KRISENERGY LTD

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

Unaudited First Quarter 2018 Financial Statements Announcement

14 May 2018

The following announcement may contain forward-looking statements by KrisEnergy Ltd. (the "**Company**" or "**KrisEnergy**", and collectively with its subsidiaries, the "**Group**") 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, among others, the financial condition, results of operation and business, and the related plans and objectives of the Company and/or the Group. 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. As 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 and/or the Group. It should be noted that our actual performance may vary significantly from such statements. No undue reliance should be placed on forward-looking statements and the Company does not undertake to revise forward-looking statements to reflect future events or circumstances.

Financial and Operations Update

*KrisEnergy Ltd. is an independent upstream 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 17 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 our unaudited financial statements reflecting the financial and operating results for the three months ended 31 March 2018 (the "**Results**" or "**1Q2018**"). References made to the Company pertain to KrisEnergy Ltd. and references made to the Group pertain to the Company and its subsidiaries.*

	For the three months ended 31 March		
	2018	**2017**	**% Change**
	(US$ thousands, except where otherwise indicated)		
Financial			
Sale of crude oil & liquids	38,986.5	26,416.4	47.6
Sale of gas	3,521.6	5,387.4	(34.6)
Revenue	**42,508.1**	**31,803.8**	**33.7**
EBITDAX[1,2]	**9,496.2**	**17,166.3**	**(44.7)**
Cash and bank balances	52,663.0	57,957.2	(9.1)
Operations[2]			
Production volumes (*boepd*)	12,132	13,610	(10.9)
Average sales price			
• Oil and liquids (*US$/bbl*)	61.40	46.82	31.1
• Gas – B8/32 (*US$/mcf*)	4.10	3.61	13.6
• Gas – Block 9 (*US$/mcf*)	2.32	2.32	-
Average lifting costs (*US$/boe*)[3]	20.25	17.41	16.3

Notes:

(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 measures
(3) Calculation of average lifting cost has been revised to reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period. See section 8 "*Cost of Sales*" in this *Financial Statement Announcement* for a detailed explanation.

First Quarter 2018 Financial Update

In 1Q2018, the Group benefitted from substantial improvements in realised oil and gas sales prices while continuing to work towards progressing core development projects and managing Group liquidity. Production constraints in the Wassana oil field, in the G10/48 licence in the Gulf of Thailand, impeded the Group's overall production performance and elevated lifting costs although each of the Group's four producing assets were above breakeven levels in the reporting period.

- Working interest production in 1Q2018 was 12,132 barrels of oil equivalent per day ("**boepd**"), 10.9% lower than a year ago (1Q2017: 13,610 boepd). The year-on-year decrease was largely a result of a defective water injection pump at the Wassana oil field, which also experienced damage to a section of 6-inch subsea flowline that required closure of the line while the section was replaced. Both incidents resulted in overall reduced output from the field in March 2018.

- Revenue for 1Q2018 increased 33.7% to US$42.5 million (1Q2017: US$31.8 million) due to higher average realised selling prices for oil and liquids, and natural gas in Thailand.

- In 1Q2018, the average realised price for oil and liquids was US$61.40 per barrel ("**bbl**"), 31.1% higher than the same period last year (1Q2017: US$46.82/bbl). In line with higher oil prices, the average realised price for gas at the B8/32 oil and gas fields in the Gulf of Thailand, which is linked to the price of medium sulphur fuel oil among other factors, increased to US$4.10 per thousand cubic feet ("**mcf**") (1Q2017: US$3.61/mcf). The realised price from the Bangora gas field in Bangladesh remained flat at US$2.32/mcf.

- Operating costs in 1Q2018 increased to US$24.5 million (1Q2017: US$12.4 million) which was primarily a result of two crude cargo liftings taking place during 1Q2018 versus one crude cargo lift in 1Q2017 from the Wassana field. In line with Group's accounting policies and industry practice, operating costs are incurred and matched with revenue earned. Therefore, even though operating expenditure from the Wassana field is largely fixed, the accounting recognition of costs will fluctuate in line with sales volume and hence, revenue earned.

- Calculation of average lifting cost has been revised to reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period. Previously, average lifting costs were calculated using operating cost reported in accordance with IFRS which was then matched with the cost of production to the volume sold. Higher operating cost together with lower production in 1Q2018 contributed to a higher average lifting cost of US$20.25 per barrel of oil equivalent ("**boe**"), compared with US$17.41/boe in 1Q2017, which has been adjusted to reflect the revised formula.

- Depreciation, depletion and amortisation ("**DD&A**") charges reduced to US$11.9 million in 1Q2018 (1Q2017: US$15.3 million) as a result of lower production.

- EBITDAX in 1Q2018 amounted to US$9.5 million (1Q2017: US$17.2 million). The year-on-year decrease was primarily attributed to (i) the recognition of US$5.0 million non-cash unrealised exchange losses incurred on the translation of the S$130 million senior unsecured notes due 2022 ("**2022 Notes**"), the S$200 million senior unsecured notes due 2023 ("**2023 Notes**") and the S$139.5 million senior secured zero coupon notes due 2024 ("**2024 ZCNs**") in 1Q2018; and (ii) the recognition of a one-off gain on early termination of a fair value hedge of US$1.4 million, pursuant to the financial restructuring in 1Q2017.

- Net loss after tax was US$18.2 million in 1Q2018 compared with a net profit after tax of US$55.7 million in 1Q2017. The net loss position was mainly attributable to (i) higher operating expenditure; (ii) increased cash interest expense on loans and borrowings; (iii) non-cash accretion of 2022 Notes, 2023 Notes and 2024 ZCNs bond discount; and (iv) non-cash net foreign exchange losses recognised. In 1Q2017, the net profit after tax was primarily attributed to one-off non-cash fair value gain on exchange of the 2017 to 2022 Notes and the 2018 to 2023 Notes amounting to US$73.9 million ("**Notes Exchange Gain**") due to the 2022 Notes and 2023 Notes being recognised at a discount to par value upon exchange. Each reporting quarter until maturity of the 2022 Notes and 2023 Notes, non-cash accretion of bond discount, computed based on the effective interest method in accordance with IFRS, will be charged to the Group's profit and loss as finance cost to set off against the Notes Exchange Gain. In addition, non-cash accretion of bond discount on the 2024 ZCNs will also be charged to finance cost, as the 2024 ZCNs were initially recognised at a discount to par value on issuance in 1Q2017.

- As at 31 March 2018, the Group's cash and bank balances amounted to US$52.7 million and, after taking into account restricted cash of US$8.3 million, the Group's cash and cash equivalents amounted to US$44.4 million.

- As at 31 March 2018, total debt amounted to US$434.6 million and the Group's gearing was 75.4%.

Group Capital Management

- On 29 March 2018, the Company and DBS Bank Ltd ("**DBS**") signed an extension request letter whereby the tenor of the existing revolving credit facility ("**RCF**") was extended by two years to 30 June 2020. There were no changes to the existing terms and conditions of the RCF. On 9 April 2018, DBS provided an additional commitment of US$20.0 million (the "**Bridge Upsize**") under the RCF for a period of up to three months to support the Group's liquidity requirements. The Bridge Upsize is repayable on 8 July 2018.

- The Group remains focused on allocating capital to projects that will maximise production efficiencies from existing assets, progress development of the Group's core development projects in the Gulf of Thailand, with the overall objective of stabilising and enhancing production, while minimising and deferring discretionary expenditure as much as practicably possible. Although the Group continues to cut costs, Group gearing and finance charges remain at significantly high and elevated levels. As the Group's development projects are planned to be funded using vendor financing, managing pressure on the Group's finance cost and gearing will remain the primary challenge. As a result, the Group continues to evaluate all options, including corporate actions, to strengthen the Group's balance sheet.

First Quarter 2018 Operational Update

Operationally, the Group's primary focus is maximising production and the development of core assets in the Gulf of Thailand. The following is a summary of the key operational events in 1Q2018.

Production and Development

- Average gross production at the Wassana oil field in the KrisEnergy-operated G10/48 concession was 4,491 barrels of oil per day ("bopd") in 1Q2018 and the Group's working interest share of production was 3,997 bopd. Production was curtailed in 1Q2018 due to damage to a section of a 6-inch subsea flowline, which was shut off and replaced, as well as reduced water injection capacity as a result of a defect in the main pump. The pump shaft was repaired in Singapore and returned to the field for installation.

    - In March 2018, the *PV Drilling I* jack-up rig drilled the Wassana-4 appraisal well to the north of the existing Wassana production facilities. Wassana-4 reached a total depth at 5,714 feet measured depth ("MD") (-5,518 feet true vertical depth subsea) ("**TVDSS**") and encountered net vertical oil pay of 31 feet true vertical thickness ("**TVT**"). The well was sidetracked, Wassana-4ST, to a total depth 5,587 feet MD (-5,462 feet TVDSS) and encountered 66 feet TVT of net oil pay. Preliminary results indicate that the volumes in place in these wells may justify commercial development of the Wassana North Satellite tied back to the existing Wassana facilities.

- Average gross production at the Nong Yao field in G11/48 concession was 8,201 bopd in 1Q2018. Working interest share of production in 1Q2018 was 1,845 bopd. A third infill drilling campaign commenced in early February 2018 and was completed in April 2018 comprising four producer wells and a single water injection well. The field has 26 producing wells (22 horizontal) and three water disposal wells.

- Average gross oil production in the B8/32 oil and gas fields was 20,864 bopd and gas production was 91.7 million cubic feet per day ("**mmcfd**"). Working interest share of production was 1,675 boepd.

- Average gross production at the onshore Bangora gas field in the Block 9 production sharing contract ("**PSC**") was 271 barrels of condensate per day and 90.7 mmcfd, working interest share of production averaged 4,615 boepd.

Exploration

- The Vietnamese authorities approved in January 2018 the new licence for Block 105-110/04 and the concession has been transferred to the new operator, PetroVietnam. KrisEnergy no longer holds any working interest in this exploration block.

For activities and developments since 31 March 2018, see paragraph 10 of these Results entitled *Recent Developments*.

Financial Statements Announcement
First Quarter ended 31 March 2018

Figures for the three months ended 31 March 2018 have not been audited.

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

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

	For the three months ended 31 March	
	2018	**2017**
	(unaudited)	
	(US$ thousands)	
Sales of crude oil	38,986.5	26,416.4
Sales of gas	3,521.6	5,387.4
Revenue	**42,508.1**	**31,803.8**
Cost of sales:		
Operating costs(1)	(24,493.0)	(12,350.1)
Thai petroleum royalties paid	(3,273.1)	(2,657.3)
Depreciation, depletion and amortisation	(11,886.9)	(15,342.8)
Gross profit	**2,855.1**	**1,453.6**
Other income	1,511.5	5,650.9
General and administrative expenses	(4,638.7)	(7,026.4)
Other operating (expenses)/income	(5,826.5)	77,520.6
Finance income	72.6	87.0
Finance costs	(11,228.5)	(20,572.2)
(Loss)/profit before tax	**(17,254.5)**	**57,113.5**
Tax expense	(933.0)	(1,390.6)
(Loss)/profit after tax for the period	**(18,187.5)**	**55,722.9**
Other comprehensive (loss)/income		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translation of foreign operations	31.6	(26.1)
Total comprehensive (loss)/income for the period	**(18,155.9)**	**55,696.8**
(Loss)/profit per share attributable to owners of the Company (cents per share)		
Basic	(1.2)	3.7
Diluted	(1.2)	3.7

Note: (1) Calculation of average lifting cost has been revised to reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period. See section 8 *"Cost of Sales"* for a detailed explanation.

Extraordinary items

There were no extraordinary items during the period.

EBITDAX Computation

	For the three months ended 31 March	
	2018	2017
	(unaudited)	
	(US$ thousands)	
Adjusted (loss)/profit before tax	(17,254.5)	57,113.5
Add/(less):		
Depreciation, depletion and amortisation	11,910.6	15,436.6
Finance costs	11,228.5	20,572.2
Gain on de-recognition of 2017 Notes and 2018 Notes	-	(73,863.5)
Net fair value loss/(gain) on financial instruments	789.7	(3,657.1)
EBITDA	**6,674.3**	**15,601.7**
Geological and geophysical expenses	2,221.9	1,564.6
Exploration expenses	600.0	-
EBITDAX	**9,496.2**	**17,166.3**

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. Adjusted profit/loss before tax deducts SRB taxes from the calculation of EBITDAX and EBITDA. In addition, EBITDAX and EBITDA are not standardised terms, hence, a direct comparison between companies using such terms may not be possible.

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

	The Group		The Company	
	As at 31 March 2018	As at 31 December 2017	As at 31 March 2018	As at 31 December 2017
	(unaudited)	*(audited)*	*(unaudited)*	*(audited)*
	(US$ thousands)			
ASSETS				
Non-current assets				
Exploration and evaluation assets	387,015.0	380,947.8	-	-
Oil and gas properties	182,703.9	177,540.9	-	-
Other property, plant and equipment	11,454.7	11,181.8	-	-
Intangible assets	8,444.9	8,444.9	-	-
Investment in subsidiaries	-	-	335,634.0	335,572.5
Other receivables	4,429.4	4,422.0	727,066.7	729,357.5
	594,047.9	**582,537.4**	**1,062,700.7**	**1,064,930.0**
Current assets				
Inventories	19,791.5	22,569.0	-	-
Trade and other receivables	65,587.1	59,863.2	0.3	-
Prepayments	1,276.6	739.0	204.2	101.8
Cash and bank balances	52,663.0	73,824.8	54.2	247.4
	139,318.2	**156,996.0**	**258.7**	**349.2**

Total Assets	**733,366.1**	**739,533.4**	**1,062,959.4**	**1,065,279.2**
EQUITY AND LIABILITIES				
Equity				
Share capital	1,878.6	1,878.6	1,878.6	1,878.6
Share premium	730,302.2	730,302.2	730,302.2	730,302.2
Other reserves	30,617.6	30,524.5	41,129.0	41,067.5
Accumulated losses	(621,166.4)	(602,978.9)	(38,387.8)	(24,307.8)
Total Equity	**141,632.0**	**159,726.4**	**734,922.0**	**748,940.5**
Non-current liabilities				
Employee benefit liability	1,514.9	1,630.8	-	-
Loans and borrowings	434,579.6	276,342.6	286,309.6	276,342.6
Derivative liabilities	8,256.1	7,321.5	8,256.1	7,321.5
Deferred tax liabilities	36,513.2	36,836.6	-	-
Provisions	42,774.7	42,675.1	-	-
Other payables	-	-	25,674.0	25,711.1
	523,638.5	**364,806.6**	**320,239.7**	**309,375.2**
Current liabilities				
Trade and other payables	46,963.2	44,199.7	7,076.1	5,923.5
Accrued operating expenses	16,683.4	19,486.9	721.6	1,040.0
Loans and borrowings	-	148,270.0	-	-
Withholding tax payable	211.1	215.2	-	-
Tax payable	4,237.9	2,828.6	-	-
	68,095.6	**215,000.4**	**7,797.7**	**6,963.5**
Total Liabilities	**591,734.1**	**579,807.0**	**328,037.4**	**316,338.7**
Total Equity and Liabilities	**733,366.1**	**739,533.4**	**1,062,959.4**	**1,065,279.2**

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

Amount repayable in one year or less, or on demand

As at 31 March 2018		As at 31 December 2017	
Secured	**Unsecured**	**Secured**	**Unsecured**
	(US$ thousands)		
-	-	148,270.0	-

Amount repayable after one year

As at 31 March 2018		As at 31 December 2017	
Secured[(1)]	**Unsecured**[(2)]	**Secured**	**Unsecured**
	(US$ thousands)		
213,610.0	220,969.7	62,768.8	213,573.8

Note:
(1) Aggregate of the RCF and 2024 ZCNs
(2) Aggregate of the 2022 Notes, 2023 Notes and the US$34.4 million unsecured term loan

Details of any collateral

As at 31 March 2018, certain subsidiaries of the Company have assets pledged under the RCF. On 29 March 2018, the RCF was extended by two years to 30 June 2020. There were no changes to the existing terms and conditions of the RCF. On 9 April 2018, DBS provided the Bridge Upsize under the RCF for a period of up to three months to support the Group's liquidity requirements. The Bridge Upsize is repayable on 8 July 2018.

The 2024 ZCNs, issued under the terms of the Preferential Offering, 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, see 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 three months ended 31 March	
	2018	2017
	(unaudited) *(US$ thousands)*	
Operating activities		
(Loss)/profit before tax	(17,254.5)	57,113.5
Adjustments to reconcile (loss)/profit before tax to net cash flows		
Depreciation, depletion and amortisation	11,886.9	15,342.8
Depreciation of other property, plant and equipment	23.7	93.8
Decommissioning provisions	(390.2)	-
Employee defined benefits	(115.9)	-
Equity-settled share transactions with employees	61.5	154.2
Gain on de-recognition of 2017 Notes and 2018 Notes	-	(73,863.5)
Net fair value loss/(gain) on financial instruments	789.7	(3,657.1)
Unrealised foreign exchange loss on financial instruments	4,953.9	-
Finance cost	5,580.7	12,203.0
Unwinding of discount on bonds	5,158.1	7,730.3
Unwinding of discount on decommissioning provisions	489.7	638.9
Interest income	(72.6)	(87.0)
Operating cash flows before changes in working capital	**11,111.0**	**15,668.9**
Inventories	2,777.6	(9,688.8)
Trade and other receivables	(6,268.9)	611.7
Other current assets	-	1,919.7
Trade and other payables	(404.3)	10,905.6
Cash flows generated from operations	**7,215.4**	**19,417.1**
Interest received	72.6	87.0
Interest paid	(3,509.9)	(3,080.6)
Net cash from operating activities	**3,778.1**	**16,423.5**
Investing activities		
Additions to exploration and evaluation assets	(6,067.2)	(20,882.7)
Additions to oil and gas properties	(17,049.9)	(1,501.9)
Expenditure on assets refurbishment	(292.2)	(57.1)
Purchase of other property, plant and equipment	(4.1)	-
Net cash used in investing activities	**(23,413.4)**	**(22,441.7)**

Financing activities		
Proceeds from bank borrowings	-	8,000.0
Repayment of bank borrowings	-	(73,000.0)
Proceeds from 2024 Zero Coupon Notes	-	94,404.1
Proceeds from warrants exercised	-	0.9
Payment of bond interest	(1,557.8)	(3,924.4)
Financial restructuring expense	-	(7,265.1)
Net cash (used in)/from financing activities	**(1,557.8)**	**18,215.5**
Net (decrease)/increase in cash and cash equivalents	(21,193.1)	12,197.3
Effects of foreign exchange rate changes on the balance of cash held in foreign currencies	31.3	(32.4)
Cash and cash equivalents at beginning of the period	65,554.8	37,522.3
Cash and cash equivalents at end of the period	**44,393.0**	**49,687.2**
Add: restricted cash	8,270.0	8,270.0
Cash and bank balances at end of the period	**52,663.0**	**57,957.2**

As at 31 March 2018, aggregate cash and cash equivalents were US$44.4 million compared with US$49.7 million as at 31 March 2017 and unused sources of liquidity as at 31 March 2018 amounted to US$44.4 million.

Net Cash Flow from Operating Activities

In 1Q2018, net cash from operations amounted to US$3.8 million compared with US$16.4 million in 1Q2017 as a result of movements in working capital.

Net Cash Flow used in Investing Activities

In 1Q2018, net cash used in investing activities amounted to US$23.4 million compared with US$22.4 million in 1Q2017. Material movements in capital expenditure include (i) the drilling program in G10/48 of US$12.6 million; (ii) development drilling in the Nong Yao field in G11/48 of US$3.7 million; and (iii) development activities in Cambodia Block A of US$3.8 million.

Net Cash Flow from Financing Activities

In 1Q2018, net cash used in financing activities amounted to US$1.6 million compared with net cash from financing activities of US$18.2 million in 1Q2017. In 1Q2018, the bond coupon payment for the 2023 Notes amounted to US$1.6 million.

Borrowings

As at 31 March 2018, the total amount drawn from the RCF was US$148.27 million. Unused sources of liquidity (comprising cash and cash equivalents) amounted to US$44.4 million.

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 Reserve	General Reserve	Total Equity
				(US$ thousands)			
At 1 January 2018	**1,878.6**	**730,302.2**	**(602,978.9)**	**(1,862.0)**	**767.2**	**31,619.3**	**159,726.4**

Loss net of tax	-	-	(18,187.5)	-	-	-	(18,187.5)
Other comprehensive income:							
Exchange differences on translation of foreign operations	-	-	-	31.6	-	-	31.6
Total comprehensive income for the period	-	-	(18,187.5)	31.6	-	-	(18,155.9)
Equity-settled share transactions with employees	-	-	-	-	61.5	-	61.5
At 31 March 2018	**1,878.6**	**730,302.2**	**(621,166.4)**	**(1,830.4)**	**828.7**	**31,619.3**	**141,632.0**

THE GROUP	Share Capital	Share Premium	Accumulated Losses	Foreign Currency Translation Reserve	Employee Share Reserve	General Reserve	Total Equity
				(US$ thousands)			
At 1 January 2017	**1,874.5**	**729,529.1**	**(463,694.1)**	**(1,846.9)**	**1,011.8**	**(8,681.0)**	**258,193.4**
Profit net of tax	-	-	55,722.9	-	-	-	55,722.9
Other comprehensive income:							
Exchange differences on translation of foreign operations	-	-	-	(26.1)	-	-	(26.1)
Total comprehensive income for the period	-	-	55,722.9	(26.1)	-	-	55,696.8
Grant of equity-settled transactions with employees	-	-	-	-	154.2	-	154.2
Issuance of warrants	-	-	-	-	-	40,300.7	40,300.7
Issuance of shares on warrants exercised	-	1.2	-	-	-	(0.4)	0.8
At 31 March 2017	**1,874.5**	**729,530.3**	**(407,971.2)**	**(1,873.0)**	**1,166.0**	**31,619.3**	**354,345.9**

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Option Reserve	General Reserve	Total Equity
			(US$ thousands)			
At 1 January 2018	**1,878.6**	**730,302.2**	**(24,307.8)**	**767.2**	**40,300.3**	**748,940.5**
Loss net of tax	-	-	(14,080.0)	-	-	(14,080.0)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(14,080.0)	-	-	(14,080.0)
Grant of equity-settled transactions with employees	-	-	-	61.5	-	61.5
At 31 March 2018	**1,878.6**	**730,302.2**	**(38,387.8)**	**828.7**	**40,300.3**	**734,922.0**

THE COMPANY	Share Capital	Share Premium	Accumulated Losses	Employee Share Option Reserve	General Reserve	Total Equity
			(US$ thousands)			
At 1 January 2017	**1,874.5**	**729,529.1**	**(43,811.0)**	**1,011.8**	-	**688,604.4**
Profit net of tax	-	-	64,026.3	-	-	64,026.3
Other comprehensive income	-	-	-	-	-	-

Total comprehensive income for the period	-	-	64,026.3	-	-	64,026.3
Grant of equity-settled transactions with employees	-	-	-	154.2	-	154.2
Issuance of warrants	-	-	-	-	40,300.7	40,300.7
Issuance of shares on warrants exercised	-	1.2	-		(0.4)	0.8
At 31 March 2017	**1,874.5**	**729,530.3**	**20,215.3**	**1,166.0**	**40,300.3**	**793,086.4**

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

The Company does not hold any treasury shares or have any subsidiary holdings as at 31 March 2018 (31 March 2017: Nil).

KrisEnergy Employee Share Option Scheme ("KrisEnergy ESOS")
The KrisEnergy ESOS was implemented and adopted during the Company's initial public offering ("**IPO**"). The duration of the KrisEnergy ESOS is 10 years commencing from 10 July 2013. As at 31 March 2018, there were no outstanding options under the KrisEnergy ESOS.

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

- As disclosed and further described in the Prospectus dated 12 July 2013, under the management shareholders-awards ("**MS-Awards**") granted pursuant to the KrisEnergy PSP during the IPO, up to 3.0% of the issued ordinary shares in the capital of the Company ("**Shares**") may be vested upon the satisfaction of the conditions of the MS-Awards.

- On 13 November 2013, awards comprising 5,429,689 Shares were granted to employees, including 963,624 Shares to the Executive Directors.

- On 25 June 2014, awards comprising 1,713,111 Shares were granted to employees, including 963,624 Shares to the Executive Directors.

- On 31 December 2014, awards comprising 3,473,737 Shares were granted to employees, including 1,680,840 Shares to the Executive Directors.

- On 17 March 2015, awards comprising 647,325 Shares were granted to employees. No awards were granted to any Executive Directors.

- On 9 November 2015, awards comprising 11,613,474 Shares were granted to employees, including 1,622,244 Shares to the Executive Directors.

As at 31 March 2018, the number of Shares granted as awards under the KrisEnergy PSP, but not yet vested was (a) up to 3.0% of the Shares may be vested upon the satisfaction of the conditions of the MS-Awards; and (b) 5,186,848 Shares.

The awards vested under the KrisEnergy PSP are as follows:

- On 21 July 2014, pursuant to the partial vesting of awards granted on 13 November 2013 under the KrisEnergy PSP, 1,809,898 Shares were allotted and issued to employees, including 321,207 Shares to Executive Directors.

- On 20 July 2015, pursuant to the partial vesting of awards granted on 13 November 2013 and 17 March 2015 under the KrisEnergy PSP, 2,025,674 Shares were allotted and issued to employees, including 321,207 Shares to Executive Directors.

- On 31 December 2015, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP 3,916,835 Shares were allotted and issued to employees, including 540,747 Shares to Executive Directors.

- 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.

- On 19 July 2017, pursuant to the partial vesting of awards granted on 17 March 2015 under the KrisEnergy PSP, 205,154 Shares were allotted and issued to employees.

- On 29 December 2017, pursuant to the partial vesting of awards granted on 9 November 2015 under the KrisEnergy PSP, 3,010,511 Shares were allotted and issued to employees, including 288,400 Shares to Executive Directors.

On 2 February 2017, along with the 2024 ZCNs, 1,255,183,632 Warrants were issued by the Company. Each Warrant converts to one share in the ordinary share capital of the Company.

On 17 February 2017 and 7 March 2017, 9,000 Warrants and 2,376 Warrants were exercised and converted into 9,000 Shares and 2,376 Shares, respectively.

As at 31 March 2018, the Company's issued share capital was 1,502,849,065 Shares and 1,255,172,256 outstanding Warrants.

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

SHARE CAPITAL	**As at 31 March 2018** *(unaudited)*		**As at 31 December 2017** *(audited)*	
	No. of shares	*US$*	*No. of shares*	*US$*
Issued and fully paid ordinary shares				
At 1 January	1,502,849,065	1,878,561	1,499,622,024	1,874,528
Warrants exercised on 17 February 2017	-	-	9,000	11
Warrants exercised on 7 March 2017	-	-	2,376	3
Vesting of equity-settled transactions with employees on 19 July 2017	-	-	205,154	257
Vesting of equity-settled transactions with employees on 29 December 2017	-	-	3,010,511	3,763
At reporting date	**1,502,849,065**	**1,878,561**	**1,502,849,065**	**1,878,562**

SHARE PREMIUM	**As at 31 March 2018** *(unaudited)*	**As at 31 December 2017** *(audited)*
	US$	
At 1 January	730,302,151	729,529,098
Warrants exercised on 17 February 2017	-	978
Warrants exercised on 7 March 2017	-	260
Vesting of equity-settled transactions with employees on 19 July 2017	-	62,888
Vesting of equity-settled transactions with employees on 29 December 2017	-	708,927
At reporting date	**730,302,151**	**730,302,151**

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

There were no sales, transfer, cancellation and/or use of treasury shares as at 31 March 2018 (31 March 2017: Nil).

1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at end of the current financial period reported on.

There were no sales, transfer, cancellation and/or use of subsidiary holdings as at 31 March 2018 (31 March 2017: 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 2017, 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 2018. The adoption of these standards did not have any material effect on the financial performance of the Group for the current financial period.

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

	For the three months ended 31 March	
	2018	**2017**
(Loss)/profit per share attributable to owners of the Group:		
(i) Based on a weighted average number of shares (cents per share)	(1.2)	3.7
- Weighted average number of shares	1,502,849,065	1,499,626,984
(ii) On a fully diluted basis (cents per share)	(1.2)	3.7
- Adjusted weighted average number of shares	1,508,035,913	1,508,855,092

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

	The Group		The Company	
	As at 31 March 2018	**As at 31 December 2017**	**As at 31 March 2018**	**As at 31 December 2017**

(Unaudited)
(US$)

Net asset value per ordinary share [1]	0.09	0.11	0.49	0.50
Net tangible asset per ordinary share [1]	0.09	0.10	0.49	0.50

Note:
(1) Based on share capital of 1,502,849,065 ordinary shares as at 31 March 2018 and 31 December 2017

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

The following table sets forth a selected summary of our income statement and non-IFRS financial data for the first quarter ended 31 March 2018.

	For the three months ended 31 March	
	2016	**2017**
	(unaudited)	
	(US$ thousands)	
Sales of crude oil	38,986.5	26,416.4
Sales of gas	3,521.6	5,387.4
Revenue	**42,508.1**	**31,803.8**
Cost of sales:		
Operating costs	(24,493.0)	(12,350.1)
Thai petroleum royalties paid	(3,273.1)	(2,657.3)
Depreciation, depletion and amortisation	(11,886.9)	(15,342.8)
Gross profit	**2,855.1**	**1,453.6**
Other income	1,511.5	5,650.9
General and administrative expenses	(4,638.7)	(7,026.4)
Other operating income	(5,826.5)	77,520.6
Finance income	72.6	87.0
Finance costs	(11,228.5)	(20,572.2)
(Loss)/profit before tax	**(17,254.5)**	**57,113.5**
Tax expense	(933.0)	(1,390.6)
(Loss)/profit after tax for the year	**(18,187.5)**	**55,722.9**

	For the three months ended 31 March	
	2018	**2017**
	(unaudited)	
	(US$ thousands)	
Revenue	**42,508.1**	**31,803.8**
Adjusted operating costs	(24,493.0)	(12,350.1)
Thai petroleum royalties paid	(3,273.1)	(2,657.3)
Gross profit before depreciation, depletion and amortisation	**14,742.0**	**16,796.4**
Corporate general and administrative expense	(291.9)	(1,068.6)
Gain on early termination of fair value hedge	-	1,438.4

	2018	2017
Unrealised exchange differences on 2022 Notes, 2023 Notes and 2024 ZCNs	(4,953.9)	-
EBITDAX	**9,496.2**	**17,166.3**
Geological and geophysical expenses	(2,221.9)	(1,564.6)
Exploration expenses	(600.0)	-
EBITDA	**6,674.3**	**15,601.7**

Revenue

Working interest production in 1Q2018 was 12,132 boepd, 10.9% lower than a year ago (1Q2017: 13,610 boepd). The year-on-year decrease was largely a result of a defective water injection pump at the Wassana oil field, which also experienced damage to a section of 6-inch subsea flowline that required closure of the line while the section was replaced.

Despite the decrease in production, revenue for 1Q2018 increased 33.7% to US$42.5 million (1Q2017: US$31.8 million) due to higher average realised selling prices for both oil and liquids, and natural gas in Thailand.

In 1Q2018, the average realised price for oil and liquids was US$61.40/bbl, 31.1% higher than the same period last year (1Q2017: US$46.82/bbl). In line with higher oil prices, the average realised gas price at B8/32, computed on the price of medium sulphur fuel oil among other factors, increased to US$4.10/mcf (1Q2017: US$3.61/mcf). The realised gas price from the Bangora field in Bangladesh remained flat at US$2.32/mcf.

	For the three months ended 31 March	
	2018	**2017**
Production volumes		
Oil and liquids (bopd)	6,891	7,749
Gas (mmcfd)	31.5	35.2
Total (boepd)	**12,132**	**13,610**
Average sales price		
Oils and liquids (US$/bbl)	61.40	46.82
Gas – B8/32 and B9A (US$/mcf)	4.10	3.61
Gas – Block 9 (US$/mcf)	2.32	2.32

Cost of Sales

Operating costs in 1Q2018 increased to US$24.5 million (1Q2017: US$12.4 million) which was primarily a result of two crude cargo liftings taking place during 1Q2018 versus one cargo lift in 1Q2017 from the Wassana field. In line with Group's accounting policies and industry practice, recognition of operating costs is matched with revenue earned. Therefore, even though operating expenditure from the Wassana field is largely fixed, the accounting recognition of costs will fluctuate in line with revenue earned.

Calculation of average lifting cost has been revised to reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period. Previously, average lifting costs were calculated using operating cost reported in accordance with IFRS which was then matched with the cost of production to the volume sold. Higher operating cost together with lower production volumes in 1Q2018 contributed to a higher average lifting cost of US$20.25/boe, compared with US$17.41/boe in 1Q2017, which has been adjusted to reflect the revised formula.

DD&A charges decreased to US$11.9 million in 1Q2018 (1Q2017: US$15.3 million) as a result of lower production volumes.

	For the three months ended 31 March	
	2018	**2017**
Average lifting cost (1)		
Oil, liquids and gas (US$/boe)	20.25	17.41
Net operating expenditure (US$'000)	22,110.2	21,321.7
Total production (boe)	1,091,903	1,224,877

Note:
(1) Calculation of average lifting cost has been revised to reflect the Group's working interest share of joint-venture operating expenditure incurred versus production in the same period.

Other Income
Other income of US$1.5 million was recognised in 1Q2018 (1Q2017: US$5.7 million) as a result of higher joint operator overhead charges and income from technical services provided to joint operations.

General and Administrative Expenses
General and administrative expenses decreased 34.0% to US$4.6 million in 1Q2018 (1Q2017: US$7.0 million). The decrease was primarily attributable to a 56.1% reduction in employee benefits expenses and lower professional fees incurred.

Other Operating Expenses/Income
Other operating expenses amounted to US$5.8 million in 1Q2018 as compared to an income of US$77.5 million in 1Q2017. In 1Q2018, the Group recognised net foreign exchange losses of US$4.4 million and net fair value loss on financial instruments of US$0.8 million. In 1Q2017, the income was largely attributed to a net fair value gain of US$73.9 million pursuant to the financial restructuring.

Finance Income
Finance income of US$0.1 million in 1Q2018 was flat compared to 1Q2017.

Finance Costs
Finance costs almost halved to US$11.2 million in 1Q2018 (1Q2017: US$20.6 million). The significant decrease was mainly due to (i) one-off financial restructuring costs of US$7.3 million recognised in 1Q2017; and (ii) lower non-cash accretion of 2022 Notes, 2023 Notes and 2024 ZCNs bond discount based on the effective interest method. The decrease was partially offset by higher cash interest expenses on the RCF (as a result of a higher drawn amount), 2022 Notes and 2023 Notes (as a result of a strengthening Singapore dollar compared to the US dollar).

Loss/Profit Before Tax
Loss before tax was US$17.3 million in 1Q2018 compared with a profit before tax of US$57.1 million in 1Q2017 due to higher operating costs and interest expenses, coupled with non-cash accretion of bond discount and net foreign exchange losses.

Tax Expense
Tax expense amounted to US$1.0 million in 1Q2018 (1Q2017: US$1.4 million) due to a lower provision of tax expenses in line with lower revenue contribution from B8/32.

Loss/Profit After Tax
We recorded a net loss of US$18.2 million in 1Q2018 compared with a net profit of US$55.7 million in 1Q2017 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

In spite of the recovery in the prices for oil and gas, the Group continues to tightly manage its liquidity position and take all measures to reduce costs and curtail discretionary expenditure. Managing liquidity while progressing development projects remain the Group's primary challenge.

Recent Developments

- On 5 April 2018, joint-venture partners signed the Andaman II PSC in the Malacca Strait offshore North Sumatra. KrisEnergy holds 30% working interest in the Andaman II PSC and is partnered by the operator Premier Oil (40%) and Mubadala Petroleum (30%). The Andaman II PSC is an exploration block over the North Sumatra Basin covering an area of 7,345 sq. km in water depths ranging from 200 metres to 1,950 metres.

- The Benchamas field in B8/32 in the Gulf of Thailand resumed production on 29 April 2018 following replacement of the floating, storage and offloading vessel. Installation of the new vessel took 22 days compared to a scheduled shutdown of 40 days. Production at the 2,500 bopd Chaba field in B8/32 was uninterrupted.

- On 9 May 2018, the *Hai Yang Shi You 721* seismic vessel commenced a 300 sq. km seismic acquisition program in the SS-11 exploration licence offshore Bangladesh in the Bay of Bengal.

- At the Nong Yao field in G11/48 concession, a scheduled maintenance shutdown commenced on 7 May 2018 for debottlenecking of the Nong Yao facilities. The field resumed operations on 13 May 2018.

11. Dividend

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

None.

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

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the three months ended 31 March 2018.

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

The Company obtained shareholders' approval for the adoption of a general mandate for interested person transactions at an extraordinary general meeting of the Company held on 26 April 2018. For further information, please refer to the *Circular to Shareholders in relation to the Proposed Adoption of the Interested Person Transactions Mandate* dated 9 April 2018.

Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than US$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than US$100,000)
Keppel Corporation Limited (and/or its subsidiaries)	Nil	Nil

14. Negative confirmation pursuant to Rule 705(5)

Pursuant to Rule 705(5), we, Tan Ek Kia and Kelvin Tang, being two directors of 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 unaudited financial results for the three months ended 31 March 2018 to be false or misleading in any material aspect.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has procured undertakings from all its directors and executive officers pursuant to Rule 720(1).

On behalf of the board of directors.

Tan Ek Kia Independent Non-Executive Chairman	Kelvin Tang Executive Director & Chief Executive Officer

Singapore, 14 May 2018