

CIRCULAR DATED 10 JUNE 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

This Circular has been made available on SGXNet and may also be accessed at the Company's website at the URL www.krisenergy.com. **A printed copy of this Circular will not be despatched to Shareholders.**

If you have sold all your shares in the capital of KrisEnergy Ltd. (the "**Company**"), you should immediately inform the purchaser or to the agent through whom the sale was effected for onward notification to the purchaser that this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form may be accessed via SGXNet .

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Circular.

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the Extraordinary General Meeting ("**EGM**"). Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) observing and/or listening to the EGM proceedings via "live" audio-visual webcast or "live" audio-only stream; (b) submitting questions in advance of the EGM; and/or (c) appointing the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the EGM.

Please refer to paragraph 7 of this Circular and the Company's announcement dated 10 June 2020 entitled "Instructions to Shareholders for the Extraordinary General Meeting of KrisEnergy Ltd. to be held on 29 June 2020" for further information, including the steps to be taken by Shareholders to participate at the EGM. This announcement may be accessed at the Company's website at the URL set out above, and also on SGXNet.



KRISENERGY LTD.

(Company Registration Number: 231666)
(Incorporated in the Cayman Islands on 5 October 2009)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROVISION OF A LOAN FACILITY BY KEPINVEST SINGAPORE PTE. LTD. ("LOAN FACILITY") AS AN INTERESTED PERSON TRANSACTION

Independent Financial Adviser to the Independent Directors
in relation to the Loan Facility as an Interested Person Transaction



W CAPITAL MARKETS PTE. LTD.

(Company Registration Number: 201813207E)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

Last date and time to pre-register online to attend the EGM	:	26 June 2020 at 9:15 a.m.
Last date and time for lodgement of Proxy Form	:	26 June 2020 at 9:15 a.m.
Date and time of EGM	:	29 June 2020 at 9:15 a.m. (or as soon after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9:00 a.m. on the same day and at the same link by electronic means)
Place of EGM	:	The EGM will be held by way of electronic means

CONTENTS

	Page
DEFINITIONS	1
LETTER TO SHAREHOLDERS.....	4
1. INTRODUCTION.....	4
2. THE LOAN FACILITY	4
3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS	9
4. DIRECTORS' RECOMMENDATION	10
5. ABSTENTION FROM RECOMMENDATION AND VOTING	10
6. EXTRAORDINARY GENERAL MEETING	11
7. ACTION TO BE TAKEN BY SHAREHOLDERS	11
8. INSPECTION OF DOCUMENTS.....	13
9. DIRECTORS' RESPONSIBILITY STATEMENT	13
APPENDIX A – PRINCIPAL TERMS OF THE LOAN FACILITY	A-1
APPENDIX B – THE IFA LETTER	B-1
NOTICE OF EXTRAORDINARY GENERAL MEETING.....	N-1
PROXY FORM	P-1

DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

"1H"	:	The six-month financial period ended or, as the case may be, ending 30 June
"associate"	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 10 June 2020 in respect of the Loan Facility
"Company"	:	KrisEnergy Ltd.
"Controlling Shareholder"	:	A person who (a) holds directly or indirectly 15% or more of the total voting rights in the Company; or (b) in fact exercises control over the Company
"Directors"	:	The directors of the Company for the time being
"EGM"	:	The extraordinary general meeting of the Company, notice of which is set out in this Circular
"Entity at Risk"	:	(a) the Company; (b) a subsidiary of the Company that is not listed on the Exchange or an approved exchange; or (c) an associated company of the Company that is not listed on the Exchange or an approved exchange, provided that the listed group, or the listed group and its Interested Person(s), has control over the associated company
"FY"	:	Financial year ended or, as the case may be, ending 31 December
"Group"	:	The Company and its subsidiaries
"IFA"	:	W Capital Markets Pte. Ltd., the independent financial adviser to the Independent Directors in relation to the Loan Facility

DEFINITIONS

“IFA Letter”	:	The letter from the IFA dated 10 June 2020, as required under Chapter 9 of the Listing Manual, a copy of which is set out in Appendix B to this Circular
“Independent Directors”	:	The Directors who are considered independent for the purpose of making a recommendation to Shareholders in relation to the Loan Facility, namely Kelvin Tang, Koh Tiong Lu John, Alan Nisbet and Bernard Castanet
“Interested Person”	:	(a) a director, chief executive officer, or Controlling Shareholder of the Company; or (b) an associate of any such director, chief executive officer, or Controlling Shareholder
“Interested Person Transaction”	:	A transaction between an Entity at Risk and an Interested Person
“KCL”	:	Keppel Corporation Limited
“KPL”	:	Kepventure Pte Ltd
“Keppel”	:	KCL and/or its subsidiaries
“KOG”	:	Keppel Oil & Gas Pte Ltd
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 5 June 2020
“Law”	:	The Companies Law (as amended) of the Cayman Islands
“Lender” or “Kepinvest”	:	Kepinvest Singapore Pte. Ltd.
“Listing Manual”	:	The listing manual of the SGX-ST
“Loan Agreement”	:	The credit facility agreement documenting the Loan Facility, dated 30 April 2020, entered into between, amongst others, KrisEnergy (Apsara) Company Ltd and KrisEnergy (Cambodia) Ltd as the borrowers and the Lender
“Loan Facility”	:	The loan facility for up to an aggregate principal amount of US\$87 million to be provided by the Lender, further details of which are set out in Section 2 of this Circular
“Proxy Form”	:	The proxy form in respect of the EGM as attached to this Circular
“RCF”	:	The revolving credit facility granted by DBS Bank Ltd. pursuant to the Revolving Credit Facility Agreement
“Register”	:	The register of members of the Company required to be kept pursuant to the Law and includes any branch register(s) of such category or categories of members as the Company may from time to time determine, established by the Company in accordance with the Law
“Revolving Credit Facility Agreement”	:	The revolving credit facility agreement dated 24 March 2014 (as amended and/or restated from time to time including pursuant to an amendment and restatement agreement dated 24 March 2016 and a second amendment and

DEFINITIONS

restatement agreement dated 4 April 2019) entered into between, among others, the Company as guarantor, KrisEnergy (Asia) Ltd as borrower, DBS Bank Ltd. as lender and Madison Pacific Trust Limited as security agent

“SFA” : The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time

“SGX-ST” : Singapore Exchange Securities Trading Limited

“Shareholders” : Registered holders of Shares except that where the registered holder is CDP, the term **“Shareholders”** shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with Shares

“Shares” : Ordinary shares in the capital of the Company

“Temasek” : Temasek Holdings (Private) Limited

Currencies, units and others

“US\$” : United States dollars

“%” : Per centum or percentage

The terms **“Depositor”**, **“Depository”**, **“Depository Agent”**, **“Depository Register”** and **“Sub-Account Holder”** shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA.

Words importing the singular number shall, where applicable, include the plural and *vice versa*.

Words importing the masculine gender only shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amount and the totals thereof are due to rounding.

Any reference in this Circular to **“we”**, **“our”**, **“us”** or their other grammatical variations is a reference to our Company, or our Group, or any member of our Group, as the context requires.

LETTER TO SHAREHOLDERS

KRISENERGY LTD.

Company Registration Number: 231666
(Incorporated in the Cayman Islands on 5 October 2009)

Directors:

Tan Ek Kia (*Independent Non-executive Chairman*)
Kelvin Tang (*Chief Executive Officer and Executive Director*)
Chris Ong Leng Yeow (*Non-executive Director*)
Koh Tiong Lu John (*Independent Non-executive Director*)
Alan Nisbet (*Independent Non-executive Director*)
Bernard Castanet (*Independent Non-executive Director*)

Registered Office:

Intertrust Corporate Services
(Cayman) Limited
190 Elgin Avenue
George Town
Grand Cayman
KY1-9005
Cayman Islands

Singapore Office:

83 Clemenceau Avenue #10-05
UE Square
Singapore 239920

To: The Shareholders of KrisEnergy Ltd.

10 June 2020

Dear Sir/Madam

1. INTRODUCTION

1.1 EGM

The Directors are convening an EGM to be held on 29 June 2020 to seek Shareholders' approval for the Loan Facility.

1.2 Circular

The purpose of this Circular is to provide Shareholders with information relating to the Loan Facility.

2. THE LOAN FACILITY

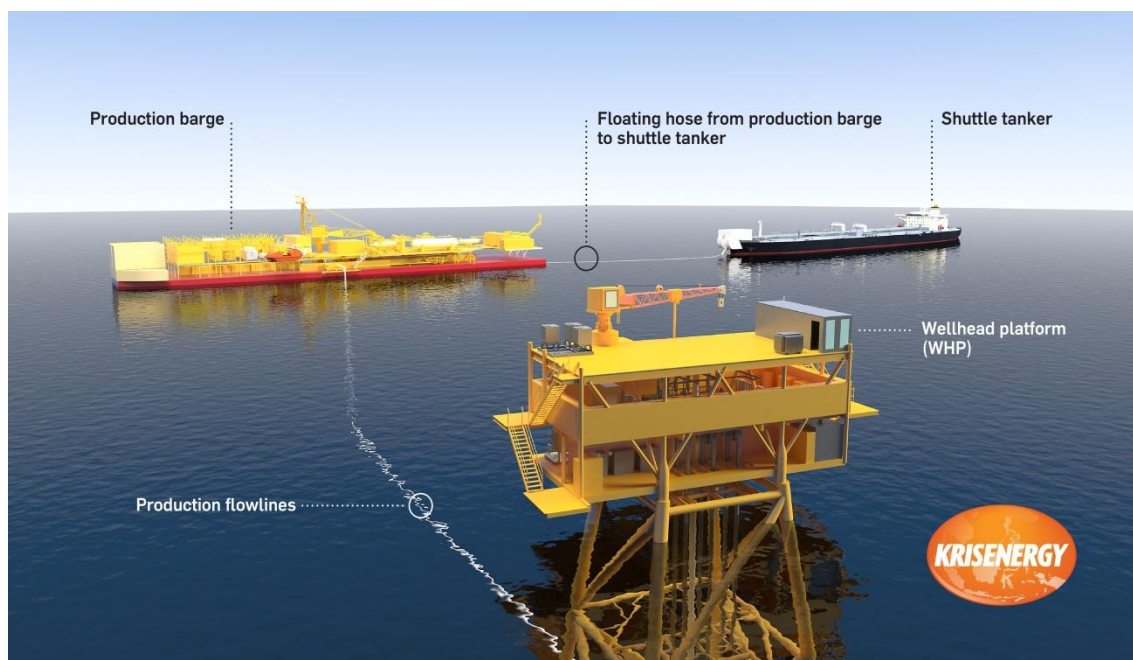
2.1 Background

The Group is primarily engaged in the business of exploring and extracting oil and gas resources in Asia and operates in the upstream oil and gas sector in Asia with exploration, development and production assets in Bangladesh, Cambodia, Thailand, Indonesia and Vietnam. One of the Group's near-term development projects, namely, Cambodia Block A ("**CBA**"), covers an area of 3,083sq km over the Khmer Basin, an unproduced geological basin approximately 150km offshore Cambodia in Cambodian maritime waters of the Gulf of Thailand. The Group currently holds 95% working interest in CBA with 5% held by the Royal Government of Cambodia.

As announced on 9 December 2019, the minimum facilities wellhead platform ("**Mini-Platform**") for the Apsara oil field in CBA is currently being developed. Due to the unproven production performance of the Khmer Basin, development of the Apsara oil field will be in several phases to mitigate risk and provide time for the collection and analysis of critical data to be applied in future phases. If further phases of CBA development are pursued, peak production is expected between 2024 and 2026. This development phase ("**Mini Phase 1A**") is designed to incur minimum costs to first oil and comprises the Mini-Platform and five initial development wells connected to the *Ingenium II* production barge for oil, gas and water processing. At least two of the five wells will target fault blocks with previously successful

LETTER TO SHAREHOLDERS

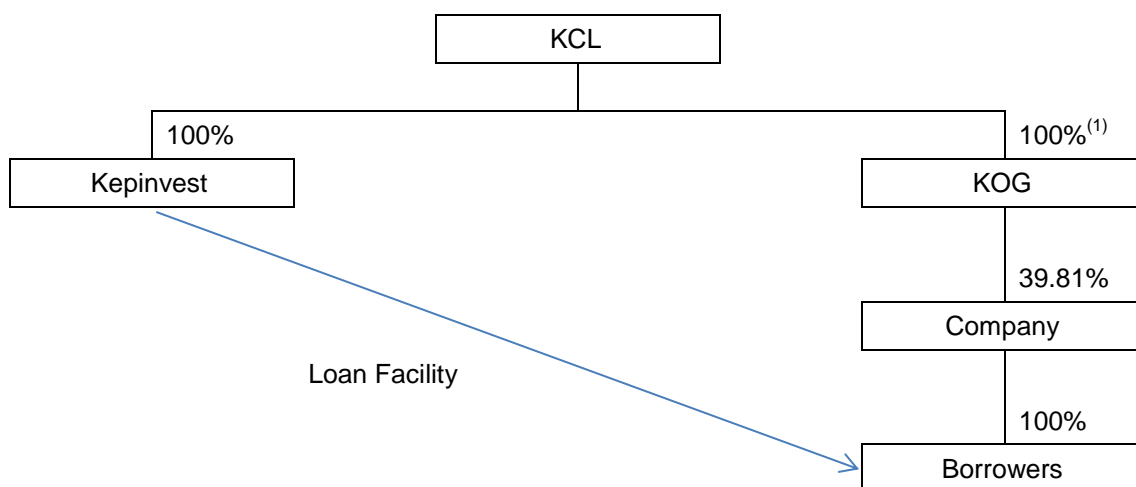
exploration wells, with the final locations of the remaining wells to be determined by the drilling results of such wells.



Mini Phase 1A is scheduled to commence oil production in 2020 and to reach a peak production rate of 7,500 barrels of oil per day. For further details on Mini Phase 1A, please refer to the Company's announcement dated 9 December 2019.

The Company estimates that approximately US\$87 million will be required to fund the development of Mini Phase 1A at CBA until first oil is produced which is currently targeted for 2020.

As announced by the Company on 30 April 2020, KrisEnergy (Apsara) Company Ltd and KrisEnergy (Cambodia) Ltd (both indirect wholly-owned subsidiaries of the Company) (the "**Borrowers**") have entered into a credit facility agreement with the Lender in order to obtain financing support for the development of CBA. Kepinvest is a wholly-owned subsidiary of KCL, which is a Controlling Shareholder of the Company through its wholly-owned subsidiary, KOG. A simplified illustration of this is set out in the diagram below:



Note:

(1) Please refer to Section 3 of this Circular for details of KCL's shareholding interest in KOG.

As at the date of this Circular, Facility A (as defined below) of the Loan Facility has been drawn down by US\$16.7 million and approximately US\$218,000 of payment in kind interest has accrued on the Facility A amount drawn down in accordance with the terms and conditions of the Loan Facility. The amounts drawn down have been utilised for capital expenditure for the development of CBA and to pay agency fees incurred in connection with the Loan Agreement.

2.2 Principal Terms of the Loan Facility

The Loan Facility for up to a principal amount of US\$87 million comprises two (2) tranches, namely, Facility A (for up to US\$30 million) and Facility B (for up to US\$57 million), each of which may be drawn down pursuant to one or more utilisation requests. The Loan Facility allows the Borrowers to commit to incur certain expenses in relation to the development of CBA and the first tranche (Facility A) is sized minimally to allow the Borrowers to make urgent payments in order to maintain development of CBA. In the event that the Loan Facility is not approved by Shareholders, there is no assurance that the Group will be able to obtain alternative funding in a timely manner to enable the Group to meet the deadline imposed by the Cambodian government for first oil production.

The Loan Facility has a maturity date falling 48 months from the date of the Loan Agreement and will be repaid throughout its term through a quarterly excess cash sweep from revenue generated by CBA, once CBA becomes cash generative on the date on which the Borrowers make their first sale or disposal of petroleum produced in commercial quantities from CBA ("**First Oil Sale Proceeds Date**"). Any remaining outstanding amounts will be repayable in full on the final maturity date, being the date falling 48 months after the date of the Loan Agreement.

The interest on the Loan Facility accrues at 15% per annum on the then outstanding loan balance. All interest on the Loan Facility is payment-in-kind (which will be capitalised at the end of each interest period and added to the outstanding principal amount of that Loan) until the First Oil Sale Proceeds Date whereupon interest shall be cash paid quarterly at the same rate of 15% per annum. In order to enable the Borrowers to draw down on Facility A to make urgent payments for the development of CBA, while complying with the requirements of Chapter 9 of the Listing Manual, the maximum amount (in aggregate) of interest which may accrue on the outstanding loan balance, together with all other amounts (excluding principal (but not capitalised interest) repayments) for the Lender's account under or in connection with the Loan Agreement ("**Other Payments**"), shall be US\$714,679 (the "**Interest Cap**"), being less than 5% of the latest audited NTA of the Group (being approximately US\$14,293,585 based on the latest audited consolidated financial statements of the Company for the financial year ended 31 December 2018 (the "**Latest Audited NTA**"). The Interest Cap shall cease to apply on and from the earlier of (i) the date on which all shareholder approvals for the Loan Agreement and the transactions contemplated by the Loan Agreement (including the satisfaction of the conditions precedent to the Loan Facility and the provision of security in connection with the Loan Facility) have been obtained; (ii) the date on which the Company ceases to be a listed company on the SGX-ST; and (iii) in respect of any Loan made to a particular Borrower, the date on which that Borrower ceases to be a subsidiary of the Company, or otherwise on and from the date that any payment or receipt interest or Other Payments would not breach any applicable laws or regulations applicable to either the Lenders or the Borrowers.

Given the Interest Cap, pursuant to the Loan Agreement, there is no obligation to pay interest (including capitalised interest in accordance with the payment-in-kind interest provisions) and/or Other Payments beyond the Interest Cap unless independent shareholders' approval is obtained or under circumstances where the Listing Manual no longer applies. If the Shareholders do not approve the Loan Agreement at the EGM then the Lender is entitled to call for immediate repayment of the funds already advanced and has no obligation to make available any further funding. Please refer to Section 2.4 of this Circular for further details of the Loan Facility as an Interested Person Transaction.

LETTER TO SHAREHOLDERS

The Loan Facility benefits from guarantees from each of the Borrowers (as cross-guarantors) and each of the Borrowers' holding companies up to the Company. The Loan Facility also benefits from a comprehensive security package, including security over the shares and assets of the Borrowers, their immediate holding companies and over KrisEnergy (Apsara) Ltd (another subsidiary of the Company), as well as security over the *Ingenium II* production barge, which is being used in the development of CBA. For further details of the guarantors for the Loan Facility and the security to be provided in connection with the Loan Facility, please refer to Appendix A of this Circular.

Shareholders should note that this funding is essential in order to safeguard the Group's concession rights in CBA, as the Cambodian government has imposed a deadline for achieving first oil production (without penalties) by 30 June 2020. The Cambodian government has indicated that there will be serious consequences (financial or otherwise) in relation to CBA in the event the first oil deadline is not met and timely funding is not obtained. Such consequences could include the termination of the concession rights for CBA if first oil production for CBA is not achieved by 31 December 2020, whereupon the asset would be lost and there would be no value capable of being generated for Shareholders.

For further details of the terms of the Loan Agreement, please refer to Appendix A of this Circular.

2.3 Rationale

The steep and prolonged downturn in oil prices between 2014 and 2017 has severely impeded the ability of the Group to raise the necessary financing as banks pared down their exposure to the oil and gas sector. This in turn affected the Group's ability to fund capital expenditures for its production and development assets, and the Group was unable to properly commit the necessary expenditure required to increase production, and therefore generate cash from these assets. Further, the lower oil price environment and resultant lack of investment in the Group's exploration and development activities eroded the potential realisable value of Group's assets, leading to impairments and writedowns in asset valuations. These circumstances have severely affected the Group's operations and financial conditions.

Despite the Group's efforts to improve its liquidity and financial position, prolonged volatility in oil prices and equity markets and weakening sentiment towards the upstream and offshore marine sectors impeded the Group's efforts to recover and operate in a manner that would be sustainable in the long run. Between 31 December 2017 and 31 December 2018, the Group's loans and borrowings increased from US\$424.6 million to US\$459.1 million and with the continual erosion of equity, gearing increased from 73.5% to 95.5%. As at 31 December 2019, the total debt recognised on the Group's balance sheet was US\$503.1 million and the Group's gearing was 140.8%.

Given the current financial position of the Group, banks and alternative credit providers (apart from Keppel) have generally declined to provide new credit lines. Consequently, the Group has faced difficulties in obtaining financing for CBA Mini Phase 1A.

As highlighted in Section 2.2 above, under the agreement with the Cambodian government for the development of CBA, the Cambodian government has imposed a deadline for first oil production to be achieved (without financial penalties) by 30 June 2020. The Cambodian government has indicated that there will be serious consequences (financial or otherwise) in relation to CBA in the event the first oil deadline is not met and timely funding is not obtained. Such consequences could include the termination of the concession rights for CBA if first oil production for CBA is not achieved by 31 December 2020.

As set out in Section 2.1 above, CBA is currently at the initial development stage and the Company estimates that approximately US\$87 million will be required to fund the remaining development costs, including the drilling of five (5) development wells at Mini Phase 1A of CBA. Without the required funding, development of Mini Phase 1A will not be completed, and

the Cambodian government would terminate the concession rights and the Group would lose the asset.

Efforts to raise financing for the development of CBA has been ongoing for the past few years. The most recent effort has been carried out with the assistance of Houlihan Lokey, the financial advisors to the Company, to seek alternative funding (other than from Keppel or its affiliates) for CBA. Since early April 2019, Houlihan Lokey had contacted over 110 potential investors, including 41 financial investors and 12 commodity traders to gauge their interest in providing funding to the Group at the corporate level or asset level, in the form of debt, equity, joint venture investment and crude prepayment financing. To date, indicative crude prepayment financing offers have been received from a number of commodity traders and strategic investors. However, the terms of such financing offers were onerous (particularly in relation to pricing and security requirements relative to the funding amounts being offered) and not possible for the Company to deliver. In addition, the amounts that were offered were also insufficient to fully fund CBA. In contrast, the terms for the Loan Facility, both in terms of quantum and interest rate, are a more realistic option than alternative funding sources that are available to the Company. Accordingly, the Loan Facility by the Lender is the only credible option to preserve CBA and future value for all stakeholders.

The Board continues to be committed to pursue individual asset sales in line with the Group's risk mitigation strategy and previously stated intention to reduce future exposure to exploration capital expenditure and to focus its financial resources on optimising operations at CBA. The Board considers CBA to be a key asset operated by the Group and is expected to materially increase the Group's revenue and cash flow once oil production commences. A successful development of Mini Phase 1A will also provide important reservoir performance information in addition to cash flow and could lead to future phases of development for CBA. Accordingly, the Board considers the Loan Agreement to be in the interests of the Group as it will allow the Group to obtain financing support at the best available interest rates in order to fund the development of Mini Phase 1A. The Company expects CBA to be the highest revenue generating asset in the Group after it is developed and is a key asset for the restructuring of the Group.

Shareholders should note that in the event the Loan Facility is not approved by Shareholders, there is no assurance that the Group will be able to obtain alternative funding for the development of CBA on comparable terms or at all, or that any such alternative funding will be obtained in a timely manner to enable the Group to meet the deadline imposed by the Cambodian government for first oil production. In the event the concession rights for CBA is terminated by the Cambodian government as a result of not meeting the first oil deadline, the Group will lose its key asset and is unlikely to be able to continue with its restructuring efforts. In such an event, liquidation may follow.

2.4 Interested Person Transaction

As at the Latest Practicable Date, Kepinvest is a subsidiary of KCL, which is a Controlling Shareholder of the Company through its wholly-owned subsidiary, KOG. A simplified diagrammatic illustration of this is set out in Section 2.1 above. Kepinvest is therefore regarded as an Interested Person under Chapter 9 of the Listing Manual. Accordingly, the Loan Facility by Kepinvest will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual.

As of the date the Loan Agreement was entered into, the Group's Latest Audited NTA was approximately US\$14,293,585. Assuming that (i) the Loan Facility is fully drawn down on the date of the Loan Agreement; (ii) the First Oil Sale Proceeds Date is 31 December 2020; and (iii) no repayment of principal is able to be made such that all PIK Interest accrued is capitalised and the Loan Facility is only repaid on the Maturity Date, the value at risk of the Loan Facility (being the estimated maximum interest payable on the Loan Facility) amounts to approximately US\$54.0 million, which represents approximately 378% of the Group's Latest Audited NTA. However, assuming that (i) Facility A is drawn down as required to meet CBA development costs after the date of the Loan Agreement; (ii) Facility B is utilised progressively

LETTER TO SHAREHOLDERS

later; and (iii) the Loan Facility is prepaid throughout its term from CBA Excess Cash that is swept as part of the CBA Cash Sweep, the actual interest payable on the Loan Facility will be lower than the estimated maximum interest of US\$54.0 million as set out above. Higher than expected oil prices or oil production from CBA will also result in earlier repayment of the Loan Facility and consequently lower interest payable on the Loan Facility and *vice versa*.

Based on the maximum interest payable on the Loan Facility, as the value at risk of the Loan Facility is more than 5% of the Group's Latest Audited NTA, the Company is required to seek Shareholders' approval for the Loan Facility under Rule 906(1)(a) of the Listing Manual.

However, as detailed in Appendix A of this Circular, the Loan Facility comprises two (2) tranches, namely, Facility A and Facility B, and unless otherwise agreed by the Lender, Facility A shall be utilised before Facility B (which will only be made available if the Loan Facility is approved by Shareholders). **Shareholders should note that in the event the Loan Facility is not approved by Shareholders, then pursuant to the terms of the Loan Agreement the Lender will be entitled to call for immediate prepayment of all outstanding loans under the Loan Facility and there will be no obligation on the Lender to provide any further funding under the Loan Facility.** Accordingly, in the event that the Loan Facility is not approved by Shareholders, the Borrower's will only be able to draw down on Facility A with the Interest Cap imposed such that the value of the Loan Facility will be the Interest Cap which represents less than 5% of the Group's Latest Audited NTA.

As at the Latest Practicable Date, the Group has not entered into any interested person transaction other than the Loan Agreement in FY2020.

2.5 Independent Financial Adviser

W Capital Markets Pte. Ltd. has been appointed as the independent financial adviser in relation to the Loan Facility. Having regard to the considerations set out in the IFA Letter as set out in Appendix B to this Circular and the information available to the IFA as at the Latest Practicable Date, the IFA is of the opinion that the Loan Facility is on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.6 Audit and Risk Management Committee Statement

The Audit and Risk Management Committee has considered, amongst others, the terms, rationale and benefits of the Loan Facility and the opinion of the IFA Letter as set out in Appendix B to this Circular, and is of the view that the Loan Facility is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

2.7 Consent

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter reproduced in Appendix B and all references thereto in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest		Total
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	% ⁽¹⁾
Directors					
Tan Ek Kia	142,000	0.0	-	-	0.0

LETTER TO SHAREHOLDERS

Kelvin Tang	1,392,185	0.1	-	-	0.1
Chris Ong Leng Yeow	-	-	-	-	-
Koh Tiong Lu John	142,000 ⁽²⁾	0.0	-	-	0.0
Alan Nisbet	-	-	-	-	-
Bernard Castanet	10,000	0.0	-	-	0.0
Substantial Shareholders (other than Directors)					
Keppel Oil & Gas Pte Ltd	598,263,893	39.81	-	-	39.81
Kepventure Pte Ltd ⁽³⁾	-	-	598,263,893	39.81	39.81
Keppel Corporation Limited ⁽³⁾	-	-	598,263,893	39.81	39.81
Temasek Holdings (Private) Limited ⁽⁴⁾	-	-	598,263,893	39.81	39.81
Serle Investments Limited	175,421,133	11.67	-	-	11.67
Yeoh Sock Siong	-	-	175,421,133	11.67	11.67
Tan Siew Bee	-	-	175,421,133	11.67	11.67
Ng Kay Yip	142,224,097	9.46	-	-	9.46

Notes:

- (1) Based on 1,502,849,065 issued Shares as at the Latest Practicable Date and excludes interests in Shares comprised in awards granted pursuant to the KrisEnergy Performance Share Plan.
- (2) Held through DBS Nominees Pte Ltd.
- (3) KPL and KCL are each deemed under Section 4 of the SFA to have an interest in the Shares held by KOG as (i) KOG is a wholly owned subsidiary of KPL; and (ii) KPL is a wholly owned subsidiary of KCL.
- (4) Temasek is deemed under Section 4 of the SFA to have an interest in the Shares held by KOG as (i) KOG is a wholly owned subsidiary of KPL; (ii) KPL is a wholly owned subsidiary of KCL; and (iii) Temasek has more than 20% interest in KCL, an independently managed Temasek portfolio company.

4. DIRECTORS' RECOMMENDATION

The Independent Directors (being the Directors other than Mr Tan Ek Kia and Mr Chris Ong Leng Yeow (who have abstained for the reasons set out in Section 5.2 of this Circular below)), having considered, the rationale for and the financial effects of the Loan Facility, are of the opinion that the Loan Facility is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating thereto to be proposed at the EGM.

The Independent Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position, risk profile or unique needs and constraints of any individual Shareholder.

As each Shareholder would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his or her investment objectives or portfolio should consult his or her stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

5. ABSTENTION FROM RECOMMENDATION AND VOTING

5.1 Abstaining Shareholders

Pursuant to Rule 919 of the Listing Manual, KCL, KOG and Kepinvest will abstain, and will procure that its respective associates will abstain, from voting at the EGM in relation to the Loan Facility, and will not accept appointments as proxies unless the independent Shareholders appointing them as proxies give specific instructions in the relevant Proxy Form on the manner in which they wish their votes to be cast for the ordinary resolution relating to the Loan Facility. The Company will disregard any votes cast by KCL, KOG, Kepinvest and their respective associates on the ordinary resolution relating to the Loan Facility.

5.2 Abstaining Directors

Each of the following Directors has abstained from making any recommendation to Shareholders in relation to the Loan Facility:

- (a) Mr Tan Ek Kia, who is an independent non-executive director of KCL; and
- (b) Mr Chris Ong Leng Yeow, who is the chief executive officer of Keppel Offshore & Marine Limited, which is a wholly-owned subsidiary of KCL.

Each of the above Directors will abstain from voting his holding of Shares (if any), and has undertaken to ensure that his respective associates will abstain from voting their respective holdings of Shares (if any), on the ordinary resolution relating to the Loan Facility to be proposed at the EGM. The Company will disregard any votes cast by each of the above Directors and their respective associates in respect of their holdings of Shares (if any) on the ordinary resolution relating to the Loan Facility.

Each of the above Directors will also decline to accept appointment as proxy for any Shareholder to vote in respect of the ordinary resolution relating to the Loan Facility to be proposed at the EGM, unless the Shareholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of the ordinary resolution relating to the Loan Facility.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in this Circular, will be held by way of electronic means on 29 June 2020 at 9:15 a.m. (or as soon after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9:00 a.m. on the same day and at the same link by electronic means) for the purpose of considering and, if thought fit, passing the ordinary resolution set out in the Notice of EGM.

In line with the provisions of the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, no printed copies of this Circular (including the Notice of EGM and the Proxy Form) will be despatched to Shareholders. A copy of this Circular (including the Notice of EGM and the Proxy Form) have been uploaded on SGXNet and may also be accessed at the Company's website at the URL www.krisenergy.com.

7. ACTION TO BE TAKEN BY SHAREHOLDERS**7.1 No attendance at EGM**

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the EGM.

7.2 Alternative Arrangements

Alternative arrangements have been put in place to allow Shareholders to participate at the EGM as follows:

LETTER TO SHAREHOLDERS

(a) **“Live” Audio-visual webcast and “live” audio-only stream**

Shareholders will be able to (i) watch the proceedings of the EGM through a “live” audio-visual webcast via their mobile phones, tablets or computers; or (ii) listen to these proceedings through a “live” audio-only stream via telephone. In order to do so, Shareholders must pre-register via the URL <https://bit.ly/KRISENERGY-GENERAL-MEETINGS> (“**Registration Website**”), no later than **9:15 a.m. on Friday, 26 June 2020** (the “**Registration Deadline**”) for the Company to authenticate his/her/its status as shareholders. Shareholders who have previously pre-registered for the Company’s Annual General Meeting (to be held on the same day) do not need to pre-register again for the EGM.

Authenticated shareholders will receive an email containing (1) a unique link to access the “live” audio-visual webcast via Zoom or via their web browser; (2) a webinar ID and password; and (3) a telephone number. In the scenario where the unique link cannot be accessed, shareholders can join the EGM proceedings by entering the webinar ID and password directly in the Zoom platform.

Shareholders who have pre-registered by the Registration Deadline but did not receive the aforementioned email by **9:15 a.m. on Sunday, 28 June 2020** should contact Easy Video via email at kevin@easyvideo.sg.

Shareholders **MUST NOT** forward the unique link, webinar ID or password to other persons. Recording of the “live” audio-visual webcast or “live” audio-only stream in whatever form is also strictly prohibited.

(b) **Prior submission of questions**

Shareholders may submit questions related to the resolutions to be tabled for approval at the EGM. All questions must be submitted no later than **9:15 a.m. on Friday, 26 June 2020** (the “**Submission Deadline**”):

- (i) by email to krisenergy@krisenergy.com; or
- (ii) in hard copy by post to the office of the Company’s share transfer agent, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902.

The Company will address all substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM, prior to, or at the EGM. To the extent practicable, the Company may address questions prior to the EGM through publication on SGXNet, its corporate website at www.krisenergy.com and/or any virtual information session that the Company may organise.

Please note that as shareholders will not be able to ask questions at the EGM, it is important for shareholders to submit their questions by the Submission Deadline.

The Company shall publish minutes of the EGM on SGXNet and its corporate website at www.krisenergy.com, and the minutes shall include the responses to all substantial and relevant questions from shareholders which are addressed during the EGM, within one month from the date of the EGM.

(c) **Voting by proxy only**

Shareholders **will not** be able to vote online at the EGM. Instead, **if shareholders (whether individuals or corporates) wish to exercise their votes, they must submit a Proxy Form to appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM.**

LETTER TO SHAREHOLDERS

Shareholders (whether individuals or corporates) appointing the Chairman of the Meeting as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.

The Proxy Form (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be submitted to the Company in the following manner:

- (i) if sent personally or by post, be deposited at the office of the Company's share transfer agent, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or
- (ii) if submitted by email, be received by M & C Services Private Limited at gpb@mncsingapore.com.

in either case, by no later than **9:15 a.m. on Friday, 26 June 2020, being 72 hours before the time appointed for holding the EGM** (the "Proxy Deadline"), and in default the proxy form shall not be treated as valid.

Please refer to the Company's announcement dated 10 June 2020 entitled "Instructions to Shareholders for the Extraordinary General Meeting of KrisEnergy Ltd. to be held on 29 June 2020" for further information, including the steps to be taken by Shareholders to participate at the EGM. This announcement may be accessed at the Company's website at the URL www.krisenergy.com and also on SGXNet.

Shareholders should note that the Company may make further changes to its EGM arrangements as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNet.

8. INSPECTION OF DOCUMENTS

Subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time, the following documents are available for inspection at the registered office of the Company in the Cayman Islands at Intertrust Corporate Services (Cayman) Limited, 190 Elgin Avenue, George Town, Grand Cayman, KY1-9005, Cayman Islands and at the office of the Company in Singapore at 83 Clemenceau Avenue #10-05, UE Square, Singapore 239920, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Annual Report of the Company for the financial year ended 31 December 2019;
- (b) the Loan Agreement;
- (c) the Cash and Accounts Management Agreement;
- (d) the IFA Letter as set out in Appendix B of this Circular; and
- (e) the letter of consent referred to in Section 2.7 of this Circular.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Loan Facility, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or

LETTER TO SHAREHOLDERS

otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully
For and on behalf of the Board of Directors of
KrisEnergy Ltd.

Kelvin Tang
Chief Executive Officer and Executive Director

APPENDIX A

The principal terms of the Loan Facility are set out below:

Lender	Kepinvest Singapore Pte. Ltd.
Borrowers	KrisEnergy (Apsara) Company Ltd KrisEnergy (Cambodia) Ltd ("KEC")
Guarantors	KrisEnergy (Apsara) Ltd KrisEnergy (Cambodia) Ltd KrisEnergy Ltd. KrisEnergy Holding Company Ltd KrisEnergy (Asia) Ltd KrisEnergy (Cambodia) Holding Ltd KrisEnergy (Apsara) Holding Limited KrisEnergy (Apsara) Company Ltd (the Borrowers and the Guarantors, collectively, the "Obligors")
Agent and Security Agent	Madison Pacific Trust Limited
Obligors' Agent	KEC
Principal Amount	Up to US\$87 million in aggregate comprising: (i) up to US\$30 million ("Facility A"); and (ii) up to US\$57 million ("Facility B").
Purpose	For (i) the development of CBA in accordance with the pre-first oil cost schedule or relevant approved annual budget; and (ii) the payment of agency fees and fees of lenders, costs and expenses incurred in connection with the finance documents entered into in connection with the Loan Agreement, to the extent expressly included in the pre-first oil cost schedule or relevant approved annual budget.
Maturity Date	The date falling 48 months from the date of the Loan Agreement (or if that day is not a business day, the immediately preceding business day).
Drawdown	A Borrower may not deliver a utilisation request if as a result of the proposed utilisation: (i) five or more Facility A Loans (being a loan made or to be made under Facility A or the principal amount outstanding for the time being of that loan (which shall be increased by any PIK Interest (as defined below) capitalised)) would be outstanding; or (ii) five or more Facility B Loans (being a loan made or to be made under Facility B or the principal amount outstanding for the time being of that loan (which shall be increased by any PIK Interest (as

APPENDIX A

	<p>defined below) capitalised)) would be outstanding.</p> <p>The conditions precedent to each utilisation include:</p> <ul style="list-style-type: none"> (i) the delivery by the Borrowers of a schedule of items to be funded by the utilisation; (ii) copies of invoices and other evidence satisfactory to the Monitoring Accountant in relation to items to be funded; and (iii) confirmation by the Monitoring Accountant that it is satisfied as to the documents and evidence submitted. <p>Each utilisation of Facility B is subject to the Lender's approval prior to Facility B converting to a committed facility. Upon Facility B converting to a committed facility, Lender approval will no longer be required but the conditions precedent to utilisation (as set out above) will continue to apply.</p>
Interest	<p>The rate of interest on each Facility A Loan or Facility B Loan (each, a "Loan") for each interest period is:</p> <ul style="list-style-type: none"> (i) in the case of any payment-in-kind interest ("PIK Interest") payable or accruable on each Loan, 15% per annum; and (ii) in the case of any cash interest ("Cash Interest") payable on each Loan, 15% per annum. <p>PIK Interest will accrue on each Loan until and including the date on which the Borrowers make their first sale or disposal of petroleum produced in commercial quantities from CBA ("First Oil Sale Proceeds Date"). Subject to the Interest Cap (as defined below), PIK Interest accrued in each interest period on each Loan outstanding at such time will be capitalised at the end of each interest period and added to the outstanding principal amount of that Loan, and such capitalised PIK Interest will subsequently be treated as part of the principal amount of that Loan.</p> <p>Cash Interest will accrue on each Loan at all times after the First Oil Sale Proceeds Date.</p> <p><u>Interest Cap</u></p> <p>Until the date on which all shareholder approvals for the Loan Agreement and the transactions contemplated by the Loan Agreement have been obtained and the Agent (as defined in the Loan Agreement) has been notified of such approval ("Shareholder Approval Date"), the maximum amount (in aggregate) of PIK Interest and/or Cash Interest which may accrue on each Loan, together with all other amounts (excluding principal (but not capitalised interests) repayments) for the Lender's account under or in connection with the Loan Agreement ("Other Payments"), shall be US\$714,679 ("Interest Cap"). The Interest Cap shall cease to apply on and from the earlier of:</p> <ul style="list-style-type: none"> (i) the Shareholder Approval Date; (ii) the date on which the Company ceases to be a listed company on

APPENDIX A

	<p>the SGX-ST; and</p> <p>(iii) in respect of any Loan made to a particular Borrower, the date on which that Borrower ceases to be a subsidiary of the Company,</p> <p>or otherwise on and from the date that any payment or receipt of PIK Interest or Cash Interest or Other Payments would not breach any applicable laws or regulations applicable to either the Lenders or the Borrowers (such date being the “Interest Trigger Date”).</p> <p>To the extent that any Loans ceased to accrue PIK Interest and/or Cash Interest for any period prior to the Interest Trigger Date as a result of the Interest Cap but would otherwise have earned such PIK Interest and/or Cash Interest during such time (“Unaccrued Interest”), then on and from the Interest Trigger Date, such Loans shall be deemed to have Unaccrued Interest for such periods as if the Interest Cap did not apply, which shall:</p> <p>(i) in the case of PIK Interest, be deemed to have capitalised at the end of each interest period ending prior to the Interest Trigger Date and thereafter shall capitalise all amounts at the end of the interest period ending immediately after the Interest Trigger Date; and</p> <p>(ii) in the case of Cash Interest, be payable at the end of the interest period ending immediately after the Interest Trigger Date.</p>
Default Interest	2% per annum higher than the rate which would have been payable if the unpaid sum had, during the period of non-payment, constituted a Loan.
Monitoring Accountant	Borrelli Walsh Limited has been appointed as Monitoring Accountant to perform a cash monitoring role.
Repayment	The Borrowers shall repay the aggregate Facility A Loans and Facility B Loans in full on the Maturity Date.
Security	<p>(i) Share pledge over 100% of the shares in the capital of each of the Borrowers;</p> <p>(ii) First ranking share charge over the shares in the capital of KrisEnergy (Apsara) Holding Ltd. (“KEAH”) held by KrisEnergy (Asia) Ltd;</p> <p>(iii) Second ranking share charges over the shares in the capital of KrisEnergy (Apsara) Ltd (“KEAL”) and KrisEnergy (Cambodia) Holding Ltd (“KECH”) held by KrisEnergy (Asia) Ltd;</p> <p>(iv) Security over all the assets of the Borrowers, KEAH, KEAL and KECH;</p> <p>(v) Account charge on the CBA Operating Account (as defined below) and such relevant other bank accounts as set out in the Cash and Accounts Management Agreement (as defined below) of each of the Borrowers;</p> <p>(vi) Assignment by each Borrower, each Guarantor and other entities over certain shareholder and intercompany loans; and</p> <p>(vii) Statutory mortgage over the barge “Ingenium II” by SJ Production</p>

APPENDIX A

	<p>Barge Ltd (subject only to the first ranking statutory mortgage in favour of Keppel Shipyard Limited), which barge is being used in the development of the CBA, first ranking security over the lease in respect of the barge, and first ranking security in respect of any right to receive barge revenues (collectively, "Barge Security").</p>
Mandatory Prepayment	<p>The commitments of the Lender under the Loan Agreement shall be cancelled and all outstanding Loans and amounts will become immediately due and payable if:</p> <ul style="list-style-type: none"> (i) it is or will become unlawful in any applicable jurisdiction for the Lender to, among others, perform any of its obligations as contemplated by the Loan Agreement; (ii) there is a change of control where: <ul style="list-style-type: none"> a) there is any sale or disposal of all or substantially all of the assets of any Borrower or Guarantor (save with the written consent of the Security Agent); b) the Company does not or ceases (directly or indirectly) to (1) have the power to cast or control the casting of at least 100% of the votes that might be cast at a general meeting of each Borrower; or (2) hold beneficially at least 100% of the issued share capital of each Borrower (other than as a direct result of the enforcement of security in relation to the RCF); c) the Company does not or ceases (directly or indirectly) to have the power to (1) appoint or remove all or the majority of the directors or other equivalent officers of each Borrower; or (2) give directions with respect to the operating and financial policies of each Borrower with which the directors and other equivalent officers of that Borrower are obliged to comply; (iii) the Interest Trigger Date does not occur by the earlier of (a) the date on which the aggregate amount of interest accrued on the Loans and the Other Payments is equal to the Interest Cap; and (b) the Shareholder Approval Date; (iv) the restructuring of the financial indebtedness of the Company and KrisEnergy (Asia) Ltd ("Restructuring") has not been completed by 15 July 2020 (or such other date to be agreed between the Lender and the Obligors' Agent); and (v) the First Oil Sale Proceeds Date does not occur before 31 December 2020 (or such other date agreed to by the Agent and the Obligors' Agent). <p>Each Borrower shall, promptly upon receipt of the following proceeds, prepay Loans in amounts equal to:</p> <ul style="list-style-type: none"> (i) the amount of consideration receivable by any Borrower (including any amount receivable in repayment of intercompany debt) for any disposal of any asset, undertaking or business (other than for a sale of hydrocarbons to the extent permitted under the Loan Agreement) made by any Borrower and after deducting (a) any reasonable expenses incurred with respect to such disposal; and (b) any tax incurred and required to be paid by the seller in connection with that disposal; and (ii) the amount of proceeds of any insurance claim under any insurance maintained by any Borrower except for any proceeds of an insurance claim which are, or are to be, applied to meet a third

APPENDIX A

	<p>party claim, to cover operating losses in respect of which the relevant insurance claim was made, or in the replacement, reinstatement and/or repair of the assets or otherwise in amelioration of the loss in respect of which the relevant insurance claim was made, and after deducting any reasonable expenses in relation to that claim which is incurred by any Borrower.</p> <p>A Lender may also, at any time prior to the completion of the Restructuring, require repayment of its participation in a Facility B loan that has been advanced by the Lender.</p>
Right to Match	<p>If a Borrower or any other member of the Group enters into negotiations with any entity or person to incur further financial indebtedness in respect of the CBA development, under the terms of the Loan Facility, the Borrower would need to notify the Lender of the most competitive commercial terms provided by the potential financing provider and the Lender has the option to match those financing terms within 10 business days of receiving notice of those terms (or such longer period as the Lender may notify to the Obligors' Agent). Upon the Lender matching those financing terms, the Borrowers shall (and the Borrowers shall procure that the relevant member of the Group shall), within 10 business days of receiving such terms in writing from the Lender, be obliged to accept those terms subject to the Borrower (and/or such relevant member of the Group) obtaining all necessary regulatory and corporate approvals as required by applicable law in respect of the incurrence of such financial indebtedness.</p>
CBA Cash Sweep	<p>Each Borrower shall ensure that all of its operating and other incomes, revenues or receipts, including all loan proceeds and capital contributions received by that Borrower and any barge revenues paid to that Borrower and any and all amounts payable to SJ Production Barge Ltd by the Borrowers (after payment of the operating costs of the barge) (other than certain excluded cash receipts) are transferred into a designated operating account ("CBA Operating Account") charged in favour of the Lender. The minimum cash balance ("Minimum Cash Balance") in the CBA Operating Account is to be the greater of (i) US\$1 million or such other amount as otherwise agreed between the Obligors' Agent and the Agent; and (ii) the aggregate cumulative cash reserve required for the next financial quarter in order for each Borrower to meet its budgeted expenditure in accordance with an agreed annual budget.</p> <p>The amounts in the CBA Operating Account may be applied towards, amongst others, each Borrower's budgeted payments required in connection with barge charter, operating costs and capital expenditure in respect of the CBA, operating expenses including interests, fees, coupons and expenses in relation to the Loan Facility and the Revolving Credit Facility Agreement, tax and royalty payments and scheduled capital expenditure and any other payments approved by the Agent.</p> <p>Within 10 business days of a designated quarterly computation date, amounts above the Minimum Cash Balance in the CBA Operating Account ("CBA Excess Cash") are to be swept ("CBA Cash Sweep") into an excess cash account and applied in the following manner and priority:</p>

APPENDIX A

	<p>(i) first, in or towards prepayment of the loans under the Loan Facility; and</p> <p>(ii) second, the remainder, to the collection account in respect of the Revolving Credit Facility Agreement.</p> <p>A cash and accounts management agreement documents the above mechanics in relation to the CBA Cash Sweep (the “Cash and Accounts Management Agreement”).</p>
Conditions Precedent	<p><u>Conditions precedent to initial utilisation of Facility A</u></p> <p>(i) board approval having been obtained by KrisEnergy Pte. Ltd. and each Obligor; and shareholder approval having been obtained by KrisEnergy Pte. Ltd. and each Obligor (other than the Company) in relation to the transactions contemplated by the finance documents;</p> <p>(ii) evidence in form and substance satisfactory to the Lender that the transfer of interests from KEAL to KrisEnergy (Apsara) Company Ltd as a party to each of the Block A Petroleum Agreement and the Joint Operating Agreement has been completed in accordance with the requires of those agreements;</p> <p>(iii) a copy of each authorisation required in connection with CBA, including, if available (a) the exploration work programme; and (b) the environment impact assessment in relation to CBA;</p> <p>(iv) evidence that the Cambodian Government has approved an extension to the achievement of first oil for CBA to such date and on such terms as required by the Lenders;</p> <p>(v) the development plan and development work program in connection with the development of CBA being approved by the Cambodian Government;</p> <p>(vi) evidence that the Cambodian Government has provided its written consent to any Change of Control (as defined in the Block A Petroleum Agreement) of any Borrower that may occur as a result of the implementation of the Restructuring or any contingency plan in respect of the Company or its subsidiaries;</p> <p>(vii) if the Cambodian Government has issued a demand for payment pursuant to the relinquishment agreement in relation to CBA and the proposed utilisation date is not at least one Business Day prior to the fifth business day in Cambodia after such demand, confirmation that the Cambodian Government will not purport to terminate the relinquishment agreement as a result of the demanded payment not being received within the requested time period;</p> <p>(viii) a side letter to DBS Bank Ltd. in relation to the prepayment of the RCF;</p> <p>(ix) other customary conditions precedent; and</p> <p>(x) other evidence in relation to the items to be funded using the proceeds of the utilisation.</p> <p>As at the date of this Circular, the above conditions precedent to initial utilisation of Facility A have been satisfied and Facility A has been drawn down by US\$16.7 million.</p>

APPENDIX A

	<p><u>Conditions precedent to initial utilisation of Facility B</u></p> <ul style="list-style-type: none">(i) evidence that all conditions precedent to the utilisation of Facility A were satisfied or waived by no later than 30 April 2020 (or such later date as may be agreed between the Agent and the Obligors' Agent in writing);(ii) evidence that the Barge Security has been created (or will be created immediately after the utilisation of Facility B)(iii) evidence that the Interest Trigger Date has occurred in respect of each Borrower; and(iv) other evidence in relation to the items to be funded using the proceeds of the utilisation. <p>If a utilisation request for the first utilisation under Facility A is not submitted, and all initial conditions precedent are not satisfied or waived in writing, on or prior to 5.00pm Singapore time on 30 April 2020 (or such other date agreed to by the Agent in writing) ("First Utilisation Longstop Date"), the Loan Facility will be immediately cancelled at 5.00pm (Singapore time) on the First Utilisation Longstop Date.</p>
Governing Law	The Loan Agreement is governed by English law.

APPENDIX B



W CAPITAL MARKETS PTE. LTD.

Incorporated in the Republic of Singapore)
(Company Registration Number: 201813207E)
65 Chulia Street
#43-01 OCBC Centre
Singapore 049513

10 June 2020

The Directors of KrisEnergy Ltd who are considered independent in relation to the Loan Facility (**"Independent Directors"**)

Kelvin Tang	Chief Executive Officer and Executive Director
Koh Tiong Lu John	Independent Non-executive Director
Alan Nisbet	Independent Non-executive Director
Bernard Castanet	Independent Non-executive Director

Dear Sirs,

LETTER TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE PROVISION OF A LOAN FACILITY BY KEPINVEST SINGAPORE PTE. LTD. ("LOAN FACILITY") AS AN INTERESTED PERSON TRANSACTION

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 10 June 2020 ("**Circular**") issued by KrisEnergy Ltd. (the "**Company**", and together with its subsidiaries (the "**Group**") shall have the same meanings herein.*

1. INTRODUCTION

As announced on 9 December 2019, the minimum facilities wellhead platform ("**Mini-Platform**") for the Apsara oil field in Cambodia Block A ("**CBA**") is currently being developed. CBA is one of the Group's near-term development projects, which covers an area of 3,083sq km over the Khmer Basin, an unproduced geological basin approximately 150km offshore Cambodia in Cambodian maritime waters of the Gulf of Thailand. The Group currently holds 95% working interest in CBA with 5% held by the Royal Government of Cambodia. Due to the unproven production performance of the Khmer Basin, development of the Apsara oil field will be in several phases to mitigate risk and provide time for the collection and analysis of critical data to be applied in future phases. If further phases of CBA development are pursued, peak production is expected between 2024 and 2026. This development phase ("**Mini Phase 1A**") is designed to incur minimum costs to first oil and comprises the Mini-Platform and five initial development wells connected to the *Ingenium II* production barge for oil, gas and water processing. At least two of the five wells will target fault blocks with previously successful exploration wells, with the final locations of the remaining wells to be determined by the drilling results of such wells. Mini Phase 1A is scheduled to commence oil production in 2020 and to reach a peak production rate of 7,500 barrels of oil per day. For further details on Mini Phase 1A, please refer to the Company's announcement dated 9 December 2019.

The Company estimates that approximately US\$87 million will be required to fund the development of Mini Phase 1A at CBA until first oil is produced which is currently targeted for 2020.

As announced by the Company on 30 April 2020, KrisEnergy (Apsara) Company Ltd and KrisEnergy (Cambodia) Ltd (both indirect wholly-owned subsidiaries of the Company) (the “**Borrowers**”) have entered into a credit facility agreement with Kepinvest Singapore Pte. Ltd. (“**Lender**” or “**Kepinvest**”) in order to obtain financing support for the development of CBA. Kepinvest is a subsidiary of Keppel Corporation Limited (“**KCL**”), which is a Controlling Shareholder of the Company through its wholly-owned subsidiary, Keppel Oil & Gas Pte Ltd (“**KOG**”).

As at the Latest Practicable Date, Kepinvest is a subsidiary of KCL, which is a Controlling Shareholder of the Company through its wholly-owned subsidiary, KOG. Kepinvest is therefore regarded as an Interested Person under Chapter 9 of the Listing Manual. Accordingly, the Loan Facility by Kepinvest will constitute an Interested Person Transaction under Chapter 9 of the Listing Manual.

As of the date the Loan Agreement was entered into, the Group’s latest audited net tangible assets (the “**Latest Audited NTA**”) was approximately US\$14,293,585. Assuming that (i) the Loan Facility is fully drawn down on the date of the Loan Agreement; (ii) the First Oil Sale Proceeds Date is 31 December 2020; and (iii) no repayment of principal is able to be made such that all PIK Interest accrued is capitalised and the Loan Facility is only repaid on the Maturity Date, the value at risk of the Loan Facility (being the estimated maximum interest payable on the Loan Facility) amounts to approximately US\$54.0 million which represents approximately 378% of the Group’s Latest Audited NTA. Based on the maximum interest payable on the Loan Facility, as the value at risk of the Loan Facility is more than 5% of the Group’s Latest Audited NTA, the Company is required to seek Shareholders’ approval for the Loan Facility under Rule 906(1)(a) of the Listing Manual.

W Capital Markets Pte. Ltd. (“**W Capital**”) has been appointed by the Company as the independent financial adviser (“**IFA**”) pursuant to Rule 921(4)(a) of the Listing Manual as well as to advise the directors of the Company who are considered independent for the purposes of making recommendations to the minority Shareholders in respect of the Loan Facility (“**Independent Directors**”). This letter (“**IFA Letter**”) sets out, *inter alia*, our opinion as to whether or not the Loan Facility as an Interested Person Transaction is on normal commercial terms and whether the Loan Facility is prejudicial to the interests of the Company and its minority Shareholders. This IFA Letter forms part of the Circular issued by the Company to its Shareholders in connection with the proposed provision of the Loan Facility by Kepinvest to the Group.

2. TERMS OF REFERENCE

The purpose of this IFA Letter is pursuant to Rule 921(4)(a) of the Listing Manual as well as to provide an independent opinion addressed to the Independent Directors on whether the Loan Facility is on normal commercial terms and whether the Loan Facility is prejudicial to the interests of the Company and its minority Shareholders. We have prepared this IFA Letter pursuant to Rule 921(4)(a) of the Listing Manual as well as for the use of the Independent Directors in connection with their consideration of the Loan Facility and their advice to the minority Shareholders arising thereof. The recommendations made by the Independent Directors to the Shareholders shall remain the responsibility of the Independent Directors.

We were neither a party to the negotiations entered into by the Company in relation to the Loan Facility, nor were involved in the deliberations leading up to the decision on the part of

the Directors to undertake the Loan Facility. Accordingly, we do not, by this IFA Letter, warrant the merits of the Loan Facility and our terms of reference do not require us to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks (if any) of the Loan Facility.

In the course of our evaluation, we have held discussions with the management of the Company (the “**Management**”) and have examined and relied to a considerable extent on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors, the Management and/or their professional advisers, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressed or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonable use of such information, and have found no reason to doubt the accuracy or reliability of the information. In this regard, we note that the Directors have collectively and individually accepted full responsibility for the accuracy of the information given in the Circular as set out in the “Directors’ Responsibility Statement” section of the Circular.

The scope of our appointment does not require us to perform an independent evaluation or appraisal of the assets, liabilities and/or profitability of the Group and we have not relied on any financial projections or forecasts in relation to the Loan Facility, the Company and/or the Group. Accordingly, we do not express a view on the financial position, future growth prospects and earnings potential of the Company and/or the Group as a result of its decision to enter into the Loan Agreement. As such, where applicable, we have relied on the disclosures and representations made by the Company on the value of the assets and liabilities and profitability of the Group.

The information on which we relied was based upon market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date which may change significantly over a relatively short period of time. We assume no responsibility to update, revise or affirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein.

In rendering our opinion in relation to the Loan Facility, we have not had regard to the specific investment objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints or circumstances of any individual Shareholder or specific group of Shareholders. As each Shareholder would have different investment objectives and profiles, we recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in the context of his specific or their investments objectives or portfolio(s) consult his or their legal, financial, tax or other professional adviser.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement, and do not provide any advice (financial or otherwise), in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility or and express no views, whether expressed or implied, on the contents of the Circular (other than this IFA Letter).

Our opinion in relation to the Loan Facility should be considered in the context of the entirety of this IFA Letter and the Circular.

3. KEY TERMS OF THE LOAN FACILITY

The Loan Facility is for up to a principal amount of US\$87 million, comprising two (2) tranches, namely, Facility A (for up to US\$30 million) and Facility B (for up to US\$57 million, each of which may be drawn down pursuant to one or more utilisation requests. The Loan Facility which has a maturity date falling 48 months from the date of the Loan Agreement, allows the Borrowers to commit to incur certain expenses in relation to the development of CBA and the first tranche (Facility A) is sized minimally to allow the Borrowers to make urgent payments in order to maintain development of CBA. In the event that the Loan Facility is not approved by Shareholders, there is no assurance that the Group will be able to obtain alternative funding in a timely manner to enable the Group to meet the deadline imposed by the Cambodian government for first oil production. The principal terms of the Loan Facility are set out in Section 2.2 of the Circular and Appendix A of the Circular.

4. EVALUATION OF THE LOAN FACILITY

In arriving at our opinion on whether the Loan Facility is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders, we have given due consideration to, *inter alia*, the following:

- 4.1 Rationale for the Loan Facility;
- 4.2 Historical financial performance and position of the Group;
- 4.3 Reasonableness of the key terms of the Loan Facility; and
- 4.4 Other relevant considerations.

4.1 Rationale for the Loan Facility

We have considered the rationale by the Company for the Loan Facility as set out in Section 2.3 of the Circular and we have reproduced them in italics below for your easy reference:

“The steep and prolonged downturn in oil prices between 2014 and 2017 severely impeded the ability of the Group to raise the necessary financing as banks pared down their exposure to the oil and gas sector. This in turn affected the Group’s ability to fund capital expenditures for its production and development assets, and the Group was unable to properly commit the necessary expenditure required to increase production, and therefore generate cash from these assets. Further, the lower oil price environment and resultant lack of investment in the Group’s exploration and development activities eroded the potential realisable value of Group’s assets, leading to impairments and writedowns in asset valuations. These circumstances have severely affected the Group’s operations and financial conditions.

Despite the Group’s efforts to improve its liquidity and financial position, prolonged volatility in oil prices and equity markets and weakening sentiment towards the upstream and offshore marine sectors impeded the Group’s efforts to recover and operate in a manner that would be sustainable in the long run. Between 31 December 2017 and 31 December 2018, the Group’s loans and borrowings increased from US\$424.6 million to US\$459.1 million and with the continual erosion of equity, gearing increased from 73.5% to 95.5%. As at 31 December 2019, the total debt recognised on the Group’s balance sheet was US\$503.1 million and the Group’s gearing was 140.8%.

Given the current financial position of the Group, banks and alternative credit providers (apart from Keppel) have generally declined to provide new credit lines. Consequently, the Group has faced difficulties in obtaining financing for CBA Mini Phase 1A.

As highlighted in Section 2.2 above, under the agreement with the Cambodian government for the development of CBA, the Cambodian government has imposed a deadline for first oil production to be achieved (without financial penalties) by 30 June 2020. The Cambodian government has indicated that there will be serious consequences (financial or otherwise) in relation to CBA in the event the first oil deadline is not met and timely funding is not obtained. Such consequences could include the termination of the concession rights for CBA if first oil production for CBA is not achieved by 31 December 2020.

As set out in Section 2.1 above, CBA is currently at the initial development stage and the Company estimates that approximately US\$87 million will be required to fund the remaining development costs, including the drilling of five (5) development wells at Mini Phase 1A of CBA. Without the required funding, development of Mini Phase 1A will not be completed, and the Cambodian government would terminate the concession rights and the Group would lose the asset.

Efforts to raise financing for the development of CBA has been ongoing for the past few years. The most recent effort has been carried out with the assistance of Houlihan Lokey, the financial advisors to the Company, to seek alternative funding (other than from Keppel or its affiliates) for CBA. Since early April 2019, Houlihan Lokey had contacted over 110 potential investors, including 41 financial investors and 12 commodity traders to gauge their interest in providing funding to the Group at the corporate level or asset level, in the form of debt, equity, joint venture investment and crude prepayment financing. To date, indicative crude prepayment financing offers have been received from a number of commodity traders and strategic investors. However, the terms of such financing offers were onerous (particularly in relation to pricing and security requirements relative to the funding amounts being offered) and not possible for the Company to deliver. In addition, the amounts that were offered were also insufficient to fully fund CBA. In contrast, the terms for the Loan Facility, both in terms of quantum and interest rate, are a more realistic option than alternative funding sources that are available to the Company. Accordingly, the Loan Facility by the Lender is the only credible option to preserve CBA and future value for all stakeholders.

The Board continues to be committed to pursue individual asset sales in line with the Group's risk mitigation strategy and previously stated intention to reduce future exposure to exploration capital expenditure and to focus its financial resources on optimising operations at CBA. The Board considers CBA to be a key asset operated by the Group and is expected to materially increase the Group's revenue and cash flow once oil production commences. A successful development of Mini Phase 1A will also provide important reservoir information in addition to cash flow and could lead to future phases of development for CBA. Accordingly, the Board considers the Loan Agreement to be in the interests of the Group as it will allow the Group to obtain financing support at the best available interest rates in order to fund the development of Mini Phase 1A. The Company expects CBA to be the highest revenue generating asset in the Group after it is developed and is a key asset for the restructuring of the Group.

Shareholders should note that in the event the Loan Facility is not approved by Shareholders, there is no assurance that the Group will be able to obtain alternative funding for the development of CBA on comparable terms or at all, or that any such alternative funding will be obtained in a timely manner to enable the Group to meet the deadline imposed by the Cambodian government for first oil production. In the event the concession rights for CBA is terminated by the Cambodian government as a result of not meeting the first oil deadline, the Group will lose its key asset and is unlikely to be able to continue with its restructuring efforts. In such an event, liquidation may follow."

4.2 Historical Financial Performance and Position of the Group

A summary of the financial performance of the Group for the last three (3) financial years ended 31 December (“FY”) 2017, 2018 and 2019 are set out below. The following summary financial information should be read in conjunction with the full text of the Company’s annual report for FY2019 and the respective results announcements in respect of the relevant financial periods including the notes/commentaries thereto.

Financial performance of the Group

US\$'000	FY2017 Audited	FY2018 Audited	FY2019 Audited
Revenue	140,700.2	144,805.4	126,531.0
Cost of sales	(144,243.0)	(149,562.6)	(147,906.3)
Gross loss	(3,542.8)	(4,757.2)	(21,375.3)
Other income	8,350.0	40,517.2	11,060.7
General and administrative expenses	(21,974.9)	(21,309.4)	(18,736.2)
Other operating expenses	(64,118.0)	(99,006.4)	(86,617.5)
Finance income	287.5	654.1	900.9
Finance costs	(53,834.1)	(49,261.4)	(56,577.7)
Loss before tax	(134,832.3)	(133,163.1)	(171,345.1)
Tax (expense) / credit	(4,403.2)	(4,189.3)	2,484.6
Loss for the year	(139,235.5)	(137,352.4)	(168,860.5)

Source: Company’s annual reports for FY2019 and FY2018. Numbers may not add up due to rounding.

Review of operating results

FY2017 vs FY2018

The Group recorded a revenue of approximately US\$144.8 million in FY2018, representing an increase of US\$4.1 million or 2.9% from approximately S\$140.7 million in FY2017. This was mainly due to a 39.9% increase in the average realised selling prices for oil and liquids and a 15.2% increase in average realised gas price for the B8/32 licence, boosting the FY2018 revenue to US\$144.8 million, the highest since the Group was established in 2009.

Cost of sales for FY2018 increased by US\$5.4 million or 3.7% from US\$144.2 million for FY2017 to US\$149.6 million for FY2018. This was mainly due to increase in the write down of inventories by US\$6.5 million, partially offset by decrease in operating costs of US\$2.4 million.

Other income increased by US\$32.1 million, from US\$8.4 million for FY2017 to US\$40.5 million for FY2018. This was mainly due to a write-back of unused decommissioning provisions of US\$29.0 million and gain on disposal of subsidiary of US\$2.5 million for FY2018.

General and administrative expenses remained relatively flat.

Other operating expenses increased by US\$34.9 million or 54.4% from US\$64.1 million for FY2017 to US\$99.0 million for FY2018. This was mainly due to (i) non-cash write off of US\$12.9 million related to the expiry of the East Seruway production sharing contract in Indonesia; (ii) non-cash write-off of US\$33.4 million for Block 120 PSC offshore Vietnam as the Company intends to relinquish the non-operated asset; (iii) non-cash provision of US\$15.0

million for Bala-Balakang PSC in Indonesia in accordance with IFRS and (iv) non-cash impairment for G10/48 of US\$18.9 million as a result of lower proved plus probable reserves.

Finance costs decreased by US\$4.5 million or 8.3% from US\$53.8 million for FY2017 to US\$49.3 million for FY2018. This was mainly due to the higher financing fees incurred in FY2017 for the exchange of the 2022 Notes, 2023 Notes and the issuance of the senior secured zero coupon notes due 2024 ("**2024 ZCNS**").

As a result of the above, net loss after tax decreased by US\$1.8 million or 1.3%, from US\$139.2 million for FY2017 to US\$137.4 million for FY2018.

FY2018 vs FY2019

The Group recorded a revenue of approximately US\$126.5 million for FY2019, representing a decrease of US\$18.3 million or 12.6% from approximately US\$144.8 million for FY2018. This was mainly due to lower production volumes 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. In FY2019, average realised price for oil and liquids was US\$60.04/bbl, 12.8% lower than in FY2018.

Cost of sales for FY2019 decreased by US\$1.7 million or 1.1% from US\$149.6 million for FY2018 to US\$147.9 million for FY2019 in line with the decrease in revenue. This was mainly due to decrease in operating costs partially offset by increase in depreciation, depletion and amortisation ("**DD&A**"). Following the adoption of IFRS 16, operating costs amounted to US\$49.4 million for FY2019 compared to US\$79.9 million for FY2018, as the bareboat charters for the Wassana field operations were accounted for as DD&A. DD&A charges increased by US\$36.9 million or 74.1% from US\$49.8 million for FY2018 to US\$86.7 million for FY2019 mainly as a result of additional DD&A for the Wassana facilities in accordance with IFRS 16. For FY2019, the Group recorded a gross loss of US\$21.4 million as compared to a gross loss of US\$4.8 million for FY2018.

Other income decreased by US\$29.4 million or 72.6% from US\$40.5 million for FY2018 to US\$11.1 million for FY2019. This was mainly due to the write-back of unused decommissioning provisions of US\$29.0 million in the fourth quarter of FY2018.

General and administrative expenses decreased by US\$2.6 million or 12.2% from US\$21.3 million for FY2018 to US\$18.7 million for FY2019. The decrease was mainly due to the one-off expense incurred in the third quarter of FY2018 on the transfer of asset amounting to US\$4.2 million partially offset by higher general and administrative expenses.

Other operating expense decreased by US\$12.4 million or 12.5% from US\$99.0 million for FY2018 to US\$86.6 million for FY2019. The decrease was mainly due to lower impairment charges.

Finance costs increased by US\$7.3 million or 14.8% from US\$49.3 million for FY2018 to US\$56.6 million for FY2019. Finance costs comprised mainly (a) non-cash accretion of bond discount, lease liability and decommissioning provisions, (b) bank loan interest on the Company's revolving credit facility, and (c) default and interest expense on the 2022 Notes and 2023 Notes.

As a result of the above, net loss after tax increased by US\$31.5 million or 22.9%, from US\$137.4 million for FY2018 to US\$168.9 million for FY2019.

Financial position of the Group

A summary of the audited financial position of the Group as at 31 December 2019 is set out as follows:

	31 December 2019 Audited
US\$'000	
Non-current assets	
Exploration and evaluation assets	268,405.2
Oil and gas properties	116,639.0
Right-of-use assets	25,110.5
Other property, plant and equipment	29,853.0
Intangible assets	8,444.9
Other receivables	4,035.6
	<hr/> 452,488.2
Current assets	
Inventories	16,249.6
Trade and other receivables	45,857.0
Prepayments	7,900.2
Cash and bank balances	51,361.1
	<hr/> 121,367.8
Total assets	<hr/> 573,856.0 <hr/>
Equity	
Ordinary shares	1,878.6
Share premium	730,302.2
Other reserves	30,880.8
Accumulated losses	(908,958.6)
Total (capital deficiency) equity	<hr/> (145,897.0) <hr/>
Non-current liabilities	
Employee benefit liability	490.6
Lease liability	550.8
Derivative liabilities	2,324.5
Deferred tax liabilities	27,358.6
Accrued operating expenses	11,239.8
Provisions	24,753.7
	<hr/> 66,717.9
Current liabilities	
Trade and other payables	86,775.4
Accrued operating expenses	35,281.3
Lease liability	25,573.0
Loans and borrowings	503,053.5
Withholding tax payable	401.0
Tax payable	1,950.9
	<hr/> 653,035.1
Total liabilities	<hr/> 719,753.0 <hr/>
Total equity and liabilities	<hr/> 573,856.0 <hr/>
Number of shares	1,502,849,065
NAV attributable to Shareholders per Share (US\$)	(0.10)

Source: Company's annual report for FY2019. Numbers may not add up due to rounding.

Major assets and liabilities

As at 31 December 2019, the total assets of the Group of approximately US\$573.9 million comprised current assets of approximately US\$121.4 million and non-current assets of US\$452.5 million, representing 21.2% and 78.8% of total assets respectively.

Current assets as at 31 December 2019 comprised mainly of (i) cash and bank balances of US\$51.4 million, (ii) trade and other receivable of US\$45.9 million and (iii) inventories of US\$16.2 million, representing 9.0%, 8.0% and 2.8% of total assets respectively. Non-current assets as at 31 December 2019 comprised mainly (i) exploration and evaluation assets of US\$268.4 million, (ii) oil and gas properties of US\$116.6 million, (iii) other property, plant and equipment of US\$29.9 million, and (iv) right-of-use assets of US\$25.1 million, representing 46.8%, 20.3%, 5.2% and 4.4% of total assets respectively.

As at 31 December 2019, the total liabilities of the Group of approximately US\$719.8 million comprised current liabilities of approximately US\$653.0 million and non-current liabilities of S\$66.8 million, representing 90.7% and 9.3% of total liabilities respectively.

Current liabilities as at 31 December 2019 comprised mainly of (i) loans and borrowings of US\$503.1 million, (ii) trade and other payables of US\$86.8 million, (iii) accrued operating expenses of US\$35.3 million, and (iv) lease liabilities of US\$25.6 million, representing 69.9%, 12.1%, 4.9% and 3.6% of total liabilities respectively. Non-current liabilities as at 31 December 2019 comprised (i) deferred tax liabilities of US\$27.4 million and (ii) provisions of US\$24.8 million, representing 3.8% and 3.4% of total liabilities respectively.

As at 31 December 2019, total debt recognized on the Group's balance sheet amounted to US\$503.1 million and the Group's gearing was 140.8%.

We note the following commentary on the significant trends and competitive conditions of the industry in which the Group operates as set out in the Company's announcement for the unaudited fourth quarter and full year ended 31 December 2019 financial statements announcement, as set out below:

"The trajectory for oil prices remains uncertain and the upstream sector enters a new decade with shaken confidence. The full extent of the emergence of COVID-19 is yet to be understood but is widely expected to impact all sectors of the economy worldwide. Immediate consequences in the first two months of 2020 have been manufacturing disruptions, broken supply chains and sharply reduced travel and tourism, all of which curtail energy demand. In its Oil Market Report February 2020, the Paris-based International Energy Agency ("IEA") stated: "The consequences of COVID-19 for global oil demand will be significant. Demand is now expected to contract by 435 kb/d in 1Q20, the first quarterly decrease in more than a decade. For 2020 as a whole, we have reduced our global growth forecast by 365 kb/d to 825 kb/d, the lowest since 2011."

The IEA noted that supply-side uncertainties in Africa, South America and parts of the Middle East had had little impact on prices."

4.3 Reasonableness of the Key Terms of the Loan Facility

4.3.1 Comparison against the Group's existing borrowings

We note that the rate of interest on each Facility A Loan or Facility B Loan (each, a "**Loan**") for each interest period is (i) in the case of any payment-in-kind interest ("**PIK Interest**") payable or accruable on each Loan, 15% per annum; and (ii) in the case of any cash interest ("**Cash Interest**") payable on each Loan, 15% per annum.

PIK Interest will accrue on each Loan until and including the date on which the Borrowers make their first sale or disposal of petroleum produced in commercial quantities from CBA ("**First Oil Sale Proceeds Date**"). Subject to the Interest Cap (as defined in Appendix A to the Circular and being less than 5% of the Latest Audited NTA of the Group), PIK Interest accrued

in each interest period on each Loan outstanding at such time will be capitalised at the end of each interest period and added to the outstanding principal amount of that Loan, and such capitalised PIK Interest will subsequently be treated as part of the principal amount of that Loan.

Cash Interest will accrue on each Loan at all times after the First Oil Sale Proceeds Date.

In evaluating whether the interest rate payable by the Group in relation to the Loan Facility is reasonable, we have made a comparison with the interest rates currently payable by the Group under its existing bank borrowings ("**Existing Loans**").

A summary of the key terms of the Existing Loans which the Group had undertaken, has been set out in the table below. Shareholders should note that the following analysis is solely for illustrative purposes as the general market conditions at the time of grant of each of the Existing Loans would have been different from the prevailing market conditions, and the terms offered for each Existing Loan would have been dependent on various considerations and assessment by the relevant lender at the time of granting the loans. Such considerations would include, but are not limited to, the lender's capital structure, cost of funds, supply of funds, risk management parameters, assessment of the general market conditions and interest rate environment, the financial position and performance of the borrower, and the composition and quality of the borrower's security and guarantee (if any).

Description,	Facility size/ Loan size / Principal	Year the loan is taken	Loan Tenure	Average daily outstanding loan balance or outstanding amount (1)	Interest rate	Interest amount for FY2019 (2)	Effective interest rate for FY2019 (%) = (2)/ (1)	Collateral/ Security/ guarantee
Revolving credit facility with DBS Bank	US\$200 million	Transferred to DBS in June 2016	Maturity has previously been extended. Current maturity on 30 June 2020 ⁽¹⁾	Average balance for 2019: US\$177,270,190	Aggregate of LIBOR plus margin of 5.2% per annum	Interest accrued in FY2019: US\$13,696,239	7.7%	Comprehensive security package over the Company's assets
Term loan with the Hongkong and Shanghai Banking Corporation Limited	US\$21,757,937	21 Feb 2017	60 months	US\$21,757,937	Aggregate of LIBOR plus margin of 4% per annum	Interest accrued in FY2019: US\$1,374,101 (excluding penalty interest accrued in FY2019 of US\$666,955))	6.3%	Unsecured
Term loan with Standard Chartered Bank	US\$12,660,000	21 Feb 2017	60 months	US\$12,660,000	Aggregate of LIBOR plus margin of 4% per annum	Interest accrued in FY2019: US\$796,833 (excluding penalty interest accrued in FY2019 of US\$50,168)	6.3%	Unsecured

Source: Provided by the Company

Note:

(1) The Group is finalizing documentation for a short-term extension of the RCF with DBS Bank.

We note that the interest rate payable under the Loan Facility of 15% per annum is above the range of the effective interest rate of between 6.3% and 7.7% of the Existing Loans for FY2019. However, this has to be also considered in the context of the Group's current financial condition (i.e. capital deficiency position as at 31 December 2019 of US\$145.9 million), indicating that material uncertainty exists over the Group's ability to continue as a going concern as stated in the Auditor's report on its audited consolidated FY2019 financial statements. The Company is currently undergoing a restructuring process and its shares have been suspended since 14 August 2019.

4.3.2 Analysis of the Company's outstanding debt securities

Issue Name	Indicative Ask Price (Bond Currency)	Indicative Bid Price (Bond Currency)	Indicative Ask Yield to Maturity (% p.a.)	Indicative Bid Yield to Maturity (% p.a.)
KRISSP ZERO 31Jan2024 Corp (SGD) 2024 ZCN	19.00 ⁽¹⁾	15.30 ⁽¹⁾	45.0	52.2
KRISSP 4.000% 22Aug2023 Corp (SGD) 2023 Notes	28.170 ⁽²⁾	23.080 ⁽²⁾	51.5	60.3
KRISSP 5.000% 09Jun2022 Corp (SGD) 2022 Notes	28.17 ⁽²⁾	22.41 ⁽²⁾	100.9	126.9
		Mean	65.8	79.8

Source: The above data is generated from Bondsupermart, www.bondsupermart.com.

Notes:

- (1) Indicative bid and ask bond prices and yields-to-maturity as at 8 Aug 2019, being the latest available data as at the Latest Practicable Date.
- (2) Indicative bid and ask bond prices and yields-to-maturity as at 4 Jun 2020, being the latest available data as at the Latest Practicable Date.

The Company currently has three outstanding bonds issue, namely 2022 Notes, 2023 Notes and the 2024 ZCNs (collectively "**Bonds**"). Based on the data extracted from Bondsupermart as at the Latest Practicable Date as set out in the table above, the current mean indicative ask yield to maturity and mean indicative bid yield to maturity is 65.8% and 79.8% respectively. The very high indicative bid and ask yields to maturity indicate that investors are expecting very high returns for the risk that they are taking on by investing in the debt securities of the Company. We wish to highlight that that 2022 Notes and 2023 Notes are unsecured and the interest rate of 4% with an oil price breaker (originally coupon rates were at 6.25% and 5.75% respectively) was a result of a consent solicitation exercise in November 2016 due to the inability of the Company to repay the bonds and therefore the current interest rate is a concession given by the noteholders. These Bonds may not be directly comparable to the Loan Facility as the Loan Facility is secured and for specific project lending purpose.

4.3.3 Alternative sources of funding

We understand that the Group, together with their mandated financial advisor, Houlihan Lokey (Singapore) Private Limited ("**HLPL**"), which was appointed pursuant to the restructuring process, have engaged in a search for new capital to be injected into the Group to fund capital

expenditures for its production and development assets. All financing options were explored, including equity, debt and hybrid instruments from a broad cross section of investors, banks, private equity funds, distressed asset funds etc. For equity, we understand the Group has explored the possibility of doing a right issue but it was deemed to be not a feasible option, as the banks whom they approached to be underwriters for the exercise have found it too challenging and were unwilling to participate. For debt and hybrid instruments, the Group has considered raising additional capital from a broad range of investors. However, given the current financial position of the Group, banks and alternative credit providers (apart from Keppel) have generally declined to provide new credit lines to the Group.

As mentioned in Section 2.3 of the Circular, since April 2019, HLPL had contacted over 110 potential investors, including 41 financial investors and 12 commodity traders to gauge their interest in providing funding to the Group at the corporate level or asset level, in the form of debt, equity, joint venture investment and crude prepayment financing and indicative crude prepayment financing offers have been received from a number of commodity traders and strategic investors. However, the terms of such financing offers were onerous (particularly in relation to pricing and security arrangements relative to the funding amounts being offered) and the amounts that were offered were also insufficient to fully fund CBA.

Based on the term sheets for these financing offers and a pricing comparison of these proposals prepared by the Company's financial adviser, HLPL, we note that the size of the facilities offered by the offtakers/marketers (ranging from US\$25 million to US\$80 million) are smaller than the loan limit provided by the Loan Facility of US\$87 million, whilst also having shorter maturity periods (ranging from 12 months to 36 months). The interest rate of 15% per annum under the Loan Facility is also below the range of the interest rates quoted by these offtakers/marketers, which range from 16% to 22%. In addition, when taking into consideration other fees such as marketing fees, hedging fees, royalty (revenue/profit share) payments, etc required by these marketers, the total cost of the facilities offered by these marketers results in an implied financing cost of around 30% per annum, which is significantly higher than the 15% interest per annum under the Loan Facility. We also noted that on top of these additional costs, some of these proposed facilities also charge an arrangement fee of between 2% to 4.95% of the facility size.

In addition, we also understand that the Group ran a global process for assets sales with the help of HLPL. Although the Group has received offers for asset sales, some of which have been executed, timing for completion for such divestments is uncertain (given most were predicated on completion of the restructuring which is in turn subject to secured lender buy-in) and these asset offers did not offer a fully funded solution.

As at the Latest Practicable Date, the Directors have confirmed that they were not aware of any alternative offers for funding from other third parties which were considered comparable or superior in nature, size, interest rates and scope to the Loan Facility.

4.4 Other Relevant Considerations

4.4.1 Summary of the Company's efforts to gain access to financing for the Group and its current financial condition

Since the oil price downturn in 2014, investor confidence throughout the oil and gas industry has been shaken. Upstream exploration and production operator companies like KrisEnergy Ltd, have found their cost of capital increased substantially and access to financing – both debt and equity – severely curbed. In the fourth quarter of 2016, the Company implemented a new business plan, which includes increased focus on the Gulf of Thailand, targeted asset

development and portfolio rationalization. Since then, to successfully implement the business plan, the Company has undergone various financial restructuring.

In June 2016, the Group's revolving credit facility ("**RCF**") was transferred from RCF lenders comprising HSBC, Commonwealth Bank and ANZ Bank, to DBS Bank Ltd and the facility size upsized to approximately US\$148.3 million and extended to 30 June 2018. In November 2016, DBS made available a US\$50.0 million bridge upsized to the Group.

In 2017, the Company continued with the financial restructuring. On 11 January 2017, the Company exchanged the S\$130 million fixed-rate notes due June 2017 ("**2017 Notes**") and S\$200 million fixed-rates notes due August 2018 ("**2018 Notes**") for the senior unsecured notes due June 2022 (the "**2022 Notes**") and due August 2023 (the "**2023 Notes**") respectively. These 2022 Notes and 2023 Notes have a fixed rate coupon of 4% payable annually, 2% payable annually in cash and 2% payable annually in cash or accrued at the discretion of the Company. In addition, in 2017, the Company did a round of fund-raising when it issued and received gross proceeds of S\$139.5 million in principal amount of the 2024 ZCNs and 1,255,183,632 detachable warrants to its shareholders. Each warrant converts to one share in the ordinary share capital of the Company at the exercise price of S\$0.110 per share.

On 29 March 2018, the RCF was extended by two-years to 30 June 2020. On 9 April 2018, DBS provided an additional commitment of US\$20 million (the "**Bridge Upsize**") 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 was extended monthly to 8 February 2019, 8 March 2019 and subsequently to 8 April 2019.

On 2 April 2019, the Company announced that its independent auditor has included an assessment of the material uncertainty related to going concern in its audit report on the Company's audited financial statements for the financial year ended 31 December 2018, in view of, *inter alia*, the net losses incurred by the Group, outstanding capital commitments that the Group will need to fulfil for its oil & gas properties and exploration and evaluation assets and its over-gearred and under-equitised financial position.

On 4 April 2019, the Company announced that it has entered into an amendment agreement with DBS to amongst others, increase 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.

On 14 August 2019, the Company announced 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**"). The trading of all the Company's securities on Singapore Exchange Securities Trading Ltd ("**SGX-ST**") was indefinitely suspended following the Moratorium Application.

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 connection with this, while the financial restructuring process is ongoing, the Company had decided to cease payment of certain obligations including: (a) 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 (b) 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.

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 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.

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

On 22 October 2019, KrisEnergy announced the non-payment of relevant redemption amounts for each of the 2022 Notes, 2023 Notes and 2024 ZCNs notwithstanding the occurrence of redemption events and the submission of any completed exercise notice.

On 13 November 2019, KrisEnergy submitted an application for a three-month extension of the moratorium and on 27 November 2019, the Singapore High Court granted the moratorium extension until 26 February 2020.

On 14 February 2020, KrisEnergy submitted an application for a second three-month extension of the moratorium and on 24 February 2020, the Singapore High Court granted a further moratorium extension until 27 May 2020. On 29 May 2020, KrisEnergy announced that it has on 27 May 2020 made an application to the Singapore High Court to seek a 3rd extension of the moratorium.

On 20 February 2020, KrisEnergy issued an update on further non-payment of interest relating to the 2022 Notes and 2023 Notes, and non-payment of interest in relation to the term facility agreements.

Over the years, the gearing ratio of the Group has gone up tremendously as illustrated in the table below. The over-gearred balance sheet and loss-making position has put severe pressure on the Group’s financial condition and has hampered discussions to obtain financing. In FY2019, the Group recorded a loss after tax of US\$168.9 million, resulting in a net capital deficiency position of US\$145.9 million and net current liabilities of US\$531.7 million.

As at	Gearing ratio of the Group
31 December 2016	62.0%
31 December 2017	73.5%
31 December 2018	95.5%
31 December 2019	140.8%

With the over-gearred and under-equitised position of the Group as at 31 December 2019, coupled with the inability of the Group to make payment for its existing financial obligations, the on-going financial restructuring that the Group is doing and the suspension of the Company’s shares on the SGX-ST, the Group has experienced great difficulties to obtain further financing from banks and alternative credit providers.

4.4.2 CBA being a key asset of the Group and the Agreement with the Cambodian government

As set out in Section 2.1 of the Circular, CBA is currently at the initial development stage and the Company estimates that approximately US\$87 million will be required to fund the remaining development costs, including the drilling of five (5) development wells at Mini Phase 1A of CBA. Without the required funding, development of Mini Phase 1A will not be completed and the Cambodian government would terminate the concession rights and the Group would lose the asset.

Under the agreement with the Cambodian government for the development of CBA, the Cambodian government has imposed a deadline for achieving first oil production (without financial penalties) by 30 June 2020. The Cambodian government has indicated that there will be serious consequences (financial or otherwise) in relation to CBA in the event the first oil deadline is not met and timely funding is not obtained. Such consequences could include the termination of the concession rights for CBA if first oil production for CBA is not achieved by 31 December 2020.

The Board considers CBA to be a key asset operated by the Group and is expected to materially increase the Group's revenue and cash flow once oil production commences. A successful development of Mini Phase 1A will also provide important reservoir performance information in addition to cash flow and could lead to future phases of development for CBA. Accordingly, the Board considers the Loan Agreement to be in the interests of the Group as it will allow the Group to obtain financing support at the best available interest rates in order to fund the development of Mini Phase 1A. The Company expects CBA to be the highest revenue generating asset in the Group after it is developed and is a key asset for the restructuring of the Group.

Shareholders should note that in the event the Loan Facility is not approved by Shareholders, then pursuant to the terms of the Loan Agreement, the Lender will be entitled to call for immediate prepayment of all outstanding loans under the Loan Facility and there will be no obligation on the Lender to provide any further funding under the Loan Facility. In addition, there is no assurance that the Group will be able to obtain alternative funding for the development of CBA on comparable terms or at all, or that any such alternative funding will be obtained in a timely manner to enable the Group to meet the deadline imposed by the Cambodian government for first oil production. In the event the concession rights for CBA is terminated by the Cambodian government as a result of not meeting the first oil deadline, the Group will lose its key asset and is unlikely to be able to continue with its restructuring efforts. In such an event, liquidation may follow.

5. OPINION

In arriving at our opinion, we have taken into account, *inter alia*, the following key considerations which we consider to be pertinent to our assessment of the Loan Facility:

- (a) The rationale for the Loan Facility, as detailed in paragraph 4.1 of this IFA Letter;
- (b) The historical financial performance and position of the Group, as detailed in paragraph 4.2 of this IFA Letter;
- (c) The assessment of the reasonableness of the key terms of the Loan Facility, as detailed in paragraph 4.3 of this IFA Letter; and
- (d) Other relevant considerations, as detailed in paragraph 4.4 of this IFA Letter.

Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that the Loan Facility is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Our opinion is prepared pursuant to Rule 921(4)(a) of the Listing Manual and is addressed to the Independent Directors in connection with their consideration of the Loan Facility and their advice to the minority Shareholders arising thereof. The recommendations made by the Independent Directors to the Shareholders shall remain the responsibility of the Independent Directors.

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors, nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent in each specific case, except for the purposes of the forthcoming EGM to obtain shareholders' approval in respect of the Loan Facility.

This IFA Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully,

For and on behalf of
W Capital Markets Pte. Ltd.

Foo Say Nam
Partner & Head of Advisory

Sheila Ong
Vice President

NOTICE OF EXTRAORDINARY GENERAL MEETING



KRISENERGY LTD.

(Company Registration Number: 231666)
(Incorporated in the Cayman Islands on 5 October 2009)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of KrisEnergy Ltd. (the “**Company**”) will be held by way of electronic means on 29 June 2020 at 9:15 a.m. (or as soon after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9:00 a.m. on the same day and at the same link by way of electronic means) for the purpose of considering and, if thought fit, passing the following Resolution, which is proposed as an Ordinary Resolution.

All capitalised terms used in this notice which are not otherwise defined shall have the same meaning as ascribed to them in the Company’s circular to its Shareholders dated 10 June 2020.

Ordinary Resolution

The Loan Facility as an Interested Person Transaction

That:

- (a) the execution of the loan agreement entered into by, amongst others, KrisEnergy (Cambodia) Ltd and KrisEnergy (Apsara) Company Ltd as borrowers and Kepinvest Singapore Pte. Ltd. as lender dated 30 April 2020 (“**Loan Agreement**”) in relation to the Loan Facility be and is hereby approved, confirmed and ratified;
- (b) the transactions contemplated under the Loan Agreement be and are hereby approved, confirmed and ratified; and
- (c) the Directors or any of them be and are hereby authorised to take such steps, complete and do all such acts, matters and things as they may consider necessary or expedient for the purposes of or in connection with the Loan Facility (including but not limited to amending, finalising, approving and executing all such documents as may be required in connection with the Loan Facility) and exercise such discretion as the Directors or any of them may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters.

By Order of the Board
KrisEnergy Ltd.

Sally Ting / Jennifer Lee
Joint Company Secretaries
Singapore, 10 June 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. **Poll.** All the resolutions proposed at the Extraordinary General Meeting will be voted on by way of a poll.
2. **Alternative Arrangements.**

Please refer to Paragraph 7 of the Circular setting out alternative arrangements relating to, amongst others, attendance, submission of questions in advance and voting by proxy at the EGM. The Circular dated 10 June 2020 may be accessed together with this Notice on SGXNet and the Company's website at the URL www.krisenergy.com.

In particular:

(a) **"Live" Audio-visual webcast and "live" audio-only stream**

Members will be able to (i) watch the proceedings of the EGM through a "live" audio-visual webcast via their mobile phones, tablets or computers; or (ii) listen to these proceedings through a "live" audio-only stream via telephone. In order to do so, Members must pre-register via the URL <https://bit.ly/KRISENERGY-GENERAL-MEETINGS> ("**Registration Website**"), no later than **9:15 a.m. on Friday, 26 June 2020** (the "**Registration Deadline**") for the Company to authenticate his/her/its status as members. Shareholders who have previously pre-registered for the Company's Annual General Meeting (to be held on the same day) do not need to pre-register again for the EGM.

Authenticated members will receive an email containing (1) a unique link to access the "live" audio-visual webcast via Zoom or via their web browser; (2) a webinar ID and password; and (3) a telephone number. In the scenario where the unique link cannot be accessed, shareholders can join the EGM proceedings by entering the webinar ID and password directly in the Zoom platform.

Members who have pre-registered by the Registration Deadline but did not receive the aforementioned email by **9:15 a.m. on Sunday, 28 June 2020** should contact Easy Video via email at kevin@easyvideo.sg.

Shareholders **MUST NOT** forward the unique link, webinar ID or password to other persons. Recording of the "live" audio-visual webcast or "live" audio-only stream in whatever form is also strictly prohibited.

(b) **Prior submission of questions**

Members may submit questions related to the resolutions to be tabled for approval at the EGM. All questions must be submitted no later than **9:15 a.m. on Friday, 26 June 2020** (the "**Submission Deadline**");

- (i) by email to krisenergy@krisenergy.com; or
- (ii) in hard copy by post to the office of the Company's share transfer agent, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902.

The Company will address all substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM, prior to, or at the EGM. To the extent practicable, the Company may address questions prior to the EGM through publication on SGXNet, its corporate website at www.krisenergy.com and/or any virtual information session that the Company may organise.

Please note that as members will not be able to ask questions at the EGM, it is important for members to submit their questions by the Submission Deadline.

The Company shall publish minutes of the EGM on SGXNet and its corporate website at www.krisenergy.com, and the minutes shall include the responses to all substantial and relevant questions from members which are addressed during the EGM, within one month from the date of the EGM.

(c) **Voting by proxy only**

Members **will not** be able to vote online at the EGM. Instead, **if members (whether individuals or corporates) wish to exercise their votes, they must submit a Proxy Form to appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the EGM.**

Members (whether individuals or corporates) appointing the Chairman of the Meeting as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.

The Proxy Form (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be submitted to the Company in the following manner:

- (i) if sent personally or by post, be deposited at the office of the Company's share transfer agent, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii) if submitted by email, be received by M & C Services Private Limited at gpb@mncsingapore.com.

in either case, by no later than **9:15 a.m. on Friday, 26 June 2020, being 72 hours before the time appointed for holding the EGM** (the "Proxy Deadline"), and in default the proxy form shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measure which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including SRS investors) and who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective SRS Approved Banks) to submit their voting instructions by **9.15 a.m. on Wednesday, 17 June 2020** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by the Proxy Deadline.

Submission by a member of a valid instrument appointing the Chairman of the Meeting as proxy, **by the Proxy Deadline** will supersede any previous instrument appointing a proxy(ies) submitted by that member.

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (such as in the case where the appointor submits more than one instrument of proxy).

In the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such member, being the appointor, is not shown to have Shares against his/her name in the Depository Register as at 72 hours before the time appointed for the EGM, as certified by The Central Depository (Pte) Limited to the Company.

3. **Personal Data Privacy.** By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company, or as the case may be, a Depositor (i) consents to the collection, use and disclosure of the member's, or as the case may be, the Depositor's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member, or as the case may be, the Depositor, discloses the personal data of the member's, or as the case may be, the Depositor's, proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member, or as the case may be, the Depositor, has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member, or as the case may be, the Depositor will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's, or as the case may be, the Depositor's breach of warranty.

PROXY FORM

KRISENERGY LTD.

(Company Registration Number: 231666)

(Incorporated in the Cayman Islands on 5 October 2009)

EXTRAORDINARY GENERAL MEETING

IMPORTANT

1. This Extraordinary General Meeting is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Notice of Extraordinary General Meeting and this proxy form have been published on SGXNet and the Company's website at www.krisenergy.com. Printed copies will not be despatched to members.
2. Alternative arrangements relating to, among others, attendance, submission of question in advance and/or voting by proxy at the Extraordinary General Meeting are set out in the Notice of Extraordinary General Meeting and the accompanying Company's announcement dated 10 June 2020 entitled "Instructions to Shareholders for the Extraordinary General Meeting of KrisEnergy Ltd. to be held on 29 June 2020" which has been uploaded together with the Notice of Extraordinary General Meeting on SGXNet on the same day.
3. **Due to the current COVID-19 restriction orders in Singapore, a member will not be allowed to attend the Extraordinary General Meeting in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the Extraordinary General Meeting. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the Extraordinary General Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Extraordinary General Meeting.**
4. This proxy form is not valid for use by investors who hold their shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including SRS Investors) ("**Investors**"). An Investor who wishes to exercise their vote by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective SRS Approved Banks) to submit their voting instructions so that their respective relevant intermediaries may in turn submit their voting instructions by **9:15 a.m. on Wednesday, 17 June 2020**.

SHAREHOLDER PROXY FORM

I/We(Name) _____

(NRIC/Passport/Company Registration No.) _____

of (Address) _____

being a shareholder/shareholders of KrisEnergy Ltd. (the "**Company**") hereby appoint the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be convened and held by way of electronic means on Monday, 29 June 2020 at 9:15 a.m. (or as soon after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9:00 a.m. on the same day and at the same link by electronic means).

(Please indicate with an "X" within the relevant box to vote for or against, or abstain from voting, in respect of the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.)

No	Ordinary Resolutions	For	Against	Abstain
1.	To approve the Loan Facility as an Interested Person Transaction			

Dated this _____ day of June 2020

Total Number of Shares Held:

Signature(s) of Shareholder(s) or Common Seal

IMPORTANT: Please read the notes overleaf before completing this proxy form.

PROXY FORM

Notes:

1. Please insert the total number of shares held by you. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
2. Due to the current COVID-19 restriction orders in Singapore, a shareholder will not be allowed to attend the Extraordinary General Meeting in person. A shareholder will also not be able to vote online on the resolutions to be tabled for approval at the Extraordinary General Meeting. If a shareholder (whether individual or corporate) wishes to exercise his/her/its voting rights at the Extraordinary General Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Extraordinary General Meeting. This proxy form may be accessed at the Company's website at www.krisenergy.com. The Chairman of the Meeting, as proxy, need not be a member of the Company. In appointing the Chairman of the Meeting as proxy, a shareholder (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in this proxy form, failing which the appointment will be treated as invalid.
3. This proxy form appointing the Chairman of the Meeting as proxy (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be submitted to the Company in the following manner:
 - (a) if sent personally or by post, be deposited at the office of the Company's share transfer agent, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or
 - (b) if submitted by email, be received by M & C Services Private Limited at gpb@mncsingapore.com,

in either case, by no later than **9:15 a.m. on 26 June 2020, being 72 hours before the time appointed for holding this Extraordinary General Meeting**, and in default the proxy form shall not be treated as valid.

A shareholder who wishes to submit an instrument of proxy must first download, **complete and sign this proxy form**, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, shareholders are strongly encouraged to submit completed proxy forms electronically via email.

4. This Proxy Form must be signed by the shareholder or his/her/its attorney duly authorised in writing. In the case of joint holders, all joint holders must sign this proxy form. If the shareholder is a corporation, this proxy form must be executed either under seal or under the hand of an officer or attorney duly authorised in writing. Where the proxy form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with this proxy form, failing which the proxy form may be treated as invalid.
5. The Company shall be entitled to reject the proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form. In the case of a member whose Shares are entered against his/her name in the Depository Register, the Company may reject any proxy form appointing the Chairman of the Meeting as proxy lodged if such member, being the appointor, is not shown to have Shares against his/her name in the Depository Register as at 72 hours before the time appointed for holding this Extraordinary General Meeting as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

6. By submitting this proxy form, the shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 10 June 2020.

PROXY FORM

KRISENERGY LTD.

(Company Registration Number: 231666)
(Incorporated in the Cayman Islands on 5 October 2009)

EXTRAORDINARY GENERAL MEETING

DEPOSITOR PROXY FORM

Due to the current COVID-19 restriction orders in Singapore, a Depositor (as defined below) will NOT be able to attend the Extraordinary General Meeting in person. A Depositor (whether individual or corporate) must complete this Depositor Proxy Form to effect the appointment by CDP (as defined below) of the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the AGM in respect of the Depositor(s) Shares.

We, The Central Depository (Pte) Limited of 11 North Buona Vista Drive #06-07 The Metropolis Tower 2 Singapore 138589 (“**CDP**”), being a shareholder of KrisEnergy Ltd. (the “**Company**”), have appointed the person whose name and particulars are set out in Part I below (the “**Depositor(s)**”) (where the Depositor(s) is an individual(s)), in respect of such number of shares (the “**Depositor(s) Shares**”) set out against his/her name in the Depository Register maintained by CDP as at 26 June 2020 as our proxy to vote for us and on our behalf at the Extraordinary General Meeting of the Company to be convened and held by way of electronic means on Monday, 29 June 2020 at 9:15 a.m. (or as soon after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9:00 a.m. on the same day and at the same link by electronic means).

l.

Name of Depositor : _____

Address : _____

OR, in the event the Company receives this Depositor Proxy Form which is:

- (i) duly completed and signed/executed by the Depositor(s); and
- (ii) submitted by the requisite time and date, and to the requisite office as indicated below.


We hereby appoint the Chairman of the Meeting as our proxy to vote in respect of the Depositor(s) Shares, provided that such details have been verified in Part V by the affixing of the seal or signature of or on behalf of the person(s) named in Part I, and on the basis that the Chairman of the Meeting is authorised to vote in respect of all the Depositor(s) Shares. The Chairman of the Meeting is hereby directed to vote for or against the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

We hereby further authorise and direct the Company to accept this Depositor Proxy Form in respect of the Depositor(s) Shares.

II.	No	Ordinary Resolutions	For	Against	Abstain
	1.	To approve the Loan Facility as an Interested Person Transaction			


Dated this 10th day of June 2020.

III The Central Depository (Pte) Limited



Signature of Director

IV. TO BE COMPLETED BY DEPOSITOR(S) IF HE/SHE/IT WISHES TO APPOINT THE CHAIRMAN OF THE MEETING AS PROXY

TO BE COMPLETED BY DIRECTOR(S) IF THE SHAREHOLDER WISHES TO APPOINT THE CHAIRMAN OF THE MEETING AS PROXY		
For Individuals : _____ Signature of Direct Account Holder	For Corporation : <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> _____ Signature of Director </div> <div style="width: 45%;"> _____ Signature of Director/Secretary </div> </div> <div style="text-align: right; margin-top: 20px;">  Common Seal </div>	

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

Part I

1. Due to the current COVID-19 restriction orders in Singapore, a member will not be allowed to attend the Extraordinary General Meeting in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the Extraordinary General Meeting. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the Extraordinary General Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Extraordinary General Meeting. This Depositor Proxy Form may be accessed at the Company's website at www.krisenergy.com. The Chairman of the Meeting, as proxy, need not be a member of the Company. In appointing the Chairman of the Meeting as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in this Depositor Proxy Form, failing which the appointment will be treated as invalid.

Part II

2. Please indicate with an "X" within the relevant box to vote for or against, or abstain from voting, in respect of the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the Meeting as your proxy for that resolution will be treated as invalid.

Part IV

3. This Depositor Proxy Form appointing the Chairman of the Meeting as proxy (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be submitted to the Company in the following manner:

(a) if sent personally or by post, be deposited at the office of the Company's share transfer agent, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902; or

(b) if submitted by email, be received by M & C Services Private Limited at gpb@mncsingapore.com,

in either case, by no later than **9:15 a.m. on 26 June 2020, being 72 hours before the time appointed for holding this Extraordinary General Meeting**, and in default the Depositor Proxy Form shall not be treated as valid.

A member who wishes to submit an instrument of proxy must first download, **complete and sign this Depositor Proxy Form**, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

4. This Depositor Proxy Form must be signed by the Depositor or his/her/its attorney duly authorised in writing. In the case of joint Depositors, all joint Depositors must sign this Depositor Proxy Form. If the Depositor is a corporation, this Depositor Proxy Form must be executed either under seal or under the hand of an officer or attorney duly authorised in writing. Where the Depositor Proxy Form is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with this Depositor Proxy Form, failing which the Depositor Proxy Form may be treated as invalid.

General

5. The Company shall be entitled to reject the Depositor Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Depositor Proxy Form. It is the Depositor(s)' responsibility to ensure that this Depositor Proxy Form is properly completed. In addition, the Company may reject any Depositor Proxy Form appointing the Chairman of the Meeting as proxy lodged if such member, being the appointer, is not shown to have Shares against his/her name in the Depository Register as at 72 hours before the time appointed for holding this Extraordinary General Meeting as certified by The Central Depository (Pte) Limited to the Company. Any decision to reject this Depositor Proxy Form will be final and binding and neither the Company, CDP nor M & C Services Private Limited accepts any responsibility for the consequences of such a decision.

Personal Data Privacy

6. By submitting this Depositor Proxy Form, the Depositor accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 10 June 2020.