

KRISENERGY LTD

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

Unaudited Second Quarter & First Half 2014 Financial Statements Announcement



14 August 2014

The initial public offering of the Company was sponsored by CLSA Singapore Pte Ltd and Merrill Lynch (Singapore) Pte. Ltd. (the **"Joint Issue Managers, Global Coordinators, Bookrunners and Underwriters"**). The Joint Issue Managers, Global Coordinators, Bookrunners and Underwriters assume no responsibility for the contents of this announcement.

The following announcement may contain forward-looking statements by KrisEnergy Ltd. (our “**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 our 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 our 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 our 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 our Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

Chief Executive Officer's Report to Shareholders

To Our Shareholders

Just over a year ago, KrisEnergy launched as a publicly traded company on the Singapore stock exchange. Reaching the first anniversary on 19 July 2014 and reflecting on what we have achieved since that milestone, we are already a very different company to 12 months ago, and I anticipate that these step-up changes will continue in the foreseeable future as we reap the rewards of our plans previously set in place.

KrisEnergy's portfolio continues to evolve. We have extended our asset base to 19 contract areas¹ with four additional blocks acquired or awarded so far in 2014 either in the exploration or the development phase. The increase in the number of licences we operate, from eight at the end of 2013 to 12¹ today, provides reassurance that we will now be able to move those projects along in a timely manner while optimising costs and operational efficiencies. Our emphasis on "getting things done" will not detract from our focus on the environment, health, safety and security ("**EHSS**") for which we have established internal controls to monitor closely as we progress.

Our baseline production of 7,991 barrels of oil equivalent per day ("**boepd**"²) in the first half of 2014 was above our expectations. Higher realised oil prices along with steady gas prices resulted in gross revenues of US\$43.5 million in the first six months to 30 June and an EBITDAX³ of US\$20.9 million, both at the top end of our target range.

Production at the Bangora gas field onshore Bangladesh, where we formally took over operatorship of Block 9 in December 2013, has consistently exceeded expectations this year at an average of about 110 million cubic feet per day ("**mmcf**d") versus our earlier estimates of 90-95 mmcf/d. I am pleased to be able to note that Bangora field operations have achieved one million man hours without a lost time incident under KrisEnergy's stewardship. We will review and build on the EHSS systems in place to maintain incident free operations as work continues in Block 9. We will continue to review our production model for the Bangora field as well as other potential opportunities within the contract area.

Progressing developments

Our development portfolio is key to near-term growth in reserves and production, both of which are measures of our success and performance. Two oil developments in the Gulf of Thailand, Nong Yao and Wassana, have been sanctioned with final investment decision ("**FID**") and fabrication is underway and/or associated equipment and services are being acquired or contracted.

In May 2014, KrisEnergy took over operatorship of the G10/48 licence, containing the Wassana development, and we have been extremely driven to progress this project, our first as an operator offshore Thailand. In a little over four weeks to the end of June, our team had

¹ Our acquisitions of a 41.6666% working interest in Block A Aceh and a 28.5% participating interest in Cambodia Block A are pending government approval and acknowledgement, respectively

² Barrels of oil equivalent per day. 1 barrel of oil = 6,000 cubic feet of natural gas

³ Earnings before interest, tax, depreciation, amortisation and exploration expenses

finalised the development concept, written and submitted the production area application (“**PAA**”), contracted a jack-up rig for development drilling and secured a mobile offshore production unit (“**MOPU**”) for use as the oil processing facility. The MOPU is a cost-effective development solution and provides flexibility for potential future utilisation to produce other oil discoveries in the G10/48 area.

We expect to declare FID shortly on two gas projects in Indonesia. The plan of development (“**POD**”) for the Lengo gas field offshore East Java in the KrisEnergy-operated Bulu production sharing contract (“**PSC**”) was submitted to the authorities in July 2014 and we have also secured a memorandum of understanding with a potential off-taker for Lengo gas sales. These events mark a considerable advance in the commercialisation of Lengo gas and in our gas aggregation plans in the East Java Sea, which include the nearby East Muriah and Sakti PSCs.

Asset deal flow in the Asia region has been buoyant so far in 2014. This year we have been granted three direct awards – SS-11 offshore Bangladesh, Sakti PSC offshore East Java, Indonesia, and Block 115/09 offshore Vietnam. We have successfully undertaken two corporate acquisitions; resulting in us completing the acquisition of the 75% operated working interest in G10/48 and executing the share purchase agreement in connection with the 41.6666% non-operated working interest in Block A Aceh. Throughout the business development process, we have maintained rigorous discipline in our technical, operational and commercial assessments and hurdles.

On 30 June 2014, we executed the sale & purchase agreement for the acquisition of a non-operated working interest in the Block A Aceh PSC, where several gas condensate discoveries await development. A single POD for three discoveries was approved in 2007 and we anticipate that the operator, along with our joint-venture partners, will declare FID as soon as we obtain government approvals. Our share of best estimate (“**2C**”) contingent resources for Block A Aceh is 103.5 million barrels of oil equivalent (“**mmboe**”), marking a significant increase of 150.8% in our total working interest 2C resources to 172.1 mmboe. We will start to convert our 2C resources to proved plus probable (“**2P**”) reserves within the next 12 months once our various developments progress and as such, we expect to see significant growth in our now current 32.3 mmboe of 2P reserves which will not only increase our core valuation per share but further enhance shareholder value.

Seeking efficiencies

Within our annual capital expenditure requirements over the next two years, we have little by way of firm obligations to the host governments under the licenses in the existing portfolio, with the exception of the development projects to which we have committed alongside our partners. Limited firm obligations afford us considerable flexibility with which we can plan our discretionary work programs and benefit from lower rates and service costs where possible.

In June 2014, we contracted the *Key Gibraltar* jack-up rig for the Wassana development drilling campaign. Wassana’s 12-14 development wells are scheduled to be drilled beginning in the first half 2015 to meet our timeline for first oil in the second half of the year. With this in

mind, we have deferred our discretionary exploration program in G10/48 and appraisal drilling in nearby G6/48 from the second half of 2014 in order to utilise the *Key Gibraltar* for all three campaigns in 2015. This bundling of drilling programs resulted in a six-month firm rig contract, plus an option for an additional two months, and allowed us to capture maximum cost efficiencies for a company of our size.

Extended debt capacity

We have also increased efficiency in our capital structure. Following the early redemption in January 2014 of US\$120 million face value senior guaranteed secured 10.5% bonds due July 2016 (the “**2016 Notes**”), we established a S\$500 million Multicurrency Medium-Term Note Programme (the “**MTN Programme**”) and subsequently in June, we issued S\$130 million fixed rate notes at 6.25%. We were delighted by the support from investors as the issuance attracted a subscription of almost eight times above the initial offer size.

The restructuring of our balance sheet in 2014 through the establishment of our inaugural MTN Programme and our US\$100 million revolving credit facility (which may be expanded up to US\$140 million under certain conditions), reduced our cost of debt in connection with the 2016 Notes, and provides us with the flexibility to tap additional funds in a short timeframe. Our Group gearing policy remains unchanged, at 30% to 50% total debt to total debt and total equity.

Prices, politics and demand

International geopolitical tensions in North Africa, Eastern Europe and the Middle East have supported global oil prices in 2014. This was particularly pronounced in the second quarter when we realised an average oil and liquids price of US\$109.58 per barrel (“**bbl**”), up from US\$108.04/bbl in the first quarter 2014 and US\$104.30/bbl in the second quarter 2013. Our Bangora gas sales price remains fixed at US\$2.32 per thousand cubic feet (“**mcf**”), while in Thailand our average realised gas price was US\$5.98/mcf, 3% down from the first quarter.

Domestic politics fell under the spotlight in 2013 with elections in Cambodia and Bangladesh, while Thailand and Indonesia have undergone changes in government this year. While we are yet to see any major upheavals to upstream oil and gas activity as a consequence, our *in situ* teams are diligently working with the relevant authorities and regulators. Our on-the-ground presence is vital to maintain continuity and manage the necessary processes to avoid delays. We believe our strategy of building a sustainable upstream oil and gas company throughout Southeast Asia rather than a focus on one country, as well as having a balanced portfolio across the exploration-to-production life cycle, will keep us best positioned to deliver growth and mitigate risk through diversification.

The economic outlook for the Southeast Asia region is generally for robust growth in the medium term despite downside risk from volatility in financial markets as was evident in the turbulence early in third quarter last year. Robust growth will translate into higher energy demand across the region. The International Energy Agency (“**IEA**”) estimates that Southeast Asian oil demand will rise to 6.8 million barrels of oil per day (“**bopd**”) in 2035

from 4.4 million bopd in late 2013, equivalent to one-fifth of projected world growth⁴. The IEA sees regional demand for natural gas increasing by 80% to 250 billion cubic metres in 2035³.

KrisEnergy's portfolio is firmly positioned to take advantage of near-term growth in hydrocarbon demand. Our existing development projects are a combination of oil and gas and are due to go into production staggered between the first half of 2015 and the end of 2017. We are making good progress on our targets for growth in reserves and production while continuing to execute new business opportunities.

Keith Cameron

Chief Executive Officer & Executive Director

14 August 2014

⁴ *Southeast Asia Energy Outlook: World Energy Outlook Special Report*, IEA, September 2013

Financial and Operations Update

We are an independent upstream oil and gas company focused on the exploration, appraisal, development and production of oil and gas in Asia. Following the addition of three new awards and two acquisitions in the first six months of 2014, we hold working interests in a diverse portfolio of 18 contract areas in Asia as at 30 June 2014, 11 of which we operate, balancing cash flow from production operations with significant development potential and exploration upside. Today, we are pleased to present our unaudited second quarter and first half year financial statements, which reflect our financial and operating results for the period ended 30 June 2014 (our “**Results**”). References made to the Company pertain to KrisEnergy Ltd. and references made to the Group pertain to the Company and its subsidiaries.

	For the three months ended 30 June			For the six months ended 30 June		
	2014	2013	% Change	2014	2013	% Change
(US\$ thousands, except where otherwise indicated)						
Financial						
Sale of crude oil & liquids	14,852.8	13,088.5	13.5	28,505.1	29,009.1	(1.7)
Sale of gas	7,486.7	3,605.8	107.6	15,043.4	7,752.3	94.1
Revenue	22,339.5	16,694.3	33.8	43,548.5	36,761.4	18.5
EBITDAX⁽¹⁾	11,069.1	4,791.2	131.0	20,915.0	15,562.3	34.4
Capital expenditures	21,495.3	23,833.8	(9.8)	43,219.2	31,066.1	39.1
Cash and bank balances	75,500.2	133,126.0	(43.3)	75,500.2	133,126.0	(43.3)
Operations⁽¹⁾						
Production volumes (boepd)	7,887	2,528 ⁽²⁾	212.0	7,991	2,737 ⁽²⁾	192.0
Sales volumes (boepd)	7,723	2,421 ⁽²⁾	219.1	7,827	2,626 ⁽²⁾	198.1
Average sales price						
• Oil and liquids (US\$/bbl)	109.58	104.30 ⁽²⁾	5.1	108.81	108.46 ⁽²⁾	0.3
• Gas – B8/32 and B9A (US\$/mcf)	5.98	6.27	(4.6)	6.09	6.26	(2.7)
• Gas – Block 9 (US\$/mcf)	2.32	N/A	-	2.32	N/A	-
Average lifting costs (US\$/boe)	7.50	26.05 ⁽²⁾	(71.2)	6.22	19.88 ⁽²⁾	(68.7)

Notes:

Any discrepancies in the tables included herein are due to rounding

(1) Non-IFRS measures

(2) Includes production from the Glagah-Kambuna Technical Assistance Contract (“**TAC**”), which ceased production on 11 July 2013 and excludes production from Block 9 in Bangladesh, the acquisition of which was completed in December 2013

Second Quarter and First Half 2014 Financial Update

We are pleased to report higher revenue and EBITDAX on the back of increased production and higher selling prices.

- Production in the first half 2014 and 2Q2014 exceeded our internal expectations. Our production averaged 7,887 boepd in 2Q2014, a threefold increase from the same period last year (2Q2013: 2,528 boepd), and closing the first half with average working interest production at 7,991 boepd, compared with 2,737 boepd in the six-month period in 2013, which represented a 192.0% increase. Production was higher during the first half of 2014 largely as a result of a full-period contribution from the Bangora gas field, onshore Bangladesh.
- Revenue for 2Q2014 was US\$22.3 million, which represented a 33.8% increase (2Q2013 US\$16.7 million) and a 5.3% increase from the previous quarter (1Q2014: \$21.2 million), driven by the rise in oil and gas production and higher realised selling prices for crude oil and liquids in line with global oil price movements, especially in the second quarter.
- Operating costs before depreciation, depletion and amortisation (“**DDA**”) decreased 10.1% to US\$5.4 million during 2Q2014 compared to 2Q2013. Lower operating costs, together with higher production in 2Q2014, resulted in a drop in our lifting costs to US\$7.50/boe versus US\$26.05/boe in 2Q2013.
- EBITDAX in 2Q2014 was US\$11.1 million, an increase of 131.0% from same period a year ago (2Q2013: US\$4.8 million) and bringing total EBITDAX for the first half 2014 to \$20.9 million, up 34.4% from the first six months in 2013.

On 26 May 2014, we established the MTN Programme. Our inaugural issue under the programme was the first Singapore dollar high-yield bond issue executed for an oil and gas exploration and production company. On 9 June 2014, we issued S\$130 million fixed rate notes due 2017 (the “2017 Notes”) at a coupon rate of 6.25% p.a. The issue was almost eight times subscribed above the initial offer size. Following a USD swap, gross proceeds from the issue were US\$103.7 million. Our unused sources of liquidity at 30 June 2014 amounted to US\$139.0 million and our gearing was 22.3%.

Second Quarter 2014 Operational Update

We continued to achieve significant milestones during 2Q2014 in line with our strategy of building a sustainable and diversified upstream oil and gas company.

New and additional interests:

- We completed the acquisition of the entire issued and paid-up share capital of MP G10 (Thailand) Ltd (which has been renamed and is now known as KrisEnergy G10 (Thailand) Limited). KrisEnergy indirectly holds the operatorship of, and the full 100% working interest in, the G10/48 contract area in the Gulf of Thailand. G10/48 holds the Wassana oil field development, which will be the first KrisEnergy-operated field to be brought into production with first oil anticipated in the second half of 2015. Peak production is expected to reach 10,000 bopd.
- The Government of the Kingdom of Thailand approved KrisEnergy's acquisition of a 30% working interest in block G6/48 in the Gulf of Thailand and the transfer of operatorship to the Company.
- A deed of assignment was executed between KrisEnergy, Neon Energy (Indonesia) Pty Ltd ("**Neon Energy**") and Natuna Ventures Pte Ltd to formalise and effect the transfer of Neon Energy's 42% working interest in the Tanjung Aru PSC to KrisEnergy, the operator, pursuant to the default and subsequent withdrawal of Neon Energy. The completion of the transfer is pending government approval, upon which KrisEnergy will hold 85% working interest in the Tanjung Aru PSC.
- At the end of 2Q2014, we announced the acquisition of the entire issued and paid-up share capital of Premier Oil Sumatra (North) B.V., which holds a 41.6666% working interest in the Block A Aceh PSC onshore Sumatra in Indonesia. Block A Aceh contains several gas-condensate discoveries and is expected to enter the development phase following completion of our acquisition, which is pending government approvals. First gas is anticipated in 2017. Netherland, Sewell & Associates, Inc. ("**NSAI**") estimates KrisEnergy's working interest best estimate contingent resources ("**2C**") in Block A Aceh to be 29.2 mmboe in the development pending category and 74.4 mmboe in the development unclarified category.

According to NSAI estimates, our total working interest 2C resources increased 26.3% to 68.6 mmboe following our acquisition of the outstanding 75% in G10/48. Subsequently, the acquisition of a 41.6666% working interest in Block A Aceh will increase KrisEnergy's total working interest 2C resources to 172.1 mmboe once government approvals for the transaction are granted.

Portfolio development:

- We declared FID for the Wassana oil field development in G10/48 where production is anticipated to commence in the second half of 2015. The Wassana development concept comprises a MOPU and 12-14 development wells producing to a floating storage offloading vessel. For the MOPU, we have secured the use of a converted Bethlehem Matt Type jack-up rig, which is suitable for water depths up to 65 metres and has full hydrocarbon processing facility for up to 20,000 bopd and a water

injection capacity of 15,000 barrels per day. We will take delivery of the MOPU in September 2014 when it will go into drydock for inspection and minor refurbishments.

- We have contracted the *Key Gibraltar* jack-up rig for development, appraisal and exploration drilling in G10/48 and G6/48 in the Gulf of Thailand. The contract with Shelf Drilling (Southeast Asia) Limited, will commence around 1 January 2015 and will run for a firm six-month term with an option to extend for an additional two months. The drilling program is anticipated to comprise 12-14 development wells in the Wassana oil field development as well as several exploration wells in the G10/48 area. Once the G10/48 drilling program is concluded, the *Key Gibraltar* will mobilise to G6/48 to the north, where we will undertake appraisal drilling around the Rossukon oil discovery.
- In the Chevron-operated B8/32 and B9A oil and gas producing areas, we participated in the drilling of 25 development wells in 2Q2014, bringing the total development wells drilled to 41 in the first half of 2014. During 2Q2014, two platforms restarted following in-fill drilling, one platform stopped production pending completion of in-fill drilling and drilling at a new platform location was on-going.

For recent developments since 30 June 2014, please see paragraph 10 of these Results entitled “Recent Developments”.

Capital expenditures

Our capital expenditures are representative of our work programs and budgets that have been approved by the partners in the assets and the host governments of the countries in which we operate. Our capital expenditure in 2Q2014 was primarily attributable to our share of costs related to seismic acquisition in the Tanjung Aru PSC (US\$3.3 million) and Udan Emas PSC (US\$1.1 million), our share of costs in G11/48 pertaining to the Rojana-1 exploration well and the Nong Yao oil field development-related activities of US\$1.4 million and US\$5.3 million, respectively. In B8/32 and B9A, our share of development well drilling and platform installations totaled US\$3.9 million, and following the completion of our farm-in to G6/48, farm-in costs have been capitalised to exploration and appraisal assets. Please see paragraph 1(c) of these Results entitled “Net cash flow used in investing activities” for a further breakdown of our capital expenditures.

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	(US\$ thousands)			
Capital expenditures:				
Exploration and appraisal expenditure	16,756.2	21,701.2	36,534.9	25,933.1
Development expenditure	4,221.1	2,034.4	6,143.1	4,801.5
Others	518.0	98.2	541.2	331.5
Total capital expenditures	21,495.3	23,833.8	43,219.2	31,066.1

Second Quarter and First Half 2014 Financial Statements Announcement

Figures have not been audited.

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

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

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	<i>(unaudited)</i>			
	<i>(US\$ thousands)</i>			
Sales of crude oil	14,852.8	13,088.5	28,505.1	29,009.1
Sales of gas	7,486.7	3,605.8	15,043.4	7,752.3
Revenue	22,339.5	16,694.3	43,548.5	36,761.4
Cost of sales:				
Operating costs	(5,385.9)	(5,994.2)	(9,000.5)	(9,845.1)
Thai petroleum special remuneratory benefits and royalties paid	(2,329.8)	(1,955.1)	(4,372.9)	(4,440.5)
Depreciation, depletion and amortisation	(6,678.2)	(2,482.2)	(13,488.4)	(7,002.2)
Gross profit	7,945.6	6,262.8	16,686.7	15,473.6
Other income	2,491.0	485.9	3,920.0	1,357.8
General and administrative expenses	(9,903.0)	(6,672.6)	(18,137.1)	(11,411.6)
Other operating expense	(250.6)	(637.4)	(6,391.0)	(386.0)
Finance income	131.6	156.6	283.6	366.8
Finance costs	(3,363.5)	(3,755.8)	(13,805.1)	(6,307.5)
Loss before tax	(2,948.9)	(4,160.5)	(17,442.9)	(906.9)
Tax expense	(2,869.8)	(4,004.6)	(6,353.8)	(7,797.1)
Loss after tax for the period	(5,818.7)	(8,165.1)	(23,796.7)	(8,704.0)
Other comprehensive income:				
Items that may be classified subsequently to profit or loss				
Exchange differences on translation of foreign operations	15.7	(41.5)	(4.1)	(70.8)
Total comprehensive income attributable to owners of the Company	(5,803.0)	(8,206.6)	(23,800.8)	(8,774.8)
Loss per share attributable to owners of the Company (cents per share)	(0.6)	(8.2)	(2.3)	(8.7)

Extraordinary items

There were no extraordinary items during the period.

EBITDAX computation

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	(unaudited)			
	(US\$ thousands)			
(Loss)/profit before tax	(2,948.9)	(4,160.5)	(17,442.9)	(906.9)
Add:				
Finance costs	3,363.5	3,755.8	13,805.1	6,307.5
Depreciation, depletion and amortisation	6,780.4	2,556.0	13,666.7	7,185.6
Net fair value of embedded derivatives	-	607.1	-	295.1
Loss on redemption of 2016 Notes	-	-	6,137.2	-
EBITDA	7,195.0	2,758.4	16,166.1	12,881.3
Geological and geophysical expense	3,707.9	2,002.5	4,578.1	2,590.1
Exploration expense	166.2	30.3	170.8	90.9
EBITDAX	11,069.1	4,791.2	20,915.0	15,562.3

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. 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 30 June	As at 31 December	As at 30 June	As at 31 December
	2014	2013	2014	2013
	(unaudited)			
	(US\$ thousands)			
ASSETS				
Non-current assets				
Exploration and evaluation assets	322,013.0	200,261.1	-	-
Oil and gas properties	133,250.8	140,596.1	-	-
Other property, plant and equipment	690.7	332.2	-	-
Intangible assets	61,173.8	43,890.7	-	-
Embedded derivatives	-	6,137.2	-	-
Other investment	182.1	182.1	-	-
Investment in subsidiaries	-	-	329,487.1	327,434.2
Other receivables	-	-	453,667.5	65,000.0
	517,310.4	391,399.4	783,154.6	392,434.2
Current assets				
Inventories	9,161.0	7,027.2	-	-
Trade and other receivables	55,591.7	54,149.7	-	123.0
Prepayments	1,477.4	2,762.3	152.8	237.1
Other current assets	10,000.0	-	-	-
Cash and bank balances	75,500.2	251,809.7	23,443.4	211,400.0
	151,730.3	315,748.9	23,596.2	211,760.1
Total Assets	669,040.7	707,148.3	806,750.8	604,194.3

EQUITY AND LIABILITIES**Equity**

Ordinary shares	1,307.7	1,307.7	1,307.7	1,307.7
Share premium	602,938.3	602,938.3	602,997.9	602,997.9
Foreign currency translation reserve	(1,303.7)	(1,299.6)	-	-
Employee share option reserve	2,459.4	527.8	2,459.4	527.8
Accumulated losses	(160,438.1)	(136,641.4)	(6,701.1)	(1,481.4)
Total Equity	444,963.6	466,832.8	600,063.9	603,352.0

Non-current liabilities

Loans and borrowings	127,742.7	119,141.0	103,742.7	-
Deferred tax liabilities	41,213.4	41,909.7	-	-
Provisions	24,061.4	21,241.2	-	-
Other payables	-	-	102,212.4	222.1
	193,017.5	182,291.9	205,955.1	222.1

Current liabilities

Trade and other payables	9,622.9	35,990.0	73.9	26.1
Accrued operating expenses	13,848.3	13,897.0	657.9	594.1
Provisions	-	2,500.0	-	-
Withholding tax payable	315.4	56.9	-	-
Tax payable	7,273.0	5,579.7	-	-
	31,059.6	58,023.6	731.8	620.2

Total Liabilities

	224,077.1	240,315.5	206,686.9	842.3
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Total Equity And Liabilities

	669,040.7	707,148.3	806,750.8	604,194.3
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1 (b)(ii) Aggregate amount of group's borrowings and debt securities**Amount repayable in one year or less, or on demand**

As at 30 June 2014		As at 31 December 2013	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
24,000.0	6,873.7	127,348.3	-

Amount repayable after one year

As at 30 June 2014		As at 31 December 2013	
Secured	Unsecured	Secured	Unsecured
(US\$ thousands)			
-	117,100.3	-	-

Details of any collateral

As at 30 June 2014, certain subsidiaries of the Company pledged their assets with respect to the 2014 RCF. For further information on the 2014 RCF, please see below section entitled "Borrowings" and the announcement "*KrisEnergy secures US\$100 million revolving credit facility*" dated 25 March 2014.

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

	The Group			
	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	(unaudited) (US\$ thousands)			
Operating activities:				
Loss before tax	(2,948.9)	(4,160.5)	(17,442.9)	(906.9)
Adjustments for:				
Depreciation, depletion and amortisation	6,678.2	2,482.2	13,488.4	7,002.2
Depreciation of property, plant and equipment	102.2	73.8	178.3	183.4
Loss on disposal of property, plant and equipment	12.5	-	12.5	-
Grant of equity-settled share options to employees	974.8	-	1,931.5	-
Net fair value gain on embedded derivatives	-	(381.4)	-	(693.4)
Loss on redemption of 2016 Notes	-	-	6,137.2	-
Finance cost	3,203.0	3,647.9	13,484.1	6,091.6
Unwinding of discount on decommissioning provisions	160.5	107.9	321.0	215.9
Interest income	(131.6)	(156.6)	(283.6)	(366.8)
Operating cash flows before changes in working capital	8,050.7	1,613.3	17,826.5	11,526.0
(Increase)/decrease in inventories	(781.7)	378.3	(1,995.7)	(539.1)
Increase in other current assets	(10,000.0)	(979.1)	(10,000.0)	(979.1)
Decrease/(increase) in trade and other receivables	4,962.1	(6,951.8)	123.7	(5,742.4)
Increase in trade and other payables	(12,161.6)	(2,052.0)	(27,213.3)	(2,358.4)
Cash flows (used in)/from operations	(9,930.5)	(7,991.3)	(21,258.8)	1,907.0
Interest received	131.6	156.6	283.6	366.8
Interest paid	(3,203.0)	(1,169.0)	(5,290.5)	(1,190.7)
Net cash flows (used in)/from operating activities	(13,001.9)	(9,003.7)	(26,265.7)	1,083.1
Investing activities:				
Addition to exploration and evaluation assets	(16,756.2)	(21,701.2)	(36,534.9)	(25,933.1)
Addition to oil and gas properties	(4,221.1)	(2,034.4)	(6,143.1)	(4,801.5)
Acquisition of subsidiary	(101,639.6)	-	(101,639.6)	-
Purchase of other property, plant and equipment	(518.0)	(98.2)	(541.2)	(331.5)
Net cash flows used in investing activities	(123,134.9)	(23,833.8)	(144,858.8)	(31,066.1)
Financing activities:				
Repayment of bond	-	-	(126,300.0)	-
Payment of bond interest	-	-	(6,615.6)	(4,462.5)
Proceeds from issuance of bond	103,742.7	37,738.5	103,742.7	37,738.5
(Repayment of)/proceeds from bank borrowings	(16,000.0)	-	24,000.0	-
Net cash flows from/(used) in financing activities	87,742.7	37,738.5	(5,172.9)	33,276.0
Net (decrease)/increase in cash and cash equivalents	(48,394.1)	4,901.0	(176,297.4)	3,293.0
Cash and cash equivalents at beginning of the period	119,889.0	120,262.1	247,809.7	121,901.0
Net effect of exchange rate changes	5.3	(37.1)	(12.1)	(68.0)
Cash and cash equivalents at end of the period	71,500.2	125,126.0	71,500.2	125,126.0

As at 30 June 2014, we had aggregate cash and cash equivalents of US\$71.5 million compared with US\$125.1 million as at 30 June 2013. Our unused sources of liquidity amounted to US\$139.0 million as at 30 June 2014, which includes US\$67.5 million undrawn from the 2014 RCF.

Net cash flow used in operating activities

Our net cash flow used in operating activities was US\$13.0 million in 2Q2014 versus US\$9.0 million in 2Q2013. In 2Q2014, we paid a deposit of US\$10.0 million to secure the MOPU which will be used in the Wassana development.

Net cash flow used in investing activities

In 2Q2014, our total net cash flow used in investing activities amounted to US\$123.1 million compared with US\$23.8 million in 2Q2013. The cash consideration of US\$106.5 million in connection with our acquisition of the 75% working interest and operatorship of G10/48 was the primary contributor to our net cash flow used in investing activities during 2Q2014. In addition (i) US\$3.9 million, representing our share of development well drilling and platform installations at the B8/32 and B9A complex; (ii) US\$5.3 million, representing our share of costs relating to activities at the Nong Yao oil field development; (iii) US\$3.3 million and US\$1.1 million in connection with our share of costs relating to seismic acquisition at the Tanjung Aru PSC and Udan Emas PSC, respectively; and (iv) US\$1.4 million representing our share of costs at G11/48 pertaining to the Rojana-1 exploration well, contributed to our net cash flow used in investing activities.

Net cash flow used in financing activities

We issued S\$130 million in Singapore dollar denominated bonds during 2Q2014 and following a USD swap, the gross proceeds from the issue was US\$103.7 million. In the same quarter, we repaid US\$16.0 million from the RCF.

Borrowings

During 2Q2014, we issued the 2017 Notes under the MTN Programme. The 2017 Notes will bear interest at a fixed rate of 6.25% payable semi-annually in arrears.

The 2014 RCF remains in place with an option to increase the limit of the facility up to a maximum of US\$140.0 million in the event we add 2P reserves in connection with the entities secured under the 2014 RCF, being our existing producing and development assets in the Gulf of Thailand and Block 9 in Bangladesh.

Our gearing was 22.3% as at 30 June 2014.

Capital expenditures and capital investments

The following table shows our capital expenditures and capital investments for the three and six months ended 30 June 2014 and 2013. Our exploration and development expenditures include, among others, exploration and appraisal well expenditures, geological and geophysical activities, general and administrative costs, platform and facility costs, and pipeline and equipment expenditures.

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	(US\$ thousands)			
Capital expenditures and capital investments:				
Exploration and appraisal expenditure	16,756.2	21,701.2	36,534.9	25,933.1
Development expenditure	4,221.1	2,034.4	6,143.1	4,801.5
Acquisition of subsidiary	101,639.6	-	101,639.6	-
Others	518.0	98.2	541.2	331.5
Total capital expenditures and capital investments	123,134.9	23,833.8	144,858.8	31,066.1

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

THE GROUP	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Option Reserve	Total Equity
	(US\$ thousands)					
At 1 January 2014	1,307.7	602,938.3	(136,641.4)	(1,299.6)	527.8	466,832.8
Loss net of tax	-	-	(17,977.9)	-	-	(17,977.9)
Other comprehensive income	-	-	-	(19.8)	-	(19.8)
Total comprehensive income for the period	-	-	(17,977.9)	(19.8)	-	(17,997.7)
Share-based payment	-	-	-	-	956.8	956.8
At 31 March 2014	1,307.7	602,938.3	(154,619.3)	(1,319.4)	1,484.6	449,791.9
Loss net of tax	-	-	(5,818.7)	-	-	(5,818.7)
Other comprehensive income	-	-	-	15.7	-	15.7
Total comprehensive income for the period	-	-	(5,818.7)	15.7	-	(5,803.0)
Share-based payment	-	-	-	-	974.8	974.8
At 30 June 2014	1,307.7	602,938.3	(160,438.1)	(1,303.7)	2,459.4	444,963.6
THE GROUP	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Total Equity	
	(US\$ thousands)					
At 1 January 2013	1,000.0	402,750.0	(123,996.1)	(1,220.1)	278,533.8	
Loss net of tax	-	-	(539.0)	-	(539.0)	
Other comprehensive income	-	-	-	(29.3)	(29.3)	
Total comprehensive income for the period	-	-	(539.0)	(29.3)	(568.3)	
At 31 March 2013	1,000.0	402,750.0	(124,535.1)	(1,249.4)	277,965.5	
Loss net of tax	-	-	(8,165.1)	-	(8,165.1)	
Other comprehensive income	-	-	-	(41.5)	(41.5)	
Total comprehensive income for the period	-	-	(8,165.1)	(41.5)	(8,206.6)	
At 30 June 2013	1,000.0	402,750.0	(132,700.1)	(1,290.9)	269,759.0	

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Option Reserve	Total Equity
			(US\$ thousands)		
At 1 January 2014	1,307.7	602,997.9	(1,481.4)	527.8	603,352.0
Loss net of tax	-	-	(753.6)	-	(753.6)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	(753.6)	-	(753.6)
Share-based payment	-	-	-	956.8	956.8
At 31 March 2014	1,307.7	602,997.9	(2,235.0)	1,484.6	603,555.2
Loss net of tax	-	-	(4,466.1)	-	(4,466.1)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the period	-	-	(4,466.1)	-	(4,466.1)
Share-based payment	-	-	-	974.8	974.8
At 30 June 2014	1,307.7	602,997.9	(6,701.1)	2,459.4	600,063.9
THE COMPANY	Share Capital	Share Premium	Accumulated losses	Total Equity	
			(US\$ thousands)		
At 1 January 2013	1,000.0	402,750.0	(1,965.6)	401,784.4	
Loss net of tax	-	-	(328.2)	(328.2)	
Other comprehensive income	-	-	-	-	
Total comprehensive income for the period	-	-	(328.2)	(328.2)	
At 31 March 2013	1,000.0	402,750.0	(2,293.8)	401,456.2	
Loss net of tax	-	-	(114.5)	(114.5)	
Other comprehensive income	-	-	-	-	
Total comprehensive income for the period	-	-	(114.5)	(114.5)	
At 30 June 2013	1,000.0	402,750.0	(2,408.3)	401,341.7	

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

The Company did not hold any treasury shares as at 30 June 2014 (30 June 2013: Nil).

KrisEnergy Employee Share Option Scheme (“KrisEnergy ESOS”)

The KrisEnergy ESOS was implemented and adopted during the Company's initial public offering (“IPO”). The duration of the KrisEnergy ESOS is 10 years commencing from 10 July 2013. As at 30 June 2014, 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 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.

As at 30 June 2014, the number of Shares granted as awards under the KrisEnergy PSP 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) 7,142,800 Shares, and none of the awards had been released.

For recent developments in our share capital since 30 June 2014, please see paragraph 10 of these Results entitled “Recent Developments”.

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

SHARE CAPITAL	As at 30 June 2014		As at 31 December 2013	
	(unaudited)		(unaudited)	
	No. of shares	US\$	No. of shares	US\$
<i>Issued and fully paid ordinary shares</i>				
At 1 January	1,046,154,000	1,307,693	100,000,000	1,000,000
One for eight share split on 10 July 2013	-	-	700,000,000	-
Issued on 19 July 2013 for cash	-	-	246,154,000	307,693
At reporting date	1,046,154,000	1,307,693	1,046,154,000	1,307,693

SHARE PREMIUM	As at 30 June 2014	As at 31 December 2013
	(unaudited) US\$	
At 1 January	602,938,278	402,750,000
Increase on 19 July 2013 for cash arising from an issuance of share capital	-	212,678,368
Share issuance expense	-	(12,490,090)
At reporting date	602,938,278	602,938,278

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 was no sale, transfer, disposal, cancellation and/or use of treasury shares as at 30 June 2014 (30 June 2013: 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 2013, 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 changes, 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 2014. The adoption of these standards did not have any material effect on the financial performance of the Group for the current financial period.

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

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
Loss per share attributable to owners of the Group:				
(i) Based on a weighted average number of shares (cents per share)	(0.6)	(8.2)	(2.3)	(8.7)
Weighted average number of shares	1,046,154,000	100,000,000	1,046,154,000	100,000,000
(ii) On a fully diluted basis (cents per share)	(0.6)	(8.2)	(2.3)	(8.7)
Adjusted weighted average number of shares	1,046,154,000	100,000,000	1,046,154,000	100,000,000

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

As at 30 June 2014, the Company did not have any treasury shares.

	The Group		The Company	
	As at 30 June 2014	As at 31 December 2013	As at 30 June 2014	As at 31 December 2013
				(US\$)
Net asset value per ordinary share ⁽¹⁾	0.43	0.45	0.57	0.58
Net tangible asset per ordinary share ⁽¹⁾	0.37	0.40	0.57	0.58

Note:

(1) Based on share capital of 1,046,154,000 as at 30 June 2014 and 31 December 2013

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

The following table sets forth a selected summary of our income statement and non-IFRS financial data for the three and six months ended 30 June 2014.

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	<i>(unaudited)</i> <i>(US\$ thousands)</i>			
Sale of crude oil & liquids	14,852.8	13,088.5	28,505.1	29,009.1
Sales of gas	7,486.7	3,605.8	15,043.4	7,752.3
Revenue	22,339.5	16,694.3	43,548.5	36,761.4
Cost of sales:				
Operating costs	(5,385.9)	(5,994.2)	(9,000.5)	(9,845.1)
Thai petroleum special remuneratory benefits and royalties paid	(2,329.8)	(1,955.1)	(4,372.9)	(4,440.5)
Depreciation, depletion and amortisation	(6,678.2)	(2,482.2)	(13,488.4)	(7,002.2)
Gross profit	7,945.6	6,262.8	16,686.7	15,473.6
Other income	2,491.0	485.9	3,920.0	1,357.8
General and administrative expenses	(9,903.0)	(6,672.6)	(18,137.1)	(11,411.6)
Other operating expenses	(250.6)	(637.4)	(6,391.0)	(386.0)
Finance income	131.6	156.6	283.6	366.8
Finance costs	(3,363.5)	(3,755.8)	(13,805.1)	(6,307.5)
Loss before tax	(2,948.9)	(4,160.5)	(17,442.9)	(906.9)
Tax expense	(2,869.8)	(4,004.6)	(6,353.8)	(7,797.1)
Loss after tax for the year	(5,818.7)	(8,165.1)	(23,796.7)	(8,704.0)

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
	<i>(unaudited)</i> <i>(US\$ thousands)</i>			
Revenue	22,339.5	16,694.3	43,548.5	36,761.4
Operating costs	(5,385.9)	(5,994.2)	(9,000.5)	(9,845.1)
Thai petroleum special remuneratory benefits and royalties paid	(2,329.8)	(1,955.1)	(4,372.9)	(4,440.5)
Gross profit before depreciation, depletion and amortisation	14,623.8	8,745.0	30,175.1	22,475.8
Corporate general and administrative expense	(3,554.7)	(3,953.8)	(9,260.1)	(6,913.5)
EBITDAX	11,069.1	4,791.2	20,915.0	15,562.3
Geological and geophysical expense	(3,707.9)	(2,002.5)	(4,578.1)	(2,590.1)
Exploration expense	(166.2)	(30.3)	(170.8)	(90.9)
EBITDA	7,195.0	2,758.4	16,166.1	12,881.3

Revenue

Our revenues increased by 33.8% to US\$22.4 million in 2Q2014 from US\$16.7 million in 2Q2013 due to higher oil and gas production as well as an increase in the average realised selling price for crude oil in line with general movements in global benchmark prices. We reported higher oil and gas production in 2Q2014 compared with 2Q2013 primarily as a result of production recognition from the Bangora field, where the underlying transaction was completed in December 2013.

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013	2014	2013
Production volumes				
Oil and liquids (bopd)	1,525	1,348 ⁽¹⁾	1,536	1,468 ⁽¹⁾
Gas (mmcf)	38.2	7.1 ⁽¹⁾	38.7	7.6 ⁽¹⁾
Total (boepd)	7,887	2,528	7,991	2,737
Sales volumes				
Oils and liquids (bopd)	1,525	1,348	1,535	1,468
Gas (mmcf)	37.2	6.4	37.7	6.9
Total (boepd)	7,723	2,421	7,827	2,626
Average sales price				
Oils and liquids (US\$/bbl)	109.58	104.30 ⁽¹⁾	108.81	108.46 ⁽¹⁾
Gas – B8/32 and B9A (US\$/mcf)	5.98	6.27	6.09	6.26
Gas – Block 9 (US\$/mcf)	2.32	N/A	2.32	N/A

Note:

(1) Includes production from the Glagah-Kambuna TAC, which ceased production on 11 July 2013 and excludes production from Block 9 in Bangladesh, the acquisition of which was completed in December 2013

Cost of sales

Cost of sales increased 38.0% to US\$14.4 million in 2Q2014 (2Q2013: US\$10.4 million) due to a 169.0% increase in DDA to US\$6.7 million (2Q2013: US\$2.5 million), attributable to higher production. The increase was offset by a 10.1% decrease in operating costs of US\$5.4 million in 2Q2014 (2Q2013: US\$6.0 million) as production ceased at the Glagah-Kambuna TAC.

Higher total production and lower operating cost resulted in a significant reduction in our lifting cost to US\$7.50/boe in 2Q2014 (2Q2013: US\$26.05/boe).

	For the three months ended 30 June		For the six months ended 30 June	
	2014	2013 ⁽¹⁾	2014	2013 ⁽¹⁾
Average lifting cost				
Oil, liquids and gas (US\$/boe)	7.50	26.05	6.22	19.88
Operating costs (US\$'000)	5,385.9	5,994.2	9,000.5	9,845.1
Total production (boe)	717,752	230,089	1,446,442	495,325

Note:

(1) Includes costs from the Glagah-Kambuna TAC which ceased production on 11 July 2013 and excludes lifting costs from Block 9, the acquisition of which completed in December 2013

Other income

Other income increased to US\$2.5 million in 2Q2014 from US\$0.5 million in 2Q2013 primarily as a result of farm-in income received for joint studies and time-writing income.

General and administrative expenses

General and administrative expenses increased by 48.4% to US\$9.9 million in 2Q2014 (2Q2013: US\$6.7 million). The increase is in line with our expectations and business

development strategy due to the integration of our operations in Bangladesh and an increase in headcount (primarily in Thailand and Indonesia) as we ramp up of development activities.

Finance income

Finance income was stable at US\$0.1 million in 2Q2014 (2Q2013: US\$0.2 million).

Finance costs

Finance costs were US\$3.4 million in 2Q2014 (2Q2013: US\$3.8 million). The decrease was attributed to lower interest costs following the debt restructuring on our balance sheet.

Loss before tax

We recorded a loss before tax of US\$2.9 million in 2Q2014 compared with a loss before tax of US\$4.2 million in 2Q2013 as a result of the above mentioned factors.

Tax expense

Tax expenses decreased to US\$2.9 million in 2Q2014 from US\$4.0 million in 2Q2013, due to lower tax provision related to B8/32 and B9A in the period compared with 2Q2013.

Loss after tax for the year

We recorded a loss of US\$5.8 million in 2Q2014 compared with a loss of US\$8.2 million in 2Q2013 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

We operate in an industry that may be impacted by commodity price fluctuations and the availability of third-party services, equipment and materials.

Portfolio optimisation will remain central to our strategy. We will continue to seek additional contract areas within our geological focus area and across the exploration-to-production life cycle for which we believe our technical and operational expertise will create value. Concurrently, we will continuously review our existing portfolio for divestment opportunities for assets which we believe are no longer core to our overall strategy.

As at the date of these Results and save for the fluctuations in commodity prices, availability of third-party services, equipment and materials, we are not aware of any other factor or event that may affect our Group in the next reporting period and the next 12 months.

Recent Developments

- Development at the Lengo gas field offshore East Java in the Bulu PSC is progressing. We submitted the Plan of Development in July 2014 and have executed a memorandum of understanding with a potential off-taker for Lengo gas sales.
- On 8 August 2014, we announced the West Cressida jack-up rig has commenced drilling of the Mancharee-1 exploration commitment well in block G10/48 in the Gulf of Thailand, where we are developing the Wassana oil field. Please see the announcement *“KrisEnergy drills exploration commitment well in G10/48”* dated 8 August 2014 for more details.
- On 11 August 2014, we announced the acquisition of the entire issued and paid-up share capital of Chevron Overseas Petroleum (Cambodia) Limited (**“Chevron Cambodia”**), which holds the operatorship of, and 30.0% participating interest¹ in the Block A Petroleum Agreement, offshore Cambodia (**“Cambodia Block A”**). Upon completion of the acquisition, KrisEnergy will indirectly hold 52.25% participating interest in Cambodia Block A through a wholly-owned subsidiary, KrisEnergy (Cambodia) Ltd (23.75%) and Chevron Cambodia (28.5%). The operatorship will remain with Chevron Cambodia (which will be renamed as KrisEnergy (Apsara) Ltd.). Please see the announcement *“KrisEnergy increases interest in Cambodia Block A through corporate acquisition”* dated 11 August 2014 for more details.
- On 11 August 2014, a deed was executed between partners in the Block 105-110/04 (**“Block 105”**) and Block 120 PSCs to formalise and effect the default settlement and transfers of the 25% working interests of Neon Energy (Song Hong) Pty Ltd in Block 105 and Block 120 to Eni Vietnam B.V. and KrisEnergy, proportionately. Upon the receipt of government approval, the respective working interests of KrisEnergy 105 and KrisEnergy 120 in Block 105 and Block 120 will increase to 33.33%. Please see the announcement *“Vietnam Block 105 and Block 120 – partner update”* dated 11 August 2014 for more details.

¹ On 15 November 2011, the Cambodian National Petroleum Authority (**“CNPA”**) announced its intention to exercise its right to take a 5.0% participating interest in Cambodia Block A. Formalisation and completion of CNPA’s acquisition are ongoing, following the formal transfer, Chevron Cambodia will hold a 28.5% participating interest and KrisEnergy will indirectly hold a 23.75% participating interest.

11. Dividend

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

None.

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the three months ended 30 June 2014.

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

Other than the interested person transactions as disclosed in the Prospectus under the section “*Interested Person Transactions and Conflicts of Interests – Present and Ongoing Interested Person Transactions*” which has been deemed approved by our Shareholders (which collectively amount to transactions under S\$100,000), there were no other interested person transactions during the financial period under review.

Our 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 IPO

Pursuant to the IPO, the Company received net proceeds from the issue of the new shares of US\$200.5 million (S\$254.6 million) after deducting for share issuance expenses of US\$12.5 million (S\$15.9 million). The following table sets out our use of the net IPO proceeds up to 30 June 2014. The Company will continue to make periodic announcements on the use of the IPO proceeds as and when the funds are materially disbursed.

	Allocation of IPO Proceeds	IPO Proceeds utilised as at 27 May 2014 ⁽¹⁾ (US\$ million)	IPO Proceeds utilised as at 30 June 2014	Balance of IPO Proceeds
Tranche 1: For acquisitions (including farm-ins)	59.9	59.9	59.9	-
Tranche 2: For our planned capital expenditures, including the exploration, appraisal and development of our existing assets	111.1	71.1	96.0 ⁽²⁾	15.1
Tranche 3: For general working capital	29.5	29.5	29.5	-
Total	200.5⁽³⁾	160.5	185.4	15.1

Notes:

- (1) Please refer to the announcement “KrisEnergy provides update on use of IPO Proceeds” dated 27 May 2014
- (2) Mainly attributed our share of exploration and development costs at G11/48, costs related to seismic activities in the Tanjung Aru PSC and Udan Emas PSC, and development costs in the Bangora field in Block 9
- (3) Estimated net IPO Proceeds disclosed in the Prospectus dated 12 July 2013 was US\$203.6 million and the actual net IPO proceeds received by the Company was US\$200.5 million

CONFIRMATION BY THE BOARD OF DIRECTORS

Pursuant to SGX Listing Rule 705(5), we, Keith Cameron and Christopher Gibson-Robinson, being two directors of KrisEnergy Ltd. (the “**Company**”), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial results for the second quarter and six months ended 30 June 2014 to be false or misleading in any material aspect.

On behalf of the board of directors.

Keith Cameron
Executive Director &
Chief Executive Officer

Christopher Gibson-Robinson
Executive Director &
Director Exploration & Production

Singapore, 14 August 2014