

KRISENERGY LTD

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

Unaudited First Quarter 2016 Financial Statements Announcement



13 May 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.

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 three months ended 31 March 2016 (the “**Results**” or “**1Q2016**”). 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 31 March		
	2016	2015	% Change
	(US\$ thousands, except where otherwise indicated)		
Financial			
Sale of crude oil & liquids	27,632.1	6,405.8	331.4
Sale of gas	5,478.9	5,013.8	9.3
Revenue	33,111.0	11,419.6	189.9
EBITDAX^(1,2)	19,677.1	9,266.9	112.3
Cash and bank balances	65,212.7	38,443.5	84.0
Operations⁽²⁾			
Production volumes (boepd) ⁽³⁾	19,014	7,699	146.9
Average sales price ⁽³⁾			
• Oil and liquids (US\$/bbl)	20.85	53.20	(60.8)
• Gas – B8/32 & B9A (US\$/mcf)	4.11	5.63	(27.0)
• Gas – Block 9 (US\$/mcf)	2.32	2.32	-
Average lifting costs (US\$/boe) ⁽³⁾	10.18	5.72	78.1

Notes:

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

(2) Non-IFRS measures

(3) Adjusted for KrisEnergy’s 89.0% working interest in G10/48

First Quarter 2016 Financial Update

The Group more than doubled production in 1Q2016, which together with reductions in costs helped cushion the impact of lower oil and gas prices. However, liquidity and recapitalisation remain as core focal issues for the Group, similar to many other oil and gas companies worldwide due to prevailing market conditions.

- Working interest production in 1Q2016 increased to 19,014 barrels of oil equivalent (“**boepd**”), 2.5 times higher than a year ago (1Q2015: 7,699 boepd) and 30.3% above the preceding quarter (4Q2015: 14,582 boepd), as a result of the ramp up and stabilisation of production from the new Wassana and Nong Yao oil fields in the Gulf of Thailand.
- Revenue for 1Q2016 amounted to US\$33.1 million, three times higher than the same period last year (1Q2015: US\$11.4 million) as a result of both: higher crude oil sales, which in 1Q2016 included a full quarter of sales from the Wassana and Nong Yao oil fields; and higher gas revenue as a result of an increase in production. Optimised production at each field has helped to mitigate the impact of depressed benchmark oil prices, which for Dubai crude decreased 40.7% and 24.5% in 1Q2016 versus 1Q2015 and the preceding quarter (“**4Q2015**”), respectively.
- The average realised price for oil and liquids in 1Q2016 declined 60.8% to US\$20.85 per barrel (“**bbl**”) (1Q2015: US\$53.20/bbl) due to lower benchmark oil prices, a widening in the spread between Brent and Dubai crudes and the discount for Wassana crude due to buyer unfamiliarity with the grade in the spot market as well as elevated levels of impurities.
- In line with the ramp up of production at the Wassana and Nong Yao oil fields, 1Q2016 lifting costs increased 78.0% to US\$10.18 per barrel of oil equivalent (“**boe**”) compared with US\$5.72/boe in 1Q2015 when production averaged 7,699 boepd.
- The Group has remained focused on cost reductions. Decreased headcount and cuts to staff remuneration and directors’ fees resulted in a 8.9% decrease in corporate general and administrative expenses in 1Q2016 to US\$2.1 million compared with the year-ago quarter (1Q2015: US\$2.3 million) and a 23.0% reduction from the preceding quarter (4Q2015: US\$2.7 million).
- EBITDAX in 1Q2016 increased to US\$19.7 million (1Q2015: US\$9.3 million) as a result of higher revenue from the additional production from the Wassana and Nong Yao oil fields, lower corporate general and administrative expenses and an effective gain on the sale of a subsidiary as the Group completed the restructure of the G10/48 concessionaires.
- Net loss after tax was US\$20.1 million compared with a net profit after tax of US\$47.2 million in 1Q2015. The 1Q2016 net loss after tax was mainly attributable to higher non-cash depreciation, depletion and amortisation expenses for producing assets.

- Unused sources of liquidity as at 31 March 2016 amounted to US\$63.7 million and the Group's gearing was 44.0%, which remains within our target debt to debt-to-equity range.

Capital Management

- In the first quarter, KrisEnergy entered into a one-year term sales and purchase agreement for the supply of petroleum. The buyer has agreed to prepay US\$50.0 million of the contract (the "**Prepayment**"). KrisEnergy received its share of the first tranche payment of US\$30.0 million on 31 March 2016, the remaining US\$20.0 million is due by 30 June 2016.
- The US\$100.0 million revolving credit facility which was established in March 2014, subsequently increased to US\$122.0 million on 30 April 2015, was amended and restated on 24 March 2016 (the "**Facility**").
 - As at 31 March 2016, the total amount drawn on the Facility was US\$108.4 million. As the entire Facility falls due within one year (24 March 2017), the Facility has been reclassified from Non-current to Current Liabilities. As at 31 March 2016, the Group's Current Liabilities amounted to US\$228.8 million and the Group's Current Assets amounted to US\$176.3 million, resulting in a net negative working capital position as at the end of the reporting period.
 - Under the terms of the Facility, KrisEnergy is required to repay and cancel US\$55.0 million of the Facility by 29 July 2016 (the "**Facility Repayment Obligation**"). In order to satisfy the Facility Repayment Obligation and the terms of the Facility, KrisEnergy is required to raise minimum new capital of US\$100.0 million and US\$50.0 million (both amounts being net of costs) by 30 June 2016 and 30 November 2016, respectively. Proceeds from the amounts raised will be applied towards satisfaction of the Facility Repayment Obligation and the Group's ongoing working capital requirements. The Board is exploring all viable capital raising options to meet this obligation. As at the date of these Results, the Company is working with a number of parties to execute this capital raising over the course of the next few months.

First Quarter 2016 Operational Update

Following first production in 2015, the Wassana and Nong Yao fields reached peak production of approximately 12,800 barrels of oil per day (“**bopd**”) and 11,400 bopd, respectively. The Group’s average working interest production was 19,014 boepd in 1Q2016.

Production and Development

- Development drilling completed in the Wassana oil field in G10/48 in 1Q2016, with 13 producer wells and one water disposal well on stream. Production at the Wassana field reached a peak of approximately 12,800 bopd and averaged 10,285 bopd in the first quarter. The Group remains vigilant to seek ways to manage operating expenditure and maximise efficiencies in the field operations.
- Production at the Nong Yao field in G11/48 reached a peak of approximately 11,400 bopd in 1Q2016 and averaged 9,784 bopd in the first quarter. Discretionary expenditures have been removed from the planned 2016 work program.
- Production performance in the B8/32 & B9A oil and gas complex was boosted by an increase in wireline zonal recompletions. Oil production averaged 29,240 bopd in 1Q2016 and gas production has maintained at 148 million cubic feet per day (“**mmcfd**”) throughout the quarter, a rate not achieved since June 2012. Five new development wells were drilled in April 2016 and two additional wells were drilled in May 2016.
- On 30 March 2016, PT Medco Energi Internasional Tbk, the operator of the Block A Aceh production sharing contract (“**PSC**”) announced the award of a US\$240 million engineering procurement and construction contract for the gas development with a consortium comprising PT JGC Indonesia and PT Encona Inti Industri. 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. KrisEnergy intends to implement project financing to fund the gas development.

For activities and developments since 31 March 2016, see paragraph 10 of these Results entitled *Recent Developments*.

Financial Statements Announcement

First Quarter ended 31 March 2016

Figures for the three months ended 31 March 2016 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 31 March	
	2016	2015
	<i>(unaudited)</i>	
	<i>(US\$ thousands)</i>	
Sales of crude oil	27,632.1	6,405.8
Sales of gas	5,478.9	5,013.8
Revenue	33,111.0	11,419.6
Cost of sales:		
Operating costs	(19,196.2)	(3,961.7)
Thai petroleum royalties paid	(2,719.2)	(969.4)
Depreciation, depletion and amortisation	(27,975.9)	(7,057.5)
Gross loss	(16,780.3)	(569.0)
Other income	11,964.5	59,607.8
General and administrative expenses	(7,605.5)	(8,019.9)
Other operating income/(expenses)	71.8	(606.0)
Finance income	47.6	82.0
Finance costs	(7,364.2)	(3,799.5)
(Loss)/profit before tax	(19,666.1)	46,695.4
Tax (expense)/credit	(403.0)	474.8
(Loss)/profit after tax for the period	(20,069.1)	47,170.2
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(23.3)	(94.7)
Total comprehensive income for the period	(20,092.4)	47,075.5
Attributable to:		
Owners of the Group	(18,286.0)	46,297.4
Non-controlling interests	(1,783.1)	872.8
(Loss)/profit after tax for the period	(20,069.1)	47,170.2
Attributable to:		
Owners of the Group	(18,309.3)	46,202.7
Non-controlling interests	(1,783.1)	872.8
Total comprehensive income for the period	(20,092.4)	47,075.5
(Loss)/profit per share attributable to owners of the Company (cents per share)		
Basic	(1.2)	4.4
Diluted	(1.2)	4.4



Extraordinary items

There were no extraordinary items during the period.

EBITDAX Computation

	For the three months ended 31 March	
	2016	2015
	(unaudited)	
	(US\$ thousands)	
Adjusted (loss)/profit before tax	(19,666.1)	46,695.4
Add:		
Finance costs	7,364.2	3,799.5
Depreciation, depletion and amortisation	28,167.0	7,251.7
Excess of fair value of net assets acquired over consideration paid	-	(45,164.7)
Net fair value (gain)/loss on financial instruments	(71.8)	597.8
EBITDA	15,793.3	13,179.7
Geological and geophysical expense	3,883.9	3,330.3
Gain on transfer of working interests	-	(7,251.3)
Exploration expense	-	8.2
EBITDAX	19,677.1	9,266.9

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 March 2016 (unaudited)	As at 31 December 2015 (audited)	As at 31 March 2016 (unaudited)	As at 31 December 2015 (audited)
	(US\$ thousands)			
ASSETS				
Non-current assets				
Exploration and evaluation assets	453,721.2	447,405.0	-	-
Oil and gas properties	367,393.0	415,068.1	-	-
Other property, plant and equipment	11,149.3	11,219.6	-	-
Intangible assets	33,127.3	33,183.0	-	-
Other investment	216.0	216.0	-	-
Investment in subsidiaries	-	-	333,874.1	333,298.4
Other receivables	-	-	884,230.7	884,507.2
	865,606.8	907,091.7	1,218,104.8	1,217,805.6

Current assets

Inventories	32,324.1	28,272.4	-	-
Trade and other receivables	77,050.6	66,226.3	7.2	-
Prepayments	1,744.6	2,507.5	130.4	151.5
Cash and bank balances	65,212.7	29,351.6	20.4	433.3
	176,332.0	126,357.8	158.0	584.8
Total Assets	1,041,938.8	1,033,449.5	1,218,262.8	1,218,390.4

EQUITY AND LIABILITIES**Equity**

Ordinary shares	1,867.6	1,867.6	1,867.6	1,867.6
Share premium	727,245.1	727,245.1	727,245.1	727,245.1
Other reserves	(8,221.1)	1,494.9	2,180.4	1,676.9
Accumulated losses	(246,809.7)	(228,523.7)	(26,742.5)	(21,433.8)
	474,081.9	502,083.9	704,550.6	709,355.8
Non-controlling interests	-	(6,833.8)	-	-
Total Equity	474,081.9	495,250.1	704,550.6	709,355.8

Non-current liabilities

Employee benefit liability	1,305.7	1,888.8	-	-
Loans and borrowings	245,249.5	304,571.9	245,249.5	229,571.9
Deferred tax liabilities	40,320.9	40,959.9	-	-
Provisions	48,428.4	48,472.9	-	-
Other payables	3,708.3	34,843.3	245,292.8	239,785.9
	339,012.8	430,736.8	490,542.3	469,357.8

Current liabilities

Trade and other payables	86,330.1	31,911.9	451.0	3,349.3
Accrued operating expenses	19,885.2	38,015.4	2,923.2	782.5
Loans and borrowings	100,000.0	-	-	-
Derivative liabilities	19,795.7	35,545.0	19,795.7	35,545.0
Withholding tax payable	511.0	734.9	-	-
Tax payable	2,322.1	1,255.4	-	-
	228,844.1	107,462.6	23,169.9	39,676.8
Total Liabilities	567,856.9	538,199.4	513,712.2	509,034.6
Total Equity And Liabilities	1,041,938.8	1,033,449.5	1,218,262.8	1,218,390.4

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 March 2016		As at 31 December 2015	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
100,000.0	13,999.0	-	13,967.4

Amount repayable after one year

As at 31 March 2016		As at 31 December 2015	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
-	247,938.9	75,000.0	250,825.0

Details of any collateral

As at 31 March 2016, certain subsidiaries of the Company pledged assets under the Facility. The Facility requires the Company to reduce the facility amount to US\$55.0 million by 29 July 2016. For further information on the Facility, see section entitled *Borrowings* and the announcements (i) *KrisEnergy secures US\$100 million revolving credit facility* dated 25 March 2014; and (ii) *KrisEnergy announces extension of revolving credit facility* dated 25 March 2016.

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 31 March	
	2016	2015
	(unaudited) (US\$ thousands)	
Operating activities:		
(Loss)/profit before tax	(19,666.1)	46,695.4
Adjustments to reconcile (loss)/profit before tax to net cash flows:		
Depreciation, depletion and amortisation	27,975.9	7,057.5
Depreciation of other property, plant and equipment	191.1	194.2
Employee retirement benefits	(583.1)	(87.1)
Equity-settled transactions with employees	503.5	466.5
Excess of fair value of net assets acquired over consideration paid	-	(45,164.7)
Gain on disposal of assets	-	(5,111.1)
Gain on sale of subsidiary	(10,607.1)	-
Net fair value (gain)/loss on financial instruments	(71.8)	597.8
Finance cost	6,772.2	3,646.3
Unwinding of discount on decommissioning provisions	592.0	153.2
Interest income	(47.6)	(82.0)
Operating cash flows before changes in working capital	5,059.0	8,366.0
Increase in inventories	(5,420.8)	(6,245.4)
(Increase)/decrease in trade and other receivables	(19,645.4)	6,762.4
Increase/(decrease) in trade and other payables	51,590.5	(9,646.9)
Cash flows from/(used in) operations	31,583.3	(763.9)
Interest received	47.6	82.0
Interest paid	(3,211.5)	(1,237.5)
Net cash flows from/(used in) operating activities	28,419.4	(1,919.4)
Investing activities:		
Additions to exploration and evaluation assets	(6,316.2)	(44,987.1)
Additions to oil and gas properties	(7,683.6)	(1,845.5)
Acquisition of subsidiaries, net of cash acquired	-	(50,456.5)
Expenditure on assets refurbishment	(117.5)	(5,280.5)
Proceeds from disposal of assets	-	61,111.1
Proceeds from sale of subsidiary	821.6	-
Proceeds from sale of shares in subsidiary	-	20,111.8

Purchase of other plant, property and equipment	(3.3)	(5,599.1)
Net cash flows used in investing activities	(13,299.0)	(26,945.8)
Financing activities:		
Proceeds from bank borrowings	25,000.0	79,000.0
Repayment of bank borrowings	-	(59,000.0)
Payment of bonds interest	(4,236.0)	(3,953.6)
Decrease in cash collateralised	-	758.8
Net cash flows from financing activities	20,764.0	16,805.2
Net increase/(decrease) in cash and cash equivalents	35,884.4	(12,060.0)
Cash and cash equivalents at beginning of the period	27,851.6	47,575.3
Net effect of exchange rate changes	(23.3)	(71.8)
Cash and cash equivalents at end of the period	63,712.7	35,443.5

As at 31 March 2016, aggregate cash and cash equivalents were US\$63.7 million compared with US\$35.4 million as at 31 March 2015 and unused sources of liquidity as at 31 March 2016 amounted to US\$63.7 million.

Net Cash Flow from/used in Operating Activities

In 1Q2016, operations generated positive net cash flow of US\$28.4 million compared with US\$1.9 million net cash flow used in operations in 1Q2015 as a result of movements in working capital.

Net Cash Flow used in Investing Activities

In 1Q2016, net cash flow used in investing activities amounted to US\$13.3 million compared with US\$26.9 million in 1Q2015. Material movements in capital expenditure in 1Q2016 include (i) expenditure relating to exploration and development activities for G10/48 of US\$5.5 million; (ii) development-related activities in Block A Aceh of US\$2.9 million; (iii) exploration drilling in the Sakti PSC of US\$1.3 million; and (vi) US\$1.0 million representing the working interest share of development well drilling in the B8/32 and B9A complex. The Group also received proceeds of US\$0.8 million from the sale of a subsidiary holding a 11.0% working interest in G10/48.

Net Cash Flow from Financing Activities

In 1Q2016, net cash flow from financing activities amounted to US\$20.8 million compared with US\$16.8 million in 1Q2015, as a result of a higher outstanding balance on the Facility RCF.

Borrowings

An aggregate S\$330.0 million was issued in 2014 under the S\$500.0 million multi-currency medium-term note program ("**MTN Program**"). The S\$130.0 million 6.25% notes due 2017 ("**2017 Notes**") and the S\$200.0 million 5.75% notes due 2018 ("**2018 Notes**") were issued with a fixed-rate coupon, payable semi-annually in arrears. As at 31 March 2016, the book value of the issued notes under the MTN Program amounted to US\$245.2 million.

Under the terms of the Facility, in the event that KrisEnergy believes that there may be a breach of the terms and conditions of both the 2017 Notes and the 2018 Notes issued under the MTN Program, KrisEnergy is required to undertake a consent solicitation process for the waiver or amendment for such terms and conditions by 20 June 2016.

As at 31 March 2016, the total amount drawn on the Facility was US\$108.4 million and unused sources of liquidity (comprising cash and cash equivalents) amounted to US\$63.7 million. The Group's gearing was 44.0%, which remains within 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						Non-controlling interests	Total Equity
	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	General Reserve		
	(US\$ thousands)							
At 1 January 2016	1,867.6	727,245.1	(228,523.7)	(1,697.2)	1,676.9	1,515.2	(6,833.8)	495,250.1
Loss net of tax	-	-	(18,286.0)	-	-	-	(1,783.1)	(20,069.1)
Other comprehensive income:								
Exchange differences on translation of foreign operations	-	-	-	(23.3)	-	-	-	(23.3)
Total comprehensive income for the period	-	-	(18,286.0)	(23.3)	-	-	(1,783.1)	(20,092.4)
Grant of equity-settled transactions with employees	-	-	-	-	503.5	-	-	503.5
Acquisition of ownership in interest in subsidiary, without a loss of control	-	-	-	-	-	(10,196.2)	8,616.9	(1,579.3)
At 31 March 2016	1,867.6	727,245.1	(246,809.7)	(1,720.5)	2,180.4	(8,681.0)	-	474,081.9

THE GROUP	Attributable to owners of the Company						Non-controlling interests	Total Equity
	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	General Reserve		
	(US\$ thousands)							
At 1 January 2015	1,310.0	604,582.8	(187,151.0)	(1,464.2)	1,689.4	-	-	418,967.0
Profit net of tax	-	-	46,297.4	-	-	-	872.8	47,170.2
Other comprehensive income:								
Exchange differences on translation of foreign operations	-	-	-	(94.7)	-	-	-	(94.7)
Total comprehensive income for the period	-	-	46,297.4	(94.7)	-	-	872.8	47,075.5
Grant of equity-settled transactions with employees	-	-	-	-	466.5	-	-	466.5
Disposal of ownership in interest in subsidiary, without a loss of control	-	-	-	-	-	4,108.7	16,003.1	20,111.8
At 31 March 2015	1,310.0	604,582.8	(140,853.6)	(1,558.9)	2,155.9	4,108.7	16,875.9	486,620.8

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Option Reserve	Total Equity
			(US\$ thousands)		
At 1 January 2016	1,867.6	727,245.1	(21,433.8)	1,676.9	709,355.8
Loss net of tax	-	-	(5,308.7)	-	(5,308.7)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	(5,308.7)	-	(5,308.7)
Grant of equity-settled transactions with employees	-	-	-	503.5	503.5
At 31 March 2016	1,867.6	727,245.1	(26,742.5)	2,180.4	704,550.6

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
Profit net of tax	-	-	30,159.8	-	30,159.8
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	30,159.8	-	30,159.8
Grant of equity-settled transactions with employees	-	-	-	466.5	466.5
At 31 March 2015	1,310.0	604,582.8	10,399.3	2,155.9	618,448.0

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 March 2016 (31 March 2015: 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 March 2016, 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 March 2016, 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 March 2016, the Company’s 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 March 2016		As at 31 December 2015	
	(unaudited)			
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid ordinary shares				
At 1 January	1,494,051,245	1,867,564	1,047,963,898	1,309,955
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	1,494,051,245	1,867,564
SHARE PREMIUM	As at 31 March 2016		As at 31 December 2015	
	(unaudited)			
	US\$			
At 1 January	727,245,039		604,582,768	
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		727,245,039	

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 March 2016 (31 March 2015: 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 2015, 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 2016. The adoption of these standards did not have any material effect on the financial performance of the Group for the current financial period.

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

	For the three months ended 31 March	
	2016	2015
(Loss)/profit per share attributable to owners of the Group:		
(i) Based on a weighted average number of shares (cents per share)	(1.2)	4.4
- Weighted average number of shares	1,494,051,245	1,047,963,898
(ii) On a fully diluted basis (cents per share)	(1.2)	4.4
- Adjusted weighted average number of shares	1,509,176,176	1,056,878,425

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 March	As at 31 December	As at 31 March	As at 31 December
	2016	2015	2016	2015
			<i>(Unaudited)</i> <i>(US\$)</i>	
Net asset value per ordinary share ⁽¹⁾	0.32	0.33	0.47	0.47
Net tangible asset per ordinary share ⁽¹⁾	0.30	0.31	0.47	0.47

Note:

(1) Based on share capital of 1,494,051,245 ordinary shares as at 31 March 2016 and 31 December 2015.

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 first quarter ended 31 March 2016.

	For the three months ended 31 March	
	2016	2015
	(unaudited) (US\$ thousands)	
Sales of crude oil	27,632.1	6,405.8
Sales of gas	5,478.9	5,013.8
Revenue	33,111.0	11,419.6
Cost of sales:		
Operating costs	(19,196.2)	(3,961.7)
Thai petroleum royalties paid	(2,719.2)	(969.4)
Depreciation, depletion and amortisation	(27,975.9)	(7,057.5)
Gross loss	(16,780.3)	(569.0)
Other income	11,964.5	59,607.8
General and administrative expenses	(7,605.5)	(8,019.9)
Other operating income/(expenses)	71.8	(606.0)
Finance income	47.6	82.0
Finance costs	(7,364.2)	(3,799.5)
(Loss)/profit before tax	(19,666.1)	46,695.4
Tax (expense)/credit	(403.0)	474.8
(Loss)/profit after tax for the year	(20,069.1)	47,170.2

	For the three months ended 31 March	
	2016	2015
	(unaudited) (US\$ thousands)	
Revenue	33,111.0	11,419.6
Adjusted operating costs	(19,196.2)	(3,961.7)
Thai petroleum royalties paid	(2,719.2)	(969.4)
Gross profit before depreciation, depletion and amortisation	11,195.6	6,488.5
Corporate general and administrative expense	(2,125.6)	(2,332.7)
Gain on disposal of assets	-	5,111.1
Gain on sale of subsidiary	10,607.1	-
EBITDAX	19,677.1	9,266.9
Geological and geophysical expense	(3,883.9)	(3,330.3)
Gain on transfer of working interests	-	7,251.3
Exploration expense	-	(8.2)
EBITDA	15,793.3	13,179.7

Revenue

Revenue for 1Q2016 amounted to US\$33.1 million, three times higher than the same period last year (1Q2015: US\$11.4 million) as a result of higher crude oil sales, which in 1Q2016 included a full quarter of sales from the Wassana and Nong Yao oil fields. Gas revenue was also higher as a result of higher production. Optimised production at each field helped to mitigate the impact of prevailing depressed benchmark oil prices, for Dubai crude decreased 40.7% and 24.5% in 1Q2016 than the same period last year, and the preceding quarter, respectively.

The average realised oil and liquids sales price in 1Q2016 declined 60.8% to US\$20.85/bbl (1Q2015: US\$53.20/bbl). The average realised gas price achieved at B8/32 & B9A in 1Q2016 was US\$4.11 per thousand cubic feet ("mcf"), 27.0% lower than a year ago (1Q2015: US\$5.63/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 unchanged at US\$2.32/mcf.

Working interest production in 1Q2016 increased to 19,014 boepd, 2.5 times higher than the same period last year (1Q2015: 7,699 boepd) and 30.3% higher than the preceding quarter (4Q2015: 14,582 boepd). The increase was a result of new production from the Wassana and Nong Yao oil fields in the Gulf of Thailand and improved performance at the B8/32 & B9A oil and gas complex.

	For the three months ended 31 March	
	2016	2015
Production volumes		
Oil and liquids (bopd) ⁽¹⁾	12,796	1,350
Gas (mmcf)	37.3	38.1
Total (boepd)	19,014	7,699
Average sales price		
Oils and liquids (US\$/bbl)	20.85	53.20
Gas – B8/32 and B9A (US\$/mcf)	4.11	5.63
Gas – Block 9 (US\$/mcf)	2.32	2.32

(1) Adjusted for KrisEnergy's 89.0% working interest in G10/48

Cost of Sales

Operating costs increased to US\$19.2 million in 1Q2016 (1Q2015: US\$4.0 million) as result of Wassana and Nong Yao oil fields being in operation. Lifting costs at producing assets increased 78.0% to US\$10.18/boe (1Q2015: US\$5.72/boe) due to a full quarter of production in the G10/48 and G11/48 fields. In line with higher revenue, Thai royalty payments also increased 180.5% to US\$2.7 million in 1Q2016 (1Q2015: US\$1.0 million).

In 1Q2016, non-cash depreciation, depletion and amortisation expense amounted to US\$28.0 million compared with US\$7.1 million in 1Q2015 due to the G10/48 and G11/48 production contribution.

	For the three months ended	
	2016	2015
Average lifting cost		
Oil, liquids and gas (US\$/boe) ⁽¹⁾	10.18	5.72
Operating costs (US\$'000)	19,196.2	3,961.7
Total production (boe) ⁽¹⁾	1,730,239	692,945

(1) Adjusted for KrisEnergy's 89.0% working interest in G10/48

Other Income

Other income of US\$12.0 million was recognised in 1Q2016 (1Q2015: US\$59.6 million) from the gain on sale of a subsidiary with an 11.0% working interest in G10/48. In 1Q2015 gains

were recognised for the acquisition of Block A Aceh, transfers of Block 105-110/04 and Block 120 and the sale of marine assets associated with the Wassana development.

General and Administrative Expenses

General and administrative expenses decreased 5.2% to US\$7.6 million in 1Q2016 (1Q2015: US\$8.0 million). The decrease was primarily attributable to lower employee benefits expenses and lower professional and consultant fees, which were partially offset by recognition of general and administrative expenses for G10/48 and G11/48 production.

Other Operating Income/Expense

We recognised other operating income of US\$0.1 million in 1Q2016 compared with an expense of US\$0.6 million in 1Q2015 due to the net fair value adjustment of the hedge associated with the 2017 Notes and 2018 Notes.

Finance Income

Finance income US\$0.1 million in 1Q2016, flat when compared to 1Q2015.

Finance Costs

Finance costs increased 93.8% to US\$7.4 million in 1Q2016 (1Q2015: US\$3.8 million) due to fees related to the extension of the Facility and interest expense.

Loss/Profit Before Tax

The loss before tax was US\$19.7 million in 1Q2016 compared with a profit before tax of US\$46.7 million in 1Q2015 due to non-cash depreciation, depletion and amortisation expenses on producing assets; and 1Q2015 gains on acquisition of Block A Aceh and transfers of Block 105-110/04 and Block 120.

Tax Expense/Credit

Tax expense amounted to US\$0.4 million in 1Q2016 compared with a tax credit of US\$0.5 million in 1Q2015 due to higher provisions of tax expenses in line with higher revenue and reversal of previously recognised deferred tax assets.

Loss/Profit after tax for the year

We recorded a loss of US\$20.1 million in 1Q2016 compared with a profit of US\$47.2 million in 1Q2015 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

- Effective 13 May 2016, Mr Michael Chia Hock Chye of Keppel Offshore & Marine Ltd has joined the Board of Directors as a Non-executive Director. Mr Chia is appointed as a member of the Audit Committee and Nominating Committee. Mr Choo Chiau Beng and Mr Brooks Shughart, both Non-executive Directors, will step down from the Board, reducing the number of Directors from 13 to 12. This follows the appointment of Mr Chan Hon Chew and the resignation of Mr Loh Chin Hua from the Board of Directors, both effective 17 March 2016. For more information on these appointments and resignations, please refer to the announcements (i) *KrisEnergy appoints Keppel CFO to its Board of Directors* dated 17 March 2016; and (ii) *KrisEnergy announces changes to Board of Directors* dated 13 May 2016.

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 March 2016.

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 March 2016. As at 31 March 2016, the Rights Issue proceeds had been fully utilised.

	Allocation of Rights Issue Proceeds ⁽¹⁾	Rights Issue Proceeds utilised as at 31 March 2016 <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	102.1	-
Tranche 2: For general working capital ⁽³⁾	18.0	18.0	-
Total	120.1	120.1	-

Notes:

- (1) Estimated net proceeds from the 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 were US\$120.1 million
- (2) Mainly attributed to KrisEnergy's working interest share of development costs at G10/48, and expenditure related to an exploration well drilled in the Sakti PSC
- (3) General and administration expense and finance costs relating to the 2018 Notes and the Facility

15. Confirmation that the Company has procured undertakings from all its Directors and Executive Officers under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

CONFIRMATION BY THE BOARD OF DIRECTORS

Pursuant to SGX Listing Rule 705(5), we, Keith Cameron and Christopher Gibson-Robinson, being two directors of KrisEnergy Ltd. (the “**Company**”), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the first quarter ended 31 March 2016 to be false or misleading in any material aspect.

On behalf of the board of directors.

Keith Cameron
Executive Director &
Chief Executive Officer

Christopher Gibson-Robinson
Executive Director &
Director Exploration & Production

Singapore, 13 May 2016