



KrisEnergy announces 1H2014 financials & operational update

- Revenue up 18.2% year-on-year at US\$43.5 million and EBITDAX¹ increases 34.0% to US\$20.9 million
- Working interest production rises 192% to 7,991 boepd
- Lifting costs fall 68.7% to US\$6.22/boe
- Increased Cambodia Block A interest to 52.25%²
- Acquisitions² lift 2C resources to 175.2 mmboe, up 225%

Singapore, 14 August 2014 – KrisEnergy Ltd. (“KrisEnergy” or “the “Company”), an independent upstream oil and gas company, today announces unaudited results for the second quarter (“2Q2014”) and first half (“1H2014”) ended 30 June 2014, and provides an operational update for the year to 31 July 2014.

	Second quarter and six months ended 30 June					
	2Q2014	2Q2013	%	1H2014	1H2013	%
Production volumes (boepd)	7,887	2,528³	212.0	7,991	2,737³	192.0
Oil and liquids (bopd)	1,525	1,348 ³	13.1	1,536	1,468 ³	4.6
Gas (mmcf)	38.2	7.1 ³	438.0	38.7	7.6 ³	409.2
Revenue (US\$million)	22.3	16.7	33.5	43.5	36.8	18.2
EBITDAX¹ (US\$million)	11.1	4.8	131.3	20.9	15.6	34.0
Average sales price						
Oils and liquids (US\$/bbl)	109.58	104.30 ³	5.1	108.81	108.46 ³	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	NA	-	2.32	NA	-
Average lifting costs (US\$/boe)	7.50	26.05³	(71.2)	6.22	19.88³	(68.7)

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.

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

² Transaction for Cambodia Block A is pending government acknowledgement and the transaction for Block A Aceh is pending government approval

³ 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



A near threefold increase in oil and gas production and higher realised oil prices in the second quarter led to an 18.2% increase in revenue in 1H2014 to US\$43.5 million and a 34.0% jump in EBITDAX to US\$20.9 million. EBITDAX, which is a measure of core profitability universally adopted by the upstream oil and gas industry globally, increased on the back of increased production and cost efficiencies. KrisEnergy's working interest production for the six-month period to 30 June 2014 averaged 7,991 barrels of oil equivalent per day ("boepd") compared with 2,737 boepd a year ago, boosted primarily by the full contribution of the Bangora gas field in Bangladesh, for which the Company's acquisition of a 30% working interest was completed in December 2013.

International geopolitical developments lifted global benchmark oil prices and resulted in an average selling price for oil and liquids of US\$109.58 per barrel ("bbl") in the second quarter, 5.1% up from US\$104.30/bbl in 2Q2013 and a rise of 1.4% from US\$108.04/bbl in the first quarter 2014. For the full six months to 30 June 2014, realised oil and liquids prices held steady at US\$108.81/bbl versus US\$108.46/bbl a year ago. The price of gas realised from the B8/32 and B9A fields in the Gulf of Thailand during the first half of 2014 ticked 2.7% lower to US\$6.09 per thousand cubic feet ("mcf") versus US\$6.26/mcf in the 2013 period, while the sales price for Bangora gas remained fixed at US\$2.32/mcf.

Gross production at Bangora has consistently exceeded expectations in 2014 at an average rate of approximately 110 million cubic feet per day ("mmcf"). Oil production at the B8/32 and B9A complex benefitted from new development wells that were drilled in 2013 and put on stream in the early part of this year. The operator, Chevron, has drilled an additional 41 development wells so far in 2014 and two platforms were restarted following in-fill drilling.

Higher production and lower operating costs, which decreased 8.6% to US\$9.0 million in 1H2014 compared with a year ago following the closure of the Kambuna gas-condensate field in Indonesia in July 2013, led to a substantial reduction in lifting costs to an average US\$6.22 per barrel of oil equivalent ("boe") versus US\$19.88/boe in the first half 2013.

Keith Cameron, Chief Executive Officer, commented: "Our revenues and EBITDAX at mid-year are at the top of our target range and we have been particularly pleased by the consistent performance of the Bangora gas field as well as an uptick in oil production in the Gulf of Thailand. We have made significant steps forward on the Nong Yao and Wassana oil development projects and we remain on track to benefit from production from these two fields in 2015, which will further add to revenues, EBITDAX and reserves. We have submitted a plan of development for the Lengo gas field in the Bulu PSC in Indonesia, advancing our gas aggregation plans offshore East Java, and we have been active in M&As, undertaking three transactions⁴ which have more than tripled our contingent resources and added a further near-term development project into our portfolio."

The acquisition of the outstanding 75% working interest in G10/48, completed in May, added 14.7 million barrels of oil ("mmbo") to the Company's working interest best estimate contingent ("2C") resources and the subsequent acquisition of 100% of the issued share capital of Premier Oil Sumatra (North) B.V., which holds 41.6666% working interest in the Block A Aceh PSC, will boost 2C resources by a further 103.6 million barrels of oil equivalent ("mmboe"), 29.2 mmboe in the development

⁴ Transaction for Cambodia Block A is pending government acknowledgement and the transaction for Block A Aceh is pending government approval



pending category and 74.4 mmboe classified as development unclarified. In August, the Company announced the acquisition of the entire issued share capital of Chevron Overseas Petroleum (Cambodia) Limited⁴, which holds a 30% working interest in, and operatorship of, Cambodia Block A. Upon completion of the acquisition, KrisEnergy will indirectly hold 52.25% participating interest in Cambodia Block A with associated working interest 2C resources of 5.4 mmboe, comprising 4.5 mmboe in the development pending category and 0.9 mmboe in the development unclarified category. All 2C resource estimates have been reviewed by Netherland, Sewell & Associates, Inc. KrisEnergy's total 2C resources are 175.2 mmboe and following the receipt of necessary approvals, the Company expects to convert a substantial portion of its 2C resources into proved plus probable reserves in the near term.

Capital expenditure of US\$21.5 million in the second quarter was primarily related to a 502 sq km 3D broadband seismic acquisition program completed in the Tanjung Aru PSC, preparations for a 300 km 2D seismic program in the Udan Emas PSC, which is due to start late in the third quarter 2014, the unsuccessful Rojana-1 exploration well in G11/48 as well as costs associated with the Nong Yao oil project, and development drilling and platform installation in the B8/32 and B9A fields. For the six months to 30 June 2014, capital expenditure totalled US\$43.2 million versus US\$31.1 million during the same period in 2013.

Operational update for 2Q2014

Changes to Portfolio

- Completed the acquisition of MP 10 (Thailand) Ltd, the entity holding a 75% working interest in, and operatorship of, G10/48 in the Gulf of Thailand. KrisEnergy subsequently holds a 100% indirect working interest of the block where the Wassana oil discovery is under development;
- Acquired a 41.6666% non-operated working interest in Block A Aceh, onshore Sumatra. The PSC contains several gas-condensate discoveries, three of which have an approved plan of development ("POD") and are pending near-term development once government approvals are obtained for the transaction;
- Acquired entire issued and paid-up share capital of Chevron Overseas Petroleum (Cambodia) Limited, which holds operatorship and 30% working interest in Cambodia Block A, offshore Cambodia. Once government acknowledgment is received, KrisEnergy will indirectly hold 52.25% working interest and operatorship in the development block;
- Executed deed of assignment between partners in the Tanjung Aru PSC to formalise and effect the transfer of 42% working interest from Neon Energy to KrisEnergy. The transaction will increase KrisEnergy's working interest and 2C resources associated with the contract area to 85% once government approval is received; and
- KrisEnergy's working interest in Block 105-110/04 and Block 120, both offshore Vietnam, will increase to 33.33% once government approvals are obtained for the transfer of *pro rata* working interest to the Company.

⁴ Transaction for Cambodia Block A is pending government acknowledgement and the transaction for Block A Aceh is pending government approval



Production

- Bangora field operations achieved one million man hours without a lost time incident under KrisEnergy's stewardship.

Development & Appraisal

- Finalised the development concept for the Wassana oil development in G10/48 and submitted the production area application to the Thai authorities. KrisEnergy contracted the *Key Gibraltar* jack-up rig for six months to drill up to 15 development wells in Wassana and a minimum of six exploration wells in the G10/48 and G6/48 licences. KrisEnergy also secured a mobile offshore production unit for use as the oil processing facility. First oil is expected in the second half of 2015 and is anticipated to peak at 10,000 bopd;
- At the end of June, construction activities were 38.0% complete for the Nong Yao facilities in G11/48 and the project remains on budget and schedule; and
- Submitted the plan of development for the Lengo gas field in the KrisEnergy-operated Bulu PSC in July and a memorandum of understanding was signed with a potential purchaser of Lengo gas.

Exploration

- The Rojana-1 commitment exploration well was drilled in G11/48 and was plugged after failing to encounter hydrocarbons in the target reservoirs.

Financial Developments

- Established a S\$500 million Multicurrency Medium-Term Note Programme and subsequently issued S\$130 million fixed rate notes at 6.25% due 2017. The inaugural issue under the programme, which was eight times subscribed above the initial offer size, was the first Singapore dollar high-yield bond issue executed for an oil and gas exploration and production company. Total gearing as at 30 June 2014 was 22.3%.

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About KrisEnergy:

KrisEnergy Ltd. is an independent upstream company focused on the exploration for, and the development and production of oil and gas in Southeast Asia. Our strategy is to acquire assets in countries and basins where our technical team has expertise derived from decades of experience. Since 2009, we have built a portfolio of 18 contract areas in Bangladesh, Cambodia, Indonesia, Thailand and Vietnam, spanning the entire exploration-to-production life cycle. KrisEnergy also has acquired a non-operated interest in Block A Aceh, the transaction for which is pending government approval and, once approvals are received, will increase the portfolio to 19 contract areas.

KrisEnergy's shares are listed on the mainboard of the Singapore Exchange Securities Trading Ltd under the ticker SK3. For more information, visit www.krisenergy.com