



Oil prices support KrisEnergy's 2017 nine-month revenues

Singapore, 9 November 2017 – KrisEnergy Ltd. (“KrisEnergy” or “the Company” or “the Group”), an independent upstream oil and gas company, today announces unaudited results for the third quarter (“3Q2017”) and nine months (“9M2017”) ended 30 September 2017 and provides an operational update.

	For the three months and nine months ended 30 September					
	3Q2017	3Q2016	%	9M2017	9M2016	%
Production volumes	12,662	14,895	(15.0)	12,970	16,833	(22.9)
Oil and liquids (bopd)	7,107	9,007	(21.1)	7,237	10,785	(32.9)
Gas (mmcf)	33.3	35.3	(5.7)	34.4	36.3	(5.2)
Revenue (US\$million)	39.0	44.4	(12.2)	107.5	108.2	(0.7)
EBITDAX ¹ (US\$million)	7.0	4.2	66.2	28.8	35.8	(19.6)
Average sales price						
Oils and liquids	47.65	35.61	33.8	46.87	28.92	62.1
Gas – B8/32 and B9A	4.08	3.31	23.3	3.91	3.59	8.9
Gas – Block 9	2.32	2.32	-	2.32	2.32	-
Average lifting costs ^{2,3} (US\$/boe)	22.97	24.52	(6.3)	18.54	14.35	29.2

Improvements in the crude oil and natural gas sales prices achieved in the first nine months of 2017 resulted in revenues of US\$107.5 million, relatively stable from a year ago (9M2016: US\$108.2 million) despite a 22.9% decrease year-on-year in the Group's oil and natural gas production, primarily due to lower crude oil volumes from the Wassana field in the Gulf of Thailand.

The average realised price for crude oil and liquids increased 62.1% to US\$46.87 per barrel (“bbl”) (9M2016: US\$28.92/bbl), while the gas sales price for the B8/32 & B9A fields in the Gulf of Thailand rose 8.9% to US\$3.91 per thousand cubic feet (“mcf”) versus US\$3.59/mcf in the 2016 period. The gas price from the Bangora field in Block 9, onshore Bangladesh, was maintained at US\$2.32/mcf.

Group working interest production in 9M2017 averaged 12,970 barrels of oil equivalent per day (“boepd”), down from 16,833 boepd in the 2016 period, but steady compared with the second quarter of 2017 (“2Q2017”) when production averaged 12,649 boepd. An infill drilling program in the

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

² Adjusted for KrisEnergy's 89.0% working interest in G10/48

³ Based on IFRS operating cost



Wassana oil field, which was originally scheduled for 2Q2017, began in the fourth quarter and drilling of up to six new infill wells will commence in November 2017.

Kelvin Tang, who took over as Chief Executive Officer on 1 September 2017, commented: “We are heartened by the steady improving outlook for oil prices with benchmark Brent crude hovering close to two-year highs above US\$60/bbl so far in the penultimate month of 2017. However, we remain cautious on oil price volatility, investor sentiment and access to capital. Cost control and liquidity management remain the priority and we are continuing discussions to farm-out specific assets where we have a majority working interest.

Operationally, infill drilling campaigns in the non-operated Gulf of Thailand fields – B8/32 and Nong Yao – have been completed and the wells are at various stages of coming on line. As the operator, we are focused on the imminent Wassana infill drilling program, which is expected to increase production by early 2018. We are also in the early stages of progressing the Apsara oil development in Cambodia Block A.”

Stable operating costs

Group operating costs, which are largely fixed for producing assets, were in line with a year-ago at US\$65.6 million for 9M2017 (9M2016: US\$66.2 million), however, average lifting costs increased primarily as a result of lower Wassana production to US\$18.54 per barrel of oil equivalent (“boe”) (9M2016: US\$14.35/boe).

Depreciation, depletion and amortisation (“DD&A”) charges in 9M2017 declined 37.0% to US\$45.9 million (9M2016: US\$72.9 million) as a result of lower working interest production and a reduction in certain asset carrying values following the recognition of impairment charges in 2016. Ongoing cost reduction measures across the Group led to a 26.6% decrease in corporate general and administrative expenses in 9M2017 to US\$5.8 million (9M2016: US\$7.9 million).

EBITDAX in 9M2017 amounted to US\$28.8 million (9M2016: US\$35.8 million). The year-on-year decrease was primarily attributed to the recognition in 9M2016 of a US\$10.6 million non-recurring gain from the sale of a subsidiary in the 2016 period.

The Company recorded a net loss after tax in 9M2017 of US\$51.7 million, reduced from a net loss of US\$76.9 million a year ago. The main factors contributing to the 9M2017 net loss were: (i) higher finance costs, a large component comprising non-cash charges related to the recognition of expenses for the accounting treatment of the 2022 Notes, 2023 Notes and 2024 Zero Coupon Notes, and an increase in decommissioning provisions for producing assets in Thailand; (ii) a US\$6.2 million write-off related to the relinquishment of the Kutai production sharing contract (“PSC”); and (iii) an unaudited impairment of US\$52.3 million related to working interest in the Block A Aceh PSC following the completion of a farm-out to PT Medco E&P Melaka in April 2017. The charges incurred during 9M2017 were partially offset by a US\$73.9 million fair value non-cash gain on the exchange of the 2022 Notes and 2023 Notes in the first quarter of 2017.

The Group’s cash and cash equivalents amounted to US\$50.2 million as at 30 September 2017 and total unused sources of liquidity, including unutilised amounts of the revolving credit facility (“RCF”) of US\$15.0 million, were US\$65.2 million. As at 30 September 2017, the RCF utilised amount of US\$133.3 million was classified as a non-current liability as DBS Bank Ltd continues to work with the Company with the intention to extend the current maturity of the RCF beyond 30 June 2018, for a period and terms to be agreed.



As at 30 September 2017, total debt amounted to US\$388.6 million and the Group's gearing was 61.6%.

Third-quarter Operational Summary and Subsequent Events up to 31 October 2017

Production

- Average gross production at the Wassana oil field in the G10/48 concession was 4,504 barrels of oil per day ("bopd") in 9M2017 and the Group's average working interest production in the period was 4,008 bopd.
 - Three-day scheduled shutdown in the Wassana field in July 2017 for installation and commissioning of water separation equipment on the mobile offshore production unit to debottleneck the water separation process and increase production capacity.
 - 28-hour shutdown in October 2017 to replace the produced water return line, a floating hose approximately 100 meters in length between the CALM buoy and the floating storage and offloading vessel.
 - The *PV Drilling I* jack-up rig was mobilised in November 2017 to the Wassana field area to commence drilling of five firm infill wells plus one optional infill well.
- Average gross production at the Nong Yao oil field in G11/48 concession was 8,553 bopd in 9M2017 and the Group's average working interest production was approximately 1,924 bopd.
 - Three new producing wells were brought on stream at the end of the first half 2017 and a further infill well was brought on line in October 2017. In total, 22 development wells are in production.
- Average gross production at the B8/32 & B9A oil and gas producing complex in 9M2017 was 26,329 bopd of crude oil and liquids and 115.4 mmcf of gas. Group average working interest production for the period was 2,111 boepd.
 - Eight infill wells were drilled in the B8/32 & B9A production areas in September and October 2017 and are scheduled to be brought into production by the end of November 2017. In total, 11 infill wells have been drilled in the concession areas in the year to 31 October 2017.
- Average gross production at the Bangora gas field in Block 9, onshore Bangladesh was 96.8 mmcf and 281 barrels per day of condensate in 9M2017. The Group's average working interest production in the period was 4,926 boepd. A scheduled maintenance shutdown was completed 1-3 September 2017.

Development

- The amended and restated petroleum agreement for Cambodia Block A was signed on 23 August 2017 between KrisEnergy, the operator, and the Ministry of Mines of Energy and the Ministry of Economics and Finance. In line with the final agreement, the contract area of Cambodian Block A was reduced to 3,083 sq. km from 4,907 sq. km. KrisEnergy announced final investment decision for the Apsara oil development in October 2017.

Documentation was submitted at the end of October 2017 to the Cambodian Ministry of Environment for a proposed 1,200 sq. km 3D seismic acquisition program in 2018. The proposed seismic program would fulfil the Years 1-2 commitment of 1,000 sq. km under the



amended and restated Cambodian Block A petroleum agreement. The seismic program is designed to:

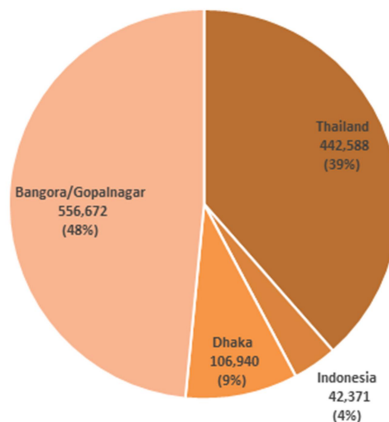
- Cover a large prospective area in the southwest part of Cambodia Block A, which was previously sparsely covered by legacy 2D seismic lines.
- Improve data quality over a prospective geological trend in the western section of Cambodia Block A, where several discoveries have been made.
- The acquisition program includes a 200 sq. km of 3D seismic survey over the Apsara oil development area, with the objectives to improve data quality over the Apsara area in order to finalise the design of well trajectories and acquire data before the installation of Platform A as detailed in the Apsara oil development plans.

Exploration

- The East Mayura-1 exploration well in G10/48 in the Gulf of Thailand commenced drilling in October 2017 and reached a total depth of 7,125 feet measured depth ("MD") (-7,013 feet total vertical depth subsea). Oil shows were encountered between 6,580 feet and 6,620 feet MD and 6,700 feet to 6,760 feet MD. The well was plugged and abandoned and the *PV Drilling I* jack-up rig was mobilised to the Wassana field production area for the infill drilling campaign comprising five firm wells and one optional well.
- In September 2017, the Indonesian authorities approved the reduction of the Bala-Balakang PSC in the Makassar Strait in Indonesia to 838 sq. km from 3,143 sq. km under the second relinquishment period regulations.
- In August 2017, the Indonesian authorities approved the reduction of the Sakti PSC in the East Java Sea in Indonesia to 3,719 sq. km from 4,974 sq. km under the first relinquishment period regulations.

EHSS

- The Group recorded 1,148,571 man-hours in 9M2017 with zero loss time injuries.





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About KrisEnergy:

KrisEnergy Ltd. is an independent upstream company focused on the exploration for and the development and production of oil and gas in Southeast Asia. The Company holds working interests in five producing oil and/or gas fields, four in the Gulf of Thailand and one onshore Bangladesh. It also participates in 11 blocks in various stages of development, appraisal and exploration in Bangladesh, Cambodia, Indonesia, Thailand and Vietnam. KrisEnergy operates 10 of the contract areas.

KrisEnergy's shares are listed on the mainboard of Singapore Exchange Securities Trading Ltd under the ticker SK3. For more information, visit www.krisenergy.com