



Application for moratorium pursuant to Section 211B of the Companies Act (Cap. 50)

Singapore, 14 August 2019 – KrisEnergy Ltd. (“KrisEnergy” or “the Company”, together with its subsidiaries, the “Group”), an independent upstream oil and gas company, refers to:

- (a) the Company’s announcements of results on 26 February 2019 and 13 May 2019, including *inter alia* disclosure that the Group is over-g geared and under-equitised and has appointed advisors to formally review and implement all available options to the Group in order to improve the financial condition of the Group, which is critical;
- (b) the Company’s announcement on 2 April 2019 in respect of the independent auditor’s assessment of Material Uncertainty Related to Going Concern on the Company’s audited consolidated financial statements for the financial year ended 31 December 2018;
- (c) the Company’s announcement on 14 August 2019 in relation to its request for trading suspension (“Trading Suspension Announcement”); and
- (d) the Company’s announcement of results on 14 August 2019, including *inter alia* disclosure that the net loss for six months period ended 30 June 2019 resulted in a capital deficiency position for the Group,

(collectively, the “Announcements”).

Moratorium Application

Further to the Announcements, the Company wishes to announce that it has on 14 August 2019 made an application to the High Court of the Republic of Singapore (the “Singapore Court”) to commence a court-supervised process to reorganise its liabilities and to seek a moratorium against enforcement actions and legal proceedings by creditors against the Company pursuant to section 211B of the Companies Act (Cap. 50) (the “Application”).

The Company is seeking in its Application, amongst other things, an order (“Moratorium”) that for a period of six (6) months from the date of the Application or until further order:

- (a) no resolution shall be passed for the winding up of the Company;
- (b) no appointment shall be made of a receiver or manager over any property or undertaking of the Company;
- (c) no proceedings shall be commenced or continued against the Company (other than proceedings under sections 210, 211B, 211D, 211G, 211H or 212 of the Companies Act),



except with the leave of the Singapore Court and subject to such terms as the Singapore Court imposes;

- (d) no execution, distress or other legal process, against any property of the Company shall be commenced, continued or levied, except with the leave of the Singapore Court and subject to such terms as the Singapore Court imposes;
- (e) no step shall be taken to enforce any security over any property of the Company except with the leave of the Singapore Court and subject to such terms as the Singapore Court imposes; and
- (f) no enforcement of any right of re-entry or forfeiture under any lease in respect of any premises occupied by the Company shall be commenced or continued (including any enforcement pursuant to sections 18 or 18A of the Conveyancing and Law of Property Act (Cap. 61)), except with the leave of the Singapore Court and subject to such terms as the Singapore Court imposes.

Pursuant to Section 211B(8) of the Companies Act, upon the making of the Application, the Moratorium would automatically be in effect for 30 days, commencing from the date of the Application or until the date the Singapore Court decides the Application, whichever is the earlier. During the Moratorium, no order may be made and no resolution may be passed for the winding up of the Company.

Default under Debt Agreements

The Company also wishes to announce that the Application and the matters set out therein constitutes an event of default under its existing debt agreements, comprising (i) US\$200.0 million revolving credit facility ("RCF") with DBS Bank Ltd ("DBS"), (ii) S\$130.0 million 4.0 per cent. senior unsecured notes due 2022; (iii) S\$200.0 million 4.0 per cent. senior unsecured notes due 2023; (iv) S\$139,464,848 in principal amount of senior secured zero coupon notes due 2024 (items (ii) to (iv), collectively, the "Notes"); (v) term facility agreement with The Hong Kong and Shanghai Banking Corporation Limited; and (vi) term facility agreement with Standard Chartered Bank, Singapore Branch (items (v) and (vi), collectively, the "Term Loans").

Rationale for commencement of the Application

The Company announced on 14 August 2019 that the lower oil prices and lower sales have impacted its revenue for the first half of its financial year ended 30 June 2019 ("1H2019"). The net loss for the 1H2019 period resulted in a capital deficiency position for the Group, bringing the total debt recognised on the Group's balance sheet to US\$476.8 million as at 30 June 2019. As at 30 June 2019, the Group's gearing was 110.8%. It would not be feasible for the Company to make all payment(s) of its financial obligations as they fall due and therefore it requires a restructuring of its liabilities.

The Company is working towards alleviating its above-mentioned financial difficulties through a restructuring process. The Board of Directors has been advised, and is of the view, that the Application will provide the Company with the breathing space and room which are essential to allow it to engage and work with the key stakeholders and advisors to pursue this restructuring process. It is the



Company's aim to achieve a restructuring of its liabilities that will be equitable to all its stakeholders and will return the Company to viability in the shortest time possible.

Status of proposed restructuring

The Company has engaged Drew & Napier LLC as legal advisor and Houlihan Lokey (Singapore) Private Limited as financial advisor. As part of the restructuring process, the Company will work closely with its advisors, creditors and stakeholders to achieve the best possible outcome for all interested parties.

The Company is considering various options to address the Group's financial situation and to fund the development of key assets in its portfolio including potential asset sales to credible bidders in a competitive sale process and a potential acquisition of the Company as a whole. As at the date of this announcement, no definitive agreements have been entered into by any member of the Group and there is no certainty or assurance that any indications of interest by any third parties will materialise into a binding offer. Accordingly, disclosure of further details at this stage would be commercially detrimental to the Company and its stakeholders.

Each of these options will require the consent of DBS as RCF lender. The Company understands that there is a bilateral contract between Keppel Corporation Limited ("KCL") and DBS, pursuant to which the key economic risk in the RCF is held by KCL.

In this context, the Company notes that KCL has, to date, provided significant support to the Company's restructuring process. This support has included:

- Extending its liability under the bilateral contract with DBS to facilitate the provision of the upsized RCF; and
- Providing a confirmation of support for the Moratorium to allow the Company to further develop and propose a restructuring plan.

The Company understands that KCL will shortly make its own announcement in respect of the Application.

There can be no certainty or assurance that any discussions or prospects with potential investors (if any) or any restructuring options will materialise or be successfully concluded. In the event the restructuring process is not favourably completed in a timely manner, the Company and the Group will be faced with a going concern issue.

As set out in the Trading Suspension Announcement, given the dynamic situation that the Company is in, the suspension of the trading of the Company's securities will ensure that no person is trading in the securities of the Company without sufficient information that is required to enable such a person to make an informed decision.

The Company will continue to keep its stakeholders updated and will make the appropriate announcements as and when there are any material updates or developments. The Company will also maintain a dedicated page on the KrisEnergy corporate website entitled *Restructuring Information Centre*. To effectively engage with all stakeholders, the Company intends to convene, and will provide notice of, townhall meetings in due course.



Shareholders, noteholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully and should exercise caution when trading in the Company's securities. Stakeholders and potential investors who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

BY ORDER OF THE BOARD

Kelvin Tang
Chief Executive Officer and Executive Director

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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. The Company holds working interests in three producing oil and/or gas fields, two in the Gulf of Thailand and one onshore Bangladesh. It also participates in 10 blocks in various stages of development, appraisal and exploration in Bangladesh, Cambodia, Indonesia, Thailand and Vietnam. KrisEnergy operates nine of the contract areas.

KrisEnergy's shares are listed on the mainboard of SGX-ST under the ticker SK3. For further information, visit www.krisenergy.com.