



KrisEnergy Holding Company Ltd and its subsidiaries

Unaudited Consolidated Balance Sheet

	As at 30 September 2011	As at 31 December 2010
	(US\$)	(US\$)
ASSETS		
Non current assets		
Oil and gas properties	139,192,533	176,239,684
Exploration and evaluation assets	100,361,016	91,588,595
Other plant and equipment	700,015	616,344
Intangible assets	42,569,563	36,096,174
	<u>282,823,127</u>	<u>304,540,797</u>
Current assets		
Cash and cash equivalents	53,022,239	35,345,976
Trade and other receivables	19,884,496	26,562,288
Prepayment	340,174	137,209
Amounts due from related companies	-	4,633,980
Inventories	5,451,166	6,293,812
Other assets	953,292	11,721,543
	<u>79,651,367</u>	<u>84,694,808</u>
Total assets	<u>362,474,494</u>	<u>389,235,605</u>
EQUITY AND LIABILITIES		
Equity		
Share capital	288,100,200	288,100,200
Foreign currency translation reserve	69,998	-
Merger reserve	(102,354,327)	(70,611,564)
Accumulated profit/(losses)	6,317,157	(3,917)
Equity attributable to shareholders	<u>192,133,028</u>	<u>217,484,719</u>
Non current liabilities		
Amount due to related parties	156,261	-
Bond	80,476,000	-
Decommissioning provisions	17,498,208	17,188,619
Deferred tax liabilities	54,221,542	53,029,906
	<u>152,352,011</u>	<u>70,218,525</u>
Current liabilities		
Trade and other payables	3,868,357	13,034,734
Accrued expenses	6,060,756	9,999,770
Loans and borrowings	-	68,000,000
Withholding tax payable	120,364	191,290
Income tax payable	7,939,978	10,306,567
	<u>17,989,455</u>	<u>101,532,361</u>
Total liabilities	<u>170,341,466</u>	<u>171,750,886</u>
Total equity and liabilities	<u>362,474,494</u>	<u>389,235,605</u>



KrisEnergy Holding Company Ltd and its subsidiaries

Unaudited Consolidated Statement of Comprehensive Income

	Three months to 30 September 2011	Nine months to 30 September 2011	For the year ended 31 December 2010
	(US\$)	(US\$)	(US\$)
Revenue			
Sales of crude oil and gas	25,112,913	77,530,766	81,781,396
Cost of sales	(14,470,924)	(50,118,579)	(52,453,070)
Gross Profit	10,641,989	27,412,187	29,328,326
Other income	(1,053,569)	927,578	10,701,310
General and administrative expenses	(4,029,810)	(12,540,440)	(15,392,735)
Other operating expenses	7,133,596	(11,545,987)	(90,128,187)
Finance income	67,515	141,991	78,936
Finance costs	(3,283,693)	(5,491,480)	(6,761,429)
Profit/(loss) before income tax	9,476,028	(1,096,151)	(72,173,779)
Income tax expense	(2,528,130)	(21,837,403)	492,555
Profit/(loss) for the financial year/period	6,947,898	(22,933,554)	(71,681,224)
Other comprehensive income:			
Exchange differences on translation of foreign operations	69,998	(2,418,136)	1,524,053
Total comprehensive income for the financial year/period attributable to owners of the parent	7,017,896	(25,351,690)	(70,157,171)



KrisEnergy Holding Company Ltd and its subsidiaries

Unaudited Consolidated Statements of Cash Flows

	Three months to 30 September 2011 (US\$)	Nine months to 30 September 2011 (US\$)	For the year ended 31 December 2010 (US\$)
Operating Activities			
Profit/(loss) before tax	9,476,028	8,849,203	(72,173,779)
Non-cash adjustment to reconcile loss before tax to net cash flows:			
Depreciation, depletion and amortisation	(1,764,299)	38,658,504	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	(67,515)	(141,992)	(78,936)
Working capital adjustments:			
(Increase)/decrease in trade and other receivables	708,536	6,474,828	(873,150)
Increase/(decrease) in trade and other payables	(15,574,158)	(16,573,729)	1,292,807
(Increase)/decrease in inventories	(206,132)	842,645	(626,120)
Cash flows from operating activities	(7,427,540)	38,109,459	49,401,598
Interest received	67,515	141,992	78,936
Income tax paid	-	-	(17,188,913)
Net cash flows from operating activities	(7,360,025)	38,251,451	32,291,621
Investing activities			
Additions to exploration and evaluation assets	(5,008,103)	(8,502,700)	(52,307,220)
Additions to oil and gas properties	(2,245,131)	(6,458,500)	(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)
Investment in Goodwill	(6,193,155)	(6,193,155)	-
Purchase of other plant and equipment	(11,414)	(259,780)	(780,502)
Decrease in other assets	7,735,687	10,768,251	11,091,280
Proceeds from disposal of other plant and equipment	-	-	7,140
Net cash used in investing activities	(5,722,116)	(112,904,894)	(172,197,876)
Financing activities			
Proceeds from issuance of bond	80,476,000	80,476,000	-
Changes in amounts due to related companies	67,067	113,074,518	106,870,487
Proceeds from/(repayment of) bank	(58,500,000)	(68,000,000)	68,000,000
Increase in restricted cash	-	(8,000,000)	(8,000,000)
Net cash flows from financing activities	22,043,067	117,550,518	166,870,487
Net increase in cash and cash equivalents	8,960,926	42,897,075	26,964,232
Effect of exchange rate changes	1,189,295	2,125,164	381,744
Cash and cash equivalents at beginning of year/period	34,872,018	-	-
Cash and cash equivalents at end of year/period	45,022,239	45,022,239	27,345,976