



KrisEnergy Holding Company Ltd and its subsidiaries

Unaudited Pro Forma Consolidated Balance Sheet

	<u>As at 30 June 2011</u>	<u>As at 31 December 2010</u>
	<u>(US\$)</u>	<u>(US\$)</u>
ASSETS		
Non current assets		
Oil and gas properties	136,208,821	176,239,684
Exploration and evaluation assets	95,083,192	91,588,595
Other plant and equipment	782,178	616,344
Intangible assets	36,646,129	36,096,174
	<u>268,720,320</u>	<u>304,540,797</u>
Current assets		
Cash and cash equivalents	42,872,018	35,345,976
Trade and other receivables	20,518,491	26,562,288
Prepayment	414,717	137,209
Amounts due from related companies	-	4,633,980
Inventories	5,245,034	6,293,812
Other assets	8,688,979	11,721,543
	<u>77,739,239</u>	<u>84,694,808</u>
Total assets	<u>346,459,559</u>	<u>389,235,605</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	288,100,200	288,100,200
Foreign currency translation reserve	-	-
Merger reserve	(102,354,327)	(70,611,564)
Accumulated losses	(630,741)	(3,917)
Equity attributable to shareholders	<u>185,115,132</u>	<u>217,484,719</u>
Non current liabilities		
Amount due to related parties	89,195	-
Decommissioning provisions	17,364,179	17,188,619
Deferred tax liabilities	60,445,981	53,029,906
	<u>77,899,355</u>	<u>70,218,525</u>
Current liabilities		
Trade and other payables	8,554,977	13,034,734
Accrued expenses	4,072,848	9,999,770
Loans and borrowings	58,500,000	68,000,000
Withholding tax payable	171,147	191,290
Income tax payable	12,146,100	10,306,567
	<u>83,445,072</u>	<u>101,532,361</u>
Total liabilities	<u>161,344,427</u>	<u>171,750,886</u>
Total equity and liabilities	<u>346,459,559</u>	<u>389,235,605</u>



KrisEnergy Holding Company Ltd and its subsidiaries

Unaudited Pro Forma Consolidated Statement of Comprehensive Income

	For the second quarter (April to June 2011)	For the period ended 30 June 2011	For the year ended 31 December 2010
	(US\$)		
Revenue			
Sales of crude oil and gas	26,990,169	52,417,854	81,781,396
Cost of sales	(17,640,602)	(35,647,656)	(52,453,070)
Gross Profit	9,349,567	16,770,198	29,328,326
Other income	222,763	1,981,147	10,701,310
General and administrative expenses	(5,055,733)	(8,510,631)	(15,392,735)
Other operating expenses	(13,603,739)	(18,679,583)	(90,128,187)
Finance income	47,774	74,476	78,936
Finance costs	(964,079)	(2,207,787)	(6,761,429)
Profit/(loss) before income tax	(10,003,447)	(10,572,180)	(72,173,779)
Income tax expense	(10,860,868)	(19,309,273)	492,555
Profit/(loss) for the financial year/period	(20,864,315)	(29,881,453)	(71,681,224)
Other comprehensive income:			
Exchange differences on translation of foreign operations	(11,750)	(2,488,135)	1,524,053
Total comprehensive income for the financial year/period attributable to owners of the parent	(20,876,065)	(32,369,588)	(70,157,171)



KrisEnergy Holding Company Ltd and its subsidiaries

Unaudited Consolidated Statements of Cash Flows

	For the second quarter (April to June 2011)	For the period ended 30 June 2011	For the year ended 31 December 2010
	(US\$)		
Operating Activities			
Profit/(loss) before tax	(625,028)	(626,825)	(72,173,779)
Non-cash adjustment to reconcile loss before tax to net cash flows:			
Depreciation, depletion and amortisation	23,547,974	40,422,803	50,560,989
Unsuccessful exploration and expenditure derecognised	-	-	32,217,835
Excess of fair value of net assets acquired over consideration paid	-	-	(21,646)
Impairment of goodwill	-	-	16,256,809
Impairment of oil and gas properties	-	-	22,846,789
Interest income	(47,774)	(74,476)	(78,936)
Working capital adjustments:			
(Increase)/decrease in trade and other receivables	2,964,665	5,766,291	(873,150)
Increase/(decrease) in trade and other payables	2,030,901	(999,571)	1,292,807
(Increase)/decrease in inventories	696,856	1,048,777	(626,120)
Cash flows from operating activities	28,567,594	45,536,999	49,401,598
Interest received	47,774	74,476	78,936
Income tax paid	-	-	(17,188,913)
Net cash flows from operating activities	28,615,368	45,611,475	32,291,621
Investing activities			
Additions to exploration and evaluation assets	(1,920,299)	(3,494,597)	(52,307,220)
Additions to oil and gas properties	(2,776,813)	(4,213,369)	(17,776,293)
Business combinations under common control, net of cash acquired	-	(102,259,010)	104,968,093
Acquisition of subsidiaries, net of cash acquired	-	-	(217,400,374)
Purchase of other plant and equipment	(98,328)	(248,366)	(780,502)
Decrease in other assets	2,089,063	3,032,564	11,091,280
Proceeds from disposal of other plant and equipment	-	-	7,140
Net cash used in investing activities	(2,706,377)	(107,182,778)	(172,197,876)
Financing activities			
Changes in amounts due to related companies	(20,999,812)	110,606,543	106,870,487
Proceeds from/(repayment of) bank	(3,000,000)	(9,500,000)	68,000,000
Increase in restricted cash	-	(8,000,000)	(8,000,000)
Net cash flows from financing activities	(23,999,812)	93,106,543	166,870,487
Net increase in cash and cash equivalents	1,909,179	31,535,240	26,964,232
Effect of exchange rate changes	(506,960)	3,336,778	381,744
Cash and cash equivalents at beginning of year/period	33,469,799	-	-
Cash and cash equivalents at end of year/period	34,872,018	34,872,018	27,345,976