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COMMENCEMENT OF CONSENT SOLICITATION EXERCISE BY KRISENERGY LTD. (THE "COMPANY") IN CONNECTION WITH THE NOTES ISSUED BY THE COMPANY PURSUANT TO ITS S$500,000,000 MULTICURRENCY MEDIUM TERM NOTE PROGRAM ("MTN PROGRAM")

The board of directors (the "**Board**") of the Company refers to the announcement dated 3 November 2016 regarding the Proposed Restructuring (the "**Proposed Restructuring Announcement**") and the notice of informal Noteholders' meeting dated 3 November 2016. The Board also refers to:

(i) the Series 1 S$130,000,000 6.25 per cent. Fixed Rate Notes due 2017 (ISIN: SG6RD3000000) (the "**2017 Notes**");

(ii) the Series 2 S$200,000,000 5.75 per cent. Fixed Rate Notes due 2018 (ISIN: SG6SE5000004) (the "**2018 Notes**");

(the 2017 Notes and the 2018 Notes, each a "**Series**" and together, the "**Existing Notes**" or the "**Notes**").

Capitalised or other terms used but not defined herein shall, unless the context otherwise requires, have the meaning set out in the Proposed Restructuring Announcement and the consent solicitation statement dated 17 November 2016 (the "**Consent Solicitation Statement**") issued by the Company.

The Company wishes to announce that it has today commenced a consent solicitation exercise to seek approval, by way of extraordinary resolution, of the holders (the "**Noteholders**") of each Series of the Notes (the "**Consent Solicitation**") to, *inter alia*:

(a) exchange the 2017 Notes and the 2018 Notes for the 2022 Notes and the 2023 Notes, respectively;

(b) irrevocably waive any and all existing Events of Default or Potential Events of Default under the Existing Notes Trust Deed and the terms and conditions of the Existing Notes that may have occurred or may occur as a result of the adoption of the Proposed Restructuring Plan (as described and set out in the Consent Solicitation Statement);

(c) in relation to the 2017 Notes only, irrevocably waive, up to and including, the earlier of (i) 15 December 2016 if the Extraordinary Resolution is passed at the Meeting convened on 9 December 2016; (ii) four business days after an adjourned Meeting, if the Extraordinary Resolution is passed at such adjourned Meeting; and (iii) 4 January 2017, any Event of Default or Potential Event of Default under the Existing Notes Trust Deed and Condition 9(a) of the 2017 Notes that may have occurred or may occur as a result of the failure by the Company to make payment of the interest payable by it under the 2017 Notes on 9 December 2016; and

(d) in relation to the 2018 Notes only, irrevocably waive, up to and including (i) 15 December 2016 if the Extraordinary Resolution is passed at the Meeting convened on 9 December 2016; (ii) four business days after an adjourned Meeting, if the Extraordinary Resolution is passed at such adjourned Meeting; and (iii) 4 January 2017, any Event of Default or Potential Event of Default under the Existing Notes Trust Deed and Condition 9(d) of the 2018 Notes that may have occurred or may occur as a result of the failure by the Company to make payment of the interest payable by it under Condition 9(a) of the 2017 Notes on 9 December 2016.

The Company is an independent upstream company focused on the exploration, appraisal, development and production of oil and gas resources in high-potential geological basins in Asia.

At the time of the establishment of the MTN Program and the issuance of the 2017 Notes and 2018 Notes, the average monthly price of global benchmark Brent crude oil exceeded US$100.00 per barrel ("**bbl**").

Oil and gas price volatility and decline

The Group's business and revenues are substantially dependent upon the prevailing prices of oil and gas. Historically, the markets for oil have been volatile, and following the issuance of the Existing Notes in 2014, there has been, and continues to be, significant fluctuations in the prices of crude oil. The average monthly price of Dubai crude oil, a relevant benchmark in Asia, ranged from US$27.00/bbl to US$46.55/bbl from September 2015 to September 2016 and the average monthly price of Brent crude ranged from US$31.92/bbl to US$49.29/bbl from September 2015 to September 2016, and hit a 13-year low slightly below US$28.00/bbl in January 2016. Although oil prices have recovered slightly from the early 2016 lows, there remains considerable volatility in the markets.

Since the issuance of the Existing Notes, the precipitous drop and subsequent volatility in oil prices has had a significant impact on the Group's results of operations, financial condition and prospects, as described below:

- Decrease in the Group's revenues on a per unit basis which also resulted in a reduction in the economic viability of the production levels of specific wells and projects planned or in development;
- Since September 2015 and during periods when Brent crude oil prices were at their lowest points, a decline in revenue led to production costs exceeding anticipated income from production which increased gross loss margins and led to consequential increases in net losses after tax which has had a direct and negative impact on the Group's financial leverage;
- Lower oil prices negatively impacted the value and quantum of the Group's petroleum reserves, as the measure of the Group's petroleum reserves depends upon its ability to commercially exploit any underlying petroleum quantities; and
- Impacted the Group's traditional strategy of financing investments in projects through an optimal funding mix of operating cash flow from operations and debt and equity finance. The cumulative effects of the decline in oil prices, and the knock-on effects thereof on the Company's consolidated results of operations, financial condition and free cash flows, also led to increasing pressure on the Company's ability to comply with financial maintenance covenants in its various financing arrangements, including the financial covenants with respect to the Existing Notes.

While the Company believes that the impact of the declining oil price environment described above is the principal reason for its current financial circumstances, operational difficulties exacerbated the adverse financial impact on the Group. For example, average gross production in the G/10 Wassana field in the third quarter of FY2016 was approximately 6,200 barrels of oil per day ("**bopd**"). This was lower than in the preceding quarter primarily due to mechanical issues with five wells and declining well productivity. However, well performance has improved following re-perforation work in October 2016 and further works are being considered including two pumps being replaced with larger capacity pumps during workover activity commencing in December 2016.

Initial response to oil price declines

As a result of the adverse impact to the Company's cash flows and financial position resulting from the decline in oil prices described above, the Company implemented the following strategies over the last two years in an attempt to preserve short-term liquidity and the ability of the Group to invest in future development projects, which are expected to ultimately grow production and increase cash flows:

Cost reduction and cost management measures

The Group has focussed on cutting costs through a combination of reductions (i) of 25 per cent. in directors' fees; and (ii) ranging between 10 per cent. to 25 per cent. in compensation for directors and certain employees, removal of bonuses and employee benefits, and a reduction in employee headcount across the Group. These cost reductions led to the Group's consolidated corporate general and administrative expenses declining by 44.5 per cent., from US$14.3 million for the nine months ended 30 September 2014 to US$7.9 million for the nine months ended 30 September 2016.

Deferral of capital expenditure

The Group deferred a number of exploration, appraisal and development activities, resulting in a capital expenditure budget for the financial year ending 31 December 2016 of US$83.0 million which the Company believes to be one of the lowest capital expenditure budgets in the Group's history. Despite these deferrals, the Company nevertheless performed its minimum capital expenditure obligations under various contractual commitments in respect of pre-existing concessions and production sharing contracts in order to preserve the Group's rights in such Working Interests.

Consideration of numerous capital raising and capital restructuring alternatives

Since the onset of the oil price decline, the Company has retained independent financial advisers to assess and review potential options available to the Company to strengthen its financial position.

In order to address prevailing liquidity challenges and pressures on the Company's ability to comply with financial maintenance covenants across its financing arrangements, the Company undertook the following liquidity management exercises:

Consent solicitation exercise in respect of Existing Notes

At meetings of the holders of both Series of Existing Notes, held on 4 December 2015, the Company sought and obtained the approval by extraordinary resolutions of the Noteholders of each Series to amend Condition 3.2(b) of the terms and conditions of the relevant Series of Notes, in order to effect an amendment of the step-up in the Consolidated EBITDAX to Consolidated Interest Expense ratio in the financial maintenance covenant provided for in Condition 3.2(b) of the terms and conditions of each Series of Notes. That consent solicitation exercise provided an appropriate level of financial covenant headroom to the Company to manage through the challenging stage of the industry cycle existing at the time, while in turn, allowing it to maintain production growth in existing fields and promote reasonable near-term development over the coming years.

As of the date of this Announcement, the Company remains in compliance with all covenants contained in the terms and conditions of each Series of Existing Notes.

Increase in Revolving Credit Facility headroom

On 24 March 2016, the Company amended and restated the Revolving Credit Facility to, among other things, extend its tenor by one year to 24 March 2017. On or around 28 June 2016 the loans and commitments under the Revolving Credit Facility were transferred to a single lender, DBS Bank Ltd. and the Revolving Credit Facility was upsized to US$148.3 million on 11 July 2016. The term of the Revolving Credit Facility has subsequently been further extended to 30 June 2018 and the commitments increased on a temporary (up to six-month) basis to US$198.3 million (subject to certain conditions as to the availability of the additional commitments) pursuant to an amendment agreement dated 3 November 2016 (the "**Bridge Upsize**").

Forward Sale Agreement

In March 2016, the Company entered into a one-year term sale agreement for the supply of crude oil, inclusive of a US$50.0 million advance payment which the Group has since received its share of. This advance payment provided temporary liquidity for the Group.

The New Business Plan

Following the successful implementation of the short-term measures described above, and in order to implement a long-term solution in light of prevailing uncertainty in the oil and gas industry, and following a portfolio review of its assets in 2016, the Board of Directors approved and adopted a new business plan in October 2016 (the "**New Business Plan**").

The New Business Plan will focus on improving operational efficiencies, maximising the Group's existing production and progressing its pipeline of development projects in order to enhance future production and as a result, free cash flow.

A summary of the key elements of the New Business Plan is as follows:

Revised operational strategy

The Company is implementing changes to its existing operational strategy in order to ensure the long-term stability and sustainability of the Group in light of prevailing economic and industry conditions, and mitigates exploration risk through an increased focus on development and production operations in the Gulf of Thailand. The Gulf of Thailand is an area of particular expertise for the Group and it operates three concessions containing near-term oil developments thereby giving it more control in terms of timing, development concept and allocation of capital.

Specifically, the Group intends to concentrate on the further development of the G10/48 oilfield, and development of G6/48 and Cambodia Block A oilfields, all of which are operated by the Group, and which have multiple low-risk development opportunities with significant exploration upside. These developments will be core to the Group's strategy to generate cash flow from operations and provide for the repayment of its obligations under the proposed issue of New Notes (as part of the Notes Exchanges), in 2022 and 2023, respectively.

Further, the Group will retain some high impact exploration prospects which it believes does not believe require significant funding in the next two- to three-year period. The Company believes that the retention of such exploration acreage may provide the Noteholders and its lenders and shareholders (together, "**KrisEnergy Stakeholders**") with future upside potential, albeit deferred in the near-term.

The Company believes that this revised strategy of increasing the Group's operational emphasis on development and production will secure the Company's ability to meet its repayment obligations under its various financing arrangements.

Portfolio rationalisation

As part of the New Business Plan, the Company will seek to rationalise the Group's existing asset portfolio. The Group operates two major development areas (G10/48 (which is also a producing block) and Cambodia Block A) where it holds working interests in excess of 85 per cent. in each block.

As part of the New Business Plan, the Company believes that, in line with appropriate risk management and prudent oilfield practices, a farm-out or sale process aimed at reducing the Group's working interest in G10/48 and Cambodia Block A will be appropriate, subject to obtaining a fair price for such farm-out or sale process. On 9 November 2016, the Company signed a farm-out agreement to transfer 26.6666 per cent. of its Working Interest in Block A Aceh to PT Medco E&P Melaka. The transaction is in line with the New Business Plan to reduce exposure where the Company has a high Working Interest in order to mitigate risk and reduce capital expenditure commitments. This is an approximately US$530.0 million development project where it is anticipated that future cash calls will be met by consideration from the farm-out and by project financing, thereby removing a significant demand on the Group's short-term cash requirements.

In addition, the Company will continually consider, assess and prioritise the expenditure of available funds and investment in assets, which in turn may lead to certain of its existing assets becoming non-core and potentially available for sale at the right terms and consideration. Any net cash proceeds from this portfolio rationalisation process is expected to be applied to capital expenditure on the Group's assets in the Gulf of Thailand.

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The Proposed Restructuring Plan

In order to effectively implement the strategic elements of the New Business Plan outlined above, the Company will require a stable and sustainable capital structure, a short-term reduction in its cash debt service obligations and an enhanced liquidity position.

To this end, and following an extensive period of evaluation and consideration of all available options, the Company intends to undertake and implement a comprehensive restructuring plan (the "**Proposed Restructuring Plan**") which the Company believes, if successful, will provide the Group with a stable and sustainable capital structure, reduce short-term cash debt service obligations and provide greater liquidity and thereby place the Group on a stronger footing in light of the prevailing price volatility and uncertainties in the global oil and gas industry.

The Proposed Restructuring Plan comprises the following elements:

The Consent Solicitation and Proposals

The Proposals are aimed at alleviating the financial maintenance covenant pressures and reducing the Company's cash debt service obligations through the following:

(1) Effective extension of the date of repayment of principal

If sanctioned and approved by the passing of the relevant Extraordinary Resolutions for each Series of Existing Notes, the 2017 Notes will be exchanged for the 2022 Notes and the 2018 Notes will be exchanged for the 2023 Notes (i.e. which will be redeemed at their principal amount together with Accrued Interest and other interest accrued thereon on 9 June 2022 and 22 August 2023, respectively). The effective extension of the time for the repayment of such principal amount will reduce the Company's short-term cash debt service obligations, improve its liquidity position and allow it to invest in the projects forming part of the New Business Plan.

The approval by Noteholders of each Series for the Notes Exchanges is conditional upon, *inter alia*, the passing of the Proposed Preferential Offering Resolution and the Proposed Whitewash Resolution. Similarly, the Proposed Preferential Offering is conditional upon, inter alia, the Noteholders approving and passing the Extraordinary Resolutions at both Meetings. See "— *Proposed Preferential Offering*", below.

(2) Effective decrease in the rate of interest

The rate of interest on each series of the New Notes will initially be 4 per cent. per annum. The rate of interest comprises 2 per cent. per annum in cash interest, and 2 per cent. per annum in Accrued Interest (being non-cash interest to be capitalised and added to the then current outstanding principal amount of the 2022 Notes and 2023 Notes, respectively, subject to the Company's election to pay such interest in cash in accordance with the terms and conditions of each of the 2022 Notes and 2023 Notes) for the first two years (being a total of four coupon payments for each of the New Notes), after which, it will step up to 4 per cent. per annum in cash interest. This effective reduction in the rate of interest payable will reduce the Company's short-term cash debt service obligations and improve its liquidity position.

In addition, to align the interests of the holders of the New Notes with the Company, and for them to participate in any potential recovery of crude oil prices which will place the Company in a stronger financial position, the rate of cash interest for each interest period (after December 2018 (in respect of the 2022 Notes, and after August 2018 (in respect of the 2023 Notes)) will be increased by:

- a 1 per cent. per annum increase in cash interest over each interest period, in the event that the average price of Brent crude oil ranges above US$70.00/bbl to US$80.00/bbl; or

- a 2 per cent. per annum increase in cash interest over each interest period, in the event that the average price of Brent crude oil ranges above US$80.00/bbl to US$90.00/bbl; or

- a 3 per cent. per annum increase in cash interest over each interest period, in the event that the average price of Brent crude oil exceeds US$90.00/bbl.

This effectively provides holders of the New Notes with potential upside in the event of improving price conditions in the oil and gas industry generally.

(3) Replacement of financial maintenance covenants with incurrence covenants

The financial maintenance covenants in the terms and conditions of the Existing Notes will be replaced by incurrence covenants in the terms and conditions of the New Notes, which will provide the Company with greater flexibility and relieve the financial maintenance covenant pressures it has recently faced. While the Company is currently in compliance with all financial maintenance covenants contained in the terms and conditions of the Existing Notes, it believes that such covenants are not optimal for the Group in light of the prevailing price volatility and industry uncertainty described above, nor are they compatible with the objectives of the New Business Plan. However, the Company believes that the incurrence covenant package proposed as part of the terms and conditions of the New Notes will simultaneously relieve the covenant pressures it has faced since the beginning of the uncertainty and volatility in the oil and gas industry, while at the same time imposing credit discipline on the Group and giving holders of the New Notes the benefit of contractual protections aimed at credit quality preservation. This will be achieved, for example, through permitting the Group to incur debt only if its ratio of consolidated total debt to consolidated EBITDA would be less than 2.5:1 (after given effect to incurrence of such debt and the receipt and application of proceeds therefrom), or if such additional debt falls under certain exceptions. Further, the terms and conditions of the New Notes will restrict the Company from paying any dividends to shareholders or making payment under the Zero Coupon Secured Notes (as defined below) prior to repaying the holders of the New Notes. See " — *Proposed Preferential Offering*" below.

RCF Restructuring

On 3 November 2016, the Company entered into an amendment agreement with DBS Bank Ltd., the RCF Lender, to amend certain terms and covenants of the Revolving Credit Facility, including the (i) extension of the maturity of the Revolving Credit Facility from March 2017 to June 2018; and (ii) the provision of the Bridge Upsize to fund the Company's capital expenditures, working capital requirements and debt service pending completion of the Proposed Preferential Offering. The Company is in further discussions with the RCF Lender to amend and restate the facility agreement for the Revolving Credit Facility to remove certain covenants (including financial covenants) to be in line with the covenants for the New Notes and the Zero Coupon Secured Notes.

The Bridge Upsize is available for a period of up to six months and will be automatically cancelled at the end of this period or, if earlier, at the time(s) of receipt by any member of the Group of the gross proceeds of any funds raising (subject to certain exceptions including, without limitation, the proceeds of certain permitted disposals, permitted financial indebtedness, permitted loans and permitted transactions). It is expected that the utilisations under the Bridge Upsize will be repaid, and the Bridge Upsize cancelled, using the proceeds from the Proposed Preferential Offering. Of the Bridge Upsize, US$15.0 million was utilised on 8 November 2016 and US$35.0 million may only be utilised following the satisfaction (or waiver by the RCF Lender) of certain conditions precedent (additional to those applicable to all loans requested under the Revolving Credit Facility) (the "**Additional Bridge CPs**"). The Additional Bridge CPs include, among other things: (i) a requirement that KrisEnergy (Apsara) Ltd and KrisEnergy (Cambodia) Holding Ltd accede to the facility agreement as guarantors and that security is granted over all of the issued shares in each of them and over certain accounts held by them; (ii) a requirement to provide supplemental security reflecting the existing security package; and (iii) a requirement to provide evidence that the extraordinary resolutions proposed in respect of each series of the Existing Notes in each Notes Exchange have been duly passed or are otherwise irrevocable. The Additional Bridge CPs have not, as at the date of this Announcement, been satisfied and, pursuant to the terms on which the Bridge Upsize has been made available, are required to be satisfied by 19 December 2016 or such later date as the RCF Lender may agree.

Proposed Preferential Offering

In conjunction with and conditional on the Proposals being approved, the Company has announced a proposed non-renounceable non-underwritten preferential offering of up to S$140 million in principal amount of zero coupon secured notes ("**Zero Coupon Secured Notes**") with up to 1,252,128,996 free detachable warrants (the "**Warrants**"), each warrant carrying the right to subscribe for one new Share (collectively, the "**New Shares**") at an exercise price of S$0.110 for each New Share to its Shareholders (the "**Proposed Preferential Offering**").

The Proposed Preferential Offering is aimed at providing stability in the Company's capital structure and additional capital for the execution of the New Business Plan.

The key elements of the Proposed Preferential Offering are:

- The net proceeds from the Proposed Preferential Offering will be used for (i) capital expenditures (relating to the Group's existing assets); (ii) repayment of the Bridge Upsize; and (iii) general working capital;

- Each of KOG, which has a 39.99 per cent. shareholding in the Company ("**Existing KE Holdings Shares**"), and First Reserve Corporation (through its affiliated fund), which has a 37.47 per cent. shareholding in the Company ("**Existing Devan Shares**"), are in discussions with the Company to each provide an irrevocable undertaking that *inter alia,* (1) in the case of First Reserve (through its affiliated fund), (a) will procure that KrisEnergy Holdings Ltd. votes all the Existing KE Holdings Shares in favour of the Proposed Preferential Offering Resolution and the Whitewash Resolution, (b) will procure that as at the record date, KrisEnergy Holdings Ltd. will have in aggregate not less than the number of Existing KE Holdings Shares credited to its securities account; and (c) will procure that until the closing date of the Proposed Preferential Offering, KrisEnergy Holdings Ltd. will have in aggregate not less than Existing KE Holdings Shares credited to KrisEnergy Holdings Ltd's Securities Account, and (2) in the case of KOG, (a) will vote, or will procure that Devan votes, all the Existing Devan Shares in favour of the Proposed Preferential Offering Resolution; (b) will, as at the record date, or will procure that Devan will as at the record date, have in aggregate not less than the Existing Devan Shares credited to its securities account; (c) will subscribe and pay for, or procure that Devan subscribes and pays for, the full entitlement of Zero Coupon

Secured Notes with Warrants arising from the Existing Devan Shares under the Proposed Preferential Offering; and (d) will subscribe and pay for, or procure that Devan subscribes and pays for, all the excess Notes with Warrants that are not successfully subscribed for under the Proposed Preferential Offering;

- The Zero Coupon Secured Notes will be secured by, *inter alia*, second ranking security over all of the assets of the Group secured or to be secured from time to time under the Revolving Credit Facility (the "**RCF Collateral**"), and first ranking security over certain other asset(s) of the Group (other than the RCF Collateral). The Company will enter into an intercreditor agreement with the trustee for the holders of the Zero Coupon Secured Notes and other parties to the Revolving Credit Facility (including a common security agent) which will provide that, among other things, (1) that the security which secures the Group's obligations under the Revolving Credit Facility on a first ranking basis may, until such time as the Revolving Credit Facility has been discharged in full, only be enforced by the common security agent following instructions to this effect from the agent under the Revolving Credit Facility and, thereafter, on the instructions of the trustee for the Zero Coupon Secured Notes and (2) that the security which secures the Company's obligations under the Zero Coupon Secured Notes on a first ranking basis may only be enforced by the common security agent following instructions to this effect from the trustee for the Zero Coupon Secured Notes; and

- Each Warrant will carry the right to subscribe for one new ordinary share in the share capital of the Company at an exercise price of S$0.110 per share. Assuming all the Warrants are exercised, the warrants will provide approximately S$137.7 million additional capital to the Group.

The Proposed Preferential Offering will only be completed if the Proposals are sanctioned and approved by the passing of the Extraordinary Resolutions for both Series of Existing Notes and the resolutions relating to the Proposed Preferential Offering are approved by Shareholders.

The Company believes that the terms of the Zero Coupon Secured Notes and the Warrants are required to sufficiently incentivise its Shareholders to provide the capital required for the implementation of the New Business Plan, for which support has already been forthcoming. While the Zero Coupon Secured Notes will enjoy the benefit of security and potentially, direct equity participation if the Warrants are exercised, they do not pay out any form of interest to their holders and will mature after the New Notes, which provides significant debt service cost reduction and liquidity position improvement to the Group. Security is being provided to the Zero Coupon Secured Notes as it provides the necessary incentive for Shareholders to subscribe and provide new capital to fund the New Business Plan. In addition, the Company believes the arrangement achieves a fair allocation of risks between the holders of the New Notes and the Zero Coupon Secured Notes.

Swap Restructuring

Each of Standard Chartered Bank and The Hongkong and Shanghai Banking Corporation (together, the "**Swap Banks**") extended cross-currency swaps to the Company with respect to the 2017 Notes and the 2018 Notes on their respective issue dates (together, the "**Swap Transactions**").

The Swap Banks and the Company are currently in discussions to convert the Swap Transactions into a senior unsecured term loans (the "**Unsecured Term Loans**"), in an amount approximately equal to the mark-to-market loss resulting from unwinding the Swap Transactions on the Notes Exchanges Record Date (the "**Swap Restructuring**"). As of the date of this Announcement, commercial agreement has yet to be reached.

Benefits of the Proposed Restructuring Plan

The Company believes that the Proposed Restructuring Plan is critical for the Group's long-term business and financial prospects, on the one hand, and the interests of the KrisEnergy Stakeholders (on the other), for the reasons discussed below.

The best available alternative to achieve the objectives of the Company's New Business Plan

With the continued volatility in oil prices and prevailing uncertainty in the oil and gas industry, the Company has considered and reviewed a wide range of alternative funding and liquidity options over the preceding two-year period, and following extensive consultation and detailed consideration, believes that the Proposed Restructuring Plan is the best available alternative for the Company to achieve the objectives of its New Business Plan, as described above.

With the new capital raised from the Zero Coupon Secured Notes if the Proposed Preferential Offering is successful, the Company will allocate these funds to the further development of the G10/48 oilfield, and development of G6/48 and Cambodia Block A oilfields. These are the core assets in the Group's strategy to generate cash flow from operations and thereby provide for the repayment of its obligations under the New Notes in 2022 and 2023.

An appropriate allocation of risk and potential reward among the KrisEnergy Stakeholders

The Company believes that the Proposed Restructuring Plan achieves an appropriate allocation of risks and potential reward among the KrisEnergy Stakeholders through the optimal use of security, interest rate, maturity profile, covenant protection and equity interest devices across the KrisEnergy Stakeholders' respective capital instruments and relative positions in the Company's capital structure.

Strong support provided *by other KrisEnergy Stakeholders*

DBS Bank Ltd., as the RCF Lender has demonstrated its support for the Company's New Business Plan in agreeing to the RCF Restructuring (including the provision of the Bridge Upsize).

Similarly, both Keppel and First Reserve, as the Company's two controlling shareholders, have demonstrated confidence in the Group and the merits of the New Business Plan by supporting the terms of the Proposed Preferential Offering and are in discussions with the Company to undertake to inter alia, vote in favour of the Proposed Preferential Offering Resolution, which is conditional on the Noteholders' approval and sanctioning of the Proposals. Further, in the event that the Proposals are approved and sanctioned by the Noteholders, KOG or Devan (as applicable) will also undertake to subscribe for any and all excess Zero Coupon Secured Notes with Warrants which are not successfully subscribed for under the Proposed Preferential Offering.

However, achieving the required financial position and optimal capital structure required to execute the New Business Plan will depend largely on the successful execution of the Proposed Restructuring Plan, for which the Noteholders support, through the approval and sanction of the Proposals, is equally as vital.

Accordingly, the Company believes that, if approved, the implementation of the Proposals will lead to the successful execution of the Proposed Restructuring Plan which will provide the Group with a stable and sustainable capital structure, achieve a reduction in its short-term cash debt service obligations and enhance its liquidity position, which are the essential preconditions for the successful execution of the New Business Plan. In turn, the Company further believes that its New Business Plan will enable the Company to achieve its strategic objectives and preserve, invest in, and maximise the value of its assets for all KrisEnergy Stakeholders in the long-term.

For further details on the Consent Solicitation, Noteholders are advised to refer to the notices of meetings published in *The Business Times* and announced via SGXNET on 17 November 2016.

A copy of the Consent Solicitation Statement will be mailed to the Noteholders with an address in Singapore. In order to avoid any violation of laws applicable in countries other than Singapore, the Consent Solicitation Statement has not been and will not be mailed to Noteholders who do not presently have an address in Singapore ("**Foreign Noteholders**"). Foreign Noteholders who wish to obtain a copy of the Consent Solicitation Statement should provide in writing such address in Singapore to Tricor Singapore Pte. Ltd. (trading as Tricor Barbinder Share Registration Services), as tabulation agent in connection with the Consent Solicitation, not later than five days before the Consent Deadline (as defined in the Consent Solicitation Statement).

In addition, Noteholders may collect copies of the Consent Solicitation Statement from the office of Tricor Singapore Pte. Ltd. (trading as Tricor Barbinder Share Registration Services), as tabulation agent in connection with the Consent Solicitation, at 80 Robinson Road, #11-02, Singapore 068898 (i) for holders of 2017 Notes, from 17 November 2016, between 9.00 a.m. to 6.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 9.30 a.m. (Singapore time) on 7 December 2016; and (ii) for holders of 2018 Notes, from 17 November 2016, between 9.00 a.m. to 6.00 p.m. (Singapore time) from Mondays to Fridays (excluding public holidays), up to 10.30 a.m. (Singapore time) on 7 December 2016.

Shareholders of the Company who are not otherwise Noteholders will not be eligible to attend or vote at the meeting of the Noteholders either in person or by proxy.

NOTE: this announcement does not constitute an invitation to participate in the Consent Solicitation. No offer or invitation to issue or redeem any securities is being made pursuant to this release. This announcement must be read in conjunction with the Consent Solicitation Statement. This announcement does not constitute or form part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for, any securities of the Company or any other entity.

By order of the Board

Jeffrey S. MacDonald
Executive Director & Interim Chief Executive Officer
17 November 2016

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Bert Grisel (Managing Director)
Chris Liu (Vice President)

Consent Solicitation Agent with respect to the Consent Solicitation Exercise
Standard Chartered Bank[1]

[1] *Standard Chartered Bank is a full service financial institution engaged in various activities which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, market marking, financing, brokerage and other financial and non-financial activities and services. In the ordinary course of their various business activities, Standard Chartered Bank and its affiliates may make or hold (on their own account, on behalf of clients or in their capacity as investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Standard Chartered Bank and its affiliates may have engaged in, and may in the future engage in, investment banking and other commercial dealings with the Company and its subsidiaries, jointly controlled entities or associated companies, as well as shareholders of the Company and with persons and entities with relationships with the Company and its shareholders, for which they have received or will receive customary fees and expenses.*