block offshore Bangladesh. See announcement *2D seismic program completes in SS-11 offshore Bangladesh* dated 22 January 2015 for more details.

- On 28 January 2015, we announced a 300 km 2D seismic acquisition program had commenced recording in the Udan Emas PSC, onshore West Papua. See announcement *KrisEnergy begins 2D seismic recording in West Papua* dated 28 January 2015 for more details.

- On 28 January 2015, we announced that the operator of Block A Aceh, P.T. Medco E&P Malaka, had signed a gas sales contract with Pertamina. See announcement *Block A Aceh gas sales contract signed with Pertamina* dated 28 January 2015 for more details.

- On 5 February 2015, we completed the sale of 14.67% shareholding in KrisEnergy Management Ltd to Palang Sophon Offshore, a wholly-owned entity of PSL. KrisEnergy Management Ltd holds 100% of KrisEnergy G10 (Thailand) Ltd, which holds 75% working interest of Block G10/48. Our wholly-owned entity, KrisEnergy (Gulf of

Thailand) Ltd holds the remaining 25% working interest in and the operatorship of G10/48. The transaction reduced KrisEnergy's effective interest in G10/48 to 89%.

- On 13 February 2015, we received the amended investment certificates from the Ministry of Industry and Trade of Vietnam, for each of our respective working interests in Block 105-110/04 ("**Block 105**") and Block 120 pursuant to the default and subsequent withdrawal of Neon Energy (Song Hong) Pty Ltd. See announcement *Vietnam Block 105 and 120 – Partner Update* dated 16 February 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 31 December 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.

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).

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). We reported the full utilisation of our IPO proceeds as at

30 September 2014 – see announcement *Unaudited Third Quarter & Nine Months ended 30 September 2014 Financial Statements Announcement* dated 13 November 2014.

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

For management purposes, the Group operates in one business segment: exploration and production of oil and gas across geological basins in Asia. Revenue and non-current assets information based on the geographical location of assets respectively are as follows:

	Revenue		Non-current assets	
	For the year ended 31 December		For the year ended 31 December	
	2014	2013	2014	2013
	(unaudited) *(US$ thousands)*			
Bangladesh	17,834.80	1,660.90	40,535.5	43,314.9
Cambodia	-	-	88,698.0	22,849.0
Indonesia	-	4,031.50	90,290.4	60,047.0
Thailand	57,070.40	63,358.00	371,022.1	220,365.1
Vietnam	-	-	40,020.4	38,171.9
Total	**74,905.20**	**69,050.40**	**630,566.40**	**384,747.90**

Non-current assets information presented above consist of exploration and evaluation assets, oil and gas properties and intangible assets.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business of geographical segments.

The completion of our acquisition of the Block 9 PSC on 17 December 2013 added a full year of production and revenue from Bangladesh. While in Indonesia, production from the Glagah-Kambuna TAC ceased on 11 July 2013, resulting in zero contribution to production and revenue thereafter.

Our acquisition of additional working interests in G10/48 in Thailand and Cambodia Block A increased our exploration and evaluation assets on the balance sheet.

For more details on our capital expenditure, please refer to *Net Cash Flow from Investing Activities* in section 1(c) and for more information on the revenue breakdown, please refer to *Revenue* in section 8.

17. A breakdown of sales as follow:

	The Group For the year ended 31 December 2014	 2013	% increase / (decrease)
	(unaudited) *(US$ thousands)*		
Sales reported for the first half year	43,548.5	36,761.3	18.5
Operating loss after tax reported for first half year	(23,796.7)	(8,704.0)	173.4
Sales reported for the second half year	31,356.7	32,289.1	(2.9)
Operating loss after tax reported for second half year	(26,573.7)	(3,941.0)	595.2

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follow:

None.

19. Disclosure of persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are such persons, the issuer must make an appropriate negative statement.

Pursuant to SGX Listing Rule 704(13), we confirm that none of the persons occupying managerial positions in the Company or any of its principal subsidiaries is a relative of a director or chief executive officer or substantial shareholder of the Company.

By order of the Board

Keith Cameron
Executive Director & Chief Executive Officer

Chris Gibson-Robinson
Executive Director &
Director Exploration & Production

Singapore, 27 February 2015