

KRISENERGY LTD

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

Unaudited Full-Year 2016 Financial Statements Announcement



23 February 2017

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

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

Interim Chief Executive Officer's Report to Shareholders

To Our Shareholders,

2016 was extremely difficult for the oil and gas industry and KrisEnergy was not immune to the financial pressures felt by many companies in the upstream and related sectors. The rout in oil prices in 2014 and 2015 continued last year when markets witnessed significant fluctuations. Brent crude oil futures, a global benchmark, swung from a low of US\$27.88 a barrel in January 2016 to a 52-week high in December 2016 at US\$56.82 a barrel. The impact of such price pressure has materially and adversely affected the revenue and free cash flow required for us to satisfy our future financial obligations and meet our operational objectives.

The Group achieved a 66.5% increase in net production to 16,136 barrels of oil equivalent per day ("**boepd**") principally as a result of a full year of production from the Wassana and Nong Yao oil fields in the Gulf of Thailand. Accordingly, net revenue rose 137.4% to US\$142.8 million. However, in line with production growth, the cost of sales increased 114.6% to US\$204.9 million which primarily impacted by marked increase in our operating costs and depreciation, depletion and amortisation expenses ("**DD&A**"). Although EBITDAX¹ grew 37.4% to US\$51.1 million for the year, we incurred an unaudited net loss after tax of US\$237.1 million for 2016 which, aside from the increase in cost of sales, was a direct consequence of US\$198.9 million in impairment charges on certain Thai producing assets and write-offs due to the relinquishment of non-core exploration licences. All of our exploration and evaluation assets and oil and gas properties are continually assessed for potential impairment given the prolonged low oil price.

During 2016, we continued with a number of cost reduction and cost management programs including 10-25% across the Group reduction in salaries and director fees, as well as the suspension of employee bonuses. Capital expenditure for the year amounted to US\$65.9 million, one of the lowest capital budgets in the Company's history.

Holistic restructuring

Despite these measures, and in an environment of sustained downward oil price pressure, numerous capital raising and capital restructuring options were considered in order to address prevailing liquidity challenges. In June 2016, our revolving credit facility ("**RCF**") was transferred to DBS Bank Ltd and upsized to US\$148.27 million and in November 2016, DBS Bank made available a US\$50.0 million Bridge Upsize to the Group.

Following the implementation of these short-term liquidity measures, the Board of Directors approved and adopted a comprehensive restructuring plan to ensure, among other things, the longevity of the Group's portfolio of oil and gas assets and protect and preserve stakeholder value. I am pleased to say that in February 2017, we successfully completed the execution of the final public markets' transaction in relation to the restructuring and we raised gross proceeds of approximately S\$139.5 million from a preferential offering of senior secured zero coupon notes with attached warrants. As 2017 gets underway, the Company remains focused on executing the new business plan as set out in the Company's Consent Solicitation Statement dated 17 November 2016.

¹ Earnings before interest, tax, depreciation, amortisation, geological and geophysical expenses and exploration expenses ("**EBITDAX**")

New business plan

Pursuant to the new business plan, we intend to increase our operational focus on development and production activities in the Gulf of Thailand, including Cambodia. The Gulf of Thailand is an area of particular expertise for the Group and we operate three concessions containing near-term oil developments, thereby giving us control in terms of timing, development concept and allocation of capital.

Specifically, we intend to concentrate on the further development of the G10/48 Wassana oil field, and development of G6/48 and Cambodia Block A oil fields, all of which are operated by KrisEnergy, and all of which have multiple low-risk development opportunities with significant exploration upside. These developments will be core to our strategy in order to generate free cash flow from operations and provide for the repayment of our debt obligations beginning in 2022.

Under the new business plan, we will seek to rationalise the Group's existing asset portfolio. We operate two major development areas - G10/48 (which is also a producing block) and Cambodia Block A - where we hold in excess of 85.0% working interest in each concession. In line with appropriate risk management and prudent oil field practice, a farm-out or sales process to reduce our working interest in G10/48 and Cambodia Block A is appropriate, subject to obtaining a fair price for such farm-out or sales transaction.

This process of rationalisation has already begun. On 9 November 2016, we signed a farm-out agreement to transfer 26.6666% working interest in Block A Aceh to PT Medco E&P Melaka, the operator of the block. This transaction is in line with the new business plan to reduce exposure where the Company has a high working interest in order to mitigate risk and reduce capital expenditure commitments. In addition, we have elected to relinquish Block 105-110/04 ("**Block 105**") in Vietnam and the Kutai and East Muriah production sharing contracts ("**PSCs**") in Indonesia thereby reducing potential future high-risk exploration obligations that these assets would require.

Any net cash proceeds from the portfolio rationalisation process are intended to be applied to capital expenditure in the Gulf of Thailand.

Finally, I would like to thank all stakeholders for their support in 2016 and for the financial restructuring. Despite continuing uncertainty in the global markets, I believe our plan forward will provide an excellent opportunity to create future value.

For and on behalf of the Board of Directors

Jeffrey S. MacDonald,
Executive Director &
Interim Chief Executive Officer
23 February 2017

Financial and Operations Update

*KrisEnergy Ltd. is an independent upstream oil and gas company focused on the appraisal, development and production of oil and gas in Asia. As at the date of this announcement, we hold working interests in a diverse portfolio of 16 contract areas in Asia, 10 of which we operate, balancing cash flow from oil and gas production with significant development potential and exploration upside. Today, we present unaudited financial statements reflecting our financial and operating results for the year ended 31 December 2016 (the “**Results**” or “**FY2016**”). References made to the Company pertain to KrisEnergy Ltd. and references made to the Group pertain to the Company and its subsidiaries.*

	For the year ended 31 December		
	2016	2015	% Change
	(US\$ thousands, except where otherwise indicated)		
Financial			
Sale of crude oil & liquids	121,589.3	40,680.3	198.9
Sale of gas	21,242.0	19,490.9	9.0
Revenue	142,831.3	60,171.2	137.4
EBITDAX^(1,2)	51,059.1	37,151.5	37.4
Cash and bank balances	45,792.3	29,351.6	56.0
Operations⁽²⁾			
Production volumes (boepd) ⁽³⁾	16,136	9,692	66.5
Average sales price ⁽³⁾			
• Oil and liquids (US\$/bbl)	30.99	40.18	(22.9)
• Gas – B8/32 & B9A (US\$/mcf)	3.60	4.45	(19.1)
• Gas – Block 9 (US\$/mcf)	2.32	2.32	-
Average lifting costs (US\$/boe) ^(3,4)	13.85	8.63	60.6

Notes:

The financial statements for the year ended 31 December 2015 are audited, while the financial statements for the year ended 31 December 2016 are unaudited as at the date of this announcement.

- (1) EBITDAX is a non-IFRS measure and is defined as earnings before interest, taxation, depreciation, amortisation, geological and geophysical expenses and exploration expenses.
- (2) Non-IFRS measure
- (3) Adjusted for KrisEnergy’s 89.0% working interest in G10/48
- (4) Based on IFRS operating cost

Full-Year 2016 Financial Update

The upstream oil and gas industry continued to endure one of the most challenging cyclical downturns in decades. Turmoil in the financial markets and severe downward pressure on crude oil prices created instability and uncertainty throughout the oil and gas industry. In response to the adverse macro conditions, the Company implemented necessary operational and financial strategies with a primary focus on improving production efficiencies, cost and capital expenditure reductions as well as a restructuring of the balance sheet.

- Group working interest production in FY2016 averaged 16,136 barrels of oil equivalent per day (“**boepd**”), an increase of 66.5% compared with the 2015 period (FY2015: 9,692 boepd) due to higher production at the B8/32 & B9A oil and gas complex in the Gulf of Thailand and a full year of production at the Wassana and Nong Yao oil fields, which came on stream in August 2015 and June 2015, respectively.
- Revenue in FY2016 more than doubled to US\$142.8 million (FY2015: US\$60.2 million) due to an increase in crude oil sales from the Nong Yao and Wassana fields, and higher gas sales from Bangora field in Bangladesh and the B8/32 & B9A complex in the Gulf of Thailand, despite lower average realised sales prices.
- The average realised price for crude oil and liquids sales decreased 22.9% to US\$30.99 per barrel (“**bbl**”) from a year ago (FY2015: US\$40.18/bbl). In the fourth quarter alone, the average realised oil and liquids price was US\$39.07/bbl, but was 9.7% higher than the preceding quarter (3Q2016: US\$35.61/bbl). The reduction in the average crude oil selling price reflected movements in global benchmark markets, which also affected the average realised gas price achieved at the B8/32 & B9A complex. The average realised gas price for B8/32 & B9A was US\$3.60 per thousand cubic feet (“**mcf**”) in FY2016, 19.1% lower than a year ago (FY2015: US\$4.45/mcf).
- Operating costs increased to US\$81.8 million in FY2016 (FY2015: US\$30.5 million) in line with full-year revenues from the Nong Yao and Wassana oil fields. Average lifting cost for FY2016 was US\$13.85 per barrel of oil equivalent (“**boe**”), a 60.6% increase from the previous year (FY2015: US\$8.63/boe), due to higher contribution of production and operating costs from the Nong Yao and Wassana fields.
- Depreciation, depletion and amortisation (“**DD&A**”) charges increased to US\$104.5 million in FY2016 (FY2015: US\$42.4 million) as a result of higher production compared to the 2015 period. DD&A charges are necessarily incurred from the commencement of production where fixed facilities are depreciated, certified reserves are depleted as a result of production and accumulated costs from our oil & gas properties are amortised over the expected total production using a units of production basis. On a per unit of production basis, DD&A charge in FY2016 was US\$17.69/boe, 47.6% higher than a year ago (FY2015: US\$11.98/boe).
- Corporate general and administrative expenses decreased 25.4% to US\$9.0 million (FY2015: US\$12.1 million), mainly attributable to the Group’s continued efforts to cut

costs through a combination of reductions in director's fees, headcount across the Group, and the removal of bonuses and employee benefits.

- EBITDAX increased 37.4% to US\$51.1 million (FY2015: US\$37.2 million) in line with higher revenue and lower corporate general and administrative expenses.
- Due primarily to the restructuring exercises undertaken in 2016, finance costs increased 70.8% to US\$33.3 million (FY2015: US\$19.5 million) due to financial advisory and legal fees, increased interest costs associated with higher committed sources of funds from the RCF, as well as arrangement fees paid to DBS Bank as a result of the transfer of the RCF.
- Non-cash charges for impairments on producing assets, write-offs related to relinquished contract areas and DD&A, in aggregate amounting to US\$303.4 million, together with higher financial costs, resulted in a net loss after tax of US\$237.1 million, compared with a net loss after tax of US\$48.6 million in FY2015. In line with the Group's accounting procedure to test assets for impairment annually, the 2016 evaluation resulted in impairments of US\$121.0 million (FY2015: US\$69.9 million) relating to Thai producing assets as well as write-offs on exploration assets in Indonesia (US\$29.2 million) and Vietnam (US\$48.7 million) as a result of relinquishments of the East Muriah and Kutai PSCs, and Block 105, respectively. The impairment expense was necessary as our exploration & evaluation assets and oil & gas properties will be continually subjected to impairment testing in a low oil price environment. We elected to relinquish Block 105 and the Kutai and East Muriah PSCs as we made the strategic decision to reduce potential future high risk exploration obligations that these assets would require. The Group's unaudited net loss was partially mitigated by other income amounting to US\$100.2 million which was primarily driven by gains recognised during FY2016 for the transfer of working interests in relation to Cambodia Block A amounting to US\$81.0 million.

Group Capital Management

- On 3 November 2016, the Company announced its proposed restructuring plan which included (i) a consent solicitation exercise in connection to the S\$500 million multi-currency Medium Term Note Program ("**MTN Program**") to exchange the S\$130 million fixed-rate notes due 2017 ("**2017 Notes**") and the S\$200 million fixed-rate notes due 2018 ("**2018 Notes**") for the senior unsecured notes due 2022 ("**2022 Notes**") and 2023 ("**2023 Notes**"), respectively ("**Consent Solicitation Exercise**"); (ii) a non-renounceable non-underwritten preferential offering (the "**Preferential Offering**") of up to S\$140.0 million in principal amount of senior secured zero coupon notes due 2024 ("**Zero Coupon Notes**") with free detachable warrants (the "**Warrants**") to its shareholders; (iii) a restructuring of the Company's RCF to (a) extend the maturity; (b) provide a Bridge upside for up to six months ("**Bridge Upsize**"); (c) remove financial covenants; and (iv) restructuring of the currency swaps in respect to the 2017 Notes and 2018 Notes with Standard Chartered Bank and The Hongkong and Shanghai Banking Corporation, respectively. For further information, please refer to the announcement *KrisEnergy announces proposed financial restructuring* dated 3 November 2016.

- On 17 November 2016, the Company officially launched the Consent Solicitation Exercise. The Company received the requisite number of votes in favour from noteholders of the 2017 Notes and 2018 Notes by the earlybird consent date and the resolutions were subsequently passed during the extraordinary general meetings held on 9 December 2016. On 11 January 2017, the 2017 Notes and 2018 Notes were exchanged for the 2022 Notes and 2023 Notes. For further information, please refer to the announcements *Commencement of Consent Solicitation Exercise by KrisEnergy Ltd (the "Company") in connection with the Notes issued by the Company pursuant to its S\$500,000,000 Multicurrency Medium Term Note Program ("MTN Program")* dated 17 November 2016, *Consent Solicitation Exercise by KrisEnergy Ltd in connection with the Notes issued by the Company pursuant to the S\$500,000,000 Multicurrency Medium Term Note Program – Results of Meetings* dated 9 December 2016 and *Consent Solicitation Exercise by KrisEnergy Ltd in connection with the Notes issued by the Company pursuant to the S\$500,000,000 Multicurrency Medium Term Note Program – Transaction Conditions* dated 27 December 2016.
- On 12 December 2016, the Company despatched a circular to seek approval from its existing shareholders for the Preferential Offering Resolution and Whitewash Resolution (as defined in the relevant announcements). At an extraordinary general meeting held on 27 December 2016, the shareholders voted in favour of the Preferential Offering. For further information, please refer to the announcements *Despatch of Circular and Notice of Extraordinary General Meeting for the Preferential Offering* dated 12 December 2016, *Results of Extraordinary General Meeting for the Preferential Offering* dated 27 December 2016.
- On 6 January 2017, the Company officially launched the Preferential Offering. Pursuant to the irrevocable undertaking given by Keppel Oil & Gas Pte Ltd, the Preferential Offering was fully subscribed. On 2 February 2017, the Company issued S\$139.5 million in principal amount of Zero-Coupon Notes and 1,255,183,632 Warrants. For further information, please refer to the announcements *Proposed Non-Renounceable Non-Underwritten Preferential Offering (the "Preferential Offering") – Issue and Despatch of the Offering Memorandum and Timetable of Key Events* dated 6 January 2017, *Non-Renounceable Non-Underwritten Preferential Offering of Notes with Warrants – Results of Preferential Offering* dated 18 January 2017 and *Non-Renounceable Non-Underwritten Preferential Offering of Notes with Warrants – Issue and Listing of Notes and Warrants* dated 1 February 2017.
- As at 31 December 2016, the total amount drawn on the RCF was US\$148.27 million and the total amount drawn under the Bridge Upsize was US\$40.0 million. Unused sources of liquidity amounted to US\$47.5 million. The Bridge Upsize was repaid out of the proceeds of the Preferential Offering and the Group has extended the tenor of the RCF to 30 June 2018.

Full-Year 2016 Operational Update

The Group achieved zero loss time injuries at its operated producing assets, namely the Wassana field in G10/48 in the Gulf of Thailand and development drilling and operations at the Bangora field in Block 9, onshore Bangladesh. For the 12 months ended 31 December 2016, Group working interest production was in aggregate 16,136 boepd, 66.5% higher than in 2015.

Working interest proved plus probable (“2P”) reserves were estimated by Netherland, Sewell & Associates, Inc. (“NSAI”) at 96.6 million barrels of oil equivalent (“mmboe”) as at 31 December 2016 versus 105.9 mmboe as at 31 December 2015. The decline is associated with lower oil price forecasts impacting the Wassana and Nong Yao oil fields as well as a downward adjustment for the Wassana field due to production and performance. For a breakdown by asset of 2P reserves and best estimate contingent (“2C”) resources as estimated by NSAI, see section entitled *Reserves and Contingent Resources Summary* of these Results.

Production and Development

- Average gross production at the KrisEnergy-operated Wassana oil field in G10/48 was 7,472 barrels of oil per day (“bopd”) in FY2016, approximately 25.0% below earlier estimates. Average working interest share of production was 6,650 bopd. The field peaked at a rate slightly above 12,800 bopd in the first quarter of 2016 but mechanical issues at five wells and declining well productivity in the second and third quarters reduced overall production for the year. Remedial work such as well perforation and the replacement of pumps has resulted in a steadying of production in the first weeks of 2017 at approximately 5,500 bopd.
- Average gross production in the non-operated Nong Yao oil field in G11/48 was 9,486 bopd in FY2016. Average working interest share of production was 2,134 bopd. Four infill wells were completed in mid-September 2016. The Nong Yao C-1 exploration well reached total measured depth (“MD”) at 5,003 feet (1,525 metres MD), or -4,277 feet total vertical depth subsea (“TVDSS”), and was plugged as a sub-commercial oil discovery.
- In FY2016, 16 development wells were drilled in the B8/32 & B9A oil and gas producing complex, bringing the total number of producing wells as at 31 December 2016 to 265 with 34 platforms in operation. An increase in wireline zonal recompletions boosted output from the fourth quarter of 2015 and throughout 2016: oil production exceeded 31,000 bopd in July 2016 and gas production increased to peak in September 2016 at a little over 149 million cubic feet per day (“mmcfd”). Gross oil production on average for 2016 was 27,551 bopd and gross gas production averaged 145.2 mmcfd, or together, the equivalent of an annual average of 51,755 boepd, the highest rate since 2012. Average working interest share of production was 2,399 boepd. The 10-year extension of the B8/32 & B9A licences to 2030 was approved and signed on 16 January 2017 and is pending ministerial approval.
- Average gross production at the Bangora gas field in Block 9, onshore Bangladesh, was 97.4 mmcfd and 282 barrels of condensate per day. Average working interest share of production was 4,953 boepd. The field underwent a two-day maintenance

stoppage in September 2016. The Bangora-6 development well commenced drilling late in the third quarter of 2016 and was completed and put into production in January 2017. Bangora-6 was drilled by the *Bapex Bijoy 10* rig to a total depth of 3,771 metres MD, or -3,092 metres TVDSS. The well is producing at approximately 11 mmcf/d with total Bangora field production constrained at 102 mmcf/d by compressor capacity.

- The Block A Aceh joint-venture partners unanimously approved the final investment decision for the gas development on 26 July 2016. This follows the award of the first and second engineering procurement and construction for the flowlines, trunklines and pipelines in March and July, respectively. Construction is underway and negotiations regarding project financing for the development continue.

Portfolio management

- Application to relinquish has been submitted for the East Muriah PSC in the East Java Sea, which expired on 12 November 2016.
- The Group entered into a farm-out agreement with PT Medco E&P Melaka ("**Medco**") on 9 November 2016 whereby, upon receipt of approvals from the Government of Indonesia and the Government of Aceh which remain pending as at the date of these Results, the Group's working interest in Block A Aceh will decrease from 41.6666% to 15.0%.
- On 7 October 2016, the Cambodian authorities approved the transfer of 28.5% and 14.25% working interest in Cambodia Block A from Mitsui Oil Exploration Co. Ltd and GS Energy Corporation, respectively, to KrisEnergy. As of completion, KrisEnergy's working interest in Cambodia Block A increased from 52.25% to 95.0% which resulted in a crystallised gain of US\$81.0 million being recognised in our profit and loss statement in line with our Group accounting policies.

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

Capital Expenditure

Pursuant to our *Unaudited Second Quarter and Six Months ended 30 June 2016 Financial Statements Announcement* dated 14 August 2016, the Group's estimated planned capital expenditure for FY2016 was US\$83.0 million. In FY2016, the Group spent US\$65.9 million, the variance is due to a reduction in KrisEnergy's working interest in Block A Aceh to 15.0% from 41.6666%, which resulted in lower capital expenditure from the Block A Aceh development project. In FY2016, the Group's capital expenditure was primarily spent on:

- Expenditure relating to development activities at the Wassana field in G10/48;
- Exploration and development drilling at the Nong Yao field in G11/48;
- Development drilling in the Bangora field in the Block 9 PSC; and
- Expenditure relating to the development of the Block A Aceh PSC.

Planned capital expenditure for FY2017 is derived from our approved work program and budget, our minimum future exploration commitments pursuant to the petroleum licences in which our Group is a party to, as well as management estimates. The following table sets out our planned capital expenditure for FY2017.

	For the year ending 31 December 2017
	<i>(US\$ thousands)</i>
Assets in production ⁽¹⁾	29,837
Assets under Development ⁽²⁾	79,719
Exploration Assets ⁽³⁾	9,223
Other capital expenditure ⁽⁴⁾	9,737
Total capital expenditure	121,516

Notes:

- (1) Expenditure for assets in production, which includes G10/48, G11/48 and Block 9
- (2) Expenditure for assets under development, which includes Block A Aceh and Cambodia Block A
- (3) Expenditure for exploration assets, which includes Block 120
- (4) Expenditure in connection with marine-related assets

Going forward, the Group intends to fund planned capital expenditure through a combination of proceeds from the Preferential Offering, free cash flow from operations, the RCF and, proceeds from select farm-out and asset divestment transactions as described in the Consent Solicitation Statement dated 17 November 2016.

Actual capital expenditure may differ significantly from the amounts set out above due to various factors, including but not limited to, future cash flows, results of operations and financial condition, changes in the local economies in Bangladesh, Cambodia, Indonesia, Singapore, Thailand and Vietnam, in which the Group has a business presence, the availability of financing on terms acceptable to us, matters relating to possible construction/development delays, defects or cost overruns, delays in obtaining or receipt of governmental approval, acceleration or delays in our exploration and development programs, changes in the legislative and regulatory environment, and other factors that are beyond our control.

Reserves and Contingent Resources Summary as estimated by NSAI as at 31 December 2016

Reserves		1P Reserves		2P Reserves			3P Reserves			Remarks
Oil	Gross	Working Interest		Gross	Working Interest		Gross	Working Interest		
	(mmbbl) ¹	(mmbbl)	Change from previous update (%)	(mmbbl)	(mmbbl)	Change from previous update (%)	(mmbbl)	(mmbbl)	Change from previous update (%)	
Bangladesh										
Block 9	0.57	0.17	(6)	0.93	0.28	(2)	1.09	0.33	(4)	
Indonesia										
Block A Aceh	4.14	1.72	100	5.20	2.17	(2)	6.44	2.68	(1)	
Thailand										
B8/32 & B9A	14.62	0.68	(35)	95.74	4.44	(16)	116.52	5.40	(15)	
G6/48	-	-	-	11.70	3.51	-	15.80	4.74	-	
G10/48	-	-	(100)	12.23	10.88	(35)	16.45	14.64	(38)	
G11/48	4.68	1.05	(41)	6.72	1.51	(32)	8.97	2.02	(25)	
Gas	(bcf) ²	(bcf)	Change from previous update (%)	(bcf)	(bcf)	Change from previous update (%)	(bcf)	(bcf)	Change from previous update (%)	Remarks
Bangladesh										
Block 9	196.18	58.85	(6)	371.12	111.34	(1)	433.84	130.15	(2)	
Indonesia										
Block A Aceh	343.47	143.11	100	370.86	154.53	(3)	373.13	155.47	(1)	
Bulu PSC	-	-	-	358.55	152.38	0	413.28	178.33	0	
Thailand										
B8/32 & B9A	75.36	3.49	(43)	535.73	24.83	(20)	675.64	31.31	(18)	

Our 2P annual reserves replacement as at 31 December 2016 was -57% compared to 1,088% as at 31 December 2015.

¹ mmbbl refers to millions of barrels

² bcf refers to billions of cubic feet

Oil										
1C Resources				2C Resources			3C Resources			Remarks
Gross	Working Interest		Gross	Working Interest		Gross	Working Interest			
		Change from previous update (%)			Change from previous update (%)			Change from previous update (%)		
Oil	(mmbbl)	(mmbbl)	(mmbbl)	(mmbbl)	(mmbbl)	(mmbbl)	(mmbbl)	(mmbbl)	(mmbbl)	
Bangladesh										
Block 9	0.02	0.01	-	0.11	0.03	-	0.54	0.16	-	
Cambodia										
Block A	0.91	0.86	82	10.28	9.76	82	18.08	17.18	82	Increase in working interest following transfer from MOECO and GS Energy
Indonesia										
Block A Aceh	0.37	0.15	79	0.94	0.39	11	2.50	1.04	4	
Kutai PSC	-	-	-	0.09	0.05	-	0.15	0.08	-	The PSC expired on 15 January 2017.
Thailand										
G10/48	3.16	2.81	133	5.04	4.48	101	8.55	7.61	68	
G11/48	1.10	0.25	(84)	1.65	0.37	(62)	22.25	5.01	(55)	
Gas										
1C Resources				2C Resources			3C Resources			Remarks
Gross	Working Interest		Gross	Working Interest		Gross	Working Interest			
		Change from previous update (%)			Change from previous update (%)			Change from previous update (%)		
Gas	(bcf)	(bcf)	(bcf)	(bcf)	(bcf)	(bcf)	(bcf)	(bcf)	(bcf)	
Bangladesh										
Block 9	6.08	1.82	-	27.68	8.30	-	128.95	38.69	-	
Indonesia										
Block A Aceh	766.73	319.47	3	1,087.37	453.07	2	1,594.19	664.25	2	
Kutai	-	-	-	75.70	41.33	-	117.45	64.13	-	The PSC expired on 15 January 2017.
Sakti	37.24	35.37	100.0	221.52	210.45	100.0	425.36	404.10	100.0	
Bala-Balakang	-	-	-	110.51	93.93	-	155.81	132.44	-	
Thailand										
G6/48	11.48	3.44	-	13.24	3.97	-	15.37	4.61	-	
G11/48	4.92	1.11	-	14.84	3.34	-	26.08	5.87	-	

Source: All figures estimated by NSAI

Name of Qualified Person: NSAI

Date: 31 December 2016

Professional Society Affiliation/Membership: NSAI: Texas Board of Professional Engineers Registration No. F-2699 / Mr. Scott Frost: Licensed Professional Engineer in the States of Texas (No. 88738) and Society of Petroleum Engineers / Mr. Allen Evans: Licensed Professional Geoscientist in the State of Texas, Geology (No. 1286) and American Association of Petroleum Geologists

Financial Statements Announcement

Full Year ended 31 December 2016

Figures for the year ended 31 December 2016 have not been audited.

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

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

	For the year ended 31 December	
	2016 (unaudited)	2015 (audited)
	(US\$ thousands)	
Sales of crude oil	121,589.3	40,680.3
Sales of gas	21,242.0	19,490.9
Revenue	142,831.3	60,171.2
Cost of sales:		
Operating costs	(81,823.8)	(30,518.6)
Thai petroleum special remuneratory benefits and royalties paid	(11,508.0)	(4,928.9)
Write down of inventories	(7,080.8)	(17,657.7)
Depreciation, depletion and amortisation	(104,480.3)	(42,389.3)
Gross loss	(62,061.6)	(35,323.3)
Other income	100,159.1	110,777.9
General and administrative expenses	(38,570.5)	(33,697.0)
Other operating expenses	(201,168.3)	(67,871.4)
Finance income	273.3	289.8
Finance costs	(33,276.1)	(19,458.1)
Loss before tax	(234,644.1)	(45,282.1)
Tax expense	(2,444.7)	(3,291.7)
Loss after tax for the year	(237,088.8)	(48,573.8)
Attributable to:		
Owners of the Group	(235,305.7)	(41,675.8)
Non-controlling interests	(1,783.1)	(6,898.0)
Loss after tax for the year	(237,088.8)	(48,573.8)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	(149.7)	(233.0)
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit obligations	135.3	303.1
Total comprehensive loss for the year	(237,103.2)	(48,503.7)
Attributable to:		
Owners of the Group	(235,320.1)	(41,605.7)
Non-controlling interests	(1,783.1)	(6,898.0)
Total comprehensive loss for the year	(237,103.2)	(48,503.7)
Loss per share attributable to owners of the Company (cents per share)		

Basic	(15.7)	(3.4)
Diluted	(15.7)	(3.4)

Extraordinary items

There were no extraordinary items during the period.

EBITDAX Computation

	For the year ended 31 December	
	2016	2015
	(unaudited)	
	(US\$ thousands)	
Adjusted loss before tax	(234,644.1)	(45,282.1)
Add:		
Finance costs	33,276.1	19,458.1
Depreciation, depletion and amortisation	105,098.9	43,197.0
Excess of fair value of net assets acquired over consideration paid	-	(42,993.4)
Impairment losses	199,145.8	69,878.6
Net fair value (gain)/loss on financial instruments	1,549.9	(2,151.7)
Write down of inventories	7,080.8	17,657.7
EBITDA	111,507.4	59,764.2
Geological and geophysical expense	20,085.0	11,311.7
Gain on transfer of working interests	(81,005.8)	(34,100.3)
Exploration expense	472.5	175.9
EBITDAX	51,059.1	37,151.5

EBITDAX and EBITDA are supplemental measures of our performance that are not required by, or presented in accordance with IFRS. EBITDAX and EBITDA are not measurements of financial performance or liquidity under IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with IFRS or as an alternative to cash flow from operating activities as a measure of liquidity. Adjusted profit/loss before tax deducts SRB taxes from the calculation of EBITDAX and EBITDA. In addition, EBITDAX and EBITDA are not standardised terms, hence, a direct comparison between companies using such terms may not be possible.

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

	The Group		The Company	
	As at 31 December 2016 (unaudited)	As at 31 December 2015 (audited)	As at 31 December 2016 (unaudited)	As at 31 December 2015 (audited)
	(US\$ thousands)			
ASSETS				
Non-current assets				
Exploration and evaluation assets	507,419.2	447,405.0	-	-
Oil and gas properties	207,418.6	415,068.1	-	-
Other property, plant and equipment	11,018.5	11,219.6	-	-
Intangible assets	8,444.9	33,183.0	-	-
Other investment	-	216.0	-	-

Investment in subsidiaries	-	-	335,047.5	333,298.4
Other receivables	11,966.3	-	887,546.4	884,507.2
	746,267.5	907,091.7	1,222,593.9	1,217,805.6
Current assets				
Inventories	26,802.4	28,272.4	-	-
Trade and other receivables	64,283.4	66,226.3	-	-
Prepayments	1,584.3	2,507.5	149.8	151.5
Other current assets	1,919.7	-	1,919.7	-
Cash and bank balances	45,792.3	29,351.6	4,986.9	433.3
	140,382.1	126,357.8	7,056.4	584.8
Total Assets	886,649.6	1,033,449.5	1,229,650.3	1,218,390.4
EQUITY AND LIABILITIES				
Equity				
Ordinary shares	1,874.5	1,867.6	1,874.5	1,867.6
Share premium	729,529.1	727,245.1	729,529.1	727,245.1
Other reserves	(9,516.1)	1,494.9	1,011.8	1,676.9
Accumulated losses	(463,694.1)	(228,523.7)	(43,811.0)	(21,433.8)
	258,193.4	502,083.9	688,604.4	709,355.8
Non-controlling interests	-	(6,833.8)	-	-
Total Equity	258,193.4	495,250.1	688,604.4	709,355.8
Non-current liabilities				
Employee benefit liability	1,410.8	1,888.8	-	-
Loans and borrowings	287,911.7	304,571.9	139,641.7	229,571.9
Deferred tax liabilities	38,404.5	40,959.9	-	-
Provisions	50,406.9	48,472.9	-	-
Other payables	-	34,843.3	269,397.2	239,785.9
	378,133.9	430,736.8	409,038.9	469,357.8
Current liabilities				
Trade and other payables	50,987.1	31,911.9	1,189.2	3,349.3
Accrued operating expenses	27,952.1	38,015.4	3,792.6	782.5
Loans and borrowings	129,051.1	-	89,051.1	-
Derivative liabilities	37,974.1	35,545.0	37,974.1	35,545.0
Withholding tax payable	1,044.0	734.9	-	-
Tax payable	3,313.9	1,255.4	-	-
	250,322.3	107,462.6	132,007.0	39,676.8
Total Liabilities	628,456.2	538,199.4	541,045.9	509,034.6
Total Equity And Liabilities	886,649.6	1,033,449.5	1,229,650.3	1,218,390.4

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

Amount repayable in one year or less, or on demand

As at 31 December 2016		As at 31 December 2015	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
40,000.0	-	-	13,967.40

Amount repayable after one year

As at 31 December 2016		As at 31 December 2015	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
148,270.0	231,189.6 ⁽¹⁾	75,000.0	250,825.0

Note:

(1) Relates to 2022 Notes and 2023 Notes. As part of its restructuring process, the Company exchanged the 2017 Notes and 2018 Notes for the 2022 Notes and 2023 Notes, respectively, on 11 January 2017. For further information, see above section Group Capital Management.

Details of any collateral

As at 31 December 2016, certain subsidiaries of the Company have assets pledged under the RCF. The RCF was transferred to a single lender, DBS Bank Ltd, on 30 June 2016 and upsized from US\$108.27 million to US\$148.27 million on 11 July 2016. On 3 November 2016, certain terms and covenants of the RCF were amended, including an extension of the maturity date to 30 June 2018 and a Bridge Upsize of US\$50.0 million for up to six months.

Further, pursuant to the Preferential Offering, Zero Coupon Notes to existing shareholders. The Zero Coupon Notes have a first ranking security interest over the shares and certain accounts of SJ Production Barge Ltd., a wholly-owned subsidiary of the Company, and a junior ranking security interest over the assets secured or to be secured from time to time under the RCF.

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

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

	The Group	
	For the year ended 31 December	
	2016	2015
	(unaudited)	(audited)
	(US\$ thousands)	
Operating activities:		
Loss before tax	(234,644.1)	(45,282.1)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation, depletion and amortisation	104,480.3	42,389.3
Depreciation of other property, plant and equipment	618.6	807.7
Decommissioning provisions	249.2	8,951.5
Employee retirement benefits	(342.8)	708.3
Equity-settled transactions with employees	1,625.9	2,531.8
Excess of fair value of net assets acquired over consideration paid	-	(42,993.4)
Gain on disposal of assets	-	(24,558.7)
Gain on sale of subsidiary	(10,607.1)	-
Impairment loss on exploration and evaluation assets	77,855.6	584.3
Impairment loss on intangible assets	24,547.9	58,177.8
Impairment loss on oil and gas properties	96,526.3	11,116.5
Impairment loss on investment securities	216.0	-

Loss on disposal of property, plant and equipment	44.5	1.1
Net fair value loss/(gain) on financial instruments	1,549.9	(2,151.7)
Finance cost	30,954.8	18,538.9
Unwinding of discount on decommissioning provisions	2,321.3	919.2
Interest income	(273.3)	(289.8)
Operating cash flows before changes in working capital	95,123.0	29,450.7
Decrease/(increase) in inventories	100.9	(3,465.7)
Increase in other current assets	(1,919.7)	-
Increase in trade and other receivables	(18,684.2)	(664.8)
Increase in trade and other payables	18,586.8	37,162.4
Cash flows from operations	93,206.8	62,482.6
Interest received	273.3	289.8
Interest paid	(13,748.8)	(4,998.0)
Taxes paid	(3,031.9)	(6,474.0)
Net cash flows from operating activities	76,699.4	51,300.4
Investing activities:		
Additions to exploration and evaluation assets	(137,869.8)	(104,342.7)
Additions to oil and gas properties	(20,605.5)	(193,346.1)
Acquisition of subsidiaries, net of cash acquired	-	(50,456.5)
Expenditure on assets refurbishment	(416.9)	(21,370.2)
Proceeds from disposal of assets	-	110,000.0
Proceeds from disposal of other property, plant and equipment	2.0	-
Proceeds from sale of shares in subsidiary	-	20,111.8
Proceeds from sale of subsidiary	821.6	-
Purchase of other plant, property and equipment	(14.6)	(5,833.1)
Net cash flows used in investing activities	(158,083.2)	(245,236.8)
Financing activities:		
Proceeds from issuance of shares	-	124,775.6
Share issuance expense	-	(3,660.5)
Proceeds from bank borrowings	113,270.0	189,000.0
Repayment of bank borrowings	-	(124,000.0)
Payment of bonds interest	(15,288.2)	(13,962.6)
Increase in short-term deposits	(8,270.0)	-
Decrease in cash collateralised	1,500.0	2,258.8
Net cash flows from financing activities	91,211.8	174,411.3
Net increase/(decrease) in cash and cash equivalents	9,828.0	(19,525.1)
Cash and cash equivalents at beginning of the period	27,851.6	47,575.3
Net effect of exchange rate changes	(157.3)	(198.6)
Cash and cash equivalents at end of the period	37,522.3	27,851.6

As at 31 December 2016, aggregate cash and cash equivalents were US\$37.5 million compared with US\$27.9 million as at 31 December 2015 and unused sources of liquidity as at 31 December 2016 amounted to US\$47.5 million.

Net Cash Flow from Operating Activities

In FY2016, operations generated positive net cash flow of US\$76.7 million, a 49.5% increase compared with US\$51.3 million in FY2015. The FY2016 unaudited net loss of US\$237.1 million was primarily incurred as a result of net non-cash items amounting to US\$222.4 million, which related to (i) DD&A of US\$104.5 million, impairment charges of US\$121.0 million, write-off charges of US\$77.9 million and inventory write-downs of US\$7.0 million; and (ii) gain of US\$10.6 million recognised on the sale of subsidiary, which held an 11.0% working interest in the G10/48 concession.

Net Cash Flow used in Investing Activities

In FY2016, net cash flow used in investing activities amounted to US\$158.1 million compared with US\$245.2 million in FY2015. Material movements in capital expenditure in FY2016 include (i) development activities in Block A Aceh amounting to US\$45.5 million; (ii) transfer of working interest expenditure for Cambodia Block A of US\$81.0 million; (iii) development drilling expenditure in G11/48 amounting to US\$4.7 million; and (iv) expenditure relating to seismic acquisition and development wells workover in G10/48 amounting to US\$7.3 million.

Net Cash Flow from Financing Activities

In FY2016, net cash flow from financing activities amounted to US\$91.2 million compared with US\$174.4 million in FY2015. During FY2016, US\$113.3 million was drawn from the RCF, and the Company made coupon payments amounting to US\$15.3 million in relation to the 2017 and 2018 Notes. The Group issued bank guarantees of US\$8.3 million for the G10/48 concession while US\$1.5 million was released following the fulfilment of work commitments on the Sakti PSC.

Borrowings

As at 31 December 2016, the total amount drawn from the RCF was US\$148.27 million and the total amount drawn under the Bridge Upsize was US\$40.0 million. Unused sources of liquidity (comprising cash and cash equivalents) amounted to US\$47.5 million.

An aggregate S\$330.0 million was issued in 2014 under the S\$500.0 million MTN Program. The 2017 Notes and 2018 Notes were issued with a fixed-rate coupon, payable semi-annually in arrears, of 6.25% and 5.75%, respectively. As at 31 December 2016, the book value of the issued notes under the MTN Program amounted to US\$228.7 million. Following the completion of the Consent Solicitation Exercise and approval from Noteholders at the extraordinary general meeting, Noteholders agreed to exchange the 2017 Notes to 2022 Notes and the 2018 Notes to 2023 Notes with 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. The fixed rate coupon of 4% payable annually will be 4% payable annually all in the form of cash from the fifth coupon payment. In addition to the cash coupon, an additional cash coupon per interest period will be paid subject to the Brent crude oil benchmark. The 2017 Notes and 2018 Notes were subsequently exchanged for the 2022 Notes and 2023 Notes on 11 January 2017.

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

THE GROUP	Attributable to owners of the Company							Total Equity
	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	General Reserve	Non-controlling interests	
	Unaudited							
	(US\$ thousands)							
At 1 January 2016	1,867.6	727,245.1	(228,523.7)	(1,697.2)	1,676.9	1,515.2	(6,833.8)	495,250.1
Loss net of tax	-	-	(235,305.7)	-	-	-	(1,783.1)	(237,088.8)
Other comprehensive loss:								

Exchange differences on translation of foreign operations	-	-	-	(149.7)	-	-	-	(149.7)
Remeasurement of defined benefit obligations	-	-	135.3	-	-	-	-	135.3
Total comprehensive loss for the period	-	-	(235,170.4)	(149.7)	-	-	(1,783.1)	(237,103.2)
Grant of equity-settled transactions with employees	-	-	-	-	1,625.8	-	-	1,625.8
Vesting of equity-settled transactions with employees	6.9	2,284.0	-	-	(2,290.9)	-	-	-
Acquisition of non-controlling interests without a change of control	-	-	-	-	-	(10,196.2)	8,616.9	(1,579.3)
At 31 December 2016	1,874.5	729,529.1	(463,694.1)	(1,846.9)	1,011.8	(8,681.0)	-	258,193.4

THE GROUP	Attributable to owners of the Company							
	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	General Reserve	Non-controlling interests	Total Equity
	(Audited)							
	(US\$ thousands)							
At 1 January 2015	1,310.0	604,582.8	(187,151.0)	(1,464.2)	1,689.4	-	-	418,967.0
Loss net of tax	-	-	(41,675.8)	-	-	-	(6,898.0)	(48,573.8)
Other comprehensive loss:								
Exchange differences on translation of foreign operations	-	-	-	(233.0)	-	-	-	(233.0)
Remeasurement of defined benefit obligations	-	-	303.1	-	-	-	-	303.1
Total comprehensive loss for the period	-	-	(41,372.7)	(233.0)	-	-	(6,898.0)	(48,503.7)
Grant of equity-settled transactions with employees	-	-	-	-	2,531.8	-	-	2,531.8
Vesting of equity-settled transactions with employees	7.4	2,536.9	-	-	(2,544.3)	-	-	-
Acquisition of non-controlling interests without a change of control	-	-	-	-	-	1,515.2	64.2	1,579.4
Issuance of shares	550.2	123,785.9	-	-	-	-	-	124,336.1
Shares issuance expense	-	(3,660.5)	-	-	-	-	-	(3,660.5)
At 31 December 2015	1,867.6	727,245.1	(228,523.7)	(1,697.2)	1,676.9	1,515.2	(6,833.8)	495,250.1

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Option Reserve	Total Equity
	(Unaudited)				
	(US\$ thousands)				
At 1 January 2016	1,867.6	727,245.1	(21,433.8)	1,676.9	709,355.8
Loss net of tax	-	-	(22,377.2)	-	(22,377.2)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	(22,377.2)	-	(22,377.2)

Grant of equity-settled transactions with employees	-	-	-	1,625.8	1,625.8
Vesting of equity-settled transactions with employees	6.9	2,284.0	-	(2,290.9)	-
At 31 December 2016	1,874.5	729,529.1	(43,811.0)	1,011.8	688,604.4

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

1 (d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as the end of the corresponding period of the immediately preceding financial year

The Company did not hold any treasury shares as at 31 December 2016 (31 December 2015: Nil).

KrisEnergy Employee Share Option Scheme ("KrisEnergy ESOS")

The KrisEnergy ESOS was implemented and adopted during the Company's initial public offering ("IPO"). The duration of the KrisEnergy ESOS is 10 years commencing from 10 July 2013. As at 31 December 2016, there were no outstanding options under the KrisEnergy ESOS.

KrisEnergy Performance Share Plan ("KrisEnergy PSP")

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

- As disclosed and further described in the Prospectus dated 12 July 2013, under the management shareholders-awards ("MS-Awards") granted pursuant to the KrisEnergy PSP during the IPO, up to 3.0% of the issued ordinary shares in the capital of the

Company (“**Shares**”) may be vested upon the satisfaction of the conditions of the MS-Awards.

- On 13 November 2013, awards comprising 5,429,689 Shares were granted to employees, including 963,624 Shares to the Executive Directors.
- On 25 June 2014, awards comprising 1,713,111 Shares were granted to employees, including 963,624 Shares to the Executive Directors.
- On 31 December 2014, awards comprising 3,473,737 Shares were granted to employees, including 1,680,840 Shares to the Executive Directors.
- On 17 March 2015, awards comprising 647,325 Shares were granted to employees. No awards were granted to any Executive Directors.
- On 9 November 2015, awards comprising 11,613,474 Shares were granted to employees, including 1,622,244 Shares to the Executive Directors.

As at 31 December 2016, the number of Shares granted as awards under the KrisEnergy PSP, but not yet vested was (a) up to 3.0% of the issued ordinary shares in the capital of the Company at the time when the conditions of the MS-Awards granted have been satisfied and (b) 8,805,776 Shares.

The awards vested under the KrisEnergy PSP are as follows:

- On 21 July 2014, pursuant to the partial vesting of awards granted on 13 November 2013 under the KrisEnergy PSP, 1,809,898 Shares were allotted and issued to our employees, including 321,207 Shares to Executive Directors.
- On 20 July 2015, pursuant to the partial vesting of awards granted on 13 November 2013 and 17 March 2015 under the KrisEnergy PSP, 2,025,674 Shares were allotted and issued to employees, including 321,207 Shares to Executive Directors.
- On 31 December 2015, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP, 3,916,835 Shares were allotted and issued to employees, including 540,747 Shares to Executive Directors.
- On 19 July 2016, pursuant to the partial vesting of awards granted on 13 November 2013 and 17 March 2015 under the KrisEnergy PSP, 1,921,278 Shares were allotted and issued to employees, including 214,140 Shares to Executive Directors.
- On 30 December 2016, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP, 3,649,501 Shares were allotted and issued to employees, including 360,498 Shares to Executive Directors.

As at 31 December 2016, our issued share capital was 1,499,622,024 shares.

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

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

SHARE CAPITAL	As at 31 December 2016		As at 31 December 2015	
	(unaudited)		(audited)	
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid ordinary shares				
At 1 January	1,494,051,245	1,867,564	1,047,963,898	1,309,955
Vesting of equity-settled transactions with employees on 20 July 2015	-	-	2,025,674	2,532
Rights issue on 11 August 2015	-	-	440,144,838	550,181
Vesting of equity-settled transactions with employees on 31 December 2015	-	-	3,916,835	4,896
Vesting of equity-settled transactions with employees on 19 July 2016	1,921,278	2,402	-	-
Vesting of equity-settled transactions with employees on 30 December 2016	3,649,501	4,562	-	-
At reporting date	1,499,622,024	1,874,528	1,494,051,245	1,867,564

SHARE PREMIUM	As at 31 December 2016		As at 31 December 2015	
	(unaudited)		(audited)	
	US\$			
At 1 January	727,245,039		604,582,768	
Vesting of equity-settled transactions with employees on 20 July 2015	-		1,606,818	
Rights issue on 11 August 2015	-		123,785,875	
Rights issue expense	-		(3,660,530)	
Vesting of equity-settled transactions with employees on 31 December 2015	-		930,108	
Vesting of equity-settled transactions with employees on 19 July 2016	1,412,187		-	
Vesting of equity-settled transactions with employees on 30 December 2016	871,872		-	
At reporting date	729,529,098		727,245,039	

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

There were no sales, transfer, disposal, cancellation and/or use of treasury shares as at 31 December 2016 (31 December 2015: Nil).

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2015, except for those disclosed under paragraph 5.

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

The Group has adopted the new and revised standards that are effective for annual periods beginning on or after 1 January 2016. The adoption of these standards did not have any material effect on the financial performance of the Group for the current financial period.

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

	For the year ended 31 December	
	2016	2015
Loss per share attributable to owners of the Group:		
(i) Based on a weighted average number of shares (cents per share)	(15.7)	(3.4)
- Weighted average number of shares	1,494,942,587	1,221,330,651
(ii) On a fully diluted basis (cents per share)	(15.7)	(3.4)
- Adjusted weighted average number of shares	1,509,127,617	1,231,411,497

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

	The Group		The Company	
	As at 31 December		As at 31 December	
	2016	2015	2016	2015
	(Unaudited) (US\$)			
Net asset value per ordinary share ⁽¹⁾	0.17	0.33	0.46	0.47
Net tangible asset per ordinary share ⁽¹⁾	0.17	0.31	0.46	0.47

Note:

- (1) Based on share capital of 1,499,622,024 and 1,494,051,245 ordinary shares as at 31 December 2016 and 31 December 2015, respectively.

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

The following table sets forth a selected summary of our income statement and non-IFRS financial data for the year ended 31 December 2016.

	For the year ended 31 December	
	2016	2015
	(unaudited)	(audited)
	(US\$ thousands)	
Sales of crude oil	121,589.3	40,680.3
Sales of gas	21,242.0	19,490.9
Revenue	142,831.3	60,171.2
Cost of sales:		
Operating costs	(81,823.8)	(30,518.6)
Thai petroleum special remuneratory benefits and royalties paid	(11,508.0)	(4,928.9)
Write down of inventories	(7,080.8)	(17,657.7)
Depreciation, depletion and amortisation	(104,480.3)	(42,389.3)
Gross loss	(62,061.6)	(35,323.3)
Other income	100,159.1	110,777.9
General and administrative expenses	(38,570.5)	(33,697.0)
Other operating expenses	(201,168.3)	(67,871.4)
Finance income	273.3	289.8
Finance costs	(33,276.1)	(19,458.1)
Loss before tax	(234,644.1)	(45,282.1)
Tax expense	(2,444.7)	(3,291.7)
Loss after tax for the year	(237,088.8)	(48,573.8)

	For the year ended 31 December	
	2016	2015
	(unaudited)	(unaudited)
	(US\$ thousands)	
Revenue	142,831.3	60,171.2
Adjusted operating costs	(81,823.8)	(30,518.6)
Thai petroleum special remuneratory benefits and royalties paid	(11,508.0)	(4,928.9)
Gross profit before depreciation, depletion and amortisation	49,499.5	24,723.7
Corporate general and administrative expense	(9,047.5)	(12,130.9)
Gain on disposal of assets	-	24,558.7

Gain on sale of subsidiary	10,607.1	-
EBITDAX	51,059.1	37,151.5
Geological and geophysical expense	(20,085.0)	(11,311.7)
Gain on transfer of working interests	81,005.8	34,100.3
Exploration expense	(472.5)	(175.9)
EBITDA	111,507.4	59,764.2

Revenue

Working interest production in FY2016 averaged 16,136 boepd, 66.5% higher than a year ago (FY2015: 9,691 boepd) as a result of full year production at the Nong Yao field in G11/48 and the Wassana field in G10/48, and improved production efficiencies at the B8/32 & B9A complex.

Revenue for FY2016 more than doubled to US\$142.8 million (FY2015: US\$60.2 million) due to the increase in crude oil sales from the Nong Yao and Wassana fields, and increase in gas sales from Bangora field and B8/32 & B9A complex, despite the fall in average realised sales prices.

The average realised crude oil and liquids sales price decreased 22.9% to US\$30.99/bbl from the previous year (FY2015: US\$40.18/bbl), but was 7.2% higher than the preceding quarter (3Q2016: US\$35.61/bbl). The reduction in the average oil and liquids selling price reflected movements in global benchmark markets, which also affected the average realised gas price achieved at the B8/32 & B9A complex. Average realised gas price for B8/32 & B9A was US\$3.60/mcf in FY2016, 19.1% lower than a year ago (FY2015: US\$4.45/mcf).

	For the year ended 31 December	
	2016	2015
Production volumes		
Oil and liquids (bopd)	10,146	3,492
Gas (mmcf)	35.9	37.2
Total (boepd)	16,136	9,692
Average sales price		
Oils and liquids (US\$/bbl)	30.99	40.18
Gas – B8/32 and B9A (US\$/mcf)	3.60	4.45
Gas – Block 9 (US\$/mcf)	2.32	2.32

Cost of Sales

Operating costs increased to US\$81.8 million in FY2016 (FY2015: US\$30.5 million) in line with full-year revenue from the Nong Yao and Wassana fields. The average lifting cost for FY2016 was US\$13.85/boe, a 60.6% increase from the previous year (FY2015: US\$8.63/boe) due to the higher contribution of production volumes and operating costs from the Nong Yao and Wassana fields.

DD&A charges increased to US\$104.5 million in FY2016 (FY2015: US\$42.4 million) as a result of higher production compared to the 2015 period when the Nong Yao and Wassana fields were in start-up phase and ramping up. DD&A charges are necessarily incurred from the commencement of production where fixed facilities are depreciated, certified reserves are depleted as a result of production and accumulated costs from our oil & gas properties are amortised over the expected total production using a units of production basis.

	For the year ended 31 December	
	2016	2015
Average lifting cost		
Oil, liquids and gas (US\$/boe)	13.85	8.63
Operating costs (US\$'000)	81,823.8	30,518.6
Total production (boe)	5,905,930	3,537,149

Other Income

Other income of US\$100.2 million was recognised in FY2016 compared with US\$110.8 million in FY2015. During FY2016, the Group had (i) gain on transfer of Cambodia Block A of US\$81.0 million; and (ii) gain on sale of subsidiary in relation to interests held in the G10/48 concession of US\$10.9 million versus the previous year of (i) excess of fair value of net assets acquired over consideration paid for the acquisition of working interest in the Block A Aceh PSC of US\$43.0 million; (ii) gain on transfers of Block 105, Block 120 and the Bala-Balakang PSC of US\$34.1 million in aggregate; and (iii) gain on sale of marine assets of US\$24.6 million.

General and Administrative Expenses

General and administrative expenses increased 14.5% to US\$38.6 million in FY2016 (FY2015: US\$33.7 million). The increase was primarily attributable to recognition of general and administrative expenses allocated to G10/48 and G11/48, partially offset by lower employee benefits expenses and lower professional fees.

Other Operating Expense

Other operating expense increased to US\$201.2 million in FY2016 (FY2015: US\$67.9 million) as a result of impairment on certain Thai producing assets and the write-off of exploration assets in Indonesia and Vietnam amounting to US\$121.0 million and US\$77.9 million, respectively. The impairment expense was necessarily as our exploration & evaluation assets and oil & gas properties will be continually subject to impairment in a low oil price environment. We elected to relinquish Block 105 and the Kutai and East Muriah PSCs as we made the strategic decision to reduce potential future high risk exploration obligations that these assets would require.

Finance Income

Finance income was lower year-on-year due to lower average bank balances in FY2016.

Finance Costs

Finance costs increased to US\$33.3 million in FY2016 (FY2015: US\$19.5 million) mainly due to higher interest expense and restructuring fees in relation to the Facility.

Loss before tax

We recorded a loss before tax of US\$234.6 million in FY2016 compared with a loss before tax of US\$45.3 million in FY2015 due to (i) higher DD&A charges for the Nong Yao and Wassana fields in line with a full year of production; (ii) recognition of impairments on certain Thai producing assets; (iii) write-off of exploration assets in Indonesia and Vietnam; and (iv) higher finance costs due to increased borrowings and financial restructuring fees; offset by (i) recognition of full-year revenue from all producing assets; (ii) gain on transfer of working interest for Cambodia Block A; and (iii) gain on sale of subsidiary.

Tax Expense

Tax expenses decreased to US\$2.4 million in FY2016 (FY2015: US\$3.3 million) mainly due to the reversal of previously recognised deferred tax liabilities, partially offset by a higher provision of tax expenses in line with higher revenue.

Loss after tax for the year

We recorded a loss of US\$237.1 million in FY2016 compared with a loss of US\$48.6 million in FY2015 as a result of the above mentioned factors.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No forecast or prospect statement was previously provided.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

There continues to be a great deal of uncertainty in the oil markets.

Recent Developments

- Application to relinquish has been submitted for the Kutai PSC in the Makassar Strait, which expired on 15 January 2017.
- Application to relinquish has been submitted for Block 105, offshore Vietnam, which expired on 2 February 2017.
- As part of its restructuring process, the Company exchanged the 2017 Notes and 2018 Notes for the 2022 Notes and 2023 Notes, respectively, on 11 January 2017. The Company issued S\$139.5 million in principal amount of Zero-Coupon Notes and 1,255,183,632 Warrants on 2 February 2017. See above section Group Capital Management.
- Pursuant to the termination of the cross currency swaps, the Company entered into unsecured term loan agreements with each of The Hongkong and Shanghai Banking Corporation and Standard Chartered Bank for an aggregate loan amount of US\$34.4 million.

11. Dividend

(a) Any dividend declared for the current financial period reported on

None.

(b) Any dividend declared for the corresponding period of the immediately preceding financial year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared / recommended, a statement to that effect

No dividend has been declared or recommended for the full year ended 31 December 2016.

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

There were no other interested person transactions during the financial period under review.

The Group does not have any general IPT mandate from shareholders for interested person transactions that is to be disclosed under Rule 920(1)(a)(ii).

14. Disclosure of the status on the use of proceeds from the Preferential Offering

Pursuant to the Preferential Offering, on 2 February 2017, the Company received net proceeds from the issue of the Zero Coupon Notes of S\$136.4 million (US\$96.5 million) after deducting for related expenses of approximately S\$3.1 million (US\$2.2 million). The following table sets out the use of the Preferential Offering net proceeds as at the date of these Results, the Company will continue to make periodic announcements on the use of the Preferential Offering proceeds as and when funds are materially disbursed.

	Allocation of Preferential Offering Proceeds⁽¹⁾	Preferential Offering Proceeds utilised as at 23 February 2017	Balance of Preferential Offering Proceeds
		<i>(US\$ million)</i>	
Capital expenditures (relating to the Group's existing assets)	41.9	11.2	30.7
Repay Bridge Upsize	48.0	48.0	-
General working capital	6.6	4.6	2.0
Total	96.5	63.8	32.7

Notes:

(1) Estimated net proceeds from the Preferential Offering disclosed in the Offering Memorandum dated 6 January 2017 was US\$94.8 million and the actual net proceeds received by the Company was US\$96.5 million.

15. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

For management purposes, the Group operates in one business segment: exploration and production of oil and gas across geological basins in Asia. Revenue and non-current assets information based on the geographical location of assets respectively are as follows:

	Revenue		Non-current assets	
	For the year ended 31 December		For the year ended 31 December	
	2016	2015	2016	2015
	(unaudited) (US\$ thousands)			
Bangladesh	14,168.4	13,325.2	42,826.8	39,490.8
Cambodia	-	-	173,280.1	90,851.2
Indonesia	-	-	244,801.1	221,976.4
Thailand	128,662.9	46,846.0	227,846.4	462,377.1
Vietnam	-	-	34,528.3	80,960.6
Total	142,831.3	60,171.2	723,282.7	895,656.1

Non-current assets information presented above consist of exploration and evaluation assets, oil and gas properties and intangible assets.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business of geographical segments.

The full-year contribution oil production from the Wassana and Nong Yao fields as producing assets in 2016 increased the Group's total oil production, with a corresponding increase in operating cost.

Ongoing downward pressure on oil prices impacted the carrying value of inventory, which was written down to net realisable value as at 31 December 2016 to reflect the prevailing oil price environment and general consensus forecasts.

For more details on our capital expenditure, please refer to *Net Cash Flow from Investing Activities* in section 1(c) and for more information on the revenue breakdown, please refer to *Revenue* in section 8.

17. A breakdown of sales as follow:

	The Group		% increase / (decrease)
	For the year ended 31 December		
	2016	2015	
	(unaudited) (US\$ thousands)		
Sales reported for the first half year	63,819.7	23,065.6	176.7
Operating (loss)/profit after tax reported for first half year	(45,244.1)	55,892.6	N/M
Sales reported for the second half year	79,011.6	37,105.6	112.9
Operating loss after tax reported for second half year	(191,844.7)	(104,466.4)	83.6

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follow:

None.

19. Disclosure of persons occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are such persons, the issuer must make an appropriate negative statement.

Pursuant to SGX Listing Rule 705(5), we, Jeffrey S. MacDonald and Christopher Gibson-Robinson, being two directors of KrisEnergy Ltd. (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the full year ended 31 December 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors.

Jeffrey S. MacDonald
Executive Director &
Interim Chief Executive Officer

Chris Gibson-Robinson
Executive Director &
Director Exploration & Production

Singapore, 23 February 2017