

KRISENERGY LTD

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

Unaudited Full-Year 2015 Financial Statements Announcement



25 February 2016

The following announcement may contain forward-looking statements by KrisEnergy Ltd. (the “**Company**”) relating to financial trends for future periods.

Some of the statements in this presentation, which are not historical facts, are statements of future expectations with respect to the financial conditions, results of operations and businesses, and related plans and objectives. These forward-looking statements are based on the Company’s current views, intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside our control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks and uncertainties. Because actual results could differ materially from the Company’s current views, intentions, plans, expectations, assumptions and beliefs about the future, such forward-looking statements are not and should not be construed as a representation, forecast or projection of future performance of the Company. It should be noted that our actual performance may vary significantly from such statements. No undue reliance should be placed on these forward-looking statements and the Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

Chief Executive Officer's Report to Shareholders

To Our Shareholders,

Operationally, 2015 was a seminal year for KrisEnergy Ltd. The Group fulfilled its targets, completing two new oil developments in the Gulf of Thailand while demonstrating technical excellence with a highly successful exploration drilling program, which resulted in an approved production licence for the future Rossukon oil development. These milestones, together with strong growth in production – approximately 19,000 barrels of oil equivalent per day (“**boepd**”) in early 2016 – and a 49% uplift in proved plus probable (“**2P**”) reserves to almost 106 million barrels of oil equivalent (“**mmboe**”), underpin our mission to become a sustainable and best-in-class exploration and production operator in Asia.

These significant accomplishments, however, were overshadowed solely by external factors and uncertainties throughout 2015, which continue to drive down oil markets in early 2016 and sap investor confidence. The increase in production last year supported revenues, which declined almost 20.0%, despite our average realised oil price falling 60%, but the incurrence of impairments on our Thai producing assets due to lower near- and medium-term price assumptions, combined with a write-down on crude oil inventory, resulted in a bottom line net loss after tax.

We have made, and will continue to make, adjustments to our expenditure profile in order to manage our liquidity. Corporate general and administrative costs were cut by almost one-third in 2015 and we continue to implement further cost controls in 2016 with the trimming of headcount where appropriate, as well as voluntary reductions in non-executive directors' fees and the remuneration benefits of executive directors and certain senior management.

Given the sustained low oil price environment, our work program for 2016 will predominantly focus on producing assets to maintain and maximise production efficiencies thereby securing current and future cash flows. Capital expenditure this year will be approximately US\$50.8 million, the lowest level since the Company was established in 2009 and down more than 77.0% from US\$224.7 million in 2015 during which we were committed to the Wassana and Nong Yao development projects.

We have no firm operational commitments due in 2016 in any of our 19 contract areas, therefore exploration expenditure will be deferred until there is an improvement in oil and gas prices. We will seek to strengthen the balance sheet through free cash flow generation and strategic portfolio management. We intend to continue to fund capital expenditure from a combination of cash flow from operations, capital market and asset transactions, as well as existing debt facilities and cash resources.

For and on behalf of the Board of Directors

Keith Cameron,
Chief Executive Officer
25 February 2016

Financial and Operations Update

KrisEnergy Ltd. is an independent upstream 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, 13 of which we operate, balancing cash flow from oil and gas production with significant development potential and exploration upside. Today, we present our unaudited financial statements reflecting the financial and operating results for the year ended 31 December 2015 (the “Results” or “FY2015”). 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		
	2015	2014	% Change
	(US\$ thousands, except where otherwise indicated)		
Financial			
Sale of crude oil & liquids	40,680.3	49,792.9	(18.3)
Sale of gas	19,490.9	25,112.3	(22.4)
Revenue	60,171.2	74,905.2	(19.7)
EBITDAX^(1,2)	37,151.5	30,539.9	21.6
Cash and bank balances	29,351.6	51,334.1	(42.8)
Operations⁽²⁾			
Production volumes (boepd)	9,692	7,612	27.3
Average sales price			
• Oil and liquids (US\$/bbl)	40.18	100.93	(60.2)
• Gas – B8/32 & B9A (US\$/mcf)	4.45	5.80	(23.3)
• Gas – Block 9 (US\$/mcf)	2.32	2.32	-
Average lifting costs (US\$/boe)	8.49	6.52	30.2

Notes:

The financial statements for the year ended 31 December 2014 are audited, while the financial statements for the year ended 31 December 2015 are unaudited as at the date of this announcement.

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

(2) Non-IFRS measures

Full-Year 2015 Financial Update

Additional oil production from two new oil fields in the second half of 2015 bolstered revenues and cushioned the decline in global oil prices.

- Working interest production in FY2015 averaged 9,692 boepd, 27.3% higher than a year ago (FY2014: 7,612 boepd) as a result of new production from the Wassana and Nong Yao oil fields in the Gulf of Thailand. Full-year production at the B8/32 & B9A oil and gas complex in the Gulf of Thailand and the Bangora gas field in Bangladesh was stable compared with FY2014.
- Revenue for FY2015 amounted to US\$60.2 million, a 19.7% reduction from FY2014 (US\$74.9 million) and despite the continued fall in global oil prices, which on average were 46.2% lower in 2015 (US\$53.52 per barrel (“**bb**l”)) from the previous year (FY2014: \$99.45/bbl). We recognised higher production as a result of the Nong Yao and Wassana oil fields coming on stream in June and August 2015, respectively.
- In line with the ramp up in production associated with the Wassana and Nong Yao oil fields in the last half of the year, Group lifting costs for FY2015 increased 30.2% to US\$8.49 per barrel of oil equivalent (“**boe**”) compared with US\$6.52/boe in FY2014.
- With the prevailing downturn and uncertainties in the global oil markets, cost cutting and maximising efficiencies have remained as a key focus for the Group in 2015, for which the Company has taken measures to reduce corporate general and administrative expenses, which were down 32.4% in FY2015 (US\$12.1 million) compared with FY2014 (US\$17.9 million). We continue to implement further cost controls in 2016 with the trimming of headcount where appropriate, as well as voluntary reductions in non-executive directors’ fees and the remuneration benefits of executive directors and certain senior management.
- FY2015 EBITDAX increased 21.6% to US\$37.2 million (FY2014: US\$30.5 million), which was supported by the gain on sale of the mobile offshore production unit (“**MOPU**”), now deployed at the Wassana field. In addition, we recognised negative goodwill (where our purchase price was less than the fair value of the net assets acquired) following the completion of the acquisition of our working interest in Block A Aceh and gains from the transfer of working interests relating to Block 105/110-04 (“**Block 105**”) and Block 120, offshore Vietnam, and the Bala Balakang production sharing contract (“**PSC**”), in the Makassar Strait, offshore Indonesia.
- Net loss after tax was US\$48.6 million compared with a net loss after tax of US\$50.4 million in FY2014. The net loss after tax in FY2015 was a result of incurrence of impairments on our Thai producing assets (FY2015: US\$69.9 million) due to lower near- and medium-term price assumptions, combined with a write-down on crude oil inventory (FY2015: US\$17.7 million).
- On 11 August 2015, following the successful completion of a rights issue, we issued and allotted 440,144,838 new shares at an issue price of S\$0.385, raising net proceeds of S\$164.4 million (US\$120.1 million). The rights issue was fully supported by the Company’s major shareholders via a subscription undertaking and sub-underwriting commitment.

- On 12 November 2015, the Company launched a consent solicitation exercise in connection the S\$500 million multi-currency Medium Term Note Program (“**MTN Program**”). The exercise was to seek approval from noteholders of the S\$130 million fixed-rate notes due 2017 (“**2017 Notes**”) and the S\$200 million fixed-rate notes due 2018 (“**2018 Notes**”) to amend a step-up in the consolidated EBITDAX to consolidated interest expense ratio covenant. On 23 November 2015, the Company had received the necessary votes from noteholders. The consent solicitation exercise was completed and the amendments proposed pursuant to such exercise were approved by the noteholders on 4 December 2015.
- Unused sources of liquidity as at 31 December 2015 amounted to US\$64.5 million and the Group’s gearing was 38.1%, which remains around the mid-point of our target debt to debt-to-equity range.

Full-Year 2015 Operational Update

The Group achieved first production from the KrisEnergy-operated Wassana field in the G10/48 concession in August 2015 and as a non-operating partner in the Nong Yao oil field in G11/48 in June 2015. For the three months ending 31 December 2015 (“**4Q2015**”), Group working interest production was in aggregate 14,588 boepd, more than double the same period in 2014 (4Q2014: 7,082 boepd) and 64.8% higher than in the immediately preceding quarter (3Q2015: 8,847 boepd). As at 1 January 2016, production exceeded 19,000 boepd.

Working interest 2P reserves increase 49.0% year-on-year to 105.9 mmboe (31 December 2014: 71.0 mmboe) largely as a result of the conversion of best estimate contingent resources (“**2C**”) to 2P reserves for the Block A Aceh gas development onshore Sumatra in Indonesia and the Rossukon oil development in the G6/48 licence, as well as increases in estimates for the Bangora gas-producing field in Block 9 and the Greater Wassana Area in G10/48. For a breakdown by asset of 2P reserves and 2C resources as estimated by Netherland, Sewell & Associates, Inc. (“**NSAI**”), see the section entitled *Reserves and Contingent Resources Summary* of these Results.

Production and Development

- Production at the Wassana field in G10/48 exceeded management’s expectations, reaching a peak in January 2016 of approximately 12,800 barrels of oil per day (“**bopd**”) and surpassing the original plateau forecast of 10,000 bopd and was running at a plateau of 11,000 bopd in early 2016. Development activities are now complete with 13 wells in production and one water disposal well. The *Key Gibraltar* jack-up rig demobilised from the field in January 2016. Cost control and maximising efficiencies in field operations remain the main focus in the 2016 work program.
- Development drilling at the Nong Yao field in G11/48 was completed in November 2015 and production reached a peak at approximately 11,400 bopd and was running at a plateau of 10,000 bopd in early 2016. The field comprises 16 development wells – 14 producers and two water injectors, a wellhead processing platform and a minimum facility wellhead platform with the export of crude via a FSO vessel. Discretionary expenditures have been cut from the planned 2016 work program.
- In FY2015, 52 development wells were drilled in the B8/32 & B9A oil and gas complex (FY2014: 55 wells) and one gas platform was installed and brought on stream. An increase in wireline zonal recompletions boosted output throughout the fourth quarter of 2015 and in January 2016, oil production exceeded 30,000 bopd, the highest level since May 2014. Gas production also increased in January 2016 to 148 million cubic feet per day (“**mmcfd**”), a rate not achieved since June 2012.
- The Department of Mineral Fuels in Thailand approved in November 2015 a production area application for the Rossukon oil field in the G6/48 licence following the successful four-well exploration drilling program in March and April 2015.

- Technical and fiscal terms for the Apsara oil development in Cambodia Block A have been agreed between the Cambodian government and the joint-venture partners and documentation is being formalised. First oil is targeted approximately 24 months after the final investment decision is declared.
- Front-end engineering and design was completed in October 2015 for the KrisEnergy-operated Lengo gas development in the Bulu PSC, offshore East Java. A prequalification process is underway prior to issuance of the tender for engineering, procurement, construction and installation. Gas sales negotiations are ongoing.
- Preliminary work began in November 2015 on infrastructure related to the construction of gas facilities in the Block A Aceh PSC, onshore Sumatra. A gas sales agreement was signed in January 2015 for a daily contracted quantity of 58 billion British thermal units ("Btu") with an agreed gas price of US\$9.45 per million Btu.

Exploration

- KrisEnergy maintained an above average exploration success record in 2015:
 - For the Rossukon series of four wells in G6/48, one well and one sidetrack well were drilled from two surface locations. Each well intersected net oil and/or gas pay of between 106 feet true vertical depth ("TVD") and 148 feet TVD. Subsequently, an application for a production licence was submitted in June 2015. See previous section Production and Development.
 - Rayrai-1 was drilled in G10/48 about 2.25 km north of the Niramai oil discovery made in 2009 and intersected approximately 50 feet TVD of net oil-bearing sandstones. Studies are underway on a potential satellite oil development to the Wassana field.
 - Mustika-1 was drilled in the Sakti PSC, offshore East Java, to a total measured depth of 2,768 feet (844 metres), or 2,667 feet total vertical depth subsea. Gas was encountered in the Tuban and Kujung I formations. Subsequent analysis of wireline logs and gas samples indicated a moderately high carbon dioxide content. A review is underway of the remaining prospects and leads in the exploration block. There are no outstanding work commitments associated with the Sakti PSC.
- A 300 km 2D seismic acquisition program was completed in the Udan Emas PSC, onshore West Papua, together with the collection of 12,210 sq. km of airborne gravity and magnetic data.
- A 575 sq. km 3D seismic acquisition program was completed in the non-operated Block 120 exploration licence offshore central Vietnam.
- A 3,146 km 2D seismic acquisition program was completed in the non-operated SS-11 exploration block offshore Bangladesh.

Portfolio management

- In August 2015, SKKMigas approved the transfer to KrisEnergy of Neon Energy's 42.0% working interest in the Bala Balakang PSC, where there are no outstanding work commitments.
- In February 2015, the Ministry of Industry and Trade of the Socialist Republic of Vietnam ("MoIT"), issued the amended investment certificates with the updated working interests in Block 105 and Block 120 pursuant to the subsequent withdrawal of Neon Energy (Song Hong) Pty Ltd. Further in September, the MoIT approved the transfer of Eni's 66.67% operated working interest in Block 105 to KrisEnergy and the concurrent transfer of a 49.0% working interest to Vietnam Oil and Gas Group. Following the transfers, KrisEnergy holds a 51.0% operated working interest in Block 105 and a 33.33% non-operated working interest in Block 120.
- In February 2015, we completed the sale of an effective 11.0% interest in G10/48 to Palang Sophon Offshore. The transaction reduced KrisEnergy's effective operated working interest in G10/48 to 89.0%.
- 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% non-operated working interest in the Block A Aceh PSC. On 28 January 2015, the operator of Block A Aceh, P.T. Medco E&P Malaka, announced it had signed a gas sales contract for a daily contracted quantity of 58 billion British thermal units ("Btu") with an agreed gas price of US\$9.45 per million Btu.

For activities and developments since 31 December 2015, see paragraph 10 of these Results entitled *Recent Developments*.

Capital Expenditure

Pursuant to our *Unaudited Full Year 2014 Financial Statements Announcement* dated 27 February 2014, we estimated planned capital expenditure for FY2015 of US\$235.3 million. In FY2015, we spent US\$224.7 million, primarily a result of the following:

- Lower than estimated drilling and platform expenditures in B8/32 & B9A;
- Increased drilling costs for the Wassana field in G10/48, primarily due to more wells in order to optimise reservoir performance;
- Lower than estimated developments costs for the Nong Yao field in G11/48;
- Deferral of development activities for Cambodia Block A;
- Deferral of development drilling from 2015 to 2016 in Block 9; and
- Accelerated drilling of the commitment well in the Sakti PSC to take advantage of lower rig rates.

Planned capital expenditure for FY2016 is derived from our approved work program and budget, our minimum future exploration commitments pursuant to the petroleum licences in which our Group is a party to, as well as management estimates. The following table sets out our planned capital expenditure for FY2016.

For the year ending 31 December 2016

	(US\$ thousands)
Exploration and appraisal expenditure ⁽¹⁾	30,970.0
Development expenditure ⁽²⁾	19,652.8
Other capital expenditure ⁽³⁾	160.0
Total capital expenditure	50,782.8

Notes:

- (1) Expenditure for non-producing blocks, which includes Cambodia Block A, G6/48 and the Bulu and Block A Aceh PSCs
- (2) Expenditure for producing assets: B8/32, B9A, Block 9, G10/48 and G11/48
- (3) Expenditure in connection with marine-related assets

Given the prevailing oil price environment, we have intentionally reduced our capital expenditure budget in 2016 to primarily focus on our five producing fields to maintain and maximise production efficiencies and hence operating cash flows. Our work program for FY2016 has been stripped of discretionary activities in line with the current economic climate and cost control remains the predominant focus. We intend to fund our planned capital expenditure from a combination of cash flow from operations, capital market transactions and farm-out transactions, as well as existing debt facilities and cash resources.

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 2015

Reserves										
	1P Reserves			2P Reserves			3P Reserves			Remarks
	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 (%)	
Bangladesh										
Block 9	0.60	0.18	12	0.95	0.29	16	1.13	0.34	26	
Indonesia										
Block A Aceh PSC	-	-	-	5.29	2.20	100	6.49	2.70	100	Transfer from contingent resources
Thailand										
B8/32 & B9A	22.36	1.04	(23)	114.17	5.29	(8)	136.91	6.35	(8)	
G6/48	-	-	-	11.70	3.51	100	15.80	4.74	100	Transfer from contingent resources
G10/48	12.08	10.75	100	18.73	16.67	25	26.57	23.65	8	Decrease in working interest and transfer from contingent resources
G11/48	7.96	1.79	(19)	9.90	2.23	(22)	11.97	2.69	(27)	

			Change from previous update (%)			Change from previous update (%)			Change from previous update (%)	Remarks
Gas	(bcf) ²	(bcf)		(bcf)	(bcf)		(bcf)	(bcf)		
Bangladesh										
Block 9	207.64	62.29	10	373.45	112.03	6	440.55	132.16	16	

¹ mmbbl refers to millions of barrels

² bcf refers to billions of cubic feet



Gas	(bcf)¹	(bcf)	Change from previous update (%)	(bcf)	(bcf)	Change from previous update (%)	(bcf)	(bcf)	Change from previous update (%)	Remarks
Indonesia										
Block A Aceh PSC	-	-	-	381.91	159.13	100	378.11	157.54	100	Transfer from contingent resources
Bulu PSC	-	-	-	357.85	152.09	-	418.35	177.80	-	
Thailand										
B8/32 & B9A	131.61	6.10	(10)	668.72	30.99	(6)	820.20	38.01	(7)	

Our 2P annual reserves replacement as at 31 December 2015 was 1,088%, compared to 1,492% as at 31 December 2014.

Oil Reserves and Resources										
Oil	1C Resources			2C Resources			3C Resources			Remarks
	Gross	Working Interest		Gross	Working Interest		Gross	Working Interest		
	(mmbbl)	(mmbbl)	Change from previous update (%)	(mmbbl)	(mmbbl)	Change from previous update (%)	(mmbbl)	(mmbbl)	Change from previous update (%)	
Bangladesh										
Block 9	0.02	0.01	-	0.11	0.03	-	0.54	0.16	-	
Cambodia										
Block A	0.91	0.47	-	10.28	5.37	-	18.08	9.45	-	
Indonesia										
Block A Aceh PSC	0.21	0.09	(82)	0.85	0.35	(63)	2.42	1.01	(42)	Transfer to reserves
Kutai PSC	-	-	-	0.09	0.05	-	0.15	0.08	-	
Thailand										
G6/48	-	-	-	-	-	(100)	-	-	(100)	Transfer to reserves Decrease in working interest
G10/48	0.45	0.40	(11)	1.14	1.01	(83)	3.12	2.78	(73)	
G11/48	1.79	0.40	(23)	2.52	0.57	(36)	23.31	5.24	(9)	

¹ bcf refers to billions of cubic feet

1C Resources				2C Resources			3C Resources			
	Gross	Working Interest		Gross	Working Interest		Gross	Working Interest		
			Change from previous update (%)			Change from previous update (%)			Change from previous update (%)	
Gas	(bcf)	(bcf)		(bcf)	(bcf)		(bcf)	(bcf)		Remarks
Bangladesh										
Block 9	6.08	1.82	-	27.68	8.30	-	128.95	38.69	-	
Indonesia										
Block A Aceh	742.70	309.46	(34)	1065.16	443.81	(28)	1559.27	649.69	(22)	Transfer to reserves
East Muriah PSC	-	-	-	19.70	9.85	-	48.87	24.43	-	
Kutai PSC	-	-	-	75.70	41.33	-	117.45	64.13	-	
Bala Balakang PSC	-	-	-	110.51	93.93	-	155.81	132.44	-	Increase in working interest
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 2015

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

Financial Statements Announcement

Full Year ended 31 December 2015

Figures for the year ended 31 December 2015 have not been audited.

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

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

	For the year ended 31 December	
	2015	2014
	(unaudited)	(audited)
	(US\$ thousands)	
Sales of crude oil	40,680.3	49,792.9
Sales of gas	19,490.9	25,112.3
Revenue	60,171.2	74,905.2
Cost of sales:		
Operating costs	(30,518.6)	(19,192.2)
Thai petroleum special remuneratory benefits and royalties paid	(4,928.9)	(7,329.3)
Write down of inventories	(17,657.7)	-
Depreciation, depletion and amortisation	(42,389.3)	(28,714.7)
Gross (loss)/profit	(35,323.3)	19,669.0
Other income	110,777.9	9,330.9
General and administrative expenses	(33,697.0)	(35,718.9)
Other operating expenses	(67,871.4)	(9,983.9)
Finance income	289.8	577.3
Finance costs	(19,458.1)	(23,153.2)
Loss before tax	(45,282.1)	(39,278.8)
Tax expense	(3,291.7)	(11,091.6)
Loss after tax for the year	(48,573.8)	(50,370.4)
Attributable to:		
Owners of the Group	(41,675.8)	(50,370.4)
Non-controlling interests	(6,898.0)	-
Loss after tax for the year	(48,573.8)	(50,370.4)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(233.0)	(164.5)
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit obligations	303.1	(139.2)
Total comprehensive loss for the year	(48,503.7)	(50,674.1)
Attributable to:		
Owners of the Group	(41,605.7)	(50,674.1)
Non-controlling interests	(6,898.0)	-
Total comprehensive loss for the year	(48,503.7)	(50,674.1)
Loss per share attributable to owners of the Company (cents per share)		

Basic	(3.4)	(4.8)
Diluted	(3.4)	(4.8)

Extraordinary items

There were no extraordinary items during the period.

EBITDAX Computation

	For the year ended 31 December	
	2015	2014
	<i>(unaudited)</i>	
	<i>(US\$ thousands)</i>	
Adjusted loss before tax	(45,282.1)	(39,190.6)
Add:		
Finance costs	19,458.1	23,153.2
Depreciation, depletion and amortisation	43,197.0	29,141.4
Excess of fair value of net assets acquired over consideration paid	(42,993.4)	-
Impairment losses	69,878.6	-
Loss on disposal of investment securities	-	182.1
Net fair value (gain)/loss on financial instruments	(2,151.7)	9,097.7
Write down of inventories	17,657.7	-
EBITDA	59,764.2	22,383.8
Geological and geophysical expense	11,311.7	7,452.2
Gain on transfer of working interests	(34,100.3)	-
Exploration expense	175.9	703.9
EBITDAX	37,151.5	30,539.9

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. Adjusted profit/loss before tax deducts SRB taxes from the calculation of EBITDAX and EBITDA. In addition, EBITDAX and EBITDA are not standardised terms, hence, a direct comparison between companies using such terms may not be possible.

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

	The Group		The Company	
	As at 31 December 2015 <i>(unaudited)</i>	As at 31 December 2014 <i>(audited)</i>	As at 31 December 2015 <i>(unaudited)</i>	As at 31 December 2014 <i>(audited)</i>
	<i>(US\$ thousands)</i>			
ASSETS				
Non-current assets				
Exploration and evaluation assets ⁽¹⁾	447,405.0	402,778.7	-	-
Oil and gas properties ⁽¹⁾	415,068.1	136,334.8	-	-
Other property, plant and equipment	11,219.6	1,161.2	-	-
Intangible assets	33,183.0	91,452.9	-	-

Other investment	216.0	-	-	-
Investment in subsidiaries	-	-	333,298.4	330,557.2
Other receivables	-	-	884,507.2	645,465.0
	907,091.7	631,727.6	1,217,805.6	976,022.2
Current assets				
Inventories ⁽²⁾	28,272.4	14,670.1	-	-
Trade and other receivables	66,226.3	65,165.5	-	-
Prepayments	2,507.5	1,545.3	151.5	126.8
Cash and bank balances	29,351.6	51,334.0	433.3	1,610.5
	126,357.8	132,714.9	584.8	1,737.3
Assets held for sale	-	64,986.9	-	-
Total Assets	1,033,449.5	829,429.4	1,218,390.4	977,759.5
EQUITY AND LIABILITIES				
Equity				
Ordinary shares	1,867.6	1,310.0	1,867.6	1,310.0
Share premium	727,245.1	604,582.8	727,245.1	604,582.8
Other reserves	1,494.9	225.2	1,676.9	1,689.4
Accumulated losses	(228,523.7)	(187,151.0)	(21,433.8)	(19,760.5)
	502,083.9	418,967.0	709,355.8	587,821.7
Non-controlling interests	(6,833.8)	-	-	-
Total Equity	495,250.1	418,967.0	709,355.8	587,821.7
Non-current liabilities				
Employee benefit liability	1,888.8	1,483.6	-	-
Loans and borrowings	304,571.9	257,440.5	229,571.9	247,440.5
Deferred tax liabilities	40,959.9	40,309.7	-	-
Provisions	48,472.9	38,602.1	-	-
Other payables	34,843.3	-	239,785.9	119,062.8
	430,736.8	337,835.9	469,357.8	366,503.3
Current liabilities				
Trade and other payables	31,911.9	27,393.1	3,349.3	3,770.2
Accrued operating expenses	38,015.4	20,191.5	782.5	275.7
Derivative liabilities	35,545.0	19,388.6	35,545.0	19,388.6
Withholding tax payable	734.9	561.3	-	-
Tax payable	1,255.4	5,092.0	-	-
	107,462.6	72,626.5	39,676.8	23,434.5
Total Liabilities	538,199.4	410,462.4	509,034.6	389,937.8
Total Equity And Liabilities	1,033,449.5	829,429.4	1,218,390.4	977,759.5

Notes:

- (1) Following first production from G11/48 and G10/48, exploration and appraisal expenditure for G11/48 as at 31 May 2015 of US\$55.1 million and for G10/48 as at 31 July 2015 of US\$187.5 million was reclassified from exploration and evaluation assets to oil and gas properties, respectively.

- (2) As at 31 December 2015, crude oil inventory amounted to US\$7.6 million (31 December 2014: US\$1.8 million) and drilling supplies and materials amounted to US\$20.6 million (31 December 2014: US\$12.8 million).

1 (b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 December 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
-	13,967.40	-	15,088.3

Amount repayable after one year

As at 31 December 2015		As at 31 December 2014	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
75,000.0	250,825.0	10,000.0	286,042.0

Details of any collateral

As at 31 December 2015, certain subsidiaries of the Company pledged assets with respect to a US\$100 million revolving credit facility established in March 2014, which was subsequently increased to US\$122 million on 30 April 2015 (the "2014 RCF"). For further information on the 2014 RCF, see section entitled *Borrowings* and the announcement *KrisEnergy secures US\$100 million revolving credit facility* dated 25 March 2014.

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

	The Group	
	For the year ended 31 December	
	2015	2014
	(unaudited)	(audited)
	(US\$ thousands)	
Operating activities:		
Loss before tax	(45,282.1)	(39,278.8)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation, depletion and amortisation	42,389.3	28,714.7
Depreciation of other property, plant and equipment	807.7	426.7
Decommissioning provisions	8,951.5	14,218.8
Employee retirement benefits	708.3	226.2
Equity-settled transactions with employees	2,531.8	2,808.4
Excess of fair value of net assets acquired over consideration paid	(42,993.4)	-
Gain on assets held for sale	(24,558.7)	-
Impairment loss on exploration and evaluation assets	584.3	-
Impairment loss on intangible assets	58,177.8	-
Impairment loss on oil and gas properties	11,116.5	-
Loss on disposal of investment securities	-	182.1
Loss on disposal of property, plant and equipment	1.1	12.5
Net fair value (gain)/loss on financial instruments	(2,151.7)	9,097.7
Finance cost	18,538.9	22,511.1

Unwinding of discount on decommissioning provisions	919.2	642.1
Interest income	(289.8)	(577.3)
Operating cash flows before changes in working capital	29,450.7	38,984.2
Increase in inventories	(3,465.7)	(7,504.8)
Increase in trade and other receivables	(664.8)	(4,713.2)
Increase/(decrease) in trade and other payables	37,162.4	(278.3)
Cash flows from operations	62,482.6	26,487.9
Interest received	289.8	577.3
Interest paid	(4,998.0)	(7,566.8)
Taxes paid	(6,474.0)	(13,179.4)
Net cash flows from operating activities	51,300.4	6,319.0
Investing activities:		
Additions to exploration and evaluation assets ⁽¹⁾⁽²⁾	(104,342.7)	(82,553.6)
Additions to oil and gas properties ⁽¹⁾⁽²⁾	(193,346.1)	(24,453.4)
Acquisition of subsidiaries, net of cash acquired	(50,456.5)	(167,216.4)
Advances for acquisition	-	(4,152.7)
Expenditure on assets refurbishment	(21,370.2)	(8,986.9)
Proceeds from assets held for sale	110,000.0	-
Proceeds from disposal of other property, plant and equipment	-	7.5
Proceeds from sale of shares in subsidiary	20,111.8	-
Purchase of other plant, property and equipment	(5,833.1)	(57,271.7)
Net cash flows used in investing activities	(245,236.8)	(344,627.2)
Financing activities:		
Proceeds from issuance of shares	124,775.6	-
Share issuance expense	(3,660.5)	-
Proceeds from issuance of bonds	-	263,868.7
Proceeds from bank borrowings	189,000.0	135,000.0
Repayment of bonds	-	(126,300.0)
Repayment of bank borrowings	(124,000.0)	(125,000.0)
Payment of bonds interest	(13,962.6)	(9,567.6)
Decrease in short-term deposits	-	4,000.0
Increase in cash collateralised	-	(3,758.8)
Decrease in cash collateralised	2,258.8	-
Net cash flows from financing activities	174,411.3	138,242.3
Net decrease in cash and cash equivalents	(19,525.1)	(200,065.9)
Cash and cash equivalents at beginning of the period	47,575.3	247,809.7
Net effect of exchange rate changes	(198.6)	(168.5)
Cash and cash equivalents at end of the period	27,851.6	47,575.3

Notes:

- (1) Following first production at G11/48, exploration and appraisal expenditure for G11/48 as at 31 December 2014 of US\$39.4 million was reclassified from addition to exploration and evaluation assets to addition to oil and gas properties in FY2015.
- (2) Following first production at G10/48, exploration and appraisal expenditure for G10/48 as at 31 December 2014 of US\$99.6 million was reclassified from addition to exploration and evaluation assets to addition to oil and gas properties in FY2015.

As at 31 December 2015, aggregate cash and cash equivalents were US\$27.9 million compared with US\$47.6 million as at 31 December 2014 and unused sources of liquidity as at 31 December 2015 amounted to US\$64.5 million.

Net Cash Flow from Operating Activities

In FY2015, operations generated positive net cash flow of US\$51.3 million, a nine-fold increase compared with US\$6.3 million in FY2014. The FY2015 loss is mainly a result of non-cash expenses such as depreciation, depletion and amortisation, impairment losses and write down of inventories.

Net Cash Flow used in Investing Activities

In FY2015, net cash flow used in investing activities amounted to US\$245.2 million compared with US\$344.6 million in FY2014. Material movements in capital expenditure in FY2015 include (i) expenditure relating to exploration and development activities for G10/48 and G11/48 of US\$147.7 million and US\$41.2 million, respectively; (ii) transfer of Neon Energy's working interest expenditure for Block 105, Block 120 and the Bala Balakang PSC of US\$19.6 million in aggregate; (iii) transfer of Eni's working interest expenditure for Block 105 of US\$25.1 million; (iv) exploration drilling in the G6/48 licence of US\$7.2 million; (v) development-related activities in the Block A Aceh PSC of US\$9.7 million; (vi) seismic acquisition in the Udan Emas PSC of US\$20.9 million; (vii) exploration drilling in the Sakti PSC of US\$10.0 million; and (viii) acquisition of working interest in the Block A Aceh PSC of US\$50.5 million.

FY2015 capital expenditure for oil and gas assets was US\$224.7 million, which excludes non-cash movements relating to transfers in working interest of US\$44.7 million and abandonment provisions for G10/48 and G11/48 of US\$12.5 million; and net of the non-controlling interest share of expenditure in G10/48 of US\$15.6 million.

Net Cash Flow from Financing Activities

In FY2015, net cash flow from financing activities amounted to US\$174.4 million compared with US\$138.2 million in FY2014. During FY2015, the Group issued 440,144,838 rights shares at an issue price of S\$0.385 per share and recognised US\$120.1 million in net proceeds.

Borrowings

An aggregate S\$330.0 million was issued in 2014 under the S\$500.0 million MTN Program. The 2017 Notes and 2018 Notes were issued with a fixed-rate coupon, payable semi-annually in arrears, of 6.25% and 5.75%, respectively. As at 31 December 2015, the book value of the issued notes under the MTN Program amounted to US\$229.6 million.

As at 31 December 2015, US\$36.6 million of the 2014 RCF was undrawn and unused sources of liquidity amounted to US\$64.5 million. The Group's gearing was 38.1%, which remains on the lower end of the Group's target debt to debt-and-equity range.

1 (d)(i) A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

THE GROUP	Attributable to owners of the Company							Total Equity
	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	Premium on acquisition of non-controlling interests	Non-controlling interests	
	(US\$ thousands)							
At 1 January 2015	1,310.0	604,582.8	(187,151.0)	(1,464.2)	1,689.4	-	-	418,967.0
Loss net of tax	-	-	(41,675.8)	-	-	-	(6,898.0)	(48,573.8)
Other comprehensive loss:								
Exchange differences on translation of foreign operations	-	-	-	(233.0)	-	-	-	(233.0)
Remeasurement of defined benefit obligations	-	-	303.1	-	-	-	-	303.1
Total comprehensive loss for the period	-	-	(41,372.7)	(233.0)	-	-	(6,898.0)	(48,503.7)
Grant of equity-settled transactions with employees	-	-	-	-	2,531.8	-	-	2,531.8
Vesting of equity-settled transactions with employees	7.4	2,536.9	-	-	(2,544.3)	-	-	-
Acquisition of non-controlling interests without a change of control	-	-	-	-	-	1,515.2	64.2	1,579.4
Issuance of shares	550.2	123,785.9	-	-	-	-	-	124,336.1
Shares issuance expense	-	(3,660.5)	-	-	-	-	-	(3,660.5)
At 31 December 2015	1,862.7	727,245.1	(228,523.7)	(1,697.2)	1,676.9	1,515.2	(6,833.8)	495,250.1

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)
<u>Other comprehensive income:</u>						
Exchange differences on translation of foreign operations	-	-	-	(164.5)	-	(164.5)
Remeasurement of defined benefit obligations	-	-	(139.1)	-	-	(139.1)
Total comprehensive loss for the period	-	-	(50,509.5)	(164.5)	-	(50,674.0)
Grant of equity-settled transactions with employees	-	-	-	-	2,808.4	2,808.4
Vesting of equity-settled transactions with employees	2.3	1,644.5	-	-	(1,646.8)	-
At 31 December 2014	1,310.0	604,582.8	(187,150.9)	(1,464.1)	1,689.4	418,967.2

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Option Reserve	Total Equity
			(US\$ thousands)		
At 1 January 2015	1,310.0	604,582.8	(19,760.5)	1,689.4	587,821.7
Loss net of tax	-	-	(1,673.3)	-	(1,673.3)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	(1,673.3)	-	(1,673.3)
Grant of equity-settled transactions with employees	-	-	-	2,531.8	2,531.8
Vesting of equity-settled transactions with employees	7.4	2,536.9	-	(2,544.3)	-
Issuance of shares	550.2	123,785.9	-	-	124,336.1
Shares issuance expense	-	(3,660.5)	-	-	(3,660.5)
At 31 December 2015	1,867.6	727,245.1	(21,433.8)	1,676.9	709,355.8

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 loss for the period	-	-	(18,279.1)	-	(18,279.1)
Grant of equity-settled transactions with employees	-	-	-	2,808.4	2,808.4
Vesting of equity-settled transactions with employees	2.3	1,644.5	-	(1,646.8)	-
At 31 December 2014	1,310.0	604,582.8	(19,760.5)	1,689.4	587,821.7

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 2015 (31 December 2014: Nil).

KrisEnergy Employee Share Option Scheme ("KrisEnergy ESOS")

The KrisEnergy ESOS was implemented and adopted during the Company's initial public offering ("IPO"). The duration of the KrisEnergy ESOS is 10 years commencing from 10 July 2013. As at 31 December 2015, there were no outstanding options under the KrisEnergy ESOS.

KrisEnergy Performance Share Plan (“KrisEnergy PSP”)

The KrisEnergy PSP was implemented and adopted during the IPO. The duration of the KrisEnergy PSP is 10 years commencing from 10 July 2013. The awards granted under the KrisEnergy PSP are as follows:

- As disclosed and further described in the Prospectus dated 12 July 2013, under the management shareholders-awards (“**MS-Awards**”) granted pursuant to the KrisEnergy PSP during the IPO, up to 3.0% of the issued ordinary shares in the capital of the Company (“**Shares**”) may be vested upon the satisfaction of the conditions of the MS-Awards.
- On 13 November 2013, awards comprising 5,429,689 Shares were granted to employees, including 963,624 Shares to the Executive Directors.
- On 25 June 2014, awards comprising 1,713,111 Shares were granted to employees, including 963,624 Shares to the Executive Directors.
- On 31 December 2014, awards comprising 3,473,737 Shares were granted to employees, including 1,680,840 Shares to the Executive Directors.
- On 17 March 2015, awards comprising 647,325 Shares were granted to employees. No awards were granted to any Executive Directors.
- On 9 November 2015, awards comprising 11,613,474 Shares were granted to employees, including 1,622,244 Shares to the Executive Directors.

As at 31 December 2015, the number of Shares granted as awards under the KrisEnergy PSP, but not yet vested was (a) up to 3.0% of the issued ordinary shares in the capital of the Company at the time when the conditions of the MS-Awards granted have been satisfied and (b) 15,124,929 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 employees, including 321,207 Shares to Executive Directors.
- On 20 July 2015, pursuant to the partial vesting of awards granted on 13 November 2013 and 17 March 2015 under the KrisEnergy PSP, 2,025,674 Shares were allotted and issued to employees, including 321,207 Shares to Executive Directors.
- On 31 December 2015, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP 3,916,835 Shares were allotted and issued to employees, including 540,747 Shares to Executive Directors.

As at 31 December 2015, our issued share capital was 1,490,051,245 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 2015		As at 31 December 2014	
	(unaudited)			
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid ordinary shares				
At 1 January	1,047,963,898	1,309,955	1,046,154,000	1,307,693
Vesting of equity-settled transactions with employees on 21 July 2014	-	-	1,809,898	2,262
Vesting of equity-settled transactions with employees on 20 July 2015	2,025,674	2,532	-	-
Rights issue on 11 August 2015	440,144,838	550,181	-	-
Vesting of equity-settled transactions with employees on 31 December 2015	3,916,835	4,896	-	-
At reporting date	1,494,051,245	1,867,564	1,047,963,898	1,309,955
SHARE PREMIUM				
	As at 31 December 2015		As at 31 December 2014	
	(unaudited)			
	US\$			
At 1 January	604,582,768		602,938,278	
Vesting of equity-settled transactions with employees on 21 July 2014	-		1,644,490	
Vesting of equity-settled transactions with employees on 20 July 2015	1,606,818		-	
Rights issue on 11 August 2015	123,785,875		-	
Rights issue expense	(3,660,530)		-	
Vesting of equity-settled transactions with employees on 31 December 2015	930,109		-	
At reporting date	727,245,039		604,582,768	

1 (d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 31 December 2015 (31 December 2014: Nil).

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)

The financial statements have not been audited or reviewed by the Group's external auditors.

3. Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2014, except for those disclosed under paragraph 5.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted the new and revised standards that are effective for annual periods beginning on or after 1 January 2015. The adoption of these standards did not have any material effect on the financial performance of the Group for the current financial period.

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

	For the year ended 31 December	
	2015	2014
Loss per share attributable to owners of the Group:		
(i) Based on a weighted average number of shares (cents per share)	(3.4)	(4.8)
- Weighted average number of shares	1,221,330,651	1,046,967,214
(ii) On a fully diluted basis (cents per share)	(3.4)	(4.8)
- Adjusted weighted average number of shares	1,231,411,497	1,052,484,962

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	
	2015	2014	2015	2014
			(Unaudited) (US\$)	
Net asset value per ordinary share ⁽¹⁾	0.33	0.40	0.47	0.56
Net tangible asset per ordinary share ⁽¹⁾	0.31	0.31	0.47	0.56

Note:

- (1) Based on share capital of 1,494,051,245 and 1,047,963,898 ordinary shares as at 31 December 2015 and 31 December 2014, 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 year ended 31 December 2015.

	For the year ended 31 December	
	2015	2014
	<i>(unaudited)</i>	<i>(audited)</i>
	<i>(US\$ thousands)</i>	
Sales of crude oil	40,680.3	49,792.9
Sales of gas	19,490.9	25,112.3
Revenue	60,171.2	74,905.2
Cost of sales:		
Operating costs	(30,518.6)	(19,192.2)
Thai petroleum special remuneratory benefits and royalties paid	(4,928.9)	(7,329.3)
Write down of inventories	(17,657.7)	-
Depreciation, depletion and amortisation	(42,389.3)	(28,714.7)
Gross (loss)/profit	(35,323.3)	19,669.0
Other income	110,777.9	9,330.9
General and administrative expenses	(33,697.0)	(35,718.9)
Other operating expenses	(67,871.4)	(9,983.9)
Finance income	289.8	577.3
Finance costs	(19,458.1)	(23,153.2)
Loss before tax	(45,282.1)	(39,278.8)
Tax expense	(3,291.7)	(11,091.6)
Loss after tax for the year	(48,573.8)	(50,370.4)

	For the year ended 31 December	
	2015	2014
	<i>(unaudited)</i>	
	<i>(US\$ thousands)</i>	
Revenue	60,171.2	74,905.2
Adjusted operating costs	(30,518.6)	(19,103.9)
Thai petroleum special remuneratory benefits and royalties paid	(4,928.9)	(7,329.3)
Gross profit before depreciation, depletion and amortisation	24,723.7	48,472.0
Corporate general and administrative expense	(12,130.9)	(17,932.2)
Gain on assets held for sale	24,558.7	-
EBITDAX	37,151.5	30,539.8
Geological and geophysical expense	(11,311.7)	(7,452.2)
Gain on transfer of working interests	34,100.3	-
Exploration expense	(175.9)	(703.9)
EBITDA	59,764.2	22,383.7

Revenue

Revenue for FY2015 decreased 19.7% to US\$60.2 million (FY2014: US\$74.9 million) due to continued downward pressure on global oil prices, which resulted in a decline in the average realised oil and liquids sales price of 60.2% to US\$40.18/bbl (FY2014: US\$100.93/bbl). The average realised gas price achieved at B8/32 & B9A in FY2015 was US\$4.45 per thousand cubic feet ("mcf"), 23.3% lower than a year ago (FY2014: US\$5.80/mcf) as a result of the overall impact of lower oil prices on the gas price formula. The gas price achieved at the Bangora gas field in Bangladesh was constant for both years at US\$2.32/mcf.

Working interest production in FY2015 averaged 9,692 boepd, up 27.3% from the FY2014 average of 7,612 boepd.

	For the year ended 31 December	
	2015	2014
Production volumes		
Oil and liquids (bopd)	3,492	1,396
Gas (mmcf)	37.2	37.3
Total (boepd)	9,692	7,612
Average sales price		
Oils and liquids (US\$/bbl)	40.18	100.93
Gas – B8/32 and B9A (US\$/mcf)	4.45	5.80
Gas – Block 9 (US\$/mcf)	2.32	2.32

Cost of Sales

Operating costs increased to US\$31.7 million in FY2015 compared with US\$19.2 million in FY2014 due to additional expenses from the new G10/48 and G11/48 oil fields. Lifting costs of producing assets increased 30.2% to US\$8.49/boe (FY2014: US\$6.52/boe) due to the ramp-up in production at the Wassana and Nong Yao field. In line with lower realised selling prices for oil and gas, Thai royalty payments also declined in FY2015 than in FY2014.

In FY2015, depreciation, depletion and amortisation expense amounted to US\$42.4 million, representing a 47.6% increase due to the contribution to production from G10/48 and G11/48. Inventory was written down by US\$17.7 million following the net realisable value adjustment of inventory on hand in line with the declining global oil price. Non-cash expenses such as depreciation, depletion and amortisation, and write down of inventories were US\$60.0 million in aggregate and contributed to a gross loss of US\$35.3 million.

	For the year ended 31 December	
	2015	2014
Average lifting cost		
Oil, liquids and gas (US\$/boe)	8.49	6.52
Operating costs (US\$'000)	30,557.0	18,105.3
Total production (boe)	3,601,231	2,778,291

Other Income

We recognised other income of US\$110.8 million in FY2015 compared with US\$9.3 million in FY2014. The increase was mainly attributed to (i) excess of fair value of net assets acquired over consideration paid for the acquisition of our working interest in the Block A

Aceh PSC of US\$43.0 million; (ii) gain on transfers of Block 105, Block 120 and the Bala Balakang PSC of US\$34.1 million in aggregate; and (iii) gain on sale of marine assets of US\$24.6 million.

General and Administrative Expenses

General and administrative expenses decreased 5.7% to US\$33.7 million in FY2015 (FY2014: US\$35.7 million). The decrease was primarily attributable to lower employee benefits expenses and lower professional fees, partially offset by recognition of general and administrative expenses for G10/48 and G11/48 on first production.

Other Operating Expense

We recognised other operating expense of US\$67.9 million in FY2015 compared with a loss of US\$10.0 million in FY2014, mainly attributable to the recognition of impairments on our Thai producing assets due to the lowering of short and medium-term price assumptions.

Finance Income

Finance income decreased to US\$0.3 million in FY2015 (FY2014: US\$0.6 million) in line with lower average cash balances in FY2015.

Finance Costs

Finance costs decreased 19.0% to US\$19.5 million in FY2015 (FY2014: US\$23.2 million) due to financing fees related to the issuances of the 2017 Notes and 2018 Notes.

Loss before tax

We recorded a loss before tax of US\$45.3 million in FY2015 compared with a loss before tax of US\$39.3 million in FY2014 due to (i) recognition of gain on transfer of working interests; (ii) excess of fair value of net assets acquired over consideration paid on acquisition; offset by the recognition of impairments on our Thai producing assets due to the lowering of short and medium-term price assumptions, combined with a write down on crude oil inventories to net realisable value.

Tax Expense

Tax expenses decreased to US\$3.3 million in FY2015 (FY2014: US\$11.1 million) due to lower tax expense recognised at B8/32 & B9A in line with lower revenue.

Loss after tax for the year

We recorded a loss of US\$48.6 million in FY2015 compared with a loss of US\$50.4 million in FY2014 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

Given the prolonged low oil price environment and the considerable uncertainty over the timing of any sustainable recovery, the Company has taken all measures to reduce its cost base and curtail discretionary operational expenditure for the foreseeable future.

Recent Developments

- In January 2016, the *Key Gibraltar* jack-up rig was demobilised from the Wassana field location following completion of the development drilling program.

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 2015.

13. If the group has obtained a general mandate from shareholders for Interested Person Transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

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 Rights Issue

Pursuant to the Rights Issue, the Company received net proceeds from the issue of the new shares of US\$120.1 million (S\$164.4 million) after deducting for rights issue expenses of US\$3.7 million (S\$5.0 million). The following table sets out our use of the net Rights Issue proceeds up to 31 December 2015.

	Allocation of Rights Issue Proceeds ⁽¹⁾	Rights Issue Proceeds utilised as at 31 December 2015 <i>(US\$ million)</i>	Balance of Rights Issue Proceeds
Tranche 1: Capital expenditures (including the exploration, appraisal and development of the Group's assets) ⁽²⁾	102.1	78.0	24.0
Tranche 2: For general working capital ⁽³⁾	18.0	14.6	3.5
Total	120.1	92.6	27.5

Notes:

- (1) Estimated net proceeds from the rights Rights Issue disclosed in the Offer Information Statement dated 13 July 2015 was US\$123.2 million and the actual net proceeds received by the Company was US\$120.1 million
- (2) Mainly attributed our share of exploration and development costs at G11/48 and G10/48, and expenditure related to the exploration well drilled in the Sakti PSC
- (3) General and administration expense and finance costs relating to the 2017 Notes, 2018 Notes and the 2014 RCF

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	
	2015	2014	2015	2014
	<i>(unaudited)</i> <i>(US\$ thousands)</i>			
Bangladesh	13,325.2	17,834.8	39,490.8	40,535.5
Cambodia	-	-	90,851.2	88,698.0
Indonesia	-	-	221,976.4	90,290.4
Thailand	46,846.0	57,070.4	462,377.1	371,022.1
Vietnam	-	-	80,960.6	40,020.4
Total	60,171.2	74,905.2	895,656.1	630,566.4

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 addition of the Wassana and Nong Yao fields as producing assets in 2015 increased the contribution of oil to the Group's total production. Correspondingly with the achievement of first production, operating cost also increased in 2015 compared with 2014.

Ongoing downward pressure on oil prices impacted the carrying value of inventory, which was written down to net realisable value as at 31 December 2015 to reflect the prevailing oil price environment and general consensus forecasts.

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		% increase /
	2015	2014	(decrease)
	(unaudited)		
	(US\$ thousands)		
Sales reported for the first half year	23,065.6	43,548.5	(47.0)
Operating profit/(loss) after tax reported for first half year	55,892.6	(23,796.7)	(334.9)
Sales reported for the second half year	37,105.6	31,356.7	18.3
Operating loss after tax reported for second half year	(104,466.4)	(26,573.7)	293.1

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, 25 February 2016