KRISENERGY LTD

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

Unaudited Third Quarter & Nine Months ended 30 September 2019 Financial Statements Announcement

12 November 2019

The following announcement may contain forward-looking statements by KrisEnergy Ltd. (the "**Company**" or "**KrisEnergy**", and collectively with its subsidiaries, the "**Group**") 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, among others, the financial condition, results of operation and business, and the related plans and objectives of the Company and/or the Group. 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. As 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 and/or the Group. It should be noted that our actual performance may vary significantly from such statements. No undue reliance should be placed on forward-looking statements and the Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

Financial and Operations Update

*KrisEnergy Ltd. is an independent upstream oil and gas company focused on the 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 13 contract areas in Asia, nine of which we operate. Today, we present our unaudited financial statements reflecting the financial and operating results for the three months ("**3Q2019**") and nine months ("**9M2019**") ended 30 September 2019 (the "**Results**"). References made to the Company pertain to KrisEnergy Ltd. and references made to the Group pertain to the Company and its subsidiaries.*

	For the three months ended 30 September			For the nine months ended 30 September		
	2019	**2018**	**% Change**	**2019**	**2018**	**% Change**
	(US$ thousands, except where otherwise indicated)					
Financial						
Sale of crude oil & liquids	18,788.6	35,563.5	(47.2)	79,246.8	116,972.8	(32.3)
Sale of gas	4,098.2	3,600.3	13.8	12,212.0	10,425.0	17.1
Revenue	**22,886.8**	**39,163.8**	**(41.6)**	**91,458.8**	**127,397.8**	**(28.2)**
Adjusted EBITDAX(1)	**6,579.6**	**12,723.0**	**(48.3)**	**25,142.6**	**40,599.0**	**(38.1)**
Cash and bank balances	44,978.6	56,247.1	(20.0)	44,978.6	56,247.1	(20.0)
Operations						
Oil and liquids (*bopd*)	4,538	5,200	(12.7)	4,835	6,034	(19.9)
Gas (*mmcfd*)	33.4	28.3	17.9	32.8	29.7	10.5
Production volumes (*boepd*)	10,100	9,918	1.8	10,296	10,976	(6.2)
Average sales price						
• Oil and liquids (*US$/bbl*)	57.14	70.80	(19.3)	60.10	67.05	(10.4)
• Gas – B8/32 (*US$/mcf*)	4.91	4.64	5.8	4.97	4.36	14.0
• Gas – Block 9 (*US$/mcf*)	2.32	2.32	-	2.32	2.32	-
Average lifting costs (US$/*boe*)(2)	25.59	22.82	12.1	22.54	23.26	(3.1)

Notes:

(1) EBITDAX is a non-IFRS measure and is defined as earnings before interest, taxation, depreciation, amortisation, geological and geophysical expenses and exploration expenses. Adjusted EBITDAX excludes unrealised foreign exchange differences.

(2) Average lifting cost reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period.

EBITDAX Computation

		For the three months ended 30 September		For the nine months ended 30 September	
		2019	2018	2019	2018
		(unaudited)			
		(US$ thousands)			
Cash	**Revenue**	22,886.8	39,163.8	91,458.8	127,397.8
	Adjusted operating costs[3]	(13,314.5)	(22,142.2)	(56,074.2)	(76,889.6)
	Thai petroleum royalties paid	(1,804.0)	(2,939.3)	(7,401.7)	(9,597.2)
	Gross profit before depreciation, depletion and amortisation	**7,768.3**	**14,082.3**	**27,982.9**	**40,911.0**
	Corporate general and administrative expense	(1,188.7)	(1,359.3)	(2,840.3)	(2,838.7)
	Gain on disposal of subsidiary	-	-	-	2,526.7
	Adjusted EBITDAX[4]	**6,579.6**	**12,723.0**	**25,142.6**	**40,599.0**
	Geological and geophysical expenses	(1,062.8)	(5,918.5)	(4,059.5)	(9,285.8)
	Exploration expenses	(4.7)	(358.6)	86.0	(7,389.4)
	Adjusted EBITDA[4]	**5,512.1**	**6,445.9**	**21,169.1**	**23,923.8**
	Finance costs	(8,327.4)	(6,595.0)	(23,215.9)	(21,236.7)
	Adjusted cash (loss)/profit before tax	**(2,815.3)**	**(149.1)**	**(2,046.8)**	**2,687.1**
Non-Cash	Finance costs (accretion of bond discount[5], decommissioning provision and lease liability)	(5,157.7)	(5,338.5)	(15,112.7)	(16,765.7)
	Depreciation, depletion and amortisation	(11,756.5)	(9,020.8)	(36,442.9)	(31,525.2)
	Impairment of assets	-	-	(34,252.5)	(12,938.6)
	Net fair value gain/(loss) on financial instruments	1,383.5	(508.1)	1,178.9	(4,779.6)
	Unrealised exchange gain/(loss) on 2022 Notes, 2023 Notes and 2024 ZCNs	2,312.5	4,577.9	2,489.2	4,055.5
	Other unrealised exchange differences	105.8	446.9	481.4	43.4
	Adjusted loss before tax[6]	**(15,927.7)**	**(9,991.7)**	**(83,705.4)**	**(59,223.1)**

Notes:

(3) Adjusted operating costs is a non-IFRS measure and includes the bareboat charters for oil and gas production, which are classified under depreciation, depletion and amortisation ("**DD&A**") in the profit and loss statement in accordance with IFRS 16, effective from 1 January 2019.

(4) EBITDAX and EBITDA are supplemental measures of our performance that are not required under IFRS. EBITDAX and EBITDA 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. EBITDAX and EBITDA are not standardised terms, hence, a direct comparison between companies using such terms may not be possible. Adjusted EBITDAX and Adjusted EBITDA excludes unrealised foreign exchange differences.

(5) Pursuant to the financial restructuring in the first quarter 2017 ("**1Q2017**"), the Group recognised a one-off non-cash fair value gain on exchange of the S$130 million senior unsecured notes due 2022 ("**2022 Notes**") and the S$200 million senior unsecured notes due 2023 ("**2023 Notes**") amounting to US$73.9 million (the "**Notes Exchange Gain**") as the 2022 Notes and 2023 Notes were recognised at a discount to par value upon exchange. Each reporting quarter until maturity or redemption of the 2022 Notes and 2023 Notes, the non-cash accretion of the bond discount, computed on the effective interest method in accordance with IFRS, will be charged to the Group's profit and loss as finance costs to offset the Notes Exchange Gain. In

addition, non-cash accretion of bond discount on the 2024 Zero Coupon Notes ("**2024 ZCNs**") will be charged to finance costs as the 2024 ZCNs were initially recognised at a discount to par value on issuance in 1Q2017.

(6) Adjusted profit/loss before tax deducts Special Remuneratory Benefit taxes from the calculation of Adjusted EBITDA.

Nine Months 2019 Financial Update

The average benchmark Brent crude price declined 11.0% in 9M2019 from the same period a year ago and was 13.2% lower in 3Q2019 versus the third quarter of 2018 (“**3Q2018**”). Volatility in the oil market significantly impacted the average oil sales price realised by the Group. A single lifting of Wassana crude in 3Q2019 occurred in August 2019 when benchmark prices dipped to the lowest levels since early January 2019 at around US$55.00 per barrel (“**bbl**”). The price of Wassana crude oil, which accounts for 80.0% of the Group’s oil production, is calculated on the average of the Dubai benchmark for the calendar month of lifting and the realised price achieved for the August cargo was the lowest since December 2017. Concerns over ongoing trade tensions and the associated slowdown of economies along with the potential negative impact on oil demand continue to assert pressure on oil prices to the downside.

Lower prices and lower sales impacted 9M2019 revenue, which decreased 28.2% to US$91.5 million. Gross profit before DD&A was US$28.0 million and net cash flow from operating activities was US$8.0 million, however, material non-cash charges in 9M2019 of US$85.8 million remained at significantly high levels and resulted in a loss before tax of US$83.7 million. In 3Q2019, net cash flow from operating activities was US$1.5 million.

The net loss recorded in 9M2019 resulted in a capital deficiency position for the Group as at 30 September 2019 of US$63.3 million, and a net current liability position of US$514.9 million. Total debt recognised on the Group’s balance sheet amounted to US$487.7 million and gearing was 114.9%.

- **Production:** Working interest production in 9M2019 averaged 10,296 barrels of oil equivalent (“**boepd**”), 6.2% lower than a year ago (9M2018: 10,976 boepd). The 9M2018 period included five months of working interest volumes from the Nong Yao oil field in G11/48, Gulf of Thailand, in which the Group ceased participation at the end of May 2018. On a *pro forma* basis, excluding G11/48, the Group’s three remaining producing assets – Block 9, B8/32 and G10/48 – recorded working interest production of 9,946 boepd in 9M2018. The 3.5% increase in 9M2019 on a *pro forma* basis was a result of higher production from B8/32 in the Gulf of Thailand and Block 9 onshore Bangladesh.

- **Realised Pricing:** In 9M2019, the Group’s average realised price for oil and liquids was US$60.10/bbl, 10.4% lower than a year ago (9M2018: US$67.05/bbl) partly due to lower benchmark markets as well as the exclusion of Nong Yao crude sales, which were included in the 9M2018 average realised price computation. On a year-on-year quarterly basis there was a 19.3% drop in 3Q2019 average realised oil sales price at US$57.14/bbl (3Q2018: US$70.80/bbl). The average realised gas price for the B8/32 licence increased 14.0% to US$4.97 per thousand cubic feet (“**mcf**”) (9M2018: US$4.36/mcf) in line with the redetermination of the gas price formula which is set on a trailing six-month basis. The realised gas price from the onshore Bangladesh Bangora field in Block 9 remained flat at US$2.32/mcf.

- **Revenue:** Revenue for 9M2019 decreased 28.2% to US$91.5 million (9M2018: US$127.4 million) due to lower production volumes (including Nong Yao for the 2018 period) and lower average realised selling prices for oil and liquids, partially offset by higher gas production volumes and higher average realised selling prices for natural gas in Thailand.

- **Adjusted Operating Costs:** Operating costs including the bareboat charters for Wassana field operations in G10/48 – namely the mobile offshore production unit ("**MOPU**") and the floating storage and offloading vessel ("**FSO**"), were US$56.1 million in 9M2019 (9M2018: US$76.9 million). The 27.0% decrease was primarily a result of a reduction in barrels of crude oil lifted at the Wassana field versus the year-ago period. In accordance with the Group's accounting policies and industry practice, operating costs are incurred and matched with revenue earned at the time of offtake. Although operating expenditure associated with the Wassana field is largely fixed, the accounting recognition of costs will fluctuate in line with the timing of liftings and revenue.

- **Lifting Costs:** Average lifting costs reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period. In 9M2019, the average lifting cost was US$22.54 per barrel of oil equivalent ("**boe**") compared with US$23.26/boe for 9M2018. The 3.1% decrease was attributed to higher production from B8/32 and Block 9 while maintaining operating expenditure at relatively fixed levels.

- **Adjusted EBITDAX:** In 9M2019, adjusted EBITDAX amounted to US$25.1 million (9M2018: US$40.6 million). The year-on-year decrease was primarily attributed to a lower gross profit for the period.

- **Loss Before Tax:** The loss before tax in 9M2019 was US$83.7 million (9M2018: US$59.2 million). Material non-cash charges to the profit and loss statement in 9M2019 amounted to US$85.8 million, comprising: (i) US$36.4 million for DD&A charges; (ii) a provision in accordance with IFRS of US$34.3 million for the Udan Emas production sharing contract ("**PSC**") related to the approaching expiry of the concession; and (iii) US$15.1 million related to the non-cash accretion of the bond discount, lease liability and decommission provision.

- **Cash & Bank Balances:** As at 30 September 2019, the Group's cash and bank balances amounted to US$45.0 million and, after taking into account restricted cash of US$6.3 million, the Group's cash and cash equivalents, including amounts held under joint operations, amounted to US$38.7 million. Total unused sources of liquidity, excluding amounts held under joint operations and including undrawn amounts of the revolving credit facility ("**RCF**"), amounted to US$16.1 million.

Further discussion of the Group's financial results is set out in Section 8 of this Financial Statements Announcement.

Group Capital Management

- **Going Concern:** The Group's financial statements for the period ending 30 September 2019 have been prepared on a going concern basis. As disclosed in previous financial statements announcements of the Company, the Group is over-geared and under-equitised and has appointed advisors to formally review and implement all available options to the Group in order to improve the financial condition of the Group, which is critical. The Group's auditors' view, as stated in the audited consolidated full-year 2018 financial statements, is that material uncertainty exists over the Group's ability to continue as a going concern.

- **Moratorium Application:** The Group is working towards alleviating its above-mentioned financial difficulties through a restructuring process. The Company announced on 14 August 2019 that it had made an application to the High Court of the Republic of Singapore ("**Singapore High Court**") to commence a court-supervised process to reorganise its liabilities and to seek a moratorium against enforcement actions and legal proceedings by creditors against the Company pursuant to section 211B of the Companies Act (Cap. 50) (the "**Moratorium Application**"). Please refer to the announcement entitled *Application for moratorium pursuant to Section 211B of the Companies Act (Cap. 50)* dated 14 August 2019 for more details.

    - On 14 August 2019, trading of all KrisEnergy securities on Singapore Exchange Securities Trading Ltd was indefinitely suspended following the Moratorium Application. See announcement entitled *KrisEnergy Ltd. announces suspension of securities trading* dated 14 August 2019.

    - On 21 August 2019, the Company announced that given the financial condition of the Group, it is not feasible for the Company to make all payments of its financial obligations as they fall due. In this connection, while the financial restructuring process is ongoing, the Company had decided to cease payment of certain obligations including:
        - principal and interest payable under the term facility agreements to each of The HongKong and Shanghai Banking Corporation Limited and Standard Chartered Bank, Singapore Branch amounting to US$4,604,689.61 in aggregate due on 21 August 2019; and
        - interest payable under the S$200.0 million 4.0% senior unsecured notes due 2023 ("**2023 Notes**") amounting to S$4,096,000 due on 22 August 2019.

      See announcement entitled *Updates on restructuring process – Non-payment of principal and interest* dated 21 August 2019.

    - On 28 August 2019, the Company provided a Notice of Occurrence of Redemption Event for each of the S$130.0 million 4.0% senior unsecured notes due 2022 ("**2022 Notes**"), 2023 Notes and the S$139,464,848 senior secured zero coupon notes due 2024 ("**2024 ZCNs**"), whilst concurrently disclosing that the Company is not in a position to redeem any of the notes.

- On 9 September 2019, the Singapore High Court granted the Moratorium Application for a three-month period i.e. to 14 November 2019. See announcement entitled *Updates on restructuring process – Outcome of Moratorium Application* dated 10 September 2019.

- On 10 September 2019, KrisEnergy convened an informal investor meeting organised and facilitated by Securities Investors Association (Singapore).

- **Total Debt & Gearing:** As at 30 September 2019, total debt recognised on the Group's balance sheet amounted to US$487.7 million and the Group's gearing was 114.9%.
    - The Group's RCF, as provided by DBS Bank Ltd ("**DBS**"), will mature on 30 June 2020. As such, the amount drawn as at 30 September 2019 of US$186.0 million has been classified as current liability; and
    - Pursuant to the Moratorium Application, the 2022 Notes, 2023 Notes, 2024 ZCNs and unsecured term loans are repayable on demand. Hence, the carrying amount of the debt as at 30 September 2019 has also been classified as current liability.

- **Net Capital Deficiency:** In 9M2019, the Group recorded a loss after tax of US$86.2 million, resulting in a net capital deficiency position of US$63.3 million and net current liabilities of US$514.9 million as at 30 September 2019.

Further details of the restructuring process since 30 September 2019 may be found under paragraph 10 entitled *Recent Developments* of this Financial Statements Announcement.

<u>Corporate Update</u>

- On 30 September 2019, the Company announced that Non-Executive Independent Director Mr Duane Radtke had stepped down from the Board of Directors effective 30 September 2019. See announcement entitled *KrisEnergy announces change to Board of Directors* dated 30 September 2019.

Third Quarter 2019 Operational Update

Production & Development

- Average gross production at the KrisEnergy-operated Bangora gas field in Block 9, onshore Bangladesh, was 282 barrels of condensate per day and 95.6 million cubic feet per day ("**mmcfd**") in 9M2019 and the Group's working interest share of production averaged 4,963 boepd in 3Q2019. The entire Bangora plant was shut on 13 August 2019 for scheduled annual maintenance and resumed operations on 16 August 2019. Subsequently, the field has consistently produced at a gross rate around 100 mmcfd.

- Average gross production at the Wassana oil field in the KrisEnergy-operated G10/48 concession was 4,236 barrels of oil per day ("**bopd**") in 9M2019 and the Group's working interest share of production was 3,631 bopd in 3Q2019. The Wassana field was shut 7-8 September 2019 for the replacement of the Manuli 6-inch subsea flowline, which was successfully completed without incident.
  - A lifting of 265,462 barrels was completed on 1 August 2019.
  - A lifting of 251,748 barrels commenced on 30 September 2019 and completed on 1 October 2019.

- Average gross oil production in the non-operated B8/32 oil and gas fields was 21,161 bopd and gas production was 88.5 mmcfd in 9M2019 and the Group's working interest share of production was 1,506 boepd in 3Q2019.
  - 35 infill wells were drilled and completed in the 2019 infill program. The last seven wells were put online in September 2019 and one remaining well will not produce.

- Renovation and upgrading of the production barge for the KrisEnergy-operated Apsara oil development in Cambodia Block A progressed throughout 9M in the Benoi yard and Gul drydock in Singapore with the installation of the following equipment and facilities completed:
  - New living quarters delivered and installed;
  - Helideck reinstalled;
  - Emergency diesel generator installed;
  - Second and final drydock completed for all hull steelwork and final coatings;
  - Three main power generation units;
  - Main electrical switch room and emergency switch room;
  - Pedestal crane;
  - Main electrical transformers;
  - Produced water package; and
  - Software for the pre-commissioning process has been installed and all necessary data has been populated in anticipation of pre-commissioning to achieve mechanical completion of the vessel.

- Processing ongoing for the 1,200 sq. km 3D seismic data acquired in June/July 2019 over Cambodia Block A. Around 200 sq. km of the 3D program was acquired over the Apsara development area and approximately 1,000 sq. km was acquired over a large prospective area in the southwest portion of the block, which has been sparsely explored by old 2D lines.

For activities and developments since 30 September 2019, see paragraph 10 entitled *Recent Developments* of this Financial Statements Announcement.

Capital Expenditure

As set out in the *Unaudited Second Quarter 2019 Financial Statements Announcement* dated 14 August 2019, planned capital expenditure for 3Q2019 was estimated at US$12.5 million. In 3Q2019, the Group incurred capital expenditure, excluding non-cash items, amounted to US$9.9 million. The variance was mainly attributed to a delay in award of material contracts for the development of Apsara oil field at the Cambodia Block A concession.

Planned capital expenditure for the fourth quarter 2019 is estimated to be approximately US$16.9 million of which 93.6% will be utilised for producing and development assets, predominantly at the Cambodia Block A concession, and the balance is intended to be allocated to mandatory work commitments.

	For the 3 months ending 31 December 2019 *(unaudited)* *(US$ thousands)*
Producing assets (1)	4,102.8
Assets under development (2)	11,732.5
Non-producing assets (3)	1,074.7
Total capital expenditure	16,909.9

Notes:
(1) Expenditure for assets in production, which include Block 9 and deferred costs related to the G10/48 drilling program completed earlier in 2019
(2) Expenditure for assets under development, which include Cambodia Block A, the production barge and G6/48
(3) Expenditure for exploration assets, which include the Group's assets in Bangladesh, Indonesian and Vietnam

The Group intends to fund planned capital expenditures through a combination of, including but not limited to, free cash flow from operations, the RCF and development funding.

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 to the local economies in Bangladesh, Cambodia, Indonesia, Singapore, Thailand and Vietnam, in which the group has 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.

Financial Statements Announcement
Third Quarter and Nine Months ended 30 September 2019

Figures for the period ended 30 September 2019 have not been audited.

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

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

	For the three months ended 30 September		For the nine months ended 30 September	
	2019	**2018**	**2019**	**2018**
	(unaudited) *(US$ thousands)*			
Sales of crude oil	18,788.6	35,563.5	79,246.8	116,972.8
Sales of gas	4,098.2	3,600.3	12,212.0	10,425.0
Revenue	**22,886.8**	**39,163.8**	**91,458.8**	**127,397.8**
Cost of sales:				
Operating costs	(3,524.7)	(22,142.2)	(26,480.7)	(76,889.6)
Thai petroleum royalties paid	(1,804.0)	(2,939.3)	(7,401.7)	(9,597.2)
Depreciation, depletion and amortisation	(21,765.0)	(9,008.7)	(66,151.4)	(31,477.2)
Gross (loss)/profit	**(4,206.9)**	**5,073.6**	**(8,575.0)**	**9,433.8**
Other income	2,696.2	1,613.2	8,174.9	7,537.3
General and administrative expenses	(4,152.5)	(9,147.3)	(12,850.9)	(17,396.2)
Other operating income/(expenses)	3,829.9	4,193.1	(29,738.3)	(21,222.1)
Finance income	227.5	209.2	705.7	426.5
Finance costs	(14,321.9)	(11,933.5)	(41,421.8)	(38,002.4)
Loss before tax	**(15,927.7)**	**(9,991.7)**	**(83,705.4)**	**(59,223.1)**
Tax expense	(731.5)	(1,005.7)	(2,446.7)	(3,072.1)
Loss for the period	**(16,659.2)**	**(10,997.4)**	**(86,152.1)**	**(62,295.2)**
Other comprehensive loss				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign operations	(25.4)	(27.5)	(39.1)	(48.5)
Total comprehensive loss for the period	**(16,684.6)**	**(11,024.9)**	**(86,191.2)**	**(62,343.7)**
Loss per share attributable to owners of the Company (cents per share)				
Basic	(1.1)	(0.7)	(5.7)	(4.1)
Diluted	(1.1)	(0.7)	(5.7)	(4.1)

Extraordinary items

There were no extraordinary items during the period.

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

	The Group		The Company	
	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018
	(unaudited)	*(audited)*	*(unaudited)*	*(audited)*
		(US$ thousands)		
ASSETS				
Non-current assets				
Exploration and evaluation assets	291,714.7	307,892.3	-	-
Oil and gas properties	145,203.3	163,769.7	-	-
Right-of-use assets[1]	35,389.1	-	-	-
Other property, plant and equipment	27,095.3	13,500.8	-	-
Intangible assets	8,444.9	8,444.9	-	-
Investment in subsidiaries	-	-	336,770.1	336,744.4
Other receivables	4,032.4	4,088.5	203,288.3	209,518.9
	511,879.7	**497,696.2**	**540,058.4**	**546,263.3**
Current assets				
Inventories	28,517.2	21,930.2	-	-
Trade and other receivables	46,861.6	37,950.9	6.0	-
Prepayments	7,724.4	5,686.1	104.5	143.8
Cash and bank balances	44,978.6	77,606.4	227.2	274.1
	128,081.8	**143,173.6**	**337.7**	**417.9**
Total Assets	**639,961.5**	**640,869.8**	**540,396.1**	**546,681.2**
EQUITY AND LIABILITIES				
Equity				
Ordinary shares	1,878.6	1,878.6	1,878.6	1,878.6
Share premium	730,302.2	730,302.2	730,302.2	730,302.2
Other reserves	30,826.0	30,707.8	41,469.8	41,312.5
Accumulated losses	(826,302.1)	(740,150.0)	(581,409.0)	(559,149.4)
Total Equity	**(63,295.3)**	**22,738.6**	**192,241.6**	**214,343.9**
Non-current liabilities				
Employee benefit liability	709.0	611.6	-	-
Lease liability[1]	752.4	-	-	-
Loans and borrowings	-	439,072.4	-	290,802.4
Derivative liabilities	1,750.9	2,966.7	1,750.9	2,966.7
Deferred tax liabilities	33,172.4	35,344.6	-	-
Provisions	23,872.1	22,206.6	-	-
Other payables	-	-	28,158.4	25,628.4
	60,256.8	**500,201.9**	**29,909.3**	**319,397.5**
Current liabilities				
Trade and other payables	72,814.7	73,545.3	13,622.1	11,062.8
Accrued operating expenses	45,379.8	21,935.8	2,916.1	1,877.0
Lease liability[1]	35,701.1	-	-	-

Loans and borrowings	487,713.4	20,000.0	301,707.0	-
Withholding tax payable	148.8	197.8	-	-
Tax payable	1,242.2	2,250.4	-	-
	643,000.0	**117,929.3**	**318,245.2**	**12,939.8**
Total Liabilities	**703,256.8**	**618,131.2**	**348,154.5**	**332,337.3**
Total Equity And Liabilities	**639,961.5**	**640,869.8**	**540,396.1**	**546,681.2**

Note:
(1) Pursuant to the application of the new IFRS 16 *Leases* effective 1 January 2019, the Group has recognised right-of-use assets and lease liability on the Balance Sheet. See Section 5 of this *Financial Statements Announcement* for further information regarding the adoption of IFRS 16.

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

Amount repayable in one year or less, or on demand

As at 30 September 2019		As at 31 December 2018	
Secured[(2)]	**Unsecured[(3)]**	**Secured**	**Unsecured**
	(US$ thousands)		
256,378.3	231,335.1	20,000.0	-

Amount repayable after one year

As at 30 September 2019		As at 31 December 2018	
Secured	**Unsecured**	**Secured**	**Unsecured**
	(US$ thousands)		
-	-	214,979.6	224,092.9

Notes:
(2) Aggregate of the 2024 ZCNs and RCF. The RCF will mature on 30 June 2020.
(3) Aggregate of the 2022 Notes, 2023 Notes and unsecured term loans.

Details of any collateral

As at 30 September 2019, certain subsidiaries of the Company have assets pledged under the RCF. On 29 March 2018, the RCF was extended by two years to 30 June 2020. There were no changes to the existing terms and conditions of the RCF. On 9 April 2018, DBS provided the Bridge Upsize under the RCF for a period of up to three months to support the Group's liquidity requirements. On 5 July 2018, the Bridge Upsize was extended for three months to 8 October 2018, and subsequently for another three months to 8 January 2019. On 8 January 2019, the Bridge Upsize maturity date was extended monthly to 8 February 2019, 8 March 2019 and subsequently to 8 April 2019. On 4 April 2019, DBS increased the RCF by an amount which would not result in the total commitments exceeding US$200 million, whereby DBS provided an additional commitment of US$31.7 million (the "**RCF Upsize**") under the RCF and the Bridge Upsize was subsumed under the RCF. Arrangement fees paid to DBS on the RCF extension, Bridge Upsize and RCF Upsize amounted to US$2.7 million.

The 2024 ZCNs, issued under the terms of the Preferential Offering, have a first ranking security interest over the shares and certain accounts of SJ Production Barge Ltd., a wholly-owned subsidiary of the Company, and a junior ranking security interest over the assets secured or to be secured from time to time under the RCF.

For further information on the RCF security, see the offering circular for the Preferential Offering dated 6 January 2017 and the final information memorandum in relation to the 2022 Notes and 2023 Notes dated 11 January 2017.

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

	The Group			
	For the three months ended 30 September		For the nine months ended 30 September	
	2019	2018	2019	2018
	(unaudited) (US$ thousands)			
Operating activities:				
Loss before tax	(15,927.7)	(9,991.7)	(83,705.4)	(59,223.1)
Adjustments for:				
Depreciation, depletion and amortisation	11,601.8	9,008.7	35,993.5	31,477.2
Depreciation of property, plant and equipment	19.6	12.1	46.1	48.0
Depreciation of right-of-use assets	10,298.2	-	30,561.2	-
Decommissioning provisions	-	(519.1)	-	(1,207.4)
Dry hole expenses	-	358.6	-	6,789.4
Employee defined benefits	22.5	19.1	97.3	(219.0)
Equity-settled transactions with employees	38.7	61.1	157.2	184.5
Gain on disposal of subsidiary	-	-	-	(2,526.7)
Impairment loss on exploration and evaluation assets	-	-	34,252.5	12,938.6
Net fair value (gain)/loss on financial instruments	(1,383.5)	508.1	(1,178.9)	4,779.6
Unrealised foreign exchange gain on financial instruments	(2,312.5)	(4,577.9)	(2,489.2)	(4,055.5)
Finance cost	8,327.4	6,595.0	23,215.9	21,236.7
Unwinding of discount on bonds	4,575.1	5,036.3	13,356.8	15,546.6
Unwinding of discount on decommissioning provisions	555.2	302.2	1,665.5	1,219.1
Unwinding of discount on lease liability	864.2	-	3,183.6	-
Interest income	(227.5)	(209.2)	(705.7)	(426.5)
Operating cash flows before changes in working capital	**16,451.5**	**6,603.3**	**54,450.4**	**26,561.5**
Inventories	(10,482.3)	1,575.9	(6,587.0)	8,208.3
Trade and other receivables	(6,271.8)	7,033.3	(15,083.2)	21,283.3
Trade and other payables	8,581.9	(19,175.5)	(8,623.0)	(6,460.6)
Cash flows generated from operations	**8,279.3**	**(3,963.0)**	**24,157.2**	**49,592.5**
Interest received	227.5	209.2	705.7	426.5
Interest paid	(3,363.9)	(4,527.7)	(10,917.1)	(13,006.0)
Taxes paid	(3,636.6)	(3,500.2)	(5,907.1)	(6,418.8)
Net cash from/(used in) operating activities	**1,506.3**	**(11,781.7)**	**8,038.7**	**30,594.2**
Investing activities:				
Addition to exploration and evaluation assets	(8,598.2)	(2,938.2)	(18,074.9)	(18,366.9)

	The Group			
	For the three months ended 30 September		For the nine months ended 30 September	
	2019	2018	2019	2018
	(unaudited)			
	(US$ thousands)			
Addition to oil and gas properties	(2,257.7)	(1,255.6)	(17,427.1)	(22,915.3)
Proceeds from disposal of subsidiary	-	-	4,190.2	8,450.0
Purchase of other plant, property and equipment	(7.3)	(3.0)	(121.2)	(10.5)
Subsequent expenditure on assets refurbishment	(53.8)	(58.8)	(1,717.7)	(499.6)
Net cash used in investing activities	**(10,917.0)**	**(4,255.6)**	**(33,150.7)**	**(33,342.3)**
Financing activities:				
Payment of bond interest	-	(2,239.7)	(5,035.0)	(4,781.3)
Proceeds from bank borrowings	8,650.0	5,000.0	37,736.5	25,000.0
Repayment of bank borrowings	-	(20,000.0)	(20,000.0)	(35,000.0)
Lease payments	(5,325.6)	-	(18,106.8)	-
Financial restructuring expense	(612.0)	-	(2,073.0)	-
Decrease in cash collateralized	-	-	2,000.0	-
Net cash from/(used in) financing activities	**2,712.4**	**(17,239.7)**	**(5,478.3)**	**(14,781.3)**
Net decrease in cash and cash equivalents	(6,698.3)	(33,277.0)	(30,590.3)	(17,529.4)
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	(25.1)	(27.3)	(37.5)	(48.3)
Cash and cash equivalents at beginning of the period	45,432.0	81,281.4	69,336.4	65,554.8
Cash and cash equivalents at end of the period	**38,708.6**	**47,977.1**	**38,708.6**	**47,977.1**
Add: restricted cash	6,270.0	8,270.0	6,270.0	8,270.0
Cash and bank balances at end of the period	**44,978.6**	**56,247.1**	**44,978.6**	**56,247.1**

As at 30 September 2019, total cash and cash equivalents were US$38.7 million compared with US$48.0 million as at 30 September 2018, and unused sources of liquidity including undrawn amounts of the RCF as at 30 September 2019 amounted to US$16.1 million.

Net Cash from/used in Operating Activities

Net cash from operating activities was US$1.5 million in 3Q2019 versus net cash used in operating activities of US$11.8 million in 3Q2018 as a result of movements in working capital.

Net Cash used in Investing Activities

Net cash used in investing activities amounted to US$10.9 million in 3Q2019 (3Q2018: US$4.3 million). Material capital expenditure in 3Q2019 included (i) development activities and seismic acquisition in Cambodia Block A of US$7.5 million; (ii) US$0.5 million for seismic acquisition in Andaman II PSC; and (iii) ongoing ordinary course of business expenditure in B8/32 and G10/48.

Net Cash from/used in Financing Activities

Net cash from financing activities amounted to US$2.7 million versus net cash used in financing activities of US$17.2 million in 3Q2018. In 3Q2019, US$8.7 million was drawn from the RCF Upsize, and the Group made principal lease payments on the right-of-use assets of US$5.3 million. Financial restructuring expenses paid in 3Q2019 amounted to US$2.1 million.

Borrowings

As at 30 September 2019, the total amount drawn on the RCF and RCF Upsize was US$186.0 million. Unused sources of liquidity (comprising cash and cash equivalents and undrawn amounts from the RCF) amounted to US$16.1 million. Gearing as at 30 September 2019 was 114.9%.

The Group's RCF, as provided by DBS, will mature on 30 June 2020. As such, the amount drawn as at 30 September 2019 of US$186.0 million has been classified as current liability.

Pursuant to the Moratorium Application, the 2022 Notes, 2023 Notes, 2024 ZCNs and unsecured term loans are repayable on demand. Hence, the carrying amount of the debt as at 30 September 2019 has also been classified as current liability.

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 Reserve**	**General Reserve**	**Total Equity**
				(US$ thousands)			
At 1 January 2019	**1,878.6**	**730,302.2**	**(740,150.0)**	**(1,923.5)**	**1,012.1**	**31,619.2**	**22,738.6**
Loss net of tax	-	-	(20,855.5)	-	-	-	(20,855.5)
<u>Other comprehensive income:</u>							
Exchange differences on translation of foreign operations	-	-	-	29.0	-	-	29.0
Total comprehensive loss for the period	-	-	(20,855.5)	29.0	-	-	(20,826.5)
Equity-settled transactions with employees	-	-	-	-	59.9	-	59.9
At 31 March 2019	**1,878.6**	**730,302.2**	**(761,005.5)**	**(1,894.5)**	**1,072.0**	**31,619.2**	**1,972.0**
Loss net of tax	-	-	(48,637.5)	-	-	-	(48,637.5)
<u>Other comprehensive loss:</u>							
Exchange differences on translation of foreign operations	-	-	-	(42.7)	-	-	(42.7)
Total comprehensive loss for the period	-	-	(48,637.5)	(42.7)	-	-	(48,680.2)
Equity-settled transactions with employees	-	-	-	-	58.7	-	58.7
At 30 June 2019	**1,878.6**	**730,302.2**	**(809,643.0)**	**(1,937.2)**	**1,130.7**	**31,619.2**	**(46,649.5)**

	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	General Reserve	Total Equity
Loss net of tax	-	-	(16,659.2)	-	-	-	(16,659.2)
Other comprehensive loss:							
Exchange differences on translation of foreign operations	-	-	-	(25.4)	-	-	(25.4)
Total comprehensive loss for the period	-	-	(16,659.2)	(25.4)	-	-	(16,684.6)
Equity-settled transactions with employees	-	-	-	-	38.7	-	38.7
At 30 September 2019	**1,878.6**	**730,302.2**	**(826,302.1)**	**(1,962.6)**	**1,169.4**	**31,619.2**	**(63,295.3)**

THE GROUP	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	General Reserve	Total Equity
				(US$ thousands)			
At 1 January 2018	**1,878.6**	**730,302.2**	**(602,978.9)**	**(1,862.0)**	**767.2**	**31,619.3**	**159,726.4**
Loss net of tax	-	-	(18,187.5)	-	-	-	(18,187.5)
Other comprehensive income:							
Exchange differences on translation of foreign operations	-	-	-	31.6	-	-	31.6
Total comprehensive loss for the period	-	-	(18,187.5)	31.6	-	-	(18,155.9)
Equity-settled transactions with employees	-	-	-	-	61.5	-	61.5
At 31 March 2018	**1,878.6**	**730,302.2**	**(621,166.4)**	**(1,830.4)**	**828.7**	**31,619.3**	**141,632.0**
Loss net of tax	-	-	(33,110.4)	-	-	-	(33,110.4)
Other comprehensive loss:							
Exchange differences on translation of foreign operations	-	-	-	(52.6)	-	-	(52.6)
Total comprehensive loss for the period	-	-	(33,110.4)	(52.6)	-	-	(33,163.0)
Equity-settled transactions with employees	-	-	-	-	62.0	-	62.0
At 30 June 2018	**1,878.6**	**730,302.2**	**(654,276.8)**	**(1,883.0)**	**890.7**	**31,619.3**	**108,531.0**
Loss net of tax	-	-	(10,997.4)	-	-	-	(10,997.4)
Other comprehensive loss:							
Exchange differences on translation of foreign operations	-	-	-	(27.5)	-	-	(27.5)
Total comprehensive loss for the period	-	-	(10,997.4)	(27.5)	-	-	(11,024.9)
Equity-settled transactions with employees	-	-	-	-	61.1	-	61.1
At 30 September 2018	**1,878.6**	**730,302.2**	**(665,274.2)**	**(1,910.5)**	**951.8**	**31,619.3**	**97,567.2**

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Option Reserve	General Reserve	Total Equity
			(US$ thousands)			

At 1 January 2019	**1,878.6**	**730,302.2**	**(559,149.4)**	**1,012.1**	**40,300.4**	**214,343.9**
Loss net of tax	-	-	(12,897.1)	-	-	(12,897.1)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(12,897.1)	-	-	(12,897.1)
Equity-settled transactions with employees	-	-	-	59.9	-	59.9
At 31 March 2019	**1,878.6**	**730,302.2**	**(572,046.5)**	**1,072.0**	**40,300.4**	**201,506.7**
Loss net of tax	-	-	(3,405.8)	-	-	(3,405.8)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(3,405.8)	-	-	(3,405.8)
Equity-settled transactions with employees	-	-	-	58.7	-	58.7
At 30 June 2019	**1,878.6**	**730,302.2**	**(575,452.3)**	**1,130.7**	**40,300.4**	**198,159.6**
Loss net of tax	-	-	(5,956.7)	-	-	(5,956.7)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(5,956.7)	-	-	(5,956.7)
Equity-settled transactions with employees	-	-	-	38.7	-	38.7
At 30 September 2019	**1,878.6**	**730,302.2**	**(581,409.0)**	**1,169.4**	**40,300.4**	**192,241.6**

THE COMPANY	**Share Capital**	**Share Premium**	**Accumulated Losses**	**Employee Share Option Reserve**	**General Reserve**	**Total Equity**
			(US$ thousands)			
At 1 January 2018	**1,878.6**	**730,302.2**	**(24,307.8)**	**767.2**	**40,300.3**	**748,940.5**
Loss net of tax	-	-	(14,080.0)	-	-	(14,080.0)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(14,080.0)	-	-	(14,080.0)
Equity-settled transactions with employees	-	-	-	61.5	-	61.5
At 31 March 2018	**1,878.6**	**730,302.2**	**(38,387.8)**	**828.7**	**40,300.3**	**734,922.0**
Loss net of tax	-	-	(8,887.6)	-	-	(8,887.6)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(8,887.6)	-	-	(8,887.6)
Equity-settled transactions with employees	-	-	-	62.0	-	62.0
At 30 June 2018	**1,878.6**	**730,302.2**	**(47,275.4)**	**890.7**	**40,300.3**	**726,096.4**
Loss net of tax	-	-	(5,308.3)	-	-	(5,308.3)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(5,308.3)	-	-	(5,308.3)

Equity-settled transactions with employees	-	-	-	61.1	-	61.1
At 30 September 2018	**1,878.6**	**730,302.2**	**(52,583.7)**	**951.8**	**40,300.3**	**720,849.2**

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares of the issuer and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company did not hold any treasury shares or subsidiary holdings as at 30 September 2019 (30 September 2018: Nil).

KrisEnergy Employee Share Option Scheme ("KrisEnergy ESOS")
The KrisEnergy ESOS was implemented and adopted during the Company's initial public offering ("**IPO**"). The duration of the KrisEnergy ESOS is 10 years commencing from 10 July 2013. As at 30 September 2019, 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% (issued under equal First Tranche and Second Tranche) 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. Following the exit of First Reserve Fund, XII LP on 6 April 2018, the First Tranche Condition (as defined in the Prospectus) had been satisfied. However, in accordance with and as permitted under the terms of the MS-Awards, as the Company does not have sufficient distributable reserves or amounts credited to its premium account at the relevant junctures to make the required issue of Shares (being the first one-third and the next one-third of the First Tranche), the Company has determined to pay a cash sum equal to the aggregate fair market value of the Shares that would otherwise have been issued. The cash sum has been paid for the first one-third of the First Tranche, while the cash sum will be paid on a delayed basis for the next one-third of the First Tranche (taking into account cash reserves and budgeted commitments for the following 12 months).

- 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 30 September 2019, the number of Shares granted as awards under the KrisEnergy PSP, but not yet vested was (a) up to 2.5% of the Shares may be vested upon the satisfaction of the conditions of the MS-Awards; and (b) 5,186,848 Shares.

The awards allotted and issued 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.

- On 19 July 2016, pursuant to the partial vesting of awards granted on 13 November 2013 and 17 March 2015 under the KrisEnergy PSP, 1,921,278 Shares were allotted and issued to employees, including 214,140 Shares to Executive Directors.

- On 30 December 2016, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP, 3,649,501 Shares were allotted and issued to employees, including 360,498 Shares to Executive Directors.

- On 19 July 2017, pursuant to the partial vesting of awards granted on 17 March 2015 under the KrisEnergy PSP, 205,154 Shares were allotted and issued to employees.

- On 29 December 2017, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP, 3,010,511 Shares were allotted and issued to employees, including 288,400 Shares to Executive Directors.

On 2 February 2017, along with the 2024 ZCNs, 1,255,183,632 Warrants were issued by the Company. Each Warrant converts to one share in the ordinary share capital of the Company.

On 17 February 2017 and 7 March 2017, 9,000 Warrants and 2,376 Warrants were exercised and converted into 9,000 Shares and 2,376 Shares, respectively.

As at 30 September 2019, the Company's issued share capital was 1,502,849,065 Shares and 1,255,172,256 outstanding Warrants.

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

SHARE CAPITAL	**As at 30 September 2019**		**As at 31 December 2018**	
	(unaudited)			
	No. of shares	*US$*	*No. of shares*	*US$*
Issued and fully paid ordinary shares				
At 1 January	1,502,849,065	1,878,562	1,502,849,065	1,878,562
At reporting date	**1,502,849,065**	**1,878,562**	**1,502,849,065**	**1,878,562**

SHARE PREMIUM	**As at 30 September 2019**	**As at 31 December 2018**
	(unaudited)	
	US$	
At 1 January	730,302,151	730,302,151
At reporting date	**730,302,151**	**730,302,151**

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

There were no sales, transfer, cancellation and/or use of treasury shares as at 30 September 2019 (30 September 2018: Nil).

1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at end of the current financial period reported on.

There were no sales, transfer, cancellation and/or use of subsidiary holdings as at 30 September 2019 (30 September 2018: 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 2018, 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 2019. The adoption of these standards did not have any material effect on the financial performance of the Group for the current financial period except for the following.

IFRS 16 *Leases*

IFRS 16 introduces a comprehensive model for the identification of lease arrangements and accounting treatments for both lessors and lessees. IFRS 16 will supersede the current lease guidance including IAS 17 *Leases* and the related Interpretations when it becomes effective.

IFRS 16 distinguishes leases and service contracts on the basis of whether an identified asset is controlled by a customer. Distinctions of operating leases (off balance sheet) and finance leases (on balance sheet) are removed for lessee accounting and is replaced by a model where a right-of-use asset and a corresponding liability have to be recognised for all leases by lessees (i.e. all on balance sheet) except for short-term leases and lease of low value assets.

The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exception) less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at the present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others. Furthermore, the classification of cash flows will also be affected as operating lease payments under IAS 17 are presented as operating cash flows; whereas under the IFRS 16 model, the lease payments will be split into a principal and an interest portion which will be presented as financing and operating cash flows respectively.

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

	For the three months ended 30 September		For the nine months ended 30 September	
	2019	**2018**	**2019**	**2018**
Loss per share attributable to owners of the Company:				

(i) Based on a weighted average number of shares (cents per share)	(1.1)	(0.7)	(5.7)	(4.1)
- Weighted average number of shares	1,502,849,065	1,502,849,065	1,502,849,065	1,502,849,065
(ii) On a fully diluted basis (cents per share)	(1.1)	(0.7)	(5.7)	(4.1)
- Adjusted weighted average number of shares	1,508,035,913	1,508,035,913	1,508,035,913	1,508,035,913

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

	The Group		The Company	
	As at 30 September 2019	As at 31 December 2018	As at 30 September 2019	As at 31 December 2018
	(Unaudited) (US$)			
Net asset value per ordinary share(1)	(0.04)	0.02	0.13	0.14
Net tangible asset per ordinary share(1)	(0.05)	0.01	0.13	0.14

Note:
(1) Based on share capital of 1,502,849,065 ordinary shares as at 30 September 2019 and 31 December 2018

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

The following table sets forth a selected summary of our income statement and non-IFRS financial data for the three months and nine months ended 30 September 2019.

	For the three months ended 30 September		For the nine months ended 30 September	
	2019	2018	2019	2018
	(unaudited) (US$ thousands)			
Sales of crude oil	18,788.6	35,563.5	79,246.8	116,972.8
Sales of gas	4,098.2	3,600.3	12,212.0	10,425.0
Revenue	**22,886.8**	**39,163.8**	**91,458.8**	**127,397.8**
Cost of sales:				
Operating costs	(3,524.7)	(22,142.2)	(26,480.7)	(76,889.6)
Thai petroleum royalties paid	(1,804.0)	(2,939.3)	(7,401.7)	(9,597.2)
Depreciation, depletion and amortisation	(21,765.0)	(9,008.7)	(66,151.4)	(31,477.2)

Gross (loss)/profit	**(4,206.9)**	**5,073.6**	**(8,575.0)**	**9,433.8**
Other income	2,696.2	1,613.2	8,174.9	7,537.3
General and administrative expenses	(4,152.5)	(9,147.3)	(12,850.9)	(17,396.2)
Other operating income/(expenses)	3,829.9	4,193.1	(29,738.3)	(21,222.1)
Finance income	227.5	209.2	705.7	426.5
Finance costs	(14,321.9)	(11,933.5)	(41,421.8)	(38,002.4)
Loss before tax	**(15,927.7)**	**(9,991.7)**	**(83,705.4)**	**(59,223.1)**
Tax expense	(731.5)	(1,005.7)	(2,446.7)	(3,072.1)
Loss for the period	**(16,659.2)**	**(10,997.4)**	**(86,152.1)**	**(62,295.2)**

Revenue

Working interest production in 3Q2019 averaged 10,100 boepd, a 1.8% increase from the same period last year (3Q2018: 9,918 boepd). The increase was attributable to higher production from B8/32 and Block 9, partially offset lower production from G10/48 due to a two-day shutdown in September 2019 to replace a subsea Manuli hose and other maintenance works.

Despite the increase in production, revenue for 3Q2019 decreased 41.6% to US$22.9 million (3Q2018: US$39.2 million) as a result of lower average realised selling prices for oil and liquids, partially offset by the higher average realised selling prices for gas in Thailand.

The average realised oil and liquids sales price in 3Q2019 decreased 19.3% to US$57.14/bbl (3Q2018: US$70.80/bbl). The average realised gas price achieved from B8/32 in 3Q2019 was US$4.91/mcf, 5.8% higher than a year ago (3Q2018: US$4.64/mcf). The realised gas price from the onshore Bangladesh Bangora field in Block 9 remained flat at US$2.32/mcf.

	For the three months ended 30 September		**For the nine months ended 30 September**	
	2019	**2018**	**2019**	**2018**
Production volumes				
Oil and liquids (bopd)	4,538	5,200	4,835	6,034
Gas (mmcfd)	33.4	28.3	32.8	29.7
Total (boepd)	**10,100**	**9,918**	**10,296**	**10,976**
Average sales price				
Oil and liquids (US$/bbl)	57.14	70.80	60.10	67.05
Gas – B8/32 (US$/mcf)	4.91	4.64	4.97	4.36
Gas – Block 9 (US$/mcf)	2.32	2.32	2.32	2.32

Cost of Sales

Following the adoption of IFRS 16, operating costs amounted to US$3.5 million in 3Q2019 (3Q2018: US$22.1 million) as the bareboat charters for the Wassana field operations – namely the MOPU and FSO – are accounted for as DD&A. However, adjusted operating cost in 3Q2019 per EBITDAX computation was US$13.3 million (3Q2018: US$22.1 million). The 39.9% decrease was mainly due to a lower sales volume from the Wassana field with only one lifting in 3Q2019 versus two liftings in 3Q2018. In accordance with the Group's accounting policies and industry practice, operating costs are incurred and matched with revenue earned at the time of offtake. Although operating expenditure associated with the Wassana field is largely fixed, the accounting recognition of costs will fluctuate in line with timing and sales volumes and hence, revenue earned.

Average lifting costs reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period. In 3Q2019, the Group's average lifting cost was US$25.59/boe compared with US$22.82/boe for 3Q2018. The 12.1% increase was attributed to higher operating expenditure at the Wassana field compared to a year ago due to the Manuli hose replacement.

In 3Q2019, DD&A charges increased to US$21.8 million (3Q2018: US$9.0 million) mainly as a result of additional DD&A for the Wassana facilities in accordance with IFRS 16.

	For the three months ended 30 September		For the nine months ended 30 September	
	2019	**2018**	**2019**	**2018**
Average lifting cost(1)				
Oil, liquids and gas (US$/boe)	25.59	22.82	22.54	23.26
Net operating expenditure (US$'000)	23,777.6	20,823.9	63,364.1	69,702.4
Total production (boe)	929,222	912,479	2,810,901	2,996,432

Note:
(1) Calculation of average lifting cost has been revised to reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period.

Other income
Other income was US$2.7 million in 3Q2019 compared with US$1.6 million in 3Q2018. The increase was mainly due to leasing income on the joint operations partner's working interest share of the bareboat charters for the Wassana field per IFRS 16.

General and administrative expenses
General and administrative expenses more than halved to US$4.2 million in 3Q2019 (3Q2018: US$9.1 million). The decrease was primarily attributable to the one-off expense incurred in 3Q2018 on the transfer of asset amounting to US$4.2 million.

Other operating income
Other operating income amounted to US$3.8 million in 3Q2019 (3Q2018: US$4.2 million). The decrease was as a result of lower unrealised foreign exchange gain, partially offset by net fair value gain on the financial instruments of US$1.4 million in 3Q2019 compared to net fair value loss of US$0.5 million in 3Q2018.

Finance income
Finance income was higher year-on-year due to higher interest rates on term deposits in 3Q2019.

Finance costs
Finance costs amounted to US$14.3 million in 3Q2019 (3Q2018: US$11.9 million), as a result of (i) non-cash accretion of bond discount, lease liability and decommissioning provisions of US$6.0 million; (ii) bank loan interest on the RCF of US$4.2 million; and (iii) default interest expenses on the 2022 Notes and 2023 Notes of US$2.5 million.

Loss before tax

The loss before tax in 3Q2019 of US$15.9 million (3Q2018: US$10.0 million) was mainly attributable to lower revenue, higher DD&A charges and increased finance costs for the period.

Tax expense
Tax expense amounted to US$0.7 million in 3Q2019 (3Q2018: US$1.0 million) due to lower provision of tax expense in line with lower revenue compared with the same period last year.

Loss for the period
The net loss for the period was US$16.7 million in 3Q2019 (3Q2018: US$11.0 million) 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

External factors outside of traditional supply/demand balance considerations continue to stoke unease and volatility in oil markets. Resolution of certain trade issues would likely reduce some of the downside price risk.

The Group continues to tightly manage its liquidity position and take all measures to reduce costs and curtail discretionary expenditure. Managing liquidity while progressing development projects remain the Group's primary priority in addition to the financial restructuring process.

Recent Developments

- On 18 October 2019, the Company announced the appointment of Bernard Castanet, former senior executive of international independent Perenco Group, as Non-Executive Independent Director, effective 18 October 2019. See announcement entitled *KrisEnergy appoints Non-Executive Independent Director and reconstitutes Board Committees* dated 18 October 2019.

- On 22 October 2019, KrisEnergy announced that while the restructuring process is ongoing, the Company had determined that the relevant redemption payments would not be made notwithstanding the occurrence of redemption event(s) under its 2022 Notes, 2023 Notes and 2024 ZCNs and the submission of any completed exercise notice. See announcement entitled *Updates on restructuring process – Non-payment of redemption amounts under the Notes* dated 22 October 2019.

- On 29 October 2019, the Company announced it had accepted a binding letter of offer by a major international oil and gas company for the disposal of a 30.0% non-operated working interest in the Andaman II PSC in the Malacca Strait, Indonesia. See announcement entitled *KrisEnergy signs binding letter for sale of Andaman II PSC* dated 29 October 2019.

- On 9 November 2019, the geophysical survey vessel *PTSC Researcher*, operated by PTSC Geos and Subsea Services Co., Ltd, commenced a geophysical survey at the proposed platform and production barge locations for the Apsara oil development in Cambodia Block A in the Gulf of Thailand.

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 and the reason(s) for the decision

Due to the Group's accumulated losses, no dividend has been declared or recommended for the nine months ended 30 September 2019.

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

The Group does not have an existing IPT mandate. As at 31 March 2019, the Group had an ongoing general mandate from shareholders for interested person transactions. However, this general mandate was not renewed at the annual general meeting of the Company held on 26 April 2019 and has accordingly lapsed.

14. Negative confirmation pursuant to Rule 705(5)

Pursuant to Rule 705(5), we, Tan Ek Kia and Kelvin Tang, being two directors of the Company, do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited financial results for the nine months ended 30 September 2019 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers pursuant to Rule 720(1).

On behalf of the board of directors.

Tan Ek Kia Independent Non-Executive Chairman	Kelvin Tang Executive Director & Chief Executive Officer

Singapore, 12 November 2019